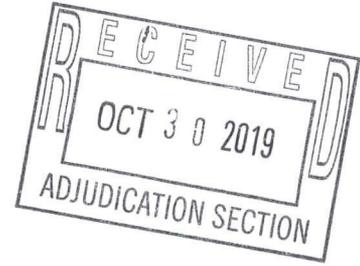


# PAUL HASTINGS

1(713) 860-7341  
pattywrench@paulhastings.com



October 29, 2019

79193.00022

## VIA UPS

Bureau of Ocean Energy Management, Regulation  
And Enforcement  
MS 5421  
1201 Elmwood Park Blvd.  
New Orleans, LA 70123-2394

Attention: Adjudication

Re: Lease – OCS-G-23851

Dear Sir or Madam:

Enclosed is an original and duplicate copy of a Mortgage, Multiple Indebtedness Mortgage, Line of Credit Mortgage, Fixture Filing, Assignment of As-Extracted Collateral, Security Agreement and Financing Statement by Contango Operators, Inc., as Mortgagor, to JMorgan Chase Bank, N.A., as Administrative Agent, as Mortgagee.

Please file this document as non-required category 1 document – Mortgage and return the duplicate copy to me with your received/department stamp. For your convenience, we have included a return envelope.

Also enclosed is confirmation of the online payment at Pay.gov. If you have any questions, please call me toll free, at 877.299.7459 x 8257341.

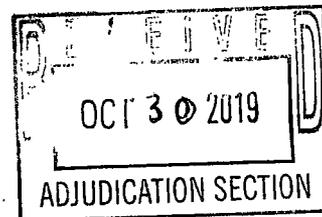
Sincerely,

A handwritten signature in blue ink that reads "Patty Wrench".

Patty Wrench  
Paralegal

Enclosures

# ACKNOWLEDGMENT COPY



WHEN RECORDED OR FILED,  
PLEASE RETURN TO:  
Paul Hastings LLP  
600 Travis Street, Floor 58  
Houston, Texas 77002  
Attention: Patty Wrench

*Space above for Parish Recorder's Use*

*BDEM*

**MORTGAGE, MULTIPLE INDEBTEDNESS MORTGAGE, LINE OF  
CREDIT MORTGAGE, FIXTURE FILING,  
ASSIGNMENT OF AS-EXTRACTED COLLATERAL,  
SECURITY AGREEMENT AND FINANCING STATEMENT**

*BY*

**CONTANGO OPERATORS, INC.,  
AS MORTGAGOR,**

*TO*

**JPMORGAN CHASE BANK, N.A.,  
AS ADMINISTRATIVE AGENT, AS MORTGAGEE,**

*FOR THE BENEFIT OF*

**THE SECURED PERSONS**

**A CARBON, PHOTOGRAPHIC, OR OTHER 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 "FIXTURES" (AND ACCOUNTS WITH RESPECT TO SAME), AS EACH SUCH TERM IS DEFINED IN THE UNIFORM COMMERCIAL CODE.**

**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 RELATED THERETO, WHICH WILL BE FINANCED AT THE WELLHEADS OF THE WELL OR WELLS LOCATED ON THE PROPERTIES DESCRIBED IN THE EXHIBIT HERETO. THIS FINANCING STATEMENT IS TO BE FILED OR FILED FOR RECORD, AMONG OTHER PLACES, IN THE UCC RECORDS OR SIMILAR RECORDS OF THE RECORDERS OF THE LOUISIANA PARISHES LISTED ON THE EXHIBIT HERETO. THE MORTGAGOR HAS AN INTEREST OF RECORD IN THE REAL ESTATE AND IMMOVABLE PROPERTY CONCERNED, WHICH INTEREST IS DESCRIBED IN THE EXHIBIT ATTACHED HERETO.**

**PORTIONS OF THE MORTGAGED PROPERTY ARE GOODS WHICH ARE OR ARE TO BECOME AFFIXED TO OR FIXTURES ON THE LAND DESCRIBED IN OR REFERRED TO IN THE EXHIBIT HERETO. THIS FINANCING STATEMENT IS TO BE FILED FOR RECORD OR RECORDED, AMONG OTHER PLACES, IN THE REAL ESTATE RECORDS OR SIMILAR RECORDS OF EACH COUNTY OR PARISH IN WHICH SAID LAND OR ANY PORTION THEREOF IS LOCATED AND WITH A CLERK OF COURT IN ANY PARISH IN THE STATE OF LOUISIANA. THE MORTGAGOR IS THE OWNER OF RECORD INTEREST IN THE REAL ESTATE CONCERNED. THIS INSTRUMENT IS ALSO TO BE INDEXED IN THE INDEX OF FINANCING STATEMENTS OR THE UCC RECORDS.**

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**BE IT KNOWN** that, on this 17<sup>th</sup> day of September, 2019, in the State and County referenced on the Mortgagor's signature page below, and in the presence of the undersigned competent witnesses and the undersigned notary public, personally came and appeared:

**Contango Operators, Inc.**, a Delaware corporation ("Mortgagor"), whose address is c/o Contango Oil & Gas Company, 717 Texas Ave., Suite 2900, Houston, Texas 77002, Attention: E. Joseph Grady and whose federal employer identification number is 76-0671750, represented herein by an undersigned officer of its general partner, duly authorized the Mortgagor,

who, being duly sworn, did declare and acknowledge that Mortgagor desires to execute and deliver this **MORTGAGE, MULTIPLE INDEBTEDNESS MORTGAGE, LINE OF CREDIT MORTGAGE, FIXTURE FILING, ASSIGNMENT OF AS-EXTRACTED COLLATERAL, SECURITY AGREEMENT AND FINANCING STATEMENT** (this "Mortgage"), for the use and benefit of

**JPMorgan Chase Bank, N.A.**, as administrative agent for the Lenders, for the benefit of the Secured Persons (as defined below) (in such capacity "Administrative Agent") whose address is:

JPMorgan Chase Bank, N.A.  
712 Main Street, 5<sup>th</sup> Floor  
Houston, TX 77002  
Attention: Ron Dierker, Managing Director

and hereby declares as follows:

#### **RECITALS**

A. On even date herewith, Contango Oil and Gas Company, a Texas corporation (the "Borrower"), as borrower, the Lenders and the Mortgagee, as administrative agent for the Lenders, are executing a Credit Agreement (such agreement, as may from time to time be amended, restated, amended and restated, supplemented or otherwise modified, the "Credit Agreement"), pursuant to which, upon the terms and conditions stated therein, the Lenders have agreed to make loans and other extensions of credit to the Borrower.

B. The Borrower, the Mortgagor, each of the other signatories thereto, and the Mortgagee are executing a Guarantee and Collateral Agreement in favor of the Mortgagee dated as of even date herewith (such agreement, as may from time to time be amended, restated, amended and restated, supplemented or otherwise modified) pursuant to which, upon the terms and conditions stated therein, the Guarantors party thereto have agreed to guarantee the Obligations (as defined therein), and the Borrower, the Mortgagor and the other Guarantors party thereto have agreed to grant Liens on certain of their properties.

C. The Mortgagee and the other Secured Persons (as defined herein) have conditioned their obligations under the Secured Documents (as defined herein) upon the execution and delivery by the Mortgagor of this Mortgage.

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

## ARTICLE I DEFINITIONS

Section 1.01 Terms Defined Above. As used in this Mortgage, each term defined above has the meaning indicated above.

Section 1.02 Terms Defined in the Credit Agreement. Unless otherwise defined herein, each capitalized term defined in the Credit Agreement and used herein has the meaning given to it in the Credit Agreement.

Section 1.03 Terms Defined in the UCC. Unless otherwise defined herein or in the Credit Agreement, each capitalized term defined in the Applicable UCC and used herein has the meaning given to it in the Applicable UCC.

Section 1.04 Certain Defined Terms. As used in this Mortgage, the following terms have the meanings specified below:

“Applicable UCC” means the provisions of the Uniform Commercial Code presently in effect in the jurisdiction in which the relevant UCC Collateral is situated or which otherwise is applicable to the creation, perfection, the effect of perfection or nonperfection, or the priority of the Liens described herein or the rights and remedies of the Mortgagee under this Mortgage.

“Collateral” means, collectively, all the Mortgaged Property and all the UCC Collateral.

“Event of Default” has the meaning assigned to such term in Section 5.01.

