



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
Civil Penalty Case G-2021-006
OCS-G 4909

April 19, 2022

Sanare Energy Partners, LLC
777 North Eldridge Parkway, Suite 300
Houston, TX 77079
Attn: Brian H. Macmillan

Dear Mr. Macmillan:

Your letter dated April 18, 2022, submitting Outer Continental Shelf (OCS) Mineral Lessee's or Operator's Supplemental Bond No. N-042022-G-2021-006, in the amount of \$53,500, was received by our office on that same date. This bond is being provided to ensure sufficient coverage during the appeal of Civil Penalty Case G-2021-006, OCS-G 4909, and was executed on April 13, 2022, with Sanare Energy Partners, LLC as principal and Indemnity National Insurance Company as surety.

The bond conforms to the requirements of the leasing and operating regulations for the submerged lands of the Outer Continental Shelf. It is effective as of the date filed, April 18, 2022.

Should you need further assistance, please contact Kathleen Lee at (504) 736-5774 or boemgomrfinancialassurance@boem.gov.

Sincerely,
**LLOYD
FANNING**
Digitally signed by
LLOYD FANNING
Date: 2022.04.19
13:15:39 -05'00'
Lloyd Fanning, Acting Section Chief
Leasing and Financial Responsibility Section
Leasing and Plans

cc: Brian H. Macmillan (bmac@sanarepartners.com)
Deborah A. Murphy (dmurphy@cumberlandsurety.com)



777 North Eldridge Parkway, Ste. 300
Houston, Texas 77079
(713) 626-9696

April 18, 2022

RECEIVED

April 18, 2022

*Leasing & Financial
Responsibility Section*

Via FedEx and Email

Bureau of Ocean Energy Management
Gulf of Mexico Region
Leasing and Financial Responsibility Unit
1201 Elmwood Park Blvd., MS 5422
New Orleans, LA 70123-2394
boemgomrfinancialassurance@boem.gov

Re: Civil Penalty Bond Nos. (1) N-042022-G-2021-010, and (2) N-042022-G-2021-006
Sanare Energy Partners, LLC
GOM Company #: 3520

To Whom It May Concern:

In connection with Sanare Energy Partners, LLC's ("Sanare") two pending appeals before the Interior Board of Land Appeals, docketed IBLA Nos. 2022-0140, and 2022-0141, submitted herewith as surety for the pending appeals are the following bonds:

- (1) Bond No. N-042022-G-2021-010, covering the appeal of Civil Penalty G-2021-010 (\$106,250.00); and
- (2) Bond No. N-042022-G-2021-006, covering the appeal of Civil Penalty G-2021-006 (\$53,500.00).

Each bond was issued by Indemnity National Insurance Company ("Indemnity National") and executed on April 13, 2022.

Should you have any questions, Sanare's point of contact is Brian Macmillan. His contact information is as listed on the above letterhead. Moreover, he can be reached by phone at (713) 582-6250 and by email at bmac@sanarepartners.com. Additionally, Indemnity National's point of contact is Deborah A. Murphy. Her contact information is as follows: 238 Bedford Way, Franklin, Tennessee 37064. Ms. Murphy can also be reached by phone at (859) 254-8922 and by email at dmurphy@cumberlandsurety.com.

Should you need any additional information, please contact me at the contact information set out above.

Sincerely,

A handwritten signature in blue ink, appearing to read "B. Macmillan", is written over the word "Sincerely,".

Brian H. Macmillan
Sr. Vice President - Land

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

RECEIVED

April 18, 2022

**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

Bond No. N-042022-G-2021-006

OCS Lease/RUE/ROW No. OCS-G04909 Calsson 11(Complex ID 22920)

Bond Type Civil Penalty Appeal

Amount \$ 53,500.00

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

The Surety is the entity Guaranteeing Performance.

Name of Surety: Indemnity National Insurance Company

Mailing Address: 238 Bedford Way Franklin, TN 37064

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 Lessee or Designated Operator for Whom the Bond is Issued.

Name of Principal: Sanare Energy Partners, LLC

Mailing Address: 777 North Eldridge Parkway, Suite 300, Houston, TX 77079

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: OTH100013693 - Appeal of Civil Penalty G-2021-006, which was docketed IBLA 2022-0140

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.

[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.

[] 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).

Table with 2 columns: Definitions and text. Definitions include Principal, Lessee, Obligation, Instrument, and Person.

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.

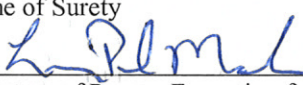
By signing below, the Surety verifies that the information above is correct and agrees to the following: 1. The Surety does hereby absolutely and unconditionally bind itself to the United States of America acting through and by the Bureau of Ocean Energy Management (BOEM), or such other official designated 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.

Indemnity National Insurance Company

Name of Surety



Signature of Person Executing for Surety

Lucy Parks Mahan, Attorney-in-fact

Name and Title (typed or printed)

200 North Upper Street

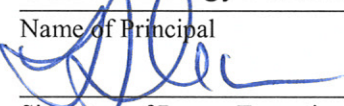
Business Address

Lexington, KY 40507

Business Address

Sanare Energy Partners, LLC

Name of Principal



Signature of Person Executing for Principal

Brian H. Macmillan, Sr. Vice President - Land

Name and Title (typed or printed)

777 North Eldridge Parkway

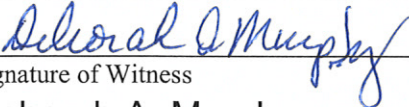
Suite 300

Business Address

Houston, TX 77079

Business Address

Signed on this 13th day of April, 2022, in the State of Kentucky, in the presence of:



Signature of Witness

Deborah A. Murphy

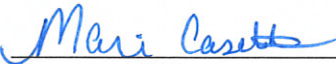
Name (typed or printed)

200 North Upper Street

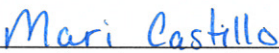
Address

Lexington, KY 40507

Address



Signature of Witness



Name (typed or printed)

777 North Eldridge Parkway, Suite 300

Address

Houston, TX 77079

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

KNOW ALL PERSONS BY THESE PRESENTS: that Indemnity National Insurance Company, a Mississippi corporation, (hereinafter the "Company"), does hereby constitute and appoint: *****William H. M. Patterson, Graydon Patterson, Lucy P Mahan Deborah A. Murphy***** of Cumberland Surety, Inc.***** to be its true and lawful Attorney-in-Fact, with full power and authority hereby conferred to sign, seal, and execute on its behalf surety bonds or undertakings and other documents of a similar nature issued in the course of its business up to a penal sum not to exceed Thirty million dollars (\$30,000,000.00)***** each, and to bind the Company thereby as fully and to the same extent as if the same were 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 Seals 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
(ii) 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 20th day of August, 2021.



Indemnity National Insurance Company

By Thomas F. Elkins
Thomas F. Elkins, President

State of Kentucky
County of Fayette

On this 20th day of August, 2021, 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.



By Deborah A. Murphy
Notary Public

My Commission Expires 09/26/2025

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 13th day of April, 2022.



By James E. Hart
James E. Hart, Secretary