

**Houston Energy, L.P.**

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

[vveltman@houstonenergyinc.com](mailto:vveltman@houstonenergyinc.com)

RECEIVED  
ADJUDICATION SECTION  
APR 02 2026



April 2, 2026

**Via Electronic Mail**

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

RE: Filing in Non-Required Document  
Assignment of Overriding Royalty Interest and Carried Working Interest  
Walker Ridge, Block 278 - OCS-G 37631

Ladies and Gentlemen:

Enclosed please find two originals of the following:

**Title of Document:** Assignment of Overriding Royalty Interest and Carried Working Interest

**Identities of Parties to Document:** Houston Energy, et al and HE&D Offshore, L.P.

**Lease Affected:** OCS-G 37631

**Category to be Filed:** 5 = **Overriding Royalty**

**Service Fees:** Pay.gov receipt for \$38.00

Once this document has been filed, please return a processed copy to my attention at [vveltman@houstonenergyinc.com](mailto:vveltman@houstonenergyinc.com). Please contact me at 713.400.7781 if you have any questions.

Best regards,

**HOUSTON ENERGY, L.P.**

Vanessa V. Veltman, MBA

ASSIGNMENT OF  
OVERRIDING ROYALTY AND CARRIED WORKING INTEREST  
IN  
OIL AND GAS LEASE

WR 278 LEXINGTON  
OCS-G 37631

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

THAT, **Houston Energy, L.P.**, a Texas limited partnership, whose address is Two Allen Center, 1200 Smith, Suite 2400, Houston, Texas, 77002, **Red Willow Offshore, LLC**, a Colorado limited liability company, whose address is 14933 Highway 172, Post Office Box 369, Ignacio, Colorado 81137, **CSL Exploration, LP**, a Texas limited partnership, whose address is 1000 Louisiana Street, Suite 7000, Houston, Texas 77002, and **Beacon Offshore Energy Production LLC**, a Delaware limited liability company, whose address is 333 Clay Street, Suite 4200, Houston, Texas 77002, (hereinafter collectively referred to as "Assignors"), are the owners of one hundred percent (100%) record title interest in the oil and gas lease described on the attached Exhibit "A" (hereinafter referred to as the "Lease").

WHEREAS, Assignors desire to assign unto **HE&D Offshore, L.P.**, a Texas limited partnership, whose address is Two Allen Center, 1200 Smith, Suite 2400, Houston, Texas, 77002 (hereinafter referred to as "Assignee"), a certain overriding royalty interest in the Lease and to acknowledge the obligation to convey to Assignee a working interest in the Lease upon the occurrence of certain events, as hereinafter provided.

NOW, THEREFORE, effective as of July 1, 2023 ("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, each Assignor does hereby TRANSFER, CONVEY, SELL and ASSIGN to Assignee its proportionate share of an overriding royalty interest in the Lease equal to two percent of eight-eighths (2% of 8/8ths) (hereinafter referred to as the "Overriding Royalty").

Such Overriding Royalty 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, rework, producing or conducting other operations on such Lease shall be specifically deducted from the gross production prior to calculating the overriding royalty volume. Such Overriding Royalty as to the 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 such Overriding Royalty 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, the Overriding Royalty 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”) Department of the Interior, or any other agency or authority having jurisdiction over the lands covered by the Lease, that provide for, or may provide for, relief, reduction or suspension of the lessor’s royalty under the Lease. Such Overriding Royalty as to the Lease shall be subject to proportionate reduction (i) on account of the failure of leasehold or mineral title; (ii) in the event the Lease relates to less than the entirety of the minerals; or (iii) if Assignors’ leasehold interest in the Lease relates to less than the entirety of the leasehold interest in the Lease, then the Overriding Royalty herein conveyed shall be proportionately reduced and shall be payable to Assignee in the proportion that Assignors’ interest in the Lease bears to the entire interest of the Lease.

Assignors, without the approval or joinder of Assignee, shall have the right and power to hereafter combine, pool, co-develop or unitize the Lease, or any portion thereof, and the leasehold estate and the Overriding Royalty with other lease(s) in the vicinity thereof when and as often as in Assignors’ judgment it is necessary or advisable to do so in order to properly explore, develop and operate the Lease, to facilitate the orderly development of the Lease, or to comply with the requirements of any law or governmental order or regulation relating to the spacing of wells or for proration of the production therefrom. If the Lease is pooled, combined into a joint development area, or unitized, then the Overriding Royalty 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 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 the 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.

