

GIEGER, LABORDE & LAPEROUSE, L.L.C.

NEW ORLEANS

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ADJUDICATION SECTION

January 15, 2020



United States Department of the Interior Bureau of Ocean Energy Management Gulf of Mexico OCS Region 1201 Elmwood Park Boulevard New Orleans, Louisiana 70123-2394

Attention:

Adjudication Unit

Re:

Non-Required Filing

To Whom It May Concern:

Enclosed herewith please find the following document:

Enclosed herewith, please find duplicate originals of an Assignment of Overriding Royalty Interest, dated effective as of July 1, 2018, from Focus Exploration, LLC, as Assignor, to Fairfield Industries Incorporated, as Assignee.

Please file this document in the non-required filing records maintained by your office under Category #5 – Overriding Royalty, Production Payment, Net Profit, in the lease records affecting SS 239, OCS-G 36220.

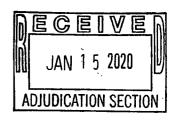
Also enclosed is a pay.gov receipt evidencing payment of the required filing fee. Should you have any questions, please contact the undersigned at 504-561-0400.

Thank you in advance for your courtesies in this matter.

Yours very truly,

Patti L. Spinney Legal Assistant

Enclosures



ASSIGNMENT OF OVERRIDING ROYALTY INTEREST

SHIP SHOAL AREA,

SOUTH ADDITION BLOCK 239

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OCS-G 36220

FEDERAL OUTER CONTINENTAL SHELF

GULF OF MEXICO

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THIS ASSIGNMENT OF OVERRIDING ROYALTY INTEREST ("Assignment") IS

FROM:

FOCUS EXPLORATION, LLC

("Assignor")

9950 Westpark Drive, Suite 500

Houston, Texas 77063

TO:

FAIRFIELD INDUSTRIES INCORPORATED

("Assignee")

9811 Katy Freeway, Suite 1200

Houston, Texas 77024

Federal Tax Identification No.: 74-1806930

Thus, Assignor, for and in consideration of \$10.00 and other good and valuable consideration, in hand paid by Assignee, the receipt and sufficiency of which are hereby acknowledged and confessed by Assignee, does hereby sell, assign, transfer, set over and deliver, without warranties or covenants of title, express or implied, except as specifically set forth below, unto Assignee, its successors in title and assigns, effective as of 7:00 a.m., local time of the location of the property herein assigned on July 1, 2018 ("Effective Date"), the following described overriding royalty interest ("ORRI") in the production from or allocable to the oil and gas lease ("Lease") described in Exhibit A attached hereto and made a part hereof. The magnitude of the ORRI assigned herein shall be calculated based upon the percentage interest described below, and in calculating the interest of Assignee, such percentage shall be multiplied by the volumes of the oil, gas, distillate, condensate, casinghead gas and other liquid and vaporous hydrocarbons (collectively, "Hydrocarbons"), produced, saved and sold, or produced, allocable to, and sold from the Lease under the terms of such Lease.

The magnitude of the ORRI assigned herein is ONE-AND-ONE-QUARTER PERCENT (1.25%) of 8/8ths. The overriding royalty shall not be subject to proportionate reduction.

This Assignment is made in performance of the obligations of Assignor pursuant to the terms and provisions of that certain <u>Master License Agreement dated May 26, 2006</u>, and Supplement Agreement No. 1 thereto entered into by and between Focus Exploration, LLC and Assignee, to which reference is here made and copies of which are on file in the offices of Focus Exploration, LLC and Assignee.

The ORRI herein assigned, transferred, set over and delivered by Assignor is subject to the following terms, provisions and conditions:

(1) The ORRI payable as to the production from the Lease is subject to the terms and provisions of the Lease burdened thereby and any amendments or modifications thereof or thereto, and Assignee agrees that any further amendments or modifications thereof or thereto may be made without the consent or joinder of Assignee; provided, however, that no amendment or modification to a Lease shall have the effect of reducing the ORRI on production from the lands covered thereby, except as further provided in this Assignment.

