

Houston Energy, L.P.

Two Allen Center
1200 Smith, Suite 2400
Houston, Texas 77002
Phone: (713) 586.5746
Fax: (713) 650.8305
salford@houstonenergyinc.com

RECEIVED
ADJUDICATION SECTION
MAY 05 2023



May 5, 2023

Via Electronic mail

Adjudication Unit - Mail Stop GM 276A
Bureau of Ocean Energy Management
Department of the Interior
1201 Elmwood Park Boulevard
New Orleans, LA 70123-2394

RE: Filing of Non-Required Document
Assignment of Overriding Royalty Interest
Oil and Gas Lease OCS-G 36978 – GC 77
Oil and Gas Lease OCS-G 36895 – GC 78
Sunspear Prospect

Ladies and Gentlemen:

Enclosed please find two originals of the following document:

Title of Document: Assignment of Overriding Royalty Interest

Identities of Parties to Document: By and between HEDV Beaverspear, LLC and Ridgewood Sunspear, LLC, as Assignors and HEQ Deepwater, LLC, as Assignee

Leases Affected: OCS-G 36978, OCS-G 36895

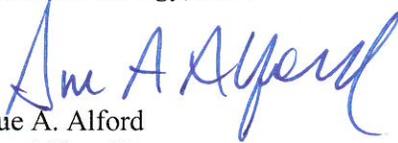
Category to be Filed: (5) Overriding Royalty

Service Fees: Pay.gov receipt in amount of the \$68.00

Once this document has been filed in the Non-Required documents under category 5 for both leases, I would appreciate your stamping and returning a copy to my attention by electronic mail. Please contact me if you should have any questions. My direct phone is 713.586.5746 or email salford@houstonenergyinc.com.

Sincerely,

Houston Energy, L.P.


Sue A. Alford
Land Coordinator

Enclosures

ASSIGNMENT OF OVERRIDING ROYALTY INTERESTS IN OIL AND GAS LEASES

UNITED STATES OF AMERICA §
OUTER CONTINENTAL SHELF §
OFFSHORE LOUISIANA §

THIS ASSIGNMENT OF OVERRIDING ROYALTY INTERESTS IN OIL AND GAS LEASES (the "Assignment"), effective as of March 31, 2022 (the "Effective Date"), is made by and among HEDV Beaverspear, LLC, a Texas limited liability company ("HEDV"), whose address is Two Allen Center, 1200 Smith, Suite 2400, Houston, Texas, 77002, and Ridgewood Sunspear, LLC, a Delaware limited liability company ("Ridgewood"), whose address is 14 Philips Parkway, Montvale, New Jersey 07645 (HEDV and Ridgewood collectively referred to as "Assignors") and HEQ Deepwater, LLC, a Delaware limited liability company ("HEQ or Assignee"), whose address is 1200 Smith, Suite 2400, Houston, Texas 77002.

WHEREAS, as of the Effective Date, Assignors are the owners of the following undivided record title interests in and to the oil and gas leases described on the attached Exhibit "A" (individually, a "Lease" and collectively, the "Leases"):

Table with 2 columns: Entity Name, Percentage. Rows: HEDV (5.00000%), Ridgewood (52.77778%)

WHEREAS, the Assignors received their record title interests in the Leases pursuant to the terms of that certain Participation Agreement dated effective December 1, 2021, by and between EnVen Energy Ventures, LLC ("EnVen") and HEDV, and that certain Participation Agreement dated effective November 1, 2021 by and between EnVen and Ridgewood (collectively, the "Participation Agreements");

WHEREAS, upon Carry Point, as such term is defined in the Participation Agreements, HEDV and Ridgewood shall reassign to EnVen certain record title interests in and to the Leases resulting in the Assignors owning the following undivided record title interests in and to the Leases (each, a "ACP Record Title Interest"):

Table with 2 columns: Entity Name, ACP Record Title Interest. Rows: HEDV (4.50000%), Ridgewood (47.50000%)

WHEREAS, pursuant to certain seismic agreements executed in December 2019 by and between TGS-NOPEC Geophysical Company (“TGS”), WesternGeco LLC (“WG”) and Houston Energy, L.P. (“HE”), TGS and WG have earned an overriding royalty interest cumulatively equal to 1.0% of 8/8 in and to each of the Leases (the “ORRI”);

WHEREAS, pursuant to that certain Program Agreement effective January 1, 2020, by and between HE and Ridgewood Energy Corporation, *et al.*, each of the Assignors is obligated to assign to WG an undivided fifty percent (50%) of the ORRI in and to the Leases (the “WG ORRI”), proportionately reduced by the Assignor’s ACP Record Title Interest in each of the Leases;

WHEREAS, pursuant to that certain Purchase and Sale Agreement dated effective March 31, 2022 (“WG/HEQ PSA”), WG conveyed to HEQ all of WG’s right, title and interest in and to the WG ORRI, if any, and the right to receive an assignment of the WG ORRI from the Assignors, if any;

WHEREAS, the undivided fifty percent (50%) of the ORRI in and to the Leases earned by TGS was specifically excluded from the WG/HEQ PSA and was not conveyed by WG to HEQ; and

WHEREAS, Assignors desire to assign and Assignee desires to receive the WG ORRI in and to the Leases.

