

201 St. Charles Avenue, 40th Floor
New Orleans, LA 70170-4000
MAIN 504.582.1111
DIRECT 504.569.1858
phayne@gamb.com

February 10, 2025

Ref: 7822-37644

By email (boemadjudication@boem.gov)

Bureau of Ocean Energy Management
Attention: Adjudication Section
Gulf of Mexico OCS Region
1201 Elmwood Park Boulevard
Mail Stop 276A
New Orleans, LA 70123

Re: Adjudication filings – OCS-G 36657
(covering Green Canyon 899), OCS-G
36658 (covering Green Canyon 900), OCS-
G 37558 (covering Green Canyon 989) and
OCS-G 36844 (covering Walker Ridge 20)

Ladies and Gentlemen:

Please find attached the following instrument for filing in your records:

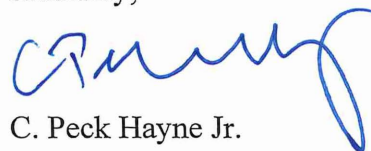
1. Memorandum of Operating Agreement and Financing Statement Covering Green Canyon Block 988, effective November 1, 2019, executed by Red Willow Offshore, LLC (GOM No. 2668), Houston Energy, L.P. (GOM No. 1999), BOE Exploration & Production LLC (GOM No. 3572) and Beacon Offshore Energy Exploration LLC (GOM No. 3570).

Please note that this document should be categorized under “**No. 7, Contracts, Agreements and Conveyances**”.

Please file this letter, together with the attached instrument, in the non-required filings maintained for each of OCS-G 36657, OCS-G 36658, OCS-G 37558 and OCS-G 36844. Also submitted is a pay.gov receipt for \$152 (\$38 x 4) to cover the fees for filing this instrument.

Should you have any questions or need any additional information, please do not hesitate to contact me at phayne@gamb.com.

Sincerely,



C. Peck Hayne Jr.

Enclosures

Terrebonne Parish Recording Page

Theresa A. Robichaux
Clerk Of Court
P.O. Box 1569
Houma, LA 70361-1569
(985) 868-5660

Received From :
Attn: PAULA VERA
BEACON OFFSHORE ENERGY
500 DALLAS STREET
SUITE 2800
HOUSTON, TX 77002

First VENDOR
RED WILLOW OFFSHORE L L C

First VENDEE
BOE EXPLORATION & PRODUCTION L L C

Index Type : CONVEYANCES
Type of Document : AGREEMENT
Recording Pages : 14

File # : 1594907
Book : 2593 Page : 283

Recorded Information

I hereby certify that the attached document was filed for registry and recorded in the Clerk of Court's office for Terrebonne Parish, Louisiana.

