



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
RLB0017137

November 20, 2020

Arena Energy, LP
c/o RLI Insurance Company
9025 N. Lindbergh Drive
Peoria, IL 61615
Attn: Gretchen L. Johnigk

Dear Ms. Johnigk:

Your letter dated October 30, 2020, submitting Bond Rider To Assume All Prior Liabilities, Rider No. 1, to be attached to and form a part of Outer Continental Shelf (OCS) Pipeline Right-of-Way Grant Bond No. RLB0017137, in the amount of \$300,000, was received by our office on November 3, 2020. This bond, conditioned to cover principal's pipeline operations in the Gulf of Mexico, was executed on October 30, 2020, with Arena Energy, LLC as principal and RLI Insurance Company as surety.

With the acceptance of Rider No. 1, executed on October 30, 2020, Bond No. RLB0017137 extends to and covers all liability associated with Outer Continental Shelf (OCS) Pipeline Right-of-Way Grant Bond No. RLB0013522, in the amount of \$300,000. Therefore, the period of liability of Bond No. RLB0013522 is now considered terminated and the bond is cancelled without residual liability effective November 3, 2020.

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: 2020.11.20 07:00:04
-06'00'

Bernadette Thomas
Regional Supervisor
Leasing and Plans

cc: Arena Energy, LLC
2103 Research Forest Drive, Suite 400
The Woodlands, TX 77380
Attn: Christopher A. Capsimalis

Sent Via Email To: rtaylor@arenaenergy.com , trent.colan@rlicorp.com ,
sbroekstra@arenaenergy.com



RLI Insurance Company

9025 N. Lindbergh Drive | Peoria, IL 61615
P: 713-961-1300 | www.rlicorp.com

October 30, 2020

The Bureau of Ocean Energy Management
Leasing and Financial Responsibility Section
1201 Elmwood Park Boulevard
New Orleans, LA 70123-2394

RECEIVED

November 3, 2020

*Leasing & Financial
Responsibility Section*

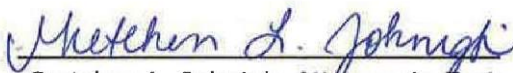
RE: Arena Energy, LLC - Replacement Bond Transmittal Letter

Hello:

RLI Insurance Company ("RLI") is submitting the enclosed OCS Pipeline Right-of-Way Grant Bond No. RLB0017137 ("Bond") in the amount of \$300,000 for the Gulf of Mexico ("GOM") area for principal Arena Energy, LLC. This bond is being issued in connection with Arena Energy, LP's conversion to a Delaware limited partnership dated effective September 30, 2020 as referenced in its Certificate of Conversion filed with the Delaware Secretary of State's office on such date. We understand that Arena Energy, LLC (formerly known as Arena Energy, LP) is submitting its business conversion materials to the BOEM, and in conjunction with that business conversion this Bond is intended to replace and substitute for the prior GOM area Bond No. RLB0013522 issued by RLI for principal Arena Energy, LP. RLI requests that prior Bond No. RLB0013522 be cancelled, and will guarantee under this Bond, RLB0017137 all outstanding liabilities that accrued during the period of liability that is terminated pursuant to 30 C.F.R. §556.906(b)(2). Please confirm cancellation of Bond No. RLB0013522 at your earliest convenience.

We previously sent you our letter dated August 17, 2020, with which we enclosed Bond No. RLB0017136 naming San Juan Offshore, LLC, as principal, and requested that upon acceptance of that bond the BOEM cancel Bond No. RLB0013522 naming Arena Energy, LP, as principal. Because San Juan Offshore, LLC, did not ultimately acquire the assets of Arena Energy, LP, RLI hereby withdraws our previous letter dated August 17, 2020, and Bond No. RLB0017136 that was enclosed therewith. Please confirm that Bond No. RLB0017136 is considered withdrawn and without effect at your earliest convenience.

Many thanks,


Gretchen L. Johnigk, Attorney-in-Fact

Cover Page
**OUTER CONTINENTAL SHELF PIPELINE RIGHT-OF-WAY
GRANT BOND**

Form BOEM-2030

**This form dated January 2020 supersedes all previous versions of form
BOEM-2030**

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

RECEIVED

November 3, 2020

***Leasing & Financial
Responsibility Section***

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

OMB Control No.: 1010-0006
Expiration Date: 1/31/2023

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

Bond No.: RLB0017137

Bond Type: ☒ Area GOM ☐ Additional Security (Check One) Area/ROW #: Gulf of Mexico Amount: \$ 300,000.00

The Surety is the Company Guaranteeing Performance.

