



RECEIVED
ADJUDICATION SECTION
APR 26 2023

VIA Email

April 26, 2023

Shell Offshore Inc.
701 Poydras Street
One Shell Square-2454
New Orleans, LA 70139
United States of America
Tel +1 504 425 4394
Fax +1 504 425 0399
Email: michelle.martin@shell.com

Bureau of Ocean Energy Management
Attention: Adjudication Section
Mail Stop GM 276A
1201 Elmwood Park Boulevard
New Orleans, LA 70123-2394

SUBJECT: NON-REQUIRED FILING - CATEGORY - 3 – UCC Filings and Financial Statements
Prospect Farfalle
Green Canyon Block 195, Federal Oil & Gas Lease OCS-G 36636
Green Canyon Block 239, Federal Oil & Gas Lease OCS-G 36638
Green Canyon Block 283, Federal Oil & Gas Lease OCS-G 36903

To Whom It May Concern:

Enclosed please find a UCC-1 with attached Memorandum of Operating Agreement between **Shell Offshore Inc. (Company No. 00689)** and **BP Exploration & Production (Company No. 02481)** to be filed in the **Non-Required Filing Category 3** (UCC Filings and Financial Statements) for the above subject leases.

I have paid the adjudication fee for this non-required category 3 and have attached a copy of the payment confirmation received via Pay.gov.

Should you have any questions, please contact me at your earliest convenience at (504) 425-4394.

Kind regards,

Michelle P. Martin
Land Technician, UPD Commercial

Enclosures

Plaquemines Parish Recording Page

Kim Turlich-Vaughan
Clerk of Court
PO Box 40
Belle Chasse, LA 70037
(504) 934-6610

RECEIVED
ADJUDICATION SECTION
APR 26 2023

Received From :

GORDON ARATA LAW FIRM
201 ST. CHARLES AVENUE 40TH FL
NEW ORLEANS, LA 70170-4000

First DEBTOR

BP EXPLORATION & PRODUCTION INC

First SECURED PARTY

SHELL OFFSHORE INC

Index Type : UCC

FileNumber : 2023-00001307

Type of Document : FINANCING STATEMENT

Book : 3823

Page : 1263

Recording Pages : 17

Recorded Information

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

This instrument was eRecorded.

On (Recorded Date) : 04/26/2023

At (Recorded Time) : 9:04:38AM



Clerk of Court



Return To : GORDON ARATA LAW FIRM
201 ST. CHARLES AVENUE 40TH FL
NEW ORLEANS, LA 70170-4000

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional) Prepared by: C. Peck Hayne, Jr. (504) 582-1111
B. E-MAIL CONTACT AT FILER (optional) PHayne@gamb.com
C. SEND ACKNOWLEDGMENT TO: (Name and Address) <div>C. Peck Hayne, Jr. Gordon, Arata, Montgomery, Barnett, McCollam, Duplantis & Egan, LLC 201 St. Charles Avenue, Suite 4000 New Orleans, LA 70170</div>

Print

Reset

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME BP Exploration & Production Inc.				
OR				
1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)		SUFFIX
1c. MAILING ADDRESS 501 WestLake Park Blvd.	CITY Houston	STATE TX	POSTAL CODE 77079	COUNTRY USA

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME Shell Offshore Inc.				
OR				
2b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)		SUFFIX
2c. MAILING ADDRESS 701 Poydras Street	CITY New Orleans	STATE LA	POSTAL CODE 70139	COUNTRY USA

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME Shell Offshore Inc.				
OR				
3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)		SUFFIX
3c. MAILING ADDRESS 701 Poydras Street	CITY New Orleans	STATE LA	POSTAL CODE 70139	COUNTRY USA

4. COLLATERAL: This financing statement covers the following collateral:

See Exhibit A attached hereto for a description of the collateral

5. Check only if applicable and check only one box: Collateral is ☐ held in a Trust (see UCC1Ad, item 17 and Instructions) ☐ being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box:

