

**STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION**

**IN THE MATTER OF PROPOSED
AMENDMENTS TO 19.15.2, 19.15.5
19.15.8, 19.15.9, AND 19.15.25 NMAC**

Case No. 24683

**REBUTTAL TESTIMONY OF DOUGLAS EMERICK
ON BEHALF OF
NEW MEXICO OIL AND GAS ASSOCIATION**

September 19, 2025

REBUTTAL TESTIMONY OF DOUGLAS EMERICK

I. INTRODUCTION

My name is Douglas Emerick, and I am the surety expert witness for the New Mexico Oil and Gas Association (“NMOGA”) in this Oil Conservation Commission (“OCC” or “Commission”) rulemaking proceeding, Case No. 24683, specializing in financial assurance issuance and maintenance and the private surety and insurance industries. My education, background, qualifications, and prior expert experience are set forth in my direct testimony submitted to the Commission on August 8, 2025, offering my opinion as to the proposed rules on behalf of NMOGA, with my curriculum vitae attached as Appendix A thereto.

II. PURPOSE OF REBUTTAL TESTIMONY

I have reviewed the prehearing statements and direct testimony submitted by the Applicants—led by the Western Environmental Law Center (“WELC” or collectively the “Applicants”)—as well as the Oil Conservation Division (“OCD” or “Division”), the New Mexico State Land Office (“SLO”), the Independent Petroleum Association of New Mexico (“IPANM”), and OXY USA Inc. (“Oxy”). Based on their filings, OCD and SLO generally support the Applicants’ amendments, offering only limited technical changes, if any. I also reviewed publicly available records of federal court filings using the Public Access to Court Electronic Records (“PACER”) platform.

All direct testimony filings concerned the proposed amendments to **Sections 19.15.2.7 and 19.15.8 of the New Mexico Administrative Code (“NMAC”)**, which are the subject of this rulemaking proceeding. I address the direct testimony by regulation in that order.

23 **III. REBUTTAL TESTIMONY**

24 I begin by addressing what Applicants and their experts describe as the “orphan well
25 problem.” Their testimony and proposed amendments focus narrowly on this issue but overlook
26 essential considerations that should inform any regulatory change adopted by the Commission. In
27 particular, they ignore two critical realities: first, the feasibility—or lack thereof—of implementing
28 their proposed financial assurance requirements within the private surety and insurance markets;
29 and second, the unintended, industrywide consequences of such changes. Based on my own
30 experience in the surety sector and observations of how similar rulemakings have unfolded in other
31 jurisdictions, I anticipate that these proposals would strain private bonding capacity, escalate
32 collateral demands, and ultimately destabilize operators across the board. In short, what Applicants
33 characterize as a solution to the orphan well problem risks creating broader systemic problems that
34 undermine the very goals of responsible regulation.

35 Next, I will address how the definitional additions and changes proposed under 19.15.2.7
36 NMAC interact with and ultimately shape the broader financial assurance overhaul in 19.15.8
37 NMAC. Although the Applicants’ proposed language does not expressly state that these definitions
38 will set thresholds for financial assurance determinations, in practice, they would do precisely that
39 if adopted. Terms such as “marginal well,” “inactive well,” and “beneficial use” will directly
40 influence which wells are swept into the higher bonding categories. Accordingly, it is important
41 that the Commission make clear—either within the final rule text or through implementing
42 guidance—how these definitions are intended to operate and how they may affect both existing
43 regulations and the other amendments being proposed. Without that clarity, the definitional
44 changes risk becoming open-ended triggers that expand financial assurance obligations well
45 beyond what the statute authorizes.

Finally, I will analyze the direct testimony submitted in support of the proposed financial assurance amendments under 19.15.8.9 NMAC, with particular focus on the practical feasibility of these changes within the surety and insurance markets. The testimony of the Applicants' experts presents a theoretical model of bonding adequacy, but it does not sufficiently appreciate how in practice, these requirements would be financed, collateralized, or administered. Drawing on my experience in the surety industry, I will explain why the proposed structure is neither realistic nor sustainable, and I will conclude with recommendations for more workable alternatives. These alternatives are designed to ensure adequate financial security for the State of New Mexico while also keeping bonding requirements achievable for operators of all sizes, thereby avoiding the unintended consequence of destabilizing the market and discouraging responsible operations.

A. Applicants, OCD, and Their Experts Ignore Essential Factors

Applicants' proposed amendments fail to consider several foundational realities of the surety and insurance markets that determine whether financial assurance requirements can actually function as intended. In my experience, these omissions are not minor; they go to the heart of whether the proposed framework is workable. Applicants' proposed amendments do not consider the current surety market and the unintended consequences that will flow from the proposed financial assurance changes, the surety industry's reluctance to write non-cancellable bonds, or that the disparate financial burden the proposed rules place on small and medium-sized operators will force many out of business. Ignoring these essential factors will result in ill-fitting regulations, which will cause harm and industry disruption, and both foreseeable and unforeseeable regulatory problems, which, in my opinion, will outweigh the potential benefits. Especially where the current regulations already contain a more tailored risk-based individual well and tiered blanket bonding

68 financial assurance scheme.¹

69 By overlooking these essential factors, Applicants and their experts have built a model that
70 looks neat on paper but will prove unworkable in practice. The result will not be stronger
71 protections, but rather ill-fitting regulations that cause both foreseeable and unforeseeable
72 disruptions to New Mexico's oil and gas industry. The harms—including business failures,
73 stranded assets, and reduced state revenue—will outweigh any theoretical benefits.

74

¹ Direct Testimony of Daniel Arthur, P.E., NMOGA Lead Technical Expert, *In the Matter of Proposed Amendments to 19.15.2, 19.15.5, 19.15.8, 19.15.9, and 19.15.25 NMAC*, No. 24683, OCC, Aug. 8, 2025 (hereinafter, “**NMOGA’s Arthur Direct Testimony**”), at 26:527-533 (“WELC’s proposal abandons the existing risk-based financial assurance requirements for individual bonding for such active wells, which currently starts at \$25,000 plus \$2 per foot of well depth, calculated based on the true vertical depth for vertical and horizontal wells or measured depth for deviated and directional wells. WELC also abandons the tiered blanket financial assurance alternatives for active wells, depending on the number of active wells secured: \$50,000 for one (1) to 10 wells; \$75,000 for 11 to 50 wells; \$125,000 for 51 to 100 wells; and \$250,000 for more than 100 wells.”), 27:551-61 (“Currently, only wells that have been in temporarily abandoned status for more than two years or for which the operator is seeking approved temporary abandonment are subject to the heightened inactive well financial assurance provision under the existing version of 19.15.8.9(D) (Inactive Wells). WELC would broaden the types of wells subject to heightened inactive well financial assurance requirements and abandon the existing risk-based approach, which currently allows for individual well bonding starting at \$25,000 plus \$2 per foot of well depth, calculated based on the true vertical depth for vertical and horizontal wells or measured depth for deviated and directional wells. WELC would also abandon the current tiered blanket bonding alternatives available for such wells, depending on the number of active wells secured: \$150,000 for one (1) to five (5) wells; \$300,000 for six (6) to 10 wells; \$500,000 for 11 to 25 wells; and \$1,000,000 for more than 25 wells.”); Direct Testimony of Harold McGowen, P.E., NMOGA Technical Expert, *In the Matter of Proposed Amendments to 19.15.2, 19.15.5, 19.15.8, 19.15.9, and 19.15.25 NMAC*, No. 24683, OCC, Aug. 8, 2025 (hereinafter, “**NMOGA’s McGowen Direct Testimony**”), at 70:1499-1511 (“The amendments would remove the existing risk-based approach for securing individual active wells, with assurance requirements starting at a floor of \$25,000 and increasing incrementally based on well depth: ‘a one well financial assurance in the amount of \$25,000 plus \$2 per foot of the projected depth of a proposed well or the depth of an existing well; the depth of a well is the true vertical depth for vertical and horizontal wells and the measured depth for deviated and directional wells[.]’ 19.15.8.9(C)(1) NMAC. Alternatively, operators can obtain a blanket bond of \$250,000 to cover all active wells under the current version of 19.15.8.9(C)(2) NMAC. WELC also proposes to remove the existing tiered approach for blanket bonds for active wells which currently only requires a blanket bond totaling: (a) \$50,000 for one (1) to ten (10) active wells; (b) \$75,000 for eleven (11) to twenty-five (25) 1510 active wells; (c) \$125,000 for 51 to 100 wells; and (d) \$250,000 for more than 100 wells. 19.15.8.9(C)(2) NMAC.”), 71:1526-1535 (“Again, removing the existing risk-based approach for securing individual inactive and expired or pending TA wells, also with assurance requirements starting at a floor of \$25,000 and increasing incrementally based on well depth: ‘a one well financial assurance in the amount of \$25,000 plus \$2 per foot of the projected depth of a proposed well or the depth of an existing well; the depth of a well is the true vertical depth for vertical and horizontal wells and the measured depth for deviated and directional wells[.]’ 19.15.8.9(D)(1) NMAC. In contrast to its proposal for active wells, WELC’s proposed blanket financial assurance requirements for inactive and temporarily abandoned wells under new 19.15.8.9(E)(2) NMAC would eliminate a flat-rate blanket bond option. Instead, WELC would require that any blanket bond provide, on average, \$150,000 in coverage per well included under the bond.”).

75 **1. *Proposed Financial Assurance Changes are Not Feasible Considering the Current***
76 ***Surety Market and State of New Mexico's Non-Cancelable Bonds Requirement***

77 As explained in my direct testimony, as well as the direct testimony of NMOGA's
78 operational and plugging and abandonment experts, Daniel Arthur and Harold McGowen,
79 respectively: the changes to individual and blanket financial assurances for active, inactive, and
80 temporarily abandoned wells,² coupled with the additive requirements for a new category of
81 heightened financial assurance for marginal wells³ which can also create heightened financial
82 assurance requirements for inactive, temporarily abandoned, and even active wells depending on
83 the operator's portfolio,⁴ each individually, and especially combined, will create a level of demand
84 the private surety market cannot and will not meet.⁵

² **NMOGA's Arthur Direct Testimony** at 26:533-37 ("WELC's [active well assurance] proposal is unworkable, will exponentially increase the bonding required for active wells – which pose the least risk of all well types considered under WELC's proposed financial assurance requirements and are the most prevalent type of well in New Mexico . . . and will likely drive business and tax revenue out of state."), 27:561-28:564 ("Yet again, these [inactive and temporarily abandoned well assurance] changes by WELC are unworkable, will exponentially increase the bonding required [for] temporarily abandoned wells – which Mr. McGowen explains can in some cases be even safer than actively producing wells – and for even more types of temporarily abandoned wells, as well as inactive wells, which will in turn likely drive business and tax revenue out of state.").

³ **NMOGA's Arthur Direct Testimony** at 28:566-570 ("Additionally, WELC's proposed new marginal well assurance provision 19.15.8.9(D)(1)-(2) NMAC would compound the required financial assurance by requiring operators to provide single-well financing of \$150,000 for each marginal well (subject to the proposed amended definition described above) beginning in January 2028, and as of the effective date of the proposed rule, for every marginal well that is the subject of a transaction."), 28:575-79 ("These per well financial assurance requirements for marginal wells will exponentially increase the bonding amounts required under the rule because stripper wells (a subset of marginal) wells represent 54% of oil wells and 81% of gas wells in New Mexico, and in 2023 alone, these wells produced approximately 18% of the state's total oil output and 10% of its total gas production, according to the U.S. Energy Information Administration's 2024 Well Distribution Report.").

⁴ **NMOGA's Arthur Direct Testimony** at 28:571-574 ("Under its proposed 19.15.8.9(D)(3) NMAC, WELC would also require individual well financial assurance of \$150,000 for each well – not just marginal wells – registered to any operator with fifteen percent or more (≥15%) of an operator's total well inventory made up of inactive or marginal wells, or a combination thereof, until the percentage falls below fifteen percent (<15%).").

⁵ **NMOGA's McGowen Direct Testimony** at 74:1583-85 ("the new rules themselves (with high base amounts) are likely to harden the surety market, many surety providers may reassess their exposure and require more collateral or higher premiums."); Direct Testimony of Douglas Emerick, NMOGA Technical Expert, *In the Matter of Proposed Amendments to 19.15.2, 19.15.5, 19.15.8, 19.15.9, and 19.15.25 NMAC*, No. 24683, OCC, Aug. 8, 2025 (hereinafter "**NMOGA's Emerick Direct Testimony**"), at 6:123-25 ("Obtaining numerous single [active] well financial assurance instruments in addition to high-volume blanket bonds, as will be required to comply with WELC's rule as proposed, will be difficult, if not impossible, under the current surety market. "), 8:161-67 ("My thoughts regarding these

85 The surety and insurance industries would likely be unable to respond to the situation
86 where an existing cash or surety bond amount, irrevocable letter of credit, or policy coverage must
87 be increased nearly fourfold, mid-term, or to timely issue new financial assurance to cover
88 additional amounts required under the proposed rules. The New Mexico Legislative Finance
89 Committee's ("LFC") June 2025 Policy Spotlight on Orphaned Wells ("LFC Report"), which
90 Applicants heavily rely on to justify why their proposed amendments are necessary, acknowledges
91 that obtaining surety bonds is growing increasingly difficult.⁶

92 The LFC, in its LFC Report, just like the Applicants, ignores the fact that the State of New
93 Mexico requires non-cancelable bonds. This is critical to understand because a non-cancelable
94 bond is a surety bond that, once issued, cannot be terminated or withdrawn by the surety before
95 the obligation it guarantees has been fully discharged. *See* 19.15.8.13 NMAC (predicating release
96 of financial assurance instruments on file with OCD on all wells drilled or acquired under that
97 financial assurance have been plugged and abandoned, restored and remediated, and released
98 pursuant to New Mexico's plugging and abandonment regulations in 19.15.25.9-.11 NMAC, or
99 have replacement coverage by another assurance instrument OCD has approved).

100 Because New Mexico requires surety and cash bonds to be issued on non-cancelable forms,

[marginal well] proposed provisions are in keeping with my more general comments above . . . Regardless of an operator's financial health, many operators will find that the additive effects of the applicant's proposal to impose these increased financial assurance requirements will result in financial assurance obligations that many operators simply cannot satisfy. The reality of the current state of the surety market, which requires operators to demonstrate significant levels of available working capital, is that the market will be inaccessible to many operators."), 10:202-07 ("Relatedly, the \$150,000 single [inactive] well financial assurance requirement is not feasible and does 203 not align with surety market availability and thresholds for bonding across asset classes because 204 the surety market cannot support the significantly larger financial guarantee due to the non-cancelable nature of the bond and variability of the financial qualifications of the operators over 206 the years. Again, the additive effect of the proposed single well financial assurance bonding level 207 will be difficult or impossible for some operators to achieve for the reasons I explained above").

⁶ LFC Report at 140 ("Bonds, particularly surety bonds, have long been the primary regulatory mechanism for ensuring proper plugging and abandonment of wells. However, changes to the surety bond market have made those more difficult for some operators to obtain.").

the practical effect of the Applicants' proposed amendments will be even more severe. In the surety market, the ability to cancel or non-renew is a critical risk-management tool. When that option is removed, sureties demand significantly more collateral and higher annual premiums, and many sureties decline to participate altogether. For operators, this means tying up large amounts of capital to maintain existing financial assurance, in addition to securing new financial assurance at inflated costs. The result is not only reduced access to the surety market but also disproportionate impacts small and mid-sized operators who lack the balance sheets to support such collateral demands.

These realities highlight the impracticality of the proposed financial assurance changes in New Mexico, where the non-cancelable bond requirement amplifies costs and shrinks the very market on which the rules depend. The Division's five (5) financial assurance forms, including non-cancelable surety and cash bond forms, are attached hereto *in globo* as Appendix A.

Because of the current state of the surety market and the requirement that surety and cash bonds be issued on non-cancelable forms, unintended consequences not envisioned under the language proposed by Applicants will also result; most notably, the anticipated increase in collateral required to maintain existing financial assurance, in addition to increased frequency and levels of collateral and annual premiums required to acquire new assurance instruments.

i. Premiums and Collateral Will Increase Beyond Levels Anticipated by Applicants, Especially Considering the Industry's Reluctance to Write Non-Cancelable Bonds as Required By OCD

In practice, for the industry to secure the increased or newly required forms of financial assurance, sureties and insurers will inevitably require higher premiums and substantially greater collateral. These demands will exceed by a wide margin the cost assumptions offered by Applicants' experts in their direct testimony, which fail to account for the realities of the current

125 surety and insurance markets. The LFC explains:

126 Operators can use one of several financial instruments to fulfill the state's financial
127 assurance requirements. Surety bonds, typically issued by specialized surety
128 companies, are the most commonly used type of financial assurance. They are paid
129 for with annual premiums and secured by varying amounts of collateral; typical
130 premium rates are 1 to 5 percent of the total bond amount annually.⁷

131 WELC legal and technical expert Peter Morgan claims the annual premiums for surety bonds are
132 typically between 1%-2.5% of the bond as well as pledged collateral, based on a 2000 study. He
133 further claims that higher amounts are indicative of a higher risk operator and that operators that
134 have profited from oil and gas production should bear the costs of cleanup.⁸

135 First and foremost, I do not believe that the LFC or Mr. Morgan adequately considered the
136 non-cancelable nature of the bonds required by the State of New Mexico, or the private surety
137 industry's reluctance to write such bonds. Importantly, the surety industry has recently suffered a
138 significant loss year and consequently raised rates and strengthened underwriting through the
139 initial decade of the 2000's.

140 Second, Mr. Morgan relies on 25-year-old data, which is no longer indicative of modern-
141 day costs, inflation, and other economic factors present in 2025. Reliance on old data ignores the
142 current state of the surety market that Applicants seek to disrupt. Each surety files its own rates in
143 each state either itself or by utilizing the services of the Surety & Fidelity Association of America.
144 A broad brush of average premium rates does not adequately address the premiums operators face
145 under the proposed rules. Based on my understanding, the current provider of these bonds indicates
146 the range of premiums range from 1% to 10%. The small and medium operators would likely have

⁷ LFC Report at 10.

⁸ Direct Testimony of Peter Morgan, JD, WELC Technical and Legal Expert, In the Matter of Proposed Amendments to 19.15.2, 19.15.5, 19.15.8, 19.15.9, and 19.15.25 NMAC, No. 24683, OCC, Aug. 8, 2025 (hereinafter, "**WELC's Morgan Direct Testimony**"), at 36:10-37:1.

147 to pay between 2.5% -5% from the highest qualified to the lowest qualified.

148 Third, I anticipate that not only would smaller operators pay higher premiums and be forced
149 to provide collateral, but I also expect some sureties would require additional collateral from **all**
150 operators, no matter the size or financial stability of the operator. Some current underwriters of the
151 New Mexico bond market have told me that they will be instituting collateral requirements on all
152 of the New Mexico oil & gas well plugging bonds.

153 Real-world experience by compliant operators in other jurisdictions proves that increases,
154 premiums, and collateral are not limited to high-risk operators and could be used as a pretext to
155 force cancellation of otherwise non-cancelable bonds, as I explain in greater detail immediately
156 below.

157 *ii. Where Non-Cancelable Bonds are Used and Financial Assurance*
158 *Requirements Increase, Sureties and Insurers Can Make Demands that*
159 *Principals of Existing Assurance Post Additional Collateral to Maintain*
160 *Their Existing Security to Force Cancellation and Create a Means to Exit*
161 *the Market*

162 Considering the noncancelable nature of the bonds required by the State of New Mexico,
163 sureties could strategically increase collateral amounts for existing instruments, knowing such
164 demands cannot be met, thereby creating a means of escape for these sureties to exit the New
165 Mexico oil and gas assurance industry when they otherwise could not. The same was experienced
166 in the federal offshore oil and gas industry, less than one month after the Biden Administration
167 overhauled the federal offshore oil and gas financial assurance regime to require heightened levels
168 of supplemental financial assurance to cover asset decommissioning. The cases that follow
169 illustrate the consequences of the problems with the proposed amendment. *See, e.g., W&T*
170 *Offshore, Inc., W&T Energy VI, LLC v. Endurance Assurance Corp., et al.*, No. 4:24-cv-3047 (S.D.
171 Tex. filed Aug. 14, 2024).

W&T Offshore, Inc. and W&T Energy VI, LLC (collectively, the “W&T Entities”) had obtained \$55,902,578 in financial assurance to secure their federal offshore operations and decommissioning obligations from Lexon Insurance Company (“Lexon”), Endurance Assurance Corporation (“Endurance”), and various other Sompo International Companies (“Sompo Company” or “Sompo Companies”). On August 14, 2024, the W&T Entities sued Endurance and Lexon after receiving a demand on July 9, 2024, demanding \$7,500,000 in additional collateral within 30 days in order to maintain its existing bonds, considering the Department of the Interior’s new financial assurance requirements, which went into effect in June 2024. The W&T Entities’ Complaint for Declaratory Relief naming Lexon and Endurance, with all exhibits including applicable financial assurance instruments and \$7.5 million private surety demand, is attached hereto *in globo* as Appendix B.

The W&T Entities’ lawsuit illustrates difficult circumstances operators face when regulatory entities change the rules affecting the surety bonds operators are forced to provide to these regulators. When the regulatory environment changed, the Surety required collateral. The Principal considered this request for collateral as burdensome and unreasonable. Because the surety is writing the bonds with a commitment to achieve a zero loss ratio, that is, the surety’s business model is to avoid ever paying claims out of its own funds—collateral is required so that, in a claim situation, the surety can rely on the Principal’s collateral to pay. When regulators tighten requirements, such as through new financial assurance rules, sureties perceive an increased risk of bond claims. To maintain their zero-loss position, sureties respond by demanding collateral, often up to the full bond amount. This practice ties up operator capital and reduces liquidity, especially for small and mid-sized operators that may lack balance-sheet capacity to meet collateral calls. Even larger operators see reduced bonding capacity and increased financial drag. Because the

surety believed that, under the changed regulatory environment, a claim situation was more likely to arise, collateral was required. These are the types of situations confronting operators that are likely to arise under the financial assurance rules change proposal. This is one of the many types of disputes and bond changes that the proposed financial assurance rule changes portend.

As explained in the W&T Entities' Complaint, W&T's financial position did not change; only the regulatory environment did.⁹ W&T asserted that its sureties did not want to remain in the now high-risk federal offshore oil and gas assurance industry, and as a way to escape the non-cancelable bonds required by the DOI, demanded an unreasonable amount of additional collateral in the form of cash or a Letter of Credit, knowing W&T could not and would not comply.

Notably, the various Sampo Companies filed their own lawsuits against one or both of the W&T Entities, which were ultimately consolidated under the W&T Entities' lawsuit. For example, on November 8, 2024, Sampo Company Pennsylvania Insurance Company ("Pennsylvania") filed its own complaint against W&T Offshore, Inc. ("W&T Offshore") demanding it immediately deposit collateral in the amount \$11,343,949.00, the total amount secured by four bonds where Pennsylvania was the surety, W&T Offshore the principal, as well as a judgment for damages of \$357,355.10 plus interest, which Pennsylvania claims it incurred when W&T Offshore allegedly failed to pay the premium due and owing for the bonds. *Pennsylvania Insurance Company v. W&T Offshore, Inc.*, No. (filed Nov. 8, 2024). Pennsylvania's complaint is attached hereto as Appendix C.

⁹ The relevant regulatory changes went into effect June 29, 2024, a week or so before the Endurance and Lexon made their demands of W&T Entities, when BOEM had not yet issued notices requesting requests for financial information (60 days after effective date) and no supplemental financial assurance demands to be issued until 18-20 months thereafter. Accordingly, the sureties made these increases to existing collateral automatically due to regulatory changes before effect on specific principal could be known. BOEM, *Risk Management and Financial Assurance Rule Implementation Timeline* (June 28, 2024), <https://www.boem.gov/newsroom/notes-stakeholders/boem-risk-management-and-financial-assurance-rule-implementation> (accessed Sept. 1, 2025).

On November 20, 2024, Lexon and Endurance filed their First Amended Answer to the W&T Entities' Complaint, attached hereto as Appendix D. Lexon and Endurance countersued the W&T Entities for specific performance for breach of the indemnity agreement, a declaratory judgment that the W&T Entities had breached Lexon's contractual right to collateral, seeking attorneys' fees and other enforcement-related costs, and *quia timet* for \$55,902,578 in additional collateral. With the indemnity agreement signed and in force, the surety had a right to demand collateral. It is the principal's right to comply with that demand or move to another surety. This is the type of activity that will inevitably follow if the proposed financial assurance rules are adopted—protracted litigation, collateral demands, and loss of operator capital that undermine, rather than advance, the conservation goals of the OCD and the policy aims asserted by WELC.

On November 22, 2024, the U.S. District Court for the Southern District of Texas granted consolidation of all related Case Nos. 4:24-cv-04113, 04395, and 04400 under the W&T Entities' lawsuit No. 3047. The consolidation order is attached hereto as Appendix E.

All these filings I have reviewed in developing my findings and are attached to my rebuttal testimony and are made available to the public via the Public Access to Court Electronic Records (PACER) platform. Based on these public records, I conclude that the noncancelable federal offshore requirements for financial assurance and bonding are so similar to New Mexico that the effects experienced by W&T are indicative of what smaller to mid-size and independent operators, if not all operators, will experience in the event that the Applicants' proposed financial assurance changes are approved as written.

iii. Creates Environment Ripe for Price-Fixing, Collusion, and Antitrust Violations

On December 10, 2024, the W&T Entities amended their lawsuit to add allegations of price-fixing, collusion, and antitrust violations. They also named other Sompco Companies as new

defendants, including Pennsylvania Insurance Company, U.S. Specialty Insurance Company, United States Fire Insurance Company, and Philadelphia Indemnity Insurance Company as additional defendants. *Texas Oil Company Asks Federal Court to Stop Insurance Companies' \$250 Million Demand for Additional Collateral*, Business Wire (Dec. 11, 2024), <https://www.businesswire.com/news/home/20241211846138/en/Texas-Oil-Company-Asks-Federal-Court-to-Stop-Insurance-Companies-%24250-Million-Demand-for-Additional-Collateral>.

The aforementioned article states, “several states, including Texas, are challenging the BOEM rule [changing federal offshore financial assurance requirements,] and in one case they specifically cite W&T as an example of how the rule could be misused to irreparably harm energy producers.” In addition, the article fails to recognize that a Surety bond is fundamentally different from an insurance policy. Insurance is a contract of adhesion, while a surety bond is a three-party contract where all parties have a responsibility. Indemnity agreements are tools used by sureties to illustrate that the principal is primarily responsible for conducting their operations in compliance with the underlying law or regulations. When a surety demands collateral, it is to ensure that funds are available when claims are presented on the bond. If sureties are prevented from asking for collateral, they are likely to stop underwriting the riskiest bonds—particularly where the principal does not qualify without collateral, or where the regulatory environment increases the likelihood of claims. Preventing sureties from operating in this manner—as they have done since corporate suretyship began—would deprive operators of access to bonds from Treasury-listed companies.

On June 17, 2025, W&T announced a settlement with two of its largest Sompo Company surety providers (which together with W&T’s other major surety provider who did not attempt to increase premiums or call for collateral, represent almost 70% of the W&T Entities’ surety bond

portfolio; the agreement required the surety providers withdraw their current collateral demands and agree not to make additional collateral demands or increase premiums through December 31, 2026. The W&T Offshore press release announcing the settlement agreement is attached hereto as Appendix F.

The consolidated case remains pending between the W&T Entities and Sompco Companies, which did not settle. But on June 26, 2025, the U.S. District Court for the Southern District of Texas denied the Sompco Companies' Motion for Preliminary Injunction. Judge Palamero **rejected** the Sompco Companies' claim that they were entitled to an injunction requiring the W&T Entities:

(1) deposit cash collateral in the amount of \$93,665,179.00 with the U.S. Fire, such amount representing the amount that U.S. Fire deems sufficient to protect itself from loss in connection with certain bonds; (2) deposit cash collateral in the amount of \$11,343,949.00 with the Pennsylvania Insurance, such amount representing the amount that Pennsylvania Insurance deems sufficient to protect itself from loss in connection with certain bonds; (3) specifically perform their books and records obligations under the Indemnity Agreement by providing the Sureties with access to the books, records, and accounts of Plaintiffs, on an ongoing and continuing basis until all claims and liabilities in connection with the Bonds have been extinguished; and (4) not transfer, encumber or otherwise dissipate any of their assets until such time as they have posted the full amount of the collateral.

The U.S. District Court for the Southern District of Texas's Report and Recommendations rejecting these requests by the Sureties is attached hereto as Appendix G.

iv. Costs of and Time Required to Defend from Resulting Collateral and Premium Increases Add to Likelihood Operators Will Exit New Mexico Oil and Gas Industry

Answers have now been filed but discovery remains ongoing, with the parties agreeing to complete alternative dispute resolution and file dispositive motions by July 3, 2026, and other pretrial motions by July 31, 2026. The W&T Entities' Unopposed Motion for Entry of Docket Control Order ("DCO") and Order Governing Production of Electronically Stored Information, filed September 10, 2025, with those proposed orders as exhibits, is attached hereto as Appendix

H. The DCO reflects the case, filed at the end of 2024, will not proceed to trial until at least late summer or fall of 2026.

The consolidated lawsuits exemplify just how much time and money it takes for a principal like the W&T Entities to protect itself from collateral and premium increases, resources which not every operator will have. I anticipate small to mid-size operators and other independents smaller or more risk-averse than the W&T Entities will opt to exit New Mexico's oil and gas industry in the event they are faced with the increases similar to those faced by W&T.

2. Financial Burden of the Proposed Rules Will Affect the Entire Oil and Gas Industry But Targets Small and Medium-Sized Operators to the Point that They Will Be Forced Out of Business

Applicants propose increasing the individual well financial assurance amount to \$150,000 for: any active well not covered by a blanket bond under proposed 19.15.8.9(C)(1) NMAC; every inactive and temporarily abandoned well whether secured by blanket bond or separately under proposed 19.15.8.9(E)(1)-(2) NMAC; and any separately secured well not covered by a blanket bond under proposed 19.15.8.9(F) NMAC; every well if an operator has 15% or more marginal and/or inactive wells under 19.15.8.9(D)(3) NMAC; every marginal well that is the subject of a transfer under 19.15.8.9(D)(1) NMAC; and ultimately every marginal well starting in 2028 under proposed 19.15.8.9(D)(2) NMAC. The proposed amendments would also effectively remove the blanket bond alternative for inactive and temporarily abandoned wells by requiring any blanket assurance total to an average of \$150,000 per well secured under proposed 19.15.8.9(E)(2) NMAC.

In my opinion, only the largest of the operators will be able to meet this across-the-board mandate of \$150,000 in assurance for virtually every requirement to be secured under 19.15.8.9(A) NMAC. The changes will have serious and disparate effects on small to mid-size operators, with resulting cost increases to be felt across the entire private surety market, as described above, below

314 in Part III.C.1.iv., in Part III.A of my direct testimony,¹⁰ and in NMOGA operational expert Dan
315 Arthur's rebuttal testimony.¹¹

316 IPANM technical expert Robert Arscott illustratively explains that if an operator has eight
317 wells are highly productive, one is older with less production, and one is inactive, under the
318 Applicants' proposed requirements, if just one of the nine active wells became "marginal," the
319 bonding requirement would immediately increase to \$1,500,000, which would increase further
320 with future bond amount increases.¹²

321 The OCD Testimony and supporting PowerPoint exhibit confirm that the single well
322 financial Assurance bond amount of \$150,000 is a one-size-fits-all approach. This proposed
323 heightened individual well financial assurance requirement would affect operators' capital and
324 ability to invest in new production, particularly for smaller members. In addition, when higher
325 bond amounts are needed by operators, sureties will demand collateral, likely regardless of the
326 operator's size. But collateral demands will further strain small and medium-sized operators' cash
327 flow, working capital, and balance sheet, depending on the type of collateral chosen by the
328 operator. When that strain is severe, the surety will likely ask that the collateral be replaced.
329 Accordingly, the New Mexico Bond form, being non-cancelable bonds of that size, will most likely

¹⁰ NMOGA's Emerick Direct Testimony at 2-5.

¹¹ Rebuttal Testimony of Daniel Arthur, P.E., NMOGA Lead Technical Expert, *In the Matter of Proposed Amendments to 19.15.2, 19.15.5, 19.15.8, 19.15.9, and 19.15.25 NMAC*, No. 24683, OCC, Sept. 19, 2025 (hereinafter, "**NMOGA's Arthur Rebuttal Testimony**"), at 65-66 ("Different scales of impact, same fundamental problem. Smaller independents face existential threats, while larger operators must cut or delay investment. The common outcome is the same: fewer wells drilled, less production, reduced state revenues from severance and ad valorem taxes, and a chilling effect on long-term investment in New Mexico's oil and gas sector. Accordingly, the proposals will economically harm the entire industry, not just smaller companies and independents.").

¹² Direct Testimony of Robert Arscott, PhD., IPANM Technical Expert, *In the Matter of Proposed Amendments to 19.15.2, 19.15.5, 19.15.8, 19.15.9, and 19.15.25 NMAC*, No. 24683, OCC, Aug. 8, 2025 (hereinafter "IPANM's Arscott Direct Testimony"), at 7-8.

lead to underwriting reactions from sureties, including collateral demands and collateral replacement requests across the board, but most especially for small to medium-sized operators.¹³ I discuss these negative oil and gas industry wide effects in greater detail in Part III.C.1.iii. below.

B. How the Proposed Additions and Changes to the Definitions under 19.15.2.7 NMAC Affect Financial Assurance Requirements

It seems that Applicants propose to introduce new or amended definitions in 19.15.2.7 NMAC as a way to expand the coverage of the new financial assurance requirements they propose in 19.15.8.9 NMAC. Still, without ever expressly acknowledging that the definitions apply for purposes of financial assurance determinations, Applicants' experts' analysis of the definitions and the financial assurance requirements confirms as much. But as noted in NMOGA lead technical expert Dan Arthur's direct and rebuttal testimony, who specializes in regulatory compliance and onshore oil and gas operations, it is also unclear what scope and limits of applicability the newly defined terms, including "marginal" and "beneficial," would have regarding and beyond the proposed marginal well financial assurance requirements and presumptions of no beneficial use provision, respectively.¹⁴

Not expressly acknowledging that defined terms in 19.15.2.7 NMAC, as proposed or amended by Applicants (temporarily abandoned, expired temporarily abandoned, marginal well, and beneficial purposes/use), and now OCD (inactive well), dictate financial assurance determinations, and the limits of their application on other regulatory requirements, creates confusion regarding regulatory application. I fear that this could result in the full impact of these

¹³ *EMNRD OCD Overview of the Specific Rule Changes*, Exhibit 15 to Direct Testimony of OCD Deputy Director Brandon Powell, OCD Expert, In *the Matter of Proposed Amendments to 19.15.2, 19.15.5, 19.15.8, 19.15.9, and 19.15.25 NMAC*, No. 24683, OCC, Aug. 8, 2025 (amending slides 17 and 35 subsequently) (hereinafter "Exhibit 15 to OCD's Powell Direct Testimony"), at slide 3.

¹⁴ NMOGA's Arthur Direct Testimony at 5-7, 35-40; NMOGA's Arthur Rebuttal Testimony at n.1.

350 definitional changes on financial assurance requirements not being adequately considered during
351 this rulemaking proceeding, as well as subjective and/or disparate enforcement in the event the
352 proposed changes are promulgated and implemented, and with the risk of the Division's varying
353 offices and departments not consistently applying the same standards and thresholds.

354 ***1. The Proposed New Definition of Beneficial Purposes/Use Will Capture Productive***
355 ***and Viable Wells, Leading to Improper Assurance Amounts, and Resulting in***
356 ***Replacement or Collateral Demands***

357 Based on my industry experience, the proposed definition of "beneficial purposes/use"
358 would capture productive and viable wells, some of which would likely be misclassified as non-
359 beneficial. This would lead to improper bond amounts. I have reviewed the direct testimony filed
360 by NMOGA lead technical expert Dan Arthur, who concurs with me on this point: "By
361 misclassifying productive or strategically important wells as 'marginal' or 'non-beneficial,' the
362 rule creates new triggers that force wells into higher."

363 Sureties would take action by either asking to be replaced on the bond or demanding
364 collateral. Both actions place pressure on the operators and could impact drilling operations.
365 assurance categories or into plugging requirements, regardless of their actual utility.¹⁵

366 ***2. Overly Detailed Definitions Complicate Bonding and Insurance for All Parties***

367 The OCD's commentary overlooks the impact its proposals would have on the surety
368 industry's response. As definitions become more complex, operators will face greater difficulty in
369 meeting bonding requirements. Operators are the ones who must work directly with surety
370 providers—whether through agents, brokers, or direct writers—and they currently understand how
371 to navigate the existing framework. That predictability will disappear under the proposed rules.
372 The surety industry, whose model is built on avoiding losses, will take every precaution to

¹⁵ NMOGA's Arthur Rebuttal Testimony at 67.

minimize exposure. This will include demanding collateral, requiring replacement bonds, or even withdrawing from the New Mexico surety bond market altogether. Some sureties may respond on a case-by-case basis with individual principals or parent companies, while others may adopt a blanket, company-wide underwriting approach for every plugging bond in New Mexico. If the latter occurs, the result will be a far more restrictive and burdensome system for operators.

C. Proposed Changes to Financial Assurance Requirements under 19.15.8. NMAC

Applicants propose numerous changes to New Mexico's oil and gas financial assurance framework.¹⁶ Here, I will analyze the flaws in Applicants' and now OCD's position that current financial assurance requirements are inadequate as described in their direct testimony submissions, and the facts and factors their proposed witnesses and experts ignored. I will then end this section with my responsive recommendations.

1. Flaws in Applicants' and Now OCD's Position That Current Financial Assurance Requirements are Inadequate and Factors Ignored in Supportive Direct Testimony

I noted the following flaws and factors that were ignored in the Applicants' and OCD's direct testimony submissions concerning the adequacy of current financial assurance requirements.

i. Removes Risk-Based Individual Financial Assurance Determinations for Individual Well Coverage Requirements

Applicants propose to amend 19.15.8.9(C) NMAC to: remove the risk-based individual well bonding and instead require \$150,000 worth of financial assurance for each active well that is secured individually; and to remove the tiered blanket bonding based on the number of wells secured, and instead require \$250,000 of financial assurance if alternative blanket bonding is used, regardless of the number of active wells secured.¹⁷

¹⁶ WELC Prehearing Statement Exhibit 1-C.

¹⁷ WELC Prehearing Statement Exhibit 1-C.

Applicants further propose to modify inactive well financial assurance requirements under 19.15.8.9(E) NMAC by: expressly extending the requirements to pending, approved, or expired temporarily abandoned wells; removing the risk-based individual well bonding and instead requiring \$150,000 worth of financial assurance for each inactive or temporarily abandoned well that is secured individually; and removing the tiered blanket bonding based on the number of wells secured, and instead require \$250,000 of financial assurance if alternative blanket bonding is used, regardless of the number of inactive or temporarily abandoned wells secured.¹⁸ I found the direct testimony of NMOGA operational expert Dan Arthur and plugging and abandonment expert Harold McGowen confirming that the statutorily set forth factors of depth and other well characteristics are most indicative of the cost to decommission a certain well. Applicants' removal of that existing risk-based structure, to impose an across-the-board \$150,000 financial assurance requirement for essentially all wells, as I explain in Part III.B.2. above, is not only counter intuitive but also shortsighted considering the effects I anticipate, and which have already been experienced by small to mid-sized and independent operators in other jurisdictions, which I explain above in Part III.A.1.ii.-iii., above.

ii. Blanket Bonds Function as Intended

These proposals would also effectively eliminate blanket bonds by requiring that each well covered carry \$150,000 of assurance, functionally the same as requiring per-well bonding. I concur with NMOGA technical expert Dan Arthur; in our experience, blanket bonds have served their intended purpose to provide adequate coverage while offering operators and OCD flexibility to manage changing well inventories.¹⁹ The old adage if it's not broke, don't fix it rings true here,

¹⁸ WELC Prehearing Statement Exhibit 1-C.

¹⁹ NMOGA's Arthur Rebuttal Testimony at 56-57.

especially considering the increased costs to operators and the agency that would flow from essentially limiting the use of blanket bonds by New Mexico oil and gas operators.

iii. Applicants and the Agency Should Not Be Allowed to Rely on LFC Decommissioning Averages Because Industry Can Plug, Abandon, and Remediate Wells Faster and Cheaper Than OCD

I also found persuasive Mr. Arthur's analysis of Applicants' and OCD's reliance on the LFC Report's averages to justify their proposed increases, but those averages reflect OCD's procurement process, not industry reality.²⁰ Just like Mr. Arthur has experienced, I am aware that most wells can be plugged and abandoned for \$40,000–\$60,000, or less—less than half the \$150,000 figure Applicants would require for every inactive, temporarily abandoned, marginal, or even active well.²¹ The LFC itself acknowledges that: (i) OCD does not negotiate or develop internal price estimates but relies solely on vendor submissions, which inflates averages and undermines the credibility of using those figures to set financial assurance levels; and (ii) “OCD does not negotiate or develop its own internal price estimates for plugging and remediation work but instead relies on the approved vendors to submit estimates.”²² These facts undermine the Applicants', and now the OCD's reliance on LFC Report averages to justify higher bonding.

iv. The Private Surety and Insurance Industries are Not Ready or Equipped to Respond to the Proposed Changes, Which Will Harm the Entire Oil and Gas Industry, Not Just Small Operators

As I explain in Part III.A. above and in Part A of my direct testimony,²³ the current surety market is not equipped to absorb the influx of private financial assurance demands that would

²⁰ NMOGA's Arthur Rebuttal Testimony at 58.

²¹ NMOGA's Arthur Rebuttal Testimony at 58.

²² LFC Report at 28.

²³ NMOGA's Emerick Direct Testimony at 2-5.

follow adoption of the proposed rules. Because operators' financial profiles do not typically change dramatically, sureties are highly sensitive to sudden increases in bond amounts or regulatory shifts. When faced with such changes, sureties protect themselves by demanding significant collateral—not only for new assurances but also for existing bonds. These heightened collateral requirements and compliance costs will, in turn, drive premature well plugging, reduce competition, and diminish economic activity and revenue to the State of New Mexico.

Mr. Arthur explains how larger operators also face significant financial and operational burdens that have the potential to affect drilling schedules, capital allocation, and long-term investment.²⁴

Different scales of impact, same fundamental problem. Smaller independents face existential threats, while larger operators must cut or delay investment. The common outcome is the same: fewer wells drilled, less production, reduced state revenues from severance and ad valorem taxes, and a chilling effect on long-term investment in New Mexico's oil and gas sector. Accordingly, the proposals will economically harm the entire industry, not just smaller companies and independents.²⁵

Accordingly, the proposals will economically harm the entire industry, not just smaller companies and independents.

2. Responsive Financial Assurance Recommendations and Alternatives

Considering my analysis above and in response to the direct testimony filed by Applicants and OCD, and the proposals contained therein, I recommend the following balanced alternatives that honor the spirit of Applicants' rulemaking proceeding while adequately considering and addressing industry's interests and concerns regarding implementation.

i. Phased or Risk-Based Assurance Increases

²⁴ NMOGA's Arthur Rebuttal Testimony at 65.

²⁵ NMOGA's Arthur Rebuttal Testimony at 65.

I concur with Mr. Arthur's suggestion to implement phased or risk-based bonding increases rather than immediate one-size-fits-all requirements that apply the: (a) same \$150,000 level of individual well financial assurance to inactive wells under proposed 19.15.8.9(E) NMAC, "marginal well" under proposed 19.15.8.9(D) NMAC, and active wells under proposed 19.15.8.9(C) NMAC; and (b) the same \$250,000 blanket financial assurance amount to any number of both inactive or active wells. This will normalize the bonding situations and not force the surety industry to change collateral and replacement options. This will encourage keeping the surety industry supportive of the New Mexico bond.

ii. Other Alternative Forms of Financial Assurance Not Considered by Applicants

Additionally, within the list of approved categories of financial assurance, other alternative forms of financial assurance could be authorized. Under the overhauled federal offshore oil and gas regime overseen by the U.S. Department of the Interior Bureau of Land Management's offshore counterpart and leasing agency, the Bureau of Ocean Energy Management ("BOEM"), acceptable forms of financial assurance guaranteeing plugging and abandonment of wells on federal offshore leases include decommissioning trust accounts and third-party guarantees.²⁶ These forms of assurance had been used by industry, and BOEM codified their use under their regulations in 2024.

Decommissioning accounts overseen by trustees, where operators are allowed to make incremental deposits over time to build up towards larger required financial assurance amounts over time. Trust accounts can be more secure than the surety bonds and insurance policies currently

²⁶ See 30 CFR §§ 556.904-905; 89 Fed. Reg. 31595, 31544, 31555-56 (Apr. 24, 2024), <https://www.federalregister.gov/documents/2024/05/31/2024-11914/risk-management-and-financial-assurance-for-ocs-lease-and-grant-obligations-correction>.

482 allowed because the account holds actual funds in the event of an operator's default. In contrast,
483 for traditional financial assurance, there is always the risk that the surety may not be able to satisfy
484 the obligation when its secondary liability is triggered in the event of operator default. The LFC
485 Report acknowledges that the use of trust accounts is a viable alternative used by other states, as
486 well, including Louisiana, and for certain operators in Colorado.²⁷

487 Under the Code of Federal Regulations Title 30, Chapter V, Subchapter B, Part 556, Section
488 900, Subsection (g), alternative financial assurance, the operator must monitor the value to ensure
489 that the security “protects the interests of the United States to the same extent as a Surety Bond.”²⁸
490 It is clear that surety bonds are the preferred type of financial assurance, as they should be in New
491 Mexico, and their workability by the private surety market should be prioritized as such.

492 *iii. Only Requiring Additional Financial Assurance Where the Amount*
493 *Currently on File Does Not Cover the Estimated Cost for the Industry to*
494 *Decommission the Well*

495 Under 30 C.F.R. Section 556.901(c), it states, “can satisfy your decommissioning and other
496 lease obligations for less than the [base] amount of financial assurance required...the Regional
497 Director may accept financial assurance in an amount less than the prescribed amount but not less
498 than the amount of the cost for decommissioning.” If a federal offshore lease, right-of-way, or
499 right-of-use and easement’s decommissioning costs are not fully covered by the base
500 bonding/assurance on file, then BOEM is authorized to demand supplemental financial assurance
501 from an operator to cover the difference in current coverage and decommissioning obligations for
502 a given asset, unless the operator has: (1) an investor-grade credit rating as issued by a Nationally

²⁷ LFC Report at 36.

²⁸ 30 C.F.R. § 556.900(g).

Recognized Standards and Ratings Organization (“NRSRO”), like Moody’s²⁹ or S&P 500 and Fitch;³⁰ (2) a proxy credit rating determined by BOEM reflecting creditworthiness equivalent to an investment-grade credit rating; (3) their co-lessee or co-grantee has an investment-grade NRSRO or proxy credit rating; or (4) specific to federal offshore leases, if the proven value of the reserves is at least three times as much as the estimated decommissioning cost. 30 C.F.R. 556.901(d)(1)-(4).

I see no parallel provisions in the New Mexico rule changes. I agree with NMOGA plugging and abandonment expert Harold McGowen that a recommended alternative to a standard requirement could be to instead base any additional assurance amounts demanded by OCD on the actual cost to decommission by a regulated party. I recommend a provision similar to BOEM’s 30 C.F.R. 30 C.F.R. Section 556.901(c), allowing the agency to deviate from standard requirements where the assurance on file already covers the full cost of decommissioning. I further recommend adopting exemptions from supplementary decommissioning financial assurance requirements where reserves being produced or the interest holder’s or holders’ credit worthiness sufficiently secures decommissioning obligations, like BOEM does under 30 C.F.R. § 556.901(d)(1)-(4).

IV. CONCLUSION

The Applicants’ proposals promise certainty but would, in practice, destabilize New Mexico’s financial-assurance system. The record shows that (1) the private surety market is not positioned to absorb across-the-board increases and new categories of heightened assurance; (2) New Mexico’s non-cancelable bond requirement magnifies underwriting risk and triggers collateral demands; and (3) sureties operate to a zero-loss ratio, meaning any regulatory change

²⁹ Baa3 or higher on a scale from Aaa (highest quality, extremely strong capacity) to C (junk bonds, default, etc.).

³⁰ BBB- or higher on a scale from AAA (highest quality, extremely strong capacity) to D (junk bonds, default, etc.).

that increases the likelihood of bond calls will be met with replacement demands, collateralization, or market withdrawal. The experience in federal offshore—illustrated by the W&T litigation—confirms that when rules tighten rapidly, sureties respond by demanding additional collateral even on existing instruments, precipitating disputes, tying up operator capital, and shrinking bonding capacity.

The definitional changes proposed for 19.15.2.7 NMAC would function as de facto triggers for higher bonding under 19.15.8 NMAC. Terms such as “marginal,” “inactive,” and “beneficial use” would broaden the population of wells swept into elevated categories without clear limiting principles, inviting inconsistent enforcement and unintended consequences. At the same time, reliance on LFC decommissioning averages ignores how industry actually plugs and abandons wells and overlooks OCD’s own procurement effects that inflate those averages. The result is a one-size-fits-all \$150,000 figure that bears little relation to risk, penalizes efficient operators, and renders blanket bonds effectively unusable.

New Mexico already has a functional, risk-based framework—individualized well bonding keyed to well characteristics and tiered blanket bonds—that aligns security with risk and preserves liquidity to fund responsible operations and timely plugging. Replacing that structure with uniform, elevated assurance will reduce competition, accelerate premature plugging, constrain investment, and depress state revenues—harms that fall first and hardest on small and mid-sized operators but ultimately impair the entire industry.

V. RECOMMENDATIONS

Based on my review of the prehearing statements and the direct testimony from the parties, I recommend the following:

1. **Retaining risk-based bonding and tiered blanket bonds.** These tools match security

547 to risk and provide predictable, workable access to surety capacity.

548 2. **Phase in any increases and keep them risk-based.** Avoid mid-term shocks that trigger
549 collateral calls on existing instruments, particularly under New Mexico's non-
550 cancelable bond regime.

551 3. **Adopt a BOEM-style safety valve (30 C.F.R. § 556.901(c)).** Allow the Division to
552 deviate from prescribed amounts where the operator demonstrates that the amount on
553 file at least equals the estimated decommissioning cost.

554 4. **Adopt exemptions from supplementary decommissioning financial assurance**
555 **requirements where reserves being produced or interest holder's or holders' credit**
556 **worthiness sufficiently secures decommissioning obligations, like BOEM does (30**
557 **C.F.R. § 556.901(d)(1)-(4)).** Allow consideration of the value of the reserves the well
558 is producing and/or the creditworthiness of the operator or its other co-interest holders
559 in the well, if applicable.

560 5. **Authorize additional, proven assurance forms.** Permit decommissioning trust
561 accounts and third-party guarantees (with appropriate safeguards) to diversify capacity
562 while protecting the State.

563 6. **Clarify the scope and effect of new definitions.** If any definitional amendments are
564 adopted, specify their limited application to avoid open-ended financial-assurance
565 triggers and ensure consistent statewide administration.

566 That concludes my rebuttal testimony on behalf of the New Mexico Oil and Gas
567 Association.

SIGNATURE PAGE

I hereby affirm that the statements, analyses, and opinions contained in this report are true and accurate to the best of my knowledge and belief. This report has been prepared in a manner consistent with generally accepted professional and engineering standards.

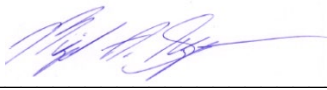
Prepared by:

Signature: Douglas R. Emerick **Date:** September 18, 2025

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Dated this 19th day of September, 2025.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served to counsel of record via EMNRD's CentreStack Platform this 19th day of September 2025, as follows:

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APPENDIX A

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

SURETY BOND

- ☐ SINGLE WELL PLUGGING [19.15.8.9(C)(1); 19.15.8.9(D)(1) NMAC]
- ☐ BLANKET PLUGGING [19.15.8.9(C)(2) NMAC; 19.15.8.9(D)(2) NMAC]
- ☐ RECYCLING FACILITY OR CONTAINMENT [19.15.34.15 NMAC]
- ☐ SURFACE WASTE MANAGEMENT FACILITY [19.15.36.11 NMAC]
- ☐ WQCC DISCHARGE PERMIT (EXCLUDING UIC WELLS) [20.6.2.3107.A(11) NMAC]
- ☐ WQCC DISCHARGE PERMIT FOR UIC CLASS I, III, and V INJECTION WELLS [20.6.2.5006 NMAC; 20.6.2.5210.B(17) NMAC; 20.6.2.5320 NMAC; 20.6.2.5342(A)(1) NMAC; 20.6.2.5361(A)(3) NMAC; 20.6.2.5362(A)(3) NMAC; 20.6.2.5363 NMAC]
- ☐ ABATEMENT PLAN [19.15.30.11(C) NMAC; 20.6.2.4104(C) NMAC]

BOND NUMBER _____

BOND AMOUNT _____

FINANCIAL INSTITUTION _____

OPERATOR/PRINCIPAL _____

OGRID NUMBER _____

WELL/FACILITY _____

TYPE OF WELL [☐ Active [☐ Inactive [☐ Approved Temporary Abandonment]

WELL DEPTH _____

LOCATION Section [_____] Township [_____] Range [_____]

County [_____]

API/ PERMIT NUMBER _____

KNOW ALL MEN BY THESE PRESENTS:

That _____, (an individual – **if dba must read – Example: John Doe dba ABC Services**) (a general partnership) (a corporation) (limited liability company) (limited partnership) organized in the State of _____, and authorized to do business in the State of New Mexico), as PRINCIPAL, and _____, a corporation organized and existing under the laws of the State of _____ and authorized to do business in the State of New Mexico, as SURETY, are firmly bound unto the State of New Mexico, for the use and benefit of the Oil Conservation Division of the Energy, Minerals and Natural Resources Department (or successor agency) (the DIVISION), pursuant to NMSA 1978, Section 70-2-14, as amended, in the sum of \$ _____, for the payment of which the PRINCIPAL and SURETY hereby bind themselves, their successors, and assigns, jointly and severally, firmly by these presents.

The conditions of this obligation are one of the following:

1. WHEREAS, the PRINCIPAL has commenced or may commence the drilling of one well to a depth not to exceed _____ feet, to prospect for and/or produce oil or gas, carbon dioxide gas, helium gas, or brine minerals, or as an injection or other service well related to such exploration or production, or owns or operates, or may acquire, own, or operate such well, the identification and location of said well being:
 _____ API No. 30- _____,
 (Name of Well)
 located _____ feet from the (North/South) line and _____ feet from the (East/West) line of Section _____, Township _____ (North) (South), Range _____ (East) (West), NMPM, _____ County, New Mexico.
2. WHEREAS, the PRINCIPAL has heretofore or may hereafter enter into the collection, disposal, evaporation, remediation, reclamation, treatment or storage of produced water, drilling fluids, drill cuttings, completion fluids, contaminated soils, Basic Sediment & Water, tank bottoms, waste oil or other oil field related waste in Section _____, Township _____, Range _____, NMPM, County _____, New Mexico.

3. The OPERATOR/PRINCIPAL(APPLICANT/PERMITTEE) has or may enter into the collection, treatment, storage, recycling, and re-use of produced water in Section_____, Township _____, Range _____, NMPM, County _____, New Mexico ("Facility"). ISSUER has been advised that OPERATOR/PRINCIPAL has requested this Bond as security for OPERATOR/PRINCIPAL's compliance with all laws and rules applicable to such activities, including, but not limited to, proper closing and remediation of the Facility.

NOW, THEREFORE, if the PRINCIPAL and SURETY or either of them, or their successors or assigns or any of them, shall cause said well be properly plugged and abandoned when dry or when no longer productive or useful for other beneficial purpose, in accordance with the rules and orders of the DIVISION, Oil Conservation Commission, or a court of competent jurisdiction, including but not limited to 19.15.8.9 and 19.15.25.10 NMAC, as such rules now exist or may hereafter be amended;

THEN AND IN THAT EVENT, this obligation shall be null and void; otherwise and in default of complete compliance with any and all of said obligations, the same shall remain in full force and effect.

PRINCIPAL

SURETY

Address

Address

By _____
Signature

Attorney-in-Fact

Title

Corporate surety, affix Corporate seal below:

IF PRINCIPAL is a corporation, affix Corporate Seal below:

ACKNOWLEDGMENT FOR INDIVIDUAL

(If dba, must read – Example: John Doe dba Well Services)

State of _____)
SS.

County of _____)

This instrument was acknowledged before me on this _____ day of _____,

20____, by _____.
(Name of Individual)

Notary Public

SEAL

My Commission Expires:

**ACKNOWLEDGMENT FOR PARTNERSHIP, CORPORATION, OR LIMITED
LIABILITY COMPANY**

State of _____)
SS.

County of _____)

This instrument was acknowledged before me on this _____ day of _____,

20____, by _____ of
(Capacity, e.g., partner, president, manager, member, company)

(Name of Partnership, corporation, or limited liability company)

Notary Public

SEAL

My Commission Expires:

ACKNOWLEDGMENT FOR CORPORATE SURETY

State of _____)
SS.
County of _____)

This instrument was acknowledged before me on this _____ day of _____,

20 _____, by _____ of
(Name of Attorney-in-Fact)

(Name of Corporate Surety)

Notary Public

SEAL

My Commission Expires:

CORPORATE SURETY ATTACH
POWER OF ATTORNEY

APPROVED BY:
OIL CONSERVATION DIVISION OF
NEW MEXICO

By _____

Date _____



Instructions for Providing a Bond Rider (9/8/2021)

To provide a rider to a bond (or letter of credit) that is already in place, contact the financial institution who issued the original assurance. Have them provide an original letter to the OCD by regular or overnight mail (not by email) on the institution's letterhead which minimally contains the following:

The name of the bonded company

The original bond number, type, and amount

The amount being added or reduced

The date the rider is effective

The rider must be notarized and contain the signature of one or more authorized officer of the financial institution.

