

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 HE&D Offshore, L.P., as Assignee

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

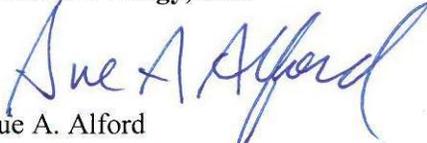
Category to be Filed: (5) Overriding Royalty

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 December 1, 2021 (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 **HE&D Offshore, L.P.**, a Texas limited partnership ("HE&D or Assignee"), whose address is Two Allen Center, 1200 Smith, Suite 2400, Houston, Texas 77002.

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

| | |
|-----------|-----------|
| HEDV | 5.00000% |
| Ridgewood | 52.77778% |

WHEREAS, the Assignors received their record title interests in the Leases pursuant to the terms of (i) that certain Participation Agreement dated effective December 1, 2021, by and between EnVen Energy Ventures, LLC ("EnVen") and HEDV, and (ii) 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 which will result in the Assignors owning the following undivided record title interests in and to each of the Leases ("ACP Record Title Interest"):

| | ACP Record Title Interest |
|-----------|---------------------------|
| HEDV | 4.50000% |
| Ridgewood | 47.50000% |

WHEREAS, pursuant to that certain Program Agreement effective January 1, 2020, by and between Houston Energy, L.P. ("HE") and Ridgewood Energy Corporation ("REC"), *et al.*, as amended, and that certain Letter Agreement dated March 2, 2022, by and between HE and REC, the Assignors agreed to assign to HE&D an overriding royalty interest equal to one and one-half percent of eight-eighths (1.50% of 8/8) in and to each of the Leases, proportionately reduced by the ACP Record Title Interest of the Assignors in the Leases; and

WHEREAS, Assignors desire to assign and Assignee desires to receive such overriding royalty interests 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 an overriding royalty interest equal to one and one-half percent of eight-eighths (1.50% of 8/8) in and to each of the Leases, proportionately reduced by the ACP Record Title Interest of the Assignor in such Lease (the "ORRI"). By way of illustration, HEDV hereby conveys to HE&D an overriding royalty interest in and to each of the Leases equal to 4.5% of 1.50% of 8/8 and Ridgewood hereby conveys to HE&D an overriding royalty interest in and to each of the Leases equal to 47.5% of 1.50% of 8/8.

The 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 ORRI. The 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 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 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 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 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 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.

It is the intent of the parties hereto that the 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 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 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:

Martha Ann Moore
Martha Ann Moore

Matthew Meyers
Matthew Meyers

ASSIGNOR:

HEDV BEAVERSPEAR, LLC

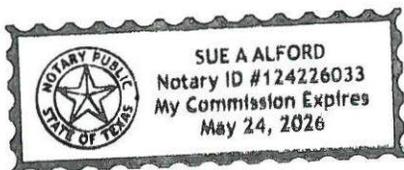
By: Heath Suire
Heath Suire
Sr. Vice President of Land &
Business Development

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

Printed Name: Jeff Byrd

Leah Bramlett

Printed Name: Leah Bramlett

RIDGEWOOD SUNSPEAR, LLC

By: *Fritz L. Spencer, III*

Fritz L. Spencer, III
Attorney-in-Fact

ACKNOWLEDGMENT

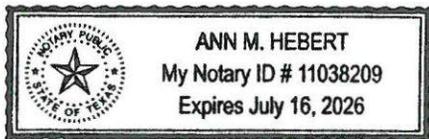
STATE OF TEXAS §

§

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 Sunsphear, 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 3rd 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:

HE&D OFFSHORE, L.P.

By: MKD Investments, LLC,
its General Partner

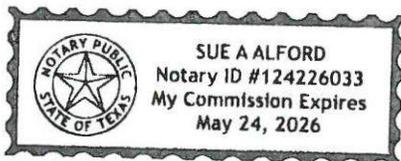
By: P. David Amend
P. David Amend
Vice President, Land

ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared **P. David Amend**, known to me to be the person whose name is subscribed to the foregoing instrument as **Vice President, Land** of MKD Investments, LLC, the General Partner of **HE&D Offshore, L.P.**, a Texas limited partnership, and acknowledged to me that he executed the same for and on behalf of said partnership, 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

EXHIBIT "A"

Attached to and made a part of that certain
Assignment of Overriding Royalty Interests in Oil and Gas Leases effective December 1, 2021,
by and between
HEDV Beaverspear, LLC, and Ridgewood Sunspear, LLC, as Assignors,
and HE&D Offshore, L.P., 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.