



## 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 13740

NOV 05 2018

Mr. J. Hunter Coates  
Whitney Oil & Gas, LLC  
920 Memorial City Way, Suite 200  
Houston, TX 77024

Dear Mr. Coates:

Your letter dated October 9, 2018, submitting your replacement Outer Continental Shelf (OCS) Mineral Lessee's or Operator's Supplemental Bond No. 180102, in the amount of \$200,000 was received by our office on October 12, 2018. This bond, conditioned to cover Right-of-Way OCS-G 13740, was executed on July 5, 2018, with Whitney Oil & Gas, LLC as principal and Evergreen National Indemnity Company as surety.

This bond replaces your Outer Continental Shelf (OCS) Mineral Lessee's or Operator's Supplemental Bond No. **RLB0016459** in the amount of \$100,000. This bond, conditioned to cover Right-of-Way OCS-G 13740, was executed on May 2, 2016, with Whitney Oil & Gas, LLC as principal, and RLI Insurance Company as surety.

Attached to and forming a part of Bond No. RLB0016459, is Rider No. 1, executed on September 20, 2016, which increases the amount of this bond by \$100,000 for a total penal sum of \$200,000. The rider is effective September 20, 2016.

The replacement bond, Bond No. 180102, conforms to the requirements of the leasing and operating regulations for submerged lands of the Outer Continental Shelf and is considered to be effective July 5, 2018, the date it was executed. The period of liability of Outer Continental Shelf (OCS) Mineral Lessee's or Operator's Supplemental Bond No. RLB0016459 is considered to have terminated and the bond is considered cancelled without residual liability on the same date.

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

Sincerely,



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

cc: Ms. Patricia A. Temple  
Evergreen National Indemnity Company  
6140 Parkland Boulevard, Suite 321  
Mayfield Heights, OH 44124

Mr. E. Patrick Hennesy, III  
RLI Insurance Company  
2925 Richmond Avenue, Suite 1600  
Houston, TX 77098

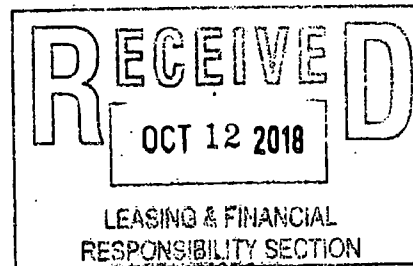
Sent Via Email To: [hcoates@whitneyoilco.com](mailto:hcoates@whitneyoilco.com) , [mboo@mcgriff.com](mailto:mboo@mcgriff.com) ,  
[greg.chilson@rlicorp.com](mailto:greg.chilson@rlicorp.com) , [aort@evergreenbonds.com](mailto:aort@evergreenbonds.com)



Whitney Oil & Gas, LLC  
920 Memorial City Way  
Suite 200  
Houston, TX 77024

October 9, 2018

Dr. Erin O'Reilly Vaughan  
Chief, Leasing and Financial Responsibility  
Bureau of Ocean Energy Management, GOM Region  
Office of Leasing and Plans  
1201 Elmwood Park Blvd, MS GM 266A  
New Orleans, LA 70123-2394



Re: Replacement in Kind of OCS Supplemental Bonds

Dear Ms. Vaughan,

Please find that enclosed bonds for replacement in kind of existing bonds listed below.

