JONES WALKER

RECEIVED
AUG 19 2019
ADJUDICATION SECTION

Robin Riviere
Paralegal
D: 504.582.8269
rriviere@joneswalker.com

August 16, 2019

Bureau of Ocean Energy Management,
Enforcement and Regulation
U.S. Department of the Interior
Gulf of Mexico OCS Region
1201 Elmwood Park Boulevard
New Orleans, Louisiana 70123-2392
Attention: Adjudication

RECEIVED
AUG 20 2019
ADJUDICATION SECTION

Re: First National Bank of Central Texas.
Non-Required Document Filing
Lease files: See Exhibit A (Louisiana)
Our File No.: 16506100

Dear Filing Officer,

I have enclosed the following documents pertaining to the leases on Exhibit A (Louisiana). These documents are submitted for filing purposes only, in order to put third persons on notice as to their execution and efficacy.

1. Mortgage, Assignment of as-extracted Collateral, Security Agreement and Fixture Filing from Sanare Energy Partners, LLC (the "Mortgagor") for the benefit of The First National Bank of Central Texas (the "Mortgagee") dated effective as of August 7, 2019 (Category 1) (Fees: 53*29=$1,537)

2. UCC-1 Financing Statement (Category 3) (Fees: 53*29=$1,537)

Please file these documents, together with a copy of this letter, in the record files for the leases listed on Exhibit A Payment receipts are attached as evidence of payment.

Please stamp date a copy of this letter and attachments as evidence of filing and return to the undersigned.

Please contact me with any questions at 985-778-8103 or 504-582-8269. Thank you.

Yours truly,

Robin M. Riviere

Robin M. Riviere
Paralegal

{N3869207.1}

EXHIBIT A
LOUISIANA LEASE NUMBERS
0CS-G

TAB	LEASE #
1.	0057
2.	0058
3.	0059
4.	0060
5.	0062
6.	0577
7.	0680
8.	0810
9.	0812
10.	00830
11.	00831
12.	00832
13.	01022
14.	01134
15.	01187
16.	01189
17.	1192
18.	01194
19.	01201
20.	01204
21.	01205
22.	1529
23.	1618
24.	2601
25.	2895
26.	4909
27.	5068
28.	5498
29.	5687
30.	5692
31.	7799
32.	12345

33.	12346
34.	12347
35.	12348
36.	12349
37.	13563
38.	13606
39.	17935
40.	17981
41.	21532
42.	21534
43.	21742
44.	22850
45.	23730
46.	24883
47.	25937
48.	26032
49.	27070
50.	28351
51.	32197
52.	32201
53.	32207

Plaquemines Parish Recording Page

Kim Turlich-Vaughan
Clerk of Court
PO Box 40
Belle Chasse, LA 70037
(504) 934-6610

RECEIVED
AUG 19 2019
ADJUDICATION SECTION

Received From :
Attn: ROBIN M. RIVIERE
JONES WALKER LLP
201 ST. CHARLES AVENUE
SUITE 5100
NEW ORLEANS, LA 70170-5100

First DEBTOR
SANARE ENERGY PARTNERS LLC

First SECURED PARTY
FIRST NATIONAL BANK OF CENTRAL TEXAS

Index Type : UCC

FileNumber : 2019-00002572

Type of Document : FINANCING STATEMENT

Book : 3819 **Page :** 747

Recording Pages : 41

Recorded Information

I hereby certify that the attached document was filed for registry and recorded in the Clerk of Court's office for Plaquemines Parish, Louisiana.

On (Recorded Date) : 08/12/2019

At (Recorded Time) : 2:28:03PM

/s/ KYLE C. JOHNSON
Deputy Clerk

Doc ID - 005238710041

Return To : Attn: ROBIN M. RIVIERE

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AUG 19 2019
ADJUDICATION SECTION

STATE OF LOUISIANA
UNIFORM COMMERCIAL CODE - FINANCING STATEMENT
UCC-1

Important - Read Instructions before filing out form.

Follow instructions carefully.

1. Debtor's exact full legal name - insert only one debtor name (1a or 1b) - do not abbreviate or combine names.

OR	1a Organization's Name Sanare Energy Partners, LLC				
	1b Individual's Last Name (and Title of Lineage (e.g. Jr. Sr., III, if applicable)	First Name		Middle Name	
1c Mailing Address 11 Greenway Plaza, Suite 2800	City Houston		State TX	Postal Code 77046	Country USA
1d Tax ID #: SSN or EIN N/A	Add'l info re Organization Debtor:	1e Type of Organization LLC	1f Jurisdiction of Organization Delaware	1g Organizational ID # if any 6392425 ☐ None	

2. Additional debtor's exact full legal name - insert only one debtor name (2a or 2b) - do not abbreviate or combine names.

OR	2a Organization's Name				
	2b Individual's Last Name (and Title of Lineage (e.g. Jr., Sr. III), if applicable)	First Name		Middle Name	
2c Mailing Address	City		State	Postal Code	Country
2d Tax ID #: SSN or EIN	Add'l info re Organization Debtor:	2e Type of Organization	2f Jurisdiction of Organization	2g Organizational ID #, if any ☐ None	

3. Secured Party's Name (or Name of Total Assignee of Assignor S/P) - insert only one secured party name (3a or 3b)

OR	3a Organization's Name THE FIRST NATIONAL BANK OF CENTRAL TEXAS				
	3b Individual's Last Name (and Title of Lineage (e,g. Jr., Sr., III), if applicable	First Name		Middle Name	
3c Mailing Address 1835 N. Valley Mills Drive	City Waco		State TX	Postal Code 76710	Country USA

4. This FINANCING STATEMENT covers the following collateral:

All of the Debtor's rights, title and interests in, under and to the Collateral defined in and more fully described by that certain Mortgage, Assignment of As-Extracted Collateral, Security Agreement and Fixture Filing attached hereto as Addendum A and incorporated herein for all purposes.

5a Check if applicable and attach legal description of real property: ☒ Fixture filing ☒ As-extracted collateral ☐ Standing timber constituting goods
☒ The debtor(s) do not have an interest of record in the real property (Enter name of an owner of record in 5b)

5b Owner of real property (if other than named debtor) United States of America-See "Hydrocarbon Property" description in attached Addendum A

6a Check only if applicable and check only one box
☐ Debtor is a Transmitting Utility. Filing is Effective Until Terminated
☐ Filed in connection with a public finance transaction. Filing is effective for 30 years

6b Check only if applicable and check only one box
Debtor is a ☐ Trust or ☐ Trustee acting with respect to property held in trust or ☐ Decedent's Estate

7. ALTERNATIVE DESIGNATION (If applicable):
☐ CONSIGNEE/CONSIGNOR ☐ LESSEE/LESSOR
☐ SELLER/BUYER ☐ AG. LIEN ☐ BAILEE/BAILOR
☐ NON-UCC-FILING

8. Name and Phone Number to contact filer
David M. Hunter, Esq.

9. Send Acknowledgment To: (Name and Address)
David M. Hunter, Esq.
Jones Walker LLP
201 St. Charles Ave., 50th Floor
New Orleans, LA 70170

10. The space below is for Filing Office Use Only

11. ☐ CHECK TO REQUEST SEARCH REPORT(S) ON DEBTORS (ADDITIONAL FEE REQUIRED) ☐ ALL DEBTORS ☐ DEBTOR1 ☐ DEBTOR2

Execution Version

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:
JONES WALKER LLP
201 St. Charles Avenue, Floor 50
New Orleans, LA 70170
Attn: David M. Hunter

RECEIVED
AUG 19 2019
ADJUDICATION SECTION

MORTGAGE, ASSIGNMENT OF AS-EXTRACTED COLLATERAL, SECURITY AGREEMENT AND FIXTURE FILING

FROM

SANARE ENERGY PARTNERS, LLC,
the Mortgagor

for the benefit of

THE FIRST NATIONAL BANK OF CENTRAL TEXAS,
the Mortgagee

DATED EFFECTIVE AUGUST 7th, 2019

ANY TYPE OF REPRODUCTION OF THIS INSTRUMENT IS SUFFICIENT AS A FINANCING STATEMENT.

THIS INSTRUMENT CONTAINS AFTER-ACQUIRED PROPERTY PROVISIONS.

THIS INSTRUMENT SECURES PAYMENT OF FUTURE ADVANCES.

THIS INSTRUMENT COVERS PROCEEDS OF MORTGAGED PROPERTY.

THIS INSTRUMENT COVERS MINERALS, AS-EXTRACTED COLLATERAL AND OTHER SUBSTANCES OF VALUE WHICH MAY BE EXTRACTED FROM THE EARTH (INCLUDING WITHOUT LIMITATION OIL AND GAS) AND THE ACCOUNTS RELATING THERETO, WILL BE FINANCED AT THE WELLHEADS OF THE WELL OR WELLS LOCATED ON THE PROPERTIES DESCRIBED IN THE EXHIBIT A HERETO. A FINANCING STATEMENT WITH THIS INSTRUMENT ATTACHED IS TO BE FILED IN THE UCC RECORDS OF THE CLERK OF COURT FOR ANY PARISH IN LOUISIANA TO BE INDEXED IN THE CENTRAL UCC REGISTRY WITH THE LOUISIANA SECRETARY OF STATE. MORTGAGOR HAS AN INTEREST OF RECORD IN THE REAL ESTATE CONCERNED, WHICH INTEREST IS DESCRIBED IN THE EXHIBITS ATTACHED HERETO.

PORTIONS OF THE MORTGAGED PROPERTY ARE GOODS WHICH ARE OR ARE TO BECOME AFFIXED TO OR FIXTURES ON THE LANDS DESCRIBED IN OR REFERRED TO IN THE EXHIBITS HERETO. A FINANCING STATEMENT WITH THIS INSTRUMENT ATTACHED IS TO BE FILED AS A FIXTURE FILING IN THE UCC RECORDS OF THE CLERK OF COURT FOR ANY PARISH IN LOUISIANA TO BE INDEXED IN THE CENTRAL UCC REGISTRY WITH THE LOUISIANA SECRETARY OF STATE. MORTGAGOR IS THE OWNER OF RECORD INTEREST IN THE REAL ESTATE CONCERNED, WHICH INTEREST IS DESCRIBED IN THE EXHIBITS ATTACHED HERETO. THIS INSTRUMENT IS ALSO TO BE INDEXED IN THE INDEX OF FINANCING STATEMENTS.

THIS INSTRUMENT MAY BE FILED, AMONG OTHER PLACES, IN THE APPLICABLE RECORDS OF EACH PARISH IN WHICH SAID LAND OR ANY PORTION THEREOF IS LOCATED OR THAT IS ADJACENT TO ANY PORTION OF THE OUTER CONTINENTAL SHELF DESCRIBED IN OR REFERENCED IN THE EXHIBITS ATTACHED HERETO.

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Exhibit A: Hydrocarbon Property

MORTGAGE, ASSIGNMENT OF AS-EXTRACTED COLLATERAL, SECURITY AGREEMENT AND FIXTURE FILING

STATE OF TEXAS

COUNTY OF HARRIS

BE IT KNOWN, that on the 7th day of August 2019, and effective on the 7th day of August 2019 (the "*Effective Date*"), BEFORE ME, the undersigned Notary Public, duly commissioned and qualified under the jurisdiction as set forth below, and in the presence of the undersigned competent witnesses,

PERSONALLY CAME AND APPEARED:

Sanare Energy Partners, LLC (formerly known as Northstar Offshore Ventures LLC, as evidenced by the Certificate of Amendment attached hereto as Annex 1), a Delaware limited liability company ("*Mortgagor*"), whose federal tax identification number is 82-2169415, and whose mailing address is 11 Greenway Plaza, Suite, 2800, Houston, Texas 77046, represented herein by Avery C. Alcorn, its Chief Financial Officer, duly authorized by certified resolutions to be filed separately;

WHO, BEING DULY SWORN, did declare and say as follows:

RECITALS:

A. Mortgagor entered into that certain Loan Agreement, dated as of August 2nd, 2017 (as amended, restated, supplemented, and/or modified from time to time, the "*Loan Agreement*"), with THE FIRST NATIONAL BANK OF CENTRAL TEXAS, a national banking association with a mailing address of 1835 N. Valley Mills Drive, Waco, Texas 76710, Attn: Randall W. Crawford ("*Mortgagee*"), and the guarantors party thereto, pursuant to which Mortgagor has extended to Mortgagee a revolving credit facility up to the principal amount of Nineteen Million and 00/100 Dollars (US $19,000,000), as evidenced by that certain Promissory Note dated as of August 2nd, 2017 (together with all renewals, extensions, substitutions, modifications, refinancings or replacements, the "*Notes*") by Mortgagor in favor of Mortgagee.

B. To induce Mortgagee to make certain extensions of credit to Mortgagor pursuant to the Loan Agreement and the Notes and as required under the Loan Agreement with respect to after-acquired properties, Mortgagor has agreed to execute and deliver this Mortgage, Assignment of As-Extracted Collateral, Security Agreement and Fixture Filing ("*Mortgage*") to Mortgagee. Capitalized terms used herein and not defined herein shall have the meanings given to them in the Loan Agreement.

C. Mortgagee has conditioned its obligations under the Loan Agreement and the Notes upon the execution and delivery by Mortgagor of this Mortgage, and Mortgagor has agreed to enter into this Mortgage to secure its obligations under the Loan Agreement and the Notes.

D. Therefore, in order to comply with the terms and conditions of the Loan Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Mortgagor hereby agrees as follows:

ARTICLE I
GRANT OF LIEN AND INDEBTEDNESS SECURED

Section 1.01 Grant of Liens. To secure payment of the Indebtedness (as hereinafter defined) and the performance of the covenants and obligations herein contained, Mortgagor does by these presents hereby MORTGAGE, ASSIGN, WARRANT, HYPOTHECATE and PLEDGE to Mortgagee, and GRANT to Mortgagee a CONTINUING SECURITY INTEREST, in and to the real (immovable) and personal (movable) property, rights, titles, interests and estates described in the following paragraphs (a) through (f), as appropriate, (collectively called the "*Mortgaged Property*"):

(a) All rights, titles, interests and estates now owned or hereafter acquired by Mortgagor in and to the oil and gas leases and/or oil, gas, other mineral leases, overriding royalty interests, and other interests and estates and all of the hereinafter described properties, rights and interests that are located in (or cover properties located within) the State of Louisiana, or which are located within (or cover property located within) the offshore area over which the Louisiana State Mineral and Energy Board or The Bureau of Ocean Energy Management ("*BOEM*") asserts jurisdiction and to which the laws of the State of Louisiana are applicable in their own right or as surrogate federal law through the Outer Continental Shelf Lands Act with respect to this Mortgage and/or lien or security interests created hereby and are described on Exhibit A hereto (collectively called the "*Hydrocarbon Property*") or which Hydrocarbon Property is otherwise referred to herein, and specifically, but without limitation, the undivided interests of Mortgagor which are more particularly described on attached Exhibit A. (To the extent Mortgagor acquires additional Hydrocarbon Property not described on Exhibit A, Mortgagor shall execute and file an amendment and supplement to this Mortgage, in form and substance satisfactory to Mortgagee, in order to include such additional Hydrocarbon Property as Mortgaged Property hereunder.)