Theresa A. Robichaux
Clerk of Court



On (Recorded Date) : 12/18/2019
At (Recorded Time) : 10:05:53AM



Doc ID - 014922700014

Additional Index Recordings			
Index Type	Book	Page	File #
MTG	3118	728	1594907

Return To : Attn: PAULA VERA
BEACON OFFSHORE ENERGY
500 DALLAS STREET
SUITE 2800
HOUSTON, TX 77002

728

Do not Detach this Recording Page from Original Document

283

**MEMORANDUM OF OPERATING AGREEMENT
AND FINANCING STATEMENT COVERING
GREEN CANYON BLOCK 988**

- 1.0 This Memorandum of Operating Agreement and Financing Statement (hereinafter called "Memorandum") is entered into by the undersigned Parties (each of which is hereinafter called "Party" and all of which are hereinafter called "Parties") effective as of the effective date of the Operating Agreement referred to in Paragraph 2.0 below.
- 2.0 The Parties have entered into that certain Operating Agreement effective November 1, 2019, (hereinafter called " Operating Agreement") to explore, develop, and operate the lands and lease(s) described in Attachment 1 hereto (hereinafter called "Lands and Lease(s)") and to produce oil and gas (including condensate and liquefiable substances entrained in the gas stream) therefrom and have designated the Party identified in Attachment 1 as Operator to conduct such operations for itself and on behalf of the rest of Parties hereto as Non-Operators, as set forth in Attachment 1.
- 3.0 The Operating Agreement provides for certain liens, mortgages, pledges and security interests. The Operating Agreement contains an accounting procedure, along with other provisions, which provide for the payment of interest on past-due amounts and supplements the lien, mortgage, and security interest provisions, and also includes non-consent clauses which provide that Parties who elect not to participate in certain operations shall be deemed to have relinquished their interest in production until the carrying consenting Parties are able to recover their costs of such operation plus a specified amount. Should any person or entity desire additional information regarding the Operating Agreement or wish to inspect a copy of the Operating Agreement, that person or entity should contact the Operator.
- 4.0 The purpose of this Memorandum is to more fully describe certain restrictions on the parties interests in the lands and leases described in Attachment 1 and to more fully describe the liens, mortgages, pledges and security interests provided for in the Operating Agreement, and to place third parties on notice thereof, and to restate, grant and convey the same to the extent required to perfect the same fully in accordance with applicable state law.
- 5.0 The pertinent provisions of Operating Agreement Exhibit "F" regarding security rights are set forth below:

Security Rights.

a. Security Rights - Properties Located Offshore Adjacent to the State of Louisiana. In addition to any other security rights and remedies provided by law with respect to services rendered or materials and equipment furnished under this Agreement, for and in consideration of the covenants and mutual undertakings of the Operator and the Non-Operating Parties herein, the Parties shall have the following security rights:

(i) Mortgage in Favor of the Operator. Each Non-Operating Party hereby grants to the Operator a mortgage, hypothecate, and pledge of and over all of its rights, titles, and interests in and to (a) the Leases, (b) the oil and gas in, on, under, and that may be produced from the lands within the Contract Area, and (c) all other immovable property susceptible of mortgage situated within the Contract Area.

This mortgage is given to secure the complete and timely performance of and payment by each Non-Operating Party of all obligations and indebtedness of every kind and nature, whether now owed by such Non-Operating Party or hereafter arising, pursuant to this Agreement. To the extent susceptible under applicable law, this mortgage and the security interests granted in favor of the Operator herein shall secure the payment of all Costs and other expenses properly charged to such Party, together with (A) interest on such indebtedness, Costs, and other expenses at the rate set forth in Exhibit "C" attached hereto (the "Accounting Procedure") or the maximum rate allowed by law, whichever is the lesser, (B) reasonable attorneys' fees, (C) court costs, and (D) other directly related collection costs. If any Non-Operating Party does not pay such Costs and other expenses or perform its obligations under this Agreement when due, the Operator shall have the additional right to notify the purchaser or purchasers of the defaulting Non-Operating Party's Hydrocarbon production and collect such Costs and other expenses out of the proceeds from the sale of the defaulting Non-Operating Party's share of Hydrocarbon production until the amount owed has been paid. The Operator shall have the right to offset the amount owed against the proceeds from the sale of such defaulting Non-Operating Party's share of Hydrocarbon production. Any purchaser of such production shall be entitled to rely on the Operator's statement concerning the amount of Costs and other expenses owed by the defaulting Non-Operating Party and payment made to the Operator by any purchaser shall be binding and conclusive as between such purchaser and such defaulting Non-Operating Party.

The maximum amount for which the mortgage herein granted by each Non-Operating Party shall be deemed to secure the obligations and indebtedness of such Non-Operating Party to the Operator as stipulated herein is hereby fixed in an amount equal to \$25,000,000.00 (the "Limit of the Mortgage of each Non-Operating Party"). Except as provided in the previous sentence (and then only to the extent such limitations are required by law), the entire amount of obligations and indebtedness of each Non-Operating Party to the Operator is secured hereby without limitation. Notwithstanding the foregoing Limit of the Mortgage of each Non-Operating Party, the liability of each Non-Operating Party under this Agreement and the mortgage and security interest granted hereby shall be limited to (and the Operator shall not be entitled to enforce the same against such Non-Operating Party for, an amount exceeding) the actual obligations and indebtedness (including all interest charges, costs, attorneys' fees, and other charges provided for in this Agreement or in the Memorandum of Operating Agreement and Financing Statement (Louisiana), as such term is defined in Section 6.3.b.(v) hereof) outstanding and unpaid and that are attributable to or charged against the interest of such Non-Operating Party pursuant to this Agreement.

