



## 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: MS GM 266A  
KO8977288

May 1, 2018

Mr. Ben Marchive II  
Energy XXI Gulf Coast, Inc.  
1021 Main (One City Centre), Suite 2626  
Houston, TX 77002

Dear Mr. Marchive:

Your letter dated February 27, 2018, submitting your Bond Rider, which is to be attached to and form a part of Outer Continental Shelf (OCS) Minerals Lessee's or Operator's Bond No. KO8977288 in the amount of \$9,377,000 was received by our office on February 28, 2018. This bond was executed on June 13, 2015, with Energy XXI Gulf Coast, Inc. as principal, and Westchester Fire Insurance Company as surety, conditioned to cover the following:

- OCS-G 21702, all of Block 62, Main Pass Area, in the amount of \$1,779,000;
- OCS-G 25017, all of Block 60, Main Pass Area, in the amount of \$1,050,000;
- OCS-G 27147, E $\frac{1}{2}$ , S $\frac{1}{2}$ SW $\frac{1}{4}$  of Block 27, South Timbalier Area, in the amount of \$3,268,000;
- OCS-G 2746, all of Block A-356, High Island Area, East Addition, South Extension, in the amount of \$2,185,000;
- OCS-G 9408, all of Block 248, West Cameron Area, in the amount of \$810,000;
- OCS-G 23871, all of Block 210, Eugene Island Area, in the amount of \$150,000; and
- OCS-G 24916, all of Block 52, Ship Shoal Area, in the amount of \$135,000.

Attached to and forming a part of the original bond is your Bond Rider, executed on January 29, 2016, which decreases Bond No. KO8977288 by \$515,000, for a total penal sum of \$8,862,000, effective February 1, 2016. The decrease occurs only for the following leases:

- OCS-G 9408 decreases from \$810,000 to \$445,000; and
- OCS-G 23871 decreases from \$150,000 to \$0.

Attached to and forming a part of the original bond is your Bond Rider, executed on May 10, 2016, which decreases Bond No. KO8977288 by \$445,000, for a total penal sum of \$8,417,000. The decrease occurs only for OCS-G 9408, which decreases from \$445,000 to \$0.

With this Bond Rider, executed on February 6, 2018, the bond amount remains \$8,417,000 but the following specific lease values are changed as noted in the attached Schedule A:

- OCS-G 21702 remains \$1,779,000;
- OCS-G 25017 remains \$1,050,000;
- OCS-G 27147 increases to \$5,588,000;
- OCS-G 2746 decreases to \$0;
- OCS-G 24916 decreases to \$0;
- OCS-G 9408 remains \$0; and
- OCS-G 23871 remains \$0.

The Bond Rider is effective February 6, 2018, and has been attached to and now forms a part of the original bond maintained in the Leasing and Financial Responsibility Section.

Should you need further assistance, please call Kathleen Lee at (504) 736-5774 or [boemgomrfinancialassurance@boem.gov](mailto:boemgomrfinancialassurance@boem.gov).

Sincerely,

**SUSAN  
VAUGHAN**

Digitally signed by  
SUSAN VAUGHAN  
Date: 2018.05.01  
12:59:41 -05'00'

Susan Vaughan, Section Chief  
Leasing and Financial Responsibility Section  
Leasing and Plans

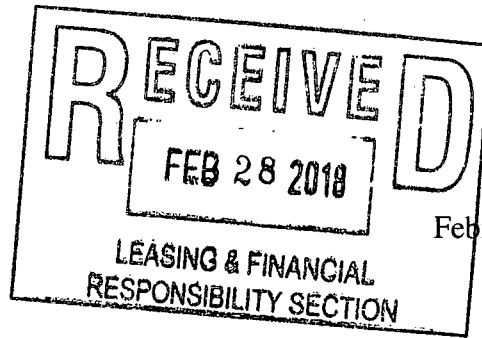
cc: Ms. Jessica Richmond  
Westchester Fire Insurance Company  
436 Walnut Street  
Philadelphia, PA 19106

Sent Via Email To: [bmarchiveii@energyxxi.com](mailto:bmarchiveii@energyxxi.com), [eric.feighl@worthaminsurance.com](mailto:eric.feighl@worthaminsurance.com),  
[cdawkins@energyxxi.com](mailto:cdawkins@energyxxi.com), [david.denson@boem.gov](mailto:david.denson@boem.gov), [wanda.lilly@boem.gov](mailto:wanda.lilly@boem.gov)



**Ben Marchive II**  
Vice President, Land

1021 Main (One City Centre)  
Suite 2626  
Houston, Texas 77002  
Tel 713-351-3077 Fax 713-351-3177  
[www.energyxxi.com](http://www.energyxxi.com)



February 27, 2018

Mr. Jaron Ming  
Chief, Leasing and Financial Responsibility  
Bureau of Ocean Energy Management  
Gulf of Mexico OCS Region  
[boemGOMRfinancialassurance@boem.gov](mailto:boemGOMRfinancialassurance@boem.gov)

RE: Revised Schedule "A" - Energy XXI Gulf Coast, Inc. Bond  
KO8977288

Dear Mr. Ming:

Energy XXI Gulf Coast, Inc. ("EXXI") respectfully requests that the Bureau of Ocean Energy Management ("BOEM") accept EXXI's revised Schedule "A" attached and approve the re-distribution of the amounts allocated to specific leases covered by Bond KO8977288.

