



Shell Offshore Inc.

150 N. Dairy Ashford

EPC Room F-1210B

Houston, TX 77079

Tel +1 832 337 6732

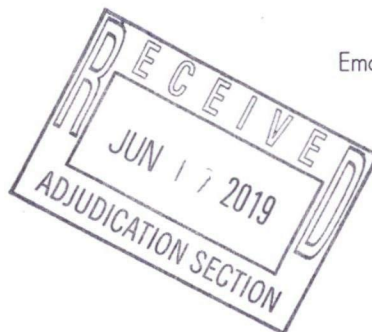
Fax +1 832 337 5646

Email: cynthia.kraus@shell.com

VIA OVERNIGHT MAIL

June 14, 2019

Bureau of Ocean Energy Management
ATTN Adjudication Dept. (MS GM 231A)
ATTN Ms. Colette Worcester
1201 Elmwood Park Boulevard
New Orleans, LA, 70123-2349



Dear Ms. Worcester:

**SUBJECT: NON REQUIRED FILING – CATEGORY 1
MORTGAGE, DEED OF TRUST, SECURITY AGREEMENT
NON REQUIRED FILING – CATEGORY 3
UCC FILINGS AND FINANCIAL STATEMENTS
PROSPECT BLACKTIP**

**ALAMINOS CANYON BLOCK 380, FEDERAL OIL & GAS LEASE OCS-G 32954
ALAMINOS CANYON BLOCK 381, FEDERAL OIL & GAS LEASE OCS-G 36104
ALAMINOS CANYON BLOCK 423, FEDERAL OIL & GAS LEASE OCS-G 32963
ALAMINOS CANYON BLOCK 424, FEDERAL OIL & GAS LEASE OCS-G 32964
(REF – SEPCo/SOI SERVICE AGREEMENT)**

Enclosed please find a Memorandum of Unit Operating Agreement between **Shell Offshore Inc. (Company No. 00689)** and **Chevron U.S.A. Inc. (Company No. 00078)**, **Equinor Gulf of Mexico Inc. (Company No. 02748)** and **Repsol E&P USA Inc. (Company No. 02805)** to be filed in **Non-Required Filing Category 1** (Mortgage, Deed of Trust, Security Agreement) for each of the above subject leases.

Also enclosed please find a UCC Financing Statement between **Shell Offshore Inc. (Company No. 00689)** and **Chevron U.S.A. Inc. (Company No. 00078)** to be filed in **Non-Required Filing Category 3** (UCC Filings and Financial Statements) for each of the above subject leases.

I have paid the adjudication fees for each category and have attached a copy of the payment confirmations received via Pay.gov.

Should you have any questions please contact me via e-mail at cynthia.kraus@shell.com or at (832) 337-6732.

Sincerely,

Cynthia B. Kraus
Land Technician – GOM Exploration

Enclosures

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional) Cindy Kraus +1 832 337 6732
B. E-MAIL CONTACT AT FILER (optional) cynthia.kraus@shall.com
C. SEND ACKNOWLEDGMENT TO: (Name and Address) Shell Offshore Inc. ATTN Cindy Kraus EPC F-1210B 150 N. Dairy Ashford Houston, TX 77079

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME Equinor Gulf of Mexico LLC				
OR	1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
1c. MAILING ADDRESS 2107 CityWest Boulevard		CITY Houston	STATE TX	POSTAL CODE 77042
			COUNTRY USA	

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME Shell Offshore Inc.				
OR	2b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
2c. MAILING ADDRESS 150 N. Dairy Ashford		CITY Houston	STATE TX	POSTAL CODE 77079
			COUNTRY USA	

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME Shell Offshore Inc.				
OR	3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
3c. MAILING ADDRESS 150 N. Dairy Ashford, Room F-1210B		CITY Houston	STATE TX	POSTAL CODE 77079
			COUNTRY USA	

4. COLLATERAL: This financing statement covers the following collateral:

See Exhibit A attached hereto for a description of the collateral

5. Check only if applicable and check only one box: Collateral is ☐ held in a Trust (see UCC1Ad, item 17 and Instructions) ☐ being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box:

☐ Public-Finance Transaction ☐ Manufactured-Home Transaction ☐ A Debtor is a Transmitting Utility

6b. Check only if applicable and check only one box:

☐ Agricultural Lien ☐ Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): ☐ Lessee/Lessor ☐ Consignee/Consignor ☐ Seller/Buyer ☐ Bailee/Bailor ☐ Licensee/Licensor

8. OPTIONAL FILER REFERENCE DATA:

Memorandum of Unit Operating Agreement - Blacktip

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS

9. NAME OF FIRST DEBTOR: Same as line 1a or 1b on Financing Statement; if line 1b was left blank because Individual Debtor name did not fit, check here ☐