(ii) Security Interest in Favor of the Operator. To secure the complete and timely performance of and payment by each Non-Operating Party of all obligations and indebtedness of every kind and nature, whether now owed by such Non-Operating Party or hereafter arising, pursuant to this Agreement, each Non-Operating Party hereby grants to the Operator a continuing security interest in and to all of its rights, titles, interests, claims, general intangibles, proceeds, and products thereof, whether now existing or hereafter acquired, in and to (a) all oil and gas produced from the lands or offshore blocks covered by the Leases or the Contract Area or attributable to the Leases or the Contract Area when produced, (b) all accounts receivable accruing or arising as a result of the sale of such oil and gas (including, without limitation, accounts arising from gas imbalances or from the sale of oil and gas at the wellhead), (c) all cash or other proceeds from the sale of such oil and gas once produced, and (d) all Development Systems, wells, facilities, fixtures, other corporeal property, whether movable or immovable, whether now or hereafter placed on the lands or offshore blocks covered by the Leases or the

Contract Area or maintained or used in connection with the ownership, use or exploitation of the Leases or the Contract Area, and other surface and sub-surface equipment of any kind or character located on or attributable to the Leases or the Contract Area and the cash or other proceeds realized from the sale, transfer, disposition or conversion thereof. The interest of the Non-Operating Parties in and to the oil and gas produced from or attributable to the Leases or the Contract Area when extracted and the accounts receivable accruing or arising as the result of the sale thereof shall be financed at the wellhead of the well or wells located on the Leases or the Contract Area. To the extent susceptible under applicable law, the security interest granted by each Non-Operating Party hereunder covers: (A) all substitutions, replacements, and accessions to the property of such Non-Operating Party described herein and is intended to cover all of the rights, titles and interests of such Non-Operating Party in all movable property now or hereafter located upon or used in connection with the Contract Area, whether corporeal or incorporeal; (B) all rights under any gas balancing agreement, farmout rights, option farmout rights, acreage and cash contributions, and conversion rights of such Non-Operating Party in connection with the Leases or the Contract Area, or the oil and gas produced from or attributable to the Leases or the Contract Area, whether now owned and existing or hereafter acquired or arising, including, without limitation, all interests of each Non-Operating Party in any partnership, tax partnership, limited partnership, association, joint venture, or other entity or enterprise that holds, owns, or controls any interest in the Contract Area; and (C) all rights, claims, general intangibles, and proceeds, whether now existing or hereafter acquired, of each Non-Operating Party in and to the contracts, agreements, permits, licenses, rights-of-way, and similar rights and privileges that relate to or are appurtenant to the Leases or the Contract Area, including the following:

(1) all of its rights, titles, and interests, whether now owned and existing or hereafter acquired or arising, in, to, and under or derived from any present or future operating, farmout, bidding, pooling, unitization, and communitization agreements, assignments, and subleases, whether or not described in Exhibit "A," to the extent, and only to the extent, that such agreements, assignments, and subleases cover or include any of its rights, titles, and interests, whether now owned and existing or hereafter acquired or arising, in and to all or any portion of the Leases or the Contract Area, and all units created by any such pooling, unitization, and communitization agreements and all units formed under orders, regulations, rules, or other official acts of any governmental authority having jurisdiction, to the extent and only to the extent that such units cover or include all or any portion of the Leases or the Contract Area;

(2) all of its rights, titles, and interests, whether now owned and existing or hereafter acquired or arising, in, to, and under or derived from all presently existing and future advance payment agreements, and oil, casinghead gas, and gas sales, exchange, and processing contracts and agreements, including, without limitation, those contracts and agreements that are described on Exhibit "A," to the extent, and only to the extent, those contracts and agreements cover or include all or any portion of the Leases or the Contract Area; and

(3) all of its rights, titles, and interests, whether now owned and existing or hereafter acquired or arising, in, to, and under or derived from all existing and future permits, licenses, rights-of-way, and similar rights and privileges that relate to or are appurtenant to the Leases or the Contract Area.