If the name of your company is changing, all existing financial assurance must be re-issued in the new name of the company rather than by issuance of a rider. You also must have a previously approved form C-146 for an operator name change that was filed using OCD's electronic permitting system.

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

CASH BOND

- ☐ SINGLE WELL PLUGGING [19.15.8.9(C)(1); 19.15.8.9(D)(1) NMAC]
- ☐ BLANKET PLUGGING [19.15.8.9(C)(2) NMAC; 19.15.8.9(D)(2) NMAC]
- ☐ RECYCLING FACILITY OR CONTAINMENT [19.15.34.15 NMAC]
- ☐ SURFACE WASTE MANAGEMENT FACILITY [19.15.36.11 NMAC]
- ☐ WQCC DISCHARGE PERMIT (EXCLUDING UIC WELLS) [20.6.2.3107.A(11) NMAC]
- ☐ WQCC DISCHARGE PERMIT FOR UIC CLASS I, III, and V INJECTION WELLS
[20.6.2.5006 NMAC; 20.6.2.5210.B(17) NMAC; 20.6.2.5320 NMAC; 20.6.2.5342(A)
(1) NMAC; 20.6.2.5361(A)(3) NMAC; 20.6.2.5362(A)(3) NMAC; 20.6.2.5363 NMAC]
- ☐ ABATEMENT PLAN [19.15.30.11(C) NMAC; 20.6.2.4104(C) NMAC]

BOND NUMBER _____

BOND AMOUNT _____

FINANCIAL INSTITUTION _____

OPERATOR/PRINCIPAL _____

OGRID NUMBER _____

WELL/FACILITY _____

TYPE OF WELL [] Active [] Inactive [] Approved Temporary Abandonment

WELL DEPTH _____

LOCATION Section [] Township [] Range []
County []

API/ PERMIT NUMBER _____

1. _____ (“Operator/Principal”),¹
whose mailing address is _____,
_____ and who is authorized to do business in the State of New Mexico, submits this Cash
Bond in the sum of _____ Dollars (\$_____.00), to
the Oil Conservation Division (“OCD”) of the New Mexico Energy, Minerals and Natural Resources
Department (or successor agency).

2. Operator/Principal represents and warrants that it has deposited the specified amount in a Cash
Bond on behalf of OCD with _____
 (“Financial Institution”) in Account Number _____ (“Account”).

3. Operator/Principal and Financial Institution have executed the attached collateral assignment
of the Account to OCD which provides that only OCD may authorize withdrawals from the Account prior to
its release in accordance with paragraph 5.

4. This Cash Bond secures Operator/Principal's obligations under the applicable statutes and
rules in effect on the date of execution and as may thereafter be adopted, including the plugging and
abandonment of wells and the operation and closure of wells and facilities, including abatement, remediation,
reclamation, restoration, monitoring, and post-closure care, as applicable.

5. This Cash Bond shall remain in effect until released by OCD upon a determination that
Operator/Principal has complied with the obligations stated herein.

6. This Cash Bond shall be forfeited in accordance with the applicable procedures if OCD
determines that Operator/Principal failed to comply with an obligation hereunder.

7. OCD reserves the right to demand reimbursement from Operator/Principal or its successors,
heirs, or personal representatives if this Cash Bond is less than the actual cost incurred by OCD to plug and
abandon a well or close a facility, including remediation, reclamation, and restoration, as applicable in
accordance with the Oil and Gas Act, NMSA 1978, § 70-2-1 et seq.

¹ If the Operator/Principal is an individual doing business as an entity, state the individual's name and the entity, e.g.,
John Doe dba ABC Services.

8. The signatory represents and warrants that he/she has the authority execute this Cash Bond and to obligate Operator/Principal.

OPERATOR/PRINCIPAL

Name Date: _____

Position

Entity

ACKNOWLEDGMENT

State of _____)
SS
County of _____)

This instrument was acknowledged before me by _____ on behalf of
_____, this _____ (Date).

Notary Public

My Commission Expires:

APPROVED BY:

Bond Administrator
New Mexico Oil Conservation Division

Date: _____

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

ASSIGNMENT OF CASH COLLATERAL

BOND NUMBER _____

BOND AMOUNT _____

FINANCIAL INSTITUTION _____

OPERATOR/PRINCIPAL _____

OGRID NUMBER _____

WELL/FACILITY _____

TYPE OF WELL ☐ Active ☐ Inactive ☐ Approved Temporary Abandonment

WELL DEPTH _____

LOCATION Section Township Range
County

API/ PERMIT NUMBER _____

1. _____ (“Operator/Principal”),
whose mailing address is _____,
_____ and who is authorized to do business in the State of New Mexico, has
deposited _____ Dollars (\$_____)
in Account No. _____ (“Account”) with _____
_____ (Financial Institution), a federally insured financial institution located in
the state of New Mexico at _____,
_____ to secure Cash Bond No. _____.

2. Financial Institution shall hold the Account in trust for the Oil Conservation Division ("Division") of the Energy, Minerals and Natural Resources Department (or successor agency).

3. Operator/Principal assigns all right, title, and interest in the Account to the Division.

4. The Division may use the Account to satisfy any purpose or obligation under the applicable law for which Operator/Principal posted the Cash Bond.

5. The Division in its sole discretion may order Financial Institution to distribute the Account in any amount to any person, including the Division, without the consent of Operator/Principal.

6. Operator/Principal retains no right, title, or interest in the Account, except the right to interest, if any, and the return of the Account or such balance as exists following the Division's release of the Cash Bond or portion thereof.

7. Financial Institution shall not assign, transfer, pledge, or distribute the Account except upon the receipt of written notification from the Division or a court order entered in a proceeding to which the Division is a party.

8. Financial Institution waives all statutory and common law claims, liens, and rights, including set-off and recoupment, against the Account.

9. This Assignment of Cash Collateral shall be governed by the laws of the State of New Mexico.

10. The signatories represents and warrants that they have the authority execute this Assignment of Cash Collateral and to bind Operator/Principal and Financial Institution, as applicable. If the officer executing this Assignment of Cash Collateral on behalf of Financial Institution is not the President, Vice President, or Branch Manager, the Board of Directors of

Financial Institution has certified and attached hereto a resolution approving such officer to execute this instrument on its behalf.

OPERATOR/PRINCIPAL

Name _____ Date: _____

Position

Entity

ACKNOWLEDGMENT OF OPERATOR/PRINCIPAL

State of _____)
SS.
County of _____)

This instrument was acknowledged before me by _____

on behalf of _____, this _____

_____ (Date).

Notary Public

My Commission Expires:

Name

Position

Page 4 of 4

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

LETTER OF CREDIT

- ☐ SINGLE WELL PLUGGING [19.15.8.9(C)(1); 19.15.8.9(D)(1) NMAC]
- ☐ BLANKET PLUGGING [19.15.8.9(C)(2) NMAC; 19.15.8.9(D)(2) NMAC]
- ☐ RECYCLING FACILITY OR CONTAINMENT [19.15.34.15 NMAC]
- ☐ SURFACE WASTE MANAGEMENT FACILITY [19.15.36.11 NMAC]
- ☐ WQCC DISCHARGE PERMIT (EXCLUDING UIC WELLS) [20.6.2.3107.A(11) NMAC]
- ☐ WQCC DISCHARGE PERMIT FOR UIC CLASS I, III, and V INJECTION WELLS [20.6.2.5006 NMAC; 20.6.2.5210.B(17) NMAC; 20.6.2.5320 NMAC; 20.6.2.5342(A)(1) NMAC; 20.6.2.5361(A)(3) NMAC; 20.6.2.5362(A)(3) NMAC; 20.6.2.5363 NMAC]
- ☐ ABATEMENT PLAN [19.15.30.11(C) NMAC; 20.6.2.4104(C) NMAC]

BOND NUMBER

BOND AMOUNT

FINANCIAL INSTITUTION

OPERATOR/PRINCIPAL

OGRID NUMBER

WELL/FACILITY

TYPE OF WELL

[] Active [] Inactive [] Approved Temporary Abandonment

WELL DEPTH

LOCATION

Section [] Township [] Range []

County []

API/ PERMIT NUMBER

1. _____ (“Financial Institution”),
a national or state chartered banking association, establishes this irrevocable Letter of Credit on
behalf of _____ (“Operator/ Principal”) for _____
the use and benefit of the Oil Conservation Division (“OCD”) of the Energy, Minerals and Natural
Resources Department (or successor agency), in the sum of _____ Dollars
(\$ _____), with an effective date of _____.

2. Operator/Principal has requested Financial Institution to issue this irrevocable
Letter of Credit to OCD to secure Operator/Principal’s obligations under the applicable statutes
and rules in effect on the date of execution and as may thereafter be adopted, including the
plugging and abandonment of wells and the operation and closure of wells and facilities,
including abatement, remediation, reclamation, restoration, monitoring, and post-closure care, as
applicable.

3. This Letter of Credit is irrevocable for the specified term and shall not expire
earlier than such term unless released in writing by OCD.

4. Based on the effective date of this irrevocable Letter of Credit, the initial 5-
year term will automatically renew on _____ unless notice of non-renewal is
provided to the OCD pursuant to Paragraph 7 of this Letter of Credit.

5. Financial Institution shall make available such amount from the Letter of Credit as
requested by OCD no later than 5:00 p.m. on the second business day following Financial
Institution’s receipt of OCD’s sight draft and certificate in compliance with this Letter of Credit.

6. OCD may present a sight draft and certificate for the full amount of the Letter of
Credit or any lesser amount in its sole discretion, provided that the aggregate amount of the sight
drafts and certificates do not exceed the full amount of the Letter of Credit.

7. Except for a Letter of Credit provided pursuant to 20.6.2.5210(B)(17) NMAC, this
Letter of Credit shall be automatically renewed for a term of five years commencing on the

expiration of the specified term unless Financial Institution provides written notification of non-renewal to OCD no later than: (a) for single well or blanket plugging or abatement plan, thirty (30) days; (b) for recycling facilities or containments, ninety (90) days; or (c) for surface waste management facilities, one hundred twenty (120) days, prior to the expiration date of the specified term.

8. This Letter of Credit shall be forfeited to OCD if Operator/Principal fails to furnish financial assurance and obtain OCD approval no later than: (a) for single well or blanket plugging or abatement plan, thirty (30) days; (b) for recycling facilities or containments, ninety (90) days; or (c) for surface waste management facilities, one hundred twenty (120) days, prior to the expiration date of the specified term.

9. This Letter of Credit shall be forfeited in accordance with the applicable procedures if OCD determines that Operator/Principal failed to comply with an obligation hereunder.

10. OCD reserves the right to demand reimbursement from Operator/Principal or its successors, heirs, or personal representatives if this Letter of Credit is less than the actual cost incurred by OCD to plug and abandon a well or close a facility, including remediation, reclamation, and restoration, as applicable, in accordance with the Oil and Gas Act, NMSA 1978, § 70-2-1 et seq.

11. Financial Institution shall give prompt notice to OCD and Operator/Principal of any notice received or action filed alleging the insolvency or bankruptcy of Financial Institution or alleging any violation of a regulatory requirement that could result in the suspension or revocation of Financial Institution's charter or license to do business.

12. This Letter of Credit shall be governed by the laws of the State of New Mexico, and to the extent not inconsistent with such laws, the most recent version of the Uniform Customs & Practices for Documentary Credits issued by the International Chamber of Commerce.

13. All notices and communications regarding this Letter of Credit shall be sent by certified mail – return receipt requested to:

OCD

Bond Administrator
1220 S. St. Francis Drive
Santa Fe, NM 87505

OPERATOR/PRINCIPAL

*(Insert Contact Person and
address)*

FINANCIAL INSTITUTION

*(Insert Contact Person and
address)*

14. The signatories represent and warrant that they have the authority execute
this Letter of Credit.

OPERATOR/PRINCIPAL

Name Date: _____

Position

Entity

ACKNOWLEDGMENT

State of _____)
SS
County of _____)

This instrument was acknowledged before me by _____ on behalf of
_____, this _____ (Date)
Name

Notary Public

My Commission Expires:

EXHIBIT A

SIGHT DRAFT

TO: _____

PAY TO THE ORDER OF: OIL CONSERVATION DIVISION, ENERGY, MINERALS &
NATURAL RESOURCES DEPARTMENT

THE AMOUNT OF: _____ DOLLARS (\$ _____)

AT THE FOLLOWING ADDRESS: Oil Conservation Division
New Mexico Energy, Minerals, and
Natural Resources Department
1220 South St. Francis
Santa Fe, New Mexico 87505

By: _____ Date: _____

EXHIBIT B
CERTIFICATE

_____, a duly authorized representative of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department (“OCD”), certifies that (1) the sight draft for _____ Dollars (\$ _____) under Letter of Credit No. _____ (“Letter of Credit”) issued by _____ on _____, is duly authorized by the Oil and Gas Act, NMSA 1978, Section 70-2-1 et seq., and OCD’s rules; (2) the sum of the sight draft and any other amounts previously drawn under the Letter of Credit do not exceed its face amount; and (3) OCD has directed the forfeiture of the Letter of Credit.

By: _____ Date: _____

APPENDIX B

NOW INTO COURT, through undersigned counsel, come W&T Offshore, Inc. (“W&T Offshore”) and W&T Energy VI, LLC (“W&T Energy,” and collectively with W&T Offshore, “W&T”), who seek declaratory relief against Endurance Assurance Corporation (“Endurance”) and Lexon Insurance Company (“Lexon,” and collectively with Endurance and Lexon, the “Sompo Sureties”). As described in greater detail below, years ago W&T obtained government-required surety bonds from the Sompo Sureties to secure decommissioning obligations that W&T may have with respect to certain oil and gas assets that W&T owns and/or operates in federal waters. The Sompo Sureties have recently made unreasonable demands that W&T post collateral to secure the bond obligations.

JURISDICTION AND VENUE

1. This Court has jurisdiction over this civil action pursuant to 28 U.S.C. § 1331 and 43 U.S.C. § 1349, as this dispute arises out of and would not exist but for operations conducted on the Outer Continental Shelf.

2. The surety bonds and related indemnity agreement that are at issue in this civil action were issued in connection with operations conducted on the Outer Continental Shelf.

3. The dispute existing between W&T, on the one hand, and the Sompo Sureties, on the other, would not exist but for the operations conducted on the Outer Continental Shelf.

4. Venue is proper in this Court pursuant to 28 U.S.C. § 1391(b)(2). The agreement between the parties provides that: (i) the place of performance is Harris County, Texas and (ii) the exclusive venue and jurisdiction for any disputes arising under that agreement lies with the federal and state courts sitting in Harris County, Texas.

5. This civil action seeks declaratory relief pursuant to 28 U.S.C. § 2201 and Rule 57 of the Federal Rules of Civil Procedure for the purpose of determining questions of actual controversy between W&T, on the one hand, and the Sompo Sureties, on the other hand.

THE PARTIES

6. W&T Offshore is a corporation organized under the laws of the State of Texas with its principal place of business located in Houston, Texas.

7. W&T Energy is a limited liability company organized under the laws of the State of Delaware, with its principal place of business located in Houston, Texas.

8. Endurance is a corporation organized under the laws of the State of Delaware, with its principal place of business located in Mt. Juliet, Tennessee.

9. Lexon is a corporation organized under the laws of the State of Texas, with its principal place of business located in Mt. Juliet, Tennessee.

BACKGROUND

The Offshore Regulatory Environment

10. In 1953, the United States Congress enacted the Outer Continental Shelf Lands Act (“OCSLA” or the “OCS Lands Act”). 43 U.S.C. § 1331 *et seq.*

11. In the OCS Lands Act, Congress affirmed that the United States has exclusive control over the Outer Continental Shelf. OCSLA defines the Outer Continental Shelf to be “all submerged lands” beyond the lands reserved to the States, in the Submerged Lands Act, 43 U.S.C. § 1301 *et seq.*, up to the edge of the jurisdiction of the United States. *Id.* § 1331 (a).

12. The OCS Lands Act sets forth a comprehensive scheme for the leasing and development of resources on the Outer Continental Shelf. 43 U.S.C. §§ 1334-54.

13. OCSLA specifically authorizes the Secretary of the United States Department of the Interior (the “Secretary”) to issue regulations to administer the Outer Continental Shelf for mineral development. 43 U.S.C. § 1334.

14. Compliance with the regulations issued by the Secretary is a condition of “[t]he issuance and continuance of any OCSLA lease.” 43 U.S.C. § 1334 (b).

15. The Secretary established the Bureau of Ocean Energy Management (“BOEM”) to carry out conventional and renewable energy-related functions on the Outer Continental Shelf. Dep’t of the Interior Secretarial Ord. 3299 (May 19, 2010).

16. Order 3299 also established the Bureau of Safety and Environmental Enforcement (“BSEE”). Dep’t of the Interior Secretarial Ord. 3299 (May 19, 2010)

17. BSEE and BOEM work together to, *inter alia*, protect the United States from incurring financial losses associated with the decommissioning facilities and other structures placed on the Outer Continental Shelf in conjunction with the development of the mineral and/or energy resources.

18. BOEM is responsible for managing the development of offshore energy and mineral resources in an environmentally and economically responsible manner.

19. BSEE provides estimates to BOEM regarding the financial assurance needed to cover decommissioning costs.

20. BOEM's predecessor, the Minerals Management Service (the "MMS"), established the financial requirements applicable to Outer Continental Shelf leases and pipeline rights of way in 1997. 62 Fed. Reg. 27948 (May 22, 1997).

21. The MMS regulations also provided a mechanism for the government to require supplemental financial assurance based on the financial health of the lessees.

22. The MMS issued regulations providing a mechanism for the government to require Outer Continental Shelf oil and gas lessees to post bonds. 62 Fed. Reg. 27948 (May 22, 1997).

23. BOEM continues to require Outer Continental Shelf lessees to post bonds as a condition of lease issuance and/or continuance. *See* 89 Fed. Reg. 31544 (Apr. 24, 2024).

24. In recent years, BOEM has issued regulations calling for stricter management of financial assurance, thus requiring ever increasing amounts of surety bonds to be posted in connection with operations on the Outer Continental Shelf.

25. The posting of surety bonds is, thus, essential to operations on the Outer Continental Shelf.

The Relationship Between the Sompso Sureties and W&T

26. W&T Offshore is an independent oil and natural gas producer, exploring, developing, and acquiring oil and natural gas in the Gulf of Mexico, subject to the jurisdiction of the United States Department of Interior.

27. W&T Energy is a subsidiary of W&T Offshore that explores, develops, acquires, and operates oil and natural gas properties in the Gulf of Mexico, subject to the jurisdiction of the United States Department of Interior.

28. Endurance is a foreign insurer which, *inter alia*, issues surety bonds required by BOEM with respect to operations conducted on the Outer Continental Shelf.

29. Lexon is a Texas domestic insurer, which, *inter alia*, issues surety bonds required by BOEM with respect to operations conducted on the Outer Continental Shelf.

30. In accordance with the regulations issued by BOEM, W&T was required to post bonds in favor of the United States.

31. W&T obtained the required surety bonds from, *inter alia*, both Endurance and Lexon.

32. The relationship, rights, and obligations of W&T, on the one hand, and the Sompso Sureties, on the other, is set forth in that certain Payment and Indemnity Agreement No. 1380 effective as of September 14, 2020 (the “Indemnity Agreement”).

33. The Indemnity Agreement was executed by W&T Offshore, as Principal, and U.S. Specialty Insurance Company, as Surety, “in connection with any bond or bonds executed or to be executed on behalf of any principal and to induce the Surety to execute or procure of the execution of such bond(s) and any extensions, modifications, or renewals thereof, additions thereto, or substitutions therefor.”

34. A true and correct copy of the Indemnity Agreement is attached hereto as Exhibit “A.”

35. The term “Principal” as used in the Indemnity Agreement “shall mean [W&T Offshore], as well as all wholly owned subsidiaries, whether now existing or which hereafter may be created or acquired.

36. The Indemnity Agreement provides, in paragraph 17, that the bonds are:

performable in, and all monies due the Surety hereunder are payable in, Harris County, Texas. This Agreement shall be construed and enforced in accordance with the laws of the state of Texas, without regard to its conflict of law rules. EACH PRINCIPAL HEREBY IRREVOCABLY

CONSENTS TO THE EXCLUSIVE VENUE AND JURISDICTION OF THE FEDERAL AND STATE COURTS SITTING IN HARRIS COUNTY, TEXAS, AND DOES FURTHER WAIVE ANY AND ALL RIGHTS TO OBJECT TO SUCH VENUE OR JURISDICTION.

37. Paragraph 5 of the Indemnity Agreement entitled “Additional Sureties” provides that should the Surety “procure any other company or companies including but not limited to . . . Endurance Assurance Corporation . . . Lexon Insurance Company . . . to execute or join with it in the executing, or to reinsure any Bond, this Agreement shall inure to the benefit of such other company or companies, its or their successors and assigns, so as to give it or them a direct right of action against the Principals to enforce the provisions hereof.”

38. Endurance joined in and issued bonds covered by the Indemnity Agreement.

39. Accordingly, the Indemnity Agreement governs the relationship between W&T and Endurance.

40. Lexon joined in and issued bonds covered by the Indemnity Agreement.

41. Accordingly, the Indemnity Agreement governs the relationship between W&T and Lexon.

42. Other surety companies (the “Other Sureties”) joined in and issued bonds covered by the Indemnity Agreement, which governs the relationships between W&T and the Other Sureties.

W&T Obtains BOEM-Required Bonds from the Sampo Sureties and Others

43. Pursuant to and in accordance with the Indemnity Agreement, Endurance issued the following bonds in connection with W&T’s obligations to BOEM:

Bond No.	Form	Amount
ZEACX226000039	BOEM -2028A	\$3,830,148.00
ZEACX226000040	BOEM -2028A	\$13,126,457.00
ZEACX226000038	BOEM -2028A	\$1,482,000.00
EACX226000025	BOEM -2028A	\$3,000,000.00
EACX226000047	BOEM -2028A	\$2,285,584.00
EACX226000044	BOEM -2028A	\$3,000,000.00
EACX226000022	BOEM -2028A	\$1,461,000.00

44. True and correct copies of the bonds identified in paragraph 43 are attached hereto as Exhibit “B” *in globo*.

45. Endurance also issued the following bonds to nongovernmental parties. These bonds were also issued in conjunction with W&T’s operations on the Outer Continental Shelf:

Bond No.	Form	Amount
EACX226000043	N/A	\$7,000,000.00

46. A true and correct copy of the bond identified in paragraph 45 is attached hereto as Exhibit “C.”

47. Endurance also issued a bond in favor of the Texas Railroad Commission:

Bond No.	Form	Amount
EACX226000045	P-5PB	\$125,000.00

48. A true and correct copy of the bond identified in paragraph 47 is attached hereto as Exhibit “D.”

49. Pursuant to and in accordance with the Indemnity Agreement, Lexon issued the following bonds in connection with W&T's obligations to BOEM:

Bond No.	Form	Amount
1156846	BOEM -2028A	\$5,000,000.00
1136949	ONRR -4435	\$1,166,860.00
1136950	ONRR -4435	\$117,279.00
1159776	BOEM -2028A	\$3,000,000.00
1097677	BOEM -2028A	\$9,000,000.00

50. True and correct copies of the bonds identified in paragraph 49 are attached hereto as Exhibit "E" *in globo*.

51. Lexon also issued the following bonds to nongovernmental parties. These bonds were also issued in conjunction with W&T's operations on the Outer Continental Shelf:

Bond No.	Form	Amount
1152011	N/A	\$376,688.00
1152010	N/A	\$1,931,562.00

52. A true and correct copy of the bond identified in paragraph 51 is attached hereto as Exhibit "F."

The Sampo Sureties Conflicting Collateral Demands

53. At all times, W&T has complied with the Indemnity Agreement and paid all premiums associated with all bonds issued by the Sampo Sureties.

54. W&T is, and has, at all times since the execution of the Indemnity Agreement, been solvent and capable of meeting its financial obligations.

55. The Indemnity Agreement provides, in paragraph 3 entitled "Security," as follows:

The Surety may at any time and from time to time hereafter, in its sole and absolute discretion, require the Principals to provide collateral, in form and amounts acceptable to the Surety (such amounts not to exceed the aggregate penalty sum of all then-issued Bonds) to secure the Principals' obligations to the Surety hereunder and/or to establish reserves to cover any actual or potential liability, claim, suit, or judgment under any Bond. Within thirty (30) days

after the Surety has made written demand on Principals, each Principal shall execute such documents and take such further action as may be necessary in order to provide such collateral. Each Principal hereby grants to the Surety a security interest in all money and other property now or hereafter delivered by such Principal to the Surety, and all income (if any) thereon. If a Principal provides the Surety with a letter of credit or similar instrument, such Principal agrees that the Surety has the right to call on the same from time to time, in whole or in part and for any reason or no reason, and to hold the proceeds thereof as collateral for the obligations of the Principals hereunder. Any collateral provided at any time by any Principal shall be available, in the discretion of the Surety, as collateral security on any or all Bonds heretofore or hereafter executed for or at the request of such Principal or any other Principal.

56. Notwithstanding W&T's payment of all premiums and its continued maintenance of its financial status and solvency, on July 9, 2024, Endurance and Lexon, through their parent Sompo International, issued a written demand, pursuant to the Indemnity Agreement, on W&T that it provide collateral in the form of cash or a letter of credit.

57. A true and correct copy of Sompo International's July 9, 2024, demand is attached hereto as Exhibit "G."

58. At the same time that Endurance and Lexon have demanded collateral in the form of cash or a letter of credit, W&T has been in discussions with the Other Sureties regarding their possible demands for collateral.

59. W&T has offered to provide collateral to both the Sompo Sureties and the Other Sureties in forms other than cash or letter of credit.

60. Discussions with the Other Sureties regarding their acceptance of such alternative collateral have been productive and remain ongoing.

61. The discussions with the Other Sureties have revealed that any agreement regarding alternative collateral will depend on W&T not providing cash or a letter of credit to any other surety, including the Sompo Sureties.

62. W&T's financial status has remained substantially the same since the execution of the Indemnity Agreement and the issuance of the bonds thereunder.

63. The only material change regarding the bonds involves not W&T, but the regulatory environment established by the United States Department of Interior.

64. In light of the changes to the regulatory environment, the Somo Sureties have, on information and belief, made the decision that they wish to exit the market for surety bonds related to the Outer Continental Shelf.

65. The bonds issued in favor of the BOEM are not cancelable.

66. The Somo Sureties' demand for collateral is not based on the financial condition of W&T Energy or W&T Offshore, but is entirely based on a change in the regulatory environment and the Somo Sureties' changed business model.

67. The Somo Sureties' demand for collateral is at odds with the ongoing discussions with the Other Sureties, thus, placing W&T in an impossible position, as complying with one demand will require W&T to breach its obligations to the other.

CAUSES OF ACTION

COUNT ONE – DECLARATORY RELIEF

68. W&T incorporates as if set forth fully herein the allegations contained in paragraphs 1 through 67 of this Complaint.

69. A justiciable controversy exists between W&T and the Somo Sureties.

70. The parties are governed by and bound to comply with the Indemnity Agreement.

71. While the Indemnity Agreement imposes certain obligations on W&T, it also imposes obligations on the Somo Sureties, including the obligation of good faith, fair dealing, and to not abuse rights granted under the agreement.

72. The disparate actions of the Sampo Sureties, on the one hand, and the Other Sureties, on the other hand, place W&T in an impossible position, as compliance with one's demand ensures a breach of obligations to the other.

73. The Sampo Sureties' demands for collateral are unreasonable in that they are not based on any need of the Sampo Sureties other than a change in their business model.

74. The Sampo Sureties' demands for collateral in the form of cash or a letter of credit are an unreasonable interpretation of the Indemnity Agreement as evidenced by the ongoing discussions with the Other Sureties.

75. W&T is entitled to a judgment declaring the rights of the parties including, without limitation, the following

- a. That the Sampo Sureties may not enforce the Indemnity Agreement such that their actions constitute an abuse of right;
- b. That the Sampo Sureties may not make an unreasonable demand for collateral;
- c. That the Sampo Sureties must accept reasonable collateral as offered by W&T;
- d. That the form of collateral offered by W&T is adequate and fulfills W&T's obligations under the Indemnity Agreement;
- e. That the Sampo Sureties may not make demands for collateral that are inconsistent such that W&T cannot comply with both demands; and
- f. That the Sampo Sureties' changed business model and desire to exit the market are not legitimate grounds to demand further collateral beyond that offered by W&T.

PRAYER

WHEREFORE, W&T Offshore, Inc. and W&T Energy VI, LLC pray that, after due proceedings are had, this Court enter judgment in their favor and against Endurance Assurance Corporation and Lexon Insurance Company:

Declaring that:

- a. Endurance Assurance Corporation and Lexon Insurance Company are bound by the terms of the Indemnity Agreement
- b. Endurance Assurance Corporation and Lexon Insurance Company may not enforce the Indemnity Agreement such that their actions constitute an abuse of right;
- c. Endurance Assurance Corporation and Lexon Insurance Company may not make an unreasonable demand for collateral;
- d. Endurance Assurance Corporation and Lexon Insurance Company must accept reasonable collateral as offered by W&T Offshore, Inc. and W&T Energy VI, LLC;
- e. The form of collateral offered by W&T Offshore, Inc. and W&T Energy VI, LLC is adequate and fulfills their obligations under the Indemnity Agreement.
- f. Endurance Assurance Corporation and Lexon Insurance Company may not make demands for collateral that are inconsistent with those of other the Other Sureties such that W&T Offshore, Inc. and W&T Energy VI, LLC cannot comply with both demands; and

g. Endurance Assurance Corporation and Lexon Insurance Company's changed business model and desire to exit the market are not legitimate grounds to demand further collateral beyond that offered by W&T Offshore, Inc. and W&T Energy VI, LLC;

1. Awarding W&T Offshore, Inc. and W&T Energy VI, LLC all costs of this proceeding; and
2. For all other legal and equitable relief to which W&T Offshore, Inc. and W&T Energy VI, LLC may be entitled.

[Remainder of page intentionally left blank.]

Respectfully submitted,



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Attorney-In-Charge
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S.D. Tex. Bar No. 27965
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**ATTORNEYS FOR W&T OFFSHORE, INC. AND
W&T ENERGY VI, LLC**

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PAYMENT AND INDEMNITY AGREEMENT No. 1380

THIS PAYMENT AND INDEMNITY AGREEMENT (as amended and supplemented, this "Agreement") is executed by each of the undersigned on behalf of each Principal (as defined below) for the benefit of U.S. Specialty Insurance Company (the "Surety") in connection with any bond or bonds executed or to be executed on behalf of any Principal and to induce the Surety to execute or procure the execution of such bond(s) and any extensions, modifications, or renewals thereof, additions thereto, or substitutions therefor (the "Bonds"). The term "Principal" as defined and used herein shall mean any of the undersigned entities, as well as all wholly owned subsidiaries, whether now existing or which may hereafter be created or acquired.

IN CONSIDERATION of the execution or procurement of the Bonds, and for other good and valuable consideration, the receipt and sufficiency of which the Principals hereby acknowledge, the Principals hereby agree, for themselves, their personal representatives, successors, and assigns, jointly and severally, as follows:

1. Bond Premiums The Principals shall pay to the Surety premiums and charges at the rates and at the times specified by the Surety with respect to each Bond (as the Surety may specify at any time before or after the issuance of any Bond), continuing until the Surety shall be discharged or released from any and all liability and responsibility under the Bonds, and all matters arising therefrom, and until the Surety receives evidence, satisfactory to the Surety, of such discharge or release. If any Principal fails to pay within thirty (30) days after written demand any premium or portion thereof, or fails to pay within thirty (30) days after written demand of any other sum becoming due the Surety hereunder then, unless the Principals shall, immediately upon demand therefor: (a) deliver to the Surety evidence, satisfactory to the Surety, of the discharge and release of the Surety from any and all liability and responsibility under the Bonds and all matters arising therefrom; and (b) pay to the Surety all sums owed the Surety as of the effective date of such absolute release of the Surety from said obligations, the Surety may require there be paid, and the Principals jointly and severally agree they shall forthwith pay to the Surety, an amount equal to the full penalty amount of the Bonds, to be held as collateral until: (i) all sums due and to become due to the Surety have been paid, and (ii) the Surety shall be wholly discharged and released from all liability under the Bonds.

2. Indemnification of Surety The Principals shall jointly and severally indemnify and keep indemnified the Surety and hold and save it harmless from and against any and all liability, damage, loss, cost, and expense of whatsoever kind or nature, including reasonable counsel and attorneys' fees which the Surety may at any time sustain or incur or in enforcing this Agreement against any Principal or in procuring or in attempting to procure the Surety's release from liability or a settlement under any Bonds. For the avoidance of doubt, the Principals, jointly and severally, acknowledge and agree that the above obligation to indemnify the Surety shall apply to any and all reasonable attorneys' fees, costs or other expenses incurred by the Surety in connection with a bankruptcy proceeding (whether voluntary or involuntary), an assignment for the benefit of creditors, a receivership (whether state, federal or otherwise) or any other similar insolvency proceeding (whether state, federal, or otherwise) of the Principals, or any one of them. If the Surety deems it necessary to make an independent investigation of a claim, demand or suit, the Principals jointly and severally acknowledge and agree that all reasonable expenses attendant to such investigation, whether incurred internally or with third parties, is included as an indemnified expense.

3. Security The Surety may at any time and from time to time hereafter, in its sole and absolute discretion, require the Principals to provide collateral, in form and amounts acceptable to the Surety (such amounts not to exceed the aggregate penalty sum of all then-issued Bonds) to secure the Principals' obligations to the Surety hereunder and/or to establish reserves to cover any actual or potential liability, claim, suit, or judgment under any Bond. Within thirty (30) days after the Surety has made written demand on Principals, each Principal shall execute such documents and take such further action as may be necessary in order to provide such collateral. Each Principal hereby grants to the Surety a security interest in all money and other property now or hereafter delivered by such Principal to the Surety, and all income (if any) thereon. If a Principal provides the Surety with a letter of credit or similar instrument, such Principal agrees that the Surety has the right to call on the same from time to time, in whole or in part and for any reason or no reason, and to hold the proceeds thereof as collateral for the obligations of the Principals hereunder. Any collateral provided at any time by any Principal shall be available, in the discretion of the Surety, as collateral security on any or all Bonds heretofore or hereafter executed for or at the request of such Principal or any other Principal.

4. Inspection Until the Surety shall have been furnished with evidence of its full, final and complete discharge without loss from any and all Bonds, the Surety and its agents shall have reasonable access, at any and all reasonable times, to the financial books and records (including but not limited to reserve reports, engineering data and like information) of each Principal relevant to the obligations under this Agreement. Each individual Principal consents to the Surety's requests for, and use of, consumer credit reports and investigative consumer credit reports with respect to such Principal. Any bank, creditor, credit bureau or credit reporting agency, obligee of a Bond or other individual or entity possessing records or having information concerning the financial affairs and operations of any Principal is hereby authorized to furnish to the Surety and its agents any such records or information requested by the Surety. Each Principal will execute any additional document reasonably requested by the Surety to cause the release of such records and information.

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5. Additional Sureties If IndemCo. or the Surety shall procure any other company or companies, including but not limited to American Contractors Indemnity Company, Ironshore Indemnity Inc., Ironshore Specialty Insurance Company, Lexon Insurance Company, Bond Safeguard Insurance Company, Endurance Assurance Corporation, Endurance American Insurance Company, Great Midwest Insurance Company, North American Specialty Insurance Company, Westport Insurance Corporation, United States Fire Insurance Company, Seneca Insurance Company, Inc., and/or QBE Insurance Corporation, to execute or join with it in executing, or to reinsure any Bond, this Agreement shall inure to the benefit of such other company or companies, its or their successors and assigns, so as to give it or them a direct right of action against the Principals to enforce the provisions hereof.

6. Evidence of Liability An itemized statement of payments made by the Surety for any of the purposes specified herein, or the voucher or vouchers for such payments, shall be prima facie evidence of the liability of the Principals to reimburse the Surety for such payments.

7. Additional Rights of Surety The Surety, in its sole discretion and without notice to any Principal, is hereby authorized but not required, (a) from time to time to make or consent to any change in the Bonds (with the exception of increasing the penal amount or the obligation secured thereby) or to issue any substitutes or any renewal thereof, and this Agreement shall apply to such substituted, changed or renewed Bonds; (b) take such action as it may deem appropriate to prevent or minimize loss under the Bonds, including, but not limited to, taking steps to procure discharge from liability under the Bonds; and (c) to adjust, settle, or compromise any claim or suit arising under the Bonds and, with respect to any such claim or suit, to take any action it may deem appropriate. Any adjustment, settlement, or compromise made or action taken by the Surety shall be conclusive against and binding upon the Principals.

8. Bond Forms The Principals acknowledge and agree it is their sole responsibility to provide the proper forms for the Bonds to be executed by the Surety, and neither the Surety nor its agents shall have any liability whatsoever to any Principal if the Principals fail to furnish the Surety with the proper forms. It shall be the sole responsibility of the Principals to review the bond form to be executed by the Surety for any errors or omissions before delivery of any Bond to its obligee, and the Surety and its agents shall have no liability to the Principals on account of any such errors and omissions. Before requesting the Surety issue any Bond, the Principals shall obtain confirmation the proposed obligee on the Bond will accept the Surety as surety on the proposed Bond, and neither the Surety nor its agents shall have any liability whatsoever if any obligee refuses, for whatever reason, to accept the Surety as surety on any Bond. Each Principal agrees the Principals shall be solely responsible for arranging, independent of the Surety, for the timely delivery of any Bond to its obligee. The Surety and its agents shall have no liability to the Surety if the Bond is not timely delivered to any obligee for any reason whatsoever.

9. Additional Obligations of Principals Each Principal agrees to pay all amounts owed and/or described herein regardless of (a) the failure of any Principal to sign any application for a Bond; (b) any claim that other indemnity, security, or collateral was to have been obtained; (c) the release, return, or exchange by the Surety with or without the consent of any other Principal, of any indemnity, security, or collateral that may have been obtained, or (d) the fact that any other Principal is not bound for any reason. The Surety is expressly subrogated to all rights, if any (but if a Principal has waived its rights of subrogation against any party, such waiver shall control this Agreement), of the Principals (or any or all of them) to collect, receive, recover, and/or be reimbursed from (i) any co-owners or owners of undivided interest in any properties, wells, and leasehold interests relative to which the Bonds shall apply (collectively, the "Related Property"); (ii) any party contractually bound to pay or reimburse any Principal on account of ownership or operation of any Related Property; or (iii) any other party otherwise obligated to, or for, any Principal in any way, in connection with, or arising out of damage to any Related Property. The Surety, as subrogee, upon default of payment of any sums becoming payable hereunder by any Principal, may enforce all of the rights of the Principals in and to any such above-described claims and interests; and may pursue its remedies hereunder in its own name or in the name of the relevant Principal(s); but nothing herein shall require that the Surety pursue any such remedy or claim against any third party. Each Principal agrees, upon demand of the Surety therefor, to execute and deliver any and all appropriate further documentation evidencing and authorizing the Surety to pursue, recover, collect, and hold for its account any such claims or rights.

10. Suits to Enforce Separate suits may be brought hereunder as causes of action accrue, and suit may be brought against any and all of the Principals; and any suit or suits upon one or more causes of action, or against one or more of the Principals, shall not prejudice or bar subsequent suits against any other Principals on the same or any other causes of action, whether theretofore or thereafter accruing.

11. Liability Limitation Each Principal agrees the Surety's liability, if any, to any one or more of the Principals on account of any acts or omissions by the Surety (whether such acts or omissions arise in tort, breach of contract, or at law) arising out of or related to any Bonds or any other conduct by the Surety, **WHETHER THE SAME ARISES FROM THE NEGLIGENCE OF THE SURETY OR OTHERWISE**, shall be and is hereby expressly limited to an amount equal to the premium actually paid to the Surety for such Bond.

12. Waiver of Notice Each Principal hereby expressly waives notice from the Surety of any claim or demand made against the Surety or any Principal under the Bonds or of any information the Surety may receive concerning any Principal, any Bond, or any contract.

13. No Obligation to Issue Bonds The Surety shall have the right to decline to issue any or all Bonds applied for

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hereunder and shall have the right to withdraw from or cancel any application for a Bond at any time, all without incurring any liability to any Principal. The use of the plural term "Bonds" herein shall not be interpreted to require that the Surety issue multiple bonds or any bond whatsoever.

14. Conflict and Modification If any portion of this Agreement is in conflict with any law controlling the construction hereof, such portion of this instrument shall be considered to be deleted and the remainder shall continue in full force and effect.

15. Waivers To the maximum extent not prohibited by applicable law, each Principal hereby waives all rights to claim any of its property is exempt from levy, execution, sale, or other legal process in any action hereunder.

16. Continuing Obligation This Agreement is a continuing obligation of each Principal, and no Principal shall have the right to terminate its obligations for any Bonds issued during the term hereof. A Principal may terminate this Agreement as to future Bonds by notice to the Surety, but such termination as to a Principal shall in no way affect the obligation of any other Principal who has not given such notice. In order to terminate liability as to future Bonds, a Principal must notify the Surety of such termination and state in such notice the effective date (not less than 30 days after receipt thereof by the Surety) of termination of such Principal's liability for future Bonds. After the effective date of such termination, the Principal giving notice of termination shall nonetheless be liable hereunder for Bonds executed or authorized before such date and renewal, substitutions, and extensions thereof.

17. Place of Performance and Enforcement All obligations hereunder of each Principal is performable in, and all monies due the Surety hereunder are payable in, Harris County, Texas. This Agreement shall be construed and enforced in accordance with the laws of the state of Texas, without regard to its conflict of law rules. **EACH PRINCIPAL HEREBY IRREVOCABLY CONSENTS TO THE EXCLUSIVE VENUE AND JURISDICTION OF THE FEDERAL AND STATE COURTS SITTING IN HARRIS COUNTY, TEXAS, AND DOES FURTHER WAIVE ANY AND ALL RIGHTS TO OBJECT TO SUCH VENUE OR JURISDICTION.**

18. Rights Not Exclusive Nothing herein-contained shall be construed to waive or abridge any right or remedy which the Surety might have if this Agreement was not executed.

19. Other Bonds and Agreements This Agreement shall also extend to and cover and indemnify the Surety against loss under any presently outstanding Bonds, and the obligation of the Principals hereunder, with respect to such pre-existing Bonds, shall replace the obligation of any or all of the Principals under any presently existing agreement relating to or securing such pre-existing Bonds.

20. Joint and Several Liability Each Principal shall be deemed to have made all of the representations, warranties, covenants, and agreements set forth herein, and each Principal shall be jointly and severally liable for each and every obligation and duty of the Principals set forth herein. A default of any Principal in the performance of any of its obligations to the Surety under this or any other agreement shall constitute a default hereunder by all Principals. Each Principal understands and agrees that the circumstances, financial or otherwise, of any one or more of the other Principals may change substantially over the term of this Agreement, and the Principals therefore agree to keep themselves fully informed as to the business activities and financial affairs of each Principal and of the risks being engaged in, so that each is always aware of the risks of hazards in continuing to act as a Principal. Each Principal expressly waives any requirement for notice from the Surety of any fact or information coming to the notice or knowledge of the Surety affecting its rights or the rights or liabilities of the Principals. If any claim or demand is made by the Surety against the Principals, or any one or more of them, by reason of the execution of a Bond, the Surety is expressly authorized to settle or compromise with any one or more of the Principals individually, and without reference to the others, and such settlement or composition shall not affect the liability of any of the others and each Principal expressly waives the right to be discharged by reason of the release of one or more of the joint debtors, and hereby consents to any settlement or composition that may hereafter be made. The liability of the Principals hereunder shall not be affected by the failure of the Principals, or any one or more of them, to sign any Bond or this Agreement, nor by any claim that other indemnity or security was to have been obtained, nor by the release of any indemnity, nor the return or exchange of any collateral that may have been obtained and if any party signing this Agreement is not bound for any reason, this Agreement shall still be binding upon each and every other party.

21. Required Notices The Principals agree to notify the Surety (a) in the event of any change, alteration, restructuring, cancellation, transfer (including, without limitation, the conveyance of a security interest), or other modification to (i) the working interest ownership of the property for which a Bond is issued, or (ii) any lease for or relating to the property for which a Bond is issued, or (b) upon becoming aware of any demand, notice, or proceeding preliminary to determining or fixing any liability, with which the Surety may be subsequently charged under any Bond.

22. Manner of Notices All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered against receipt therefor or mailed by registered or certified mail, return receipt requested, postage prepaid, addressed (a) in the case of a Principal, to such Principal's address set forth below and (b) in the case of the Surety, to (i) the Surety at 13403 Northwest Freeway, Houston, Texas 77040-6094, Attention: President, and (ii) IndemCo L.P. at 777 Post Oak Boulevard, Houston, Texas 77056. Such names and addresses may be changed by written notice given as provided in this Agreement. Actual notice, however given, shall always be effective.

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23. Interest Any and all sums not paid when due shall bear interest at the lesser of (a) ten percent (10%) per annum, or (b) the maximum non-usurious rate of interest allowed by applicable law.

24. Entire Agreement and Amendments This Agreement contains the entire understanding of the parties hereto with respect to the subject matter contained herein and may be amended or terminated only by a document executed by all parties, or their respective successors or assigns. There are no restrictions, promises, warranties, covenants, or undertakings other than those expressly set forth herein.

25. Headings The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

26. Attorney's Fees In the event any action is instituted to enforce any of the provisions of this Agreement or to recover damages for the breach of any provision hereof, the prevailing party therein shall be entitled to recover any costs or expenses incurred, including without limitation, costs of court and reasonable attorneys' fees.

27. Number and Gender Whenever required by the context, any reference herein to the singular shall include the plural, any reference to the plural shall include the singular, and the gender of any pronoun shall mean and include the appropriate gender, whether masculine, feminine, or neuter.

28. Counterparts This Agreement may be executed in multiple counterparts, and by the Principals on separate counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. Delivery by telecopy or email of a signed counterpart of this Agreement shall be effective as physical delivery.

29. Continuing Agreement Each Principal understands and agrees (a) this Agreement is a continuing agreement to indemnify over an indefinite period; (b) Bonds may vary widely in amounts and nature, and (c) each Principal will be bound by all Bonds, and any increases in the penal limits of all Bonds. Each Principal shall continue to remain bound under the terms of this Agreement even though the Surety may have from time to time heretofore or hereafter, with or without notice to or knowledge of any Principal, accepted or released other agreements of indemnity or collateral from some or all of the Principals or others in connection with the procurement of Bonds, it being expressly understood and agreed by each Principal that any and all other rights which the Surety may have or acquire against such Principal or others under any such other or additional agreements of indemnity or collateral shall be in addition to, and not in lieu of, the rights afforded the Surety under this Agreement.

30. No Conflict Each Principal represents and warrants that neither this Agreement nor any condition relating to the issuance of any Bond shall be a breach or default in any other obligation of such Principal, specifically including, without limitation, any loan agreement.

31. ENTIRE AGREEMENT EACH PRINCIPAL REPRESENTS TO THE SURETY THAT SUCH PRINCIPAL HAS CAREFULLY READ THIS ENTIRE AGREEMENT, AND THERE ARE NO OTHER AGREEMENTS OR UNDERSTANDINGS WHICH IN ANY WAY LESSEN OR MODIFY THE OBLIGATIONS SET FORTH HEREIN. THE EFFECTIVE DATE OF THIS AGREEMENT SHALL BE THE DATE SET FORTH BELOW, REGARDLESS OF THE DATE OR DATES ON WHICH ANY PRINCIPAL MAY EXECUTE THIS AGREEMENT AND REGARDLESS OF WHETHER BONDS WERE ISSUED BY THE SURETY BEFORE OR AFTER THE EXECUTION OR EFFECTIVE DATE OF THIS AGREEMENT. THE SURETY'S ACCEPTANCE OF THIS AGREEMENT SHALL BE PRESUMED AND IS DEEMED EFFECTIVE BY ITS RECEIPT OF THIS AGREEMENT, ITS RELIANCE HEREON, OR BY ITS EXECUTION OF ANY BOND FOR THE PRINCIPALS OR ANY OF THEM, WITH OR WITHOUT THE SURETY'S SIGNATURE BEING AFFIXED THERETO.

32. Individual Certification. Each individual signing below on behalf of any Principal certifies that (a) such individual is familiar with the organizational documents and other records of such Principal; (b) the name of such Principal as reflected below is its correct name; (c) such Principal exists and is in good standing in the jurisdiction of its organization; (d) the execution, delivery and performance of this Agreement by such Principal (1) are within its organizational power; (2) have been duly authorized by all necessary actions, and (3) do not contravene its organizational documents or any agreement binding upon it or any of its property; (e) the form of signature block for such Principal is an appropriate signature block for it; (f) such individual holds the position reflected below and is duly authorized to execute this Agreement on behalf of such Principal, and (g) this Agreement has been duly executed and delivered on behalf of such Principal.

EXECUTED effective as of September 14, 2020.

EXECUTION ON FOLLOWING PAGE(S)

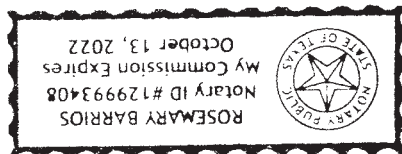
(11/25/09 W&T)

W&T Energy VI, LLC; W&T Offshore, Inc. /No. 0847

For entity as Principal:TYPE OF ENTITY: CorporationTAXPAYER IDENTIFICATION NO.: 72-1121985W&T Offshore, Inc.
(Name of Entity)BY: [Signature]
(Signature) *THU 09/19*PRINTED NAME: Janet YangTITLE: Chief Financial Officer + EVPADDRESS: 9 Greenway Plaza, Suite 300Houston, Texas 77046This instrument was acknowledged before me on Sept 14, 2020by Janet Yang
(Name of officer)CEO and EVP
(Title of officer)of W&T Offshore, Inc.
(Name of Principal)

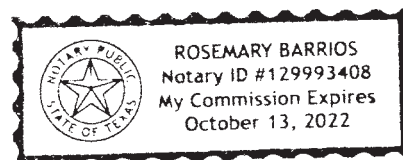
on behalf of such entity.

NOTARIAL STAMP OR SEAL

Rosemary Barrios
Notary SignaturePrinted Name ROSEMARY BARRIOSNotary in and for the State of TXMy commission expires 10 / 13 / 20 22**For entity as Principal:**TYPE OF ENTITY: Limited Liability CompanyTAXPAYER IDENTIFICATION NO.: 20-4416495W&T Energy VI, LLC
(Name of Entity)BY: [Signature]
(Signature) *REC 09/19*PRINTED NAME: Janet YangTITLE: RepresentativeADDRESS: 9 Greenway Plaza, Suite 300Houston, Texas 77046This instrument was acknowledged before me on Sept. 14, 2020by Janet Yang
(Name of officer)Representative
(Title of officer)of W&T Energy VI, LLC
(Name of Principal)

on behalf of such entity.

NOTARIAL STAMP OR SEAL

Rosemary Barrios
Notary SignaturePrinted Name ROSEMARY BARRIOSNotary in and for the State of TXMy commission expires 10 / 13 / 20 22

U.S. DEPARTMENT OF THE INTERIOR

Bureau of Ocean Energy Management

Bond No. ZEACX226000039

OCS Lease/RUE/ROW No. OCS-G 10942

Bond Type Supplemental

Amount \$ 3,830,148.00

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

The **Surety** is the entity Guaranteeing Performance.

Name of Surety: Endurance Assurance Corporation

Mailing Address: 12890 Lebanon Road

Mt. Juliet, TN 37122-2870

If a Corporation, Incorporated in the State of: Delaware; County or Parish of: New Castle

☒ 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: W & T Energy VI, LLC

Mailing Address: 5718 Westheimer Road, Suite 700, Houston, Texas 77057-5745

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: All of Block 823, Viosca Knoll, as shown on OCS Official Protraction Diagram, NH16-7.

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

BOEM-2028A (January 2020) Previous Editions are Obsolete.

PAGE 2 OF 3

EXHIBIT B

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.

Endurance Assurance Corporation

Name of Surety

Meredith K. Anderson

Signature of Person Executing for Surety

Meredith K. Anderson, Attorney-in-Fact

Name and Title (typed or printed)

12890 Lebanon Road

Business Address

Mt. Juliet, TN 37122-2870

Business Address

W & T Energy VI, LLC

Name of Principal

[Signature]

Signature of Person Executing for Principal

Javet Yang, Representative

Name and Title (typed or printed)

5718 Westheimer Road, Suite 700

Business Address

Houston, Texas 77057-5745

Business Address

Signed on this 10th day of January, 2022, in the State of Texas, in the presence of:

Wendy Pierson

Signature of Witness

Wendy Pierson

Name (typed or printed)

777 Post Oak Blvd., Ste. 330

Address

Houston, Texas 77056

Address

[Signature]

Signature of Witness

Toon Brabois

Name (typed or printed)

5718 Westheimer Rd, Ste 700

Address

Houston, TX 77057

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.

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

OMB Control No.: 1010-0006
Expiration Date: 1/31/2023

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

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.



SOMPO INTERNATIONAL
INSURANCE

POWER OF ATTORNEY

11071

KNOW ALL BY THESE PRESENTS, that **Endurance Assurance Corporation**, a Delaware corporation, **Endurance American Insurance Company**, a Delaware corporation, **Lexon Insurance Company**, a Texas corporation, and/or **Bond Safeguard Insurance Company**, a South Dakota corporation, each, a "Company" and collectively, "**Sompo International**," do hereby constitute and appoint **Edwin H. Frank, III, Michele K. Tyson, W. Russell Brown, Jr., Meredith K. Anderson, Stephen Michael Smith**

as true and lawful Attorney(s)-In-Fact to make, execute, seal, and deliver for, and on its behalf as surety or co-surety; bonds and undertakings given for any and all purposes, also to execute and deliver on its behalf as aforesaid renewals, extensions, agreements, waivers, consents or stipulations relating to such bonds or undertakings provided, however, that no single bond or undertaking so made, executed and delivered shall obligate the Company for any portion of the penal sum thereof in excess of the sum of **ONE HUNDRED MILLION Dollars (\$100,000,000.00)**.

Such bonds and undertakings for said purposes, when duly executed by said attorney(s)-in-fact, shall be binding upon the Company as fully and to the same extent as if signed by the President of the Company under its corporate seal attested by its Corporate Secretary.

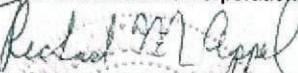
This appointment is made under and by authority of certain resolutions adopted by the sole shareholder of each Company by unanimous written consent effective the 15th day of June, 2019, a copy of which appears below under the heading entitled "Certificate".

This Power of Attorney is signed and sealed by facsimile under and by authority of the following resolution adopted by the sole shareholder of each Company by unanimous written consent effective the 15th day of June, 2019 and said resolution has not since been revoked, amended or repealed:

RESOLVED, that the signature of an individual named above and the seal of the Company may be affixed to any such power of attorney or any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signature or seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.

IN WITNESS WHEREOF, each Company has caused this instrument to be signed by the following officers, and its corporate seal to be affixed this 15th day of June, 2019.

Endurance Assurance Corporation

By: 
Richard Appel, SVP & Senior Counsel



Endurance American Insurance Company

By: 
Richard Appel, SVP & Senior Counsel



Lexon Insurance Company

By: 
Richard Appel, SVP & Senior Counsel



Bond Safeguard Insurance Company

By: 
Richard Appel, SVP & Senior Counsel



ACKNOWLEDGEMENT

On this 15th day of June, 2019, before me, personally came the above signatories known to me, who being duly sworn, did depose and say that he/she is an officer of each of the Companies; and that he executed said instrument on behalf of each Company by authority of his office under the by-laws of each Company.

By: 

Amy Taylor, Notary Public - My Commission Expires 5/9/23



CERTIFICATE

I, the undersigned Officer of each Company, DO HEREBY CERTIFY that:

1. That the original power of attorney of which the foregoing is a copy was duly executed on behalf of each Company and has not since been revoked, amended or modified; that the undersigned has compared the foregoing copy thereof with the original power of attorney, and that the same is a true and correct copy of the original power of attorney and of the whole thereof;
2. The following are resolutions which were adopted by the sole shareholder of each Company by unanimous written consent effective June 15, 2019 and said resolutions have not since been revoked, amended or modified:

"RESOLVED, that each of the individuals named below is authorized to make, execute, seal and deliver for and on behalf of the Company any and all bonds, undertakings or obligations in surety or co-surety with others: **RICHARD M. APPEL, BRIAN J. BEGGS, CHRISTOPHER DONELAN, SHARON L. SIMS, CHRISTOPHER L. SPARRO, MARIANNE L. WILBERT**; and be it further

RESOLVED, that each of the individuals named above is authorized to appoint attorneys-in-fact for the purpose of making, executing, sealing and delivering bonds, undertakings or obligations in surety or co-surety for and on behalf of the Company."

3. The undersigned further certifies that the above resolutions are true and correct copies of the resolutions as so recorded and of the whole thereof.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal this 10th day of January, 2022.

By: 

Daniel S. Lurie, Secretary

NOTICE: U. S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL (OFAC)

No coverage is provided by this Notice nor can it be construed to replace any provisions of any surety bond or other surety coverage provided. This Notice provides information concerning possible impact on your surety coverage due to directives issued by OFAC. **Please read this Notice carefully.**

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous foreign agents, front organizations, terrorists, terrorist organizations, and narcotics traffickers as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's website - <https://www.treasury.gov/resource-center/sanctions/SDN-List>.

