



# 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 12332

April 5, 2024

Talos Third Coast LLC  
c/o McGriff  
10100 Katy Freeway, Suite 400  
Houston, Texas 77043-5272  
Attn: Ashley Koletar, Attorney-in-Fact

Dear Ms. Koletar:

Your letter dated March 18, 2024, submitting replacement Supplemental Multi-Obligee Performance Bond No. SURU2210000012, in the amount of \$487,930 was received by our office on March 18, 2024. This bond, conditioned to cover Right-of-Way (ROW) Grant OCS-G 12332, was executed on March 28, 2024, with Talos Third Coast LLC (03619) as principal and Ascot Surety & Casualty Company as surety. The Principal and Surety are held and firmly bound unto the Bureau of Ocean Energy Management, and McMoRan Oil & Gas LLC, (02312), as Co-Obligees.

This bond replaces Outer Continental Shelf (OCS) Supplemental Multi-Obligee Performance Bond No. EACX4014342, in the amount of \$487,930. This bond, conditioned to cover ROW OCS-G 12332, was executed on November 21, 2018, with Talos Third Coast LLC as principal, and Endurance Assurance Corporation, as surety.

The replacement bond, Bond No. SURU2210000012, conforms to the requirements of the leasing and operating regulations for submerged lands of the Outer Continental Shelf and is considered effective as of February 27, 2024. The period of liability of Outer Continental Shelf (OCS) Multi-Obligee Supplemental Bond No. EACX4014342 is considered terminated, and the bond is considered cancelled without residual liability on the same date.

Should you need further assistance, please contact Brad Fremen at (504) 736-2617 or [boemgomrfinancialassurance@boem.gov](mailto:boemgomrfinancialassurance@boem.gov).

Sincerely,

**BRIDGETTE  
DUPLANTIS** Digitally signed by  
BRIDGETTE DUPLANTIS  
Date: 2024.04.05  
11:24:53 -05'00'

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

cc: Talos Third Coast LLC (Principal)  
333 Clay Street, Suite 3300  
Houston, Texas 77002  
Attn: Sergio L. Maiworm, Jr.  
Chief Financial Officer and Senior Vice President

McMoRan Oil & Gas LLC (Co-Obligee)  
201 St. Joseph Street, Second Floor  
New Orleans, Louisiana 70130  
Attn: Todd R. Cantrall

Ascot Surety & Casualty Company (Surety)  
55 W 46<sup>th</sup> Street, 26<sup>th</sup> Floor  
New York, New York 10036  
Attn: Vickie Lacy, Attorney-in-Fact

Sent Via Email To: [patricia.rodriguez@TalosEnergy.com](mailto:patricia.rodriguez@TalosEnergy.com); [akoletar@mcgriff.com](mailto:akoletar@mcgriff.com); [acasbon@fmi.com](mailto:acasbon@fmi.com);  
[sstanfield@sompo-intl.com](mailto:sstanfield@sompo-intl.com); [vlacy@mcgriff.com](mailto:vlacy@mcgriff.com)



RECEIVED  
 March 18, 2024  
 Leasing & Financial Responsibility  
 Section

March 18, 2024

*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

**Re: Request for Acceptance of Talos Replacement Bonds and Cancellation of Current Bonds**

Dear Sir or Madam:

On behalf of Talos, please find enclosed eight fully executed “like for like” Replacement Bonds outlined above.

Upon acceptance of the eight replacement bonds, we hereby request the release of the eight current Endurance Assurance Corporation bonds referenced below.

**Current Bonds:**

Principal	Surety	Bond No.	Bond Amount	Bond Type/Property Description
Talos Third Coast LLC	Endurance Assurance Corporation	<b>EACX4014342</b>	\$487,930	Multi-Obligee Performance Bond; ROW No. G12332; PSN 15731; MP 138-141

Principal	Surety	Bond No.	Bond Amount	Bond Type
Talos Third Coast LLC	Endurance Assurance Corporation	<b>EACX4014343</b>	\$517,214	Multi-Obligee Performance Bond; ROW No. G29048; PSN 18190; MP 141-142

Principal	Surety	Bond No.	Bond Amount	Bond Type
Talos Third Coast LLC	Endurance Assurance Corporation	<b>EACX4014346</b>	\$1,138,477	Multi-Obligee Performance Bond; Lease No G15276; SS 76

Principal	Surety	Bond No.	Bond Amount	Bond Type
Talos Third Coast LLC	Endurance Assurance Corporation	<b>EACX4014347</b>	\$900,000	Multi-Obligee Performance Bond; Lease No. G4809; SMI 161