Name of Surety: RLI Insurance Company

Mailing Address: 9025 N. Lindbergh Drive

Peoria, IL 61615

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 Pipeline Right-of-way (ROW) Grant Holder for Whom the Bond or additional security* is Issued.

Name of Principal: Arena Energy, LLC

Mailing Address: 2103 Research Forest Drive, Suite 400

The Woodlands, TX 77380

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))]: Gulf of Mexico

☐ The following pipeline ROW grant [see 30 CFR 550.1011(a)(2)]: _____

☐ Check here if additional information is continued on attached sheet.

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

For the purposes of this document:

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.

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 \$ \$ 300,000.00 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)

RLI Insurance Company

Name of Surety

Gretchen L. Johnnigk
Signature of Person Executing for Surety

Gretchen L. Johnnigk, Attorney-in-Fact

Name and title typed or printed

9025 N. Lindbergh Drive

Business Address

Peoria, IL 61615

Business Address

Arena Energy LLC

Name of Principal

Christopher A. Capsimalis
Signature of Person Executing for Principal

Christopher A. Capsimalis, Senior
Vice President, Business Development

Name and title typed or printed

2103 Research Forest Drive, Suite 400

Business Address

The Woodlands, TX 77380

Business Address

Signed on this 30th day of October, 2020, in the State of Illinois, in the presence of:

Michelle Curtale
Signature of Witness

Michelle Curtale

Name typed or printed

9025 N. Lindbergh Drive

Address

Peoria, IL 61615

Address

Scott Broekstra
Signature of Witness

SCOTT BROEKSTRA

Name typed or printed

51 Midday Sun Place

Address

Spring, TX 77382

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

RLI Insurance Company Contractors Bonding and Insurance Company

9025 N. Lindbergh Dr. Peoria, IL 61615
Phone: 800-645-2402

Know All Men by These Presents:

That this Power of Attorney is not valid or in effect unless attached to the bond which it authorizes, but may be detached by the approving officer if desired.

That this Power of Attorney may be effective and given to either or both of **RLI Insurance Company and Contractors Bonding and Insurance Company**, required for the applicable bond.

That **RLI Insurance Company** and/or **Contractors Bonding and Insurance Company**, each Illinois corporations (as applicable), each authorized and licensed to do business in all states and the District of Columbia do hereby make, constitute and appoint:

Jacqueline M. Bockler, Gretchen L. Johnick, Michelle Madl

in the City of Peoria, State of Illinois, its true and lawful Agent(s) and Attorney(s) in Fact, with full power and authority hereby conferred upon him/her 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:

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. Indemnify 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.

RLI Insurance Company and Contractors Bonding and Insurance Company, as applicable, have each further certified that the following is a true and exact copy of a Resolution adopted by the Board of Directors of each such corporation, 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 Corporation 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 Corporation. 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 or other electronic image."

IN WITNESS WHEREOF, **RLI Insurance Company** and/or **Contractors Bonding and Insurance Company**, as applicable, have caused these presents to be executed by its respective Vice President with its corporate seal affixed this 19th day of February, 2020.

State of Illinois
County of Peoria

} SS



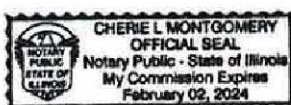
**RLI Insurance Company
Contractors Bonding and Insurance Company**

By: Barton W. Davis
Barton W. Davis Vice President

CERTIFICATE

On this 19th day of February, 2020, before me, a Notary Public, personally appeared Barton W. Davis, who being by me duly sworn, acknowledged that he signed the above Power of Attorney as the aforesaid officer of the **RLI Insurance Company and/or Contractors Bonding and Insurance Company** and acknowledged said instrument to be the voluntary act and deed of said corporation.

By: Cherie L. Montgomery
Cherie L. Montgomery Notary Public



I, the undersigned officer of **RLI Insurance Company and/or Contractors Bonding and Insurance Company**, do hereby certify that the attached Power of Attorney is in full force and effect and is irrevocable; and furthermore, that the Resolution of the Company as set forth in the Power of Attorney, is now in force. In testimony whereof, I have hereunto set my hand and the seal of the **RLI Insurance Company and/or Contractors Bonding and Insurance Company** this 30th day of October, 2020.

**RLI Insurance Company
Contractors Bonding and Insurance Company**

By: Jeffrey D. Fick
Jeffrey D. Fick Corporate Secretary