

## United States Department of the Interior

#### BUREAU OF OCEAN ENERGY MANAGEMENT

Gulf of Mexico OCS Region 1201 Elmwood Park Boulevard New Orleans I \ 70123-2394

In Reply Refer To: MS GM 266A

OCS-G 29347

OCT 0 3 2018

Mr. Brian Macmillan Northstar Offshore Ventures LLC 11 Greenway Plaza, Suite 2800 Houston, TX 77046

Dear Mr. Macmillan:

Your letter dated August 30, 2018, submitting your replacement Outer Continental Shelf (OCS) Pipeline Right-of-Way Grant Bond No. N-7001160, in the amount of \$231,998 was received by our office on August 31, 2018. This bond, conditioned to cover Right-of-Way OCS-G 29347, was executed on August 16, 2018, with Northstar Offshore Ventures LLC as principal and Indemnity National Insurance Company as surety.

This bond replaces your Outer Continental Shelf (OCS) Pipeline Right-of-Way Grant Bond No. 1153617 in the amount of \$125,000. This bond, conditioned to cover Right-of-Way OCS-G 29347, was executed on December 6, 2017, with Northstar Offshore Ventures LLC as principal, and Lexon Insurance Company as surety.

Attached to and forming a part of Bond No. 1153617, is General Purpose Rider, executed on February 27, 2018, which increases the bond by \$106,998 for a total penal sum of \$231,998. The rider is effective February 27, 2018.

The replacement bond, Bond No. N-7001160, conforms to the requirements of the leasing and operating regulations for submerged lands of the Outer Continental Shelf and is considered to be effective August 16, 2018, the date it was executed. The period of liability of Outer Continental Shelf (OCS) Pipeline Right-of-Way Grant Bond No. 1153617 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.

Sincerely,

Susan-Vaughan, Section Chief

Leasing and Financial Responsibility Section

Leasing and Plans

cc: Ms. Theresa Pickerell Indemnity National Insurance Company 725 Cool Springs Blvd, Suite 600 Franklin, TN 37067

> Ms. Theresa Pickerell Lexon Insurance Company 10002 Shelbyville Road, Suite 100 Louisville, KY 40223

Sent Via Email To:  $\underline{bmacmillan@nstaroffshore.com} \ , \ \underline{tpickerrell@smithmanus.com} \ , \ \underline{SGosnell@nstaroffshore.com}$ 



(713) 626-9696

11 Greenway Plaza Suite 2800 Houston, Texas 77046

FAX (713) 626-3444

#### Via Federal Express

August 30, 2018

Bureau of Ocean Energy Management Lease and Financial Responsibility Section Attn: Ms. Kathleen Lee 1201 Elmwood Park Blvd. New Orleans, LA 70123-2394

Dear Ms. Lee:

Northstar Offshore Ventures LLC (3520) {NOV} submits the attached Bonds for your review and approval. These Bonds are under our new Surety, Indemnity National Insurance Company, and are to replace the Bonds currently in place under the Surety, Lexon Insurance Company.

The attached worksheet provides the information outlining the current Bond information with the replacement Bond information, as requested in your August 28, 2018 email.

Should you have any questions or require additional information, please contact me at (713) 386-1046 or bmac@nstaroffshore.com.

Respectfully,

Brian H. Macmillan

Sr. Vice President - Land sg/Word/Reading 2018/BOEM Bond Submittal as of 8-30-18.docx