☐ Public-Finance Transaction ☐ Manufactured-Home Transaction ☐ A Debtor is a Transmitting Utility

6b. Check only if applicable and check only one box:

☐ Agricultural Lien ☐ Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): ☐ Lessee/Lessor ☐ Consignee/Consignor ☐ Seller/Buyer ☐ Bailee/Bailor ☐ Licensee/Licensor

8. OPTIONAL FILER REFERENCE DATA:

Memorandum of Operating Agreement, Mortgage, Security Agreement, and Financing Statement - Farfalle Prospect

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS

9. NAME OF FIRST DEBTOR: Same as line 1a or 1b on Financing Statement; if line 1b was left blank because Individual Debtor name did not fit, check here ☐

9a. ORGANIZATION'S NAME

BP Exploration& Production Inc.

OR

9b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S)

SUFFIX

Print

Reset

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

10. DEBTOR'S NAME: Provide (10a or 10b) only one additional Debtor name or Debtor name that did not fit in line 1b or 2b of the Financing Statement (Form UCC1) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name) and enter the mailing address in line 10c

10a. ORGANIZATION'S NAME

OR

10b. INDIVIDUAL'S SURNAME

INDIVIDUAL'S FIRST PERSONAL NAME

INDIVIDUAL'S ADDITIONAL NAME(S)/INITIAL(S)

SUFFIX

10c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

11. ☒ ADDITIONAL SECURED PARTY'S NAME or ☐ ASSIGNOR SECURED PARTY'S NAME: Provide only one name (11a or 11b)

11a. ORGANIZATION'S NAME

BP Exploration& Production Inc.

OR

11b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S)

SUFFIX

11c. MAILING ADDRESS

501 WestLake Park Blvd.

CITY

Houston

STATE

TX

POSTAL CODE

77079

COUNTRY

USA

12. ADDITIONAL SPACE FOR ITEM 4 (Collateral):

13. ☐ This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS (if applicable)

14. This FINANCING STATEMENT:

☐ covers timber to be cut ☒ covers as-extracted collateral ☐ is filed as a fixture filing

15. Name and address of a RECORD OWNER of real estate described in item 16 (if Debtor does not have a record interest):

16. Description of real estate:

See Exhibit A attached hereto for description of collateral

17. MISCELLANEOUS:

Memorandum of Operating Agreement, Mortgage, Security Agreement, and Financing Statement - Farfalle Prospect

Exhibit A
Plaquemines Parish Recording Page

Kim Turlich-Vaughan
Clerk of Court
PO Box 40
Belle Chasse, LA 70037
(504) 934-6610

Received From :
GORDON ARATA LAW FIRM
201 ST. CHARLES AVENUE 40TH FL
NEW ORLEANS, LA 70170-4000

First VENDOR

SHELL OFFSHORE INC

First VENDEE

BP EXPLORATION & PRODUCTION INC

Index Type : CONVEYANCE
Type of Document : MEMORANDUM
Recording Pages : 14

File Number : 2023-00000924

Book : 1463 **Page :** 85

Recorded Information

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

On (Recorded Date) : 03/21/2023

At (Recorded Time) : 12:42:37PM



Doc ID - 005702930014

CLERK OF COURT
KIM TURLICH-VAUGHAN
Parish of Plaquemines
I certify that this is a true copy of the attached
document that was filed for registry and
Recorded 03/21/2023 at 12:42:37
Recorded in Book 1463 Page 85
File Number 2023-00000924



Mark J. Baker Jr.

