

## ESCROW AGREEMENT

This ESCROW AGREEMENT (this "Escrow Agreement"), dated as of November 5, 2014, is made and entered into by and among Century Exploration New Orleans, LLC, a limited liability company organized under the laws of Delaware, ("Principal"), ACE AMERICAN INSURANCE COMPANY a Insurance Company organized under the laws of the State of Pennsylvania ("Surety") and Bank of America (the "Escrow Agent").

### WITNESSETH:

WHEREAS, Principal and Bureau of Ocean Management (BOEM) ("Obligee") are parties to various Leasing Agreements as described in Exhibit A (as the same may be modified, supplemented or amended from time to time, the "LA") related to that certain project known as the certain abandonment activity required under the LA (the "Project");

WHEREAS, pursuant to the LA, Principal is required to obtain a surety bonds in order to secure Principal's performance under the LA;

WHEREAS, Surety has agreed to issue those certain bonds in the estimated aggregate amount of \$30,830,000.00, in favor of Obligee (the "Bond") and as required by Obligee under the LA;

WHEREAS, Principal and Surety are parties to that certain Funds Disbursing Agreement (as the same may be modified, supplemented or amended from time to time, the "Funds Disbursing Agreement") related to the LA and the Project; and

WHEREAS, in connection with the issuance of the Bond and the execution of the Funds Disbursing Agreement the parties hereto are entering into this Escrow Agreement regarding the disbursement of funds received from the Principal and deposited into the Escrow Account.

NOW, THEREFORE, in consideration of the foregoing premises, the mutual covenants of the parties set forth in this Escrow Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereto agree as follows.

1. Appointment of Escrow Agent: Principal and Surety hereby appoint Escrow Agent as escrow agent and depository of the Escrow Funds (defined below) subject to the terms and conditions set forth herein. Escrow Agent, by execution of this Escrow Agreement, hereby accepts such appointment and agrees to perform the services specified herein. Escrow Agent shall not distribute or release any of the Escrow Funds except in accordance with the express terms and conditions of this Escrow Agreement.

2. Establishment of Escrow: Principal shall deliver to Escrow Agent the aggregate amount of \$32,430,000.00, more or less in the order contemplated in Exhibit B, as funding for the abandonment activity to be completed in accordance with the LA. Such funds shall be referred to as the "Escrow Funds."

3. Escrow Account: Escrow Agent shall promptly credit and hold the Escrow Funds in a separate, segregated non interest bearing portfolio established pursuant to this Agreement (the "Escrow Account"). Escrow Agent shall not change the title or account number of the Escrow Account without the prior written consent of Surety. The Escrow Funds shall not be invested. Escrow Agent shall deliver statements detailing the balance of and any activity in the Escrow Account on a monthly basis to Principal and Surety. It is acknowledged as between Surety and Escrow Agent that this is an Escrow Agreement entered into in connection with that certain Amended Escrow Account Letter Agreement between Surety and Escrow Agent dated as of [ ] (the "Letter Agreement").

4. Disbursement of Escrow Funds: While this Escrow Agreement remains in full force and effect, Escrow Agent shall make disbursements from the Escrow Funds only upon receipt of a written notice from Surety specifying (i) the amount to be disbursed, (ii) the date of disbursement, (iii) the recipient of the disbursement, and (iv) the manner of disbursement and delivery instructions (a "Disbursement Request"), in each case, without consent of or notice to Principal or any other person or entity. Further, the Escrow Agent is authorized to obtain confirmation of such Disbursement Request by telephone call-back to the person or persons designated for verifying such requests on Exhibit D to the Letter Agreement (which person verifying the request shall be different than the person initiating the request). Escrow Funds will become first available for disbursement on the third day from the date of deposit of funds into the Escrow Account.

5. Authorized Persons: The Escrow Agent is authorized to comply with and rely upon any notices, instructions or other communications believed by it to have been sent or given by any Authorized Person. The Escrow Agent specifically allows for receiving direction by written or electronic transmission from an Authorized Person with the following caveat, Principal and Surety agree on a several basis to indemnify and hold harmless the Escrow Agent against any and all claims, losses, damages liabilities, judgments, costs and expenses (including reasonable attorneys' fees) (collectively, "Losses") incurred or sustained by the Escrow Agent as a result of or in connection with the Escrow Agent's reliance upon and compliance with instructions or directions given respectively be each by electronic or written transmission, provided, however, that such Losses have not arisen from the gross negligence or willful misconduct of the Escrow Agent, it being understood that the failure of the Escrow Agent to verify or confirm that the person giving the instructions or directions, is, in fact, an Authorized Person does not constitute gross negligence or willful misconduct.

