



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

APR 24 2012

In Reply Refer To: MS 5422

Ms. Annell R. Bay
Marathon Oil Company
5555 San Felipe, Suite 3010
Houston, Texas 77056

Dear Ms. Bay:

The Bureau of Ocean Energy Management (BOEM) acknowledges your request for release of Outer Continental Shelf Mineral Lessee's and Operator's Bond No. 5175268 in the amount of \$300,000, executed on August 20, 1985, with Marathon Oil Company as principal, and SAFECO Insurance Company of America as surety, conditioned to cover principal's leasehold interest held now or hereafter in the Atlantic Coast.

The BOEM has no objection to the termination of the period liability under the above described bond. Therefore, the period of liability under Bond No. 5175268 is considered to have terminated effective April 19, 2012, the date of final concurrence with such termination, except as to any liability which may have accrued prior to that date.

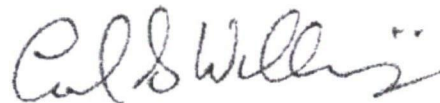
Notwithstanding the fact that the period of liability under the above-described bond has terminated, the bond cannot be cancelled until all liabilities that may have accrued under such bond are assumed by another principal and/or surety or seven years from the termination date of this bond, which is April 19, 2019.

Please note that during the aforementioned seven year period, to cover actual or potential outstanding obligations associated with the herein identified leases, you may provide acceptable security or pledged collateral to the BOEM, in lieu of the above-described or other corporate surety bonds.

The BOEM does not maintain a record of those bonds that may need to be cancelled at a later date, therefore, you are encouraged to establish a tracking system or institute some other method to maintain vigilance with respect to those bonds for which you may need to request final cancellation.

If you need further assistance, please contact Ms. Cheryl A. Olivier at (504) 736-2435.

Sincerely,

A handwritten signature in cursive script, appearing to read "Carol S. Williams".

Carrol S. Williams, Section Chief
Leasing & Financial Responsibility Section
Leasing and Plans

cc: Ms. Lois M. Rader
SAFECO Insurance Company of America
5901 E. Galbraith Road
Cincinnati, Ohio 45236

U.S. DEPARTMENT OF THE INTERIOR
MINERALS MANAGEMENT SERVICE

Bond #5175268

OUTER CONTINENTAL SHELF MINERAL LESSEE'S AND OPERATOR'S BOND

KNOW ALL MEN BY THESE PRESENTS, That we, Marathon Oil Company, an Ohio Corporation

of 539 South Main Street, Findlay, Ohio 45840, as principal,

and SAFECO Insurance Company of America, a Washington Corporation

of 5901 E. Galbraith Road, Cincinnati, Ohio 45236, as surety,

are held and firmly bound unto the UNITED STATES OF AMERICA in the sum of three hundred thousand dollars (\$300,000), lawful money of the United States, which sum may be increased or decreased by a rider hereto executed in the same manner as this bond, for which payment, well and truly to be made, we bind ourselves, and each of us, and each of our heirs, executors, administrators, successors, and assigns, jointly and severally by these presents.

SCHEDULE A

NAME OF GEOGRAPHICAL AREA ON THE OUTER CONTINENTAL SHELF:

The area offshore the Atlantic coast

Wherever used in this bond the words "any instruments," "instrument," or "any instrument" shall include any mineral lease, operating agreement, designation of operator or agent, storage agreement, compensatory royalty agreement, permit, license, or easement, issued, maintained, or approved under any provision of the Outer Continental Shelf Lands Act, 43 U.S.C. 1331 et seq., as amended (92 Stat. 629); hereinafter referred to as the Act, or the regulations issued pursuant thereto whereunder the principal has the right, privilege, or license to conduct operations in the Outer Continental Shelf, within the geographical area specified in Schedule A.

The conditions of the foregoing obligations are such that, whereas the said principal has an interest in, or the right, privilege, or license to conduct operations under, instruments issued or maintained under the Act or regulations; and

WHEREAS the principal and surety agree that without notice to the surety the coverage of this bond, in addition to the present holdings of the principal, shall extend to and include:

1. Any instrument hereafter issued, entered into, or acquired by, the principal authorizing operations in the Outer Continental Shelf in the area named in Schedule A, this coverage shall become effective immediately upon such issuance or upon departmental approval of a transfer in favor of the principal.

2. Any extension of an instrument covered by this bond, such coverage to continue without any interruption due to the expiration of the term set forth in the instrument.

Provided, That the surety may elect to have the additional coverage authorized under this paragraph become inapplicable as to all interests of the principal acquired more than thirty (30) days after the receipt of notice of such election by the Minerals Management Service.

WHEREAS, the surety waives any right to notice of, and agrees that this bond shall remain in full force and effect notwithstanding:

1. A transfer or transfers either in whole or in part, of any or all of the instruments, and further agrees to remain bound under this bond as to the interests in any instrument retained by the principal when the approval of the transfer or transfers becomes effective.