Deputy Clerk

Additional Index Recordings

<u>Index Type</u>	<u>Book</u>	<u>Page</u>	<u>File #</u>
MTG	827	993	2023-00000924

Return To :

**MEMORANDUM OF OPERATING AGREEMENT, MORTGAGE, SECURITY
AGREEMENT, AND FINANCING STATEMENT**

BE IT KNOWN, on the dates hereinafter set forth, before the undersigned Notaries Public, duly commissioned and qualified in and for the States and Parishes or Counties hereinafter set forth, and in the presence of the undersigned competent witnesses,

PERSONALLY CAME AND APPEARED:

Shell Offshore Inc., herein represented by its undersigned attorney-in-fact, duly authorized, whose permanent mailing address is as shown on Attachment "1" hereto; and

BP Exploration & Production Inc., herein represented by its undersigned attorney-in-fact, duly authorized, whose permanent mailing address is as shown on Attachment "1" hereto;

who declared under oath unto the undersigned Notaries Public, as follows:

- 1.0 This Memorandum of Operating Agreement, Mortgage, Security Agreement, and Financing Statement (this "Memorandum") is effective as of the effective date of the Operating Agreement referred to in Paragraph 2.0 below (the "Effective Date") and is executed by Shell Offshore Inc. (the "Operator"), whose taxpayer identification number is 74-2211530 and whose mailing address is 701 Poydras Street, New Orleans, Louisiana 70139, and BP Exploration & Production Inc., whose taxpayer identification number is 34-1835527 and whose mailing address is 501 WestLake Park Blvd., Houston, TX 77079 (the "Non-Operator").
- 2.0 The Operator and the Non-Operator are parties to that certain Operating Agreement for Prospect Farfalle, dated effective December 19, 2022 (the "Operating Agreement"), providing for the development and production of crude oil, natural gas and associated substances from the lands and oil and gas lease(s) described in Exhibit "A" of the Operating Agreement (hereinafter called the "Contract Area") (such lands and oil and gas lease(s) being more particularly described in Attachment "1" to this Memorandum) and designating Shell Offshore Inc., as the Operator, to conduct such operations for itself and the undersigned Non-Operator. All such leases (or portions thereof) identified in Exhibit "A" of the Operating Agreement and Attachment "1" to this Memorandum and any future oil and gas leases that may be acquired by the Operator and the Non-Operator and added to the Contract Area as substitutions for, or replacements of, existing leases or as leases acquired in the future covering lands included in the Contract Area are hereinafter collectively called the "Leases."
- 3.0 Among other provisions, the Operating Agreement (i) provides for certain liens, mortgages, pledges and security interests to secure payment by the parties of their respective share of costs and performance of other obligations under the Operating Agreement, (ii) contains an Accounting Procedure, which establishes interest to be charged on indebtedness, certain costs, and other expenses under the Operating Agreement at the rate set forth therein, and which provides for other matters, (iii) includes non-consent clauses which establish 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 recover their costs of such operations plus a specified amount, and (iv) grants certain preferential rights to purchase.

4.0 The Operator hereby certifies that a true and correct copy of the Operating Agreement is on file and is available for inspection by third parties at the offices of the Operator at the address set forth in this Memorandum.

5.0 In addition to any other security rights and remedies provided for by law with respect to services rendered or materials and equipment furnished under the Operating Agreement, for and in consideration of the covenants and mutual undertakings of the Operator and each Non-Operator set forth in the Operating Agreement, the Operator and each Non-Operator hereby agree as follows:

5.1 To secure the complete and timely performance of and payment by the Non-Operator of all obligations and indebtedness of every kind and nature, whether now owed by such Non-Operator or hereafter arising, pursuant to the Operating Agreement, each Non-Operator hereby grants to the Operator a lien, mortgage, hypothecation, 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.

5.2 To secure the performance of and payment by each Non-Operator of all obligations and indebtedness, whether now owed by such Non-Operator or hereafter arising, pursuant to the Operating Agreement, each Non-Operator 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, gas, and other minerals produced from the lands 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, gas, and other minerals (including, without limitation, accounts arising from gas imbalances or from the sale of oil, gas and other minerals at the wellhead); (c) all cash or other proceeds from the sale of such oil, gas, and other minerals once produced; and (d) all platforms, 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 each Non-Operator in and to the oil, gas, and other minerals 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 permissible under applicable law, the security interest granted by each Non-Operator

hereunder covers: (a) all substitutions, replacements, and accessions to the property of such Non-Operator described herein and is intended to cover all of the rights, titles and interests of such Non-Operator 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 agreement, option farmout agreement, acreage and cash contributions, and conversion rights of such Non-Operator in connection with the Leases or the Contract Area, the oil, gas and other minerals 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-Operator 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, in and to the contracts, agreements, 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, including the following:

- (i) all of its rights, titles, and interests, whether now owned and or 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" of the Operating Agreement, 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;
- (ii) 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, 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" of the Operating Agreement, 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
- (iii) 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.