In accordance with OFAC regulations, if it is determined that you or any other person or entity claiming the benefits of any coverage has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, any coverage will be considered a blocked or frozen contract and all provisions of any coverage provided are immediately subject to OFAC. When a surety bond or other form of surety coverage is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments may also apply.

Any reproductions are void.

Surety Claims Submission: LexonClaimAdministration@sompo-intl.com

Telephone: 615-553-9500 Mailing Address: Sompo International; 12890 Lebanon Road; Mount Juliet, TN 37122-2870

U.S. DEPARTMENT OF THE INTERIOR

Bureau of Ocean Energy Management

Bond No. ZEACX226000040

OCS Lease/RUE/ROW No. OCS-G 13060

Bond Type Supplemental

Amount \$ 13,126,457.00

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

The **Surety** is the entity Guaranteeing Performance.

Name of Surety: Endurance Assurance Corporation

Mailing Address: 12890 Lebanon Road

Mt. Juliet, TN 37122-2870

If a Corporation, Incorporated in the State of: Delaware

; County or Parish of: New Castle

☒ 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: W & T Energy VI, LLC

Mailing Address: 5718 Westheimer Road, Suite 700, Houston, Texas 77057-5745

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: All of Block 784, Viosca Knoll, as shown on OCS Official Protraction Diagram, NH16-07.

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.

Endurance Assurance Corporation

Name of Surety

Meredith K. Anderson

Signature of Person Executing for Surety

Meredith K. Anderson, Attorney-in-Fact

Name and Title (typed or printed)

12890 Lebanon Road

Business Address

Mt. Juliet, TN 37122-2870

Business Address

W & T Energy VI, LLC

Name of Principal

J. Brown

Signature of Person Executing for Principal

David Yang, Representative

Name and Title (typed or printed)

5718 Westheimer Road, Suite 700

Business Address

Houston, Texas 77057-5745

Business Address

Signed on this 10th day of January, 2022, in the State of Texas, in the presence of:

Wendy Pierson

Signature of Witness

Wendy Pierson

Name (typed or printed)

777 Post Oak Blvd., Ste. 330

Address

Houston, Texas 77056

Address

Carol

Signature of Witness

Tono Gabois

Name (typed or printed)

5718 Westheimer Rd., Ste 700

Address

Houston Tx 77057

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.

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

OMB Control No.: 1010-0006
Expiration Date: 1/31/2023

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

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.

**SOMPO INTERNATIONAL**
INSURANCE**POWER OF ATTORNEY****11071**

KNOW ALL BY THESE PRESENTS, that **Endurance Assurance Corporation**, a Delaware corporation, **Endurance American Insurance Company**, a Delaware corporation, **Lexon Insurance Company**, a Texas corporation, and/or **Bond Safeguard Insurance Company**, a South Dakota corporation, each, a "Company" and collectively, "**Sompo International**," do hereby constitute and appoint **Edwin H. Frank, III, Michele K. Tyson, W. Russell Brown, Jr., Meredith K. Anderson, Stephen Michael Smith**

as true and lawful Attorney(s)-in-Fact to make, execute, seal, and deliver for, and on its behalf as surety or co-surety; bonds and undertakings given for any and all purposes, also to execute and deliver on its behalf as aforesaid renewals, extensions, agreements, waivers, consents or stipulations relating to such bonds or undertakings provided, however, that no single bond or undertaking so made, executed and delivered shall obligate the Company for any portion of the penal sum thereof in excess of the sum of **ONE HUNDRED MILLION Dollars (\$100,000,000.00)**.

Such bonds and undertakings for said purposes, when duly executed by said attorney(s)-in-fact, shall be binding upon the Company as fully and to the same extent as if signed by the President of the Company under its corporate seal attested by its Corporate Secretary.

This appointment is made under and by authority of certain resolutions adopted by the sole shareholder of each Company by unanimous written consent effective the 15th day of June, 2019, a copy of which appears below under the heading entitled "Certificate".

This Power of Attorney is signed and sealed by facsimile under and by authority of the following resolution adopted by the sole shareholder of each Company by unanimous written consent effective the 15th day of June, 2019 and said resolution has not since been revoked, amended or repealed:

RESOLVED, that the signature of an individual named above and the seal of the Company may be affixed to any such power of attorney or any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signature or seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.

IN WITNESS WHEREOF, each Company has caused this instrument to be signed by the following officers, and its corporate seal to be affixed this 15th day of June, 2019.

Endurance Assurance Corporation
By: *Richard M. Appel*
Richard Appel; SVP & Senior Counsel



Endurance American Insurance Company
By: *Richard M. Appel*
Richard Appel; SVP & Senior Counsel



Lexon Insurance Company
By: *Richard M. Appel*
Richard Appel; SVP & Senior Counsel



Bond Safeguard Insurance Company
By: *Richard M. Appel*
Richard Appel; SVP & Senior Counsel

**ACKNOWLEDGEMENT**

On this 15th day of June, 2019, before me, personally came the above signatories known to me, who being duly sworn, did depose and say that he/she is an officer of each of the Companies; and that he executed said instrument on behalf of each Company by authority of his office under the by-laws of each Company.

By: *Amy Taylor*

Amy Taylor, Notary Public - My Commission Expires 5/9/23

**CERTIFICATE**

I, the undersigned Officer of each Company, DO HEREBY CERTIFY that:

1. That the original power of attorney of which the foregoing is a copy was duly executed on behalf of each Company and has not since been revoked, amended or modified; that the undersigned has compared the foregoing copy thereof with the original power of attorney, and that the same is a true and correct copy of the original power of attorney and of the whole thereof;
2. The following are resolutions which were adopted by the sole shareholder of each Company by unanimous written consent effective June 15, 2019 and said resolutions have not since been revoked, amended or modified:

"RESOLVED, that each of the individuals named below is authorized to make, execute, seal and deliver for and on behalf of the Company any and all bonds, undertakings or obligations in surety or co-surety with others: **RICHARD M. APPEL, BRIAN J. BEGGS, CHRISTOPHER DONELAN, SHARON L. SIMS, CHRISTOPHER L. SPARRO, MARIANNE L. WILBERT**

; and be it further

RESOLVED, that each of the individuals named above is authorized to appoint attorneys-in-fact for the purpose of making, executing, sealing and delivering bonds, undertakings or obligations in surety or co-surety for and on behalf of the Company."

3. The undersigned further certifies that the above resolutions are true and correct copies of the resolutions as so recorded and of the whole thereof.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal this 10th day of January 2022.

By: *Daniel S. Lurie*

Daniel S. Lurie, Secretary

NOTICE: U. S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL (OFAC)

No coverage is provided by this Notice nor can it be construed to replace any provisions of any surety bond or other surety coverage provided. This Notice provides information concerning possible impact on your surety coverage due to directives issued by OFAC. **Please read this Notice carefully.**

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous foreign agents, front organizations, terrorists, terrorist organizations, and narcotics traffickers as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's website - <https://www.treasury.gov/resource-center/sanctions/SDN-List>.

In accordance with OFAC regulations, if it is determined that you or any other person or entity claiming the benefits of any coverage has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, any coverage will be considered a blocked or frozen contract and all provisions of any coverage provided are immediately subject to OFAC. When a surety bond or other form of surety coverage is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments may also apply.

Any reproductions are void.

Surety Claims Submission: LexonClaimAdministration@sompo-intl.com

Telephone: 615-553-9500 Mailing Address: Sompo International; 12890 Lebanon Road; Mount Juliet, TN 37122-2870

U.S. DEPARTMENT OF THE INTERIOR

Bureau of Ocean Energy Management

Bond No. ZEACX226000038

OCS Lease/RUE/ROW No. OCS-G 4832

Bond Type Supplemental

Amount \$ 1,482,000.00

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

The Surety is the entity Guaranteeing Performance.

Name of Surety: Endurance Assurance Corporation

Mailing Address: 12890 Lebanon Road
Mt. Juliet, TN 37122-2870

If a Corporation, Incorporated in the State of: Delaware; County or Parish of: New Castle

☒ 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: W & T Energy VI, LLC

Mailing Address: 5718 Westheimer Road, Suite 700, Houston, Texas 77057-5745

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: All of Block 108, Main Pass Area, as shown on OCS Louisiana Leasing Map, LA10.

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.

Endurance Assurance Corporation

Name of Surety

Meredith K. Anderson

Signature of Person Executing for Surety

Meredith K. Anderson, Attorney-in-Fact

Name and Title (typed or printed)

12890 Lebanon Road

Business Address

Mt. Juliet, TN 37122-2870

Business Address

W & T Energy VI, LLC

Name of Principal

[Signature]

Signature of Person Executing for Principal

Janet Yang, Representative

Name and Title (typed or printed)

5718 Westheimer Road, Suite 700

Business Address

Houston, Texas 77057-5745

Business Address

Signed on this 10th day of January, 20 22, in the State of Texas, in the presence of:

Wendy Pierson

Signature of Witness

Wendy Pierson

Name (typed or printed)

777 Post Oak Blvd., Ste. 330

Address

Houston, Texas 77056

Address

[Signature]

Signature of Witness

Todd Grabois

Name (typed or printed)

5718 Westheimer Rd, Ste 700

Address

Houston, TX 77057

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.

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

OMB Control No.: 1010-0006
Expiration Date: 1/31/2023

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

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.



SOMPO INTERNATIONAL

INSURANCE

POWER OF ATTORNEY

11071

KNOW ALL BY THESE PRESENTS, that **Endurance Assurance Corporation**, a Delaware corporation, **Endurance American Insurance Company**, a Delaware corporation, **Lexon Insurance Company**, a Texas corporation, and/or **Bond Safeguard Insurance Company**, a South Dakota corporation, each, a "Company" and collectively, "**Sompo International**," do hereby constitute and appoint: **Edwin H. Frank, III, Michele K. Tyson, W. Russell Brown, Jr., Meredith K. Anderson, Stephen Michael Smith**

as true and lawful Attorney(s)-In-Fact to make, execute, seal, and deliver for, and on its behalf as surety or co-surety; bonds and undertakings given for any and all purposes, also to execute and deliver on its behalf as aforesaid renewals, extensions, agreements, waivers, consents or stipulations relating to such bonds or undertakings provided, however, that no single bond or undertaking so made, executed and delivered shall obligate the Company for any portion of the penal sum thereof in excess of the sum of **ONE HUNDRED MILLION Dollars (\$100,000,000.00)**.

Such bonds and undertakings for said purposes, when duly executed by said attorney(s)-in-fact, shall be binding upon the Company as fully and to the same extent as if signed by the President of the Company under its corporate seal attested by its Corporate Secretary.

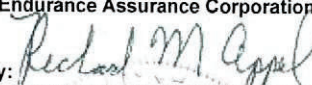
This appointment is made under and by authority of certain resolutions adopted by the sole shareholder of each Company by unanimous written consent effective the 15th day of June, 2019, a copy of which appears below under the heading entitled "Certificate".

This Power of Attorney is signed and sealed by facsimile under and by authority of the following resolution adopted by the sole shareholder of each Company by unanimous written consent effective the 15th day of June, 2019 and said resolution has not since been revoked, amended or repealed:

RESOLVED, that the signature of an individual named above and the seal of the Company may be affixed to any such power of attorney or any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signature or seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.

IN WITNESS WHEREOF, each Company has caused this instrument to be signed by the following officers, and its corporate seal to be affixed this 15th day of June, 2019.

Endurance Assurance Corporation

By: 
Richard Appel, SVP & Senior Counsel




Endurance American Insurance Company

By: 
Richard Appel, SVP & Senior Counsel



Lexon Insurance Company

By: 
Richard Appel, SVP & Senior Counsel



Bond Safeguard Insurance Company

By: 
Richard Appel, SVP & Senior Counsel



ACKNOWLEDGEMENT

On this 15th day of June, 2019, before me, personally came the above signatories known to me, who being duly sworn, did depose and say that he/she is an Officer of each of the Companies; and that he executed said instrument on behalf of each Company by authority of his office under the by-laws of each Company.

By: 

Amy Taylor, Notary Public - My Commission Expires 5/9/23



CERTIFICATE

I, the undersigned Officer of each Company, DO HEREBY CERTIFY that:

1. That the original power of attorney of which the foregoing is a copy was duly executed on behalf of each Company and has not since been revoked, amended or modified; that the undersigned has compared the foregoing copy thereof with the original power of attorney, and that the same is a true and correct copy of the original power of attorney and of the whole thereof;
2. The following are resolutions which were adopted by the sole shareholder of each Company by unanimous written consent effective June 15, 2019 and said resolutions have not since been revoked, amended or modified:

"RESOLVED, that each of the individuals named below is authorized to make, execute, seal and deliver for and on behalf of the Company any and all bonds, undertakings or obligations in surety or co-surety with others: **RICHARD M. APPEL, BRIAN J. BEGGS, CHRISTOPHER DONELAN, SHARON L. SIMS, CHRISTOPHER L. SPARRO, MARIANNE L. WILBERT**

; and be it further

RESOLVED, that each of the individuals named above is authorized to appoint attorneys-in-fact for the purpose of making, executing, sealing and delivering bonds, undertakings or obligations in surety or co-surety for and on behalf of the Company."

3. The undersigned further certifies that the above resolutions are true and correct copies of the resolutions as so recorded and of the whole thereof.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal this 10th day of January, 2022.

By: 

Daniel S. Lurie, Secretary

NOTICE: U. S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL (OFAC)

No coverage is provided by this Notice nor can it be construed to replace any provisions of any surety bond or other surety coverage provided. This Notice provides information concerning possible impact on your surety coverage due to directives issued by OFAC. **Please read this Notice carefully.**

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous foreign agents, front organizations, terrorists, terrorist organizations, and narcotics traffickers as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's website - <https://www.treasury.gov/resource-center/sanctions/SDN-List>.

In accordance with OFAC regulations, if it is determined that you or any other person or entity claiming the benefits of any coverage has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, any coverage will be considered a blocked or frozen contract and all provisions of any coverage provided are immediately subject to OFAC. When a surety bond or other form of surety coverage is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments may also apply.

Any reproductions are void.

Surety Claims Submission: LexonClaimAdministration@sompo-intl.com

Telephone: 615-553-9500 Mailing Address: Sompo International; 12890 Lebanon Road; Mount Juliet, TN 37122-2870

U.S. DEPARTMENT OF THE INTERIOR

Bureau of Ocean Energy Management

Bond No. EACX226000025

OCS Lease/RUE/ROW No. OCS-G 10942

Bond Type Supplemental

Amount \$ 3,000,000.00

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

The **Surety** is the entity Guaranteeing Performance.

Name of Surety: Endurance Assurance Corporation

Mailing Address: 12890 Lebanon Road

Mt. Juliet, Tennessee 37122-2870

If a Corporation, Incorporated in the State of: Delaware; County or Parish of: New Castle

☒ 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: W & T Energy VI, LLC

Mailing Address: Nine Greenway Plaza, Suite 300, Houston, Texas 77046

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: All of Block 823 Viosca Knoll, as shown on OCS Official Protraction
Diagram NH16-7.

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.

Endurance Assurance Corporation

Name of Surety

Michele K. Tyson

Signature of Person Executing for Surety

Michele K. Tyson, Attorney-in-Fact

Name and Title (typed or printed)

12890 Lebanon Road

Business Address

Mt. Juliet, Tennessee 37122-2870

Business Address

W & T Energy VI, LLC

Name of Principal

Shahid Ghauri

Signature of Person Executing for Principal

Shahid Ghauri, Representative

Name and Title (typed or printed)

Nine Greenway Plaza, Suite 300

Business Address

Houston, Texas 77046

Business Address

Signed on this 5th day of November, 2020, in the State of Texas, in the presence of:

Senia Hernandez
Signature of Witness

Senia Hernandez

Name (typed or printed)

777 Post Oak Boulevard, Suite 330

Address

Houston, Texas 77056

Address

Tono Brabo
Signature of Witness

Tono Brabo

Name (typed or printed)

9 Greenway Plaza, Ste. 300

Address

Houston, Tx 77046

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.

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

OMB Control No.: 1010-0006
Expiration Date: 1/31/2023

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

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.

**SOMPO INTERNATIONAL**
INSURANCE**POWER OF ATTORNEY**

11071

KNOW ALL BY THESE PRESENTS, that **Endurance Assurance Corporation**, a Delaware corporation, **Endurance American Insurance Company**, a Delaware corporation, **Lexon Insurance Company**, a Texas corporation, and/or **Bond Safeguard Insurance Company**, a South Dakota corporation, each, a "Company" and collectively, "**Sompo International**," do hereby constitute and appoint: **Edwin H. Frank, III, Michele K. Tyson, W. Russell Brown, Jr., Meredith K. Anderson, Stephen Michael Smith**

as true and lawful Attorney(s)-In-Fact to make, execute, seal, and deliver for, and on its behalf as surety or co-surety; bonds and undertakings given for any and all purposes, also to execute and deliver on its behalf as aforesaid renewals, extensions, agreements, waivers, consents or stipulations relating to such bonds or undertakings provided, however, that no single bond or undertaking so made, executed and delivered shall obligate the Company for any portion of the penal sum thereof in excess of the sum of **ONE HUNDRED MILLION Dollars (\$100,000,000.00)**.

Such bonds and undertakings for said purposes, when duly executed by said attorney(s)-in-fact, shall be binding upon the Company as fully and to the same extent as if signed by the President of the Company under its corporate seal attested by its Corporate Secretary.

This appointment is made under and by authority of certain resolutions adopted by the sole shareholder of each Company by unanimous written consent effective the 15th day of June, 2019, a copy of which appears below under the heading entitled "Certificate".

This Power of Attorney is signed and sealed by facsimile under and by authority of the following resolution adopted by the sole shareholder of each Company by unanimous written consent effective the 15th day of June, 2019 and said resolution has not since been revoked, amended or repealed:

RESOLVED, that the signature of an individual named above and the seal of the Company may be affixed to any such power of attorney or any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signature or seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.

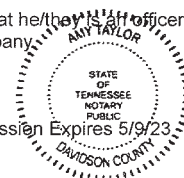
IN WITNESS WHEREOF, each Company has caused this instrument to be signed by the following officers, and its corporate seal to be affixed this 15th day of June, 2019.

Endurance Assurance CorporationBy: 
Richard Appel; SVP & Senior Counsel**Endurance American Insurance Company**By: 
Richard Appel; SVP & Senior Counsel**Lexon Insurance Company**By: 
Richard Appel; SVP & Senior Counsel**Bond Safeguard Insurance Company**By: 
Richard Appel; SVP & Senior Counsel**ACKNOWLEDGEMENT**

On this 15th day of June, 2019, before me, personally came the above signatories known to me, who being duly sworn, did depose and say that he ~~they~~ is ~~all~~ officer of each of the Companies; and that he executed said instrument on behalf of each Company by authority of his office under the by-laws of each Company.

By: 

Amy Taylor, Notary Public - My Commission Expires 5/9/23

**CERTIFICATE**

I, the undersigned Officer of each Company, DO HEREBY CERTIFY that:

1. That the original power of attorney of which the foregoing is a copy was duly executed on behalf of each Company and has not since been revoked, amended or modified; that the undersigned has compared the foregoing copy thereof with the original power of attorney, and that the same is a true and correct copy of the original power of attorney and of the whole thereof;
2. The following are resolutions which were adopted by the sole shareholder of each Company by unanimous written consent effective June 15, 2019 and said resolutions have not since been revoked, amended or modified:

"RESOLVED, that each of the individuals named below is authorized to make, execute, seal and deliver for and on behalf of the Company any and all bonds, undertakings or obligations in surety or co-surety with others: **RICHARD M. APPEL, BRIAN J. BEGGS, CHRISTOPHER DONELAN, SHARON L. SIMS, CHRISTOPHER L. SPARRO, MARIANNE L. WILBERT**

; and be it further

RESOLVED, that each of the individuals named above is authorized to appoint attorneys-in-fact for the purpose of making, executing, sealing and delivering bonds, undertakings or obligations in surety or co-surety for and on behalf of the Company."

3. The undersigned further certifies that the above resolutions are true and correct copies of the resolutions as so recorded and of the whole thereof.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal this 5th day of November, 2020.

By: 

Daniel S. Lurie, Secretary

NOTICE: U. S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL (OFAC)

No coverage is provided by this Notice nor can it be construed to replace any provisions of any surety bond or other surety coverage provided. This Notice provides information concerning possible impact on your surety coverage due to directives issued by OFAC. **Please read this Notice carefully.**

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous foreign agents, front organizations, terrorists, terrorist organizations, and narcotics traffickers as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's website - <https://www.treasury.gov/resource-center/sanctions/SDN-List>.

In accordance with OFAC regulations, if it is determined that you or any other person or entity claiming the benefits of any coverage has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, any coverage will be considered a blocked or frozen contract and all provisions of any coverage provided are immediately subject to OFAC. When a surety bond or other form of surety coverage is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments may also apply.

Any reproductions are void.

Surety Claims Submission: LexonClaimAdministration@sompo-intl.com

Telephone: 615-553-9500 Mailing Address: Sompo International; 12890 Lebanon Road; Mount Juliet, TN 37122-2870

U.S. DEPARTMENT OF THE INTERIOR

Bureau of Ocean Energy Management

Bond No. EACX226000047

OCS Lease/RUE/ROW No. OCS-G 10942

Bond Type Supplemental

Amount \$ 2,285,584.00

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

The Surety is the entity Guaranteeing Performance.

Name of Surety: Endurance Assurance Corporation

Mailing Address: 12890 Lebanon Road

Mt. Juliet, TN 37122-2870

If a Corporation, Incorporated in the State of: Delaware; County or Parish of: New Castle

☒ 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: W & T Energy VI, LLC

Mailing Address: 5718 Westheimer Road, Suite 700, Houston, Texas 77057-5745

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: All of Block 823, Viosca Knoll, as shown on OCS Official Protraction Diagram, NH16-07.

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

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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.

Endurance Assurance Corporation

Name of Surety



Signature of Person Executing for Surety

Meredith K. Anderson, Attorney-in-Fact

Name and Title (typed or printed)

12890 Lebanon Road

Business Address

Mt. Juliet, TN 37122-2870

Business Address

WET Energy VI, LLC

Name of Principal



Signature of Person Executing for Principal

William J. Williford, Representative

Name and Title (typed or printed)

5718 Westheimer Rd., Ste. 700

Business Address

Houston, Tx 77057

Business Address

Signed on this 7th day of June, 2023, in the State of Texas, in the presence of:



Signature of Witness

Wendy Pierson

Name (typed or printed)

777 Post Oak Boulevard, Suite 330

Address

Houston, Texas 77056

Address



Signature of Witness

Todd Brabois

Name (typed or printed)

5718 Westheimer Rd., Ste. 700

Address

Houston Tx 77057

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 (March 2023)

Previous Editions are Obsolete.

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

OMB Control No.: 1010-0006
Expiration Date: 03/31/2026

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

Form BOEM-2028A

This form dated March 2023 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

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.

Received by OCD: 09/19/2025

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**SOMPO INTERNATIONAL**
INSURANCE**POWER OF ATTORNEY****11071**

KNOW ALL BY THESE PRESENTS, that **Endurance Assurance Corporation**, a Delaware corporation, **Endurance American Insurance Company**, a Delaware corporation, **Lexon Insurance Company**, a Texas corporation, and/or **Bond Safeguard Insurance Company**, a South Dakota corporation, each, a "Company" and collectively, "**Sompo International**," do hereby constitute and appoint: **Edwin H. Frank, III, Michele K. Tyson, W. Russell Brown, Jr., Meredith K. Anderson, Stephen Michael Smith**

as true and lawful Attorney(s)-In-Fact to make, execute, seal, and deliver for, and on its behalf as surety or co-surety; bonds and undertakings given for any and all purposes, also to execute and deliver on its behalf as aforesaid renewals, extensions, agreements, waivers, consents or stipulations relating to such bonds or undertakings however, that no single bond or undertaking so made, executed and delivered shall obligate the Company for any portion of the penal sum thereof in excess of the sum of **ONE HUNDRED MILLION Dollars (\$100,000,000.00)**.

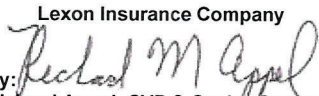
Such bonds and undertakings for said purposes, when duly executed by said attorney(s)-in-fact, shall be binding upon the Company as fully and to the same extent as if signed by the President of the Company under its corporate seal attested by its Corporate Secretary.

This appointment is made under and by authority of certain resolutions adopted by the sole shareholder of each Company by unanimous written consent effective the 15th day of June, 2019, a copy of which appears below under the heading entitled "Certificate".

This Power of Attorney is signed and sealed by facsimile under and by authority of the following resolution adopted by the sole shareholder of each Company by unanimous written consent effective the 15th day of June, 2019 and said resolution has not since been revoked, amended or repealed:

RESOLVED, that the signature of an individual named above and the seal of the Company may be affixed to any such power of attorney or any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signature or seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.

IN WITNESS WHEREOF, each Company has caused this instrument to be signed by the following officers, and its corporate seal to be affixed this 15th day of June, 2019.

Endurance Assurance CorporationBy: 
Richard Appel: SVP & Senior Counsel**Endurance American Insurance Company**By: 
Richard Appel: SVP & Senior Counsel**Lexon Insurance Company**By: 
Richard Appel: SVP & Senior Counsel**Bond Safeguard Insurance Company**By: 
Richard Appel: SVP & Senior Counsel**ACKNOWLEDGEMENT**

On this 15th day of June, 2019, before me, personally came the above signatories known to me, who being duly sworn, did depose and say that he/she is an officer of each of the Companies; and that he executed said instrument on behalf of each Company by authority of his office under the by-laws of each Company.

By: 

Amy Taylor, Notary Public - My Commission Expires 5/9/23

**CERTIFICATE**

I, the undersigned Officer of each Company, DO HEREBY CERTIFY that:

1. That the original power of attorney of which the foregoing is a copy was duly executed on behalf of each Company and has not since been revoked, amended or modified; that the undersigned has compared the foregoing copy thereof with the original power of attorney, and that the same is a true and correct copy of the original power of attorney and of the whole thereof;
2. The following are resolutions which were adopted by the sole shareholder of each Company by unanimous written consent effective June 15, 2019 and said resolutions have not since been revoked, amended or modified:

"RESOLVED, that each of the individuals named below is authorized to make, execute, seal and deliver for and on behalf of the Company any and all bonds, undertakings or obligations in surety or co-surety with others: **RICHARD M. APPEL, BRIAN J. BEGGS, CHRISTOPHER DONELAN, SHARON L. SIMS, CHRISTOPHER L. SPARRO, MARIANNE L. WILBERT**

; and be it further

RESOLVED, that each of the individuals named above is authorized to appoint attorneys-in-fact for the purpose of making, executing, sealing and delivering bonds, undertakings or obligations in surety or co-surety for and on behalf of the Company."

3. The undersigned further certifies that the above resolutions are true and correct copies of the resolutions as so recorded and of the whole thereof.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal this 7th day of June, 2023.

By: 

Daniel S. Lurie, Secretary

NOTICE: U. S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL (OFAC)

No coverage is provided by this Notice nor can it be construed to replace any provisions of any surety bond or other surety coverage provided. This Notice provides information concerning possible impact on your surety coverage due to directives issued by OFAC. **Please read this Notice carefully.**

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In accordance with OFAC regulations, if it is determined that you or any other person or entity claiming the benefits of any coverage has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, any coverage will be considered a blocked or frozen contract and all provisions of any coverage provided are immediately subject to OFAC. When a surety bond or other form of surety coverage is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments may also apply.

Any reproductions are void.

Surety Claims Submission: LexonClaimAdministration@sompo-intl.com

Telephone: 615-553-9500 Mailing Address: Sompo International; 12890 Lebanon Road; Mount Juliet, TN 37122-2870

U.S. DEPARTMENT OF THE INTERIOR

Bureau of Ocean Energy Management

Bond No. EACX226000044

OCS Lease/RUE/ROW No. OCS-G 10942

Bond Type Supplemental

Amount \$ 3,000,000.00

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

The **Surety** is the entity Guaranteeing Performance.

Name of Surety: Endurance Assurance Corporation

Mailing Address: 12890 Lebanon Road

Mt. Juliet, TN 37122-2870

If a Corporation, Incorporated in the State of: Delaware; County or Parish of: New Castle

☒ 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: W & T Energy VI, LLC

Mailing Address: 5718 Westheimer Road, Suite 700, Houston, Texas 77057-5745

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: All of Block 823, Viosca Knoll, as shown on OCS Official Protraction Diagram, NH16-07.

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.

Endurance Assurance Corporation

Name of Surety

Michele K. Tyson
Signature of Person Executing for Surety

Michele K. Tyson, Attorney-in-Fact

Name and Title (typed or printed)

12390 Lebanon Road

Business Address

Mt. Juliet, TN 37122-2870

Business Address

W & T Energy VI, LLC

Name of Principal

Tracy W. Krohn
Signature of Person Executing for Principal

Tracy W. Krohn, Representative
Name and Title (typed or printed)

5718 Westheimer Road, Suite 700

Business Address

Houston, Texas 77057-5745

Business Address

Signed on this 1st day of October, 2022, in the State of Texas, in the presence of:

Wendy Pierson
Signature of Witness

Wendy Pierson

Name (typed or printed)

777 Post Oak Blvd., Ste. 330

Address

Houston, Texas 77056

Address

Todd Grabis
Signature of Witness

Todd Grabis
Name (typed or printed)

5718 Westheimer Rd., Ste 700

Address

Houston, TX 77057

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.

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

OMB Control No.: 1010-0006
Expiration Date: 1/31/2023

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

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.

Received by OCD: 09/19/2025

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**SOMPO INTERNATIONAL**
INSURANCE**POWER OF ATTORNEY****11071**

KNOW ALL BY THESE PRESENTS, that **Endurance Assurance Corporation**, a Delaware corporation, **Endurance American Insurance Company**, a Delaware corporation, **Lexon Insurance Company**, a Texas corporation, and/or **Bond Safeguard Insurance Company**, a South Dakota corporation, each, a "Company" and collectively, "**Sompo International**," do hereby constitute and appoint **Edwin H. Frank, III, Michele K. Tyson, Meredith K. Anderson, Stephen Michael Smith, Timothy J. Briggs** as true and lawful Attorney(s)-In-Fact to make, execute, seal, and deliver for, and on its behalf as surety or co-surety; bonds and undertakings given for any and all purposes, also to execute and deliver on its behalf as aforesaid renewals, extensions, agreements, waivers, consents or stipulations relating to such bonds or undertakings provided, however, that no single bond or undertaking so made, executed and delivered shall obligate the Company for any portion of the penal sum thereof in excess of the sum of **ONE HUNDRED MILLION Dollars (\$100,000,000.00)**.

Such bonds and undertakings for said purposes, when duly executed by said attorney(s)-in-fact, shall be binding upon the Company as fully and to the same extent as if signed by the President of the Company under its corporate seal attested by its Corporate Secretary.

This appointment is made under and by authority of certain resolutions adopted by the sole shareholder of each Company by unanimous written consent effective the 15th day of June, 2019, a copy of which appears below under the heading entitled "Certificate".

This Power of Attorney is signed and sealed by facsimile under and by authority of the following resolution adopted by the sole shareholder of each Company by unanimous written consent effective the 15th day of June, 2019 and said resolution has not since been revoked, amended or repealed:

RESOLVED, that the signature of an individual named above and the seal of the Company may be affixed to any such power of attorney or any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signature or seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.

IN WITNESS WHEREOF, each Company has caused this instrument to be signed by the following officers, and its corporate seal to be affixed this 15th day of June, 2019.

Endurance Assurance Corporation
By: *Richard M Appel*
Richard Appel; SVP & Senior Counsel



Endurance American Insurance Company
By: *Richard M Appel*
Richard Appel; SVP & Senior Counsel



Lexon Insurance Company
By: *Richard M Appel*
Richard Appel; SVP & Senior Counsel



Bond Safeguard Insurance Company
By: *Richard M Appel*
Richard Appel; SVP & Senior Counsel

**ACKNOWLEDGEMENT**

On this 15th day of June, 2019, before me, personally came the above signatories known to me, who being duly sworn, did depose and say that he/she is an officer of each of the Companies; and that he executed said instrument on behalf of each Company by authority of his office under the by-laws of each Company.

By: *Amy Taylor*

Amy Taylor, Notary Public - My Commission Expires 5/9/23

**CERTIFICATE**

I, the undersigned Officer of each Company, DO HEREBY CERTIFY that:

1. That the original power of attorney of which the foregoing is a copy was duly executed on behalf of each Company and has not since been revoked, amended or modified; that the undersigned has compared the foregoing copy thereof with the original power of attorney, and that the same is a true and correct copy of the original power of attorney and of the whole thereof;
2. The following are resolutions which were adopted by the sole shareholder of each Company by unanimous written consent effective June 15, 2019 and said resolutions have not since been revoked, amended or modified:

"RESOLVED, that each of the individuals named below is authorized to make, execute, seal and deliver for and on behalf of the Company any and all bonds, undertakings or obligations in surety or co-surety with others: **RICHARD M. APPEL, BRIAN J. BEGGS, CHRISTOPHER DONELAN, SHARON L. SIMS, CHRISTOPHER L. SPARRO, MARIANNE L. WILBERT**

; and be it further

RESOLVED, that each of the individuals named above is authorized to appoint attorneys-in-fact for the purpose of making, executing, sealing and delivering bonds, undertakings or obligations in surety or co-surety for and on behalf of the Company."

3. The undersigned further certifies that the above resolutions are true and correct copies of the resolutions as so recorded and of the whole thereof.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal this 1st day of October, 2022.

By: *Daniel S. Lurie*

Daniel S. Lurie, Secretary

NOTICE: U. S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL (OFAC)

No coverage is provided by this Notice nor can it be construed to replace any provisions of any surety bond or other surety coverage provided. This Notice provides information concerning possible impact on your surety coverage due to directives issued by OFAC. **Please read this Notice carefully.**

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous foreign agents, front organizations, terrorists, terrorist organizations, and narcotics traffickers as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's website - <https://www.treasury.gov/resource-center/sanctions/SDN-List>.

In accordance with OFAC regulations, if it is determined that you or any other person or entity claiming the benefits of any coverage has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, any coverage will be considered a blocked or frozen contract and all provisions of any coverage provided are immediately subject to OFAC. When a surety bond or other form of surety coverage is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments may also apply.

Any reproductions are void.

Surety Claims Submission: LexonClaimAdministration@sompo-intl.com

Telephone: 615-553-9500 Mailing Address: Sompo International; 12890 Lebanon Road; Mount Juliet, TN 37122-2870

U.S. DEPARTMENT OF THE INTERIOR

Bureau of Ocean Energy Management

Bond No. EACX226000022

OCS Lease/RUE/ROW No. OCS-G 27632

Bond Type Supplemental

Amount \$ 1,461,000.00

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

The **Surety** is the entity Guaranteeing Performance.

Name of Surety: Endurance Assurance Corporation

Mailing Address: 12890 Lebanon Road

Mt. Juliet, Tennessee 37122-2870

If a Corporation, Incorporated in the State of: Delaware

; County or Parish of: New Castle

☒ 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: W & T Energy VI, LLC

Mailing Address: Nine Greenway Plaza, Suite 300, Houston, Texas 77046

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: All of Block 258, Garden Banks, as shown on OCS Official Protraction Diagram, NG15-02.

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.

Endurance Assurance Corporation

Name of Surety



Signature of Person Executing for Surety

Michele K. Tyson, Attorney-in-Fact

Name and Title (typed or printed)

12890 Lebanon Road

Business Address

Mt. Juliet, Tennessee 37122-2870

Business Address

W & T Energy VI, LLC

Name of Principal



Signature of Person Executing for Principal

William Williford, Representative

Name and Title (typed or printed)

Nine Greenway Plaza, Suite 300

Business Address

Houston, Texas 77046

Business Address

Signed on this 15th day of September, 2020, in the State of Texas, in the presence of:



Signature of Witness

Wendy Pierson

Name (typed or printed)

777 Post Oak Blvd., Ste. 330

Address

Houston, Texas 77056

Address



Signature of Witness

Rosemary BARRIS

Name (typed or printed)

9 Greenway Plaza, Suite 300

Address

Houston, TX. 77046

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.

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

OMB Control No.: 1010-0006
Expiration Date: 1/31/2023

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

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.



SOMPO INTERNATIONAL
INSURANCE

POWER OF ATTORNEY

11071

KNOW ALL BY THESE PRESENTS, that **Endurance Assurance Corporation**, a Delaware corporation, **Endurance American Insurance Company**, a Delaware corporation, **Lexon Insurance Company**, a Texas corporation, and/or **Bond Safeguard Insurance Company**, a South Dakota corporation, each, a "Company" and collectively, "**Sompo International**," do hereby constitute and appoint: **Edwin H. Frank, III, Michele K. Tyson, W. Russell Brown, Jr., Meredith K. Anderson, Stephen Michael Smith, Timothy J. Briggs** as true and lawful Attorney(s)-In-Fact to make, execute, seal, and deliver for, and on its behalf as surety or co-surety; bonds and undertakings given for any and all purposes, also to execute and deliver on its behalf as aforesaid renewals, extensions, agreements, waivers, consents or stipulations relating to such bonds or undertakings provided, however, that no single bond or undertaking so made, executed and delivered shall obligate the Company for any portion of the penal sum thereof in excess of the sum of **FIFTY MILLION Dollars (\$50,000,000.00)**.

Such bonds and undertakings for said purposes, when duly executed by said attorney(s)-in-fact, shall be binding upon the Company as fully and to the same extent as if signed by the President of the Company under its corporate seal attested by its Corporate Secretary.

This appointment is made under and by authority of certain resolutions adopted by the sole shareholder of each Company by unanimous written consent effective the 15th day of June, 2019, a copy of which appears below under the heading entitled "Certificate".

This Power of Attorney is signed and sealed by facsimile under and by authority of the following resolution adopted by the sole shareholder of each Company by unanimous written consent effective the 15th day of June, 2019 and said resolution has not since been revoked, amended or repealed:

RESOLVED, that the signature of an individual named above and the seal of the Company may be affixed to any such power of attorney or any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signature or seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.

IN WITNESS WHEREOF, each Company has caused this instrument to be signed by the following officers, and its corporate seal to be affixed this 15th day of June, 2019.

Endurance Assurance Corporation
By: *Richard M. Appel*
Richard Appel, SVP & Senior Counsel



Endurance American Insurance Company
By: *Richard M. Appel*
Richard Appel, SVP & Senior Counsel



Lexon Insurance Company
By: *Richard M. Appel*
Richard Appel, SVP & Senior Counsel



Bond Safeguard Insurance Company
By: *Richard M. Appel*
Richard Appel, SVP & Senior Counsel



ACKNOWLEDGEMENT

On this 15th day of June, 2019, before me, personally came the above signatories known to me, who being duly sworn, did depose and say that he/she is an officer of each of the Companies; and that he executed said instrument on behalf of each Company by authority of his office under the by-laws of each Company.

By: *Amy Taylor*
Amy Taylor, Notary Public - My Commission Expires 5/9/23



CERTIFICATE

I, the undersigned Officer of each Company, DO HEREBY CERTIFY that:

1. That the original power of attorney of which the foregoing is a copy was duly executed on behalf of each Company and has not since been revoked, amended or modified; that the undersigned has compared the foregoing copy thereof with the original power of attorney, and that the same is a true and correct copy of the original power of attorney and of the whole thereof;
2. The following are resolutions which were adopted by the sole shareholder of each Company by unanimous written consent effective June 15, 2019 and said resolutions have not since been revoked, amended or modified:

"RESOLVED, that each of the individuals named below is authorized to make, execute, seal and deliver for and on behalf of the Company any and all bonds, undertakings or obligations in surety or co-surety with others: **RICHARD M. APPEL, BRIAN J. BEGGS, CHRISTOPHER DONELAN, SHARON L. SIMS, CHRISTOPHER L. SPARRO, MARIANNE L. WILBERT**

; and be it further

RESOLVED, that each of the individuals named above is authorized to appoint attorneys-in-fact for the purpose of making, executing, sealing and delivering bonds, undertakings or obligations in surety or co-surety for and on behalf of the Company."

3. The undersigned further certifies that the above resolutions are true and correct copies of the resolutions as so recorded and of the whole thereof.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal this 15th day of September 20 20

By: *[Signature]*

Daniel S. Lurie, Secretary

NOTICE: U. S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL (OFAC)

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Surety Claims Submission: LexonClaimAdministration@sompo-intl.com

Telephone: 615-553-9500 Mailing Address: Sompo International; 12890 Lebanon Road; Mount Juliet, TN 37122-2870

Bond No. EACX226000043

PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS:

THAT we, W & T Offshore, Inc., with its principal office at 5718 Westheimer Rd., Suite 700, Houston, TX 77057-5745, (hereinafter called the “Principal”), and Endurance Assurance Corporation, with an address of 12890 Lebanon Road, Mt. Juliet, TN 37122-2870 (hereinafter called the “Surety”), are held and firmly bound unto Exxon Mobil Corporation, Mobil Oil Exploration & Producing Southeast Inc., XH, LLC, Exxon Mobile Bay Limited Partnership, and ExxonMobil U.S. Properties Inc., all with an address of 22777 Springwoods Village Parkway, Spring, Texas 77389 (hereinafter collectively called the “Obligee”), in the Penalty Sum of Three Million Three Hundred Thousand and No/100 Dollars (\$3,300,000.00) lawful money of the United States of America for the payment of which sum the Principal and the Surety bind themselves, their successors and assigns, jointly, severally, and in solido, firmly by these presents.

WHEREAS, Principal and Obligee have entered into that certain Purchase and Sale Agreement dated effective as of January 1, 2019 (hereinafter called the “Agreement”), which Agreement is by reference made a part hereof and which provides for the sale and assignment from Obligee to Principal of the interests of Obligee in certain oil and gas leases and properties, including the oil and gas leases described on Exhibit A to the Agreement (collectively, the “Leases” and each individually, the “Lease”), together with all rights and obligations in connection with the Leases, and also provides for the sale and assignment to Principal of all wells (both abandoned and unabandoned), facilities, equipment and pipelines existing on the Leases as of the date of the Agreement (collectively, the “Wells” and individually, the “Well”) (the Leases, Wells and such facilities, equipment and pipelines, being collectively referred to as the “Properties” and each as “Property”); and

WHEREAS, Principal and Surety agree that notwithstanding the subsequent termination of any of the Leases, whether by operation of law or otherwise, this Bond shall remain in full force and effect until Principal has presented satisfactory evidence to Obligee, as set forth below, that all P&A Obligations (as such term is defined below) have been performed and discharged; and

WHEREAS, as used in this Bond, the term “P&A Obligations” means all obligations and liabilities of Principal to abandon, restore and remediate the Properties, whether arising before or after January 1, 2019 (the “Effective Time”), including obligations, as applicable to the Properties, to: (a) obtain plugging exceptions in the operator’s name for each Well with a current plugging exception, or permanently plugging and abandoning a Well; (b) plug, abandon, and if necessary, re-abandon each Well; (c) remove all equipment and facilities, including flowlines, and pipelines; (d) close all pits; and I restore and remediate the surface, subsurface and sites associated with the Properties; and

WHEREAS, Principal has agreed to deliver to Obligee this Bond, executed by Principal and Surety, at the Closing as defined and contemplated by the Agreement; and

Bond No. EACX226000043

WHEREAS, Surety represents 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, and represents that it is qualified to be surety and guarantor on bonds and undertakings, which certificate has not been revoked, 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

WHEREAS, Surety represents that it has duly executed a power of attorney, appointing the hereafter named representative as its duly authorized deputy, 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, shall be valid service upon it, and that such appointment shall 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 Principal and Oblige;

NOW THEREFORE, Principal and Surety agree as follows:

Surety hereby guarantees the full and faithful performance by Principal of, and compliance by Principal with, the P&A Obligations in accordance with all current and future requirements of applicable federal and state law or any agency, authority or body having, jurisdiction or authority over the Properties or any operations thereon, and in accordance with the Leases and the Agreement.

PROVIDED, HOWEVER, whenever the Principal shall present to Oblige satisfactory evidence that all of the P&A Obligations have been performed (such satisfactory evidence shall comprise executed forms or other written documentation as may be required by any governmental authority under applicable law to reflect completion of the P&A Obligations, including, without limitation, forms and documentation relating to plugging and abandonment activities, decommissioning activities, site clearance activities and pipeline abandonment or removal activities and completion of remedial activities), then, this Bond shall be null and void; otherwise, it shall remain in full force and effect in the amount as provided.

In the event Principal fails to carry out its obligations to bear the cost and expense to perform the P&A Obligations for a Property or certain identified Properties, Oblige shall present to Surety written notice that Principal is in default of such P&A Obligation, identifying such Property or Properties. If Principal continues to fail to carry out such P&A Obligations with respect to such Property or Properties for thirty (30) days after Surety receives written notice by certified mail, Surety shall, within fifteen (15) days after the end of such thirty (30) day period: 1) Pay to Oblige an amount equal to the actual costs for performing the P&A Obligations with respect to such Property or identified Properties in an amount up to, but not exceeding, the Penalty Sum of this Bond and the Penalty Sum of this Bond shall be reduced by the amount so paid; or 2) Commence the necessary operations to perform the P&A Obligations with respect to such Property or identified Properties, with the Penalty Sum of this Bond to be reduced by Surety's actual costs incurred for each performance of such P&A Obligations upon Surety presenting proof of actual costs to Oblige.

Bond No. EACX226000043

In the event Obligee commences or completes the P&A Obligations with respect to a Property or identified Properties upon Principal's default under the terms of the Agreement, Surety's obligations shall remain the same as set forth in this Bond regarding payment to Obligee as set forth above.

If Surety shall decide, upon default by Principal, to commence, or cause to be commenced, the performance of the aforementioned P&A Obligations, said performance shall continue until such time as the P&A Obligations have been met, with the Penalty Sum of this Bond to be reduced by Surety's actual costs incurred for each performance of such P&A Obligations upon Surety presenting proof of actual costs to Obligee. **Surety agrees to indemnify, defend, and hold harmless Obligee, its directors, and agents from all claims, demands, and causes of action for personal injury, death, property and/or environmental damage resulting in whole or in part from Surety's or Surety's contractors' negligence, whether joint (including with Obligee or Principal) active, passive, concurrent or sole, or willful misconduct with respect to the performance of the P&A Obligations, if and only if Surety elects, as stated herein, to commence the aforementioned P&A Obligations in lieu of payment to Obligee.**

The Surety agrees that, within fifteen (15) calendar days after learning that it has been delisted 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 Obligee.

The Principal agrees that, within fifteen (15) 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 financial institution reasonably acceptable and in a form reasonably acceptable to the Obligee.

The Principal agrees that, within fifteen (15) 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 Obligee and the Surety.

Surety consents to be sued in any court in the State of Texas, hereby irrevocably submitting itself to the jurisdiction of said court. No amendment of or supplement to the terms or provisions of the Agreement or of the Exhibits attached thereto shall release Principal and Surety or either of them from their liability under this Bond. Notice to Surety of any such amendment or supplement is hereby waived, except to the extent that is herein provided.

No forbearance of Obligee, to Principal, shall release Principal and Surety from their liability under this Bond except where Obligee has agreed to reduce the Penalty Sum as provided above. No delay, neglect or failure of Obligee to proceed promptly to enforce the Agreement or to proceed promptly in case of default on the part of Principal or Surety shall in any degree relieve Principal and Surety of their obligations under this Bond except as herein stated. No assignment of the Agreement or of the Property by the Principal, its successors and assigns, and no assignment of the Agreement by operation of law or consent of Obligee or otherwise shall in any degree relieve

Bond No. EACX226000043

Principal and Surety of their obligations under this Bond except as provided herein. However, upon assignment of the Agreement or Property in whole or in part by the Principal, its successors or assigns, to a third party, Principal shall have the right but not the duty or obligation to cause Principal's assignee to post financial security to Oblige in a form acceptable to Oblige (in the amount of and covering the remaining P&A Obligations to the extent not satisfied as of the time of such assignment), to replace this Bond (hereinafter "Replacement Security"). Replacement Security must be in a form reasonably acceptable and issued by a financial institution reasonably acceptable to Oblige. Upon acceptance of Replacement Security the Penalty Sum of this Bond shall be permanently reduced by the amount of Replacement Security.

No assignment, in whole or in part, of the Agreement or of the Properties by Principal, its successors and assigns, and no delay, neglect or failure of the Oblige to proceed promptly to enforce the Agreement or to proceed promptly in the premises in case of any default on the part of Principal shall in any degree relieve Principal and Surety or either of their obligations under this Bond.

No right or action shall accrue on this Bond to or for the use of any person or corporation other than Principal, Oblige, and their respective successors.

NOW THEREFORE, Principal and Oblige agree that any dispute, claim, or controversy concerning the interpretation of this Bond or the Agreement or their compliance with the terms of this Bond shall be resolved in accordance with the terms, conditions, and procedures in Article 17 of the Agreement and each agrees not to prosecute or commence any suit or action against the other relating to any such matters. This Bond is subject to the provisions of Section 8.04(f) of the Agreement including, without limitation, the redetermination provisions that may serve to adjust the Penalty Sum provided for herein and the ability of Oblige to draw on the Bond, in whole or in part, as expressly provided for therein. Surety shall not be required to increase the Penalty Sum provided for in this Bond as a result of any redetermination made pursuant to said Section 8.04(f) of the Agreement without Surety's written consent. In the event such written consent from Surety is not obtained, Principal will be required to obtain an additional bond to cover the incremental Penalty Sum increase as a result of such redetermination from a financial institution, mutually acceptable to Oblige and Principal, providing for terms substantially similar to those set forth in this Bond except as regards the Penalty Sum amount.


In the event of a conflict or inconsistency between the terms and provisions of this Bond and those set forth in the Agreement, as between Principal, Surety and/or Oblige, the terms and provisions of the Agreement shall control.

In no event shall Surety be liable for an amount greater than the Penalty Sum of \$3,300,000.00, and upon Surety's payment of said amount, whether from one or multiple claims and/or payments, this Bond shall be null and void.

Bond No. EACX226000043

IN WITNESS WHEREOF, the above bound parties have executed this instrument to be effective as of June 1, 2022, the name of each corporate party duly signed by its undersigned representative pursuant to authority of its governing body.

WITNESSES:


Edlyn A. Carr

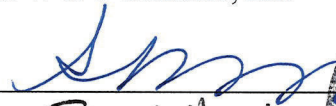
PRINCIPAL: W & T Offshore, Inc.

By:

Name:

Title:

Date:


Janet Yarb
EVP & CFO
5/17/22




SURETY: Endurance Assurance Corporation

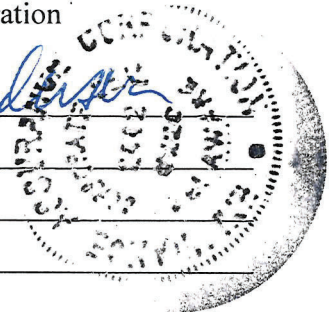
By:

Name:

Title:

Date:


Meredith K. Anderson
Attorney-in-Fact
June 1, 2022



OBLIGEE: Exxon Mobil Corporation

WITNESSES:

By:

Name:

Title:

Date:

OBLIGEE: Mobil Oil Exploration & Producing Southeast Inc.

WITNESSES:

By:

Name:

Title:

Date:

Bond No. EACX226000043

OBLIGEE: XH, LLC

WITNESSES:

By: _____

Name: _____

Title: _____

Date: _____

OBLIGEE: Exxon Mobile Bay Limited Partnership

WITNESSES:

By: _____

Name: _____

Title: _____

Date: _____

OBLIGEE: ExxonMobil U.S. Properties Inc.

WITNESSES:

By: _____

Name: _____

Title: _____

Date: _____

Received by OCD: 09/19/2025

108 of 291


SOMPO INTERNATIONAL
 INSURANCE

POWER OF ATTORNEY

11071

KNOW ALL BY THESE PRESENTS, that **Endurance Assurance Corporation**, a Delaware corporation, **Endurance American Insurance Company**, a Delaware corporation, **Lexon Insurance Company**, a Texas corporation, and/or **Bond Safeguard Insurance Company**, a South Dakota corporation, each, a "Company" and collectively, "**Sompo International**," do hereby constitute and appoint: **Edwin H. Frank, III, Michele K. Tyson, W. Russell Brown, Jr., Meredith K. Anderson, Stephen Michael Smith**

as true and lawful Attorney(s)-In-Fact to make, execute, seal, and deliver for, and on its behalf as surety or co-surety; bonds and undertakings given for any and all purposes, also to execute and deliver on its behalf as aforesaid renewals, extensions, agreements, waivers, consents or stipulations relating to such bonds or undertakings provided, however, that no single bond or undertaking so made, executed and delivered shall obligate the Company for any portion of the penal sum thereof in excess of the sum of **ONE HUNDRED MILLION Dollars (\$100,000,000.00)**.

Such bonds and undertakings for said purposes, when duly executed by said attorney(s)-in-fact, shall be binding upon the Company as fully and to the same extent as if signed by the President of the Company under its corporate seal attested by its Corporate Secretary.

This appointment is made under and by authority of certain resolutions adopted by the sole shareholder of each Company by unanimous written consent effective the 15th day of June, 2019, a copy of which appears below under the heading entitled "Certificate".

This Power of Attorney is signed and sealed by facsimile under and by authority of the following resolution adopted by the sole shareholder of each Company by unanimous written consent effective the 15th day of June, 2019 and said resolution has not since been revoked, amended or repealed:

RESOLVED, that the signature of an individual named above and the seal of the Company may be affixed to any such power of attorney or any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signature or seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.

IN WITNESS WHEREOF, each Company has caused this instrument to be signed by the following officers, and its corporate seal to be affixed this 15th day of June, 2019.

Endurance Assurance Corporation
 By: *Richard M Appel*
 Richard Appel; SVP & Senior Counsel



Endurance American Insurance Company
 By: *Richard M Appel*
 Richard Appel; SVP & Senior Counsel



Lexon Insurance Company
 By: *Richard M Appel*
 Richard Appel; SVP & Senior Counsel



Bond Safeguard Insurance Company
 By: *Richard M Appel*
 Richard Appel; SVP & Senior Counsel



ACKNOWLEDGEMENT

On this 15th day of June, 2019, before me, personally came the above signatories known to me, who being duly sworn, did depose and say that he/she is an officer of each of the Companies; and that he executed said instrument on behalf of each Company by authority of his office under the by-laws of each Company.

By:

Amy Taylor
 Amy Taylor, Notary Public - My Commission Expires 5/9/23



CERTIFICATE

I, the undersigned Officer of each Company, DO HEREBY CERTIFY that:

1. That the original power of attorney of which the foregoing is a copy was duly executed on behalf of each Company and has not since been revoked, amended or modified; that the undersigned has compared the foregoing copy thereof with the original power of attorney, and that the same is a true and correct copy of the original power of attorney and of the whole thereof;
2. The following are resolutions which were adopted by the sole shareholder of each Company by unanimous written consent effective June 15, 2019 and said resolutions have not since been revoked, amended or modified:

"RESOLVED, that each of the individuals named below is authorized to make, execute, seal and deliver for and on behalf of the Company any and all bonds, undertakings or obligations in surety or co-surety with others: **RICHARD M. APPEL, BRIAN J. BEGGS, CHRISTOPHER DONELAN, SHARON L. SIMS, CHRISTOPHER L. SPARRO, MARIANNE L. WILBERT** ; and be it further

RESOLVED, that each of the individuals named above is authorized to appoint attorneys-in-fact for the purpose of making, executing, sealing and delivering bonds, undertakings or obligations in surety or co-surety for and on behalf of the Company."

3. The undersigned further certifies that the above resolutions are true and correct copies of the resolutions as so recorded and of the whole thereof.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal this 1st day of June, 2022.

By:

Daniel S. Lurie
 Daniel S. Lurie, Secretary

NOTICE: U. S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL (OFAC)

No coverage is provided by this Notice nor can it be construed to replace any provisions of any surety bond or other surety coverage provided. This Notice provides information concerning possible impact on your surety coverage due to directives issued by OFAC. **Please read this Notice carefully.**

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous foreign agents, front organizations, terrorists, terrorist organizations, and narcotics traffickers as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's website - <https://www.treasury.gov/resource-center/sanctions/SDN-List>.

In accordance with OFAC regulations, if it is determined that you or any other person or entity claiming the benefits of any coverage has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, any coverage will be considered a blocked or frozen contract and all provisions of any coverage provided are immediately subject to OFAC. When a surety bond or other form of surety coverage is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments may also apply.

Any reproductions are void.

Surety Claims Submission: LexonClaimAdministration@sompo-intl.com

Telephone: 615-553-9500 Mailing Address: Sompo International; 12890 Lebanon Road; Mount Juliet, TN 37122-2870

DUPLICATE ORIGINAL

Bond No. EACX226000043

Surety Rider No. 1

To be attached to and form a part of Performance Bond No. EACX226000043 ("Bond") on behalf of W & T Offshore, Inc., ("Principal"), in favor of Exxon Mobil Corporation, Mobil Oil Exploration & Producing Southeast Inc., XH, LLC, Exxon Mobile Bay Limited Partnership, and ExxonMobil U.S. Properties Inc. (collectively, the "Obligee") and executed by Endurance Assurance Corporation, an insurance corporation domiciled in the state of Delaware with its office at 12890 Lebanon Road, Mt. Juliet, TN 37122-2870 ("Surety").

