

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

May 18, 2018

OCS-G 29055

Mr. Arthur M. Mixon, III PetroQuest Energy, L.L.C. 400 E. Kalista Saloom Rd., Suite 6000 Lafayette, LA 70508-1205

Dear Mr. Mixon:

Your letter dated April 10, 2018, requesting cancellation of Outer Continental Shelf (OCS) Mineral Lessee's or Operator's Supplemental Bond No. SU11842, in the amount of \$950,000 was received by our office on April 12, 2018. This bond, conditioned to cover Right-of-Way OCS-G 29055, was executed on July 16, 2014, with PetroQuest Energy, L.L.C. as principal and Aspen American Insurance Company as surety.

Attached to and forming a part of Bond No. SU11842, is Bond Rider No. 1, executed on September 2, 2014, which decreases Bond No. SU11842 by \$40,000, for a total penal sum of \$910,000. The rider is effective August 20, 2014.

Attached to and forming a part of Bond No. SU11842, is Bond Rider No. 2, executed on October 13, 2016, which decreases Bond No. SU11842 by \$579,540, for a total penal sum of \$330,460. The rider is effective October 13, 2016.

Bond No. N-7000941 in the amount of \$950,000 has been accepted for OCS-G 29055 and accepts all obligations of all previous sureties. Therefore, the Bureau of Ocean Energy Management has no objection to cancellation of Bond No. SU11842. Bond No. SU11842 is considered cancelled without residual liability effective May 9, 2018, the date of final concurrence with the cancellation.

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

Sincerely,

MICHELLE Digitally signed by MICHELLE PICOU

PICOU

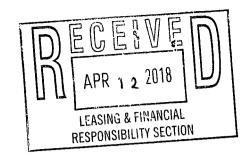
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14:47:29 -05'00'

Michelle Uli Picou Acting Regional Supervisor Leasing and Plans Aspen American Insurance Company 175 Capital Boulevard, Suite 300 Rocky Hill, CT 06067

Sent Via Email To: $\underline{amixon@petroquest.com} \text{ , } \underline{amario@smr-lawfirm.com} \text{ , } \underline{astockton@lockton.com}$



April 10, 2018



Ms. Kathleen Lee Bureau of Ocean Energy Management Leasing & Financial Responsibility Unit 1201 Elmwood Park Boulevard New Orleans, Louisiana 70123-2394

Re: Requesting Cancellation of Supplemental Bond currently on

file for OCS-G 29055 (ROW)

Dear Ms. Lee:

On July 22, 2014, PetroQuest Energy, L.L.C. (GOM # 2222) submitted the following supplemental bond to the Bureau of Ocean Energy Management ("BOEM") to cover the plugging and abandonment obligations on right-of-way OCS-G 29055;

1. Outer Continental Shelf (OCS) Mineral Lessee's and Operator's Supplemental Bond by Aspen American Insurance Company, as Surety and PetroQuest Energy, L.L.C., as Principal, Bond No. SU11842 covering right-of-way OCS-G 29055, in the amount of \$330,460, hereinafter referred to as the "PetroQuest Supplemental Bond".

We request that the above referenced PetroQuest Supplemental Bond be fully released and canceled pursuant to the filing of the following:

2. Outer Continental Shelf (OCS) Mineral Lessee's or Operator's Supplemental Bond dated March 23, 2018, approved March 30, 2018, by Indemnity National Insurance Company, as Surety and Northstar Offshore Ventures LLC, as Principal, bearing Bond No. N-7000941 in the amount of \$950,000 covering right-of-way OCS-G 29055. This bond replaces and supercedes Bond No. SU11842. This bond hereinafter referred to as the "Northstar Replacement Supplemental Bond." Northstar Offshore Ventures LLC (GOM #3520).

Once you have reviewed and approved the Northstar Replacement Supplemental Bond, please mark cancelled on the PetroQuest Supplemental Bond and send a letter to me acknowledging the cancellation of the PetroQuest Supplemental Bond.

Ms. Kathleen Lee Bureau of Ocean Energy Management Page 2 April 10, 2018

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If you have any questions regarding the above, or need additional information, please contact Anthony C. Marino at (504)-585-7800 or by email at amarino@smr-lawfirm.com or the undersigned at (337) 272-7028 or by email at amixon@petroquest.com.

Very truly yours,

Athur M. M. Xan TIT

Arthur M. Mixon, III

Executive Vice President – Operations & Production