- (2) The ORRI shall be free and clear of all drilling, development, producing and operating costs and expenses, and furthermore shall not be subject to any expense-bearing obligation that is in addition to any expense-bearing obligation pertaining to the Lessor's royalty payable under the Lease burdened by the ORRI; provided, however, that Assignee shall bear and pay all taxes which may now or hereafter be applicable to or in any manner connected with such ORRI, or constitute a lien in favor of the taxing authority upon such ORRI, or the production of Hydrocarbons attributable thereto, including, without limitation, all production, severance, gathering, transportation, excise or other taxes attributable to or levied upon such ORRI or the production of Hydrocarbons attributable thereto, and all other costs and expenses to the same extent as those costs and expenses are borne by or charged to the Lessor's royalty interest under the terms of the applicable Lease. No ORRI shall be due on any oil or condensate used for fuel in conducting operations on the Lease (or acreage pooled, therewith or with any part thereof, or in treating such liquids to make them marketable, or gas used in Lease or unit operations, or injected into subsurface strata, until such time as primary production has ceased, and injected gas is produced, and sold). Except as otherwise provided herein, the ORRI attributable to the Lease shall be calculated in the same manner as that provided in such Lease for the payment of royalty to the Lessor thereof, without regard to any applicable royalty relief, and shall be paid to Assignee within ninety (90) days after the receipt by Assignor of production revenues attributable to the ORRI.
- (3) The ORRI of Assignee in any Lease may be pooled and unitized in the same manner and under the same and identical terms, conditions and provisions as the Lessor's royalty may be pooled and unitized under the terms of the Lease to which such ORRI applies without the joinder by or consent of Assignee. However, in the event that the pooling authority granted herein is exercised, or the Lease is pooled by Order of the applicable State or Federal governmental body, the ORRI shall not be proportionately reduced in accordance with the agreements or orders as the case may be creating such unit.
- (4) No obligations, either express or implied, shall arise by reason of this Assignment by Assignor to keep and to maintain the Lease in force and effect either by the payment of rentals, compensatory royalties or other payments, or by the drilling of any wells, it being expressly understood that Assignee is to receive Assignee's ORRI only out of the Hydrocarbons if, as and when produced, saved and sold, or produced allocable to and sold, at the will of Assignor from said lands under the terms and provisions of the Lease, and Assignor may release the Lease, or any part thereof, or permit the Lease or any part thereof, to revert or to terminate at will and without liability to Assignee.
- (5) The ORRI assigned herein shall also apply to any extension or renewals of the Lease, taken within one year of the expiration of any such Lease.
- (6) Assignee or Assignee's assigns, upon written notice, shall have the right to audit Assignor's or Assignor's assignees' accounts and records relating to any production from any Lease. Any audit shall be conducted during business hours, in a manner that will result in a minimum inconvenience to Assignor. Assignor shall bear no portion of Assignee's cost incurred to perform the audit. Assignee shall also have the right to view Assignor's data and data products on any block where Assignor has an overriding royalty obligation to Assignee. Assignor shall not be obligated to make available certain accounts, records or production information to Assignee if Assignor is bound by another contractual agreement not to make the information available. Assignor will, however, provide proof to Assignee that Assignee is being properly paid.

TO HAVE AND TO HOLD all and singular the ORRI herein transferred, set over and delivered

unto the Assignee, Assignee's successors and assigns, forever. Assignor hereby binds Assignor, and Assignor's successors and assigns, to warrant and to defend the title to such ORRI unto Assignee, and Assignee's successors and assigns, against every person lawfully claiming or to claim the same, or any part thereof, by, through and under Assignor, but not otherwise.

The terms "oil and gas lease" and "Lease" as used in this Assignment and as used in the Exhibits (whether one or more) attached to the Supplement shall mean and include, without limitation, any oil, gas and mineral lease, oil and gas lease, oil, gas and sulphur lease, other mineral leases, subleases, operating rights, or other contractual right to drill, produce, market or share in the production of or proceeds from the sale of Hydrocarbons, including any renewal or extension of any of the foregoing.

All of the terms, provisions, covenants and agreements herein contained shall extend to and be binding upon the parties hereto and their respective successors in title and assigns.

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment on the date of their respective acknowledgments annexed hereto, but this Assignment shall be effective as of the Effective Date hereinabove recited.

WITNESSES: (Required in Louisiana)

ASSIGNOR:

FOCUS EXPLORATION, LLC

Name: Michael A. Scherrer

President

ASSIGNEE:

FAIRFIELD INDUSTRIES INCORPORATED

Joe Dryen

President, Multiclient and Geo Services

STATE OF TEXAS S
COUNTY OF HARRIS

On this day of cerebe , 2019, before me, the undersigned Notary Public in and for the State of Texas, appeared Michael A. Scherrer, to me personally known, who, being by me duly sworn, did say that he is the President of Focus Exploration, LLC, a Limited Liability Corporation, and that the instrument was signed on behalf of the company by authority of its Board of Directors and that he acknowledged the instrument to be the free act and deed of the company.



NOTARY PUBLIC in and for the STATE OF TEXAS

STATE OF TEXAS

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COUNTY OF HARRIS

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On this day of January, 2019; before me, the undersigned Notary Public in and for the State of Texas, appeared Joe Dryer, to me personally known, who, being by me duly sworn, did say that he is the President, Multiclient and Geo Services of Fairfield Industries Incorporated, a Delaware Corporation, and that the instrument was signed on behalf of the company by authority of its Board of Directors and that he acknowledged the instrument to be the free act and deed of the company.

THRESA JOHNSON
Notary Public, State of Texas
Comm. Expires 08-22-2023
Notary ID 10245246

NOTARY PUBLIC in and for the STATE OF TEXAS

EXHIBIT "A"

Attached to and made a part of that certain Assignment of Overriding Royalty Interest dated effective July 1, 2018 from Focus Exploration, LLC to Fairfield Industries Incorporated

LEASE

Oil and Gas Lease of Submerged Lands Under the Outer Continental Shelf Lands Act, Federal Lease Serial No. OCS-G 36220, dated effective July 1, 2018, between the United States of America, as Lessor, and Focus Exploration, LLC. as Lessee, covering all of Block 239, Ship Shoal Area, South Addition, OCS Louisiana Leasing Map No. 5A, containing 5000 acres, more or less.