Principal	Surety	Bond No.	Bond Amount	Bond Type
Talos Third Coast LLC	Endurance Assurance Corporation	<b>EACX4014349</b>	\$2,143,143	Multi-Obligee Performance Bond; Lease No. G23736; WC 73

Principal	Surety	Bond No.	Bond Amount	Bond Type
Talos Third Coast LLC	Endurance Assurance Corporation	<b>EACX4014350</b>	\$3,000,373	Multi-Obligee Performance Bond; Lease No. G7746; SS 58

Principal	Surety	Bond No.	Bond Amount	Bond Type
Talos Third Coast LLC	Endurance Assurance Corporation	<b>EACX4014355</b>	\$886,551	Multi-Obligee Performance Bond; ROW No. G05148; PSN 6535; SMI 127

Principal	Surety	Bond No.	Bond Amount	Bond Type
Talos Third Coast LLC	Endurance Assurance Corporation	<b>EACX4014359</b>	\$463,045	Multi-Obligee Performance Bond; Lease No. G23740; WC 96

**Replacement Bonds:**

Principal	Surety	Bond No.	Bond Amount	Bond Type/Property Description
Talos Third Coast LLC	Ascot Surety & Casualty Company	<b>SURU2210000012</b>	\$487,930	Multi-Obligee Performance Bond; ROW No. G12332; PSN 15731; MP 138-141

Principal	Surety	Bond No.	Bond Amount	Bond Type
Talos Third Coast LLC	Ascot Surety & Casualty Company	<b>SURU2210000013</b>	\$517,214	Multi-Obligee Performance Bond; ROW No. G29048; PSN 18190; MP 141-142

Principal	Surety	Bond No.	Bond Amount	Bond Type
Talos Third Coast LLC	Ascot Surety & Casualty Company	<b>SURU2210000014</b>	\$1,138,477	Multi-Obligee Performance Bond; Lease No G15276; SS 76

Principal	Surety	Bond No.	Bond Amount	Bond Type
Talos Third Coast LLC	Ascot Surety & Casualty Company	<b>SURU2210000015</b>	\$900,000	Multi-Obligee Performance Bond; Lease No. G4809; SMI 161

Principal	Surety	Bond No.	Bond Amount	Bond Type
Talos Third Coast LLC	Ascot Surety & Casualty Company	<b>SURU2210000016</b>	\$2,143,143	Multi-Obligee Performance Bond; Lease No. G23736; WC 73

Principal	Surety	Bond No.	Bond Amount	Bond Type
Talos Third Coast LLC	Ascot Surety & Casualty Company	<b>SURU2210000017</b>	\$3,000,373	Multi-Obligee Performance Bond; Lease No. G7746; SS 58

Principal	Surety	Bond No.	Bond Amount	Bond Type
Talos Third Coast LLC	Ascot Surety & Casualty Company	<b>SURU2210000018</b>	\$886,551	Multi-Obligee Performance Bond; ROW No. G05148; PSN 6535; SMI 127

Principal	Surety	Bond No.	Bond Amount	Bond Type
Talos Third Coast LLC	Ascot Surety & Casualty Company	<b>SURU2210000019</b>	\$463,045	Multi-Obligee Performance Bond; Lease No. G23740; WC 96

Once the replacement bonds have been accepted, please email a fully executed copy of each bond along with the release letters for the current bonds to the email addresses below:

Patricia Rodriguez, Talos Energy: [Patricia.Rodriguez@TalosEnergy.com](mailto:Patricia.Rodriguez@TalosEnergy.com)

Ashley Koletar, McGriff (Broker): [akoletar@mcgriff.com](mailto:akoletar@mcgriff.com)

Sarah Stanfield, Endurance (Surety): [sstanfield@sompo-intl.com](mailto:sstanfield@sompo-intl.com)

Thank you for your consideration in this regard. Should you have any questions, please contact the undersigned at (713) 906-3013 or at the above-stated email address.

