



November 21, 2014

U.S. Department of the Interior, Bureau of Ocean Energy Management

Re: Replacement for **U.S. Department of the Interior, Bureau of Ocean Energy Management – OCS Mineral Lessee's or Operators Supplemental Bond**

Dear Sir/Madam:

Ankor E&P Holdings Corporation currently has an **OCS Mineral Lessee's or Operators Supplemental Bond** (bond no. **LPM9086767**) on file with your office.

Enclosed please find the **Westchester Fire Insurance Company** bond number **K09023112** which replaces and supersedes the **Fidelity and Deposit Company of Maryland** bond number **LPM9086767** you are currently holding.

We request that you return the **Fidelity and Deposit Company of Maryland** bond to our broker:

Keicha Smith
Account Manager
Lockton Companies
Surety Department
5847 San Felipe, Suite 320
Houston, TX 77057
(713) 458-5323
kasmith@lockton.com

Please also include a letter on department letterhead explaining that the **Fidelity and Deposit Company of Maryland** bond is being returned for cancellation. For your reference, we have included generic release language on the following page.

Should you have any questions, please do not hesitate to contact me at (713) 458-5323.

Thank you,

Keicha Smith
Account Manager

{Obligee Letterhead}

Fidelity and Deposit Company of Maryland issued OCS Mineral Lessee's or Operators Supplemental Bond (Bond No. **LPM9086767**) in the amount of **\$450,000** (the "bond") at the request of **Ankor E&P Holdings Corporation**, as Principal, for the benefit of **U.S. Department of the Interior, Bureau of Ocean Energy Management** as obligee ("Obligee").

Obligee hereby fully and unconditionally discharges and releases the Bond and releases **Fidelity and Deposit Company of Maryland**, its parents, affiliates and subsidiaries from any and all past, present and future liability under said Bond. Contemporaneous with the execution of this Release the Bond is discharged and the Obligee shall return the original Bond to **Fidelity and Deposit Company of Maryland** and Obligee hereby surrenders any and all rights associated with the Bond. The undersigned warrants that he or she has the authority to execute this Release on behalf of the Obligee and to bind the Obligee hereunder.

Signed by officer with requisite authority to sign on Obligee's behalf

Date

Printed Name and Title

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

Form BOEM-2028A

This form dated March 2014 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, 381 Elden Street, Herndon, VA 20170.

U.S. DEPARTMENT OF THE INTERIOR

Bureau of Ocean Energy Management

Bond No. K09023112

OCS Lease/RUE/ROW No. OCS-G26032

Bond Type Supplemental Bond

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: Westchester Fire Insurance Company

Mailing Address: 5847 San Felipe, Ste 320

Houston, TX 77057

If a Corporation, Incorporated in the State of PA; County or Parish of: Philadelphia

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: ANKOR E&P Holdings Corporation

Mailing Address: 1615 Poydras Street, Suite 1100, New Orleans, LA 70112

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

The following lease/RUE/ROW: Lease OCS-G26032, E 1/2 of Block 208, Eugene Island Area, as shown on OCS Louisiana Leasing Map, LA4 on OCS Louisiana Leasing Map, LA4

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

- 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.

Westchester Fire Insurance Company
Name of Surety

By: Keicha Ann Smith
Signature of Person Executing for Surety

Keicha Ann Smith, Attorney-in-Fact
Name and Title (typed or printed)

5847 San Felipe, Ste 320
Business Address

Houston, TX 77057
Business Address

Surety Phone No.

Signed on this 1st day of December, 2014, in the State of TX, in the presence of:

Signature of Witness

John Martinez
Name (typed or printed)

5847 San Felipe, Ste 320
Address

Houston, TX 77057
Address

ANKOR E&P Holdings Corporation
Name of Principal

By: [Signature]
Signature of Person Executing for Principal

RO SANJINANT UP
Name and Title (typed or printed)

1615 Poydras Street, Suite 1100
Business Address

New Orleans, LA 70112
Business Address

Signature of Witness

Signature of Witness
Name (typed or printed)

1615 Poydras Street, Suite 1100
Address

New Orleans, LA 70112
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.