- 5.3 The maximum amount for which the mortgage herein granted by the Non-Operator shall be deemed to secure the obligations and indebtedness of such Non-Operator to the Operator as stipulated herein is hereby fixed in an amount equal to One Billion Dollars and no/100 (\$1,000,000,000.00) (the "Limit of the Mortgage of the Non-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 Non-Operator to the Operator is secured hereby without limitation. Notwithstanding the foregoing Limit of the Mortgage of the Non-Operator, the liability of the Non-Operator under this Memorandum 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-Operator for, an amount exceeding) the actual obligations and indebtedness (including all interest charges, costs, attorneys' fees, and other charges provided for in this Memorandum or in the Operating Agreement) outstanding and unpaid and that are attributable to or charged against the interest of such Non-Operator pursuant to the Operating Agreement. For clarity, there is no predetermined limit on potential obligations and liabilities pursuant to the Operating Agreement, and the mortgage, hypothecation, pledge, liens and security interests created under the Operating Agreement and this Memorandum are in addition to any and all rights and remedies under law.
- 5.4 This Memorandum (including a carbon, photographic, or other reproduction thereof and hereof) shall constitute a non-standard form of financing statement under the terms of Chapter 9 of the Uniform Commercial Code, La. R.S. 10:9-101 et seq. (as adopted in the State of Louisiana, the "Uniform Commercial Code") and, as such, for the purposes of the security interest in favor of the Operator, may be filed for record in the office of the Clerk of Court of any parish in the State of Louisiana, with Operator being the secured party and Non-Operator being the debtor with respect to such filing.
- 5.5 To secure the complete and timely performance of and payment by the Operator to the Non-Operator of all obligations and indebtedness of every kind and nature, whether now owed by Operator or hereafter arising, pursuant to the Operating Agreement, Operator hereby grants to the Non-Operator a lien, mortgage, hypothecation, 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.
- 5.6 To secure the performance of and payment by the Operator of all obligations and indebtedness, whether now owed by the Operator or hereafter arising, pursuant to the Operating Agreement, the Operator hereby grants to each Non-Operator a continuing security interest in and 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, gas, and other minerals produced from the lands 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, gas, and other minerals (including, without limitation, accounts arising from gas imbalances or from the sale of oil, gas and other minerals at the wellhead); (c) all cash or other proceeds from the sale of such oil, gas, and other minerals once produced; and (d) all platforms, 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 Operator in and to the oil, gas, and other minerals 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 permissible under applicable law, the security interest granted by the Operator hereunder covers: (a) all substitutions, replacements, and accessions to the property of the Operator described herein and is intended to cover all of the rights, titles and interests of the Operator 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 agreement, option farmout agreement, acreage and cash contributions, and conversion rights of the Operator in connection with the Leases or the Contract Area, the oil, gas, and other minerals produced from or attributable to the Leases, or the Contract Area, whether now owned or existing or hereafter acquired or arising, including, without limitation, all interests of the Operator 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, in and to the contracts, agreements, 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, including the following:

- (i) 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" of the Operating Agreement, 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;

- (ii) 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, 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" of the Operating Agreement, 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
- (ii) 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.

Each party to the Operating Agreement paying its share of unpaid expenses pursuant to Section 6.5 (Unpaid Charges) of the Operating Agreement, shall, to obtain reimbursement thereof, be subrogated to the security rights described herein.

