

HEQ Deepwater, LLC

1200 Smith, Suite 2400
Houston, Texas 77002
Phone: (713) 586-5746
Fax: (713) 650-8305

RECEIVED
ADJUDICATION SECTION
MAY 01 2024



April 30, 2024

Via Electronic Mail: boemadjudication@boem.gov

Bureau of Ocean Energy Management
Department of the Interior
1201 Elmwood Park Boulevard
New Orleans, LA 70123-2394
Attention: Adjudication Unit

RE: Assignment of Overriding Royalty Interests
OCS-G 36354 – Keathley Canyon, Block 720
OCS-G 36355 – Keathley Canyon, Block 764

Ladies and Gentlemen:

Enclosed please find two copies of the following document:

Title of Documents: Assignment of Overriding Royalty Interest in Oil and Gas Leases

Identities of Parties to Documents: By and between Kosmos Energy Gulf of Mexico Operations, LLC, as Assignor and HEQ Deepwater, LLC, as Assignee

Lease Affected: OCS-G 36354, OCS-G 36355

Category to be Filed: 5 = **Overriding Royalty**, Production Payment, Net Profit

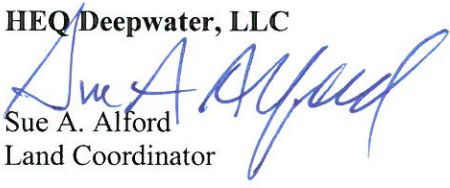
Service Fees: Pay.Gov receipt enclosed in amount of \$68.00

Once this assignment has been processed, I would appreciate your stamping and returning a copy to my attention to salford@houstonenergyinc.com

If you should have any questions, my direct number is 713.586.5746.

Sincerely,

HEQ Deepwater, LLC


Sue A. Alford
Land Coordinator

ASSIGNMENT OF OVERRIDING ROYALTY INTERESTS
IN
OIL AND GAS LEASES

OCS-G 36354 (KC 720)
OCS-G 36355 (KC 764)

THE UNITED STATES OF AMERICA §
 §
OUTER CONTINENTAL SHELF § **KNOW ALL MEN BY THESE PRESENTS:**

THAT, Kosmos Energy Gulf of Mexico Operations, LLC, a Delaware limited liability company, whose address is 15011 Katy Freeway, Suite 700, Houston, Texas 77094 (hereinafter referred to as “Assignor”) is the owner of an undivided thirty-six percent (36.00%) record title interest in and to the following oil and gas leases (hereinafter referred to individually as a “Lease” or collectively as the “Leases”):

Oil and Gas Lease of Submerged Lands bearing Serial number OCS-G 36354, dated effective November 1, 2018, between the United States of America, as Lessor, and Deep Gulf Energy III, LLC, as Lessee, covering all of Block 720, Keathley Canyon, OCS Official Protraction Diagram, NG 15-05, containing approximately 5,760.00 acres; and

Oil and Gas Lease of Submerged Lands bearing Serial number OCS-G 36355, dated effective November 1, 2018, between the United States of America, as Lessor, and Deep Gulf Energy III, LLC, as Lessee, covering all of Block 764, Keathley Canyon, OCS Official Protraction Diagram, NG 15-05, containing approximately 5,760.00 acres.

WHEREAS, pursuant to that certain Supplement Agreement dated December 29, 2017, in accordance with that certain Master License Agreement for Multiclient Seismic Data dated March 7, 2002, by and between Houston Energy, L.P. and WesternGeco LLC (“WG”), an overriding royalty interest in and to each of the Leases was due and owed to WG;

WHEREAS, pursuant to the terms of that certain Confidentiality Agreement, dated July 12, 2018, by and between Houston Energy, L.P. and Assignor (as successor to Deep Gulf Energy III, LLC), Assignor is obligated to assign to WG an overriding royalty interest in and to each of the Leases;

WHEREAS, pursuant to that certain Purchase and Sale Agreement, dated effective March 31, 2022, WG conveyed to HEQ Deepwater, LLC (the “Agreement”) all of WG’s right, title and interest, if any, in and to such overriding royalty interests and the right to receive an assignment of such overriding royalty interests from the Assignor;