“Excluded Assets” means:

(a) motor vehicles and other assets subject to certificates of title (except to the extent the Lien on such Property can be perfected by the filing of an “all assets” UCC-1 Financing Statement);

(b) Letter-of-Credit Rights (except to the extent the security interest in such assets can be perfected by the filing of an “all assets” UCC-1 Financing Statement or automatically as a Supporting Obligation for other UCC Collateral required to be perfected hereunder) and Commercial Tort Claims, the value of which does not exceed \$100,000 individually or \$500,000 in the aggregate for all such Letter-of-Credit Rights and Commercial Tort Claims;

(c) (i) assets financed by Capital Leases permitted by Section 9.02(b) the Credit Agreement over which the granting of a Lien on such assets would be prohibited by the documentation governing such Capital Leases or (ii) any contract, permit, license, or franchise over which the granting of a Lien on such assets would be prohibited by applicable law or regulation (in each case of clauses (i) and (ii), except to the extent such prohibition is rendered ineffective after giving effect to Sections 9-406, 9-407, 9-408 or 9-409 or any other applicable provisions of the Applicable UCC or any other applicable law (provided however, that such assets shall not be Excluded Assets at such time as the contractual obligation binding on the assets or the applicable law or regulation prohibiting the grant of such security interest shall be terminated or otherwise rendered ineffective, and, to the extent severable, any portion of such Property that is not subject to the specified prohibition shall not be Excluded Assets), and excluding the Proceeds thereof to the extent not otherwise constituting Excluded Assets);

(d) margin stock and, to the extent prohibited by the terms of any applicable organizational documents, joint venture agreement or shareholders' agreement (except to the extent such prohibition is rendered ineffective after giving effect to Sections 9-406, 9-407, 9-408 or 9-409 or any other applicable provisions of the Applicable UCC or any other applicable law), Equity Interests in any Person other than (i) Wholly-Owned Subsidiaries of the Borrower or (ii) Guarantors;

(e) Excluded Accounts; and

(f) those assets as to which the Mortgagee and the Mortgagor reasonably agree (which agreement shall be evidenced in a writing signed by the Mortgagee and the Mortgagor) (i) that the costs of obtaining such a security interest or perfection thereof are excessive in relation to the benefit to the Secured Persons of the security to be afforded thereby or (ii) that the granting of security interest would result in materially adverse tax consequences to the Borrower or any of the Borrower's Subsidiaries.

"Federal Interests" has the meaning assigned to such term in Section 6.16(a).

"Federal Leases" means all lands or interests therein (including rights of way and easements), containing deposits of oil, gas and other substances subject to the Mineral Leasing Act or the Outer Continental Shelf Lands Act.

"Hydrocarbon Interests" means (a) all rights, titles, interests and estates now owned or hereafter acquired by the Mortgagor in and to the oil and gas leases, oil, gas and mineral leases, wellbore interests, or other liquid or gaseous hydrocarbon leases, mineral fee interests, overriding royalty and royalty interests, net profit interests and production payment interests, and other interests and estates and the lands and premises covered or affected thereby, including any reserved or residual interests of whatever nature, in each case, which are described on Exhibit A; and (b) all other interests of the Mortgagor now owned or hereafter acquired in and to the lands that are subject to any of the interests and Property described on Exhibit A, regardless of whether such other interests and other Property are incorrectly described in, and notwithstanding that the interests as specified on Exhibit A may be limited to particular lands, specified depths or particular types of property interests or omitted, in whole or in part, from Exhibit A.

"Hydrocarbons" means all oil, gas, casinghead gas, drip gasoline, natural gasoline, condensate, distillate, liquid hydrocarbons, gaseous hydrocarbons and all products refined or separated therefrom and all other minerals which may be produced and saved from or attributable to the Oil and Gas Properties of the Mortgagor, including all oil in tanks, and all rents, issues, profits, proceeds, products, revenues and other incomes from or attributable to the Hydrocarbon Interests or other properties constituting Oil and Gas Properties.

"Indemnified Parties" means the Mortgagee and each other Secured Person, their respective Affiliates, and each such Person's officers, directors, employees, representatives, agents, attorneys, accountants and experts.

"Lien" means any interest in Property securing an obligation owed to, or a claim by, a Person other than the owner of the Property, whether such interest is based on the common law, statute or contract, and whether such obligation or claim is fixed or contingent, and including but not limited to (a) the lien or security interest arising from a deed of trust, mortgage, encumbrance, pledge, security agreement, conditional sale or trust receipt or a lease, consignment or bailment for security purposes, (b) production payments and the like payable out of Oil and Gas Properties, and (c) to the extent securing such an

obligation or claim, any interest in Property in the form of an easement, restriction, servitude, permit, condition, covenant, exception or reservation.

“Mortgaged Property” means the Oil and Gas Properties and other properties and assets described in Section 2.01(a) through Section 2.01(g).

“Oil and Gas Properties” means (a) the Hydrocarbon Interests; (b) the Properties now or hereafter pooled or unitized with the Hydrocarbon Interests; (c) 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 and rules or other official acts of any Governmental Authority and units created solely among working interest owners pursuant to operating agreements or otherwise) which may affect all or any portion of the Hydrocarbon Interests; (d) all operating agreements, contracts and other agreements, including, without limitation, production sharing contracts and agreements, production sales contracts, farmout agreements, farm-in agreements, area of mutual interest agreements, and equipment leases, described or referred to in this Mortgage or which relate to any of the Hydrocarbon Interests or interests in the Hydrocarbon Interests or the production, sale, purchase, exchange, processing, handling, storage, transporting or marketing of the Hydrocarbons from or attributable to such Hydrocarbon Interests; (e) all Hydrocarbons in and under and which may be produced and saved or attributable to the Hydrocarbon Interests, the lands pooled or unitized therewith and the Mortgagor’s interests therein, including all oil in tanks, and all rents, issues, profits, proceeds, products, revenues and other incomes from or attributable to the Hydrocarbon Interests, the lands pooled or unitized therewith and the Mortgagor’s interests therein; (f) all tenements, hereditaments, appurtenances and Properties in any manner appertaining, belonging, affixed or incidental to the Hydrocarbon Interests; (g) the properties, rights, titles, interests and estates described or referred to above, which are now owned or which are hereafter acquired by the Mortgagor, including, without limitation, any and all Property, real or personal, immovable or moveable, now owned or hereinafter acquired and situated upon, used, held for use or useful in connection with the operating, working or development of any of such Hydrocarbon Interests or Property (excluding drilling rigs, automotive equipment, rental equipment or other personal property which may be on such premises for purposes of drilling a well or for other temporary uses) or the lands pooled or unitized therewith, including any and all oil wells, gas wells, injection wells or other wells, fuel 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, steam generation facilities, 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; and (h) any other interest of the Mortgagor in, to or relating to (i) all or any part of the land described in Exhibit A, or the land relating to, or described in, the leases or other Hydrocarbon Interests described or referred to in Exhibit A, and (ii) any of the estates, property rights or other interests referred to above.

“Permitted Liens” means all Liens permitted to be placed on the Mortgaged Property under Section 9.03 of the Credit Agreement.

“Post-Default Rate” means the post-default rate per annum set forth in Section 3.02(c) of the Credit Agreement applicable to past due payments, but in no event to exceed the Highest Lawful Rate.

“Release Date” means the date upon which (a) all Secured Obligations (including, without limitation, all principal, LC Exposure, interest (including interest accruing during the pendency of an

insolvency or liquidation proceeding, regardless of whether allowed or allowable in such insolvency or liquidation proceeding) and premium, if any, on all Loans, and all fees, costs, expenses and other amounts payable under the Credit Agreement and the other Loan Documents) shall have been paid in full in cash (other than contingent indemnification obligations and obligations under or in respect of Secured Swap Agreements), (b) no Letter of Credit is outstanding (other than Letters of Credit that have been cash collateralized or otherwise secured to the satisfaction of the Issuing Bank), (c) all of the Commitments have been terminated, (d) no Secured Swap Agreement is outstanding and all amounts payable by the Borrower, any of its Subsidiaries or any Guarantor to any Secured Swap Party under any Secured Swap Agreement shall have been paid in full, or if any Swap Agreement is outstanding, credit support arrangements acceptable in the sole discretion of the Secured Swap Party party thereto have been made to secure the Borrower's, such Subsidiary's or such Guarantor's obligations thereunder to such Secured Swap Party, or such Secured Swap Agreement has been novated or assigned to one or more third parties and all amounts required to be paid by the Borrower or any Subsidiary in respect of any such novation shall have been paid in full and (v) the payment in full in cash of all amounts owed under and the termination of all Secured Cash Management Obligations has occurred (other than contingent indemnification obligations and Secured Cash Management Obligations as to which arrangements satisfactory to the applicable Secured Cash Management Provider shall have been made).

“Secured Documents” means the collective reference to the Credit Agreement, each other Loan Document, each Secured Swap Agreement, and each Secured Cash Management Agreement.

“Secured Obligations” has the meaning assigned to such term in Section 2.03.

“Secured Persons” means each Lender, the Administrative Agent, the Arranger, the Issuing Bank, the Swingline Lender, each Secured Swap Party, each Secured Cash Management Provider, each Indemnified Party, and, in each case, their respective successors and permitted assigns.

“UCC Collateral” has the meaning assigned to such term in Section 2.02.