| Replacement Bond No. | Current Bond No. | Bond Amount   | Field  | Description                                                                                            |
|----------------------|------------------|---------------|--------|--------------------------------------------------------------------------------------------------------|
| 180111               | RLB0016547       | \$ 530,000.00 | EI 142 | OCS Mineral Lessee's or Operator's Supplemental Bond OCS-G30331 - All of Block 142, Eugene Island Area |
| 180101               | RLB0016458       | \$ 200,000.00 | EI     | OCS Supplemental Bond - OCS ROW G12732                                                                 |
| 180102               | RLB0016459       | \$ 200,000.00 | EI     | OCS Supplemental Bond - OCS ROW G13740                                                                 |
| 180103               | RLB0016460       | \$ 200,000.00 | EI     | OCS Supplemental Bond - OCS ROW G26933                                                                 |
| 180104               | RLB0016461       | \$ 200,000.00 | EI     | OCS Supplemental Bond - OCS ROW G26934                                                                 |
| 180105               | RLB0016462       | \$ 200,000.00 | EI     | OCS Supplemental Bond - OCS ROW G28210                                                                 |
| 180106               | RLB0016463       | \$ 200,000.00 | EI     | OCS Supplemental Bond - OCS ROW G28515                                                                 |
| 180107               | RLB0016464       | \$ 200,000.00 | EI     | OCS Supplemental Bond - OCS ROW G28516                                                                 |
| 180108               | RLB0016465       | \$ 200,000.00 | EI     | OCS Supplemental Bond - OCS ROW G29111                                                                 |
| 180109               | RLB0016466       | \$ 200,000.00 | EI     | OCS Supplemental Bond - OCS ROW G29174                                                                 |
| 180110               | RLB0016467       | \$ 200,000.00 | EI     | OCS Supplemental Bond - OCS ROW G29220                                                                 |



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If you have any questions, please feel free to contact me at 832.786.7172 or by email at [hcoates@whitneyoilco.com](mailto:hcoates@whitneyoilco.com). Upon approval and acceptance of these new bonds, please contact the following people:

Hunter Coates, CEO – [hcoates@whitneyoilco.com](mailto:hcoates@whitneyoilco.com)

Marc Boots, Broker – [Mboo@McGriff.com](mailto:Mboo@McGriff.com)

Greg Chilson, RLI - [Greg.Chilson@rlicorp.com](mailto:Greg.Chilson@rlicorp.com)

Aaron Ort, Evergreen – [aort@evergreenbonds.com](mailto:aort@evergreenbonds.com)

Thank you for your help with this matter.

Kindest regards,

J. Hunter Coates

CEO

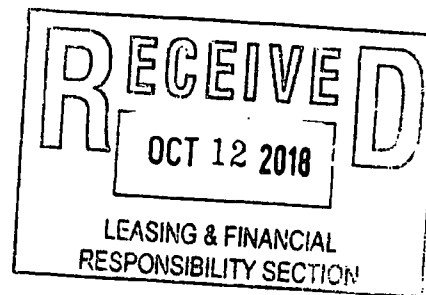
Whitney Oil & Gas, LLC

Cover Page  
**OUTER CONTINENTAL SHELF (OCS)  
MINERAL LESSEE'S OR OPERATOR'S  
SUPPLEMENTAL BOND**

**Form BOEM-2028A**

**This form dated June 2016 supersedes all previous versions of form BOEM-2028A**

**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 (lessee or operator). Responses are mandatory. No proprietary information is collected. 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, 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.



# U.S. DEPARTMENT OF THE INTERIOR

## Bureau of Ocean Energy Management

Bond No. 180102

OCS Lease/RUE/ROW No. G13740

Bond Type Supplemental

Amount \$ 200,000.00

### OUTER CONTINENTAL SHELF (OCS) MINERAL LESSEE'S OR OPERATOR'S SUPPLEMENTAL BOND

The Surety is the entity Guaranteeing Performance.

Name of Surety: Evergreen National Indemnity Company

Mailing Address: 6140 Parkland Boulevard, Suite 321

Mayfield Heights, OH 44124

If a Corporation, Incorporated in the State of: Ohio; County or Parish of: Cuyahoga

☒ 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 Lessee or Designated Operator for Whom the Bond is Issued.

Name of Principal: Whitney Oil & Gas, LLC

Mailing Address: 920 Memorial City Way, Suite 200

Houston, TX 77024

Schedule A, the lease/RUE/ROW covered by this bond, is composed of: (add legal description)

The following lease/RUE/ROW: Pipeline Right-of-way (ROW) OCS-G13740 is a 200-foot wide right-of-way and approximately 6.51 miles (34,346 feet) long corridor associated with the 6 to 8 inch Pipeline

Segment Number 9676. The purpose of pipeline ROW OCS-G13740 is to maintain and operate PSN 9676 and to transport bulk oil from Platform A in Block 143, through Blocks 146 and 147, to Platform A in Block 142, all in Eugene Island Area.

