



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 11163

AUG 09 2019

Avocet LNG, LLC
1100 Louisiana Street, Suite 3100
Houston, TX 77002
Attn: William Daughdrill

Dear Mr. Daughdrill:

Your letter dated July 23, 2019, requesting cancellation of Outer Continental Shelf (OCS) Mineral Lessee's or Operator's Supplemental Bond No. SUR0038076, in the amount of \$352,432, was received by our office on July 26, 2019. This bond, conditioned to cover Right-of-Way OCS-G 11163, was executed on June 8, 2018, with Avocet LNG, LLC as principal and Argonaut Insurance Company as surety.

We are unable to grant your request at this time. The Risk Management Operations Group has objected to this cancellation.

Should you need further assistance, please contact the Risk Management Operations Group at boemrmog@boem.gov.

Sincerely,

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

cc: Argonaut Insurance Company
13100 Wortham Center Drive, Suite 290
Houston, TX 77065
Attn: Michael Cole

Sent Via Email To: w.daughdrill@delfinlng.com , mcole@higginbotham.net

Avocet LNG, LLC

1100 Louisiana Street, Suite 3100
Houston, TX 77002
United States of America

July 23, 2019

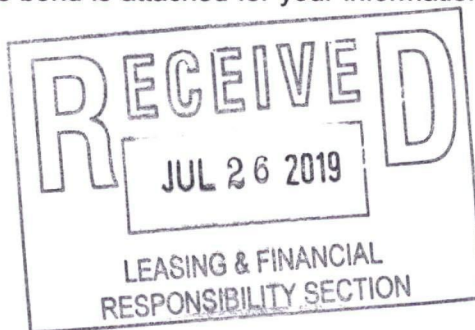
Ms. Erin O'Reilly
Chief, Leasing and Financial Responsibility Section
Mail Stop GM266A
Bureau of Ocean Energy Management
Gulf of Mexico OCS Region
1201 Elmwood Park Blvd.
New Orleans, LA 70123-2394

Reference: Avocet LNG, LLC (Gulf of Mexico Company Number 3530)
Pipeline Right-of-Way OCS-G11163
Request for Cancellation of Supplemental Bond SUR0038076 for \$352,432

Dear Ms. O'Reilly:

Avocet LNG, LLC (Avocet) requests that the Bureau of Ocean Energy Management (BOEM) cancel bond number SUR0038076 in the amount of \$352,432 covering the abandonment of pipeline Right-of-Way (ROW) OCS-G11163. A copy of this bond is attached for your information and summarized below:

Bond type: Supplemental
Bond number: SUR0038076
Bond amount: \$352,432
Principal: Avocet LNG, LLC
Surety: Argonaut Insurance Company
Execution date: June 8, 2018
Requested action: Cancellation



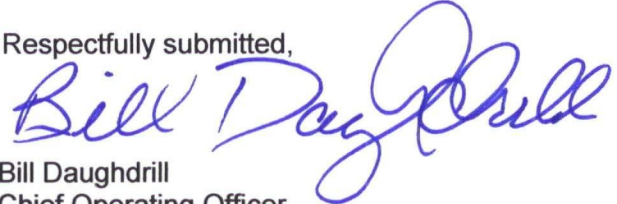
By way of background, please note that Avocet received authorization from the Bureau of Safety and Environmental Enforcement (BSEE) on May 22, 2019 to abandon Pipeline Segment Number (PSN) 13646 in place and relinquish pipeline ROW OCS-G11163. In late May and early June 2019, Avocet performed the approved decommissioning procedures on PSN 13646 and abandoned the pipeline in place. In a letter dated July 10, 2019, Avocet submitted our Abandonment/Decommissioning Completion Report to BSSE's Pipeline Section in New Orleans, Louisiana.

Since we have decommissioned PSN 13646 and relinquished pipeline ROW OCS-G11163, Avocet LNG, LLC respectfully requests that BOEM cancel Supplemental bond number SUR0038076 at your earliest convenience.

Bureau of Ocean Energy Management
Chief, Leasing and Financial Responsibility Section
July 23, 2019
Page 2 of 2

All correspondence and inquiries concerning this request should be directed to the undersigned via e-mail at w.daughdrill@delfinlng.com or by telephone at (850) 933-1720.

Respectfully submitted,



Bill Daughdrill
Chief Operating Officer
Avocet LNG, LLC
1100 Louisiana Street, Suite 3100
Houston, TX 77002
w.daughdrill@delfinlng.com

Enclosure: PDF Copy of Supplemental Bond SUR0038076 for OCS-G11163

Cc: Mr. Michael Cole, Attorney in Fact
Argonaut Insurance Company
11700 Katy Freeway, Suite 1100
Houston, TX 77079
mcole@higginbotham.net