Sincerely,

*Ashley Koletar*

Ashley Koletar  
Attorney-In-Fact



## Power of Attorney

**KNOW ALL MEN BY THE PRESENTS:**

That **Ascot Surety & Casualty Company** and **Ascot Insurance Company**, each a corporation organized and existing under the laws of the State of Colorado (the "Companies"), do hereby constitute and appoint:

Ashley Koletar, Heather Noles, Joseph R. Aulbert, Marc W. Boots, Maria D. Zuniga, Richard Covington, Ryan Varela, Vickie Lacy and Melanie Salinas

of Houston, TX (city, state) and each its true and lawful Attorney(s)-in-Fact, with full authority to sign, execute, seal, acknowledge and deliver for, and on its behalf, and as its act and deed any place within the United States, or, if the following line is filled in, only within the area and up to the amount therein designated, any and all bonds, undertakings, recognizances, and other contracts of indemnity or writings obligatory in the nature thereof, issued in the course of its surety business, and to bond the Companies as follows:

**Any such obligations in the United States not to exceed \$50,000,000.00.**

The Companies hereby ratify and confirm all and whatsoever said Attorney(s)-in-fact may lawfully do in the premises by virtue of these presents. These appointments are made under and by authority Resolutions adopted by the Board of Directors of the Companies, which resolutions are still in effect:

RESOLVED, that any of the Chief Executive Officer, the Chief Operating Officer or the Chief Underwriting Officer, acting in conjunction with the head of the surety business line for the Corporation (each an Authorized Individual" and, collectively, the Authorized Individuals"), are authorized to jointly appoint one or more attorneys-in-fact to represent and act for and on behalf of the Corporation in the transaction of the Corporation's surety business to execute (under the common seal of the Corporation if appropriate) bonds, undertakings, recognizances and other contracts of indemnity and writings obligatory in the nature thereof:

RESOLVED, that in conjunction with the Corporation's transaction of surety business the signatures and attestations of the Authorized Individuals and the seal of the Corporation be affixed to any such Power of Attorney or to any certificate relating thereto (electronic or otherwise) by facsimile and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seals (electronic or otherwise) shall be valid and binding upon the Corporation when so affixed with respect to any bond, undertaking, recognizance or tother contract of indemnity or writing obligatory in the nature thereof;

RESOLVED, that in connection with the Corporation's transaction of surety business, the facsimile electronic or mechanically reproduced signature of any Authorized Individual, whether made heretofore or hereafter, whenever appearing upon a copy of any Power of Attorney of the Corporation, with signatures affixed as next above noted, shall be valid and binding upon the Corporation with the same force and effect as though manually affixed.

IN WITNESS WHEREOF, the Companies have caused these presents with the respective corporate seals and to be executed by the individuals named below who are duly authorized and empowered to execute the Power of Attorney on the Companies' behalf, this 22<sup>nd</sup> day of February 2024.



ASCOT SURETY & CASUALTY COMPANY  
ASCOT INSURANCE COMPANY

Matthew Kramer (Chief Executive Officer)

Tara Quigley (Executive Vice President, Surety)

STATE OF CONNECTICUT )  
COUNTY OF FAIRFIELD ) ss.

On this 22<sup>nd</sup> day of February 2024, before me came the above named Chief Executive Officer of each Ascot Surety & Casualty Company and Ascot Insurance Company and the head of the surety business line for each of Ascot Surety & Casualty Company and Ascot Insurance Company, to me personally known to be the individuals described herein, and acknowledged that the seals affixed to the preceding instrument and the corporate seals of each Ascot Surety & Casualty Company and Ascot Insurance Company, and that the said corporate seals and signatures were duly affixed and subscribed to said instrument by the authority and direction of said Companies.

**KSENIA E GUSEVA**  
Notary Public, State of Connecticut  
My Commission Expires June 30, 2024

Notary Public Ksenia E Guseva  
My commission expires on June 30, 2024

I, the undersigned Secretary of the Company, do hereby certify that the foregoing excerpts of the Resolution adopted by the Board of Directors of the Companies, and the Power of Attorney issued pursuant thereto, are true and correct, and further certify that both the Resolution and the Power of Attorney are still in full force and effect.

This Certificate may be signed by facsimile under and by the authority of the following resolution of the Board of Directors of the Companies.

