



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: RLB0003510

November 7, 2023

Petro Ventures, Inc.
201 Rue Iberville, Suite 500
Lafayette, LA 70508
Attn: Walter B. Comeaux, III

Dear Mr. Comeaux:

Your letter dated October 19, 2023, requesting termination of the period of liability of Outer Continental Shelf Right-of-Way Grant Bond No. RLB0003510, in the amount of \$300,000, was received by our office on that same date. This bond, conditioned to cover the principal's pipeline operations in the Gulf of Mexico, was executed on June 25, 2001, with Petro Ventures, Inc. as principal and RLI Insurance Company as surety.

We are unable to grant your request for termination for the following reasons.

- The Risk Management Operations Group (RMOG) has objected to this request because the company still has Right-of-Way decommissioning assessed.
- The Bureau of Safety and Environmental Enforcement (BSEE) Pipelines Section has objected to this request, stating "They have a ROW that still needs to be decommissioned."

For questions you may contact RMOG at boemrmog@boem.gov and BSEE Pipelines at james.callis@bsee.gov. When this has been corrected, you may resubmit your request.

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

Sincerely,

**BRIDGETTE
DUPLANTIS**

Digitally signed by BRIDGETTE
DUPLANTIS
Date: 2023.11.07 07:36:21 -06'00'

Bridgette Duplantis, Section Chief
Leasing and Financial Responsibility Section
Leasing and Plans

cc: Petro Ventures Inc. (petroven@aol.com)
RLI Insurance Company (akssurety@rlicorp.com)
Paul Simon (psimon@gamb.com)

PETRO VENTURES INC.
201 RUE IBERVILLE, SUITE 500
LAFAYETTE, LA. 70508

October 19, 2023

RECEIVED

October 19, 2023

By email (boemGOMRfinancialassurance@boem.gov)

Ms. Kathleen Lee, Program Analyst
Bureau of Ocean Energy Management, New Orleans Office
1201 Elmwood Park Boulevard
New Orleans, LA 70123-2394

*Leasing & Financial
Responsibility Section*

Re: Petro Ventures, Inc. request to terminate period of liability
Pipeline ROW OCS-G 04850, Bond No. RLB0003510

Dear Ms. Lee,

Petro Ventures, Inc. (PVI) held and operated a right-of-way for Pipeline Segment 458, under ROW OCS-G 04850. The ROW terminated in 2016. The pipeline segment has been out of service since that time and has been effectively retired and abandoned, as described below.

Pipeline Segment 458 traversed two blocks in the Main Pass Area. It ran from the MP 133 A platform on the MP 133 block to the MP 144 A platform on the neighboring MP 144 block. The former platform has been decommissioned; the latter, MP 144 A platform, is operated today by Cantium LLC.

Segment 458 has been flushed with salt water from one end to the other. It was cut and buried on MP 133 A (the block where it originated) when the facilities on that lease were decommissioned. The decommissioning operations were performed in accordance with all applicable rules, orders, and standards of your office by ExxonMobil, PVI's predecessor lessee and operator at MP 133, through its affiliate, Mobil Oil Exploration & Producing Southeast, Inc. ExxonMobil took over as operator when the MP 133 lease terminated to perform the requisite decommissioning – including of the portion of Pipeline Segment 458 running from the MP 133 A platform on that lease to the MP 144 block. The only part of the pipeline segment not abandoned is this line on MP 144.

This line no longer traverses multiple leases or blocks or any unleased lands. It is now solely a leasehold line, an inoperable stub lying entirely within the MP 144 block and lease, running to the MP 144 A platform where it terminates. That lease and platform are operated by Cantium. The only operation still to be done to complete the abandonment of what was Pipeline Segment 458 is the cutting and burying of this line at the MP 144 A platform.

That operation cannot reasonably be done while Cantium's platform continues to operate. The line ends on the platform, in a so-called "elephant trunk" bundle with other pipelines that service the platform. This bundling of pipelines as they exit the water and come onto the platform protects the pipeline system from inclement weather, mudslides, and other operational risks. Accordingly, it would be unreasonable, unnecessarily disturbing Cantium's operations and increasing its operational risks, to detach the platform's pipeline system and disentangle the last piece of Segment 458 so it can be buried at this time. This is especially so given that this last piece will and must be cut, abandoned, and buried by Cantium (or its successor) in accordance with this office's regulations and orders when the MP 144 A platform is decommissioned – just as the part at the MP 133 A platform was abandoned

appropriately by ExxonMobil when that platform and the other facilities on the MP 133 lease were decommissioned.

