



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 29394

AUG 08 2019

Delfin Offshore Pipeline LLC
1100 Louisiana Street, Suite 3100
Houston, TX 77002
Attn: William Daughdrill

Dear Mr. Daughdrill:

Your letter dated July 16, 2019, requesting cancellation of Outer Continental Shelf (OCS) Mineral Lessee's or Operator's Supplemental Bond No. K09380012, in the amount of \$690,000, was received by our office on July 18, 2019. This bond, conditioned to cover Right-of-Way OCS-G 03302A, was executed on March 29, 2016, with Delfin Offshore Pipeline LLC as principal and Westchester Fire Insurance Company as surety.

Attached to and forming a part of Bond No. K09380012, is Increase Surety Rider, executed on January 5, 2018, which increases the bond amount by \$160,500 for a total penal sum of \$850,500. The rider is effective November 17, 2017.

Bond No. K15770648 in the amount of \$831,143 has been accepted and covers the decommissioning liability for new Right-of-Way No. OCS-G 29394. Therefore, the Bureau of Ocean Energy Management has no objection to cancellation of Bond No. K09380012, which is considered cancelled without residual liability effective August 5, 2019, 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.

Sincerely,

Bernadette Thomas
Regional Supervisor
Leasing and Plans

cc: Westchester Fire Insurance Company
436 Walnut Street, WA10F
Philadelphia, PA 19106
Attn: Rebecca J. Hobbs

Sent Via Email To: w.daughdrill@delfinlng.com , rebecca.j.hobbs@marsh.com



Delfin Offshore Pipeline LLC

1100 Louisiana Street, Suite 3100
Houston, TX 77002

July 16, 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: Delfin Offshore Pipeline LLC (Gulf of Mexico Company Number 408)
Submission of New Bond K15770648 for Pipeline Right-of-Way OCS-G29394
Request for Cancellation of Supplemental Bond K09380012 for OCS-G03302A

Dear Ms. O'Reilly:

Delfin Offshore Pipeline LLC (Delfin) hereby submits fully executed Supplemental bond number K15770648 in the amount of \$831,143.00 to cover pipeline Right-of-Way (ROW) OCS-G29394. The specifics of new bond K15770648 are provided below:

Covered OCS ROW number: OCS-G29394
Bond type: Supplemental
Bond number: K15770648
Bond amount: \$831,143
Principal: Delfin Offshore Pipeline LLC
Surety: Westchester Fire Insurance Company
Execution date: June 28, 2019
Requested action: BOEM acceptance of ROW abandonment bond

New Supplemental bond K15770648 for ROW OCS-G29394 replaces bond number K09380012 that formerly covered this ROW when it was identified as ROW OCS-G03302A. With submission of this new Supplemental bond, Delfin respectfully requests that the Bureau of Ocean Energy Management (BOEM) cancel bond number K09380012 in the amount of \$850,500 covering expired ROW OCS-G03302A. Additional details covering Supplemental bond K09380012 are provided below for reference.

Covered OCS ROW number: OCS-G03302A (expired)
Bond type: Supplemental
Bond number: K09380012
Bond amount: \$850,500



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Principal: Delfin Offshore Pipeline LLC
Surety: Westchester Fire Insurance Company
Execution date: March 29, 2016
Requested action: Cancellation

By letter dated March 8, 2018, the Bureau of Safety and Environmental Enforcement notified Delfin that ROW OCS-G03302A was expired. Delfin subsequently applied for and was granted a new pipeline ROW (identical to OCS-G03302A) under ROW OCS-G29394.

By way of background, please note that the existing 42" diameter natural gas pipeline associated with ROW OCS-G29394 (formerly OCS-G03302A) is in an inactive status. The pipeline was purged, isolated, and dry packed with nitrogen between WC167 (offshore) and Transco Station 44 (onshore) during 2012 in compliance with applicable regulations. Thereafter, the pipeline was included as a component in the Delfin LNG deepwater port license application, serving as one leg of the natural gas supply source for a proposed offshore liquefied natural gas (LNG) facility to be located in the vicinity of WC-327. Delfin continues to work with the U.S. Coast Guard and the Maritime Administration on the proposed Delfin LNG deepwater port project. As such, ROW OCS-G29394 remains essential to our project development plans.

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,

William Daughdrill
President
Delfin Offshore Pipeline LLC
1100 Louisiana Street, Suite 3100
Houston, TX 77002
w.daughdrill@delfinlng.com

Enclosure: Original Executed Supplemental Bond K15770648 for OCS-G29394

Cc: Ms. Rebecca J. Hobbs
Marsh USA Inc.
1111 Northshore Drive
Suite N-550
Knoxville, TN 37919
Rebecca.J.Hobbs@marsh.com