(iii) Mortgage in Favor of the Non-Operating Parties. Operator ("Mortgagor"), hereby grants to each Non-Operating Party a mortgage, hypothecate, and pledge of and over all of its rights, titles, and interests in and to (a) the Leases; (b) the oil and gas in, on, under, and that

may be produced from the lands within the Contract Area; and (c) all other immovable property or other property susceptible of mortgage situated within the Contract Area.

This mortgage is given to secure the complete and timely performance of and payment by the Operator of all obligations and indebtedness of every kind and nature, whether now owed by the Operator or hereafter arising, pursuant to this Agreement. To the extent susceptible under applicable law, this mortgage and the security interests granted in favor of each Non-Operating Party herein shall secure the payment of all Costs and other expenses properly charged to the Operator, together with (A) interest on such indebtedness, Costs, and other expenses at the rate set forth in the Accounting Procedure or the maximum rate allowed by law, whichever is the lesser, (B) reasonable attorneys' fees, (C) court costs, and (D) other directly related collection costs. If the Operator does not pay such Costs and other expenses or perform its obligations under this Agreement when due, the Non-Operating Parties shall have the additional right to notify the purchaser or purchasers of the Mortgagor's Hydrocarbon production and collect such Costs and other expenses out of the proceeds from the sale of the Mortgagor's share of Hydrocarbon production until the amount owed has been paid. The Non-Operating Parties shall have the right to offset the amount owed against the proceeds from the sale of the Mortgagor's share of Hydrocarbon production. Any purchaser of such production shall be entitled to rely on the Non-Operating Parties' statement concerning the amount of Costs and other expenses owed by the Operator and payment made to the Non-Operating Parties by any purchaser shall be binding and conclusive as between such purchaser and the Operator.

The maximum amount for which the mortgage herein granted by the Mortgagor shall be deemed to secure the obligations and indebtedness of the Operator to all Non-Operating Parties as stipulated herein is hereby fixed in an amount equal to \$25,000,000.00 in the aggregate (the "Limit of the Mortgage of the Operator"). Except as provided in the previous sentence (and then only to the extent such limitations are required by law), the entire amount of obligations and indebtedness of the Operator to the Non-Operating Parties is secured hereby without limitation. Notwithstanding the foregoing Limit of the Mortgage of the Mortgagor, the liability of the Mortgagor under this Agreement and the mortgage and security interest granted hereby shall be limited to (and the Non-Operating Parties shall not be entitled to enforce the same against the Mortgagor for, an amount exceeding) the actual obligations and indebtedness (including all interest charges, costs, attorneys' fees, and other charges provided for in this Agreement or in the Memorandum of Operating Agreement and Financing Statement (Louisiana), as such term is defined in Section 6.3.b.(v) hereof) outstanding and unpaid and that are attributable to or charged against the interest of the Operator pursuant to this Agreement.

(iv) Security Interest in Favor of the Non-Operating Parties. To secure the complete and timely performance of and payment by the Operator (a non Working Interest Owner) of all obligations and indebtedness of every kind and nature, whether now owed by the Operator or hereafter arising, pursuant to this Agreement, the Mortgagor hereby grants to each Non-Operating Party a continuing security interest in and to all of its rights, titles, interests, claims, general intangibles, proceeds, and products thereof, whether now existing or hereafter acquired, in and to (a) all oil and gas produced from the lands or offshore blocks covered by the Leases or included within the Contract Area or attributable to the Leases or the Contract Area when produced, (b) all accounts receivable accruing or arising as a result of the sale of such oil and gas (including, without limitation, accounts arising from gas imbalances or from the sale of oil and gas at the wellhead), (c) all cash or other proceeds from the sale of such oil and gas once produced, and (d) all Development Systems, wells, facilities, fixtures, other corporeal property whether movable or immovable, whether now or hereafter placed on the offshore blocks covered

