



ACT OF MORTGAGE, ASSIGNMENT OF AS-EXTRACTED COLLATERAL, SECURITY AGREEMENT, FIXTURE FILING AND FINANCING STATEMENT

**THIS INSTRUMENT IS A MULTIPLE INDEBTEDNESS MORTGAGE.**

THIS INSTRUMENT CONTAINS AFTER-ACQUIRED PROPERTY AND FUTURE ADVANCE PROVISIONS.

THE SECURITY INTEREST CREATED BY THIS INSTRUMENT ATTACHES TO THE INTEREST OF MORTGAGOR IN MINERALS OR THE LIKE (INCLUDING OIL AND GAS) AS EXTRACTED AND TO THE ACCOUNTS RESULTING FROM THE SALE THEREOF AT THE WELLHEAD. THIS INSTRUMENT COVERS THE INTEREST OF MORTGAGOR IN FIXTURES. THIS FINANCING STATEMENT IS TO BE FILED FOR RECORD, AMONG OTHER PLACES, IN THE MORTGAGE AND UCC RECORDS. PRODUCTS OF THE COLLATERAL ARE ALSO COVERED.

**THE MAXIMUM AMOUNT SECURED BY THIS MORTGAGE IS \$300,000,000.00.**  
**(SEE SECTION 2.2)**

FROM

**ILX PROSPECT SOUTH SANTA CRUZ, LLC**  
(Mortgagor, Debtor and Grantor)

TO

**SOCIETE GENERALE**, as Security Agent  
(Mortgagee, Secured Party and Grantee)

June 28, 2017

For purposes of filing this Mortgage as a financing statement, ILX Prospect South Santa Cruz, LLC is a limited liability company organized under the laws of the State of Delaware and its mailing address is c/o Riverstone Holdings, LLC, 712 Fifth Avenue—36th Floor, New York, NY 10019. The mailing address of Mortgagee is 245 Park Avenue, New York, NY 10167.

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This instrument, prepared by Jason Keating, Bracewell LLP, 711 Louisiana, South Tower Pennzoil Place, Suite 2300, Houston, Texas 77002, (713) 221-1106, contains after-acquired property provisions and covers future advances and proceeds to the fullest extent allowed by applicable law.

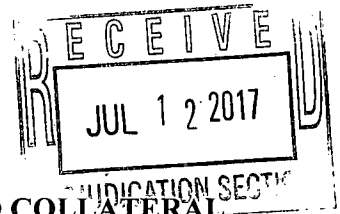
**ATTENTION RECORDING OFFICER:** This instrument is a mortgage of both real/immovable and personal/movable property and is, among other things, a Security Agreement and Financing Statement under the Uniform Commercial Code in effect in the State of Louisiana. This

instrument creates a lien on rights in or relating to those lands of Mortgagor which are described in Exhibit A hereto or in documents described in such Exhibit A.

**RECORDED DOCUMENT SHOULD BE RETURNED TO:**

Bracewell LLP  
711 Louisiana, South Tower Pennzoil Place, Suite 2300  
Houston, Texas 77002  
Attn: Jason Keating

#5429091  
#5500309.2  
#5500309.3



**ACT OF MORTGAGE, ASSIGNMENT OF AS-EXTRACTED COLLATERAL, SECURITY AGREEMENT, FIXTURE FILING AND FINANCING STATEMENT**

<b>ACT OF MORTGAGE, ASSIGNMENT OF</b>	§	
<b>AS-EXTRACTED COLLATERAL,</b>	§	<b>UNITED STATES OF AMERICA</b>
<b>SECURITY AGREEMENT,</b>	§	
<b>FIXTURE FILING AND FINANCING</b>	§	
<b>STATEMENT</b>	§	
<b>BY: ILX PROSPECT SOUTH SANTA</b>	§	<b>THE STATE OF NEW YORK</b>
<b>CRUZ, LLC</b>	§	<b>COUNTY OF NEW YORK</b>
	§	
<b>TO: SOCIETE GENERALE,</b>	§	<b>THE STATE OF TEXAS</b>
<b>AS SECURITY AGENT</b>	§	<b>COUNTY OF HARRIS</b>

BE IT KNOWN, that on the 29th day of June, 2017, to be effective as of the Effective Date (as defined below) before the undersigned Notary Public, duly commissioned and qualified in and for the State and County aforesaid, and in the presence of the undersigned respective competent witnesses, personally came and appeared:

ILX PROSPECT SOUTH SANTA CRUZ, LLC, with offices at c/o Riverstone Holdings, LLC, 712 Fifth Avenue—36th Floor, New York, NY 10019 (the "Mortgagor"), represented herein by its undersigned officer, duly authorized pursuant to resolutions of its sole member, a certified copy of which is attached hereto as Exhibit B and made a part hereof for all purposes; whose federal Taxpayer Identification Number is 30-0867456,

who, being duly sworn, did declare and say that, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged by the Mortgagor, do hereby agree as follows:

**RECITALS:**

WHEREAS, this instrument (this "Mortgage") is executed in connection with, and pursuant to the terms of, that certain Senior Secured Project Finance Term-Loan Agreement dated as of June 28, 2017, among ILX Holdings II, LLC, as borrower (the "Borrower"), each Subsidiary of the Borrower party thereto from time to time as an obligor, Riverstone V Ridgewood II Holdings, LLC, as the Sponsor, the financial institutions party thereto from time to time (the "Lenders"), SG Americas Securities, LLC, as mandated lead arranger (the "Mandated Lead Arranger"), Societe Generale, as the structuring bank (the "Structuring Bank"), SG Americas Securities, LLC, as technical and modelling bank (the "Technical and Modelling Bank"), Societe Generale, as issuing bank (the "Issuing Bank"), the Mortgagee, and Societe Generale, as administrative agent for the Lenders (in such capacity, the "Administrative Agent") (as amended, modified, restated or supplemented from time to time, the "Loan Agreement").

WHEREAS, the Lenders have required, as a condition to making Loans (as defined in the Loan Agreement), that Mortgagor execute and deliver this Mortgage to SOCIETE GENERALE, a national banking association, with offices and banking quarters at 245 Park Avenue, New York, New York 10167, as security agent under the Loan Agreement for the benefit of itself and the other Beneficiaries (as defined below) (in such capacity, the "Mortgagee"), for the benefit of the Administrative Agent, the Mortgagee, the Mandated Lead Arranger, the Technical and Modelling Bank, the Issuing Bank, the Structuring Bank, the Lenders, the Hedge Counterparties (as defined in the Loan Agreement), and any Receiver or Delegate (each as defined in the Loan Agreement, and together with the Administrative Agent, the Mortgagee, the Mandated Lead Arranger, the Issuing Bank, the Technical and Modelling Bank, the Structuring Bank, the Lenders, and the Hedge Counterparties, collectively referred to herein as the "Beneficiaries" and, individually, a "Beneficiary").

WHEREAS, the Mortgagor expects to receive significant benefits from the advances of funds pursuant to the Loan Agreement.

WHEREAS, the Mortgagor or any other Obligor may from time to time enter into one or more Hedging Agreements with a Hedge Counterparty.

WHEREAS, the Mortgagor will directly or indirectly benefit from such Hedging Agreements entered into by it or any other Obligor with the Hedge Counterparties.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Mortgagor hereby agrees as follows:

## ARTICLE 1

### DEFINITIONS

Section 1.1 **Certain Defined Terms**. For all purposes of this Mortgage, unless the context otherwise requires:

**"Collateral"** means the Realty Collateral, Personalty Collateral and Fixture Collateral.

**"Contracts"** means all contracts, agreements, operating agreements, farm-out or farm-in agreements, sharing agreements, mineral purchase agreements, contracts for the purchase, exchange, gathering, transportation, processing, treating or sale or other disposition of Hydrocarbons, rights-of-way, easements, surface leases, equipment leases, permits, franchises, licenses, pooling or unitization agreements, and unit or pooling designations and orders now or hereafter affecting any of the Oil and Gas Properties, Operating Equipment, Fixture Operating Equipment, or Hydrocarbons now or hereafter covered hereby, or which are useful or appropriate in drilling for, producing, treating, handling, storing, gathering, transporting or marketing Hydrocarbons produced from any of the Oil and Gas Properties, and all such contracts and agreements as they may be amended, restated, modified, substituted or supplemented from time-to-time.

"Effective Date" shall mean June 28, 2017.

"Event of Default" shall have the meaning set forth in Article V hereof.

"Exhibit A" shall mean the "Exhibit A" attached hereto and made a part hereof, as the same may be amended, modified, restated or supplemented from time to time.

"Fixture Collateral" means all of Mortgagor's right, title and interest now owned or hereafter acquired in and to all Fixture Operating Equipment and all proceeds, products, renewals, increases, profits, substitutions, replacements, additions, amendments and accessions thereof, thereto or therefor.

"Fixture Operating Equipment" means any of the items described in the first sentence of the definition of "Operating Equipment" set forth below and which as a result of being incorporated into realty or structures or improvements located therein or thereon, with the intent that they remain there permanently, constitute fixtures under the laws of the state in which such equipment is located.

"Hydrocarbon Interests" means rights, titles, interests and estates now or hereafter acquired in and to oil and gas leases, oil, gas and mineral leases, or other liquid or gaseous hydrocarbon leases, mineral fee interests, mineral term interests, subleases, farm-outs, overriding royalty and royalty interests, net profit interests, carried interests, back-in interests, reversionary interests, production payment interests, and other similar mineral interests, including any reserved or residual interests of whatever nature, in each case described in Exhibit A attached hereto and made a part hereof for all purposes.

"Hydrocarbons" means oil, gas, coal seam gas, coalbed methane, casinghead gas, drip gasoline, natural gasoline, condensate, distillate, and all other liquid and gaseous hydrocarbons produced or to be produced in conjunction therewith from a well bore, in each case, derived from, allocated to, or attributable to the Hydrocarbon Interests or other properties constituting Oil and Gas Properties, including without limitation, all "as-extracted" collateral (as defined in the UCC) and oil in tanks or other storage locations, and all products, by-products, and other substances derived therefrom or the processing thereof, and all other minerals and substances produced in conjunction with such substances, including, but not limited to, sulphur, geothermal steam, water, carbon dioxide, helium, and other minerals, ores, or substances of value and the products and proceeds therefrom, but excluding:

(a) coal or bituminous shales or other stratified deposits from which oil can be extracted by destructive distillation; and

(b) any substance unavoidably lost in the production thereof or used in conformity with Good Industry Field Practice for drilling and the production operations (including gas injection, fuel, secondary recovery pressure maintenance, re-pressuring or re-cycling operations) conducted for the purpose of winning and saving such substances but only for the duration of such use.

"Obligations" means

(a) The "Secured Obligations", as that term is defined in the Loan Agreement, including all indebtedness evidenced by the Notes;

(b) All other indebtedness, obligations, and liabilities of Mortgagor or any other Obligor owing to any of the Beneficiaries now existing or hereafter arising under or pursuant to the Loan Agreement, any Note, this Mortgage, any Secured Hedging Agreement, or any of the other Finance Documents, whether fixed or contingent, joint or several, direct or indirect, primary or secondary, and regardless of how created or evidenced;

(c) All sums advanced or costs or expenses incurred by Mortgagee or any of the other Beneficiaries (whether by it directly or on its behalf by the Mortgagee), which are made or incurred pursuant to, or allowed by, the terms of this Mortgage plus interest thereon from the date of the advance or incurrence until reimbursement of Mortgagee or such Beneficiary charged at the Reimbursement Rate;

(d) All future advances or other value, of whatever class or for whatever purpose, at any time hereafter made or given by Mortgagee or any of the other Beneficiaries to Borrower under or pursuant to the Loan Agreement, or any Secured Hedging Agreement, whether or not the advances or value are given pursuant to a commitment, whether or not the advances or value are presently contemplated by the parties hereto, and whether or not Mortgagor is indebted to any Beneficiary at the time of such events; and

(e) All renewals, extensions, modifications, amendments, rearrangements and substitutions of all or any part of the above whether or not Mortgagor executes any agreement or instrument.

"Oil and Gas Property" or "Oil and Gas Properties" means (a) the Hydrocarbon Interests; (b) the Properties now or hereafter pooled or unitized with Hydrocarbon Interests; (c) all presently existing or future unitization, pooling agreements and declarations of pooled units and the units created thereby that may affect all or any portion of the Hydrocarbon Interests, including without limitation, all production units, and drilling and spacing units (and the Properties covered thereby), those units, if any, which may be described or referred to on Exhibit A and any other units created by agreement or designation or under orders, regulations, rules or other official acts of any Governmental Authority; (d) any and all non-consent interests owned or held by, or otherwise benefiting, Mortgagor and arising out of, or pursuant to, any of the Contracts; (e) all Hydrocarbons in and under and that may be produced and saved or attributable to the Hydrocarbon Interests, including all oil in tanks, and all rents, issues, profits, proceeds, products, revenues and other incomes from or attributable to the Hydrocarbon Interests; (f) any other interest of Mortgagor in, to or relating to (i) all or any part of the land described in Exhibit A, the land relating to, or described in, the leases set forth in Exhibit A or in the documents described in Exhibit A, or (ii) any of the estates, property rights or other interests referred to above, (g) any instrument executed in amendment, correction, modification, confirmation, renewal or extension of the interests described in clause (a) above, and (h) all tenements, hereditaments, appurtenances and Properties, whether now existing or hereafter obtained, but in any manner appertaining, belonging, affixed or incidental to in connection with any of the aforesaid, including, without limitation, any rights arising under any unitization orders, agreements or other arrangements or pooling orders, agreements or arrangements.

"Operating Equipment" means, whether now owned or hereafter acquired, the following owned by the Mortgagor: all surface or subsurface machinery, equipment, facilities, materials, supplies or other Property of whatsoever kind or nature now or hereafter located on any of the Property affected by the Oil and Gas Properties or on lands pooled or unitized therewith or otherwise related to the Oil and Gas Properties which are used or are useful for the production, treatment, storage or transportation of Hydrocarbons, including all oil wells (including, but not limited to, those set forth in Exhibit A), gas wells (including, but not limited to, those set forth in Exhibit A), water wells (including, but not limited to, those set forth in Exhibit A), injection wells (including, but not limited to, those set forth in Exhibit A), disposal wells (including, but not limited to, those set forth in Exhibit A), casing, tubing, rods, pumping units and engines, christmas trees, derricks, separators, gun barrels, flow lines, pipelines, tanks, gas systems (for gathering, treating, processing and compression), water systems (for treating, disposal and injection), supplies, derricks, wells, power plants, poles, cables, wires, meters, processing plants, compressors, dehydration units, lines, transformers, starters and controllers, machine shops, tools, storage yards and equipment stored therein, telegraph, telephone and other communication systems, roads, loading racks, shipping facilities and all additions, substitutes and replacements for, and improvements, accessories and attachments to, any of the foregoing. Operating Equipment shall not include any items incorporated into realty or structures or improvements located therein or thereon in such a manner that they no longer remain personalty under the laws of the state in which such equipment is located.

"Personalty Collateral" means all of Mortgagor's right, title and interest now owned or hereafter acquired in and to (a) all Operating Equipment, (b) all Hydrocarbons severed and extracted from or attributable to the Oil and Gas Properties, including oil in tanks and all other "as-extracted" collateral from or attributable to the Oil and Gas Properties, (c) all accounts (including accounts resulting from the sale of Hydrocarbons at the wellhead), contract rights, and general intangibles, including all accounts, contract rights and general intangibles now or hereafter arising regardless of whether any of the foregoing (1) is in connection with the sale or other disposition of any Hydrocarbons or otherwise, including all Security securing same, or (2) is in connection with or resulting from any of the Contracts, including all Security securing same, (d) all proceeds and products of the Realty Collateral and any other contracts or agreements, (e) all information concerning the Oil and Gas Properties and all wells located thereon, including abstracts of title, title opinions, geological and geophysical information and logs, lease files, well files, and other books and records (including computerized records and data), any deposit or time accounts with any Beneficiary, including Mortgagor's operating Bank account and all funds and investments therein, (f) any other deposit or time accounts with Mortgagee, and all funds and investments therein, (g) any options or rights of first refusal to acquire any Realty Collateral, (h) all Goods (including, without limitation, all inventory, equipment and fixtures), Accounts, Documents, Instruments, Money, Chattel Paper (whether tangible chattel paper or electronic chattel paper), and General Intangibles, and any and all other personal/movable Property of any kind or character as defined in and subject to the UCC constituting a part of, relating to or arising out of the Collateral described and defined herein, and (i) all proceeds and products of any of the foregoing, regardless of whether such proceeds and products are goods, money, documents, instruments, chattel paper (whether tangible chattel paper or electronic chattel paper), securities, accounts, general intangibles, fixtures,



real/immovable Property, or other assets, and all renewals, increases, profits, substitutions, replacements, additions, amendments and accessions of, to or for any of the foregoing.

"Property" or "Properties" means any property of any kind, whether immovable, real, movable, personal, or mixed and whether tangible or intangible.

"Realty Collateral" means all of Mortgagor's right, title and interest now owned or hereafter acquired in and to the Oil and Gas Properties, including any access rights, water and water rights, and all Hydrocarbons (even though Mortgagor's interest therein may be incorrectly described in, or a description of a part or all of such interest may be omitted from, Exhibit A) and all improvements and other constructions, including the Operating Equipment, now or hereafter located on any of the immovable property affected by the Oil and Gas Properties to the extent (a) any such improvements and other constructions should constitute or be deemed to constitute immovable property for the purposes of Louisiana law, including any platforms, structures, towers, rigs or other immovable property or component part thereof, or (b) any such property is otherwise susceptible of mortgage pursuant to Louisiana Civil Code Article 3286 or Louisiana Mineral Code Article 203.

