



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
1074999

DEC 20 2018

EPL Oil & Gas, Inc.
1021 Main Street, Suite 2626
Houston, TX 77002
Attn: Mr. Ben Marchive II

Dear Mr. Marchive:

Your letter dated December 14, 2018, submitting your replacement Outer Continental Shelf (OCS) Mineral Lessee's or Operator's Bond No. 1074999, in the amount of \$27,750,000, was received by our office on December 17, 2018. This bond was executed on December 6, 2018, with EPL Oil & Gas, Inc. as principal and The Hanover Insurance Company as surety and is conditioned to cover the following.

OCS-G 1959, all of Block 258, Eugene Island Area, in the amount of \$15,475,000
OCS-G 2103, all of Block 257, Eugene Island Area, in the amount of \$9,440,000
OCS-G 24791, all of Block 36, East Cameron Area, in the amount of \$0
OCS-G 27061, all of Block 101, Vermilion Area, in the amount of \$0
OCS-G 27851, all of Block 72, Vermillion Area, in the amount of \$595,000
OCS-G 32257, all of Block 244, Main Pass Area, South and East Addition, in the amount of \$1,375,000
OCS-G 34317, all of Block 228, Ship Shoal Area, in the amount of \$0
OCS-G 33657, all of Block 125, South Timbalier Area, in the amount of \$415,000
OCS-G 34383, all of Block 151, Main Pass Area, in the amount of \$0
OCS-G 24971, all of Block 180, South Timbalier Area, in the amount of \$0
OCS-G 27793, all of Block 252, West Cameron Area, in the amount of \$0
OCS-G 1568, all of Block 184, South Timbalier Area, in the amount of \$0
OCS-G 21111, all of Block 247, Eugene Island Area, in the amount of \$0
OCS-G 22231, all of Block 72, High Island Area, in the amount of \$0
OCS-G 23853, all of Block 27, Eugene Island Area, in the amount of \$0
OCS-G 24955, all of Block 46, South Timbalier Area, in the amount of \$0
OCS-G 31423, all of Block 26, West Delta Area, in the amount of \$150,000
OCS-G 32263, all of Block 295, Main Pass Area, South and East Addition, in the amount of \$300,000

This bond replaces your Outer Continental Shelf (OCS) Mineral Lessee's or Operator's Bond No. KO897732A, in the amount of \$33,032,000. This bond was executed on June 13, 2015, with EPL Oil & Gas, Inc. as principal, and Westchester Fire Insurance Company as surety, conditioned to cover the following:

OCS-G 1959, all of Block 258, Eugene Island Area, in the amount of \$15,475,000
 OCS-G 2103, all of Block 257, Eugene Island Area, in the amount of \$9,440,000
 OCS-G 24791, all of Block 36, East Cameron Area, in the amount of \$150,000
 OCS-G 27061, all of Block 101, Vermilion Area, in the amount of \$195,000
 OCS-G 27851, all of Block 72, Vermillion Area, in the amount of \$595,000
 OCS-G 32257, all of Block 244, Main Pass Area, South and East Addition, in the amount of \$1,375,000
 OCS-G 34317, all of Block 228, Ship Shoal Area, in the amount of \$450,000
 OCS-G 33657, all of Block 125, South Timbalier Area, in the amount of \$415,000
 OCS-G 34383, all of Block 151, Main Pass Area, in the amount of \$150,000
 OCS-G 24971, all of Block 180, South Timbalier Area, in the amount of \$150,000
 OCS-G 27793, all of Block 252, West Cameron Area, in the amount of \$455,000
 OCS-G 1568, all of Block 184, South Timbalier Area, in the amount of \$150,000
 OCS-G 21111, all of Block 247, Eugene Island Area, in the amount of \$1,350,000
 OCS-G 22231, all of Block 72, High Island Area, in the amount of \$160,000
 OCS-G 23853, all of Block 27, Eugene Island Area, in the amount of \$580,000
 OCS-G 24955, all of Block 46, South Timbalier Area, in the amount of \$1,192,000
 OCS-G 31423, all of Block 26, West Delta Area, in the amount of \$150,000
 OCS-G 32263, all of Block 295, Main Pass Area, South and East Addition, in the amount of \$600,000

Attached to and forming a part of the original bond is Bond Rider, executed and effective on February 9, 2016, which decreases Bond No. KO897732A by \$3,012,000, for a total penal sum of \$30,020,000. The decrease occurs only for the following leases as allowed by Attachment 1 of the bond:

OCS-G 32263 decrease from \$600,000 to \$300,000
 OCS-G 24955 decrease from \$1,192,000 to \$410,000
 OCS-G 21111 decrease from \$1,350,000 to \$0
 OCS-G 23853 decrease from \$580,000 to \$0