2. Any modification of an instrument, or obligations thereunder, whether made or effected by commitment to unit, cooperative, communitization or storage agreements; suspension of operations or production; suspensions or changes in rental, minimum royalty, royalties; compensatory royalty agreements or payments, or otherwise; and

WHEREAS, the principal and surety hereby agree that notwithstanding the termination of any instrument covered by this bond, whether the termination is by operation of law or otherwise, the bond shall remain in full force and effect as to all remaining instruments covered by the bond; and

WHEREAS, the principal, as to any lease or part of a lease for areas as to which he has been designated as operator or agent, or approved as operator, in consideration of being permitted to furnish this bond in lieu of the lessee's, agrees and by these presents does hereby bind himself to fulfill on behalf of each lessee all the obligations of each such lease for the entire leasehold in the same manner and to the same extent as though he were the lessee; and

WHEREAS, the principal and surety agree that the neglect or forbearance of said lessor in enforcing, as against the lessees of such

lessor, the payment of rentals or royalties or the performance of any other covenant, condition or agreement of the leases, shall not, in any way, release the principal and surety, or either of them, from any liability under this bond; and

WHEREAS, the principal and surety agree that in the event of any default under the leases, the lessor may commence and prosecute any claim, suit, action, or other proceeding against the principal and surety, or either of them, without the necessity of joining the lessees.

Now, Therefore, if said principal shall in all respects faithfully comply with all of the provisions of the instruments referred to hereinbefore, then the above obligations are to be void; otherwise to remain in full force and effect.

Signed on this 20th day of August

, 19 85 , in the presence of:


NAMES AND ADDRESSES OF WITNESSES

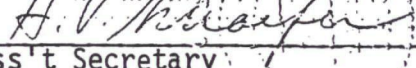
Carol K. Tittermaier
01256 SH 568 R2
Carey, Ohio 43316

Alexander D. Smith
2215 Jennifer Lane #23
Findlay, Ohio 45840

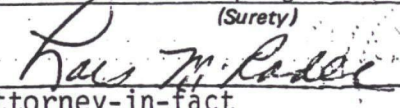
Barbara Jean Smith
2551 Blanchard Ave
Findlay, OH 45840

Shirley L. Wagner
333 Edith Ave.
Findlay, Ohio 45840


Vice President (Principal) (L.S.)

Attest: 
Ass't Secretary
539 South Main St., Findlay, Ohio 45840
(Business Address)

SAFECO Insurance Company of America (L.S.)
(Surety)

By: 
Attorney-in-fact
5901 E. Galbraith Rd., Cincinnati, Ohio 45236
(Business Address)



POWER OF
ATTORNEY

SAFECO INSURANCE COMPANY OF AMERICA
HOME OFFICE: SAFECO PLAZA
SEATTLE, WASHINGTON 98185

No. 7419

KNOW ALL BY THESE PRESENTS:

That **SAFECO INSURANCE COMPANY OF AMERICA**, a Washington corporation, does hereby appoint

-----JANE EOFF BURSON; LOIS M. RADER; JOHN H. BURSON, Findlay, Ohio-----

its true and lawful attorney(s)-in-fact, with full authority to execute on behalf of the company fidelity and surety bonds or undertakings and other documents of a similar character issued by the company in the course of its business, and to bind **SAFECO INSURANCE COMPANY OF AMERICA** thereby as fully as if such instruments had been duly executed by its regularly elected officers at its home office.

IN WITNESS WHEREOF, **SAFECO INSURANCE COMPANY OF AMERICA** has executed and attested these presents

this 7th day of August, 19 85

CERTIFICATE

Extract from the By-Laws of **SAFECO INSURANCE COMPANY OF AMERICA**:

"Article V, Section 13. — FIDELITY AND SURETY BONDS . . . the President, any Vice President, the Secretary, and any Assistant Vice President appointed for that purpose by the officer in charge of surety operations, shall each have authority to appoint individuals as attorneys-in-fact or under other appropriate titles with authority to execute on behalf of the company fidelity and surety bonds and other documents of similar character issued by the company in the course of its business . . . On any instrument making or evidencing such appointment, the signatures may be affixed by facsimile. On any instrument conferring such authority or on any bond or undertaking of the company, the seal, or a facsimile thereof, may be impressed or affixed or in any other manner reproduced; provided, however, that the seal shall not be necessary to the validity of any such instrument or undertaking."

Extract from a Resolution of the Board of Directors of
SAFECO INSURANCE COMPANY OF AMERICA adopted July 28, 1970.

"On any certificate executed by the Secretary or an assistant secretary of the Company setting out,

- (i) The provisions of Article V, Section 13 of the By-Laws, and
- (ii) A copy of the power-of-attorney appointment, executed pursuant thereto, and
- (iii) Certifying that said power-of-attorney appointment is in full force and effect,

the signature of the certifying officer may be by facsimile, and the seal of the Company may be a facsimile thereof."

I, W.D. Hammersla, Secretary of **SAFECO INSURANCE COMPANY OF AMERICA**, do hereby certify that the foregoing extracts of the By-Laws and of a Resolution of the Board of Directors of this corporation, and of a Power of Attorney issued pursuant thereto, are true and correct, and that both the By-Laws, the Resolution and the Power of Attorney are still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of said corporation

this 20th day of August, 19 85