



# 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  
SUR0016762

SEP 10 2018

Mr. Kurt Cheramie  
Kinetica Partners, LLC  
224 Aviation Road  
Houma, LA 70363

Dear Mr. Cheramie:

Your letter dated August 3, 2018, submitting your Bond Rider To Assume Liability, Rider No. 1, to be attached to and form a part of Outer Continental Shelf (OCS) Pipeline Right-of-Way Grant Bond No. SUR0016762 in the amount of \$300,000 was received by our office on August 15, 2018. This bond, conditioned to cover the principal's pipeline operations in the Gulf of Mexico, was executed on September 18, 2013, with Kinetica Partners, LLC as principal and Argonaut Insurance Company as surety.

With the acceptance of Rider No. 1, executed on July 2, 2018, Bond No. SUR0016762 extends to and covers all liability associated with Outer Continental Shelf (OCS) Right-of-Way Grant Bond No. SUR0040651, in the amount of \$300,000. Therefore, the period of liability of Bond No. SUR0040651 is now considered terminated and the bond is cancelled without residual liability effective April 2, 2018, the effective date of Rider No. 1.

Should you need further assistance, please contact Kathleen Lee at (504) 555-5774 or [boemgmrfinancialassurance@boem.gov](mailto:boemgmrfinancialassurance@boem.gov).

Sincerely,

Bernadette Thomas  
Acting Regional Supervisor  
Leasing and Plans

cc: Mr. Mac Altgelt  
Argonaut Insurance Company  
P.O. Box 469011  
San Antonio, TX 78246

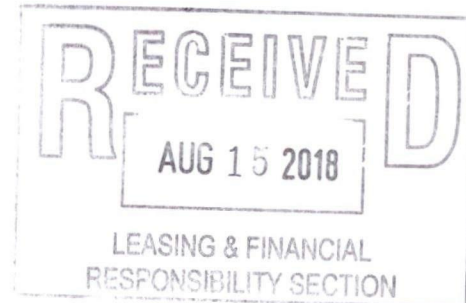
Sent Via Email To: [kurt.cheramie@kineticallc.com](mailto:kurt.cheramie@kineticallc.com) , [dma@sangerandaltgelt.com](mailto:dma@sangerandaltgelt.com)



August 3, 2018

224 Aviation Road  
Houma, LA 70363  
(985)879-3516

Bureau of Ocean Energy Management  
Gulf of Mexico OCS Region  
1201 Elmwood Park Boulevard  
New Orleans, LA 70123-2394  
Attention: Kathleen Lee  
Financial Assurance Section



RE: Kinetica Partners, LLC – GOM #03203  
Areawide Surety Bond – SUR0016762  
Kinetica Deepwater Express, LLC – GOM #3262  
Areawide Surety Bond – SUR0040651

Dear Kathleen:

As per your letter dated July 20, 2018, please find revised Bond Rider to Assume Liability – Rider No. 1 to SUR0016762, which extends to and covers all liability for SUR0040651. Since all liabilities covered under KDE's SUR0040651 are now covered under KPLLC's SUR0016762, Kinetica Deepwater Express, LLC and Kinetica Partners, LLC hereby request the cancellation of SUR0040651.

Thank you for your assistance in this matter. If you should have any questions or require any additional information, please call me at (985)209-2283.

Sincerely,

Kinetica Partners, LLC

Kinetica Deepwater Express, LLC

A handwritten signature in blue ink, appearing to read "Kurt Cherie".

Kurt Cherie  
Sr. Director

cc: File

**BOND RIDER TO ASSUME LIABILITY  
Rider No. 1**

Attaching to and forming part of Outer Continental Shelf **Pipeline Right-of-Way** Bond No. **SUR0016762** effective **September 23, 2013** on behalf of **Kinetica Partners, LLC** as Principal, in favor of United States Department of Interior, Bureau of Ocean Energy Management, as Obligee, in the amount of **Three-Hundred Thousand Dollars and No Cents (\$300,000.00)**.

It is understood and agreed that effective **April 2, 2018**, this bond also extends to and covers all liability associated with the following bond:

<u>Bond #</u>	<u>Surety</u>	<u>Effective</u>
<b>SUR0040651</b>	<b>Argonaut Insurance Company</b>	<b>April 21, 2017</b>

All other conditions and terms to remain as originally written.

Signed, sealed and dated this **2nd** day of **July, 2018**

**Kinetica Partners, LLC**

Principal

By: 

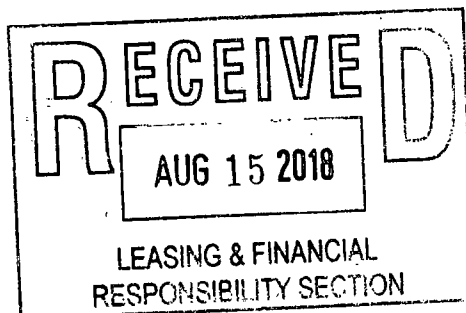
Kurt Cheramie, Sr. Director

**Argonaut Insurance Company**

Surety

By: 

Mac Altgelt, Attorney-in-Fact



**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:

Joe N. Haynes, Christine Altgelt Haynes, Heather C. Haynes, Mac Altgelt

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:

\$50,000,000.00

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 8th day of May, 2017.

Argonaut Insurance Company



*[Handwritten Signature]*

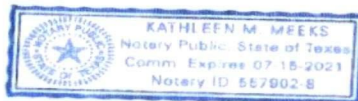
by: \_\_\_\_\_

Joshua C. Betz , Senior Vice President

STATE OF TEXAS  
COUNTY OF HARRIS SS:

On this 8th day of May, 2017 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.

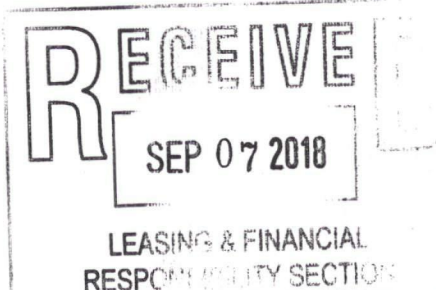


*[Handwritten Signature]*

(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 2nd day of July, 2018.



*[Handwritten Signature]*

James Bluzard , Vice President-Surety

**THIS DOCUMENT IS NOT VALID UNLESS THE WORDS ARGO POWER OF ATTORNEY AND THE SERIAL NUMBER IN THE UPPER RIGHT HAND CORNER ARE IN BLUE, AND THE DOCUMENT IS ISSUED ON WATERMARKED PAPER. IF YOU HAVE QUESTIONS ON AUTHENTICITY OF THIS DOCUMENT CALL (210) 321 - 8400.**