



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
Bond No. 1144443

September 13, 2017

Mr. Thomas M. Clarke
Northstar Offshore Ventures LLC
11 Greenway Plaza, Suite 2800
Houston, TX 77046

Dear Mr. Clarke:

We acknowledge receipt of Slattery, Marino & Roberts' letter dated August 11, 2017, received by Bureau of Ocean Energy Management on August 11, 2017, submitting on your behalf, your Bond Rider To Assume Liability, Bond Rider No. 1144443, to be attached to and form a part of Outer Continental Shelf (OCS) Pipeline Right-of-Way Grant Bond No. 1144443 in the amount of \$300,000 executed on August 7, 2017, with Northstar Offshore Ventures LLC as principal, and Lexon Insurance Company as surety, conditioned to cover principal's leasehold interest held now or hereafter in the Gulf of Mexico.

Bond Rider To Assume Liability, Bond Rider No. 1144443, executed on August 7, 2017, extends to and covers all liability associated with Outer Continental Shelf (OCS) Pipeline Right-of-Way Grant Bond No. 1138466 in the amount of \$300,000 executed on March 22, 2016, with Northstar Offshore Group, LLC as principal, and Lexon Insurance Company as surety, conditioned to cover principal's pipeline operations in the Gulf of Mexico. The rider is effective August 7, 2017.

Therefore, the period of liability under Bond No. 1138466 is considered terminated and the bond is cancelled without residual liability, effective August 7, 2017, the effective date of the Bond Rider To Assume Liability, Bond Rider No. 1144443.

The rider has been attached to and now forms a part of the original Bond No. 1144443 maintained in the Leasing and Financial Responsibility Section.

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

Sincerely,

**BERNADETTE
THOMAS**

Digitally signed by
BERNADETTE THOMAS
Date: 2017.09.13 14:03:16
-05'00'

Bernadette Thomas, Acting Chief
Leasing and Financial Responsibility Section
Leasing and Plans

cc: Ms. Theresa Pickerrell
Lexon Insurance Company
10002 Shelbyville Road, Suite 100
Louisville, KY 40223

Sent Via Email To: bmacmillan@nstaroffshore.com , sgosnell@nstaroffshore.com ,
bprecious@smithmanus.com , breid@smithmanus.com

OUTER CONTINENTAL SHELF (OCS) PIPELINE RIGHT-OF-WAY GRANT BOND

Bond No.: 1138466

Bond Type: Area GOM Additional Security (Check One) _____ Amount: \$300,000.00

The Surety is the Company Guaranteeing Performance:	
Name of Surety: <u>Lexon Insurance Company</u>	RECEIVED MAY 05 2016 LEASING & FINANCIAL RESPONSIBILITY
Mailing Address: <u>10002 Shelbyville Road, Suite 100, Louisville, KY 40223</u>	
If a Corporation, Incorporated in the State of: <u>Texas</u> ; County or Parish of: <u>Travis</u>	
x 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 Pipeline Right-of-way (ROW) Grant Holder for Whom the Bond or additional security* is Issued:	
Name of Principal: <u>Northstar Offshore Group, LLC</u>	
Mailing Address: <u>11 Greenway Plaza, Suite 2800, Houston, TX 77046</u>	
Schedule A, the OCS area and pipeline ROW grant covered by this bond or additional security*, is comprised of (check one or both):	
The following OCS area[(see 30 CFR 550.1011(b))]: _____	
x The following pipeline ROW grant [see 30 CFR 550.1011(a)(2)]: <u>Gulf of Mexico</u>	
In addition to the Obligations of the Principal during the period of liability of this bond or additional security*, 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 or additional security*.	
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 or additional security*.	
x 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 or additional security* with the following exceptions or limitations (use an attached sheet if needed):	
Definitions	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 USC 1331 <u>et seq.</u>
For the purposes of this document:	An Instrument includes any pipeline ROW grant, whereunder the Principal has the right, privilege, or license to conduct pipeline operations on the OCS.
	A Person includes an individual, a public or private corporation, 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:	
The Principal as agent on behalf of the pipeline ROW grant holder will fulfill all Obligations for the entire pipeline ROW grant and to the same extent as though the Principal were the sole pipeline ROW grant holder for all pipeline ROW grants in Schedule A within an area designated in Schedule A.	
By signing below, the Surety verifies that the information above is correct and agrees to the following:	
1. 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.	
2. The Surety agrees to meet all existing and future Obligations of the Principal on the pipeline ROW grant(s) described in Schedule A or acquired within that area after the effective date of this document at a cost not to exceed \$ <u>300,000.00</u> unless this sum has been increased or decreased by a rider to this bond or additional security*executed in the same manner as this bond or additional security*.	
3. 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 or additional security*.	

