



United States Department of the Interior

BUREAU OF OCEAN ENERGY MANAGEMENT

New Orleans Office
1201 Elmwood Park Boulevard
New Orleans, LA 70123-2394

In Reply Refer To: MS GM 266A
OCS-G 1228

March 2, 2023

EPL Oil & Gas, LLC
1021 Main Street, Suite 2626
Houston, TX 77002
Attn: Ben Marchive II

Dear Mr. Marchive:

Your letter dated February 21, 2023, submitting Outer Continental Shelf (OCS) Mineral Lessee's or Operator's Supplemental Bond No. SUR0073319, in the amount of \$2,815,964.00, was received by our office on that same date.

On January 24, 2022, the Bureau of Ocean Energy Management (BOEM) issued an Order to Provide Supplemental Financial Assurance (Order) to EPL Oil & Gas, LLC (EPL), in the total amount of \$24,964,867.00. EPL appealed the January 24 Order to the Interior Board of Land Appeals (IBLA). While the Order was under the jurisdiction of the IBLA, BOEM and EPL agreed several times to extend the time for EPL to file a statement of reasons to enable EPL to obtain the required amount of financial assurance. On February 10, 2023, EPL filed a motion to dismiss its appeal within 14 days because it anticipated providing the required supplemental financial assurance in that 14-day period.

EPL provided the required supplemental financial assurance on February 21, 2023, in the form of eight separate bonds, each corresponding to the individual OCS property to which it applies. The bond provided here by EPL, which is for \$2,815,964.00 of the \$24,964,867.00 due, conditioned to cover Lease OCS-G 1228, All of Block 208, Ship Shoal Area, was executed on February 15, 2023, with EPL Oil & Gas, LLC as principal and Argonaut Insurance Company as surety.

The bond provided here conforms to the requirements of the leasing and operating regulations for the submerged lands of the Outer Continental Shelf and is hereby accepted by BOEM in partial fulfillment of EPL's financial assurance requirement. It is effective as of the date filed, February 21, 2023.

Should you need further assistance, please contact Kathleen Lee at (504) 736-5774 or boemgomrfinancialassurance@boem.gov.

Sincerely,

BRIDGETTE
DUPLANTIS

Digitally signed by
BRIDGETTE DUPLANTIS
Date: 2023.03.02 07:45:47
-06'00'

Bridgette Duplantis, Section Chief
Leasing and Financial Responsibility Section
Leasing and Plans

cc: Ben Marchive II (bmarchive@coxoil.com)
Ashley Koletar (akoletar@mcgriff.com)



OIL & GAS, LLC.

1021 Main Street, Suite 2626
Houston, TX 77002
Ph-713-351-3000

February 21, 2023

U .S. Department of the Interior
Bureau of Ocean Energy Management
1201 Elmwood Park Boulevard
New Orleans, Louisiana 70123-2394
boemgomrfinancialassurance@boem.gov

RECEIVED

February 21, 2023

*Leasing & Financial
Responsibility Section*

Re: New Bond Submission
EPL Oil & Gas, LLC
Bond Number: SUR0073319
Bond Amount: \$2,815,964.00
Description: Supplemental Bond – OCS-G01228; Schedule “A” covered assets

Dear Ms. Kathleen Lee:

We respectfully request the Bureau of Ocean Energy Management ("BOEM") approve the Argonaut Insurance Company bond number SUR0073319 in the amount of \$2,815,964.00.

Thank you for your consideration, and if you have any questions, please feel free to contact me at bmarchive@coxoil.com

Sincerely,

A handwritten signature in blue ink, appearing to read 'B. Marchive II', is written over a light blue circular stamp.