The Bond Rider, executed and effective on April 28, 2017, decreases Bond No. KO897732A by \$2,270,000, for a total penal sum of \$27,750,000. The decrease only occurs for the following leases as allowed by Attachment 1 of the bond:

OCS-G 24791 decreases from \$150,000 to \$0
 OCS-G 27061 decreases from \$195,000 to \$0
 OCS-G 34317 decreases from \$450,000 to \$0
 OCS-G 24971 decreases from \$150,000 to \$0
 OCS-G 34383 decreases from \$150,000 to \$0
 OCS-G 27793 decreases from \$455,000 to \$0
 OCS-G 01568 decreases from \$150,000 to \$0

OCS-G 22231 decreases from \$160,000 to \$0
OCS-G 24955 decreases from \$410,000 to \$0

The replacement bond, Bond No. 1074999, conforms to the requirements of the leasing and operating regulations for submerged lands of the Outer Continental Shelf and is considered to be effective December 6, 2018, the date it was executed. The period of liability of Outer Continental Shelf (OCS) Mineral Lessee's or Operator's Supplemental Bond No. KO897732A is considered to have terminated and the bond is considered cancelled without residual liability on the same date.

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

Sincerely,



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

cc: The Hanover Insurance Company
440 Lincoln Street
Worcester, MA 01653
Attn: Mr. Richard Covington

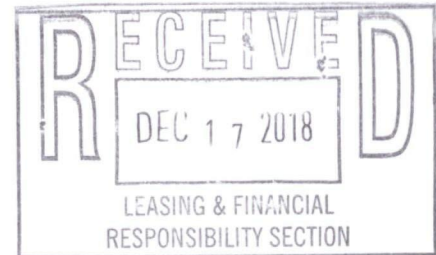
Westchester Fire Insurance Company
436 Walnut Street, P.O. Box 1000
Philadelphia, PA 19106
Attn: Mr. Eric S. Feighl

Sent Via Email To: bmarchiveii@energyxxi.com , akoletar@mcgriff.com



December 14, 2018

U.S. Department of the Interior
Bureau of Ocean Energy Management
1201 Elmwood Park Boulevard
New Orleans, Louisiana 70123-2394



Re: Cancellation / Replacement Bond
EPL Oil & Gas, Inc.
Bond Number: K0897732A
Bond Amount: \$27,750,000
Description: OCS-G1959, OCS-G02103, OCS-G024791, OCS-G027061,
OCS-G027851, OCS-G32257, OCS-G343317, OCS-G33657,
OCS-G34383, OCS-G24971, OCS-G27793, OCS-G1568,
OCS-G21111, OCS-G22231, OCS-G23853, OCS-G24955,
OCS-G31423, and OCS-G32263

Dear Ms. Kathleen Lee:

Enclosed please find replacement bond number 1074999, issued by The Hanover Insurance Company in the amount of \$27,750,000 for the full assessed P&A amount which replaces and supersedes Westchester Fire Insurance Company bond number K0897732A.

We hereby request the release and return of the referenced Westchester Fire Insurance Company bond.

Thank you for your consideration, and if you have any questions, please feel free to contact me at bmarchiveii@energyxxi.com

Sincerely,

Ben Marchive II
Vice President, Land

Cc: Ashley Koletar – akoletar@mcgriff.com

Cover Page
**OUTER CONTINENTAL SHELF (OCS)
MINERAL LESSEE'S OR OPERATOR'S BOND**

Form BOEM-2028

This form dated June 2016 supersedes all previous versions of form BOEM-2028

Paperwork Reduction Act of 1995 (PRA) Statement: The PRA (44 U.S.C. 3501 *et seq.*) requires us to inform you that BOEM collects this information to hold the surety liable for the obligations and liability of the Principal (lessee or operator). Responses are mandatory. No proprietary information is collected. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB Control Number. Public reporting burden for this form is estimated to average 15 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Comments regarding the burden estimate or any other aspect of this form should be directed to the Information Collection Clearance Officer, Bureau of Ocean Energy Management, 45600 Woodland Road, Sterling, VA 20166.

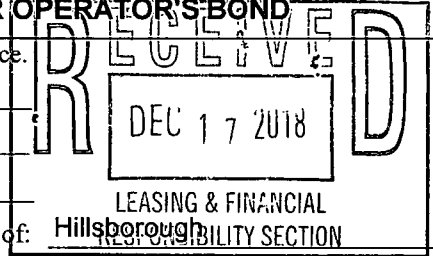
**U.S. DEPARTMENT OF THE INTERIOR
Bureau of Ocean Energy Management**

Bond No. 1074999
Bond Type Areawide

Lease No. SEE SCHEDULE "A"
Amount \$ 27,750,000.00

OUTER CONTINENTAL SHELF (OCS) MINERAL LESSEE'S OR OPERATOR'S BOND

The Surety is the entity Guaranteeing Performance.