In addition to the Obligations of the Principal during the period of liability of this bond, 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.

☒ 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.

☐ 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 with the following exceptions or limitations (use an attached rider).

#### Definitions

For the purposes of this document:

A **Principal** includes an entity holding an interest in the oil & gas lease in one or more of the following ways: (1) as an approved record title owner of all or a portion of the lease, (2) as an approved operating rights owner of all or a portion of the lease, or (3) as a designated operator or designated agent in all or a portion of the lease.

A **Lessee** includes an approved record title owner of all or a portion of the lease or an approved operating rights owner of all or a portion of the lease.

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 U.S.C. 1331 *et seq.*).

An **Instrument** includes individually or collectively any lease, operating agreement, designation of operator or agent, storage agreement, compensatory royalty agreement, transfer of operating rights, permit, license, or easement, whereunder the Principal has the right, privilege, or license to conduct operations on the OCS.

A **Person** includes an individual, a public or private entity, 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 all lessees, operating rights owners, and operators will fulfill all Obligations for the entire leasehold and to the same extent as though the Principal were the sole lessee for the lease/RUE/ROW 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 payment of all of the cost of the plugging and abandonment Obligations.
2. 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.
3. If the Regional Director terminates the period of liability of this bond, 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 in favor of the Surety.
4. If this bond is cancelled, the Regional Director may reinstate this bond as if no cancellation had occurred if any payment of any Obligation of the Principal(s) is rescinded or must be restored pursuant to an insolvency, bankruptcy, reorganization, or receivership, or should the representation of the Principal that it has paid its financial Obligations or performed the other

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PAGE 2 OF 3

LEASING & FINANCIAL  
RESPONSIBILITY SECTION

- Obligations of the lease in accordance with BOEM specifications be materially false and BOEM relied upon such representation in canceling the instrument.
5. The Surety waives any right of notice of this bond taking effect and agrees that this bond will take effect upon delivery to BOEM.
  6. The Surety's Obligations will remain in full force and effect, even if:
    - (a) Any person assigns all or part of any interest in an 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 commitment to a unit, cooperative, communitization, or storage agreement; suspension of operations or production; suspension or changes in rental, minimum royalty, or royalties; modification of regulations or interpretations of regulations; creation or modification of compensatory royalty agreements or payments; 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, whether the termination is by operation of law or otherwise.
    - (d) BOEM takes or fails to take any action in enforcing, as against any party to the Instrument, the payment of rentals or royalties or the performance of any other covenant, condition or agreement of the lease, 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.
  7. The Surety agrees to be bound under this bond as to the interests in any Instrument retained by the Principal when BOEM approves the transfer of any or all of the Instruments or interests in the Instruments.
  8. In the event of any default under a lease, the Surety must provide payment of all of the cost of the Obligations of the Principal upon demand by BOEM.
  9. If 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 BOEM joins the lessees or any other party.
  10. 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 is on a "solidary" or "joint and several" basis along with other guarantors or sureties.
  11. The Surety agrees to give prompt notice to 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.
  12. The Surety's Obligation and liabilities under this Bond 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 BOEM.
  13. The Surety hereby waives any defenses to liability on this bond based on an unauthorized Principal signature.