WHEREAS, pursuant to the terms of this Assignment of Overriding Royalty Interests in Oil and Gas Leases (the “Assignment”), Assignor desires to assign to **HEQ Deepwater, LLC**, a Delaware limited liability company, whose address is 1200 Smith, Suite 2400, Houston, Texas 77002 (hereinafter referred to as “Assignee”) such overriding royalty interests in and to the Leases; and

WHEREAS, any and all royalty payments due and/or owed for such overriding royalty interests (to the extent they have not been previously paid by Assignor to WG), if any, for the time between the Effective Date of this Assignment and the effective date of sale under the Agreement are due and owed to WG by Assignee.

NOW, THEREFORE, effective as of November 1, 2018 (“Effective Date”), and for and in consideration of the mutual advantages and benefits accruing to the parties hereto and for One

Thousand and No/100 Dollars (\$1,000), and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and further in consideration of the mutual covenants and conditions herein contained, Assignor does hereby TRANSFER, CONVEY, SELL and ASSIGN to Assignee, as to the Assignor's respective record title interest indicated above, an overriding royalty interest equal to 16% of 1% of 8/8ths (.0016 of 8/8ths) in and to each of the Leases (hereinafter referred to individually as an "ORRI" or collectively as the "ORRIs").

The ORRIs shall be due only with respect to oil, gas and other minerals produced, saved and marketed from or attributable to the applicable Lease, it being understood that any oil, gas or other minerals utilized in the drilling, rework, producing or conducting other operations on a Lease shall be specifically deducted from the gross production prior to calculating the overriding royalty volume. The ORRI as to a Lease shall be free and clear of any cost, 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 an 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 the Lease; provided, however, notwithstanding the foregoing, an 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 ("BOEM"), 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 a Lease, that provide for, or may provide for, relief, reduction or suspension of the lessor's royalty under a Lease.

If a Lease is pooled, combined into a joint development area, or unitized, then the ORRI as to such Lease 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 Assignor, 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.

Assignor shall have the right to surrender, or permit to expire, a Lease without the necessity or joinder of the Assignee, or any subsequent holder of an ORRI and Assignor 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 or conduct any operation whatsoever thereunder.

Subject to the matters set forth herein, Assignor hereby agrees to warrant and forever defend title to the ORRIs against the claims and demands of every person whomsoever claiming, or to claim, the same or any part thereof, by, through or under Assignor, but not otherwise.

WG, without assuming any responsibility or liability for the ORRIs 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.

This Assignment may be executed in any number of counterparts, each of which shall be valid and binding with respect to the signatories thereto, 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.

IN WITNESS WHEREOF, this Assignment is executed by the undersigned, duly authorized representatives of the parties hereto as of the dates set forth in the respective acknowledgments attached hereto, but shall be effective as of the Effective Date.

SIGNATURE PAGES TO FOLLOW

WITNESSES

Blaine Killion

BLAINE KILLION

(Printed Name of Witness)

Tony Leibert

Tony Leibert

(Printed Name of Witness)

ASSIGNOR

Komos Energy Gulf of Mexico
Operations, LLC

By: Thomas E. Young

Thomas E. Young
Vice President, Land and Business
Development and Secretary

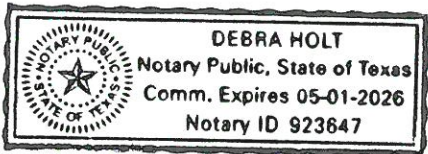
Date: 2/13/2024

ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared **Thomas E. Young**, known to me to be the person whose name is subscribed to the foregoing instrument as Vice President, Land and Business Development and Secretary of **Kosmos Energy Gulf of Mexico Operations, 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 13th day of February 2024.



Debra Holt

Notary Public - State of Texas

WITNESSES

Martha Ann Moore
Martha Ann Moore

Matthew Meyer
Matthew Meyer

ASSIGNEE

HEQ Deepwater, LLC

By: Heath Suire
Heath Suire
Vice President

Date: 4/23/2024

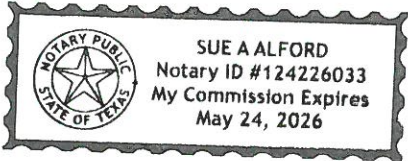
ACKNOWLEDGMENT

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**, 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 23rd day of April, 2024.

