



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
OCS-G 36755

August 25, 2020

Contango Operators, Inc.
717 Texas Avenue, Suite 2900
Houston, TX 77002
Attn: E. Joseph Grady

Dear Mr. Grady:

Your letter dated August 4, 2020, requesting cancellation of Outer Continental Shelf (OCS) Mineral Lessee's or Operator's Supplemental Bond No. EAXC4005661, in the amount of \$450,000, was received by our office on August 5, 2020. This bond, conditioned to cover Lease OCS-G 36755, all of Block 45, Grand Isle Area, was executed on May 18, 2020, with Contango Operators, Inc. as principal and Endurance Assurance Corporation as surety.

The Bureau of Safety and Environmental Enforcement has assessed the decommissioning liability for OCS-G 36755 to be \$0. Therefore, the Bureau of Ocean Energy Management has no objection to cancellation of Bond No. EACX4005661, which is considered cancelled without residual liability effective August 14, 2020, 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**
Digitally signed by
BERNADETTE THOMAS
Date: 2020.08.25 06:58:06
-05'00'
Bernadette Thomas
Regional Supervisor
Leasing and Plans

cc: Endurance Assurance Corporation
2929 Allen Parkway, Suite 2400
Houston, TX 77019
Attn: Phillip N. Bair

Sent Via Email To: jgrady@contango.com , phil.bair@marsh.com , suzy@suzyyoungerreg.com

Contango Operators, Inc.
717 Texas Avenue, Suite 2900
Houston, TX. 77002



RECEIVED

Submitted via email to: BoemGOMRfinancialassurance@boem.gov

August 5, 2020

August 4, 2020

**Leasing & Financial
Responsibility Section**

Bureau of Ocean Energy Management
Attn: Ms. Sarah Vaughan
Office of Leasing & Plans
1201 Elmwood Park Blvd.
New Orleans, LA 70123-2394

Re: Contango Operators, Inc, GOM Company No. 2503
Financial Security Release Request
Bond No. EACX4005661, Supplemental
Lease OCS-G 36755, Grand Isle Block 45, Well No. 1,

Dear Ms. Vaughan:

Contango Operators, Inc (Contango), GOM Company 2503, plugged and abandoned the subject well on June 14, 2020. Subsequently a site clearance verification was performed. The Bureau of Safety and Environmental Enforcement has approved the End of Operations Report and the Application for Permit to Modify (site clearance). Therefore, Contango hereby requests the Bond No. EACX4005661 in the amount of \$450,000 covering Lease OCS0G 36755, Grand Isle Block 45, Well No. 001 be released.

Should you require additional information, please contact the undersigned at 713-236-7575 or via email at JGrady@contango.com.

Sincerely,

A handwritten signature in blue ink, appearing to read 'E. Joseph Grady', followed by a horizontal line.

E. Joseph Grady
Senior Vice President and Chief Financial Officer

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

Form BOEM-2028A

This form dated **January 2020** supersedes all previous versions of form BOEM-2028A

All Bond Forms must be submitted with a transmittal letter to the appropriate BOEM office:

Bureau of Ocean Energy Management
Gulf of Mexico OCS Office
1201 Elmwood Park Blvd. New Orleans LA 70123-2394
Leasing and Financial Responsibility - Mail Stop GM266A

Bureau of Ocean Energy Management
Alaska OCS Office
3801 Centerpoint Drive, Suite 500
Anchorage AK 99503-5820 Alaska Leasing Section

Bureau of Ocean Energy Management
Pacific OCS Office
760 Paseo Camarillo, Suite 102
Camarillo CA 93010
Lease Management

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. EACX4005861

OCS Lease/RUE/ROW No. OCS- G 38755

Bond Type Supplemental

Amount \$ 450,000.00

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

The Surety is the entity Guaranteeing Performance.

Name of Surety: Endurance Assurance Corporation

Mailing Address: 4 Manhattanville Road

Purchase, NY 10577

If a Corporation, Incorporated in the State of: Delaware; County or Parish of: Westchester

☒ 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: Contango Operators, Inc.

Mailing Address: 717 Texas Avenue, Suite 2900, Houston, TX 77002

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

☐ Check here if additional information is on attached sheet.

The following lease/RUE/ROW: All of Block 45, Grand Isle Area, OCS Leasing Map, Louisiana Map No. 7.