9a. ORGANIZATION'S NAME

Equinor Gulf of Mexico LLC

OR

9b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S)

SUFFIX

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

10. DEBTOR'S NAME: Provide (10a or 10b) only one additional Debtor name or Debtor name that did not fit in line 1b or 2b of the Financing Statement (Form UCC1) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name) and enter the mailing address in line 10c

10a. ORGANIZATION'S NAME

OR

10b. INDIVIDUAL'S SURNAME

INDIVIDUAL'S FIRST PERSONAL NAME

INDIVIDUAL'S ADDITIONAL NAME(S)/INITIAL(S)

SUFFIX

10c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

11. ☒ ADDITIONAL SECURED PARTY'S NAME or ☐ ASSIGNOR SECURED PARTY'S NAME: Provide only one name (11a or 11b)

11a. ORGANIZATION'S NAME

Equinor Gulf of Mexico LLC

OR

11b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S)

SUFFIX

11c. MAILING ADDRESS

2107 CityWest Boulevard, Suite 100

CITY

Houston

STATE

TX

POSTAL CODE

77042

COUNTRY

USA

12. ADDITIONAL SPACE FOR ITEM 4 (Collateral):

13. ☒ This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS (if applicable)

14. This FINANCING STATEMENT:

☐ covers timber to be cut

☒ covers as-extracted collateral

☒ is filed as a fixture filing

15. Name and address of a RECORD OWNER of real estate described in item 16 (if Debtor does not have a record interest):

16. Description of real estate:

See Exhibit A attached hereto

17. MISCELLANEOUS:

Memorandum of Unit Operating Agreement - Blacktip

International Association of Commercial Administrators (IACA)

FILING OFFICE COPY — UCC FINANCING STATEMENT ADDENDUM (Form UCC1Ad) (Rev. 04/20/11)

UCC FINANCING STATEMENT ADDITIONAL PARTY

FOLLOW INSTRUCTIONS

18. NAME OF FIRST DEBTOR: Same as line 1a or 1b on Financing Statement; if line 1b was left blank because Individual Debtor name did not fit, check here ☐

18a. ORGANIZATION'S NAME

Equinor Gulf of Mexico LLC

OR

18b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S)

SUFFIX

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

19. ADDITIONAL DEBTOR'S NAME: Provide only one Debtor name (19a or 19b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name)

19a. ORGANIZATION'S NAME

Repsol E&P USA Inc.

OR

19b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S)

SUFFIX

19c. MAILING ADDRESS

2455 Technology Forest Boulevard

CITY

The Woodlands

STATE

TX

POSTAL CODE

77381

COUNTRY

USA

20. ADDITIONAL DEBTOR'S NAME: Provide only one Debtor name (20a or 20b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name)

20a. ORGANIZATION'S NAME

Chevron U.S.A. Inc.

OR

20b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S)

SUFFIX

20c. MAILING ADDRESS

1500 Louisiana

CITY

Houston

STATE

TX

POSTAL CODE

77002

COUNTRY

USA

21. ADDITIONAL DEBTOR'S NAME: Provide only one Debtor name (21a or 21b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name)

21a. ORGANIZATION'S NAME

OR

21b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S)

SUFFIX

21c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

22. ☒ ADDITIONAL SECURED PARTY'S NAME or ☐ ASSIGNOR SECURED PARTY'S NAME: Provide only one name (22a or 22b)

22a. ORGANIZATION'S NAME

Repsol E&P USA Inc.

OR

22b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S)

SUFFIX

22c. MAILING ADDRESS

2455 Technology Forest Blvd., Room 7129

CITY

The Woodlands

STATE

TX

POSTAL CODE

77381

COUNTRY

USA

23. ☒ ADDITIONAL SECURED PARTY'S NAME or ☐ ASSIGNOR SECURED PARTY'S NAME: Provide only one name (23a or 23b)

23a. ORGANIZATION'S NAME

Chevron U.S.A. Inc.

OR

23b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S)

SUFFIX

23c. MAILING ADDRESS

1500 Louisiana, Suite 14-046

CITY

Houston

STATE

TX

POSTAL CODE

77002

COUNTRY

USA

24. MISCELLANEOUS:

Memorandum of Unit Operating Agreement - Blacktip

SPACE ABOVE THIS LINE
RESERVED
FOR RECORDERS
USE

Filing prepared by:
Cindy Kraus
Shell Offshore Inc.
150 N. Dairy Ashford
Room EPC F-1210B
Houston, TX 77079
(832) 337-6732

After recording, please return by mail to:
Shell Offshore Inc.
150 N. Dairy Ashford
Room EPC F-1210B
Houston, TX 77079
Attn: Cindy Kraus