## **ARTICLE II GRANT OF LIEN AND SECURED OBLIGATIONS**

Section 2.01 Grant of Liens. To secure payment and performance of the Secured Obligations and the performance of the covenants and obligations herein contained, the Mortgagor does by these presents hereby MORTGAGE, PLEDGE, HYPOTHECATE and GRANT A SECURITY INTEREST in and to the Mortgagee, all of the following described real (immovable) and personal (movable) property, rights, titles, interests and estates, unto the Mortgagee and the Mortgagee's successors and assigns to secure the payment of the Secured Obligations and to secure the performance of the covenants, agreements, and obligations of the Mortgagor herein contained:

(a) All rights, titles, interests and estates now owned or hereafter acquired by the Mortgagor in and to the Oil and Gas Properties.

(b) All rights, titles, interests and estates now owned or hereafter acquired by the Mortgagor in and to all geological, geophysical, engineering, accounting, title, legal and other technical or business data concerning the Oil and Gas Properties, the Hydrocarbons or any other item of property which are in the possession of the Mortgagor, and all books, files, records, magnetic media, computer records and other forms of recording or obtaining access to such data.

(c) All rights, titles, interests and estates now owned or hereafter acquired by the Mortgagor in and to all Hydrocarbons.

(d) Any Property that may from time to time hereafter, by delivery or by writing of any kind, be subjected to the Liens hereof by the Mortgagor or by anyone on the Mortgagor's behalf; and the Mortgagee is hereby authorized to receive the same at any time as additional security hereunder.

(e) All of the rights, titles and interests of every nature whatsoever now owned or hereafter acquired by the Mortgagor in and to the Oil and Gas Properties and all other rights, titles, interests and estates and every part and parcel of such Oil and Gas Properties, including, without limitation, any rights, titles, interests and estates as the same may be enlarged by the discharge of any payments out of production or by the removal of any charges or Permitted Liens to which any of such Oil and Gas Properties or other rights, titles, interests or estates are subject or otherwise; all rights of the Mortgagor to Liens securing payment of proceeds from the sale of production from any of such Oil and Gas Properties, together with any and all renewals and extensions of any of such related 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 the Mortgagor in and to such related rights, titles, interests or estates.

(f) All of the Mortgagor's rights, titles and interests in and to all surface fees, surface leases and fee estates described in Exhibit A, if any, compressor sites, settling ponds, equipment or pipe yards and all property and fixtures located thereon, whether such surface fees, surface leases, fee estates, compressor sites, settling ponds, equipment or pipe yards are fee simple estates, leasehold estates or otherwise, together with all present and future rights, titles, easements and estates now owned or hereafter acquired by the Mortgagor under or in connection with such interest.

(g) All rents, issues, profits, proceeds, products, revenues and other incomes from or attributable to the Properties described in the foregoing clauses (a) through (f).

Any fractions or percentages specified on Exhibit A in referring to the Mortgagor's interests are solely for purposes of the warranties made by the Mortgagor pursuant to Section 4.01 and Section 4.05 and shall in no manner limit the quantum of interest affected by this Section 2.01 with respect to any Oil and Gas Property or with respect to any unit or well identified on Exhibit A.

Notwithstanding any provision in this Mortgage to the contrary, in no event is any Building (as defined in the applicable Flood Insurance Regulations) or Manufactured (Mobile) Home (as defined in the applicable Flood Insurance Regulations) included in the definition of "Mortgaged Property" and no Building or Manufactured (Mobile) Home is hereby encumbered by this Mortgage. As used herein, "Flood Insurance Regulations" shall mean (i) the National Flood Insurance Act of 1968 as now or hereafter in effect or any successor statute thereto, (ii) the Flood Disaster Protection Act of 1973 as now or hereafter in effect or any successor statute thereto, (iii) the National Flood Insurance Reform Act of 1994 (amending 42 USC 4001, et seq.), as the same may be amended or recodified from time to time, and (iv) the Flood Insurance Reform Act of 2004 and any regulations promulgated thereunder.

Section 2.02 Grant of Security Interest. The Mortgagor hereby grants to the Mortgagee, for the benefit of the Secured Persons, a security interest in and to all of the Mortgagor's rights, titles and interests in and to the following Property of the Mortgagor now owned or at any time hereafter acquired by the Mortgagor or in which the Mortgagor now has or at any time in the future may acquire any right, title or

interest and whether now existing or hereafter coming into existence (collectively, the “UCC Collateral”) as collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the Secured Obligations:

- (a) all Accounts;
- (b) all Chattel Paper (whether Tangible Chattel Paper or Electronic Chattel Paper);
- (c) all Commercial Tort Claims;
- (d) all Deposit Accounts, Securities Accounts and Commodity Accounts;
- (e) all Documents;
- (f) all General Intangibles (including, without limitation, rights in and under any Payment Intangible, Swap Agreement or any Commodity Contract) and all rights under insurance contracts and rights to insurance proceeds;
- (g) all Instruments;
- (h) all Goods (including, without limitation, all Inventory, all Equipment and all Fixtures);
- (i) all Letter-of-Credit Rights (whether or not the letter of credit is evidenced by a writing);
- (j) all As-Extracted Collateral from or attributable to the Oil and Gas Properties;
- (k) all books and records pertaining to the Oil and Gas Properties;
- (l) all Mortgaged Property (to the extent consisting of personal property of any kind or character defined in and subject to the Applicable UCC);
- (m) all Hydrocarbons;
- (n) to the extent not otherwise included, any other property insofar as it consists of personal property of any kind or character defined in and subject to the Applicable UCC; and
- (o) to the extent not otherwise included, all Proceeds, profits, offspring, products and rents of any and all of the foregoing and all collateral security, guarantees and other Supporting Obligations given with respect to any of the foregoing;

Notwithstanding anything to the contrary contained in this Section 2.02 or any other provision of this Mortgage, the lien and security interest in the UCC Collateral granted pursuant to this Section 2.02 shall not attach to any Excluded Assets; *provided*, that if and when any such item, category or type of property shall cease to be an Excluded Asset, such property shall be deemed at all times from and after such date to constitute UCC Collateral, and the security interest shall immediately attach without further action on the part of the Mortgagor, the Mortgagee or any other Person; and *provided further* that any proceeds received by the Mortgagor from the sale, transfer or other disposition of Excluded Assets shall constitute

UCC Collateral unless any assets or property constituting such proceeds constitute Excluded Assets; *provided further*, that, notwithstanding the foregoing or anything to the contrary contained herein, "UCC Collateral" shall include the following to the extent the same otherwise constitutes UCC Collateral (and therefore, the following shall not constitute Excluded Assets): (i) real property, As-Extracted Collateral and Fixtures, including Hydrocarbon Interests, (ii) Hydrocarbons, (iii) all Equity Interests in the Guarantors, (iv) the right to any distributions (whether periodic or in liquidation or dissolution) with respect to any Equity Interests in the Guarantors, (v) rights under and in respect of Swap Agreements, (vi) Payment Intangibles and any right to payment for Goods sold or leased or for services rendered, whether or not such right is evidenced by an Instrument or Chattel Paper and whether or not it has been earned by performance (including, without limitation, any Account) and (vii) all rights of the Borrower or any Subsidiary under any contract or agreement between the Borrower or any Subsidiary and any Affiliate thereof.

Section 2.03 Secured Obligations. This Mortgage is executed and delivered by the Mortgagor to secure and enforce the payment and performance of the following (the "Secured Obligations"):

(a) all Obligations, indebtedness, obligations and liabilities, whether now in existence or hereafter arising, whether by acceleration or otherwise, of the Borrower or any Guarantor, arising out of or under the Credit Agreement and the other Loan Documents to which the Borrower or such Guarantor is a party, including, without limitation, all Obligations evidenced by promissory notes (if any are issued pursuant to the Credit Agreement) up to the aggregate principal amount of Five Hundred Million and No/100 Dollars (\$500,000,000.00) executed by the Borrower and payable to the Lenders on or before September 17, 2024 and all other notes given in substitution for the foregoing promissory notes, or in modification, renewal, rearrangement or extension thereof, in whole or in part (such promissory notes, as from time to time supplemented, amended or modified and all other notes given in substitution therefor or in modification, renewal, rearrangement or extension thereof, in whole or in part, being hereafter collectively called the "Notes"), and with interest, collection and attorneys' fees, all as provided therein;

(b) all Obligations, indebtedness, obligations and liabilities, whether now in existence or hereafter arising, whether by acceleration or otherwise, in respect of Letters of Credit issued pursuant to the Credit Agreement and all reimbursement obligations in respect thereof;

(c) any sums which may be advanced or paid by the Mortgagee or the Lenders under the terms hereof or of the Credit Agreement or other Loan Documents on account of the failure of the Mortgagor to comply with the covenants of the Mortgagor contained herein, or the failure of the Borrower, the Mortgagor, any Guarantor or other obligor to comply with the covenants of the Borrower, the Mortgagor, such Guarantor or other obligor contained in the Credit Agreement or any other Loan Documents; and all other Secured Obligations of the 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 (including the 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 Secured Obligations and all costs of collection and attorneys' fees, all as provided herein and in the other Loan Documents;

(e) all additional loans or advances made by the Mortgagee or the Lenders to or for the benefit of the Borrower, the Mortgagor, any of the Subsidiaries or any Guarantor pursuant to the Credit Agreement or any other Loan Document (it being contemplated that the Lenders may lend additional sums to the Borrower, the Mortgagor or any Subsidiary of the Borrower or any Guarantor pursuant to the Credit Agreement from time to time, but shall not be obligated to do so, and the Mortgagor agrees that the payment of any such additional loans shall be secured by this Mortgage). This Mortgage is and shall remain effective, even though the amount of the Secured Obligations may later be reduced to zero, until all of the amounts, liabilities and indebtedness, present and future, comprising the Secured Obligations have been incurred and are extinguished.

