

RECEIVED
ADJUDICATION SECTION
AUG 19 2025



Arena Energy, LLC
2103 Research Forest Drive
Suite 400
The Woodlands, TX 77380
281-681-9500
281-681-9503 Fax

August 19, 2025

Sent by email to: boemadjudication@boem.gov

United States Department of Interior
Bureau of Ocean Energy Management ("BOEM")
Attention: Adjudication Section
Mail Stop GM 276A
1201 Elmwood Park Boulevard
New Orleans, Louisiana 70123- 2394

RE: Filing of Non-Required Document
Conveyance of Overriding Royalty Amendment

Ladies and Gentlemen:

Enclosed is one (1) copy of a Conveyance of Overriding Royalty Amendment between Natural Resources Worldwide LLC, GOM No. 3748 ("Assignor"), and Arena Energy, LLC, GOM No. 2417 ("Assignee"), pertaining to Federal OCS Oil and Gas Lease OCS- 00821, Block 183, Ship Shoal Area, ("Assignment").

We request that the Assignment be filed in the BOEM Non-Required records as follows:

Title of Document: Conveyance of Overriding Royalty Amendment

Lease Affected: OCS- 00821

Parties: Assignors Natural Resources Worldwide LLC, GOM No. 3748
Assignee Arena Energy, LLC, GOM No. 2417

Category: 5 – Overriding Royalty, Production Payment, Net Profit

Filing Fees: Pay.gov receipt in the amount of \$38.00

If you have any questions regarding this request, please do not hesitate to contact me at (281) 210-0519 or at pvera@arenaenergy.com.

Sincerely,

Paula Vera

Paula Vera
Landman

Enclosures

SHIP SHOAL 182/183 ORRI AMENDMENT

**UNITED STATES OF AMERICA
OUTER CONTINENTAL SHELF
OFFSHORE LOUISIANA**

This Ship Shoal 182/183 ORRI Amendment (“**ORRI Amendment**”) is entered into effective on the date it is fully executed by the hereinafter defined Subject Lessee and Royalty Owner, and is by and between Natural Resources Worldwide LLC, a Delaware limited liability company, with an address of 4514 Cole Avenue, 11th Floor, Dallas, Texas 75205 (“**NRW**” or “**Subject Lessee**”) and Arena Energy, LLC, a Delaware limited liability company, with an address of 2103 Research Forest Drive, Suite 400, The Woodlands, Texas 77380 (“**Arena**” or “**Royalty Owner**”). NRW and Arena may be referred to herein individually as a “**Party**” and together as the “**Parties**.”

WHEREAS, pursuant to that certain Conveyance of Overriding Royalty Interests (“**Original Conveyance**”) from Tenneco Exploration, Ltd. (“**Tenneco**”) to TEL Offshore Trust Partnership (“**TEL**”) dated January 13, 1983, but effective as of January 1, 1983, and filed in the Non-Required Filings with the Gulf of America Regional Office of the Minerals Management Service (now called the Bureau of Ocean Energy Management), TEL acquired overriding royalty interests in and to the Minerals (as defined in the Original Conveyance) in and under and produced and saved from the lands covered by the leases described in the Exhibit A attached to and made a part of the Original Conveyance and all renewals or extensions of such leases and the leases referred to in Article IV of the Original Conveyance (collectively the “**Leases**”). Pursuant to the Original Conveyance, Tenneco granted to TEL overriding royalty interests in the Leases equal to twenty-five (25%) of the Net Proceeds attributable to the Subject Interests, as those terms are defined in the Original Conveyance, subject to all the terms and conditions contained in the

Original Conveyance. The overriding royalty interests granted to TEL pursuant to the Original Conveyance are collectively referred to herein as the "**Original Royalty**."