6. Duties and Liability of Escrow Agent:

(a) Escrow Agent undertakes to perform only such duties as are expressly set forth herein and no implied duties or obligations shall be read into this Escrow Agreement against Escrow Agent.

(b) Upon the release and delivery by Escrow Agent of the Escrow Funds or any part thereof in accordance with the terms of this Escrow Agreement, Escrow Agent and its employees, agents and representatives shall be and are hereby released and relieved of all liabilities and obligations with respect to such released funds.

(c) Principal and Surety agree on a joint and several basis to and shall indemnify and hold Escrow Agent and its employees, agents and representatives harmless from all claims, liabilities, obligations, losses, damages, penalties, actions, judgments, suits, legal proceedings and cases, costs, expenses and disbursements of any kind or nature whatsoever in any way relating to or arising out of this Escrow Agreement or any other document or agreement executed in connection herewith or as a result of any action taken or omitted by Escrow Agent under this Escrow Agreement or any other agreement or document executed in connection herewith, unless resulting from Escrow Agent's gross negligence or willful misconduct. Escrow Agent shall not be liable for any mistakes of fact or errors of judgment, or for any actions or omissions of any kind unless caused by its gross negligence or willful misconduct.

(d) If the parties hereto disagree at any time over the interpretation or meaning of any provision of this Escrow Agreement or about their rights and obligations, or the propriety of any action taken or contemplated by Escrow Agent hereunder, Escrow Agent may, at its sole discretion and at the joint expense of Principal and Surety file an action in interpleader or any other legal action deemed appropriate by it to resolve the disagreement. In the event an interpleader or any other legal action is instituted by Escrow Agent pursuant to this paragraph, Escrow Agent shall be fully protected in suspending all or a part of its duties under this Escrow Agreement until a final judgment in the interpleader or other action is received.

(e) Escrow Agent may act in reliance upon any writing or instrument or signature which it, in good faith, believes to be genuine and in compliance with this Escrow Agreement, may assume the validity and accuracy of any statement or assertion contained in such writing or instrument, and may assume that any person purporting to give any notice, writing, advice or instruction in connection with the provisions hereof has been duly authorized to do so, without any obligation or duty on the part of Escrow Agent to make any independent investigation as to such matters and regardless of any prior or contemporaneous oral or written communication received by it from any party.

(f) Escrow Agent may resign at any time without cause by giving at least ninety (90) days' prior written notice to Principal and Surety, such resignation to be effective upon the acceptance of appointment by the successor Escrow Agent and the transfer of the Escrow Funds to the successor Escrow Agent. In addition, Surety may remove Escrow Agent without cause by a written notice delivered to Escrow Agent and Principal, such removal to be effective upon the acceptance of appointment by the successor Escrow Agent and the transfer of the Escrow Funds to the successor Escrow Agent. In the case of the resignation or removal of Escrow Agent, Surety may appoint a successor Escrow Agent. If a successor Escrow Agent shall not have been appointed within ninety (90) days after such notice of resignation or removal, Escrow Agent may apply to any court of competent jurisdiction to appoint a successor Escrow Agent to act until such time, if any, as a successor shall have been appointed as above provided. Any successor Escrow Agent so appointed by such court shall immediately and without further act be superseded by any successor Escrow Agent appointed as above provided.

(g) Any successor Escrow Agent, appointed pursuant to this Escrow Agreement, shall execute and deliver to the predecessor Escrow Agent, Principal and Surety an instrument accepting such appointment, and thereupon such successor Escrow Agent, without further act, shall become vested with all rights, powers, duties of the predecessor Escrow Agent

hereunder with like effect as if originally named Escrow Agent herein. Within one (1) Business Day of its receipt of an instrument from the successor Escrow Agent accepting such appointment, the predecessor Escrow Agent shall deliver the Escrow Funds to the successor Escrow Agent. Notwithstanding anything expressed herein to the contrary, the predecessor Escrow Agent shall continue, after its resignation, to be entitled to the benefits of any indemnities provided herein for Escrow Agent.