Put simply, PVI's bonding obligations should not depend on how long Cantium's success continues – those obligations should not, and, in our view under applicable regulations do not, continue indefinitely so long as any part of the pipeline segment remains “out of service” but not abandoned. Instead, as the applicable ROW terminated long ago, all decommissioning operations which it is reasonable to do at this time (and for an indefinite period of years or decades hence) have been done, and the remaining operation (abandonment at the MP 144 A platform) will and must be done when that platform is decommissioned, PVI's bonding obligations can and should be terminated.

30 CFR § 550.1011, defining the “Bond requirements for pipeline right-of-way holders”, imposes bonding obligations on parties who “apply for, or are the holder of, a right-of-way.”

As noted above, this ROW terminated in 2016. PVI has not been the holder of this ROW for over seven years. Indeed, and as reflected in the revisions recently proposed to alter this language (which would impose bonding obligations on former ROW holders – but said revisions are not yet in effect), the language of the current regulations imposes bonding obligations only on ROW applicants and holders, not former holders like PVI. As PVI is no longer a holder of a ROW (or any other interest in the GOM), there is no basis under applicable regulations or statutes to continue to impose bonding obligations on it; instead, PVI's bonding obligations should be terminated.

To be clear, this limitation applies only to bonding, not to any other obligations imposed on former holders of a ROW, who remain jointly and severally liable for those obligations, including decommissioning and abandonment. Concretely, PVI acquired Pipeline Segment 458 and the associated ROW from Chevron Pipeline Company, which acquired it from its affiliate, an operating unit of Chevron, when that company restructured its North American operations. PVI and Chevron were, are, and will remain jointly and severally liable for the abandonment obligations of ROW 04850 and Pipeline Segment 458, should any such obligation arise or not be completed in the future.

Nonetheless, no such obligations exist at the present – all abandonment operations which reasonably can or should be done at this time, upon the termination of the applicable ROW, have been completed – nor is it foreseeable that any will be imposed or arise in the future. The only operation remaining to be done, the cutting and burying of the line at the MP 144 A platform, will be done with the burying of the lines in the elephant trunk servicing the platform upon the platform's decommissioning, by its operator, Cantium or its successor – not PVI, Chevron, or any other former holder of this ROW. PVI's liability for the ROW's bonding obligation should reflect as much.

In all, ROW OCS-G 04850 covering Pipeline Segment 458 terminated long ago, in 2016. All abandonment obligations existing at termination or arising since have been fulfilled, with all abandonment operations which it was, is, or for the next several years or decades reasonably could be foreseeable and prudent to do having been done and completed in accordance with applicable regulation and the standards and orders of this office. The only part not abandoned, at MP 144 A, is out of service. It was flushed when the segment was cut at its other end, at MP 133. There is no danger of this last part causing pollution or being put into use or operation again. Likewise, there is no risk that, in the future, it could cause any harm to human safety, operations, or the environment, or *not* be buried and abandoned when the MP 144 A platform is decommissioned.

Accordingly, and explicitly without prejudice to your right and authority to impose any and all decommissioning and abandonment obligations on PVI and every other former ROW holder

should such prove necessary in the future, PVI respectfully requests that its period of liability for this bonding obligation, as to ROW OCS-G 04850 and Pipeline Segment 458, be terminated.

For your convenience, the information relevant to this request, for the applicable ROW, segment, and bond, is summarized below. Should you have any questions about this request, please do not hesitate to reach out to myself or my legal counsel cc'd on this letter – Paul B. Simon at the Gordon Arata firm, at contact details phone: (337) 237-0132 and email: psimon@gamb.com.

**Summary of Information Applicable to Request
re: Pipeline Segment, ROW, and Bond**

- Pipeline Segment No. 0458
- ROW OCS-G 04850, Expired 2/26/2016
- Bond No. RLB0003510, OCS Right-of-Way Grant Bond, for Pipeline Areawide
– Amount of \$300,000.00, issued by RLI
- Abandonment completed, of all operations not unreasonable or carrying undue operational risk, as of ROW termination to present, as described in letter above.

Contact information (including emails) for principal and surety on the ROW bond RLB0003510:

Principal: Petro Ventures, Inc.
Walter Benoit Comeaux, III, President
E-mail: petroven@aol.com
Phone: 337-289-6676

Surety: RLI Insurance Company
E-mail: asksurety@rlicorp.com

We appreciate your assistance and prompt attention to this request.

Very truly yours,

Petro Ventures, Inc.



By: **Walter B. Comeaux, III, President**

CC (by email): Paul B. Simon