# Northstar Offshore Ventures LLC Replacement Bonds

### 8/30/2018

AREA-WIDE BONDS	Type of Bond	Current Coverage	Bond Number	Principal	Execution Date	Surety	New Indemnity National Bond #	New Indemnity National Bond Amount
Area Wide Bond with BOEM	Mineral Leassee's or Operator's Bond Area Wide	\$3,000,000.00	1144442	Northstar Offshore Ventures	8/7/2017	Lexon Insurance Co.	N-7001182	\$3,000,000.00
Area Wide Pipeline R-O-W Bond	Pipeline Right-of-Way Grant Bond Area Wide	\$300,000.00	1144443	Northstar Offshore Ventures	8/7/2017	Lexon Insurance Co.	N-7001177	\$300,000.00
Eugene Island 133 OCS-G 33092 (Expired Lease)	Mineral Leassee's or Operator's Supplemental Bond	\$200,000.00	1153607	Northstar Offshore Ventures	12/6/2017	Lexon Insurance Co.	N-7001171	\$200,000.00
Eugene Island 183 OCS-G 17981 (Lease)	Mineral Leassee's or Operator's Supplemental Bond	\$600,000.00	1153512	Northstar Offshore Ventures	10/27/2017	Lexon Insurance Co.	N-7001174	\$600,000.00
Eugene Island 184 OCS-G 15015 (ROW)	Pipeline Right-of-Way Grant Bond	\$90,000.00	1153515	Northstar Offshore Ventures	10/27/2017	Lexon Insurance Co.	N-7001162	\$90,000.00
High Island A-442 OCS-G 11383 (Lease) General Purpose Rider	Mineral Leassee's or Operator's Supplemental Bond	\$4,710,000.00	1153608	Northstar Offshore Ventures	12/6/2017	Lexon Insurance Co.	N-7001170	\$4,710,000.00
High Island A-442 OCS-G 15676 (ROW)	Pipeline Right-of-Way Grant Bond	\$250,000.00	1153517	Northstar Offshore Ventures	10/27/2017	Lexon Insurance Co.	N-7001164	\$250,000.00
High Island A-442 OCS-G 15677 (ROW)	Pipeline Right-of-Way Grant Bond	\$250,000.00	1153518	Northstar Offshore Ventures	10/27/2017	Lexon Insurance Co.	N-7001165	\$250,000.00
High Island A-443 OCS-G 29187 (ROW)	Pipeline Right-of-Way Grant Bond	\$290,000.00	1153609	Northstar Offshore Ventures	12/6/2017	Lexon Insurance Co.	N-7001161	\$290,000.00

AREA-WIDE BONDS	Type of Bond	Current Coverage	Bond Number	Principal	Execution Date	Surety	New Indemnity National Bond #	New Indemnity National Bond Amount
High Island A-443 OCS-G 3241 (Lease)	Mineral Leassee's or Operator's Supplemental Bond	\$3,255,000.00	1153610	Northstar Offshore Ventures	12/6/2017	Lexon Insurance Co	N-7001173	\$3,255,000.00
High Island A-571 OCS-G 4356 (ROW)	Pipeline Right-of-Way Grant Bond	\$290,000.00	1153519	Northstar Offshore Ventures	10/27/2017	Lexon Insurance Co.	N-7001179	\$290,000.00
Ship Shoal 201 OCS-G 31393 (Lease-Relinquished)	Mineral Leassee's or Operator's Supplemental Bond	\$150,000.00	1153611	Northstar Offshore Ventures	12/6/2017	Lexon Insurance Go.	N-7001168	\$150,000.00
Ship Shoal 202 OCS-G 30241 (RUE) Maintain Platform "A"	Mineral Leassee's or Operator's Supplemental Bond	\$720,000.00	1153612	Northstar Offshore Ventures	12/6/2017	Lexon Insurance Co.	N-7001172	\$720,000.00
Ship Shoal 202 OCS-G 28971 (ROW)	Pipeline Right-of-Way Grant Bond	\$110,000.00	1153613	Northstar Offshore Ventures	12/6/2017	Lexon Insurance Co.	N-7001176	\$110,000.00
Ship Shoal 202 OCS-G 28972 (ROW)	Pipeline Right-of-Way Grant Bond	\$145,000.00	1153614	Northstar Offshore Ventures	12/6/2017	Lexon Insurance Co.	N-7001159	\$145,000.00
South Marsh Island 8 OCS-G 32155 (Lease-Relinquished)	Mineral Leassee's or Operator's Supplemental Bond	\$300,000.00	1153615	Northstar Offshore Ventures	12/6/2017	Lexon Insurance Co.	- N-7001167	\$300,000.00
South Marsh Island 41 OCS-G 25396 (ROW)	Pipeline Right-of-Way Grant Bond	\$110,000.00	1153520	Northstar Offshore Ventures	10/27/2017	Lexon Insurance Co.	N-7001166	\$110,000.00
South Pass 86/89 OCS-G 28557 ROW	Pipeline Right-of-Way Grant Bond	\$250,000.00	1153521	Northstar Offshore Ventures	10/27/2017	Lexon Insurance Co.	N-7001180	\$250,000.00
West Cameron 20 OCS 0680 (Lease)	Mineral Leassee's or Öperator's Supplemental Bond	\$2,640,000.00	1153513	Northstar Offshore Ventures	10/27/2017	Lexon Insurance Co.	N-7001175	\$2,640,000.00
West Cameron 20 OCS-G 29347 ROW	Pipeline Right-of-Way Grant Bond	\$231,998.00	1153617 Rider #LX 322167	Northstar Offshore Ventures	12/6/2017	Lexon Insurance Co.	N-7001160	\$231,998.00