- 5.7 The maximum amount for which the mortgage herein granted by the Operator shall be deemed to secure the obligations and indebtedness of the Operator to the Non-Operator as stipulated herein is hereby fixed in an amount equal to One Billion Dollars and no/100 (\$1,000,000,000.00) in the aggregate (the "Limit of the Mortgage of the Operator"), irrespective of the total number of non-operators party to the Operating Agreement at any time. 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-Operator is secured hereby without limitation. Notwithstanding the foregoing Limit of the Mortgage of the Operator, the liability of the Operator under this Memorandum and the mortgage and security interest granted hereby shall be limited to (and the Non-Operator shall not be entitled to enforce the same against Operator for, an amount exceeding) the actual obligations and indebtedness (including all interest charges, costs, attorneys' fees, and other charges provided for in this Memorandum or in the Operating Agreement) outstanding and unpaid and that are attributable to or charged against the interest of the Operator pursuant to the Operating Agreement. For clarity, there is no predetermined limit on potential obligations and liabilities pursuant to the Operating Agreement, and the mortgage, hypothecation, pledge, liens and security interests created under the Operating Agreement and this Memorandum are in addition to any and all rights and remedies under law.
- 5.8 For the purposes of the security interest in favor of the Non-Operator, this Memorandum (including a carbon, photographic, or other reproduction thereof and hereof) may be filed as a non-standard form of financing statement pursuant to the Uniform Commercial Code in the office of the Clerk of Court of any parish in the State of Louisiana, with Non-Operator being the secured party and Operator being the debtor with respect to such filing.

- 6.0 The Operator shall file or record this Memorandum, as the case may be, in (a) the conveyance records of the parish or parishes adjacent to the offshore blocks contained within the Contract Area pursuant to La. R.S. 31:216 and 217 *et seq.* to serve as notice of the existence of the Operating Agreement as a burden on the title of the Operator and the Non-Operator to their interests in and to the Leases and the Contract Area, (b) the mortgage records of the parish or parishes adjacent to the offshore blocks contained within the Contract Area, (c) the non-required records of the United States Department of the Interior Bureau of Ocean Energy Management with respect to each of the Leases, and (d) the appropriate Uniform Commercial Code records. All parties to the Operating Agreement are identified on Attachment "1" hereto. All farmors and option farmors, if any, who have granted support within the Contract Area are identified on Attachment "2" to be attached hereto if any such farmors have granted support within the Contract Area.
- 7.0 If performance of any obligation under the Operating Agreement or payment of any indebtedness created thereunder does not occur or is not made when due under the Operating Agreement or on default of any covenant or condition of the Operating Agreement, in addition to any other remedy afforded by law, each party to the Operating Agreement and any successor to such party by assignment, operation of law, or otherwise, shall have, and is hereby given and vested with, the power and authority to foreclose the security interest established in its favor in the Operating Agreement and herein in the manner provided by law and to exercise all rights of a secured party under the Uniform Commercial Code. If any Non-Operator does not pay its indebtedness or perform its obligations under the Operating Agreement when due, the Operator shall have the additional right to (i) withhold delivery of such Non-Operator's Hydrocarbons and retain them for Operator's own account and ownership, or (ii) notify the purchaser or purchasers of the defaulting Non-Operator's production and collect such indebtedness out of the proceeds from the sale of the defaulting Non-Operator's share of production until the amount owed has been paid. Each purchaser shall be entitled to rely on the Operator's statement concerning the amount owed by such defaulting Non-Operator. The Operator shall have the right to offset the amount of indebtedness owed by the defaulting Non-Operator against any payment made to the Operator by any purchaser, and such payment made to the Operator by any purchaser shall be binding and conclusive as between such purchaser and such defaulting Non-Operator.
- 8.0 Upon expiration of the Operating Agreement and the satisfaction of all obligations and indebtedness established thereunder, on behalf of all parties to the Operating Agreement, the Operator shall file of record an appropriate release and termination of all security and other rights created under the Operating Agreement and this Memorandum. Upon the filing of such release and termination instrument, all benefits and obligations under this Memorandum shall terminate as to all parties who have executed or ratified this Memorandum. In addition, at any time prior to the filing of such release and termination instrument, the Operator and the Non-Operator shall have the right to file a continuation statement pursuant to the Uniform Commercial Code with respect to any financing statement or reinscription statement to the mortgage records filed in their favor under the terms of this Memorandum.
- 9.0 It is understood and agreed by the parties hereto that if any part, term, or provision of this Memorandum is held by the courts 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.