EXHIBIT "A"
MEMORANDUM OF UNIT OPERATING AGREEMENT, MORTGAGE, SECURITY
AGREEMENT, AND FINANCING STATEMENT
PROSPECT BLACKTIP

Parties to document:

Operator:
Shell Offshore Inc.
150 N. Dairy Ashford
Houston, Texas 77079
Phone: 832-337-6732

Non-Operators:
Equinor Gulf of Mexico LLC
2107 CityWest Boulevard, Suite 100
Houston, Texas 77042
Phone: 713-579-9897

Repsol E&P USA Inc.
2455 Technology Forest Boulevard
The Woodlands, Texas 77381
Phone: 832-442-8132

Chevron U.S.A. Inc.
1500 Louisiana
Houston, TX 77002
Phone: 832-854-6000

Clerk: As explained in greater detail in the accompanying cover letter, please index with each party as "Grantor" and each party as "Grantee." This filing relates to offshore mineral leases whose description can be found on Attachment 1 to this document.

**MEMORANDUM OF UNIT OPERATING AGREEMENT, MORTGAGE, SECURITY
AGREEMENT, AND FINANCING STATEMENT**

- 1.0 This Memorandum of Unit Operating Agreement, Mortgage, Security Agreement, and Financing Statement (this "Memorandum") is effective as of the effective date of the Operating Agreement referred to in Paragraph 2.0 below (the "Effective Date") and is executed by Shell Offshore Inc. (the "Operator"), whose mailing address is P.O. Box 61933, New Orleans, LA 70161, and Equinor Gulf of Mexico LLC, whose address is 2107 CityWest Boulevard, Suite 100, Houston, Texas 77042, Repsol E&P USA Inc., whose address is 2455 Technology Forest Boulevard, The Woodlands, Texas 77381 and Chevron U.S.A. Inc., whose address is 1500 Louisiana, Houston, Texas 77002. Equinor Gulf of Mexico LLC, Repsol E&P USA Inc. and Chevron U.S.A. Inc. are each individually referred to herein as "Non-Operator" and collectively referred to herein as "Non-Operators".
- 2.0 The Operator and the Non-Operators are parties to that certain Unit Operating Agreement for Prospect Blacktip, dated effective January 1, 2019 (the "Operating Agreement"), as amended, providing for the development and production of crude oil, natural gas and associated substances from the lands and oil and gas lease described in Exhibit "A" of the Operating Agreement (hereinafter called the "Contract Area") (such lands and oil and gas lease(s) being more particularly described in Attachment "1" to this Memorandum) and designating Shell Offshore Inc. as the Operator, to conduct such operations for itself and the undersigned Non-Operators. All such leases (or portions thereof) identified in Exhibit "A" of the Operating Agreement and Attachment "1" to this Memorandum and any future oil and gas leases that may be acquired by the Operator and the Non-Operators and added to the Contract Area as substitutions for, or replacements of, existing leases or as leases acquired in the future covering lands included in the Contract Area are hereinafter collectively called the "Leases."
- 3.0 Among other provisions, the Operating Agreement (i) provides for certain liens, mortgages, pledges and security interests to secure payment by the parties of their respective share of costs and performance of other obligations under the Operating Agreement, (ii) contains an Accounting Procedure, which establishes interest to be charged on indebtedness, certain costs, and other expenses under the Operating Agreement at the rate set forth therein, and which provides for other matters, (iii) includes non-consent clauses which establish that parties who elect not to participate in certain operations shall be deemed to have relinquished their interest in production until the carrying consenting parties recover their costs of such operations plus a specified amount, and (iv) grants certain preferential rights to purchase.
- 4.0 The Operator hereby certifies that a true and correct copy of the Operating Agreement is on file and is available for inspection by third parties at the offices of the Operator at the address set forth in this Memorandum.
- 5.0 In addition to any other security rights and remedies provided for by law with respect to services rendered or materials and equipment furnished under the Operating Agreement, for and in consideration of the covenants and mutual undertakings of the Operator and each Non-Operator set forth in the Operating Agreement, the Operator and each Non-Operator hereby agree as follows:

