



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 29035

November 10, 2021

Talos ERT LLC
333 Clay Street, Suite 3300
Houston, TX 77002
Attn: Carolyn Savoy

Dear Ms. Savoy:

Your letter dated November 1, 2021, submitting Outer Continental Shelf (OCS) Mineral Lessee's or Operator's Supplemental Bond No. N-8100140, in the amount of \$593,549, was received by our office on that same date. This bond, conditioned to cover Right-of-Way OCS-G 29035, was executed on October 21, 2021, with Talos ERT 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, November 1, 2021.

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

Sincerely,

SUSAN VAUGHAN

Digitally signed by
SUSAN VAUGHAN
Date: 2021.11.10
10:30:37 -06'00'

Susan Vaughan, Section Chief
Leasing and Financial Responsibility Section
Leasing and Plans

cc: Indemnity National Insurance Company
238 Bedford Way
Franklin, TN 37064

Sent Via Email To: Carolyn.Savoy@TalosEnergy.com , Patricia.Rodriguez@TalosEnergy.com ,
akoletar@McGriff.com



November 1, 2021

via email transmission (boemGOMRfinancialassurance@boem.gov)

Bureau of Ocean Energy Management
Attn: Leasing & Financial Responsibility Section
1201 Elmwood Park Blvd., Mail Stop GM 266A
New Orleans, Louisiana 70123-2394

RECEIVED

November 1, 2021

*Leasing & Financial
Responsibility Section*

**Re: Request for Acceptance of New Bond
for
ROW OCS-G 29035; Eugene Island 302**

Dear Sir or Madam:

Talos ERT LLC hereby requests that BOEM accepts the following described "New Bond" (full copy attached), effective as of the date reflected in the Bond.

New Bond:

Principal	Surety	Bond No.	Bond Amount	Bond Type
Talos ERT LLC	Indemnity National Insurance Company	N-8100140	\$593,548.38	Supplemental Bond

As this request is accepted and processed, please provide notification and a fully executed copy of the New Bond to the following parties:

Patricia Rodriguez, Talos Energy: Patricia.Rodriguez@TalosEnergy.com
Carolyn Savoy, Talos Energy: Carolyn.Savoy@TalosEnergy.com

Thank you for your consideration in this regard. Should you have any questions, please contact the undersigned at (713) 335-6973 or at the above-stated email address.

Sincerely,

Carolyn Savoy
Senior Landman & Special Projects Manager

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

November 1, 2021

***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-8100140

OCS Lease/RUE/ROW No. OCS-G 29035

Bond Type Supplemental

Amount \$ 593,549.00

**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: Williamson

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: Talos ERT LLC

Mailing Address: 333 Clay Street, Suite 3300, 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: SEE EXHIBIT A (ROW OCS-G 29035, PSN 18168)

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.

Indemnity National Insurance Company

Name of Surety

Signature of Person Executing for Surety

Richard Covington, Attorney-In-Fact

Name and Title (typed or printed)

238 Bedford Way

Business Address

Franklin, TN 37064

Business Address

Talos ERT LLC

Name of Principal

Signature of Person Executing for Principal

Sergio L. Mahorm, Jr., Vice President of Finance, Investor Relations and Treasurer

Name and Title (typed or printed)

333 Clay Street

Suite 3300

Business Address

Houston, TX 77002

Business Address

Signed on this 21st day of October, 2021, in the State of Texas, in the presence of:

Signature of Witness

Myisha Jefferson

Name (typed or printed)

10100 Katy Freeway, Suite 400

Address

Houston, TX 77043

Address

Signature of Witness

Patricia Rodriguez

Name (typed or printed)

333 Clay Street, Suite 3300

Address

Houston, TX 77002

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.

BOEM-2028A (January 2020)

Previous Editions are Obsolete.

Exhibit A

To be Attached to and made part of Bond No. N-8100140 on behalf of Talos ERT LLC (as Principal) and National Indemnity Insurance Company (as Surety) for OUTER CONTINENTAL SHELF (OCS) MINERAL LESSEE'S OR OPERATOR'S SUPPLEMENTAL BOND, ROW #OCS-G 29035

The Right-of-Way No. OCS-G 29035, PSN 18168 is described as follows:

A 200-foot wide right of way to install, operate and maintain a 6 5/8 and 7 5/8-inch pipeline, 9.80 miles in length, to transport oil from Platform C in Block 302, through Blocks 303, 304, to a subsea tie-in in Block 305, all located in Eugene Island Area.

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: *****Joseph R. Aulbert, Marc W. Boots, Richard Covington Ashley Kolotar, Vickie Lacy, Ryan Varela; Maria D. Zuniga***** of McGriff Insurance Services, 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 Ten million dollars (\$10,000,000.00)***** 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 21st day of October, 2021.



By James E. Hart
James E. Hart, Secretary