

HEQ II Royalties, LLC
Two Allen Center
1200 Smith, Suite 2400
Houston, Texas 77002
Phone: (713) 650-8008
Fax: (713) 650-8305
vveltman@houstonenergyinc.com

RECEIVED
ADJUDICATION SECTION
JAN 13 2025



January 13, 2025

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
Garden Banks, Block 386 - OCS-G 10350
Garden Banks, Block 385 - OCS-G 17358

Ladies and Gentlemen:

Enclosed please find two originals of the following:

Title of Document: Assignment of Overriding Royalty Interests

Identities of Parties to Document: W & T Offshore, Inc. as Assignor and HEQ II Royalties, LLC as Assignee

Lease Affected: OCS-G 10350 & OCS-G 17358

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

Service Fees: Pay.gov receipt for \$76.00

Once this document has been filed, please return a processed copy to my attention at vveltman@houstonenergyinc.com.

Please contact me at 713.400.7781 if you have any questions.

Best regards,

HEQ II ROYALTIES, LLC


Vanessa V. Veltman, MBA

ASSIGNMENT OF OVERRIDING ROYALTY INTERESTS

UNITED STATES OF AMERICA

OUTER CONTINENTAL SHELF

This Assignment of Overriding Royalty Interests (the “Assignment”) dated as of January 8, 2025 (the “Execution Date”), but effective as of 12:00 a.m. local time at the location of the Assets on December 1, 2024 (the “Effective Time”) is executed by **W & T OFFSHORE, INC.**, a Texas corporation, whose address is 5718 Westheimer Road, Suite 700, Houston, Texas 77057 (“Assignor”), in favor of **HEQ II ROYALTIES, LLC**, a Delaware limited liability company, whose address is 1200 Smith Street, Suite 2400, Houston, Texas 77002 (“Assignee”). Assignor and Assignee may be referred to herein together as the “Parties” and, each individually as a “Party”.

**ARTICLE 1
ASSIGNMENT OF ASSETS**

Section 1.1 Assignment. Assignor, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, hereby GRANTS, BARGAINS, SELLS, CONVEYS, ASSIGNS, TRANSFERS, SETS OVER, and DELIVERS unto Assignee, its successors and assigns, TO HAVE AND TO HOLD, all of Assignor’s right, title and interest in and to the assets described in Sections 1.1(a) through (e) below (such assets, less and except for the Excluded Assets, as defined below, collectively the “Assets”):

- (a) the overriding royalty interests set forth on Exhibit A-1 (the “ORRIs”), in each case solely to the extent pertaining to the oil and gas leases set forth on Exhibit A-2 (the “Leases”);
- (b) all proceeds, revenues, or other benefits attributable to production from or attributable to the ORRIs or the ownership of the ORRIs, in each case, attributable to periods from and after the Effective Time;
- (c) all rights, claims and causes of action relating to the ownership of the ORRIs, in each case, attributable to (i) periods from and after the Effective Time, or (ii) any of the Assumed Obligations;
- (d) (i) to the extent that they may be assigned, all Contracts by which any of the ORRIs are bound, or that relate to or are otherwise applicable to the ORRIs, in each case solely to the extent applicable to the ORRIs, and (ii) all Title Source Instruments; and
- (e) the Records.

Section 1.2 Excluded Assets. The following are specifically excluded from the Assets and are reserved by Assignor (collectively, the “Excluded Assets”): (a) all credits and all accounts, instruments and general intangibles (as such terms are defined under applicable Law) attributable to the Assets with respect to any period of time prior to the Effective Time; (b) any and all claims for refunds of, credits attributable to, loss carryforwards with respect to, or similar Tax assets

