



# United States Department of the Interior

## BUREAU OF OCEAN ENERGY MANAGEMENT

New Orleans Office  
1201 Elmwood Park Boulevard  
New Orleans, LA 70123-2394

In Reply Refer To: Bond No. RLB0012366

April 16, 2024

Probe Resources US Ltd.  
16285 Park Ten Place, Suite 120  
Houston, TX 77084  
Attn: Kenneth F. Tamplin, Jr.

Dear Mr. Tamplin:

Your letter dated March 27, 2024, requesting termination and cancellation of Outer Continental Shelf (OCS) Pipeline Right-of-Way Grant Bond No. RLB0012366, in the amount of \$300,000, was received by our office on April 4, 2024. This bond, conditioned to cover the principal's pipeline operations in the Gulf of Mexico, was executed on January 13, 2009, with Probe Resources US Ltd. as principal and RLI Insurance Company as surety.

Pursuant to 30 CFR 556.906 (d)(1) your bond may be cancelled seven years after the termination of the lease, six years after completion of all bonded obligations, or at the conclusion of any appeals or litigation related to your bonded obligation, whichever is the latest. These requirements have been met.

The Bureau of Ocean Energy Management has no objection to cancellation of the above bond. Therefore, Bond No. RLB0012366 is considered cancelled without residual liability, effective April 16, 2024, the date of final concurrence with such cancellation.

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

Sincerely,  
**BERNADETTE THOMAS**  
Digitally signed by  
BERNADETTE THOMAS  
Date: 2024.04.16 11:19:36  
-05'00'

Bernadette Thomas  
Regional Supervisor  
Leasing and Plans

cc: Trent Colan ([trent.colan@rlicorp.com](mailto:trent.colan@rlicorp.com))  
Paul Goodwine ([pgoodwine@loopergoodwine.com](mailto:pgoodwine@loopergoodwine.com))  
Paul Gottheim ([pgottheim@angelogordon.com](mailto:pgottheim@angelogordon.com))  
Lindsey Johnson ([ljohnson@loopergoodwine.com](mailto:ljohnson@loopergoodwine.com))

**RECEIVED**

**April 4, 2024**

*Leasing & Financial  
Responsibility Section*

**PROBE RESOURCES US LTD.**

March 27, 2024

[VIA EMAIL \(BOEMGOMRFINANCIALASSURANCE@BOEM.GOV\)](mailto:BOEMGOMRFINANCIALASSURANCE@BOEM.GOV)

Bureau of Ocean and Energy Management  
New Orleans Office  
1201 Elmwood Park Blvd.  
Mail Stop GM 266A  
New Orleans, LA 70123-2394

Attention: Leasing and Financial Responsibility

Re: Renewed Request for Cancellation of Bond No. RLB0012366

Dear Madam/Sir:

We are writing in connection with the Outer Continental Shelf (OCS) Pipeline Right-of-Way ("ROW") Grant Bond No. RLB0012366, dated January 13, 2009, in the amount of \$300,000 (the "Bond"), which was issued by RLI Insurance Company ("Surety") on behalf of Probe Resources US Ltd. ("Probe") (GOM No. 2989) as Principal and accepted by the Bureau of Ocean and Energy Management ("BOEM") on or about January 14, 2009. The Bond provides areawide ROW coverage for the Gulf of Mexico ("GoM"). A copy of the Bond is enclosed for your reference.

To date, BOEM has denied Probe's several requests for cancellation of the Bond. As the basis for its denial, BOEM references certain concerns and/or objections of the Office of Natural Resources ("ONRR").

BOEM's August 30, 2023, denial letter advises that ONRR has objections because "on 06-02-2017, Probe Resources US LTD, filed bankruptcy with the United States Bankruptcy Court, Western District of Louisiana, Case No. 17-50711" and directs further inquiries to ONRR. After communicating with ONRR directly, Probe now understands that ONRR objects to cancellation of the Bond "because there are several post-petition debts remaining unpaid at ONRR."