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 any insolvency, bankruptcy, reorganization, or receivership, or should the representation of the Principal that it has paid its financial Obligations or performed the other

ENDURANCE ASSURANCE CORPORATION

11195

POWER OF ATTORNEY

Know all Men by these Presents, that ENDURANCE ASSURANCE CORPORATION, a Delaware corporation (the "Corporation"), with offices at 4 Manhattanville Road, 3rd Floor, Purchase, NY 10577, has made, constituted and appointed and by these presents, does make, constitute and appoint Philip N. Bair, Jessica Richmond, Joyce A. Johnson, Janie Cermeno its true and lawful Attorney(s)-in-fact, in the State of TX and each of them to have full power to act without the other or others, to make, execute and deliver on its behalf, as surety or co-surety; bonds and undertakings given for any and all purposes, also to execute and deliver on its behalf as aforesaid renewals, extensions, agreements, waivers, consents or stipulations relating to such bonds or undertakings provided, however, that no single bond or undertaking so made, executed and delivered shall obligate the Corporation for any portion of the penal sum thereof in excess of the sum of ONE HUNDRED MILLION Dollars (\$100,000,000.00).

Such bonds and undertakings for said purposes, when duly executed by said attorney(s)-in-fact, shall be binding upon the Corporation as fully and to the same extent as if signed by the President of the Corporation under its corporate seal attested by its Corporate Secretary.

This appointment was made in and by authority of certain resolutions adopted by the Board of Directors of the Corporation by unanimous written consent on the 9th of January, 2014, which appears under the heading entitled "Certificate".

The power of attorney herein signed and sealed by facsimile under and by authority of the following resolution adopted by the Board of Directors of the Corporation by unanimous written consent on January 9, 2014, and said resolution has not since been revoked, amended or repealed:

RESOLVED, that in granting power of attorney pursuant to certain resolutions adopted by the Board of Directors of the Corporation by unanimous written consent on January 9, 2014, the signature of such directors and officers and the seal of the Corporation 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 signature or seal shall be valid and binding upon the Corporation in the future with respect to any bond or undertaking to which it is affixed.

IN WITNESS WHEREOF, the Corporation has caused these presents to be duly signed and its corporate seal to be hereunto affixed and attested this 27th day of AUGUST of 2019 at Purchase, New York.

(Corporate Seal)
ATTEST

Marianne L. Wilbert
MARIANNE L. WILBERT, SENIOR VICE PRESIDENT

ENDURANCE ASSURANCE CORPORATION

By *Sharon L. Sims*
SHARON L. SIMS, SENIOR VICE PRESIDENT

STATE OF NEW YORK
COUNTY OF NEW YORK

ss: MANHATTAN

On the 27th day of AUGUST of 2019 before me personally came SHARON L. SIMS, SENIOR VICE PRESIDENT to me known, who being by me duly sworn, did depose and say that (s)he resides in SCOTCH PLAINS, NEW JERSEY that (s)he is a SENIOR VICE PRESIDENT of ENDURANCE ASSURANCE CORPORATION, the Corporation described in and which executed the above instrument; that (s)he knows the seal of said Corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said Corporation; and that (s)he signed his (her) name thereto by like order.

NO. 0133941
NOTARIAL SEAL
QUALIFIED IN
NEW YORK COUNTY
STATE OF NEW YORK
COUNTY OF NEW YORK
27/08/2019

ss: MANHATTAN

Nicholas James Benenati
Nicholas James Benenati, Notary Public - My Commission Expires 12/6/2019

CERTIFICATE

I, CHRISTOPHER DONELAN, the PRESIDENT of ENDURANCE ASSURANCE CORPORATION, a Delaware Corporation (the "Corporation"), hereby certify:

1. That the original power of attorney of which the foregoing is a copy was duly executed on behalf of the Corporation and has not since been revoked, amended or modified; that the undersigned has compared the foregoing copy thereof with the original power of attorney, and that the same is a true and correct copy of the original power of attorney and of the whole thereof;
2. The following are resolutions which were adopted by the Board of Directors of the Corporation by unanimous written consent on January 9, 2014 and said resolutions have not since been revoked, amended or modified:

*RESOLVED, that each of the individuals named below is authorized to make, execute, seal and deliver for and on behalf of the Corporation any and all bonds, undertakings or obligations in surety or co-surety with others:

CHRISTOPHER DONELAN, SHARON L. SIMS, MARIANNE L. WILBERT

And the Board of Directors of the Corporation has authorized the individuals named above to appoint attorneys-in-fact for the purpose of making, executing, sealing and delivering bonds, undertakings or obligations in surety or co-surety for and on behalf of the Corporation.

The undersigned further certifies that the above resolutions are true and correct copies of the resolutions as so recorded and of the whole thereof.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal this 18th day of May, 2020.

(Corporate Seal)
DELAWARE

Christopher Donelan
CHRISTOPHER DONELAN, PRESIDENT

Any reproductions are void.

Primary Surety Claims Submission: suretybondclaims@sompo-intl.com
Surety Claims Hotline: 877-676-7575

Mailing Address: Surety Claims Department, Sompo International, 1221 Avenue of the Americas, 18th Floor, New York, NY 10020