(b) All rights, titles, interests and estates now owned or hereafter acquired by Mortgagor in and to (i) the properties now or hereafter pooled or unitized with the Hydrocarbon Property; (ii) all presently existing or future unitization, communitization, pooling agreements and declarations of pooled units and the units created thereby (including, without limitation, all units created under orders, regulations, rules or other official acts of any Federal, State or other governmental body or agency having jurisdiction and any units created solely among working interest owners pursuant to operating agreements or otherwise) which may affect all or any portion of the Hydrocarbon Property, including, without limitation, those units which may be described or referred to on the attached Exhibit A; (iii) all operating agreements, production sales or other contracts, farmout agreements, farm-in agreements, area of mutual interest agreements, equipment leases and other agreements described or referred to in this Mortgage or which relate

to any of the Hydrocarbon Property or interests in the Hydrocarbon Property described or referred to herein or on the attached Exhibit A or to the production, sale, purchase, exchange, processing, handling, storage, transporting or marketing of the Hydrocarbons (as hereinafter defined) from or attributable to such Hydrocarbon Property or interests (collectively, items described in Section 1.01(b)(ii) and (iii), the "*Contracts,*" which includes, without limitation, the Contracts more particularly described or referred to on the attached Exhibit A); (iv) all geological, geophysical, engineering, accounting, title, legal and other technical or business data concerning the Mortgaged Property or the Hydrocarbons which are in the possession of Mortgagor and in which Mortgagor can grant a security interest without violating any restrictions on assignment therein, and all books, files, records, magnetic media, computer records and other forms of recording or obtaining access to such data; and (v) the Hydrocarbon Property described on the attached Exhibit A are covered by this Mortgage even though Mortgagor's interests therein be incorrectly described or a description of a part or all of such Hydrocarbon Property or Mortgagor's interests therein be omitted; it being intended by Mortgagor and Mortgagee herein to cover and affect hereby all interests which Mortgagor may now own or may hereafter acquire in and to the Hydrocarbon Property notwithstanding that the interests as specified on Exhibit A may be limited to particular lands, specified depths or particular types of property interests.

(c) All rights, titles, interests and estates now owned or hereafter acquired by Mortgagor in and to all oil, gas, casinghead gas, condensate, distillate, liquid hydrocarbons, gaseous hydrocarbons and all products refined therefrom and all other minerals (collectively called the "*Hydrocarbons*") which may be produced and saved from or attributable to the Hydrocarbon Property, the lands pooled or unitized therewith and Mortgagor's interests therein, including all saleable oil in tanks and all rents, issues, profits, proceeds, products, revenues and other income from or attributable to the Hydrocarbon Property, the lands pooled or unitized therewith and Mortgagor's interests therein which are subjected or required to be subjected to the liens and security interests of this Mortgage.

(d) All tenements, hereditaments, appurtenances and properties in anywise appertaining, belonging, affixed or incidental to the Hydrocarbon Property, rights, titles, interests and estates described or referred to in paragraphs (a) and (b) above, which are now owned or which may hereafter be acquired by Mortgagor, including, without limitation, any and all property, real (immovable) or personal (movable), now owned or hereafter acquired and situated upon, used, held for use, or useful in connection with the operating, working or development of any of such Hydrocarbon Property or the lands pooled or unitized therewith, including any and all oil wells, gas wells, injection wells or other wells, building, structures, field separators, liquid extraction plants, plant compressors, pumps, pumping units, pipelines, sales and flow lines, gathering systems, field gathering systems, salt water disposal facilities, tanks and tank batteries, fixtures, valves, fittings, machinery and parts, engines, boilers, meters, apparatus, equipment, appliances, tools, implements, cables, wires, towers, casing tubing and rods, surface leases, rights-of-way, easements, servitudes, licenses and other surface and subsurface rights together with all additions, substitutions, replacements, accessions and attachments to any and all of the foregoing properties (including, but not limited to, the wells, equipment, pipelines, and other personal property identified on Exhibit A, attached hereto).

(e) All of the rights, titles and interests of every nature whatsoever now owned or hereafter acquired by Mortgagor in and to the Hydrocarbon Property and every part

and parcel thereof, including, without limitation, the Hydrocarbon Property as the same may be enlarged by the discharge of any payments out of production or by the removal of any charges or Permitted Encumbrances (as hereinafter defined in Section 3.01) to which any of the Hydrocarbon Property rights, titles, interests or estates are subject, or otherwise; all rights of Mortgagor to liens and security interests securing payment of proceeds from the sale of production from the Mortgaged Property; together with any and all renewals and extensions of any of the Hydrocarbon Property rights, titles, interests or estates; all contracts and agreements supplemental to or amendatory of or in substitution for the contracts and agreements described or mentioned above; and any and all additional interests of any kind hereafter acquired by Mortgagor in and to the Hydrocarbon Property rights, titles, interests or estates.

(f) All property of every kind and character which Mortgagor has or at any time hereafter acquires, whether real (immovable) or personal (moveable) property, tangible (corporeal) or intangible (incorporeal), or mixed, all other interests of every kind and character which Mortgagor has or at any time hereafter acquires in and to the types and items of property and interests described in Section 1.01(a) through (e) preceding, all property which is used or useful in connection with the Mortgaged Property or otherwise, and the proceeds and products of all of the foregoing, whether now owned or hereafter acquired, including, without limitation:

(i) All present and future personal property;

(ii) All present and future increases, profits, combinations, reclassifications, improvements and products of, accessions, attachments and other additions to, tools, parts and equipment used in connection with, and substitutes and replacements for, all or any part of the Mortgaged Property described in this or any other clause of this Section 1.01(f);

(iii) All present and future As-extracted Collateral, Accounts, Equipment, Inventory, contract rights, General Intangibles, Chattel Paper, Documents, Instruments, Fixtures, cash and noncash Proceeds and other rights arising from or by virtue of, or from the voluntary or involuntary sale or other disposition of, or collections with respect to, or insurance proceeds or unearned insurance premiums payable with respect to, or proceeds payable by virtue of warranty or other claims against manufacturers of, or claims against any other Person with respect to, all or any part of the Hydrocarbons or the Mortgaged Property; and

(iv) All present and future security for the payment to Mortgagor of any of the Mortgaged Property and goods which gave or will give rise to any of such Mortgaged Property or are evidenced, identified, or represented therein or thereby.

Any fractions or percentages specified on attached Exhibit A in referring to Mortgagor's interests are solely for purposes of the warranties made by Mortgagor pursuant to Sections 3.01 and 3.05 hereof and shall in no manner limit the quantum of interest affected by this Section 1.01 with respect to any Hydrocarbon Property or with respect to any unit or well identified on said Exhibit A.

Section 1.02 Security Interest. For the same consideration and further to secure the payment and performance of the Indebtedness, Mortgagor, as debtor, hereby grants to Mortgagee, as secured party, a continuing security interest in and to all of the Mortgaged

Property constituting movable/personal and fixture property, nature including without limitation all goods (including inventory, equipment and any accessions thereto), instruments (including promissory notes), documents, accounts, chattel paper (whether tangible or electronic), deposit accounts, letter-of-credit rights (whether or not the letter of credit is evidenced by a writing), commercial tort claims, securities and all other investment property, supporting obligations, and other contract rights or rights to the payment of money, insurance claims and proceeds, all software, fixtures, vehicles (whether or not subject to a certificate of title statute), leasehold improvements, and all other general intangibles (including all payment intangibles), including but not limited to the property described in Subsections 1.01(a) through (f), all proceeds and products thereof, all supporting obligations ancillary to or arising in any way in connection therewith and any replacements, substitutions or additions to the foregoing (herein sometimes collectively the "*Collateral*"). This Mortgage constitutes a security agreement under the Louisiana Commercial Laws, Uniform Commercial Code – Secured Transactions (La. R.S. 10:9-101, et seq.; as the same may be amended from time to time, hereinafter the "*Louisiana Uniform Commercial Code*") covering all such Collateral. If an Event of Default occurs, Mortgagee shall have all the rights, powers and remedies of a secured party under the Louisiana Uniform Commercial Code and under all other applicable laws. All of the rights, powers and remedies of Mortgagee under this Article shall be in addition to all rights, powers and remedies given to Mortgagee by any statute or rule of law, other provision of this Mortgage or the Loan Agreement, the Notes or the other Loan Papers, shall be cumulative and may be exercised successively or concurrently without impairing or in any way affecting Mortgagee's security interest in the Collateral.

TO HAVE AND TO HOLD the Mortgaged Property unto Mortgagee and to its successors and assigns forever to secure the payment of the Indebtedness (hereinafter defined) and to secure the performance of the covenants, agreements, and obligations of Mortgagor herein contained.

Section 1.03 Indebtedness Secured. This Mortgage is executed and delivered by Mortgagor to secure and enforce the following (the "*Indebtedness*"):

(a) all indebtedness, obligations and liabilities, whether now in existence or hereafter arising, whether by acceleration or otherwise, of Mortgagor arising out of or under the Loan Agreement executed by Mortgagor and payable to Mortgagee on or before August 2, 2020 (as such date may be extended pursuant to the Loan Agreement) and the other Loan Papers, including the Notes, and all other notes given in substitution for the Notes, or in modification, renewal, rearrangement or extension thereof, in whole or in part, and with interest, collection and attorneys' fees, all as provided therein.

(b) all additional loans or advances made by Mortgagee to or for the benefit of Mortgagor pursuant to the Loan Agreement, the other Loan Papers or any other related document.

(c) any sums which may be advanced or paid by Mortgagee under the terms hereof or of the Loan Agreement, the other Loan Papers or any other related document on account of the failure of Mortgagor to comply with the covenants of Mortgagor contained herein or any other obligor contained in the Loan Agreement, any other Loan Paper or any other related

document; and all other indebtedness of Mortgagor arising pursuant to the provisions of this Mortgage, including penalties, indemnities, legal and other fees, charges and expenses, and amounts advanced by and expenses incurred in order to preserve any collateral or security interest, whether due after acceleration or otherwise.

(d) all interest (including, without limitation, interest accruing at any post-default rate and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) in respect of all of the Indebtedness described in this Section 1.02 and all costs of collection and attorneys' fees, all as provided herein and in the other related document.

Section 1.04 Fixture Filing, As-extracted Collateral, Etc. Without in any manner limiting the generality of any of the other provisions of this Mortgage: (i) some portions of the goods described or to which reference is made herein are or are to become fixtures on the land described or to which reference is made herein or on the attached Exhibit A; (ii) the security interests created hereby under applicable provisions of the Louisiana Uniform Commercial Code will attach to as-extracted collateral, including the Hydrocarbons (minerals including oil and gas) or the accounts resulting from the sale thereof at the wellhead or minehead located on the land described or to which reference is made herein; and (iii) for purposes of the Louisiana Uniform Commercial Code, Mortgagor is the record owner of the immovable property or interests in the immovable property comprised of the Mortgaged Property.

Section 1.05 Pro Rata Benefit. This Mortgage is executed and granted for the pro rata benefit and security of Mortgagee, any Person secured hereby and any and all future holders of an interest in the Indebtedness and the interest thereon for so long as same remains unpaid and thereafter for so long as Mortgagee or any Person secured hereby has any obligations outstanding under the Loan Agreement.

Section 1.06 Defined Terms. Any capitalized term used in this Mortgage and not defined in this Mortgage shall have the meaning assigned to such term in the Loan Agreement and any capitalized or uncapitalized terms which are defined in the Louisiana Uniform Commercial Code on the date hereof shall have the meaning assigned thereto.

Section 1.07 Multiple Indebtedness Mortgage/Maximum Amount. Insofar as any portion of the Mortgaged Property situated in or offshore the State of Louisiana is concerned, or as to which the laws of the State of Louisiana would be applicable, THIS MORTGAGE IS MADE AND GRANTED PURSUANT TO THE PROVISIONS OF, AND SHALL BE ENTITLED TO THE CONTINUING PREFERENCE AND PRIORITY PROVIDED BY, ARTICLE 3298 OF THE LOUISIANA CIVIL CODE (AS IT MAY BE AMENDED FROM TIME TO TIME), AND SHALL APPLY TO AND SECURE THE PAYMENT AND PERFORMANCE OF PAST, PRESENT AND FUTURE OBLIGATIONS AS SAID TERM IS DEFINED IN THE LOAN AGREEMENT AND THE MAXIMUM AMOUNT OF THE INDEBTEDNESS THAT MAY BE OUTSTANDING AT ANY TIME AND FROM TIME TO TIME THAT THIS MORTGAGE SECURES IS FIXED AT ONE HUNDRED MILLION AND 00/100 DOLLARS (US $100,000,000.00).