Name of Surety: The Hanover Insurance Company
Mailing Address: 440 Lincoln Street
Worcester, MA 01653
If a Corporation, Incorporated in the State of: New Hampshire; County or Parish of: Hillsborough

Check here if Surety is certified by U.S. Treasury as an acceptable surety on Federal Bonds and listed in the current U.S. Treasury Circular No. 570.

The Principal is the Lessee or Designated Operator for Whom the Bond is Issued.

Name of Principal: EPL Oil & Gas, Inc.
Mailing Address: 1021 Main Street, Suite 2626
Houston, TX 77002

Schedule A, the region or leases covered by this bond, is composed of: (Check one and add legal description)

- The following region: _____
 The following lease(s): SEE SCHEDULE "A"
 Check here if additional lease information is continued on attached sheet.

In addition to the Obligations of the Principal during the period of liability of this bond, the Surety also accepts the following Obligations: (Check one)

- No Obligations other than the Obligations of the Principal during the period of liability of this bond.
 All Obligations of all previous Sureties or guarantors even if the Obligations are not Obligations of the Principal during the period of liability of this bond.
 All Obligations of all previous Sureties or guarantors even if the Obligations are not Obligations of the Principal during the period of liability of this bond with the following exceptions or limitations (use an attached rider).

Definitions

For the purposes of this document:

A **Principal** includes an entity holding an interest in the oil & gas lease in one or more of the following ways: (1) as an approved record title owner of all or a portion of the lease, (2) as an approved operating rights owner of all or a portion of the lease, or (3) as a designated operator or designated agent in all or a portion of the lease.
A **Lessee** includes an approved record title owner of all or a portion of the lease or an approved operating rights owner of all or a portion of the lease.
An **Obligation** includes any obligation arising from any regulations of the Department of the Interior or any Instrument issued, maintained, or approved under the OCS Lands Act (43 U.S.C. 1331 *et seq.*).
An **Instrument** includes individually or collectively any lease, operating agreement, designation of operator or agent, storage agreement, compensatory royalty agreement, transfer of operating rights, permit, license, or easement, whereunder the Principal has the right, privilege, or license to conduct operations on the OCS.
A **Person** includes an individual, a public or private entity, a State, a political subdivision of a State, any association of individuals, corporations, States, or subdivisions of States, or a government agency.

By signing below, the Principal verifies that the information above is correct and agrees to the following:

Unless as otherwise indicated on Schedule A, the Principal will fulfill all Obligations for the entire leasehold and to the same extent as though the Principal were the sole lessee for all leases in Schedule A or for all leases for which the Principal has an interest within a region designated in Schedule A.

By signing below, the Surety verifies that the information above is correct and agrees to the following:

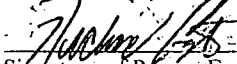
- The Surety does hereby absolutely and unconditionally bind itself to the United States of America acting through and by the Bureau of Ocean Energy Management (BOEM), or such other official designated by the Secretary of the Interior for this purpose, for the performance of all present and future Obligations.
- The Surety will be responsible for all Obligations of the Principal in existence at the time this document becomes effective and all Obligations that accrue after that date and until all Obligations are met or until the Regional Director terminates the period of liability of this bond.
- If the Regional Director terminates the period of liability of this bond, the Surety will remain responsible for Obligations that accrued during the period of liability until the Regional Director issues a written cancellation of the bond in favor of the Surety.
- If this bond is cancelled, the Regional Director may reinstate this bond as if no cancellation had occurred if any payment of any obligations of the Principal(s) is rescinded or must be restored pursuant to any insolvency, bankruptcy, reorganization, or receivership, or should the representation of the Principal that it has paid its financial Obligations or performed the other

Obligations of the lease in accordance with BOEM specifications be materially false and BOEM relied upon such representation in canceling the instrument.