RESOLVED, that in connection with the Corporation's transaction of surety business the signatures and attestations of the Authorized Individuals and the seal of the Corporation be affixed to any such Power of Attorney or to any certificate relating thereto (electronic or otherwise) by facsimile and any such Power of Attorney of certificate bearing such facsimile signatures or facsimile seal (electronic or otherwise) shall be valid and binding upon the Corporation when so affixed with respect to any bond, undertaking, recognizances or other contract of indemnity or writing obligatory in the nature thereof;

IN WITNESS WHEREOF: I have hereunto set my hand and affixed the seal of the Companies, this 27th day of February, 2024

ASCOT SURETY & CASUALTY COMPANY  
ASCOT INSURANCE COMPANY

John Gill, Secretary

**BOND NO. SURU2210000012**

**OCS ROW NO. OCS-G 12332**

**BOND TYPE: SUPPLEMENTAL ROW**

**PENAL SUM \$487,930.00**

**MULTI-OBLIGEE PERFORMANCE BOND**

KNOW ALL MEN BY THESE PRESENTS:

That we, Talos Third Coast LLC, a Delaware limited liability company, with its principal office at Three Allen Center, 333 Clay Street, Suite 3300, Houston, Texas 77002, assigned BOEM Company Qualification No. 03619 ("**Principal**"), and Ascot Surety & Casualty Company, with an office at 55 W 46<sup>th</sup> Street, 26<sup>th</sup> Floor, New York, New York 10036 ("**Surety**"), are held and firmly bound unto (i) the United States of America, acting by and through the Bureau of Ocean Energy Management, 1201 Elmwood Park Boulevard, New Orleans, Louisiana 70123 ("**BOEM Obligee**"), and (ii) McMoRan Oil & Gas LLC, with a mailing address of 201 St. Joseph Street, 2<sup>nd</sup> Floor, New Orleans, LA 70130 with BOEM Company Qualification No. 02312 ("**Prior Owner Obligee**") (BOEM Obligee and Prior Owner Obligee being sometimes collectively referred to herein as "**Co-Obligees**" or *individually as "Co-Obligee"*), for the penal sum of Four Hundred Eighty Seven Thousand Nine Hundred Thirty and No/100 Dollars (**\$487,930.00**) lawful money of the United States of America, for the payment of which penal sum the Principal and the Surety bind themselves, their successors and assigns, jointly, severally, and in solido, firmly by these presents, pursuant to the terms hereof.

WHEREAS, Prior Owner Obligee is a former Lessee (as defined herein) on Federal ROW OCS-G 12332 ("**ROW**"), more fully described as follows:

Pipeline Right-of-Way (ROW) OCS-G12332 is a 200-foot wide and approximately 1.26 mile (6,662 feet) long corridor associated with the 4-inch Pipeline Segment No. (PSN) 15731. The purpose of pipeline ROW OCS-G12332 is to maintain and operate PSN 15731 and to transport oil from Platform G in Block 138 to an 8-inch Subsea tie-in in with PSN 18141 in Block 141, all in Main Pass Area.

WHEREAS, pursuant to a transaction, dated as of October 11, 2018, between Castex Offshore, Inc. and GOME 1271 LLC, as Buyers (together, the "**Buyers**"), and Prior Owner Obligee, as Seller, through which Prior Owner Obligee transferred record title interest in the ROW to the Buyers (the "**GOME Transaction**"), GOME 1271 LLC ("**GOME**"), as a successor record title owner of the ROW, provided the required security for the Decommissioning Obligations (as defined below) to BOEM Obligee and Prior Owner Obligee in the form of a Multi-Obligee Performance Bond (designated as Bond No. B011682 and subsequently replaced by Bond No. EACX4014342), accepted by BOEM Obligee on November 21, 2018, and attached hereto as Exhibit "A" (the "**Prior Security**"); and



WHEREAS, pursuant to the merger of GOME into Principal, effective February 28, 2020, Principal has succeeded to ownership of GOME's record title interest in the ROW (the "Talos Merger"); and

WHEREAS, pursuant to applicable laws, rules, regulations, and policies of BOEM Obligee, Principal, as a record title owner of the ROW, is required to provide financial assurance for the Decommissioning Obligations (as defined below) to BOEM Obligee, and, to that end, is hereby replacing the Prior Security with this Multi-Obligee Performance Bond (designated as Bond No. **SURU2210000012**) in favor of BOEM Obligee and Prior Owner Obligee (this "**Bond**"); and

WHEREAS, the Surety warrants that it is duly authorized by the proper public authorities to transact the business of indemnity and suretyship in the state where it executed this Bond, that it is qualified to be a surety and guarantor on bonds and undertakings, that it is named in the current Circular 570, published by the Audit Staff Bureau of Accounts, U.S. Department of the Treasury ("**Circular 570**"), and that its certificate of suretyship has not been revoked; and

WHEREAS, the Surety warrants that it has duly executed a power of attorney, appointing the hereinafter named representative as the true and lawful attorney-in-fact of such Surety, upon whom may be served all lawful process in any action or proceeding against such Surety in any court or before any officer, arising out of or founded upon this Bond or any liability hereunder, and does hereby agree and consent that such service, when so made, will be valid service upon it, and that such appointment will continue in force and effect and be irrevocable so long as any liability against it remains outstanding hereunder; but if the named representative becomes no longer able to act as the Surety's true attorney-in-fact, the Surety will immediately execute a new power of attorney appointing a replacement representative authorized to act as its true attorney-in-fact, and will promptly so inform each of the Co-Obligees.

