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ADJUDICATION SECTION
MAY 08 2024

Shell Offshore Inc.

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Whitney Hancock Center – Room 2454
New Orleans, LA 70139
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Email: michelle.martin@shell.com

VIA EMAIL

May 8, 2024

Bureau of Ocean Energy Management
ATTN Adjudication Dept.
1201 Elmwood Park Boulevard
New Orleans, LA, 70123-2349

Dear Adjudication Dept:

**SUBJECT: NON-REQUIRED FILING – CATEGORY 5
Overriding Royalty, Production Payment, Net Profit
PROSPECTS BOBCAT AND LUCILLE**

**ALAMINOS CANYON BLOCK 340, FEDERAL OIL & GAS LEASE OCS-G 36739
ALAMINOS CANYON BLOCK 341, FEDERAL OIL & GAS LEASE OCS-G 36740
ALAMINOS CANYON BLOCK 342, FEDERAL OIL & GAS LEASE OCS-G 36495
ALAMINOS CANYON BLOCK 343, FEDERAL OIL & GAS LEASE OCS-G 36496
ALAMINOS CANYON BLOCK 386, FEDERAL OIL & GAS LEASE OCS-G 36497**

REF – SEPCo/SOI SERVICE AGREEMENT)

Enclosed please find an Assignment of Overriding Royalty Interest between **Shell Offshore Inc. (Company No. 00689)** and **Repsol E&P USA LLC (Company No. 02805)** to be filed in **Non-Required Filing Category 5 (Overriding Royalty, Production Payment, Net Profit)** for each of the above subject leases.

I have paid the adjudication fees for non-required category 5 for each lease and have attached a copy of the payment confirmations received via Pay.gov.

Should you have any questions please contact me via e-mail at michelle.martin@shell.com or at (504) 425-4394.

Sincerely,

Michelle P. Martin
Land Technician

Attachments

**ASSIGNMENT OF OVERRIDING ROYALTY INTEREST
(BOBCAT, LUCILLE)**

UNITED STATES OF AMERICA §
OUTER CONTINENTAL SHELF § KNOW ALL MEN BY THESE
GULF OF MEXICO § PRESENTS

For and in consideration of the mutual covenants and conditions herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Repsol E&P USA LLC, 2455 Technology Forest Boulevard, The Woodlands, TX 77381, hereinafter sometimes referred to as "Assignor", does hereby grant, bargain, assign, sell transfer and convey, by this conveyance ("Assignment"), unto Shell Offshore Inc., 150 North Dairy Ashford, Houston, TX 77079, hereinafter sometimes referred to as "Assignee", subject to the provisions set forth herein below, an overriding royalty interest of **one and forty-nine hundredths percent (1.49%) of 8/8ths** of the oil, gas, casinghead gas, condensate, distillate, gaseous substances and all other hydrocarbons produced, saved, removed or sold from, or attributable to one-hundred percent (100%) record title interest in each of the following described federal Outer Continental Shelf Oil and Gas Leases (the "Leases"):

Area	Block	OCS-G	Effective Date of Lease
Alaminos Canyon	340	36739	12/01/2019
Alaminos Canyon	341	36740	12/01/2019
Alaminos Canyon	342	36495	07/01/2019
Alaminos Canyon	343	36496	07/01/2019
Alaminos Canyon	386	36497	07/01/2019

Such overriding royalty interest is hereinafter referred to collectively as the "Overriding Royalties" and individually as the "Overriding Royalty".

TO HAVE AND TO HOLD the Overriding Royalties conveyed herein unto Assignee, its successors and assigns, are subject to all terms, covenants and conditions contained in that certain Assignment Agreement (Bobcat, Lucille), effective April 15, 2024, by and between Assignor and Assignee (the "Assignment Agreement"). This Assignment is made "AS IS", "WHERE IS", and for the consideration described in the Assignment Agreement, and Assignor shall warrant and defend the title to the Overriding Royalties unto Assignee against all claims arising by, through and under said Assignor, but not otherwise, and is accepted without warranty of title, express, statutory or implied. Assignee shall have the right of full substitution and subrogation in and to any and all rights and actions of warranty which Assignor or Assignor's Affiliates or subsidiaries may have against any and all preceding owners or vendors of the Leases. The terms, covenants and conditions of the Assignment Agreement, a copy of which may be obtained from Assignor at the above referenced addresses if the Assignor and Assignee agree to disclose the Assignment Agreement, are, to the extent applicable, incorporated herein by reference and if there is a conflict between the provisions of the Assignment Agreement and this Assignment, the provisions of the Assignment Agreement shall control. This Assignment is also subject to the following terms and conditions, to wit:

1.

