



United States Department of the Interior

BUREAU OF OCEAN ENERGY MANAGEMENT

New Orleans Office
1201 Elmwood Park Boulevard
New Orleans, LA 70123-2394

In Reply Refer To: MS GM 266A
RLB0008383

May 28, 2020

TDC Energy LLC
400 E. Kaliste Saloom Rd., Suite 6000
Lafayette, Louisiana 70508
Houston, TX 77090
Attn: Mr. Arthur M. Mixon, III

Dear Mr. Mixon:

Your letter dated April 23, 2020, requesting cancellation of Outer Continental Shelf (OCS) Mineral Lessee's or Operator's Bond No. RLB0008383, in the amount of \$3,000,000, was received by our office on April 28, 2020. This bond, conditioned to cover principal's leasehold interest held now or hereafter in the Gulf of Mexico, was executed on July 13, 2005, with TDC Energy LLC as principal and RLI Insurance Company as surety.

Pursuant to 30 CFR 556.906 (d)(1) your bond may be cancelled seven years after the termination of the lease, six years after completion of all bonded obligations, or at the conclusion of any appeals or litigation related to your bonded obligation, whichever is the latest. The period of liability of Bond RLB0008383 was terminated April 23, 2013.

The Bureau of Ocean Energy Management has no objection to cancellation of the above bond. Therefore, Bond No. RLB0008383 is considered cancelled without residual liability, effective May 21, 2020, the date of final concurrence with such cancellation.

If you require further assistance, please contact Georgina O. Acosta at (504) 736-2763 or boemgomrfinancialassurance@boem.gov

Sincerely,

Bernadette Thomas
Regional Supervisor
Leasing and Plans

cc: RLI Insurance Company
8 Greenway Plaza, Suite 400
Houston, TX 77046
Attn: Mr. Trent Colan

Sent Via Email To: dearly@petroquest.com; Trent.colan@rlicorp.com

TDC Energy

April 23, 2020

VIA: boemGOMRfinancialassurance@boem.gov
Bureau of Ocean and Energy Management
New Orleans Office
1201 Elmwood Park Blvd
New Orleans, LA 70123-2394
Leasing and Financial Responsibility – Mail Stop GM 266A

RE: Gulf of Mexico
Area Wide Developmental Bond
Outer Continental Shelf Mineral Lessee's and Operator Bond
Bond # RLB0008383
Surety – RLI Insurance Company
Principal – TDC Energy LLC
Bond Amount - \$3,000,000
Terminated Effective: April 23, 2013

Dear Sir/Madam:

Pursuant to requirements of the BOEM, I am requesting the termination of the period of liability of the bond, be acknowledged and accepted by the BOEM for the above referenced bond.

I have attached a copy of correspondence from your office dated May 3, 2013 reflecting the cancellation of the bond, noting the effective date of the termination of liability.

We will need a signed letter from the BOEM confirming "final cancellation" of the captioned bond to provide to the Surety company in order to have our funds released.

If you have any questions concerning this matter or need additional information, please contact Desireé D. Early, at 337-272-7494 or by email at dearly@petroquest.com.

Sincerely,



Arthur M. Mixon, III
Executive Vice President – Operations & Production

**U.S. DEPARTMENT OF THE INTERIOR
Minerals Management Service**

Bond No. RLB0008383
Bond Type Areawide Development

Lease No. or Area Gulf of Mexico
Amount \$3,000,000.00

OUTER CONTINENTAL SHELF (OCS) MINERAL LESSEE'S AND OPERATOR'S BOND

RECEIVED
MINERALS MAGNT. SERVICE

JUL 28 2005
GULF OF MEXICO OCS RGN.
ADJUDICATION UNIT

The Surety is the Company Guaranteeing Performance.

Name of Surety: RLI Insurance Company
Mailing Address: 8 Greenway Plaza, Suite 400
Houston, TX 77046

If a Corporation, Incorporated in the State of: Illinois; County or Parish of: Peoria

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 Operator for Whom the Bond is Issued.

Name of Principal: TDC Energy LLC
Mailing Address: 400 E. Kaliste Saloom Road, Suite 6000
Lafayette, LA 70508

Schedule A, the area or leases covered by this bond, is composed of: (Check one and add description)

- The following area: Gulf of Mexico
 The following leases: _____

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 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 U.S.C. 1331 <i>et seq.</i>).
For the purposes of this document:	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 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 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 all leases in Schedule A or for all leases for which the Principal has an interest within an area designated in Schedule A.

By signing below, the Surety verifies that the information above is correct and agrees to the following:

- The Surety does hereby absolutely and unconditionally bind itself to the United States of America acting through and by the Minerals Management Service (MMS), or such other official designated by the Secretary of the Interior for this purpose, for the performance of all present and future Obligations.
- The Surety agrees to meet all existing and future Obligations of the Principal on the lease or leases described in Schedule A or on all leases within the area described in Schedule A or acquired within that area after the effective date of this document at a cost not to exceed 3,000,000.00.
- 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.
- 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.
- If this bond is cancelled, the Regional Director may reinstate this bond 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 lease in accordance with MMS specifications be materially false and the MMS relied upon such representation in canceling the instrument.

6. The Surety waives any right of notice of this bond taking effect and agrees that this bond will take effect upon delivery to MMS.
7. 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) The MMS 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.
8. The Surety agrees to be bound under this bond as to the interests in any Instrument retained by the Principal when the MMS approves the transfer of any or all of the Instruments or interests in the Instruments.
9. In the event of any default under a lease, the Surety must perform the Obligations of the Principal upon demand by the MMS.
10. If the MMS 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 MMS joins the lessees 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 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 MMS 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 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 MMS.
14. The Surety hereby waives any defenses to liability on this bond based on an unauthorized Principal signature.