- 10.0 This Memorandum shall be binding upon and shall inure 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 Contract Area to execute this Memorandum shall not in any manner affect the validity of the Memorandum as to those persons who execute this Memorandum.
- 11.0 A party having an interest in the Contract Area 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 party 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 party who acquires or may acquire any interest in the Contract Area.
- 12.0 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, in each of the records described in Paragraph 6 above, duplicate copies of this Memorandum with individual signature pages attached thereto are required to be filed of record, one copy of each to be indexed in the name of the Operator, as grantor, and one copy of each to be indexed in the name of each Non-Operator, as grantor, and duplicate copies of this Memorandum with individual signature pages attached thereto shall be filed in the appropriate Uniform Commercial Code records, one filing for the Operator, as secured party, and another filing for each Non-Operator, as secured parties. The respective addresses of the Operator, as both secured party and debtor, and each Non-Operator, as both debtor and secured party, at which information with respect to the security interests created in the Operating Agreement may be obtained, are set forth in Paragraph 1.0 of this Memorandum.
- 13.0 The Operator and the Non-Operator hereby agree to execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, any instrument or take any action necessary or appropriate to effectuate the security rights under the Operating Agreement or any Exhibit, instrument, certificate or other document thereto.
- 14.0 Whenever the context requires, reference herein made to the single number shall be understood to include the plural, and the plural shall likewise be understood to include the singular, and specific enumeration shall not exclude the general, but shall be construed as cumulative.
- 15.0 For purposes of seizure and sale under Louisiana executory process procedures, the Non-Operator, as debtor and mortgagor, confesses judgment in favor of the Operator, as creditor and mortgagee, in the full amount of such Non-Operator's outstanding indebtedness secured hereby, in principal, interest, costs and attorneys' fees, if the same is not paid at maturity. For purposes of seizure and sale under Louisiana executory process procedures, Operator, as debtor and mortgagor, confesses judgment in favor of the Non-Operator, as creditor and

mortgagee, in the full amount of Operator's outstanding indebtedness secured hereby, in principal, interest, costs and attorneys' fees, if the same is not paid at maturity. To the extent permitted under applicable Louisiana law, each party, as debtor and mortgagor, additionally waives: (A) the benefit of appraisal as provided in Articles 2332, 2336, 2723 and 2724 of the Louisiana Code of Civil Procedure, and all other laws with regard to appraisal upon judicial sale; (B) the notice of seizure as provided under Articles 2293 and 2721 of the Louisiana Code of Civil Procedure; (C) the three (3) days' delay provided under Articles 2331 and 2722 of the Louisiana Code of Civil Procedure; and (D) all other benefits provided under Articles 2331, 2722 and 2723 of the Louisiana Code of Civil Procedure.