NOW THEREFORE, the Principal, the Surety, and the Co-Obligees agree to the following:

1. **Definitions.** As used in this Bond, the following terms have the following meanings:
  - 1.1 **Bond** means this multi-obligee performance bond, identified as Bond No. **SURU2210000012**;
  - 1.2 **Instrument** includes, individually or collectively, any ROW, operating agreement, designation of operator or agent, storage agreement, transfer of operating rights, permit, license, grant, or easement, pursuant to which the Principal has the right, privilege, or license to conduct operations on the ROW to which this Bond applies;
  - 1.3 Decommissioning Obligation(s) means any decommissioning obligation(s) or requirement(s) imposed on both the Principal and the Prior Owner Obligee by, or arising from (i) the ROW, (ii) any regulations of the Department of the Interior, or (iii) any Instrument issued, maintained, or approved under the Outer Continental Shelf ("OCS") Lands Act (43 U.S.C. §§ 1331 et seq.), related to the record title, operating rights, or ownership interests in the ROW transferred to the Principal pursuant to the Talos Merger

and that accrued before the Principal acquired record title, operating rights, or ownership interests therein and remained unperformed on the date that BOEM Obligee approved assignment of such interests from Buyers to the Principal;

1.4 **Qualified Surety** means a surety named in the version of Circular 570 current at the time the Qualified Surety provides a bond, and at all times thereafter.

1.5 **Lessee** means a BOEM-approved owner of all or a portion of the record title in the ROW or a BOEM-approved owner of all or a portion of the operating rights under the ROW; or a Bureau of Safety and Environmental Enforcement ("**BSEE**") approved owner of a ROW;

1.6 **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 governmental agency;

1.7 **Regional Director** means the Regional Director for the applicable BOEM Obligee Regional Office with jurisdiction over the ROW; and

1.8 **Default** means BOEM's determination that the Principal has failed to timely perform the Decommissioning Obligations.

2. The Principal, the Surety, and the Co-Obligees further agree to the following:

2.1 The Surety hereby guarantees, to each of the Co-Obligees, the full and faithful performance by Principal of the entirety of the Decommissioning Obligations. Under no circumstances, however, does such guarantee by the Surety exceed the penal sum of the Bond at any time in effect.

2.2 The Principal, as agent on behalf of all Lessees on the ROW, will fulfill the Decommissioning Obligations to the same extent as though the Principal were the sole Lessee, as well as the operating rights owner, for the portions of the ROW transferred to the Principal in the Talos Merger.

2.3 The Surety does hereby absolutely and unconditionally bind itself to each of (i) BOEM Obligee and (ii) Prior Owner Obligee for all sums required to fund the performance of the Decommissioning Obligations, up to the penal sum of the Bond, regardless of the number of years this Bond is in force.

2.4 The Surety will be responsible to each of the Co-Obligees for all Decommissioning Obligations of the Principal until the earlier of: (a) the satisfaction of all Decommissioning Obligations, (b) if the Bond is called, the Surety has provided the funds up to the penal sum of the Bond, or (c) the Decommissioning Obligations are covered by replacement financial assurance approved in writing by each of BOEM Obligee and Prior Owner Obligee which specifically secures the Decommissioning Obligations.

2.5 If the Regional Director terminates the period of liability of this Bond in accordance with 30 CFR 556.906, the Surety will remain responsible to the Co-Obligees for

Decommissioning Obligations that accrued during the period of liability until the Regional Director issues a written cancellation of the Bond in favor of the Surety.