by the Leases or the Contract Area or maintained or used in connection with the ownership, use or exploitation of the Leases or the Contract Area, and other surface and sub-surface equipment of any kind or character located on or attributable to the Leases or the Contract Area and the cash or other proceeds realized from the sale, transfer, disposition or conversion thereof. The interest of the Mortgagor in and to the oil and gas produced from or attributable to the Leases when extracted and the accounts receivable accruing or arising as the result of the sale thereof shall be financed at the wellhead of the well or wells located on the Leases or the Contract Area. To the extent susceptible under applicable law, the security interest granted by the Mortgagor hereunder covers: (A) all substitutions, replacements, and accessions to the property of the Mortgagor described herein and is intended to cover all of the rights, titles and interests of the Mortgagor in all movable property now or hereafter located upon or used in connection with the Contract Area, whether corporeal or incorporeal; (B) all rights under any gas balancing agreement, farmout rights, option farmout rights, acreage and cash contributions, and conversion rights of the Mortgagor in connection with the Leases or the Contract Area, the oil and gas produced from or attributable to the Leases or the Contract Area, whether now owned and existing or hereafter acquired or arising, including, without limitation, all interests of the Mortgagor in any partnership, tax partnership, limited partnership, association, joint venture, or other entity or enterprise that holds, owns, or controls any interest in the Contract Area; and (C) all rights, claims, general intangibles, and proceeds, whether now existing or hereafter acquired, of the Mortgagor in and to the contracts, agreements, permits, licenses, rights-of-way, and similar rights and privileges that relate to or are appurtenant to the Leases or the Contract Area, including the following:

(1) all of its rights, titles, and interests, whether now owned and existing or hereafter acquired or arising, in, to, and under or derived from any present or future operating, farmout, bidding, pooling, unitization, and communitization agreements, assignments, and subleases, whether or not described in Exhibit "A," to the extent, and only to the extent, that such agreements, assignments, and subleases cover or include any of its rights, titles, and interests, whether now owned and existing or hereafter acquired or arising, in and to all or any portion of the Leases or the Contract Area, and all units created by any such pooling, unitization, and communitization agreements and all units formed under orders, regulations, rules, or other official acts of any governmental authority having jurisdiction, to the extent and only to the extent that such units cover or include all or any portion of the Leases or the Contract Area;

(2) all of its rights, titles, and interests, whether now owned and existing or hereafter acquired or arising, in, to, and under or derived from all presently existing and future advance payment agreements, and oil, casinghead gas, and gas sales, exchange, and processing contracts and agreements, including, without limitation, those contracts and agreements that are described on Exhibit "A," to the extent, and only to the extent, those contracts and agreements cover or include all or any portion of the Leases or the Contract Area; and

(3) all of its rights, titles, and interests, whether now owned and existing or hereafter acquired or arising, in, to, and under or derived from all existing and future permits, licenses, rights-of-way, and similar rights and privileges that relate to or are appurtenant to any of the Leases or the Contract Area.

(v) Recordation. To provide evidence of, and to further perfect the Parties' security rights created hereunder, upon request, each Party shall execute and acknowledge the Memorandum of Operating Agreement and Financing Statement (Louisiana) attached as Exhibit "I" (the "Memorandum of Operating Agreement and Financing Statement (Louisiana)") in

multiple counterparts as appropriate. The Parties authorize the Operator to file the Memorandum of Operating Agreement and Financing Statement (Louisiana) in the public records set forth below to serve as notice of the existence of this Agreement as a burden on the title of the Working Interest Owners in the Leases or the Contract Area and for purposes of satisfying otherwise relevant recording and filing requirements of applicable law and to attach an original of the Memorandum of Operating Agreement and Financing Statement (Louisiana) to a standard UCC-1 for filing in the UCC records set forth below to perfect the security interests created by the Parties in this Agreement. Upon the acquisition of a leasehold interest in the Contract Area, the Parties shall, within five business days following request by one of the Parties hereto, execute and furnish to the requesting Party for recordation such a Memorandum of Operating Agreement and Financing Statement (Louisiana) describing such leasehold interest. Such Memorandum of Operating Agreement and Financing Statement (Louisiana) shall be amended from time to time upon acquisition of additional leasehold interests in the Contract Area, and the Parties shall, within five business days following request by one of the Parties hereto, execute and furnish to the requesting Party for recordation any such amendment.