- 5.1 To secure the complete and timely performance of and payment by each Non-Operator of all obligations and indebtedness of every kind and nature, whether now owed by such Non-Operator or hereafter arising, pursuant to the Operating Agreement, each Non-Operator hereby grants to the Operator a lien, mortgage, hypothecation, and pledge of and over all of its rights, titles, and interests in and to (a) the Leases, (b) the oil and gas in, on, under, and that may be produced from the lands within the Contract Area, and (c) all other immovable property susceptible of mortgage situated within the Contract Area.
- 5.2 To secure the performance of and payment by each Non-Operator of all obligations and indebtedness, whether now owed by such Non-Operator or hereafter arising, pursuant to the Operating Agreement, each Non-Operator hereby grants to the Operator a continuing security interest in and to all of its rights, titles, interests, claims, general intangibles, proceeds and products thereof, whether now existing or hereafter acquired, in and to (a) all oil, gas, and other minerals produced from the lands covered by the Leases or the Contract Area or attributable to the Leases or included within the Contract Area when produced; (b) all accounts receivable accruing or arising as a result of the sale of such oil, gas, and other minerals (including, without limitation, accounts arising from gas imbalances or from the sale of oil, gas and other minerals at the wellhead); (c) all cash or other proceeds from the sale of such oil, gas, and other minerals once produced; and (d) all platforms, wells, facilities, fixtures, other corporeal property whether movable or immovable, whether now or hereafter placed on the offshore blocks covered by the Leases or the Contract Area or maintained or used in connection with the ownership, use or exploitation of the Leases or the Contract Area, and other surface and sub-surface equipment of any kind or character located on or attributable to the Leases or the Contract Area and the cash or other proceeds realized from the sale, transfer, disposition or conversion thereof. The interest of each Non-Operator in and to the oil, gas, and other minerals produced from or attributable to the Leases when extracted and the accounts receivable accruing or arising as the result of the sale thereof shall be financed at the wellhead of the well or wells located on the Leases or the Contract Area. To the extent permissible under applicable law, the security interest granted by each Non-Operator hereunder covers: (a) all substitutions, replacements, and accessions to the property of such Non-Operator described herein and is intended to cover all of the rights, titles and interests of such Non-Operator in all movable property now or hereafter located upon or used in connection with the Contract Area, whether corporeal or incorporeal; (b) all rights under any gas balancing agreement, farmout agreement, option farmout agreement, acreage and cash contributions, and conversion rights of such Non-Operator in connection with the Leases or the Contract Area, the oil, gas and other minerals produced from or attributable to the Leases, or the Contract Area, whether now owned and existing or hereafter acquired or arising, including, without limitation, all interests of each Non-Operator in any partnership, tax partnership, limited partnership, association, joint venture, or other entity or enterprise that holds, owns, or controls any interest in the Contract Area; and (c) all rights, claims, general intangibles, and proceeds, whether now existing or hereafter acquired, in and to the contracts, agreements, permits, licenses, rights-of-way, and similar rights and privileges that relate to or are appurtenant to any of the Leases or the Contract Area, including the following:

- (i) all of its rights, titles, and interests, whether now owned and or existing or hereafter acquired or arising, in, to and under or derived from any present or future operating, farmout, bidding, pooling, unitization, and communitization agreements, assignments, and subleases, whether or not described in Exhibit "A" of the Operating Agreement, to the extent, and only to the extent, that such agreements, assignments, and subleases cover or include any of its rights, titles, and interests, whether now owned and existing or hereafter acquired or arising, in and to all or any portion of the Leases or the Contract Area, and all units created by any such pooling, unitization, and communitization agreements and all units formed under orders, regulations, rules, or other official acts of any governmental authority having jurisdiction, to the extent and only to the extent that such units cover or include all or any portion of the Leases or the Contract Area;
- (ii) all of its rights, titles, and interests, whether now owned and existing or hereafter acquired or arising, in, to, and under or derived from all presently existing and future advance payment agreements, oil, casinghead gas, and gas sales, exchange, and processing contracts and agreements, including, without limitation, those contracts and agreements that are described on Exhibit "A" of the Operating Agreement, to the extent, and only to the extent, those contracts and agreements cover or include all or any portion of the Leases or the Contract Area; and
- (iii) all of its rights, titles, and interests, whether now owned and existing or hereafter acquired or arising, in, to, and under or derived from all existing and future permits, licenses, rights-of-way, and similar rights and privileges that relate to or are appurtenant to any of the Leases or the Contract Area.

5.3 The entire amount of obligations and indebtedness of each Non-Operator to the Operator is secured hereby without limitation. The liability of each Non-Operator under this Memorandum and the mortgage and security interest granted hereby shall be limited to (and the Operator shall not be entitled to enforce the same against such Non-Operator for, an amount exceeding) the actual obligations and indebtedness (including all interest charges, costs, attorneys' fees, and other charges provided for in this Memorandum or in the Operating Agreement) outstanding and unpaid and that are attributable to or charged against the interest of such Non-Operator pursuant to the Operating Agreement. **For clarity, there is no predetermined limit on potential obligations and liabilities pursuant to the Operating Agreement, and the mortgage, hypothecation, pledge, liens and security interests created under the Operating Agreement and this Memorandum are in addition to any and all rights and remedies under law.**

5.4 This Memorandum (including a carbon, photographic, or other reproduction thereof and hereof) shall constitute a non-standard form of financing statement under the terms of Chapter 9 of the Texas Business & Commercial Code, VTCA Bus. & Com. Code §§9.101 thru 709 et seq. (the "Uniform Commercial Code", as adopted in the State of Texas) and, as such, for the purposes of the security interest in favor of the Operator, may be filed for record in the office of the Clerk of Court of any county in

the State of Texas, with Operator being the secured party and Non-Operator being the debtor with respect to such filing.