- Per BOEM's letter dated February 8, 2017, Bond KO8977288 was reduced to a total penal sum of \$8,417,000.
- Currently, \$3,268,000 is allocated to lease ST 27, OCS-G 27147.
- The outstanding liability for lease HI A-356, OCS-G 02746 is now reduced from \$2,185,000 to \$0.
- The outstanding liability for lease SS 52, OCS-G 24916 is now reduced from \$135,000 to \$0.
- The outstanding liability for lease WC 248, OCS-G 09408 is now reduced from \$810,000 to \$0.
- The outstanding liability for lease EI 210, OCS-G 23871 is now reduced from \$150,000 to \$0.

EXXI proposes to re-distribute the amounts currently allocated to HI A-356, OCS-G 02746 (\$2,185,000) and SS 52, OCS-G 24916 (\$135,000) to ST 27, OCS-G 27147 for a total allocation to ST 27, OCS-G 27147 of \$5,588,000 while leaving the total penal sum of Bond KO8977288 at \$8,417,000.



**Ben Marchive II**  
Vice President, Land

1021 Main (One City Centre)  
Suite 2626  
Houston, Texas 77002  
Tel 713-351.3077 Fax 713.351.3177  
[www.energyxxi.com](http://www.energyxxi.com)

We appreciate your assistance in this matter, and we look forward to continuing to work on bonding issues with you. Please feel free to contact me at any time by phone at (713) 351-3077 or by email at [bmarchiveii@energyxxi.com](mailto:bmarchiveii@energyxxi.com).

Sincerely,

A handwritten signature in black ink, appearing to read "B. Marchive II", is written over a horizontal line.

Ben Marchive II  
Vice President, Land

Cc: Office of Leasing and Financial Responsibility  
Kelly Jemison  
David Denson  
Wanda Lilly  
TJ Thom Cepak  
Courtney Lankford

WESTCHESTER FIRE INSURANCE COMPANY  
436 Walnut Street, Philadelphia, PA 19106

Bond Rider

To be attached to and made a part of Bond Number: KO8977288

On behalf of *Energy XXI Gulf Coast, Inc.*, as Principal, and executed by Westchester Fire Insurance Company, as Surety, in favor of *The Bureau of Ocean Energy Management* as Obligee.

In consideration of the mutual agreements herein contained, the Principal and the Surety hereby consent to the following changes:

*The bond amount will be \$8,417,000.00. Specific lease values have changed and are shown on a revised Schedule "A" included with this rider.*

This change is to become effective February 6, 2018.

All other terms and conditions of the above said bond shall remain unchanged.

Signed, sealed and dated this 6<sup>th</sup> day of February, 2018.

Westchester Fire Insurance Company

By:



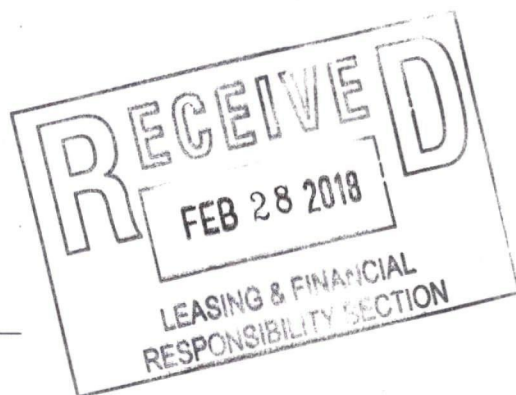
Jessica Richmond, Attorney-in-fact

*Energy XXI Gulf Coast, Inc.*

By



Ben Marchive II, Vice President, Land



# Power of Attorney

## WESTCHESTER FIRE INSURANCE COMPANY

Know all men by these presents: That WESTCHESTER FIRE INSURANCE COMPANY, a corporation of the Commonwealth of Pennsylvania pursuant to the following Resolution, adopted by the Board of Directors of the said Company on December 11, 2006, to wit:

"RESOLVED, that the following authorizations relate to the execution, for and on behalf of the Company, of bonds, undertakings, recognizances, contracts and other written commitments of the Company entered into the ordinary course of business (each a "Written Commitment"):