WHEREAS, thereafter, TEL assigned its interest in the Original Royalty as follows:

- 1) TEL assigned to RNR Production, Land and Cattle Company, Inc. ("**RNR**") an undivided twenty percent (20%) of TEL's right, title and interest in and to the Original Royalty (or 5% of 8/8ths), pursuant to that certain Partial Assignment of Overriding Royalty Interests dated October 27, 2011, but effective as of August 1, 2011, and filed in the Non-Required Filings with the Gulf of America Regional Office of the Bureau of Ocean Energy Management and recorded in the real property records of certain Louisiana parishes and Jefferson County, Texas;
- 2) TEL assigned to RNR an undivided twenty-five percent (25%) of Assignor's right, title and interest in and to the remaining Original Royalty held by TEL following the previous assignment described in subsection (1) above (or 5% of 8/8ths) pursuant to that certain Partial Assignment of Overriding Royalty Interests dated October 29, 2013, but effective as of August 1, 2013, and filed in the Non-Required Filings with the Gulf of America Regional Office of the Bureau of Ocean Energy Management and recorded in the real property records of certain Louisiana parishes;
- 3) TEL assigned to Arena Energy, LLC (formerly Arena Energy, LP) one hundred percent (100%) of TEL's right, title and interest in and to the remaining Original Royalty held by TEL following the previous assignments to RNR described in subsection (1) and (2) above (or 15% of 8/8ths) pursuant to that certain Assignment of Overriding Royalty Interests effective as of February 1, 2016, and filed in the Non-Required Filings with the Gulf of America Regional Office of the Bureau of Ocean Energy Management and

recorded in the real property records of certain Louisiana parishes, which included lease OCS-0821 on Ship Shoal 183 (“*SS 183 Lease*”) (“*SS 183 ORRI Assignment to Arena*”).

WHEREAS, for the SS 183 Lease, Arena is now the sole Royalty Owner for the Overriding Royalty Interest equal to fifteen percent (15%) of the Net Proceeds attributable to the Minerals produced from the SS 183 Lease, as those terms are defined in the Original Conveyance;

WHEREAS, for the SS 183 Lease, NRW is now the one hundred percent (100%) record title holder and, as such, is the sole Subject Lessee, as such term is defined in the Original Conveyance; and

WHEREAS, NRW and Arena desire to amend Article III of the Original Conveyance, only as it relates to the SS 183 Lease and then only on a prospective basis and at all times subject to the terms and conditions set forth in this ORRI Amendment and Exhibit "A" attached hereto and made a part hereof by reference, to grant to Arena, and its successors and assigns, the right to take in kind the production of Minerals attributable to the Overriding Royalty Interests, as such terms are defined in the Original Conveyance.

NOW THEREFORE, NRW, as the sole Subject Lessee of the SS 183 Lease, and Arena, as the sole Royalty Owner of the SS 183 Lease, in consideration for the mutual agreements and obligations of NRW and Arena in this ORRI Amendment, do hereby agree as follows, subject to the terms and conditions of this ORRI Amendment and the SS 183 Lease, and to the extent not inconsistent with the terms and conditions of this ORRI Amendment, subject to the terms and conditions of the Original Conveyance and the SS 183 ORRI Assignment to Arena and any document or agreement relating to any thereof, and all limitations, and restrictions contained in any such documents:

1. Article III of the Original Conveyance is hereby deleted and replaced with the following:

Section 3.1. Notwithstanding anything to the contrary contained herein, and except as provided in Sections 3.2.1, 3.2.2 and 3.2.3 below, Royalty Owner and its successors and assigns shall not have the right to take in kind the production of Minerals attributable to the Overriding Royalty Interest.

Section 3.2.1 As an exception to Section 3.1 above, and only with respect to the SS 183 Lease on a prospective basis, and then only subject to the terms and conditions set forth in Exhibit "A" hereto, Royalty Owner and its successors and assigns shall have the right to take in kind the production of Minerals attributable to the Overriding Royalty Interest, beginning with September 1, 2025 production.