(h) Any successor Escrow Agent, appointed pursuant to this Escrow Agreement, shall: (1) be a bank or trust company in good standing and organized and doing business under the laws of the United States of America or of any state thereof; (2) have total assets of not less than \$2.5 billion; (3) have minimum ratings from at least two (2) of the following three (3) rating agencies, as stated herein: (i) Fitch Long-term rating of  $\geq$  A, (ii) S&P's Long-term rating of  $\geq$  A, and (iii) LACE rating of  $\geq$  B; and (4) be willing, able and legally qualified to perform the duties of Escrow Agent hereunder upon the same terms and conditions stated herein and/or such other terms and conditions that are acceptable to Surety and Principal. The appointment of any successor Escrow Agent shall not violate any provision of any law or regulation or create a relationship which would be in violation thereof. Any bank or corporation into which the Escrow Agent may be merged or with which it may be consolidated, or any bank or corporation to whom the Escrow Agent may transfer a substantial amount of its escrow business, shall, so long as it satisfies the standards set forth above, be the successor to the Escrow Agent without the execution or filing of any paper or any further act on the part of any of the parties, anything herein to the contrary notwithstanding; provided, that, Escrow Agent shall promptly provide written notice to Principal and Surety of the appointment of any such successor Escrow Agent.

(i) No provisions of this Escrow Agreement shall require Escrow Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties or in the exercise of any of its rights or powers hereunder and, prior to taking any action hereunder, Escrow Agent may first request of the other parties hereto that its contemplated expenses or charges for services be advanced to it and, until receipt of such advance, it shall be under no duty to so act.

(j) In case all or any part of the Escrow Account or the Escrow Funds held by Escrow Agent hereunder shall be attached, garnished or levied upon under any order of court, or the delivery thereof shall be stayed or enjoined by any court, or any other order, judgment or decree shall be made or entered by any court affecting or purporting to affect all or any part of the Escrow Account or the Escrow Funds, Escrow Agent shall promptly provide written notice thereof to each of the parties hereto

(k) It is agreed that the reasonable and sufficient fees of the Escrow Agent and reimbursement of its expenses shall be paid by Surety. It is understood Surety's payment and reimbursement obligation is set forth with greater particularity in a separate document.

7. Notices: Any notice, disbursement instruction or other communication under this Escrow Agreement shall be in writing and shall be considered given (a) when delivered personally (including, without limitation, by overnight courier), or (b) when telecopied (with confirmation of transmission having been received), in each case to the respective parties at the

addresses set forth below (or at such other address as a party may specify by like notice to the other):

If to Escrow Agent, to:

Bank of America Merrill Lynch  
Global Custody and Agency Services  
135 South LaSalle Street  
IL4-135-05-07  
Chicago, IL 60603  
Attention: Carol A. Corradino-Tilton  
Telephone: 312-904-1838  
Fax: 312-904-0990

If to Surety, to:

ACE American Insurance Company  
Funds Control Division  
436 Walnut Street WA 10F  
Philadelphia, PA 19106  
Attention: Steven Krumm  
Telephone: (215) 640-2127  
Fax: (215) 640-1643

If to Principal, to:

Century Exploration New Orleans, LLC  
3838 North Causeway Blvd, Suite 2800  
Metairie, La 70002  
Contact: Michael J. Willis  
Phone: 504-832-3750  
Fax: 504-832-3760  
Email:

8. Termination: Unless terminated earlier by written agreement of Principal and Surety, this Escrow Agreement shall remain in full force and effect (regardless of the existence or amount of the Escrow Funds) until terminated by written notice given by Surety to Principal and Escrow Agent ("Termination Event").

9. True Escrow: The escrow established by this Escrow Agreement constitutes a "true escrow" such that Principal has delivered and relinquished dominion and control over the Escrow Funds and the Escrow Account. Principal further acknowledges and agrees that: its right to receive or obtain possession of any part of the Escrow Funds shall be limited solely to any right to receive funds (including any remainder interest in the Escrow Funds) pursuant to instructions issued by Surety; Principal shall not have any right to demand such funds from Escrow Agent; and the Escrow Funds shall not otherwise become property of Principal or of any estate created in the name of Principal pursuant to title 11 of the United States Code ("Code").

10. Control Over Escrow Account:

(a) Notwithstanding the agreement and intent of the parties set forth in Section 9 above, to the extent that a court of competent jurisdiction determines that the Escrow Funds are property of Principal or an estate created in the name of Principal pursuant to the Code, Principal hereby grants and transfers to Surety a first priority, perfected security interest in and lien on, and pledges and assigns to Surety, all of Principal's right, title and interest in, to and under, whether now existing or hereafter acquired or arising, the Escrow Account and all cash, investment property and financial assets held therein or credited thereto, including, without limitation, the Escrow Funds and all security entitlements arising therefrom, and (iv) all interest, dividends and other proceeds of all of the foregoing (collectively, the "Collateral"), to secure the obligations of Principal to Surety under this Escrow Agreement, the Funds Disbursing Agreement, the Bond, all indemnity agreements and/or all documents and agreements related thereto. For the purposes of this Section 10, the parties hereto agree that this Escrow Agreement shall constitute a security agreement and control agreement under the UCC (hereinafter defined) and applicable law.