The Non-Operator, as debtor and mortgagor, additionally agrees that, should Operator, as creditor and mortgagee, seek to enforce or foreclose its mortgage or other security rights, the Operator may appoint itself or a nominee as a Keeper of the collateral granted herein as provided under La. R.S. 9:5131 *et seq.* and La. R.S. 9:5136 *et seq.* Operator, as debtor and mortgagor, additionally agrees that, should the Non-Operator, as creditor and mortgagee, seek to enforce or foreclose its mortgage or other security rights, the Non-Operator may appoint itself or a nominee as a Keeper of the collateral granted herein as provided under La. R.S. 9:5131 *et seq.* and La. R.S. 9:5136 *et seq.* Each party, as debtor and mortgagor, further agrees that such a Keeper shall be entitled to reasonable and customary compensation, and an amount not to exceed one tenth of one (0.1%) percent of the total indebtedness of such party secured hereby outstanding at the time of foreclosure, the amount of which compensation shall also be secured by the lien of the mortgage and other security rights granted herein. Any Keeper of the collateral may exercise all rights and powers of the foreclosed party with respect to the collateral, either in the name of foreclosed party or otherwise, including, but without limiting the generality of the foregoing, the right to collect rents and proceeds of the collateral and perform any acts which the Keeper deems proper, in its sole discretion, to protect the security of the mortgage and other security rights granted herein. After deduction of all costs and expenses of operating and managing the collateral, including, but without limiting the generality of the foregoing, reasonable attorneys' fees, costs and disbursements, administration expenses, satisfaction of liens on any of the collateral, payment of royalties, taxes or other impositions, claims and insurance premiums, and invoices of persons for goods and services supplied to or for the benefit of any of the collateral, the Keeper may apply any proceeds received by it to payment of the indebtedness or performance of the obligations secured hereby.

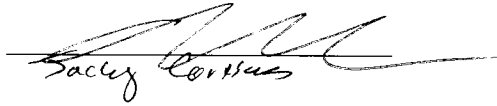
Each party further agrees that, should it become necessary for a secured party to foreclose under the mortgage granted herein, all declarations of fact, which are made under an authentic act before a Notary Public in the presence of two witnesses, by a person declaring such facts to lie within his or her knowledge, shall constitute authentic evidence for purposes of executory process and also for purposes of La. R.S. 9:3509.1, La. R.S. 9:3504 (D)(6), and La. R.S. § 10:9-629, where applicable.

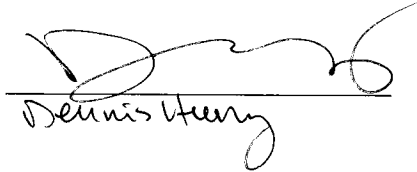
[Signature Page Follows]

EXECUTED on the dates set forth below each signature but dated effective as of the Effective Date.

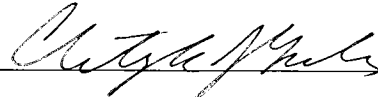
OPERATOR:

WITNESSES


Sackey Corrales


Dennis Hung

Shell Offshore Inc.

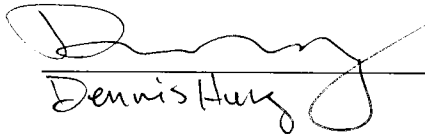
BY: 

NAME: Christopher J. Gonsalves

TITLE: Attorney-in-Fact

DATE: December 28, 2022

WITNESSES


Dennis Hung


Sackey Corrales

BP EXPLORATION & PRODUCTION INC.

BY: 

NAME: Erik Seim

TITLE: Attorney-in-Fact

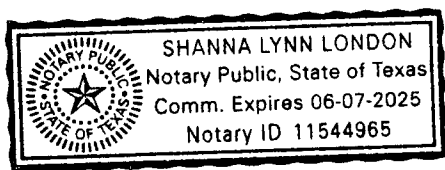
DATE: December 28, 2022

ACKNOWLEDGEMENT
OPERATOR:

STATE OF TEXAS
COUNTY OF HARRIS

On this 28th day of December, 2022, before me, appeared Christopher J. Gonsalves, to me personally known, who, being by me duly sworn, did say that he is the Attorney-in-Fact of Shell Offshore Inc. and that the foregoing instrument was signed on behalf of the corporation by authority of its Board of Directors and that he acknowledged the instrument to be the free act and deed of the corporation.