Section 3.2.2 Any and all third parties, including purchasers of production, may rely upon this Section 3.2.2 as evidence that Arena, and its successors and assigns, have the right to take in kind and sell the production of Minerals attributable to the Overriding Royalty Interests for the SS 183 Lease, as provided in Section 3.2.1 above, without any further notice or permission from NRW, or any successor Subject Lessee.

Section 3.2.3 NRW, and any successors and assigns, shall execute such documents as may be reasonably requested by Arena, and any successors or assigns, to evidence to the purchasers of production from the SS 183 Lease that Arena, and any successor or assigns, may take production in kind and that such purchaser(s) may pay Arena, or its successors and assigns, directly for such production, effective with September 1, 2025 production, including, a letter-in-lieu in the form attached hereto as Exhibit "C."

2. All the other terms and conditions of the Original Conveyance remain the same, without amendment or change.

3.

- a. NRW represents and warrants to Arena that (a) it has full legal right, power, and authority to enter into and deliver this ORRI Amendment, (b) all company governance action necessary to authorize this ORRI Amendment has been taken, and (c) this ORRI Amendment has been executed by an authorized representative of NRW.
- b. THIS ORRI AMENDMENT IS GIVEN AND GRANTED BY NRW AND ACCEPTED BY ARENA WITHOUT ANY WARRANTY OF TITLE OR OTHERWISE

WHATSOEVER, EXPRESS, STATUTORY OR IMPLIED, NOT EVEN FOR THE RETURN OF ANY CONSIDERATION PAID, GIVEN OR GRANTED IN CONNECTION WITH THIS ORRI AMENDMENT OR THE QUITCLAIM ASSIGNMENT EXECUTED AND DELIVERED BY THE PARTIES IN CONNECTION HERewith, AND NRW EXPRESSLY DISCLAIMS ANY REPRESENTATION OR WARRANTY, EXPRESS, STATUTORY OR IMPLIED, IT BEING EXPRESSLY UNDERSTOOD AND AGREED BY ARENA THAT ALL DECISIONS MADE BY IT IN CONNECTION WITH THE NEGOTIATION AND EXECUTION OF THIS ORRI AMENDMENT HAVE BEEN MADE WITH ITS INFORMED CONSENT AND ARE AT ARENA'S SOLE RISK, RESPONSIBILITY AND LIABILITY. ARENA FURTHER WAIVES AND RELEASES NRW AND ALL OF NRW'S SUCCESSORS, ASSIGNS, MEMBERS, HEIRS, AGENTS, ATTORNEYS, AND OTHER REPRESENTATIVES OF NRW, AND THEIR RESPECTIVE SUCCESSORS, HEIRS, ASSIGNS, MEMBERS, AGENTS, AND OTHER REPRESENTATIVES FROM AND AGAINST ALL CLAIMS AS SUCH TERM IS DEFINED IN EXHIBIT "A" HERETO) RELATING TO ANY OF THE FOREGOING.

4. Arena represents and warrants to NRW that (a) it has full legal right, power, and authority to enter into and deliver this ORRI Amendment, (b) all company governance action necessary to authorize this ORRI Amendment has been taken, and (c) this ORRI Amendment has been executed by an authorized representative of Arena.

5. This ORRI Amendment and the Quitclaim Assignment, and to the extent not inconsistent with the ORRI Amendment or the Quitclaim Assignment, all other documents relating to the subject matter of this ORRI Amendment and the Quitclaim Assignment set forth the complete agreement of the Parties with respect to the subject matter hereof and thereof.

6. The terms and conditions of this ORRI Amendment shall inure to the benefit of and be binding upon the Parties and their respective successors and assigns.

7. THIS ORRI AMENDMENT IS (A) FOR THE BENEFIT OF NRW AND ARENA, AND THEIR RESPECTIVE SUCCESSORS AND ASSIGNS AND (B) IS GOVERNED BY THE LAWS OF THE STATE OF LOUISIANA WITHOUT REGARD TO ITS CONFLICT OF LAWS PRINCIPLES. WITH RESPECT TO ANY DISPUTE UNDER THIS ORRI AMENDMENT, THE PARTIES AGREE TO SUBMIT TO COMMERCIAL ARBITRATION

IN HOUSTON, TEXAS UNDER THE RULES OF THE AMERICAN ARBITRATION ASSOCIATION (“AAA”).