RLI Insurance Company

Name of Surety


Signature of Person Executing for Surety

Roy C. Die, Attorney-in-Fact

Name and Title Typed or Printed

8 Greenway Plaza, Suite 400

Business Address

Houston, TX 77046

Business Address

TDC Energy LLC

Name of Principal


Signature of Person Executing for Principal

Daniel G. Fournierat
Sr. Vice President, General Counsel & Secretary

Name and Title Typed or Printed

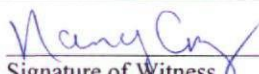
400 E. Kaliste Saloom Road, Suite 6000

Business Address

Lafayette, LA 70508

Business Address

Signed on this 13th day of July, 20 05, in the State of Texas, in the presence of:


Signature of Witness

Nancy Cruz

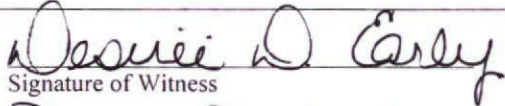
Name Typed or Printed

8 Greenway Plaza, Suite 400

Address

Houston, TX 77046

Address


Signature of Witness

Desiree D. Early

Name Typed or Printed

400 E. Kaliste Saloom Road, Suite 6000

Address

Lafayette, LA 70508

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 lessee or operator, if a corporation, must affix their corporate seals.

RECEIVED
MINERALS MAGNT. SERVICE
JUL 28 2005
GULF OF MEXICO OCS RGN.
ADJUDICATION UNIT

BOND RIDER TO ASSUME LIABILITY

RIDER NO. 1

Attaching to and forming part of Outer Continental Shelf (OCS) Mineral Lessee's and Operator's Bond, Bond No. RLB0008383, executed July 13, 2005, on behalf of TDC Energy LLC as Principal, in favor of the United States Department of the Interior, Minerals Management Service as Obligee, in the amount of Three Million And No/100 Dollars (\$3,000,000.00).

Area Covered By This Bond: Gulf of Mexico

It is understood and agreed that effective July 13, 2005, this bond also extends to and covers all liability associated with the following bond:

<u>Bond No.</u>	<u>Surety</u>	<u>Executed</u>
RLB0004172	RLI Insurance Company	December 31, 2001

Area Covered By This Bond: Gulf of Mexico

All other conditions and terms to remain as originally written.

Signed, sealed and dated this 13th day of July, 2005.

TDC Energy LLC
Principal

By: _____

RLI Insurance Company
8 Greenway Plaza, Suite 400
Houston, TX 77046
Surety

By: _____

Roy C. Die, Attorney-in-Fact

PG



RECEIVED
MINERALS MAGNT. SERVICE
JUL 28 2005
GULF OF MEXICO OCS RGN.
ADJUDICATION UNIT

RLB0008383

POWER OF ATTORNEY

RLI Insurance Company

Know All Men by These Presents:

That the RLI INSURANCE COMPANY, a corporation organized and existing under the laws of the State of Illinois, and authorized and licensed to do business in all states and the District of Columbia does hereby make, constitute and appoint: ROY C. DIE

in the City of HOUSTON, State of TEXAS, as Attorney-in-Fact, with full power and authority hereby conferred upon him to sign, execute, acknowledge and deliver for and on its behalf as Surety and as its act and deed, all of the following classes of documents to-wit:

\$3,000,000.00

Indemnity, Surety and Undertakings that may be desired by contract, or may be given in any action or proceeding in any court of law or equity; policies indemnifying employers against loss or damage caused by the misconduct of their employees; official, bail and surety and fidelity bonds. Indemnity in all cases where indemnity may be lawfully given; and with full power and authority to execute consents and waivers to modify or change or extend any bond or document executed for this Company, and to compromise and settle any and all claims or demands made or existing against said Company.

The RLI INSURANCE COMPANY further certifies that the following is a true and exact copy of a Resolution adopted by the Board of Directors of RLI Insurance Company, and now in force to-wit:

"All bonds, policies, undertakings, Powers of Attorney, or other obligations of the corporation shall be executed in the corporate name of the Company by the President, Secretary, any Assistant Secretary, Treasurer, or any Vice President, or by such other officers as the Board of Directors may authorize. The President, any Vice President, Secretary, any Assistant Secretary, or the Treasurer may appoint Attorneys-in-Fact or Agents who shall have authority to issue bonds, policies, or undertakings in the name of the Company. The corporate seal is not necessary for the validity of any bonds, policies, undertakings, Powers of Attorney, or other obligations of the corporation. The signature of any such officer and the corporate seal may be printed by facsimile."

(Blue shaded areas above indicate authenticity)

IN WITNESS WHEREOF, the RLI Insurance Company has caused these presents to be executed by its PRESIDENT, CEO with its corporate seal affixed this

ATTEST:

Camille J. Hensey
VICE PRESIDENT & CORPORATE SECRETARY



By: Michael J. Stone
PRESIDENT, CEO

State of Illinois)
) SS
County of Peoria)

On this 13 day of July, 2005 before me, a Notary Public, personally appeared Michael J. Stone and Camille J. Hensey, who being by me duly sworn, acknowledged that they signed the above Power of Attorney as President and Corporate Secretary, respectively, of the said RLI INSURANCE COMPANY, and acknowledged said instrument to be the voluntary act and deed of said corporation.

Cherie L. Montgomery
Notary Public