"Reimbursement Rate" means a per annum rate equal to the lesser of (a) the Highest Lawful Rate and (b) the Adjusted Reference Rate in effect from time to time plus 2%.

"UCC" shall mean the Uniform Commercial Code from time to time in effect in each of the jurisdictions where the Collateral or a portion thereof is situated.

#### Section 1.2 Other Terms.

(a) All capitalized terms not otherwise defined in this Mortgage that are defined in the Loan Agreement shall have the meanings assigned to such terms by the Loan Agreement. All meanings to defined terms, unless otherwise indicated, are to be equally applicable to both the singular and plural forms of the terms defined. Article, Section, Schedule, and Exhibit references are to Articles and Sections of and Schedules and Exhibits to this Mortgage, unless otherwise specified. All references to instruments, documents, contracts, and agreements are references to such instruments, documents, contracts, and agreements as the same may be amended, supplemented, and otherwise modified from time to time, unless otherwise specified. The words "hereof", "herein" and "hereunder" and words of similar import when used in this Mortgage shall refer to this Mortgage as a whole and not to any particular provision of this Mortgage. As used herein, the term "including" means "including, without limitation".

(b) Except as otherwise expressly provided in this Mortgage, and notwithstanding the foregoing, all terms in this Mortgage relating to the Collateral and the grant of the foregoing security interest which are defined in the UCC shall have the meanings assigned to them in Article 9 (or, absent definition in Article 9, in any other Article) of the UCC, as those meanings may be amended, revised or replaced from time to time. Notwithstanding the foregoing, the parties intend that the terms used herein which are defined in the UCC have, at all times, the broadest and most inclusive meanings possible. Accordingly, if the UCC shall in the future be amended or held by a court to define any term used herein more broadly or inclusively than the UCC in effect on the date of this Mortgage, then such term, as used herein, shall be

given such broadened meaning. If the UCC shall in the future be amended or held by a court to define any term used herein more narrowly, or less inclusively, than the UCC in effect on the date of this Mortgage, such amendment or holding shall be disregarded in defining terms used in this Mortgage.

## ARTICLE 2

### **GRANTING CLAUSE; MORTGAGED PROPERTY**

Section 2.1 **Grant of Lien.** In consideration of the advances or extensions by the Beneficiaries to the Borrower of the funds or credit constituting the Obligations (including, without limitation, the making of the Loans and the issuing of Letters of Credit), and in further consideration of the mutual covenants contained herein, and to secure payment of, and performance of the Obligations, and the performance of the covenants and obligations herein contained and in consideration of other valuable consideration in hand paid by the Beneficiaries to Mortgagor and the other Obligors and in consideration of the debts and trusts hereinafter mentioned, the receipt and sufficiency of all of which is hereby acknowledged, Mortgagor does by these presents hereby specially HYPOTHECATE, PLEDGE, MORTGAGE, ASSIGN and grant a security interest unto and in favor of Mortgagee for its benefit and the benefit of the Beneficiaries, and its successors and assigns, the Realty Collateral, the Fixture Collateral, and the Personalty Collateral, including all the real/immovable property, personal/movable property, rights, titles, interests and estates in each case to the extent constituting Realty Collateral, Fixture Collateral or Personalty Collateral. This grant is intended, to the extent applicable, as a grant of a mortgage of the portion of the Collateral constituting a corporeal immovable with its component parts, a security interest in the portion of the Collateral in which a security interest can be granted under the UCC, and an assignment of the products of and from the Collateral to the extent provided pursuant to Louisiana law.

This Mortgage is intended to secure the Obligations, whether now existing or arising at any time hereafter. As to all Obligations, whether now existing or arising at any time hereafter, this Mortgage has effect between the parties from the time the Mortgage is established and as to third parties from the time the Mortgage is filed for registry, all as provided by Louisiana Civil Code article 3298.

TO HAVE AND TO HOLD the Realty Collateral; the Fixture Collateral, and the Personalty Collateral unto Mortgagee and its successors, assigns or substitutes forever, together with all and singular the rights, hereditaments and appurtenances thereto in any way appertaining or belonging, to secure payment of the Obligations and the performance of the covenants of Mortgagor contained in this Mortgage and in the Finance Documents.

Subject, however, to the condition that none of the Mortgagee or the Beneficiaries shall be liable in any respect for the performance of any covenant or obligation of the Mortgagor in respect of the Collateral. Any reference in Exhibit A to the name of a well shall not be construed to limit the Collateral to the well bore of such well or in the pro rata units. It is Mortgagor's intention that this instrument cover Mortgagor's entire interest in the lands, leases, units and other interests set forth in Exhibit A that Mortgagor now owns or hereafter may acquire.

Notwithstanding any provisions in this Mortgage to the contrary, in no event is any Building (as defined in the applicable Flood Insurance Regulation) or Manufactured (Mobile) Home (as defined in the applicable Flood Insurance Regulation) included in the definition of "Mortgaged Property" and no Building or Manufactured (Mobile) Home is hereby encumbered by this Mortgage. As used herein, "Flood Insurance Regulations" shall mean (i) the National Flood Insurance Act of 1968 as now or hereafter in effect or any successor statute thereto, (ii) the Flood Disaster Protection Act of 1973 as now or hereafter in effect or any successor statute thereto, (iii) the National Flood Insurance Reform Act of 1994 (amending 42 USC 4001, et seq.), as the same may be amended or recodified from time to time, and (iv) the Flood Insurance Reform Act of 2004 and any regulations promulgated thereunder.

Section 2.2 **Future Advances and Maximum Amount Secured.** It is contemplated and acknowledged that the Obligations may include loans and advances from time to time, and that this Mortgage shall have effect as of the date hereof to secure all Obligations, regardless of whether any amounts are advanced on the date hereof or on a later date or, whether having been advanced, are later repaid in part or in whole and further advances made at a later date. This Mortgage secures all future advances and obligations constituting Obligations. **THE TOTAL AMOUNT OF OBLIGATIONS AND ADVANCES SECURED HEREBY MAY DECREASE OR INCREASE FROM TIME TO TIME, BUT AT NO TIME SHALL THE TOTAL AMOUNT OF OBLIGATIONS AND ADVANCES SECURED HEREBY EXCEED THE SUM OF \$300,000,000.00.**

Section 2.3 **Security Interest.** For the same consideration and to further secure the Obligations, Mortgagor hereby grants to Mortgagee for its benefit and the ratable benefit of the other Beneficiaries a security interest in and to the Collateral.

Section 2.4 **Fixture Filing.** The Personalty Collateral and Fixture Collateral in which Mortgagee has a security interest include goods which shall become fixtures on the Realty Collateral. This Mortgage is intended to serve as a fixture filing pursuant to the terms of Sections 10:9-310 and 10:9-502 of the UCC and as a fixture filing should also be recorded in the appropriate UCC records in the State of Louisiana. This filing remains in effect as a fixture filing until this Mortgage is released or satisfied of record or its effectiveness otherwise terminates. In that regard, the following information is provided:

Name of Mortgagor: ILX Prospect South Santa Cruz, LLC

Address of Mortgagor: See Section 7.12 hereof.

Name of Mortgagee: Societe Generale

Address of Mortgagee: See Section 7.12 hereof.

Mortgagor is the owner of a record interest in the real estate concerned. Mortgagor warrants and agrees that there is no financing statement covering the foregoing Collateral, or any part thereof, on file in any public office except such as have been filed in favor of the Mortgagee for the ratable benefit of the Beneficiaries pursuant to this Mortgage, the Transaction Security Documents or as are filed to secure Security permitted by the Loan Agreement, or as to which a

duly authorized termination statement relating to such financing statement has been delivered to the Mortgagee on the Effective Date.

### ARTICLE 3

#### PROCEEDS FROM PRODUCTION

##### Section 3.1 Assignment of Hydrocarbons.

(a) In order to further secure the Obligations, to the maximum extent permitted by Louisiana law, Mortgagor has assigned, transferred, conveyed and delivered and does hereby absolutely and unconditionally assign, transfer, convey and deliver unto Mortgagee, for its benefit and the ratable benefit of the other Beneficiaries, effective as of the Effective Date at 7:00 a.m. New York time, all Hydrocarbons produced from, relating to, and which are attributable to, Mortgagor's interest, now owned or hereafter acquired, in and to the Oil and Gas Properties, or are allocated thereto pursuant to pooling or unitization orders, agreements or designations, and all proceeds therefrom, including, without limitation, all As-Extracted Collateral relating to the Hydrocarbon Interests, the Hydrocarbons and all products obtained or processed therefrom.

(b) Subject to the provisions of subsection (g) below, all parties producing, purchasing, taking, possessing, processing or receiving any Hydrocarbons relating to the Oil and Gas Properties, or having in their possession any such Hydrocarbons, or the proceeds therefrom, for which they or others are accountable to Mortgagee by virtue of the provisions of this Section 3.1, are authorized and directed by Mortgagor to treat and regard Mortgagee as the assignee and transferee of Mortgagor and entitled in its place and stead to receive such Hydrocarbons and the proceeds therefrom.

(c) Subject to the provisions of subsection (g) below, Mortgagor directs and instructs each of such parties to pay to Mortgagee, for its benefit and the ratable benefit of the other Beneficiaries, all of the proceeds of the Hydrocarbons until such time as such party has been furnished evidence that all of the Obligations have been paid and that the Transaction Security evidenced hereby has been released; provided, however that, but subject in all respects to Clause 21 (*Project Accounts*) of the Loan Agreement, until Mortgagee shall have exercised the rights as herein provided to instruct such parties to deliver the Hydrocarbons and all proceeds therefrom directly to Mortgagee, such parties shall be entitled to deliver the Hydrocarbons and all proceeds therefrom to Mortgagor for Mortgagor's use and enjoyment, and Mortgagor shall be entitled to execute division orders, transfer orders and other instruments as may be required to direct all proceeds to Mortgagor without the necessity of joinder by Mortgagee in such division orders, transfer orders or other instruments. In order to have said revenues and proceeds so paid to Mortgagee in accordance with the preceding sentence, Mortgagor agrees to perform all such acts, and to execute all such further assignments, transfers and division orders, and other instruments as may be reasonably required or desired by Mortgagee, any Beneficiary, or any party producing, purchasing, taking, possessing, processing or receiving any production from the Oil and Gas Properties, or having in their possession any such production, or the proceeds therefrom, for which they or others are accountable to Mortgagee by virtue of the provisions of this Section 3.1. None of such parties shall have any responsibility for the application of any

such proceeds received by Mortgagee. Subject to the provisions of subsection (g) below, Mortgagor authorizes Mortgagee to receive and collect all proceeds of the Hydrocarbons.

(d) Subject to the provisions of subsection (g) below, Mortgagee may endorse and cash any and all checks and drafts payable to the order of Mortgagor or Mortgagee for the account of Mortgagor, received from or in connection with the proceeds of the Hydrocarbons affected hereby, and the same may be applied as provided herein. Mortgagee may execute any transfer or division orders in the name of Mortgagor or otherwise, with warranties and indemnities binding on Mortgagor; provided that Mortgagee shall not be held liable to Mortgagor for, nor be required to verify the accuracy of, Mortgagor's interests as represented therein.

(e) Subject to the provisions of subsection (g) below, Mortgagor will execute and deliver to Mortgagee any instruments Mortgagee may from time to time reasonably request for the purpose of effectuating this assignment and the payment to Mortgagee of the proceeds assigned.

(f) Neither the foregoing assignment nor the exercise by Mortgagee of any of its rights herein shall be deemed to make Mortgagee a "mortgagee-in-possession" or otherwise responsible or liable in any manner with respect to the Oil and Gas Properties or the use, occupancy, enjoyment or operation of all or any portion thereof, unless and until Mortgagee, in person or by agent, assumes actual possession thereof, nor shall appointment of a receiver for the Oil and Gas Properties by any court at the request of Mortgagee or by agreement with Mortgagor or the entering into possession of the Oil and Gas Properties or any part thereof by such receiver be deemed to make Mortgagee a "mortgagee-in-possession" or otherwise responsible or liable in any manner with respect to the Oil and Gas Properties or the use, occupancy, enjoyment or operation of all or any portion thereof.

(g) Notwithstanding anything to the contrary contained herein, so long as no Event of Default shall have occurred and is continuing, but subject in all respects to Clause 21 (*Project Accounts*) of the Loan Agreement, Mortgagor shall have the right to collect all revenues and proceeds attributable to the Hydrocarbons that accrue to the Oil and Gas Properties or the products obtained or processed therefrom, as well as any Security and security interests securing any sales of said Hydrocarbons and to retain, use and enjoy same. Unless an Event of Default has occurred and is continuing, Mortgagee agrees it will not (i) seek to enforce any rights granted to it under this Article 3, (ii) send to any production purchasers any transfer notices or letters in lieu of transfer orders that Mortgagor may have executed and delivered to Mortgagee in connection with this Mortgage, nor (iii) otherwise demand payment of or receive any Hydrocarbons or proceeds of Hydrocarbons.

(h) Subject to the provisions of subsection (g) above, Mortgagee shall have the right at Mortgagee's election and in the name of Mortgagor, or otherwise, to prosecute and defend any and all actions or legal proceedings deemed advisable by Mortgagee in order to collect such proceeds and to protect the interests of Mortgagee or Mortgagor, with all costs, expenses and attorneys fees incurred in connection therewith being paid by Mortgagor. In addition, should any purchaser taking production from the Oil and Gas Properties fail to pay promptly to Mortgagee in accordance with this Article, Mortgagee shall have the right to demand

(in addition to all other remedies available under Louisiana law) after the occurrence and during the continuance of an Event of Default, a change of connection and to designate another purchaser with whom a new connection may be made without any liability on the part of Mortgagee in making such election, so long as ordinary care is used in the making thereof, and upon failure of Mortgagor to consent to such change of connection, the entire amount of all the Obligations may, at the option of Mortgagee, be immediately declared to be due and payable and subject to foreclosure or other remedies hereunder.

(i) Without in any way limiting the effectiveness of the foregoing provisions, if Mortgagor receives any proceeds which under this Section 3.1 are payable to Mortgagee, Mortgagor shall hold the same in trust and remit such proceeds, or cause them to be remitted, immediately, to Mortgagee.

Section 3.2 Application of Proceeds. All payments received by Mortgagee pursuant to this Article III attributable to the interest of Mortgagor in and to the Hydrocarbons shall be applied in the order set forth in Clause 33 (*Application of proceeds*) in the Loan Agreement.

Section 3.3 Mortgagor's Payment Duties. Except as provided in Section 7.18 hereof, nothing contained herein will limit Mortgagor's absolute duty to make payment of the Obligations regardless of whether the proceeds assigned by this Article III are sufficient to pay the same, and the receipt by Mortgagee of proceeds from Hydrocarbons under this Mortgage will be in addition to all other security now or hereafter existing to secure payment of the Obligations.

Section 3.4 Liability of Mortgagee. Mortgagee is hereby absolved from all liability for failure to enforce collection of any of such proceeds, and from all other responsibility in connection therewith except the responsibility to account to Mortgagor for proceeds actually received by Mortgagee.

Section 3.5 Actions to Effect Assignment. Subject to the provisions of Section 3.1(g), Mortgagor covenants to cause all operators, pipeline companies, production purchasers and other remitters of said proceeds to pay promptly to Mortgagee the proceeds from the Hydrocarbons in accordance with the terms of this Mortgage, and to execute, acknowledge and deliver to said remitters such division orders, transfer orders, certificates and other documents as may be necessary, requested or proper to effect the intent of this assignment; and Mortgagee shall not be required at any time, as a condition to its right to obtain the proceeds the Hydrocarbons, to warrant its title thereto or to make any guaranty whatsoever. In addition, Mortgagor covenants to provide to Mortgagee the name and address of every such remitter of proceeds from the Hydrocarbons, together with a copy of the applicable division orders, transfer orders, sales contracts and governing instruments. All expenses incurred by the Mortgagee in the collection of said proceeds shall be repaid promptly by Mortgagor; and prior to such repayment, such expenses shall be a part of the Obligations secured hereby. If under any existing Contracts for the sale of Hydrocarbons, other than division orders or transfer orders, any proceeds of Hydrocarbons are required to be paid by the remitter directly to Mortgagor so that under such existing Contracts payment cannot be made of such proceeds to Mortgagee in the absence of foreclosure, Mortgagor's interest in all proceeds of Hydrocarbons under such existing Contracts shall, when received by Mortgagor, constitute trust funds in Mortgagor's hands for the benefit of

the Mortgagee (for its benefit and for the benefit of the other Beneficiaries), and shall be immediately paid over to Mortgagee.