Assignors shall have the right to surrender, or permit to expire, the Lease without the necessity or joinder of the Assignee, or any subsequent holder of the Overriding Royalty and Assignors shall not be in any manner obligated to maintain, preserve or continue in effect any of the Lease in any manner whatsoever, or to drill or rework any well or conduct any operation whatsoever thereunder. Nothing herein or at law shall be construed to establish or create any express or implied covenants on behalf of Assignors to market any production derived from or

attributable to the Lease 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.

At such time that the initial well drilled on the Lease has been drilled to its final depth and all logging, coring and testing has been completed pursuant to the approved authority for expenditure for said initial well and a decision has been made to either (i) permanently plug and abandon the well, (ii) temporarily abandon the well, or (iii) abandon the well with a completion operation, and thereafter through the release of the rig as the case may be, Assignors will TRANSFER, CONVEY, SELL and ASSIGN unto Assignee an undivided seven and half percent of eight-eighths (7.5% of 8/8ths) working interest in and to such Lease and a like interest in and to all movables, platforms, equipment, pipelines, flowlines and all other fixtures and other material located on, appurtenant to or used or useful in connection with such Lease or the operation thereof (hereinafter referred to as the “Carried Interest”). Such Carried Interest shall be subject to proportionate reduction in the same manner and method as the Overriding Royalty provided for above, including in the event of pooling, formation of a joint development area, or unitization. Such assignment shall be on a mutually acceptable form to be approved by the BOEM.

Assignees acknowledge that this Assignment is made subject to the following:

1. All of the terms and conditions in the Lease;
2. Joint Bidding Agreement effective March 22, 2023, between Houston Energy, L.P., Beacon Offshore Energy Exploration LLC, BOE Exploration & Production LLC, Red Willow Offshore, LLC and CSL Exploration, LP.

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

This Assignment of Overriding Royalty and Carried Working Interest in Oil and Gas Lease (“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 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.

**WITNESSES**

Matthew Meyers  
Matthew Meyers

Martha Ann Moore  
Martha Ann Moore

**ASSIGNORS:**

**Houston Energy, L.P.**  
By: Sewanee Investments, LLC,  
its General Partner

By: Heath Suire  
Heath Suire  
Vice President

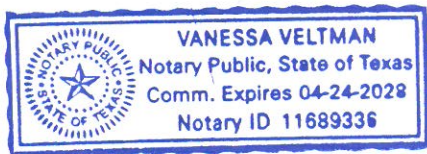
Date: 3-31-26

**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 Sewanee Investments, LLC, the General Partner of **Houston Energy, L.P.**, a Texas limited partnership, and acknowledged to me that he executed the same for and on behalf of said limited partnership, for the purposes and consideration therein expressed, and in the capacity therein stated.

**GIVEN** under my hand and seal of office this 31st day of March, 2026.



Vanessa V. Veltran  
Notary Public - State of Texas

**WITNESSES:**



DANIEL GREASER  
(Printed Name of Witness)



JUSTIN CULPEPPER  
(Printed Name of Witness)

**ASSIGNORS:**

**Red Willow Offshore, LLC**

By: 

William G. Bixler  
Vice President Exploration

Date: 3/25/2026

**ACKNOWLEDGMENT**

STATE OF TEXAS §

§

COUNTY OF HARRIS §

**BEFORE ME**, the undersigned authority, on this day personally appeared **William G. Bixler** known to me to be the person whose name is subscribed to the foregoing instrument as Vice President Exploration of **Red Willow Offshore, LLC**, a Colorado limited liability company and acknowledged to me that he executed the same for and on behalf of said company, for the purpose and consideration therein expressed, and in the capacity therein stated.