NOW, THEREFORE, for and in consideration of the mutual advantages and benefits accruing to the parties hereto, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and further in consideration of the mutual covenants and conditions herein contained, each Assignor does hereby **TRANSFER, CONVEY, GRANT, SELL and ASSIGN** to Assignee the WG ORRI in and to each of the Leases, proportionately reduced by the respective Assignor’s ACP Record Title Interest in each Lease. By way of illustration, HEDV hereby conveys to HEQ an overriding royalty interest in and to the Leases equal to 4.5% of 50% of 1% of 8/8 and Ridgewood hereby conveys to HEQ an overriding royalty interest in and to the Leases equal to 47.5% of 50% of 1% of 8/8.

The WG ORRI as to each Lease shall be due only with respect to oil, gas and other minerals produced, saved and marketed from or attributable to such Lease, it being understood that any oil, gas or other minerals utilized in the drilling, reworking, producing or conducting other operations on such Lease shall be specifically deducted from the gross production prior to calculating the volume for the WG ORRI. The WG ORRI shall be free and clear of any cost of drilling or production, but shall bear its proportionate share of all applicable taxes, including, but not limited to, severance or other similar taxes applicable to production. The value of such WG ORRI shall never be calculated, paid or determined on a basis in excess of the gross proceeds of production after deduction of the foregoing and shall be computed and paid at the same time and in the same manner as royalties are computed and paid to the lessor under the terms of such Lease; **provided, however,** notwithstanding the foregoing, the WG ORRI shall never be subject to, affected by, or diminished by any past, present or future rules or regulations promulgated by the Bureau of Ocean Energy Management, successor agency to the Minerals Management Service, of the Department of Interior, or any other agency or authority having jurisdiction over the lands covered by such

Lease, that provide for, or may provide for, relief, reduction or suspension of the lessor's royalty under such Lease.

Assignors shall have the right to pool, unitize, communitize, form joint development areas, surrender, or permit to expire, each Lease without the necessity or joinder of the Assignee, or any subsequent holder of the WG ORRI and Assignors shall not be in any manner obligated to maintain, preserve or continue in effect a Lease in any manner whatsoever, or to drill or rework any well on a Lease or conduct any operation whatsoever thereunder.

In addition to as described above, the WG ORRI shall be subject to proportionate reduction (i) on account of the failure of leasehold or mineral title for a Lease or (ii) in the event a Lease relates to less than the entirety of the minerals. If a Lease is pooled, combined into a joint development area, or unitized, then the WG ORRI shall be computed only on the proportionate part of production from any pooled, combined or unitized portion of such Lease which is included in such a pool, joint development area, or unit. Unless otherwise allocated by order of any regulatory body or other authority having jurisdiction, or agreement by Assignors, the amount of production to be allocated to each pool, joint development area, or unit shall be that proportion of the total production that the surface area of a Lease included within such pool, joint development area, or unit bears to the total surface area of all the lands contained within such pool, joint development area, or unit.

WG, without assuming any responsibility or liability for the WG ORRI conveyed herein, joins in the execution of this Assignment for the sole purpose of acknowledging its consent to execution of this Assignment between Assignors and Assignee.

It is the intent of the parties hereto that the WG ORRI shall not burden the record title interests that will be conveyed by the Assignors to EnVen after Carry Point. Assignors and Assignee shall execute and deliver such additional documents, instruments, conveyances and assurances, and take such further actions as may be reasonably required to carry out such intent.

Subject to the matters set forth herein, each Assignor, to the extent of its interest conveyed hereunder, hereby agrees to warrant and forever defend title to the WG ORRI against the claims and demands of every person whomsoever claiming, or to claim, the same or any part thereof, by, through or under such Assignor, but not otherwise. All payment and performance obligations of each Assignor owed to Assignee pursuant to this Assignment to pay its share of the WG ORRI shall be several and not joint, it being the intention of the parties to this Assignment that nothing herein shall be construed as creating any joint and several liabilities or solidary obligations of the Assignors with respect to any such payment and performance obligations.

This Assignment may be executed in any number of counterparts, each of which shall be valid and binding with respect to the signatories thereto and their interest in the property sold and conveyed hereby, but only upon execution by all signatories of this Assignment or a counterpart hereof.

This Assignment shall inure to the benefit of and be binding upon the successors, representatives, and assigns of the parties hereto.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, this Assignment is executed by the undersigned, duly authorized representative of the party hereto as of the date set forth in the acknowledgment below but made effective as of the Effective Date.

WITNESSES:

ASSIGNOR:

HEDV BEAVERSPEAR, LLC

Martha Ann Moore
Martha Ann Moore

By: Heath Suire
Heath Suire
Sr. Vice President of Land &
Business Development

Kelly Beckham
Kelly Beckham

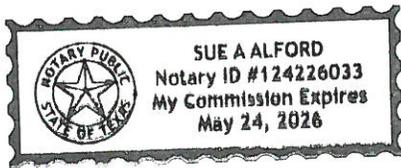
ACKNOWLEDGMENT

STATE OF TEXAS §
§
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared **Heath Suire**, known to me to be the person whose name is subscribed to the foregoing instrument as **Sr. Vice President of Land & Business Development** of **HEDV Beaverspear, LLC**, a Texas limited liability company, and acknowledged to me that he executed the same for and on behalf of said company, for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN under my hand and seal of office this 4th day of May, 2023.

