

September 23, 2020

Bureau of Ocean Energy Management
Gulf of Mexico OCS Region
Attn: Adjudication Unit, MS-5421
1201 Elmwood Park Blvd.
New Orleans, LA 70123

RE: Non-required Filing – Category 5
Assignment of Overriding Royalty Interest
Vermilion Area, Block 153 (OCS-G 36867)

Gentlemen:

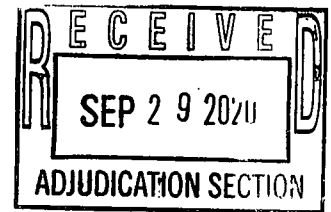
Enclosed please find two (2) originals of an Assignment of Overriding Royalty Interest from Focus Exploration, LLC to Focus Exploration, LLC to the subject lease. Also enclosed is a pay.gov confirmation receipt in the amount of \$29.00 to cover the fee.

Once this document has been filed as requested, I would appreciate your stamping and returning a copy to my attention in the self-addressed postage paid envelope.

Please contact me if you should have any questions. My direct phone is 713-435-0021 or email gklein@focusexploration.com.

Sincerely,

Gina M. Klein
Executive Assistant



ASSIGNMENT OF OVERRIDING ROYALTY

UNITED STATES OF AMERICA § OUTER CONTINENTAL SHELF §

THIS ASSIGNMENT OF OVERRIDING ROYALTY INTEREST (this "**Assignment**") is dated effective as of July 1, 2020 (the "**Effective Date**"). For ten dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, **Focus Exploration LLC, a Limited Liability Company** ("**Assignor**"), does hereby transfer, convey, grant and assign unto **Focus Exploration, LLC, a Limited Liability Company** ("**Assignee**"), an overriding royalty interest (the "**ORRI**") equal to four and one quarter percent of eight-eighths (4.25% of 8/8ths) of all oil, gas, casinghead gas and associated hydrocarbons produced ("**Hydrocarbons**"), marketed and saved or attributable to the following described oil and gas lease:

Oil and Gas Lease of Submerged Lands Under the Outer Continental Shelf Lands Act, Federal Serial No. OCS-G 36867, dated effective July 1, 2020, from the United States of America, as lessor (the "**Lessor**"), to **Focus Exploration, LLC**, as lessee, covering all of **Block 153, Vermilion Area**, OCS Leasing Map, Louisiana Map No. 3. (the "**Lease**").

The ORRI shall be free and clear of all drilling and operating expenses affecting the Lease but shall bear its proportionate share of all applicable severance, excise, production or other, similar taxes measured by the amount or value of production. The ORRI shall never be calculated, paid or determined on a basis in excess of the actual proceeds of production after deduction of the foregoing. The ORRI shall otherwise be calculated and paid in the same manner and same time as the Lessor's royalty, however, that calculation and payment of the ORRI shall not be affected by any reduction, deferral, mitigation or other relief of the Lessor's royalty allowed under the terms of the Lease or applicable laws, rules, regulations and orders. The ORRI shall be free and clear of any costs and expenses of or in connection with the acquisition, exploration, development and operation of the Lease and/or the lands covered thereby and any other lease(s) and/or lands pooled or unitized therewith. No ORRI shall be due on any oil or condensate used for fuel in conducting operations on the Lease.

Assignee shall not have the right to take in kind or separately dispose of the Hydrocarbons.

Assignee shall have the right to conduct audits of the accounts and records of Assignor as reasonably necessary to verify the Assignor's compliance with the terms of this Assignment. Such audits may be performed by Assignee directly or through an

independent accounting firm duly authorized by Assignee, but always at the Assignee's sole cost and expense.

Assignor shall not be under any obligation to maintain the Lease or to conduct any operations thereon and Assignor shall have the full right to execute a relinquishment, surrender or permit to the expiration of the Lease, in whole or in part, without liability of any kind to Assignee and without the necessity of joinder or consent of Assignee.

The terms and provisions of this Assignment shall be deemed covenants running with the land covered by the Lease and shall inure to the benefit of and be binding upon the parties hereto and their respective legal representatives, successors and assigns. Regardless of actual or constructive notice on the part of Assignor, no change in the ownership of the ORRI, or change in the capacity or status of the Assignee, however resulting, shall impose any additional burden on Assignor. Assignee acknowledges that this Assignment is made subject to all the terms and conditions in the Lease and any amendments thereto.

The ORRI shall apply to the Lease and any extensions, renewals, or modifications of the Lease acquired by Assignor. For purposes of this paragraph, the term "renewals" shall include a wholly new lease acquired by Assignor covering the same interest as the Lease while the applicable Lease remains in full force and effect, or within twelve (12) months after the lapse of such Lease.

This Assignment contains the entire understanding between the Parties with regard to the ORRI. It supersedes all prior or contemporaneous communications, agreements, or understandings between the Parties concerning the subject matter of this Assignment.

This Assignment may be executed in any number of counterparts, and each counterpart hereof shall be effective as to each party that executes the same whether or not all of such parties execute the same counterpart. If counterparts of this Assignment are executed, the signature pages from various counterparts may be combined into one composite instrument for all purposes. All counterparts together shall constitute only one Assignment, but each counterpart shall be considered an original.

[Signature page follows]

This Assignment is executed by the parties hereto as of the dates set forth in their respective acknowledgments attached hereto and shall be effective as of the Effective Date.

ASSIGNOR:

Focus Exploration, LLC

Witnesses:



Darren Adam
Printed Name



Michael K. Keaveney
Printed Name



Michael A. Scherrer
President

ASSIGNEE:

Focus Exploration, LLC



Darren Adam
Printed Name



Michael K. Keaveney
Printed Name



Michael A. Scherrer
President

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

On this 23rd day of September 2020, before me appeared Michael A. Scherrer, President of **Focus Exploration, LLC**, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.





Notary Public

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

On this 23rd day of September 2020, before me appeared Michael A. Scherrer, President of **Focus Exploration, LLC**, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.





Notary Public