Mr. Conrad T. Spangler, III  
Director  
Commonwealth of Virginia  
Department of Mines, Minerals and Energy  
1100 Bank Street, 8th Floor  
Richmond, Virginia 23219  

Federal Express Tracking No.: 8060 6102 1445  

Dear Mr. Spangler:  


BOEM regulations at 30 CFR 585.405, require that a lease operator, who is not the Lessee, be identified in the Lessee’s Site Assessment Plan, Construction and Operations Plan, or General Activities Plan, as applicable. The Office of Renewable Energy Programs has prescribed a departure from this requirement pursuant to 30 CFR 585.103(a)(1) to allow Virginia Electric and Power Company to be designated lease operator prior to plan approval for research lease OCS-A 0497. First, it was established by DMME during lease negotiations that designation of an operator is necessary for DMME to fulfill its obligations as Lessee; therefore, the departure facilitates the issuance of the subject lease, which in turn facilitates the appropriate activities on the lease. Second, the departure is consistent with subsection 8(p) of the Outer Continental Shelf Lands Act. Third, the departure protects the environment and the public health and safety to the same degree as if there was no approved departure. Fourth, the departure does not impair the rights of third parties. Accordingly, the Designation of Operator is hereby approved and will become effective April 1, 2015.  

Please do not hesitate to contact me at our main office number (703) 787-1300 if you have any questions.  

Sincerely,  

James F. Bennett  
Program Manager  
Office of Renewable Energy Programs  

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

OMG Control No. 1010-0176
Expiration Date: 4/30/16

OUTER CONTINENTAL SHELF (OCS) RENEWABLE ENERGY LEASE OR GRANT
DESIGNATION OF OPERATOR

The lessee or grantee identified below is, on the records of the Bureau of Ocean Energy Management, a holder of the
following lease or grant (check box and enter number):

☒ Lease Number: OCS-A 0497  ☐ Grant Number:

Regional BOEM Office: Atlantic OCS Region
and hereby designates:

Name: Virginia Electric and Power Company
Address: 120 Tredegar Street
Richmond, VA 23219

15042
Company Number of
Designated Operator

as the operator and local agent (designated operator) with full authority to act on the lessee's or grantee's behalf to
perform activities to comply with the OCS Lands Act, terms of the lease or grant, and applicable regulations. The
designated operator agrees to comply with all terms and conditions of the lease or grant and regulations governing these
activities and may be held liable and subject to penalties for its failure to comply during the time it was operator,
notwithstanding its subsequent resignation. The Regional Supervisor or his representative may serve the designated
operator written or oral instructions in securing compliance with the applicable regulations. This designation of operator
is made with respect to the block(s) and/or sublot(s) described in Exhibit “A” attached hereto and made a part hereof.

It is understood that this designation of operator does not relieve the lessee or grantee of responsibility for compliance
with the terms of the lease, grant, lease, and applicable regulations. It is also understood that this designation of operator
does not constitute an assignment of any interest in the lease or grant. In case of default on the part of the designated
operator, the lessee or grantee will make full and prompt compliance with all regulations, lease terms, or orders of the
Secretary of the Interior or his representative. If there is a change in the designated operator, the lessee or grantee must
provide written notice to the Regional Supervisor and identify the new designated operator within 72 hours. The lessee
or grantee is the operator and responsible for compliance until BOEM approves designation of the new operator. The
designated operator shall comply with the Department of the Interior's nonprocurement debarment and suspension
regulations as required by 2 CFR Part 1400 and shall communicate the requirement to comply with these regulations to
persons with whom it does business related to this designation by including this term in its contracts and transactions.

15014
Commonwealth of Virginia, Department of Mines, Minerals
Name of Lessee or Grantee
and Energy

3/19/2015
Date

Authorized Signatory of Lessee or Grantee

Conrad T. Spencer, Ill. Director, Virginia Dept. of Mines,
Minerals and Energy

Name and title typed or printed

Mark D. Mitchell, Vice President, Generation Construction,
Virginia Electric and Power Company

3/13/2015
Date

Authorized Signatory of Designated Operator

FORM BOEM-0006 (April 2013) Previous Editions are Obsolete.
EXHIBIT "A"

OUTER CONTINENTAL SHELF (OCS)
RENEWABLE ENERGY LEASE OR GRANT
DESIGNATION OF OPERATOR

Lease Number: OCS-A 0497
or
Grant Number: __________

The designation of Operator is made with respect to the following described block(s) and/or aliquot part(s) of the referenced lease or grant:

<table>
<thead>
<tr>
<th>Area Name or Protraction Diagram</th>
<th>Block</th>
<th>Subdivision or Aliquot Part (If entire block, enter &quot;All&quot;)</th>
</tr>
</thead>
<tbody>
<tr>
<td>NJ 18-11</td>
<td>6001</td>
<td>SE 1/4 of NE 1/4</td>
</tr>
<tr>
<td>NJ 18-11</td>
<td>6081</td>
<td>E 1/2 of SE 1/4</td>
</tr>
<tr>
<td>NJ 18-11</td>
<td>6111</td>
<td>E 1/2 of NE 1/4</td>
</tr>
<tr>
<td>NJ 18-11</td>
<td>6111</td>
<td>NE 1/4 of SE 1/4</td>
</tr>
</tbody>
</table>