(b) All terms used in this Section 10 and defined in the Uniform Commercial Code as in effect from time to time in the State of New York (the "UCC") shall have the meanings given to such terms in the UCC. In addition, to the extent that this Escrow Agreement is considered or treated as a security agreement for any reason, the parties hereto acknowledge and agree as follows: (i) Escrow Agent shall be considered and treated as a "securities intermediary" (within the meaning of Section 8-102(a)(14) of the UCC) and a "bank" (as such term is used in Section 8-102(a)(14) or 9-102(a)(8) of the UCC) hereunder; (ii) to the extent the Escrow Account contains cash deposits, it shall be treated as a "deposit account" as such term is defined in Section 9-102(a)(29) of the UCC; (iii) each asset credited to the Escrow Account, other than cash, shall be treated as a "financial asset" within the meaning of Section 8-102(a)(9) of the UCC; (iv) to the extent the Escrow Account contains financial assets, it shall be treated as a "securities account" as such term is defined in Section 8-501(a) of the UCC; and (v) Surety shall be treated as Escrow Agent's customer with respect to the Escrow Account and an "entitlement holder" with respect to all "security entitlements" (within the meaning of Sections 8-102(a)(7) and (17), respectively of the UCC) in the Escrow Account.

(c) Escrow Agent shall comply with all instructions and orders received from Surety directing the disposition of the Escrow Funds or any asset contained in the Escrow Account without further consent of Principal or any other person or entity. Escrow Agent shall not comply with any directions, instructions or orders issued by Principal or any other person or entity with respect to the Escrow Account. In addition, Principal hereby authorizes Surety to file any and all UCC financing statements with respect to the Collateral that are reasonably deemed necessary by Surety in order to perfect a security interest in the Collateral. The parties acknowledge that all such Collateral is and shall be held for the sole and exclusive benefit of Surety.

(d) The Escrow Account and all other Collateral shall not be subject to any perfected security interest, lien, deduction, setoff, recoupment, banker's lien or any other right in favor of any person other than Surety; and Escrow Agent hereby waives any perfected security interest, lien, deduction, setoff, recoupment, banker's lien or any other right in the Collateral.

Notwithstanding the foregoing, if the Escrow Account shall be attached, garnished, or levied upon pursuant to judicial process, or the delivery of funds held in the Escrow Account shall be stayed or enjoined by any court order, or any court order shall be made or entered into affecting the Escrow Account, or any part thereof, the Escrow Agent is hereby expressly authorized to obey and comply with such judicial process or court order. In the event the escrow Agent obeys or complies with any judicial process or court order, it shall not be liable to any person, firm or corporation by reason of such compliance, notwithstanding the subsequent reversal, modification, annulment, or setting aside of such court order.

(e) In the event of any conflict between this Escrow Agreement (or any portion hereof) and any other agreement now existing or hereafter entered into by or among any of the parties, the terms of this Escrow Agreement shall prevail. Escrow Agent, as securities intermediary, hereby confirms and agrees that: (i) there are no other agreements entered into between Escrow Agent and Principal with respect to the Escrow Account or the Escrow Funds; (ii) it has not entered into, and until the termination of this Escrow Agreement will not enter into, any agreement with any other person or entity relating to the Escrow Account or the Escrow Funds pursuant to which it has agreed to comply with instructions or orders of any person other than Surety; (iii) it has not entered into, and until the termination of this Escrow Agreement will not enter into, any agreement with Principal or any other person or entity purporting to limit or condition its obligation to comply with instructions or orders of Surety; (iv) regardless of any provision in any other agreement, for purposes of the UCC, New York shall be deemed to be Escrow Agent's jurisdiction; and (v) except for the claims and interest of Surety, Escrow Agent does not know of any claim to, or interest in, the Escrow Account or the Escrow Funds.

