



RECEIVED  
ADJUDICATION SECTION  
JUN 26 2024

**VIA EMAIL**

June 26, 2024

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

**Shell Offshore Inc.**  
701 Poydras Street  
Whitney Hancock Center – Room 2454  
New Orleans, LA 70139  
Tel +1 504 425 4394  
Fax +1 504 425 0399  
Email: [michelle.martin@shell.com](mailto:michelle.martin@shell.com)

Dear Adjudication Dept:

**SUBJECT: NON-REQUIRED FILING – CATEGORY 5  
Overriding Royalty, Production Payment, Net Profit  
PROSPECT PHILOSOPHERS**

EAST BREAKS BLOCK 820, OCS-G 36721  
EAST BREAKS BLOCK 863, OCS-G 36722  
EAST BREAKS BLOCK 864, OCS-G 36723  
EAST BREAKS BLOCK 907, OCS-G 36724  
EAST BREAKS BLOCK 908, OCS-G 36725  
EAST BREAKS BLOCK 952, OCS-G 36726  
EAST BREAKS BLOCK 607, OCS-G 36710  
EAST BREAKS BLOCK 648, OCS-G 36711  
EAST BREAKS BLOCK 649, OCS-G 36712  
EAST BREAKS BLOCK 650, OCS-G 36713  
EAST BREAKS BLOCK 651, OCS-G 36714  
EAST BREAKS BLOCK 692, OCS-G 36717  
EAST BREAKS BLOCK 693, OCS-G 36718  
EAST BREAKS BLOCK 694, OCS-G 36719  
EAST BREAKS BLOCK 995, OCS-G 36481  
EAST BREAKS BLOCK 996, OCS-G 36482  
EAST BREAKS BLOCK 909, OCS-G 36478  
EAST BREAKS BLOCK 953, OCS-G 36479  
EAST BREAKS BLOCK 954, OCS-G 36480

ALAMINOS CANYON BLOCK 31, OCS-G 36734  
ALAMINOS CANYON BLOCK 75, OCS-G 36735  
ALAMINOS CANYON BLOCK 76, OCS-G 36736  
ALAMINOS CANYON BLOCK 27, OCS-G 36486  
ALAMINOS CANYON BLOCK 28, OCS-G 36487  
ALAMINOS CANYON BLOCK 196, OCS-G 36737  
ALAMINOS CANYON BLOCK 197, OCS-G 36738  
ALAMINOS CANYON BLOCK 239, OCS-G 36347  
ALAMINOS CANYON BLOCK 240, OCS-G 36348  
ALAMINOS CANYON BLOCK 283, OCS-G 36349  
ALAMINOS CANYON BLOCK 153, OCS-G 36341

ALAMINOS CANYON BLOCK 154, OCS-G 36342  
ALAMINOS CANYON BLOCK 155, OCS-G 36343  
ALAMINOS CANYON BLOCK 198, OCS-G 36344  
ALAMINOS CANYON BLOCK 199, OCS-G 36345  
ALAMINOS CANYON BLOCK 200, OCS-G 36346  
ALAMINOS CANYON BLOCK 201, OCS-G 36488  
ALAMINOS CANYON BLOCK 245, OCS-G 36489  
ALAMINOS CANYON BLOCK 285, OCS-G 36350  
ALAMINOS CANYON BLOCK 286, OCS-G 36351  
ALAMINOS CANYON BLOCK 287, OCS-G 36352  
ALAMINOS CANYON BLOCK 329, OCS-G 36353

REF – (SEPCo/SOI SERVICE AGREEMENT)

Enclosed please find an Assignment of Overriding Royalty Interest between **Shell Offshore Inc. (Company No. 00689)** and **LLOG Exploration Offshore, L.L.C. (Company No. 02058)** to be filed in **Non-Required Filing Category 5** (Overriding Royalty, Production Payment, Net Profit) for each of the above subject leases.

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

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

Sincerely,



Michelle P. Martin  
Land Technician

Attachments

**ASSIGNMENT OF OVERRIDING ROYALTY INTEREST  
(PHILOSOPHERS PROSPECTS)**

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

For and in consideration of the mutual covenants and conditions herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, LLOG Exploration Offshore, L.L.C., 1001 Ochsner Boulevard, Suite 100, Covington, Louisiana 70433, hereinafter sometimes referred to as "Assignor", does hereby grant, bargain, assign, sell transfer and convey, by this conveyance ("Assignment"), unto Shell Offshore Inc., 150 North Dairy Ashford, Houston, Texas 77079, hereinafter sometimes referred to as "Assignee", subject to the provisions set forth herein below, an overriding royalty interest, as such percentage is set forth below, of the oil, gas, casinghead gas, condensate, distillate, gaseous substances and all other hydrocarbons produced, saved, removed or sold from, or attributable to one-hundred percent (100%) record title interest in each of the following described federal Outer Continental Shelf Oil and Gas Leases (the "Leases"):