relating to (i) Income Taxes of Assignor or any Affiliates of Assignor, (ii) Taxes attributable to the Excluded Assets, or (iii) any other Taxes relating to the ownership or operation of the Assets that are attributable to any Tax period (or portion of any Straddle Period) ending prior to the Effective Time; (c) all proceeds, payments, income, revenues, rights and economic benefits of every kind and character attributable to (i) the ownership of the Assets for any period prior to the Effective Time, or (ii) any other Excluded Assets; (d) all Hydrocarbons produced from or attributable to the Assets prior to the Effective Time; (e) all Records (other than title opinions) of Assignor that (i) are subject to the attorney/client or attorney work product privilege in favor of Assignor, (ii) subject to confidentiality agreements, (iii) relate to the offer, negotiation or consummation of the sale of the Assets or (iv) constitute Assignor's corporate minute books, financial records and other business records that relate to Assignor's business generally (including the ownership of the Assets); (f) all rights and interests of Assignor (i) under any policy or agreement of insurance or indemnity (including any rights, claims or causes of action of Assignor against Third Parties under any indemnity or hold harmless agreements) and any indemnities received in connection with Assignor's prior acquisition of any of the Assets, (ii) under any bond, letter of credit or guarantee, or (iii) relating to existing claims and causes of action that may be asserted against a Third Party, except to the extent such rights and claims arise from any Assumed Obligations; (g) any other right or interest of Assignor, including claims against Third Parties, to the extent related to the ownership of the Assets prior to the Effective Time; (h) all corporate and partnership Income Tax and other Tax records that relate to any of Assignor or its Affiliates' businesses (whether or not related to the Assets); and (i) documents prepared or received by Assignor or its Affiliates with respect to (i) lists of prospective purchasers for such transactions compiled by Assignor, (ii) bids submitted by other prospective purchasers of the Assets, (iii) analyses by Assignor or its Affiliates of any bids submitted by any prospective purchaser, (iv) correspondence between or among Assignor, its respective representatives, and any prospective purchaser other than Assignee and (v) correspondence between Assignor or any of its representatives with respect to any of the bids, the prospective purchasers or the transactions contemplated by this Agreement.

Section 1.3 Purchase Agreement. This Assignment is made in accordance with and is subject to the terms, covenants and conditions contained in that certain Purchase and Sale Agreement dated December 20, 2024, between Assignor and Assignee (the "Purchase Agreement"), a copy of which can be obtained from Assignee at the above referenced address. In the event of a conflict between the provisions of the Purchase Agreement and this Assignment, the provisions of the Purchase Agreement shall control. The execution and delivery of this Assignment by Assignor, and the execution and acceptance of this Assignment by Assignee, shall not operate to release or impair any surviving rights or obligations of Assignor or Assignee under the Purchase Agreement. Capitalized terms used but not otherwise defined in this Assignment shall have the meaning given to such terms in that certain Purchase Agreement.

Section 1.4 Special Warranty. Subject to the limitations set forth in the Purchase Agreement, this Assignment is made without warranty of title, whether express, implied, statutory or otherwise, except, that Assignor hereby warrants and defends all and singular title to the Assets against every person whosoever lawfully claiming or to claim the same by, through or under Assignor and its Affiliates, but not otherwise, but with full substitution and subrogation with respect to representations, warranties, and covenants given by Assignor's predecessors in title to the extent applicable with respect to the Assets..

ARTICLE 2
MISCELLANEOUS

Section 2.1 Assumed Obligations. Assignee hereby assumes and agrees to fulfill, perform, pay and discharge all Assumed Obligations attributable to the Assets hereunder as set forth in the Purchase Agreement.

Section 2.2 Governing Law. THIS ASSIGNMENT AND THE LEGAL RELATIONS AMONG ASSIGNOR AND ASSIGNEE (AND ALL CLAIMS OR CAUSES OF ACTION (WHETHER IN TORT, CONTRACT, OR STATUTE) THAT MAY BE BASED UPON, ARISE OUT OF, OR RELATE TO THIS ASSIGNMENT, OR THE NEGOTIATION, EXECUTION, OR PERFORMANCE OF THIS ASSIGNMENT) SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, EXCLUDING ANY CONFLICTS OF LAW RULE OR PRINCIPLE THAT WOULD REQUIRE THE APPLICATION OF ANY OTHER LAW; PROVIDED, HOWEVER, ANY MATTER RELATED TO TITLE TO ANY REAL PROPERTY INCLUDED IN THE ASSETS SHALL BE GOVERNED BY THE LAWS OF THE STATE ADJOINING WHERE SUCH ASSETS ARE LOCATED.