8. If any portion of this ORRI Amendment shall be declared invalid or unenforceable, the remaining provisions of this ORRI Amendment shall be unaffected thereby and shall remain in full force and effect.

9. Except for the invoice for Quarterly Production Costs and the Sales Disposition Summary, which shall be sent to the address provided in Exhibit “A” paragraph 4 and Exhibit “A” paragraph 7, respectively, any notice required or permitted to be given hereunder shall be properly given only if in writing and if sent by overnight courier, delivered by hand, or sent by email (receipt of which shall be confirmed) to the following addresses:

If to NRW:

Natural Resources Worldwide, LLC
4515 Cole Avenue, 12th Floor
Dallas, Texas 75205
Attn: Vincent Devito
Email: vdevito@nrww.us

WITH A COPY (WHICH SHALL NOT BE CONSIDERED TO BE NOTICE) TO:

Edward B. Poitevent, II
Stone Pigman Walther Wittmann LLC
909 Poydras St.
Suite 3150
New Orleans. Louisiana 70112-4041

If to Assignee:

Arena Energy, LLC
2103 Research Forest Dr., Ste 400
The Woodlands, Texas 77380
Attn: J. Michael Vallejo
Email: MVallejo@arenaenergy.com

10. This ORRI Amendment may be signed in one or more counterparts (including by means of facsimile or PDF signature pages), each of which need not contain the signature of all

parties hereto, and all of such counterparts taken together shall constitute a single agreement.

11. NRW and Arena each agree to execute and deliver to each other, promptly upon notice, all reasonable documents and other writings as may be required by either of them to carry out the intents and purposes of this ORRI, including, but not limited to a letter-in-lieu, the form of which is attached hereto as Exhibit "C," and any notice to Kinetica Energy Express, LLC ("***Kinetica***") and/or Cox Operating, as may be required for the condensate and gas. Arena assumes the obligation to secure its own agreements, as necessary, with Kinetica, as may be required for Kinetica to accept Arena's condensate and gas for transport to market.

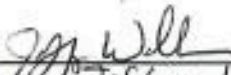
12. This ORRI Amendment shall not be amended, modified, or waived except by a separate written agreement signed by each of the Parties. No course of dealing between the Parties shall be deemed to modify or amend any provision of this ORRI Amendment, and no delay by the Parties in the exercise (or partial exercise) of each of their rights and remedies shall operate as a waiver thereof.

13. This ORRI Amendment shall be filed in the Non-Required Filings with the Gulf of America Regional Office of the Bureau of Ocean Energy Management and recorded in the conveyance records of the appropriate Louisiana Parishes.

IN WITNESS WHEREOF, this ORRI Amendment and Exhibit "A" are executed by Natural Resources Worldwide LLC and Arena Energy, LLC on the date(s) set forth on the notarial acknowledgements.

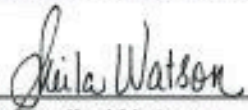
[Signature pages and Acknowledgements follow.]

WITNESSES:


Name: Jeffrey Wallace


Name: Jason A. Rains-Howe
Director of HSE&R

NATURAL RESOURCES WORLDWIDE
LLC

By: 
Name: Sheila Watson
Title: Land Manager

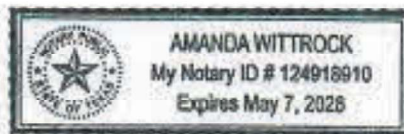
THE STATE OF Texas
COUNTY OF Dallas

On this 13th day of August, 2025, before me appeared Shiela Watson, to me personally known, who, being by me duly sworn did say that he/she is Land Manager for Natural Resources Worldwide LLC, a Delaware liability company, and that the foregoing instrument was signed on behalf of said limited liability company by authority of its Board of Directors, and said appearer acknowledged said instrument to be free act and deed of said corporation.