ARTICLE II
ASSIGNMENT OF AS-EXTRACTED COLLATERAL

Section 2.01 Pledge and Assignment. Mortgagor has absolutely and unconditionally granted, pledged, assigned, transferred and conveyed, and does hereby absolutely and unconditionally grant, pledge, assign, transfer and convey unto Mortgagee, for its benefit and the benefit of any Person secured hereby and other holders of the Indebtedness, all of the as-extracted collateral relating to the Hydrocarbons and all products obtained or processed therefrom, and the revenues and proceeds now and hereafter attributable to the Hydrocarbons and said products and all payments in lieu of the Hydrocarbons such as "take or pay" payments or settlements. If an Event of Default has occurred and is continuing, the Hydrocarbons and products are to be delivered into pipe lines connected with the Mortgaged Property, or to the purchaser thereof, to the credit of Mortgagee, for its benefit and the benefit of other holders of the Indebtedness; and all such revenues and proceeds shall be paid directly to Mortgagee, at its Mortgagee's banking quarters in Houston, Texas, with no duty or obligation of any party paying the same to inquire into the rights of Mortgagee to receive the same, what application is made thereof, or as to any other matter. Mortgagor agrees to perform all such acts, and to execute all such further assignments, transfers and division orders and other instruments as may be required or desired by Mortgagee or any party in order to have said proceeds and revenues so paid to Mortgagee. Mortgagee is fully authorized to receive and receipt for said revenues and proceeds; to endorse and cash any and all checks and drafts payable to the order of Mortgagor or Mortgagee for the account of Mortgagor received from or in connection with said revenues or proceeds and to hold the proceeds thereof in a bank account as additional collateral securing the Indebtedness; and to execute transfer and division orders in the name of Mortgagor, or otherwise, with warranties binding Mortgagor. All proceeds received by Mortgagee pursuant to this grant and assignment shall be applied as provided in Section 4.14. Mortgagee shall not be liable for any delay, neglect or failure to effect collection of any proceeds or to take any other action in connection therewith or hereunder; but Mortgagee shall have the right, without obligation, at its election, in the name of Mortgagor or otherwise, to prosecute and defend any and all actions or legal proceedings deemed advisable by Mortgagee in order to collect such funds and to protect the interests of Mortgagee and/or Mortgagor, with all costs, expenses and attorneys' fees incurred in connection therewith being paid by Mortgagor. Mortgagor hereby appoints Mortgagee as its attorney-in-fact to pursue any and all rights of Mortgagor to liens on and security interests in the Hydrocarbons securing payment of proceeds of runs attributable to the Hydrocarbons. In addition to the rights granted to Mortgagee in Section 1.01(f) of this Mortgage, Mortgagor hereby further transfers and assigns to Mortgagee any and all such liens, security interests, financing statements or similar interests of Mortgagor attributable to its interest in the Hydrocarbons and proceeds of runs therefrom arising under or created by said statutory provision, judicial decision or otherwise. The power of attorney granted to Mortgagee in this Section 2.01, being coupled with an interest, shall be irrevocable so long as the Indebtedness or any part thereof remains unpaid. Until such time as an Event of Default has occurred and is continuing, but subject to the provisions of the Loan Agreement, Mortgagee hereby grants to Mortgagor a license to sell, receive and receipt for proceeds from the sale of Hydrocarbons, which license shall automatically terminate upon the occurrence and continuation of such Event of Default and for so long as the same continues.

Section 2.03 No Modification of Payment Obligations. Nothing herein contained shall modify or otherwise alter the obligation of Mortgagor to make prompt payment of all principal and interest owing on the Indebtedness when and as the same become due regardless of whether the proceeds of the Hydrocarbons are sufficient to pay the same and the rights provided in accordance with the foregoing assignment provision shall be cumulative of all other security of any and every character now or hereafter existing to secure payment of the Indebtedness.

Section 2.04 Rights of Producers. To the extent permitted by applicable law, Mortgagor hereby grants, sells, assigns, sets over and mortgages unto Mortgagee during the term hereof, all of Mortgagor's rights and interests pursuant to any provisions of applicable law granting producers of oil and gas a Lien on the oil and gas produced by them and on the resulting accounts receivable, hereby vesting in Mortgagee all of Mortgagor's rights as an interest owner to the continuing security interest in and Lien upon the Mortgaged Property.

ARTICLE III
REPRESENTATIONS, WARRANTIES AND COVENANTS

Mortgagor hereby represents, warrants and covenants as follows:

Section 3.01 Title. To the extent of the undivided interests specified on the attached Exhibit A, Mortgagor has good and defensible title to the Mortgaged Property. The Mortgaged Property is free of any and all mortgages, deeds of trust, pledges, charges, encumbrances, security interests, collateral assignments or other liens or restrictions of any kind, whether based on common law, constitutional provision, statute or contract (collectively, "*Liens*") except Liens permitted to be placed on the Mortgaged Property under Section 9.02 of the Loan Agreement (collectively, the "*Permitted Encumbrances*"). For avoidance of doubt, the term Permitted Encumbrances, as used herein, shall also include any and all valid and existing royalties, overriding royalty interests, reversionary interests, net profits interests, production payments, and other similar interests or burdens, whether recorded or unrecorded, which affect or burden Mortgagor's interests in any of the Mortgaged Property prior to the Effective Date of this Mortgage.

Section 3.02 Defend Title. This Mortgage is, and always will be kept, a direct first lien and security interest upon the Mortgaged Property provided that certain Permitted Encumbrances as provided in the Loan Agreement may exist on the Mortgaged Property that have priority, but no intent to subordinate the first priority of the Liens created hereby is intended or inferred to the extent no such priority otherwise exists, and Mortgagor will not create or suffer to be created or permit to exist any Lien, security interest or charge prior or junior to or on a parity with the Lien and security interest of this Mortgage upon the Mortgaged Property or any part thereof or upon the rents, issues, revenues, profits and other income therefrom except as permitted by the Loan Agreement. Mortgagor will warrant and defend the title to the Mortgaged Property against the claims and demands of all other Persons whomsoever. Should an adverse claim be made against or a cloud develop upon the title to any part of the Mortgaged Property other than Permitted Encumbrances, Mortgagor agrees it will immediately defend or cause such action to be taken against such adverse claim or take appropriate action to remove such cloud at Mortgagor's cost and expense, and Mortgagor further agrees that Mortgagee may take such other

action as it deems advisable to protect and preserve their interests in the Mortgaged Property, and in such event Mortgagor will indemnify Mortgagee against any and all cost, attorney's fees and other expenses which it may incur in defending against any such adverse claim or taking action to remove any such cloud.

Section 3.03 Not a Foreign Person. Mortgagor is not a "foreign person" within the meaning of the Internal Revenue Code of 1986 (as amended, supplemented, modified or replaced from time to time, the "*Code*"), Sections 1445 and 7701 (i.e. Mortgagor is not a non-resident alien, foreign corporation, foreign partnership, foreign trust or foreign estate as those terms are defined in the Code and any regulations promulgated thereunder).

Section 3.04 Power to Create Lien and Security. Mortgagor has full power and lawful authority to grant, bargain, sell, assign, transfer, mortgage and convey a security interest in all of the Mortgaged Property in the manner and form herein provided. No authorization, approval, consent or waiver of any lessor, sublessor, Governmental Body or other party or parties whomsoever is required in connection with the execution and delivery by Mortgagor of this Mortgage except to the extent the approval or consent of the Department of the Interior, United States of America, Louisiana State Mineral and Energy Board or similar Governmental Body, as the case may be, is required by applicable law or regulation to the transfer or assignment of an interest in any of the Mortgaged Property.

Section 3.05 Revenue and Cost Bearing Interest. Mortgagor's ownership of the Hydrocarbon Property and the undivided interests therein as specified on the attached Exhibit A will, after giving full effect to all Permitted Encumbrances, afford Mortgagor not less than those net interests (expressed as a fraction, percentage or decimal) in the production from or which is allocated to such Hydrocarbon Property specified as a Net Revenue Interest on the attached Exhibit A and will cause Mortgagor to bear not more than that portion (expressed as a fraction, percentage or decimal), specified as a Working Interest on the attached Exhibit A, of the costs of drilling, developing and operating the wells identified on Exhibit A except to the extent of any proportionate corresponding increase in the Net Revenue Interest.

Section 3.06 Rentals Paid; Leases in Effect. All rentals and royalties due and payable in accordance with the terms of any leases or subleases comprising a part of the Hydrocarbon Property have been duly paid or provided for, and all leases or subleases comprising a part of the Hydrocarbon Property are in full force and effect.

Section 3.07 Operation By Third Parties. All or portions of the Mortgaged Property may be comprised of interests in the Hydrocarbon Property which are other than working interests or which may be operated by a party or parties other than Mortgagor and with respect to all or any such interests and properties as may be comprised of interests other than working interests or which may be operated by parties other than Mortgagor, Mortgagor's covenants as expressed in this Article III are modified to require that Mortgagor use its commercial best efforts to obtain compliance with such covenants by the working interest owners or the operator or operators of such leases or properties, to the extent that it has the ability to cause the operator or operators to do so.

Section 3.08 Abandon, Sales. Mortgagor will not sell, lease, assign, transfer or otherwise dispose or abandon any of the Mortgaged Property except as permitted by the Loan Agreement.

Section 3.09 Failure to Perform. Mortgagor agrees that if Mortgagor fails to perform any act or to take any action which Mortgagor is required to perform or take hereunder or pay any money which Mortgagor is required to pay hereunder within all applicable grace periods, Mortgagee, in Mortgagor's name, may, but shall not be obligated to, perform or cause to perform such act or take such action or pay such money, and any expenses so incurred by Mortgagee and any money so paid by Mortgagee shall be a demand obligation owing by Mortgagor to Mortgagee, upon making such payment, shall be subrogated to all of the rights of the Person receiving such payment. Each amount due and owing by Mortgagor to Mortgagee pursuant to this Mortgage shall bear interest from the date of such expenditure or payment or other occurrence which gives rise to such payment being owed to such Person until paid at the post-default rate (in no event to exceed the Maximum Rate), and all such amounts together with such interest thereon shall be a part of the Indebtedness described in Section 1.02 hereof.

Section 3.10 Insurance. In the event of any loss under any insurance policies required to be carried by Mortgagor whether set forth in the Loan Agreement or otherwise, Mortgagee shall have the right (but not the obligation) to make proof of loss and collect the same if an Event of Default has occurred and is continuing, and all amounts so received, to the extent attributable to Mortgagor's share of such proceeds in accordance with any applicable joint operating agreement and/or other agreement relating to the joint exploration and development of oil and gas properties, shall be applied toward costs, charges and expenses (including reasonable attorneys' fees), if any, incurred in the collection thereof (if permitted hereby), then to the payment, in the order determined by Mortgagee, in its own discretion, of the Obligations, and any balance remaining shall be subject to the order of Mortgagor all as provided in the Loan Agreement. Upon the occurrence and during the continuance of an Event of Default, Mortgagee is hereby authorized but not obligated to enforce in its name or in the name of Mortgagor payment of any or all of said policies or settle or compromise any claim in respect thereof, and to collect and make receipts for the proceeds thereof. Mortgagor does hereby irrevocably make, constitute and appoint Mortgagee and the agents of Mortgagee as the true and lawful mandataries and attorneys-in-fact of Mortgagor to, upon the occurrence and during the continuance of an Event of Default, endorse any check or draft payable to Mortgagor and to carry out and enforce all of the proceeds hereby collaterally assigned. The mandatary and attorney-in-fact designation set forth in the preceding sentence shall be coupled with an interest and may not be revoked by Mortgagor so long as this Mortgage remains in effect. In the event of foreclosure of this Mortgage, or other transfer of title to the Mortgaged Property in extinguishment in whole or in part of the Obligations, all right, title and interest of Mortgagor in and to such policies then in force concerning the Mortgaged Property and all proceeds payable thereunder, to the extent such policies and/or proceeds relate to the particular portion of the Mortgaged Property sold and further, to the extent any such proceeds are not related to property damage for which a purchase price adjustment has already been made, shall thereupon vest in the purchaser at such foreclosure or Mortgagee, or other transferee in the event of such other transfer of title.

Section 3.11 Pledge of Insurance Proceeds. Mortgagor hereby pledges and collaterally assigns the proceeds of all insurance with respect to the Mortgaged Property to

Mortgagee. This Mortgage shall constitute a pledge thereof pursuant to La. R.S. § 9:5386 et seq., whether such insurance proceeds or any of them now exist or arise in the future. Such proceeds shall otherwise be included in the term, "*Mortgaged Property*", for all purposes of this Mortgage. The pledge herein made of the aforesaid proceeds shall not be construed as imposing upon the Mortgagee any obligations with respect thereto unless and until the Mortgagee shall become the absolute owner thereof and Mortgagor shall have been wholly dispossessed thereof. So long as no Event of Default has occurred and is continuing, Mortgagor shall be entitled to collect, retain and utilize all proceeds of insurance with respect to the Mortgaged Property to the extent permitted by the Loan Agreement.

Section 3.12 Further Identification of Collateral. Mortgagor will furnish to Mortgagee from time to time, at Mortgagor's sole cost and expense, statements and schedules further identifying and describing the Mortgaged Property and the Collateral and such other reports in connection with the Mortgaged Property and Collateral as the Mortgagee may reasonably request in writing, all in reasonable detail.

Section 3.13 After Acquired Property. If Mortgagor acquires Hydrocarbon Property in addition to the Hydrocarbon Property described on Exhibit A, within 30 days of such acquisition, Mortgagor shall execute and file an amendment and supplement to this Mortgage or an additional Mortgage (as applicable), in form and substance satisfactory to Mortgagee, in order to secure and perfect Mortgagee's security interest in such additional Hydrocarbon Property.

ARTICLE IV
RIGHTS AND REMEDIES

Section 4.01 Event of Default. An "*Event of Default*" under the Loan Agreement shall be an Event of Default under this Mortgage.

Section 4.02 Foreclosure and Sale.