Section 2.3 Successors and Assigns. This Assignment shall bind and inure to the benefit of the Parties and their respective successors and permitted assigns; provided, however, nothing in this Assignment shall assign or grant, or in any way operate to assign or grant, any right, title or interest in, to or under the Purchase Agreement to any successor or assign of Assignee with respect to the Assets or any part thereof, it being expressly understood that rights, titles and interests under the Purchase Agreement may only be obtained or assigned in strict accordance with the terms thereof.

Section 2.4 Further Assurances. Subject to the terms and conditions of this Assignment, each Party will use its reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary or desirable, under applicable law or otherwise, to effectuate this Assignment. The Parties agree to execute and deliver such other documents, certificates, agreements, and other writings and to take such other actions as may be necessary or desirable in order to effectuate or implement expeditiously this Assignment in accordance with the terms hereof.

Section 2.5 Counterparts. This Assignment may be executed in counterparts, and each such counterpart shall be deemed to be an original instrument, but all such counterparts together shall constitute for all purposes one agreement. Multiple counterparts of this Assignment may be recorded in the counties of the states where the Assets are located, but the inclusion of a description of any Asset in more than one counterpart of this Assignment shall not be construed as having effected any cumulative, multiple or overlapping interest in the applicable Asset.

[Signature Page Follows]

IN WITNESS WHEREOF, this Assignment of Overriding Royalty Interests has been executed as of the dates of the acknowledgments below, but effective for all purposes as of the Effective Time.

ASSIGNOR:

Witnesses:

W & T OFFSHORE, INC.

Ferd A. Peters
Print Name: **Ferd A. PETERS**

By: *Tracy W. Krohn*

Name: Tracy W. Krohn

Huan Gambelin
Print Name: **Huan Gambelin**

Title: President and Chief Executive Officer

STATE OF TEXAS

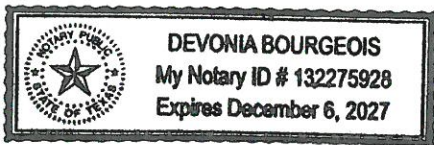
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COUNTY OF HARRIS

The foregoing instrument was acknowledged before me on this 8th day of January, 2025, by Tracy Krohn, President and Chief Executive Officer, of W&T Offshore, a Texas corporation, on behalf of said corporation.

Devonia Bourgeois

Notary Public, State of Texas



ASSIGNEE:

HEQ II ROYALTIES, LLC

Witnesses

Vanessa V. Veltman
Print Name: Vanessa V. Veltman

Martha Ann Moore
Print Name: Martha Ann Moore

By: [Signature]

Name: Heath Suire

Title: Vice President

STATE OF TEXAS

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COUNTY OF HARRIS

The foregoing instrument was acknowledged before me on this 8th day of January, 2025, by Heath Suire, as Vice President of HEQ II Royalties, LLC, a Delaware limited liability company, on behalf of said limited liability company.



[Signature]
Notary Public, State of Texas

Exhibit A-1

ORRIs

Overriding royalty interests equal to one percent of eight-eighths (1% of 8/8) reserved in the following assignments:

- (a) Assignment, Bill of Sale and Conveyance for OCS-G 10350 – Garden Banks Block 386, effective June 1, 2001, between EEX Corporation, as Assignor, and Amerada Hess Corporation, as Assignee, filed with the United States Department of the Interior, Minerals Management Service (“MMS”) on September 10, 2001, and approved by the MMS on September 19, 2001.
- (b) Assignment, Bill of Sale and Conveyance for OCS-G 17358 – Garden Banks Block 385, effective June 1, 2001, between EEX Corporation, as Assignor, and Amerada Hess Corporation, as Assignee, filed with the MMS on September 10, 2001, and approved by the MMS on September 19, 2001.

Exhibit A-2

Leases

Oil and Gas Lease of Submerged Lands Under the Outer Continental Shelf Lands Act, bearing Serial No. OCS-G 10350, dated effective October 1, 1988, granted by the United States of America, as Lessor, in favor of Exxon Corporation and EP Operating Company, as Lessee, covering all of Block 386, Garden Banks, OCS Official Protraction Diagram, NG 15-2.