Ben Marchive II
Senior Vice President, Land and Business Development

Cc: Ashley Koletar - akoletar@mcgriff.com

Cover Page
**OUTER CONTINENTAL SHELF (OCS)
MINERAL LESSEE'S OR OPERATOR'S
SUPPLEMENTAL BOND**

Form BOEM-2028A

This form dated **January 2020** supersedes all previous versions of form BOEM-2028A

All Bond Forms must be submitted with a transmittal letter to the appropriate BOEM office:

Bureau of Ocean Energy Management
Gulf of Mexico OCS Office
1201 Elmwood Park Blvd. New Orleans LA 70123-2394
Leasing and Financial Responsibility - Mail Stop GM266A

Bureau of Ocean Energy Management
Alaska OCS Office
3801 Centerpoint Drive, Suite 500
Anchorage AK 99503-5820 Alaska Leasing Section

Bureau of Ocean Energy Management
Pacific OCS Office
760 Paseo Camarillo, Suite 102
Camarillo CA 93010
Lease Management

RECEIVED

February 21, 2023

**Leasing & Financial
Responsibility Section**

Paperwork Reduction Act of 1995 (PRA) Statement: The PRA (44 U.S.C. 3501 *et seq.*) requires us to inform you that BOEM collects this information to hold the surety liable for the obligations and liability of the Principal (lessee or operator). Responses are mandatory. No proprietary information is collected. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB Control Number. Public reporting burden for this form is estimated to average 15 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Comments regarding the burden estimate or any other aspect of this form should be directed to the Information Collection Clearance Officer, Bureau of Ocean Energy Management, 45600 Woodland Road, Sterling, VA 20166.

U.S. DEPARTMENT OF THE INTERIOR

Bureau of Ocean Energy Management

Bond No. SUR0073319

OCS Lease/RUE/ROW No. OCS-G01228

Bond Type Supplemental

Amount \$ 2,815,964.00

OUTER CONTINENTAL SHELF (OCS) MINERAL LESSEE'S OR OPERATOR'S SUPPLEMENTAL BOND

The **Surety** is the entity Guaranteeing Performance.

Name of Surety: Argonaut Insurance Company

Mailing Address: P.O. Box 469011

San Antonio, TX 78246

If a Corporation, Incorporated in the State of: Illinois; County or Parish of: Cook

☒ Check here if Surety is certified by U.S. Treasury as an acceptable surety on Federal Bonds and listed in the current U.S. Treasury Circular No. 570.

The **Principal** is the Lessee or Designated Operator for Whom the Bond is Issued.

Name of Principal: EPL Oil & Gas, LLC

Mailing Address: 1021 Main Street, Suite 2626, Houston, TX 77002

Schedule A, the lease/RUE/ROW covered by this bond, is composed of: (add legal description)

☒ Check here if additional information is on attached sheet.

The following lease/RUE/ROW: OCS-G01228; All of Block 208, Ship Shoal Area, as shown on OCS Louisiana Leasing Map, LA5
see attached list of covered assets

In addition to the Obligations of the Principal during the period of liability of this bond, the Surety also accepts the following Obligations: (Check one)

☒ No Obligations other than the Obligations of the Principal during the period of liability of this bond.

☐ All Obligations of all previous Sureties or guarantors even if the Obligations are not Obligations of the Principal during the period of liability of this bond.

☐ All Obligations of all previous Sureties or guarantors even if the Obligations are not Obligations of the Principal during the period of liability of this bond with the following exceptions or limitations (use an attached rider).

Definitions

For the purposes
of this document:

A **Principal** includes an entity holding an interest in the oil & gas lease in one or more of the following ways: (1) as an approved record title owner of all or a portion of the lease, (2) as an approved operating rights owner of all or a portion of the lease, or (3) as a designated operator or designated agent in all or a portion of the lease.

A **Lessee** includes an approved record title owner of all or a portion of the lease or an approved operating rights owner of all or a portion of the lease.

An **Obligation** includes any obligation arising from any regulations of the Department of the Interior or any Instrument issued, maintained, or approved under the OCS Lands Act (43 U.S.C. 1331 *et seq.*).

An **Instrument** includes individually or collectively any lease, operating agreement, designation of operator or agent, storage agreement, compensatory royalty agreement, transfer of operating rights, permit, license, or easement, whereunder the Principal has the right, privilege, or license to conduct operations on the OCS.

A **Person** includes an individual, a public or private entity, a State, a political subdivision of a State, any association of individuals, corporations, States, or subdivisions of States, or a government agency.

By signing below, the Principal verifies that the information above is correct and agrees to the following:

The Principal as agent on behalf of all lessees, operating rights owners, and operators will fulfill all Obligations for the entire leasehold and to the same extent as though the Principal were the sole lessee for the lease/RUE/ROW in Schedule A.