(f) all Obligations, indebtedness, obligations and liabilities, whether now in existence or hereafter arising, whether by acceleration or otherwise, of the Borrower, any Subsidiary or any Guarantor to any Secured Swap Party under any Secured Swap Agreement, including, without limitation, any amounts payable in respect of a liquidation of, an acceleration of obligations under, or an early termination of, such Secured Swap Agreement, and any unpaid amounts owing in respect thereof;

(g) all present or future obligations, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired, of the Borrower, any of its Subsidiaries or any Guarantor to any Secured Cash Management Provider under any Secured Cash Management Agreements to which such Secured Cash Management Provider is a party;

(h) all other obligations and liabilities of the Borrower, the Mortgagor, the Guarantors or any Subsidiary of the Borrower to the Secured Persons, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, the Secured Documents, in each case, whether on account of principal, interest, reimbursement obligations, payments in respect of an early termination date, fees, indemnities, costs, expenses or otherwise (including, without limitation, all fees and disbursements of counsel to the Secured Persons that are required to be paid by the Borrower, the Mortgagor, any Guarantor or any Subsidiary of the Borrower pursuant to the terms of any of the Secured Documents); and

(i) any and all renewals, modifications, substitutions, rearrangements or extensions of any of the foregoing, whether in whole or in part.

Section 2.04 Fixture Filing, Etc. Without in any manner limiting the generality of any of the other provisions of this Mortgage: (a) 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 Exhibit A; (b) the security interests created hereby under applicable provisions of the Applicable UCC will attach to all As-Extracted Collateral from or attributable to the Mortgaged Property (including the Hydrocarbons) and the Accounts resulting from the sale thereof at the wellhead or minehead located on the Oil and Gas Properties described or to which reference is made herein or on Exhibit A; (c) this Mortgage is to be filed of record in the real estate records of the counties or parishes in which the Mortgaged Property is located or other appropriate records as a financing statement and as a fixture filing naming the Mortgagor as “debtor” and the Mortgagee as the “secured party”; and (d) the Mortgagor is a record owner of the real estate or interests in the real estate or immovable property comprised of the Mortgaged Property.

Section 2.05 Pro Rata Benefit. This Mortgage is executed and granted for the pro rata benefit and security of the Secured Persons to secure the Secured Obligations for so long as the same remains unpaid and thereafter until the Release Date.

**ARTICLE III**  
**ASSIGNMENT OF AS-EXTRACTED COLLATERAL**

Section 3.01 Assignment.

(a) The Mortgagor has absolutely and unconditionally assigned, transferred, conveyed and granted a security interest, and does hereby absolutely and unconditionally assign, transfer, convey and grant a security interest, unto the Mortgagee in and to:

(i) all of its As-Extracted Collateral located in or relating to or that may be produced from the Mortgaged Property located in the county or parish, or in state waters adjoining, or on the outer continental shelf of the United States adjacent to, a county or parish, where this Mortgage is filed, including without limitation, all As-Extracted Collateral relating to the Hydrocarbon Interests, the Hydrocarbons and all products obtained or processed therefrom;

(ii) the revenues and proceeds now and hereafter attributable to such Mortgaged Property, including the Hydrocarbons, and said products and all payments in lieu thereof, such as "take or pay" payments or settlements; and

(iii) all amounts and proceeds hereafter payable to or to become payable to the Mortgagor or now or hereafter relating to any part of such Mortgaged Property and all amounts, sums, monies, revenues and income which become payable to the Mortgagor from, or with respect to, any of the Mortgaged Property, present or future, now or hereafter constituting a part of the Hydrocarbon Interests.

(b) Subject to Section 3.01(f) hereof, all revenues and proceeds attributable to such Mortgaged Property shall be paid directly to the Mortgagee at its offices in Houston, Texas, with no duty or obligation of any party paying the same to inquire into the rights of the Mortgagee to receive the same, what application is made thereof, or as to any other matter.

(c) The 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 the Mortgagee or any party in order to have said proceeds and revenues so paid to the Mortgagee. In addition to any and all rights of a secured party under sections 9-607 and 9-609 of the Applicable UCC, the 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 the Mortgagor or the Mortgagee for the account of the Mortgagor received from or in connection with said revenues or proceeds and to hold the proceeds thereof in a deposit account with the Mortgagee, a Lender or other acceptable commercial bank as additional collateral securing the Secured Obligations; and to execute transfer and division orders in the name of the Mortgagor, or otherwise, with warranties binding the Mortgagor. All proceeds received by the Mortgagee pursuant to this grant and assignment shall be applied as provided in Section 5.14.

(d) The 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 the Mortgagee shall have the right, at its election, in the name of the Mortgagor or otherwise, to prosecute and defend any and all actions or legal proceedings deemed advisable by the Mortgagee in order to collect such funds and to protect the interests of the Mortgagee and/or the Mortgagor, with all costs, expenses and attorneys' fees incurred in connection therewith being paid by the Mortgagor.

(e) The Mortgagor hereby appoints the Mortgagee as its attorney-in-fact to pursue any and all rights of the Mortgagor to Liens in the Hydrocarbons securing payment of proceeds of runs attributable to the Hydrocarbons. In addition to the Liens granted to the Mortgagee in Section 2.01, the Mortgagor hereby further pledges and collaterally transfers and assigns to the Mortgagee any and all such Liens, security interests, financing statements or similar interests of the Mortgagor attributable to its interest in the As-Extracted Collateral, any Hydrocarbons and proceeds of runs therefrom arising under or created by said statutory provision, judicial decision or otherwise. The power of attorney granted to the Mortgagee in this Section 3.01, being coupled with an interest, shall be irrevocable until the Release Date. The Mortgagee agrees it will not exercise its power as attorney-in-fact under this Section unless and until an Event of Default has occurred and is continuing.

(f) Until such time as an Event of Default has occurred and is continuing, but subject to the provisions of the Credit Agreement, Mortgagee hereby grants to the Mortgagor a license to sell, receive and receipt for proceeds from the sale of Hydrocarbons, which license shall automatically terminate upon such Event of Default and for so long as the same continues.

Section 3.02 No Modification of Payment Obligations. Nothing herein contained shall modify or otherwise alter the obligation of the Borrower, the Mortgagor or any Guarantor to make prompt payment of all amounts constituting Secured Obligations when and as the same become due regardless of whether the proceeds of the As-Extracted Collateral and 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 Secured Obligations. Nothing in this Article III is intended to be an acceptance of collateral in satisfaction of the Secured Obligations.

Section 3.03 Producer's Liens. In addition to the rights, titles and interests hereby conveyed pursuant to Section 2.01, the Mortgagor hereby grants to the Mortgagee those Liens given to the Mortgagor, as secured party, to secure the obligations of the first purchaser of Hydrocarbons at the wellhead to pay the purchase price therefor under applicable law.

#### **ARTICLE IV REPRESENTATIONS, WARRANTIES AND COVENANTS**

The Mortgagor hereby represents, warrants and covenants to the Mortgagee and the other Secured Persons as follows:

Section 4.01 Title. To the extent of the undivided interests specified on Exhibit A, the Mortgagor has good and defensible title to and is possessed of the Mortgaged Property and has good title to the UCC Collateral. The Collateral is free of all Liens except Permitted Liens.