Section 3.6 Power of Attorney. Without limitation upon any of the foregoing, Mortgagor hereby irrevocably designates and appoints Mortgagee as true and lawful agent and attorney-in-fact (with full power of substitution, either generally or for such periods or purposes as Mortgagee may from time to time prescribe), with full power and authority, for and on behalf of and in the name of Mortgagor, to, after the occurrence and during the continuance of an Event of Default, execute, acknowledge and deliver all such division orders, transfer orders, certificates and other documents of every nature, with such provisions as may from time to time, in the opinion of Mortgagee, be necessary or proper to effect the intent and purpose of the assignment contained in this Article III; and Mortgagor shall be bound thereby as fully and effectively as if Mortgagor had personally executed, acknowledged and delivered any of the foregoing orders, certificates or documents. The powers and authorities herein conferred on Mortgagee may be exercised by Mortgagee through any person who, at the time of exercise, is the president, a senior vice president or a vice president of Mortgagee. The power of attorney conferred by this Section 3.6 is granted for valuable consideration and coupled with an interest and is irrevocable until all Obligations (other than contingent indemnification obligations that expressly survive the termination of this Mortgage for which no notice of claim has been received by Mortgagor) have been paid in full and the Security Termination has occurred. Any person dealing with Mortgagee, or any substitute, shall be fully protected in treating the powers and authorities conferred by this Section 3.6 as continuing in full force and effect until advised by Mortgagee that all Obligations (other than contingent indemnification obligations that expressly survive the termination of this Mortgage for which no notice of claim has been received by Mortgagor) have been paid in full and Security Termination has occurred.

#### ARTICLE 4

#### COVENANTS, REPRESENTATIONS, WARRANTIES AND AGREEMENTS OF MORTGAGOR

Section 4.1 Representations and Warranties. Mortgagor represents and warrants as follows:

(a) *Title to Collateral*. The Mortgagor has good and marketable title to the Collateral (other than the Leases) of any material value, free and clear of all Security except for Security permitted by Clause 25.3 (*Negative Pledge*) of the Loan Agreement. The Mortgagor has good and defensible title, as is customary in the oil and gas industry, to all of its Leases free and clear of all Security except for Security permitted by Clause 25.3 (*Negative Pledge*) of the Loan Agreement. The descriptions set forth in Exhibit A of the quantum and nature of the interests of Mortgagor in and to the Oil and Gas Properties include the entire interests of Mortgagor in the Oil and Gas Properties and are complete and accurate in all respects. This Mortgage is and will remain a valid and enforceable lien on the Collateral subject only to the exceptions referred to above. Until Security Termination, Mortgagor will preserve its interest in and title to the Collateral and will warrant and defend the same to Mortgagee and will warrant and defend the validity and priority of the lien hereof against the claims of all persons and parties whomsoever, in each case to the extent set forth in Clause 25.22 (*Title*) of the Loan Agreement.

(b) *Production Burdens, Expenses and Revenues.* All rentals, royalties, overriding royalties, shut-in royalties and other payments due under or with respect to the Oil and Gas Properties have been properly and timely paid, except for payments held in suspense in the ordinary course of business or remitted to state agencies responsible for handling unclaimed property. All expenses payable under the terms of the Contracts have been properly and timely paid except for such expenses being contested in good faith by appropriate proceedings, and for which reserves shall have been made therefore and except for such expenses as are being currently paid prior to delinquency in the ordinary course of business. All of the proceeds from the sale of Hydrocarbons produced from the Realty Collateral are being properly and timely paid to Mortgagor by the purchasers or other remitters of production proceeds without suspense. Mortgagor's ownership of the Hydrocarbons and the undivided interests therein as specified on attached Exhibit A and in the most recently delivered Reserves Report will, after giving full effect to all Transaction Security permitted hereby and any Security permitted by Clause 25.3 (*Negative Pledge*) of the Loan Agreement and after giving full effect to the agreements or instruments set forth on attached Exhibit A and any other instruments or agreements affecting Mortgagor's ownership of such Hydrocarbons, entitle Mortgagor to receive (subject to the terms and conditions of this Mortgage) a share of the Hydrocarbons produced from, or allocated to, those wells in which Mortgagor has an interest equal to not less than the share set forth in the most recently delivered Reserves Report in connection with such wells, and will cause Mortgagor to be obligated to bear a decimal share of the cost of exploration, development, and operation of those wells in which Mortgagor has an interest not greater than the decimal share set forth in Exhibit A in connection with such wells under the column on Exhibit A designated by the words "Working Interest", the abbreviation "WI", or words or abbreviations of similar import. The shares of production which Mortgagor is entitled to receive and the shares of expenses which Mortgagor is obligated to bear are not, and will not be, subject to change other than changes which (i) arise pursuant to non-consent provisions of operating agreements in connection with operations proposed after the Effective Date, or (ii) are expressly described in the most recently delivered Reserves Report or on Exhibit A, as the case may be.

(c) *Mortgagor's Address.* The address of Mortgagor's place of business, chief executive office and office where Mortgagor keeps its records concerning accounts, contract rights and general intangibles is as set forth in Section 7.12, and there has been no change in the location of Mortgagor's place of business, chief executive office and office where it keeps such records and no change of Mortgagor's name during the four months immediately preceding the Effective Date.

#### Section 4.2 Covenants.

(a) *Waiver of Offset.*

(i) Mortgagor waives any and all right to claim or recover against Mortgagee and its Related Parties, for loss of or damage to Mortgagor, the Oil and Gas Properties, Mortgagor's property or the property of others under Mortgagor's control from any cause insured against or required to be insured against by the provisions of this Mortgage.



(ii) The obligations and liabilities of Mortgagor hereunder shall in no way be released, discharged or otherwise affected (except as expressly provided herein) by reason of: (A) any damage to or destruction of or any condemnation or similar taking of the Collateral or any part thereof; (B) any restriction or prevention of or interference by any third party with any use of the Collateral or any part thereof; (C) any title defect or encumbrance or any eviction from the Realty Collateral or any part thereof by title paramount or otherwise; (D) any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation or other like proceeding relating to Mortgagee or any guarantor of any secured obligation, or any action taken with respect to this Mortgage by any trustee or receiver of Mortgagee, or by any court, in any such proceeding; (E) any claim which Mortgagor has or might have against Mortgagee; (F) any default or failure on the part of Mortgagee to perform or comply with any of the terms hereof or of any other agreement with Mortgagor; or (G) any other occurrence whatsoever, whether similar or dissimilar to the foregoing; whether or not Mortgagor shall have notice or knowledge of any of the foregoing.

(b) *Actions By Mortgagee to Preserve Collateral.* The Mortgagee may (i) upon the occurrence and during the continuance of an Event of Default, perform any act which Mortgagor agrees hereunder to perform and which Mortgagor shall fail to perform and (ii) from time to time take any other action which the Mortgagee reasonably deems necessary for the maintenance, preservation or protection of any of the Collateral or of its security interest therein. In connection therewith (without limiting its general powers, whether conferred herein, in another Finance Document or by law), upon the occurrence and during the continuance of an Event of Default, Mortgagee shall have and is hereby given the right, but not the obligation, (i) to enter upon and take possession of the Collateral (to the extent not prohibited by applicable law); (ii) to make additions, alterations, repairs and improvements to the Collateral which it may consider necessary or proper to keep the Collateral in good condition and repair (to the extent not prohibited by applicable law); (iii) to appear and participate in any action or proceeding affecting or which may affect the security hereof or the rights or powers of Mortgagee; (iv) to pay, purchase, contest or compromise any encumbrance, claim, charge, lien or debt which in the judgment of the Mortgagee may affect or appears to affect the security of this Mortgage or be prior or superior hereto; and (v) in exercising such powers, to pay necessary expenses, including attorneys' fees and costs or other necessary or desirable consultants (subject to Clause 19 (*Costs and Expenses*) of the Loan Agreement). Mortgagee shall provide notice to the Mortgagor of any action taken under this Section 4.2(b); *provided* the failure to provide such notice shall not be construed as a waiver of any rights of the Mortgagee provided under this Mortgage or applicable law. Mortgagor shall, within ten (10) Business Days of demand, pay to Mortgagee for its benefit or the benefit of any Receiver or Delegate, an amount equal to all respective costs and expenses incurred by such party in connection with the exercise of the foregoing rights, including, without limitation, costs of evidence of title, court costs, appraisals, surveys and receiver's, trustee's and attorneys' fees, together with interest thereon from the date of such expenditures at the Reimbursement Rate.

(c) *Mortgagee's Powers.* Without affecting the liability of any other person liable for the payment of any obligation herein mentioned, and without affecting the lien or

charge of this Mortgage upon any portion of any Realty Collateral not then or theretofore released as security for the full amount of all unpaid obligations, Mortgagee may, from time to time and without notice (i) release any person so liable, (ii) extend the maturity or alter any of the terms of any such obligation, (iii) grant other indulgences, (iv) release or reconvey, or cause to be released or reconveyed at any time at Mortgagee's option any parcel, portion or all of the Collateral, (v) take or release any other or additional security from any person (other than Mortgagor) for any obligation herein mentioned, or (vi) make compositions or other arrangements with debtors in relation thereto.

Section 4.3 **Further Assurances.**

(a) Mortgagor covenants that Mortgagor shall execute and deliver such other and further instruments, and shall do such other and further acts as in the opinion of Mortgagee may be necessary or reasonably desirable to carry out more effectively the purposes of this Mortgage, including, without limiting the generality of the foregoing, (i) prompt correction of any defect in the execution or acknowledgment of this Mortgage, any written instrument comprising part or all of the Obligations, or any other document used in connection herewith; (ii) prompt correction of any defect which may hereafter be discovered in the title to the Collateral; and (iii) prompt execution and delivery of all division or transfer orders or other instruments which in Mortgagee's opinion are required to transfer to Mortgagee, for its benefit and the ratable benefit of the Beneficiaries, the assigned proceeds from the sale of Hydrocarbons from the Oil and Gas Properties.

(b) Mortgagor covenants that Mortgagor shall maintain and preserve the security interest herein created as an Acceptable Security Interest, subject only to Security permitted by Clause 25.3 (*Negative Pledge*) of the Loan Agreement, until all Obligations (other than contingent indemnification obligations that expressly survive the termination of this Mortgage for which no notice of claim has been received by Mortgagor) have been paid in full and Security Termination has occurred.

(c) Mortgagor shall pay all filing, registration and recording fees and all refiling, re-registration and re-recording fees, and all other expenses incident to the execution and acknowledgment of this Mortgage, any assurance, and all federal, state, parish and municipal stamp taxes and other taxes, duties, imports, assessments and charges arising out of or in connection with the execution and delivery of this Mortgage, any agreement supplemental hereto, any financing statements, and any instruments of further assurance.

(d) Mortgagor shall immediately notify Mortgagee of any discontinuance of or change in the address of Mortgagor's place of business, residence, chief executive office or office where it keeps records concerning accounts, contract rights and general intangibles.

Section 4.4 **Operation of the Collateral.** As long as all Obligations (other than contingent indemnification obligations that expressly survive the termination of this Mortgage for which no notice of claim has been received by Mortgagor) have not been paid in full and Security Termination has not occurred, Mortgagor shall and, in connection with Oil and Gas Properties of which Mortgagor is not the operator, shall use commercially reasonable efforts to cause the operator of such Oil and Gas Properties to (in each case, at Mortgagor's own expense)

to neither abandon, forfeit, surrender, release, sell, assign, sublease, farmout or convey, nor agree to sell, assign, sublease, farmout or convey, nor mortgage or grant security interests in, nor otherwise dispose of or encumber any of the Collateral or any interest therein, except as permitted by the Loan Agreement.

Section 4.5 **Recording**. Mortgagor hereby authorizes Mortgagee to, at Mortgagor's own expense, record, register, deposit and file this Mortgage and every other instrument in addition or supplement hereto, including applicable financing statements, in such offices and places within the state where the Collateral is located and in the state where Mortgagor is registered as a limited liability company and at such times and as often as may be necessary to preserve, protect and renew the Security herein created as an Acceptable Security Interest on real or personal property as the case may be, and otherwise shall do and perform all matters or things necessary or expedient to be done or observed by reason of any law or regulation for the purpose of effectively creating, perfecting, maintaining and preserving the Security created hereby in and on the Collateral.

Section 4.6 **Records, Statements and Reports**. Mortgagor shall keep proper books of record and account in which complete and correct entries shall be made of Mortgagor's transactions in accordance with the method of accounting required in the Loan Agreement and shall furnish or cause to be furnished to Mortgagee the reports required to be delivered pursuant to the terms of the Loan Agreement.

## ARTICLE 5

### **ENFORCEMENT OF THE SECURITY**

Section 5.1 **Events of Default**. For purposes of this Mortgage, an "Event of Default" shall mean an Event of Default (as defined in the Loan Agreement).

Section 5.2 **Acceleration Upon Default**. Upon the occurrence and during the continuance of any Event of Default (other than pursuant to Clause 27.5 (*Insolvency*) in the Loan Agreement), Mortgagee may, or shall at the request of the Required Lenders, declare the entire unpaid principal of, and the interest accrued on, and all other amounts owed in connection with, the Obligations to be forthwith due and payable, whereupon the same shall become immediately due and payable without any protest, presentment, demand, notice of intent to accelerate, notice of acceleration or further notice of any kind, all of which are hereby expressly waived by Mortgagor. If an Event of Default pursuant to Clause 27.5 (*Insolvency*) of the Loan Agreement has occurred, the entire unpaid principal of and interest accrued on, and all other amounts owed in connection with, the Obligations, shall immediately and automatically become and be due and payable in full, without presentment, demand, protest or any notice of any kind (including, without limitation, any notice of intent to accelerate or notice of acceleration) all of which are hereby expressly waived by Mortgagor. Whether or not Mortgagee or the Required Lenders elect to accelerate as herein provided, Mortgagee may simultaneously, or thereafter, without any further notice to Mortgagor, exercise any other right or remedy provided in this Mortgage or otherwise existing under the Loan Agreement or any other Finance Document or any other agreement, document, or instrument evidencing obligations owing from Mortgagor to any of the Beneficiaries.

## ARTICLE 6

### RIGHTS TO REALTY COLLATERAL UPON EVENT OF DEFAULT.

#### Section 6.1 Rights to Realty Collateral Upon Default.

(a) *Operation of Property by Mortgagee.* Upon the occurrence and during the continuance of an Event of Default, and in addition to all other rights of Mortgagee, Mortgagee shall have the following rights and powers (but no obligation), to the extent not prohibited by applicable law:

(i) To enter upon and take possession of any of the Realty Collateral and exclude Mortgagor therefrom;

(ii) To hold, use, administer, manage and operate the Realty Collateral to the extent that Mortgagor could do so, and without any liability to Mortgagor in connection with such operations; and

(iii) To the extent that Mortgagor could do so, to collect, receive and receipt for all Hydrocarbons produced and sold from the Realty Collateral, to make repairs, to purchase machinery and equipment, to conduct workover operations, to drill additional wells, and to exercise every power, right and privilege of Mortgagor with respect to the Realty Collateral.

Mortgagee may designate any person to act on its behalf in exercising the foregoing rights and powers. When all Obligations (other than contingent indemnification obligations that expressly survive the termination of this Mortgage for which no notice of claim has been received by Mortgagor) have been paid in full and Security Termination has occurred, the Security in the Realty Collateral shall terminate and the Realty Collateral shall be returned to Mortgagor (providing there has been no foreclosure sale). Mortgagee in such case shall, and at the expense of Mortgagor (including all reasonable and documented out-of-pocket attorneys' fees), deliver to Mortgagor proper documents, certificates or instruments acknowledging satisfaction and reconveyance of this Mortgage. The Mortgagee shall not be responsible for any recording fees.

(b) *Judicial Proceedings.* Upon the occurrence and during the continuance of an Event of Default, the Mortgagee, in lieu of or in addition to exercising the power of sale hereafter given, may proceed by a suit or suits, in equity or at law (i) for the specific performance of any covenant or agreement herein contained or in aid of the execution of any power herein granted, (ii) for the appointment of a receiver whether there is then pending any foreclosure hereunder or the sale of the Realty Collateral, or (iii) for the enforcement of any other appropriate legal or equitable remedy; and further, in lieu of the non-judicial power of sale granted herein for Collateral located in the State of Louisiana, the Mortgagee may proceed by suit for a judicial sale of the Realty Collateral.

(c) *Foreclosure by Private Power of Sale of Collateral.* To the extent not prohibited by applicable law, upon the occurrence and during the continuance of an Event of Default, the Mortgagee shall have the right and power to sell, as the Mortgagee may elect, all or

a portion of the Collateral at one or more sales as an entirety or in parcels, in accordance with and as permitted by any applicable state law. Mortgagor hereby designates as Mortgagor's address for the purpose of notice the address set out in Section 7.12; provided that Mortgagor may by written notice to Mortgagee designate a different address for notice purposes. Any purchaser or purchasers will be provided with a special warranty conveyance binding Mortgagor and Mortgagor's successors and assigns. Sale of a part of the Realty Collateral will not exhaust the power of sale, and sales may be made from time to time until all of the Realty Collateral is sold or all Obligations (other than contingent indemnification obligations that expressly survive the termination of this Mortgage for which no notice of claim has been received by Mortgagor) have been paid in full and Security Termination has occurred. Mortgagee will have the authority to appoint an attorney-in-fact to act as trustee in conducting the foreclosure sale and executing a deed to the purchaser or purchasers.