- 2.6** If this Bond is cancelled, the Regional Director may reinstate this Bond as if no cancellation had occurred if any payment for performance of any Decommissioning Obligation of the Principal is rescinded or must be restored or repaid pursuant to any insolvency, bankruptcy, reorganization, or receivership, or should the representation of the Principal that it has performed the Decommissioning Obligations in accordance with BOEM specifications be materially false and BOEM relied upon such representation in canceling the Bond.
- 2.7** The Surety waives any right of notice of this Bond taking effect and agrees that this Bond will take effect as to each Co-Obligee upon delivery to such Co-Obligee.
- 2.8** Unless explicitly terminated, cancelled, or modified by both BOEM Obligee and Prior Owner Obligee in writing, and as provided for in this Bond, the Surety's obligations will remain in full force and effect, even if:
- a)** The Principal or any other person assigns all or part of any interest in an Instrument or in the ROW covered by this Bond;
  - b)** Any person modifies an Instrument in any manner, including modifications that result from (i) a commitment to a unit, cooperative, or communitization, or storage agreement; (ii) suspension of operations or production; (iii) suspension or changes in rental, minimum royalty, or the payment of royalties; (iv) modification of regulations or interpretations of regulations; (v) creation or modification of compensatory royalty agreements or payments; or (vi) creation of any mortgage, pledge, or other grant of security interest in an Instrument or the ROW;
  - c)** Any person, event, or condition terminates any Instrument or the ROW covered by this Bond, whether the termination is by operation of law or otherwise; or
  - d)** Either Co-Obligee takes or fails to take any enforcement action against, or fails to give notice to, or make demand of, any party to any Instrument, concerning the payment or non-payment of rentals or royalties or the performance or non-performance of any other covenant, term, or condition of the ROW, or any contract entered into with respect to the GOME Transaction.
- 2.9** BOEM Obligee will contemporaneously send a copy to Prior Owner Obligee of any notice of Default sent to Principal or Surety.
- 2.10** After a Default, and upon demand by either of the Co-Obligees, the Surety will provide to such Co-Obligee making demand, pursuant to the procedures set forth in this Section 2, payments up to the penal sum of the Bond to satisfy the Decommissioning Obligations.

- 2.11 Upon Default by the Principal, BOEM Obligee has the right to call the Bond, or a portion of the Bond, by demand upon the Surety without any requirement that BOEM Obligee confer with, or obtain the agreement of, Prior Owner Obligee, subject to the procedures, rights and obligations set forth in this Section 2.
- 2.12 Prior to calling the Bond pursuant to Paragraph 2.11, BOEM Obligee will provide Prior Owner Obligee with thirty (30) calendar days' advance written notice ("**BOEM Notice Period**") of BOEM Obligee's intention to call the Bond (or portion thereof) and stating the scope of the Decommissioning Obligations upon which Principal has defaulted. If, within the BOEM Notice Period, Prior Owner Obligee commits in writing to BOEM Obligee to timely undertake the requisite activities to address the Decommissioning Obligations upon which Principal has defaulted, BOEM Obligee will direct the Surety to pay to Prior Owner Obligee the proceeds of the Bond (or portion thereof). Prior Owner Obligee will utilize the proceeds of the Bond exclusively to diligently and continuously prosecute the performance of the requisite operations and activities until such time as the Decommissioning Obligations then requiring performance are satisfied.
- 2.13 If BOEM Obligee calls the Bond, and within the BOEM Notice Period, Prior Owner Obligee does not commit in writing to perform the Decommissioning Obligations, BOEM Obligee has the right to receive performance of the Decommissioning Obligations by, or the payment of the Bond proceeds from, the Surety, with no further obligation to inform the Prior Owner Obligee or any other party and BOEM Obligee will place the proceeds of the Bond into an appropriate account and dedicate the proceeds to the performance of activities to address the Decommissioning Obligations then requiring performance.
- 2.14 Upon Default, Prior Owner Obligee may call the Bond by demand upon the Surety if (a) Prior Owner Obligee provides BOEM Obligee with thirty (30) calendar days' advance written notice ("**Prior Owner Obligee Notice Period**") of its intention to call the Bond (or portion thereof), and (b) agrees in writing to use the proceeds of the Bond exclusively to diligently and continuously prosecute the performance of the requisite operations and activities until such time as the Decommissioning Obligations then requiring performance are satisfied. Prior Owner Obligee hereby acknowledges that this Bond and the procedures relating to utilization of Bond proceeds do not reduce or otherwise modify its regulatory liabilities associated with the Decommissioning Obligations.
- 2.15 If Prior Owner Obligee receives Bond proceeds under any of the provisions of this Section 2, the proceeds will be placed into an escrow or other appropriate account in a federally-insured bank or a federally-insured thrift institution, from which the Prior Owner Obligee may make a withdrawal or series of withdrawals upon submitting to BSEE applicable permits for the contemplated decommissioning operations made the subject of the Default. Prior Owner Obligee pledges to use funds from this escrow or other appropriate account only for satisfying the Decommissioning Obligations then requiring performance.
- 2.16 If Prior Owner Obligee receives bond proceeds under Paragraph 2.12 or withdraws Bond proceeds under Paragraph 2.15, but fails to commence performance of the Decommissioning Obligations, as specified in the regulations at 30 C.F.R., Part 250,