(a) If an Event of Default shall occur and be continuing, Mortgagee shall have the right and option to foreclose, by executory or other judicial process (as applicable) subject to, and on the terms and conditions required or permitted by, applicable law this Mortgage with respect to that portion, if any, of the Mortgaged Property, whether real (immovable) or personal (movable) and whether tangible (corporeal) or intangible (incorporeal), which is subject to the laws of the State of Louisiana, including but not limited to any Mortgaged Property situated within the State of Louisiana or within the offshore area over which the Louisiana State Mineral and Energy Board or similar Governmental Body, including the BOEM or the Bureau of Safety and Environmental Enforcement, asserts jurisdiction and to which the laws of Louisiana are applicable with respect to this Mortgage and/or the liens or security interests created hereby, and shall have the right to appoint and/or have appointed a keeper and/or receiver (as applicable) of such Mortgaged Property. For purposes of Louisiana executory process Mortgagor acknowledges the Indebtedness if not paid in full at maturity (regardless of how brought about), whether now existing or arising hereafter, and Mortgagor, for itself and its successors and assigns, hereby confesses judgment for the full amount of the Indebtedness in favor of the Mortgagee. Mortgagor further agrees that, to the extent permitted by applicable law, Mortgagee

may cause all or any part of the Mortgaged Property to be seized and sold after due process of law, Mortgagor waiving the benefit of all laws or parts of law relative to the appraisement or property seized and sold under executory process or other legal process, and consenting that all or any part of the Mortgaged Property may be sold without appraisement, either in its entirety or in lots or parcels, as the Mortgagee may determine, to the highest bidder for cash or on such other terms as the plaintiff in such proceedings may direct. To the extent permitted by applicable law, the Mortgagor hereby waives (i) the benefit of appraisement provided for in articles 2332, 2336, 2723, and 2724 of the Louisiana Code of Civil Procedure and all other laws conferring the same; (ii) the notice of seizure provided for in articles 2293 and 2721 of the Louisiana Code of Civil Procedure; (iii) the three (3) days delay provided for in article 2331 of the Louisiana Code of Civil Procedure; and (iv) all other laws providing rights of notice, demand, appraisement, or delay. Pursuant to Louisiana Revised Statutes 9:5131 et seq. and 9:5136 et seq., in the event the Mortgaged Property or any part thereof is seized as an incident to an action for the recognition or enforcement of this Mortgage by executory process, ordinary process, sequestration, writ of fieri facias, or otherwise, Mortgagor agrees that the court issuing any such order, shall, if petitioned for by Mortgagee, direct the applicable sheriff to appoint Mortgagee or any agent or other Person designated by Mortgagee as a keeper of the Mortgaged Property at the time such seizure is effected. Mortgagor agrees that such keeper shall be entitled to receive its compensation, in excess of its reasonable costs and expenses incurred in the administration or preservation of the Mortgaged Property to the extent permitted by applicable law. The designation of a keeper made herein shall not be deemed to require Mortgagee to provoke the appointment of such a keeper.

To the extent permitted by applicable law, in the event Mortgagee elects, at its option, to enter suit via ordinaria on the Indebtedness, in addition to the confession of judgment in the foregoing paragraph, Mortgagor hereby waives citation, other legal process, and legal delays and hereby consents that judgment for the unpaid principal due on the Indebtedness, together with interest, attorneys' fees, costs and other charges that may be due on the Indebtedness, be rendered and signed immediately.

(b) If an Event of Default shall occur and be continuing, this Mortgage may be foreclosed as to the Mortgaged Property, or any part thereof, in any manner permitted by applicable law.

Section 4.03 Judicial Foreclosure; Receivership. If any of the Indebtedness shall become due and payable and shall not be promptly paid, Mortgagee shall have the right and power to proceed by a suit or suits in equity or at law, whether for the specific performance of any covenant or agreement herein contained or in aid of the execution of any power herein granted, or for any foreclosure hereunder or for the sale of the Mortgaged Property under the judgment or decree of any court or courts of competent jurisdiction, or for the appointment of a receiver or keeper pending any foreclosure hereunder or the sale of the Mortgaged Property under the order of a court or courts of competent jurisdiction or under other legal process, or for the enforcement of any other appropriate legal or equitable remedy. Any money advanced by Mortgagee in connection with any such receivership or keeper shall be a demand obligation (which obligation Mortgagor hereby expressly promises to pay) owing by Mortgagor to Mortgagee and shall bear interest from the date of making such advance by Mortgagee until paid at the post-default rate (in no event to exceed the Maximum Rate).

Section 4.04 Mortgagee and Agents. To the extent permitted by applicable law, Mortgagee or its successor or substitute may appoint or delegate any one or more Persons as agent to perform any act or acts necessary or incident to any sale held by Mortgagee, including the posting of notices and the conduct of sale, but in the name and on behalf of Mortgagee, its successor or substitute. If Mortgagee or its successor or substitute shall have given notice of sale hereunder, any successor or substitute Mortgagee thereafter appointed may complete the sale and the conveyance of the property pursuant thereto as if such notice had been given by the successor or substitute Mortgagee conducting the sale.

Section 4.05 Foreclosure for Installments. To the extent permitted by applicable law, Mortgagee shall also have the option to proceed with foreclosure in satisfaction of any installments of the Indebtedness which have not been paid when due through foreclosure in satisfaction of the matured but unpaid portion of the Indebtedness as if under a full foreclosure, conducting the sale as herein provided and without declaring the entire principal balance and accrued interest due; such sale may be made subject to the unmatured portion of the Indebtedness, and any such sale shall not in any manner affect the unmatured portion of the Indebtedness, but as to such unmatured portion of the Indebtedness this Mortgage shall remain in full force and effect just as though no sale had been made hereunder. It is further agreed that several sales may be made hereunder without exhausting the right of sale for any unmatured part of the Indebtedness, it being the purpose hereof to provide for a foreclosure and sale of the security for any matured portion of the Indebtedness without exhausting the power to foreclose and sell the Mortgaged Property for any subsequently maturing portion of the Indebtedness.

Section 4.06 Separate Sales. The Mortgaged Property may be sold in one or more parcels and in such manner and order as Mortgagee, in its sole discretion, may elect, it being expressly understood and agreed that the right of sale arising out of any Event of Default shall not be exhausted by any one or more sales.

Section 4.07 Possession of Mortgaged Property. Mortgagor agrees to the full extent that, in case one or more of the Events of Default shall have occurred and shall not have been remedied, then, and in every such case, Mortgagee, to the extent permitted by applicable law and subject to Section 5.22 herein, shall have the right and power to enter into and upon and take possession of all or any part of the Mortgaged Property in the possession of Mortgagor, its successors or assigns, or its agents or servants, and may exclude Mortgagor, its successors or assigns, and all persons claiming under Mortgagor, and its agents or servants wholly or partly therefrom; and, holding the same, Mortgagee may use, administer, manage, operate and control the Mortgaged Property and conduct the business thereof to the same extent as Mortgagor, its successors or assigns, might at the time do and may exercise all rights and powers of Mortgagor, in the name, place and stead of Mortgagor, or otherwise as Mortgagee shall deem best. All reasonable costs, expenses and liabilities of every character incurred by Mortgagee in administering, managing, operating, and controlling the Mortgaged Property shall constitute a demand obligation (which obligation Mortgagor hereby expressly promises to pay) owing by Mortgagor to Mortgagee and shall bear interest from date of expenditure until paid at the post-default rate (in no event to exceed the Maximum Rate), all of which shall constitute a portion of the Indebtedness and shall be secured by this Mortgage and all other Collateral Documents.

Section 4.08 Occupancy After Foreclosure. To the extent permitted by applicable law, in the event there is a foreclosure sale hereunder and at the time of such sale Mortgagor or Mortgagor's heirs, devisees, representatives, successors or assigns or any other person claiming any interest in the Mortgaged Property by, through or under Mortgagor, are occupying or using the Mortgaged Property or any part thereof, each and all shall immediately become the tenant of the purchaser at such sale, which tenancy shall be a tenancy from day to day, terminable at the will of either the landlord or tenant, or at a reasonable rental per day based upon the value of the property occupied, such rental to be due daily to the purchaser; to the extent permitted by applicable law, the purchaser at such sale shall, notwithstanding any language herein apparently to the contrary, have the sole option to demand immediate possession following the sale or to permit the occupants to remain as tenants at will. In the event the tenant fails to surrender possession of said property upon demand, the purchaser shall be entitled to institute and maintain a summary action for possession of the Mortgaged Property (such as an action for forcible entry and detainer) in any court having jurisdiction.

Section 4.09 Remedies Cumulative, Concurrent and Nonexclusive. Every right, power and remedy herein given to Mortgagee shall be cumulative and in addition to every other right, power and remedy herein specifically given or now or hereafter existing in equity, at law or by statute (including specifically those granted by the Louisiana Uniform Commercial Code in effect and applicable to the Mortgaged Property or any portion thereof) each and every right, power and remedy whether specifically herein given or otherwise existing may be exercised from time to time and so often and in such order as may be deemed expedient by Mortgagee, and the exercise, or the beginning of the exercise, of any such right, power or remedy shall not be deemed a waiver of the right to exercise, at the same time or thereafter any other right, power or remedy. No delay or omission by Mortgagee in the exercise of any right, power or remedy shall impair any such right, power or remedy or operate as a waiver thereof or of any other right, power or remedy then or thereafter existing.

Section 4.10 No Release of Obligations. Neither Mortgagor nor any other Person hereafter obligated for payment of all or any part of the Indebtedness shall be relieved of such obligation by reason of (a) the failure of Mortgagee to comply with any request of Mortgagor or any other Person so obligated to foreclose the lien of this Mortgage or to enforce any provision hereunder or under the Loan Agreement; (b) the release, regardless of consideration, of the Mortgaged Property or any portion thereof or interest therein or the addition of any other property to the Mortgaged Property; (c) any agreement or stipulation between any subsequent owner of the Mortgaged Property and Mortgagee extending, renewing, rearranging or in any other way modifying the terms of this Mortgage without first having obtained the consent of, given notice to or paid any consideration to Mortgagor or such other Person, and in such event Mortgagor and all such other Persons shall continue to be liable to make payment according to the terms of any such extension or modification agreement unless expressly released and discharged in writing by Mortgagee; or (d) by any other act or occurrence save and except the complete payment of the Indebtedness and the complete fulfillment of all obligations hereunder or under the Loan Agreement.

Section 4.11 Release of and Resort to Collateral. Mortgagee may release, regardless of consideration, any part of the Mortgaged Property without, as to the remainder, in any way impairing, affecting, subordinating or releasing the lien or security interest created in or

evidenced by this Mortgage or its stature as a first and prior lien and security interest in and to the Mortgaged Property, and without in any way releasing or diminishing the liability of any Person liable for the repayment of the Indebtedness. For payment of the Indebtedness, Mortgagee may resort to any other security therefor held by Mortgagee in such order and manner as Mortgagee may elect.

Section 4.12 Waiver of Redemption, Notice and Marshalling of Assets, Etc. To the fullest extent permitted by law, Mortgagor hereby irrevocably and unconditionally waives and releases (a) all benefits that might accrue to Mortgagor by virtue of any present or future moratorium law or other law exempting the Mortgaged Property from attachment, levy or sale on execution or providing for any appraisement, valuation, stay of execution, exemption from civil process, redemption or extension of time for payment; (b) all notices of Mortgagee's intention to accelerate maturity of the Indebtedness or of Mortgagee's election to exercise or his actual exercise of any right, remedy or recourse provided for hereunder or under the Loan Agreement; and (c) any right to a marshalling of assets or a sale in inverse order of alienation. If any law referred to in this Mortgage and now in force, of which Mortgagor or its successor or successors might take advantage despite the provisions hereof, shall hereafter be repealed or cease to be in force, such law shall thereafter be deemed not to constitute any part of the contract herein contained or to preclude the operation or application of the provisions hereof. Provided, however, that if the laws of any state do not permit the redemption period to be waived, the redemption period is specifically reduced to the minimum amount of time allowable by statute.

Section 4.13 Discontinuance of Proceedings. In case Mortgagee shall have proceeded to invoke any right, remedy or recourse permitted hereunder or under the Loan Agreement and shall thereafter elect to discontinue or abandon same for any reason, Mortgagee shall have the unqualified right so to do and, in such an event, Mortgagor and Mortgagee shall be restored to their former positions with respect to the Indebtedness, this Mortgage, the Loan Agreement, the Mortgaged Property and otherwise, and the rights, remedies, recourses and powers of Mortgagee shall continue as if same had never been invoked.

Section 4.14 Application of Proceeds. The proceeds of any sale of the Mortgaged Property or any part thereof and all other monies received by Mortgagee in any proceedings for the enforcement hereof or otherwise, whose application has not elsewhere herein or in the Loan Agreement been specifically provided for, shall be applied:

(a) First, to the payment of all expenses incurred by Mortgagee incident to the enforcement of this Mortgage, the Loan Agreement or any of the Indebtedness (including, without limiting the generality of the foregoing, expenses of any entry or taking of possession, of any sale, of advertisement thereof, and of conveyances, and court costs, compensation of agents and employees and legal fees), and to the payment of all other charges, expenses, liabilities and advances incurred or made by Mortgagee under this Mortgage or in executing any trust or power hereunder;

(b) Second, as set forth in the Loan Agreement.

Section 4.15 Resignation of Operator. In addition to all rights and remedies under this Mortgage, at law and in equity, if any Event of Default has occurred and is continuing

and Mortgagee exercises any remedies under this Mortgage with respect to any portion of the Mortgaged Property (or Mortgagor transfers any Mortgaged Property "in lieu of" foreclosure) whereupon Mortgagor is divested of its title to the Mortgaged Property, Mortgagee shall have the right to request that any operator of any Mortgaged Property which is an Affiliate of Mortgagor to resign as operator under the joint operating agreement applicable thereto, and no later than 60 days after receipt by Mortgagor of any such request, such operator shall resign (or cause such other party to resign) as operator of such Mortgaged Property.