**GIVEN** under my hand and seal of office this 25<sup>th</sup> day of March, 2026.



Notary Public - State of Texas



**WITNESSES:**

Natasha Epps Jones  
Natasha Epps Jones  
(Printed Name of Witness)

April Rivas  
April Rivas  
(Printed Name of Witness)

**ASSIGNORS:**

**CSL EXPLORATION, LP**

Marshall T. White  
Marshall T. White  
Secretary and Vice President

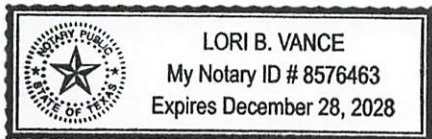
Date: March 30, 2026

**ACKNOWLEDGEMENT**

STATE OF TEXAS           §  
  §  
COUNTY OF HARRIS       §

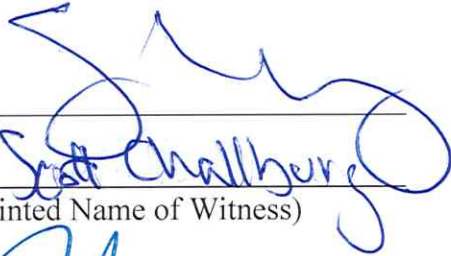
**BEFORE ME**, the undersigned authority, on this day personally appeared Marshall T. White, known to me to be the person whose name is subscribed to the foregoing instrument as Secretary and Vice President of **CSL EXPLORATION, LP**, a Texas limited liability partnership and acknowledged to me that he executed the same for and on behalf of said company, for the purpose and consideration therein expressed, and in the capacity therein stated.

**GIVEN** under my hand and seal of office this 30<sup>th</sup> day of March, 2026.



Lori B. Vance  
Notary Public - State of Texas

**WITNESSES:**

  
\_\_\_\_\_  
(Printed Name of Witness)

  
\_\_\_\_\_  
Derek Ritte  
\_\_\_\_\_  
(Printed Name of Witness)

**ASSIGNORS:**

**Beacon Offshore Energy Production LLC**

By:   
\_\_\_\_\_  
Jay Register  
Vice President Land & Business  
Development and Secretary

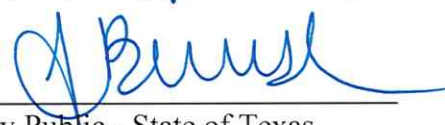
Date: 3/23/26

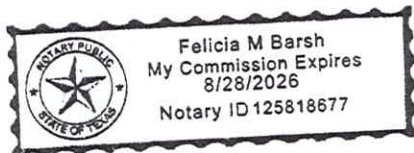
**ACKNOWLEDGMENT**

STATE OF TEXAS       §  
                                  §  
COUNTY OF HARRIS   §

**BEFORE ME**, the undersigned authority, on this day personally appeared **Jay Register**, known to me to be the person whose name is subscribed to the foregoing instrument as Vice President Land & Business Development and Secretary of **Beacon Offshore Energy Production 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 23 day of March, 2026.

  
\_\_\_\_\_  
Notary Public - State of Texas



**WITNESSES:**

Martha Ann Moore  
Martha Ann Moore

Matthew Meyers  
Matthew Meyers

**ASSIGNEE:**

**HE&D Offshore, L.P.**

By: MKD Investments, LLC, its General Partner

By: Heath Suire  
Heath Suire  
Offshore Land Manager

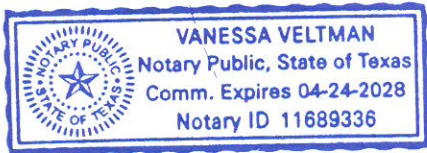
Date: 3-31-26

**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 Offshore Land Manager of MKD Investments, LLC, the General Partner of **HE&D Offshore, L.P.**, and acknowledged to me that he executed the same for and on behalf of said limited partnership, for the purposes and consideration therein expressed, and in the capacity therein stated.

**GIVEN** under my hand and seal of office this 31st day of March, 2026.



Vanessa V. Velton  
Notary Public - State of Texas

**EXHIBIT “A”**

**Attached to and made a part of that certain Assignment of Overriding Royalty and Carried Working Interest in Oil and Gas Lease OCS-G 37631 between Houston Energy, L.P., Red Willow Offshore, LLC, CSL Exploration, LP and Beacon Offshore Energy Production LLC, as Assignors, and HE&D Offshore, L.P., as Assignee**

**Walker Ridge Block 278**

**Lexington Prospect**

Oil and Gas Lease of Submerged Lands bearing Serial number OCS-G 37631, effective July 1, 2023, between the United States of America, as Lessor, and Houston Energy, L.P., Red Willow Offshore, LLC, Beacon Offshore Energy Exploration LLC, and CSL Exploration, LP, as Lessees, described as all of Block 278, Walker Ridge, OCS Official Protraction Diagram, NG 15-06, covering approximately 5,760.00 acres.