Effective Date of Change: June 1, 2023

In consideration of the mutual agreement herein contained, the Principal and Surety hereby consent to the following changes:

The Bond's Penalty Sum has increased by Three Million Seven Hundred Thousand and No/100 Dollars (\$3,700,000.00) from Three Million Three Hundred Thousand and No/100 Dollars (\$3,300,000.00) to Seven Million and No/100 Dollars (\$7,000,000.00).

Nothing herein contained shall vary, alter, or extend any provision, term, or condition of this Bond except as herein expressly stated.

SIGNED, SEALED AND DATED THIS: 3rd day of May, 2023.

W&T Offshore, Inc.
(Principal)

By: 

Todd Grubbs, Treasurer
Name/Title

Endurance Assurance Corporation
(Surety)

By: 

Heather Noles, Attorney-In-Fact
Name/Title

Received by OCD: 09/19/2025

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**SOMPO INTERNATIONAL**
INSURANCE**POWER OF ATTORNEY****10034**

KNOW ALL BY THESE PRESENTS, that Endurance Assurance Corporation, a Delaware corporation ("EAC"), Endurance American Insurance Company, a Delaware corporation ("EAIC"), Lexon Insurance Company, a Texas corporation ("LIC"), and/or Bond Safeguard Insurance Company, a South Dakota corporation ("BSIC"), each, a "Company" and collectively, "Sompo International," do hereby constitute and appoint: Marc W. Boots, Vickie Lacy, Maria D. Zuniga, Joseph R. Aulbert, Ashley Koletar, Ryan Varela, Richard Covington, Heather Noles, Melanie Salinas as true and lawful Attorney(s)-in-Fact to make, execute, seal, and deliver for, and on its behalf as surety or co-surety; bonds and undertakings given for any and all purposes, also to execute and deliver on its behalf as aforesaid renewals, extensions, agreements, waivers, consents or stipulations relating to such bonds or undertakings provided, however, that no single bond or undertaking so made, executed and delivered shall obligate the Company for any portion of the penal sum thereof in excess of the sum of One Hundred Million Dollars (\$100,000,000.00).

Such bonds and undertakings for said purposes, when duly executed by said attorney(s)-in-fact, shall be binding upon the Company as fully and to the same extent as if signed by the President of the Company under its corporate seal attested by its Corporate Secretary.

This appointment is made under and by authority of certain resolutions adopted by the board of directors of each Company by unanimous written consent effective the 30th day of March, 2023 for BSIC and LIC and the 17th day of May, 2023 for EAC and EAIC, a copy of which appears below under the heading entitled "Certificate".

This Power of Attorney is signed and sealed by facsimile under and by authority of the following resolution adopted by the board of directors of each Company by unanimous written consent effective the 30th day of March, 2023 for BSIC and LIC and the 17th day of May, 2023 for EAC and EAIC and said resolution has not since been revoked, amended or repealed:

RESOLVED, that the signature of an individual named above and the seal of the Company may be affixed to any such power of attorney or any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signature or seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.

IN WITNESS WHEREOF, each Company has caused this instrument to be signed by the following officers, and its corporate seal to be affixed this 25th day of May, 2023.

Endurance Assurance Corporation

Endurance American Insurance Company

Lexon Insurance Company

Bond Safeguard Insurance Company

By: 
Richard Appel; SVP & Senior CounselBy: 
Richard Appel; SVP & Senior CounselBy: 
Richard Appel; SVP & Senior CounselBy: 
Richard Appel; SVP & Senior Counsel**ACKNOWLEDGEMENT**

On this 25th day of May, 2023, before me, personally came the above signatories known to me, who being duly sworn, did depose and say that he/she is an officer of each of the Companies; and that he executed said instrument on behalf of each Company by authority of his office under the by-laws of each Company.

By: 
Amy Taylor, Notary Public - My Commission Expires 3/9/27**CERTIFICATE**

I, the undersigned Officer of each Company, DO HEREBY CERTIFY that:

1. That the original power of attorney of which the foregoing is a copy was duly executed on behalf of each Company and has not since been revoked, amended or modified; that the undersigned has compared the foregoing copy thereof with the original power of attorney, and that the same is a true and correct copy of the original power of attorney and of the whole thereof;
2. The following are resolutions which were adopted by the board of directors of each Company by unanimous written consent effective 30th day of March, 2023 for BSIC and LIC and the 17th day of May, 2023 for EAC and EAIC and said resolutions have not since been revoked, amended or modified:

"RESOLVED, that each of the individuals named below is authorized to make, execute, seal and deliver for and on behalf of the Company any and all bonds, undertakings or obligations in surety or co-surety with others: RICHARD M. APPEL, MATTHEW E. CURRAN, MARGARET HYLAND, SHARON L. SIMS, CHRISTOPHER L. SPARRO,

and be it further

RESOLVED, that each of the individuals named above is authorized to appoint attorneys-in-fact for the purpose of making, executing, sealing and delivering bonds, undertakings or obligations in surety or co-surety for and on behalf of the Company."

3. The undersigned further certifies that the above resolutions are true and correct copies of the resolutions as so recorded and of the whole thereof.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal this 3rd day of May, 2023.

By: 
Daniel S. Lurie, Secretary**NOTICE: U. S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL (OFAC)**

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In accordance with OFAC regulations, if it is determined that you or any other person or entity claiming the benefits of any coverage has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, any coverage will be considered a blocked or frozen contract and all provisions of any coverage provided are immediately subject to OFAC. When a surety bond or other form of surety coverage is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments may also apply.

Any reproductions are void.

Surety Claims Submission: LexonClaimAdministration@sompo-intl.com

Telephone: 616-563-9600 Mailing Address: Sompo International; 12890 Lebanon Road; Mount Juliet, TN 37122-2870

TO: RAILROAD COMMISSION OF TEXAS

Attention: Oil & Gas Division

Administrative Compliance Section

P-5 Financial Assurance Unit

P.O. Box 12967

Austin, TX 78711-2967

Received by OGB 09/19/2023

EXHIBIT D

Bond #

EACX226000045

111 of 291

PERFORMANCE BOND

P-5PB

rev. 9/2021

WHEREAS, persons performing oil and gas operations within the jurisdiction of the Railroad Commission of Texas (Commission) are required to execute and file with the Commission a bond covering those operations pursuant to Texas Natural Resources Code §§ 91.103 and 91.104;

WHEREAS, persons required to file financial security pursuant to Texas Natural Resources Code §§ 91.103-91.104 may file an individual bond or blanket bond in an amount prescribed by Texas Natural Resources Code §§ 91.1041 or 91.1042 in satisfaction of the requirement to file financial security with the Commission;

WHEREAS, the Principal named below is the operator of certain Commission-regulated operations including but not limited to: (1) operations and permits listed on the Commission's Form P-5 (Organization Report) records; and/or (2) wells listed on the Commission's Oil and Gas Proration Schedule(s) and any additional wells that may be obtained prior to the expiration of this bond and carried on the Oil and Gas Proration Schedules;

WHEREAS, the Commission's Form P-5 (Organization Report) records and the Oil and Gas Proration Schedule(s) pertaining to the Principal are incorporated herein by reference as if fully set forth at length;

WHEREAS, the Principal desires to perform oil and gas operations and activities within the jurisdiction of the Commission, and which operations and activities must be carried on in full conformance with all state laws and Commission rules, including those laws and Commission rules, orders, and permits requiring operators to plug and abandon all wells and control, abate, and clean up pollution associated with an operator's oil and gas operations and activities; and

WHEREAS, Principal acknowledges and agrees that, due to amendments to the Texas Natural Resources Code, amendments to Commission Rules, and/or changes to the Principal's Commission-regulated operations, including without limitation the acquisition of additional wells, it may be required during the effective term of this bond to provide additional financial security beyond the face amount of this bond before its Form P-5 (Organization Report) will be accepted and approved.

NOW, THEREFORE:

We, **W&T Offshore, Inc.** (operator's name exactly as shown on Form P-5 (Organization Report)), **887952** (P-5 number) as Principal, and **Endurance Assurance Corporation** as Surety, duly authorized and qualified to do business in the State of Texas, are held and firmly bound unto the State of Texas in the sum of **One Hundred Twenty Five Thousand** Dollars (\$ **125,000.00**) payable at Austin, Travis County, Texas, and for the payment of which, well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

The Principal and Surety are relieved of their obligation to pay the bond amount to the State if the Principal conducts its oil and gas operations and activities in accordance with state law and all permits, rules and orders of the Commission, and is in full compliance with the following requirements and conditions of this bond::

1. All inactive wells shall be maintained in compliance with Commission Statewide Rules 14 and 15 by: (a) plugging the wells or restoring the wells to beneficial use; and (b) preventing the pollution of any ground or surface water in the state or any uncontrolled escape of formation fluids from the strata in which they were originally located;
2. All active wells shall be maintained to prevent the pollution of any ground or surface water in the state or any uncontrolled escape of formation fluids from the strata in which they were originally located;
3. All oil and gas operations and activities shall be conducted in a manner that prevents pollution of any ground or surface water in the state; and
4. The Principal has maintained current operator status as reflected on the Commission's P-5 records.

In the event of Principal's failure to comply with the conditions and obligations of this bond, the Surety shall promptly remedy such non-compliance, in accordance with the laws of the state and permits, rules, and orders of the Commission, within 60 days of notice of non-compliance as follows:

1. If any well or other oil and gas operation or activity subject to this bond is likely to pollute or is polluting any ground or surface water or allowing uncontrolled escape of formation fluids from the strata in which they were originally located, the Surety shall expend funds up to the face amount of the bond to control, abate and clean up pollution and to prevent further escape of formation fluids.
2. If the Principal has failed to maintain current operator status as reflected on the Commission's P-5 Organization Report records, the Surety shall:
 - (a) Expend funds up to the face amount of the bond to properly plug the well or close any other operation or activity (Surety understands and agrees that plugging or closing operations must be completed once commenced without the expenditure of State Funds, including State Oil-Field Cleanup funds); or
 - (b) Pay liquidated damages. It is agreed by the parties that the actual damages which might be sustained by the Railroad Commission of Texas by reason of the failure to comply are uncertain and would be difficult of ascertainment, and it is further agreed that the amount of liquidated damages for onshore wells will be calculated by multiplying the total depth of the well by the average actual per-foot plugging costs for wells plugged by the Commission in the preceding state fiscal year for the Commission Oil and Gas Division district in which the well is located (if for any reason a district average is not available, then the state-wide average for the preceding fiscal year shall be used), up to the face amount of the bond, and that amount would be reasonable and just compensation for such failure to comply, and Surety hereby promises to pay and the Railroad Commission of Texas agrees to accept, at its office in Austin, Travis County, Texas such sum as liquidated damages, and not as a penalty, in the event of such failure to comply. It is further agreed by the parties that the amount of liquidated damages for bay and/or offshore wells will be the estimated cost of plugging each well, which will be the amount required in 16 Tex. Admin. Code § 3.78(g)(1)(A) or (B) plus the additional amount that was required *per well* by the Commission in 16 Tex. Admin. Code § 3.78(g)(2)-(5), up to the face amount of the bond, and that amount would be reasonable and just compensation for failure to comply, and Surety hereby promises to pay and the Railroad Commission of Texas agrees to accept, at its office in Austin, Travis County, Texas such sum as liquidated damages, and not as a penalty, in the event of such failure to comply.
3. Except as provided by Paragraph 2(b) above, if the Commission has expended State Funds to plug any well, to close any other operation or activity, to control, abate and clean up pollution or take any other action to prevent further escape of formation fluids, the Surety shall reimburse the

(over)

Commission for the amount of State Funds so expended up to the face amount of the bond.

112 of 291

Sums demanded under this bond shall be paid to the Railroad Commission at Austin, Texas, within thirty days after receipt of written demand therefor, which demand shall be mailed by registered or certified U.S. mail to the address shown below.

Conditions and obligations under this bond are construed in accordance with laws of the State of Texas and all permits, rules, and orders of the Commission, including any amendments thereto that may be made during the term of this bond, and Surety waives notice of any such amendments. The State of Texas shall have the right to sue on and otherwise enforce the obligations of this bond without first resorting to or exhausting its remedies against the properties and assets of the Principal.

If the Principal is filing this bond for the first time, then the bond is effective on the Principal's P-5 effective date for the first year; thereafter, it will be effective 150 days after the Form P-5 effective and/or renewal date.

The term of this bond shall expire August 1, 2024 (date must be 150 days after the Principal's annual Form P-5 expiration dates) and is renewable. Written notice of renewal shall be given by the Surety to the Commission on or before the Principal's last P-5 filing date prior to the expiration of this bond. Obligations to pay part or all of the bond amount are deemed released upon the expiration date of the bond unless the Commission has made a claim on the bond or an enforcement action against any operations or activities subject to the bond is pending. Principal and Surety may also be relieved of their obligations to pay part or all of the bond amount by written agreement between the Commission, Principal, and Surety.

If the bond amount is not paid in accordance with the terms of this bond and if judgment for any part of the bond amount is awarded through action of the Attorney General or other action filed by the Commission in bankruptcy, probate, or any other court proceeding, then the State shall be entitled to court costs and reasonable attorney's fees awarded by the court. Surety's liability for such costs and fees shall not be limited by the amount of this bond. It is agreed and understood that this bond is executed and performable in Austin, Travis County, Texas, and venue for any cause of action construing this bond is proper in Austin, Travis County, Texas.

A transfer, by any means, of any well covered under this bond does not relieve the Surety of any obligation under this bond until the operator acquiring the well has on file with the Commission an approved form of financial security covering the well and an approved Form P-4 (Certificate of Compliance and Transportation Authority). The transferred well remains covered by this bond and the Principal and Surety remain responsible for compliance with all laws and Commission rules covering the transferred well until the Commission determines that the well is covered by proper financial security and the acquiring operator has assumed full responsibility for the well in accordance with all state laws, including Tex. Nat. Resources Code §91.107 and all applicable Commission rules.

IN TESTIMONY WHEREOF, said PRINCIPAL has hereunto subscribed his or her name or has caused this instrument to be signed by its duly authorized officers this 27th day of April, 2023.

EXHIBIT F

W&T Offshore, Inc.

PRINCIPAL

By [Signature]
NAME & TITLE
Tapel Yang
Chief Financial Officer &
Executive Vice President

IN TESTIMONY WHEREOF, said SURETY has caused this instrument to be signed by its duly authorized officers and its corporate seal to be affixed this 28th day of February, 2023.

Endurance Assurance Corporation

SURETY (ATTACH POWER OF ATTORNEY)

By [Signature]
NAME & TITLE
Meredith K. Anderson
Attorney-in-Fact

12890 Lebanon Road, Mt. Juliet, TN 37122

SURETY'S FULL MAILING ADDRESS

12890 Lebanon Road, Mt. Juliet, TN 37122

SURETY'S PHYSICAL ADDRESS

(914) 468-8000

SURETY'S TELEPHONE NUMBER

(seal)



Received by OGD 09/10/2019
SOMPO INTERNATIONAL
 INSURANCE

113 of 291

POWER OF ATTORNEY

11071

KNOW ALL BY THESE PRESENTS, that **Endurance Assurance Corporation**, a Delaware corporation, **Endurance American Insurance Company**, a Delaware corporation, **Lexon Insurance Company**, a Texas corporation, and/or **Bond Safeguard Insurance Company**, a South Dakota corporation, each, a "Company" and collectively, "**Sompo International**," do hereby constitute and appoint: **Edwin H. Frank, III, Michele K. Tyson, Meredith K. Anderson, Stephen Michael Smith, Timothy J. Briggs** as true and lawful Attorney(s)-In-Fact to make, execute, seal, and deliver for, and on its behalf as surety or co-surety; bonds and undertakings given for any and all purposes, also to execute and deliver on its behalf as aforesaid renewals, extensions, agreements, waivers, consents or stipulations relating to such bonds or undertakings provided, however, that no single bond or undertaking so made, executed and delivered shall obligate the Company for any portion of the penal sum thereof in excess of the sum of **ONE HUNDRED MILLION Dollars (\$100,000,000.00)**.

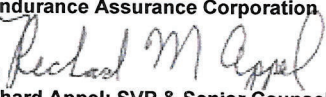
Such bonds and undertakings for said purposes, when duly executed by said attorney(s)-in-fact, shall be binding upon the Company as fully and to the same extent as if signed by the President of the Company under its corporate seal attested by its Corporate Secretary.

This appointment is made under and by authority of certain resolutions adopted by the sole shareholder of each Company by unanimous written consent effective the 15th day of June, 2019, a copy of which appears below under the heading entitled "Certificate".

This Power of Attorney is signed and sealed by facsimile under and by authority of the following resolution adopted by the sole shareholder of each Company by unanimous written consent effective the 15th day of June, 2019 and said resolution has not since been revoked, amended or repealed:

RESOLVED, that the signature of an individual named above and the seal of the Company may be affixed to any such power of attorney or any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signature or seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.

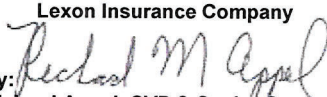
IN WITNESS WHEREOF, each Company has caused this instrument to be signed by the following officers, and its corporate seal to be affixed this 15th day of June, 2019.

Endurance Assurance Corporation
 By: 
 Richard Appel, SVP & Senior Counsel




Endurance American Insurance Company
 By: 
 Richard Appel, SVP & Senior Counsel



Lexon Insurance Company
 By: 
 Richard Appel, SVP & Senior Counsel



Bond Safeguard Insurance Company
 By: 
 Richard Appel, SVP & Senior Counsel



ACKNOWLEDGEMENT

On this 15th day of June, 2019, before me, personally came the above signatories known to me, who being duly sworn, did depose and say that he/she is an officer of each of the Companies; and that he executed said instrument on behalf of each Company by authority of his office under the by-laws of each Company.

By: 

Amy Taylor, Notary Public - My Commission Expires 5/9/23



CERTIFICATE

I, the undersigned Officer of each Company, DO HEREBY CERTIFY that:

1. That the original power of attorney of which the foregoing is a copy was duly executed on behalf of each Company and has not since been revoked, amended or modified; that the undersigned has compared the foregoing copy thereof with the original power of attorney, and that the same is a true and correct copy of the original power of attorney and of the whole thereof;
2. The following are resolutions which were adopted by the sole shareholder of each Company by unanimous written consent effective June 15, 2019 and said resolutions have not since been revoked, amended or modified:

"RESOLVED, that each of the individuals named below is authorized to make, execute, seal and deliver for and on behalf of the Company any and all bonds, undertakings or obligations in surety or co-surety with others: **RICHARD M. APPEL, BRIAN J. BEGGS, CHRISTOPHER DONELAN, SHARON L. SIMS, CHRISTOPHER L. SPARRO, MARIANNE L. WILBERT**

; and be it further

RESOLVED, that each of the individuals named above is authorized to appoint attorneys-in-fact for the purpose of making, executing, sealing and delivering bonds, undertakings or obligations in surety or co-surety for and on behalf of the Company."

3. The undersigned further certifies that the above resolutions are true and correct copies of the resolutions as so recorded and of the whole thereof.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal this 28th day of February, 20 23.

By: 

Daniel S. Lurie, Secretary

NOTICE: U. S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL (OFAC)

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Any reproductions are void.

Surety Claims Submission: LexonClaimAdministration@sompo-intl.com

Telephone: 615-553-9500 Mailing Address: Sompo International; 12890 Lebanon Road; Mount Juliet, TN 37122-2870

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

OMB Control No.: 1010-0006
Expiration Date: 6/30/2019

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

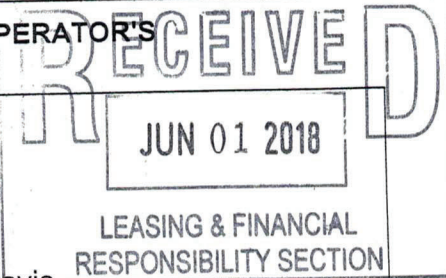
Form BOEM-2028A

This form dated June 2016 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, 45600 Woodland Road, Sterling, VA 20166.

U.S. DEPARTMENT OF THE INTERIOR

Bureau of Ocean Energy Management

Bond No. 1156846OCS Lease/RUE/ROW No. OCS- G 10942Bond Type SupplementalAmount \$5,000,000.00OUTER CONTINENTAL SHELF (OCS) MINERAL LESSEE'S OR OPERATOR'S
SUPPLEMENTAL BOND

The Surety is the entity Guaranteeing Performance.

Name of Surety: Lexon Insurance CompanyMailing Address: 10002 Shelbyville Road, Suite 100
Louisville, Kentucky 40223If a Corporation, Incorporated in the State of: Texas; County or Parish of: Travis☒ 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: W & T Energy VI, LLCMailing Address: Nine Greenway Plaza, Suite 300
Houston, Texas 77046

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

The following lease/RUE/ROW: All of Block 823 Viosca Knoll, as shown on OCS Official Protraction Diagram NH16-7.

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.

Lexon Insurance Company

Name of Surety

Meredith K. Anderson
 Signature of Person Executing for Surety

Meredith K. Anderson, Attorney-in-Fact

Name and Title (typed or printed)

10002 Shelbyville Road, Suite 100

Business Address

Louisville, Kentucky 40223

Business Address

W & T Energy VI, LLC

Name of Principal

Thomas P. Murphy
 Signature of Person Executing for Principal

REPRESENTATIVE

Name and Title (typed or printed)

Nine Greenway Plaza, Suite 300

Business Address

Houston, Texas 77046

Business Address

Signed on this 4th day of May, 2018, in the State of Texas, in the presence of:

Wendy Pierson
 Signature of Witness

Wendy Pierson

Name (typed or printed)

777 Post Oak Boulevard, Suite 330

Address

Houston, Texas 77056

Address

Todd Grabis
 Signature of Witness

Todd Grabis
 Name (typed or printed)

9 Greenway Plaza, Ste 300

Address

Houston, Tx 77046

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 (June 2016)

Previous Editions are Obsolete.

POWER OF ATTORNEY

LX- 330977

Lexon Insurance Company

KNOW ALL MEN BY THESE PRESENTS, that **LEXON INSURANCE COMPANY**, a Texas Corporation, with its principal office in Louisville, Kentucky, does hereby constitute and appoint: Edwin H. Frank, III, Michele K. Tyson, W. Russell Brown, Jr., Meredith K. Anderson its true and lawful Attorney(s)-In-Fact to make, execute, seal and deliver for, and on its behalf as surety, any and all bonds, undertakings or other writings obligatory in nature of a bond.

This authority is made under and by the authority of a resolution which was passed by the Board of Directors of **LEXON INSURANCE COMPANY** on the 1st day of July, 2003 as follows:

Resolved, that the President of the Company is hereby authorized to appoint and empower any representative of the Company or other person or persons as Attorney-In-Fact to execute on behalf of the Company any bonds, undertakings, policies, contracts of indemnity or other writings obligatory in nature of a bond not to exceed \$5,000,000.00, Five Million dollars, which the Company might execute through its duly elected officers, and affix the seal of the Company thereto. Any said execution of such documents by an Attorney-In-Fact shall be as binding upon the Company as if they had been duly executed and acknowledged by the regularly elected officers of the Company. Any Attorney-In-Fact, so appointed, may be removed for good cause and the authority so granted may be revoked as specified in the Power of Attorney.

Resolved, that the signature of the President and the seal of the Company may be affixed by facsimile on any power of attorney granted, and the signature of the Assistant Secretary, and the seal of the Company may be affixed by facsimile to any certificate of any such power and any such power or certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certificate so executed and sealed shall, with respect to any bond of undertaking to which it is attached, continue to be valid and binding on the Company.

IN WITNESS THEREOF, **LEXON INSURANCE COMPANY** has caused this instrument to be signed by its President, and its Corporate Seal to be affixed this 5th day of August, 2015.

LEXON INSURANCE COMPANY



BY

David E. Campbell
 David E. Campbell
 President

ACKNOWLEDGEMENT

On this 5th day of August, 2015, before me, personally came David E. Campbell to me known, who be duly sworn, did depose and say that he is the President of **LEXON INSURANCE COMPANY**, the corporation described in and which executed the above instrument; that he executed said instrument on behalf of the corporation by authority of his office under the By-laws of said corporation.



AMY TAYLOR
 Notary Public- State of Tennessee
 Davidson County
 My Commission Expires 07-08-19

BY

Amy Taylor
 Amy Taylor
 Notary Public

CERTIFICATE

I, the undersigned, Assistant Secretary of **LEXON INSURANCE COMPANY**, A Texas Insurance Company, DO HEREBY CERTIFY that the original Power of Attorney of which the forgoing is a true and correct copy, is in full force and effect and has not been revoked and the resolutions as set forth are now in force.

Signed and Seal at Mount Juliet, Tennessee this 4th Day of May, 2018.



BY

Andrew Smith
 Andrew Smith
 Assistant Secretary

"WARNING: Any person who knowingly and with intent to defraud any insurance company or other person, files and application for insurance of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties."

U.S. Department of the Interior
Office of Natural Resources Revenue

OMB Control Number 1012-0006
OMB Approval Expires March 31, 2018

ADMINISTRATIVE APPEAL BOND
Form ONRR-4435

Bond No. 1136949

Bond Amount \$ 6,924,756.00
Date Bond Executed September 9, 2016

KNOW ALL MEN BY THESE PRESENTS, That we, W & T Offshore, Inc. as Principal, and Lexon Insurance Company, a corporation duly organized and existing under the laws of the State of Texas, having its main office at 10002 Shelbyville Road, Suite 100, Louisville, KY 40223, as Surety are held and firmly bound unto the United States Office of Natural Resources Revenue in the sum of \$ 6,924,756.00, for the payment of which sum well and truly to be made, we bind ourselves, and our heirs, executors, administrators, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT, WHEREAS, the bond is intended to secure the payment of principal and interest due the United States Office of Natural Resources Revenue in the event that W & T Offshore, Inc. is unsuccessful in its administrative appeal to the Director, Office of Natural Resources Revenue, of (Bill Number(s)) OTH100002683, dated September 9, 2016, or any order (invoice) which may be substituted, if W & T Offshore, Inc. shall pay all principal and interest found to be due under the decision on that appeal within the time required therefor, this instrument shall be of no force or effect; otherwise, it will remain in full force and effect.

Principal

W & T Offshore, Inc.
(Legal Name)
Nine Greenway Plaza, Suite 300
(Address)
Houston, Texas 77046

By John L. Dutton
Its Vice President

Surety

Lexon Insurance Company
(Legal Name)
10002 Shelbyville Road, Suite 100
(Address)
Louisville, Kentucky 40223

Michelle K. Tyson
Michele K. Tyson, Attorney-in-Fact

Corporate Seal (where required)

Paperwork Reduction Act of 1995 (PRA) Statement: The PRA (44 U.S.C. 3501 *et seq.*) requires us to inform you that we collect this information to allow lessees, designees, or payors to stay the effectiveness of an order or decision by posting a surety instrument. The ONRR uses the information to secure the financial interests of the public and Indian lessors during the entire administrative and judicial appeal process. Responses are required to obtain a benefit (43 U.S.C. 1334). Proprietary information is protected in accordance with standards established by the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1733), the Freedom of Information Act (5 U.S.C. 552(b)(4)), and Department regulations (43 CFR 2). 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 2 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to the Rules and Regs Team, Office of Natural Resources Revenue, PO Box 25165, MS 61030A, Denver, CO 80225.

POWER OF ATTORNEY

LX-286187

Lexon Insurance Company

KNOW ALL MEN BY THESE PRESENTS, that **LEXON INSURANCE COMPANY**, a Texas Corporation, with its principal office in Louisville, Kentucky, does hereby constitute and appoint: Edwin H. Frank, III, Michele K. Tyson, W. Russell Brown, Jr. its true and lawful Attorney(s)-In-Fact to make, execute, seal and deliver for, and on its behalf as surety, any and all bonds, undertakings or other writings obligatory in nature of a bond.

This authority is made under and by the authority of a resolution which was passed by the Board of Directors of **LEXON INSURANCE COMPANY** on the 1st day of July, 2003 as follows:

Resolved, that the President of the Company is hereby authorized to appoint and empower any representative of the Company or other person or persons as Attorney-In-Fact to execute on behalf of the Company any bonds, undertakings, policies, contracts of indemnity or other writings obligatory in nature of a bond not to exceed \$7,000,000.00, Seven Million dollars, which the Company might execute through its duly elected officers, and affix the seal of the Company thereto. Any said execution of such documents by an Attorney-In-Fact shall be as binding upon the Company as if they had been duly executed and acknowledged by the regularly elected officers of the Company. Any Attorney-In-Fact, so appointed, may be removed for good cause and the authority so granted may be revoked as specified in the Power of Attorney.

Resolved, that the signature of the President and the seal of the Company may be affixed by facsimile on any power of attorney granted, and the signature of the Assistant Secretary, and the seal of the Company may be affixed by facsimile to any certificate of any such power and any such power or certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certificate so executed and sealed shall, with respect to any bond of undertaking to which it is attached, continue to be valid and binding on the Company.

IN WITNESS THEREOF, **LEXON INSURANCE COMPANY** has caused this instrument to be signed by its President, and its Corporate Seal to be affixed this 5th day of August, 2015.



LEXON INSURANCE COMPANY

BY

David E. Campbell
President

ACKNOWLEDGEMENT

On this 5th day of August, 2015, before me, personally came David E. Campbell to me known, who be duly sworn, did depose and say that he is the President of **LEXON INSURANCE COMPANY**, the corporation described in and which executed the above instrument; that he executed said instrument on behalf of the corporation by authority of his office under the By-laws of said corporation.



AMY TAYLOR
Notary Public- State of Tennessee
Davidson County
My Commission Expires 07-08-19

BY

Amy Taylor
Notary Public

CERTIFICATE

I, the undersigned, Assistant Secretary of **LEXON INSURANCE COMPANY**, A Texas Insurance Company, DO HEREBY CERTIFY that the original Power of Attorney of which the forgoing is a true and correct copy, is in full force and effect and has not been revoked and the resolutions as set forth are now in force.

Signed and Seal at Mount Juliet, Tennessee this 9th Day of September, 2016.



BY

Andrew Smith
Assistant Secretary

"WARNING: Any person who knowingly and with intent to defraud any insurance company or other person, files and application for insurance of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties."



W&T OFFSHORE

January 24, 2022

Re: Request for Acceptance of Bond Rider No. 5 for Bond No. 1136949 and Bond Rider No.1 for Bond No. N-4000259

TO ONRR:

Office of Natural Resource Revenue
Denver Federal Center, Building 85
Room A-614, Document Processing Team
Denver, CO 80225-0165

Please accept the attached "Bond Rider No. 5" associated with Bond No. 1136949, issued by Lexon Insurance Company, decreasing the amount by \$7,042,127.00 to \$1,166,860.00; and "Bond Rider No. 1" associated with Bond No. N-4000259, issued by Indemnity National Insurance Company, increasing the amount by \$7,042,127.00 to \$7,313,000.00. The new riders are dollar-for-dollar replacement for existing bonds, totaling the same amount of \$8,479,860.00. Both bonds are posted in favor of the United States Office of Natural Resource Revenue by W & T Offshore, Inc., (as Principal) and Lexon Insurance Company (as Surety) and Indemnity National Insurance Company (as Surety).

<u>Bond No.</u>	<u>Bill #</u>	<u>Docket #</u>	<u>Surety Amount Required</u>
1136949	OTH100002683	10-0128	\$1,166,860.00
N-4000259	OTH10002683	10-0128	\$7,313,000.00
Total			\$8,479,860.00

As this request is accepted and processed, please provide notification via email to the following parties:

Todd Grabois, W&T Offshore, Inc.: tgrabois@wtoffshore.com
Alice Dornan, Petro-Marine Underwriters, Inc.: AliceDornan@msn.com
Scott Sewell, Petro-Marine Underwriters, Inc. Sewell504@gmail.com
Michele Tyson, Attorney-In-Fact Lexon Surety Group, LLC : mtyson@indemco.com
Michele Tyson, Indemnity National Insurance Company, mtyson@indemco.com

Should you have any questions in this matter, please contact our office at (504) 593-9399 or by email at AliceDornan@msn.com.

Sincerely,

Janet Yang
Chief Financial Officer

Bond Rider No. 5

Attaching to and forming part of Administrative Appeal Bond No. 1136949 (hereinafter "Bond") with W & T Offshore, Inc., as Principal, Lexon Insurance Company, as Surety, conditioned to cover Bill Number OTH100002683, in favor of the U.S. Department of the Interior, Office of Natural Resources Revenue, as Obligee.

Executed Date of Bond: September 9, 2016

Effective Date of Change: January 10, 2022

In consideration of the mutual agreement contained herein, the Principal and the Surety hereby consent to the following changes:

The penalty amount has decreased by Seven Million Forty Two Thousand One Hundred Twenty Seven and No/100 Dollars (\$7,042,127.00) from Eight Million Two Hundred Eight Thousand Nine Hundred Eighty Seven and No/100 Dollars (\$8,208,987.00) to One Million One Hundred Sixty Six Thousand Eight Hundred Sixty and No/100 Dollars (\$1,166,860.00).

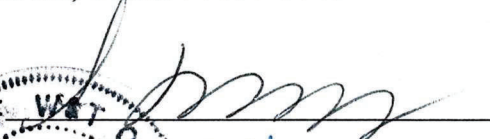
The address for the Principal has changed from Nine Greenway Plaza, Suite 300, Houston, Texas 77046 to 5718 Westheimer Road, Suite 700, Houston, Texas 77057-5745.

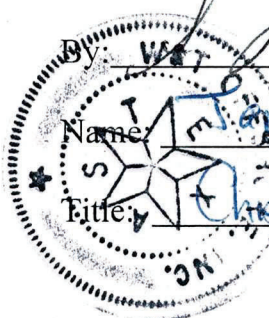
All other conditions and terms to remain as originally written.


Signed, sealed and dated this 10th day of January, 2022.


W & T Offshore, Inc.
5718 Westheimer Road, Suite 700
Houston, Texas 77057-5745

Lexon Insurance Company
10002 Shelbyville Road, Suite 100
Louisville, Kentucky 40223

By: 
Name: Janet Yang
Title: Chief Financial Officer



By: 
Name: Meredith K. Anderson
Title: Attorney-in-Fact



**SOMPO INTERNATIONAL**

INSURANCE

POWER OF ATTORNEY**11071**

KNOW ALL BY THESE PRESENTS, that **Endurance Assurance Corporation**, a Delaware corporation, **Endurance American Insurance Company**, a Delaware corporation, **Lexon Insurance Company**, a Texas corporation, and/or **Bond Safeguard Insurance Company**, a South Dakota corporation, each, a "Company" and collectively, "**Sompo International**," do hereby constitute and appoint: **Edwin H. Frank, III, Michele K. Tyson, W. Russell Brown, Jr., Meredith K. Anderson, Stephen Michael Smith**

as true and lawful Attorney(s)-In-Fact to make, execute, seal, and deliver for, and on its behalf as surety or co-surety; bonds and undertakings given for any and all purposes, also to execute and deliver on its behalf as aforesaid renewals, extensions, agreements, waivers, consents or stipulations relating to such bonds or undertakings provided, however, that no single bond or undertaking so made, executed and delivered shall obligate the Company for any portion of the penal sum thereof in excess of the sum of **ONE HUNDRED MILLION Dollars (\$100,000,000.00)**.

Such bonds and undertakings for said purposes, when duly executed by said attorney(s)-in-fact, shall be binding upon the Company as fully and to the same extent as if signed by the President of the Company under its corporate seal attested by its Corporate Secretary.

This appointment is made under and by authority of certain resolutions adopted by the sole shareholder of each Company by unanimous written consent effective the 15th day of June, 2019, a copy of which appears below under the heading entitled "Certificate".

This Power of Attorney is signed and sealed by facsimile under and by authority of the following resolution adopted by the sole shareholder of each Company by unanimous written consent effective the 15th day of June, 2019 and said resolution has not since been revoked, amended or repealed:

RESOLVED, that the signature of an individual named above and the seal of the Company may be affixed to any such power of attorney or any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signature or seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.

IN WITNESS WHEREOF, each Company has caused this instrument to be signed by the following officers, and its corporate seal to be affixed this 15th day of June, 2019.

Endurance Assurance Corporation

By: *Richard M Appel*
Richard Appel; SVP & Senior Counsel

**Endurance American Insurance Company**

By: *Richard M Appel*
Richard Appel; SVP & Senior Counsel

**Lexon Insurance Company**

By: *Richard M Appel*
Richard Appel; SVP & Senior Counsel

**Bond Safeguard Insurance Company**

By: *Richard M Appel*
Richard Appel; SVP & Senior Counsel

**ACKNOWLEDGEMENT**

On this 15th day of June, 2019, before me, personally came the above signatories known to me, who being duly sworn, did depose and say that he/she is an officer of each of the Companies; and that he executed said instrument on behalf of each Company by authority of his office under the by-laws of each Company.

By:

Amy Taylor
Amy Taylor, Notary Public - My Commission Expires 5/9/23

**CERTIFICATE**

I, the undersigned Officer of each Company, DO HEREBY CERTIFY that:

1. That the original power of attorney of which the foregoing is a copy was duly executed on behalf of each Company and has not since been revoked, amended or modified; that the undersigned has compared the foregoing copy thereof with the original power of attorney, and that the same is a true and correct copy of the original power of attorney and of the whole thereof;
2. The following are resolutions which were adopted by the sole shareholder of each Company by unanimous written consent effective June 15, 2019 and said resolutions have not since been revoked, amended or modified:

"RESOLVED, that each of the individuals named below is authorized to make, execute, seal and deliver for and on behalf of the Company any and all bonds, undertakings or obligations in surety or co-surety with others: **RICHARD M. APPEL, BRIAN J. BEGGS, CHRISTOPHER DONELAN, SHARON L. SIMS, CHRISTOPHER L. SPARRO, MARIANNE L. WILBERT**

; and be it further

RESOLVED, that each of the individuals named above is authorized to appoint attorneys-in-fact for the purpose of making, executing, sealing and delivering bonds, undertakings or obligations in surety or co-surety for and on behalf of the Company."

3. The undersigned further certifies that the above resolutions are true and correct copies of the resolutions as so recorded and of the whole thereof.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal this 10th day of January, 2022.

By:

Daniel S. Lurie
Daniel S. Lurie, Secretary

NOTICE: U. S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL (OFAC)

No coverage is provided by this Notice nor can it be construed to replace any provisions of any surety bond or other surety coverage provided. This Notice provides information concerning possible impact on your surety coverage due to directives issued by OFAC. **Please read this Notice carefully.**

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous foreign agents, front organizations, terrorists, terrorist organizations, and narcotics traffickers as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's website - <https://www.treasury.gov/resource-center/sanctions/SDN-List>.

In accordance with OFAC regulations, if it is determined that you or any other person or entity claiming the benefits of any coverage has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, any coverage will be considered a blocked or frozen contract and all provisions of any coverage provided are immediately subject to OFAC. When a surety bond or other form of surety coverage is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments may also apply.

Any reproductions are void.

Surety Claims Submission: LexonClaimAdministration@sompo-intl.com

Telephone: 615-553-9500 Mailing Address: Sompo International; 12890 Lebanon Road; Mount Juliet, TN 37122-2870

Indemnity National Insurance Company

238 Bedford Way
Franklin, TN 37064

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: Edwin H. Frank, III, Michele K. Tyson, W. Russell Brown, Jr., Meredith K. Anderson, Stephen Michael Smith, and Timothy J. Briggs***** of IndemCo***** 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 10th day of January, 2022.



By James E. Hart
James E. Hart, Secretary

U.S. Department of the Interior
Office of Natural Resources Revenue

OMB Control Number 1012-0006
OMB Approval Expires March 31, 2018

ADMINISTRATIVE APPEAL BOND
Form ONRR-4435

Bond No. 1136950

Bond Amount \$ \$101,944.00

Date Bond Executed September 9, 2016

KNOW ALL MEN BY THESE PRESENTS, That we, W & T Offshore, Inc. as Principal, and Lexon Insurance Company, a corporation duly organized and existing under the laws of the State of Texas, having its main office at 10002 Shelbyville Road, Suite 100, Louisville, KY 40223, as Surety are held and firmly bound unto the United States Office of Natural Resources Revenue in the sum of \$ \$101,944.00, for the payment of which sum well and truly to be made, we bind ourselves, and our heirs, executors, administrators, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT, WHEREAS, the bond is intended to secure the payment of principal and interest due the United States Office of Natural Resources Revenue in the event that W & T Offshore, Inc. is unsuccessful in its administrative appeal to the Director, Office of Natural Resources Revenue, of (Bill Number(s)) OTH100002745, dated September 9, 2016, or any order (invoice) which may be substituted, if W & T Offshore, Inc. shall pay all principal and interest found to be due under the decision on that appeal within the time required therefor, this instrument shall be of no force or effect; otherwise, it will remain in full force and effect.

Principal

Surety

W & T Offshore, Inc.

(Legal Name)

Nine Greenway Plaza, Suite 300

(Address)

Houston, Texas 77046

By 

Its Vice President

Lexon Insurance Company

(Legal Name)

10002 Shelbyville Road, Suite 100

(Address)

Louisville, Kentucky 40223



Michele K. Tyson, Attorney-in-Fact

Corporate Seal (where required)

Paperwork Reduction Act of 1995 (PRA) Statement: The PRA (44 U.S.C. 3501 *et seq.*) requires us to inform you that we collect this information to allow lessees, designees, or payors to stay the effectiveness of an order or decision by posting a surety instrument. The ONRR uses the information to secure the financial interests of the public and Indian lessors during the entire administrative and judicial appeal process. Responses are required to obtain a benefit (43 U.S.C. 1334). Proprietary information is protected in accordance with standards established by the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1733), the Freedom of Information Act (5 U.S.C. 552(b)(4)), and Department regulations (43 CFR 2). 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 2 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to the Rules and Regs Team, Office of Natural Resources Revenue, PO Box 25165, MS 61030A, Denver, CO 80225.

Lexon Insurance Company

KNOW ALL MEN BY THESE PRESENTS, that **LEXON INSURANCE COMPANY**, a Texas Corporation, with its principal office in Louisville, Kentucky, does hereby constitute and appoint: Edwin H. Frank, III, Michele K. Tyson, W. Russell Brown, Jr. its true and lawful Attorney(s)-In-Fact to make, execute, seal and deliver for, and on its behalf as surety, any and all bonds, undertakings or other writings obligatory in nature of a bond.

This authority is made under and by the authority of a resolution which was passed by the Board of Directors of **LEXON INSURANCE COMPANY** on the 1st day of July, 2003 as follows:

Resolved, that the President of the Company is hereby authorized to appoint and empower any representative of the Company or other person or persons as Attorney-In-Fact to execute on behalf of the Company any bonds, undertakings, policies, contracts of indemnity or other writings obligatory in nature of a bond not to exceed \$3,000,000.00, Three Million dollars, which the Company might execute through its duly elected officers, and affix the seal of the Company thereto. Any said execution of such documents by an Attorney-In-Fact shall be as binding upon the Company as if they had been duly executed and acknowledged by the regularly elected officers of the Company. Any Attorney-In-Fact, so appointed, may be removed for good cause and the authority so granted may be revoked as specified in the Power of Attorney.

Resolved, that the signature of the President and the seal of the Company may be affixed by facsimile on any power of attorney granted, and the signature of the Assistant Secretary, and the seal of the Company may be affixed by facsimile to any certificate of any such power and any such power or certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certificate so executed and sealed shall, with respect to any bond of undertaking to which it is attached, continue to be valid and binding on the Company.

IN WITNESS THEREOF, **LEXON INSURANCE COMPANY** has caused this instrument to be signed by its President, and its Corporate Seal to be affixed this 5th day of August, 2015.



LEXON INSURANCE COMPANY

BY

David E. Campbell
President

ACKNOWLEDGEMENT

On this 5th day of August, 2015, before me, personally came David E. Campbell to me known, who be duly sworn, did depose and say that he is the President of **LEXON INSURANCE COMPANY**, the corporation described in and which executed the above instrument; that he executed said instrument on behalf of the corporation by authority of his office under the By-laws of said corporation.



AMY TAYLOR
Notary Public- State of Tennessee
Davidson County
My Commission Expires 07-08-19

BY

Amy Taylor
Notary Public

CERTIFICATE

I, the undersigned, Assistant Secretary of **LEXON INSURANCE COMPANY**, A Texas Insurance Company, DO HEREBY CERTIFY that the original Power of Attorney of which the forgoing is a true and correct copy, is in full force and effect and has not been revoked and the resolutions as set forth are now in force.

Signed and Seal at Mount Juliet, Tennessee this 9th Day of September, 2016.



BY

Andrew Smith
Assistant Secretary

"WARNING: Any person who knowingly and with intent to defraud any insurance company or other person, files and application for insurance of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties."

Bond Rider No. 3

Attaching to and forming part of Administrative Appeal Bond No. 1136950 (hereinafter "Bond") in the amount of One Hundred Eleven Thousand Five Hundred Forty-Four and No/100 Dollars (\$111,544.00) executed on September 9, 2016, with W & T Offshore, Inc., as Principal, Lexon Insurance Company, as Surety, conditioned to cover Bill Number OTH100002745, in favor of the U.S. Department of the Interior, Office of Natural Resources Revenue, as Obligee.

Effective Date of Change: August 13, 2019

In consideration of the mutual agreement contained herein, the Principal and the Surety hereby consent to the following changes:

The penalty amount has increased by Five Thousand Seven Hundred Thirty-Five and No/100 Dollars (\$5,735.00) from One Hundred Eleven Thousand Five Hundred Forty-Four and No/100 Dollars (\$111,544.00) to One Hundred Seventeen Thousand Two Hundred Seventy-Nine and No/100 Dollars (\$117,279.00).

All other conditions and terms to remain as originally written.

Signed, sealed and dated this 13th day of August, 2019.

W & T Offshore, Inc.
Nine Greenway Plaza, Suite 300
Houston, Texas 77046

By: 

Name: Shahid Ghauri

Title: Secretary

Lexon Insurance Company
10002 Shelbyville Road, Suite 100
Louisville, Kentucky 40223

By: 

Name: Michele K. Tyson

Title: Attorney-in-Fact

POWER OF ATTORNEY

LX- 11071

Lexon Insurance Company

KNOW ALL MEN BY THESE PRESENTS, that **LEXON INSURANCE COMPANY**, a Texas Corporation, with its statutory home office in Austin, Texas, does hereby constitute and appoint: Edwin H. Frank, III, Michele K. Tyson, W. Russell Brown, Jr., Meredith K. Anderson, Stephen Michael Smith its true and lawful Attorney(s)-In-Fact to make, execute, seal and deliver for, and on its behalf as surety, any and all bonds, undertakings or other writings obligatory in nature of a bond.

This authority is made under and by the authority of a resolution which was passed by the Board of Directors of **LEXON INSURANCE COMPANY** on the 1st day of July, 2003 as follows:

Resolved, that the President of the Company is hereby authorized to appoint and empower any representative of the Company or other person or persons as Attorney-In-Fact to execute on behalf of the Company any bonds, undertakings, policies, contracts of indemnity or other writings obligatory in nature of a bond not to exceed \$10,000,000.00 Ten Million Dollars, which the Company might execute through its duly elected officers, and affix the seal of the Company thereto. Any said execution of such documents by an Attorney-In-Fact shall be as binding upon the Company as if they had been duly executed and acknowledged by the regularly elected officers of the Company. Any Attorney-In-Fact, so appointed, may be removed for good cause and the authority so granted may be revoked as specified in the Power of Attorney.

Resolved, that the signature of the President and the seal of the Company may be affixed by facsimile on any power of attorney granted, and the signature of the Assistant Secretary, and the seal of the Company may be affixed by facsimile to any certificate of any such power and any such power or certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certificate so executed and sealed shall, with respect to any bond of undertaking to which it is attached, continue to be valid and binding on the Company.

IN WITNESS THEREOF, **LEXON INSURANCE COMPANY** has caused this instrument to be signed by its President, and its Corporate Seal to be affixed this 22nd day of June, 2018.

LEXON INSURANCE COMPANY



BY _____

Brian Beggs

Brian Beggs
President

ACKNOWLEDGEMENT

On this 22nd day of June, 2018, before me, personally came Brian Beggs to me known, who be duly sworn, did depose and say that he is the President of **LEXON INSURANCE COMPANY**, the corporation described in and which executed the above instrument; that he executed said instrument on behalf of the corporation by authority of his office under the By-laws of said corporation.



AMY TAYLOR
Notary Public- State of Tennessee
Davidson County
My Commission Expires 07-08-19

BY _____

Amy Taylor
Amy Taylor
Notary Public

CERTIFICATE

I, the undersigned, Assistant Secretary of **LEXON INSURANCE COMPANY**, A Texas Insurance Company, DO HEREBY CERTIFY that the original Power of Attorney of which the forgoing is a true and correct copy, is in full force and effect and has not been revoked and the resolutions as set forth are now in force.

Signed and Seal at Mount Juliet, Tennessee this 13th Day of August, 2019.

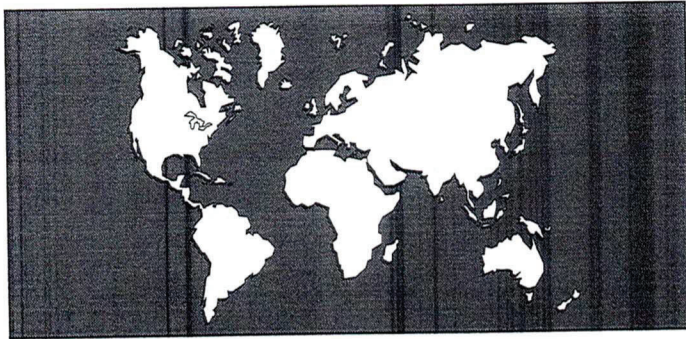


BY _____

Andrew Smith

Andrew Smith
Assistant Secretary

"WARNING: Any person who knowingly and with intent to defraud any insurance company or other person, files and application for insurance of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties."



PETRO-MARINE UNDERWRITERS, INC.

1515 Poydras Street, Suite 1120
New Orleans, Louisiana 70112
Phone (504) 593-9399 or Fax (504) 267-0659
petro_marine@msn.com
www.Petro-MarineBonding.com

August 21, 2019

Re: Request for Acceptance of Bond Rider No. 3 for Bond No. 1136950

TO ONRR:

Office of Natural Resource Revenue
Denver Federal Center, Building 85
Room A-614, Document Processing Team
Denver, CO 80225-0165

Please accept the attached "Bond Rider No. 3" associated with Bond No. 1136950 (the "Bond"), posted in favor of the United States Office of Natural Resource Revenue by W & T Offshore, Inc., (as Principal) and Lexon Insurance Company (as Surety).

<u>Bond No.</u>	<u>Bill #</u>	<u>Docket #</u>	<u>Surety Amount Required</u>
1136950	OTH100002745	11-0001	\$117,279.00

As this request is accepted and processed, please provide notification via email to the following parties:

Todd Grabois, W&T Offshore, Inc.: tgrabois@wtoffshore.com
Michele Tyson, Attorney-In-Fact Lexon Surety Group, LLC: mytyson@indemco.com
Alice Dornan, Petro-Marine Underwriters, Inc.: AliceDornan@msn.com
Scott Sewell, Petro-Marine Underwriters, Inc.: Sewell504@gmail.com

Should you have any questions in this matter, please contact our office at (504) 593-9399 or by email at AliceDornan@msn.com.

Sincerely,

S. Scott Sewell
Petro-Marine Underwriters, Inc.

ENC:

alicedornan@msn.com

From: TrackingUpdates@fedex.com
Sent: Thursday, August 22, 2019 10:26 AM
To: alicedornan@msn.com
Subject: FedEx Shipment 776040892673 Delivered

Your package has been delivered

Tracking # 776040892673

Ship date:
Wed, 8/21/2019

Scott Sewell
Petro-Marine Underwriters, Inc.
New Orleans, LA 70124
US

Delivery date:
Thu, 8/22/2019 9:22 am

Kim Werner
Office of Natural Resource
Revenue
Denver Federal Center,
Building 85
Room A-614 Document
Processing Team
DENVER, CO 80225
US



Shipment Facts

Our records indicate that the following package has been delivered.

Tracking number:	<u>776040892673</u>
Status:	Delivered: 08/22/2019 09:22 AM Signed for By: J.GIRON
Signed for by:	J.GIRON
Delivery location:	Denver, CO
Delivered to:	Receptionist/Front Desk
Service type:	FedEx Priority Overnight®
Packaging type:	FedEx® Envelope
Number of pieces:	1
Weight:	0.50 lb.
Special handling/Services:	Deliver Weekday
Standard transit:	8/22/2019 by 10:30 am

Please do not respond to this message. This email was sent from an unattended mailbox. This report was generated at approximately 10:26 AM CDT on 08/22/2019.

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

**OMB Control No.: 1010-0006
Expiration Date: 1/31/2023**

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

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.

POWER OF ATTORNEY

LX- 11071

Lexon Insurance Company

KNOW ALL MEN BY THESE PRESENTS, that **LEXON INSURANCE COMPANY**, a Texas Corporation, with its statutory home office in Austin, Texas, does hereby constitute and appoint: Edwin H. Frank, III, Michele K. Tyson, W. Russell Brown, Jr., Meredith K. Anderson, Stephen Michael Smith its true and lawful Attorney(s)-In-Fact to make, execute, seal and deliver for, and on its behalf as surety, any and all bonds, undertakings or other writings obligatory in nature of a bond.

This authority is made under and by the authority of a resolution which was passed by the Board of Directors of **LEXON INSURANCE COMPANY** on the 1st day of July, 2003 as follows:

Resolved, that the President of the Company is hereby authorized to appoint and empower any representative of the Company or other person or persons as Attorney-In-Fact to execute on behalf of the Company any bonds, undertakings, policies, contracts of indemnity or other writings obligatory in nature of a bond not to exceed \$10,000,000.00 Ten Million Dollars, which the Company might execute through its duly elected officers, and affix the seal of the Company thereto. Any said execution of such documents by an Attorney-In-Fact shall be as binding upon the Company as if they had been duly executed and acknowledged by the regularly elected officers of the Company. Any Attorney-In-Fact, so appointed, may be removed for good cause and the authority so granted may be revoked as specified in the Power of Attorney.

Resolved, that the signature of the President and the seal of the Company may be affixed by facsimile on any power of attorney granted, and the signature of the Assistant Secretary, and the seal of the Company may be affixed by facsimile to any certificate of any such power and any such power or certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certificate so executed and sealed shall, with respect to any bond of undertaking to which it is attached, continue to be valid and binding on the Company.

IN WITNESS THEREOF, **LEXON INSURANCE COMPANY** has caused this instrument to be signed by its President, and its Corporate Seal to be affixed this 22nd day of June, 2018.

LEXON INSURANCE COMPANY



BY _____

Brian Beggs

Brian Beggs
President

ACKNOWLEDGEMENT

On this 22nd day of June, 2018, before me, personally came Brian Beggs to me known, who be duly sworn, did depose and say that he is the President of **LEXON INSURANCE COMPANY**, the corporation described in and which executed the above instrument; that he executed said instrument on behalf of the corporation by authority of his office under the By-laws of said corporation.



AMY TAYLOR
Notary Public- State of Tennessee
Davidson County
My Commission Expires 07-08-19

BY _____

Amy Taylor
Amy Taylor
Notary Public

CERTIFICATE

I, the undersigned, Assistant Secretary of **LEXON INSURANCE COMPANY**, A Texas Insurance Company, DO HEREBY CERTIFY that the original Power of Attorney of which the forgoing is a true and correct copy, is in full force and effect and has not been revoked and the resolutions as set forth are now in force.

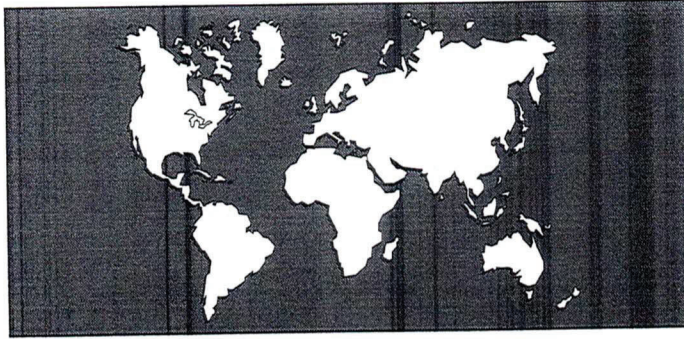
Signed and Seal at Mount Juliet, Tennessee this 13th Day of August, 2019.



BY _____

Andrew Smith
Andrew Smith
Assistant Secretary

"WARNING: Any person who knowingly and with intent to defraud any insurance company or other person, files and application for insurance of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties."



PETRO-MARINE UNDERWRITERS, INC.

1515 Poydras Street, Suite 1120
New Orleans, Louisiana 70112
Phone (504) 593-9399 or Fax (504) 267-0659
petro_marine@msn.com
www.Petro-MarineBonding.com

August 21, 2019

Re: Request for Acceptance of Bond Rider No. 3 for Bond No. 1136950

TO ONRR:

Office of Natural Resource Revenue
Denver Federal Center, Building 85
Room A-614, Document Processing Team
Denver, CO 80225-0165

Please accept the attached "Bond Rider No. 3" associated with Bond No. 1136950 (the "Bond"), posted in favor of the United States Office of Natural Resource Revenue by W & T Offshore, Inc., (as Principal) and Lexon Insurance Company (as Surety).

<u>Bond No.</u>	<u>Bill #</u>	<u>Docket #</u>	<u>Surety Amount Required</u>
1136950	OTH100002745	11-0001	\$117,279.00

As this request is accepted and processed, please provide notification via email to the following parties:
Todd Grabois, W&T Offshore, Inc.: tgrabois@wtoffshore.com
Michele Tyson, Attorney-In-Fact Lexon Surety Group, LLC: mytyson@indemco.com
Alice Dornan, Petro-Marine Underwriters, Inc.: AliceDornan@msn.com
Scott Sewell, Petro-Marine Underwriters, Inc.: Sewell504@gmail.com

Should you have any questions in this matter, please contact our office at (504) 593-9399 or by email at AliceDornan@msn.com.