Amanda Wittrock

Notary Public for the State of Texas

My Commission Expires: May 7, 2028



WITNESSES:

ARENA ENERGY, LLC


Name: SCOTT BROEKSTRA


Name: Lien Quirto

By: 
Name: J. Michael Vallejo
Title: President & Chief Financial Officer

SPB
id

THE STATE OF TEXAS

COUNTY OF MONTGOMERY

On this 13th day August, 2025, before me appeared J. Michael Vallejo, to me personally known, who, being by me duly sworn did say that he/she is President & Chief Financial Officer for Arena Energy, LLC, , and that the foregoing instrument was signed on behalf of said limited liability company by authority of its Board of Directors, and said appearer acknowledged said instrument to be free act and deed of said corporation.

Paula Rene Vera

Notary Public for the State of Texas

My Commission Expires: 05-09-2029



EXHIBIT "A"

ADDITIONAL TERMS

1. Subject to the terms, conditions and limitations of the ORRI Amendment to which this Exhibit "A" is attached and the terms and conditions of this Exhibit "A", NRW and Arena do hereby further agree as follows:
2. **Advance Notice to Subject Lessee.** The Royalty Owner shall have the right, upon at least forty-five (45) days' prior written notice to Subject Lessee, to elect to take its overriding royalty share of production in kind from oil and gas produced from the SS 183 Lease ("***In-Kind Production***"). Such election shall remain in effect until revoked in writing by Royalty Owner upon thirty (30) days' prior notice.
3. **First Election.** Notwithstanding Paragraph 1 above or the date that this ORRI Amendment is executed, NRW acknowledges that it has received sufficient notice from Arena to allow Arena to begin taking In-Kind Production on September 1, 2025.
4. **In-Kind Volumes.** For all months in which Royalty Owner takes In-Kind Production, Royalty Owner shall nominate fifteen percent (15%) of the Minerals produced and saved from the SS 183 Lease.
5. **Gas Balancing.** The SS 183 Lease gas imbalances shall be cash settled on a quarterly basis. The value of the over-delivered volumes shall be the S&P Global Platts "Gas Daily Price Guide, Daily Midpoint Averages, Texas Eastern, ELA" for the applicable production month, less the currently effective rate(s) as posted by Kinetica Partners LLC, or its successor, in "Rate Schedule IT (Interruptible Transportation Service)" of its FERC Gas Tariff. The currently effective rate(s) to be deducted shall include IT Usage Rate, Gathering Charge applied to volumes transported through Gathering Facilities, Annual Charge Adjustment (ACA) Surcharge and the Hurricane Mitigation & Reliability Enhancement (HMRE) Surcharge ("***Calculated Settlement Price***"). Within forty-five (45) days after the end of each Quarterly Period, the Subject Lessee shall provide a report to Royalty Owner reflecting the SS 183 Lease monthly gas imbalance volumes in MMBTU for each month within such Quarterly Period ("***Gas Balancing Report***"). The Calculated Settlement Price shall be applied to the corresponding monthly over-delivered volumes for each production month reflected in the Gas Balancing Report ("***Monthly Imbalance Values***"). The Monthly Imbalance Values shall be netted ("***Net Imbalance Value***") to determine which party is the net over-delivered party ("***Net Over-Delivered Party***"). Payment of the Net Imbalance Value by the Net Over-Delivered Party to the other Party shall be made within forty-five (45) days after Royalty Owner receives the Gas Balancing Report.
6. **Production Costs.** To accomplish the Royalty Owner receiving only the Net Proceeds, as defined in the Original Conveyance, for each Quarterly Period in which Royalty Owner takes In-Kind Production, Royalty Owner shall pay to Subject Lessee fifteen percent (15%) of the SS 183 Lease Production Costs for each month within such quarter that Royalty Owner has taken In-Kind Production, not to exceed the Gross Proceeds for that same Quarterly Period, as such terms are defined in the Original Conveyance ("***Quarterly***").