The Memorandum of Operating Agreement and Financing Statement (Louisiana) is to be filed or recorded, as the case may be, in (a) the conveyance records of the parish or parishes adjacent to the lands or offshore blocks covered by the Leases or contained within the Contract Area pursuant to La. R.S. 31:216 et seq., (b) the mortgage records of such parish or parishes, and (c) the appropriate Uniform Commercial Code records.


b. Unpaid Charges. In addition to any other remedy afforded by law, each Party shall have, and is hereby given and vested with, the power and authority to foreclose the lien, mortgage, pledge, and security interest established hereby in its favor in the manner provided by law, to exercise the Power of Sale provided for herein, if applicable, and to exercise all rights of a secured party under the Uniform Commercial Code as adopted by the state in which the Contract Area is located or such other states as such Party may deem appropriate. The Operator shall keep an accurate account of amounts owed by the nonperforming Party (plus interest and collection costs) and any amounts collected with respect to amounts owed by the nonperforming Party. In the event there become three or more Working Interest Owners in a Lease, then if any nonperforming Party's share of Costs remains delinquent for a period of sixty (60) days, each other Participating Party shall, upon the Operator's request, pay the unpaid amount of Costs in the proportion that its Working Interest bears to the total non-defaulting Working Interests. Each Participating Party paying its share of the unpaid amounts of a nonperforming Party shall be subrogated to the Operator's mortgage and security rights to the extent of the payment made by such Participating Party.

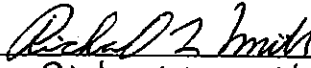
c. Carved-out Interests. Any agreements creating any overriding royalty, production payment, net proceeds interest, net profits interest, carried interest or any other interest carved out of a Working Interest in the Leases or the Contract Area shall specifically make such interests inferior to the rights of the Parties to this Agreement. If any Party whose Working Interest is so encumbered does not pay its share of Costs and other expenses authorized under this Agreement, and the proceeds from the sale of its Hydrocarbon production pursuant to this Section are insufficient to pay such Costs and expenses, the security rights provided for in this Section may be applied against the carved-out interests with which the defaulting or nonperforming Party's interest in the Leases or the Contract Area is burdened. In such event, the rights of the owner of such carved-out interest shall be subordinated to the security rights granted by this Section.

- 6.0 Upon expiration of the Operating Agreement and the satisfaction of all debts thereunder, within thirty (30) days after receiving a written request from any Party, the Operator shall file of record with respect to the Operating Agreement and this Memorandum a release and termination on behalf of all Parties. Absent such request, Operator shall not be required to file such release or termination if the security rights hereunder have lapsed or will lapse, by operation of law, as a consequence of a continuation statement and/or reinscription notice not being filed. If such release and termination is filed, all benefits and obligations under this Memorandum shall terminate as to all Parties with respect to the expiring Operating Agreement. Operator or any other Party shall have the right to file a continuation statement and/or reinscription notice on behalf of all Parties.
- 7.0 It is understood and agreed by the Parties hereto that if any part, term, or provision of this Memorandum is by the courts or an arbitrator held to be illegal or in conflict with any law of the state where made, the validity of the remaining portions or provisions shall not be affected, and the rights and obligations of the Parties shall be construed and enforced as if the Memorandum did not contain the particular part, term or provision held to be invalid.
- 8.0 This Memorandum shall be binding upon and shall insure to the benefit of the Parties hereto and to their respective legal representatives, successors, and permitted assigns. The failure of one or more persons owning an interest in the Lands and Lease(s) to execute this Memorandum shall not in any manner affect the validity of the Memorandum as to those persons who have executed this Memorandum.
- 9.0 A person or entity having a working interest in the Lands and Lease(s) may ratify this Memorandum by execution and delivery of an instrument of ratification, adopting and entering into this Memorandum, and such ratification shall have the same effect as if the ratifying person or entity had executed this Memorandum or a counterpart thereof. By execution or ratification of this Memorandum, such Party hereby consents to its ratification and adoption by any person or entity who may have or may acquire any interest in the Leases.
- 10.0 This Memorandum may be executed or ratified in one or more counterparts and all of the executed or ratified counterparts shall together constitute one instrument. For purposes of recording, only one copy of this Memorandum with individual signature pages attached thereto needs to be filed of record. Each Party authorizes the filing by any other Party of an original, a certified copy, and/or any photocopy of this Memorandum as a financing statement under the Uniform Commercial Code.
- 11.0 The provisions of this Memorandum shall govern in the event of any conflict with the Operating Agreement.
- 12.0 To the extent this transaction is governed by Louisiana law, this instrument, when filed for registry, is intended to function as both a filed agreement under Louisiana Revised Statutes §31:216 and a declaration under Louisiana Revised Statutes §31:217, and/or successor statutes, and to create a conventional mortgage.