Sincerely,

S. Scott Sewell
Petro-Marine Underwriters, Inc.

ENC:

alicedornan@msn.com

From: TrackingUpdates@fedex.com
Sent: Thursday, August 22, 2019 10:26 AM
To: alicedornan@msn.com
Subject: FedEx Shipment 776040892673 Delivered

Your package has been delivered

Tracking # 776040892673

Ship date:
Wed, 8/21/2019

Scott Sewell
Petro-Marine Underwriters, Inc.
New Orleans, LA 70124
US



Delivery date:
Thu, 8/22/2019 9:22 am

Kim Werner
Office of Natural Resource
Revenue
Denver Federal Center,
Building 85
Room A-614 Document
Processing Team
DENVER, CO 80225
US

Shipment Facts

Our records indicate that the following package has been delivered.

Tracking number:	<u>776040892673</u>
Status:	Delivered: 08/22/2019 09:22 AM Signed for By: J.GIRON
Signed for by:	J.GIRON
Delivery location:	Denver, CO
Delivered to:	Receptionist/Front Desk
Service type:	FedEx Priority Overnight®
Packaging type:	FedEx® Envelope
Number of pieces:	1
Weight:	0.50 lb.
Special handling/Services:	Deliver Weekday
Standard transit:	8/22/2019 by 10:30 am

Please do not respond to this message. This email was sent from an unattended mailbox. This report was generated at approximately 10:26 AM CDT on 08/22/2019.

U.S. DEPARTMENT OF THE INTERIOR

Bureau of Ocean Energy Management

Bond No. 1159776

OCS Lease/RUE/ROW No. OCS-G 10942

Bond Type Supplemental

Amount \$ 3,000,000.00

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

The **Surety** is the entity Guaranteeing Performance.

Name of Surety: Lexon Insurance Company

Mailing Address: 12890 Lebanon Road

Mt. Juliet, Tennessee 37122-2870

If a Corporation, Incorporated in the State of: Texas; County or Parish of: Travis

☒ 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: W & T Energy VI, LLC

Mailing Address: 5718 Westheimer Road, Suite 700, Houston, TX 77057-5745

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: All of Block 823 Viosca Knoll, as show on OCS Official Protraction Diagram NH16-7.

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.

Lexon Insurance Company

Name of Surety



Signature of Person Executing for Surety

Timothy J. Briggs, Attorney-in-Fact

Name and Title (typed or printed)

12890 Lebanon Road

Business Address

Mt. Juliet, Tennessee 37122-2870

Business Address

W & T Energy VI, LLC

Name of Principal



Signature of Person Executing for Principal

Janet Yang, Representative

Name and Title (typed or printed)

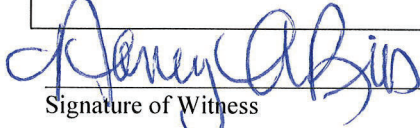
5718 Westheimer Road, Suite 700

Business Address

Houston, Texas 77057-5745

Business Address

Signed on this 20th day of December, 2021, in the State of Texas, in the presence of:



Signature of Witness

Nancy A. Rios

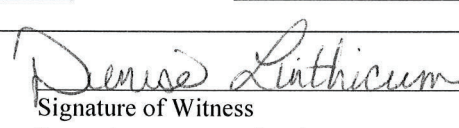
Name (typed or printed)

777 Post Oak Boulevard, Suite 330

Address

Houston, Texas 77056

Address



Signature of Witness

Denise Linthicum

Name (typed or printed)

5718 Westheimer, Suite 700

Address

Houston, TX 77057

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.

Received by OCD: 09/19/2025

137 of 291

**SOMPO INTERNATIONAL**
INSURANCE**POWER OF ATTORNEY****11071**

KNOW ALL BY THESE PRESENTS, that **Endurance Assurance Corporation**, a Delaware corporation, **Endurance American Insurance Company**, a Delaware corporation, **Lexon Insurance Company**, a Texas corporation, and/or **Bond Safeguard Insurance Company**, a South Dakota corporation, each, a "Company" and collectively, "**Sompo International**," do hereby constitute and appoint: **Edwin H. Frank, III, Michele K. Tyson, Meredith K. Anderson, Stephen Michael Smith, Timothy J. Briggs** as true and lawful Attorney(s)-In-Fact to make, execute, seal, and deliver for, and on its behalf as surety or co-surety; bonds and undertakings given for any and all purposes, also to execute and deliver on its behalf as aforesaid renewals, extensions, agreements, waivers, consents or stipulations relating to such bonds or undertakings provided, however, that no single bond or undertaking so made, executed and delivered shall obligate the Company for any portion of the penal sum thereof in excess of the sum of **ONE HUNDRED MILLION Dollars (\$100,000,000.00)**.

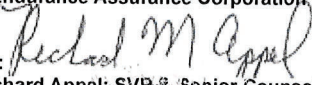
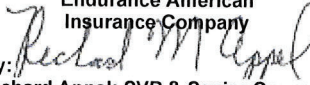
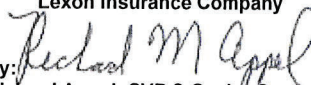
Such bonds and undertakings for said purposes, when duly executed by said attorney(s)-in-fact, shall be binding upon the Company as fully and to the same extent as if signed by the President of the Company under its corporate seal attested by its Corporate Secretary.

This appointment is made under and by authority of certain resolutions adopted by the sole shareholder of each Company by unanimous written consent effective the 15th day of June, 2019, a copy of which appears below under the heading entitled "Certificate".

This Power of Attorney is signed and sealed by facsimile under and by authority of the following resolution adopted by the sole shareholder of each Company by unanimous written consent effective the 15th day of June, 2019 and said resolution has not since been revoked, amended or repealed:

RESOLVED, that the signature of an individual named above and the seal of the Company may be affixed to any such power of attorney or any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signature or seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.

IN WITNESS WHEREOF, each Company has caused this instrument to be signed by the following officers, and its corporate seal to be affixed this 15th day of June, 2019.

Endurance Assurance CorporationBy: 
Richard Appel; SVP & Senior Counsel**Endurance American Insurance Company**By: 
Richard Appel; SVP & Senior Counsel**Lexon Insurance Company**By: 
Richard Appel; SVP & Senior Counsel**Bond Safeguard Insurance Company**By: 
Richard Appel; SVP & Senior Counsel**ACKNOWLEDGEMENT**

On this 15th day of June, 2019, before me, personally came the above signatories known to me, who being duly sworn, did depose and say that he/she is an officer of each of the Companies; and that he executed said instrument on behalf of each Company by authority of his office under the by-laws of each Company.

By: 

Amy Taylor, Notary Public - My Commission Expires 5/9/23

**CERTIFICATE**

I, the undersigned Officer of each Company, DO HEREBY CERTIFY that:

1. That the original power of attorney of which the foregoing is a copy was duly executed on behalf of each Company and has not since been revoked, amended or modified; that the undersigned has compared the foregoing copy thereof with the original power of attorney, and that the same is a true and correct copy of the original power of attorney and of the whole thereof;
2. The following are resolutions which were adopted by the sole shareholder of each Company by unanimous written consent effective June 15, 2019 and said resolutions have not since been revoked, amended or modified:

"RESOLVED, that each of the individuals named below is authorized to make, execute, seal and deliver for and on behalf of the Company any and all bonds, undertakings or obligations in surety or co-surety with others: **RICHARD M. APPEL, BRIAN J. BEGGS, CHRISTOPHER DONELAN, SHARON L. SIMS, CHRISTOPHER L. SPARRO, MARIANNE L. WILBERT**

; and be it further

RESOLVED, that each of the individuals named above is authorized to appoint attorneys-in-fact for the purpose of making, executing, sealing and delivering bonds, undertakings or obligations in surety or co-surety for and on behalf of the Company."

3. The undersigned further certifies that the above resolutions are true and correct copies of the resolutions as so recorded and of the whole thereof.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal this 20th day of December, 20 21.

By: 

Daniel S. Lurie, Secretary

NOTICE: U. S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL (OFAC)

No coverage is provided by this Notice nor can it be construed to replace any provisions of any surety bond or other surety coverage provided. This Notice provides information concerning possible impact on your surety coverage due to directives issued by OFAC. **Please read this Notice carefully.**

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous foreign agents, front organizations, terrorists, terrorist organizations, and narcotics traffickers as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's website - <https://www.treasury.gov/resource-center/sanctions/SDN-List>.

In accordance with OFAC regulations, if it is determined that you or any other person or entity claiming the benefits of any coverage has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, any coverage will be considered a blocked or frozen contract and all provisions of any coverage provided are immediately subject to OFAC. When a surety bond or other form of surety coverage is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments may also apply.

Any reproductions are void.

Surety Claims Submission: LexonClaimAdministration@sompo-intl.com

Telephone: 615-553-9500 Mailing Address: Sompo International; 12890 Lebanon Road; Mount Juliet, TN 37122-2870

U.S. DEPARTMENT OF THE INTERIOR

Bureau of Ocean Energy Management

Bond No. 1097677

OCS Lease/RUE/ROW No. OCS-G 10942

Bond Type Supplemental

Amount \$1,000,000.00

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

The Surety is the entity Guaranteeing Performance.

Name of Surety: Lexon Insurance Company

Mailing Address: 10002 Shelbyville Road, Suite 100

Louisville, Kentucky 40223

If a Corporation, Incorporated in the State of: Texas; County or Parish of: Travis

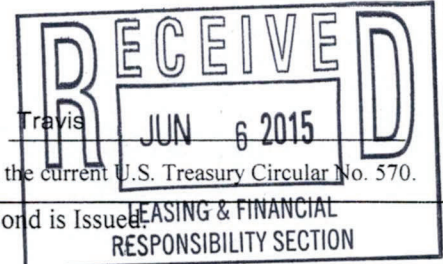
☒ Check here if Surety is certified by U.S. Treasury as an acceptable surety on Federal Bonds and listed in the current U.S. Treasury Circular No. 570.

The Principal is the Lessee or Designated Operator for Whom the Bond is Issued.

Name of Principal: W & T Energy VI, LLC

Mailing Address: 9 Greenway Plaza, Suite 300

Houston, Texas 77046



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

☒ The following lease/RUE/ROW: All of Block 823, Viosca Knoll, as shown on OCS Official Protraction Diagram, NH16-7.

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.

Lexon Insurance Company

Name of Surety

Michele K. Tyson

Signature of Person Executing for Surety

Michele K. Tyson, Attorney-in-Fact

Name and Title (typed or printed)

10002 Shelbyville Road, Suite 100

Business Address

Louisville, Kentucky 40223

Business Address

W & T Energy VI, LLC

Name of Principal

Jamie L. Vazquez

Signature of Person Executing for Principal

Jamie L. Vazquez, Representative

Name and Title (typed or printed)

9 Greenway Plaza, Suite 300

Business Address

Houston, Texas 77046

Business Address

Signed on this 3rd day of June, 20 15, in the State of Texas, in the presence of:

Wendy Pierson

Signature of Witness

Wendy Pierson

Name (typed or printed)

777 Post Oak Boulevard, Suite 330

Address

Houston, Texas 77056

Address

Tom Wabois

Signature of Witness

Tom Wabois

Name (typed or printed)

9 Greenway Plaza, Ste 300

Address

Houston, Tx 77046

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 (March 2014)

Previous Editions are Obsolete

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.

Lexon Insurance Company

KNOW ALL MEN BY THESE PRESENTS, that **LEXON INSURANCE COMPANY**, a Texas Corporation, with its principal office in Louisville, Kentucky, does hereby constitute and appoint: Edwin H. Frank, III, Michele K. Tyson, W. Russell Brown, Jr. its true and lawful Attorney(s)-In-Fact to make, execute, seal and deliver for, and on its behalf as surety, any and all bonds, undertakings or other writings obligatory in nature of a bond.

This authority is made under and by the authority of a resolution which was passed by the Board of Directors of **LEXON INSURANCE COMPANY** on the 1st day of July, 2003 as follows:

Resolved, that the President of the Company is hereby authorized to appoint and empower any representative of the Company or other person or persons as Attorney-In-Fact to execute on behalf of the Company any bonds, undertakings, policies, contracts of indemnity or other writings obligatory in nature of a bond not to exceed \$ 3,000,000.00, Three Million dollars, which the Company might execute through its duly elected officers, and affix the seal of the Company thereto. Any said execution of such documents by an Attorney-In-Fact shall be as binding upon the Company as if they had been duly executed and acknowledged by the regularly elected officers of the Company. Any Attorney-In-Fact, so appointed, may be removed for good cause and the authority so granted may be revoked as specified in the Power of Attorney.

Resolved, that the signature of the President and the seal of the Company may be affixed by facsimile on any power of attorney granted, and the signature of the Assistant Secretary, and the seal of the Company may be affixed by facsimile to any certificate of any such power and any such power or certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certificate so executed and sealed shall, with respect to any bond of undertaking to which it is attached, continue to be valid and binding on the Company.

IN WITNESS THEREOF, **LEXON INSURANCE COMPANY** has caused this instrument to be signed by its President, and its Corporate Seal to be affixed this 21st day of September, 2009.



LEXON INSURANCE COMPANY

BY

David E. Campbell
David E. Campbell
President

ACKNOWLEDGEMENT

On this 21st day of September, 2009, before me, personally came David E. Campbell to me known, who be duly sworn, did depose and say that he is the President of **LEXON INSURANCE COMPANY**, the corporation described in and which executed the above instrument; that he executed said instrument on behalf of the corporation by authority of his office under the By-laws of said corporation.



AMY L. TAYLOR
Notary Public- State of Tennessee
Davidson County
My Commission Expires 01-09-16

BY

Amy L. Taylor
Amy L. Taylor
Notary Public

CERTIFICATE

I, the undersigned, Assistant Secretary of **LEXON INSURANCE COMPANY**, A Texas Insurance Company, DO HEREBY CERTIFY that the original Power of Attorney of which the forgoing is a true and correct copy, is in full force and effect and has not been revoked and the resolutions as set forth are now in force.

Signed and Seal at Mount Juliet, Tennessee this 3rd Day of June, 20 15.



BY

Andrew Smith
Andrew Smith
Assistant Secretary

"WARNING: Any person who knowingly and with intent to defraud any insurance company or other person, files and application for insurance of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties."

BOND RIDER TO ASSUME LIABILITY
Rider No. 1

Attaching to and forming part of Outer Continental Shelf (OCS) Mineral Lessee's or Operator's Supplemental Bond No. 1097677 (Hereinafter "Bond"), executed on behalf of W & T Energy VI, LLC, as Principal, Lexon Insurance Company, as Surety, in favor of the United States of America acting through and by the Bureau of Ocean Energy Management, as Obligee, in the amount of One Million and No/100 Dollars (\$1,000,000.00).

Lease Number: OCS-G 10942

It is understood and agreed that as of June 3, 2015, this Bond hereby replaces, extends to and covers all obligations of all previous sureties or guarantors even if the Obligations are not Obligations of the Principal during the period of liability of the following bond(s):

Bond No.	Surety	Principal	Bond Type	OCS Lease / Area Block	Bond Amount	Date of Execution
SUR0001670	Argonaut Insurance Company	W & T Energy VI, LLC	Supplemental	OCS-G 10942	\$1,000,000.00	January 14, 2011

All other conditions and terms to remain as originally written.

Signed, sealed and dated this 3rd day of June, 2015.

W & T Energy VI, LLC
Nine Greenway Plaza, Suite 300
Houston, Texas 77046

Lexon Insurance Company
10002 Shelbyville Road, Suite 100
Louisville, Kentucky 40223

By: *Jamie L. Vazquez*

Name: Jamie L. Vazquez

Title: Representative

By: *Michele K. Tyson*

Name: Michele K. Tyson

Title: Attorney-in-Fact

Lexon Insurance Company

KNOW ALL MEN BY THESE PRESENTS, that **LEXON INSURANCE COMPANY**, a Texas Corporation, with its principal office in Louisville, Kentucky, does hereby constitute and appoint: Edwin H. Frank, III, Michele K. Tyson, W. Russell Brown, Jr. its true and lawful Attorney(s)-In-Fact to make, execute, seal and deliver for, and on its behalf as surety, any and all bonds, undertakings or other writings obligatory in nature of a bond.

This authority is made under and by the authority of a resolution which was passed by the Board of Directors of **LEXON INSURANCE COMPANY** on the 1st day of July, 2003 as follows:

Resolved, that the President of the Company is hereby authorized to appoint and empower any representative of the Company or other person or persons as Attorney-In-Fact to execute on behalf of the Company any bonds, undertakings, policies, contracts of indemnity or other writings obligatory in nature of a bond not to exceed \$ 3,000,000.00, Three Million dollars, which the Company might execute through its duly elected officers, and affix the seal of the Company thereto. Any said execution of such documents by an Attorney-In-Fact shall be as binding upon the Company as if they had been duly executed and acknowledged by the regularly elected officers of the Company. Any Attorney-In-Fact, so appointed, may be removed for good cause and the authority so granted may be revoked as specified in the Power of Attorney.

Resolved, that the signature of the President and the seal of the Company may be affixed by facsimile on any power of attorney granted and the signature of the Assistant Secretary, and the seal of the Company may be affixed by facsimile to any certificate of any such power and any such power or certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certificate so executed and sealed shall, with respect to any bond of undertaking to which it is attached, continue to be valid and binding on the Company.

IN WITNESS THEREOF, **LEXON INSURANCE COMPANY** has caused this instrument to be signed by its President, and its Corporate Seal to be affixed this 21st day of September, 2009.

LEXON INSURANCE COMPANY



BY

David E. Campbell
President

ACKNOWLEDGEMENT

On this 21st day of September, 2009, before me, personally came David E. Campbell to me known, who be duly sworn, did depose and say that he is the President of **LEXON INSURANCE COMPANY**, the corporation described in and which executed the above instrument; that he executed said instrument on behalf of the corporation by authority of his office under the By-laws of said corporation.



AMY L. TAYLOR
Notary Public- State of Tennessee
Davidson County
My Commission Expires 01-09-16

BY

Amy L. Taylor
Notary Public

CERTIFICATE

I, the undersigned, Assistant Secretary of **LEXON INSURANCE COMPANY**, A Texas Insurance Company, DO HEREBY CERTIFY that the original Power of Attorney of which the forgoing is a true and correct copy, is in full force and effect and has not been revoked and the resolutions as set forth are now in force.

Signed and Seal at Mount Juliet, Tennessee this 3rd Day of June, 2015.



BY

Andrew Smith
Assistant Secretary

"WARNING: Any person who knowingly and with intent to defraud any insurance company or other person, files and application for insurance of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties."

Bond Rider No. 1

Attaching to and forming part of Outer Continental Shelf (OCS) Mineral Lessee's or Operator's Supplemental Bond No. 1097677, executed June 3, 2015, on behalf of W & T Energy VI, LLC, as Principal, Lexon Insurance Company, as Surety, in favor of the United States of America acting through and by the Bureau of Ocean Energy Management (BOEM) as Obligee, in the amount of One Million and No/100 Dollars (\$1,000,000.00).

Lease No.: OCS-G 10942
All of Block 823, Viosca Knoll

Effective Date of Change: February 14, 2017

In consideration of the mutual agreement contained herein, the Principal and the Surety hereby consent to the following changes:

The *penalty amount* has increased by Eight Million and No/100 Dollars (\$8,000,000.00) from:

One Million and No/100 Dollars (\$1,000,000.00)

to:

Nine Million and No/100 Dollars (\$9,000,000.00)

All other conditions and terms to remain as originally written.

Signed, sealed and dated this 14th day of February, 2017.

W & T Energy VI, LLC
Nine Greenway Plaza, Suite 300
Houston, Texas 77046

By: 

Name: Thomas F. Getten

Title: Representative

Lexon Insurance Company
10002 Shelbyville Road, Suite 100
Louisville, Kentucky 40223

By: 

Name: Meredith K. Anderson

Title: Attorney-in-Fact

POWER OF ATTORNEY

LX- 298727

Lexon Insurance Company

KNOW ALL MEN BY THESE PRESENTS, that **LEXON INSURANCE COMPANY**, a Texas Corporation, with its principal office in Louisville, Kentucky, does hereby constitute and appoint: Edwin H. Frank, III, Michele K. Tyson, W. Russell Brown, Jr., Meredith K. Anderson its true and lawful Attorney(s)-In-Fact to make, execute, seal and deliver for, and on its behalf as surety, any and all bonds, undertakings or other writings obligatory in nature of a bond.

This authority is made under and by the authority of a resolution which was passed by the Board of Directors of **LEXON INSURANCE COMPANY** on the 1st day of July, 2003 as follows:

Resolved, that the President of the Company is hereby authorized to appoint and empower any representative of the Company or other person or persons as Attorney-In-Fact to execute on behalf of the Company any bonds, undertakings, policies, contracts of indemnity or other writings obligatory in nature of a bond not to exceed \$9,000,000.00, Nine Million dollars, which the Company might execute through its duly elected officers, and affix the seal of the Company thereto. Any said execution of such documents by an Attorney-In-Fact shall be as binding upon the Company as if they had been duly executed and acknowledged by the regularly elected officers of the Company. Any Attorney-In-Fact, so appointed, may be removed for good cause and the authority so granted may be revoked as specified in the Power of Attorney.

Resolved, that the signature of the President and the seal of the Company may be affixed by facsimile on any power of attorney granted, and the signature of the Assistant Secretary, and the seal of the Company may be affixed by facsimile to any certificate of any such power and any such power or certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certificate so executed and sealed shall, with respect to any bond of undertaking to which it is attached, continue to be valid and binding on the Company.

IN WITNESS THEREOF, **LEXON INSURANCE COMPANY** has caused this instrument to be signed by its President, and its Corporate Seal to be affixed this 5th day of August, 2015.



LEXON INSURANCE COMPANY

BY

David E. Campbell
President

ACKNOWLEDGEMENT

On this 5th day of August, 2015, before me, personally came David E. Campbell to me known, who be duly sworn, did depose and say that he is the President of **LEXON INSURANCE COMPANY**, the corporation described in and which executed the above instrument; that he executed said instrument on behalf of the corporation by authority of his office under the By-laws of said corporation.



AMY TAYLOR
Notary Public- State of Tennessee
Davidson County
My Commission Expires 07-08-19

BY

Amy Taylor
Notary Public

CERTIFICATE

I, the undersigned, Assistant Secretary of **LEXON INSURANCE COMPANY**, A Texas Insurance Company, DO HEREBY CERTIFY that the original Power of Attorney of which the forgoing is a true and correct copy, is in full force and effect and has not been revoked and the resolutions as set forth are now in force.

Signed and Seal at Mount Juliet, Tennessee this 14th Day of February 2017



BY

Andrew Smith
Assistant Secretary

"WARNING: Any person who knowingly and with intent to defraud any insurance company or other person, files and application for insurance of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties."

REINSURANCE AGREEMENT IN FAVOR OF THE UNITED STATES

(See instructions on reverse)

OMB Control Number: 9000-0045

Expiration Date: 7/31/2019

Paperwork Reduction Act Statement - This information collection meets the requirements of 44 USC § 3507, as amended by section 2 of the Paperwork Reduction Act of 1995. You do not need to answer these questions unless we display a valid Office of Management and Budget (OMB) control number. The OMB control number for this collection is 9000-0045. We estimate that it will take 25 minutes to read the instructions, gather the facts, and answer the questions. Send only comments relating to our time estimate, including suggestions for reducing this burden, or any other aspects of this collection of information to: General Services Administration, Regulatory Secretariat Division (M1V1CB), 1800 F Street, NW, Washington, DC 20405.

1. DIRECT WRITING COMPANY* Lexon Insurance Company 10002 Shelbyville Road, Suite 100 Louisville, KY 40223	1A. DATE DIRECT WRITING COMPANY EXECUTES THIS AGREEMENT 02/14/2017 1B. STATE OF INCORPORATION TX
2. REINSURING COMPANY* Bond Safeguard Insurance Company 10002 Shelbyville Road, Suite 100 Louisville, KY 40223	2A. AMOUNT OF THIS REINSURANCE (\$) 3,051,000 2B. DATE REINSURING COMPANY EXECUTES THIS AGREEMENT 02/14/2017 2C. STATE OF INCORPORATION SD

3. DESCRIPTION OF BOND

3A. DESCRIPTION OF BOND (Type, purpose etc.) (If associated with contract number, date, amount, etc., include name of Government agency involved.) Bureau of Ocean Energy Management 1201 Elmwood Park Boulevard New Orleans, LA 70123 Outer Continental Shelf (OCS) Mineral Lessee's or Operator's Supplemental Bond Form BOEM-2028A Lease No. OCS-G 10942 All of Block 823, Viosca Knoll	3B. PENAL SUM OF BOND \$ 9,000,000	
	<table border="1"> <tr> <td data-bbox="799 718 1047 781">3C. DATE OF BOND 06/03/2015</td> <td data-bbox="1047 718 1503 781">3D. BOND NUMBER 1097677</td> </tr> </table>	3C. DATE OF BOND 06/03/2015
3C. DATE OF BOND 06/03/2015	3D. BOND NUMBER 1097677	
3E. PRINCIPAL* W & T Energy VI, LLC Nine Greenway Plaza, Suite 300 Houston, TX 77046		
3F. STATE OF INCORPORATION (If Corporate Principal) TX		

AGREEMENT:

(a) The Direct Writing Company named above is bound as surety to the United States of America, on the bond described above, wherein the above-named is the principal. The bond is given for the protection of the United States and the Direct Writing Company has applied to the above Reinsuring Company to be reinsured and counter-secured in the amount shown opposite the name of the Reinsuring Company (referred to as the "Amount of this Reinsurance"), or for whatever amount less than the "Amount of this Reinsurance" the Direct Writing Company is liable to pay under or by virtue of the bond.

(b) For a sum mutually agreed upon, paid by the Direct Writing Company to the Reinsuring Company which acknowledges its receipt, the parties to this Agreement covenant and agree to the terms and conditions of this agreement.

TERMS AND CONDITIONS:

The purpose and intent of this agreement is to guarantee and indemnify the United States against loss under the bond to the extent of the "Amount of this Reinsurance," or for any less sum than the "Amount of this Reinsurance," that is owing and unpaid by the Direct Writing Company to the United States.

THEREFORE:

1. If the Direct Writing Company fails to pay any default under the bond equal to or in excess of the "Amount of this Reinsurance," the Reinsuring Company covenants and agrees to pay to the United States, the obligee on the bond, the "Amount of this Reinsurance." If the Direct Writing Company fails to pay to the United States any default for a sum less than the "Amount of this Reinsurance," the Reinsuring Company covenants and agrees to pay to the United States the full amount of the default, or so much thereof that is not paid to the United States by the Direct Writing Company.

2. The Reinsuring Company further covenants and agrees that in case of default on the bond for the "Amount of this Reinsurance," or more, the United States may sue the Reinsuring Company for the "Amount of this Reinsurance" or for the full amount of the default when the default is less than the "Amount of this Reinsurance."

WITNESS

The Direct Writing Company and the Reinsuring Company, respectively, have caused this Agreement to be signed and impressed with their respective corporate seals by officers possessing power to sign this instrument, and to be duly attested to by officers empowered thereto, on the day and date above -- written opposite their respective names.

(Over)

*Items 1, 2, 3E - Furnish legal name, business address and ZIP Code.

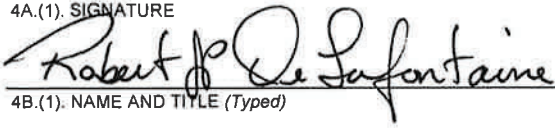

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STANDARD FORM 275 (REV. 10-98)
 Prescribed by GSA-FAR (48 CFR) 53.228(j)

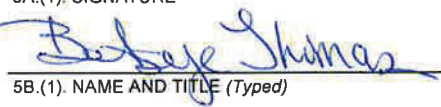
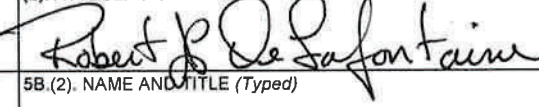
Received by OCD: 09/19/2025

4. DIRECT WRITING COMPANY

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4A.(1). SIGNATURE 	(2). ATTEST: SIGNATURE 	Corporate Seal
4B.(1). NAME AND TITLE (Typed) Robert J. DeLafontaine, Attorney in Fact	4B.(2). NAME AND TITLE (Typed) Betsy Thomas, Witness	

5. REINSURING COMPANY

5A.(1). SIGNATURE 	(2). ATTEST: SIGNATURE 	Corporate Seal
5B.(1). NAME AND TITLE (Typed) Betsy Thomas, Attorney in Fact	5B.(2). NAME AND TITLE (Typed) Robert J. DeLafontaine, Witness	

INSTRUCTIONS

This form is to be used in cases where it is desired to cover the excess of a Direct Writing Company's underwriting limitation by reinsurance instead of co-insurance on bonds running to the United States except Miller Act Performance and Payment Bonds. See FAR (48 CFR) 28.202-1 and 53.228(j) and 31 CFR 223.11(b)(1). If this form is used to reinsure a bid bond, the "Penal Sum of Bond" and "Amount of this Reinsurance" may be expressed as percentage of the bid provided the actual amounts will not exceed the companies' respective underwriting limitations.

Execute and file this form as follows:

Original and copies (as specified by the bond-approving officer), signed and sealed, shall accompany the bond or be filed within the time period shown in the bid or proposal.

One carbon copy, signed and sealed, shall accompany the Direct Writing Company's quarterly Schedule of Excess Risks filed with the Department of Treasury.

Other copies may be prepared for the use of the Direct Writing Company and Reinsuring Company. Each Reinsuring Company should use a separate form.

REINSURANCE AGREEMENT IN FAVOR OF THE UNITED STATES

(See instructions on reverse)

OMB Control Number: 9000-0045
 Expiration Date: 7/31/2019

Paperwork Reduction Act Statement - This information collection meets the requirements of 44 USC § 3507, as amended by section 2 of the Paperwork Reduction Act of 1995. You do not need to answer these questions unless we display a valid Office of Management and Budget (OMB) control number. The OMB control number for this collection is 9000-0045. We estimate that it will take 25 minutes to read the instructions, gather the facts, and answer the questions. Send only comments relating to our time estimate, including suggestions for reducing this burden, or any other aspects of this collection of information to: General Services Administration, Regulatory Secretariat Division (M1V1CB), 1800 F Street, NW, Washington, DC 20405.

1. DIRECT WRITING COMPANY* Lexon Insurance Company 10002 Shelbyville Road, Suite 100 Louisville, KY 40223	1A. DATE DIRECT WRITING COMPANY EXECUTES THIS AGREEMENT 02/14/2017	
2. REINSURING COMPANY* Ironshore Indemnity Inc. PO Box 3407 New York, NY 10008-3407	1B. STATE OF INCORPORATION TX	
3. DESCRIPTION OF BOND 3A. DESCRIPTION OF BOND (Type, purpose etc.) (If associated with contract number, date, amount, etc., include name of Government agency involved.) Bureau of Ocean Energy Management 1201 Elmwood Park Boulevard New Orleans, LA 70123 Outer Continental Shelf (OCS) Mineral Lessee's or Operator's Supplemental Bond Form BOEM-2028A Lease No. OCS-G 10942 All of Block 823, Viosca Knoll	2A. AMOUNT OF THIS REINSURANCE (\$) 1,149,000	
	2B. DATE REINSURING COMPANY EXECUTES THIS AGREEMENT 02/14/2017	
	2C. STATE OF INCORPORATION MN	
	3B. PENAL SUM OF BOND \$ 9,000,000 3C. DATE OF BOND 06/03/2015 3D. BOND NUMBER 1097677 3E. PRINCIPAL* W & T Energy VI, LLC Nine Greenway Plaza, Suite 300 Houston, TX 77046 3F. STATE OF INCORPORATION (If Corporate Principal) TX	

AGREEMENT:

(a) The Direct Writing Company named above is bound as surety to the United States of America, on the bond described above, wherein the above-named is the principal. The bond is given for the protection of the United States and the Direct Writing Company has applied to the above Reinsuring Company to be reinsured and counter-secured in the amount shown opposite the name of the Reinsuring Company (referred to as the "Amount of this Reinsurance"), or for whatever amount less than the "Amount of this Reinsurance" the Direct Writing Company is liable to pay under or by virtue of the bond.

(b) For a sum mutually agreed upon, paid by the Direct Writing Company to the Reinsuring Company which acknowledges its receipt, the parties to this Agreement covenant and agree to the terms and conditions of this agreement.

TERMS AND CONDITIONS:

The purpose and intent of this agreement is to guarantee and indemnify the United States against loss under the bond to the extent of the "Amount of this Reinsurance," or for any less sum than the "Amount of this Reinsurance," that is owing and unpaid by the Direct Writing Company to the United States.

THEREFORE:

1. If the Direct Writing Company fails to pay any default under the bond equal to or in excess of the "Amount of this Reinsurance," the Reinsuring Company covenants and agrees to pay to the United States, the obligee on the bond, the "Amount of this Reinsurance." If the Direct Writing Company fails to pay to the United States any default for a sum less than the "Amount of this Reinsurance," the Reinsuring Company covenants and agrees to pay to the United States the full amount of the default, or so much thereof that is not paid to the United States by the Direct Writing Company.

2. The Reinsuring Company further covenants and agrees that in case of default on the bond for the "Amount of this Reinsurance," or more, the United States may sue the Reinsuring Company for the "Amount of this Reinsurance" or for the full amount of the default when the default is less than the "Amount of this Reinsurance."

WITNESS

The Direct Writing Company and the Reinsuring Company, respectively, have caused this Agreement to be signed and impressed with their respective corporate seals by officers possessing power to sign this instrument, and to be duly attested to by officers empowered thereto, on the day and date above -- written opposite their respective names.

(Over)

*Items 1, 2, 3E - Furnish legal name, business address and ZIP Code.

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STANDARD FORM 275 (REV. 10-98)
 Prescribed by GSA-FAR (48 CFR) 53.228(j)

Received by OCD: 09/19/2025

4. DIRECT WRITING COMPANY

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4A.(1). SIGNATURE

(2). ATTEST: SIGNATURE

4B.(1). NAME AND TITLE (Typed)

4B.(2). NAME AND TITLE (Typed)

Robert J. DeLafontaine, Attorney in Fact

Tracy L. Carlile, Witness

Corporate
Seal

5. REINSURING COMPANY

5A.(1). SIGNATURE

(2). ATTEST: SIGNATURE

5B.(1). NAME AND TITLE (Typed)

5B.(2). NAME AND TITLE (Typed)

Tracy L. Carlile, Attorney in Fact

Robert J. DeLafontaine, Witness

Corporate
Seal

INSTRUCTIONS

This form is to be used in cases where it is desired to cover the excess of a Direct Writing Company's underwriting limitation by reinsurance instead of co-insurance on bonds running to the United States except Miller Act Performance and Payment Bonds. See FAR (48 CFR) 28.202-1 and 53.228(j) and 31 CFR 223.11(b)(1). If this form is used to reinsure a bid bond, the "Penal Sum of Bond" and "Amount of this Reinsurance" may be expressed as percentage of the bid provided the actual amounts will not exceed the companies' respective underwriting limitations.

Execute and file this form as follows:

Original and copies (as specified by the bond-approving officer), signed and sealed, shall accompany the bond or be filed within the time period shown in the bid or proposal.

One carbon copy, signed and sealed, shall accompany the Direct Writing Company's quarterly Schedule of Excess Risks filed with the Department of Treasury.

Other copies may be prepared for the use of the Direct Writing Company and Reinsuring Company. Each Reinsuring Company should use a separate form.

POWER OF ATTORNEY

LX- 234109 150 of 291

Lexon Insurance Company

KNOW ALL MEN BY THESE PRESENTS, that **LEXON INSURANCE COMPANY**, a Texas Corporation, with its principal office in Louisville, Kentucky, does hereby constitute and appoint: Robert J. DeLafontaine, Betsye Thomas, Chetta Ellis, Jodi Stewart, Diana Rea its true and lawful Attorney(s)-In-Fact to make, execute, seal and deliver for, and on its behalf as surety, any and all bonds, undertakings or other writings obligatory in nature of a bond.

This authority is made under and by the authority of a resolution which was passed by the Board of Directors of **LEXON INSURANCE COMPANY** on the 1st day of July, 2003 as follows:

Resolved, that the President of the Company is hereby authorized to appoint and empower any representative of the Company or other person or persons as Attorney-In-Fact to execute on behalf of the Company any bonds, undertakings, policies, contracts of indemnity or other writings obligatory in nature of a bond not to exceed \$ 8,000,000.00, Eight Million dollars, which the Company might execute through its duly elected officers, and affix the seal of the Company thereto. Any said execution of such documents by an Attorney-In-Fact shall be as binding upon the Company as if they had been duly executed and acknowledged by the regularly elected officers of the Company. Any Attorney-In-Fact, so appointed, may be removed for good cause and the authority so granted may be revoked as specified in the Power of Attorney.

Resolved, that the signature of the President and the seal of the Company may be affixed by facsimile on any power of attorney granted, and the signature of the Assistant Secretary, and the seal of the Company may be affixed by facsimile to any certificate of any such power and any such power or certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certificate so executed and sealed shall, with respect to any bond of undertaking to which it is attached, continue to be valid and binding on the Company.

IN WITNESS THEREOF, **LEXON INSURANCE COMPANY** has caused this instrument to be signed by its President, and its Corporate Seal to be affixed this 21st day of September, 2009.



LEXON INSURANCE COMPANY

BY

David E. Campbell
President

ACKNOWLEDGEMENT

On this 21st day of September, 2009, before me, personally came David E. Campbell to me known, who be duly sworn, did depose and say that he is the President of **LEXON INSURANCE COMPANY**, the corporation described in and which executed the above instrument; that he executed said instrument on behalf of the corporation by authority of his office under the By-laws of said corporation.



AMY L. TAYLOR
Notary Public- State of Tennessee
Davidson County
Mv Commission Expires 01-09-16

BY

Amy L. Taylor
Notary Public

CERTIFICATE

I, the undersigned, Assistant Secretary of **LEXON INSURANCE COMPANY**, A Texas Insurance Company, DO HEREBY CERTIFY that the original Power of Attorney of which the forgoing is a true and correct copy, is in full force and effect and has not been revoked and the resolutions as set forth are now in force.

Signed and Seal at Mount Juliet, Tennessee this 14TH Day of Feb., 2017.



BY

Andrew Smith
Assistant Secretary

"WARNING: Any person who knowingly and with intent to defraud any insurance company or other person, files and application for insurance of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties."

Bond Safeguard Insurance Company

KNOW ALL MEN BY THESE PRESENTS, that **BOND SAFEGUARD INSURANCE COMPANY**, a South Dakota Corporation with its principal office in Sioux Falls, South Dakota, does hereby constitute and appoint: Robert J. DeLafontaine, Betsye Thomas, Jodi Stewart, Diana Rea its true and lawful Attorney(s)-In-Fact to make, execute, seal and deliver for, and on its behalf as surety, any and all bonds, undertakings or other writings obligatory in nature.

This authority is made under and by the authority of a resolution which was passed by the Board of Directors of **BOND SAFEGUARD INSURANCE COMPANY** on the 7th day of November, 2001 as follows:

Resolved, that the President of the Company is hereby authorized to appoint and empower any representative of the Company or other person or persons as Attorney-In-Fact to execute on behalf of the Company any bonds, undertakings, policies, contracts of indemnity or other writings obligatory in nature of a bond, \$8,000,000.00, Eight Million dollars, which the Company might execute through its duly elected officers, and affix the seal of the Company thereto. Any said execution of such documents by an Attorney-In-Fact shall be as binding upon the Company as if they had been duly executed and acknowledged by the regularly elected officers of the Company. Any Attorney-In-Fact, so appointed, may be removed for good cause and the authority so granted may be revoked as specified in the Power of Attorney.

Resolved, that the signature of the President and the seal of the Company may be affixed to by facsimile on any power of attorney granted, and the signature of the Assistant Secretary, and the seal of the Company may be affixed by facsimile to any certificate of any such power and any such power or certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certificate so executed and sealed shall, with respect to any bond or undertaking to which it is attached, continue to be valid and binding on the Company.

IN WITNESS THEREOF, **BOND SAFEGUARD INSURANCE COMPANY** has caused this instrument to be signed by its President, and its Corporate seal to be affixed this 5th day of August, 2015.



BOND SAFEGUARD INSURANCE COMPANY

BY

David E. Campbell
President

ACKNOWLEDGEMENT

On this 5th day of August, 2015, before me, personally came David E. Campbell to me known, who being duly sworn, did depose and say that he is the President of **BOND SAFEGUARD INSURANCE COMPANY**, the corporation described in and which executed the above instrument; that he executed said instrument on behalf of the corporation by authority of his office under the By-laws of said corporation.



AMY TAYLOR
Notary Public- State of Tennessee
Davidson County
My Commission Expires 07-08-19

BY

Amy Taylor
Notary Public

CERTIFICATE

I, the undersigned, Assistant Secretary of **BOND SAFEGUARD INSURANCE COMPANY**, A South Dakota Insurance Company, DO HEREBY CERTIFY that the original Power of Attorney of which the foregoing is a true and correct copy, is in full force and effect and has not been revoked and the resolutions as set forth are now in force.

Signed and Sealed at Mount Juliet, Tennessee this 14TH Day of FEBRUARY, 20 17



BY

Andrew Smith
Assistant Secretary

"WARNING: Any person who knowingly and with intent to defraud any insurance company or other person, files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties."

POWER OF ATTORNEY

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III- 20000750

Ironshore Indemnity Inc.

KNOW ALL MEN BY THESE PRESENTS, that IRONSHORE INDEMNITY INC., a Minnesota Corporation, with its principal office in New York, NY does hereby constitute and appoint: Chris Dobbs, Jalene Brown, and Tracy L. Carlile its true and lawful Attorney(s)-In-Fact to make, execute, seal and deliver for, and on its behalf as surety, any and all bonds, undertakings or other writings obligatory in nature of a bond.

This authority is made under and by the authority of a resolution which was passed by the Board of Directors of IRONSHORE INDEMNITY INC. on the 22nd day of April, 2013 as follows:

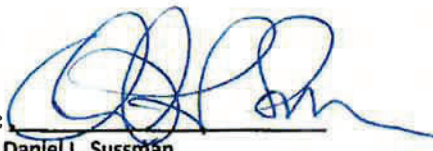
Resolved, that the Director of the Company is hereby authorized to appoint and empower any representative of the company or other person or persons as Attorney-In-Fact to execute on behalf of the Company any bonds, undertakings, policies, contracts of indemnity or other writings obligatory in nature of a bond not to exceed \$7,500,000.00 dollars, which the Company might execute through its duly elected officers, and affix the seal of the Company thereto. Any said execution of such documents by an Attorney-In-Fact shall be as binding upon the Company as if they had been duly executed and acknowledged by the regularly elected officers of the Company. Any Attorney-In-Fact, so appointed, may be removed for good cause and the authority so granted may be revoked as specified in the Power of Attorney.

Resolved, that the signature of the Director and the seal of the Company may be affixed by facsimile on any power of attorney granted, and the signature of the Secretary, and the seal of the Company may be affixed by facsimile to any certificate of any such power and any such power or certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certificate so executed and sealed shall, with respect to any bond of undertaking to which it is attached, continue to be valid and binding on the Company.

IN WITNESS THEREOF, IRONSHORE INDEMNITY INC. has caused this instrument to be signed by its Director, and its Corporate Seal to be affixed this 7th day of August, 2013

IRONSHORE INDEMNITY INC.




By: 
Daniel L. Sussman
Director

ACKNOWLEDGEMENT

On this 7th Day of August, 2013, before me, personally came Daniel L. Sussman to me known, who being duly sworn, did depose and say that he is the Director of Ironshore Indemnity, Inc., the corporation described in and which executed the above instrument; that he executed said instrument on behalf of the corporation by authority of his office under the By-laws of said corporation.



AMY TAYLOR
Notary Public- State of Tennessee
Davidson County
My Commission Expires 07-08-19

BY 
Amy Taylor
Notary Public

CERTIFICATE

I, the undersigned, Secretary of IRONSHORE INDEMNITY INC., a Minnesota Company, DO HEREBY CERTIFY that the original Power of Attorney of which the foregoing is a true and correct copy, is in full force and effect and has not been revoked and the resolutions as set forth are now in force.

Signed and Sealed at this 14th Day of February, 20 17




Paul S. Giordano
Secretary

"WARNING: Any person who knowingly and with intent to defraud any insurance company or other person, files and application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties."

Bond No. 1152011

****This bond replaces and supersedes Aspen American Insurance Company Bond No. SU41107****

TIEBACK ABANDONMENT PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS:

That We, W&T Offshore, Inc. with its main office at Nine Greenway Plaza, Suite 300; Houston, Texas 77046 ("Principal") and Lexon Insurance Company, an insurance corporation domiciled in the State of Texas with its main office at 10002 Shelbyville Road, Suite 100, Louisville, Kentucky 40223 ("Surety") are held and firmly bound unto Woodside Energy (USA), Inc. with its main office at 5151 San Felipe, Suite 1200; Houston, Texas 77056 ("Obligee"), in the penalty sum of Three Hundred Seventy-six Thousand Six Hundred Eighty-eight and No/100 Dollars (\$376,688.00) in lawful money of the United States of America ("Penalty Sum"), for the payment of which sum Principal and Surety hereby bind themselves, their respective successors and assigns, jointly, severally, and in solido, firmly by these presents.

WHEREAS, Principal and Obligee have entered into and executed that certain Purchase and Sale Agreement (the "Agreement"), effective August 1, 2013, wherein Obligee conveys the oil and gas leases and associated property more fully described in "Attachment A" (the "Leases") on which are situated wells (producing, abandoned, injection and/or other), pits, platforms, pipelines, flowlines, and/or other property and equipment (the "Facilities") together with all rights and responsibilities in connection therewith; and

WHEREAS, Principal and Surety agree this written instrument (this "Bond") shall remain in full force and affect until (a) the Obligations as defined below are performed; (b) a release is granted by the appropriate regulatory authority; or (c) this Bond is replaced with another bond or other form of financial assurance acceptable to Obligee; and

WHEREAS, Surety represents it is duly authorized by the proper authorities to transact the business of indemnity and suretyship in the state where it executed this Bond and represents it is qualified to be surety and guarantor on bonds and undertakings, which certificate has not been revoked; and

WHEREAS, Surety represents it has duly executed a Power of Attorney appointing the hereinafter named representative as its duly authorized deputy and the true and lawful Attorney-in-Fact of such Surety as evidenced by the Power of Attorney attached hereto.

NOW THEREFORE, Principal and Surety agree as follows:

Surety hereby guarantees Principal's full and faithful performance of abandonment of the subsea tieback from the OCS-G 27632 Well 002 ST2, also called the GB 258 002 ST2, to the Garden Banks 259 Unit Platform, also called the Baldpate Facilities, and removal of associated property and equipment, site restoration and/or environmental remediation consistent with the Agreement and in compliance with the rules and regulations promulgated by the appropriate regulatory authority (the "Obligations").

Bond No. 1152011

PROVIDED, HOWEVER, that at such time as the Obligations have been fully and faithfully performed, then this Bond shall be null and void; otherwise, it shall remain in full force and effect.

PROVIDED FURTHER, whenever Principal fails to perform the Obligations and is in default thereof, Oblige shall present separate written notice (one to Principal at its address, one to Surety at its address and one to IndemCo, LP at 777 Post Oak Blvd., Suite 330, Houston, TX 77056, each delivered by overnight delivery service with recipients' signature required) stating Principal has defaulted in its performance of the Obligations. If said default condition persists for thirty (30) days after the recipients' receipt of the written notice, Oblige shall present Surety and IndemCo with a written bid(s) to perform the Obligations, such bid(s) to be delivered in the same manner as the written notice. Within fifteen (15) days following receipt of the bid(s), Surety shall elect whether to (i) pay Oblige an amount not to exceed the lesser of such written bid(s) or the remaining unpaid amount of the Penalty Sum; or (ii) commence performance of the Obligations. If Surety fails to inform Oblige of Surety's election in writing, it shall be deemed Surety has elected to pay Oblige as in item (i).

If Surety commences performance of the Obligations as set forth in (ii) above, **THE SURETY SHALL INDEMNIFY, DEFEND, AND HOLD HARMLESS OBLIGEE, ITS DIRECTORS, AND AGENTS FROM ALL CLAIMS, DEMANDS, AND CAUSES OF ACTION FOR PERSONAL INJURY, DEATH, PROPERTY AND/OR ENVIRONMENTAL DAMAGE RESULTING IN WHOLE OR IN PART FROM THE SURETY'S OR THE SURETY'S CONTRACTORS' NEGLIGENCE, WHETHER JOINT (INCLUDING WITH OBLIGEE OR THE PRINCIPAL) ACTIVE, PASSIVE, CONCURRENT OR SOLE, OR WILLFUL MISCONDUCT WITH RESPECT TO PERFORMANCE OF THE OBLIGATIONS.**

Each and every payment of a claim under this Bond, whether one or more, shall permanently reduce the Penalty Sum by each amount so paid, and this Bond shall become null and void when the aggregate amount paid for claim(s) equals the Penalty Sum; notwithstanding the foregoing, in the event Surety commences any performance of the Obligations, Surety's performance shall continue until the operation is completed in full, and Surety shall be responsible for all costs therefor including any and all costs in excess of the then current Penalty Sum amount that existed immediately before commencement of the operation.

No delay, neglect or failure of Oblige to proceed promptly in the event of any default on the part of Principal and/or Surety shall in any degree relieve Principal and/or Surety of their responsibilities under this Bond.

FURTHERMORE, No right or action shall accrue on this Bond to or for the use of any person or corporation other than the Principal, the Oblige, their heirs, executors, administrators, or successors.

This Bond shall be subject to the laws of the State of Texas, and the Surety consents to be sued in any court of competent jurisdiction in Harris County, Texas, hereby irrevocably submitting itself to the jurisdiction of said courts.

Bond No. 1152011

In the event the Surety determines the Obligee's claim or demand is improper or unlawful under applicable law, Surety shall have the right to file and pursue such litigation as may be necessary in order to contest such improper or unlawful claim or demand at the sole cost and expense of Surety.

At any time, including but not limited to an assignment and/or sale or conveyance of the Agreement, the Leases and/or property associated therewith to third party(ies) including their successors and/or assigns in whole or in part, this Bond may be replaced by other security acceptable to Obligee in the form of bond(s) or other financial assurance(s) in an amount equal to the then current Penalty Sum that exists at the time of the replacement(s). Obligee shall not unreasonably withhold acceptance of such replacement security(ies) and shall unconditionally release this Bond in less than thirty (30) days after receiving such replacement security(ies).

This Bond may not and shall not be assignable or transferable by Principal without the advance, written consent of the Surety. In the event of such transfer without Surety's consent, this bond shall be null and void immediately.



NOW THEREFORE, if Principal shall faithfully perform the Obligations, this Bond shall become null and void and of no effect, and Obligee will issue a full and complete release of this Bond less than thirty (30) days after receipt of satisfactory evidence that performance of the Obligations has been completed, and such release shall not unreasonably be withheld.

Remainder of page intentionally left blank

Bond No. 1152011

IN WITNESS WHEREOF, the above bound parties have executed this instrument under their several seals effective as of this 8th day of January, 2018, the name and corporate seal of each corporate party being hereto affixed and those presents duly signed by its undersigned representative pursuant to authority of its governing body.

WITNESSES:

 Tono Grebois
 Senia Hernandez

PRINCIPAL
W&T Offshore, Inc.

By: 
Thomas P. Murphy CHIEF OPERATIONS OFFICER
(Name / Title)

SURETY
Lexon Insurance Company

 Nancy A. Rios
 Senia Hernandez

By: 
Michele K. Tyson, Attorney-in-Fact

Bond No. 1152011

Attachment "A"

Attached to and made a part of that certain Tieback Abandonment Performance Bond
by and between W&T Offshore, Inc., Lexon Insurance Company in favor of
Woodside Energy (USA) Inc.

A. Leases:

1. OCS-G 27632, being all of Block 258, Garden Banks, INsofar AND ONLY INsofar as to those depths from the surface to the stratigraphic equivalent of the top of salt or 24,000' SS TVD, whichever is the lesser depth, 5,760 acres.
2. OCS-G 24479, being all of Block 302, Garden Banks, INsofar AND ONLY INsofar as to those depths from 13,501' TVD down to 24,000' TVD, 5,760 acres.

Lexon Insurance Company

KNOW ALL MEN BY THESE PRESENTS, that **LEXON INSURANCE COMPANY**, a Texas Corporation, with its principal office in Louisville, Kentucky, does hereby constitute and appoint: Edwin H. Frank, III, Michele K. Tyson, W. Russell Brown, Jr., Meredith K. Anderson its true and lawful Attorney(s)-In-Fact to make, execute, seal and deliver for, and on its behalf as surety, any and all bonds, undertakings or other writings obligatory in nature of a bond.

This authority is made under and by the authority of a resolution which was passed by the Board of Directors of **LEXON INSURANCE COMPANY** on the 1st day of July, 2003 as follows:

Resolved, that the President of the Company is hereby authorized to appoint and empower any representative of the Company or other person or persons as Attorney-In-Fact to execute on behalf of the Company any bonds, undertakings, policies, contracts of indemnity or other writings obligatory in nature of a bond not to exceed \$3,000,000.00, Three Million dollars, which the Company might execute through its duly elected officers, and affix the seal of the Company thereto. Any said execution of such documents by an Attorney-In-Fact shall be as binding upon the Company as if they had been duly executed and acknowledged by the regularly elected officers of the Company. Any Attorney-In-Fact, so appointed, may be removed for good cause and the authority so granted may be revoked as specified in the Power of Attorney.

Resolved, that the signature of the President and the seal of the Company may be affixed by facsimile on any power of attorney granted, and the signature of the Assistant Secretary, and the seal of the Company may be affixed by facsimile to any certificate of any such power and any such power or certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certificate so executed and sealed shall, with respect to any bond of undertaking to which it is attached, continue to be valid and binding on the Company.

IN WITNESS THEREOF, **LEXON INSURANCE COMPANY** has caused this instrument to be signed by its President, and its Corporate Seal to be affixed this 5th day of August, 2015.



LEXON INSURANCE COMPANY

BY

David E. Campbell
President

ACKNOWLEDGEMENT

On this 5th day of August, 2015, before me, personally came David E. Campbell to me known, who be duly sworn, did depose and say that he is the President of **LEXON INSURANCE COMPANY**, the corporation described in and which executed the above instrument; that he executed said instrument on behalf of the corporation by authority of his office under the By-laws of said corporation.



AMY TAYLOR
Notary Public- State of Tennessee
Davidson County
My Commission Expires 07-08-19

BY

Amy Taylor
Notary Public

CERTIFICATE

I, the undersigned, Assistant Secretary of **LEXON INSURANCE COMPANY**, A Texas Insurance Company, DO HEREBY CERTIFY that the original Power of Attorney of which the forgoing is a true and correct copy, is in full force and effect and has not been revoked and the resolutions as set forth are now in force.

Signed and Seal at Mount Juliet, Tennessee this 4th Day of January, 2018.



BY

Andrew Smith
Assistant Secretary

Bond No. 1152010

****This bond replaces and supersedes Aspen American Insurance Company Bond No. SU41106****

WELL ABANDONMENT PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS:

That We, W&T Offshore, Inc. with its main office at Nine Greenway Plaza, Suite 300; Houston, Texas 77046 ("Principal") and Lexon Insurance Company, an insurance corporation domiciled in the State of Texas with its main office at 10002 Shelbyville Road, Suite 100, Louisville, Kentucky 40223 ("Surety") are held and firmly bound unto Woodside Energy (USA), Inc. with its main office at 5151 San Felipe, Suite 1200; Houston, Texas 77056 ("Obligee"), in the penalty sum of One Million Nine Hundred Thirty-one Thousand Five Hundred Sixty-two and No/100 Dollars (\$1,931,562.00) in lawful money of the United States of America ("Penalty Sum"), for the payment of which sum Principal and Surety hereby bind themselves, their respective successors and assigns, jointly, severally, and in solido, firmly by these presents.

WHEREAS, Principal and Obligee have entered into and executed that certain Purchase and Sale Agreement (the "Agreement"), effective August 1, 2013, wherein Obligee conveys the oil and gas leases and associated property more fully described in "Attachment A" (the "Leases") on which are situated wells (producing, abandoned, injection and/or other), pits, platforms, pipelines, flowlines, and/or other property and equipment (the "Facilities") together with all rights and responsibilities in connection therewith; and

WHEREAS, Principal and Surety agree this written instrument (this "Bond") shall remain in full force and affect until (a) the Obligations as defined below are performed; (b) a release is granted by the appropriate regulatory authority; or (c) this Bond is replaced with another bond or other form of financial assurance acceptable to Obligee; and

WHEREAS, Surety represents it is duly authorized by the proper authorities to transact the business of indemnity and suretyship in the state where it executed this Bond and represents it is qualified to be surety and guarantor on bonds and undertakings, which certificate has not been revoked; and

WHEREAS, Surety represents it has duly executed a Power of Attorney appointing the hereinafter named representative as its duly authorized deputy and the true and lawful Attorney-in-Fact of such Surety as evidenced by the Power of Attorney attached hereto.

NOW THEREFORE, Principal and Surety agree as follows:

Surety hereby guarantees Principal's full and faithful performance of the plugging and abandonment of the OCS-G 27632 Well 002 ST2, also called the GB 258 002 ST2, and removal of property and well equipment, site restoration and/or environmental remediation consistent with the Agreement and in compliance with the rules and regulations promulgated by the appropriate regulatory authority (the "Obligations").