Production Costs”). Subject Lessee shall invoice Royalty Owner for the Quarterly Production Costs, and payment of the invoice shall be due within forty-five (45) days of receipt. The invoice for Quarterly Production Costs shall be sent to Royalty Owner by overnight courier, delivered by hand, or sent by email (receipt of which shall be confirmed) to the following address:

Arena Energy, LLC
2103 Research Forest Dr., Ste 400
The Woodlands, Texas 77380
Attn: Accounts Payable
Emails: accountspayable@arenaenergy.com AND statements@arenaoffshore.com

7. **Delivery Point.** At ORRI Owners' sole cost and expense, Subject Lessee shall make available, and ORRI Owner shall take possession of, the In-Kind Production at the ORRI Delivery Points, which shall be defined, for oil and for gas, as follows: For oil production, the “Oil ORRI Delivery Point” shall be immediately downstream of the LACT meter located on SS 183 “I” Platform. For gas, the “Gas ORRI Delivery Point” shall be immediately downstream of KEE meter 011182 located on SS 182 “C.” Title and risk of loss shall pass to ORRI Owner at the ORRI Delivery Points.
8. **Marketing and Transportation.** The Royalty Owner shall be solely responsible, and solely at its own risk and expense, for all arrangements and costs related to the transportation, marketing, and sale of the In-Kind Production following delivery at the ORRI Delivery Point.
9. **Federal Royalty Compliance.** The Subject Lessee shall remain solely responsible for the calculation, reporting, and payment of all royalties due to the United States government under the SS 183 Lease and regulations of the Office of Natural Resources Revenue (“**ONRR**”), including those found at 30 CFR Parts 1206 and 1210. For each month that Royalty Owner takes In-Kind Production, Royalty Owner shall provide to the Subject Lessee, within twenty-five (25) days after the end of such month for oil and gas, and within fifty-five (55) days after the end of such month for NGLs the information identified on Exhibit “B” (“**Sales Disposition Summary**”). The Sales Disposition Summary shall be sent to the Subject Lessee by overnight courier, delivered by hand, or sent by email to the following address:

Natural Resources Worldwide, LLC
4515 Cole Avenue, 12th Floor
Dallas, Texas 75205
Attn: Argelia Hernandez
Email: ahernandez@nrww.us


10. **Valuation Standards.** The Royalty Owner’s disposition of In-Kind Production shall comply with federal valuation standards for royalty-bearing production, including arm’s length transaction rules and benchmarks as required by ONRR. The Subject Lessee shall not be liable for any deficiency or inaccuracies in royalty payments resulting solely from inaccurate, delayed, or noncompliant information provided in the Sales Disposition

Summary, which shall be the sole responsibility and cost of Royalty Owner.

11. **Audit and Record Retention.** Royalty Owner shall maintain, for at least seven (7) years, accurate records to support each Sales Disposition Summary, and shall make such records available to the Subject Lessee, the Bureau of Ocean Energy Management, the Bureau of Safety and Environmental Enforcement and ONRR upon reasonable request. Royalty Owner agrees to promptly cooperate fully in any federal audit or inquiry regarding production from or attributable to the SS 183 Lease. Subject Lessee shall maintain, for at least seven (7) years, accurate records to support (i) its royalty calculations and royalty payments for all SS 183 Lease production, and (ii) the Quarterly Production Costs, and shall make such records available to Royalty Owner, upon reasonable request.
12. **Indemnity.** Royalty Owner shall fully and completely indemnify, defend, and hold harmless Subject Lessee, and all of its successors, assigns, members, agents, attorneys and other representatives, and their respective successors, assigns, members, agents, attorneys and other representatives, from and against any and all claims, actions, damages, demands, penalties, judgments or regulatory findings, fees, fines, penalties, costs (including without limitation all audit costs, attorneys' fees and experts' fees) interest, and liabilities arising from, or attributable to, Royalty Owner's (i) breach of, or failure to comply with, any term or condition of this ORRI Amendment including without limitation any of the terms and conditions of this Exhibit "A", in whole or in part, and (ii) with respect to the In-Kind Production in whole or in part, and only after delivery to Royalty Owner, Royalty Owner's failure or neglect to comply with any applicable federal law or regulation (each, a "**Claim**").