WITNESSES:

RED WILLOW OFFSHORE, LLC


REX RICHARDSON

By: 
Name: Richard L. Smith
Title: Executive V.P. - Offshore


Dan Greaser



Date: 11/26/2019

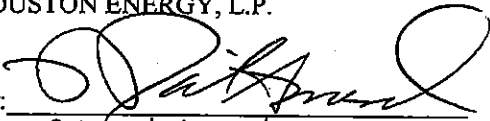
Address:
1415 Louisiana, Suite 4000
Houston, Texas 77002

U.S. Employer Identification No.:
87-0689056
Organizational Identification No.:
02668

WITNESSES:

HOUSTON ENERGY, L.P.


Heath Suire

REX RICHARDSON

By: 
Name: P. David Amend
Title: Vice President, Land
Date: November 26, 2019

Address:
1200 Smith, Suite 2400
Houston, Texas 77002

U.S. Employer Identification No.:

Organizational Identification No.:

WITNESSES:

P. Vera
Paula Vera
Scott Wallberg

BOE EXPLORATION & PRODUCTION LLC

By: [Signature]
Name: Jerry Register
Title: VP Land & Business Development & Secretary
Date: 11/19/2019

Address:
500 Dallas, Suite 2800
Houston, Texas 77002

U.S. Employer Identification No.:
83-2011212

Organizational Identification No.:
03572

WITNESSES:

P. Vera
Paula Vera
Scott Wallberg

BEACON OFFSHORE ENERGY EXPLORATION LLC

By: [Signature]
Name: Jerry Register
Title: VP Land & Business Development & Secretary
Date: 11/19/2019

Address:
500 Dallas, Suite 2800
Houston, Texas 77002

U.S. Employer Identification No.:
83-0943594

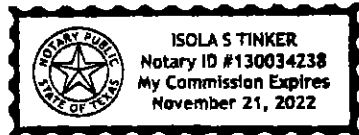
Organizational Identification No.:
03570

ACKNOWLEDGMENTS

STATE OF TEXAS

COUNTY OF HARRIS

On this 26th day of November, before me, appeared Richard L. Smith to me personally known, who, being by me duly sworn, did say that he is the Exec. VP Offshore of RED WILLOW OFFSHORE, LLC, a Colorado limited liability company, and that the foregoing instrument was signed on behalf of that limited liability company and that he acknowledged the instrument to be the free act and deed of that limited liability company.



Isola S Tinker
NOTARY PUBLIC

STATE OF TEXAS

COUNTY OF HARRIS

On this 26th day of November, before me, appeared P DAVID AMEND me personally known, who, being by me duly sworn, did say that he is the VP-LAND of HOUSTON ENERGY, L.P. and that the foregoing instrument was signed on behalf of that limited liability company by authority of its Managers and he acknowledged the instrument to be the free act and deed of that limited liability company.