Sue A. Alford
Notary Public - State of Texas



WITNESSES:

JOINDER:

WESTERNGECO L.L.C.

(Printed Name of Witness)

By: _____
Will Gowans
Vice President

(Printed Name of Witness)

Date: _____

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 ____ day of _____, 2024.

Notary Public - State of Texas
Notary Name: _____
My Commission expires: _____

**ASSIGNMENT OF OVERRIDING ROYALTY INTERESTS
IN
OIL AND GAS LEASES**

**OCS-G 36354 (KC 720)
OCS-G 36355 (KC 764)**

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WHEREAS, any and all royalty payments due and/or owed for such overriding royalty interests (to the extent they have not been previously paid by Assignor to WG), if any, for the time between the Effective Date of this Assignment and the effective date of sale under the Agreement are due and owed to WG by Assignee.

NOW, THEREFORE, effective as of November 1, 2018 ("Effective Date"), and for and in consideration of the mutual advantages and benefits accruing to the parties hereto and for One

JSm
SLE Legal Approved

Thousand and No/100 Dollars (\$1,000), and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and further in consideration of the mutual covenants and conditions herein contained, Assignor does hereby TRANSFER, CONVEY, SELL and ASSIGN to Assignee, as to the Assignor's respective record title interest indicated above, an overriding royalty interest equal to 16% of 1% of 8/8ths (.0016 of 8/8ths) in and to each of the Leases (hereinafter referred to individually as an "ORRI" or collectively as the "ORRIs").

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Subject to the matters set forth herein, Assignor hereby agrees to warrant and forever defend title to the ORRIs against the claims and demands of every person whomsoever claiming, or to claim, the same or any part thereof, by, through or under Assignor, but not otherwise.

WG, without assuming any responsibility or liability for the ORRIs 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.

This Assignment may be executed in any number of counterparts, each of which shall be valid and binding with respect to the signatories thereto, 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.

IN WITNESS WHEREOF, this Assignment is executed by the undersigned, duly authorized representatives of the parties hereto as of the dates set forth in the respective acknowledgments attached hereto, but shall be effective as of the Effective Date.

SIGNATURE PAGES TO FOLLOW

WITNESSES

ASSIGNOR

Komos Energy Gulf of Mexico
Operations, LLC

(Printed Name of Witness)

By: _____
Thomas E. Young
Vice President, Land and Business
Development and Secretary

(Printed Name of Witness)

Date: _____

ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared **Thomas E. Young**, known to me to be the person whose name is subscribed to the foregoing instrument as Vice President, Land and Business Development and Secretary of **Komos Energy Gulf of Mexico Operations, 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 _____ day of _____, 2024.

Notary Public - State of Texas

WITNESSES

Martha Ann Moore
Martha Ann Moore

Matthew Meyer
Matthew Meyer

ASSIGNEE

HEQ Deepwater, LLC

By: Heath Suire
Vice President

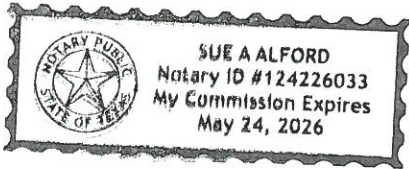
Date: 4/23/2024

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**, 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 23rd day of April, 2024.



Sue A Alford
Notary Public - State of Texas

WITNESSES:

KT Lyons
Kevin T. Lyons
(Printed Name of Witness)

Kevin D. Garrett
Kevin Garrett
(Printed Name of Witness)

JOINDER:

WESTERNGECO L.L.C.

By: [Signature]
Will Gowans
Vice President

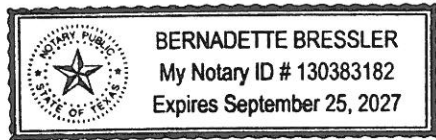
Date: 4/18/2024

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, 2024.



[Signature]
Notary Public - State of Texas
Notary Name: Bernadette Bressler
My Commission expires: September 25, 2027