WITNESSES:


Name: Jeffrey Wallace



Name: Jason A. Rains-Love
Director of H&E&R


NATURAL RESOURCES WORLDWIDE
LLC

By: 
Name: Sheila Watson
Title: Land Manager

WITNESSES:

ARENA ENERGY, LLC


Name: SCOTT BROEKSTRA


Name: Lien Quinto


By: 
Name: J. Michael Vallejo
Title: President & Chief Financial Officer

SPB

End of Exhibit "A"

EXHIBIT "B"

FORM OF SALES DISPOSITION SUMMARY

ARENA ENERGY SALES DISPOSITION SUMMARY						
SS 183 Net Profits Interest			Production Mo		06/25	
Lease #OCS-0821			Payment Date		7/25/2025	
AE ORRI- Represents 15% of 8/8ths						
						
Oil Sales		06/25				
Net Volume (BBL)	Sales Value	Transportation Purchaser*	Transportation Invoiced	QBA Value	Net Received	
[volume]	\$ _____	[Entity]	(\$ _____)	(\$ _____)	\$ _____	
Gas Sales		06/25				
Net Volume (mcf)	Net Volume (mmbtu)	Sales Value	Transportation Purchaser	Transportation Invoiced	Net Received	
[volume]	[volume]	\$ _____	[Entity]	(\$ _____)	\$ _____	
NGL Sales		05/25				
Net Volume (Gallons)	Sales Value	Transportation Purchaser	Transportation Invoiced	Processing Fees	Disallowed Fees	Net Received
[volume]	\$ _____	[Entity]	(\$ _____)	(\$ _____)	\$ _____	\$ _____
* - Tariff plus Pipeline Loss Allowance (PLA)						
SUBMITTED TO:						
Natural Resources Worldwide, LLC						
4515 Cole Avenue, 12th Floor						
Dallas, Texas 75205						
Attn: _____						
Email: _____						
Phone: _____						

End of Exhibit "B"

EXHIBIT “C”

FORM OF LETTER-IN-LIEU

[Date]

[Purchaser]

[Purchaser Address]

[Purchaser Address]

Attention: _____

RE: Letter-in-lieu
Contract No. _____

Ladies and Gentlemen:

The letter is written in conjunction with the overriding royalty granted to Arena Energy, LLC (“**Arena**”) on oil, gas, and associated hydrocarbons, excluding helium gas, produced from Lease OCS-0821 on Ship Shoal Block 183 (“**SS 183 Lease**”). Arena’s overriding royalty on the SS 183 Lease is 15% of 8/8 (“**Royalty Interest Share**”)

Arena has elected to take its overriding royalty on the SS 183 lease in kind effective with respect to production from and after 7:00 a.m. on _____ (“**Effective Time**”). Therefore, with respect to the distribution of proceeds for post-Effective Time production from the SS 183 Lease, Arena is entitled to nominate and sell its Royalty Interest Share of the production and is entitled to be paid directly for such sales.

Please update your records for production from and after the Effective Time accordingly, with all future revenue distributions and payments to be sent as follows:

Mailing Address:
Arena Energy, LLC
2103 Research Forest Dr., Suite 400
The Woodlands, TX 77380

Revenue Distribution Address:
Arena Energy, LLC
2103 Research Forest Drive, Suite 400
The Woodlands, TX 77380
Attention: Jack Carver

If you have any questions regarding the description of the Properties or other matters set forth herein, or if for any reason you are unable to comply with the direction as set forth in this letter, please contact _____, _____.

Thank you in advance for your prompt assistance in this matter.

NATURAL RESOURCES WORLDWIDE LLC ARENA ENERGY, LLC

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____