Area	Block	OCS-G	Effective Date of Lease	Overriding Royalty Reserved by Shell
East Breaks	820	36721	12/01/2019	0.3333330%
East Breaks	863	36722	12/01/2019	0.3333330%
East Breaks	864	36723	12/01/2019	0.3333330%
East Breaks	907	36724	12/01/2019	0.3333330%
East Breaks	908	36725	12/01/2019	0.3333330%
East Breaks	952	36726	12/01/2019	0.3333330%
Alaminos Canyon	31	36734	12/01/2019	0.3333333%
Alaminos Canyon	75	36735	12/01/2019	0.3333330%
Alaminos Canyon	76	36736	12/01/2019	0.3333330%
East Breaks	607	36710	12/01/2019	0.3333330%
East Breaks	648	36711	12/01/2019	0.3333330%
East Breaks	649	36712	12/01/2019	0.3333330%
East Breaks	650	36713	12/01/2019	0.3333330%
East Breaks	651	36714	12/01/2019	0.3333330%
East Breaks	692	36717	12/01/2019	0.3333330%
East Breaks	693	36718	12/01/2019	0.3333330%
East Breaks	694	36719	12/01/2019	0.3333330%
Alaminos Canyon	27	36486	07/01/2019	0.6666670%
Alaminos Canyon	28	36487	07/01/2019	0.6666670%
East Breaks	995	36481	07/01/2019	0.6666670%
East Breaks	996	36482	07/01/2019	0.6666670%
East Breaks	909	36478	07/01/2019	0.6666670%
East Breaks	953	36479	07/01/2019	0.6666670%
East Breaks	954	36480	07/01/2019	0.6666670%
Alaminos Canyon	196	36737	11/01/2019	0.3333333%
Alaminos Canyon	197	36738	11/01/2019	0.3333333%

Alaminos Canyon	239	36347	11/01/2018	0.3333330%
Alaminos Canyon	240	36348	11/01/2018	0.3333330%
Alaminos Canyon	283	36349	11/01/2018	0.3333330%
Alaminos Canyon	153	36341	11/01/2018	0.3333330%
Alaminos Canyon	154	36342	11/01/2018	0.3333330%
Alaminos Canyon	155	36343	11/01/2018	0.3333330%
Alaminos Canyon	198	36344	11/01/2018	0.3333330%
Alaminos Canyon	199	36345	11/01/2018	0.3333330%
Alaminos Canyon	200	36346	11/01/2018	0.3333330%
Alaminos Canyon	285	36350	11/01/2018	0.3333330%
Alaminos Canyon	286	36351	11/01/2018	0.3333330%
Alaminos Canyon	287	36352	11/01/2018	0.3333330%
Alaminos Canyon	329	36353	11/01/2018	0.3333330%
Alaminos Canyon	201	36488	07/01/2019	0.6666670%
Alaminos Canyon	245	36489	07/01/2019	0.6666670%

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

**TO HAVE AND TO HOLD** the Overriding Royalties conveyed herein unto Assignee, its successors and assigns, are subject to all terms, covenants and conditions contained in that certain Assignment Agreement (Philosophers Prospects), effective May 1, 2024, by and between Assignor and Assignee (the “**Assignment Agreement**”). This Assignment is made “**AS IS**”, “**WHERE IS**”, and for the consideration described in the Assignment Agreement, and Assignor shall warrant and defend the title to the Overriding Royalties unto Assignee against all claims arising by, through and under said Assignor, but not otherwise, and is accepted without warranty of title, express, statutory or implied. Assignee shall have the right of full substitution and subrogation in and to any and all rights and actions of warranty which Assignor or Assignor’s Affiliates or subsidiaries may have against any and all preceding owners or vendors of the Leases. The terms, covenants and conditions of the Assignment Agreement, a copy of which may be obtained from Assignor at the above referenced addresses if the Assignor and Assignee agree to disclose the Assignment Agreement, are, to the extent applicable, incorporated herein by reference and if there is a conflict between the provisions of the Assignment Agreement and this Assignment, the provisions of the Assignment Agreement shall control. This Assignment is also subject to the following terms and conditions, to wit:

1.

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

otherwise arising under applicable law, which are conferred upon the U.S. Department of Interior (“DOI”) as Lessor (“Lessor”) under the Leases.

2.

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

3.

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

4.

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

5.

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

6.

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

7.

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

8.

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

9.

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

10.

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

11.

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

12.