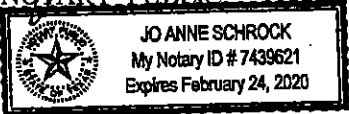


Shirley Cox
NOTARY PUBLIC

STATE OF TEXAS

COUNTY OF HARRIS

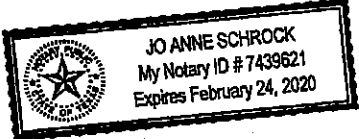
On this 19 day of November, 2019 before me, appeared Jay Register to me personally known, who, being by me duly sworn, did say that he is the VP, Land & Bus. Dev. of BOE EXPLORATION & PRODUCTION LLC, a Delaware limited liability company, and that the foregoing instrument was signed on behalf of that limited liability company and that he acknowledged the instrument to be the free act and deed of that limited liability company.

Jo Anne Schrock
NOTARY PUBLIC


STATE OF TEXAS

COUNTY OF HARRIS

On this 19 day of November, 2019, before me, appeared Jay Register to me personally known, who, being by me duly sworn, did say that he is the VP, Land & Bus. Dev. of BEACON OFFSHORE ENERGY EXPLORATION LLC, a Delaware limited liability company, and that the foregoing instrument was signed on behalf of that limited liability company and that he acknowledged the instrument to be the free act and deed of that limited liability company.

Jo Anne Schrock
NOTARY PUBLIC


ATTACHMENT "1"

ATTACHED TO AND MADE A PART OF THAT CERTAIN MEMORANDUM OF OPERATING AGREEMENT AND FINANCING STATEMENT EFFECTIVE NOVEMBER 1, 2019, BETWEEN BOE EXPLORATION & PRODUCTION LLC, AS OPERATOR, HOUSTON ENERGY, L.P., BEACON OFFSHORE ENERGY EXPLORATION LLC, AND RED WILLOW OFFSHORE, LLC, AS NON-OPERATORS.

A. **OPERATOR:** BOE Exploration & Production LLC

B. **CONTRACT AREA**

DESCRIPTION OF LEASE(S):

Oil and Gas Lease of Submerged Lands Under the Outer Continental Shelf Lands Act by and between the United States of America, as Lessor, and Houston Energy, L.P. and Red Willow Offshore, LLC, as Assignees, bearing serial number OCS-G 35417 containing 5,760 acres and described as All of Block 988, Green Canyon, OCS Official Protraction Diagram, NG 15-03. ✓

C. **Working Interests in the Above Lease(s) are as follows:**

The Before Carry Point working interest in the Lease(s) is as follows:

Beacon Offshore Energy Exploration LLC	49.500%
Red Willow Offshore, LLC	25.000%
Houston Energy, L.P.	25.000%
BOE Exploration & Production LLC	<u>00.500%</u>
	100.00%

The After Carry Point working interest in the Lease(s) is as follows:

Beacon Offshore Energy Exploration LLC	44.550%**
Red Willow Offshore, LLC	22.500%**
Houston Energy, L.P.	32.500%**
BOE Exploration & Production LLC	<u>00.450%**</u>
	100.00%

D. **Subject to the Aggregate Carry** as described in that certain Purchase and Sale of OCS Lease and Aggregate Carry letter agreement by and between Red Willow Offshore, LLC, and Beacon Offshore Energy Exploration LLC dated November 1, 2019.

E. Overriding Royalty Interest Burdens ("Lease Burdens"):

HE&D Offshore, L.P. 3.0%
**The above overriding royalty interest shall be borne by the indicated Parties
in proportion to the above Working Interests of each indicated (**) party

WesternGeco L.L.C. 1.0%
**The above overriding royalty interest shall be borne by the indicated Parties
in proportion to the above Working Interests of each indicated (**) party.

F. Notification Addresses and Company Representatives

Beacon Offshore Energy Exploration LLC and
BOE Exploration & Production LLC
500 Dallas, Suite 2800
Houston, Texas 77002
Attention: Mr. Jay Register
Phone: (346) 867-0524
Fax: (281) 476-7767

Houston Energy, L.P.
1200 Smith, Suite 2400
Houston, Texas 77002
Attention: Mr. Heath Suire
Phone: (713) 400-7770
Fax: (713) 650-8305

Red Willow Offshore, LLC
1415 Louisiana, Suite 4000
Houston, Texas 77002
Attention: Mr. Rex Richardson
Phone: (281) 822-7509
Fax: (281) 822-7501