(d) *Certain Aspects of Sale.* Mortgagee will have the right to become the purchaser at any foreclosure sale and to credit the then outstanding balance of the Obligations against the amount payable by Mortgagee as purchaser at such sale. Statements of fact or other recitals contained in any conveyance to any purchaser or purchasers at any sale made hereunder will conclusively establish the occurrence of an Event of Default, any acceleration of the maturity of the Obligations, the advertisement and conduct of such sale in the manner provided herein, the appointment of any successor-Mortgagee hereunder and the truth and accuracy of all other matters stated therein. Mortgagor does hereby ratify and confirm all legal acts that the Mortgagee may do in carrying out the Mortgagee's duties and obligations under this Mortgage, and Mortgagor hereby irrevocably appoints Mortgagee to be the attorney-in-fact of Mortgagor and in the name and on behalf of Mortgagor to execute and deliver any deeds, transfers, conveyances, assignments, assurances and notices which Mortgagor ought to execute and deliver and do and perform any and all such acts and things which Mortgagor ought to do and perform under the covenants herein contained and generally to use the name of Mortgagor in the exercise of all or any of the powers hereby conferred on Mortgagee. Upon any sale, whether under the power of sale hereby given or by virtue of judicial proceedings, it shall not be necessary for Mortgagee or any public officer acting under execution or by order of court, to have physically present or constructively in his possession any of the Collateral, and Mortgagor hereby agrees to deliver to the purchaser or purchasers at such sale on the date of sale the Collateral purchased by such purchasers at such sale and if it should be impossible or impracticable to make actual delivery of such Collateral, then the title and right of possession to such Collateral shall pass to the purchaser or purchasers at such sale as completely as if the same had been actually present and delivered.

(e) *Receipt to Purchaser.* Upon any sale made under the power of sale herein granted, the receipt of the Mortgagee will be sufficient discharge to the purchaser or purchasers at any sale for its purchase money, and such purchaser or purchasers will not, after paying such purchase money and receiving such receipt of the Mortgagee, be obligated to see to the application of such purchase money or be responsible for any loss, misapplication or non-application thereof.

(f) *Effect of Sale.* Any sale or sales of the Realty Collateral will operate to divest all right, title, interest, claim and demand whatsoever, either at law or in equity, of Mortgagor in and to the Realty Collateral sold, and will be a perpetual bar, both at law and in equity, against

Mortgagor, Mortgagor's successors or assigns, and against any and all persons claiming or who shall thereafter claim all or any of the Realty Collateral sold by, through or under Mortgagor, or Mortgagor's successors or assigns. Nevertheless, if requested by the Mortgagee so to do, Mortgagor shall join in the execution and delivery of all proper conveyances, assignments and transfers of the Property so sold. The purchaser or purchasers at the foreclosure sale will receive as incident to his, her, its or their own ownership, immediate possession of the Realty Collateral purchased and Mortgagor agrees that if Mortgagor retains possession of the Realty Collateral or any part thereof subsequent to such sale, Mortgagor will be considered a tenant at sufferance of the purchaser or purchasers and will be subject to eviction and removal by any lawful means, with or without judicial intervention, and all damages by reason thereof are hereby expressly waived by Mortgagor.

(g) *Application of Proceeds.* The proceeds of any sale of the Realty Collateral or any part thereof, whether under the power of sale herein granted and conferred or by virtue of judicial proceedings, shall be applied in the order set forth in the Loan Agreement.

(h) *Mortgagor's Waiver of Appraisal and Marshalling.* Mortgagor agrees, to the full extent that Mortgagor may lawfully so agree, that Mortgagor will not at any time insist upon or plead or in any manner whatever claim the benefit of any appraisal, valuation, stay, extension or redemption law, now or hereafter in force, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, the absolute sale of the Collateral, including the Realty Collateral, or the possession thereof by any purchaser at any sale made pursuant to this Mortgage or pursuant to the decree of any court of competent jurisdiction; and Mortgagor, for Mortgagor and all who may claim through or under Mortgagor, hereby waives the benefit of all such laws and, to the extent that Mortgagor may lawfully do so under any applicable law, any and all rights to have the Collateral, including the Realty Collateral, marshaled upon any foreclosure of the Security hereof or sold in inverse order of alienation. Mortgagor agrees that the Mortgagee may sell the Collateral, including the Realty Collateral, in part, in parcels or as an entirety as directed by Mortgagee.

(i) *Applicable Law.* If any law referred to herein and now in force, of which Mortgagor or its successor or successors might take advantage despite the provisions hereof, shall hereafter be repealed or cease, to be in force, such law shall not thereafter be deemed to constitute any part of the contract herein contained or to preclude the operation or application of the provisions hereof. The rights and remedies of the Mortgagee provided by this Section 6.1 are limited to extent provided by applicable law.

(j) *Other Waivers.* Mortgagee may resort to any security given by this Mortgage or to any other security now existing or hereafter given to secure the payment of any of the Obligations secured hereby, in whole or in part, and in such portions and in such order as may seem best to Mortgagee in its sole and absolute discretion, and any such action shall not in any manner be considered as a waiver of any of the rights, benefits or Transaction Security created by this Mortgage.

(k) *Executory Process.*

(i) Mortgagor for itself, its successors and assigns does by these presents agree and stipulate that, upon the occurrence and during the continuance of an Event of Default, it shall be lawful for and Mortgagor does hereby authorize Mortgagee without making a demand or putting in default, putting in default being expressly waived, to cause all and singular the Collateral to be seized and sold by executory or other legal process without appraisal (appraisal being hereby expressly waived) either in its entirety or in lots, or parcels as Mortgagee may determine to the highest bidder for cash or on such terms as Mortgagee may direct, Mortgagor for itself, its successors and assigns hereby confessing judgment for the full amount of the Obligations secured and to be secured hereby, whether now existing or arising hereafter.

(ii) Mortgagor hereby expressly waives: (a) the benefit of appraisal as provided in Louisiana Code of Civil Procedure Articles 2332, 2336, 2723 and 2724, and all other laws conferring the same; (b) the three days delay provided by Louisiana Code of Civil Procedure Articles 2331 and 2772; and (c) the benefit of the other provisions of Louisiana Code of Civil Procedure Articles 2331, 2722 and 2723, not specifically mentioned above.

Section 6.2 **Rights to Personalty Collateral Upon Event of Default.** Upon the occurrence and during the continuance of an Event of Default, Mortgagee may proceed against the Personalty Collateral in accordance with the rights and remedies granted herein with respect to the Realty Collateral, or will have all rights and remedies granted by the UCC (La. Rev. Stat. 10:9-101 et seq) as amended, modified or succeeded, and under all other applicable laws of Louisiana and this Mortgage. Mortgagee shall have the right to take possession of the Personalty Collateral, and for this purpose Mortgagee may enter upon any premises on which any or all of the Personalty Collateral is situated and, to the extent that Mortgagor could do so, take possession of and operate the Personalty Collateral or remove it therefrom. Mortgagee may require Mortgagor to assemble the Personalty Collateral and make it available to Mortgagee at a place to be designated by Mortgagee which is reasonably convenient to both parties. Unless the Personalty Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Mortgagee will send Mortgagor reasonable notice of the time and place of any public sale or of the time after which any private sale or other disposition of the Personalty Collateral is to be made. This requirement of sending reasonable notice will be met if such notice is mailed after default, postage prepaid, to Mortgagor at the address designated in Section 7.12 hereof (or such other address as has been designated as provided herein) at least ten days before the earliest time of the sale or disposition set forth in the notice. In addition to the expenses of retaking, holding, preparing for sale, selling and the like, Mortgagee will be entitled to recover attorney's fees and legal expenses as provided for in this Mortgage and in the writings evidencing the Obligations before applying the balance of the proceeds from the sale or other disposition toward satisfaction of the Obligations. Mortgagor will remain liable for any deficiency remaining after the sale or other disposition. Mortgagor hereby consents and agrees that any disposition of all or a part of the Collateral may be made without warranty of any kind whether expressed or implied. The rights and remedies of the Mortgagee provided by this Section 6.2 are limited to extent provided by applicable law.

Section 6.3 **Rights to Fixture Collateral Upon Event of Default.** To the extent permitted by applicable law, upon the occurrence and during the continuance of an Event of Default, Mortgagee may elect to treat the Fixture Collateral as either Realty Collateral or as Personalty Collateral (but not both) and proceed to exercise such rights as apply to the type of Collateral selected.

Section 6.4 **Other Rights.** In addition to the rights as described in Sections 6.1, 6.2 and 6.3, upon the occurrence and during the continuance of an Event of Default, Mortgagee may take such other action, without notice or demand, as it deems necessary to protect and enforce its rights against Mortgagor and in and to the Collateral, including the following actions, each of which may be pursued concurrently or otherwise, at such time and in such order as Mortgagee may determine, in its sole discretion, without impairing or otherwise affecting the other rights and remedies of Mortgagee: (a) institute proceedings for the complete foreclosure of this Mortgage in which case the Collateral or any part thereof may be sold for cash or upon credit in one or more portions; or (b) to the extent permitted and pursuant to the procedures provided by applicable law, institute proceedings for the partial foreclosure of this Mortgage for the portion of the Obligations then due and payable, subject to the continuing Transaction Security of this Mortgage for the balance of the Obligations not then due; or (c) institute an action, suit or proceeding in equity for the specific performance of any covenant, condition or agreement contained in this Mortgage; or (d) apply for the appointment of a trustee, receiver, liquidator or conservator of the Collateral, without regard for the adequacy of the security for the Obligations and without regard for the solvency of Mortgagor or of any person liable for the payment of the Obligations; or (e) pursue such other remedies as Mortgagee may have under applicable law. The rights and remedies of the Mortgagee provided by this Section 6.4 are limited to the extent provided by applicable law.

Section 6.5 **Keeper.** In the event the Collateral, or any part thereof, is seized as an incident to an action for the recognition or enforcement of this Mortgage by executory process, ordinary process, sequestration, writ of fieri facias or otherwise, the Mortgagor and the Mortgagee agree that the court issuing any such order shall, if petitioned for by Mortgagee, direct the applicable sheriff to appoint as a keeper of the Collateral, the Mortgagee or any agent designated by Mortgagee or any person named by Mortgagee at the time such seizure is effected. This designation is pursuant to Louisiana Revised Statutes 9:5131-5135 and 9:5136-5140.2, inclusive, as the same may be amended, and the Mortgagee shall be entitled to all the rights and benefits afforded thereunder. It is hereby agreed that the keeper shall be entitled to receive as compensation, in excess of its reasonable costs and expenses incurred in the administration or preservation of the Collateral, an amount equal to five (5%) percent of the gross revenues of the Collateral, which shall be included as indebtedness secured by this Mortgage. The designation of keeper made herein shall not be deemed to require the Mortgagee to provoke the appointment of such a keeper. The rights and remedies of the Mortgagee provided by this Section 6.5 are limited to the extent provided by applicable law.

Section 6.6 **Account Debtors.** Mortgagee may, in its discretion, after the occurrence and during the continuance of an Event of Default, (a) notify any account debtor on any accounts constituting Collateral to make payments directly to Mortgagee, (b) instruct any party described in Section 3.1(b) to deliver all Hydrocarbons assigned to Mortgagee as described in Section 3.1(a) and all proceeds therefrom directly to Mortgagee, and (c) contact such account debtors and



other parties directly to verify information furnished by Mortgagor with respect to such account debtors and such accounts. Mortgagee shall not have any obligation to preserve any rights against prior parties.

Section 6.7 **Costs and Expenses**. Mortgagor agrees that this Mortgage and its contents are subject to the provisions set forth in Clauses 11 ("*Interest*"), 19 ("*Cost and Expenses*") and 39 ("*Set-off*") of the Loan Agreement, and all such provisions are hereby incorporated herein by reference, *mutatis mutandis*, and made applicable to this Mortgage as if set forth in full herein.

## **ARTICLE 7** **MISCELLANEOUS**

Section 7.1 **Advances by Mortgagee**. Each and every covenant of Mortgagor herein contained shall be performed and kept by Mortgagor solely at Mortgagor's expense. If Mortgagor fails to perform or keep any of the covenants of whatsoever kind or nature contained in this Mortgage, Mortgagee (either by it directly or any receiver appointed hereunder) may, but will not be obligated to, make advances to perform the same on Mortgagor's behalf, and Mortgagor hereby agrees to repay such sums and any attorney's fees incurred in connection therewith on demand plus interest thereon from the date of the advance until reimbursement of Mortgagee at the Reimbursement Rate. In addition, Mortgagor hereby agrees to repay on demand any costs, expenses and attorney's fees incurred by Mortgagee which are to be obligations of Mortgagor pursuant to, or allowed by, the terms of this Mortgage, including, without limitation, such costs, expenses and attorney's fees incurred pursuant to Section 3.1(h), Section 6.7 or Section 7.2 hereof, plus interest thereon from the date of the advance by Mortgagee until reimbursement of Mortgagee at the Reimbursement Rate. Such amounts will be in addition to any sum of money which may, pursuant to the terms and conditions of the written instruments comprising part of the Obligations, be due and owing. No such advance will be deemed to relieve Mortgagor from any default hereunder.

Section 7.2 **Defeasance**. If all Obligations (other than contingent indemnification obligations that expressly survive the termination of this Mortgage for which no notice of claim has been received by Mortgagor) have been paid in full and Security Termination has occurred, then all of the Collateral will revert to Mortgagor to the extent not otherwise transferred or sold as permitted under applicable legal requirements or under this Mortgage and the entire estate, right, title and interest of Mortgagee will thereupon cease; and Mortgagee in such case shall, and at the expense of Mortgagor (including all reasonable and documented out-of-pocket attorneys' fees), deliver to Mortgagor proper documents, certificates or instruments acknowledging satisfaction and reconveyance of this Mortgage. The Mortgagee shall not be responsible for any recording fees.

Section 7.3 **Renewals, Amendments and Other Security**. Upon the occurrence and during the continuance of an Event of Default, without notice or consent of Mortgagor, renewals and extensions of the written instruments constituting part or all of the Obligations may be given at any time and amendments may be made to agreements relating to any part of such written instruments or the Collateral in accordance with their terms. To the extent not prohibited by applicable law, Mortgagee may take or hold other security for the Obligations without notice to

or consent of Mortgagor. The acceptance of this Mortgage by Mortgagee shall not waive or impair any other security Mortgagee may have or hereafter acquire to secure the payment of the Obligations nor shall the taking of any such additional security waive or impair the Transaction Security and security interests herein granted. The Mortgagee may resort first to such other security or any part thereof, or first to the security herein given or any part thereof, or from time to time to either or both, even to the partial or complete abandonment of either security, and such action will not be a waiver of any rights conferred by this Mortgage. This Mortgage may not be amended, waived or modified except in a written instrument executed by both Mortgagor and Mortgagee. The provisions of this Section 7.3 are granted to the extent permissible by applicable law.

**Section 7.4 Security Agreement, Financing Statement Covering As-Extracted Collateral and Fixture Filing.** This Mortgage will be deemed to be and may be enforced from time to time as an assignment, contract, financing statement, real estate mortgage, pledge or security agreement, and from time to time as any one or more thereof if appropriate under applicable state law. **AS A FINANCING STATEMENT AND AS A FIXTURE FILING WITH RESPECT TO FIXTURE COLLATERAL, AND SUBJECT TO SUBSECTION (4) OF SECTION 9-301 OF THE UCC (LA. REV. STAT 10:9-301(4)), AS AMENDED, MODIFIED OR SUCCEEDED, THIS MORTGAGE IS INTENDED TO COVER ALL PERSONALTY COLLATERAL INCLUDING, BUT NOT LIMITED TO, MORTGAGOR'S INTEREST IN ALL COLLATERAL, ALL HYDROCARBONS AS AND AFTER THEY ARE EXTRACTED AND ALL ACCOUNTS ARISING FROM THE SALE THEREOF AT THE WELLHEAD. THIS MORTGAGE SHALL BE EFFECTIVE AS A FINANCING STATEMENT FILED AS A FIXTURE FILING WITH RESPECT TO FIXTURE COLLATERAL INCLUDED WITHIN THE COLLATERAL.** This Mortgage shall be filed in the mortgage records of the parish or parishes in the state in which any part of the Realty Collateral is located. At Mortgagee's request, Mortgagor shall deliver financing statements covering the Personalty Collateral, including all Hydrocarbons sold at the wellhead, and Fixture Collateral, which financing statements may be filed in the UCC records or other appropriate office of the parish or state in which any of the Collateral is located or in any other location permitted or required to perfect Mortgagee's security interest under the UCC. In addition, Mortgagor hereby irrevocably authorizes Mortgagee and any affiliate, employee or agent thereof, at any time and from time to time, to file in any UCC jurisdiction any financing statement or document and amendments thereto, without the signature of Mortgagor where permitted by law, in order to perfect or maintain the perfection of any security interest granted under this Mortgage and Mortgagee agrees to promptly provide to Mortgagor a copy of any such filing. A photographic or other reproduction of this Mortgage shall be sufficient as a financing statement.

**Section 7.5 Unenforceable or Inapplicable Provisions.** If any term, covenant, condition or provision hereof is invalid, illegal or unenforceable in any respect, the other provisions hereof will remain in full force and effect and will be liberally construed in favor of the Mortgagee in order to carry out the provisions hereof.

**Section 7.6 Rights Cumulative.** Each and every right, power and remedy herein given to the Mortgagee will be cumulative and not exclusive, and each and every right, power and remedy whether specifically herein given or otherwise existing may be exercised from time

to time and as often and in such order as may be deemed expedient by the Mortgagee and the exercise, or the beginning of the exercise, of any such right, power or remedy will not be deemed a waiver of the right to exercise, at the same time or thereafter, any other right, power or remedy. No delay or omission by the Mortgagee in the exercise of any right, power or remedy will impair any such right, power or remedy or operate as a waiver thereof or of any other right, power or remedy then or thereafter existing.

Section 7.7 **Waiver by Mortgagee.** Any and all covenants in this Mortgage may from time to time by instrument in writing by Mortgagee (acting upon the direction of the Required Lenders), be waived to such extent and in such manner as the Mortgagee may desire, but no such waiver will ever affect or impair either the Mortgagee's rights hereunder, except to the extent specifically stated in such written instrument.