11. Assignment; Binding Effect: This Escrow Agreement is intended to inure to the benefit of, and is binding upon, the parties hereto and their respective successors and permitted assigns; provided, however, that this Escrow Agreement may not be assigned by Escrow Agent except as expressly provided in Section 6 above, and may not be assigned by Principal except as expressly permitted pursuant to the terms of the Bond. It is understood and agreed that the covenant in the foregoing sentence runs only between Principal and Surety and that Escrow Agent has no responsibility to monitor compliance with or enforce such covenant. It is further understood and agreed that neither Principal nor Surety shall assign its rights hereunder until (i) its assignee has submitted to the Escrow Agent Patriot Act disclosure materials and the Escrow Agent has determined that on the basis of such materials it may accept such assignee as a customer and (ii) assignee has delivered an IRS Form W-8 or W-9, as appropriate, to the Escrow Agent which the Escrow Agent has determined to have been properly signed and completed. In addition, any rights which Principal has to assign this Escrow Agreement pursuant to the Bond shall be subject to the Escrow Agent's approval based upon the financial ability of assignee to indemnify it being reasonably comparable to the financial ability of Principal, which approval shall not be unreasonably withheld.

12. Amendment and Waiver: No amendment, modification or waiver of any of the provisions of this Escrow Agreement, and no consent by any of the parties to any departure from the provisions of this Escrow Agreement by the other party or parties, shall be effective unless the amendment, modification or waiver is in writing and signed by the parties hereto. Each amendment, modification or waiver will be effective only for the period, on the conditions and for the specific instances and purposes specified in the writing.

13. Waiver of Jury Trial: EACH OF THE PARTIES HERETO KNOWINGLY, VOLUNTARILY AND, UPON THE ADVICE OF INDEPENDENT COUNSEL, IRREVOCABLY AS AN INDEPENDENT COVENANT HEREBY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS ESCROW AGREEMENT. THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY MADE BY THE PARTIES AND EACH PARTY HEREBY REPRESENTS THAT NO REPRESENTATIONS OF FACT OR OPINION HAVE BEEN MADE BY ANY PERSON TO INDUCE THIS WAIVER OF TRIAL BY JURY OR TO IN ANY WAY MODIFY OR NULLIFY ITS EFFECT. EACH PARTY FURTHER REPRESENTS THAT, IN THE SIGNING OF THIS ESCROW AGREEMENT AND IN THE MAKING OF THIS WAIVER, IT HAS BEEN REPRESENTED BY INDEPENDENT LEGAL COUNSEL, SELECTED OF ITS OWN FREE WILL, AND THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL.

14. Governing Law: This Escrow Agreement shall be governed by and construed in accordance with the internal laws of New York without reference to conflicts of laws principles.

15. Headings: The headings of this Escrow Agreement have been inserted for the purpose of convenience of reference only, are not a part of this Escrow Agreement and shall not be deemed in any manner to modify, explain, enlarge or restrict any of the provisions of this Escrow Agreement.

16. Severability: If any provision of this Escrow Agreement or of any of the documents or instruments delivered pursuant hereto is invalid or unenforceable pursuant to a final determination of any court of competent jurisdiction or a result of future legislative action, that determination or action will be construed (whenever possible) so as not to affect the validity or enforceability hereof or thereof and will not affect the validity or effect of any other portion hereof or thereof which shall remain in full force and effect.

17. Counterparts: This Escrow Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same instrument. Facsimile signatures, including signatures relating to the execution of this Escrow Agreement, shall be deemed legally binding.

18. Entire Agreement: This Escrow Agreement constitutes the entire agreement among the parties hereto with respect to the subject matter hereof and supersedes all prior writings and oral communications with respect to the subject matter hereof, provided that obligations between Surety and Escrow Agent are also subject to the Letter Agreement.

19. Escrow Agent Fees: It is understood that in consideration of the services to be provided hereunder, Escrow Agent is entitled to the payment of fees and the reimbursement of costs by Surety on the terms set forth with specificity in the Letter Agreement.

20. Definition of "Business Day": As used in this Escrow Agreement, "Business Day" means a day other than a Saturday, Sunday, or other day when banking institutions in Chicago, Illinois are authorized or required by law or executive order to be closed.



IN WITNESS WHEREOF, the undersigned have caused this Escrow Agreement to be duly executed as of the day and year first above written.

Century Exploration New Orleans, LLC

Michael J. Willis

By: Michael J. Willis  
Title: Senior Vice President

ACE American Insurance Company

By: [Signature]  
Name: Stephen Keenan  
Title: AJP

Bank of America  
As Escrow Agent

By: [Signature]  
Name: Robert M. Kowalski  
Title: Vice President