- 5.5 To secure the complete and timely performance of and payment by the Operator to the Non-Operators of all obligations and indebtedness of every kind and nature, whether now owed by Operator or hereafter arising, pursuant to the Operating Agreement, Operator hereby grants to each Non-Operator a lien, mortgage, hypothecation, and pledge of and over all of its rights, titles, and interests in and to (a) the Leases, (b) the oil and gas in, on, under, and that may be produced from the lands within the Contract Area, and (c) all other immovable property susceptible of mortgage situated within the Contract Area.
- 5.6 To secure the performance of and payment by the Operator of all obligations and indebtedness, whether now owed by the Operator or hereafter arising, pursuant to the Operating Agreement, the Operator hereby grants to each Non-Operator a continuing security interest in and all of its rights, titles, interests, claims, general intangibles, proceeds, and products thereof, whether now existing or hereafter acquired, in and to (a) all oil, gas, and other minerals produced from the lands covered by the Leases or included within the Contract Area or attributable to the Leases or the Contract Area when produced; (b) all accounts receivable accruing or arising as a result of the sale of such oil, gas, and other minerals (including, without limitation, accounts arising from gas imbalances or from the sale of oil, gas and other minerals at the wellhead); (c) all cash or other proceeds from the sale of such oil, gas, and other minerals once produced; and (d) all platforms, wells, facilities, fixtures, other corporeal property whether movable or immovable, whether now or hereafter placed on the offshore blocks covered by the Leases or the Contract Area or maintained or used in connection with the ownership, use or exploitation of the Leases or the Contract Area, and other surface and sub-surface equipment of any kind or character located on or attributable to the Leases or the Contract Area and the cash or other proceeds realized from the sale, transfer, disposition or conversion thereof. The interest of the Operator in and to the oil, gas, and other minerals produced from or attributable to the Leases when extracted and the accounts receivable accruing or arising as the result of the sale thereof shall be financed at the wellhead of the well or wells located on the Leases or the Contract Area. To the extent permissible under applicable law, the security interest granted by the Operator hereunder covers: (a) all substitutions, replacements, and accessions to the property of the Operator described herein and is intended to cover all of the rights, titles and interests of the Operator in all movable property now or hereafter located upon or used in connection with the Contract Area, whether corporeal or incorporeal; (b) all rights under any gas balancing agreement, farmout agreement, option farmout agreement, acreage and cash contributions, and conversion rights of the Operator in connection with the Leases or the Contract Area, the oil, gas, and other minerals produced from or attributable to the Leases, or the Contract Area, whether now owned or existing or hereafter acquired or arising, including, without limitation, all interests of the Operator in any partnership, tax partnership, limited partnership, association, joint venture, or other entity or enterprise that holds, owns, or controls any interest in the Contract Area; and (c) all rights, claims, general intangibles, and proceeds, whether now existing or hereafter acquired, in and to the contracts, agreements, permits, licenses, rights-of-way, and

similar rights and privileges that relate to or are appurtenant to any of the Leases or the Contract Area, including the following:

- (i) all of its rights, titles, and interests, whether now owned and existing or hereafter acquired or arising, in, to, and under or derived from any present or future operating, farmout, bidding, pooling, unitization, and communitization agreements, assignments, and subleases, whether or not described in Exhibit "A" of the Operating Agreement, to the extent, and only to the extent, that such agreements, assignments, and subleases cover or include any of its rights, titles, and interests, whether now owned and existing or hereafter acquired or arising, in and to all or any portion of the Leases or the Contract Area, and all units created by any such pooling, unitization, and communitization agreements and all units formed under orders, regulations, rules, or other official acts of any governmental authority having jurisdiction, to the extent and only to the extent that such units cover or include all or any portion of the Leases or the Contract Area;
- (ii) all of its rights, titles, and interests, whether now owned and existing or hereafter acquired or arising, in, to and under or derived from all presently existing and future advance payment agreements, oil, casinghead gas, and gas sales, exchange, and processing contracts and agreements, including, without limitation, those contracts and agreements that are described on Exhibit "A" of the Operating Agreement, to the extent, and only to the extent, those contracts and agreements cover or include all or any portion of the Leases or the Contract Area; and
- (iii) all of its rights, titles, and interests, whether now owned and existing or hereafter acquired or arising, in, to, and under or derived from all existing and future permits, licenses, rights-of-way, and similar rights and privileges that relate to or are appurtenant to any of the Leases or the Contract Area.