Section 4.16 INDEMNITY. IN CONNECTION WITH ANY ACTION TAKEN BY MORTGAGEE, IN ACCORDANCE WITH THE TERMS OF THIS MORTGAGE, ANY PERSON SECURED HEREBY AND/OR ANY HOLDER OF INDEBTEDNESS, AND THEIR OFFICERS, DIRECTORS, EMPLOYEES, REPRESENTATIVES, AGENTS, ATTORNEYS, ACCOUNTANTS AND EXPERTS ("INDEMNIFIED PARTIES") SHALL NOT BE LIABLE FOR ANY LOSS SUSTAINED BY MORTGAGOR RESULTING FROM AN ASSERTION THAT MORTGAGEE HAS RECEIVED FUNDS FROM THE PRODUCTION OF HYDROCARBONS CLAIMED BY THIRD PERSONS OR ANY ACT OR OMISSION OF ANY INDEMNIFIED PARTY IN ADMINISTERING, MANAGING, OPERATING OR CONTROLLING THE MORTGAGED PROPERTY INCLUDING SUCH LOSS WHICH MAY RESULT FROM THE ORDINARY NEGLIGENCE OF AN INDEMNIFIED PARTY UNLESS SUCH LOSS IS CAUSED BY THE WILLFUL MISCONDUCT OR GROSS NEGLIGENCE OF AN INDEMNIFIED PARTY, NOR SHALL MORTGAGEE, ANY PERSON SECURED HEREBY AND/OR ANY HOLDER OF INDEBTEDNESS BE OBLIGATED TO PERFORM OR DISCHARGE ANY OBLIGATION, DUTY OR LIABILITY OF MORTGAGOR. MORTGAGOR SHALL AND DOES HEREBY AGREE TO INDEMNIFY EACH INDEMNIFIED PARTY FOR, AND TO HOLD EACH INDEMNIFIED PARTY HARMLESS FROM, ANY AND ALL LIABILITY, LOSS OR DAMAGE WHICH MAY OR MIGHT BE INCURRED BY ANY INDEMNIFIED PARTY BY REASON OF THIS MORTGAGE OR THE EXERCISE OF RIGHTS OR REMEDIES HEREUNDER, UNLESS SUCH LOSS IS CAUSED BY THE WILLFUL MISCONDUCT OR GROSS NEGLIGENCE OF AN INDEMNIFIED PARTY; SHOULD MORTGAGEE, ANY PERSON SECURED HEREBY AND/OR ANY HOLDER OF INDEBTEDNESS MAKE ANY EXPENDITURE ON ACCOUNT OF ANY SUCH LIABILITY, LOSS OR DAMAGE, THE AMOUNT THEREOF, INCLUDING COSTS, EXPENSES AND REASONABLE ATTORNEYS' FEES, SHALL BE A DEMAND OBLIGATION (WHICH OBLIGATION MORTGAGOR HEREBY EXPRESSLY PROMISES TO PAY) OWING BY MORTGAGOR TO MORTGAGEE, ANY PERSON SECURED HEREBY AND/OR ANY HOLDER OF INDEBTEDNESS AND SHALL BEAR INTEREST FROM THE DATE EXPENDED UNTIL PAID AT THE POST-DEFAULT RATE (IN NO EVENT TO EXCEED THE MAXIMUM RATE), SHALL BE A PART OF THE INDEBTEDNESS AND SHALL BE SECURED BY THIS MORTGAGE AND ANY OTHER COLLATERAL DOCUMENT. THE MORTGAGOR HEREBY ASSENTS TO, RATIFIES AND CONFIRMS ANY AND ALL ACTIONS OF MORTGAGEE, ANY PERSON SECURED HEREBY AND/OR ANY HOLDERS OF INDEBTEDNESS WITH RESPECT TO THE MORTGAGED PROPERTY TAKEN UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS MORTGAGE. THE LIABILITIES OF MORTGAGOR AS SET FORTH IN THIS SECTION 4.16 SHALL SURVIVE THE TERMINATION OF THIS MORTGAGE.

Section 4.17 Keeper. Mortgagee shall have the right to appoint a keeper of the Mortgaged Property pursuant to the terms and provisions of La. R.S. 9:5131 et seq. and 9:5136 et seq and as set forth in Section 4.02(a) herein.

Section 4.18 The Mortgagee Not "Mortgagee-In-Possession". It is understood and agreed that neither the pledge and assignment of Hydrocarbons, products therefrom, revenues and proceeds to Mortgagee pursuant to Section 2.01 hereof nor the exercise by the Mortgagee of any of its rights or remedies hereunder shall be deemed to make Mortgagee a "Mortgagee-in-possession" or otherwise responsible or liable in any manner with respect to the Mortgaged Property or the use, occupancy, enjoyment or operation of all or any portion thereof, nor shall appointment of a keeper or receiver for the Mortgaged Property by any court at the request of the Mortgagee or by agreement with the Mortgagor or the entering into possession of the Mortgaged Property or any part thereof by such receiver be deemed to make Mortgagee a "Mortgagee-in-possession" or otherwise responsible or liable in any manner with respect to the Mortgaged Property or the use, occupancy, enjoyment or operation of all or any portion thereof.

Section 4.19 The Mortgagee Attorney In Fact. Mortgagor hereby irrevocably constitutes and appoints Mortgagee the attorney in fact of Mortgagor, and in such capacity, Mortgagee, its counsel or its representative, may from time to time, execute, deliver and file with the appropriate filing officer or office such security agreements, financing statements, continuation statements, amendments, other filing or recording documents or instruments as Mortgagee may request or require, in such form as Mortgagee determines appropriate, in order to impose, perfect, protect, preserve the priority of, or enforce, the rights and Liens on the Mortgaged Property and/or Collateral.

ARTICLE V
MISCELLANEOUS

Section 5.01 Instrument Construed as Mortgage, Etc. This Mortgage may be construed as a mortgage, deed of trust, chattel mortgage, conveyance, assignment, security agreement, pledge, financing statement, hypothecation or contract, or any one or more of them, in order fully to effectuate the lien hereof and the purposes and agreements herein set forth.

Section 5.02 Release of Mortgage. If all Indebtedness secured hereby shall be paid and the Loan Agreement terminated, Mortgagee shall forthwith cause satisfaction and discharge of this Mortgage to be entered upon the record at the expense of Mortgagor and shall execute and deliver or cause to be executed and delivered such instruments of satisfaction and reassignment as may be appropriate.

Section 5.03 Severability. If any provision hereof is invalid or unenforceable in any jurisdiction, the other provisions hereof shall remain in full force and effect in such jurisdiction and the remaining provisions hereof shall be liberally construed in favor of Mortgagee in order to effectuate the provisions hereof, and the invalidity or unenforceability of any provision hereof in any jurisdiction shall not affect the validity or enforceability of any such provision in any other jurisdiction.

Section 5.04 Successors and Assigns of Parties. The term "Mortgagee" as used herein shall mean and include any legal owner, holder, assignee or pledgee of any of the Indebtedness secured hereby. The terms used to designate Mortgagee and Mortgagor shall be deemed to include the respective heirs, legal representatives, successors and assigns of such parties.

Section 5.05 Satisfaction of Prior Encumbrance. To the extent that proceeds under the Loan Agreement are used to pay indebtedness secured by any outstanding lien, security interest, charge or prior encumbrance against the Mortgaged Property, such proceeds have been advanced by Mortgagee at Mortgagor's request, and Mortgagee shall be subrogated to any and all rights, security interests and liens owned by any owner or holder of such outstanding liens, security interests, charges or encumbrances, irrespective of whether said liens, security interests, charges or encumbrances are released, and it is expressly understood that, in consideration of the payment of such other indebtedness by Mortgagee, Mortgagor hereby waives and releases all demands and causes of action for offsets and payments to, upon and in connection with the said indebtedness.

Section 5.06 Subrogation of Mortgagee. This Mortgage is made with full substitution and subrogation of Mortgagee and its successors and their respective assigns in and to all covenants and warranties by others heretofore given or made in respect of the Mortgaged Property or any part thereof.

Section 5.07 Nature of Covenants. The covenants and agreements herein contained shall constitute covenants running with the land and interests covered or affected hereby and shall be binding upon the heirs, legal representatives, successors and assigns of the parties hereto.

Section 5.08 Notices. All notices, requests, consents, demands and other communications required or permitted hereunder shall be in writing and may be personally served, faxed, sent by overnight courier service, emailed or sent by United States mail at the addresses specified in Section 11.04 of the Loan Agreement (unless changed by similar notice in writing given by the particular party whose address is to be changed). Any notice given pursuant to this Section shall be deemed to have been given: (a) if delivered in person, when delivered; (b) if delivered by fax, on the date of transmission if transmitted on a Business Day before 4:00 p.m. at the place of receipt or, if not, on the next succeeding Business Day; (c) if delivered by overnight courier, one (1) day after delivery to such courier properly addressed; (d) if by United States mail, four (4) Business Days after depositing in the United States mail, with postage prepaid and properly addressed; (e) the day of transmission, if sent by email prior to 4:00 p.m. central prevailing time on any Business Day or the Business Day after transmission if sent after such time; provided that, service of notice as required by the laws of any state in which portions of the Mortgaged Property may be situated shall for all purposes be deemed appropriate and sufficient with the giving of such notice.

Section 5.09 Counterparts. This Mortgage is being executed in several counterparts, all of which are identical, except that to facilitate recordation, if the Mortgaged Property is situated in, or offshore adjacent to, more than one parish, descriptions of only those portions of the Mortgaged Property located in, or offshore adjacent to, the parish in which a

particular counterpart is recorded may be attached as Exhibit A thereto. Each of such counterparts shall for all purposes be deemed to be an original and all such counterparts shall together constitute but one and the same instrument.

Section 5.10 Governing Law. Insofar as permitted by otherwise applicable law, this Mortgage and the Indebtedness shall be construed under and governed by the laws of the State of Louisiana and the United States of America; provided, however, that, with respect to any portion of the Mortgaged Property located outside of the State of Louisiana, the laws of the place in which such Mortgaged Property is located in, or offshore adjacent to (and State law made applicable as a matter of Federal law), shall apply to the extent of procedural and substantive matters relating only to the creation, perfection, foreclosure of Liens and enforcement of rights and remedies against the Mortgaged Property.

Section 5.11 Financing Statement; Fixture Filing. This Mortgage, attached as Exhibit A to a UCC-1 Financing Statement covers all fixtures included within the Mortgaged Property and is to be filed for record as a fixture filing in the appropriate UCC records of any Louisiana parish clerk of court for indexing in the central UCC registry with the Louisiana Secretary of State. This Mortgage, attached as Exhibit A to a UCC-1 Financing Statement also covers as-extracted collateral, including minerals or the like (including oil and gas and all other substances of value which may be extracted from the ground) and accounts financed at the wellhead or minehead of wells or mines located on the properties subject to the Louisiana Uniform Commercial Code and is to be filed for record in the appropriate UCC records of any Louisiana parish clerk of court for indexing in the central UCC registry with the Louisiana Secretary of State. In addition, Mortgagor shall execute and deliver to Mortgagee, upon Mortgagee's request, any financing statements or amendments thereof or continuation statements thereto that Mortgagee may require to perfect or maintain a security interest in said items or types of property. Mortgagor shall pay all costs of filing such instruments.

Section 5.12 Exculpation Provisions. Each of the parties hereto specifically agrees that it has a duty to read this Mortgage; and agrees that it is charged with notice and knowledge of the terms of this Mortgage; that it has in fact read this Mortgage and is fully informed and has full notice and knowledge of the terms, conditions and effects of this Mortgage; that it has been represented by independent legal counsel of its choice throughout the negotiations preceding its execution of this Mortgage; and has received the advice of its attorney in entering into this Mortgage; and that it recognizes that certain of the terms of this Mortgage result in one party assuming the liability inherent in some aspects of the transaction and relieving the other party of its responsibility for such liability. Each party hereto agrees and covenants that it will not contest the validity or enforceability of any exculpatory provision of this Mortgage on the basis that the party had no notice or knowledge of such provision or that the provision is not "conspicuous."

Section 5.13 Prevailing Agreement. Notwithstanding anything herein contained to the contrary, if any provision herein should be inconsistent with any provision contained in the Loan Agreement, the provisions in the Loan Agreement shall prevail.

Section 5.14 References. The words "herein," "hereof," "hereunder" and other words of similar import when used in this Mortgage refer to this Mortgage as a whole, and not to

any particular article, section or subsection. Any reference herein to a Section shall be deemed to refer to the applicable Section of this Mortgage unless otherwise stated herein. Any reference herein to an exhibit or schedule shall be deemed to refer to the applicable exhibit or schedule attached hereto unless otherwise stated herein.

Section 5.15 Notary Public. The parties relieve and release the undersigned Notary Public(s) of any duty to produce and attach mortgage or conveyance certificates.

Section 5.16 No Paraph. The Mortgagor acknowledges that no promissory note or other instrument has been presented to the undersigned Notary Public(s) to be paraphed for identification herewith.

Section 5.17 Acceptance by Mortgagee. In accordance with the provision of Louisiana Civil Code article 3289, the Mortgagee's consent is presumed and tacit and its signature has not been required.

Section 5.18 Appearance, Resolutions. For purposes of Louisiana law, including but not limited to the availability of executory process, the Mortgagor has appeared on this date before the undersigned Notary Public and witnesses in order to execute this Mortgage.

Section 5.19 Reinscription. Mortgagor shall cause this Mortgage to be reinscribed in the manner provided by applicable laws, rules or regulations in the records of the Recorder of Mortgages for each Parish where the Mortgaged Property is located or is offshore and adjacent to at least forty-five (45) days prior to (a) the tenth (10th) anniversary of the date of this Mortgage and (b) the tenth (10th) anniversary of the date of the filing of each such reinscription in each such office. Mortgagor shall cause a continuation statement for each financing statement for this Mortgage to be executed and filed (in the manner provided by applicable laws, rules or regulations in the records of each office where any such financing statement was originally filed) at least forty-five (45) days prior to (a) the fifth (5th) anniversary of the date of this Mortgage and (b) the fifth (5th) anniversary of the date of the filing of each such continuation statement in each such office.

Section 5.20 Mortgagee's Obligation. In the event that the Mortgagee is required to acquire title to an asset for any reason, or take any managerial action of any kind in regard thereto, in order to carry out any fiduciary or trust obligation for the benefit of another, which in the Mortgagee's sole discretion may cause it to be considered an "owner or operator" under the provisions of the Comprehensive Environmental Response, Compensation and Liability Act ("*CERCLA*"), 42, U.S.C. §9602, et seq., or otherwise cause it to incur liability under CERCLA or any other federal, state or local law, the Mortgagee reserves the right, instead of taking such action, to either resign or arrange for the transfer of the title or control of the asset to a court-appointed receiver. The Mortgagee shall not be liable for any environmental claims or contribution actions under any federal, state or local law, rule or regulation by reason of Mortgagee's actions and conduct as authorized, empowered and directed hereunder or relating to the discharge, release or threatened release of hazardous materials into the environment.

Section 5.21 Mortgagee's Rights. In acting under this Mortgage, the Mortgagee shall have the rights, protections and immunities granted to it under the Loan Agreement.

(a) The Mortgagee reserves the right to conduct an environmental audit prior to foreclosing on any real estate Collateral or mortgage Collateral. The Mortgagee reserves the right to forebear from foreclosing in its own name if to do so may expose it to undue risk.

(b) The Mortgagee shall have no duty to ascertain or inquire as to or monitor the performance or observance of any of the terms of this Mortgage or any other financing and security documents.

(c) In acting hereunder, the Mortgagee shall have the benefits of the rights, protections and immunities granted to it in the Loan Agreement, the Subordination Agreement and the other Loan Papers, all of which are incorporated by reference herein, mutatis mutandis.

(d) The rights and protections of the Mortgagee set forth herein shall also be applicable to the Mortgagee in its roles as mortgagee, beneficiary, pledgee or any of its other roles under the Loan Agreement, the Subordination Agreement and the other Loan Papers.

