



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 28310

AUG 08 2019

Sanare Energy Partners, LLC
11 Greenway Plaza, Suite 2800
Houston, TX 77046
Attn: Joan G. Seelman

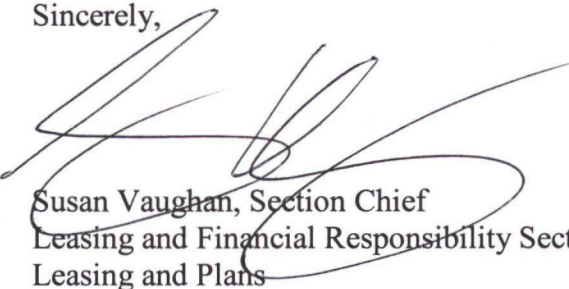
Dear Ms. Seelman:

Your letter dated August 5, 2019, submitting Outer Continental Shelf (OCS) Mineral Lessee's or Operator's Pipeline Right-of-Way Grant Bond No. N-7002363, in the amount of \$357,670, was received by our office on August 5, 2019. This bond, conditioned to cover Right-of-Way OCS-G 28310, was executed on July 2, 2019, with Sanare Energy Partners, LLC as principal and Indemnity National Insurance Company as surety.

The bond conforms to the requirements of the leasing and operating regulations for the submerged lands of the Outer Continental Shelf. It is effective as of the date filed, August 5, 2019.

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: Indemnity National Insurance Company
238 Bedford Way
Franklin, TN 37064
Attn: Theresa Pickerrell

Sent Via Email To: bmac@sanarepartners.com , tpickerrell@smithmanus.com ,
te@kewafinancial.com

LISKOW & LEWIS

A Professional Law Corporation

One Shell Square
701 Poydras Street, Suite 5000
New Orleans, LA 70139
(504) 581-7979 Main
(504) 556-4108 Fax

822 Harding Street
Post Office Box 52008
Lafayette, LA 70505
(337) 232-7424 Main
(337) 267-2399 Fax

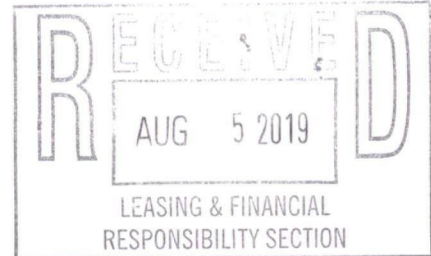
1001 Fannin Street
Suite 1800
Houston, TX 77002
(713) 651-2900 Main
(713) 651-2908 Fax

www.Liskow.com

August 5, 2019

VIA HAND DELIVERY

Ms. Kathleen Lee
Bureau of Ocean Energy Management
Leasing & Financial Responsibility Unit
1201 Elmwood Park Boulevard
New Orleans, Louisiana 70123-2394



Re: Submitting an Outer Continental Shelf (OCS) Pipeline
Right-of-Way Bond for OCS-G 28310 (Additional Surety)

Dear Ms. Lee:

As the authorized consultant for Sanare Energy Partners, LLC (3520), Liskow & Lewis hereby submits the following bond for review and approval;

1. Outer Continental Shelf (OCS) Pipeline Right-of-Way Grant Bond by Indemnity National Insurance Company, as Surety and Sanare Energy Partners, LLC, as Principal, Bond No. N-7002363 covering right of way OCS-G 28310, in the amount of \$357,670.00, hereinafter referred to as the "Sanare Right-of-Way Bond".

If you have any questions regarding the above, or need additional information, we have provided the following contact information for each of the parties:

For the Principal – Sanare Energy Partners, LLC

Brian H. Macmillan
11 Greenway Plaza, Suite 2800
Houston, Texas 77046
Email: bmac@sanarepartners.com
Phone Number: (713)-386-1046

For the Surety – Indemnity National Insurance Company

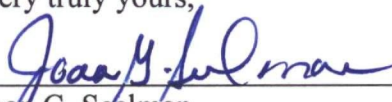
Tom Elkins
238 Bedford Way
Franklin, TN 37064
Email: te@kewafinancial.com
Phone Number: (423)-608-0397

Ms. Kathleen Lee
Bureau of Ocean Energy Management
Leasing & Financial Responsibility Unit
August 5, 2019
Page 2

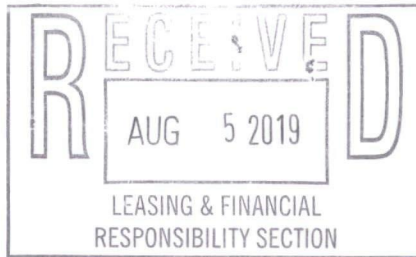
For the Broker – Smith Manus
Theresa Pickerrell
2307 River Road, Suite 200
Louisville, KY 40206
Email: tpickerrell@smithmanus.com
Phone Number: (502)-238-1246

If you have any questions regarding the above, or need additional information, please contact Joan G. Seelman at (504)-299-6121 or by email at jseelman@liskow.com.

Very truly yours,



Joan G. Seelman
Regulatory Paralegal



U.S. Department of the Interior
Bureau of Ocean Energy Management

OMB Control No.: 1010-0006
Expiration Date: 6/30/2019

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

Bond No.: N-7002363

Bond Type: Area Additional Security (Check One) Amount: \$ 357,670.00

The Surety is the Company Guaranteeing Performance.