Each party to the Operating Agreement paying its share of unpaid expenses pursuant to Section 6.5 (Unpaid Charges) of the Operating Agreement, shall, to obtain reimbursement thereof, be subrogated to the security rights described herein.

- 5.7 The entire amount of obligations and indebtedness of the Operator to the Non-Operators is secured hereby without limitation. The liability of the Operator under this Memorandum and the mortgage and security interest granted hereby shall be limited to (and the Non-Operators shall not be entitled to enforce the same against Operator for, an amount exceeding) the actual obligations and indebtedness (including all interest charges, costs, attorneys' fees, and other charges provided for in this Memorandum or in the Operating Agreement) outstanding and unpaid and that are attributable to or charged against the interest of the Operator pursuant to the Operating Agreement. **For clarity, there is no predetermined limit on potential obligations and liabilities pursuant to the Operating Agreement, and the mortgage, hypothecation, pledge, liens and security interests created under the Operating Agreement and this Memorandum are in addition to any and all rights and remedies under law.**

- 5.8 For the purposes of the security interest in favor of the Non-Operator, this Memorandum (including a carbon, photographic, or other reproduction thereof and hereof) may be filed as a non-standard form of financing statement pursuant to the Uniform Commercial Code in the office of the Clerk of Court of any county in the State of Texas, with Non-Operator being the secured party and Operator being the debtor with respect to such filing.
- 6.0 This Memorandum is to be filed or recorded, as the case may be, in (a) the conveyance records of the county or counties adjacent to the offshore blocks contained within the Contract Area pursuant to VTCA Bus. & Com. Code § 9.501 to serve as notice of the existence of the Operating Agreement as a burden on the title of the Operator and the Non-Operator to their interests in and to the Leases and the Contract Area, (b) the mortgage records of the county or counties adjacent to the offshore blocks contained within the Contract Area, (c) the non-required records of the United States Department of the Interior Bureau of Ocean Energy Management with respect to each of the Leases, and (d) the appropriate Uniform Commercial Code records. All parties to the Operating Agreement are identified on Attachment "1" hereto. All farmors and option farmors, if any, who have granted support within the Contract Area are identified on Attachment "2" to be attached hereto if any such farmors have granted support within the Contract Area.
- 7.0 If performance of any obligation under the Operating Agreement or payment of any indebtedness created thereunder does not occur or is not made when due under the Operating Agreement or on default of any covenant or condition of the Operating Agreement, in addition to any other remedy afforded by law, each party to the Operating Agreement and any successor to such party by assignment, operation of law, or otherwise, shall have, and is hereby given and vested with, the power and authority to foreclose the security interest established in its favor in the Operating Agreement and herein in the manner provided by law and to exercise all rights of a secured party under the Uniform Commercial Code. If any Non-Operator does not pay its indebtedness or perform its obligations under the Operating Agreement when due, the Operator shall have the additional right to (i) withhold delivery of such Non-Operator's Hydrocarbons and retain them for Operator's own account and ownership, or (ii) notify the purchaser or purchasers of the defaulting Non-Operator's production and collect such indebtedness out of the proceeds from the sale of the defaulting Non-Operator's share of production until the amount owed has been paid. Each purchaser shall be entitled to rely on the Operator's statement concerning the amount owed by such defaulting Non-Operator. The Operator shall have the right to offset the amount of indebtedness owed by the defaulting Non-Operator against any payment made to the Operator by any purchaser, and such payment made to the Operator by any purchaser shall be binding and conclusive as between such purchaser and such defaulting Non-Operator.
- 8.0 Upon expiration of the Operating Agreement and the satisfaction of all obligations and indebtedness established thereunder, on behalf of all parties to the Operating Agreement, the Operator shall file of record an appropriate release and termination of all security and other rights created under the Operating Agreement and this Memorandum. Upon the filing of such release and termination instrument, all benefits and obligations under this Memorandum shall terminate as to all parties who have executed or ratified this Memorandum. In addition, at any time prior to the filing of such release and termination instrument, the Operator and the Non-Operators shall have the right to file a continuation statement pursuant to the

Uniform Commercial Code with respect to any financing statement or reinscription statement to the mortgage records filed in their favor under the terms of this Memorandum.