Section 7.8 **Terms.** The term "Mortgagor" as used in this Mortgage will be construed as singular or plural to correspond with the number of persons executing this Mortgage as Mortgagor. If more than one person executes this Mortgage as Mortgagor, his, her, its, or their duties and liabilities under this Mortgage will be joint and several. The terms "Mortgagee" and "Mortgagor" as used in this Mortgage include the heirs, executors or administrators, successors, representatives, receiver, trustees and assigns of those parties. Unless the context otherwise requires, terms used in this Mortgage which are defined in the UCC are used with the meanings therein defined.

Section 7.9 **Counterparts.** This Mortgage may be executed in any number of counterparts, each of which will for all purposes be deemed to be an original, and all of which are identical except that, to facilitate recordation, in any particular parishes counterpart portions of Exhibit A hereto which describe Properties situated in parishes other than the parishes in which such counterpart is to be recorded may have been omitted.

Section 7.10 **Indemnification.** **MORTGAGOR AGREES THAT THIS MORTGAGE AND ITS CONTENTS ARE SUBJECT TO THE PROVISIONS CLAUSE 17.2 ("OTHER INDEMNITIES") OF THE LOAN AGREEMENT AND ALL SUCH PROVISIONS ARE HEREBY INCORPORATED HEREIN, *MUTATIS MUTANDIS*, BY REFERENCE AND MADE APPLICABLE TO THIS MORTGAGE AS IF SET FORTH IN FULL HEREIN.**

Section 7.11 **Governing Law.** This Mortgage shall be governed by and construed in accordance with the laws of the State of Louisiana and applicable United States federal law.

Section 7.12 **Notices.** All notices required or permitted to be given by Mortgagor or Mortgagee shall be made in the manner set forth in the Loan Agreement and shall be addressed as follows:

Mortgagor: ILX Prospect South Santa Cruz, LLC  
c/o Riverstone Holdings, LLC  
712 Fifth Avenue—36th Floor  
New York, NY 10019

With copies to:

ILX Prospect South Santa Cruz, LLC  
c/o Ridgewood Energy Corporation  
1254 Enclave Parkway, Suite 600  
Houston, TX 77077  
Attn: Chad Knips

and

ILX Prospect South Santa Cruz, LLC  
c/o Ridgewood Energy Corporation  
14 Philips Parkway  
Montvale, NJ 07645  
Attn: Kathy McSherry

Mortgagee:

SOCIETE GENERALE  
245 Park Avenue  
New York, New York 10167  
Attention: Adrienne Cohen

With copies to:

SOCIETE GENERALE  
245 Park Avenue  
New York, New York 10167  
Attention: Marie-Aimee Boury

and

SOCIETE GENERALE  
245 Park Avenue  
New York, New York 10167  
Attention: Jerome Briens

and

SOCIETE GENERALE  
1111 Bagby Street, Suite 2020  
Houston, Texas 77002  
Attention: BJ Olonilua

Section 7.13 **Condemnation**. All awards and payments heretofore and hereafter made for the taking of or injury to the Collateral, or any portion thereof, whether such taking or injury

be done under the power of eminent domain or otherwise, are hereby assigned, and shall be paid to Mortgagee. Mortgagee is hereby authorized to collect and receive the proceeds of such awards and payments and to give proper receipts and acquittances therefor. Mortgagor hereby agrees to make, execute and deliver, upon request, any and all assignments and other instruments sufficient for the purpose of confirming this assignment of the awards and payments to Mortgagee free and clear of any encumbrances of any kind or nature whatsoever. Any such award or payment may, at the option of Mortgagee, be retained and applied by Mortgagee after payment of attorneys' fees, costs and expenses incurred in connection with the collection of such award or payment toward payment of all or a portion of the Obligations, whether or not the Obligations are then due and payable, or be paid over wholly or in part to Mortgagor for the purpose of altering, restoring or rebuilding any part of the Collateral which may have been altered, damaged or destroyed as a result of any such taking, or other injury to the Collateral.

Section 7.14 **Insurance Proceeds.** Pursuant to La. R.S. 9:5386, Mortgagor hereby agrees and irrevocably pledges to Mortgagee, for its benefit and the benefit of the Beneficiaries, and its successors and assigns, for the purpose of securing the Obligations, Mortgagor's rights under policies of insurance covering any Collateral, including the right to receive any proceeds attributable insurance loss of such property.

Section 7.15 **No Paraphed Notes.** Mortgagor acknowledges that no promissory note or other instrument has been presented to the undersigned notary public(s) to be paraphed for identification herewith.

Section 7.16 **Successors and Assigns.**

(a) This Mortgage is binding upon Mortgagor, Mortgagor's successors and assigns, and shall inure to the benefit of each Beneficiary (other than Hedge Counterparties) and each of its successors and assigns, and to the benefit of the Hedge Counterparties, and each of their respective successors and assigns if such Hedge Counterparty or an Affiliate of such Hedge Counterparty is a Lender, and the provisions hereof shall likewise be covenants running with the land.

(b) Subject to clause (d) below, this Mortgage shall be transferable, with the same force and effect and to the same extent as the Obligations may be transferable, it being understood that, upon the legal transfer or assignment by the Beneficiaries (or any of them) of any of the Obligations, the legal holder of such Obligations shall have all of the rights granted to Mortgagee for the benefit of the Beneficiaries under this Mortgage. To the extent permitted by applicable law, Mortgagor specifically agrees that upon any transfer of all or any portion of the Obligations, this Mortgage shall secure with retroactive rank the existing Obligations of the Mortgagor to the transferee and any and all Obligations to such transferee thereafter arising.

(c) Mortgagor hereby recognizes and agrees that the Beneficiaries (or any of them) may, from time to time, one or more times, transfer all or any portion of the Obligations to one or more third parties. Such transfers may include, but are not limited to, sales of participation interests in such Obligations in favor of one or more third parties. Upon any transfer of all or any portion of the Obligations and subject to clause (d) below, Mortgagee may transfer and deliver any and/or all of its rights in the Collateral to the transferee of such

Obligations and such Collateral shall secure any and all of the Obligations in favor of such a transferee then existing and thereafter arising, and after any such transfer has taken place, Mortgagee shall be fully discharged from any and all future liability and responsibility to Mortgagor with respect to such Collateral, and transferee thereafter shall be vested with all the powers, rights and duties with respect to such Collateral.

(d) Notwithstanding anything to the contrary contained herein, including the provisions of clauses (b) and (c) above, when any Hedge Counterparty assigns or otherwise transfers any interest held by it under any Hedge Contract to any other Person pursuant to the terms of such agreement, that other Person shall thereupon become vested with all the benefits held by such Beneficiary under this Mortgage only if such Person is also then a Lender or an Affiliate of a Lender.

Section 7.17 **Article and Section Headings.** The article and section headings in this Mortgage are inserted for convenience of reference and shall not be considered a part of this Mortgage or used in its interpretation.

Section 7.18 **Usury Not Intended.** It is the intent of Mortgagor and Mortgagee in the execution and performance of this Mortgage, the Loan Agreement and the other Finance Documents to contract in strict compliance with applicable usury laws governing the Obligations including such applicable usury laws of the State of Louisiana, the State of New York and the United States of America as are from time-to-time in effect. In furtherance thereof, Mortgagee and Mortgagor stipulate and agree that none of the terms and provisions contained in this Mortgage, the Loan Agreement or the other Facility Documents shall ever be construed to create a contract to pay, as consideration for the use, forbearance or detention of money, interest at a rate in excess of the maximum non-usurious rate permitted by applicable law and that for purposes hereof "interest" shall include the aggregate of all charges which constitute interest under such laws that are contracted for, charged or received under this Mortgage, the Loan Agreement and the other Facility Documents; and in the event that, notwithstanding the foregoing, under any circumstances the aggregate amounts taken, reserved, charged, received or paid on the Obligations, include amounts which by applicable law are deemed interest which would exceed the maximum non-usurious rate permitted by applicable law, then such excess shall be deemed to be a mistake and Mortgagee shall credit the same on the principal of the Obligations (or if the Obligations shall have been paid in full, refund said excess to Mortgagor). In the event that the maturity of the Obligations is accelerated by reason of any election of Mortgagee resulting from an Event of Default, or in the event of any required or permitted prepayment, then such consideration that constitutes interest may never include more than the maximum non-usurious rate permitted by applicable law and excess interest, if any, provided for in this Mortgage, the Loan Agreement or other Facility Documents shall be canceled automatically as of the date of such acceleration and prepayment and, if theretofore paid, shall be credited on the Obligations or, if the Obligations shall have been paid in full, refunded to Mortgagor. In determining whether or not the interest paid or payable under any specific contingencies exceeds the maximum non-usurious rate permitted by applicable law, Mortgagor and Mortgagee shall to the maximum extent permitted under applicable law amortize, prorate, allocate and spread in equal part during the period of the full stated term of the Obligations, all amounts considered to be interest under applicable law of any kind contracted for, charged, received or reserved in connection with the Obligation.

Section 7.19 **Defense of Claims.** Mortgagor shall promptly notify Mortgagee in writing of the commencement of any legal proceedings affecting Mortgagor's title to the Collateral or Mortgagee's Security or security interest in the Collateral, or any part thereof, and shall take such action as may be necessary to preserve Mortgagor's and Mortgagee's rights affected thereby. If Mortgagor fails or refuses to adequately or vigorously, in the sole judgment of Mortgagee, defend Mortgagor's or Mortgagee's rights to the Collateral, Mortgagee may, but shall not be obligated to, take such action on behalf of and in the name of Mortgagor and at Mortgagor's expense. Moreover, Mortgagee may take such independent action in connection therewith as they may in their discretion deem proper, including, without limitation, the right to employ independent counsel and to intervene in any suit affecting the Collateral. All costs, expenses and attorneys' fees incurred by Mortgagee pursuant to this Section 7.19 or in connection with the defense by Mortgagee of any claims, demands or litigation relating to Mortgagor, the Collateral or the transactions contemplated in this Mortgage shall be paid by Mortgagor on demand plus interest thereon from the date of the advance by Mortgagee until reimbursement of Mortgagee, respectively, at the Reimbursement Rate.

Section 7.20 **Conflicts.** To the fullest extent possible, the terms and provisions of the Loan Agreement shall be read together with the terms and provisions of this Mortgage so that the terms and provisions of this Mortgage do not conflict with the terms and provisions of the Loan Agreement; provided, however, notwithstanding the foregoing, in the event that any of the terms or provisions of this Mortgage conflict with any terms or provisions of the Loan Agreement, the terms or provisions of the Loan Agreement, as applicable, shall govern and control for all purposes; provided that the inclusion in this Mortgage of terms and provisions, supplemental rights or remedies in favor of Mortgagee not addressed in the Loan Agreement shall not be deemed to be a conflict with the Loan Agreement and all such additional terms, provisions, supplemental rights or remedies contained herein shall be given full force and effect; and provided further that nothing contained in this Section 7.20 shall diminish or preclude the granting of the mortgages, pledges, hypothecations, collateral assignments and security interests in this Mortgage, limit the ability of the Mortgagee to enforce this Mortgage by ordinary or executory process, or otherwise, or detract from the provisions of Section 7.24 hereof.

Section 7.21 **No Offsets, Etc.** Mortgagor hereby represents, warrants, and covenants to Mortgagee that there are no offsets, counterclaims or defenses at law or in equity against this Mortgage or the indebtedness secured hereby.

Section 7.22 **Bankruptcy Limitation.** Notwithstanding anything contained herein to the contrary, it is the intention of Mortgagor, Mortgagee and the other Beneficiaries that the amount of the Obligations secured by Mortgagor's interests in any of its Property shall be in, but not in excess of, the maximum amount permitted by fraudulent conveyance, fraudulent transfer and other similar law, rule or regulation of any Governmental Authority applicable to Mortgagor. Accordingly, notwithstanding anything to the contrary contained in this Mortgage in any other agreement or instrument executed in connection with the payment of any of the Obligations, the amount of the Obligations secured by Mortgagor's interests in any of its Property pursuant to this Mortgage shall be limited to an aggregate amount equal to the largest amount that would not render Mortgagor's obligations hereunder or the Transaction Security and security interest granted to Mortgagee hereunder subject to avoidance under Section 548 of the United States Bankruptcy Code or any comparable provision of any other applicable law.

Section 7.23 **Certain Louisiana References.** Each reference to a "lien" will include a reference to a "privilege", "mortgage", "collateral assignment pledge", and/or "security interest", as appropriate. Each reference to an "easement" or "easements" will include a reference to a "servitude" and "servitudes". Each reference to a county will include a reference to a Louisiana parish. The terms "real property", and "real estate" will mean "immovable property" as that term is used in the Louisiana Civil Code. The term "Personalty Collateral" will mean "movable property" as that term is used in the Louisiana Civil Code. The term "intangible" will mean "incorporeal" as that term is used in the Louisiana Civil Code. Reference to "receiver" shall be deemed to be a keeper appointed by the Mortgagee as provided herein. The term "fee estate" or "fee simple title" will mean "full ownership interest" as that term is used in the Louisiana Civil Code. The term "condemnation" will include "expropriation" as that term is used in Louisiana law. The term "conveyance in lieu of foreclosure" or "action in lieu thereof" will mean "giving in payment" as that term is used in the Louisiana Civil Code and "dation en paiement". The term "joint and several" will include "solidary" as that term is used in the Louisiana Civil Code.

Section 7.24 **Acceptance by Mortgagee.** In accordance with the provisions of Louisiana Civil Code Article 3289, Mortgagee has accepted the benefits of the Mortgage without the necessity of execution by Mortgagee. Notwithstanding any reference herein to the Loan Agreement, all persons dealing with the Collateral shall be entitled to rely on any document or certificate of the Mortgagee as to the occurrence of an event, such as an Event of Default, and shall not be charged with or forced to review any provision of any other document to determine the accuracy thereof.

**THIS WRITTEN AGREEMENT AND THE OTHER FINANCE DOCUMENTS REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.**

**THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES.**

**(SIGNATURE PAGE TO IMMEDIATELY FOLLOW)**





THUS DONE AND PASSED, in multiple originals before me, the undersigned Notary Public in and for the State and County aforesaid, and in the presence of the undersigned competent witnesses, who hereunto signed their names with the undersigned appearer, and me, Notary Public, after due reading of the whole, on the date above first written to be effective as of the Effective Date.

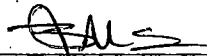
**MORTGAGOR:**

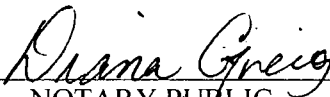
**ILX PROSPECT SOUTH SANTA CRUZ, LLC,**  
a Delaware limited liability company

WITNESSES:

  
Print Name: Claudia Maria

By:   
Name: **Thomas J. Walker**  
Title: **Authorized Person**

  
Print Name: Brian McKie

  
NOTARY PUBLIC

Full name as appears in notarial commission: Diana Greig  
Notarial Identification Number: 01GR6307976

My Commission Expires on: July 21, 2018

**DIANA GREIG**  
Notary Public, State of New York  
No. 01GR6307976  
Qualified in Bronx County  
Commission Expires July 21, 2018

### Exhibit A

The designation "Working Interest" or "WI" when used in this Exhibit means an interest owned in an oil, gas, and mineral lease that determines the cost-bearing percentage of the owner of such interest. For each well in which the Mortgagor has an interest, each amount set forth as "Working Interest" or "WI" is the Mortgagor's interest after giving full effect to, among other things, all Security permitted by the Loan Agreement and after giving full effect to the agreements or instruments set forth in this Exhibit A and any other instruments or agreements affecting Mortgagor's ownership of the Hydrocarbons.

Any reference in this Exhibit A to wells or units is for warranty of interest, administrative convenience, and identification and shall not limit or restrict the right, title, interest, or Properties covered by this Mortgage. All right, title, and interest of Mortgagor in the Properties described herein and in Exhibit A are and shall be subject to this Mortgage, regardless of the presence of any units or wells not described herein.

The reference to book or volume and page herein and in Exhibit A refer to the recording location of each respective Realty Collateral described herein and in Exhibit A in the parish where (or adjacent to the portions of the outer continental shelf where) the land covered by the Realty Collateral is located. Any reference to Serial No. in this Exhibit A refers to the Outer Continental Shelf Lease Number assigned to each respective Realty Collateral by the Department of the Interior, Bureau of Ocean Energy Management.