Bond No. 1152010

PROVIDED, HOWEVER, that at such time as the Obligations have been fully and faithfully performed, then this Bond shall be null and void; otherwise, it shall remain in full force and effect.

PROVIDED FURTHER, whenever Principal fails to perform the Obligations and is in default thereof, Obligees shall present separate written notice (one to Principal at its address, one to Surety at its address and one to IndemCo, LP at 777 Post Oak Blvd., Suite 330, Houston, TX 77056, each delivered by overnight delivery service with recipients' signature required) stating Principal has defaulted in its performance of the Obligations. If said default condition persists for thirty (30) days after the recipients' receipt of the written notice, Obligees shall present Surety and IndemCo with a written bid(s) to perform the Obligations, such bid(s) to be delivered in the same manner as the written notice. Within fifteen (15) days following receipt of the bid(s), Surety shall elect whether to (i) pay Obligees an amount not to exceed the lesser of such written bid(s) or the remaining unpaid amount of the Penalty Sum; or (ii) commence performance of the Obligations. If Surety fails to inform Obligees of Surety's election in writing, it shall be deemed Surety has elected to pay Obligees as in item (i).

If Surety commences performance of the Obligations as set forth in (ii) above, **THE SURETY SHALL INDEMNIFY, DEFEND, AND HOLD HARMLESS OBLIGEE, ITS DIRECTORS, AND AGENTS FROM ALL CLAIMS, DEMANDS, AND CAUSES OF ACTION FOR PERSONAL INJURY, DEATH, PROPERTY AND/OR ENVIRONMENTAL DAMAGE RESULTING IN WHOLE OR IN PART FROM THE SURETY'S OR THE SURETY'S CONTRACTORS' NEGLIGENCE, WHETHER JOINT (INCLUDING WITH OBLIGEE OR THE PRINCIPAL) ACTIVE, PASSIVE, CONCURRENT OR SOLE, OR WILLFUL MISCONDUCT WITH RESPECT TO PERFORMANCE OF THE OBLIGATIONS.**

Each and every payment of a claim under this Bond, whether one or more, shall permanently reduce the Penalty Sum by each amount so paid, and this Bond shall become null and void when the aggregate amount paid for claim(s) equals the Penalty Sum; notwithstanding the foregoing, in the event Surety commences any performance of the Obligations, Surety's performance shall continue until the operation is completed in full, and Surety shall be responsible for all costs therefor including any and all costs in excess of the then current Penalty Sum amount that existed immediately before commencement of the operation.

No delay, neglect or failure of Obligees to proceed promptly in the event of any default on the part of Principal and/or Surety shall in any degree relieve Principal and/or Surety of their responsibilities under this Bond.

FURTHERMORE, No right or action shall accrue on this Bond to or for the use of any person or corporation other than the Principal, the Obligees, their heirs, executors, administrators, or successors.

This Bond shall be subject to the laws of the State of Texas, and the Surety consents to be sued in any court of competent jurisdiction in Harris County, Texas, hereby irrevocably submitting itself to the jurisdiction of said courts.

Bond No. 1152010

In the event the Surety determines the Obligee's claim or demand is improper or unlawful under applicable law, Surety shall have the right to file and pursue such litigation as may be necessary in order to contest such improper or unlawful claim or demand at the sole cost and expense of Surety.

At any time, including but not limited to an assignment and/or sale or conveyance of the Agreement, the Leases and/or property associated therewith to third party(ies) including their successors and/or assigns in whole or in part, this Bond may be replaced by other security acceptable to Obligee in the form of bond(s) or other financial assurance(s) in an amount equal to the then current Penalty Sum that exists at the time of the replacement(s). Obligee shall not unreasonably withhold acceptance of such replacement security(ies) and shall unconditionally release this Bond in less than thirty (30) days after receiving such replacement security(ies).

This Bond may not and shall not be assignable or transferable by Principal without the advance, written consent of the Surety. In the event of such transfer without Surety's consent, this bond shall be null and void immediately.


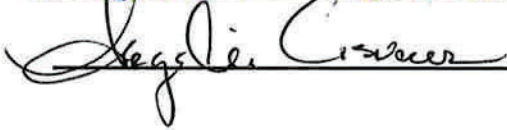
NOW THEREFORE, if Principal shall faithfully perform the Obligations, this Bond shall become null and void and of no effect, and Obligee will issue a full and complete release of this Bond less than thirty (30) days after receipt of satisfactory evidence that performance of the Obligations has been completed, and such release shall not unreasonably be withheld.

Remainder of page intentionally left blank

Bond No. 1152010

IN WITNESS WHEREOF, the above bound parties have executed this instrument under their several seals effective as of this 8th day of January, 2018 the name and corporate seal of each corporate party being hereto affixed and those presents duly signed by its undersigned representative pursuant to authority of its governing body.

WITNESSES:

PRINCIPAL
W&T Offshore, Inc.

By: 
Thomas P. Murphy CHIEF OPERATIONS OFFICER
(Name / Title)

SURETY
Lexon Insurance Company

 Nancy A. Rios
 Senia Hernandez

By: 
Michele K. Tyson, Attorney-in-Fact

Attachment "A"

Attached to and made a part of that certain Well Abandonment Performance Bond
by and between W&T Offshore, Inc. and Lexon Insurance Company in favor of
Woodside Energy (USA) Inc.

A. Leases:

1. OCS-G 27632, being all of Block 258, Garden Banks, INsofar AND ONLY INsofar as to those depths from the surface to the stratigraphic equivalent of the top of salt or 24,000' SS TVD, whichever is the lesser depth, 5,760 acres.
2. OCS-G 24479, being all of Block 302, Garden Banks, INsofar AND ONLY INsofar as to those depths from 13,501' TVD down to 24,000' TVD, 5,760 acres.

POWER OF ATTORNEY

LX- 309834

Lexon Insurance Company

KNOW ALL MEN BY THESE PRESENTS, that **LEXON INSURANCE COMPANY**, a Texas Corporation, with its principal office in Louisville, Kentucky, does hereby constitute and appoint: Edwin H. Frank, III, Michele K. Tyson, W. Russell Brown, Jr., Meredith K. Anderson its true and lawful Attorney(s)-In-Fact to make, execute, seal and deliver for, and on its behalf as surety, any and all bonds, undertakings or other writings obligatory in nature of a bond.

This authority is made under and by the authority of a resolution which was passed by the Board of Directors of **LEXON INSURANCE COMPANY** on the 1st day of July, 2003 as follows:

Resolved, that the President of the Company is hereby authorized to appoint and empower any representative of the Company or other person or persons as Attorney-In-Fact to execute on behalf of the Company any bonds, undertakings, policies, contracts of indemnity or other writings obligatory in nature of a bond not to exceed \$3,000,000.00, Three Million dollars, which the Company might execute through its duly elected officers, and affix the seal of the Company thereto. Any said execution of such documents by an Attorney-In-Fact shall be as binding upon the Company as if they had been duly executed and acknowledged by the regularly elected officers of the Company. Any Attorney-In-Fact, so appointed, may be removed for good cause and the authority so granted may be revoked as specified in the Power of Attorney.

Resolved, that the signature of the President and the seal of the Company may be affixed by facsimile on any power of attorney granted, and the signature of the Assistant Secretary, and the seal of the Company may be affixed by facsimile to any certificate of any such power and any such power or certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certificate so executed and sealed shall, with respect to any bond of undertaking to which it is attached, continue to be valid and binding on the Company.

IN WITNESS THEREOF, **LEXON INSURANCE COMPANY** has caused this instrument to be signed by its President, and its Corporate Seal to be affixed this 5th day of August, 2015.



LEXON INSURANCE COMPANY

BY

David E. Campbell
President

ACKNOWLEDGEMENT

On this 5th day of August, 2015, before me, personally came David E. Campbell to me known, who be duly sworn, did depose and say that he is the President of **LEXON INSURANCE COMPANY**, the corporation described in and which executed the above instrument; that he executed said instrument on behalf of the corporation by authority of his office under the By-laws of said corporation.



AMY TAYLOR
Notary Public- State of Tennessee
Davidson County
My Commission Expires 07-08-19

BY

Amy Taylor
Notary Public

CERTIFICATE

I, the undersigned, Assistant Secretary of **LEXON INSURANCE COMPANY**, A Texas Insurance Company, DO HEREBY CERTIFY that the original Power of Attorney of which the forgoing is a true and correct copy, is in full force and effect and has not been revoked and the resolutions as set forth are now in force.

Signed and Seal at Mount Juliet, Tennessee this 8th Day of January, 2018.



BY

Andrew Smith
Assistant Secretary

APPENDIX C

¹ Civil Action Nos. 4:24-cv-04113, 4:24-cv-04400, and 4:24-cv-04395 were consolidated into this action on November 22, 2024. (*See* Dkt. 33.) Thus, these parties are already joined in this action.

I. SUMMARY

1. In a scheme to force W&T to make unprecedented and impossible collateral payments, W&T's sureties have colluded to combine their leverage and jointly demand roughly \$250 million in immediate collateral from W&T without any historical, contractual, or financial justification. The Sureties in this lawsuit, and their co-conspirators, must be stopped.

2. Years ago, W&T obtained government-mandated and private bonds from the Sureties to secure *potential* decommissioning obligations that W&T may have with respect to oil and gas assets on the Outer Continental Shelf. For years, W&T has complied with its indemnity agreements (which were non-negotiable and offered on a take-it-or-leave-it basis) and paid all required and negotiated premiums. W&T has remained solvent and capable of meeting its financial obligations.

3. However, in 2024, the Sureties conspired to use a change in government rules as a pretext to extract outrageous sums from smaller oil and gas companies like W&T. The new rules arguably required supplemental surety bonds for certain companies who were not deemed investment-grade. The rule *did not* alter existing bonds previously issued to W&T by the Sureties nor alter the underlying contract terms. The rule also *did not* require the Sureties to demand immediate collateral from W&T.

4. Yet, the Sureties devised an illegal scheme to jointly demand extremely high collateral for the very first time. The Sureties met and agreed to "collectively" change their "analysis" and "terms" for smaller companies like W&T. By locking arms, these competing Sureties agreed to greatly increase their leverage, restrict competition, and thereby attempt to: (1) jointly squeeze their targets' assets; (2) jointly force their targets to accept commercially

unreasonable terms; and (3) jointly increase premiums, collateral, and bonding costs against their targets.

5. In the spring of 2024, the Sureties, led by Sompco, began implementing their strategy. Sompco and its co-conspirators, in concerted rapid succession, began demanding immediate crippling deposits of collateral on W&T's outstanding bonds, all for the very first time. Even though the Sureties' demands were not supported by their contracts, W&T, in good faith, offered to provide the Sureties collateral in forms other than cash or letters of credit. The Sureties refused these offers in bad faith—continuing to insist on commercially unreasonable terms and attempting to permanently change the parties' rights for the Sureties' sole benefit.

6. The Sureties' scheme violates not only the parties' contracts, but also federal and Texas antitrust law. Accordingly, W&T seeks damages from the Sureties and declaratory relief to end their scheme, not only for W&T, but also for any of the Sureties' other targets.

II. JURISDICTION AND VENUE

7. This Court has jurisdiction over this civil action pursuant to 28 U.S.C. § 1331 and 43 U.S.C. § 1349, as this dispute arises out of and would not exist but for operations conducted on the Outer Continental Shelf. The surety bonds and related indemnity agreements that are at issue in this civil action were issued in connection with operations conducted on the Outer Continental Shelf.

8. The Court also has jurisdiction over this civil action pursuant to Sections 4 and 16 of the Clayton Act, 15 U.S.C. §§ 15 and 26, because this action arises under the antitrust laws of the United States.

9. Venue is proper in this Court pursuant to 28 U.S.C. § 1391(b)(2). The relevant agreement between W&T and the Sompco Sureties provides that: (i) the place of performance is

Harris County, Texas; and (ii) the exclusive venue and jurisdiction for any disputes arising under that agreement lies with the federal and state courts sitting in Harris County, Texas. The relevant agreement between W&T and Applied provides that jurisdiction for any legal proceeding related thereto shall be Texas, or any state where W&T resides, has property, or performs, which includes Texas. The relevant agreement between W&T and U.S. Specialty provide for mandatory venue in Texas and/or Harris County. In any case, venue is proper in this district under 28 U.S.C. § 1391(b) because a substantial part of the events or omissions giving rise to W&T's claims occurred in this District. All parties have consented to the consolidation of the parties' lawsuits in this District.

10. Among other things, this civil action seeks declaratory relief pursuant to 28 U.S.C. § 2201 and Rule 57 of the Federal Rules of Civil Procedure for the purpose of determining questions of actual controversy between W&T and the Sureties.

III. THE PARTIES

11. W&T Offshore is a corporation organized under the laws of the State of Texas with its principal place of business located in Houston, Texas.

12. W&T Energy is a limited liability company organized under the laws of the State of Delaware, with its principal place of business located in Houston, Texas.

13. Endurance is a corporation organized under the laws of the State of Delaware, with its principal place of business located in Mt. Juliet, Tennessee.

14. Lexon is a corporation organized under the laws of the State of Texas, with its principal place of business located in Mt. Juliet, Tennessee.

15. Applied is a corporation organized under the laws of the State of New Mexico with its principal place of business located in Santa Fe, New Mexico.

16. U.S. Specialty is a Texas corporation with its principal place of business in the State of Texas.

17. U.S. Fire is a corporation organized and existing under the laws of the State of Delaware with its principal place of business and corporate headquarters located in Morristown, New Jersey.

18. Other sureties who, on information and belief, are potential co-conspirators with the Sureties' scheme described herein, include Philadelphia Indemnity Insurance Company, and others who will become known during discovery.

IV. INTERSTATE COMMERCE

19. The Sureties, who are federally certified, issued bonds to W&T for its operations on the federally controlled Outer Continental Shelf. The Sureties, who are organized and operate across many states, including Delaware, Tennessee, Texas, New Mexico, and New Jersey, issue bonds to companies like W&T throughout the United States.

20. The Sureties' conduct substantially affected interstate commerce throughout the United States and caused antitrust injury throughout the United States.

V. BACKGROUND

A. The U.S. Offshore Regulatory Environment and Offshore Surety Market.

21. In 1953, the United States Congress enacted the Outer Continental Shelf Lands Act ("OCSLA" or the "OCS Lands Act"). 43 U.S.C. § 1331 *et seq.*

22. In the OCS Lands Act, Congress affirmed that the United States has exclusive control over the Outer Continental Shelf. OCSLA defines the Outer Continental Shelf to be "all submerged lands" beyond the lands reserved to the States, in the Submerged Lands Act, 43 U.S.C. § 1301 *et seq.*, up to the edge of the jurisdiction of the United States. *Id.* § 1331 (a).

23. The OCS Lands Act sets forth a comprehensive scheme for the leasing and development of resources on the Outer Continental Shelf. 43 U.S.C. §§ 1334.

24. OCSLA specifically authorizes the Secretary of the United States Department of the Interior (the “Secretary”) to issue regulations to administer the Outer Continental Shelf for mineral development. 43 U.S.C. § 1334.

25. Compliance with the regulations issued by the Secretary is a condition of “[t]he issuance and continuance of any OCSLA lease.” 43 U.S.C. § 1334 (b).

26. The Secretary established the Bureau of Ocean Energy Management (“BOEM”) to carry out conventional and renewable energy-related functions on the Outer Continental Shelf. Dep’t of the Interior Secretarial Ord. 3299 (May 19, 2010).

27. Order 3299 also established the Bureau of Safety and Environmental Enforcement (“BSEE”). Dep’t of the Interior Secretarial Ord. 3299 (May 19, 2010).

28. BSEE and BOEM work together to protect the United States from incurring financial losses associated with the decommissioning facilities and other structures on the Outer Continental Shelf in conjunction with the development of mineral and/or energy resources.

29. BOEM is responsible for managing the development of offshore energy and mineral resources in an environmentally and economically responsible manner.

30. BSEE provides estimates to BOEM regarding the financial assurance needed to cover decommissioning costs.

31. BOEM’s predecessor, the Minerals Management Service (“MMS”), established the financial requirements applicable to Outer Continental Shelf leases and pipeline rights of way in 1997. 62 Fed. Reg. 27948 (May 22, 1997).

32. The MMS regulations also provided a mechanism for the government to require supplemental financial assurance based on the regulatory agency's interpretation of the financial health of the lessees.

33. The MMS issued regulations providing a mechanism for the government to require Outer Continental Shelf oil and gas lessees to post bonds. 62 Fed. Reg. 27948 (May 22, 1997).

34. BOEM continues to require Outer Continental Shelf lessees to post bonds as a condition of lease issuance and/or continuance. *See* 89 Fed. Reg. 31544 (Apr. 24, 2024).

35. The offshore surety market in the United States is heavily concentrated and controlled by the Sureties and other key players. For instance, they are all part of and/or actively support similar trade associations, including The Surety & Fidelity Association of America ("SFAA"), based in Washington, D.C.² According to SFAA's website, their goals are to, among other things, provide "a clear, strong and unified voice for the industry" and "[t]racking and responding to any threats to the industry."³

36. The offshore surety market is united in their strategic plan and their leaders often work for multiple sureties in their career. They also participate in regular meetings around the nation to respond to industry threats and jointly influence government decisions.⁴ For example, in February 2024, SFAA and another surety trade association hosted a "2024 Legislative 'Fly-in'" in Washington, D.C. The Fly-in "enabled surety professionals from across the country to educate members of Congress and staff about the value of construction surety bonds and advocate for their

² *See* SFAA, "Membership List," <https://surety.org/wp-content/uploads/2024/01/Membership-Directory-01-29-24.pdf> (last visited Dec. 11, 2024).

³ *See* SFAA, "Advocacy and Policy," <https://surety.org/advocacy-policy/> (last visited December 11, 2024).

⁴ *See* SFAA, "Meetings & Events," <https://surety.org/press-releases/sfaa-meetings-events/> (last visited December 11, 2024); NASBP "2024 Annual Meeting," <https://www.nasbp.org/events/annualmeeting/2024amhighlights> (last visited December 11, 2024).

legislative priorities.” By their own words, “[i]n over 100 meetings, construction bonding experts met with their elected representatives and their staff to educate them on surety bonds’ significant role in advancing and protecting public infrastructure projects.”

37. The Sureties use the same collective influence in the offshore surety market. For example, in 2024, representatives of the Sureties and co-conspirators met to discuss their collective response to the BOEM rule and agreed to collectively change their analysis and terms at the expense of smaller companies like W&T. The Sureties’ opportunities for collusion continues through major annual events, conferences, and meetings each year, with companies like Somo and Applied entrenched in trade associations and actively seeking to influence other sureties to follow their lead.

B. Insurance Regulations.

38. Sureties are regulated by the Texas Insurance Code. *See* Tex. Ins. Code §§ 3503.001 – 3503.204.

39. The Texas Insurance Code definition of the “Business of Insurance” includes the making of a surety contract. Tex. Ins. Code § 101.051(b)(2).

40. Chapter 541 regulates unfair methods of competition and unfair or deceptive acts or practices in the Business of Insurance. Tex. Ins. Code §§ 541.001 – 541.454.

41. Chapter 541 permits a private cause of action for damages. Tex. Ins. Code § 541.151.

C. The Relationship Between Somo and W&T.

42. W&T Offshore is an independent oil and natural gas producer—exploring, developing, and acquiring oil and natural gas in the Gulf of Mexico, subject to the jurisdiction of the United States Department of Interior.

43. W&T Energy is a subsidiary of W&T Offshore that explores, develops, acquires, and operates oil and natural gas properties in the Gulf of Mexico, also subject to the jurisdiction of the United States Department of Interior.

44. Endurance is a foreign insurer that issues surety bonds required by BOEM with respect to operations conducted on the Outer Continental Shelf.

45. Lexon is a Texas domestic insurer that issues surety bonds required by BOEM with respect to operations conducted on the Outer Continental Shelf.

46. In accordance with the regulations issued by BOEM, W&T was required to post bonds in favor of the United States.

47. W&T obtained surety bonds from, among others, both Endurance and Lexon. (“Bonds”).

48. W&T is the principal under the Bonds.

49. Pursuant to the terms of the Bonds, all “obligations and liabilities of Principal to abandon, restore and remediate the Properties” subject to the Bond are set forth in the “P&A Obligations.” As such, the P&A Obligations form part of the Bonds.

50. The rights and obligations of W&T and the Sompo Sureties are stated in their Payment and Indemnity Agreement No. 1380 effective as of September 14, 2020 (the “Sompo Indemnity Agreement”).

51. The Sompo Indemnity Agreement was executed by W&T Offshore, as Principal, and U.S. Specialty Insurance Company, as Surety, “in connection with any bond or bonds executed or to be executed on behalf of any principal and to induce the Surety to execute or procure of the execution of such bond(s) and any extensions, modifications, or renewals thereof, additions thereto, or substitutions therefor.”

52. A true and correct copy of the Sompo Indemnity Agreement is attached hereto as Exhibit “A.” The Sompo Indemnity Agreement provides, in paragraph 3 entitled “Security”:

The Surety may at any time and from time to time hereafter, in its sole and absolute discretion, require the Principals to provide collateral, in form and amounts acceptable to the Surety (such amounts not to exceed the aggregate penalty sum of all then-issued Bonds) to secure the Principals’ obligations to the Surety hereunder and/or to establish reserves *to cover any actual or potential liability, claim, suit, or judgment under any Bond.*

Within thirty (30) days after the Surety has made written demand on Principals, each Principal shall execute such documents and take such further action as may be necessary in order to provide such collateral. Each Principal hereby grants to the Surety a security interest in all money and other property now or hereafter delivered by such Principal to the Surety, and all income (if any) thereon.

If a Principal provides the Surety with a letter of credit or similar instrument, such Principal agrees that the Surety has the right to call on the same from time to time, in whole or in part and for any reason or no reason, and to hold the proceeds thereof as collateral for the obligations of the Principals hereunder. Any collateral provided at any time by any Principal shall be available, in the discretion of the Surety, as collateral security on any or all Bonds heretofore or hereafter executed for or at the request of such Principal or any other Principal.

(Ex. A at Sec. 3 (emphasis added).)

53. Paragraph 5 of the Sompo Indemnity Agreement, entitled “Additional Sureties,” is a risk-shifting mechanism that permits Sompo to move some bond obligations to other entities. It provides that, should the Surety “procure any other company or companies including but not limited to . . . Endurance Assurance Corporation . . . Lexon Insurance Company . . . to execute or join with it in the executing, or to reinsure any Bond, this Agreement shall inure to the benefit of such other company or companies, its or their successors and assigns, so as to give it or them a direct right of action against the Principals to enforce the provisions hereof.”

54. However, nothing in the Agreement states that Sompco can collude with such “Additional Sureties” or jointly demand immediate payments of collateral.

55. Endurance joined in and issued bonds covered by the Sompco Indemnity Agreement.

56. Accordingly, the Sompco Indemnity Agreement governs the relationship between W&T and Endurance.

57. Lexon joined in and issued bonds covered by the Sompco Indemnity Agreement.

58. Accordingly, the Sompco Indemnity Agreement governs the relationship between W&T and Lexon.

59. Other surety companies also joined in and issued bonds covered by the Sompco Indemnity Agreement.

D. The Sompco Sureties Issue BOEM-Required Bonds on W&T’s Behalf.

60. Pursuant to and in accordance with the Sompco Indemnity Agreement, Endurance issued the following bonds in connection with W&T’s obligations to BOEM:

<u>Bond No.</u>	<u>Form</u>	<u>Amount</u>
ZEACX226000039	BOEM -2028A	\$3,830,148.00
ZEACX226000040	BOEM -2028A	\$13,126,457.00
ZEACX226000038	BOEM -2028A	\$1,482,000.00
EACX226000025	BOEM -2028A	\$3,000,000.00
EACX226000047	BOEM -2028A	\$2,285,584.00
EACX226000044	BOEM -2028A	\$3,000,000.00
EACX226000022	BOEM -2028A	\$1,461,000.00

61. True and correct copies of the above bonds are attached hereto as Exhibit “B”.

62. Endurance also issued the following bonds to nongovernmental parties. These bonds were also issued in conjunction with W&T’s operations on the Outer Continental Shelf:

<u>Bond No.</u>	<u>Form</u>	<u>Amount</u>
EACX226000043	N/A	\$7,000,000.00

63. A true and correct copy of the above bond is attached as Exhibit “C.”

64. Endurance also issued a bond in favor of the Texas Railroad Commission:

<u>Bond No.</u>	<u>Form</u>	<u>Amount</u>
EACX226000045	P-5PB	\$125,000.00

65. A true and correct copy of the above bond is attached as Exhibit “D.”

66. Lexon also issued the following bonds in connection with W&T’s obligations to BOEM:

<u>Bond No.</u>	<u>Form</u>	<u>Amount</u>
1156846	BOEM -2028A	\$5,000,000.00
1136949	ONRR -4435	\$1,166,860.00
1136950	ONRR -4435	\$117,279.00
1159776	BOEM -2028A	\$3,000,000.00
1097677	BOEM -2028A	\$9,000,000.00

67. True and correct copies of the above bonds are attached as Exhibit “E”.

68. Lexon also issued the following bonds to nongovernmental parties. These bonds were also issued in conjunction with W&T’s operations on the Outer Continental Shelf:

<u>Bond No.</u>	<u>Form</u>	<u>Amount</u>
1152011	N/A	\$376,688.00
1152010	N/A	\$1,931,562.00

69. A true and correct copy of the above bonds are attached hereto as Exhibit “F.”

E. Sompo’s Bad Faith Collateral Demands

70. Under the Sompo Indemnity Agreement, the Sompo Sureties could each individually demand collateral **only** “to cover any actual or potential liability, claim, suit, or judgment under any Bond.” (Ex. A at ¶ 3.)

71. The Sompo Indemnity Agreement does not contemplate or otherwise permit the Sureties to act jointly in demanding additional collateral from W&T.

72. To date, no “actual or potential” liability, claim, suit, or judgment exists “under any Bond.”

73. At all times, W&T has complied with the Sompo Indemnity Agreement and paid all premiums for all bonds issued by the Sompo Sureties. W&T has also remained solvent and capable of meeting its financial obligations.

74. Despite its consistent financial health, in 2024, W&T became one of Sompo's first targets in its scheme with other sureties when W&T refused to accept Sompo's demands involving non-W&T bonds.

75. Specifically, Sompo had previously issued bonds to a company unrelated to W&T, Fieldwood Energy LLC ("Fieldwood"), which had filed for bankruptcy in 2020. Quarter North Energy ("QNE") subsequently acquired a portion of Fieldwood's assets, some of which were later sold to W&T.

76. As part of that transaction, W&T purchased private bonds of roughly \$11 million from Applied (not from Sompo) to benefit QNE and guarantee W&T's decommissioning obligations.

77. W&T had no obligation to assume Sompo's separate financial exposure caused by the separate Fieldwood bankruptcy. But that is exactly what Sompo demanded from W&T.

78. On April 19, 2024, Sompo demanded that W&T replace the Fieldwood bonds despite W&T's total lack of liability. Sompo wanted W&T to bail it out of its obligations for Sompo's benefit alone. Sompo and its representative, Patrick Hennesy, claimed they could not "retain bonds in the name of Fieldwood and continue to pursu[e] legal action in relation to the Fieldwood Case." (Fieldwood Emails, attached as Exhibit "G".)

79. Sompo also claimed that the replacement bonds would be cheap and wouldn't affect W&T's costs with Sompo across the board: "In order to facilitate the replacement, Sompo is offering to replace the bonds on Lexon paper at a nominal rate that will be offset elsewhere in the

portfolio. ... [Patrick Hennesy] said he needs to do some Chinese algebra to confirm the rate, but assures that it will be cost neutral when balanced across the current program.” (*Id.*)

80. Sompo tried to force W&T to accept a new bond amount of \$7,745,000.

81. W&T’s broker reiterated Sompo’s power in the offshore surety market, particularly given the new BOEM rule:

We feel this is a good deal for W&T, as it preserves an *important relationship in Sompo*, and *allows W&T to procure favorable terms on assuming bonds we believe BOEM will force W&T to post once the rule is in place.*

I recommend we move on this quickly to capture these terms before they change and *create goodwill prior to the Sompo meeting* in the coming weeks.

(*Id.* (emphasis added).)

82. W&T did not want to take on unnecessary liabilities and was shocked by Sompo’s attempted blackmail.

83. On April 29, 2024, W&T informed Sompo that it did not wish to take on Sompo’s other bonds or exposure.

F. Sompo Causes the Sureties To Jointly Pursue Unreasonable Collateral Demands.

84. Upon information and belief, following the events of April 2024, Sompo began conspiring with others in the offshore surety market to retaliate against W&T, interfere with its contracts and business relationships, and force W&T back into submission at any cost.

85. During this conspiracy, on July 9, 2024, Endurance and Lexon, through Sompo, demanded that W&T immediately pay collateral of \$7.5 million in cash without any support or explanation (Sompo’s Demand, July 9, 2024, attached as Exhibit “H”). Sompo intended to use this money for Sompo’s unrelated Fieldwood liability and, if not paid, Sompo would then demand

the full \$55.9 million from W&T. Notably, Sompō's surprise demand was roughly the same amount as Sompō's replacement bonds it had tried to extort from W&T.

86. As part of its scheme, upon information and belief, Sompō apparently encouraged and enlisted the support of other Sureties, in rapid succession, to demand additional collateral, including U.S. Specialty, Applied, and U.S. Fire.

87. W&T sought to resolve the Sureties' demands in good faith. For example, W&T offered to provide collateral to the Sureties in forms other than cash or letter of credit. But the Sureties held fast and jointly refused all overtures from W&T.

88. As noted above, W&T's financial status has remained substantially the same since the Sureties issued bonds to W&T, making it abundantly evident the Sureties' call for collateral was made for nefarious purposes.

89. The only material change regarding the bonds involves not W&T, but the Sureties' agreements and strategy of collusion.

90. The Sureties have decided to alter their business model by jointly squeezing smaller oil and gas companies like W&T. Sompō's own representative admittedly met with other sureties in 2024 to "collectively" change their "analysis" and "terms" for these companies. Part of this agreement was jointly restructuring their strategy for collateral calls. Essentially, the Sureties jointly demand extreme and unprecedented collateral amounts, requiring joint submission to all Sureties. Sompō readily admits that, as part of its scheme, it tried to convince W&T "to establish a shared collateral escrow account [for all sureties] to [also] satisfy Lexon's need for collateral." (Dkt. 30 at 16.).

91. The Sureties' unjustified and unprecedented demands in collateral and their continued collusion cannot be permitted by this Court.

G. Sureties Try to Cripple W&T with Baseless Claims.

92. The Other Sureties' execution of their collateral strategy mirrored Sompó's.

93. Like Sompó, Applied is a foreign insurer, which issues surety bonds with respect to operations conducted on the Outer Continental Shelf.

94. W&T obtained surety bonds from Applied.

95. The rights and obligations of W&T and Applied are stated in a General Indemnity Agreement dated February 2, 2023 (the "Applied Indemnity Agreement"). The Applied Indemnity Agreement is attached as Exhibit "I."

96. Similar to the Sompó Indemnity Agreement, the Applied Indemnity Agreement requires a request for collateral to be related to actual or potential liability or claims against the Surety—Applied cannot demand collateral based on speculation or collusion:

[T]he Indemnitors agree to deposit with the Surety, upon demand, an amount of money or other collateral security acceptable to the Surety, *as soon as liability exists or is asserted against the Surety*, whether or not the Surety shall have made any payment therefor, equivalent to such amount that the Surety, in its sole judgment, shall deem sufficient *to discharge any Losses or to protect it from any potential or anticipated Losses*.

(Ex. I at ¶ 4 (emphasis added).)

97. Applied has never had the right to demand collateral from W&T because: (1) no actual or potential liability against Applied exists; (2) no actual or potential loss to Applied exists; and (3) there are no actual or anticipated claims against the Applied Bonds.

98. However, in 2024, Applied tried to unilaterally increase W&T's premium payments without justification, seeking \$276,000 more from W&T. When W&T would not agree to the attempted extortion, Applied demanded that W&T either release it from the bonds within 30 days or provide Applied "collateral in the amount of 100% of all unreleased liability" under the bonds: \$11,343,949.00. (Applied Demand, attached as Exhibit "J".)

99. Without support, Applied asserted that it “has determined, in its sole discretion, that [W&T Offshore’s] financial condition has been or is believed to be deteriorating and/or that there has been or is believed to be other changes adversely impacting the Surety’s rights under the Bonds.” (*Id.*)

100. Again, W&T’s financial status has remained substantially the same since the execution of the Applied Indemnity Agreement and the issuance of the bonds thereunder. Further, to the extent there has been an adverse change impacting Applied’s rights under the bonds, which W&T denies, the agents of such change are the Sureties—not W&T—and the change was one collectively fabricated by the Sureties.

101. Applied asked W&T to comply with an unreasonable demand (for release) or, in the alternative, a more unreasonable demand (for collateral) as part and parcel of the Sureties’ scheme.

102. Applied is not the only surety who has joined the conspiracy.

103. On July 31, 2024, U.S. Specialty demanded that W&T immediately deposit \$23,000,000 in collateral, based on the parties’ Payment and Indemnity Agreement No. 1380 (“U.S. Specialty Indemnity Agreement”). (U.S. Specialty Demand, attached as Exhibit “K”.) The U.S. Specialty Indemnity Agreement, the same form as the Sompo Indemnity Agreement (Ex. A), did not give U.S. Specialty the ability to demand collateral without actual or potential liability. However, on October 25, 2024, U.S. Specialty filed suit seeking immediate payment of the \$23,000,000 from W&T.

104. Similarly, on October 14, 2024, U.S. Fire demanded that W&T immediately deposit \$89,501,222.00 as collateral based on the Rider To General Indemnity Agreement (“U.S. Fire

Indemnity Agreement”). (U.S. Fire Demand, attached as Exhibit “L”.) A true and correct copy of the U.S. Fire Indemnity Agreement is attached as Exhibit “M.”

105. Like the other indemnity agreements, the U.S. Fire Indemnity Agreement does not give U.S. Fire the ability to demand collateral without actual or potential liability. And like the Sampo Indemnity Agreement, the U.S. Fire Indemnity Agreement allows for a demand for collateral solely to address an existing liability or claim. (*See id.* at ¶ 4 (allowing a demand for collateral to “in the amount of any reserve Surety establishes for any *existing liability or claim*” (emphasis added).) However, on November 8, 2024, U.S. Fire filed suit against W&T, increasing its collateral demand to \$93,492,509.00.

106. The Sureties’ collateral demands against W&T total \$183,739,036:

Surety	Collateral Demand
Sampo Sureties	\$55,902,578.00
Applied	\$11,343,949.00
U.S. Specialty	\$23,000,000.00
U.S. Fire	\$93,492,509.00
Total	\$183,739,036.00

107. Even worse, the above total only includes demands from the Sureties in this lawsuit. The total amount jointly demanded from all surety co-conspirators is roughly \$250 million—more than W&T’s cash reserves.⁵ Upon information and belief, the Sureties are still meeting with other co-conspirators to increase their joint demands and interfere with W&T’s contracts and business relationships.

⁵ On July 2, 2024, Philadelphia Indemnity Insurance Company (“PIIC”) demanded collateral of \$31 million. On November 13, 2024, PIIC increased their collateral demand to \$71 million.

H. The Sureties' Joint Demands Are Part of an Illegal Conspiracy.

108. As discussed above, *W&T has complied with its indemnity agreements and paid all required and negotiated premiums*. W&T is and has remained, since execution of its indemnity agreements, solvent and capable of meeting its financial obligations. *Id.*

109. W&T has not advised the Sureties that it was unwilling or unable to post collateral. Contrary to their contention, W&T's financial status has not deteriorated—in fact, W&T is in an *improved* financial position as compared to September 2020.

110. Seeking to combine their leverage to extract the maximum amount of collateral from their principals, even if it requires their liquidation, the Sureties have conspired to participate in an unlawful scheme against smaller oil and gas companies like W&T. And the Sureties found the ideal pretext to execute their collective scheme.

111. Specifically, in 2020, BOEM had announced a Proposed Rule (the “2020 Proposed Rule”) that required supplemental bonds only for sole-liability properties, which are leases without an investment-grade party—typically a major company, such as Shell—in the chain of title either as a predecessor or co-lessee.

112. However, last June, the BOEM abandoned this 2020 Proposed Rule and, instead, issued a 2023 Proposed Rule, under which the 2020 Proposed Rule's financial assurance criteria applied even to leases with an investment-grade company in the chain of title.

113. BOEM's new rule, if enforced, would not require companies with an investment-grade credit rating to provide supplemental bonds. But independent producers like W&T overwhelmingly do not have the investment-grade credit rating. Importantly, though, this rule does not alter *existing* bonds issued by sureties or their respective indemnity agreements. Simply put,

neither this rule—nor the contracts under which the sureties issued bonds to W&T—provide a standalone rationale for a surety to demand additional collateral for an existing surety obligation.

114. Despite the preceding, the Sureties nevertheless used BOEM’s rule as a pretext to collectively and in concerted fashion demand nearly \$250 million from W&T. (Doc. 30 at 15 (“[A]nother factor in Lexon’s decision to demand additional collateral was a new rule, finalized in April 2024, to determine if and how much supplemental financial assurance is required for offshore operations on the OCS. The Risk Management and Financial Assurance for OCS Lease and Grant Obligations rule toughens the supplemental financial assurance requirements for offshore operations on the OCS and imposes additional obligations upon a principal.”).

115. The Sureties cannot use the new rule to demand what, in effect, are ransoms. First, the Rule does not permit the Sureties to collude or violate antitrust law. Second, the Rule itself is being challenged by several entities and may become void. *State of Louisiana, et al. v. Haaland, et al.*, No. 2:2024-cv-00820 (W.D. La.) (the “Louisiana Lawsuit”). In fact, in the Louisiana Lawsuit, the Texas Attorney General specifically cites W&T (and this case) as an example of how BOEM’s rule can be misused to irreparably harm companies like W&T. (*Id.* at Dkt. 76 at 4 – 5) (Texas Attorney General’s Office recognizing that the Sureties’ joint unjustified request for collateral can be “economically devastating” to companies like W&T).

116. The Sureties **know** the BOEM rule does not support their scheme, but they seek to deceive the market and this Court. The Sureties and their cohorts recently admitted as much during a presentation on November 12, 2024, led by representatives of Somo and Applied, including Mr. Hennesy and Mr. Jason Kilpatrick (“Somo-Applied Presentation”). Discussing the imminent change of administration from President Biden to President Trump, the Somo-Applied Presentation represented that the BOEM rule would most likely be withdrawn, as similar rules

were withdrawn during the change of administration from President Obama to President Trump. The Sompso-Applied Presentation acknowledged that any concern about the BOEM rule “could all be for nothing,” and Sompso acknowledged the lower “magnitude of impact as a result of the new President Elect coming into office.” By the Sureties’ own admissions, the BOEM rule provides no basis for their collusion and changed course of dealing against smaller companies like W&T.

117. The Sureties also **know** their demands for punitive collateral amounts from W&T are unprecedented and wrong. During the Sompso-Applied Presentation, Mr. Hennesy stated:

“[The decommissioning work] *doesn’t just come at once*. You have ... a number of different assets that have different lives and different costs and *different timing* of plugging and abandonment and decommissioning. So as you’re working through that portfolio of assets and liabilities you have collateral and/or performance of the decommissioning that could come into play as well. So it’s a little bit of a perform or pay - perform or fund *collateral as you go along for your long-term deal*.”

118. As a result of the “different timing” of “decommissioning” as the parties “go along for [their] long term deal,” Sompso represented that sureties should “work with operators and provide surety support by setting out reasonable time frames to achieve the funding of decommissioning and/or the performance of decommissioning, which is ultimately ... what we’re guaranteeing.”

119. Against companies like W&T, however, the Sureties agreed to depart from their custom of “work[ing] with operators” and “reasonable time frames” for requesting collateral. Instead, upon information and belief, the Sureties met one or more times in 2024 to jointly increase their premiums, expedite their collateral demands, and change the terms of their contracts and dealings.

120. The Sureties were able to meet and agree to this scheme based, in part, on their engagement in similar trade associations, including SFAA. For example, Patrick Hennesy, Sompso’s National Underwriting Officer, is entrenched in the SFAA. In fact, Mr. Hennesy is the

Chairman of the SFAA Energy Subcommittee. And his cohort, Mr. Kilpatrick, works for Sompco's co-conspirator and co-Defendant, Applied. They even worked together for another potential co-conspirator and W&T surety, RLI Insurance. Mr. Hennesy and Mr. Kilpatrick are also well-connected with surety associations like the National Association of Surety Bond Producers ("NASBP"), which hosted the Sompco-Applied Presentation.

121. As admitted during the Sompco-Applied Presentation, Sompco's and Applied's representatives had previously met to discuss recent bankruptcies and the BOEM rule, agree to fix new terms against companies like W&T, and pursue a "collective" strategy to benefit the surety industry. According to Applied, "[E]veryone started generating heartburn trying to figure out, okay, we used to make a lot of money; now we're not. So how do we move forward on this space?" Upon information and belief, this was not the first time W&T's sureties met to discuss their scheme, nor their last: they meet regularly to collude and profit against companies like W&T, including through NASBP's and SFAA's events.

122. Upon information and belief, through Mr. Hennesy's influence, Sompco chose W&T as an early target of the Sureties' scheme. Sompco formulated a scheme with all other sureties of W&T to demand roughly \$250 million in collateral. Through their demand, the Sureties planned to: (1) jointly squeeze their targets' assets; (2) jointly force their targets to accept commercially unreasonable terms it would not otherwise accept with any individual; and (3) jointly increase premiums, collateral, and bonding costs against their targets.

123. Sompco, Mr. Hennesy, Mr. Kilpatrick, and Applied were able to collude with others based on several features of the offshore surety market. First, the market has high barriers to entry and high concentration due to capital requirements, risk tolerance, and government relations. Second, members in the market have extensive social ties between key personnel, encouraging

trust and cooperation among competitors. Third, members often work for multiple sureties in their career, uniting their strategies. This is further illustrated by (1) Mr. Hennesy (Sompo's National Underwriting Officer), who had worked for *two other* co-conspirators—Philadelphia Insurance Companies (from 2007 to 2008) and RLI Insurance (2008 to 2016); and (2) Mr. Kilpatrick (Applied's Senior Vice President) who had also worked for RLI Insurance (from 2010 to 2017). Fourth, the Sureties have opportunities to collude at industry events and social events with key decision-makers and industry leaders. This is further illustrated by the co-conspirators' extensive influence over surety trade associations like SFAA and NASBP, including through Mr. Hennesy, Chairman of SFAA's Energy Subcommittee, and Mr. Kilpatrick, a member of and contributor to SFAA and NASBP.

124. Upon information and belief, the co-conspirators had opportunities and motives to collude, and did in fact collude, in connection with several surety industry events. These events include but are not limited to the SFAA-NASBP Legislative Fly-In on February 29, 2024, the NASBP Annual Meeting & Expo from April 30-May 3 in Austin, Texas, and the SFAA Annual Meeting on May 9, 2024. Coincidentally, these events were held soon before the Sureties began jointly demanding immediate collateral from W&T in rapid succession. The Sureties and their representatives, including Mr. Hennesy and Mr. Kilpatrick, continued meeting throughout 2024 to further plan and execute their scheme.

I. The Sureties Have Market Power in a Relevant Product and Geographic Market That Has Been Harmed by Sureties' Anticompetitive Conduct.

125. The relevant market is the market for the provision of federally certified surety bonds for offshore oil and gas producers.

126. Non-investment-grade offshore oil and gas producers often need to obtain surety bonds from federally certified sureties to conduct oil and gas operations on the Outer Continental

Shelf and there are no close economic and/or functional substitutes for these federally certified surety bonds.

127. The relevant geographic market is the United States. Non-investment-grade oil and gas producers that conduct operations on the Outer Continental Shelf rely on sureties that are certified by the United States' federal government and conduct business in the United States.

128. The Sureties have had power in the relevant market during the entire relevant time due to their substantial share of this market and substantial barriers such as capital requirements and government regulations that prevent others from readily entering the relevant market. The Sureties and their cohorts claim they have the power to "say no," even to the federal government. They claim they can jointly decide to not write a "single new bond" in the Gulf of Mexico. They claim they can "collectively" make more money and remain profitable by "collectively" agreeing to change their "analysis" and "terms" against companies like W&T.

129. The Sureties' illegal conspiracy has harmed W&T and other offshore oil and gas producers that rely on robust competition in the provision of federally certified surety bonds to make offshore oil and gas drilling economically feasible. But for the Sureties' conspiracy, W&T and other offshore oil and gas producers would have been able to continue to obtain and maintain the surety bonds on economically feasible terms.

VI. CAUSES OF ACTION

COUNT ONE – DECLARATORY RELIEF

130. W&T incorporates the allegations contained in the above paragraphs of this Amended Complaint as if set forth fully herein.

131. A justiciable controversy exists between W&T and the Sureties.

132. The parties are governed by and bound to comply with their respective indemnity agreements.

133. While the Sureties' indemnity agreements impose certain obligations on W&T, they also impose obligations on the Sureties, including the obligation of good faith, fair dealing, and to not abuse rights granted under the agreements.

134. The Sureties have acted to try to cripple W&T rather than exercise any valid contractual right.

135. The Sureties have acted to put W&T in an impossible position, as compliance with one indemnification demand ensures a breach of obligations to the other.

136. The Sureties' demands for collateral are unreasonable in that they are not based on any need of the Sureties other than a change in their business model or scheme and they conflict with the terms of the parties' indemnity agreements.

137. W&T is entitled to a judgment declaring the rights of the parties including, without limitation, the following

- a. the Sureties may not enforce their indemnity agreements such that their actions constitute an abuse of right;
- b. the Sureties' interpretation of the indemnity agreements render the agreements illusory;
- c. the Sureties may not make an unreasonable demand for collateral;
- d. the Sureties must accept reasonable collateral as offered by W&T;
- e. no additional collateral is required of W&T;
- f. the Sureties may not make demands for collateral that are inconsistent such that W&T cannot comply with each others' demands; and
- g. the Sureties' changed business model and scheme are not legitimate grounds to demand further collateral beyond that offered by W&T.

**COUNT TWO – VIOLATION OF THE SHERMAN ANTITRUST ACT
(GROUP BOYCOTT)**

138. W&T incorporates the allegations contained in the above paragraphs of this Amended Complaint as if set forth fully herein.

139. The Sureties, by and through their officers, directors, employees, or other representatives, have entered into an unlawful agreement, combination, and conspiracy in restraint of trade, in violation of 15 U.S.C. § 1.

140. Specifically, the Sureties engaged in a conspiracy not to deal with smaller oil and gas companies, including W&T, by demanding collateral terms that would effectively prevent them from obtaining government-mandated bonding that is essential to engage in offshore oil and gas production. This agreement was a *per se* violation of 15 U.S.C. § 1. However, even if the Sureties' agreement were viewed through the quick-look or rule-of-reason lens, the anticompetitive effects of the agreement render it unlawful.

141. The relevant product or service market is the market for the provision of federally certified surety bonds for offshore oil and gas producers, and the relevant geographic market is the United States.

142. The Sureties' collectively possess market power in the relevant market. The Sureties and co-conspirators together control a substantial and controlling percent of the relevant market.

143. W&T has been injured and will continue to be injured in its business and property as a result of the Sureties' conspiracy, which has virtually eliminated competition in the offshore surety market.

**COUNT THREE – VIOLATION OF THE SHERMAN ANTITRUST ACT
(PRICE-FIXING)**

144. W&T incorporates the allegations contained in the above paragraphs of this Amended Complaint as if set forth fully herein.

145. The Sureties, by and through their officers, directors, employees, or other representatives, have entered into an unlawful agreement, combination, and conspiracy in restraint of trade, in violation of 15 U.S.C. § 1.

146. Specifically, the Sureties engaged in a conspiracy to artificially increase the cost, premiums, and collateral requirements of their bonds through inflated and extortionate collateral demands. As a result of the Sureties' conduct, prices were actually raised, fixed, maintained, and stabilized in the market. This agreement was a *per se* violation of 15 U.S.C. § 1. However, even if the Sureties' agreement were viewed through the quick-look or rule-of-reason lens, the anticompetitive effects of the agreement render it unlawful.

147. The relevant product or service market is the market for the provision of federally certified surety bonds for offshore oil and gas producers, and the relevant geographic market is the United States.

148. The Sureties collectively possess market power in the relevant market. The Sureties and co-conspirators together control a substantial and controlling percent of the relevant market.

149. W&T has been injured and will continue to be injured in its business and property as a result of the Sureties' conspiracy, which has virtually eliminated competition in the offshore surety market.

**COUNT FOUR – VIOLATION OF THE TEXAS FREE ENTERPRISE AND
ANTITRUST ACT (TEX. BUS. & COM. CODE § 15.05)**

150. W&T incorporates the allegations contained in the above paragraphs of this Amended Complaint as if set forth fully herein.

151. Section 15.05(a) of the Texas Business and Commerce Code, provides “[e]very contract, combination, or conspiracy in restraint of trade or commerce is unlawful.” TEX. BUS. & COMM. CODE §15.05(a).

152. The Sureties have engaged in boycotting, price-fixing, market allocation, and other anticompetitive conduct that has harmed trade, commerce, and competition in the oil and gas industry and federal certified surety industry in Texas.

153. Beginning in early 2024 and continuing through the present, the Sureties entered into a continuing contract, combination, or conspiracy to unreasonably restrain trade by artificially increasing the costs and premiums of their bonds and reducing or eliminating alternatives through impossible collateral demands.

154. In particular, the Sureties combined and conspired to raise, fix, maintain, or stabilize the availability, price, and bargaining power for surety bonds and federally certified sureties. As a result of the Sureties’ conduct, prices were actually raised, fixed, maintained, and stabilized in the industry.

155. Specifically, the Sureties engaged in a scheme to exclude smaller oil and gas companies, like W&T, from the offshore energy industry and from government-mandated bonding in the surety industry.

156. The Sureties also engaged in a scheme to punish or control smaller oil and gas companies, like W&T, who would not agree to their commercially unreasonable terms and demands. The Sureties’ conspiracy has harmed competition in the offshore surety market and W&T has likewise been harmed by this illegal conduct.

157. Pursuant to Section 15.21(a)(1) of the Texas Business and Commerce Code, the Sureties’ unlawful conduct has been willful and flagrant which requires the Court to treble the

damages awarded in connection with its violations of Section 15.05(a). *See* TEX. BUS. & COMM. CODE §15.21(a)(1). W&T is also entitled to recover its costs and reasonable attorneys' fees.

**COUNT FIVE –VIOLATION OF THE
TEXAS INSURANCE CODE SECTION 541**

158. W&T incorporates the allegations contained in the above paragraphs of this Amended Complaint as if set forth fully herein.

159. Pursuant to Texas Insurance Code Section 541.051 (1), making statements misrepresenting the terms and benefits of a policy constitute an unfair method of competition and an unfair or deceptive act or practice in the business of insurance.

160. The Sureties' extortion, blackmail, and demands for additional collateral misrepresent the language of the P&A Obligations in the absence of any change in the financial strength of W&T and in the absence of any pending claims under the surety bonds.

161. As a result of the Sureties' unfair and deceptive acts, W&T has incurred damages.

162. Pursuant to Section 541 of the Texas Insurance code, W&T is entitled to recover:

- a. The amount of actual damages, courts and reasonable and necessary attorney's fees.
- b. An order enjoining the Sureties from persisting with their unfair and deceptive demands regarding the payment of additional collateral.
- c. An award of treble damages for the amount of actual damages.

**COUNT SIX – TORTIOUS INTERFERENCE WITH EXISTING CONTRACTS AND
PROSPECTIVE BUSINESS RELATIONSHIPS**

163. W&T incorporates the allegations contained in the above paragraphs of this Amended Complaint as if set forth fully herein.

164. As described in this Complaint, W&T has valid existing contracts and/or business relationships with its sureties. The Sureties have willfully and intentionally interfered with these contracts and prospective business relationships.

165. The Sureties, including Sompco, have induced, or attempted to induce, W&T's sureties, creditors, and other financial partners to reduce or negatively alter their business relationship with W&T.

166. The Sureties' acts are independently tortious in that, among other things, these acts constitute violations of antitrust law, insurance law, and civil conspiracy.

167. The Sureties did such acts knowing that their interference with W&T's existing contracts and prospective business relationships was certain, or substantially certain, to occur as a result of their conduct. As discussed herein, the Sureties also acted to take W&T's business hostage and control its capital, including through unlawful demands that had no contractual or financial justification.

168. The Sureties interference is not privileged or justified. As a result of the Sureties interference with W&T's existing contracts and prospective business relationships, W&T has suffered actual damages and irreparable damages, including, among other things, loss of goodwill, damage to its reputation, and other pecuniary loss. Based on the Sureties' unlawful interference, W&T is entitled to all proximately caused, actual damages.

169. Additionally, W&T is entitled to exemplary damages because the Sureties' acts of interference were willful and malicious.

COUNT SEVEN – CONSPIRACY

170. W&T incorporates the allegations contained in the above paragraphs of this Amended Complaint as if set forth fully herein.

171. The Sureties have knowingly encouraged, participated in, and benefited from the wrongful conduct described in this Complaint.

172. A civil conspiracy exists under the facts of this case because two or more persons have acted in collusion to accomplish an unlawful purpose or to accomplish a lawful purpose by unlawful means, joint communications, and joint meetings.

173. The Sureties have engaged in a civil conspiracy to violate antitrust law, insurance law, and other Texas common law.

174. The Sureties have associated together through a meeting of their minds and for a common purpose of engaging in a course of conduct, and as an ongoing and continuing organization or unit, to conduct the unlawful and tortious activities described in this Complaint.

175. The Sureties have secretly conspired among themselves, and possibly with others to be uncovered in discovery, to devise and implement, and the Sureties have devised and implemented, wrongful and unlawful schemes to harm W&T.

176. The Sureties have conspired and aided and abetted each other in furtherance of these unlawful schemes. This conduct was caused, permitted, aided and abetted, and assisted by each of the Sureties in order to maintain their pattern of unlawful activity.

177. Accordingly, W&T has been, and continues to be, damaged in its business. W&T is entitled to all damages caused by this conspiracy.

VII. PRAYER

WHEREFORE, W&T Offshore, Inc., and W&T Energy VI, LLC, pray that, after due proceedings are had, this Court enter judgment in their favor and against the Sureties:

1. Declaring that:

- a. the Sureties are bound by the terms of their indemnity agreements with W&T;
 - b. the Sureties may not enforce their indemnity agreements such that their actions constitute an abuse of right;
 - c. the Sureties' interpretation of the indemnity agreements render the agreements illusory;
 - d. the Sureties may not make an unreasonable demand for collateral;
 - e. the Sureties must accept reasonable collateral as offered by W&T;
 - f. no additional collateral is required of W&T;
 - g. the Sureties may not make joint demands for collateral that are inconsistent with those of each other such that W&T cannot comply with each demand;
 - h. the Sureties' changed business model and desire to boycott companies like W&T are not legitimate grounds to demand further collateral beyond that offered by W&T;
2. Finding that the Sureties' actions alleged herein be adjudged and decreed to be in violation of Section 1 of the Sherman Act, 15 U.S.C. § 1;
 3. Finding that the Sureties' actions constitute unfair and deceptive practices under Tex. Ins. Code Section 541;
 4. Finding that the Sureties' actions constitute tortious interference with existing contracts and prospective business relationships;
 5. Finding that the Sureties' actions constitute a conspiracy;

6. Awarding W&T damages from each Defendant, jointly and severally, in an amount to be determined, and that this damages amount be trebled pursuant to 15 U.S.C. § 15(a) and Tex. Ins. Code Section 541.152;
7. Awarding W&T its pre- and post-judgment interest at the highest legal rate;
8. Awarding W&T all costs of this proceeding, including attorneys' fees; and
9. Granting all other legal and equitable relief to which W&T may be entitled.

[Remainder of page intentionally left blank.]

Dated: December 11, 2024

Respectfully submitted,

McGuireWoods LLP

/s/ Yasser A. Madriz

Yasser A. Madriz

Attorney-in-Charge

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CERTIFICATE OF SERVICE

I certify that on December 11, 2024, the foregoing pleading was filed electronically using the CM/ECF system. Notice of this filing will be sent to all counsel of record registered to receive electronic service by operation of the Court's electronic filing system.

/s/ Miles O. Indest

Miles O. Indest

APPENDIX D

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

W&T OFFSHORE, INC., and
W&T ENERGY VI, LLC,

Plaintiffs and Counterclaim-Defendants,

v.

ENDURANCE ASSURANCE
CORPORATION and LEXON
INSURANCE COMPANY

Defendants and Counterclaim-Plaintiffs.

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Civil Action No. 4:24-cv-03047

**ENDURANCE ASSURANCE CORPORATION AND LEXON INSURANCE
COMPANY’S FIRST AMENDED ANSWER AND DEFENSES, COUNTERCLAIM, AND
APPLICATION FOR PRELIMINARY INJUNCTION**

Defendants and Counterclaim-Plaintiffs Endurance Assurance Corporation (“**Endurance**”) and Lexon Insurance Company (together with Endurance, “**Lexon**”) file this First Amended Answer, Affirmative and Other Defenses, Counterclaim to Plaintiffs W&T Offshore, Inc. and W&T Energy VI, LLC’s (“**Plaintiffs**” or “**W&T**”) Complaint for Declaratory Relief (“**Complaint**”), and Application for Preliminary Injunction and would respectfully show as follows:

ANSWER¹

JURISDICTION AND VENUE²

1. Paragraph 1 of the Complaint constitutes conclusions of law to which no response is required, except Lexon admits that W&T purports to assert jurisdiction under the statutes cited.