- 9.0 It is understood and agreed by the parties hereto that if any part, term, or provision of this Memorandum is held by the courts to be illegal or in conflict with any law of the state where made, the validity of the remaining portions or provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Memorandum did not contain the particular part, term or provision held to be invalid.
- 10.0 This Memorandum shall be binding upon and shall inure to the benefit of the parties hereto and to their respective legal representatives, successors and permitted assigns. The failure of one or more persons owning an interest in the Contract Area to execute this Memorandum shall not in any manner affect the validity of the Memorandum as to those persons who execute this Memorandum.
- 11.0 A party having an interest in the Contract Area may ratify this Memorandum by execution and delivery of an instrument of ratification, adopting and entering into this Memorandum, and such ratification shall have the same effect as if the ratifying party had executed this Memorandum or a counterpart thereof. By execution or ratification of this Memorandum, such party hereby consents to its ratification and adoption by any party who acquires or may acquire any interest in the Contract Area.
- 12.0 This Memorandum may be executed or ratified in one or more counterparts and all of the executed or ratified counterparts shall together constitute one instrument. For purposes of recording, in each of the records described in Paragraph 6 above, duplicate copies of this Memorandum with individual signature pages attached thereto are required to be filed of record, one copy of each to be indexed in the name of the Operator, as grantor, and one copy of each to be indexed in the name of each Non-Operator, as grantor, and duplicate copies of this Memorandum with individual signature pages attached thereto shall be filed in the appropriate Uniform Commercial Code records, one filing for the Operator, as secured party, and another filing for each Non-Operator, as secured parties. The respective addresses of the Operator, as both secured party and debtor, and each Non-Operator, as both debtor and secured party, at which information with respect to the security interests created in the Operating Agreement may be obtained, are set forth in Paragraph 1.0 of this Memorandum.
- 13.0 Whenever the context requires, reference herein made to the single number shall be understood to include the plural, and the plural shall likewise be understood to include the singular, and specific enumeration shall not exclude the general, but shall be construed as cumulative.
- 14.0 The Operator and each Non-Operator hereby agree to execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, any instrument or take any action necessary or appropriate to effectuate the terms of the Operating Agreement or any Exhibit, instrument, certificate or other document thereto.

EXECUTED on the dates set forth below each signature but dated effective as of the Effective Date.

WITNESSES:

M. R.

[Signature]

OPERATOR:

Shell Offshore Inc.

By: [Signature]

Name: S. M. Ham

Title: Attorney-in-Fact

Date: FEB 25 2019

NON-OPERATORS:

WITNESSES:

[Signature]

Esmeralda Vega

Equinor Gulf of Mexico LLC

By: Bill Moore

Name: Bill Moore

Title: Land Manager

Date: 3-28-19

WITNESSES:

[Signature]

[Signature]

Repsol E&P USA Inc.

By: [Signature]

Name: Dennis Henderson

Title: Vice President-Land

Date: 3/28/19

WITNESSES:

M. R.

[Signature]

Chevron U.S.A. Inc.

By: [Signature]

Name: Paul G. Walker

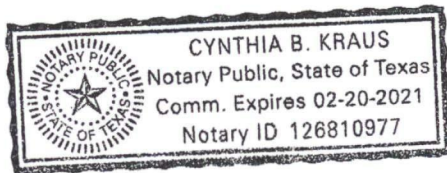
Title: Assistant Secretary

Date: FEB 25 2019

ACKNOWLEDGEMENT
OPERATOR:

STATE OF TEXAS
COUNTY OF HARRIS

On this 25th day of February, 2019, before me, appeared S. M. Ham, to me personally known, who, being by me duly sworn, did say that he is the Attorney-in-Fact of Shell Offshore Inc. and that the foregoing instrument was signed on behalf of the corporation by authority of its Board of Directors and that he acknowledged the instrument to be the free act and deed of the corporation.

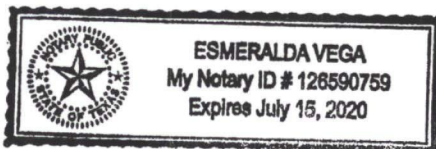


Cynthia B. Kraus
NOTARY PUBLIC

ACKNOWLEDGEMENT
NON-OPERATOR:

STATE OF TEXAS
COUNTY OF HARRIS

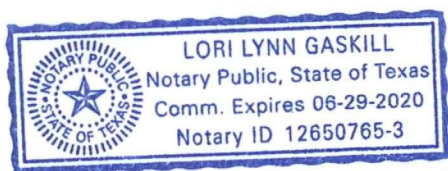
On this 28 day of March, 2019, before me, appeared Bill Moore, to me personally known, who, being by me duly sworn, did say that he is the Land Manager of Equinor Gulf of Mexico LLC and that the foregoing instrument was signed on behalf of the corporation by authority of its Board of Directors and that he acknowledged the instrument to be the free act and deed of the corporation.