Section 4.02 Defend Title. This Mortgage is, and always will be kept, a direct first priority Lien upon the Collateral; provided that Permitted Liens may exist as provided in the Credit Agreement, but no intent to subordinate the priority of the Liens created hereby is intended or inferred by such existence. The 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 of this Mortgage upon the Collateral or any part thereof other than such Permitted Liens. The Mortgagor will warrant and defend the title to the Collateral, subject to the Permitted Liens, against the claims and demands of all other Persons whomsoever and will maintain and preserve the Lien created hereby (and its priority) until the Release Date. If (i) an adverse claim is made against or a cloud develops upon the title to any part of the Collateral other than a Permitted Lien or (ii) any

Person, including the holder of a Permitted Lien, shall challenge the priority or validity of the Liens created by this Mortgage, then the Mortgagor agrees to immediately defend against such adverse claim, take appropriate action to defend against such challenge, remove such cloud or subordinate such Lien, in each case, at the Mortgagor's sole cost and expense. The Mortgagor further agrees that the Mortgagee may take such other action as its reasonably deems advisable to protect and preserve its interests in the Collateral, and in such event the Mortgagor will indemnify the Mortgagee against any and all costs, attorneys' fees and other expenses which it may incur in defending against any such adverse claim or taking action to remove any such cloud.

Section 4.03 Not a Foreign Person. The Mortgagor is not a "foreign person" within the meaning of the Code, sections 1445 and 7701 (i.e., the 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 4.04 Power to Create Lien and Security. The Mortgagor has full power and lawful authority to grant, mortgage, pledge and hypothecate a Lien on all of the Collateral in the manner and form herein provided.

Section 4.05 Revenue and Cost Bearing Interest. The Mortgagor's ownership of the Hydrocarbon Interests and the undivided interests therein as specified in the most recently delivered Reserve Report, after giving full effect to all Permitted Liens, afford the 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 Interest specified as Net Revenue Interest in such Reserve Report.

Section 4.06 Abandon, Sales. The Mortgagor will not sell, lease, assign, transfer or otherwise dispose or abandon any of the Collateral except as permitted by the Credit Agreement.

Section 4.07 Failure to Perform. The Mortgagor agrees that if it fails to perform any act or to take any action which it is required to perform or take hereunder or pay any money which the Mortgagor is required to pay hereunder, the Mortgagee, in the 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 it and any money so paid by it shall be a demand obligation owing by the Mortgagor to the Mortgagee, and the 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 the Mortgagor to the Mortgagee pursuant to this Mortgage shall bear interest from the date of such expenditure or payment to such Person until paid at the Post-Default Rate.

## **ARTICLE V RIGHTS AND REMEDIES**

Section 5.01 Event of Default. An Event of Default under the Credit Agreement shall be an "Event of Default" under this Mortgage.

Section 5.02 Foreclosure and Sale.

(a) If an Event of Default shall occur and be continuing, to the extent provided by applicable law, the Mortgagee shall have the right and option to proceed with foreclosure and sell all or any portion of the Mortgage Property at one or more sales, as an entirety or in parcels, at such place or places

in otherwise such manner and upon such notice as may be required by law, or, in the absence of any such requirement, as the Mortgagee may deem appropriate, and to make conveyance to the purchaser or purchasers. Where the Mortgaged Property is situated in more than one jurisdiction, notice as above provided shall be posted and filed in all such jurisdictions (if such notices are required by law), and all such Mortgaged Property may be sold in any such jurisdiction and any such notice shall designate the jurisdiction where such Mortgaged Property is to be sold. Nothing contained in this Section 5.02 shall be construed so as to limit in any way any rights to sell the Mortgaged Property or any portion thereof by private sale if and to the extent that such private sale is permitted under the laws of the applicable jurisdiction or by public or private sale after entry of a judgment by any court of competent jurisdiction so ordering. To the extent permitted by law, the Mortgagor hereby irrevocably appoints the Mortgagee, with full power of substitution, to be the Mortgagor's attorney-in-fact and in the name and on behalf of the Mortgagor, at any time after the occurrence and during the continuance of an Event of Default, to execute and deliver any deeds, transfers, conveyances, assignments, assurances and notices which the Mortgagor ought to execute and deliver and do and perform any and all such acts and things which the Mortgagor ought to do and perform under the covenants herein contained and generally, to use the name of the Mortgagor in the exercise of all or any of the powers hereby conferred on the Mortgagee. At any such sale, to the extent permitted by law: (i) whether made under the power herein contained or any other legal enactment, or by virtue of any judicial proceedings or any other legal right, remedy or recourse, it shall not be necessary for the Mortgagee, as appropriate, to have physically present, or to have constructive possession of, the Mortgaged Property (the Mortgagor hereby covenanting and agreeing to deliver any portion of the Mortgaged Property not actually or constructively possessed by the Mortgagee immediately upon the Mortgagee's demand) and the title to and right of possession of any such property shall pass to the purchaser thereof as completely as if the same had been actually present and delivered to purchaser at such sale, (ii) each instrument of conveyance executed by the Mortgagee shall contain a general warranty of title, binding upon the Mortgagor and its successors and assigns, (iii) each and every recital contained in any instrument of conveyance made by the Mortgagee shall conclusively establish (except as between the Mortgagor and the Mortgagee) the truth and accuracy of the matters recited therein, including, without limitation, nonpayment of the Secured Obligations, advertisement and conduct of such sale in the manner provided herein and otherwise by law, (iv) any and all prerequisites to the validity thereof shall be conclusively presumed to have been performed, (v) the receipt issued by the Mortgagee or by such other party or officer making the sale shall be a sufficient discharge to the purchaser or purchasers for its purchase money and no such purchaser or purchasers, or its assigns or personal representatives, shall thereafter be obligated to see to the application of such purchase money, or be in any way answerable for any loss, misapplication or nonapplication thereof, (vi) to the fullest extent permitted by law, the Mortgagor shall be completely and irrevocably divested of all of its right, title, interest, claim and demand whatsoever, either at law or in equity, in and to the property sold and such sale shall be a perpetual bar both at law and in equity against the Mortgagor, and against any and all other Persons claiming or to claim the property sold or any part thereof, by, through or under the Mortgagor, and (vii) to the extent and under such circumstances as are permitted by law, the Mortgagee may be a purchaser at any such sale, and shall have the right, after paying or accounting for all costs of said sale or sales, to credit the amount of the bid upon the amount of the Secured Obligations (in the order of priority set forth in Section 5.14) in lieu of cash payment.

(b) If an Event of Default shall occur and be continuing, then (i) the Mortgagee shall be entitled to all of the rights, powers and remedies afforded a secured party by the Applicable UCC with reference to the UCC Collateral and (ii) the Mortgagee may proceed as to any Collateral in accordance with the rights and remedies granted under this Mortgage or applicable law in respect of the Collateral. Such rights, powers and remedies shall be cumulative and in addition to those granted to the Mortgagee under any other provision of this Mortgage or under any other Secured Document. Written notice mailed to the

Mortgagor as provided herein at least ten (10) days prior to the date of public sale of any part of the UCC Collateral, or prior to the date after which private sale of any such part of the Collateral will be made, shall constitute reasonable notice.

Section 5.03 Substitute Agents. If an Event of Default shall occur and be continuing, then to the extent provided by applicable law, the Mortgagee 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 the Mortgagee, including the posting of notices and the conduct of sale, but in the name and on behalf of the Mortgagee. If the Mortgagee shall have given notice of sale hereunder, any successor or substitute Mortgagee agent 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 agent conducting the sale.

Section 5.04 Judicial Foreclosure; Receivership. If any of the Secured Obligations shall become due and payable and shall not be promptly paid, the 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 Collateral under the judgment or decree of any court or courts of competent jurisdiction, or for the appointment of a receiver pending any foreclosure hereunder or the sale of the Collateral under the order of a court or courts of competent jurisdiction or under executory or other legal process, or for the enforcement of any other appropriate legal or equitable remedy. Any money advanced by the Mortgagee in connection with any such receivership shall be a demand obligation (which obligation the Mortgagor hereby expressly promises to pay) owing by the Mortgagor to the Mortgagee and shall bear interest from the date of making such advance by the Mortgagee until paid at the Post-Default Rate.

Section 5.05 Foreclosure for Installments. The Mortgagee shall also have the option to proceed with foreclosure in satisfaction of any installments of the Secured Obligations which have not been paid when due either through the courts or by proceeding with foreclosure in accordance with law in satisfaction of the matured but unpaid portion of the Secured Obligations as if under a full foreclosure, conducting the sale as herein provided and without declaring the entire principal balance and accrued interest and other Secured Obligations then due; such sale may be made subject to the unmatured portion of the Secured Obligations, and any such sale shall not in any manner affect the unmatured portion of the Secured Obligations, but as to such unmatured portion of the Secured Obligations 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 Secured Obligations, it being the purpose hereof to provide for a foreclosure and sale of the security for any matured portion of the Secured Obligations without exhausting the power to foreclose and sell the Mortgaged Property for any subsequently maturing portion of the Secured Obligations.