By signing below, the Surety verifies that the information above is correct and agrees to the following:

1. The Surety does hereby absolutely and unconditionally bind itself to the United States of America acting through and by the Bureau of Ocean Energy Management (BOEM), or such other official designated by the Secretary of the Interior for this purpose, for the payment of all of the cost of the plugging and abandonment Obligations.
2. The Surety will be responsible for all Obligations of the Principal in existence at the time this document becomes effective and all Obligations that accrue after that date and until all Obligations are met or until the Regional Director terminates the period of liability of this bond.
3. If the Regional Director terminates the period of liability of this bond, the Surety will remain responsible for Obligations that accrued during the period of liability until the Regional Director issues a written cancellation of the bond in favor of the Surety.
4. If this bond is cancelled, the Regional Director may reinstate this bond as if no cancellation had occurred if any payment of any Obligation of the Principal(s) is rescinded or must be restored pursuant to any insolvency, bankruptcy, reorganization, or receivership, or should the representation of the Principal that it has paid its financial Obligations or performed the other

Obligations of the lease in accordance with BOEM specifications be materially false and BOEM relied upon such representation in canceling the instrument.

5. The Surety waives any right of notice of this bond taking effect and agrees that this bond will take effect upon delivery to BOEM.
6. The Surety's Obligations will remain in full force and effect, even if:
 - (a) Any person assigns all or part of any interest in an Instrument covered by this document.
 - (b) Any person modifies an Instrument or Obligation under an Instrument in any manner including modifications that result from a commitment to a unit, cooperative, communitization, or storage agreement; suspension of operations or production; suspension or changes in rental, minimum royalty, or royalties; modification of regulations or interpretations of regulations; creation or modification of compensatory royalty agreements or payments; or creation of any mortgage, pledge, or other grant of security interest in the Instruments.
 - (c) Any person, event, or condition terminates any Instrument covered by this bond, whether the termination is by operation of law or otherwise.
 - (d) BOEM takes or fails to take any action in enforcing, as against any party to the Instrument, the payment of rentals or royalties or the performance of any other covenant, condition or agreement of the lease, or giving notice of or making demand with respect to such nonperformance.
 - (e) The Surety suffers any loss by reason of any law limiting, qualifying, or discharging the Principal's Obligation.
7. The Surety agrees to be bound under this bond as to the interests in any Instrument retained by the Principal when BOEM approves the transfer of any or all of the Instruments or interests in the Instruments.
8. In the event of any default under a lease, the Surety must provide payment of all of the cost of the Obligations of the Principal upon demand by BOEM.
9. If BOEM decides to commence suit to enforce its rights, it may commence and prosecute any claim, suit, action, or other proceeding against the Principal and Surety, or either of them, whether or not BOEM joins the lessees or any other party.
10. In the event there is more than one Surety for the Principal's performance of the Obligations, as to any Instrument, the Surety's Obligation and liability under this bond is on a "solidary" or "joint and several" basis along with other guarantors or sureties.
11. The Surety agrees to give prompt notice to BOEM and the Principal of any action filed alleging the insolvency or bankruptcy of the Surety or the Principal, or alleging any violation that would result in suspension or revocation of the Surety's charter or license to do business.
12. The Surety's Obligation and liabilities under this Bond are binding upon the Surety's successors and assigns. Nothing in this document permits assignment of the Surety's Obligation without the written consent of BOEM.
13. The Surety hereby waives any defenses to liability on this bond based on an unauthorized Principal signature.

Argonaut Insurance Company

EPL Oil & Gas, LLC

Name of Surety

Name of Principal

Signature of Person Executing for Surety

Signature of Person Executing for Principal

Richard Covington, Attorney-in-Fact

Ben Marchive II, SVP, Land & Business Development

Name and Title (typed or printed)

Name and Title (typed or printed)

P.O. Box 469011

1021 Main Street, Suite 2626

Business Address

Business Address

San Antonio, TX 78246

Houston, TX 77002

Business Address

Business Address

Signed on this 15th day of February, 2023, in the State of Texas, in the presence of:

Signature of Witness

Signature of Witness

Namesia Anderson

Argelia Hernandez

Name (typed or printed)

Name (typed or printed)

10100 Katy Freeway, Suite 400

1021 Main Street, Suite 2626

Address

Address

Houston, TX 77043

Houston, Texas 77002

Address

Address

Note: The person executing for the Surety must attach a corporate resolution and power of attorney stating his or her authority to undertake this Obligation, pursuant to the acts of the corporate board of directors and the laws of the State of incorporation. The corporation executing this bond as Surety and the Principal, if a corporation, must affix their corporate seals.

