

In Reply Refer To: GE 432A

May 22, 2014

Mr. John Hoffman
President and CEO
Black Elk Energy Offshore Operations, LLC
11451 Katy Freeway, Suite 500
Houston, Texas 77079

Re: Performance Improvement Plan – Status Update

Dear Mr. Hoffman:

On November 21, 2012, the Bureau of Safety and Environmental Enforcement (BSEE) provided notice pursuant to 30 CFR 250.135, that based on its operating performance, Black Elk Energy Offshore Operators, LLC (Black Elk) must take immediate steps to improve its compliance with all applicable regulations. BSEE has reviewed actions taken by Black Elk since the November notification and determined that Black Elk has met the requirements of its Performance Improvement Plan.

Specifically, Black Elk has met each instruction by:

1. Providing BSEE documentation of the appropriate corrective actions taken to safely return each of the Black Elk shut-in facilities into operational status to BSEE's satisfaction.
2. Notifying BSEE at least 48 hours prior to returning the Black Elk shut-in facilities to production to allow for the proper BSEE inspection.
3. Notifying BSEE of all hot work operations and conducting hot work operations as approved. Black Elk also has a safety manager in place whose responsibility it is to improve hazard identification, training, and oversight.
4. Completing all SEMS requirements.
5. Completing identified items on its task list which addressed the categories of oversight, hazard recognition, compliance, reduction of Incidents of Noncompliance, and Stop Work Authority. Black Elk should notify the Lake Charles District upon completion of the Vermilion Block 369 A platform blasting and painting operations, the last remaining task list item.

Since the tragic events of November 16, 2012, BSEE recognizes that Black Elk has made safety improvements and has implemented changes to its oversight processes including the specific terms of the performance improvement plan. These improvements must be continue to be meaningfully implemented across all Black Elk operations to foster a robust safety culture and a continuous effort to reduce risks inherent in all operations as required by statute and regulation.

BSEE will continue regular inspections of Black Elk facilities and conduct compliance follow-up inspections to confirm correction of Incidents of Noncompliance issued since the beginning of 2014.

Should you have additional questions, contact Mr. Glynn Breaux, Chief of the Office of Safety Management, at (504) 736-2560.

Sincerely,

Orig. Sgd. Lars Herbst

Lars Herbst
Regional Director