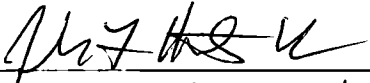
Assignor, in the event it enters into an operating agreement pertaining to the Leases, shall list the Overriding Royalty as an existing burden, whereby if the Assignor non-consents to a well or otherwise forfeits its entitlement to production under any of the Operating Agreements, the party(ies) assuming Assignor's interest under the operating agreement shall be obligated to pay the Assignee the Overriding Royalty provided for herein. For the avoidance of doubt, the Assignor's non-consent to a well shall not relieve a participating party in the well of its obligation to pay the Assignee the Overriding Royalty and the Assignee shall retain the right to collect such Overriding Royalty from any production attributable to the Leases.

**SIGNATURE PAGES FOLLOW**


IN WITNESS WHEREOF, this Assignment is executed by the parties hereto on the date shown in their respective acknowledgements hereto, but made effective for all purposes as of the 1<sup>st</sup> day of May 2024.

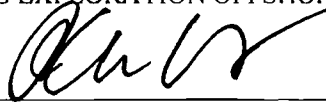
WITNESSES:

ASSIGNOR:

  
Printed Name: John L Hinds IV

LLOG EXPLORATION OFFSHORE, L.L.C.

  
Printed Name: LISA Keller

By: 

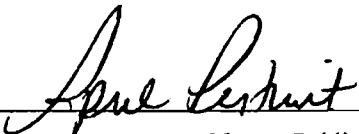
Name: Kemberlia Ducote BS

Title: Secretary

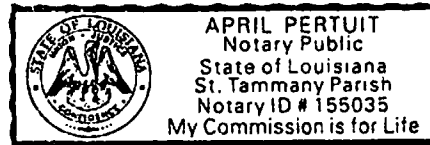
ACKNOWLEDGEMENT

STATE OF LOUISIANA §  
PARISH OF ST. TAMMANY §

On this 1<sup>st</sup> day of June, 2024, before me appeared Kemberlia Ducote, to me personally known who, being by me duly sworn, did say that she is Secretary for LLOG Exploration Offshore, L.L.C., a Louisiana Limited Liability Company, and that said instrument was executed on behalf of said Limited Liability Company by authority of its Board of Directors, and the said appearer acknowledged said instrument to be the free act and deed of said Limited Liability Company.

  
Notary Public

My Commission Expires is for life.

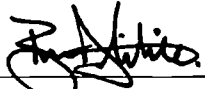




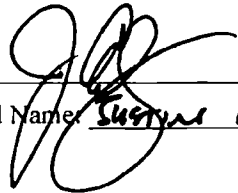
IN WITNESS WHEREOF, this Assignment is executed by the parties hereto on the date shown in their respective acknowledgements hereto, but made effective for all purposes as of the 1<sup>st</sup> day of May 2024.

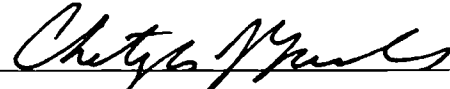
WITNESSES:

ASSIGNEE:

  
Printed Name: RYAN DREIBELBIS

SHELL OFFSHORE INC.

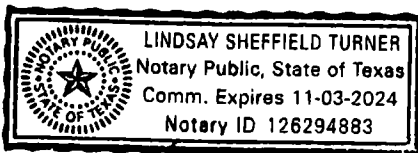
  
Printed Name: Sustine Anderson

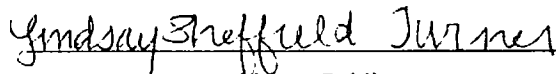
By:   
Name: Christopher J. Gonsalves  
Title: Attorney-in-Fact

ACKNOWLEDGEMENT

STATE OF TEXAS §  
COUNTY OF HARRIS §

On this 11<sup>th</sup> day of JUNE, 2024, before me appeared Christopher J. Gonsalves, to me personally known who, being by me duly sworn, did say that he is Attorney-in-Fact for Shell Offshore Inc., a Delaware Corporation, and that said instrument was executed on behalf of said Corporation by authority of its Board of Directors, and the said appearer acknowledged said instrument to be the free act and deed of said Corporation.



  
Notary Public  
My Commission Expires: 11-03-2024

## FILED AND RECORDED

Instrument Number: 2024026143

Recording Fee: 49.00

Number Of Pages: 8

Filing and Recording Date: 06/11/2024 12:17PM

I hereby certify that this instrument was FILED on the date and time stamped hereon and RECORDED in the OFFICIAL PUBLIC RECORDS of Galveston County, Texas.



A handwritten signature in black ink that reads "Dwight D. Sullivan". The signature is written in a cursive style and is positioned above a horizontal line.

Dwight D. Sullivan, County Clerk  
Galveston County, Texas

NOTICE: It is a crime to intentionally or knowingly file a fraudulent court record or instrument with the clerk.

**DO NOT DESTROY** - *Warning, this document is part of the Official Public Record.*