Exhibit A

#5429091  
#5500309.2  
#5500309.3

REF#	PROSPECT	AREA/BLOCK	OCS LEASE SERIAL NO.	LEASE EFFECTIVE DATE	LESSOR	ORIGINAL LESSEE(S)	DESCRIPTION	WORKING INTEREST OWNER AND MORTGAGOR	WORKING INTEREST	RECORD TITLE OPERATING RIGHTS	RECORDED DOCUMENT	RECORDING INFORMATION
1	BARATARIA	MC 521	OCS-G 34441	11/1/2012	United States of America	Houston Energy, L.P. Red Willow Offshore, LLC	All of Block 521, Mississippi Canyon, as shown on OCS Official Production Diagram, NH 16-10	ILX Prospect Barataria, LLC	23.85000%	Record Title	Assignment of Oil and Gas Lease into ILX Prospective Lessee II, LLC  Assignment of Record Title into ILX Prospect Barataria, LLC	Plaquemines Parish, LA. File Number 2013-0000377- Book 1300- Page 166  BOEM Approved Assn. 4/14/2015 - no Parish Assignment
											Assignment of Record Title into ILX Prospect Barataria, LLC	Plaquemines Parish, LA. File Number 2015-00002050 - Book 1341 - Page 559
											Assignment of Record Title from ILX Prospect Barataria, LLC, et al to Houston Energy Deepwater Ventures IX	Plaquemines Parish, LA. File Number 2017-00000813- Book 1375 - Page 243
2	CLAIBORNE	MC 794	OCS-G 34909	9/1/2013	United States of America	Ridgecoast Energy Corporation Houston Energy, L.P. Red Willow Offshore, LLC LLOG Bluewater Holdings, L.L.C.	All of Block 794, Mississippi Canyon, as shown on OCS Official Production Diagram, NH 16-10	ILX Prospect Claiborne, LLC	35.25000%	Record Title	Assignment of Record Title Interest into ILX Prospect Claiborne, LLC	Plaquemines Parish, LA. File Number 2015-00002022- Book 1341 - Page 468
											Assignment of Record Title Interest into ILX Prospect Claiborne, LLC	Plaquemines Parish, LA. File Number 2015-00002053 Book 1341- Page 577
											Assignment of Record Title Interest from ILX Prospect Claiborne, LLC et al to Houston Energy Deepwater Ventures XIII, LLC	Plaquemines Parish, LA. File Number 2016-00001522- Book 1357 - Page 747
											Assignment of Record Title Interest into ILX Prospect Claiborne, LLC	Plaquemines Parish, LA. File Number 2016-00001521 Book 1357- Page 761
3	CROWN & ANCHOR	VK 959	OCS-G 34874	8/1/2013	United States of America	Stone Energy Offshore, L.L.C. LLOG Bluewater Holdings, L.L.C.	All of Block 959, Viosca Knoll, as shown on OCS Official Production Diagram, NH 16-07	ILX Prospect Crown & Anchor, LLC	17.50000%	Record Title	Assignment of Record Title Interest into ILX Prospect Crown & Anchor, LLC et al  Assignment of Record Title Interest into ILX Prospect Crown & Anchor, LLC, et al	Plaquemines Parish, LA File Number 2013-00003769-Book 1348 - Page 320  BOEM Approved Assn. 11/17/2015
											Assignment and Bill of Sale	Plaquemines Parish, LA. File Number 2015-00004246- Book 1349- Page 740
							All of Block 959, Viosca Knoll, INSO FAR AND ONLY INSO FAR as lease covers the depths from 14,947 feet TVDSS down to and including 99,999 feet TVDSS	ILX Prospect Crown & Anchor, LLC	5.00000%	Operating Rights	Assignment of Operating Rights Interest from ILX Prospect Crown & Anchor, LLC, et al to Stone Energy Offshore, LLC	Plaquemines Parish, LA. File Number 2016-00001148- Book 1357 - Page 207
4	CROWN & ANCHOR	VK 960	OCS-G 27217	7/1/2005	United States of America	Deminion Exploratin & Production, Inc.	All of Block 960, Viosca Knoll, as shown on OCS Official Production Diagram, NH 16-07	ILX Prospect Crown & Anchor, LLC	17.50000%	Record Title	Assignment of Record Title Interest into ILX Prospect Crown & Anchor, LLC  Assignment of Record Title Interest into ILX Prospect Crown & Anchor, LLC	Plaquemines Parish, LA. File Number 2015-00003791- Book 1348 - Page 379  BOEM approved Assn. 11/17/2015
											Assignment and Bill of Sale	Plaquemines Parish, LA. File Number 2015-00004246- Book 1349- Page 740
							All of Block 960, Viosca Knoll, INSO FAR AND ONLY INSO FAR as lease covers the depths from 14,947 feet TVDSS down to and including 99,999 feet TVDSS	ILX Prospect Crown & Anchor, LLC	5.00000%	Operating Rights	Assignment of Operating Rights Interest from ILX Prospect Crown & Anchor, LLC, et al to Stone Energy Offshore, LLC	Plaquemines Parish, LA. File Number 2016-00001380- Book 1357 - Page 220
5	CROWN & ANCHOR	VK 1003	OCS-G 15620	6/1/2015	United States of America	LLOG Bluewater Holdings, L.L.C	All of Block 1003, Viosca Knoll, as shown on OCS Official Production Diagram, NH 16-07	ILX Prospect Crown & Anchor, LLC	17.50000%	Record Title	Assignment of Record Title Interest into ILX Prospect Crown & Anchor, LLC  Assignment of Record Title Interest into ILX Prospect Crown & Anchor, LLC	Plaquemines Parish, LA. File Number 2015-00004106- Book 1349- Page 317  BOEM approved Assn. 11/17/2015
											Assignment and Bill of Sale	Plaquemines Parish, LA. File Number 2015-00004246- Book 1349- Page 740
							All of Block 1003, Viosca Knoll, INSO FAR AND ONLY INSO FAR as lease covers the depths from 14,947 feet TVDSS down to and including 99,999 feet TVDSS	ILX Prospect Crown & Anchor, LLC	5.00000%	Operating Rights	Assignment of Operating Rights Interest from ILX Prospect Crown & Anchor, LLC, et al to Stone Energy Offshore, LLC	Plaquemines Parish, LA. File Number 2016-00001382- Book 1357- Page 232
6	CROWN & ANCHOR	VK 1004	OCS-G 27219	7/1/2005	United States of America	Deminion Exploration & Production, Inc.	All of Block 1004, Viosca Knoll, as shown on OCS Official Production Diagram, NH 16-07	ILX Prospect Crown & Anchor, LLC	17.50000%	Record Title	Assignment of Record Title Interest into ILX Prospect Crown & Anchor, LLC, et al  Assignment of Record Title Interest into ILX Prospect Crown & Anchor, LLC	Plaquemines Parish, LA. File Number 2015-00003792- Book 1348- Page 385  BOEM approved Assn. 12/1/2015
											Assignment and Bill of Sale	Plaquemines Parish, LA. File Number 2015-00004246- Book 1349- Page 740
							All of Block 1004, Viosca Knoll, INSO FAR AND ONLY INSO FAR as lease covers the depths from 14,947 feet TVDSS down to and including 99,999 feet TVDSS	ILX Prospect Crown & Anchor, LLC	5.00000%	Operating Rights	Assignment of Operating Rights Interest from ILX Prospect Crown & Anchor, LLC, et al to Stone Energy Offshore, LLC	Plaquemines Parish, LA. File Number 2016-00001384- Book 1357 - Page 245
7	DANTZLER	MC 738	OCS-G 33755	7/1/2010	United States of America	Noble Energy, Inc.	All of Block 738, Mississippi Canyon, as shown on OCS Official Production Diagram, NH 16-10	ILX Prospect Dantzer, LLC	17.50000%	Record Title	Assignment of Record Title Interest into ILX Prospect Dantzer, LLC	Plaquemines Parish, LA. File Number 2013-00005680- Book 1308- Page 634 Mobile County, AL. File Number 2014000379 Book LR7109 Page 1502
8	DANTZLER	MC 782	OCS-G 33757	7/1/2010	United States of America	Noble Energy, Inc.	All of Block 782, Mississippi Canyon, as shown on OCS Official Production Diagram, NH 16-10	ILX Prospect Dantzer, LLC	17.50000%	Record Title	Assignment of Record Title Interest into ILX Prospect Dantzer, LLC	Plaquemines Parish, LA. File Number 2013-00005681- Book 1308- Page 641 Mobile County, AL. File Number 2014000380 Book LR7109 Page 1508
9	KATMAI	EW 1009	OCS-G 34878	8/1/2013	United States of America	Statoff Gulf of Mexico LLC	All of Block 1009, Ewing Bank, as shown on OCS Official Production Diagram NH 15-12	ILX Prospect Katmai, LLC	25.00000%	Record Title	Assignment of Record Title Interest into ILX Prospect Katmai, LLC	Lafourche Parish, LA. Inst Number 1211143 Book 2023 - Page 1
							Southeast Quarter of Southeast Quarter (SE1/4SE1/4) and South Half of Northeast Quarter of Southeast Quarter (S1/2NE1/4SE1/4) of Block 1009, Ewing Bank, limited to depths from the surface of the earth down to and including 99,999 feet TVDSS	ILX Prospect Katmai, LLC	19.23077%	Operating Rights	Assignment of Operating Rights Interest into ILX Prospect Katmai, LLC	Plaquemines Parish, LA. File Number 2016-00001783 - Book 1358 - Page 539
											Assignment of Operating Rights Interest into ILX Prospect Katmai, LLC	Plaquemines Parish, LA. File Number 2016-00001964 - Book 1359 - Page 135 Jefferson Parish, LA Inst. Number 11622965 CB Book 3370 Page 611 MB Book 4693 Page 389
							Southeast Quarter of Southeast Quarter (SE1/4SE1/4) and South Half of Northeast Quarter of Southeast Quarter (S1/2NE1/4SE1/4) of Block 1009, Ewing Bank, limited to depths from the surface of the earth down to and including 99,999 feet TVDSS	ILX Prospect Rocketteller, LLC	11.53846%	Operating Rights	Assignment of Operating Rights Interest into ILX Prospect Rocketteller, LLC	Plaquemines Parish, LA. File Number 2016-00000833 - Book 1355 - Page 1
											Assignment of Operating Rights Interest into ILX Prospect Rocketteller, LLC	Plaquemines Parish, LA. File Number 2016-00001785 - Book 1358 - Page 539
											Assignment of Operating Rights Interest into ILX Prospect Rocketteller, LLC	Plaquemines Parish, LA. File Number 2016-00001964 - Book 1359 - Page 135 Jefferson Parish, LA Inst. Number 11622965 CB Book 3370 Page 611 MB Book 4693 Page 389
10	KATMAI	EW 1010	OCS-G 34879	8/1/2013	United States of America	Statoff Gulf of Mexico LLC	All of Block 1010, Ewing Bank, as shown on OCS Official Production Diagram NH 15-12	ILX Prospect Katmai, LLC	25.00000%	Record Title	Assignment of Record Title Interest into ILX Prospect Katmai, LLC	Lafourche Parish, LA. Inst Number 1211144 Book 2023 - Page 9

REF	PROSPECT	AREA/BLOCK	OCS LEASE SERIAL NO.	LEASE EFFECTIVE DATE	LESSOR	ORIGINAL LESSEE(S)	DESCRIPTION	WORKING INTEREST OWNER AND MORTGAGOR	WORKING INTEREST	RECORD TITLE OPERATING RIGHTS	RECORDED DOCUMENT	RECORDING INFORMATION
							W4-2W1,2SW1/4SW1/4, SW1/4NW1/4SW1/4 of Block 1010, Ewing Bank, limited to depths from the surface of the earth down to and including 99,999 feet TVDSS	ILX Prospect Katmai, LLC	19.21077%	Operating Rights	Assignment of Operating Rights Interest into ILX Prospect Katmai, LLC	Plaquemines Parish, LA. File Number 2016-0001786 - Book 1358 - Page 550
											Assignment of Operating Rights Interest into ILX Prospect Katmai, LLC	Plaquemines Parish, LA. File Number 2016-0001965 - Book 1359 - Page 144 Jefferson Parish, LA Inst. Number 11622966 CB Book 3370 Page 613 MB Book 4693 Page 390
							W4-2W1,2SW1/4SW1/4, SW1/4NW1/4SW1/4 of Block 1010, Ewing Bank, limited to depths from the surface of the earth down to and including 99,999 feet TVDSS	ILX Prospect Rocketfeller, LLC	11.53846%	Operating Rights	Assignment of Operating Rights Interest into ILX Prospect Rocketfeller, LLC	Plaquemines Parish, LA. File Number 2016-0000034 - Book 1355 - Page 17
											Assignment of Operating Rights Interest into ILX Prospect Rocketfeller, LLC	Plaquemines Parish, LA. File Number 2016-0001786 - Book 1358 - Page 550
											Assignment of Operating Rights Interest into ILX Prospect Rocketfeller, LLC	Plaquemines Parish, LA. File Number 2016-0001965 - Book 1359 - Page 144 Jefferson Parish, LA Inst. Number 11622966 CB Book 3370 Page 612 MB Book 4693 Page 390
11	KATMAI	EW 1011	OCS-G 34880	8/1/2013	United States of America	Statul Gulf of Mexico LLC	All of Block 1011, Ewing Bank, as shown on OCS Official Protection Diagram NH 15-12	ILX Prospect Katmai, LLC	25.00000%	Record Title	Assignment of Record Title Interest into ILX Prospect Katmai, LLC	Lafourche Parish, LA. Inst. Number 1211145 Book 2025 - Page 17
	KATMAI	GC 39	OCS-G 14966	9/1/2013	United States of America	Ridgewood Energy Corporation Houston Energy, L.P. Red Willow Offshore, LLC LLOG Bluewater Holdings, L.L.C	All of Block 39, Green Canyon, as shown on OCS Official Protection Diagram, NG 15-03					
12							NE1/4NE1/4, N1/2SE1/4NE1/4 of Block 39, Green Canyon, limited to the depths from the surface of the earth down to and including 99,999 feet TVDSS	ILX Prospect Katmai, LLC	19.21077%	Operating Rights	Assignment of Operating Rights Interest into ILX Prospect Katmai, LLC	Plaquemines Parish, LA. File Number 2016-0000031 - Book 1354 - Page 878
											Assignment of Operating Rights Interest into ILX Prospect Katmai, LLC	Plaquemines Parish, LA. File Number 2016-0001783 - Book 1358 - Page 517
											Assignment of Operating Rights Interest into ILX Prospect Katmai, LLC	Plaquemines Parish, LA. File Number 2016-0001962 - Book 1359 - Page 117 Jefferson Parish, LA Inst. Number 11622964 CB Book 3370 Page 610 MB Book 4693 Page 388
							NE1/4NE1/4, N1/2SE1/4NE1/4 of Block 39, Green Canyon, limited to the depths from the surface of the earth down to and including 99,999 feet TVDSS	ILX Prospect Rocketfeller, LLC	11.53846%	Operating Rights	Assignment of Operating Rights Interest into ILX Prospect Rocketfeller, LLC	Plaquemines Parish, LA. File Number 2016-0001783 - Book 1358 - Page 517
											Assignment of Operating Rights Interest into ILX Prospect Rocketfeller, LLC	Plaquemines Parish, LA. File Number 2016-0001962 - Book 1359 - Page 117 Jefferson Parish, LA Inst. Number 11622964 CB Book 3370 Page 610 MB Book 4693 Page 388
13	KATMAI	GC 40	OCS-G 34516	1/1/2012	United States of America	Noble Energy, Inc	All of Block 40, Green Canyon as shown on OCS Official Protection Diagram NGH 15-03	ILX Prospect Katmai, LLC	25.00000%	Record Title	Assignment of Record Title Interest into ILX Prospect Katmai, LLC	Lafourche Parish, LA. Inst. Number 1182423 Book 1974 - Page 707
							West Half of Northwest Quarter of Northwest Quarter (W1/2NW1/4NW1/4) of Block 40, Green Canyon, limited to depths from the surface of the earth down to and including 99,999 feet TVDSS	ILX Prospect Katmai, LLC	19.21077%	Operating Rights	Assignment of Operating Rights Interest into ILX Prospect Katmai, LLC	Plaquemines Parish, LA. File Number 2016-0001784 - Book 1358 - Page 528
											Assignment of Operating Rights Interest into ILX Prospect Katmai, LLC	Plaquemines Parish, LA. File Number 2016-0001963 - Book 1359 - Page 126 Jefferson Parish, LA Inst. Number 11622963 CB Book 3370 Page 609 MB Book 4693 Page 387
							West Half of Northwest Quarter of Northwest Quarter (W1/2NW1/4NW1/4) of Block 40, Green Canyon, limited to depths from the surface of the earth down to and including 99,999 feet TVDSS	ILX Prospect Rocketfeller, LLC	11.53846%	Operating Rights	Assignment of Operating Rights Interest into ILX Prospect Rocketfeller, LLC	Plaquemines Parish, LA. File Number 2016-0000032 - Book 1354 - Page 892
											Assignment of Operating Rights Interest into ILX Prospect Rocketfeller, LLC	Plaquemines Parish, LA. File Number 2016-0001784 - Book 1358 - Page 528
											Assignment of Operating Rights Interest into ILX Prospect Rocketfeller, LLC	Plaquemines Parish, LA. File Number 2016-0001963 - Book 1359 - Page 126 Jefferson Parish, LA Inst. Number 11622963 CB Book 3370 Page 609 MB Book 4693 Page 387
14	KATMAI	GC 41	OCS-G 34537	10/1/2012	United States of America	Statul Gulf of Mexico LLC	All of Block 41, Green Canyon, as shown on OCS Official Protection Diagram NH 15-03	ILX Prospect Katmai, LLC	25.00000%	Record Title	Assignment of Record Title Interest into ILX Prospect Katmai, LLC	Lafourche Parish, LA. Inst. Number 1211142 Book 2024 - Page 893
15	KATMAI	AT 1	OCS-G 33690	7/1/2015	United States of America	Ridgewood Energy Corporation	All of Block 1, Amstar Valley, as shown on OCS Official Protection Diagram NG 16-01	ILX Prospect Katmai, LLC	50.00000%	Record Title	Assignment of Record Title Interest into ILX Prospect Katmai, LLC	Lafourche Parish, LA. Inst. Number 1211141 Book 2024 - Page 887
16	ODD JOB	MC 214	OCS-G 24059	7/1/2002	United States of America	Dominion Exploration & Production, Inc. Spinnaker Exploration Company, L.L.C.	All of Block 214, Mississippi Canyon, as shown on OCS Official Protection Diagram, NH 16-10	ILX Prospect Odd Job, LLC	17.50000%	Record Title	Assignment of Record Title Interest from Deep Gulf Energy II to ILX Prospect Odd Job, LLC	Plaquemines Parish, LA. File Number 2015-0002388 - Book 1343 - Page 15
											Correction of Assignment of Record Title Interest in Federal OCS Oil and	Plaquemines Parish, LA. File Number 2016-0002388 - Book 1366 - Page 94
17	ODD JOB	MC 215	OCS-G 24060	6/1/2002	United States of America	Dominion Exploration & Production, Inc. Spinnaker Exploration Company, L.L.C.	All of Block 215, Mississippi Canyon, as shown on OCS Official Protection Diagram, NH 16-10	ILX Prospect Odd Job, LLC	17.50000%	Record Title	Assignment of Record Title Interest from Deep Gulf Energy II to ILX Prospect Odd Job, LLC	Plaquemines Parish, LA. File Number 2015-0002388 - Book 1343 - Page 15
											Correction of Assignment of Record Title Interest in Federal OCS Oil and	Plaquemines Parish, LA. File Number 2016-0002388 - Book 1366 - Page 94
18	ODD JOB	MC 258	OCS-G 33326	8/1/2014	United States of America	Deep Gulf Energy II, LLC	All of Block 258, Mississippi Canyon, as shown on OCS Official Protection Diagram, NH 16-10	ILX Prospect Odd Job, LLC	17.50000%	Record Title	Assignment of Record Title Interest from Deep Gulf Energy II to ILX Prospect Odd Job, LLC	Plaquemines Parish, LA. File Number 2015-0002388 - Book 1343 - Page 15
											Correction of Assignment of Record Title Interest in Federal OCS Oil and	Plaquemines Parish, LA. File Number 2016-0002388 - Book 1366 - Page 94
19	OTIS	MC 79	OCS-G 27259	6/1/2005	United States of America	LLOG Exploration Offshore, Inc.	All of Block 79, Mississippi Canyon, as shown on OCS Official Protection Diagram, NH 16-10	ILX Prospect MC 79, LLC	15.00000%	Record Title	Assignment of Record Title into ILX Prospect MC 79, LLC	Plaquemines Parish, LA. File Number 2014-00104217 - Book 1328 - Page 85
20	OURSE	MC 895	OCS-G 31764	7/1/2010	United States of America	Ridgewood Energy Corporation Houston Energy, L.P. Red Willow Offshore, LLC	All of Block 895, Mississippi Canyon, as shown on OCS Official Protection Diagram, NH 16-10	ILX Prospect Ourse, LLC	24.81250%	Record Title	Assignment of Record Title into ILX Prospect Ourse, LLC	BOEM Approved Assn. 12/03/2010 - no Parish Assignment
											Assignment of Record Title into ILX Prospect Ourse, LLC	Plaquemines Parish, LA. File Number 2015-0002047 - Book 1341 - Page 541
											Assignment of Record Title from ILX Prospect Ourse, LLC to Houston Energy Decatur Ventures, VIII, LLC	Plaquemines Parish, LA. File Number 2016-0001440 - Book 1368 - Page 424
											Assignment of Record Title into ILX Prospect Ourse, LLC	Plaquemines Parish, LA. File Number 2016-0001441 - Book 1368 - Page 432
21	ROCKEFELLER	GC 39	OCS-G 14966	9/1/2013	United States of America	Ridgewood Energy Corporation Houston Energy, L.P. Red Willow Offshore, LLC LLOG Bluewater Holdings, L.L.C	All of Block 39, Green Canyon as shown on OCS Official Protection Diagram, NH 15-03	ILX Prospect Rocketfeller, LLC	20.25000%	Record Title	Assignment of Record Title into ILX Prospect Rocketfeller, LLC	Lafourche Parish, LA Inst. Number 1197667 - Book 2001 - Page 492 Plaquemines Parish, LA File Number 2015-0002023 - Book 1341 - Page 476