Oil and Gas Lease of Submerged Lands Under the Outer Continental Shelf Lands Act, bearing Serial No. OCS-G 17358, dated effective November 1, 1996, granted by the United States of America, as Lessor, in favor of Enserch Exploration, Inc., as Lessee, covering all of Block 385, Garden Banks, OCS Official Protraction Diagram, NG 15-2.

ASSIGNMENT OF OVERRIDING ROYALTY INTERESTS

UNITED STATES OF AMERICA

OUTER CONTINENTAL SHELF

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ARTICLE 1 ASSIGNMENT OF ASSETS

Section 1.1 Assignment. Assignor, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, hereby GRANTS, BARGAINS, SELLS, CONVEYS, ASSIGNS, TRANSFERS, SETS OVER, and DELIVERS unto Assignee, its successors and assigns, TO HAVE AND TO HOLD, all of Assignor’s right, title and interest in and to the assets described in Sections 1.1(a) through (e) below (such assets, less and except for the Excluded Assets, as defined below, collectively the “Assets”):

- (a) the overriding royalty interests set forth on Exhibit A-1 (the “ORRIs”), in each case solely to the extent pertaining to the oil and gas leases set forth on Exhibit A-2 (the “Leases”);
- (b) all proceeds, revenues, or other benefits attributable to production from or attributable to the ORRIs or the ownership of the ORRIs, in each case, attributable to periods from and after the Effective Time;
- (c) all rights, claims and causes of action relating to the ownership of the ORRIs, in each case, attributable to (i) periods from and after the Effective Time, or (ii) any of the Assumed Obligations;
- (d) (i) to the extent that they may be assigned, all Contracts by which any of the ORRIs are bound, or that relate to or are otherwise applicable to the ORRIs, in each case solely to the extent applicable to the ORRIs, and (ii) all Title Source Instruments; and
- (e) the Records.

Section 1.2 Excluded Assets. The following are specifically excluded from the Assets and are reserved by Assignor (collectively, the “Excluded Assets”): (a) all credits and all accounts, instruments and general intangibles (as such terms are defined under applicable Law) attributable to the Assets with respect to any period of time prior to the Effective Time; (b) any and all claims for refunds of, credits attributable to, loss carryforwards with respect to, or similar Tax assets

relating to (i) Income Taxes of Assignor or any Affiliates of Assignor, (ii) Taxes attributable to the Excluded Assets, or (iii) any other Taxes relating to the ownership or operation of the Assets that are attributable to any Tax period (or portion of any Straddle Period) ending prior to the Effective Time; (c) all proceeds, payments, income, revenues, rights and economic benefits of every kind and character attributable to (i) the ownership of the Assets for any period prior to the Effective Time, or (ii) any other Excluded Assets; (d) all Hydrocarbons produced from or attributable to the Assets prior to the Effective Time; (e) all Records (other than title opinions) of Assignor that (i) are subject to the attorney/client or attorney work product privilege in favor of Assignor, (ii) subject to confidentiality agreements, (iii) relate to the offer, negotiation or consummation of the sale of the Assets or (iv) constitute Assignor's corporate minute books, financial records and other business records that relate to Assignor's business generally (including the ownership of the Assets); (f) all rights and interests of Assignor (i) under any policy or agreement of insurance or indemnity (including any rights, claims or causes of action of Assignor against Third Parties under any indemnity or hold harmless agreements) and any indemnities received in connection with Assignor's prior acquisition of any of the Assets, (ii) under any bond, letter of credit or guarantee, or (iii) relating to existing claims and causes of action that may be asserted against a Third Party, except to the extent such rights and claims arise from any Assumed Obligations; (g) any other right or interest of Assignor, including claims against Third Parties, to the extent related to the ownership of the Assets prior to the Effective Time; (h) all corporate and partnership Income Tax and other Tax records that relate to any of Assignor or its Affiliates' businesses (whether or not related to the Assets); and (i) documents prepared or received by Assignor or its Affiliates with respect to (i) lists of prospective purchasers for such transactions compiled by Assignor, (ii) bids submitted by other prospective purchasers of the Assets, (iii) analyses by Assignor or its Affiliates of any bids submitted by any prospective purchaser, (iv) correspondence between or among Assignor, its respective representatives, and any prospective purchaser other than Assignee and (v) correspondence between Assignor or any of its representatives with respect to any of the bids, the prospective purchasers or the transactions contemplated by this Agreement.

