



# 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  
OCS-G 26828

DEC 06 2018

PetroQuest Energy, L.L.C.  
400 E. Kaliste Saloom Rd., Suite 6000  
Lafayette, LA 70508  
Attn: Mr. Arthur M. Mixon, III

Dear Mr. Mixon:

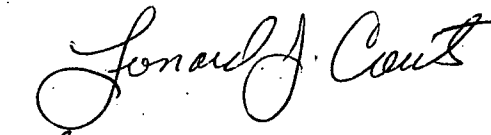
Your letter dated October 11, 2018, requesting cancellation of Outer Continental Shelf (OCS) Mineral Lessee's or Operator's Supplemental Bond No. SU11851, in the amount of \$1,535,000 was received by our office on November 19, 2018. This bond, conditioned to cover Right-of-Way OCS-G 26828, was executed on August 25, 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. SU11851, is Bond Rider No. 1, executed on October 13, 2016, which decreases the bond amount by \$929,994 for a total penal sum of \$605,006. The rider is effective October 13, 2016.

The Bureau of Safety and Environmental Enforcement has assessed the decommissioning liability for OCS-G 26828 to be \$0. Therefore, the Bureau of Ocean Energy Management has no objection to cancellation of Bond No. SU11851, which is considered cancelled without residual liability effective November 30, 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](mailto:boemgomrfinancialassurance@boem.gov).

Sincerely,

  
Bernadette Thomas  
Regional Supervisor  
Leasing and Plans

cc: Aspen American Insurance Company  
175 Capital Boulevard, Suite 300  
Rocky Hill, CT 06067  
Attn: Ms. Kristin Hager

Sent Via Email To: [staylor@petroquest.com](mailto:staylor@petroquest.com) , [dearly@petroquest.com](mailto:dearly@petroquest.com) ,  
[fmccllellan@lockton.com](mailto:fmccllellan@lockton.com)



**PetroQuest**  
ENERGY, L.L.C.

October 11, 2018

United States Department of the Interior  
Bureau of Ocean Energy Management  
Gulf of Mexico, OCS Region  
1201 Elmwood Park Blvd.  
New Orleans, LA 70123-2394

Attn: MS 5422  
Mr. Carrol Williams

**RE: Cancellation & Release Request**

Principal: PetroQuest Energy, L.L.C.  
Surety: Aspen American Insurance Company  
Type of Bond: OCS Mineral Lessee's or Operator's Supplemental Bond  
Bond Number: SU 11851  
Description: Pipeline ROW No. OCS-G 26828, Pipeline Segment No. 15075  
and 15076  
Bond Amount: \$605,006

Dear Mr. Williams:

PetroQuest Energy, L.L.C. ("PetroQuest"), Company No. 2222, herein requests via this letter a both termination and cancellation of the above-captioned performance bond (the "Subject Bond"). Attached you will find a copy of a letter dated September 11, 2018 which was transmitted by PetroQuest to the attention of Ms. Angie Gobert of the Bureau of Safety and Environmental Enforcement ("BSEE"), and which contains the BSEE notification acknowledgement stamp dated September 13, 2018. This letter was a Post Pipeline Decommissioning Report with regard to the referenced pipeline and advised that PetroQuest completed all decommissioning operations related to Pipeline ROW No. OCS-G 26828 on September 11, 2018.

Inasmuch as the underlying obligations guaranteed by the Subject Bond have been completely fulfilled, PetroQuest also requests the immediate release and return of the Subject Bond that is being cancelled and terminated.



LEASING & FINANCIAL  
RESPONSIBILITY SECTION

RISK MANAGEMENT  
OPERATIONS GROUP

OCT 15 2018

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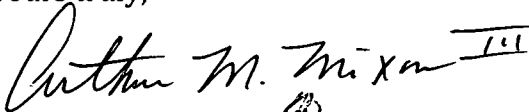
**Cancellation & Release Request**

Principal: PetroQuest Energy, L.L.C.  
Surety: Aspen American Insurance Company  
Type of Bond: OCS Mineral Lessee's or Operator's Supplemental Bond  
Bond Number: SU 11851  
Description: Pipeline ROW No. OCS-G 26828, Pipeline Segment No. 15075  
and 15076  
Bond Amount: \$605,006  
Page 2

The significant premium cost and the collateral securing the Subject Bond together with the funds PetroQuest is currently expending to fulfill its other decommissioning and operational obligations on the Outer Continental Shelf make it imperative that this action be completed as soon as possible.

Should you require anything further in connection with this request, please contact Mr. Steve Taylor at 337-272-7476 or at [staylor@petroquest.com](mailto:staylor@petroquest.com).

Yours truly,



Arthur M. Mixon, III  
Executive Vice President-Operations & Production

Enclosure