- (1) Each of the Chairman, the President and the Vice Presidents of the Company is hereby authorized to execute any Written Commitment for and on behalf of the Company, under the seal of the Company or otherwise.
- (2) Each duly appointed attorney-in-fact of the Company is hereby authorized to execute any Written Commitment for and on behalf of the Company, under the seal of the Company or otherwise, to the extent that such action is authorized by the grant of powers provided for in such persons written appointment as such attorney-in-fact.
- (3) Each of the Chairman, the President and the Vice Presidents of the Company is hereby authorized, for and on behalf of the Company, to appoint in writing any person the attorney-in-fact of the Company with full power and authority to execute, for and on behalf of the Company, under the seal of the Company or otherwise, such Written Commitments of the Company as may be specified in such written appointment, which specification may be by general type or class of Written Commitments or by specification of one or more particular Written Commitments.
- (4) Each of the Chairman, the President and Vice Presidents of the Company is hereby authorized, for and on behalf of the Company, to delegate in writing any other officer of the Company the authority to execute, for and on behalf of the Company, under the Company's seal or otherwise, such Written Commitments of the Company as are specified in such written delegation, which specification may be by general type or class of Written Commitments or by specification of one or more particular Written Commitments.
- (5) The signature of any officer or other person executing any Written Commitment or appointment or delegation pursuant to this Resolution, and the seal of the Company, may be affixed by facsimile on such Written Commitment or written appointment or delegation.

FURTHER RESOLVED, that the foregoing Resolution shall not be deemed to be an exclusive statement of the powers and authority of officers, employees and other persons to act for and on behalf of the Company, and such Resolution shall not limit or otherwise affect the exercise of any such power or authority otherwise validly granted or vested.

Does hereby nominate, constitute and appoint Eric S Feigl, Janie Cemen, Jessica Richmond, John L Hohlt, Joyce A Johnson, Philip N Bair, all of the City of HOUSTON, Texas, each individually if there be more than one named, its true and lawful attorney-in-fact, to make, execute, seal and deliver on its behalf, and as its act and deed any and all bonds, undertakings, recognizances, contracts and other writings in the nature thereof in penalties not exceeding Fifty million dollars & zero cents (\$50,000,000.00) and the execution of such writings in pursuance of these presents shall be as binding upon said Company, as fully and amply as if they had been duly executed and acknowledged by the regularly elected officers of the Company at its principal office,

IN WITNESS WHEREOF, the said Stephen M. Haney, Vice-President, has hereunto subscribed his name and affixed the Corporate seal of the said WESTCHESTER FIRE INSURANCE COMPANY this 27 day of July 2016.

WESTCHESTER FIRE INSURANCE COMPANY

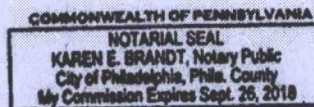


*Stephen M. Haney*  
Stephen M. Haney, Vice President

COMMONWEALTH OF PENNSYLVANIA  
COUNTY OF PHILADELPHIA ss.

On this 27 day of July, AD. 2016 before me, a Notary Public of the Commonwealth of Pennsylvania in and for the County of Philadelphia came Stephen M. Haney, Vice-President of the WESTCHESTER FIRE INSURANCE COMPANY to me personally known to be the individual and officer who executed the preceding instrument, and he acknowledged that he executed the same, and that the seal affixed to the preceding instrument is the corporate seal of said Company; that the said corporate seal and his signature were duly affixed 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 City of Philadelphia the day and year first above written.



*Karen E. Brandt*  
Notary Public

I, the undersigned Assistant Secretary of the WESTCHESTER FIRE INSURANCE COMPANY, do hereby certify that the original POWER OF ATTORNEY, of which the foregoing is a substantially true and correct copy, is in full force and effect.

In witness whereof, I have hereunto subscribed my name as Assistant Secretary, and affixed the corporate seal of the Corporation, this <sup>6th</sup> day of February, 2018.



*William L. Kelly*  
William L. Kelly, Assistant Secretary

THIS POWER OF ATTORNEY MAY NOT BE USED TO EXECUTE ANY BOND WITH AN INCEPTION DATE AFTER July 27, 2018.



<b>SCHEDULE "A"</b>		
<b>Bond No. KO8977288</b>		
<b>Area / Block</b>	<b>Lease</b>	
MP 62	OCS-G 21702	\$1,779,000
MP 60	OCS-G 25017	\$1,050,000
ST 27	OCS-G 27147	\$5,588,000
HI A-356	OCS-G 02746	\$0.00
SS 52	OCS-G 24916	\$0.00
WC 248	OCS-G 09408	\$0.00
EI 210	OCS-G 23871	\$0.00
<b>Total Bond Maximum Amount:</b>		<b>\$8,417,000.00</b>

Westchester Fire Insurance Company

By: Jessica Richmond  
 Jessica Richmond, Attorney-in-Fact  
 February 6, 2018