BOEM-2028A (January 2020)

Previous Editions are Obsolete.

Argonaut Insurance Company
Deliveries Only: 225 W. Washington, 24th Floor
Chicago, IL 60606
United States Postal Service: P.O. Box 469011, San Antonio, TX 78246
POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That the Argonaut Insurance Company, a Corporation duly organized and existing under the laws of the State of Illinois and having its principal office in the County of Cook, Illinois does hereby nominate, constitute and appoint:

Marc W. Boots, Richard Covington, Vickie Lacy, Maria D. Zuniga, Joseph R. Aulbert, Ashley Koletar, Ryan Varela, Heather Noles

Their true and lawful agent(s) and attorney(s)-in-fact, each in their separate capacity if more than one is named above, to make, execute, seal and deliver for and on its behalf as surety, and as its act and deed any and all bonds, contracts, agreements of indemnity and other undertakings in suretyship provided, however, that the penal sum of any one such instrument executed hereunder shall not exceed the sum of:

\$107,116,000.00

This Power of Attorney is granted and is signed and sealed under and by the authority of the following Resolution adopted by the Board of Directors of Argonaut Insurance Company:

"RESOLVED, That the President, Senior Vice President, Vice President, Assistant Vice President, Secretary, Treasurer and each of them hereby is authorized to execute powers of attorney, and such authority can be executed by use of facsimile signature, which may be attested or acknowledged by any officer or attorney, of the Company, qualifying the attorney or attorneys named in the given power of attorney, to execute in behalf of, and acknowledge as the act and deed of the Argonaut Insurance Company, all bond undertakings and contracts of suretyship, and to affix the corporate seal thereto."

IN WITNESS WHEREOF, Argonaut Insurance Company has caused its official seal to be hereunto affixed and these presents to be signed by its duly authorized officer on the 19th day of November, 2021.

Argonaut Insurance Company



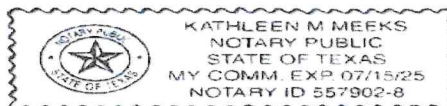
by:

Gary E. Grose, President

STATE OF TEXAS
COUNTY OF HARRIS SS:

On this 19th day of November, 2021 A.D., before me, a Notary Public of the State of Texas, in and for the County of Harris, duly commissioned and qualified, came THE ABOVE OFFICER OF THE COMPANY, to me personally known to be the individual and officer described in, and who executed the preceding instrument, and he acknowledged the execution of same, and being by me duly sworn, deposed and said that he is the officer of the said Company aforesaid, and that the seal affixed to the preceding instrument is the Corporate Seal of said Company, and the said Corporate Seal and his signature as officer were duly affixed and subscribed to the said instrument by the authority and direction of the said corporation, and that Resolution adopted by the Board of Directors of said Company, referred to in the preceding instrument is now in force.

IN TESTIMONY WHEREOF, I have hereunto set my hand, and affixed my Official Seal at the County of Harris, the day and year first above written.



(Notary Public)

I, the undersigned Officer of the Argonaut Insurance Company, Illinois Corporation, do hereby certify that the original POWER OF ATTORNEY of which the foregoing is a full, true and correct copy is still in full force and effect and has not been revoked.

IN WITNESS WHEREOF, I have hereunto set my hand, and affixed the Seal of said Company, on the 15th day of February, 2023.



Austin W. King, Secretary

Schedule "A"
Bond No. SUR0073319

OCS-G01228; All of Block 208, Ship Shoal Area as shown on OCS Louisiana Leasing Map, LA5

Type	Well Name/ Platform Complex ID /Pipeline Segment Number	API Well/Structure Number	Bond Amount
Well	J010	177114018104	\$860,035
Well	E013	177114108402	\$755,972
Well	E014	177114108603	\$891,781
Pipeline	19048	N/A	\$308,176
			\$2,815,964