Name of Surety: Indemnity National Insurance Company
Mailing Address: 238 Bedford Way
Franklin, TN 37064

If a Corporation, Incorporated in the State of: Mississippi; County or Parish of: Lauderdale

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: Sanare Energy Partners, LLC
Mailing Address: 11 Greenway Plaza, Suite 2800, Houston, TX 77046

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))]: _____
- The following pipeline ROW grant [see 30 CFR 550.1011(a)(2)]: Pipeline Right-of-Way (ROW) OCS-G 28310 is a 200-foot wide and approximately 3.12 miles (16,469') long corridor associated with the 6-inch Pipeline Segment Number (PSN) 17040. The purpose of ROW OCS-G 28310 is to maintain and operate PSN 17040 and to transport bulk gas originating at Platform A in Block A 268, through Block A 283 and terminating at Platform A in Block A 442, all in the High Island Area, East Addition, South Extension.

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*.
- 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 et seq.
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 \$ 357,670.00 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)

Indemnity National Insurance Company

Name of Surety

Signature of Person Executing for Surety

Theresa Pickerrell, Attorney-in-Fact

Name and title typed or printed

238 Bedford Way

Business Address

Franklin, TN 37064

Business Address

Sanare Energy Partners, LLC

Name of Principal

Signature of Person Executing for Principal

Brian H. Macmillan Sr. Vice President - Land

Name and title typed or printed

11 Greenway Plaza, Suite 2800

Business Address

Houston, TX 77046

Business Address

Signed on this 2nd day of July, 2019, in the State of Kentucky, in the presence of:

Signature of Witness

Susan Ritter

Name typed or printed

2307 River Road, Suite 200

Address

Louisville, KY 40206

Address

Signature of Witness

Mari Castillo

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, VA 20166.

Power of Attorney

KNOW ALL PERSONS BY THESE PRESENTS: that Indemnity National Insurance Company, a Mississippi corporation, (hereinafter the "Company"), does hereby constitute and appoint: Brook T. Smith, William R. Precious, Sandra L. Fusinetti, Mark Guidry, Susan Ritter, Sheryon Quinn and Theresa Pickerrell of Louisville, Kentucky to be its true and lawful Attorney-in-Fact, with full power and authority hereby conferred to sign, seal, and execute on its behalf surety bonds or undertakings and other documents of a similar nature issued in the course of its business up to a penal sum not to exceed Two Million and 00/100 Dollars (\$2,000,000.00) each, and to bind the Company thereby as fully and to the same extent as if the same were signed by the duly authorized officers of the Company.

This appointment is made under and executed pursuant to and by authority of the following Minutes of Special Actions Taken by Written Consent of the Board of Directors, which is now in full force and effect:

Authorization to Appoint Attorneys-in-Fact and the Use of Facsimile Signatures and Facsimile Seals for the Purpose of Issuing Bonds:

RESOLVED: That the president or any vice president may appoint attorneys-in-fact or agents with authority as defined or limited in the instrument evidencing the appointment in each case, for and on behalf of the Company to execute and deliver and affix the seal of the Company to bonds and related obligatory certificates and documents; and any one of said officers may remove any such attorney-in-fact or agent and revoke any power previously granted to such person, whether or not such officer appointed the attorney-in-fact or agent.

RESOLVED: That any bonds and related obligatory certificates and documents shall be valid and binding upon the Company, (i) when signed by the president, or any vice president, and sealed with the Company seal; or (ii) when duly executed and sealed with the Company seal by one or more attorneys-in-fact or agents pursuant to and within the limits of authority evidenced by the power of attorney issued by the Company to such person or persons a certified copy of which power of attorney must be attached thereto in order for such obligation to be binding upon the Company.

RESOLVED: That the signature of any authorized officer and the seal of the Company may be affixed to any power of attorney or certification thereof authorizing the execution and delivery of any bonds and related obligatory certificates and documents of the Company and such signature and seal then so used shall have the same force and effect as though manually affixed.

IN WITNESS WHEREOF, this Power of Attorney has been subscribed by an authorized officer or official of the Company and the corporate seal of Indemnity National Insurance Company has been affixed thereto in Lexington, Kentucky this 6th day of November, 2017.



Indemnity National Insurance Company

By Thomas F. Elkins
Thomas F. Elkins, President

State of Kentucky
County of Fayette

On this 6th day of November, 2017, before me, a Notary Public, personally came Thomas F. Elkins, to me known, and acknowledged that he is President of Indemnity National Insurance Company; that he knows the seal of said corporation; and that he executed the above Power of Attorney and affixed the corporate seal of Indemnity National Insurance Company thereto with the authority and at the direction of said corporation.



By Deborah A. Murphy
Notary Public

My Commission Expires 09/26/2021

CERTIFICATE

I, James E. Hart, Secretary of Indemnity National Insurance Company, do hereby certify that the foregoing Power of Attorney is still in full force and effect, and further certify that the Minutes of Special Actions Taken by Written Consent of the Board of Directors are now in full force and effect.

IN TESTIMONY WHEREOF I have subscribed my name and affixed the seal of said Company. Dated this 2nd day of July, 2019



By James E. Hart
James E. Hart, Secretary