subpart Q, within ninety (90) calendar days of receiving/withdrawing the Bond proceeds, or as otherwise mutually agreed in writing, Prior Owner Obligees shall immediately tender to BOEM Obligees the proceeds of the Bond to arrange for performance of the requisite activities to address the Decommissioning Obligations then requiring performance. In order to give BOEM Obligees immediate access to the remaining Bond proceeds pursuant to this Paragraph 2.16, the Prior Owner Obligees will provide, in the agreement establishing the escrow or other appropriate account into which Prior Owner Obligees deposit the Bond proceeds, terms that authorize BOEM Obligees, after notifying Prior Owner Obligees of Prior Owner Obligees' failure to timely commence Decommissioning Obligations, to make withdrawals from the account consistent with this Paragraph 2.16.

- 2.17 Regardless of which Co-Obligee calls the Bond, and notwithstanding anything else to the contrary herein, any and all proceeds attributable to forfeiture, or call, of the Bond must be applied solely and exclusively to extinguish the Decommissioning Obligations, regardless of insolvency, bankruptcy, or default of the Principal, or an assignment by the Principal of all or part of its interests in the ROW, and all operations and activities necessary to be performed to extinguish such Decommissioning Obligations must be timely performed in accordance with the regulations of the Department of the Interior.

3. **Miscellaneous.**

- 3.1 Nothing in this Bond expands the obligations and liabilities of Prior Owner Obligees associated with the ROW pursuant to contract or law, and all such obligations and liabilities will be limited to the obligations and liabilities that accrued while Prior Owner Obligees was a Lessee, as that term is used herein.
- 3.2 If either Co-Obligee 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 other Co-Obligee joins such proceeding.
- 3.3 In the event there is more than one surety, or there are other types of financial assurance securing the Principal's performance of the Decommissioning Obligations, the Surety's obligation and liability under this Bond is on a "solidary" or "joint and several" basis along with such other surety(ies) and along with any other providers of such financial assurance.
- 3.4 The Surety agrees that, within five (5) calendar days after learning that it has been de-listed from the Circular No. 570, and/or of any action filed alleging the insolvency or bankruptcy of the Surety, or alleging any violation that would result in suspension or revocation of the Surety's certificate of suretyship, charter, or license to do business, the Surety will give notice to the Principal and the Co-Obligees.
- 3.5 The Principal agrees that, within five (5) calendar days after learning that the Surety has become bankrupt or, insolvent, or the Surety has had its charter or license to do business suspended or revoked, or is no longer named in the current Circular 570, the Principal will substitute a bond identical in all material respects to this Bond from another Qualified Surety (as defined above).

- 3.6** The Principal agrees that, within five (5) calendar days of learning of any action filed alleging the insolvency or bankruptcy of the Principal, or alleging any violation that would result in suspension or revocation of the Principal's charter, or license to do business, it will notify the Co-Obligees and the Surety.
- 3.7** The Surety's obligation and liabilities under this Bond are binding upon the Surety's successors and assigns, if any. Nothing in this Bond permits assignment of the Surety's obligation without the written consent of each of the Co-Obligees.
- 3.8** The Surety hereby waives any defenses to liability on this Bond based on an unauthorized Principal signature.
- 3.9** No forbearance by either of the Co-Obligees will release the Principal and the Surety from any liability under this Bond to any Co-Obligee.
- 3.10** The penal sum of the Bond will be reduced by and to the extent of any payments made by Surety hereunder, or its successors and assigns. Additionally, from time to time as applicable, Co-Obligees agree to reduce the penal sum of this Bond to the extent Principle furnishes, to BSEE, satisfactory evidence that it has discharged a portion of the Decommissioning Obligations secured by this Bond and BSEE reduces the Decommissioning Obligations for the ROW, accordingly. The Bond, less any reductions for partial Decommissioning Obligations made by BSEE, will remain in full force and effect for the remaining balance of the Bond until all the Decommissioning Obligations are satisfied, or until a replacement bond from a Qualified Surety is provided.
- 3.11** No right or action will accrue on this Bond to or for the use of any person other than the Principal, Surety, the Prior Owner Obligee, and the BOEM Obligee, and their respective heirs, executors, debtor(s) in possession, administrators, assigns, or successors, pursuant to the terms of this Bond and applicable law.

