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In Reply Refer To: GE 1073E

April 14, 2016

FEDERAL EXPRESS No. 8085 0855 6232

Mr. Robert Wichert
Whistler Energy II, LLC
3200 Southwest Freeway # 2050
Houston, Texas 77027

Re: Performance Improvement Plan – Whistler Energy II, LLC

Dear Mr. Wichert:

This letter is to notify you that the Bureau of Safety and Environmental Enforcement (BSEE) has determined that the operating performance and compliance with federal regulations by Whistler Energy II, LLC (Whistler) must be improved immediately. This letter provides notice pursuant to 30 CFR 250.135 that unless immediate steps are taken to improve compliance with all applicable regulations, Whistler's performance will be deemed unacceptable. Failure to improve overall performance will subject Whistler to additional enforcement actions including possible referral to the Bureau of Ocean Energy Management (BOEM) to revoke Whistler's status as an operator on all of its existing facilities.

By letter dated March 30, 2016, Whistler provided BSEE a Performance Improvement Plan (PIP) which proposed six steps to implement immediately surrounding site leadership, oversight, investigations, job safety analysis, employee participation, and safety meetings. In addition to the terms that Whistler proposed, you must demonstrate how Whistler will improve and maintain performance to avoid a referral to BOEM by addressing the following:

1. Demonstrate how Whistler will ensure production and well operations at Green Canyon Block 18 Platform A (GC 18 A) are conducted in a safe and pollution free manner;
2. Demonstrate how Whistler will improve their oversight of all production and well operations associated with GC 18 A;
3. Demonstrate how Whistler will ensure all contractors conducting production and well operations on their facility are knowledgeable, competent, and working in a safe and workman like manner;
4. Demonstrate that a Hazard Recognition Program has been developed and initiated for all personnel associated with operations at GC 18 A;

5. Explain how Whistler will verify all personnel on their facility are competent in identifying risk(s), conducting Job Safety Analysis or Work Permits to mitigate risk(s), and ensuring procedures are followed;
6. Demonstrate how Whistler will enhance their well operations compliance record to a lower INC-to-Inspection ratio than the industry average;
7. Demonstrate that all existing Contractor bridging documents have been reviewed and updated where necessary;
8. Demonstrate that an independent third party evaluation on your drilling contractor, Nabors Offshore Drilling, has been performed and that deficiencies for operations at GC 18 A have been corrected; and,
9. Demonstrate that procedures have been established to submit IADC daily drilling reports to the BSEE District office for well operations at GC 18 A.

Whistler is instructed to ensure the Houma District office is notified 24 hours prior to Whistler returning to production at GC 18A, to allow BSEE inspectors the ability to conduct an inspection.

Whistler is also instructed to ensure BSEE district offices are notified 24 hours prior to Whistler commencing rig activity work, to allow BSEE inspectors the ability to conduct an inspection and ensure the facility is in a safe and workmanlike status.

The conditions outlined in this letter are a result of troubling safety incident and compliance concerns involving operations at the Green Canyon 18 A Platform. Whistler's compliance record for well operations utilizing the Nabors' MODS 201 is not at an acceptable level.

Until further notice by BSEE, in the event that Whistler becomes a designated operator on any other leases, those additional leases shall be subject to the terms of this letter.

You must submit your revised PIP to BSEE within 30 days after receipt to this letter. Each proposed task to improve Whistler's performance must have the name and job title of the personnel responsible for oversight and a completion target date. Future meetings to address the status of the PIP will be scheduled as needed. Following the conclusion of BSEE's investigation into the incident, the PIP may also be subject to revision. Should you require further assistance, don't hesitate to contact Jason Mathews within the Office of Safety Management at (504) 731-1496. Alternatively, you can contact Stephen Kovacs in the Office of Enforcement at (504) 731-7857.

Sincerely,

Orig. Sgd. Lars Herbst

Lars Herbst
Regional Director