OUTER CONTINENTAL SHELF (OCS) PIPELINE RIGHT-OF-WAY GRANT BOND (Continued)

4. If the Regional Director terminates the period of liability of this bond or additional security*, 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 or additional security* in favor of the Surety.
5. If this bond or additional security* is cancelled, the Regional Director may reinstate this bond or additional security* 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 pipeline ROW grant(s) in accordance with BOEM specifications be materially false and the BOEM relied upon such representation in canceling the instrument.
6. The Surety waives any right of notice of this bond or other security* taking effect and agrees that this bond or additional security* will take effect upon delivery to BOEM.
7. The Surety's Obligations will remain in full force and effect, even if:
 - (a) Any person assigns the 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 modification of regulations or interpretations of regulations; 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 or additional security*, whether the termination is by operation of law or otherwise.
 - (d) The BOEM takes or fails to take any action in enforcing, as against any party to the Instrument, the performance of any other covenant, condition or agreement of the pipeline ROW grant, 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.
8. The Surety agrees to be bound under this bond or additional security* as to the interests in any Instrument retained by the Principal when the BOEM approves the transfer of any or all of the Instruments.
9. In the event of any default under a pipeline ROW grant, the Surety must perform the Obligations of the Principal upon demand by the BOEM.
10. If the 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 the BOEM joins the pipeline ROW grant holder or any other party.
11. 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 or additional security* is on a "solidary" or "joint and several" basis along with other guarantors or sureties.
12. The Surety agrees to give prompt notice to the 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.
13. The Surety's Obligation and liabilities under this Bond or additional security* 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 the BOEM.
14. The Surety hereby waives any defenses to liability on this bond or additional security* based on an unauthorized Principal signature.

*** Must be approved by the Regional Director**

OUTER CONTINENTAL SHELF (OCS) PIPELINE RIGHT-OF-WAY GRANT BOND (Continued)

Lexon Insurance Company
Name of Surety

Theresa Pickerrell
Signature of Person Executing for Surety

Theresa Pickerrell, Attorney-In-Fact
Name and title typed or printed

10002 Shelbyville Road, Suite 100
Business Address

Louisville, KY 40223
Business Address

Northstar Offshore Group, LLC
Name of Principal

[Signature]
Signature of Person Executing for Principal

Brian H. Macmillan- Senior Vice President Land & Business Development
Name and title typed or printed

11 Greenway Plaza, Suite 2800
Business Address

Houston, TX 77046
Business Address

Signed on this 22nd day of March, 20 16, in the State of Kentucky, in the presence of:

Sandra L Fusinetti
Signature of Witness

Sandra L. Fusinetti
Name typed or printed

2307 River Road, Suite 200
Address

Louisville, KY 40206
Address

Sherry J. Gosnell
Signature of Witness

SHERRY J. GOSNELL
Name typed or printed

11 Greenway Plaza, Suite 2800
Address

Houston, TX 77046
Address

Note: The party signing 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 pipeline right-of-way grant holder, if a corporation, must affix their corporate seals.

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 (pipeline right-of-way holder). Responses are required to obtain or retain a benefit. Proprietary data are covered under 30 CFR 550.197. 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 (in the Alaska and Pacific Regions, this could take longer), 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, Virginia 20166.