The value of oil, gas and liquid hydrocarbons which is produced, saved and sold from the lands covered by the Leases and as to which payments to Assignee are made hereunder shall be the same as that upon which the payment of royalties by Assignor to the Lessor is based so the Overriding Royalty applicable to each Lease shall be computed and paid at the same time and in the same manner as the Lessor royalty is computed and paid under the applicable Lease (but without regard to any royalty relief, reduction or suspension under the Deep Water Royalty Relief Act or any other statute providing for royalty relief, reduction or suspension, whether presently or hereafter enacted or made applicable to the Leases). Assignor may deduct any transportation costs and other costs or charges incurred in making oil, gas or liquid hydrocarbons ready or available for market at the point of sale, provided that such costs are deductible from the Lessor's royalty under the terms of the Leases or regulations applicable thereto. However, in no event and under no circumstances shall Assignee ever have any rights, except those expressly conferred herein or otherwise arising under applicable law, which are conferred upon the U.S. Department of Interior ("DOI") as Lessor ("Lessor") under the Leases.

2.

Assignee agrees that Assignor shall be allowed to recover, out of the Overriding Royalties payable hereunder, amounts that have been overpaid to Assignee; provided, however, that prior to commencing any such recoupment, Assignor shall provide Assignee with notice of the intent to institute such recoupment with the details, reasons and amounts relating thereto; and provided further that such recoupment may never be made out of more than fifty percent (50%) of the amount payable to Assignee during any month or other applicable accounting period. Such recoupment shall not prejudice the right of Assignee to institute, nor be a bar to Assignee instituting, any action to contest or dispute the liability of Assignee for any alleged overpayment of the Overriding Royalties.

3.

The Assignment and conveyance of the Overriding Royalties shall never be deemed as imposing any obligations upon Assignor, or their respective successors or assigns, to conduct any drilling operations whatsoever upon the Leases, or to maintain any such operations once begun, or to continue production of oil or gas after once established, nor to protect the Leases from drainage, nor to maintain the Leases in effect by payment of delay rentals, minimum royalties, drilling operations or otherwise, but all operations, if any, on the Leases and the extent and duration thereof, as well as the preservation of the Leases by rental payments or otherwise, shall be solely at the will of Assignor and the Overriding Royalties hereby conveyed shall be paid only if and when there is any production of oil or gas from the Leases in accordance with the terms hereof. Nothing herein shall be construed to establish or create any express or implied covenants on behalf of Assignor to market any production derived from or attributable to the Leases or to establish or create any of the express or implied covenants normally extended to a lessor of a mineral lease or to a working interest owner in a joint venture.

4.

Assignor shall have the right and power to combine, pool, co-develop or unitize the Leases, or any portion(s) thereof, and the leasehold estate and overriding royalty ownership therein, including the Overriding Royalties conveyed hereby, with other leases(s) in the vicinity thereof when and as often as in Assignor's judgment it is necessary or advisable to do so in order to properly explore, develop and operate the Leases to facilitate the orderly development of the Leases or to comply with the requirements of any law or governmental order or regulation relating to the spacing of wells for proration or the production therefrom. For purposes of computing the Overriding Royalties conveyed hereby, there shall be allocated to the said Overriding Royalties included in such pool or unit a pro rata portion of the oil, gas and other minerals produced from the pool or unit on the same basis that the production from the pool or unit is allocated to the Leases under the unit agreement covering the Leases. It is agreed that Assignee shall receive, and will accept, on production from a pool or unit so pooled or unitized, only such proportion of the Overriding Royalties hereinabove specified as is allocated to the Lease(s) to which the Overriding Royalties apply. The interest in any such pool or unit attributable to the Overriding Royalties included therein shall be subjected to said Overriding Royalties in the same manner and with the same effect as if such pool or unit and the interest of Assignor therein were specifically described in this Assignment. It is understood and agreed that no formal pooling or declaration need be filed with respect to any such pool or unit, but only that the Leases so subjected to a pool, unit or other cooperative agreement for the development of a common reservoir is as may be approved by the respective Lessor.

5.

Notwithstanding anything herein to the contrary, the Overriding Royalties shall apply to, and only apply to, oil, gas, and associated liquid hydrocarbons saved and available from or attributable to the Leases and shall not apply to: (i) oil, gas and associated liquid hydrocarbons lost, including as a result of a blowout or other uncontrolled flow above the seabed; (ii) oil and gas flared or vented with volumes measured and adjusted for the platform and/or the DOI commingling approval; (iii) oil and gas used as fuel on the platform in support of producing, handling, transporting, and processing the oil and gas derived from or attributable to the Leases with volumes measured and adjusted in accordance with any measurement and allocation agreement for the platform / infrastructure and/or DOI commingling approval; and (iv) benefits from other than the oil, gas and associated liquid hydrocarbons or the proceeds therefrom accruing to Assignor as a result of their respective ownership in the Leases or contracts applicable thereto, including, but not limited to, payments received pursuant to production handling agreements and platform space agreements, insurance settlement, and take or pay payments or settlements under or relating to gas sales contracts, contract buydowns and the like. All ad valorem, production and other taxes chargeable against the Overriding Royalties' ownership or production shall be paid by Assignee.