(e) Notwithstanding anything herein to the contrary, it is understood and agreed that the exercise by Mortgagee of any right, remedy or duty hereunder is subject to the terms and conditions of the Loan Agreement.

Section 5.22 No Self Help. Notwithstanding anything contained in this Mortgage to the contrary, all rights and remedies of Mortgagee hereunder shall be subject to all applicable law in the State of Louisiana governing self-help and extra-judicial repossession of collateral.

Section 5.23 Powers of Attorney. All powers of attorney and similar grants of authority given by Mortgagor to Mortgagee in this Mortgage shall be deemed given pursuant to the provisions of La. R.S. § 9:5388.

Section 5.24 Waivers. The parties hereto expressly waive the production of Mortgage Certificates and hereby release and hold the Notary Public whose name is hereunder signed harmless for and by reason of the nonproduction and nonannexation thereof to this Mortgage.

Section 5.25 Transfer of Notes without Notarial Act. The parties hereto agree that the Note may be transferred without the necessity for a notarial act of transfer thereof and that any such transfer shall carry with it into the hands of any future holder of the Note full and entire subrogation of title in and to the Note to any and all rights and privileges under this Mortgage herein granted to Mortgagee, as the holder of the Note. This Mortgage is for the benefit of the Mortgagee and for such other Person or Persons as may from time to time become or be the holder of any of the Secured Obligations and this Mortgage shall be transferable and negotiable with the same force and effect and to the same extent as the Secured Obligations may be transferable, it being understood that, upon the transfer or assignment by Mortgagee of any of the Secured Obligations, the legal holder of the Secured Obligations shall have all of the rights granted to Mortgagee under this Mortgage. Mortgagor specifically agrees that upon any transfer of all or any portion of the Secured Obligations, this Mortgage shall secure the then existing Secured Obligations of Mortgagor to the transferee and any and all Secured Obligations to such

transferee thereafter arising as of the time this Mortgage is established and with respect to third parties as of the date it is filed for registry.

Section 5.26 NO UNWRITTEN ORAL AGREEMENTS. THIS INSTRUMENT AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

[SIGNATURES ON NEXT PAGE]

THUS DONE AND PASSED BY the undersigned appearer, in the State of Texas, County of Harris before the undersigned witnesses and me, Notary, on August 7, 2019 to be effective as of the Effective Date after due reading of the whole.

WITNESSES TO ALL:

By: _____
Name: Robert G Gerdes

By: _____
Name: Brian H. McCullor

MORTGAGOR:

Sanare Energy Partners, LLC,
a Delaware limited liability company

By: _____
Name: Avery C. Alcorn
Title: Chief Financial Officer

SHERRY J GOSNELL
Notary Public, State of Texas
Comm Expires 01-29-2021
Notary ID 1884688

_____
Notary Public

Print Name: Sherry J. Gosnell
My commission expires: 1-29-21
Notarial Number: 1884688

[SEAL]

EXHIBIT A

Hydrocarbon Property

[See attached]

EXHIBIT A "Offshore Louisiana"

Attached to and made a part of the Mortgage, Assignment of As-Extracted Collateral, Security Agreement and Fixture Filing
From
Sanare Energy Partners, LLC the Mortgagor
for the benefit of
The First National Bank of Central Texas, The Mortgagee

Area	Block	Lease No.	Lease Date	Lessor	Original Lessee(s)	Ownership Rights	Working Interests	Lease/Aliquot/Unit Description
East Cameron	65	OCS-G 25937	05/01/2004	United States of America	El Paso Production Company, et al	Record Title	78.75000%	All of Block 65, East Cameron Area, OCS Leasing Map, Louisiana Map No. 2.
Eugene Island	38	OCS-G 24883	07/01/2003	United States of America	Union Oil Company of California	Assignment of Operating Rights	7.12500%	Operating Rights in the SE/4 of that portion of Block 38, Eugene Island Area, INSOFAR AND ONLY INSOFAR as to the surface to 11,500' TVD.
Eugene Island	57	OCS-G 2601	05/01/1974	United States of America	Marathon Oil Company Amerada Hess Corporation	Record Title	14.62500%	Record Title in all of Block 57, Eugene Island Area
						Operating Rights	14.25000%	Operating Rights in the E/2 NE/4 NW/4; S/2 NW/4; SW/4; E/2 of Block 57, Eugene Island Area, INSOFAR AND ONLY INSOFAR as to those depths from the surface of the earth down to 100' below the stratigraphic equivalent of the base of the "TL-5" sand occuring at 12,100' MD.
						Operating Rights	4.75000%	Operating Rights in the NW/4 NW/4; W/2 NE/4 NW/4 of Block 57, Eugene Island Area, INSOFAR AND ONLY INSOFAR as to those depths from the surface of the earth down to 100' below the stratigraphic equivalent of the base of the "TL-5" sand occurring at a depth of 12,100' MD.
						Operating Rights	9.87500%	Operating Rights in the NW/4 NW/4; W/2 NE/4 NW/4 of Block 57, Eugene Island Area, INSOFAR AND ONLY INSOFAR as to those depths from 100' below the stratigraphic equivalent of the base of the "TL-5" sand occurring at 12,100' MD as seen in the Marathon Oil Company OCS-G 2894 Well No. 12, Eugene Island, Block 38 to 100 feet below the stratigraphic equivalent of 12,750 feet TVD as seen in the log of the Bois d'Arc Offshore Ltde.
						Contractual Rights #1	7.36618%	Contractual Rights in the E/2 SE/4 NE/4 of Block 57, Eugene Island Area, INSOFAR AND ONLY INSOFAR as to those depths from the surface of the earth down to and including the stratigraphic equivalent depth of 13,097' SS TVD, as seen at 13,150' MD in the electric log of the Eugene Island Block 57 OCS-G 2601 Well No. 6 (API 17-709-40246-00), being the stratigraphic equivalent of the total depth drilled in the Eugene Island Block 58 OCS-G 2895 Well No. 8 BP-1 (API 17-709-41452-01) plus one hundred feet.
						Contractual Rights #2	7.36618%	Contractual Rights as to the E/2 SE/4 NE/4, of Block 57, Eugene Island Area, INSOFAR AND ONLY INSOFAR as to those depths from the surface of the earth down to and including the stratigraphic equivalent of 13,480', being 100' below the total depth drilled, as seen in the electric log of the OCS G-2895 Well No. 8 (API 17-709-41452-01).
						Contractual Rights #3	7.12500%	Contractual Rights as to the S/2 NW/4 NE/4; SW/4 NE/4; and W/2 SE/4 NE/4 of Block 57, Eugene Island Area, INSOFAR AND ONLY INSOFAR as to those depths from the surface of the earth down to and including the stratigraphic equivalent depth of 12,239' SS TVD, as seen at 12,270' MD in the electric log of the Eugene Island 57 OCS-G 2601 Well No. 3 (API 17-709-40224-00), being the stratigraphic equivalent of the total depth drilled in the Eugene Island 57 OCS-G 2601 Well No. 16 (API 17-709-41484-00) plus one hundred feet.

Area	Block	Lease No.	Lease Date	Lessor	Original Lessee(s)	Ownership Rights	Working Interests	Lease/Aliquot/Unit Description
						Contractual Rights #4	7.12500%	Contractual Rights as to the NE/4 NE/4; N/2 NW/4 NE/4 of Block 57, Eugene Island Area, INSOFAR AND ONLY INSOFAR as to those depths from the surface of the earth down to and including the stratigraphic equivalent depth of 11,453' SS TVD, as seen at 11,670' MD in the electric log of the Eugene Island Block 38 OCS-G 2894 Well No. 5 ST-2 (API 17-709-40243-02), being the stratigraphic equivalent of the total depth drilled in the Eugene Island Block 38 OCS-G 24883 Well No. 17 (API 17-709-41485-00) plus one hundred feet.
Eugene Island	58	OCS-G 2895	12/01/1974	United States of America	Marathon Oil Company Amerada Hess Corporation	Record Title	14.62500%	Record Title in all of Block 58, Eugene Island Area.
						Operating Rights	14.25000%	Operating Rights in all of Block 58, Eugene Island Area, INSOFAR AND ONLY INSOFAR as to those depths from the surface of the earth down to 100' below the stratigraphic equivalent of the base of the "TL-5" sand occurring at 12,100'MD, as seen in the Marathon Oil Company OCS G-2894, Well No. 12, Eugene Island Block 38 (API No. 17 709 4032500).
						Contractual Rights #1	3.56250%	Contractual Rights as to the NE/4 NW/4; and N/2 NW/4 NW/4 of Block 58, Eugene Island Area, INSOFAR AND ONLY INSOFAR as to those depths from the surface down to 100' below the stratigraphic equivalent of the AE-11 Sand occurring at 11,040' TVD (11,655' MD), as seen in the Tana Exploration Company LLC OCS-G 2895, Well No. 7, Eugene Island Block 58 (API No. 17-709-41449-00).
						Contractual Rights #2	7.36618%	Contractual Rights as to the S/2 NW/4 NW/4; SW/4 NW/4; N/2 NW/4 SW/4 of said Block 58, Eugene Island Area, INSOFAR AND ONLY INSOFAR as to those depths from the surface of the earth down to and including the stratigraphic equivalent depth of 13,097' SS TVD, as seen at 13,150' MD in the electric log of the Eugene Island Block 57 OCS-G 2601 Well No. 6 (API 17-709-40246-00), being the stratigraphic equivalent of the total depth drilled in Eugene Island 58 OCS-G 2895 Well No. 8 BF-1 (API 17-709-41452-01) plus one
						Contractual Rights #3	7.36618%	Contractual Rights as to the S/2 NW/4 NW/4; SW/4 NW/4; N/2 NW/4 SW/4, of Block 58, Eugene Island Area, INSOFAR AND ONLY INSOFAR as to those depths from the surface of the earth down to and including the stratigraphic equivalent of 13,480', being 100' below the total depth drilled, as seen in the electric log of the OCS G-2895 Well No. 8 (API 17-709-41452-01).
Eugene Island	183	OCS-G 17981	08/01/1997	United States of America	Elf Exploration, Inc.	Record Title	100.00000%	All of Block 183, Eugene Island Area, OCS Leasing Map, Louisiana Map No. 4.
Eugene Island	184	OCS-G 5498	07/01/1983	United States of America	Odeco Oil & Gas Company Monsanto Oil Company Murphy Oil Corporation	Record Title	100.00000%	All of the S/2 of Block 184, Eugene Island Area, OCS Leasing Map No. 4.
						Record Title	50.00000%	All of the N/2 of Block 184, Eugene Island Area, OCS Leasing Map No. 4.
Eugene Island (E/2)	208	OCS-G 26032	07/01/2004	United States of America	Pioneer Natural Resources USA, Inc.	Record Title	15.00000%	Record Title in the E1/2 of Block 208, Eugene Island Area .
Eugene Island (W/2)	208	OCS-G 0577	09/01/1955	United States of America	The Atlantic Refining Co. Continental Oil Company Cities Service Prodution Co. Tidewater Associated Oil Co.	Record Title	15.00000%	Record Title in the W1/2 of Block 208, Eugene Island Area, LESS AND EXCEPT the Operating Rights in the N/2 from 11,732' TVD and below.
Eugene Island	246	OCS-G 0810	05/01/1960	United States of America	Tidewater Oil Company, et al	Record Title	68.12500%	All of Block 246, Eugene Island Area OCS, INSOFAR AND ONLY INSOFAR as the lease covers the S/2 SW/4; and W/2 SW/4 SE/4 of Block 246 Eugene Island Area, and ONLY as to rights from the Surface to 6,800' TVD.
						Contractual Rights #1	68.12500%	S/2 SW/4 of Block 246 Eugene Island Area, and ONLY as to rights from the Surface to 6,800' TVD.
						Contractual Rights #2	68.12500%	W/2 SW/4 SE/4 of Block 246 Eugene Island Area, and ONLY as to rights from the Surface to 6,800' TVD.
Eugene Island	267	OCS-G 0812	05/01/1960	United States of America	Tidewater Oil Company, et al	Record Title	68.12500%	All of Block 267, Eugene Island Area OCS, INSOFAR AND ONLY INSOFAR as the lease covers the N/2 NW/4, N/2 S/2 NW /4 and the NW /4 NW /4 NE /4 of Block 267 Eugene Island Area and ONLY as to rights from the Surface to 6,800' TVD.