Section 5.06 Separate Sales. If an Event of Default shall occur and be continuing, then to the extent provided by applicable law, the Collateral may be sold in one or more parcels and to the extent permitted by applicable law in such manner and order as the 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 5.07 Possession of Mortgaged Property. If an Event of Default shall have occurred and be continuing, then, to the extent permitted by applicable law, the Mortgagee shall have the right and power to enter into and upon and take possession of all or any part of the Collateral in the possession of the Mortgagor, its successors or assigns, or its or their agents or servants, and may exclude the Mortgagor, its

successors or assigns, and all persons claiming under the Mortgagor, and its or their agents or servants wholly or partly therefrom; and, holding the same, the Mortgagee may use, administer, manage, operate and control the Collateral and conduct the business thereof to the same extent as the Mortgagor, its successors or assigns, might at the time do and may exercise all rights and powers of the Mortgagor, in the name, place and stead of the Mortgagor, or otherwise as the Mortgagee shall deem best. All costs, expenses and liabilities of every character incurred by the Mortgagee in administering, managing, operating, and controlling the Mortgaged Property shall constitute a demand obligation (which obligation the Mortgagor hereby expressly promises to pay) owing by the Mortgagor to the Mortgagee and shall bear interest from the date of expenditure until paid at the Post-Default Rate.

Section 5.08 Occupancy After Foreclosure. In the event there is a foreclosure sale hereunder and at the time of such sale the Mortgagor or the Mortgagor's heirs, devisees, representatives, successors or assigns or any other person claiming any interest in the Collateral by, through or under the 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 5.09 Remedies Cumulative, Concurrent and Nonexclusive. Every right, power, privilege and remedy herein given to the Mortgagee shall be cumulative and in addition to every other right, power, privilege and remedy herein specifically given or now or hereafter existing in equity, at law or by statute (including specifically those granted by the Applicable UCC in effect and applicable to the Collateral or any portion thereof). Each and every right, power, privilege 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 the Mortgagee, and the exercise, or the beginning of the exercise, or the abandonment, of any such right, power, privilege or remedy shall not be deemed a waiver of the right to exercise, at the same time or thereafter any other right, power, privilege or remedy. No delay or omission by the Mortgagee or any other Secured Person in the exercise of any right, power, privilege or remedy shall impair any such right, power, privilege or remedy or operate as a waiver thereof or of any other right, power, privilege or remedy then or thereafter existing.

Section 5.10 Discontinuance of Proceedings. If the Mortgagee shall have proceeded to invoke any right, remedy or recourse permitted hereunder or under any Secured Document or available at law and shall thereafter elect to discontinue or abandon same for any reason, then it shall have the unqualified right so to do and, in such an event, the parties shall be restored to their former positions with respect to the Secured Obligations, this Mortgage, the Credit Agreement, the Collateral and otherwise, and the rights, remedies, recourses and powers of the Mortgagee shall continue as if same had never been invoked.

Section 5.11 No Release of Secured Obligations. None of the Borrower, the Mortgagor, any Guarantor nor any other Person hereafter obligated for payment of all or any part of the Secured Obligations shall be relieved of such obligation by reason of: (a) the failure of any Person so obligated to foreclose the Lien of this Mortgage or to enforce any provision hereunder or under the Credit Agreement or any other Secured Document; (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 the 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 the Borrower, the Mortgagor, such Guarantor or such other Person, and in such event the Borrower, the Mortgagor, such Guarantor 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 the Mortgagee; or (d) by any other act or occurrence save and except upon the occurrence of the Release Date.

Section 5.12 Release of and Resort to Collateral. The Mortgagee may release, regardless of consideration, any part of the Collateral without, as to the remainder, in any way impairing, affecting, subordinating or releasing the Lien created in or evidenced by this Mortgage or its stature as a first and prior Lien in and to the Collateral, and without in any way releasing or diminishing the liability of any Person liable for the repayment of the Secured Obligations. For payment of the Secured Obligations, the Mortgagee may resort to any other security therefor held by the Mortgagee in such order and manner as the Mortgagee may elect.

Section 5.13 Waiver of Redemption, Notice and Marshalling of Assets, Etc. To the fullest extent permitted by law, the Mortgagor hereby irrevocably and unconditionally waives and releases (a) all benefits that might accrue to the Mortgagor by virtue of any present or future moratorium law or other law exempting the Collateral from attachment, levy or sale on execution or providing for any appraisalment, valuation, stay of execution, exemption from civil process, redemption or extension of time for payment; (b) all notices of any Event of Default or of the Mortgagee's or any other Secured Person's intention to accelerate maturity of the Secured Obligations or of any election to exercise or any actual exercise of any right, remedy or recourse provided for hereunder or under any Secured Document or available at law; 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 the 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. If the laws of any state which provides for a redemption period do not permit the redemption period to be waived, the redemption period shall be specifically reduced to the minimum amount of time allowable by statute.

Section 5.14 Application of Proceeds. The proceeds of any sale of the Collateral or any part thereof and all other monies received by the Mortgagee in any proceedings for the enforcement hereof or otherwise, whose application has not elsewhere herein been specifically provided for, shall be applied:

(a) First, to the payment of all expenses incurred by the Mortgagee incident to the enforcement of this Mortgage, the Credit Agreement or any Secured Document to collect any portion of the Secured Obligations (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 the Mortgagee under this Mortgage or in executing any power hereunder; and

(b) Second, as set forth in Section 10.02(c) of the Credit Agreement.

Section 5.15 Resignation of Operator. In addition to all rights and remedies under this Mortgage, at law and in equity, if any Event of Default shall occur and be continuing and the Mortgagee shall exercise any remedies under this Mortgage with respect to any portion of the Mortgaged Property (or the Mortgagor shall transfer any Mortgaged Property "in lieu of" foreclosure) whereupon the Mortgagor is divested of its title to any of the Collateral, the Mortgagee shall have the right to request that any operator of any Mortgaged Property which is either the Mortgagor or any Affiliate of the Mortgagor to resign as operator under the joint operating agreement applicable thereto, and no later than 60 days after receipt by the Mortgagor of any such request, the Mortgagor shall resign (or, to the extent it is able to do so pursuant to the exercise of any contractual rights or otherwise, cause such other Person to resign) as operator of such Mortgaged Property.

Section 5.16 Indemnity. The Indemnified Parties shall not be liable, in connection with any action taken, for any loss sustained by the Mortgagor resulting from an assertion that the 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 the Indemnified Party seeking indemnity. No Indemnified Party will be obligated to perform or discharge any obligation, duty or liability of the Mortgagor. The 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. If any Indemnified Party shall 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 the Mortgagor hereby expressly promises to pay) owing by the Mortgagor to such Indemnified Party and shall bear interest from the date expended until paid at the Post-Default Rate. The Mortgagor hereby assents to, ratifies and confirms any and all actions of each Indemnified Party with respect to the Mortgaged Property taken under and in compliance with the terms of this Mortgage. The liabilities of the Mortgagor as set forth in this Section 5.16 shall survive the termination of this Mortgage.

## ARTICLE VI MISCELLANEOUS

Section 6.01 Instrument Construed. This Mortgage may be construed as a mortgage, Mortgage, conveyance, assignment, security agreement, fixture filing, 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 6.02 Releases.

(a) Full Release. Upon the Release Date, the Mortgagee shall forthwith cause satisfaction and discharge of this Mortgage to be entered upon the record at the expense of the Mortgagor and shall execute and deliver or cause to be executed and delivered such instruments of satisfaction and reassignment as may be appropriate. Otherwise, this Mortgage shall remain and continue in full force and effect.

(b) Partial Release. If any of the Mortgaged Property shall be sold, transferred or otherwise disposed of by the Mortgagor in a transaction permitted by the Credit Agreement, then the

Mortgagee, at the request and sole expense of the Mortgagor, shall promptly execute and deliver to the Mortgagor all releases, re-conveyances or other documents reasonably necessary or desirable for the release of the Liens created hereby on the Mortgaged Property.

(c) Possession of Notes. The Mortgagor acknowledges and agrees that possession of any Note (or any replacements of any said Note or other instrument evidencing any part of the Secured Obligations) at any time by the Borrower, the Mortgagor or any Guarantor shall not in any manner extinguish the Secured Obligations or this Mortgage, and the Borrower shall have the right to issue and reissue any of the Notes from time to time as its interest or as convenience may require, without in any manner extinguishing or affecting the Secured Obligations or the Lien of this Mortgage.

Section 6.03 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 the Mortgagee and the other Secured Persons in order to effectuate the provisions hereof. 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 6.04 Successors and Assigns. The terms used to designate any party or group of Persons shall be deemed to include the respective heirs, legal representatives, and successors and permitted assigns of such Persons.