- 3.12** A notice or communication under or in connection with this Bond shall be in writing and shall be deemed to have been duly given or made when (a) delivered by hand by a recognized courier delivery service, on the date shown on the receipt, or (b) in the case of delivery by United States certified mail with return receipt requested and postage prepaid, on the date of delivery. The addresses for all notices are as follows:

***Principal:***

Talos Third Coast LLC  
Three Allen Center  
333 Clay Street, Suite 3300  
Houston, Texas 77002  
Attention: Patricia Rodriguez, Risk Manager  
Telephone: (713) 380-4951

***Surety:***

Ascot Surety & Casualty Company  
33 South Wood Ave., Suite 600  
Iselin, NJ 08830  
Attention: Tara North  
Telephone: (332) 455-0536

***BOEM Obligee:***

Bureau of Ocean Energy Management  
1201 Elmwood Park Boulevard  
New Orleans, Louisiana 70123  
Attention: Leasing & Financial Responsibility Section  
Telephone: (800) 200-4853

***Prior Owner Obligee:***

McMoRan Oil & Gas LLC  
201 St. Joseph Street, 2<sup>nd</sup> Floor  
New Orleans, Louisiana 70130  
Attention: Pamela Q. Masson  
Telephone: (504) 582-4695

A party to this Bond may change its address for notices by written notice to the other parties.

- 3.13** BOEM Obligee acknowledges that Prior Owner Obligee and the Buyers are parties to the GOME Transaction, whereby the Buyers acquired interests in the Lease, and BOEM Obligee agrees that it has no rights, duties, or obligations pursuant to the GOME Transaction, and it is not a third-party beneficiary under the agreements relevant to the GOME Transaction. Prior Owner Obligee and Principal acknowledge that BOEM Obligee may enforce its regulations concerning the obligations of assignors and assignees.

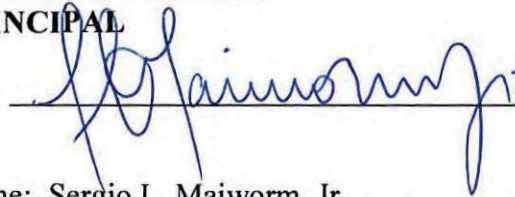
- 3.14 This Bond will be subject to, and interpreted in accordance with, federal law and, in the absence of federal law, the law of the State of Louisiana, the state adjacent to which the ROW is located. All disputes arising out of or in connection with this Bond shall be resolved exclusively in the federal courts in Louisiana and the parties hereto consent to the jurisdiction and venue of such courts. Without limiting the foregoing, all regulations governing surety bonds included within 30 CFR 556.900, *et seq.* are incorporated herein by reference for the benefit of both BOEM Obligee and Prior Owner Obligee.
- 3.15 Any decommissioning obligations associated with the ROW and for which Prior Owner Obligee has no liability shall be covered by separate and distinct financial assurance provided to BOEM Obligee by Principal or another party.
- 3.16 This Bond may be executed in any number of counterparts each of which shall be an original, but such counterparts shall together constitute but one and the same instrument. Any .pdf (portable document format) or other electronic transmission hereof or signatures hereon shall, for all purposes, be deemed originals.
- 3.17 The Surety also accepts all Decommissioning Obligations of all previous Sureties or guarantors (if any) even if the Decommissioning Obligations are not Decommissioning Obligations of the Principal during the period of liability of this bond.

IN WITNESS WHEREOF, the above bound parties have executed this instrument to be effective on this **27th day of February, 2024**, the name of each corporate party duly signed by its undersigned representative pursuant to authority of its governing body.

*[Signature Pages Follow]*



**Talos Third Coast LLC  
PRINCIPAL**

By: 

Name: Sergio L. Maiworm, Jr.  
Title: Chief Financial Officer and  
Senior Vice President

**Ascot Surety & Casualty Company  
SURETY**

By: 

Name: Vickie Lacy  
Title: Attorney-In-Fact



**McMoRan Oil & Gas LLC  
PRIOR OWNER OBLIGEE**

By: 

Name: Todd R. Cantrell  
Title: Senior Vice President

**United States of America Department of the  
Interior**

**By: Bureau of Ocean Energy Management  
BOEM OBLIGEE**

By: JAMES  
KENDALL 

Name: James Kendall  
Title: Regional Director, Gulf of Mexico Region