Area	Block	Lease No.	Lease Date	Lessor	Original Lessee(s)	Ownership Rights	Working Interests	Lease/Aliquot/Unit Description
						Contractual Rights #1	68.12500%	NW/4NE/4 NW4 of Block 267, Eugene Island Area, South Addition from the surface to 6,800' TVD.
Mississippi Canyon	21	OCS-G 28351	07/01/1995	United States of America	Union Oil Company of California	Record Title	20.00000%	The NW/4; NE/4; SE/4; N/2 NW/4 SW/4; N/2 NE/4 SW/4; SE/4 NE/4 SW/4; S/2 SE/4 SW/4; SE/4 SW/4 SW/4 of Block 21, Mississippi Canyon, OCS Official Protraction Diagram, NH 16-10.
Mississippi Canyon	22	OCS-G 22850	07/01/2001	United States of America	Total Fina Elf E&P USA, Inc.	Record Title	20.00000%	All of Block 22, Mississippi Canyon, OCS Official Protraction Diagram, NH 16-10 INSOFAR AND ONLY INSOFAR as to the N/2; SW/4; N/2 SE/4 of Block 22, Mississippi Canyon, from the surface of the earth down to and including a depth of 100 feet below the stratigraphic equivalent of 8,721 feet True Vertical Depth, being the total depth drilled in the OCS-G 22850 Well No. 1
Mississippi Canyon	65	OCS-G 21742	06/01/2000	United States of America	BP Exploration & Oil Inc.	Record Title	20.00000%	All of Block 65, Mississippi Canyon, OCS Official Protraction Diagram, NH 16-10 INSOFAR AND ONLY INSOFAR as to the N/2 of Block 65 Mississippi Canyon, INSOFAR AND ONLY INSOFAR as said rights include depths from the surface of the earth down to and including one hundred (100') below the stratigraphic equivalent of a depth of 10,195 feet, true vertical depth.
Main Pass	64	OCS-G 4909	12/01/1981	United States of America	Howell Peroleum Corporation	Record Title	25.00000%	That portion of Block 64, Main Pass Area, Louisiana Map No.10, which is more than three geographical miles seaward from the line described in the supplemental decree of the U. S. Supreme Court, June 16, 1975 (United States vs. Louisiana, 422 U.S. 13)
						Operating Rights	46.81875%	That portion of Block 64, Main Pass Area, INSOFAR AND ONLY INSOFAR AS the lease covers the South Half (S/2) of the block, below the stratigraphic equivalent of 11,500' subsea as seen on the electric log on the OCS-G 4909 Well #20.
						Unit Interests	100.00000%	Unit covers the 7300' Sand Reservoir as that productive zone occurring within the interval from 7323 feet to 7482 feet, as in Well #11, Lease OCS-G 4909 within the Unit Area containing a total of 1879 acres.
Main Pass	65	OCS-G 5692	07/01/1983	United States of America	Total Petroleum	Record Title Surface to 8,600'	100.00000%	All of Block 65, Main Pass Area. As from the Surface to 8,600'
						Record Title Surface from 8,600' to 8,850'	100.00000%	All of Block 65, Main Pass Area. As to depths from 8,600' to 8,850'
						Record Title Below 8,850'	100.00000%	All of Block 65, Main Pass Area. As to depths below 8,850'
						Unit Interests	100.00000%	Unit covers the 7300' Sand Reservoir as that productive zone occurring with n the interval from 7323 feet to 7482 feet, as in Well #11, Lease OCS-G 4909 within the Unit Area containing a total of 1879 acres.
Mobile	870	OCS-G 5068	04/01/1982	United States of America	Placid Oil Company	Operating Rights	7.50000%	Operating Rights in that portion of Block 870, Mobile, INSOFAR AND ONLY INSOFAR as to those depths above the stratigraphic equivalent of 100' below the depths of 2,558 feet subsea as encountered in the Santa Fe International Corporation OCS-G 5068 Well No. 1
South Marsh Island	27	OCS-G 01187	06/01/1962	United States of America	Shell Oil Company	Record Title	20.00000%	All of Block 27, South Marsh Island Area, as shown on official leasing map La. No. 3A, Outer Continental Shelf Leasing Map, Louisiana Offshore Operations
South Marsh Island	29	OCS-G 01189	06/01/1962	United States of America	The British American Oil Producing Company, Richfield Oil Corporation and Mississippi River Fuel Corporation	Record Title	20.00000%	All of Block 27, South Marsh Island Area, as shown on official map La. No. 3A, Outer Continental Shelf Leasing Map, Louisiana Offshore Operations INSOFAR AND ONLY INSOFAR as to All of Block 29, South Marsh Island Area, from the surface down to the depth of 14,405'
South Marsh Island	58	OCS-G 01194	05/01/1962	United States of America	Shell Oil Company	Record Title	20.00000%	All of Block 58, South Marsh Island Area, OCS Leasing Map, Louisiana Map No. 3A.
South Marsh Island	68	OCS-G 17935	07/01/1997	United States of America	Taylor Energy Company	Record Title	20.00000%	All of Block 68, South Marsh Island Area, OCS Leasing Map, Louisiana Map No. 3A.
South Marsh Island	69	OCS-G 01201	07/01/1997	United States of America	Taylor Energy Company	Record Title	20.00000%	All of Block 69, South Marsh Island Area, as shown on official leasing map La. No. 3A, Outer Continental Shelf Leasing Map, Louisiana Offshore

Area	Block	Lease No.	Lease Date	Lessor	Original Lessee(s)	Ownership Rights	Working Interests	Lease/Aliquot/Unit Description
South Marsh Island	72	OCS-G 01204	06/01/1962	United States of America	Humble Oil & Refining Company	Record Title	20.00000%	All of Block 72, South Marsh Island Area, South, Addition, as shown on offic al leasing map La. No. 3C, Outer Continental Shelf Leasing Map, Louisiana Offshore Operations.
South Marsh Island	73	OCS-G 01205	06/01/1962	United States of America	Humble Oil & Refining Company	Record Title	20.00000%	All of Block 73 South Marsh Island Area, South Addition, as shown on offic al leasing map La. No. 3C, Outer Continental Shelf Leasing Map, Louisiana Offshore Operations.
Ship Shoal	186	OCS-G 32197	08/01/2008	United States of America	Newfield Exloration Company	Record Title	2.50000%	Record Title in all of Block 186, Ship Shoal Area, LESS AND EXCEPT the Operating Rights below 18,000' TVD.
Ship Shoal	217	OCS-G 32201	06/01/2008	United States of America	Houston Energy, L.P.	Record Title	20.00000%	All of Block 217, Ship Shoal Area, as shown on official leasing map La. No. 5, Outer Continental Shelf Leasing Map, Louisiana Offshore Operations
Ship Shoal	218	OCS-G 01022	05/01/1962	United States of America	Kerr-McGee Oil Industries, Cabot Corporation, Felmont Oil Corporation and Essex Royalty Corporation	Record Title	20.00000%	All of Block 218, Ship Shoal Area, as shown on official leasing map La. No. 5, Outer Continental Shelf Leasing Map, Louisiana Offshore Operations.
Ship Shoal	229	OCS-G 00830	05/01/1960	United States of America	Kerr-McGee Oil Industries, Cabot Corporation, Felmont Oil Corporation and Essex Royalty Corporation	Record Title	20.00000%	All of Block 229, Ship Shoal Area, as shown on official leasing map La. Map No. 5, Outer Continental Shelf Leasing Map (Louisiana offshore operations).
Ship Shoal	230	OCS-G 00831	05/01/1960	United States of America	Kerr-McGee Oil Industries, Cabot Corporation, Felmont Oil Corporation and Essex Royalty Corporation	Record Title	20.00000%	All of Block 230, Ship Shoal Area, as shown on official leasing map La. Map No. 5, Outer Continental Shelf Leasing Map (Louisiana offshore operations).
Ship Shoal	242	OCS-G 00832	05/01/1960	United States of America	Kerr-McGee Oil Industries, Cabot Corporation, Felmont Oil Corporation and Essex Royalty Corporation	Record Title	20.00000%	All of Block 242, Ship Shoal Area, South Addition, as shown on official leasing map La. Map No. 5A, Outer Continental Shelf Leasing Map (Louisiana offshore operations).
Ship Shoal	290	OCS-G 32207	08/01/2008	United States of America	Newfield Exploration Company	Record Title	20.00000%	All of Block 290, Ship Shoal Area, as shown on official leasing map La. No. 5A, Outer Continental Shelf Leasing Map, Louisiana Offshore Operations
Ship Shoal	63	OCS-G 0057	09/12/1946	State Mineral Board of Louisiana bearing State Lease No. 763 (Tract 777), as validated by the United States of America under Serial Number OCS 057	Magnolia Petroleum Company	Record Title	100.00000%	That portion of Block 63, Ship Shoal Area, described as the SE/4 of SE/4, containing 312.50 acres, more or less, as shown on OCS Leasing Map, Louisiana Map No. 5.
						Unit Interests	100.00000%	Ship Shoal Block 72 Unit (#14-08-0001-2945) created by Unit Agreement dated December 9, 1955, approved June 29, 1956, covering a port on of Block 63, portion of SW/4 of Block 64, W/2 of Block 71, all of Block 72 and the N/2 of Block 87, Ship Shoal Area.
Ship Shoal	63	OCS-G 12345	09/12/1946	State Mineral Board of Louisiana bearing State Lease No. 763 (Tract 777), as validated by the United States of America under Serial Number OCS-G 12345 (formerly OCS 057-A)	Magnolia Petroleum Company	Record Title Aliquot A	76.20833%	That portion of Block 63, Ship Shoal Area, also described as the federal portion containing a total of 3,111.44 acres, more or less, as shown on OCS Leasing Map, Louisiana Map No. 5 below 13,600' SE/4 NE/4 SE/4 of Block 63, Ship Shoal Area.
						Record Title Aliquot B	79.78125%	That portion of Block 63, Ship Shoal Area, also described as the federal portion containing a total of 3,111.44 acres, more or less, as shown on OCS Leasing Map, Louisiana Map No. 5 below 13,600'. N /2 NE/4 SE/4; SW/4 NE/4 SE/4; NW/4 SE1/4; N/2 SW/4 SE/4 of Block 63, Ship Shoal Area.
						Record Title Aliquot C	100.00000%	That portion of Block 63, Ship Shoal Area, also described as the federal portion containing a total of 3,111.44 acres, more or less, as shown on OCS Leasing Map, Louisiana Map No. 5 N/2; SW/4; S/2 SW/4 SE1/4 of Block 63, Ship Shoal Area.
						Operating Rights	100.00000%	That portion of Block 63, Ship Shoal Area, also described as the federal portion containing a total of 3,111.44 acres, more or less, as shown on OCS Leasing Map, Louisiana Map No. 5. Operating Right Over the entire lease but limited to 13,600' in those areas of partial ownership.
						Unit Interests	100.00000%	Ship Shoal Block 72 Unit (#14-08-0001-2945) created by Unit Agreement dated December 9, 1955, approved June 29, 1956, covering a portion of Block 63, portion of SW/4 of Block 64, W/2 of Block 71, all of Block 72 and the N/2 of Block 87, Ship Shoal Area.

Area	Block	Lease No.	Lease Date	Lessor	Original Lessee(s)	Ownership Rights	Working Interests	Lease/Aliquot/Unit Description
Ship Shoal	64	OCS-G 0058	09/12/1946	State Mineral Board of Louisiana bearing State Lease No. 764 (Tract 778), as validated by the United States of America under Serial Number OCS 058	Magnolia Petroleum Company	Record Title	100.00000%	That portion of the W/2 of Block 64, Ship Shoal Area, also described as the SW/4 SW/4, containing 312.50 acres, more or less, as shown on OCS Leasing Map, Louisiana Map No. 5.
						Unit Interests	100.00000%	Ship Shoal Block 72 Unit (#14-08-0001-2945) created by Unit Agreement dated December 9, 1955, approved June 29, 1956, covering a portion of Block 63, portion of SW/4 of Block 64, W/2 of Block 71, all of Block 72 and the N/2 of Block 87, Ship Shoal Area.
Ship Shoal	64	OCS-G 12346	09/12/1946	State Mineral Board of Louisiana bearing State Lease No. 764 (Tract 778), as validated by the United States of America under Serial Number OCS-G 12346 (formerly OCS 058-A)	Magnolia Petroleum Company	Record Title Aliquot A	76.20833%	That portion of the W/2 of Block 64, Ship Shoal Area, also described as the federal portion of the following: NW/4; N/2 SW /4; SE/4 SW1/4 containing 713.70 acres, more or less, as shown on OCS Leasing Map, Louisiana Map No. 5 W/2 NW/4 SW/4 of Block 64, Ship Shoal Area.
						Record Title Aliquot B	100.00000%	That portion of the W/2 of Block 64, Ship Shoal Area, also described as the federal portion of the following: NW/4; N/2 SW /4; SE/4 SW1/4 containing 713.70 acres, more or less, as shown on OCS Leasing Map, Louisiana Map No. 5 NW/4; E/ 2 SW/4; E/2 NW/4 SW/4 of Block 64, Ship Shoal Area
						Operating Rights	100.00000%	That portion of the W/2 of Block 64, Ship Shoal Area, also described as the federal portion of the following: NW/4; N/2 SW /4; SE/4 SW1/4 containing 713.70 acres, more or less, as shown on OCS Leasing Map, Louisiana Map No. 5. W/2 NW/2 SW/4 of Block 64, Ship Shoal Area, INSOFAR AND ONLY INSOFAR as the lease covers depths from the surface of the earth down to the stratigraphic equivalent of 13,600 feet subsea
						Unit Interests	100.00000%	Ship Shoal Block 72 Unit (#14-08-0001-2945) created by Unit Agreement dated December 9, 1955, approved June 29, 1956, covering a portion of Block 63, portion of SW/4 of Block 64, W/2 of Block 71, all of Block 72 and the N/2 of Block 87, Ship Shoal Area.
Ship Shoal	64	State of Louisiana SL # 17669	12/16/2002	State Mineral Board of Louisiana bearing State Lease No. 17669, recorded at Book 1804, under Entry No. 1137040, of the Conveyance Records of Terrebonne Parish, Louisiana	PetroQuest Energy, L.L.C.	Record Title	100.00000%	Entire Tract 35086, portion of Block 64, Ship Shoal Area, Gulf of Mexico, described as that portion of Block 64, Ship Shoal Area, Terrebonne Parish, Louisiana, belonging to the State of Louisiana and not presently under mineral lease on December 11, 2002, being more fully described as follows: Beginning at a point on the Federal-State Boundary as defined by decree of the Supreme Court of the United States rendered June 16, 1975. having Coordinates of X=2,126,158 and Y=l20,067; thence Westerly along said Federal-State boundary on a straight line to the Southwest comer of State Lease No. 17093 having Coordinates of X=2,124,833.79 and Y=120,61 l.20, thence East 1,916.21 feet on the Southern boundary of said State Lease No. 17093 to a comer having coordinates of X=2,126,750.00 and Y=120,61 l.20, thence South 775.11 feet to a point on said Federal-State boundary having Coordinates of X=2,126,750.00 and Y=l 19,836.09, thence Northwesterly along said Federal-State boundary, following an arc centered at Coordinates X=2.133,086 and Y-136,940 to the point of beginning, containing approximately 17.26 acres, LESS AND EXCEPT that portion thereof, if any, lying seaward of the line three nautical miles from the coast line of Louisiana, as said three mile has been decreed by the Supreme Court of the United States, as determined by a Special Master appointed therein, in litigation styled United States v. State of Louisiana et al No. 9 Original, in 1975, all as more particularly outlined on a plat on file in the Office of Mineral Resources, Department of Natural Resources. all bearings, distances and coordinates are based on Louisiana Coordinate System of 1927, (North or South Zone).
						Unit Interests	100.00000%	Ship Shoal Block 72 Unit (#14-08-0001-2945) created by Unit Agreement dated December 9, 1955, approved June 29, 1956, covering a portion of Block 63, portion of SW/4 of Block 64, W/2 of Block 71, all of Block 72 and the N/2 of Block 87, Ship Shoal Area.