Section 6.05 Satisfaction of Prior Encumbrance. To the extent that proceeds of the Credit Agreement are used to pay indebtedness secured by any outstanding Lien against the Mortgaged Property then the parties agree that: (a) such proceeds have been advanced at the Mortgagor's request, and (b) the Mortgagee and the Lenders shall be subrogated to any and all rights and Liens owned by any owner or holder of such outstanding Liens, irrespective of whether said Liens are or have been released. It is expressly understood that, in consideration of the payment of such other indebtedness, the Mortgagor hereby waives and releases all demands and causes of action for offsets and payments to, upon and in connection with said indebtedness. This Mortgage is made with full substitution and subrogation of the Mortgagee and its 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 6.06 Application of Payments to Certain Obligations. If any part of the Secured Obligations cannot be lawfully secured by this Mortgage or if any part of the Collateral cannot be lawfully subject to the Lien hereof to the full extent of the Secured Obligations, then all payments made shall be applied on said Secured Obligations first in discharge of that portion thereof which is not secured by this Mortgage.

Section 6.07 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 6.08 Notices. All notices, requests, consents, demands and other communications required or permitted hereunder shall be given as provided in Section 12.01 of the Credit Agreement; provided that any such notice, request or demand to or upon the Mortgagor shall be addressed to the Mortgagor at its address specified in Section 6.12; provided, further, 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 6.09 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 in state waters adjoining, or on the outer continental shelf of the United States adjacent to, more than one county or parish, descriptions of only those portions of the Mortgaged Property located in, or in state waters adjoining, or on the outer continental shelf of the United States adjacent to, the county or parish in which a particular counterpart is recorded shall be attached as Exhibit A to such counterpart, and if the Mortgaged Property is located in, adjoining, or adjacent to, more than one county or parish, the filing party may choose to attach as Exhibit A descriptions of only those portions of the Mortgaged Property located in, adjoining, or adjacent to, the county or parish in which a particular counterpart is recorded. 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. Complete copies of this Mortgage containing the entire Exhibit A have been retained by the Mortgagee.

Section 6.10 Governing Law. Insofar as permitted by otherwise applicable law, this Mortgage shall be construed under and governed by the laws of the State of Louisiana.

Section 6.11 Financing Statement; Fixture Filing. This Mortgage shall be effective as a financing statement filed as a fixture filing with respect to all Fixtures included within the Mortgaged Property and is to be filed or filed for record in the real estate records, mortgage records or other appropriate records of each jurisdiction where any part of the Mortgaged Property (including fixtures) is situated. This Mortgage shall also be effective as a financing statement covering As-Extracted Collateral (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 Applicable UCC and is to be filed for record in the real estate records, UCC records or other appropriate records of each jurisdiction where any part of the Mortgaged Property is situated.

Section 6.12 Execution of Financing Statements. Pursuant to the Applicable UCC, the Mortgagor authorizes the Mortgagee, its counsel or its representative, at any time and from time to time, to file or record financing statements, continuation statements, amendments thereto and other filing or recording documents or instruments with respect to the Mortgaged Property without the signature of the Mortgagee in such form and in such offices as the Mortgagee reasonably determines appropriate to perfect the security interests of the Mortgagee under this Mortgage. The Mortgagor also authorizes the Mortgagee, its counsel or its representative, at any time and from time to time, to file or record such financing statements that describe the collateral covered thereby as "all assets of the Mortgagor", "all personal property of the Mortgagor" or words of similar effect. The Mortgagor shall pay all costs associated with the filing of such instruments.

In that regard, the following information is provided:

Name of Debtor:	Contango Operators, Inc.
Address of Debtor:	717 Texas Ave., Suite 2900 Houston, Texas 77002 Attention: E. Joseph Grady

State of Formation/Location: Delaware  
Organizational ID Number: 3362182  
Email: jgrady@contango.com

Principal Place of  
Business of Debtor: 717 Texas Ave., Suite 2900  
Houston, TX 77002

Name of Secured Party: JPMorgan Chase Bank, N.A.,  
as Administrative Agent

Address of Secured Party: JPMorgan Chase Bank, N.A.  
712 Main Street, 5<sup>th</sup> Floor  
Houston, TX 77002  
Attention: Ron Dierker, Managing Director

Owner of Record of  
Real Property: The United States of America (either individually or  
through the Bureau of Land Management or the Bureau  
of Ocean Energy Management) as to all federal lands  
and properties identified on Exhibit A; the State of  
Louisiana as to all state lands and properties constituting  
Mortgaged Property located in, or in state waters  
adjoining, the State of Louisiana and identified on  
Exhibit A; and Mortgagor as to all other lands and  
properties identified on Exhibit A.

Section 6.13 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 6.14 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. The words “include”, “includes” and “including” as used in this Mortgage shall be deemed to be followed by the phrase “without limitation”.

Section 6.15 Limit on Secured Obligations. It is the intention of such Mortgagor and the Secured Persons that this Mortgage not constitute a fraudulent transfer or fraudulent conveyance under any state or federal law that may be applied hereto. Such Mortgagor and, by the Mortgagee's acceptance hereof, the Mortgagee and the Secured Persons hereby acknowledge and agree that, notwithstanding any other provision of this Mortgage: (a) the indebtedness secured hereby shall be limited to the maximum amount of indebtedness that can be incurred or secured by the Mortgagor without rendering this Mortgage voidable under applicable law relating to fraudulent conveyances or fraudulent transfers, and (b) the Property granted by the Mortgagor hereunder shall be limited to the maximum amount of Property that can be granted by the Mortgagor without rendering this Mortgage voidable under applicable law relating to fraudulent conveyances or fraudulent transfers.

Section 6.16 Federal Leases.

(a) Upon a sale conducted pursuant to Article V of this Mortgage of all or any portion of the Mortgaged Property consisting of interests in leases, easements, rights-of-way, agreements or other documents and instruments covering, affecting or otherwise relating to federal lands, including Federal Leases (including, without limitation, leases, easements and rights-of-way issued by the Bureau of Land Management and/or the Bureau of Ocean Energy Management) (collectively, the "Federal Interests"), Mortgagor agrees to take all action and execute all instruments necessary or advisable to transfer the Federal Interests to the purchaser at such sale, including, without limitation, to execute, acknowledge and deliver assignments of the Federal Interests on officially approved forms in sufficient counterparts to satisfy applicable statutory and regulatory requirements, to seek and request approval thereof and to take all other action necessary or advisable in connection therewith. Mortgagor hereby irrevocably appoints Mortgagee as Mortgagor's attorney-in-fact and proxy, with full power and authority in the place and stead of Mortgagor, in the name of Mortgagor or otherwise, to take any such action and to execute any such instruments on behalf of Mortgagor that Mortgagee may deem necessary or advisable to so transfer the Federal Interests, including, without limitation, the power and authority to execute, acknowledge and deliver such assignments, to seek and request approval thereof and to take all other action deemed necessary or advisable by Mortgagee in connection therewith; and Mortgagor hereby adopts, ratifies and confirms all such actions and instruments. Such power of attorney and proxy is coupled with an interest, shall survive the dissolution, termination, reorganization or other incapacity of Mortgagor and shall be irrevocable for so long as is required to complete the sale and assignment of the Federal Interests. No such action by Mortgagee shall constitute acknowledgment of, or assumption of liabilities relating to, the Federal Interests, and neither Mortgagor nor any other party may claim that Mortgagee is bound, directly or indirectly, by any such action. The provisions of this paragraph shall survive any foreclosure proceeding and foreclosure judgment entered in connection with this Mortgage, and shall continue to be binding upon Mortgagor.

(b) It is the specific intent of the Mortgagor and Mortgagee to comply with applicable laws concerning Federal Interests, and the following shall apply with regard to the Federal Interests: the liens, assignments and security interests and the like granted therein under this Mortgage shall not convey record title interest from Mortgagors to Mortgagee or any third Person prior to the occurrence of an Event of Default that is continuing and the exercise by Mortgagee of the rights and remedies contained in Article V.

**ARTICLE VII  
STATE SPECIFIC PROVISIONS**

Section 7.01 State Specific Provisions Generally. The state specific provisions detailed in this Article VII apply to (a) Mortgaged Property located in that state or commonwealth and (b) UCC Collateral subject to the applicable law of that state or commonwealth.

Section 7.02 Principles of Construction. In the event of any inconsistencies between the terms and conditions of this Article VII and the other terms and conditions of this Mortgage, the terms and conditions of this Article VII shall control and be binding.

Section 7.03 Special Louisiana Provisions.

(a) Maximum Amount. Notwithstanding any provision hereof to the contrary, the maximum principal amount of the Secured Obligations that may be outstanding at any time and from time to time that this Mortgage secures, including without limitation as a mortgage and as a pledge of leases and rents, is fixed at One Billion Five Hundred Million United States Dollars (US \$1,500,000,000.00) (the "Maximum Amount").