Section 1.3 Purchase Agreement. This Assignment is made in accordance with and is subject to the terms, covenants and conditions contained in that certain Purchase and Sale Agreement dated December 20, 2024, between Assignor and Assignee (the "Purchase Agreement"), a copy of which can be obtained from Assignee at the above referenced address. In the event of a conflict between the provisions of the Purchase Agreement and this Assignment, the provisions of the Purchase Agreement shall control. The execution and delivery of this Assignment by Assignor, and the execution and acceptance of this Assignment by Assignee, shall not operate to release or impair any surviving rights or obligations of Assignor or Assignee under the Purchase Agreement. Capitalized terms used but not otherwise defined in this Assignment shall have the meaning given to such terms in that certain Purchase Agreement.

Section 1.4 Special Warranty. Subject to the limitations set forth in the Purchase Agreement, this Assignment is made without warranty of title, whether express, implied, statutory or otherwise, except, that Assignor hereby warrants and defends all and singular title to the Assets against every person whosoever lawfully claiming or to claim the same by, through or under Assignor and its Affiliates, but not otherwise, but with full substitution and subrogation with respect to representations, warranties, and covenants given by Assignor's predecessors in title to the extent applicable with respect to the Assets..

ARTICLE 2
MISCELLANEOUS

Section 2.1 Assumed Obligations. Assignee hereby assumes and agrees to fulfill, perform, pay and discharge all Assumed Obligations attributable to the Assets hereunder as set forth in the Purchase Agreement.

Section 2.2 Governing Law. THIS ASSIGNMENT AND THE LEGAL RELATIONS AMONG ASSIGNOR AND ASSIGNEE (AND ALL CLAIMS OR CAUSES OF ACTION (WHETHER IN TORT, CONTRACT, OR STATUTE) THAT MAY BE BASED UPON, ARISE OUT OF, OR RELATE TO THIS ASSIGNMENT, OR THE NEGOTIATION, EXECUTION, OR PERFORMANCE OF THIS ASSIGNMENT) SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, EXCLUDING ANY CONFLICTS OF LAW RULE OR PRINCIPLE THAT WOULD REQUIRE THE APPLICATION OF ANY OTHER LAW; PROVIDED, HOWEVER, ANY MATTER RELATED TO TITLE TO ANY REAL PROPERTY INCLUDED IN THE ASSETS SHALL BE GOVERNED BY THE LAWS OF THE STATE ADJOINING WHERE SUCH ASSETS ARE LOCATED.

Section 2.3 Successors and Assigns. This Assignment shall bind and inure to the benefit of the Parties and their respective successors and permitted assigns; provided, however, nothing in this Assignment shall assign or grant, or in any way operate to assign or grant, any right, title or interest in, to or under the Purchase Agreement to any successor or assign of Assignee with respect to the Assets or any part thereof, it being expressly understood that rights, titles and interests under the Purchase Agreement may only be obtained or assigned in strict accordance with the terms thereof.

Section 2.4 Further Assurances. Subject to the terms and conditions of this Assignment, each Party will use its reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary or desirable, under applicable law or otherwise, to effectuate this Assignment. The Parties agree to execute and deliver such other documents, certificates, agreements, and other writings and to take such other actions as may be necessary or desirable in order to effectuate or implement expeditiously this Assignment in accordance with the terms hereof.

Section 2.5 Counterparts. This Assignment may be executed in counterparts, and each such counterpart shall be deemed to be an original instrument, but all such counterparts together shall constitute for all purposes one agreement. Multiple counterparts of this Assignment may be recorded in the counties of the states where the Assets are located, but the inclusion of a description of any Asset in more than one counterpart of this Assignment shall not be construed as having effected any cumulative, multiple or overlapping interest in the applicable Asset.