Esmeralda Vega
NOTARY PUBLIC

STATE OF TEXAS
COUNTY OF HARRIS

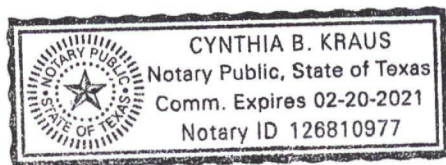
On this 28th day of March, 2019, before me, appeared Dennis Henderson, to me personally known, who, being by me duly sworn, did say that he is the Vice President-Land of Repsol E&P USA Inc. and that the foregoing instrument was signed on behalf of the corporation by authority of its Board of Directors and that he acknowledged the instrument to be the free act and deed of the corporation.




NOTARY PUBLIC

STATE OF TEXAS
COUNTY OF HARRIS

On this 25th day of February, 2019, before me, appeared Paul G. Walker, to me personally known, who, being by me duly sworn, did say that he is the Assistant Secretary of Chevron U.S.A. Inc. and that the foregoing instrument was signed on behalf of the corporation by authority of its Board of Directors and that he acknowledged the instrument to be the free act and deed of the corporation.




NOTARY PUBLIC

ATTACHMENT "1"

Attached to and made a part of that certain Prospect Blacktip Memorandum of Unit Operating Agreement, Mortgage, Security Agreement and Financing Statement

I. Description of Leases in Contract Area

Federal Lease No. OCS-G 32954, effective February 1, 2009, covering Block 380, Alaminos Canyon, OCS Official Protraction Diagram, NG 15-04, containing approximately 5760 acres.

Federal Lease No. OCS-G 36104, effective December 1, 2017, covering Block 381, Alaminos Canyon, OCS Official Protraction Diagram, NG 15-04, containing approximately 5760 acres.

Federal Lease No. OCS-G 32963, effective February 1, 2009, covering Block 423, Alaminos Canyon, OCS Official Protraction Diagram, NG 15-04, INsofar AND ONLY INsofar as such Lease covers the East Half (E/2) of such Block, containing approximately 2880 acres.

Federal Lease No. OCS-G 32964, effective February 1, 2009, covering Block 424, Alaminos Canyon, OCS Official Protraction Diagram, NG 15-04, containing approximately 5760 acres.

II. Working Interests of the Parties

Shell Offshore Inc.	52.375%
Chevron U.S.A. Inc.	20.000%
Equinor Gulf of Mexico LLC	19.125%
Repsol E&P USA Inc.	8.500%

III. Operator

Shell Offshore Inc.

IV. Representatives

Shell Offshore Inc.

Addresses:

Through Initial Appraisal Operations:

Shell Offshore Inc.
701 Poydras Street
New Orleans, Louisiana 70139

Names of Representatives:

Scott M. Ham	(504) 425-7357
E-Mail:	scott.ham@shell.com
Facsimile:	(504) 425-0399

and

Shell Offshore Inc.
150 N. Dairy Ashford
Houston, TX 77079

Jay Pepperman (832) 337-0858
E-Mail: jay.pepperman@shell.com
Facsimile: (832) 337-5646

For Subsequent Appraisal & Development Operations:

During Development Phase:

Shell Offshore Inc.
150 N. Dairy Ashford
Houston, TX 77079

Kenneth J. Loch (832) 337-2171
E-Mail: kenn.loch@shell.com
Facsimile: (832) 337-5646

During Production Operations:

Shell Offshore Inc.
701 Poydras Street
New Orleans, LA 70139

Mark E. Thompson (504) 425-6272
E-Mail: mark.thompson@shell.com
Facsimile: (504) 425-0399

Equinor Gulf of Mexico LLC

Equinor Gulf of Mexico LLC
2107 CityWest Boulevard, Suite 100
Houston, TX 77042

Bill Moore (713) 579-9897
E-Mail: bmoo@equinor.com
Facsimile: (713) 918-8290

Repsol E&P USA Inc.

Repsol E&P USA Inc.
2455 Technology Forest Boulevard
The Woodlands, TX 77381

Scott Smith (832) 663-3709
E-Mail: sysmith@repsol.com
Facsimile: (832) 442-1506

Chevron U.S.A. Inc.

Chevron U.S.A. Inc.
100 Northpark Blvd., N1178B
Covington, LA 70433

Carl Rewerts (985) 773-6356
E-Mail: CarlRewerts@chevron.com

and

Chevron U.S.A. Inc.
1500 Louisiana, RM 20194
Houston, Texas 77002

Paul G. Walker (832) 854-3658
E-Mail: paulgwalker@chevron.com

End of Attachment "1" to Prospect Blacktip Memorandum of Unit Operating Agreement, Mortgage, Security Agreement and Financing Statement

ATTACHMENT "2"

Attached to and made a part of that certain Prospect Blacktip Memorandum of Unit Operating Agreement, Mortgage, Security Agreement and Financing Statement

I. Farmors in Contract Area

None

**End of Attachment "2" to Prospect Blacktip Memorandum of Unit Operating Agreement,
Mortgage, Security Agreement and Financing Statement**