Area	Block	Lease No.	Lease Date	Lessor	Original Lessee(s)	Ownership Rights	Working Interests	Lease/Aliquot/Unit Description
Ship Shoal	71	OCS-G 0059	09/12/1946	State Mineral Board of Louisiana bearing State Lease No. 765 (Tract 785), as validated by the United States of America under Serial Number OCS 059	Magnolia Petroleum Company	Record Title	100.00000%	That portion of the W/2 of Block 71, Ship Shoal Area, also described as the N/2 NW/4 NW/4; and the SW/4 NW/4 NW/4, containing 234.375 acres, more or less, as shown on OCS Leasing Map, Louisiana Map No. 5.
						Unit Interests	100.00000%	Ship Shoal Block 72 Unit (#14-08-0001-2945) created by Unit Agreement dated December 9, 1955, approved June 29, 1956, covering a portion of Block 63, portion of SW/4 of Block 64, W/2 of Block 71, all of Block 72 and the N/2 of Block 87, Ship Shoal Area.
Ship Shoal	71	OCS-G 12347	09/12/1946	State Mineral Board of Louisiana bearing State Lease No. 765 (Tract 785), as validated by the United States of America under Serial Number OCS-G 12347 (formerly OCS 059-A)	Magnolia Petroleum Company	Record Title	100.00000%	That portion of the W/2 of Block 71, Ship Shoal Area, described as the SW/4; S/2 NW/4; NE/4 NW/4; SE/4 NW/4 NW/4, containing 2,265.625 acres, more or less, as shown on OCS Leasing Map, Louisiana Map No. 5.
						Unit Interests	100.00000%	Ship Shoal Block 72 Unit (#14-08-0001-2945) created by Unit Agreement dated December 9, 1955, approved June 29, 1956, covering a portion of Block 63, portion of SW/4 of Block 64, W/2 of Block 71, all of Block 72 and the N/2 of Block 87, Ship Shoal Area.
Ship Shoal	72	OCS-G 0060	09/12/1946	State Mineral Board of Louisiana bearing State Lease No. 766 (Tract 786), as validated by the United States of America under Serial Number OCS 060	Magnolia Petroleum Company	Record Title	100.00000%	That portion of Block 72, Ship Shoal Area, described as the N/2 NE /4; N/2 SW/4 NE/4; SW/4 SW/4 NE/4; NW/4 SE/4 NE/4; SE/4 NW/4; E/2 NW/4 SW/4; NE/4 SW/4; NE/4 SW/4 SW/4; N/2 SE/4 SW/4; SE/4 SE/4 SW/4; W/2 SE/4; and the W/2 SE/4 SEt4, containing 2,812.50 acres, more or less, as shown on OCS Leasing Map, Louisiana Map No. 5.
						Unit Interests	100.00000%	Ship Shoal Block 72 Unit (#14-08-0001-2945) created by Unit Agreement dated December 9, 1955, approved June 29, 1956, covering a portion of Block 63, portion of SW/4 of Block 64, W/2 of Block 71, all of Block 72 and the N/2 of Block 87, Ship Shoal Area.
Ship Shoal	72	OCS-G 12348	09/12/1946	State Mineral Board of Louisiana bearing State Lease No. 766 (Tract 786), as validated by the United States of America under Serial Number OCS-G 12348 (formerly OCS 060-A)	Magnolia Petroleum Company	Record Title	100.00000%	That portion of Block 72, Ship Shoal Area, described as the E/2 SE/4 SE/4; NE/4 SE/4; S/2 SE/4 NE/4; NE/4 SE/4 NE/4; SE/4 SW/4 NE/4; SW/4 SE/4 SW/4; S/2 SW/4 SW/4; NW/4 SW/4 SW/4; W/2 NW/4 SW/4; W/2 NW/4; NE/4 NW/4, containing 2,187.50 acres, more or less, as shown on OCS Leasing Map, Louisiana Map No. 5.
						Unit Interests	100.00000%	Ship Shoal Block 72 Unit (#14-08-0001-2945) created by Unit Agreement dated December 9, 1955, approved June 29, 1956, covering a port on of Block 63, portion of SW/4 of Block 64, W/2 of Block 71, all of Block 72 and the N/2 of Block 87, Ship Shoal Area.
Ship Shoal	87	OCS-G 0062	09/12/1946	State Mineral Board of Louisiana bearing State Lease No. 768 (Tract 801), as validated by the United States of America under Serial Number OCS 062	Magnolia Petroleum Company	Record Title	100.00000%	That portion of the N/2 of Block 87, Ship Shoal Area, also described as the NW/4 NE/4 NE/4; NW/4 NE/4; E/2 NE/4 NW/4, containing 546.875 acres, more or less, as shown on OCS Leasing Map, Louisiana Map No. 5.
						Unit Interests	100.00000%	Ship Shoal Block 72 Unit (#14-08-0001-2945) created by Unit Agreement dated December 9, 1955, approved June 29, 1956, covering a port on of Block 63, portion of SW/4 of Block 64, W/2 of Block 71, all of Block 72 and the N/2 of Block 87, Ship Shoal Area.
Ship Shoal	87	OCS-G 12349	09/12/1946	State Mineral Board of Louisiana bearing State Lease No. 768 (Tract 801), as validated by the United States of America under Serial Number OCS-G 12349 (formerly OCS 062-A)	Magnolia Petroleum Company	Record Title	100.00000%	That portion of Block 87, Ship Shoal Area, described as the S/2 N/2; E/2 NE/4 NE/4; SW/4 NE/4 NE/4; W/2 NE/4 NW/4; NW/4 NW/4 containing 1953.125 acres, more or less, all as shown on OCS Leasing Map, Louisiana Map No. 5.

Area	Block	Lease No.	Lease Date	Lessor	Original Lessee(s)	Ownership Rights	Working Interests	Lease/Aliquot/Unit Description
						Unit Interests	100.00000%	Ship Shoal Block 72 Unit (#14-08-0001-2945) created by Unit Agreement dated December 9, 1955, approved June 29, 1956, covering a portion of Block 63, portion of SW/4 of Block 64, W/2 of Block 71, all of Block 72 and the N/2 of Block 87, Ship Shoal Area.
Ship Shoal	252	OCS-G 1529	07/01/1967	United States of America	Union Oil Company of California Marathon Oil Company	Operating Rights	6.93750%	Operating Rights as to the NE/4; N/2 SE/4 of Block 252, Ship Shoal Area, South Addition from 11,934 ' TVD to 13,513' TVD
South Marsh Island	41	OCS-G 1192	06/01/1962	United States of America	CALIFORNIA OIL COMPANY	Record Title	100.00000%	All of Block 41, South Marsh Island Area, as shown on official leasing map LA. No. 3A, Outer Continental Shelf Leasing Map, Louisiana Offshore Operations.
						Operating Rights	50.00000%	W/2 of Block 41, South Marsh Island Area, limited to depths from 15,000' TVD down to a depth of 50,000' TVD.
						Operating Rights	50.00000%	E/2 of Block 41, South Marsh Island Area, limited to depths from 11,500' TVD down to a depth of 50,000' TVD - *less and except the "Contractual Rights," noted below.* (Sanare *does not own any interests in the E/2 of Block 41 as to depths from the surface to 11,500' TVD*)
						Contractual Rights	100.00000%	"Contractual Rights:" The following described intervals INSOFAR AND ONLY INSOFAR as said intervals are located in the NE/4 NE/4 of SM 41: The stratigraphic equivalents of the following 4 intervals: As seen on the induction log of the OCS-G 1192 (SM 41) No. A-1 Well at the following stratigraphic intervals: 1) C-1 Sand: between 12,540' and 12,600' TVD; 2) 13,700' Sand: between 12,870' and 13,320' TVD; 3) E-1 Sand: between 13,460' and 13,780' TVD; And, as seen on the induction log of the OCS-G 1192 (SM 41) No. A-3 Well at the following stratigraphic interval: 4) Rob E Sand: between 13,800'-14,330' TVD.
South Pass	86	OCS-G 5687	07/01/1983	United States of America	Marathon Oil Company Amerada Hess Corporation The Louisiana Land and Exploration Co. OKC Limited Partnership	Record Title	75.00000%	All of Block 86, South Pass Area, South and East Addition, OCS Leasing Map, Louisiana Map No. 9A.
South Pass	87	OCS-G 7799	09/01/1985	United States of America	Marathon Oil Company Amerada Hess Corporation The Louisiana Land and Exploraiton Co. OKC Limited Partnership	Overriding Royalty Interest	1.00000%	All of Block 87, South Pass Area, South and East Addition, OCS Leasing Map, Louisiana Map No. 9A
South Pass	89	OCS-G 1618	07/01/1967	United States of America	Signal Oil & Gas Company The Louisiana Land and Exploration Co. Marathon Oil Company Amerada Petroleum Corp.	Contractual Rights	50.00000%	Sanare's Contractual Ownership Interest is limited to only the following described "C" Wells, having a Bottom Hole Location located in the NE/4 of Block 89, South Pass Area, South and East Addition, limited in depths from 14,000' SSTVD to 17500' SSTVD, and with a Surface Hole Location located in South Pass 86: C-001, C-004 ST01 BP01; C-006 & C-010
Vermilion	191	OCS-G 01134	06/01/1962	United States of America	Tennessee Gas Transmission Company	Record Title	20.00000%	All of Block 191, Vermilion Area, as shown on official leasing map La. No. 3, Outer Continental Shelf Leasing Map, Louisiana Offshore Operations
Vermilion	229	OCS-G 27070	05/01/2005	United States of America	Hunt Oil Company	Record Title Aliquot B	50.00000%	All of Block 229, Vermilion Area, OCS Leasing Map, Louisiana Map No. 3, INSOFAR AND ONLY INSOFAR as the lease covers the E/2 E/2 W/2 of Block 229, Vermilion Area.
Vermilion	379	OCS-G 13606	09/01/1992	United States of America	Sun Operating Limited Prtnrship Petrobras America Inc.	Record Title	15.00000%	Record Title in all of Block 379, Vermilion Area, South Addition.
West Cameron	20	OCS-0680	08/01/1959	United States of America	The British-American Oil Producing Co.	Record Title	100.00000%	Block 20, West Cameron Area. That portion in Zone 2, as that zone is defined in the agreement between the United States and the State of Louisiana, October 12, 1956, as shown on official leasing map, La. Map No. 1 Outer Continental Shelf Leasing Map (Louisiana offshore operations).

Area	Block	Lease No.	Lease Date	Lessor	Original Lessee(s)	Ownership Rights	Working Interests	Lease/Aliquot/Unit Description
						Operating Rights	50.00000%	Portion of Block 20, West Cameron Area, INSOFAR AND ONLY INSOFAR as the lease covers depths from 13,500' TVD down to a depth of 50,000' TVD.
West Cameron	21	OCS-G 23730	07/01/2002	United States of America	The William G. Helis Company, L.L.C. Houston Energy, L.P. Duke Energy Hydrocarbons, LLC	Record Title	100.00000%	That portion of Block 21, West Cameron Area, OCS Leasing Map, Louisiana Map No. 1, seaward of the 1975 Supreme Court Decree Line specifically described in the OCS Block Diagram.
West Cameron	44	OCS-G 21532	07/01/2000	United States of America	IP Petroleum Company, Inc. The William G. Helis Company, L.L.C. Houston Energy, Inc.	Record Title	100.00000%	All of Block 44, West Cameron Area, OCS Leasing Map, Louisiana Map No. 1.
						Operating Rights	49.260000%* ********** * As a result of the bankruptcy and dissolution of Shoreline Offshore LLC, one of the co-owners of this operating rights interest, Sanare has assumed its proportionate share of Shoreline's rights and obligations under the applicable joint operating agreement (and other governing agreements), being 22.620%, giving Sanare a WI of 71.880% under such agreements.	The SE/4 NE/4; S/2 SW/4 NE/4; S/2 SE/4 NW/4; SE/4 SW/4 NW/4; E/2 NW/4 SW/4; NE/4 SW/4; N/2 SE/4; NE/4 SE/4 SW/4; N/2 SW/4 SE/4 of Block 44, West Cameron Area, insofar as the described portions cover those depths from the surface down to 9,476' TVD.
West Cameron	57	OCS-G 21534	07/01/2000	United States of America	IP Petroleum Company, Inc. The William G. Helis Company, L.L.C. Houston Energy, Inc.	Record Title	100.00000%	All of Block 57, West Cameron Area, as shown on OCS Louisiana Leasing Map, LA1.
						Operating Rights	100.00000%	The N/2 NW/4 SW/4; S/2 SW/4 NW/4; NE/4 SW/4 NW/4; SW/4 SE/4 NW/4; SW/4 NW/4 NE/4; S/2 NE/4 NW/4; SE/4 NW/4 NW/4; & N/2 SE/4 NW/4 of Block 57, West Cameron Area, insofar as the described portions cover those depths from the surface down to 16,000' TVD.
West Cameron	269	OCS-G 13563	08/01/1992	United States of America	Shell Offshore Inc.	Record Title	100.00000%	All of block 269, West Cameron area, OCS Leasing Map No. 1.
						Operating Rights #1	100.00000%	W/2 NE/4 NE/4; SE/4 NE/4; N/2 NE/4 SE/4 of Block 269, West Cameron Area, depths from the surface down to and including 12,805' TVD.

ANNEX 1

Certificate of Amendment

[See attached.]

Delaware

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "NORTHSTAR OFFSHORE VENTURES LLC", CHANGING ITS NAME FROM "NORTHSTAR OFFSHORE VENTURES LLC" TO "SANARE ENERGY PARTNERS, LLC", FILED IN THIS OFFICE ON THE TWENTY-NINTH DAY OF NOVEMBER, A.D. 2018, AT 10:11 O`CLOCK A.M.

Jeffrey W. Bullock, Secretary of State

6392425 8100
SR# 20188202435

Authentication: 204121015
Date: 12-17-18

You may verify this certificate online at corp.delaware.gov/authver.shtml

State of Delaware
Secretary of State
Division of Corporations
Delivered 10:11 AM 11/29/2018
FILED 10:11 AM 11/29/2018
SR 20187864038 - File Number 6392425

STATE OF DELAWARE
CERTIFICATE OF AMENDMENT

1. Name of Limited Liability Company: Northstar Offshore Ventures LLC

2. The Certificate of Formation of the limited liability company is hereby amended as follows:

   The name of the Company is changed to:

   Sanare Energy Partners, LLC

IN WITNESS WHEREOF, the undersigned have executed this Certificate on the 16TH day of NOVEMBER, A.D. 2018.

By: _____
Authorized Person(s)

Name: Avery C. Alcorn
Print or Type