5. The Surety waives any right of notice of this bond taking effect and agrees that this bond will take effect upon delivery to BOEM.
6. The Surety's Obligations will remain in full force and effect, even if:
 - (a) Any person assigns all or part of any interest in an Instrument covered by this document.
 - (b) Any person modifies an Instrument or Obligation under an Instrument in any manner including modifications that result from a commitment to a unit, cooperative, communitization, or storage agreement; suspension of operations or production; suspension or changes in rental, minimum royalty, or royalties; modification of regulations or interpretations of regulations; creation or modification of compensatory royalty agreements or payments; or creation of any mortgage, pledge, or other grant of security interest in the Instruments.
 - (c) Any person, event, or condition terminates any Instrument covered by this bond, whether the termination is by operation of law or otherwise.
 - (d) BOEM takes or fails to take any action in enforcing, as against any party to the Instrument, the payment of rentals or royalties or the performance of any other covenant, condition or agreement of the lease, or giving notice of or making demand with respect to such nonperformance.
 - (e) The Surety suffers any loss by reason of any law limiting, qualifying, or discharging the Principal's Obligation.
7. The Surety agrees to be bound under this bond as to the interests in any Instrument retained by the Principal when BOEM approves the transfer of any or all of the Instruments or interests in the Instruments.
8. In the event of any default under a lease, the Surety must provide payment of all of the cost of the Obligations of the Principal upon demand by BOEM.
9. If BOEM decides to commence suit to enforce its rights, it may commence and prosecute any claim, suit, action, or other proceeding against the Principal and Surety, or either of them, whether or not BOEM joins the lessees or any other party.
10. In the event there is more than one Surety for the Principal's performance of the Obligations, as to any Instrument, the Surety's Obligation and liability under this bond is on a "solidary" or "joint and several" basis along with other guarantors or sureties.
11. The Surety agrees to give prompt notice to BOEM and the Principal of any action filed alleging the insolvency or bankruptcy of the Surety or the Principal, or alleging any violation that would result in suspension or revocation of the Surety's charter or license to do business.
12. The Surety's Obligation and liabilities under this Bond are binding upon the Surety's successors and assigns. Nothing in this document permits assignment of the Surety's Obligation without the written consent of BOEM.
13. The Surety hereby waives any defenses to liability on this bond based on an unauthorized Principal signature.

The Hanover Insurance Company

Name of Surety



Signature of Person Executing for Surety

Richard Covington, Attorney-in-Fact

Name and Title (typed or printed)

440 Lincoln Street

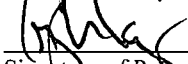
Business Address

Worcester, MA 01653

Business Address

EPL Oil & Gas, Inc.

Name of Principal



Signature of Person Executing for Principal

Craig Sanders, CEO

Name and Title (typed or printed)

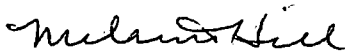
1021 Main Street, Suite 2626

Business Address

Houston, TX 77002

Business Address

Signed on this 6th day of December, 2018, in the State of Texas, in the presence of:



Signature of Witness

Melanie Hill

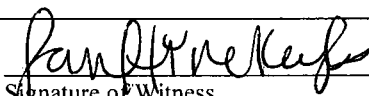
Name (typed or printed)

818 Town & Country Boulevard, Suite 500

Address

Houston, TX 77024

Address



Signature of Witness

Samantha Hinckley

Name (typed or printed)

1021 Main Street, Suite 2626

Address

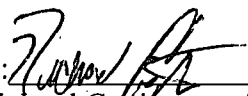
Houston, TX 77002

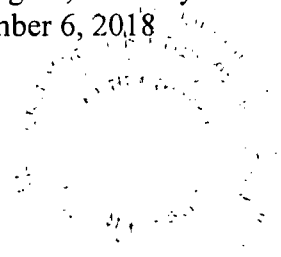
Address

Note: The person executing for the Surety must attach a corporate resolution and power of attorney stating his or her authority to undertake this Obligation, pursuant to the acts of the corporate board of directors and the laws of the State of incorporation. The corporation executing this bond as Surety and the Principal, if a corporation, must affix their corporate seals.

SCHEDULE "A"		
Bond No. 1074999		
Area / Block	Lease	
EI 258	OCS-G 01959	\$15,475,000
EI 257	OCS-G 02103	\$9,440,000
EC 36	OCS-G 24791	\$0
VR 101	OCS-G 27061	\$0
VR 72	OCS-G 27851	\$595,000
MP 244	OCS-G 32257	\$1,375,000
SS 228	OCS-G 34317	\$0
ST 125	OCS-G 33657	\$415,000
MP 151	OCS-G 34383	\$0
ST 180	OCS-G 24971	\$0
WC 252	OCS-G 27793	\$0
ST 184	OCS-G 01568	\$0
EI 247	OCS-G 21111	\$0
HI 72	OCS-G 22231	\$0
EI 27	OCS-G 23853	\$0
ST 46	OCS-G 24955	\$0
WD 26	OCS-G 31423	\$150,000
MP 295	OCS-G 32263	\$300,000
Total Bond Maximum Amount:		\$27,750,000.00

The Hanover Insurance Company

By: 
 Richard Covington, Attorney-in-Fact
 December 6, 2018



ATTACHMENT "1"

Pursuant to the agreement between the Regional Director of BOEM and the principal, the maximum amount of this Bond shall be reduced upon completion of plugging, removal, remediation, and decommissioning of the wells and facilities in connection with the leases set forth in Schedule "A," by the amounts set forth in Schedule "A" as plugging, removal, remediation, and decommissioning is completed as to each such lease set forth on Schedule "A." Once every quarter, the Principal and BOEM shall conduct an in-person meeting to confirm the reductions based on completion of plugging, removal, remediation, and/or decommissioning of wells and facilities in connection with the leases as set forth on Schedule "A."