Power of Attorney

Surety Bond No: K09023112

Westchester Fire Insurance Company

Know all men by these presents: That WESTCHESTER FIRE INSURANCE COMPANY, a corporation of the Commonwealth of Pennsylvania pursuant to the following Resolution, adopted by the Board of Directors of the said Company on December 11, 2006, to wit:

"RESOLVED, that the following authorizations relate to the execution, for and on behalf of the Company, of bonds, undertakings, recognizances, contracts and other written commitments of the Company entered into the ordinary course of business (each a "Written Commitment"):

- (1) Each of the Chairman, the President and the Vice Presidents of the Company is hereby authorized to execute any Written Commitment for and on behalf of the Company, under the seal of the Company or otherwise.
(2) Each duly appointed attorney-in-fact of the Company is hereby authorized to execute any Written Commitment for and on behalf of the Company, under the seal of the Company or otherwise, to the extent that such action is authorized by the grant of powers provided for in such persons written appointment as such attorney-in-fact.
(3) Each of the Chairman, the President and the Vice Presidents of the Company is hereby authorized, for and on behalf of the Company, to appoint in writing any person the attorney-in-fact of the Company with full power and authority to execute, for and on behalf of the Company, under the seal of the Company or otherwise, such Written Commitments of the Company as may be specified in such written appointment, which specification may be by general type or class of Written Commitments or by specification of one or more particular Written Commitments.
(4) Each of the Chairman, the President and Vice Presidents of the Company is hereby authorized, for and on behalf of the Company, to delegate in writing any other officer of the Company the authority to execute, for and on behalf of the Company, under the Company's seal or otherwise, such Written Commitments of the Company as are specified in such written delegation, which specification may be by general type or class of Written Commitments or by specification of one or more particular Written Commitments.
(5) The signature of any officer or other person executing any Written Commitment or appointment or delegation pursuant to this Resolution, and the seal of the Company, may be affixed by facsimile on such Written Commitment or written appointment or delegation.

FURTHER RESOLVED, that the foregoing Resolution shall not be deemed to be an exclusive statement of the powers and authority of officers, employees and other persons to act for and on behalf of the Company, and such Resolution shall not limit or otherwise affect the exercise of any such power or authority otherwise validly granted or vested.

Does hereby nominate, constitute and appoint Keicha Ann Smith of the City of (Houston), (TX), its true and lawful attorney-in-fact, to make, execute, seal and deliver on its behalf, and as its act and deed any and all bonds, undertakings, recognizances, contracts and other writings in the nature thereof in penalties not exceeding Three Million Dollars & Zero Cents (\$3,000,000.00) and the execution of such writings in pursuance of these presents shall be as binding upon said Company, as fully and amply as if they had been duly executed and acknowledged by the regularly elected officers of the Company at its principal office,

IN WITNESS WHEREOF, the said Stephen M. Haney, Vice-President, has hereunto subscribed his name and affixed the Corporate seal of the said WESTCHESTER FIRE INSURANCE COMPANY this 21st day of September 2014.

WESTCHESTER FIRE INSURANCE COMPANY 20



Signature of Stephen M. Haney, Vice President

COMMONWEALTH OF PENNSYLVANIA COUNTY OF PHILADELPHIA ss.

On this 21st day of September, AD. 2014 before me, a Notary Public of the Commonwealth of Pennsylvania in and for the County of Philadelphia came Stephen M. Haney, Vice-President of the WESTCHESTER FIRE INSURANCE COMPANY to me personally known to be the individual and officer who executed the preceding instrument, and he acknowledged that he executed the same, and that the seal affixed to the preceding instrument is the corporate seal of said Company; that the said corporate seal and his signature were duly affixed by the authority and direction of the said corporation, and that Resolution, adopted by the Board of Directors 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 the City of Philadelphia the day and year first above written.



COMMONWEALTH OF PENNSYLVANIA NOTARIAL SEAL KAREN E. BRANDT, Notary Public City of Philadelphia, Phila. County My Commission Expires September 26, 2018

Signature of Karen E. Brandt, Notary Public

I, the undersigned Assistant Secretary of the WESTCHESTER FIRE INSURANCE COMPANY, do hereby certify that the original POWER OF ATTORNEY, of which the foregoing is a substantially true and correct copy, is in full force and effect.

In witness whereof, I have hereunto subscribed my name as Assistant Secretary, and affixed the corporate seal of the Corporation, this 1st day of December 2014.



Signature of William L. Kelly, Assistant Secretary