¹ The introductory paragraph of the Complaint describes W&T’s allegations, to which no response is required. To the extent a response is required, the allegations in the introductory paragraph are denied.

² Lexon states that the headings throughout the Complaint do not constitute well-pleaded allegations of fact and, therefore, require no response. To the extent a response is required, Lexon denies the allegations in the headings of the Complaint. Notwithstanding the foregoing, Lexon has included the headings used in the Complaint in its Answer for convenience.

2. The allegations in Paragraph 2 of the Complaint constitute conclusions of law to which no response is required. To the extent a response is required, Lexon admits that it issued surety bonds to, and entered into a related indemnity agreement with, W&T, and refers to those bonds and that agreement for the true and correct contents thereof. Lexon denies the remainder of the allegations set forth in Paragraph 2.

3. The allegations in Paragraph 3 of the Complaint constitute conclusions of law to which no response is required. To the extent a response is required, Lexon admits that it issued surety bonds to, and entered into a related indemnity agreement with, W&T, and refers to those bonds and that agreement for the true and correct contents thereof. Lexon denies the remainder of the allegations set forth in Paragraph 3.

4. The allegations in Paragraph 4 of the Complaint constitute conclusions of law to which no response is required. To the extent a response is required, Lexon admits that the indemnity agreement provides that all obligations of each Principal (as defined in the Indemnity Agreement) are performable in Harris County, Texas and that each Principal “IRREVOCABLY CONSENTS TO THE EXCLUSIVE VENUE AND JURISDICTION OF THE FEDERAL AND STATE COURTS SITTING IN HARRIS COUNTY, TEXAS, AND DOES FURTHER WAIVE ANY AND ALL RIGHTS TO OBJECT TO SUCH VENUE OR JURISDICTION.” Lexon denies the remainder of the allegations set forth in Paragraph 4.

5. The allegations in Paragraph 5 of the Complaint constitute conclusions of law to which no response is required. To the extent a response is required, Lexon admits that Plaintiffs purport to seek declaratory relief in the Complaint and refers to the Complaint for the contents thereof. Lexon denies the remainder of the allegations in Paragraph 5 of the Complaint.

THE PARTIES

6. Lexon has insufficient knowledge to admit or deny the allegations in Paragraph 6 of the Complaint and therefore denies them.

7. Lexon has insufficient knowledge to admit or deny the allegations in Paragraph 7 of the Complaint and therefore denies them.

8. Lexon admits that Endurance is a corporation organized under the laws of the State of Delaware. Lexon denies the remainder of the allegations in Paragraph 8.

9. Lexon admits the allegations set forth in Paragraph 9.

BACKGROUND

The Offshore Regulatory Environment

10. The allegations in Paragraph 10 of the Complaint constitute conclusions of law to which no response is required. To the extent a response is required, Lexon admits that the Complaint purports to characterize certain actions of Congress, but denies the remainder of the allegations set forth in Paragraph 10, and refers the Court to the Outer Continental Shelf Lands Act (“**OCS Lands Act**”) for the true and correct contents thereof.

11. The allegations in Paragraph 11 of the Complaint constitute conclusions of law to which no response is required. To the extent a response is required, Lexon admits that the Complaint purports to characterize certain actions of Congress and the contents of the OCS Lands Act, but denies the remainder of the allegations set forth in Paragraph 11, and refers the Court to the OCS Lands Act for the true and correct contents thereof.

12. The allegations in Paragraph 12 of the Complaint constitute conclusions of law to which no response is required. To the extent a response is required, Lexon admits that the Complaint purports to characterize the OCS Lands Act but denies the remainder of the allegations

set forth in Paragraph 12 and refers the Court to the OCS Lands Act for the true and correct contents thereof.

13. The allegations in Paragraph 13 of the Complaint constitute conclusions of law to which no response is required. To the extent a response is required, Lexon admits that the Complaint purports to characterize the OCS Lands Act but denies the remainder of the allegations set forth in Paragraph 13 and refers the Court to the OCS Lands Act for the true and correct contents thereof.

14. The allegations in Paragraph 14 of the Complaint constitute conclusions of law to which no response is required. To the extent a response is required, Lexon admits that the Complaint purports to characterize the OCS Lands Act but denies the remainder of the allegations set forth in Paragraph 14 and refers the Court to the OCS Lands Act for the true and correct contents thereof.

15. The allegations in Paragraph 15 of the Complaint constitute conclusions of law to which no response is required. To the extent a response is required, Lexon admits that the Complaint purports to characterize Dep't of the Interior Secretarial Ord. 3299 but denies the remainder of the allegations set forth in Paragraph 15 and refers the Court to the Dep't of the Interior Secretarial Ord. 3299 for the true and correct contents thereof.

16. The allegations in Paragraph 16 of the Complaint constitute conclusions of law to which no response is required. To the extent a response is required, Lexon admits that the Complaint purports to characterize Dep't of the Interior Secretarial Ord. 3299 but denies the remainder of the allegations set forth in Paragraph 16 and refers the Court to Order 3299 for the true and correct contents thereof.

17. The allegations in Paragraph 17 of the Complaint constitute conclusions of law to which no response is required. To the extent a response is required, Lexon admits that the

Complaint purports to characterize certain activities conducted by the Bureau of Safety and Environmental Enforcement (“**BSSE**”) and the Bureau of Ocean Energy Management (“**BOEM**”) but denies the remainder of the allegations set forth in Paragraph 17.

18. The allegations in Paragraph 18 of the Complaint constitute conclusions of law to which no response is required. To the extent a response is required, Lexon admits that the Complaint purports to characterize certain responsibilities on the part of BOEM but denies the remainder of the allegations set forth in Paragraph 18.

19. The allegations in Paragraph 19 of the Complaint constitute conclusions of law to which no response is required. To the extent a response is required, Lexon admits that the Complaint purports to characterize certain activities performed by BSEE but denies the remainder of the allegations set forth in Paragraph 19.

20. The allegations in Paragraph 20 of the Complaint constitute conclusions of law to which no response is required. To the extent a response is required, Lexon admits that the Complaint purports to characterize 62 Fed. Reg. 27948 but denies the remainder of the allegations set forth in Paragraph 20 and refers the Court to 62 Fed. Reg. 27948 for the true and correct contents thereof.

21. The allegations in Paragraph 21 of the Complaint constitute conclusions of law to which no response is required. To the extent a response is required, Lexon admits that the Complaint purports to characterize the Minerals Management Service (“**MMS**”) regulations but denies the remainder of the allegations set forth in Paragraph 21, and refers the Court to the MMS regulations referred to in this paragraph for the true and correct contents thereof.

22. The allegations in Paragraph 22 of the Complaint constitute conclusions of law to which no response is required. To the extent a response is required, Lexon admits that the Complaint purports to characterize 62 Fed. Reg. 27948 but denies the remainder of the allegations

set forth in Paragraph 22 and refers the Court to 62 Fed. Reg. 27948 for the true and accurate contents thereof.

23. The allegations in Paragraph 23 of the Complaint constitute conclusions of law to which no response is required. To the extent a response is required, Lexon admits that the Complaint purports to characterize 89 Fed. Reg. 31544 but denies the remainder of the allegations set forth in Paragraph 23 and refers the Court to 89 Fed. Reg. 31544 for the true and correct contents thereof.

24. Lexon denies the allegations set forth in Paragraph 24, except admits that the Complaint purports to characterize certain unidentified regulations issued by BOEM and refers the Court to such regulations for the true and correct contents thereof.

25. Lexon denies the allegations set forth in Paragraph 25, except to the extent the allegations therein constitute conclusions of law to which no response is required.

The Relationship Between the Sompo Sureties and W&T

26. Lexon lacks sufficient knowledge to admit or deny the allegations set forth in Paragraph 26 and therefore denies them.

27. Lexon lacks sufficient knowledge to admit or deny the allegations set forth in Paragraph 27 and therefore denies them.

28. Lexon denies the allegations in Paragraph 28, except admits that Endurance is not incorporated pursuant to the laws of the State of Texas and has issued surety bonds with respect to certain entities' business activities.

29. Lexon denies the allegations as set forth in Paragraph 29, except admits that Lexon is incorporated pursuant to the laws of the State of Texas and has issued surety bonds with respect to certain entities' business activities.

30. The allegations in Paragraph 30 constitute conclusions of law to which no response is required. To the extent a response is required, Lexon admits that W&T has obtained surety bonds from Lexon with respect to certain of W&T's business activities but denies the remainder of the allegations as set forth in Paragraph 30.

31. Lexon lacks knowledge or information sufficient to admit or deny the allegations in Paragraph 31 and therefore denies them, except admits that Lexon has issued surety bonds with respect to certain of W&T's business activities.

32. The allegations in Paragraph 32 constitute conclusions of law to which no response is required. To the extent a response is required, Lexon denies the allegations set forth in Paragraph 32, except admits that certain of the parties' rights and obligations are set forth in the Indemnity Agreement and refers the Court to the Indemnity Agreement for the true and correct contents thereof.

33. Lexon denies the allegations set forth in Paragraph 33, except admits that one of the signatories to the Indemnity Agreement is W&T Offshore and that the Indemnity Agreement contains the quoted language and refers the Court to the Indemnity Agreement for the true and correct contents thereof.

34. Lexon admits that the Complaint alleges that Exhibit A is a true and correct copy of the Indemnity Agreement and refers the Court to the Indemnity Agreement for the true and correct contents thereof.

35. Lexon denies the allegations set forth in Paragraph 35, except admits that the Indemnity Agreement contains the quoted language and refers the Court to the Indemnity Agreement for the true and correct contents thereof.

36. Lexon denies the allegations in Paragraph 36, except admits that Paragraph 36 reproduces in part Paragraph 17 of the Indemnity Agreement and refers the Court to the Indemnity Agreement for the true and correct contents thereof.

37. Lexon denies the allegations in Paragraph 37, except admits that Paragraph 37 reproduces in part Paragraph 5 of the Indemnity Agreement and refers the Court to the Indemnity Agreement for the true and correct contents thereof.

38. Lexon denies the allegations in Paragraph 38, except admits that Endurance is a surety pursuant to the Indemnity Agreement.

39. The allegations in Paragraph 39 constitute conclusions of law to which no response is required. To the extent a response is required, Lexon denies the allegations set forth in Paragraph 39, except admits that certain of W&T and Endurance's rights and obligations are set forth in the Indemnity Agreement and refers the Court to the Indemnity Agreement for the true and correct contents thereof.

40. Lexon denies the allegations in Paragraph 40, except admits that Lexon is a surety pursuant to the Indemnity Agreement.

41. The allegations in Paragraph 41 constitute conclusions of law to which no response is required. To the extent a response is required, Lexon denies the allegations set forth in Paragraph 41, except admits that certain of W&T and Lexon's rights and obligations are set forth in the Indemnity Agreement and refers the Court to the Indemnity Agreement for the true and correct contents thereof.

42. Lexon lacks sufficient information to admit or deny the allegations set forth in Paragraph 42, and therefore denies them.

W&T Obtains BOEM-Required Bonds from the Sompore Sureties and Others

43. Lexon admits that Endurance issued Bond Nos. EACX226000039, EACX226000040, EACX226000038, EACX226000025, EACX226000047, EACX226000044, and EACX226000022, but otherwise denies the allegations in Paragraph 43 except to the extent they constitute conclusions of law to which no response is required.

44. Lexon admits that the Complaint purports to attach in Exhibit B certain bonds issued by Endurance with respect to W&T's business activities and refers the Court to those bonds for their true and correct contents, but otherwise denies the allegations in Paragraph 44.

45. Lexon admits that Endurance issued Bond No. EACX226000043, but otherwise denies the allegations in Paragraph 45 except to the extent they constitute conclusions of law to which no response is required.

46. Lexon admits that the Complaint purports to attach in Exhibit C that certain bond issued by Endurance with respect to W&T's business activities, refers the Court to that bond for its true and correct contents, and otherwise denies the allegations in Paragraph 46.

47. Lexon admits that Endurance issued Bond No. EACX226000045, but otherwise denies the allegations in Paragraph 47 except to the extent they constitute conclusions of law to which no response is required.

48. Lexon admits that the Complaint purports to attach in Exhibit D that certain bond issued by Endurance with respect to W&T's business activities and refers the Court to that bond for its true and correct contents, but otherwise denies the allegations in Paragraph 48.

49. Lexon admits that Lexon issued Bond Nos. 1156846, 1136949, 1136950, 1159776, and 1197677, but otherwise denies the allegations in Paragraph 49 except to the extent they constitute conclusions of law to which no response is required.

50. Lexon admits that the Complaint purports to attach in Exhibit E certain bonds issued by Lexon with respect to W&T's business activities, refers the Court to those bonds for their true and correct contents, and otherwise denies the allegations in Paragraph 50.

51. Lexon admits that Lexon issued Bond No. 1152011 and Bond No. 1152010, but otherwise denies the allegations in Paragraph 51 except to the extent they constitute conclusions of law to which no response is required.

52. Lexon admits that the Complaint purports to attach in Exhibit F certain bonds issued by Lexon with respect to W&T's business activities, refers the Court to those bonds for their true and correct contents, and otherwise denies the allegations in Paragraph 52.

The Sompso Sureties Conflicting Collateral Demands

53. Lexon denies the allegations set forth in Paragraph 53.

54. Lexon lacks sufficient information to admit or deny the allegations set forth in Paragraph 54, and therefore denies them.

55. Lexon denies the allegations in Paragraph 55, except admits that Paragraph 55 reproduces in part Paragraph 3 of the Indemnity Agreement and refers the Court to the Indemnity Agreement for the true and correct contents thereof.

56. Lexon denies the allegations in Paragraph 56, except admits that it, through Sompso International, issued a written demand for collateral in the form of cash or an irrevocable letter of credit on July 9, 2024.

57. Lexon admits that the Complaint purports to attach as Exhibit G a demand letter from Sompso International dated July 9, 2024, and refers the Court to that letter for its true and correct contents.

58. Lexon lacks sufficient information to admit or deny the allegations set forth in Paragraph 58 and therefore denies them.

59. Lexon lacks sufficient information to admit or deny the allegations set forth in Paragraph 59 and therefore denies them, except admits that W&T suggested that Lexon accept collateral in forms other than cash or a letter of credit.

60. Lexon lacks sufficient information to admit or deny the allegations set forth in Paragraph 60 and therefore denies them.

61. Lexon lacks sufficient information to admit or deny the allegations set forth in Paragraph 61 and therefore denies them.

62. Lexon lacks sufficient information to admit or deny the allegations set forth in Paragraph 62 and therefore denies them.

63. Lexon denies the allegations set forth in Paragraph 63.

64. Lexon denies the allegations as set forth in Paragraph 64.

65. Lexon lacks sufficient information to admit or deny the allegations set forth in Paragraph 65 and therefore denies them.

66. Lexon denies the allegations set forth in Paragraph 66.

67. Lexon denies the allegations set forth in Paragraph 67, except states that it lacks sufficient information to admit or deny the allegations set forth in Paragraph 67 regarding conduct by or discussions with “Other Sureties” and therefore denies them.³

CAUSES OF ACTION

COUNT ONE – DECLARATORY RELIEF

68. Lexon repeats and realleges and incorporates by reference its answers and responses to Paragraphs 1-67 above as if fully repeated herein.

69. Paragraph 69 states a legal conclusion to which no response is required.

³ The Complaint defines “Other Sureties” as “other surety companies.” Dkt. 1 at ¶ 42.

70. Paragraph 70 states a legal conclusion to which no response is required.

71. Paragraph 71 states a legal conclusion to which no response is required; however, if and to the extent an answer is required, these allegations are denied.

72. Lexon denies the allegations set forth in Paragraph 72.

73. Lexon denies the allegations set forth in Paragraph 73.

74. Lexon denies the allegations set forth in Paragraph 74.

75. Paragraph 75 states a legal conclusion to which no response is required; however, to the extent an answer is required, Lexon denies the allegations and relief sought in Paragraph 75.

PRAYER

76. The Prayer states a legal conclusion to which no response is required; however, to the extent an answer is required, Lexon denies the allegations and that W&T is entitled to the relief sought in the Prayer.

AFFIRMATIVE AND OTHER DEFENSES

Lexon asserts the following defenses and reserves the right to amend this Answer and these Affirmative and Other Defenses, and assert other and further defenses, when and if, in the course of its investigation, discovery, or preparation for trial, it becomes appropriate. By designating these matters as defenses, Lexon does not intend to assume a burden of proof it does not otherwise have or to suggest either that Plaintiffs do not bear the burden of proof as to such matters or that such matters are not elements of Plaintiffs' prima facie case against Lexon.

FIRST DEFENSE

W&T's claims are barred, in whole or in part, on the grounds that the Complaint fails to state a claim upon which relief may be granted.

SECOND DEFENSE

W&T's claims are barred, in whole or in part, by the doctrine of estoppel.

THIRD DEFENSE

W&T's claims are barred, in whole or in part, by the doctrine of unclean hands.

FOURTH DEFENSE

W&T's claims are barred, in whole or in part, by the doctrine of laches.

FIFTH DEFENSE

W&T's claims are barred, in whole or in part, by the doctrine of waiver.

SIXTH DEFENSE

W&T's claims are barred, in whole or in part, because Lexon at all times acted reasonably and in good faith.

COUNTERCLAIM

Pursuant to Federal Rule of Civil Procedure 13(a), Lexon Insurance Company and Endurance Assurance Corporation (collectively, “**Lexon**”), on knowledge as to their own actions and otherwise on good faith information and belief, hereby assert this First Amended Counterclaim against W&T Offshore, Inc., and W&T Energy VI, LLC (collectively, “**W&T**” or “**Counterclaim-Defendants**”).

INTRODUCTION

1. This action arises from W&T’s breach of its obligations under the terms of Payment and Indemnity Agreement No. 1380 (the “**Indemnity Agreement**” or “**Agreement**”), which was executed by each of the Counterclaim-Defendants on September 14, 2020.⁴ W&T executed the Indemnity Agreement “to induce the Surety,” *i.e.*, Lexon, to issue bonds (the “**Bonds**”) with respect to W&T’s operations on the Outer Continental Shelf (“**OCS**”). In reliance on the protections afforded to Lexon under the Indemnity Agreement, Lexon issued bonds that, to date, expose Lexon to over \$55 million in potential liability (referred to as the “penalty amount” on the Bonds) should W&T default on the bonded obligations.

2. W&T is required to obtain surety bonds in order to conduct oil and gas exploration operations on the OCS pursuant to the OCS Lands Act, which charges the Secretary of the Interior with the administration of leases authorizing private parties to explore the OCS for oil and natural gas and with the regulation of such activities. The Bonds at issue here secure W&T’s obligations to, among other things, restore and remediate properties once W&T completes its oil and gas operations, including plugging and abandoning wells, removing equipment, and restoring surface, subsurface, and sites to their original form. In addition, companies operating on the OCS are

⁴ A true and correct copy of Indemnity Agreement is attached hereto as Exhibit 1, the terms of which are incorporated herein by reference.

subject to general financial assurance requirements to address decommissioning liabilities, which are overseen by the Bureau of Ocean Energy Management (“**BOEM**”). These regulations ensure that exploration companies, rather than taxpayers, fund the restoration of the land and infrastructure associated with offshore oil, gas, or sulfur development.

3. As a general matter, Lexon remains potentially responsible for W&T’s obligations under the Bonds until W&T satisfies such obligations or the Regional Director of the BOEM issues a written cancellation in favor of Lexon. If W&T defaults on the obligations covered by the Bonds, Lexon is responsible for performing the underlying obligations and potentially can be sued by BOEM or other relevant parties in connection with W&T’s failure to perform. Lexon’s obligations under the Bonds cannot be cancelled unilaterally by Lexon and remain in full force and effect, even if, among other things, Lexon suffers any loss “by reason of any law limiting, qualifying, or discharging” its obligations. *See, e.g.*, Plaintiffs’ Ex. B ¶ 6(e).

4. In light of the risk borne by Lexon as surety, chief among the bargained-for protections in the Indemnity Agreement is Lexon’s right to demand collateral from W&T, which provides security for Lexon before any event of default occurs. In fact, the requirement to provide collateral in response to a surety’s demand is so integral to the surety receiving the benefit of its contractual bargain that courts repeatedly have found that the refusal to provide such collateral constitutes irreparable harm. Here, in the Agreement, Lexon has the right, “at any time and from time to time hereafter, in its sole and absolute discretion, [to] require the Principals [*i.e.*, W&T] to provide collateral, in forms and amounts acceptable to [Lexon] . . . to secure the Principals’ obligations to [Lexon] hereunder and/or to establish reserves to cover any actual or potential liability, claim, suit, or judgment under any Bond.” Agreement ¶ 3 (the “**Collateral Demand Provision**”). On its face, the Collateral Demand Provision—contained in a section in the Agreement titled “Security”—could hardly be more clear: it entitles Lexon “at any time” to use its

“sole and absolute discretion” to determine the amount of collateral necessary “to secure the Principals’ obligations” to Lexon and the form that such collateral must take.

5. By way of further background, the key parties to the surety relationship are the (i) obligee, which is the entity to whom the obligation is owed (often, as here, a state or local government), (ii) principal, which is the primary party charged with performing the obligation (*i.e.*, W&T), and (iii) surety (*i.e.*, Lexon), which, according to the bond’s terms, is responsible for the principal’s obligations in the event of the principal’s default, subject to the surety’s right to seek indemnification from the principal.

6. As a surety, Lexon incurs exposure based on the contractual obligation of the principal to repay the surety for any payments the surety makes towards the principal’s bonded obligations. This contractual reimbursement obligation seeks to ensure that the principal bears the ultimate financial responsibility for any claims relating to the surety bond.

7. This is a key difference between surety bonds, which essentially serve as a form of credit, and insurance, which provides financial protection against potential future losses. Insurance protects the insured from unforeseen risks, such as accidents, natural disasters, or health issues. When an insurance claim is made, the insurer compensates the insured for covered losses according to the policy terms. This compensation is typically final, and the insured does not have to repay the insurer.

8. In contrast, surety bonds ensure that contractual obligations are met, often in the context of construction, environmental projects, or other business agreements, to assure the obligee that the principal will fulfill their commitments, either through performance or financial compensation. Therefore, when a claim is made against a surety bond, the surety may cover the costs of the principal’s obligations, but, unlike insurance, the principal is contractually obligated to repay the surety for any amounts paid on its behalf.

9. Given the nature of the surety's obligations, Lexon generally exercises its contractual right to procure collateral from the principal *prior to* a potential default in order to protect Lexon against any actual or potential liability.

10. Consistent with this authority, in a letter dated July 9, 2024 (the "**July 9 Demand**"), Lexon demanded that W&T provide as collateral \$7.5 million cash via wire transfer or an irrevocable letter of credit within 30 days. A true and correct copy of the July 9 Demand is attached hereto as Exhibit 2.

11. W&T did not provide the collateral within 30 days, and, to date, has not provided any of the collateral sought in the July 9 Demand.

12. W&T's failure to satisfy the July 9 Demand constitutes a material breach of the Indemnity Agreement.

13. That breach, in turn, has additional consequences.

14. First, the Agreement provides that if "any Principal fails to pay within thirty (30) days after written demand any premium or portion thereof, *or fails to pay within thirty (30) days after written demand of any other sum becoming due [to Lexon] hereunder*, then," absent securing the release and discharge of all of Lexon's liability under the bonds and paying Lexon all amounts then owed, Lexon "may require there to be paid, and the Principals jointly and severally agree they shall forthwith pay to [Lexon], an amount equal to the full penalty amount of the Bonds, to be held as collateral until (i) all sums due and to become due to [Lexon] have been paid and (ii) [Lexon] shall be wholly discharged and released from all liability under the Bonds." Agreement ¶ 1 (emphasis added). By virtue of having failed to provide collateral in response to the July 9 Demand, W&T triggered the obligation to provide collateral "equal to the full penalty amount of the Bonds," or in excess of \$55 million.

15. Second, W&T's failure to provide collateral in response to the July 9 Demand entitles Lexon to recover its costs and fees incurred to enforce its rights under the Agreement. Specifically, the Agreement provides that the "Principals shall jointly and severally indemnify and keep indemnified [Lexon] and hold and save it harmless from and against any and all liability, damage, loss, cost and expense of whatsoever kind or nature, including reasonable counsel and attorneys' fees which [Lexon] may at any time sustain or incur or in enforcing this Agreement against any Principal." Agreement ¶ 2.

16. Likewise, the Agreement separately provides that in "the event any action is instituted to enforce any of the provisions of this Agreement or to recover damages for the breach of any provision hereof, the prevailing party therein shall be entitled to recover any costs or expenses incurred, including without limitation, costs of court and reasonable attorneys' fees." Agreement ¶ 26.

17. Despite Lexon's clear and unambiguous right to the demanded collateral, to date, Lexon has gone to great lengths to resolve the issue without resorting to litigation, including demanding less collateral than is necessary to adequately secure W&T's performance obligations under the Bonds and proposing a variety of structures whereby W&T could satisfy the July 9 Demand. In response, W&T not only has refused to honor its obligations to Lexon but—adding insult to injury—instituted this action to, in effect, declare its "right" not to abide by its obligations under the Agreement.

18. W&T's ongoing refusal to satisfy the July 9 Demand—and initiating the present action—makes clear that it has no intention of honoring its contractual commitments.

19. As set forth further below, Lexon is entitled to recover in excess of \$55 million, constituting the penalty amount of the Bonds, plus the attorneys' fees and other costs it has incurred to enforce its rights under the Agreement, including in connection with this action.

PARTIES

20. W&T Offshore, Inc., is a corporation organized under the laws of the State of Texas with its principal place of business in Houston, Texas. W&T Energy VI, LLC is a limited liability company organized under the laws of the State of Delaware, with its principal place of business in Houston, Texas.

21. Endurance is a corporation organized under the laws of the State of Delaware with its principal place of business in Purchase, New York. Lexon is a corporation organized under the laws of the State of Texas with its principal place of business in Mt. Juliet, Tennessee. As relevant here, Endurance and Lexon issue surety bonds for companies operating in a wide range of industries, including construction contractors and sub-contractors; home builders and developers; financial services companies; service companies with an emphasis on transportation, waste, and security; renewable energy as well as oil and gas companies; and hard-rock mining and waste companies. Lexon and Endurance are wholly owned subsidiaries of Sompo International Holdings Ltd. (“**Sompo**”), a global specialty provider of property and casualty insurance and reinsurance.

JURISDICTION

22. This Court has subject matter jurisdiction pursuant to 28 U.S.C. § 1331 and 43 U.S.C. § 1349 because this dispute arises out of or in connection with operations conducted on the Outer Continental Shelf (“**OCS**”). This Court also has supplemental jurisdiction over this claim pursuant to 28 U.S.C. § 1367(a).

23. Venue is proper because W&T initially filed its action in this District, and the Indemnity Agreement mandates exclusive venue in federal and state courts in Harris County, Texas. Agreement ¶ 17.

FACTUAL BACKGROUND

I. Lexon Provides Surety Bonds to W&T in Connection with W&T's Offshore Operations

24. As explained, surety bonds cover the performance of specified obligations.

25. As relevant here, in order for W&T to conduct operations on the OCS, it must obtain surety bonds and meet general financial assurance requirements to address decommissioning liabilities.

26. Currently, BOEM requires all lessees of an OCS oil and natural gas lease to post base-level financial assurance bonds ranging from \$50,000 to \$3 million, in addition to supplemental financial assurance determined by the lessee's ability to carry out present and future financial obligations.

27. The BOEM also requires that lessees demonstrate financial strength and reliability according to its regulations and provide acceptable financial assurances to assure satisfaction of lease obligations. These obligations may include decommissioning operations, plugging and abandoning wells, removing and disposing of equipment and facilities, and restoring and remediating surface and subsurface properties used for oil and gas exploration and production.

28. Thus, in order to obtain permits to conduct drilling on the OCS from the United States Department of the Interior (obligee), W&T (principal) was required to obtain surety bonds to secure its performance of the various obligations under the permits. Should W&T default on those obligations, according to the terms of the bond, Lexon (surety) is responsible for arranging to fulfill W&T's obligations under the permits, as well as defending against any legal proceedings initiated by the obligee in connection with the principal's defaults. As part of its exploration work, W&T also obtained surety bonds from Lexon in connection with work performed for Exxon Mobil Corporation, Railroad Commission of Texas, and Woodside Energy USA.

29. The surety receives compensation in the form of premiums in exchange for undertaking these obligations, and often also requires, as Lexon did here, two forms of financial protection. First, the surety typically demands that the principal post collateral as security to protect against an increased likelihood of potential bond default. In that event, the collateral could be used toward payment of losses, costs, or expenses incurred in discharging the principal's obligations should a bond default occur. Second, the principal agrees to indemnify the surety against losses and expenses incurred in connection with the bond, with the obligation typically memorialized, as here, in a general indemnity agreement.

30. Since 2014, Lexon has issued Surety Bonds, currently with a total exposure in excess of \$55 million, in connection with energy exploration operations conducted by W&T on the OCS.

31. The Bonds at issue here include the following:

Bond Schedule:

Bond Number	Principal Name	Obligee Name	Bond Amount	Current Effective Date	Expiration Date
EACX226000022-04	W & T Energy VI LLC	US Department of Interior	\$1,461,000.00	9/15/2023	9/15/2024
EACX226000025-04	W & T Energy VI LLC	US Department of Interior	\$3,000,000.00	11/5/2023	11/5/2024
1156846-07	W & T Energy VI LLC	US Department of Interior	\$5,000,000.00	5/4/2024	5/4/2025
1097677-10	W & T Energy VI LLC	US Department of Interior	\$9,000,000.00	6/3/2024	6/3/2025
1159776-03	W & T Energy VI LLC	US Department of Interior	\$3,000,000.00	12/20/2023	12/20/2024
EACX226000038-03	W & T Energy VI LLC	US Dept of Interior	\$1,482,000.00	1/10/2024	1/10/2025
EACX226000039-03	W & T Energy VI LLC	US Dept. of the Interior	\$3,830,148.00	1/10/2024	1/10/2025
EACX226000040-03	W & T Energy VI LLC	US Dept of Interior	\$13,126,457.00	1/10/2024	1/10/2025
EACX226000044-02	W & T Energy VI LLC	US Dept. of the Interior	\$3,000,000.00	10/1/2023	10/1/2024
1136949-08	W&T Offshore Inc	United States Department of the Interior	\$1,166,860.00	9/9/2023	9/9/2024
1136950-08	W&T Offshore Inc	United States Department of the Interior	\$117,279.00	9/9/2023	9/9/2024
1152010-07	W&T Offshore Inc	Woodside Energy USA Incorporated	\$1,931,562.00	1/8/2024	1/8/2025
1152011-07	W&T Offshore Inc	Woodside Energy USA Incorporated	\$376,688.00	1/8/2024	1/8/2025
EACX226000043-03	W&T Offshore Inc	Exxon Mobile Corporation et al	\$7,000,000.00	6/1/2024	6/1/2025
EACX226000045-01	W&T Offshore Inc	Railroad Commission of Texas	\$125,000.00	3/1/2023	8/1/2024
EACX226000047-02	W&T Offshore Inc	US Dept of Interior	\$2,285,584.00	6/7/2024	6/7/2025

32. Lexon's exposure with regards to these Bonds totals \$55,902,578.

33. Thus, Paragraph 3 of the Indemnity Agreement, entitled "Security," provides:

The Surety may at any time and from time to time hereafter, in its sole and absolute discretion, require the Principals to provide collateral, in form and amounts acceptable to the Surety . . . to secure the Principals' obligations to the Surety hereunder and/or to establish reserves to cover any actual or potential liability, claim, suit, or judgment under any Bond. Within thirty (30) days after the Surety has made written demand on Principals, each Principal shall execute such documents and take such further action as may be necessary in order to provide such collateral. Each Principal hereby grants to the Surety a security interest in all money and other property now or hereafter delivered by such Principal to the Surety, and all income (if any) thereon. If a Principal provides the Surety with a letter of credit or similar instrument, such Principal agrees that the Surety has the right to call on the same from time to time, in whole or in part and for any reason or no reason, and to hold the proceeds thereof as collateral for the obligations of the Principals hereunder. Any collateral provided at any time by any Principal shall be available, in the discretion of the Surety, as collateral security on any or all Bonds heretofore or hereafter executed for or at the request of such Principal or any other Principal.

Agreement ¶ 3.

34. Paragraph 4 of the Indemnity Agreement provides Lexon the right to inspect the financial records of W&T at any time, providing, in relevant part:

Until the Surety shall have been furnished with evidence of its full, final and complete discharge without loss from any and all Bonds, the Surety and its agents shall have reasonable access, at any and all reasonable times, to the financial books and records (including but not limited to reserve reports, engineering data and like information) of each Principal relevant to the obligations under this Agreement . . .

Agreement ¶ 4.

35. The Indemnity Agreement also expressly affords Lexon indemnification rights, stating in relevant part,

The Principals shall jointly and severally indemnify and keep indemnified the Surety and hold and save it harmless from and against any and all liability, damage, loss, cost, and expense of whatsoever kind or nature, including reasonable counsel and attorneys' fees which the Surety may at any time sustain or incur or in enforcing this Agreement against any Principal or in procuring or in attempting to procure the Surety's release from liability or a settlement under any Bonds. . . .

Agreement ¶ 2.

36. The Indemnity Agreement also entitles Lexon to “recover any costs or expenses incurred, including without limitation, costs of court and reasonable attorneys’ fees” for any action “to enforce any of the provisions of this Agreement or to recover damages for the breach of any provision hereof” should it prevail in such action. Agreement ¶ 26.

37. Finally, the Indemnity Agreement entitles Lexon to interest on “[a]ny and all sums not paid when due” in the amount of “the lesser of (a) ten (10%) per annum, or (b) the maximum non-usurious rate of interest allowed by applicable law.” Agreement ¶ 23.

II. Lexon’s Concern Over the Adequacy of Its Collateral with Regards to the Bonds

38. A number of factors led Lexon to conclude that it was appropriate and necessary to demand additional collateral from W&T, culminating in the July 9 Demand.

39. First, Lexon’s Bond exposure has increasingly become a concern given W&T’s financial performance. According to its 2023 annual report,⁵ W&T’s Total Revenues declined from \$920.9 million in 2022 to \$532.7 million in 2023; Operating Income declined from \$454 million in 2022 to \$29.5 million in 2023; and Net Income decreased from \$231.2 million in 2022 to \$25.6 million in 2023. Ex. 3, pp. 47, 67. W&T also reported, “We have a significant amount of indebtedness and limited borrowing capacity under our Credit Agreement. Our leverage and debt service obligations may have a material adverse effect on our financial condition, results of operation and business prospects, and we may have difficulty paying our debts as they become due.” *Id.*, p. v.

40. In that same report, W&T acknowledged its collateral obligations to Lexon, stating:

In prior years, some of the sureties that provide us surety bonds used for supplemental financial assurance purposes have requested and received collateral from us and may request additional collateral from us in the future, which could be significant and could impact

⁵ A true and correct copy of W&T’s 10-K for the fiscal year ended December 31, 2023, is attached hereto as Exhibit 3.

our liquidity. In addition, pursuant to the terms of our agreements with various sureties under our existing bonds or under any additional bonds we may obtain, we are required to post collateral at any time, on demand, at the surety's discretion. In both 2023 and 2022, we have not had to post collateral for sureties . . . [C]ollateral requests from surety bond providers and collateral requests from other third-parties may require the posting of cash collateral, which may be significant

Id. at 46.

41. In May 2024, W&T reported a first quarter 2024 net loss of \$11.5 million, down 144% from a Q1 2023 profit, while revenue and earnings per share missed analysts' consensus estimates. Since prior to the July 9 Demand, credit-ratings provider Fitch Ratings has maintained a B- rating on W&T, indicating that "material default risk is present, but a limited margin of safety remains. Financial commitments are currently being met; however, capacity for continued payment is vulnerable to deterioration in the business and economic environment."⁶ Similarly, prior to the July 9 Demand, credit-ratings provider S&P Global revised its outlook on W&T from stable to negative to reflect its expectation of reduced cash-flow generation in 2024.

42. Along with W&T's worsening financial condition, another factor in Lexon's decision to demand additional collateral was a new rule, first proposed by the BOEM in June 2023 and finalized in April 2024, to determine if and how much supplemental financial assurance is required for offshore operations on the OCS. Under the Risk Management and Financial Assurance for OCS Lease and Grant Obligations rule—which toughened the supplemental financial assurance requirements for offshore operations on the OCS—supplemental financial assurance is waived for companies only if (1) the companies meet an investment grade credit rating of at least BBB- (under S&P Global Ratings and Fitch Ratings, Inc.) or Baa3 (Moody's Investors Service, Inc.) or (2) the

⁶ See *Issuer Default Ratings*, FITCH RATINGS, <https://your.fitch.group/rating-definitions.html> (last visited Oct. 9, 2024).

companies' proved reserves exceed the estimated decommissioning costs by a 3-to-1 ratio. The new rule also imposes additional obligations, including an updated calculation for the amount required as supplemental financial assurance and instituting a phase-in period with strict deadlines. Under this new rule, Lexon reasonably concluded that W&T will likely be required to secure additional bonds, which will require W&T to divert assets to these other financial obligations, further straining it financially and thus increasing Lexon's risk.

III. Lexon Seeks Collateral According to the Terms of the Indemnity Agreement

43. As noted, under the Indemnity Agreement, W&T was required to provide Lexon with collateral as security for its obligations. Agreement, ¶ 3. W&T's obligations under the Indemnity Agreement were absolute and unconditional. Specifically, under the Collateral Demand Provision, Lexon "may at any time and from time to time hereafter, in its sole and absolute discretion, require [W&T] to provide collateral, in form and amounts acceptable to [Lexon] . . . to secure [W&T's] obligations to [Lexon] hereunder." Agreement, ¶ 3. The Collateral Demand Provision further provides that "[w]ithin thirty (30) days after [Lexon] has made written demand on [W&T], [W&T] shall execute such documents and take such further action as may be necessary in order to provide such collateral." *Id.*

44. Notwithstanding Lexon's "sole and absolute" right to demand additional collateral, as well as its reasonable conclusion that additional collateral is appropriate in light of W&T's deteriorating financial condition and the more stringent financial regulatory requirements imposed on it to conduct operations (although such a demand by Lexon is not subject to a reasonableness standard under the Agreement's clear terms), Lexon did not immediately send a formal collateral demand to W&T.

45. Instead, Lexon provided W&T with a slate of options for potential collateral structures, including installment payments or renegotiating certain bonds, over multiple

conversations and communications. None of these proposals moved W&T to make good on its collateral obligations to Lexon.

46. On or about June 20, 2024, Lexon offered W&T five different collateral replacement options:

- i. \$7.5 million upfront collateral deposit;
- ii. \$5 million upfront collateral deposit followed by two annual installments of \$2.5 million;
- iii. Replacement or release of Bond Nos. 1152010, 1152011, EACX226000022, 1136949, 1136950, and EACX226000038; and payment of \$1 million collateral deposit followed by three annual installments of \$1 million;
- iv. Replacement or release of Bond Nos. 1097677, 1156846, 1159776, EACX226000025, EACX226000039, EACX226000044, and EACX226000047; and payment of \$2 million collateral deposit followed by four annual installments of \$1 million; or
- v. Replacement or release of all bonds except for Bond Nos. EACX226000043 and EACX226000040.

47. In addition, Lexon expressed to W&T its willingness to work on an “all surety solution” and offered to provide suggestions on a framework for any such collaboration. W&T never pursued any such conversation with all surety parties.

48. Despite the variety of options presented, W&T instead insisted that Lexon take a third lien position in W&T’s debt as “additional security” in lieu of cash or a letter of credit (the same debt rated B- by Fitch as in material risk of default). Lexon rejected that proposal because a third lien did not actually provide Lexon with the additional security it deemed necessary and appropriate and which it was seeking.

49. In response, Lexon reiterated to W&T the five potential options for collateral and its willingness to work with W&T and its other sureties to establish a shared collateral escrow account to satisfy Lexon’s need for collateral. Lexon then set a revised deadline for W&T to select

their preferred option with the “original” collateral installment due by close of business July 5, 2024. W&T refused to provide collateral and was unresponsive to Lexon’s suggestion to engage all sureties to arrive at an amenable collateral structure for all parties.

50. On or about July 9, 2024, Lexon followed up with the July 9 Demand for \$7,500,000 of collateral pursuant to the Collateral Demand Provision, which represented a fraction of Lexon’s total exposure and was well within Lexon’s rights under the Indemnity Agreement. The collateral demanded was to be provided to Lexon no later than August 9, 2024.

51. To date, W&T has not provided any collateral to Lexon in response to the July 9 Demand, in material breach of the Indemnity Agreement. Instead, W&T instituted this action.

52. W&T’s refusal to provide collateral is particularly striking given that Lexon provided W&T with a slate of options for potential collateral structures, including installment payments or renegotiating certain bonds, over multiple conversations and communications. None of these proposals moved W&T to make good on its collateral obligations to Lexon.

53. By virtue of its material breach of the Indemnity Agreement, Lexon is entitled to collateral in excess of \$55 million, constituting the penalty amount of the Bonds, plus the attorneys’ fees and other costs it has incurred to enforce its rights under the Agreement, including in connection with this action.

IV. W&T’s Failure to Comply with its Obligations Constitutes Irreparable Harm

54. Lexon is threatened with irreparable injury absent an order from this Court requiring W&T to satisfy its collateral payment obligations to Lexon. Courts have held that the failure to provide collateral in response to a surety’s demand constitutes irreparable injury in recognition of the fact that a surety’s right to collateral is fundamental to the surety-principal relationship and the surety’s bargain in contracting.

55. W&T's financial condition coupled with additional financial obligations associated with increasingly stringent regulatory requirements call into question W&T's ability to satisfy Lexon's collateral demands, including as set forth herein.

56. Compounding Lexon's concerns about W&T's deteriorating financial condition, W&T appears to have similarly refused to satisfy its collateral obligations to other sureties. After the filing of this action, three separate sureties commenced actions against W&T for failing to satisfy collateral demands ("**Surety Actions**"). See *U.S. Specialty Insurance Company v. W&T Offshore, Inc., et al.*, C.A. No. 4:424:cv-04113; *Pennsylvania Insurance Company v. W&T Offshore Inc.*, C.A. No. 4:24-cv-04400; *United States Fire Insurance Company v. W&T Offshore, Inc., et al.*, C.A. No. 4:24-cv-04395. The total amount sought in those actions is in excess of \$120 million and sureties in two of the actions have filed preliminary injunctive relief with respect to the collateral payment demands.

57. Not only does W&T's failure to honor its obligations to other sureties further evidence its strained financial condition, but it also poses a new and significant threat to Lexon's ability to realize its bargained-for rights to collateral upon demand. That is because W&T's creditors, i.e., its sureties, including Lexon, are demanding approximately \$175 million from it, representing approximately a third of W&T's total annual revenues in 2023, while its operating income in 2023 was just \$29.5 million (down from \$454 million in 2022) and its net income was just \$25.6 million (down from \$231.2 million in 2022). Ex. 3, pp. 47, 67.

58. Moreover, in the Surety Actions, certain sureties have sought an order enjoining W&T from "transferring, encumbering or otherwise dissipating any of their assets until such time as they have posted the full amount of collateral demanded by" the other sureties. Such relief, if granted with respect to payments to Lexon, would irreparably impair Lexon's right to enforce its own claims against W&T and recover the amounts due under the Indemnity Agreement.

59. Given the questions surrounding W&T's financial performance, particularly in light of the Surety Actions, on November 20, 2024, Lexon's counsel requested access to W&T's financial books and records pursuant to Paragraph 4 of the Indemnity Agreement. A true and correct copy of the letter to W&T is attached hereto as Exhibit 4.

COUNT I
(BREACH OF THE INDEMNITY AGREEMENT - SPECIFIC PERFORMANCE)

60. Lexon incorporates and re-alleges each of the preceding paragraphs of the First Amended Counterclaim as if fully set forth herein.

61. The Indemnity Agreement is a valid, binding, and enforceable contract.

62. Under the Indemnity Agreement, Lexon "may at any time and from time to time hereafter, in its sole and absolute discretion, require [W&T] to provide collateral, in form and amounts acceptable to [Lexon] . . . to secure [W&T's] obligations to [Lexon] and/or to establish reserves to cover any actual or potential liability, claim, suit, or judgment under any Bond." Agreement ¶ 3. Further, "[w]ithin thirty (30) days after [Lexon] has made written demand on [W&T], [W&T] shall execute such documents and take such further action as may be necessary in order to provide such collateral." *Id.*

63. The Agreement also provides that if "any Principal . . . fails to pay within thirty (30) days after written demand of any other sum becoming due [to Lexon] hereunder, then," absent securing the release and discharge of all of Lexon's liability under the bonds, Lexon "may require there to be paid, and the Principals jointly and severally agree they shall forthwith pay to [Lexon], an amount equal to the full penalty amount of the Bonds, to be held as collateral until (i) all sums due and to become due to [Lexon] have been paid and (ii) [Lexon] shall be wholly discharged and released from all liability under the Bonds." Agreement ¶ 1.

64. Lexon sent W&T the July 9 Demand demanding that W&T provide collateral under the Collateral Demand Provision in the form of cash or an irrevocable letter of credit.

65. W&T never provided collateral to Lexon in response to the July 9 Demand.

66. The failure of W&T to provide to Lexon the demanded collateral constitutes a material breach of the Indemnity Agreement.

67. Lexon was, and remains, at all times ready, willing, and able to perform, and has performed, under the Indemnity Agreement.

68. As a direct and proximate result of W&T's breach, Lexon has suffered and will continue to suffer irreparable harm. Lexon has no adequate remedy at law that would compensate it for its injury.

69. Lexon is therefore entitled to entry of an order preliminarily and permanently compelling W&T to specifically perform its duties under the Indemnity Agreement, including to provide collateral in the amount equal to the full penalty amount of the Bonds to be held as collateral.

70. Lexon is further entitled to an order preliminarily enjoining W&T from transferring, encumbering, or otherwise disposing of and from concealing and secreting any of their property and assets, real, personal and mixed, whether jointly or solely owned, which might serve as collateral to which Lexon is entitled, until such time as the required collateral is deposited with Lexon.

COUNT II
(DECLARATORY JUDGMENT – LEXON'S CONTRACTUAL RIGHT TO
COLLATERAL)

71. Lexon incorporates and re-alleges each of the preceding paragraphs of the First Amended Counterclaim as if fully set forth herein.

72. The Indemnity Agreement is a valid, binding, and enforceable contract.

73. Pursuant to 28 U.S.C. § 2201 and Federal Rule of Civil Procedure 57, Lexon requests that the Court enter an order declaring its rights with respect to the Indemnity Agreement.

74. Under the Indemnity Agreement, Lexon “may at any time and from time to time hereafter, in its sole and absolute discretion, require [W&T] to provide collateral, in form and amounts acceptable to [Lexon] . . . to secure [W&T’s] obligations to [Lexon] and/or to establish reserves to cover any actual or potential liability, claim, suit, or judgment under any Bond.” Agreement ¶ 3. Further, “[w]ithin thirty (30) days after [Lexon] has made written demand on [W&T], [W&T] shall execute such documents and take such further action as may be necessary in order to provide such collateral.” *Id.*

75. W&T disputes its obligations under the Agreement to provide collateral in the form Lexon requested, claiming that Lexon’s demand for collateral is unreasonable. However, the Agreement does not contain a requirement that Lexon’s demand must satisfy a reasonableness test—instead, it provides that Lexon “in its sole and absolute discretion” may “require” W&T to provide collateral “in form and amounts acceptable” to Lexon.

76. To the extent that less than the full penalty amount of the Bonds is provided to Lexon pursuant to Count I, the relationship between W&T and Lexon is ongoing, and the Indemnity Agreement will continue to govern aspects of the future relationship between W&T and Lexon with regards to the Bonds at issue in this litigation or potential future bonds that may be issued. As such, Lexon may demand collateral payment from W&T in the future under the Agreement.

77. An actual, justiciable controversy has arisen and presently exists concerning Lexon’s aforementioned rights and W&T’s obligations under the Indemnity Agreement.

78. Accordingly, the Court should declare that W&T has an ongoing and future obligation under the Indemnity Agreement to provide Lexon collateral in form and amounts acceptable to Lexon within 30 days of Lexon's written demand.

COUNT III
(DECLARATORY JUDGMENT – LEXON'S CONTRACTUAL RIGHT TO
INDEMNITY, ATTORNEYS' FEES, AND OTHER ENFORCEMENT-RELATED
COSTS)

79. Lexon incorporates and re-alleges each of the preceding paragraphs of the First Amended Counterclaim as if fully set forth herein.

80. The Indemnity Agreement is a valid, binding, and enforceable contract.

81. Pursuant to 28 U.S.C. § 2201 and Federal Rule of Civil Procedure 57, Lexon requests that the Court enter an order declaring its rights with respect to the Indemnity Agreement.

82. Specifically, under the Indemnity Agreement, W&T "shall jointly and severally indemnify and keep indemnified [Lexon] and hold and save it harmless from and against any and all liability, damage, loss, cost and expense of whatsoever kind or nature, including reasonable counsel and attorneys' fees which [Lexon] may at any time sustain or incur or in enforcing this Agreement against [W&T.]" Agreement ¶ 2. Likewise, the Agreement separately provides that in "the event any action is instituted to enforce any of the provisions of this Agreement or to recover damages for the breach of any provision hereof, the prevailing party therein shall be entitled to recover any costs or expenses incurred, including without limitation, costs of court and reasonable attorneys' fees." Agreement ¶ 26.

83. Lexon has incurred and continues to incur costs, expenses, and fees, including attorneys' fees, as a result of W&T's breach of the Indemnity Agreement, including its failure to provide collateral in forms and amounts acceptable to Lexon, and in enforcing the Indemnity Agreement against W&T.

84. W&T denies that it has breached the Indemnity Agreement or that it is obligated to pay Lexon any amounts, including costs, fees, or expenses incurred by Lexon in enforcing the Agreement and/or as a result of W&T's breaches of the Agreement.

85. An actual, justiciable controversy has arisen and presently exists concerning Lexon's aforementioned rights and W&T's obligations under the Indemnity Agreement.

86. Accordingly, the Court should declare that W&T must indemnify Lexon for:

- a) all liability, damage, loss, cost, and expense of whatsoever kind or nature suffered by Lexon as a result of having to enforce the Indemnity Agreement;
- b) all losses and expenses resulting from the issuance of the Bonds; and
- c) the amounts sustained or incurred by Lexon as a result of W&T's breaches of the Indemnity Agreement.

COUNT IV
(QUIA TIMET)

87. Lexon incorporates and re-alleges each of the preceding paragraphs of the First Amended Counterclaim as if fully set forth herein.

88. Lexon faces risk of significant loss under the Bonds. W&T has outstanding performance obligations and associated liability under the Bonds. W&T's failure to honor the express and unequivocal terms of the Indemnity Agreement, as well as its indemnity agreements with other sureties, indicates that sufficient funds to cover W&T's principal obligations under the Bonds may not be available at the conclusion of the litigation.

89. Given W&T's precarious financial condition, the financial obligations associated with newly finalized regulatory requirements, and the financial demands place on W&T by other sureties, as evidenced by the Surety Actions, Lexon anticipates that demand may be made by the bond obligees against Lexon for performance of W&T's principal obligations for which W&T has primary responsibility due to W&T's inability to fund its own obligations.

90. W&T has failed to provide Lexon with adequate assurance that it will be able to perform its obligations under the Bonds.

91. Therefore, the Court should order W&T and its agents to deposit collateral with Lexon in an amount of \$55,902,578.

92. The Court should also enjoin W&T from transferring, encumbering, or otherwise disposing of and from concealing and secreting any of their property and assets, real, personal and mixed, whether jointly or solely owned, which might serve as collateral so as to secure Lexon from liability herein until proof of record satisfactory to the Court is presented to establish that all claims to which the Surety is exposed have been liquidated and discharged.

COUNT V
(LEXON'S RIGHT TO INSPECT W&T'S FINANCIAL BOOKS AND RECORDS)

93. Lexon incorporates and re-alleges each of the preceding paragraphs of the First Amended Counterclaim as if fully set forth herein.

94. The Indemnity Agreement is a valid, binding, and enforceable contract.

95. Under the Indemnity Agreement, “[u]ntil [Lexon] shall have been furnished with evidence of its full, final and complete discharge without loss from any and all Bonds, [Lexon] shall have reasonable access, at any and all reasonable times, to the financial books and records . . . of [W&T] relevant to the obligations under this Agreement . . .” Agreement ¶ 4.

96. Lexon sent W&T a request for access to W&T's financial books and records on November 20, 2024. *See* Ex. 4.

97. Lexon's inspection rights under Paragraph 4 of the Agreement are necessary for the protection of Lexon's rights under the Agreement, and integral to its ability to ensure that any relief ordered herein is effective and recoverable.

98. Lexon is therefore entitled to entry of an order compelling W&T and its agents to provide Lexon reasonable access, at any and all reasonable times, to the financial books and records of each Principal relevant to the obligations under the Indemnity Agreement.

ATTORNEYS' FEES AND COSTS

99. Lexon incorporates and re-alleges each of the preceding paragraphs of the First Amended Counterclaim as if fully set forth herein.

100. Pursuant to Paragraph 2 and Paragraph 26 of the Indemnity Agreement, Lexon is entitled to the recovery of costs, expenses, and attorneys' fees incurred to enforce its rights under the Agreement, including via this action. As such, Lexon respectfully requests that this Court award such fees, costs, and expenses.

101. Lexon is also entitled to attorneys' fees, costs, and expenses under any and all bases provided by law or equity, under all applicable state and federal laws, including but not limited to Federal Rule of Civil Procedure 54(d) and Texas Civil Practices & Remedies Code § 38.001.

102. Lexon is entitled to interest on all such amounts, including pursuant to Paragraph 23 of the Indemnity Agreement.

103. Lexon presented a demand to W&T for collateral in the amount of \$7.5 million via the July 9 Demand before filing this lawsuit. W&T has not tendered the demanded collateral.

PRAYER

WHEREFORE, premises considered, Lexon prays that W&T take nothing by way of its claims, and respectfully requests relief and judgment as follows:

- a) Enter an order compelling W&T and its agents to specifically perform their obligations under the Indemnity Agreement by providing to Lexon collateral in an amount equal to \$55,902,578, the full penalty amount of the Bonds;
- b) Enter an order pursuant to the common law doctrine of *quia timet* directing W&T and its agents to immediately deposit cash collateral with Lexon in an amount equal to \$55,902,578, the full penalty amount of the Bonds;

- c) Enter a preliminary injunction (i) ordering W&T and its agents to deposit \$55,902,578, the full penalty amount of the Bonds; (ii) ordering W&T and its agents to specifically perform its books and records obligations under the Indemnity Agreement by producing or providing access to material responsive to the letter from Lexon demanding access to such documents, attached hereto as Exhibit 4; (iii) enjoining W&T from transferring, encumbering, or otherwise disposing of any of its assets until such time as it has posted the full amount of collateral demanded by Lexon; (iv) awarding such other relief as may be appropriate;
- d) Enter a judgment declaring that, to the extent that less than the full penalty amount of the Bonds is provided to Lexon pursuant to Count I, W&T has an ongoing and future obligation under the Indemnity Agreement to provide Lexon collateral in form and amounts acceptable to Lexon within 30 days of Lexon's written demand;
- e) Enter an order enjoining W&T from transferring, encumbering, or otherwise disposing of and from concealing any of its property and assets, real, personal and mixed, whether jointly or solely owned, which might serve as collateral so as to secure Lexon from liability herein until proof of record satisfactory to the Court is presented and establish that all claims to which Lexon is exposed have been liquidated and discharged;
- f) Enter a judgment declaring that W&T is required to indemnify Lexon for all liability, damage, loss, cost and expense of whatsoever kind or nature suffered by Lexon as a result of having to enforce the Indemnity Agreement or resulting from the issuance of the Bonds;
- g) Enter a judgment declaring that W&T is required to indemnify Lexon for all amounts sustained or incurred by Lexon as a result of W&T breaches of the Indemnity Agreement;
- h) Pursuant to Paragraphs 2 and 26 of the Indemnity Agreement, award Lexon its costs, expenses and fees (including the reasonable fees and expenses of its counsel) to enforce its rights under the Indemnity Agreement, including fees incurred in connection with this action;
- i) Award Lexon its attorneys' fees under all available and applicable state and federal laws;
- j) Award Lexon pre- and post-judgment interest, including pursuant to Paragraph 23 of the Indemnity Agreement; and
- k) Such other and further relief as the Court deems proper and just.

Dated: November 20, 2024

Respectfully submitted,

VINSON & ELKINS LLP

/s/ Jason M. Halper

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**ATTORNEYS FOR ENDURANCE
ASSURANCE CORPORATION AND LEXON
INSURANCE COMPANY**

CERTIFICATE OF SERVICE

I hereby certify that on November 20, 2024, a true and correct copy of the above and foregoing document was served on all counsel of record in compliance with the Federal Rules of Civil Procedure.

/s/ Jason M. Halper
Jason M. Halper

APPENDIX E

ENTERED

November 27, 2024

Nathan Ochsner, Clerk

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

W&T OFFSHORE, INC., and
W&T ENERGY VI, LLC,

Plaintiffs and Counterclaim-Defendants,

V.

ENDURANCE ASSURANCE
CORPORATION and LEXON
INSURANCE COMPANY

Defendants and Counterclaim-Plaintiffs.