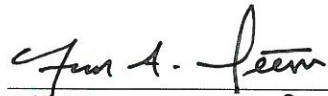
[Signature Page Follows]

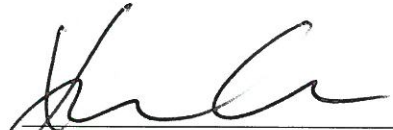
IN WITNESS WHEREOF, this Assignment of Overriding Royalty Interests has been executed as of the dates of the acknowledgments below, but effective for all purposes as of the Effective Time.

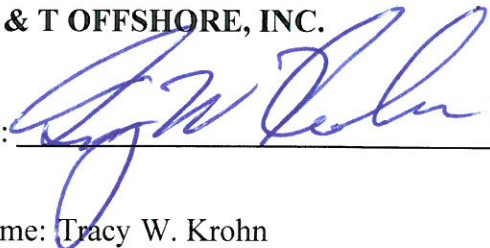
ASSIGNOR:

W & T OFFSHORE, INC.

Witnesses:


Print Name: FORD A. PETERS

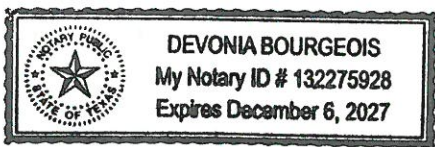

Print Name: Juan Gambelin

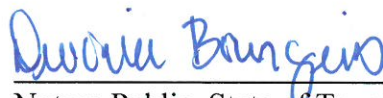
By: 
Name: Tracy W. Krohn

Title: President and Chief Executive Officer

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

The foregoing instrument was acknowledged before me on this 8th day of January, 2025, by Tracy Krohn, President and Chief Executive Officer, of W&T Offshore, a Texas corporation, on behalf of said corporation.




Notary Public, State of Texas

ASSIGNEE:

HEQ II ROYALTIES, LLC

Witnesses

Vanessa V. Veltman

Print Name: Vanessa V. Veltman

Martha Ann Moore

Print Name: Martha Ann Moore

By: Heath Suire

Name: Heath Suire

Title: Vice President

STATE OF TEXAS

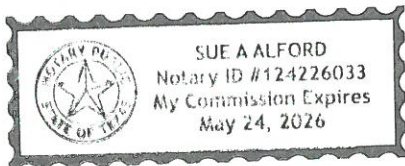
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COUNTY OF HARRIS

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The foregoing instrument was acknowledged before me on this 8th day of January, 2025, by Heath Suire, as Vice President of HEQ II Royalties, LLC, a Delaware limited liability company, on behalf of said limited liability company.



Sue A Alford
Notary Public, State of Texas

Exhibit A-1

ORRIs

Overriding royalty interests equal to one percent of eight-eighths (1% of 8/8) reserved in the following assignments:

- (a) Assignment, Bill of Sale and Conveyance for OCS-G 10350 – Garden Banks Block 386, effective June 1, 2001, between EEX Corporation, as Assignor, and Amerada Hess Corporation, as Assignee, filed with the United States Department of the Interior, Minerals Management Service (“MMS”) on September 10, 2001, and approved by the MMS on September 19, 2001.
- (b) Assignment, Bill of Sale and Conveyance for OCS-G 17358 – Garden Banks Block 385, effective June 1, 2001, between EEX Corporation, as Assignor, and Amerada Hess Corporation, as Assignee, filed with the MMS on September 10, 2001, and approved by the MMS on September 19, 2001.

Exhibit A-2

Leases

Oil and Gas Lease of Submerged Lands Under the Outer Continental Shelf Lands Act, bearing Serial No. OCS-G 10350, dated effective October 1, 1988, granted by the United States of America, as Lessor, in favor of Exxon Corporation and EP Operating Company, as Lessee, covering all of Block 386, Garden Banks, OCS Official Protraction Diagram, NG 15-2.

Oil and Gas Lease of Submerged Lands Under the Outer Continental Shelf Lands Act, bearing Serial No. OCS-G 17358, dated effective November 1, 1996, granted by the United States of America, as Lessor, in favor of Enserch Exploration, Inc., as Lessee, covering all of Block 385, Garden Banks, OCS Official Protraction Diagram, NG 15-2.