**Evergreen National Indemnity Company**

Name of Surety



Signature of Person Executing for Surety

**Patricia A. Temple, Attorney-In-Fact**

Name and Title (typed or printed)

**6140 Parkland Boulevard, Suite 321**

Business Address

**Mayfield Heights, OH 44124**

Business Address

**Whitney Oil & Gas, LLC**

Name of Principal



Signature of Person Executing for Principal

**J. Hunter Coates, CEO**

Name and Title (typed or printed)

**920 Memorial City Way, Suite 200**

Business Address

**Houston, TX 77024**

Business Address

Signed on this 5th day of July, 2018, in the State of Ohio, in the presence of:



Signature of Witness

**Hilarie D. Frankenberry**

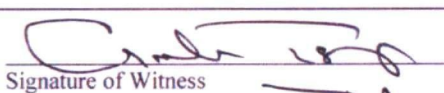
Name (typed or printed)

**6140 Parkland Boulevard, Suite 321**

Address

**Mayfield Heights, OH 44124**

Address



Signature of Witness

**Annalisa Taylor**

Name (typed or printed)

**920 Memorial City Way, Suite 200**

Address

**Houston, TX 77024**

Address

*Note:* The person executing 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 Principal, if a corporation, must affix their corporate seals.

**BOEM-2028A (June 2016)**

Previous Editions are Obsolete.

# EVERGREEN NATIONAL INDEMNITY COMPANY

MAYFIELD HEIGHTS, OH  
POWER OF ATTORNEY

POWER NO. **180102**

KNOW ALL MEN BY THESE PRESENTS: That the Evergreen National Indemnity Company, a corporation in the State of Ohio does hereby nominate, constitute and appoint:

**Patricia A. Temple**

its true and lawful Attorney(s)-In-Fact to make, execute, attest, seal and deliver for and on its behalf, as Surety, and as its act and deed, where required, any and all bonds, undertakings, recognizances and written obligations in the nature thereof, PROVIDED, however, that the obligation of the Company under this Power of Attorney shall not exceed **Two Hundred Thousand and 00/100 Dollars (\$200,000.00)**

This Power of Attorney is granted and is signed by facsimile pursuant to the following Resolution adopted by its Board of Directors on the 23rd day of July, 2004:

"RESOLVED, That any two officers of the Company have the authority to make, execute and deliver a Power of Attorney constituting as Attorney(s)-in-fact such persons, firms, or corporations as may be selected from time to time.

FURTHER RESOLVED, that the signatures of such officers and the Seal of the Company may be affixed to any such Power of Attorney or any certificate relating thereto by facsimile; and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company; and any such powers so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached."

IN WITNESS WHEREOF, the Evergreen National Indemnity Company has caused its corporate seal to be affixed hereunto, and these presents to be signed by its duly authorized officers this 1st day of June, 2017.

EVERGREEN NATIONAL INDEMNITY COMPANY



By:

Matthew T. Tucker, President

By:

David A. Canzone, CFO

Notary Public)  
State of Ohio)

SS:

On this 1st day of June, 2017, before the subscriber, a Notary for the State of Ohio, duly commissioned and qualified, personally came Matthew T. Tucker and David A. Canzone of the Evergreen National Indemnity Company, to me personally known to be the individuals and officers described herein, and who executed the preceding instrument and acknowledged the execution of the same and being by me duly sworn, depose and said that they are the officers of said Company aforesaid, and that the seal affixed to the preceding instrument is the Corporate Seal of said Company, and the said Corporate Seal and signatures as officers were duly affixed and subscribed to the said instrument by the authority and direction of said Corporation, and that the resolution of said Company, referred to in the preceding instrument, is now in force.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at Cleveland, Ohio, the day and year above written.



PENNY M HAMM  
NOTARY PUBLIC  
STATE OF OHIO  
Comm. Expires  
04-04-2022

Penny M. Hamm, Notary Public  
My Commission Expires April 4, 2022

State of Ohio )

SS:

I, the undersigned, Secretary of the Evergreen National Indemnity Company, a stock corporation of the State of Ohio, DO HEREBY CERTIFY that the foregoing Power of Attorney remains in full force and has not been revoked; and furthermore that the Resolution of the Board of Directors, set forth herein above, is now in force.

Signed and sealed in Mayfield Hts, Ohio this 5<sup>th</sup> day of July, 2018.



Wan C. Collier, Secretary