6.

Assignee shall never be liable for responsible in any way for the payment of (i) royalties or lessor's royalties; (ii) any costs, expenses or liabilities of exploring, drilling, equipping, testing, operating, developing, maintaining or abandoning the said Leases or any well or facility thereon, (iii) any costs, expenses or liabilities of producing, dehydrating, compressing, treating, or marketing the oil and gas to the first purchaser, all of which costs, expenses, and liabilities shall be borne and paid for by Assignor.

7.

Assignee shall have the same rights as Assignor to participate in the audit of volume allocations, revenue calculations (for cash settlements), quality bank adjustment calculations and field imbalance settlements for the Leases. Assignee shall be provided copies, upon written request to the designated operator of the Leases, of all pertinent agreements describing the audit rights and Assignor shall make reasonable efforts to afford Assignee the opportunity to participate in any joint audit of the Leases or any platform / infrastructure that may be conducted by non-operators.

8.

Under no circumstances shall the Assignor be liable to the Assignee or the Assignee liable to the Assignor for loss of profit, loss of reserves, loss of reservoir, business interruption, punitive damages or consequential or indirect damages of whatever nature relating to or in any way connected with this Assignment.

9.

The provisions hereof shall inure to the benefit of and be binding upon the Assignor and Assignee and their respective successors or assigns; however, no change or division in the ownership of said Overriding Royalties shall be binding on Assignor until thirty (30) days after Assignor shall have been furnished with a certified copy or copies of the recorded instrument or instruments evidencing such change in ownership. Assignee covenants and agrees that the Assignment Agreement and this Assignment shall be referenced in any further assignment by Assignee and its successors and assigns and the covenants, obligations and agreements contained in this Assignment and in the Assignment Agreement, to the extent related to the Overriding Royalties, shall be assumed by any such future Assignees and construed as covenants running with the land and the Leases for the benefit of the Assignor and Assignee.

10.


The obligations, duties, and liabilities of Assignor under this Assignment are individual or several and are not joint and several, or collective.

11.

This Assignment may be executed by signing the original or a counterpart thereof. If this Assignment is executed in counterparts, all counterparts taken together shall have the same effect as if all the Parties had signed the same instrument, but no Party shall be bound to this Assignment unless and until all Parties have executed the original or a counterpart to the original.

IN WITNESS WHEREOF, this Assignment is executed by the parties hereto on the date shown in their respective acknowledgements hereto, but made effective for all purposes as of the 15th day of April, 2024 (the "Effective Date").

WITNESSES:


Printed Name: Jason Schaffner

Printed Name: Jose Suesca

ASSIGNOR:

REPSOL E&P USA, LLC

By: 

Name: Scott Smith

Title: Vice President – Land, US Gulf of Mexico

WITNESSES:


Printed Name: TYLER M. BOND

Printed Name: RYAN DREIBELBIS

ASSIGNEE:

SHELL OFFSHORE INC.

By: 

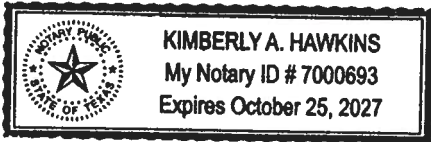
Name: Christopher J. Gonsalves

Title: Attorney-in-Fact

ACKNOWLEDGEMENT

STATE OF TEXAS §
COUNTY OF MONTGOMERY §

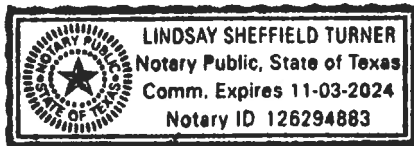
On this 1st day of May, 2024, before me appeared Scott Smith, to me personally known who, being by me duly sworn, did say that he is Vice President – Land, US Gulf of Mexico for Repsol E&P USA LLC, a Texas Limited Liability Corporation, and that said instrument was executed on behalf of said Corporation by authority of its Board of Directors, and the said appearer acknowledged said instrument to be the free act and deed of said Corporation.



Kimberly Hawkins
Notary Public
My Commission Expires: 10/25/2027

STATE OF TEXAS §
COUNTY OF HARRIS §

On this 1st day of May, 2024, before me appeared Christopher J. Gonsalves, to me personally known who, being by me duly sworn, did say that he is Attorney-in-Fact for Shell Offshore Inc., a Delaware Corporation, and that said instrument was executed on behalf of said Corporation by authority of its Board of Directors, and the said appearer acknowledged said instrument to be the free act and deed of said Corporation.



Lindsay Sheffield Turner
Notary Public
My Commission Expires: 11-03-2024