NOTARY PUBLIC

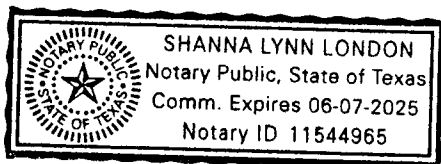


ACKNOWLEDGEMENT
NON-OPERATOR:

STATE OF TEXAS
COUNTY OF HARRIS

On this 28th day of December, 2022, before me, appeared Erik Seim, to me personally known, who, being by me duly sworn, did say that he is the Attorney-in-Fact of BP Exploration & Production Inc. and that the foregoing instrument was signed on behalf of the corporation by authority of its Board of Directors and that he acknowledged the instrument to be the free act and deed of the corporation.


NOTARY PUBLIC



ATTACHMENT “1”

Attached to and made a part of that certain Prospect Farfalle Memorandum of Operating Agreement, Mortgage, Security Agreement and Financing Statement dated effective December 19, 2022, by and between Shell Offshore Inc., as Operator, and BP Exploration & Production Inc. as Non-Operator.

DESCRIPTION OF LEASES IN CONTRACT AREA, WORKING INTERESTS OF THE PARTIES, OPERATOR, & REPRESENTATIVES

I. Description of Leases in Contract Area

Federal OCS oil and gas lease bearing serial number OCS-G 36636 dated July 1, 2019 between the United States of America and BP Exploration & Production Inc., and covering all of Block 195, Green Canyon, OCS official Protraction Diagram NG15-03, containing approximately 5,760 acres as to all depths and bearing a royalty rate of 18.75%.

Federal OCS oil and gas lease bearing serial number OCS-G 36638 dated July 1, 2019 between the United States of America and BP Exploration & Production Inc., and covering all of Block 239, Green Canyon, OCS official Protraction Diagram NG15-03, containing approximately 5,760 acres as to all depths and bearing a royalty rate of 18.75%.

Federal OCS oil and gas lease bearing serial number OCS-G 36903 dated July 1, 2020 between the United States of America and BP Exploration & Production Inc., and covering all of Block 283, Green Canyon, OCS official Protraction Diagram NG15-03, containing approximately 5,760 acres as to all depths and bearing a royalty rate of 18.75%.

II. Working Interests of the Parties

Shell Offshore Inc.	60.0%
BP Exploration & Production Inc.	40.0%

III. Operator

Shell Offshore Inc.

IV. Representatives
Shell Offshore Inc.

Addresses:

Names of Representatives:

Through Initial Appraisal Operations:

Shell Offshore Inc.	Christopher J. Gonsalves	(832) 337-4748
150 N. Dairy Ashford	E-Mail:	c.j.gonsalves@shell.com
Houston, TX 77079	Facsimile:	(832) 337-5646

and

Shell Offshore Inc.	Smee Anwar	(832) 337-4562
150 N. Dairy Ashford	E-Mail:	muhammad.anwar@shell.com
Houston, TX 77079	Facsimile:	none

For Subsequent Appraisal & Development Operations:

During Development Phase:

Shell Offshore Inc.	Shona Walker	(832) 337-1923
150 N. Dairy Ashford	E-Mail:	shona.walker@shell.com
Houston, TX 77079	Facsimile:	(832) 337-5646

During Production Phase:

Shell Offshore Inc.	Mark E. Thompson	(504) 425-6272
701 Poydras Street	E-Mail:	mark.thompson@shell.com
New Orleans, LA 70139	Facsimile:	(504) 425-0399

BP Exploration & Production Inc.

Addresses:

Names of Representatives:

BP Exploration & Production Inc.	David Brumfield	(832) 734-5267
501 Westlake Park Boulevard	E-Mail:	David.brumfield@bp.com
Houston, Texas 77079	Facsimile:	none

BP Exploration & Production Inc.	Matthew Dare	(281) 300-2534
501 Westlake Park Boulevard	E-Mail:	matthew.dare@bp.com
Houston, Texas 77079	Facsimile:	none

and

BP Exploration & Production Inc.	Dennis Hung	(409) 655-4233
501 Westlake Park Boulevard	E-Mail:	dennis.hung@bp.com
Houston, Texas 77079	Facsimile:	none

End of Attachment "1"