AREA-WIDE BONDS	Type of Bond	Current Coverage	Bond Number	Principal	Execution Date	Surety	New Indemnity National Bond #	New Indemnity National Bond Amount
West Cameron 20 OCS-G 25492 (ROW)	Pipeline Right-of-Way Grant Bond	\$145,000.00	1153514	Northstar Offshore Ventures	10/27/2017	Lexon Insurance Co.	N-7001181	\$145,000.00
West Cameron 21 OCS-G 26859 (ROW)	Pipeline Right-of-Way Grant Bond	\$110,000.00	1153516	Northstar Offshore Ventures	10/27/2017	Lexon Insurance Co.	N-7001163	\$110,000.00
West Cameron 44 OCS-G 21532 (Lease)	Mineral Leassee's or Operator's Supplemental Bond	\$1,320,000.00	1153618	Northstar Offshore Ventures	12/6/2017	Lexon Insurance Co.	N-7001169	\$1,320,000.00
West Delta 36 OCS-G 23956 (Lease)	Mineral Leassee's or Operator's Supplemental Bond	\$355,000.00	1153620	Northstar Offshore Ventures	12/6/2017	Lexon Insurance Co.	N-7001178	\$355,000.00

# 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 N-7001160 Bond No.: \$231,998.00 Bond Type: ☐ Area \_\_\_\_ Additional Security (Check One)\_ The Surety is the Company Guaranteeing Performance. Name of Surety: <u>Indemnity National Insurance Company</u> Mailing Address: 725 Cool Springs Blvd., Suite 600, Franklin, TN 37067 If a Corporation, Incorporated in the State of: Mississippi ; County or Parish of: Lauderdale 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: Northstar Offshore Ventures 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-G29347 is a 200-foot wide and approximately 0.76 miles (4,000 feet) Platform A, and terminating at the Federal/State Boundary all in West Cameron Area Block 20. 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\*. 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\*. 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): An Obligation includes any obligation arising from any regulations of the Department of the Interior or any **Definitions** Instrument issued, maintained, or approved under the OCS Lands Act, 43 USC 1331 et seg. An Instrument includes any pipeline ROW grant, whereunder the Principal has the right, privilege, or license to For the purposes conduct pipeline operations on the OCS. of this document: 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 \$ 231,998.00 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\*. 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\*. BOEM-2030 (June 2016) AGE 1 OF 3 Previous Editions are Obsolete. AUG 31 2018 **LEASING & FINANCIAL**

RESPONSIBILITY SECTION

#### 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  New Loa Pickerell	Northstar Offshore Ventures LLC Name of Diricipal
Signature of Person Executing for Surety	Signature of Person Executing for Principal
Theresa Pickerrell	Brian H. Macmillan, Sr. Vice President - Land
Name and title typed or printed	Name and title typed or printed
725 Cool Springs Blvd., Suite 600	11 Greenway Plaza, Suite 2800
Business Address	Business Address
Franklin, TN 37067	Houston, TX 77046
Business Address	Business Address
Signed on this 16th day of August , 20 18 ,	in the State of Kentucky, in the presence of:
Sandra & Tusinetti	Shengy Garrel
Signature of Witness	Signature of Winess
Sandra L. Fusinetti	Sherry J. Gosnell
Name typed or printed	Name typed or printed
2307 River Road, Suite 200	11 Greenway Plaza, Suite 2800
Address	Address
Louisville, KY 40206	Houston, TX 77046
Address	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.

BOEM-2030 (June 2016)
Previous Editions are Obsolete.

### Indemnity National Insurance Company

725 Cool Springs Blvd., Suite 600 Franklin, TN 37067

## **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, and Theresa Pickerrell	of Louisville, Kentucky
to be its true and lawful Attorney-in-Fact, with full power and authority	ority hereby conferred to sign, seal, and execute on its behalf
surety bonds or undertakings and other documents of a similar natu	re issued in the course of its business up to a penal sum not to
exceed Five Million and 00/100	(\$5,000,000.00) each, and to bind the
Company thereby as fully and to the same extent as if the same wer	e 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 Scals 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
- 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. Elleina Basidant

State of Kentucky County of Favette

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.



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 10th day of August, 2018.



By Tames E. Hart, Secretary