



United States Department of the Interior

BUREAU OF OCEAN ENERGY MANAGEMENT

Gulf of Mexico OCS Region
1201 Elmwood Park Boulevard
New Orleans, LA 70123-2394

In Reply Refer to: GM 365-D

March 30, 2018

FEDEX Tracking Number: **7800 5526 9192**

Jonathan P. Carroll, President and CEO
Blue Dolphin Pipe Line Company (#00125)
801 Travis Street #2100
Houston, Texas 77002

Dear Mr. Carroll:

In accordance with 30 C.F.R. § 550.1011 the Bureau of Ocean Energy Management ("BOEM") is issuing these Orders to Provide Additional Financial Security ("Orders") to you as the Right-of-Way ("ROW") holder for the Outer Continental Shelf ("OCS") grants listed on the attached Exhibit "A." These Orders shall apply to all grants listed on the attached Exhibit "A" and each Order shall be considered a separate and distinct Order for each grant listed ("Separate Order").

As a holder of ROW identified in Exhibit A it is your responsibility to comply with each Separate Order and provide additional security in the amount required for each Separate Order within the time period specified below. In any communication with BOEM arising out of these Orders, you must reference each Separate Order by its ROW Number as indicated on Exhibit "A."

Within 60 calendar days of your receipt of these Orders, you must submit the required additional financial security to the BOEM Leasing & Financial Responsibility Section, referencing each Separate Order by its ROW Number as indicated on Exhibit "A."

Additional financial security instruments may be submitted by U.S. mail or another ground delivery service to:

**Leasing and Financial Responsibility Section
Gulf of Mexico OCS Region
1201 Elmwood Park Blvd. GM 266A
New Orleans, LA 70123.**

Please ensure that any additional financial security instrument submitted in response to each Separate Order is executed by authorized persons listed as "qualified" in BOEM records.

Failure to comply with the Separate Orders within the time period specified herein may result in the issuance of a Notice of Incident of Noncompliance and/or may result in penalties pursuant to 30 C.F.R. § Part 550, Subpart N.

BOEM reserves the right to amend any Separate Order based upon its determination that a different amount of additional security is required.

If you believe you are adversely affected by a Separate Order, you may appeal to the Interior Board of Land Appeals (IBLA), as described below. BOEM appeals procedures are found in 30 C.F.R. § Part 590, Subpart A. Your notice of appeal must reference each Separate Order by ROW Number as indicated on Exhibit "A" and be filed with the appropriate BOEM Regional Director (Gulf of Mexico Region (GOMR), Pacific, or Alaska) within 60 calendar days of receiving the Orders. A processing fee of \$150 is required and must be paid electronically using www.pay.gov. You must also provide a statement of reasons for your appeal. You may include this statement with your notice of appeal, or file it with the IBLA within 30 calendar days after you file your notice of appeal. See 43 C.F.R. § 4.412. BOEM requests that you also submit your statement of reasons to the appropriate BOEM Regional Director (GOMR, Pacific, or Alaska) within that 30-day period. During the appeals process, you must comply with the Separate Order (30 C.F.R. § 590.7).

If you have any questions, you may contact the BOEM Risk Management Operations Group ("RMOG") at boem.rmog@boem.gov or at 504-736-7541. Points of contact regarding Decommissioning Liability Assessments, Record Title and Operating Rights Ownership, and Designated Operators can be found at <https://www.boem.gov/bonding-points-of-contact/>.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael A. Celata", with a stylized flourish at the end.

Michael A. Celata
Regional Director

bcc: Michael Celata, Regional Director (ORD GM 333C)
Barry Obiol, BOEM, Office of the Regional Director (GM 333C)
Michele Daigle, BOEM, Office of the Regional Director (GM 333C)
Michelle Picou, BOEM, Office of Leasing and Plans (GM 274A)
Bernadette Thomas, BOEM, Office of Leasing and Plans (GM 274A)
Erin O'Reilly, BOEM, Office of Leasing and Plans (GM 274A)
Joshua Joyce, BSEE, Office of the Regional Director (GE 432A)
Bryan Domangue, BSEE, Regional Field Operations, Regional Supervisor (GE 1034A)
Fung Hassenboehler, BSEE, Decommissioning Support Section (GE 1034A)

Exhibit "A"
Uncovered Facility Report

AREA / BLK	ROW #	Current Company Name	Total Facility	Uncollateralized Facility	Uncovered Facility	Well CT	Struct CT	Pipe CT	Details
GA 288	G01381	Blue Dolphin Pipe Line Company	\$2,814,032	\$1,909,032	\$1,909,032	0	1	1	Structure #919 'C(JUNCTION PLAT - \$1,963,532 Pipeline G/O 13101 - \$850,500
GA 350	G10098	Blue Dolphin Pipe Line Company	\$764,100	\$764,100	\$764,100	0	0	1	Pipeline G/C - 8437 - \$764,100
GA 313	G13220	Blue Dolphin Pipe Line Company	\$764,100	\$764,100	\$764,100	0	0	1	Pipeline G/C - 9428 - \$764,100
HI A 173	G19655	Blue Dolphin Pipe Line Company	\$850,500	\$850,500	\$850,500	0	0	1	Pipeline G/C - 11654 - \$850,500
GA 245	G26981	Blue Dolphin Pipe Line Company	\$530,310	\$530,310	\$530,310	0	0	1	Pipeline GAS - 15635 - \$530,310
5			Total	\$5,723,042	\$4,818,042	\$4,818,042	0	1	5

ORIGIN ID:MSYA (504) 736-7541
BOEM RMOG

1201 ELMWOOD PARK BOULEVARD
MS 365-C
NEW ORLEANS, LA 70123
UNITED STATES US

SHIP DATE: 14MAR18
ACTWGT: 0.50 LB
CAD: 109939556/NET3980

BILL SENDER

TO **JONATHAN P. CARROLL**
BLUE DOLPHIN PIPE LINE COMPANY
801 TRAVIS ST
STE 2100
HOUSTON TX 77002

(713) 568-4725

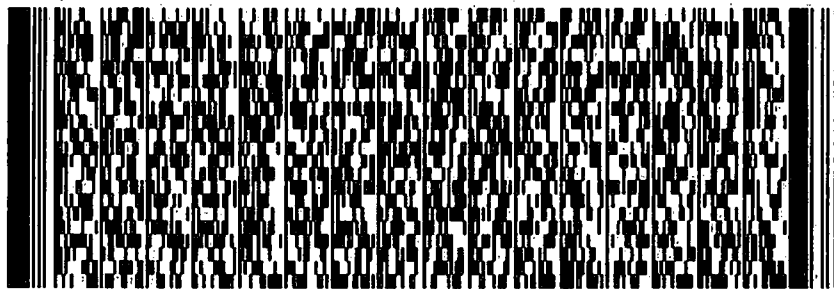
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