Ref	PROSPECT	AREA/ BLOCK	OCS LEASE SERIAL NO.	LEASE EFFECTIVE DATE	LESSOR	ORIGINAL LESSEE(S)	DESCRIPTION	WORKING INTEREST OWNER AND MORTGAGOR	WORKING INTEREST	RECORD TITLE OPERATING RIGHTS	RECORDED DOCUMENT	RECORDING INFORMATION
											Assignment of Record Title into ILX Prospect Rockefeller, LLC	Plaquemines Parish File Number 2015-00002048 - Book 1341 - Page 547 Lafourche Parish, LA Dist Number 1199986 Book 2906 - Page 151
							W1/2; S1/2SE1/4; NW1/4SE1/4; S1/2NE1/4SE1/4; W1/2W1/2NE1/4; SE1/4SW1/4SE1/4 of Block 39, Green Canyon	ILX Prospect Rockefeller, LLC	20.25000%	Record Title	Assignment of Record Title from ILX Prospect Rockefeller, LLC to Houston Energy Deepwater Ventures, NV, LLC	Plaquemines Parish File Number 2016-00004370 - Book 1368 - Page 276
							E1/2NE1/4; E1/2NW1/4NE1/4; NE1/4SW1/4NE1/4; N1/2NE1/4SE1/4 of Block 39, Green Canyon	ILX Prospect Rockefeller, LLC	20.25000%	Record Title	Assignment of Record Title from ILX Prospect Rockefeller, LLC to Houston Energy Deepwater Ventures, NV, LLC	Plaquemines Parish File Number 2016-00004485 - Book 1368 - Page 614
22	SOUTH SANTA CRUZ	MC 563	OCS-G 21176	7/1/1999	United States of America	Elf Exploration, Inc.	All of Block 563, Mississippi Canyon, as shown on OCS Official Production Diagram NH 16-10	ILX Prospect South Santa Cruz, LLC	20.25000%	Record Title	Assignment of Record Title into ILX Prospect South Santa Cruz, LLC	Plaquemines Parish File Number 2015-00003200 - Book 1346 - Page 167
											Assignment of Record Title into ILX Prospect South Santa Cruz, LLC	Plaquemines Parish File Number 2015-00003203 - Book 1346 - Page 194
							N1/2NW1/4 of Block 563, Mississippi Canyon, as to all depths from the surface down to 19,000' TVDSS	ILX Prospect South Santa Cruz, LLC	20.25000%	Operating Rights	Assignment of Operating Rights into ILX Prospect South Santa Cruz, LLC	Plaquemines Parish File Number 2015-00003202 - Book 1346 - Page 184
											Assignment of Operating Rights into ILX Prospect South Santa Cruz, LLC	Plaquemines Parish File Number 2015-00003201 - Book 1346 - Page 177

## LEASE LISTING

### **1. Prospect Barataria:**

- a. That certain Oil and Gas Lease of Submerged Lands Under the Outer Continental Shelf Lands Act dated effective November 1, 2012, from the United States of America, as Lessor, to Houston Energy, L.P. and Red Willow Offshore, LLC, as Lessees, designated with Serial No. OCS-G34441, covering all of Block 521, Mississippi Canyon, OCS Official Protraction Diagram, NH 16-10, containing approximately 5,760 acres.

### **2. Prospect Claiborne:**

- a. That certain Oil and Gas Lease of Submerged Lands Under the Outer Continental Shelf Lands Act dated effective September 1, 2013, from the United States of America, as Lessor; to Ridgewood Energy Corporation, Houston Energy, L.P., Red Willow Offshore, LLC and LLOG Bluewater Holdings, L.L.C., as Lessees, designated with Serial No. OCS-G 34909, covering all of Block 794, Mississippi Canyon, OCS Official Protraction Diagram, NH 16-10, containing approximately 5,760 acres.

### **3. Prospect Crown & Anchor:**

- a. That certain Oil and Gas Lease of Submerged Lands Under the Outer Continental Shelf Lands Act dated effective August 1, 2013, from the United States of America, as Lessor, to Stone Energy Offshore, L.L.C. and LLOG Bluewater Holdings, L.L.C., as Lessees, designated with Serial No. OCS-G 34874, covering all of Block 959, Viosca Knoll, OCS Official Protraction Diagram, NH 16-07, containing approximately 5,760 acres.
- b. That certain Oil and Gas Lease of Submerged Lands Under the Outer Continental Shelf Lands Act dated effective July 1, 2005, from the United States of America, as Lessor, to Dominion Exploration & Production, Inc., as Lessee, designated with Serial No. OCS-G 27247, covering all of Block 960, Viosca Knoll, OCS Official Protraction Diagram, NH 16-07, containing approximately 5,760 acres.
- c. That certain Oil and Gas Lease of Submerged Lands Under the Outer Continental Shelf Lands Act dated effective June 1, 2005, from the United States of America, as Lessor, to LLOG Bluewater Holdings, L.L.C., as Lessee, designated with Serial No. OCS-G 35620, covering all of Block 1003, Viosca Knoll, OCS Official Protraction Diagram, NH 16-07, containing approximately 5,760 acres.

- d. That certain Oil and Gas Lease of Submerged Lands Under the Outer Continental Shelf Lands Act dated effective July 1, 2005, from the United States of America, as Lessor, to Dominion Exploration & Production, Inc., as Lessee, designated with Serial No. OCS-G 27249, covering all of Block 1004, Viosca Knoll, OCS Official Protraction Diagram, NH 16-07, containing approximately 5,760 acres.

**4. Prospect Dantzler:**

- a. That certain Oil and Gas Lease of Submerged Lands Under the Outer Continental Shelf Lands Act dated effective July 1, 2010, from the United States of America, as Lessor, to Noble Energy, Inc., as Lessee, designated with Serial No. OCS-G 33755, covering all of Block 738, Mississippi Canyon, OCS Official Protraction Diagram, NH 16-10, containing approximately 5,760 acres.
- b. That certain Oil and Gas Lease of Submerged Lands Under the Outer Continental Shelf Lands Act dated effective July 1, 2010, from the United States of America, as Lessor, to Noble Energy, Inc., as Lessee, designated with Serial No. OCS-G 33757, covering all of Block 782, Mississippi Canyon, OCS Official Protraction Diagram, NH 16-10, containing approximately 5,760 acres.

**5. Prospect Katmai:**

- a. That certain Oil and Gas Lease of Submerged Lands Under the Outer Continental Shelf Lands Act dated effective August 1, 2013, from the United States of America, as Lessor, to Statoil Gulf of Mexico LLC, as Lessee, designated with Serial No. OCS-G 34878, covering all of Block 1009, Ewing Bank, OCS Official Protraction Diagram, NH 15-12, containing approximately 5,760 acres.
- b. That certain Oil and Gas Lease of Submerged Lands Under the Outer Continental Shelf Lands Act dated effective August 1, 2013, from the United States of America, as Lessor, to Statoil Gulf of Mexico LLC, as Lessee, designated with Serial No. OCS-G 34879, covering all of Block 1010, Ewing Bank, OCS Official Protraction Diagram, NH 15-12, containing approximately 5,760 acres.
- c. That certain Oil and Gas Lease of Submerged Lands Under the Outer Continental Shelf Lands Act dated effective August 1, 2013, from the United States of America, as Lessor, to Statoil Gulf of Mexico LLC, as Lessee, designated with Serial No. OCS-G 34880, covering all of Block 1011, Ewing Bank, OCS Official Protraction Diagram, NH 15-12, containing approximately 1,500.13 acres.

- d. That certain Oil and Gas Lease of Submerged Lands Under the Outer Continental Shelf Lands Act dated effective September 1, 2013, from the United States of America, as Lessor, to Ridgewood Energy Corporation, Houston Energy, L.P., Red Willow Offshore, LLC, and LLOG Bluewater Holdings, L.L.C., as Lessees, designated with Serial No. OCS-G 34966, covering all of Block 39, Green Canyon, OCS Official Protraction Diagram, NG 15-03, containing approximately 5,760 acres.
- e. That certain Oil and Gas Lease of Submerged Lands Under the Outer Continental Shelf Lands Act dated effective November 1, 2012, from the United States of America, as Lessor, to Noble Energy, Inc., as Lessee, designated with Serial No. OCS-G 34536, covering all of Block 40, Green Canyon, OCS Official Protraction Diagram, NG 15-03, containing approximately 5,760 acres.
- f. That certain Oil and Gas Lease of Submerged Lands Under the Outer Continental Shelf Lands Act dated effective October 1, 2012, from the United States of America, as Lessor, to Statoil Gulf of Mexico LLC, as Lessee, designated with Serial No. OCS-G 34537, covering all of Block 41, Green Canyon, OCS Official Protraction Diagram, NG 15-03, containing approximately 1,783.23 acres.
- g. That certain Oil and Gas Lease of Submerged Lands Under the Outer Continental Shelf Lands Act dated effective July 1, 2015, from the United States of America, as Lessor, to Ridgewood Energy Corporation, as Lessee, designated with Serial No. OCS-G 35690, covering all of Block 1, Atwater Valley, OCS Official Protraction Diagram, NG 16-01, containing approximately 5,760 acres.

**6. Prospect Odd Job:**

- a. That certain Oil and Gas Lease of Submerged Lands Under the Outer Continental Shelf Lands Act dated effective July 1, 2002, from the United States of America, as Lessor, to Dominion Exploration & Production, Inc. and Spinnaker Exploration Company, L.L.C., as Lessees, designated with Serial No. OCS-G 24059, covering all of Block 214, Mississippi Canyon, OCS Official Protraction Diagram, NH 16-10, containing approximately 5,760 acres.
- b. That certain Oil and Gas Lease of Submerged Lands Under the Outer Continental Shelf Lands Act dated effective June 1, 2002, from the United States of America, as Lessor, to Dominion Exploration & Production, Inc. and Spinnaker Exploration Company, L.L.C., as Lessees, designated with Serial No. OCS-G 24060, covering all of Block 215, Mississippi Canyon, OCS Official Protraction Diagram, NH 16-10, containing approximately 5,760 acres.



- c. That certain Oil and Gas Lease of Submerged Lands Under the Outer Continental Shelf Lands Act dated effective August 1, 2014, from the United States of America, as Lessor, to Deep Gulf Energy II, LLC, as Lessee, designated with Serial No. OCS-G 35326, covering all of Block 258, Mississippi Canyon, OCS Official Protraction Diagram, NH 16-10, containing approximately 5,760 acres.

**7. Prospect Otis:**

- a. That certain Oil and Gas Lease of Submerged Lands Under the Outer Continental Shelf Lands Act dated effective June 1, 2005, from the United States of America, as Lessor, to LLOG Exploration Offshore, Inc., as Lessee, designated with Serial No. OCS-G 27259, covering all of Block 79, Mississippi Canyon, OCS Official Protraction Diagram, NH 16-10, containing approximately 5,760 acres.

**8. Prospect Ourse:**

- a. That certain Oil and Gas Lease of Submerged Lands Under the Outer Continental Shelf Lands Act dated effective July 1, 2010, from the United States of America, as Lessor, to Ridgewood Energy Corporation, Houston Energy, L.P. and Red Willow Offshore, LLC, as Lessees, designated with Serial No. OCS-G 33764, covering all of Block 895, Mississippi Canyon, OCS Official Protraction Diagram, NH 16-10, containing approximately 5,760 acres.

**9. Prospect Rockefeller:**

- a. That certain Oil and Gas Lease of Submerged Lands Under the Outer Continental Shelf Lands Act dated effective September 1, 2013, from the United States of America, as Lessor, to Ridgewood Energy Corporation, Houston Energy, L.P., Red Willow Offshore, LLC and LLOG Bluewater Holdings, L.L.C., as Lessees, designated with Serial No. OCS-G 34966, covering all of Block 39, Green Canyon, OCS Official Protraction Diagram, NH 15-03, containing approximately 5,760 acres.

**10. Prospect South Santa Cruz:**

- a. That certain Oil and Gas Lease of Submerged Lands Under the Outer Continental Shelf Lands Act dated effective July 1, 1999, from the United States of America, as Lessor, to Elf Exploration, Inc., as Lessee, designated with Serial No. OCS-G 21176, covering all of Block 563, Mississippi Canyon, OCS Official Protraction Diagram, NH 16-10, containing approximately 5,760 acres.