Having reviewed the various ONRR invoices that purportedly relate to these "several post-petition debts," Probe respectfully suggests that ONRR's objection(s) is not a valid basis to maintain the Bond. The invoices are apparently for BSEE inspection fees on structures located on EC 37 and VR 22, as well as (to a lesser extent) other lease-specific and RUE-specific obligations.<sup>1</sup>

---

<sup>1</sup> It is not entirely clear to which specific infrastructure(s) the invoices relate except that they do not concern any active rights-of-way grants associated with Probe. The majority of the invoices relate to demands for payment of inspection fees for facilities subject to inspection by the Bureau of Safety and Environment Enforcement ("BSEE")

BOEM's regulations expressly provide that the Bond "guarantees compliance with all terms and conditions of the rights-of-way you hold in an OCS area." 30 C.F.R. § 550.1011(a)(1). Likewise, the terms of the Bond itself limit liability to "all Obligations of the Principal on the pipeline ROW grants" described therein. Under the Bond, the Surety agrees to "meet all existing and future Obligations of the Principal on the pipeline ROW grant(s)."


Probe has confirmed that no ROW-specific GoM liabilities remain outstanding. The only GoM ROW grant even associated with Probe is ROW No. OCS-G 28555, which has been relinquished since on or around March 9, 2015, and which has a \$0 BSEE decommissioning cost estimate. A copy of the \$0 decommissioning cost estimate for ROW No. OCS-G 28555 as reflected by BOEM/BSEE's Decommissioning Cost Estimates Online Query (as of March 20, 2024) is enclosed for your reference.

Neither the relevant regulations nor the terms of the Bond suggest that the Bond supports any and all Gulf of Mexico liabilities and/or obligations for which the bond principal may potentially be held liable.<sup>2</sup> In addition, Probe is unaware of any authority or Bond language suggesting that BOEM may maintain a bond solely on the basis that the bond principal has filed for bankruptcy, especially when the liability for which the surety bond was required to secure has been eliminated.

For these reasons, Probe hereby renews its requests that the Bond be cancelled, and the period of liability terminated, as expeditiously as possible.

Should you have any questions or wish to further discuss Probe's renewed request for cancellation of the Bond, please contact me at [kennytamplain@gmail.com](mailto:kennytamplain@gmail.com) or (504) 400-3319 or you may contact counsel, Paul J. Goodwine at [Pgoodwine@loopergoodwine](mailto:Pgoodwine@loopergoodwine) or (504) 503-1515.

Sincerely,

  
Kenneth F. Tamplain, Jr.  
Vice President-Land & Legal

---

for the fiscal years of 2020-2023. Based upon the very limited detail provided in the ONRR invoices, Probe understands these inspection fees relate only to the following infrastructure: (1) structure(s) located on Vermillion Block 22 ("VR 22") bearing Complex ID No. 201967 (none of which appear to be ROWs), all of which, with one exception, appear to have been removed in 2018; and (2) the "A" Structure (Complex ID 2219) located on Lease No. OCS-G 25933, East Cameron 37 ("EC 37"). Probe understands that the remaining invoices relate to Right-of-Use & Easement ("RUE") No. OCS-30304 or civil penalties assessed on EC 37 on or around 2016. Further, the Demands for Payment accompanying the invoices acknowledged that inspection fees are collected for: (b) "facilities that are above the waterline;" (c) "rigs operating in [certain] water depths;" and (d) "non-rig units." None of these enumerated structures suggest that ONRR's demands for payment relate to ROWs.

<sup>2</sup> Probe's present position is not that no outstanding liabilities exist, but rather that, even assuming such outstanding liabilities do exist (which Probe is not presently in a position to confirm or deny), such purported outstanding liabilities are not secured by the Bond.

Enclosures

cc: Trent Colan, RLI Insurance Company – [trent.colan@rlicorp.com](mailto:trent.colan@rlicorp.com)  
Paul Gottheim, TPG Angelo Gordon – [pgottheim@angelogordon.com](mailto:pgottheim@angelogordon.com)  
Paul Goodwine, Looper Goodwine P.C. - [pgoodwine@loopergoodwine.com](mailto:pgoodwine@loopergoodwine.com)  
Lindsey Johnson, Looper Goodwine P.C. - [ljohnson@loopergoodwine.com](mailto:ljohnson@loopergoodwine.com)