Civil Action No. 4:24-cv-03047

**ORDER GRANTING JOINT
MOTION TO CONSOLIDATE**

Before the Court is W&T Offshore, Inc., W&T Energy VI, LLC, Endurance Assurance Corporation, and Lexon Insurance Company's Joint Motion to Consolidate. ECF No. 31. The Court has determined that the Motion should be **GRANTED**.

IT IS THEREFORE ORDERED that Civil Action Nos. 4:24-cv-04113, 4:24-cv-04400, and 4:24-cv-04395 are consolidated into Civil Action No. 4:24-cv-03047, and that all further proceedings shall occur in this action.

Signed on November 22, 2024, at Houston, Texas.

James P. Ellison

KEITH P. ELLISON
UNITED STATES DISTRICT JUDGE

APPENDIX F

June 17, 2025



W&T Announces Settlement Agreement with Majority of Surety Providers

HOUSTON, June 17, 2025 (GLOBE NEWSWIRE) -- W&T Offshore, Inc. (NYSE: WTI) ("W&T" or the "Company") today announced that it has come to a settlement agreement with two of its largest surety providers which calls for the dismissal of a previously filed lawsuit. The settlement agreement requires the surety providers to withdraw their current collateral demands, and further provides that the surety providers may not make additional collateral demands or increase premiums through December 31, 2026.

Key highlights for the settlement agreement include:

- Dismissal of all claims by the applicable party in the lawsuit, without prejudice;
- Two participating surety providers, together with W&T's other major surety provider who did not attempt to increase premiums or call for collateral, represent nearly 70% of W&T's surety bond portfolio;
- Premium rates for all existing bonds provided by the two surety providers will be locked in at W&T's historical rates without increase through December 31, 2026, representing a prolonged rate lock in excess of "ordinary course" rate negotiations, thereby providing consistency and predictability in W&T's premium expense;
- W&T is not required to provide any collateral to the applicable sureties, and the applicable surety providers will immediately withdraw all demands for collateral;
- Surety providers may not make demands for collateral through December 31, 2026, outside certain limited circumstances involving unlikely events of default; and
- Parties retain the right to negotiate and establish new surety bonds at rates to be determined in the ordinary course.

Tracy W. Krohn, W&T's Chairman and Chief Executive Officer stated, "We are pleased with the agreement that we have reached with two of our largest surety providers, and we believe that the objectives achieved in this outcome illustrate the strength of the legal position that W&T has aggressively advanced since the beginning of these unnecessary surety lawsuits. This outcome is very positive for W&T overall, as we will not acquiesce to unjustified collateral demands made by the applicable sureties and we have locked in our historical premium rates through the end of 2026. We believe the entry into these settlement agreements vindicates our resolve to stand up to surety providers' unjustified demands on independent oil and gas operators, such as W&T. For the past 40 plus years, W&T has reliably plugged and abandoned assets, paid its negotiated premiums and operated responsibly in the Gulf of America. We demand fairness and transparency for all oil and natural gas producers in the Gulf of America and will continue to pursue the pending litigation against our other surety providers that have unlawfully colluded and decided to not deal fairly with W&T and other independent oil and gas producers."

“This agreement, coupled with the promising developments in the regulatory environment driven by the White House’s directives, alleviates some of the uncertainty that has unnecessarily and artificially suppressed our stock price and we expect that this will allow us to deliver more value to our shareholders. Since the start of the year, we have strengthened our balance sheet, and we have a solid cash position with sufficient liquidity to enable us to continue to evaluate growth opportunities, both organically and inorganically. Operationally and financially, our start to 2025 has been strong, and we expect production to continue to increase thus driving more value creation. We are well-positioned to succeed and believe that the future is bright for W&T.”

About W&T Offshore

W&T Offshore, Inc. is an independent oil and natural gas producer with operations offshore in the Gulf of America and has grown through acquisitions, exploration and development. As of March 31, 2025, the Company had working interests in 52 fields in federal and state waters (which include 45 fields in federal waters and seven in state waters). The Company has under lease approximately 634,700 gross acres (496,900 net acres) spanning across the outer continental shelf off the coasts of Louisiana, Texas, Mississippi and Alabama, with approximately 487,200 gross acres on the conventional shelf, approximately 141,900 gross acres in the deepwater and 5,600 gross acres in Alabama state waters. A majority of the Company’s daily production is derived from wells it operates. For more information on W&T, please visit the Company’s website at www.wtoffshore.com.

Forward-Looking and Cautionary Statements

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical facts included in this release, including those regarding the potential outcome of the litigation, the impact of the settlement on the Company, potential growth opportunities, and the Company’s future production are forward-looking statements. When used in this release, forward-looking statements are generally accompanied by terms or phrases such as “estimate,” “project,” “predict,” “believe,” “expect,” “continue,” “anticipate,” “target,” “could,” “plan,” “intend,” “seek,” “goal,” “will,” “should,” “may” or other words and similar expressions that convey the uncertainty of future events or outcomes, although not all forward-looking statements contain such identifying words. Items contemplating or making assumptions about actual or potential future production and sales, prices, market size, and trends or operating results also constitute such forward-looking statements.

These forward-looking statements are based on the Company’s current expectations and assumptions about future events and speak only as of the date of this release. While management considers these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory and other risks, contingencies and uncertainties, most of which are difficult to predict and many of which are beyond the Company’s control. Accordingly, you are cautioned not to place undue reliance on these forward-looking statements, as results actually achieved may differ materially from expected results described in these statements. The Company does not undertake, and specifically disclaims, any obligation to update any forward-looking statements to reflect events or circumstances occurring after the date of such statements, unless required by law.

Forward-looking statements are subject to risks and uncertainties that could cause actual results to differ including, among other things, the regulatory environment, including availability or timing of, and conditions imposed on, obtaining and/or maintaining permits and approvals, including those necessary for drilling and/or development projects; the impact of current, pending and/or future laws and regulations, and of legislative and regulatory changes and other government activities, including those related to permitting, drilling, completion, well stimulation, operation, maintenance or abandonment of wells or facilities, managing energy, water, land, greenhouse gases or other emissions, protection of health, safety and the environment, or transportation, marketing and sale of the Company's products; inflation levels; global economic trends, geopolitical risks and general economic and industry conditions, such as the global supply chain disruptions and the government interventions into the financial markets and economy in response to inflation levels and world health events; volatility of oil, NGL and natural gas prices; the global energy future, including the factors and trends that are expected to shape it, such as concerns about climate change and other air quality issues, the transition to a low-emission economy and the expected role of different energy sources; supply of and demand for oil, NGLs and natural gas, including due to the actions of foreign producers, importantly including OPEC and other major oil producing companies ("OPEC+") and change in OPEC+'s production levels; disruptions to, capacity constraints in, or other limitations on the pipeline systems that deliver the Company's oil and natural gas and other processing and transportation considerations; inability to generate sufficient cash flow from operations or to obtain adequate financing to fund capital expenditures, meet the Company's working capital requirements or fund planned investments; price fluctuations and availability of natural gas and electricity; the Company's ability to use derivative instruments to manage commodity price risk; the Company's ability to meet the Company's planned drilling schedule, including due to the Company's ability to obtain permits on a timely basis or at all, and to successfully drill wells that produce oil and natural gas in commercially viable quantities; uncertainties associated with estimating proved reserves and related future cash flows; the Company's ability to replace the Company's reserves through exploration and development activities; drilling and production results, lower-than-expected production, reserves or resources from development projects or higher-than-expected decline rates; the Company's ability to obtain timely and available drilling and completion equipment and crew availability and access to necessary resources for drilling, completing and operating wells; changes in tax laws; effects of competition; uncertainties and liabilities associated with acquired and divested assets; the Company's ability to make acquisitions and successfully integrate any acquired businesses; asset impairments from commodity price declines; large or multiple customer defaults on contractual obligations, including defaults resulting from actual or potential insolvencies; geographical concentration of the Company's operations; the creditworthiness and performance of the Company's counterparties with respect to its hedges; impact of derivatives legislation affecting the Company's ability to hedge; failure of risk management and ineffectiveness of internal controls; catastrophic events, including tropical storms, hurricanes, earthquakes, pandemics and other world health events; environmental risks and liabilities under U.S. federal, state, tribal and local laws and regulations (including remedial actions); potential liability resulting from pending or future litigation; the Company's ability to recruit and/or retain key members of the Company's senior management and key technical employees; information technology failures or cyberattacks; and governmental actions and political conditions, as well as the actions by other third parties that are beyond the Company's control, and other factors discussed in W&T Offshore's most recent Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q found at

www.sec.gov or at the Company's website at www.wtoffshore.com under the Investor Relations section.

CONTACT:	Al Petrie Investor Relations Coordinator investorrelations@wtoffshore.com 713-297-8024	Sameer Parasnis Executive VP and CFO sparasnis@wtoffshore.com 713-513-8654
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Source: W&T Offshore, Inc.

APPENDIX G

ENTERED

June 26, 2025

Nathan Ochsner, Clerk

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

W&T OFFSHORE, INC., AND
W&T ENERGY VI, LLC,

v.

ENDURANCE ASSURANCE
CORPORATION AND LEXON
INSURANCE, CO., ET AL.,

§
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Lead Case No. 4:24-cv-3047

**JUDGE PALERMO'S
REPORT AND RECOMMENDATION¹**

Before the Court is U.S. Fire Insurance Co. and Pennsylvania Insurance Co.'s (collectively, "the Sureties") motions for preliminary injunction. ECF Nos. 93, 94. The Sureties contend that they are entitled to preliminary injunctions because they are necessary to preventing significant, imminent, and irreparable harm to the Sureties. ECF Nos. 93, 94. Plaintiffs respond that the Sureties have not carried their burden for a preliminary injunction. ECF Nos. 54, 55. Based on the briefing,² arguments of counsel,³ and relevant law, the Court finds that the Sureties have not

¹ The district judge to whom this case is assigned referred all pretrial proceedings to the undersigned. ECF No. 77.

² The Sureties filed replies. ECF No. 61, 62.

³ The Court heard argument on the motions at the motion hearing held on June 3, 2025. ECF No. 114. After the hearing, the parties submitted additional documentation related to Plaintiffs' financial health. Along with a letter, the Sureties provided Plaintiffs' 2022, 2023, and 2024 financial records. Plaintiffs submitted a letter and their 2019–2024 financial records. The Sureties objected to Plaintiffs' letter, arguing it exceeded the scope of arguments raised in the briefing. ECF No. 127. The Court need not rule on the objection because consideration of Plaintiffs' letter is unnecessary—without considering Plaintiffs' submissions, including the letter, the Sureties have

carried their burden and therefore recommends denying the motions for preliminary injunction.

I. BACKGROUND

W&T is an oil and natural gas producer in the Gulf of Mexico. Pls.’ First Amended Complaint, ECF No. 36 ¶¶ 42-43. The Bureau of Ocean Energy Management (“BOEM”) and the Bureau of Safety and Environmental Enforcement issued regulations that require W&T to post surety bonds in favor of the United States to secure its decommissioning obligations. *Id.* ¶¶ 21–37, 46. W&T obtained BOEM-required surety bonds from the Sureties and executed Indemnity Agreements memorializing the suretyship. ECF No. 36 ¶¶ 2, 92–107. The Indemnity Agreements both contain provisions that permit the Sureties to demand collateral from Plaintiffs—the parties dispute under what circumstances, if any, the Sureties may make such demands. ECF Nos. 36, 116, 118.

On August 14, 2024, Plaintiffs filed the instant suit against two other sureties, Endurance Assurance Corporation and Lexon Insurance Company (collectively, the “Sompo Sureties”), after the Sompo Sureties made a written demand to W&T to provide collateral in the form of cash or a letter of credit under their Indemnity Agreements. Plaintiffs sought a declaration that the Sompo Sureties’ Indemnity Agreement did not allow the Sompo Sureties to demand the requested collateral.

not established irreparable harm.

ECF No. 1.

Thereafter, the Sureties made formal demands on Plaintiffs, as Indemnitors under the Indemnity Agreements, to replace the Sureties or deposit multiple millions of dollars as collateral sufficient to protect the Sureties from loss in connection with the bonds. ECF No. 36 ¶¶ 2, 92–107. Despite the demand, Plaintiffs did not deposit collateral with the Sureties. In response, the Sureties filed lawsuits, which on November 22, 2024, the Court consolidated into the instant case. ECF No. 33.

The Sureties now request a preliminary injunction that orders Plaintiffs to: (1) deposit cash collateral in the amount of \$93,665,179.00 with the U.S. Fire, such amount representing the amount that U.S. Fire deems sufficient to protect itself from loss in connection with certain bonds; (2) deposit cash collateral in the amount of \$11,343,949.00 with the Pennsylvania Insurance, such amount representing the amount that Pennsylvania Insurance deems sufficient to protect itself from loss in connection with certain bonds; (3) specifically perform their books and records obligations under the Indemnity Agreement by providing the Sureties with access to the books, records, and accounts of Plaintiffs, on an ongoing and continuing basis until all claims and liabilities in connection with the Bonds have been extinguished; and (4) not transfer, encumber or otherwise dissipate any of their assets until such time as they have posted the full amount of the collateral. ECF Nos. 93, 94.

II. RELEVANT LAW⁴

Federal injunctive relief is “an extraordinary and drastic remedy” that “should only be granted when the movant has clearly carried the burden of persuasion.” *Gray Cas. & Sur. Co. v. 3i Contracting, LLC*, No. 3:23-CV-2511-L, 2024 WL 1121800, at *3 (N.D. Tex. Mar. 13, 2024) (quoting *Anderson v. Jackson*, 556 F.3d 351, 360 (5th Cir. 2009) (quoting *Holland Am. Ins. Co. v. Succession of Roy*, 777 F.2d 992, 997 (5th Cir. 1985))). The movant seeking a preliminary injunction must establish: (1) there is a substantial likelihood that the movant will prevail on the merits; (2) there is a substantial threat that irreparable harm will result if the injunction is not granted; (3) the threatened injury [to the movant] outweighs the threatened harm to the defendant; and (4) the granting of the preliminary injunction will not disserve the public interest. *Id.* (citing *Clark v. Prichard*, 812 F.2d 991, 993 (5th Cir. 1987); *Canal Auth. of the State of Florida v. Callaway*, 489 F.2d 567, 572 (5th Cir. 1974) (*en banc*)); see also *Daniels Health Scis., L.L.C. v. Vascular Health Scis., L.L.C.*, 710 F.3d 579, 582 (5th Cir. 2013).

Whether “to grant or deny a preliminary injunction is discretionary with the district court.” *Harco Nat’l Ins. Co. v. Gaspard & Menon Constr., LLC*, No. 4:24-

⁴ Although the Indemnity Agreements have choice of law provisions for Texas and New York law, federal procedural law applies to these motions. *EVEREST REINSURANCE COMPANY, Plaintiff, v. BRADLEY COX, COX OIL LLC, & COX INVESTMENT PARTNERS LP., Defendants.*, No. 3:24-CV-0756-X, 2025 WL 1519724, at *2 (N.D. Tex. May 28, 2025) (“standard for granting a preliminary injunction is a procedural matter, so the Federal Rules of Civil Procedure control, not state law.”).

CV-01134-O, 2025 WL 1254440, at *1 (N.D. Tex. Apr. 23, 2025) (quoting *Miss. Power & Light Co. v. United Gas Pipe Line*, 760 F.2d 618, 621 (5th Cir. 1985)). The issuance of a preliminary injunction “is to be treated as the exception rather than the rule.” *Id.* (quoting *Miss. Power*, 760 F.2d at 621).

III. THE SURETIES’ MOTIONS FOR PRELIMINARY INJUNCTION SHOULD BE DENIED.

The movant must “satisfy a cumulative burden of proving each of the four elements enumerated before a preliminary injunction can be granted,” and if the movant “fails to meet *any* of the four requirements, the court cannot grant the preliminary injunction.” *Gray Cas. & Sur. Co. v. 3i Contracting, LLC*, No. 3:23-CV-2511-L, 2024 WL 1121800, at *4 (emphasis added) (quoting *Mississippi Power and Light Co. v. United Gas Pipeline*, 760 F.2d 618, 621 (5th Cir. 1985); *Clark*, 812 F.2d at 993). Because the Court finds that the Sureties fail to carry their burden of establishing irreparable harm, the Court focuses its analysis on this requirement.⁵

⁵ As for the other requirements, the Court finds they are either neutral or weigh against granting a preliminary injunction. The likelihood of success on the merits is neutral because the briefing on this element is largely speculative and the record is not clear enough to adequately assess this factor. *See Gray*, 2024 WL 1121800, at *6 (“Plaintiff’s sweeping statements regarding its likelihood of success are insufficient to show that all requirements for the relief sought have been satisfied.”). Next, the Sureties have not shown the threatened harm to them outweighs the harm to Plaintiffs if the request is denied—as discussed *infra*, the Sureties fail to demonstrate that they will be harmed without the granting of a preliminary injunction. Additionally, the collection of over \$100 million of dollars of collateral would undoubtedly burden Plaintiffs even though the Sureties allege that they will not be harmed. *See Gray*, 2024 WL 1121800, at *14. And finally, the public interest requirement is neutral: although the public has an interest in seeing contracts enforced and indemnity agreements’ purposes fulfilled, this interest will be served by considering the Sureties’ claims at the merits stage. *See EVEREST*, 2025 WL 1519724, at *3 (“While Everest is right that the public has an interest in freedom of contract and contracts’ enforcement, these interests will be

The Sureties first argue a preliminary injunction should be granted because that the Indemnity Agreements contain a stipulation that the Sureties “will suffer irreparable harm and will not have an adequate remedy at law should [Plaintiffs] fail to perform the Collateral Requirement,” ECF No. 93 at 11, and/or agreed to waive any contest to the collateral requirement, ECF Nos. 93 at 2; 94 at 21. The Sureties next argue that even if the Court considers the preliminary injunction requirements, then without a preliminary injunction, their contracted-for benefit of prejudgment collateralization and exoneration would be lost, thereby depriving them of the benefit of the bargain and rendering the collateral provision in the indemnity agreements meaningless. In other words, without their prejudgment collateralization, they are left without an adequate remedy at law and therefore irreparably harmed. ECF Nos. 93 at 18; 94 at 10, 25. The Sureties further contend that if Plaintiffs are “not required . . . to post collateral sufficient to cover its obligations to the Surety under the Indemnity Agreement it is unlikely [W&T] will retain any ability to satisfy their contractual promises later.” ECF Nos. 93 at 22; 94 at 28–29.

Plaintiffs respond that the Sureties have not established irreparable harm because the alleged harm is strictly financial in nature and may be remedied by

served by considering Everest’s claims at the merits stage. Everest asks the Court to enforce terms against Cox before it knows whether such terms are enforceable, which the public interest in freedom of contract does not require. And if Cox is indeed obligated to post the sought collateral under the contract, he will be required to do so at the merits stage.”).

specific performance post-judgment, and further, the Sureties have not shown Plaintiffs are in such dire financial conditions that they are unable to satisfy their contractual promises. ECF Nos. 54; 55.

A. A Preliminary Injunction is Meant to Prevent Irreparable Harm.

“[H]arm that cannot be undone authorizes exercise of this equitable power to enjoin before the merits are fully determined.” *Gray*, 2024 WL 1121800, at *6 (quoting *Parks v. Dunlop*, 517 F.2d 785, 787 (5th Cir. 1975); citing *Canal Auth. of the State of Florida*, 489 F.2d at 576 (“The purpose of a preliminary injunction is always to prevent irreparable injury so as to preserve the court’s ability to render a meaningful decision on the merits.”)). So, “only those injuries that cannot be redressed by the application of a judicial remedy after a hearing on the merits can properly justify the extraordinary and drastic remedy of a preliminary injunction.” *Id.* (quoting *Canal Auth. of the State of Florida*, 489 F.2d at 573, 576).

The Sureties must show that they are likely to suffer irreparable harm in the absence of preliminary injunctive relief before a decision on the merits can be rendered; “‘harm for which there is no adequate remedy at law,’ such as money damages.”⁶ *See id.* (quoting *Daniels Health Scis., L.L.C. v. Vascular Health Scis.*,

⁶ “Mere injuries, however substantial in terms of money, time and energy necessarily expended in the absence of a stay, are not enough.” *Id.* (quoting *Morgan v. Fletcher*, 518 F.2d 236, 240 (5th Cir. 1975). “The possibility that adequate compensatory or other corrective relief will be available at a later date, in the ordinary course of litigation, weigh[s] heavily against a claim of irreparable harm.” *Id.* (quoting *Enterprise Int’l, Inc. v. Corporacion Estatal Petrolera Ecuatoriana*, 762 F.2d 464, 474 (5th Cir. 1985) (quoting *Morgan*, 518 F.2d at 240)). “The absence of an available remedy

L.L.C., 710 F.3d 579, 585 (5th Cir. 2013) (quoting *Winter v. Natural Res. Def. Council, Inc.*, 555 U.S. 7, 20 (2008); and citing *Janvey v. Alguire*, 647 F.3d 585, 600 (5th Cir. 2011))). This involves demonstrating “a real and immediate threat of future or continuing injury apart from any past injury.” *Id.* (quoting *Aransas Project v. Shaw*, 775 F.3d 641, 663-64 (5th Cir. 2014) (per curiam) (citing *In re Stewart*, 647 F.3d 553, 557 (5th Cir. 2011))). A “[s]peculative injury is not sufficient; there must be more than an unfounded fear on the part of the applicant.” *Id.* (quoting *Daniels Health Scis., LLC*, 710 F.3d at 585).

B. The Contractual Stipulation Does Not Establish Irreparable Harm.

The Sureties argue that the parties agreed to not contest the collateral requirement and further stipulated to irreparable harm:

The Indemnitors waive, to the fullest extent permitted by law, each and every right that they have to contest this requirement to provide collateral under this Agreement. The Indemnitors stipulate and agree that the Surety will suffer immediate, irreparable harm and will have no adequate remedy at law should Indemnitors fail to perform this obligation, and therefore Surety shall be entitled to specific performance of this obligation.

ECF Nos. 116-2, ¶¶ 12, 14; 118-2 ¶ 12. Although the above language is clear and unambiguous, the Court does not find that the above stipulation is sufficient without more to meet the requirements of injunctive relief.

by which the movant can later recover monetary damages, however, may also be sufficient to show irreparable injury.” *Id.* (quoting *Enterprise Int’l, Inc.*, 762 F.2d at 474).

The Fifth Circuit has yet to address this issue, but “[m]ost courts agree [] that contractual stipulations such as this, without more, are insufficient to support a grant of injunctive relief, and those that do not agree are not binding on this court or persuasive.” *Gray*, 2024 WL 1121800, at *7; *see also Dickey’s Barbecue Restaurants, Inc. v. GEM Inv. Group, L.L.C.*, No. 3:11-CV-2804-L, 2012 WL 1344352, at *4 (N.D. Tex. Apr. 18, 2012) (“Other courts have found that ‘[c]ontractual stipulations of ‘irreparable harm,’ however, are insufficient by themselves to support a finding of irreparable harm to support injunctive relief.”)) (quoting *Traders Int’l, Ltd. v. Scheuermann*, 2006 WL 2521336, *8 (S.D. Tex. Aug.30, 2006) (citing *Dominion Video Satellite, Inc. v. Echostar Satellite Corp.*, 356 F.3d 1256, 1266 (10th Cir. 2004) (“While courts have given weight to parties’ contractual statements regarding the nature of harm and attendant remedies that will arise as a result of a breach of a contract, they nonetheless characteristically hold that such statements alone are insufficient to support a finding of irreparable harm and an award of injunctive relief.”))).

Given that a preliminary injunction is an extraordinary remedy, the Court finds that the contractual provision does not conclusively establish irreparable harm, but rather is one factor to examine in making the irreparable harm determination. *See Gray*, 2024 WL 1121800, at *7; *Dickey’s Barbecue*, 2012 WL 1344352, at *4; *Traders Int’l, Ltd.*, 2006 WL 2521336, *8. Even with the stipulation, the Sureties do

not carry their burden of establishing irreparable harm.

C. The Sureties Failed to Demonstrate Irreparable Harm Through Binding Authority or Evidence.

The Sureties continue that without a preliminary injunction, they will lose the contracted-for benefit of the bargain to receive pre-judgment collateral, without which they would not have entered into the Indemnity Agreements. ECF Nos. 93 at 18; 94 at 10, 25. The Sureties argue that there is no adequate remedy at law—and therefore irreparable harm—because “the surety has specifically bargained for prejudgment collateralization[,] and a [post]judgment [award] for money damages alone would deprive the surety of prejudgment relief to which it is contractually entitled.” ECF No. 93 at 18. The Sureties continue that such harm is irreparable because if their right to collateralization cannot be enforced at the inception of a lawsuit, they are instead required to wait for final judgment, thus losing their bargained-for right to prejudgment collateralization.

The court in *Gray* analyzed and rejected identical arguments:

although a showing of irreparable harm may be sufficient to establish the inadequacy of a legal remedy, the converse—that the lack of an adequate remedy is sufficient to establish a substantial threat of irreparable harm—is not necessarily true. . . . According to *Lewis*, this is so because “the irreparable injury rubric is intended to describe the quality or severity of the harm necessary to trigger equitable intervention. In contrast, the inadequate remedy test looks to the possibilities of alternative modes of relief, however serious the initial injury[.]” Absent guidance from the Fifth Circuit to support Plaintiff’s argument—that an indemnitor’s breach of and failure to comply with a contractual collateralization obligation to pay money demanded and the

resulting damage to the surety *always* constitutes the type of irreparable harm required for a preliminary injunction that cannot be adequately remedied by monetary damages—it does not convince the court otherwise.

Gray, 2024 WL 1121800, at *10 (quoting *Lewis v. S. S. Baune*, 534 F.2d 1115, 1124 (5th Cir. 1976)). The Court agrees with the above analysis and the overview of the *Lewis* decision, also relied on by the Sureties here, and similarly rejects their argument that supposed inadequate legal remedies are sufficient to establish irreparable harm. *See id.*

The *Gray* court continued, distinguishing the Fifth Circuit opinions also relied upon by the Sureties in the instant case: *Travelers Cas. & Surety Co. of Am. v. Padron*, No. 5:15-CV-200-DAE, 2017 WL 9360906, at *1 (W.D. Tex. Aug. 2, 2017)) (“*Padron III*”); and *3i Constr., LLC*, 2017 WL 3209522, at *4. *Id.* at *10.⁷ The *Gray* court found that “*Padron* and *3i Construction* both declined to enforce the irreparable harm contractual stipulation without evidence that there was a substantial threat the sureties would suffer irreparable harm in the absence of injunctive relief,” and “[u]nlike this case, the courts in *Padron* and . . . *3i Construction* also based their

⁷ Like in *Gray*, the Court is not convinced by the non-binding persuasive authority cited by the Sureties in their motions. *See Gray*, 2024 WL 1121800, at *10 (“Absent guidance from the Fifth Circuit to support Plaintiff’s argument—that an indemnitor’s breach of and failure to comply with a contractual collateralization obligation to pay money demanded and the resulting damage to the surety *always* constitutes the type of irreparable harm required for a preliminary injunction that cannot be adequately remedied by monetary damages—it does not convince the court otherwise. Moreover, the authority cited by Plaintiff is not binding precedent. For purposes of brevity, the court limits its remaining discussion to the district court cases within this circuit on which Plaintiff relies.”).

irreparable harm finding in part on evidence that the defendant indemnitors were likely dissipating assets, insolvent, or both.” *Id.* at *10 (citing *Padron III*, 2017 WL 9360906, at *1; *3i Constr., LLC*, 2017 WL 3209522, at *4). Here, like the *Gray* court found, these cases are distinguishable from the instant case where the Sureties have offered no such evidence—in fact, the Sureties did not attach or reference any exhibits to their motions for preliminary injunction aside from their complaints. *See* ECF Nos. 93, 94.⁸

Although the Sureties conclude that it is unlikely Plaintiffs will “retain any ability to satisfy their contractual promises later,” the Sureties offered no evidence that Plaintiffs are insolvent, dissipating or transferring assets, preparing to file for bankruptcy, facing bond claims or even soon-to-be filed bond claims. The Sureties also provided no evidence that they will suffer harm such that “threatens the very existence of [their] business if [they] are required to await a determination on the merits of its claim for specific performance by final judgment.” *See Gray*, 2024 WL 1121800, at *10 (quoting *Texas v. United States Env'tl. Prot. Agency*, 829 F.3d 405, 434 (5th Cir. 2016) (quoting *Wisconsin Gas Co. v. FERC*, 758 F.2d 669, 674 (D.C. Cir. 1985) (“Recoverable monetary loss may constitute irreparable harm only where the loss threatens the very existence of the movant’s business.”))).

⁸ At the hearing and in post-hearing submissions, the Sureties asserted that Plaintiffs’ financial position is deteriorating due to decreasing net income from 2022 through 2024. This alone fails to establish that Plaintiffs are insolvent, on the verge of declaring bankruptcy, or facing bond claims.

Here, the Sureties' allegations do not amount to more than speculation, which is insufficient for the granting of a preliminary injunction. *See Higgins v. Lumpkin*, No. 21-20058, 2022 WL 1517039, at *1 (5th Cir. May 13, 2022) (“[U]nsupported and conclusory allegations show neither a likelihood of success on the merits, nor an irreparable injury warranting a preliminary injunction.”); *Louisiana v. Biden*, 55 F.4th 1017, 1034 (5th Cir. 2022) (perceived harm “must be more than speculative; there must be more than an unfounded fear on the part of the applicant.”); *Holland Am. Ins. Co.*, 777 F.2d at 997 (“[s]peculative injury is not sufficient [to show irreparable harm]; there must be more than an unfounded fear on the part of the applicant”). The Sureties only raise allegations of anticipated financial harm,⁹ and do not assert that denial of a preliminary injunction will result in any non-monetary damages. *See Harco*, 2025 WL 1254440, at *2 (citing *Interox Am. v. PPG Indus., Inc.*, 736 F.2d 194, 202 (5th Cir. 1984) (“An injury is irreparable if it cannot be undone through monetary remedies.”)); *see also Endurance Assurance Corp. v. Axon Power & Gas LLC*, No. 3:20-CV-00285-X, 2020 WL 3792259, at *1 (N.D. Tex. July 6, 2020) (the court found that Endurance’s harm from indemnitor’s failure to make a \$1.4 million payment on a bond to protect Endurance against claims and losses pursuant to its alleged rights under an indemnity agreement was “strictly

⁹ Or in the case of Plaintiff’s request to access Defendants books and records *no harm*, much less irreparable harm, is established. *See Harco Nat’l Ins. Co. v. Gaspard & Menon Constr., LLC*, No. 4:24-CV-01134-O, 2025 WL 1254440, at *2 (N.D. Tex. Apr. 23, 2025).

financial” and further found that Endurance’s doubt that the indemnitor would be able to pay on a later date was insufficient).

In sum, the Sureties have failed to carry their burden to establish irreparable harm,¹⁰ and therefore, the motions for preliminary injunction should be denied.

IV. CONCLUSION

Therefore, the Court **RECOMMENDS** that the Sureties’ motions for preliminary injunction, ECF Nos. 93 & 94, be **DENIED**.

The Parties have fourteen days from service of this Report and Recommendation to file written objections. 28 U.S.C. § 636(b)(1)(C); FED. R. Civ. P. 72(b). Failure to file timely objections will preclude review of factual findings or legal conclusions, except for plain error. *Quinn v. Guerrero*, 863 F.3d 353, 358 (5th Cir. 2017).

Signed at Houston, Texas, on June 25, 2025.


Dena Hanovice Palermo
United States Magistrate Judge

¹⁰ Also, in the Indemnity Agreement with Pennsylvania Insurance Company, the following provision undercuts the argument that Pennsylvania Insurance Company’s only adequate remedy is specific performance of the amount demanded as collateral: “In the event of a default under a Bonded Contract, Indemnitors grant to Surety a security interest in all equipment, machinery, inventory, materials, and all proceeds and products in connection with any Bonded Contract.” ECF No. 116-2 ¶ 28. *See Gray*, 2024 WL 1121800, at *13.

APPENDIX H

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

W&T OFFSHORE, INC., AND
W&T ENERGY VI, LLC,

v.

ENDURANCE ASSURANCE
CORPORATION, AND LEXON
INSURANCE CO., *ET AL.*

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LEAD CASE No. 4:24-CV-3047
CONSOLIDATED ACTION

**W&T’S UNOPPOSED MOTION FOR ENTRY OF DOCKET CONTROL
ORDER AND ORDER GOVERNING PRODUCTION OF
ELECTRONICALLY STORED INFORMATION**

Pursuant to the Federal Rules of Civil Procedure, the Local Rules of this Court, and this Court’s prior orders, Plaintiffs W&T Offshore, Inc. and W&T Energy VI, LLC (collectively, “W&T”), hereby move the Court to enter a proposed Docket Control Order (“DCO”), attached as Exhibit A, and a proposed order governing the production of electronically stored information (“ESI Order”), attached as Exhibit B. As required by Local Rule 7.1(D), W&T has conferred with counsel for all Defendants, and this motion is unopposed.

MEMO IN SUPPORT

On February 4, 2025, the Court entered an order that “upon notification that the mediator has declared an impasse the Court will set a status and scheduling conference and enter a new Docket Control Order if necessary.” Dkt. 60. On May

5, 2025, the Court instructed that “Counsel shall meet and confer and then notify the Court as to their agreed-upon deadline for the completion of discovery as if all current parties remain in the case. Once received, the Court will enter an amended docket control order.” Dkt. 95. Consistent with the Court’s order, the parties have served discovery requests on each other and have been meeting and conferring. The parties agree on the proposed DCO and ESI Orders attached as Exhibit A and B.

CONCLUSION

For the foregoing reasons, the Court should grant W&T’s Unopposed Motion for Entry of Docket Control Order and Order Governing Production of Electronically Stored Information.

Respectfully submitted,

McGuireWoods LLP

/s/ Yasser A. Madriz

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CERTIFICATE OF CONFERENCE

I hereby certify that on September 10, 2025, counsel for W&T conferred with counsel for each of the Defendants on the relief sought by this motion, and they are unopposed.

/s/ Yasser A Madriz
Yasser A. Madriz

CERTIFICATE OF SERVICE

I hereby certify that on September 10, 2025, Plaintiffs filed this document electronically with the Clerk of the Court using the CM/ECF System, which will send notification of such filing to all parties of record in the captioned case.

/s/ Yasser A Madriz
Yasser A. Madriz

EXHIBIT A

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

**W&T OFFSHORE, INC., AND
W&T ENERGY VI, LLC,**

v.

**ENDURANCE ASSURANCE
CORPORATION and LEXON
INSURANCE CO., et al.**

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**LEAD CASE NO. 4:24-cv-3047
CONSOLIDATED ACTION**

DOCKET CONTROL ORDER

Anticipated Length of Trial: 10 Days

Jury: X Non-Jury: _____

The disposition of this case will be controlled by the following schedule:¹

1. (a) **NEW PARTIES** shall be joined by:
The attorney causing the addition of new parties must
provide copies of this Order to new parties. N/A
(b) **AMENDMENTS to PLEADINGS** by Plaintiff or
Counter-Plaintiff shall be filed by: N/A²
2. **INITIAL DISCLOSURES** shall be served or amended by: 6/30/25
3. **FACT DISCOVERY** must be completed by: 2/27/26
Document Productions Must Be Substantially Completed By 11/21/25

Written discovery requests are not timely if they are filed so close to
this deadline that the recipient would not be required under the Federal Rules
of Civil Procedure to respond until after the deadline.

¹ The parties have agreed to work cooperatively to propose reasonable extensions to the discovery
schedule to the extent necessary as the litigation progresses.

² This docket control order is not intended to preclude plaintiff's ability to file a motion to amend
the complaint under the Federal Rules or orders of this Court. Defendants reserve all rights to
oppose such amendment on any and all grounds.

4. **EXPERT WITNESSES for PLAINTIFF/COUNTER-PLAINTIFF**
shall be identified and a report shall be filed listing the
qualifications of each expert, each opinion that the expert will
present, and the basis for each opinion. DUE DATE: 4/9/26
5. **EXPERT WITNESSES for DEFENDANT/COUNTER-DEFENDANT**
shall be identified and a report shall be filed listing the
qualifications of each expert, each opinion that the expert will
present, and the basis for each opinion. DUE DATE: 5/7/26
- 5a. **REBUTTAL³ OPINIONS FROM EXISTING EXPERTS**
DUE DATE: 6/4/26
- 5b. **EXPERT DISCOVERY/DEPOSITIONS** must be
completed by DUE DATE: 6/26/26
6. **MEDIATION/ADR:**
Required _____ Strongly Suggested _____
X Parties' Option _____
- ADR TO BE COMPLETED BY:** 7/3/26
7. **DISPOSITIVE MOTIONS** will be filed by: 7/3/26
8. **ALL OTHER PRETRIAL MOTIONS** (including
Daubert/Kumho Motions, but *not* including other
motions in limine) will be filed by: 7/31/26
9. **JOINT PRETRIAL ORDER** will be filed by: One week prior to trial
Plaintiff is responsible for timely filing the complete Joint Pretrial
Order in the form set forth in the published Court's Procedures.
10. **DOCKET CALL** is held in Courtroom 702, starting at ____ p.m.
on the date listed here. (The Court will set this date.)
Absent parties' agreement, no documents filed within 5 days before
the Docket Call without prior permission of the Court to late file.

Date

DENA HANOVICE PALERMO
UNITED STATES MAGISTRATE JUDGE

³ Rebuttal expert reports should be limited to new opinions in the Defendant/Counter-Defendant reports.

Agreed:

9/10/2025

/s/ Yasser A. Madriz

Date

Counsel for Plaintiffs W&T Offshore, Inc.
& W&T Energy VI, LLC

9/10/2025

/s/ Jason Halper

Date

Counsel for Defendants Endurance
Assurance Corp. & Lexon Insurance Co.

9/10/2025

/s/ Ryan Dry

Date

Counsel for Defendants Pennsylvania
Insurance Company & United States Fire
Insurance Company

EXHIBIT B

**UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

**W&T OFFSHORE, INC., AND
W&T ENERGY VI, LLC,**

v.

**ENDURANCE ASSURANCE
CORPORATION and LEXON
INSURANCE CO., et al.**

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**LEAD CASE NO. 4:24-cv-3047
CONSOLIDATED ACTION**

**ORDER GOVERNING PRODUCTION OF
ELECTRONICALLY STORED INFORMATION**

WHEREAS, W&T Offshore, Inc. and W&T Energy VI, LLC (collectively, “*W&T*”) and Endurance Assurance Corporation, Lexon Insurance Company, United States Fire Insurance Company, and Pennsylvania Insurance Company (“*Sureties*,” and with W&T, the “*Parties*” and each a “*Party*”) believe that information should be produced in a stipulated form and manner in the above-captioned case; and

WHEREAS, the Parties seek an order governing the production of such information, with the understanding and stipulation that any Party may apply to the Court for modification of and/or relief from said Order, after having first attempted to seek consent from the other Parties with respect thereto:

The Court ORDERS that the following restrictions and procedures (the “**Order**”) apply to the production of electronically stored information (“**ESI**”) that the Parties produce to each other during initial disclosures and in response to discovery requests.¹

1. GENERAL FORMAT OF PRODUCTION

Whether originally stored in paper or electronic form, documents shall be produced in electronic image form in the manner as described below. Notwithstanding the foregoing provisions of this paragraph, the Parties reserve the right to request that an alternative format or method of production be used for certain documents, if such document is not susceptible to production in the format or methods of production addressed herein. In that event, the Party that produced the document(s) (the “**Producing Party**”) and the Party that received the production of document(s) (the “**Receiving Party**”) will meet and confer to discuss alternative production requirements, concerns, formats, or methods. If all parties agree in writing to an alternative format of production, the parties need not seek a modification of this Order.

¹ This Order supplements all other discovery rules and orders. The Court’s intent is to streamline discovery of electronically stored information to promote a “just, speedy, and inexpensive determination” of this action. Fed. R. Civ. P. 1. The Parties must work cooperatively and in good faith to achieve these goals.

For documents redacted or entirely withheld from production pursuant to a claim of privilege or immunity, the designating Party shall produce one or more privilege logs consistent with Federal Rule of Civil Procedure 26(b)(5). The parties shall meet and confer regarding the exchange of privilege logs, including the timing for service and format of the privilege logs.

2. PRODUCTION OF ELECTRONICALLY STORED INFORMATION (ESI)

- a. **Electronic Production.** Except as set forth below, each Party will produce ESI in single TIFF format with appropriate load files and corresponding multipage OCR text files. TIFF files shall be created directly from the original electronic documents; a Party may not create a TIFF file of ESI by printing out paper copies of that electronic document and then scanning the paper copy of the ESI. All TIFF files shall be single-page Group IV standard TIFF (300 DPI resolution). Each image shall have a unique file name, which is the Bates/control number of the document. Original document orientation shall be maintained (*i.e.*, portrait to portrait and landscape to landscape). TIFFs will show any and all text and images which would be visible to the reader using the native software that created the document such as tracked changes, comments, and other rich data. Documents containing color need not be produced initially in color. However, if an original

document contains color necessary to understand the meaning or content of the document, the Producing Party will honor reasonable requests for a color image of the document.

- b. **Metadata.** Each of the metadata and coding fields set forth in Paragraph 4 infra that can be extracted from a document shall be produced for that document. The Parties are not obligated to populate manually any of the fields in Paragraph 4 if such fields cannot be extracted from a document, with the exception of the CUSTODIAN / ALL CUSTODIANS, PRODVOLID, and processing location TIMEZONE, which shall be populated by the Producing Party. Where native files are produced, each load file shall contain a link to natively produced documents via data values named “Native File.” The Native Files must be named per the Bates number on the first page of each document.
- c. **Email.** Email shall be collected in a manner that maintains reliable email metadata and structure. Whenever possible, email shall be collected from the Producing Party’s email store or server. Metadata, including attachments and “header fields” shall be extracted from email messages.

- d. **Document Unitization.** For electronic documents, the relationship of documents in a document collection (e.g., cover letter and enclosures, email and attachments, binder containing multiple documents, or other documents where a parent-child relationship exists between the documents) shall be maintained through the scanning or conversion process from native format to TIFF. Document images generated from “child” attachments to emails stored in native format shall be produced contemporaneously and sequentially immediately after the “parent” email.
- e. **Parent-Child Relationships.** Parent-child relationships (the association between an attachment and its “parent” document) that have been maintained in the ordinary course of business should be preserved to the extent reasonably practicable. For example, if a Party is producing a hard copy printout of an email with its attachments, the attachments should be processed in order behind the email to the extent reasonable practicable. The Parties shall use their best efforts to collect and produce documents that are shared via hyperlinks within emails. Documents extracted from hyperlinks shall be populated with the PRODBEGATTACH and PRODENDATTACH metadata fields in order to show the family relationship. If any document in a document

family (i.e. parent or attachment) is responsive, the full family must be produced, except as must be withheld or redacted on the basis of privilege, work-product protection, immunity, or any other applicable law, rule, or doctrine.

- f. **De-Duplication.** Removal of duplicate documents shall only be done on exact duplicate documents (based on MD5 or SHA-1 hash values at the document level) across all custodians (global). Attachments to emails or other documents shall not be disassociated from the “parent” email or document even if they are exact duplicates of another document in the production. The Parties shall retain the custodian and file path metadata that would be lost following deduplication in the ‘All Custodians’ and ‘File Path’ fields, respectively. These fields should list each distinct value separated by a semicolon. If a Party is unable to maintain such information or if global deduplication could otherwise limit the ability to provide that a particular document was possessed by a custodian, then removal of duplicate documents shall only be done on exact duplicate documents (based on MD5 or SHA-1 hash values at the document level) within a source (Custodian).
- g. **Embedded Objects.** Non-image files embedded within documents, such as spreadsheets within a PowerPoint, will be extracted as separate

documents and treated like attachments to the document in which they were embedded. Graphic objects embedded within documents or emails, such as logos, signature blocks, and backgrounds need not be extracted as separate documents.

- h. **Compressed Files.** Compression file types (e.g., .CAB, .GZ, .TAR, .Z, .ZIP) shall be decompressed in a manner that ensures a container within a container is decompressed into the lowest uncompressed element resulting in individual files. The container file itself shall not be produced.
- i. **Text Files.** For each document, a single text file shall be provided along with the image files and metadata. The text file name shall be the same as the Bates/control number of the first page of the document. Electronic text must be extracted directly from the native electronic file unless the document was redacted, an image file, or a physical file. In these instances a text file created using OCR will be produced in lieu of extracted text.
- j. **Redaction.** If a file that originates in ESI needs to be redacted before production, the file will be rendered in TIFF, and the TIFF will be redacted and produced. The Producing Party will provide searchable text for those portions of the document that have not been redacted. The

redacted document will be marked with a “Y” in the load file under the “REDACTED DOCUMENTS” metadata field. To the extent that native spreadsheets require redactions, a native redaction tool shall be used to implement the redactions, and the document will be produced in native format.

- k. **Native Files.** Various types of files, including but not limited to spreadsheets, presentation documents, media files, documents with embedded media files, documents with “macros,” etc., lose significant information and meaning when produced as an image. Any files that are produced in native format shall be produced with a Bates-numbered TIFF image slip-sheet stating the document has been produced in native format, as well as all extracted text and applicable metadata set forth in Paragraph IV.
- l. **Spreadsheets.** Excel spreadsheets shall be produced as a native document file along with the extracted text and relevant metadata set forth in Paragraph 4 for the entire spreadsheet, plus a Bates-numbered TIFF image slip-sheet stating the document has been produced in native format. All spreadsheets shall be produced in a manner that maintains the existence of any formulae.

- m. **Word Processing Files.** Any word processing files, such as Microsoft Word files, shall be produced in a manner that maintains any comments or redlined revisions, if any.
- n. **Presentation Files.** Any presentation files, such as Microsoft PowerPoint files, shall be produced in a manner that maintains any speaker's notes, if any.
- o. **Non-Convertible Files.** Certain types of files such as system, program, video, and sound files may not be amenable to conversion into anything meaningful in TIFF format. Non-convertible files will be produced natively and with a placeholder TIFF image. Each TIFF placeholder will contain the endorsed Bates number, endorsed confidentiality designation (if any), and the name of the non-convertible file, including the file extension. Some examples of file types that may not convert include file types with the following extensions: *.ai, *.aif, *.bin, *.cab, *.chi, *.chm, *.com, *.iso, *.mpg, *.mov, *.mp3, *.mpe, *.obj, *.opt, *.pbd, *.psd, *.psp, *.ram, *.res, *.rmi, *.sys, *.tmp, *.tff, *.vbx, *.wav, *.wmv, *.wma, *.wpg, and *.xfl. Other files may not be able to be converted to TIFF due to password protection, corruption, or encryption. If reasonable efforts to obtain useful TIFF images of these files are unsuccessful, these non-convertible files will also be accounted

for with a TIFF placeholder. Nothing in this non-convertible file section is meant to include productions of data from databases.

- p. **Other ESI that is Impractical to Produce in Traditional Formats (i.e., Structured Data).** The Parties understand and acknowledge that certain categories of ESI are structurally complex and do not lend themselves to production as native format or other traditional formats. To the extent a response to discovery requires production of discoverable electronic information contained in a database, the Parties agree to confer to define appropriate parameters for querying the database for discoverable information and generating a report in a reasonably usable and exportable electronic file (e.g., Excel, CSV or SQL format).
- q. **Other Types of Electronically Stored Information.** The Parties understand and acknowledge that over the course of discovery other types of ESI (including, but not limited to, mobile device data, Slack, Microsoft TEAMS data, or collaborative online platforms) may need to be preserved, collected, and produced. The Parties agree to preserve that ESI until such time that they can confer to define appropriate parameters for production, including the format for production and metadata fields to be included.

- r. **Endorsements.** The Producing Party will brand all TIFF images in the lower right-hand corner with the corresponding Bates/control numbers, using a consistent font type and size. The Bates number must not obscure any part of the underlying data. The Producing Party will brand all TIFF images in the lower left-hand corner with all confidentiality designations, as needed, in accordance with confidentiality definitions as agreed to by the Parties. Confidentiality designations will also be included as a field within the load files provided with each production volume.
- s. **Exception Report.** The Producing Party shall compile and retain an exception report enumerating any unprocessed documents or documents which a processing tool is unable to fully render, their file type, and the file location.
- t. **Passwords and Encryption.** The Parties will make all reasonable efforts to locate passwords or encryption keys for ESI containing potentially responsive Extracted Text. If the Producing Party is unable to locate such passwords or encryption keys, the Parties will meet and confer regarding the burden of cracking passwords or encryption keys for such ESI.

- u. **Claw-Back Procedure.** Any documents recalled due to a mutually agreed upon claw-back provision shall have a specific protocol followed to ensure all copies of each such document are appropriately removed from the review system of the opposing Parties.
3. PRODUCTION OF PHYSICALLY STORED INFORMATION (HARD-COPY DOCUMENTS)
- a. **TIFFs.** Hard-copy paper documents shall be scanned as single page, Group IV compression TIFF images using a print setting of at least 300 dots per inch (DPI). Each image shall have a unique file name, which is the Bates/control number of the document. Original document orientation shall be maintained (*i.e.*, portrait to portrait and landscape to landscape).
 - b. **Metadata Fields.** The following information shall be produced for hard-copy documents and provided in the data load file at the same time that the TIFF images and the Optical Character Recognition (OCR)-acquired text files are produced. Each metadata field shall be labeled as listed below.²

² These field names are intended as descriptive examples. Field names may vary slightly in production as long as the intended information is provided.

FIELD NAME	DESCRIPTION	EXAMPLE / FORMAT
PRODBEGBATES	The production Bates number associated with the first page of a document.	ABC0000001
PRODENDBATES	The production Bates number associated with last page of a document.	ABC0000003
PRODBEGATTACH	The production Bates number associated with the first page of the parent document.	ABC0000001
PRODENDATTACH	The production Bates number associated with the last page of the last attachment in the document family.	ABC0000008
PGCOUNT	Total number of pages for a document.	00006
CUSTODIAN	The name of the primary person the files belong to. This field should be populated as last name, first name.	Doe, John
PRODVOLID	Production volume name.	ABC PROD001
TEXTLINK	The path to the full extracted OR OCR text of the document. Text files should be named per control number or Bates number if the document is produced.	\\TEXT\\ABC0000001.txt

- c. **OCR Acquired Text Files.** When subjecting physical documents to an OCR process, the settings of the OCR software shall maximize text quality over process speed. Any settings such as “auto-skewing,” “auto-rotation” and the like should be turned on when documents are run through the process.

- d. **Database Load Files/Cross-Reference Files.** Documents shall be provided with (a) a delimited metadata file (.dat or .txt) and (b) an image load file (.opt), as detailed in Paragraph 4, below.
- e. **Unitizing of Documents.** In scanning paper documents, distinct documents shall not be merged into a single record, and single documents shall not be split into multiple records (i.e., paper documents should be logically unitized). In the case of an organized compilation of separate documents—for example, a binder containing several separate documents behind numbered tabs—the document behind each tab should be scanned separately, but the relationship among the documents in the binder should be reflected in proper coding of the beginning and ending document and attachment fields. The Parties will make their best efforts to unitize documents correctly.
- f. **Parent-Child Relationships.** Parent-child relationships (i.e., the association between an attachment and its “parent” document) should be preserved.
- g. **Detachable Notes.** Pages containing post-it notes or other detachable notes that obscure the underlying document should be scanned once with the detachable note intact, and then again without it, and made part of the same document.

- h. **Color.** When color is necessary to interpret hard copy documents, they shall be produced in color. Paper documents or redacted ESI that contain color used to convey information (e.g., color-coding and highlighting versus merely decorative use) shall be produced as single-page, 300 DPI JPG images with JPG compression set to its highest-quality setting so as not to not degrade the original image.

4. REQUESTED LOAD FILE FORMAT

- a. **Delimited Text File.** A delimited text file (.DAT or .CSV) containing the fields listed in Paragraph 3 should be provided. The delimiters for the file can be Concordance defaults, but defined delimiters are acceptable:

Comma - ASCII character 20 (,)

Quote - ASCII character 254 (¢)

Newline - ASCII character 174 (¢)

- b. **File Names.** To the extent possible, the Producing Party will maintain the original filename of any document in a separate metadata field.
- c. **Image Cross-Reference File (Load File).** The Image cross-reference file (.OPT) is a comma delimited file consisting of six fields per line. There must be a line in the cross-reference file for every image in the database. The format for the file is as follows:

ImageID,VolumeLabel,ImageFilePath,DocumentBreak,PageCount

- ImageID: The unique designation used to identify an image. This should be the Bates number of the document.
- VolumeLabel: The name of the volume.
- ImageFilePath: The full path to the image file.
- DocumentBreak: If this field contains the letter “Y,” then this is the first page of a document. If this field is blank, then this page is not the first page of a document.
- PageCount: Number of pages in the document.

Sample Data

CNTRL00000001,VOL001,\IMAGES001\CNTRL00000001.TIF,Y,,,1
CNTRL00000002,VOL001,\IMAGES001\CNTRL00000002.TIF,Y,,,2
CNTRL00000003,VOL001,\IMAGES001\CNTRL00000003.TIF,,,,,
CNTRL00000004,VOL001,\IMAGES001\CNTRL00000004.TIF,Y,,,4
CNTRL00000005,VOL001,\IMAGES001\CNTRL00000005.TIF,,,,,
CNTRL00000006,VOL001,\IMAGES001\CNTRL00000006.TIF,,,,,
CNTRL00000007,VOL001,\IMAGES001\CNTRL00000007.TIF,,,,

5. REQUESTED METADATA FIELDS FOR ESI

FIELD NAME ³	DESCRIPTION	EXAMPLE / FORMAT
PRODBEGBATES	The production Bates number associated with the first page of a document.	ABC0000001

³ These field names are intended as descriptive examples. Field names may vary slightly in production as long as the intended information is provided.

FIELD NAME³	DESCRIPTION	EXAMPLE / FORMAT
PRODENDBATES	The production Bates number associated with last page of a document.	ABC0000003
PRODBEGATTACH	The production Bates number associated with the first page of the parent document.	ABC0000001
PRODENDATTACH	The production Bates number associated with the last page of the last attachment in the document family.	ABC0000008
PARENTBATES	First Bates identifier of a parent document / email message (not populated for documents that are not part of a family).	ABC0000001
NATIVELINK	The full path to a native copy of a document.	\\natives\001\ABC0000001. htm
PGCOUNT	Total number of pages for a document.	00006
ATTACHCOUNT	Number of attachments within a document family.	0 (Numeric)
FILENAME	The file name of a document.	Document Name.xls
FROM	The name of the person in the FROM field of every email.	John Doe <jdoe@acme.com>
TO	Recipients of the email. Multiple email addresses should be separated by semicolons.	Jane Smith <jsmith@acme.com
CC	Recipients in the cc: field of the email. Multiple email addresses should be separated by semicolons.	Bob Johnson <bjohnson@acme.com>; Sally May <smay@acme.com>
BCC	Recipients in the bcc: field of the email. Multiple email addresses should be separated by semicolons.	John Doe <jdoe@acme.com>
EMAILSUBJECT	Subject of an email.	Re: resume
DATE SENT	Date when an email was sent.	MM/DD/YYYY
TIME SENT	Time when an email was sent.	HH:MM:SS

FIELD NAME³	DESCRIPTION	EXAMPLE / FORMAT
DOCAUTHOR	The author of a document from entered metadata.	John Doe
DOCTITLE	The extracted document title for a loose file or attachment.	Resume.docx
DATE LASTMOD	The date a document was last modified.	MM/DD/YYYY
TIME LASTMOD	The time a document was last modified.	HH:MM:SS
ALL CUSTODIANS	Owner(s) of the document or file. Should list custodian and each de-duplicated custodian. Delimited by ";" when field has multiple values. This custodian name should match the following format: last name, first name.	Doe, John; Doe, Jane
FILEEXT	The file extension of a document.	Docx
APPLICATION	Type of document by application.	MS Word, MS Excel, etc.
RECORD TYPE	Type of ESI.	Email, Attachment, Edoc (loose, non-email file), etc.
TIMEZONE	The time zone the document was processed in.	PST, CST, EST, etc.
DATE CREATED	The date the document was created.	MM/DD/YYYY
TIME CREATED	The time the document was created.	HH:MM:SS
DATE RECEIVED	The date an email was received.	MM/DD/YYYY
TIME RECEIVED	The time an email was received.	HH:MM:SS
HASH	The MD5 or SHA Hash value or "de-duplication key" assigned to a document.	9CE469B8DFAD1058 C3B 1E745001158EA
PRODVOLID	Production volume name.	ABC_PROD001

FIELD NAME³	DESCRIPTION	EXAMPLE / FORMAT
TEXTLINK	The path to the full extracted OR OCR text of the document. Text files should be named per control number or Bates number if the document is produced.	\\TEXT\\ABC000001.txt
CONFIDENTIAL DESIGNATION	The confidential language applied to the produced document.	Confidential; Highly Confidential
REDACTED DOCUMENTS	States whether or not the document is redacted	Y or N
MSGID	E-mail: "Unique Message ID" field	
FILEPATH	E-mail: Original location of e-mail including original file name. Native: Originating path where native file document was collected including original file name. (If the document is a duplicate and has multiple custodians, please list only one file path, rather than a file path for each custodian.)	

It is so ORDERED.

Date _____

DENA HANOVICE PALERMO
UNITED STATES MAGISTRATE JUDGE

Agreed:

9/10/2025

/s/ Yasser A. Madriz

Date

Counsel for Plaintiffs W&T Offshore, Inc.
& W&T Energy VI, LLC

9/10/2025

/s/ Jason Halper

Date

Counsel for Defendants Endurance
Assurance Corp. & Lexon Insurance Co.

9/10/2025

/s/ Ryan Dry

Date

Counsel for Defendants Pennsylvania
Insurance Company & United States Fire
Insurance Company