Sue A. Alford
Notary Public - State of Texas
Notary Name: SUE A. ALFORD
My Commission expires: 5/24/2026



IN WITNESS WHEREOF, this Assignment is executed by the undersigned, duly authorized representative of the party hereto as of the date set forth in the acknowledgment below but made effective as of the Effective Date.

WITNESSES:

ASSIGNOR:

Jeff Byrd
Jeff Byrd

RIDGEWOOD SUNSPEAR, LLC

Leah Bramlett
Leah Bramlett

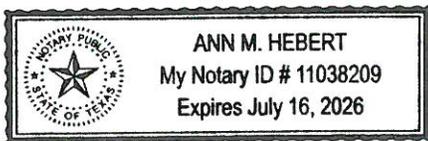
By: Fritz L. Spencer, III
Fritz L. Spencer, III
Attorney-in-Fact

ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared **Fritz L. Spencer, III**, known to me to be the person whose name is subscribed to the foregoing instrument as **Attorney-in-Fact** of **Ridgewood Sunspear, LLC**, a Delaware limited liability company, and acknowledged to me that he executed the same for and on behalf of said company, for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN under my hand and seal of office this 4th day of May, 2023.



Ann M. Hebert
Notary Public - State of Texas
Notary Name: Ann M. Hebert
My Commission expires: 7-16-2026

IN WITNESS WHEREOF, this Assignment is executed by the undersigned, duly authorized representative of the party hereto as of the date set forth in the acknowledgment below but made effective as of the Effective Date.

WITNESSES:

Martha Ann Moore
Martha Ann Moore

Kelly Beckham
Kelly Beckham

ASSIGNEE:

HEQ DEEPWATER, LLC

By: Heath Suire
Heath Suire
Vice President

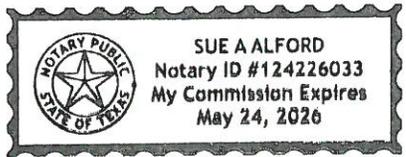
ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared **Heath Suire**, known to me to be the person whose name is subscribed to the foregoing instrument as **Vice President** of **HEQ Deepwater, LLC**, a Delaware limited liability company, and acknowledged to me that he executed the same for and on behalf of said company, for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN under my hand and seal of office this 4th day of May, 2023.

Sue A. Alford
Notary Public - State of Texas
Notary Name: Sue A. Alford
My Commission expires: 5/24/2026



IN WITNESS WHEREOF, this Assignment is executed by the undersigned, duly authorized representative of the party hereto as of the date set forth in the acknowledgment below but made effective as of the Effective Date.

WITNESSES:

JOINDER:

Kevin Gravett

Printed Name: Kevin Gravett

Joey Brown

Printed Name: Joey Brown

WESTERNGECO L.L.C.

By: Will Gowans

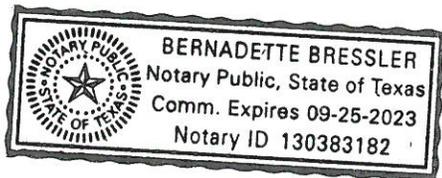
Will Gowans
Vice President

ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared **Will Gowans**, known to me to be the person whose name is subscribed to the foregoing instrument as **Vice President** of **WesternGeco L.L.C.**, a Delaware limited liability company, and acknowledged to me that he executed the same for and on behalf of said company, for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN under my hand and seal of office this 18 day of April, 2023.



Bernadette Bressler
Notary Public - State of Texas
Notary Name: Bernadette Bressler
My Commission expires: 09-25-2023

EXHIBIT "A"

Attached to and made a part of that certain
Assignment of Overriding Royalty Interests in Oil and Gas Leases effective March 31, 2022,
by and between
HEDV Beaverspear, LLC, and Ridgewood Sunspear, LLC, as Assignors,
and HEQ Deepwater, LLC, as Assignee

LEASES

Oil and Gas Lease of Submerged Lands under the Outer Continental Shelf Lands Act, bearing Serial No. OCS-G 36978, dated effective as of February 1, 2021, by and between the United States of America, as Lessor, and EnVen Energy Ventures, LLC, as Lessee, covering all of Block 77, Green Canyon, OCS Official Protraction Diagram, NG 15-03, containing approximately 5,760.00 acres, more or less.

Oil and Gas Lease of Submerged Lands under the Outer Continental Shelf Lands Act, bearing Serial No. OCS-G 36895, dated effective as of August 1, 2020, by and between the United States of America, as Lessor, and EnVen Energy Ventures, LLC, as Lessee, covering all of Block 78, Green Canyon, OCS Official Protraction Diagram, NG 15-03, containing approximately 5,760.00 acres, more or less.