## WELL LISTING

1. **Prospect Barataria:**

OCS-G 34441 Mississippi Canyon 521 SS001 (API No. 60-817-41313-00)

2. **Prospect Claiborne:**

OCS-G 34909 Mississippi Canyon 794 SS001 (API No. 60-817-41315-02)

OCS-G 34909 Mississippi Canyon 794 SS002 (API No. 60-817-41343-01)

3. **Prospect Crown & Anchor:**

OCS-G 34874 Viosca Knoll 959 SS001 (API No. 60-816-40458-00)

OCS-G 27247 Viosca Knoll 960 SS001 (API No. 60-816-40459-02)

4. **Prospect Dantzer:**

OCS-G 33757, Mississippi Canyon 782 001 (API No. 60-817-41266-00)

OCS-G 33757 Mississippi Canyon 782 002 (API No. 60-817-41282-00)

5. **Prospect Katmai:**

OCS-G 34536 Green Canyon 40 001 (API No. 60-811-40623-00)

OCS-G 34536 Green Canyon 40 002 (API No. 60-811-40665-00)

6. **Prospect Odd Job:**

OCS-G 24060 Mississippi Canyon 215 SS001 (API No. 60-817-41291-00)

7. **Prospect Otis:**

OCS-G 27259 Mississippi Canyon 79 SS001 (API No. 60-817-41283-02)

8. **Prospect Ourse:**

OCS-G 33764 Mississippi Canyon 895 001 (API No. 60-817-41308-04)

OCS-G 33764 Mississippi Canyon 895 002 (API No. 60-817-41351-01)

9. **Prospect Rockefeller:**

OCS-G 34966 Green Canyon 39 001 (API No. 60-811-40651-01)

10. **Prospect South Santa Cruz:**

OCS-G 21176 Mississippi Canyon 563 001 (API No. 60-817-41300-00)

**Exhibit B**  
**RESOLUTIONS**  
[see attached]

Exhibit B

#5429091  
#5500309.2  
#5500309.3

**ACTIONS BY WRITTEN CONSENT OF  
RIVERSTONE V RIDGEWOOD II HOLDINGS, LLC  
ILX HOLDINGS II, LLC AND  
EACH OF THE SUBSIDIARIES OF ILX HOLDINGS II, LLC**

June 2, 2017

Each of the undersigned persons, acting as the Officer, Managing Committee or sole member, as applicable, of Riverstone V Ridgewood II Holdings, LLC, a Delaware limited liability company (the "Sponsor"), ILX Holdings II, LLC, a Delaware limited liability company (the "Borrower") and each of the Borrower's subsidiaries set forth on Schedule 1 (each, an "Original Guarantor" and collectively, the "Original Guarantors"), waiving all required notice and acting without the holding of a meeting as permitted pursuant to applicable law and pursuant to their respective governing documents, hereby consent to and adopt the following resolutions attached hereto as Exhibit A as of the date set forth above.

IN WITNESS WHEREOF, the undersigned has executed this consent on the date first written above to be effective as of the date first written above.

**ILX HOLDINGS II, LLC**

**RIVERSTONE V RIDGEWOOD II HOLDINGS, LLC**

By: The entirety of the Managing Committee of  
ILX Holdings II, LLC

By: \_\_\_\_\_  
Robert M. Tichio, Managing Director


By:   
Ralph Alexander

By: \_\_\_\_\_  
Robert M. Tichio

**EACH OF THE SUBSIDIARIES LISTED ON SCHEDULE 1**

By: ILX Holdings II, LLC, as sole member

By: The entirety of the Managing Committee of ILX Holdings II, LLC

By:   
Ralph Alexander

By: \_\_\_\_\_  
Robert M. Tichio

**ACTIONS BY WRITTEN CONSENT OF  
RIVERSTONE V RIDGEWOOD II HOLDINGS, LLC  
ILX HOLDINGS II, LLC AND  
EACH OF THE SUBSIDIARIES OF ILX HOLDINGS II, LLC**

June 2, 2017

Each of the undersigned persons, acting as the Officer, Managing Committee or sole member, as applicable, of Riverstone V Ridgewood II Holdings, LLC, a Delaware limited liability company (the "Sponsor"), ILX Holdings II, LLC, a Delaware limited liability company (the "Borrower") and each of the Borrower's subsidiaries set forth on Schedule 1 (each, an "Original Guarantor" and collectively, the "Original Guarantors"), waiving all required notice and acting without the holding of a meeting as permitted pursuant to applicable law and pursuant to their respective governing documents, hereby consent to and adopt the following resolutions attached hereto as Exhibit A as of the date set forth above.

IN WITNESS WHEREOF, the undersigned has executed this consent on the date first written above to be effective as of the date first written above.

**ILX HOLDINGS II, LLC**

By: The entirety of the Managing Committee of  
ILX Holdings II, LLC

By: \_\_\_\_\_  
Ralph Alexander

By: \_\_\_\_\_  
Robert M. Tichio

**RIVERSTONE V RIDGEWOOD II HOLDINGS, LLC**

By: \_\_\_\_\_  
Robert M. Tichio, Managing Director

**EACH OF THE SUBSIDIARIES LISTED ON SCHEDULE 1**

By: ILX Holdings II, LLC, as sole member

By: The entirety of the Managing Committee of ILX Holdings II, LLC

By: \_\_\_\_\_  
Ralph Alexander

By: \_\_\_\_\_  
Robert M. Tichio

**EXHIBIT A**

**RIVERSTONE V RIDGEWOOD II HOLDINGS, LLC**

**ILX HOLDINGS II, LLC AND**

**EACH OF THE SUBSIDIARIES OF ILX HOLDINGS II, LLC**

*Resolutions*

WHEREAS, Riverstone V Ridgewood II Holdings, LLC, a Delaware limited liability company (the "Sponsor"), is managed by its members, and such members have delegated authority to Robert M. Tichio, as an officer, to act on behalf of the Sponsor (in such capacity, the "Officer").

WHEREAS, ILX Holdings II, LLC, a Delaware limited liability company (the "Borrower"), is managed by its Managing Committee, which is comprised of Robert M. Tichio and Ralph Alexander (the "Managing Committee").

WHEREAS, the Borrower is the sole member of each of its subsidiaries set forth on the attached Schedule 1 (each, an "Original Guarantor" and collectively, the "Original Guarantors"), the Borrower is empowered to act on behalf of each of the Original Guarantors by the respective governing documents of each Original Guarantor, and the Borrower may so act by action of the Managing Committee.

WHEREAS, to pay for (a) development capital expenditures spent by the Borrower since December 31, 2016 and thereafter on the projects identified as the Dantzler, Otis, Odd Job #1, Odd Job #2, Odd Job #3, Claiborne, Crown & Anchor and South Santa Cruz projects (the "Initial Borrowing Base Assets") and for the possible future development capital expenditures linked to the projects identified as Barataria, Ourse, Katmai, Odd Job #4 and other future projects as may be identified and approved from time to time (the "New Prospects" and collectively with the Initial Borrowing Base Assets, the "Borrowing Base Assets"), (b) pre-development and development capital expenditures spent by the Borrower on the Borrowing Base Assets prior to January 1, 2017, (c) upfront financing costs linked to the foregoing (a) and (b), and (d) the other Transactions contemplated thereby, the Sponsor, the Borrower and the Original Guarantors (collectively, the "Credit Parties" and each a "Credit Party") desire that the Credit Parties execute and enter into after the date hereof that certain Senior Secured Project Finance Term-Loan Agreement (the "Facility Agreement") by and among (i) the Borrower, (ii) the Sponsor, (iii) SG Americas Securities, LLC, as Mandated Lead Arranger and acting as Technical and Modelling Bank, (iv) Societe Generale acting as Administrative Agent, Security Agent, Structuring Bank and Issuing Bank and (iv) the financial institutions party thereto, as the Original Lenders. Terms used but not defined herein are given the same meaning ascribed to them in the Facility Agreement.

WHEREAS, pursuant to the terms of the Facility Agreement, the Credit Parties must, as applicable, execute, deliver and perform the Finance Documents to which they are a party.

WHEREAS, pursuant to the terms of the Facility Agreement, (i) the Borrower and each of the Original Guarantors are obligated to grant to the Security Agent, for the benefit of the Secured Parties, a security interest in and lien upon substantially all of their property and (ii) the Sponsor is obligated to pledge its equity interests in the Borrower.

WHEREAS, pursuant to the terms of the Facility Agreement, it is contemplated that the Credit Parties will enter into hedging transactions with Hedging Counterparties pursuant to Secured Hedging Agreements in order to manage commodity price risks and to ensure that they are at all times in compliance with the requirements of the Hedging Policy applicable to such Credit Party.

WHEREAS, pursuant to the terms of the Facility Agreement, the Borrower must open and maintain certain Project Accounts with Societe Generale.

WHEREAS, the Officer and the Managing Committee have determined (a) that it is in the best interests of the applicable Credit Party to enter into the Finance Documents to which they are a party and incur the liabilities and obligations arising therefrom on the terms and conditions set forth therein and (b) to authorize certain representatives, agents, managers, managing directors, officers or directors of the applicable Credit Party (collectively, the "Authorized Persons" and each an "Authorized Person") to execute the Finance Documents and take all other such actions as they may deem appropriate to effect the Transactions.

NOW, THEREFORE, the Officer and the Managing Committee adopt the following resolutions in connection with and in furtherance of the foregoing:

#### Finance Documents

RESOLVED, that the form, terms and provisions of the Finance Documents and each of the Transactions contemplated thereby ought to be, and hereby are, in all respects, authorized, ratified, approved and adopted; and further

RESOLVED, that each Credit Party execute, deliver and perform the Finance Documents to which it is a party; and further

RESOLVED, that the Authorized Persons of each Credit Party are, and each of them acting alone hereby is, authorized, empowered and directed to execute and deliver, or cause to be executed and delivered, in the name of and on behalf of such Credit Party, the Finance Documents to which such Credit Party is a party, and to execute and deliver, or cause to be executed and delivered, any agreements, deeds of trust, trust deeds, hypothecs, mortgages, title affidavits, title insurance indemnities, certificates, notices, and other instruments and documents as such Authorized Person deems necessary, advisable or proper in order to carry out and perform the obligations of such Credit Party under the Finance Documents to which it is a party, and to consummate each of the Transactions contemplated thereby in the name of and on behalf of such Credit Party, under such Credit Party's seal, if requested or required, in each case containing such terms or with such changes to the form thereof presented to the Officer and/or the Managing Committee (as the case may be) as the Authorized Person executing the same shall approve, with any such Authorized Person's approval to be conclusively evidenced by the

authorization, execution and/or delivery thereof for and on behalf of such Credit Party; and further

RESOLVED, that the Authorized Persons of each Credit Party are, and each of them acting alone hereby is, authorized, empowered and directed, in the name of and on behalf of such Credit Party, to sign and/or despatch all certificates, documents, notices and instruments (including, if relevant, any Utilisation Request and Selection Notice) to be signed and/or despatched by it under or in connection with the Finance Documents to which such Credit Party is a party and to do all other acts as may be required or as they, or any of them acting alone, may deem necessary or appropriate to carry out and perform, give effect to, or cause such Credit Party to comply with, the terms of each of the Finance Documents to which such Credit Party is a party, and to honor and discharge its obligations thereunder; and further

RESOLVED, that the Authorized Persons of each Credit Party are, and each of them acting alone hereby is, authorized, empowered and directed, in the name of and on behalf of such Credit Party, to (i) grant liens on and security interests in all assets and property of the Borrower and each Original Guarantor as may be provided for or contemplated in the Finance Documents to which such Credit Party is a party, (ii) pledge the Sponsor's equity interests in the Borrower, (iii) to cause such Credit Party to permit the Security Agent to file or record Uniform Commercial Code financing statements, and any amendments thereto or continuations thereof, in any such case as such Authorized Person may deem necessary or advisable, containing confession of judgment, waivers of delay and appraisal and otherwise each in such form and substance as may be approved by such Authorized Person, with any such Authorized Person's approval to be conclusively evidenced by the authorization, execution and/or delivery thereof for and on behalf of such Credit Party, and (iv) to grant any additional liens pursuant to any additional security agreements, mortgages, pledge agreements or supplements or amendments to any of the foregoing that may be required from time to time pursuant to the Finance Documents; and further

RESOLVED, that the Authorized Persons of each Credit Party are, and each of them acting alone hereby is, authorized, empowered and directed, in the name of and on behalf of such Credit Party, to ensure that such Credit Party is in compliance with the requirements of the Hedging Policy, to execute, deliver and perform any Hedging Agreement to which such Credit Party is a party, and to take all other actions such Authorized Person may deem necessary or advisable in connection with the foregoing, with any such Authorized Person's approval to be conclusively evidenced by the authorization, execution and/or delivery thereof for and on behalf of such Credit Party; and further

RESOLVED, that the Authorized Persons of each Credit Party are, and each of them acting alone hereby is, authorized, empowered and directed, in the name of and on behalf of such Credit Party, to pay, or cause to be paid, the fees and expenses as contemplated in the Finance Documents to which such Credit Party is party and any fee letter or other agreement executed in accordance therewith; and further



Amendments, Waivers & Consents

RESOLVED, that the Officer and the Managing Committee hereby authorize, empower and direct each Authorized Person to prepare any amendments, supplements, modifications, restatements, waivers or consents under any Finance Document as may be necessary or appropriate from time to time, which amendments, supplements, modifications, restatements, waivers or consents to such agreements or documents may provide for consent payments, fees or other amounts payable or other modifications of relief under such agreements or documents, the purpose of such amendments, supplements, modifications, restatements, waivers or consents being to facilitate consummation of the Transactions contemplated by the foregoing resolutions or otherwise; and that the Authorized Persons of each Credit Party are, and each of them acting alone hereby is, authorized, empowered and directed to execute and deliver, or cause to be executed and delivered, in the name of and on behalf of such Credit Party, the amendments, supplements, modifications, restatements, waivers or consents under such agreements or documents as such Authorized Person shall determine to be necessary or appropriate, in the forms negotiated by such Authorized Person; and further

Project Accounts of the Borrower

RESOLVED, that the Managing Committee hereby authorizes the Borrower to open and maintain bank accounts (including the Project Accounts) pursuant to and as otherwise required by the Finance Documents; and further

RESOLVED, that Societe Generale (the "Bank") be and hereby is designated as a depository of the Borrower for the purposes of certain Project Accounts and that the Authorized Persons of the Borrower be and hereby are, and each of them hereby is, authorized to deposit any of the funds of the Borrower in such Project Accounts maintained by the Bank to the extent required by the Finance Documents; and further

RESOLVED, that any funds of the Borrower deposited in such Project Accounts maintained by the Bank be subject to withdrawal or charge at any time and from time to time upon checks, notes, drafts, bills of exchange, acceptances, undertakings, or other instruments or orders for the payment of money when made, signed, drawn, accepted or indorsed on behalf of the Borrower by Kathleen McSherry, Jennifer Scott and/or the Authorized Persons of the Borrower and in accordance with the Finance Documents; and further

RESOLVED, that the Bank is hereby authorized to pay any such instrument or make any such charge and also to receive the same from the payee or any other holder without inquiry as to the circumstances of issue or the disposition of the proceeds even if drawn to the individual order or any signing person, or payable to the Bank or others for his account, or tendered in payment of his individual obligation, and whether drawn against an account in the name of the Borrower or in the name of any officer or agent of the Borrower as such, and, at the option of the Bank, even if the account shall not be in credit to the full amount of such instrument of charge; and further

RESOLVED, that, in order to permit the Bank to execute funds transfer requests on behalf of the Borrower, the Managing Committee hereby authorizes Kathleen McSherry, Jennifer Scott and/or the Authorized Persons on behalf of the Borrower: (i) to designate the

Authorized Persons and/or agents of the Borrower for purposes of requesting and confirming funds transfers from any Project Account at the Bank, (ii) to execute and deliver a Deposit Account Agreement and Signature Card for each such Project Account to the Bank, and (iii) to execute and deliver all other instruments and agreements and do any and all things that may be necessary or appropriate to carry out the purposes of this resolution; and further

Miscellaneous

RESOLVED, that all actions previously taken by the Officer, the Managing Committee or any representative or agent of each Credit Party, in the name or on behalf of such Credit Party, in connection with the matters contemplated by the foregoing provisions be, and each of the same hereby is, ratified, confirmed and approved in all respects as the act and deed of such Credit Party; and further

RESOLVED, that the Authorized Persons of each Credit Party ought to be, and each of them hereby is, authorized and directed to do and perform, or cause to be done and performed, all such acts, deeds and things to make, execute and deliver, or cause to be made, executed and delivered, all such agreements, undertakings, documents, instruments or certificates in the name and on behalf of such Credit Party or otherwise as each such officer may deem necessary or appropriate to effectuate or carry out fully the purpose and intent of the foregoing resolutions and any of the transactions contemplated thereby; and further

RESOLVED, that the omission from these resolutions of any agreement, document or other arrangement contemplated by any of the agreements, documents or instruments described in the foregoing resolutions or any action to be taken in accordance with any requirement of any of the agreements or instruments described in the foregoing resolutions shall in no manner derogate from the authority of the Authorized Persons to take all actions necessary, desirable, advisable or appropriate to consummate, effectuate, carry out or further the transactions contemplated by, and the intent and purposes of, the foregoing resolutions; and further

RESOLVED, that the authority conferred upon the Authorized Persons by these resolutions shall be in addition to, and shall in no way limit, such other authority as any such Authorized Person may have with respect to the transactions contemplated by these resolutions; and further

RESOLVED, that the Administrative Agent and the other Secured Parties may rely on these resolutions, and these resolutions shall remain in full force and effect until such time as written notice to the contrary is duly delivered to the Administrative Agent.

*[Remainder of page intentionally left blank.]*

**Schedule 1**

1. ILX Prospect Alfalfa South, LLC, a Delaware limited liability company
2. ILX Prospect Barataria, LLC, a Delaware limited liability company
3. ILX Prospect Claiborne, LLC, a Delaware limited liability company
4. ILX Prospect Crown & Anchor, LLC, a Delaware limited liability company
5. ILX Prospect Dantzler, LLC, a Delaware limited liability company
6. ILX Prospect Katmai, LLC, a Delaware limited liability company
7. ILX Prospect MC 79, LLC, a Delaware limited liability company
8. ILX Prospect Odd Job, LLC, a Delaware limited liability company
9. ILX Prospect Ourse, LLC, a Delaware limited liability company
10. ILX Prospect Ramis, LLC, a Delaware limited liability company
11. ILX Prospect Rockefeller, LLC, a Delaware limited liability company
12. ILX Prospect South Santa Cruz, LLC, a Delaware limited liability company
13. ILX Prospect Staurolite, LLC, a Delaware limited liability company
14. ILX Prospective Leases II, LLC, a Delaware limited liability company
15. ILX II Sales & Transport, LLC, a Delaware limited liability company