(b) Multiple Indebtedness Mortgage; Mineral Mortgage. This Mortgage is granted in accordance with article 3298 of the Louisiana Civil Code, article 3168 *et seq.* as supplemented by La. R.S. § 9:4401 *et seq.* of the Louisiana Civil Code and La. R.S. 31:203 *et seq.*, and is a multiple indebtedness mortgage agreement executed pursuant to Article 3298 of the Louisiana Civil Code, Louisiana Civil Code articles 3168 *et seq.* as supplemented by La. R.S. § 9:4401 *et seq.*, and other applicable law for the purpose of securing the Secured Obligations that may now be existing and/or that may arise in the future as provided herein, with the preferences and priorities provided under applicable Louisiana law. The Secured Obligations include without limitation all on-going present and future indebtedness and other Obligations of the Borrower or any Guarantor to the Lenders or to any successor or permitted assignee thereof under and pursuant to the Loan Documents. This Mortgage is given to secure not only the existing Obligations, but also such future advances, whether such advances are obligatory or are to be made at the option of any Lender, to the same extent as if such future advances were made on the date of the execution of this Mortgage. It is agreed that any such future advances and any additional sum or sums advanced by any Lenders pursuant to the terms hereof shall be equally secured with and have the same priority as the original Obligations and shall be subject to all of the terms, provisions and conditions of this Mortgage, whether or not such additional advances or sums are evidenced by other promissory notes or other guarantees of Borrower or any Guarantor and whether or not identified by a recital that it or they are secured by this Mortgage. However, nothing under this Mortgage shall be construed as limiting the duration of this Mortgage or the purpose or purposes for which the Secured Obligations may be requested or extended.

(c) Executory Process. Cumulative of the provisions provided in Section 5.02 of this Mortgage (or within the offshore area over which the United States of America asserts jurisdiction and to which the laws of such state are applicable with respect to this Mortgage and/or the Liens created hereby), the Mortgagee may foreclose this Mortgage by executory process subject to, and on the terms and conditions required or permitted by, applicable law, and shall have the right to appoint a keeper of such Mortgaged Properties.

(d) Keeper. The 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.*

(e) Confession of Judgment. For purposes of executory process, the Mortgagor acknowledges the Secured Obligations up to but not exceeding the maximum amount referenced in Section

7.02(a), whether now existing or to arise hereafter, and confesses judgment thereon if not paid when due. Upon the occurrence of an Event of Default and any time thereafter so long as the same shall be continuing, and in addition to all other rights and remedies granted the Mortgagee hereunder, it shall be lawful for, and the Mortgagor hereby authorizes, the Mortgagee without making a demand or putting the Mortgagor in default, a putting in default being expressly waived, to cause all and singular the Mortgaged Property to be seized and sold after due process of law, the Mortgagor waiving the benefit of any and all laws or parts of laws relative to appraisal of Mortgaged Property seized and sold under executory process or other legal process, and consenting that the Mortgaged Property be sold without appraisal, 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. The Mortgagee shall be granted all rights and remedies granted it hereunder as well as all rights and remedies granted to Agent under Louisiana law including the Uniform Commercial Code then in effect in Louisiana.

(f) Authentic Evidence. Any and all declarations of fact made by authentic act before a notary public in the presence of two witnesses by any person or persons declaring that such facts lie within his or her knowledge shall constitute authentic evidence of such facts for purposes of executory process.

(g) Taxpayer Identification Number. The last four digits of the Mortgagor's federal tax identification number are accurately set out in this Mortgage.

(h) Certain Louisiana References. With respect to Mortgaged Property located in the State of Louisiana: (i) each reference herein to a "lien" will include a reference to a "privilege," "mortgage," "collateral assignment pledge," and/or "security interest," as appropriate; (ii) each reference herein to an "easement" or "easements" will include a reference to a "servitude" and "servitudes;" (iii) the terms "real property," and "real estate" will include "immovable property" as that term is used in the Louisiana Civil Code; (iv) the term "county" will include "parish;" (v) the term "personal property" will include "movable property" as that term is used in the Louisiana Civil Code; (vi) the term "intangible" will mean "incorporeal" as that term is used in the Louisiana Civil Code; (vii) the term "fixtures" will include "component parts;" (viii) reference to "receiver" shall be deemed to be a keeper appointed by the Mortgagee as provided herein; (ix) the term "fee estate" or "fee simple title" will mean "full ownership interest" as that term is used in the Louisiana Civil Code; (x) the term "condemnation" will include "expropriation" as that term is used in Louisiana law; (xi) the term "conveyance in lieu of foreclosure" or "action in lieu thereof" will mean "giving in payment" as that term is used in the Louisiana Civil Code and "dation en paiement;" and (xii) the term "joint and several" will mean "solidary" as that term is used in the Louisiana Civil Code. References to the "UCC" in effect in the State of Louisiana shall be to the Louisiana Uniform Commercial Code, La. R.S. § 10:1-101 *et seq.* The term "Article 9" shall also mean Chapter 9 of the UCC.

(i) Acceptance by Mortgagee. In accordance with the provisions of article 3289 of the Louisiana Civil Code, the Mortgagee's acceptance of this Mortgage is established by presumption.

(j) Waivers. The Mortgagor hereby waives:

(i) The benefit of appraisal 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 by articles 2293 and 2721 of the Louisiana Code of Civil Procedure;

(iii) The three (3) days delay provided for in articles 2331 and 2722 of the Louisiana Code of Civil Procedure; and

(iv) The benefit of any other provisions of the Louisiana Code of Civil Procedure which are waivable and not specifically mentioned above.

(k) Notary Public. The parties relieve and release the undersigned notary public of any duty to produce and attach mortgage or conveyance certificates.

(l) 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.

(m) Acceptance. Pursuant to Article 3289 of the Louisiana Civil Code, Mortgagor acknowledges that this Mortgage need not be signed by Mortgagee, and Mortgagor acknowledges Mortgagee's acceptance of this Mortgage as part of the overall transaction pertaining to the Secured Obligations.

(n) Additional Fixture Filing Language. This Mortgage or a related UCC-1 fixture filing is to be filed and recorded in the Uniform Commercial Code records of a parish in the State of Louisiana.

*[Signature Page Follows]*

THUS DONE AND PASSED, on the 16<sup>th</sup> day of September, but effective as of the date first written above, in multiple originals, before me, the undersigned Notary Public, in the presence of the undersigned competent witnesses, who have hereto signed their names with the Mortgagor and me, said Notary Public, after due reading of the whole.

**WITNESSES:**

[Signature]  
Printed Name: Sergio Castro

[Signature]  
Printed Name: Brittany Donahoe

**MORTGAGOR:**

**CONTANGO OPERATORS, INC.**

By: [Signature]  
Name: E. Joseph Grady  
Title: Senior Vice President & CFO

[Signature]  
NOTARY PUBLIC

PRINTED NAME: \_\_\_\_\_  
BAR NO. OR NOTARY NO.: \_\_\_\_\_  
MY COMMISSION EXPIRES: \_\_\_\_\_

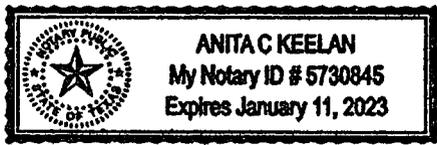


EXHIBIT A

Property Exhibit - Leases

<u>Lessor name</u>	<u>Lessee name</u>	<u>Lease Description</u>	<u>Lease date</u>	<u>Rec Book</u>	<u>Rec Page</u>	<u>Recording Ref No</u>	<u>Parish</u>	<u>State</u>
UNITED STATES DEPARTMENT OF INTERIOR	UNION OIL COMPANY OF CALIFORNIA	Lease OCS-G 23851, Affecting that portion of Block 10, Eugene Island Area, OCS Leasing Map, Louisiana Map No. 4, seaward of the 1975 Supreme Court Decree Line specifically described in OCS Block diagram attached to the lease	7/1/2002				IBERIA AND ST. MARY PARISHES	Louisiana
STATE OF LOUISIANA	REPUBLIC EXPLORATION LLC	STATE LEASE 18640	7/13/2005	1314	200		IBERIA PARISH	Louisiana
STATE OF LOUISIANA	REPUBLIC EXPLORATION LLC	STATE LEASE 18860	1/11/2006	1325	718		IBERIA PARISH	Louisiana
STATE OF LOUISIANA	REPUBLIC EXPLORATION LLC	STATE LEASE 19266	2/14/2007	1360	789		IBERIA PARISH	Louisiana

**EXHIBIT A**

**Wells**

**Iberia Parish and St.Mary Parish, Louisiana**

<b>PROPNUM</b>	<b>LEASE</b>	<b>ST</b>	<b>COUNTY</b>
IBEL7KI89S	Dutch	LA	Iberia/St. Mary
K6ULHLP4V	Dutch	LA	Iberia/St. Mary
K6ULHH9O3V	Dutch	LA	Iberia/St. Mary
K48HBEVK1F	Dutch	LA	Iberia/St. Mary
MAHLO9ELFL	Dutch	LA	Iberia/St. Mary
IBRG8GTO34	Mary Rose	LA	Iberia/St. Mary
J34MBLDRCM	Mary Rose	LA	Iberia/St. Mary
J34MBLJRBM	Mary Rose	LA	Iberia/St. Mary