

BUREAU OF SAFETY AND ENVIRONMENTAL ENFORCEMENT WASHINGTON. DC 20240-0001

November 16, 2013

Steve Maley Operations Manager Badger Oil Corporation 3861 Ambassador Caffery Parkway Lafayette, Louisiana 70503

Dear Mr. Maley:

According to Bureau of Safety and Environmental Enforcement (BSEE) records, Badger Oil Corporation is a designated operator of one or more facilities on the Outer Continental Shelf. Pursuant to BSEE regulations at 30 CFR §250.1900, Badger Oil Corporation was required to develop, implement and maintain a safety and environmental management system (SEMS) by no later than November 15, 2011. You were required to submit a SEMS audit plan to BSEE at least 30 days prior to conducting an audit and required to conduct an audit by the November 15, 2013 deadline in accordance with 30 CFR §250.1920.

As of November 15, 2013, Badger Oil Corporation has failed to complete an audit of its SEMS in violation of 30 CFR §250.1920. As such:

- (1) You are hereby notified that Badger Oil Corporation is in violation of 30 CFR §250.1920 and that BSEE will take other enforcement measures, as appropriate, including the assessment of civil penalties for each day of non-compliance. You have the right to appeal this notice of violation in accordance with 30 CFR Part 290. You must file your appeal with the Office of the Director, however, the filing of an appeal will not suspend the requirement to comply with this notification;
- (2) You must immediately provide BSEE with a copy of your SEMS program;
- (3) Within five business days of the date of this letter, the Chief Executive Officer of Badger Oil Corporation must certify that Badger Oil Corporation has, since November 15, 2011, been operating in accordance with its SEMS program. The certification should include the statement that "I understand that the submission of false statements to the United States is a criminal offense under 18 U.S.C. Section 1001"; and,
- (4) You must complete your SEMS audit without further delay.

If you fail to complete your audit on, or before, the date stated in your audit plan (November 27, 2013), BSEE will take further enforcement action, including suspension of offshore operations. If you have questions, please contact Doug Morris at (202) 208-3974.

Sincerely.

Brian M. Salerno Director



BUREAU OF SAFETY AND ENVIRONMENTAL ENFORCEMENT WASHINGTON, DC 20240-0001

November 17, 2013

C. Wiley Conn Conn Energy Incorporated 5 Sanctuary Boulevard, Suite 201 Mandeville, Louisiana 70471

Dear Mr. Conn:

According to Bureau of Safety and Environmental Enforcement (BSEE) records, Conn Energy Incorporated (Conn) is a designated operator of one or more facilities on the Outer Continental Shelf. Pursuant to BSEE regulations at 30 CFR §250.1900, Conn was required to develop, implement and maintain a safety and environmental management system (SEMS) by no later than November 15, 2011. You were required to submit a SEMS audit plan to BSEE at least 30 days prior to conducting an audit and required to conduct an audit by the November 15, 2013 deadline in accordance with 30 CFR §250.1920.

As of November 15, 2013, Conn has failed to complete an audit of its SEMS in violation of 30 CFR §250.1920. As such:

- (1) You are hereby notified that Conn is out of compliance with 30 CFR §250.1920 and that BSEE will take other enforcement measures, as appropriate, including the assessment of civil penalties for each day of non-compliance. You have the right to appeal this notice of violation in accordance with 30 CFR Part 290. You must file your appeal with the Office of the Director, however, the filing of an appeal will not suspend the requirement to comply with this notification;
- (2) You must immediately provide BSEE with a copy of your SEMS program;
- (3) Within five business days of the date of this letter, the Chief Executive Officer of Conn must certify that Conn has, since November 15, 2011, been operating in accordance with its SEMS program. The certification should include the statement that "I understand that the submission of false statements to the United States is a criminal offense under 18 U.S.C. Section 1001"; and,
- (4) You must submit a revised audit plan that specifies a date for audit completion, the names and qualifications of your audit team, and continue your SEMS audit without further delay.

If you fail to complete your audit on, or before, the date stated in your audit plan, BSEE will take further enforcement action, including suspension of offshore operations. If you have questions, please contact Doug Morris at (202) 208-3974.

Sincerely

Brian M. Salerno Director



BUREAU OF SAFETY AND ENVIRONMENTAL ENFORCEMENT WASHINGTON, DC 20240-0001

November 17, 2013

Mark Buddell GoMex Energy Offshore Ltd. 1776 Woodstead Court Suite 222 The Woodlands, Texas 77380

Dear Mr. Buddell:

According to Bureau of Safety and Environmental Enforcement (BSEE) records, GoMex Energy Offshore (GoMex) is a designated operator of one or more facilities on the Outer Continental Shelf. Pursuant to BSEE regulations at 30 CFR §250.1900, GoMex was required to develop, implement and maintain a safety and environmental management system (SEMS) by no later than November 15, 2011. You were required to submit a SEMS audit plan to BSEE at least 30 days prior to conducting an audit and required to conduct an audit by the November 15, 2013 deadline in accordance with 30 CFR §250.1920.

As of November 15, 2013, GoMex has failed to complete an audit of its SEMS in violation of 30 CFR §250.1920. As such:

- You are hereby notified that GoMex is out of compliance with 30 CFR §250.1920 and that BSEE will take other enforcement measures, as appropriate, including the assessment of civil penalties for each day of non-compliance. You have the right to appeal this notice of violation in accordance with 30 CFR Part 290. You must file your appeal with the Office of the Director, however, the filing of an appeal will not suspend the requirement to comply with this notification;
- (2) You must immediately provide BSEE with a copy of your SEMS program;
- (3) Within five business days of the date of this letter, the Chief Executive Officer of GoMex must certify that GoMex has, since November 15, 2011, been operating in accordance with its SEMS program. The certification should include the statement that "I understand that the submission of false statements to the United States is a criminal offense under 18 U.S.C. Section 1001"; and,
- (4) You must continue your SEMS audit without further delay.

If you fail to complete your audit on, or before, the date stated in your audit plan (December 10, 2013), BSEE will take further enforcement action, including suspension of offshore operations. If you have questions, please contact Doug Morris at (202) 208-3974.

Sincerely

Brian M. Salerno Director



BUREAU OF SAFETY AND ENVIRONMENTAL ENFORCEMENT WASHINGTON, DC 20240-0001

November 16, 2013

Tom Farmer Legacy Resources Co., L.P. 2229 West Willow St. Scott, LA 70583

Dear Mr. Farmer:

According to Bureau of Safety and Environmental Enforcement (BSEE) records, Legacy Resources Co., L.P. (Legacy) is a designated operator of one or more facilities on the Outer Continental Shelf. Pursuant to BSEE regulations at 30 CFR §250.1900, Legacy was required to develop, implement and maintain a safety and environmental management system (SEMS) by no later than November 15, 2011. You were required to submit a SEMS audit plan to BSEE at least 30 days prior to conducting an audit and required to conduct an audit by the November 15, 2013 deadline in accordance with 30 CFR §250.1920.

As of November 15, 2013, Legacy has failed to complete an audit of its SEMS in violation of 30 CFR §250.1920. As such:

- (1) You are hereby notified that Legacy is in violation of 30 CFR §250.1920 and that BSEE will take other enforcement measures, as appropriate, including the assessment of civil penalties for each day of noncompliance. You have the right to appeal this notice of violation in accordance with 30 CFR Part 290. You must file your appeal with the Office of the Director, however, the filing of an appeal will not suspend the requirement to comply with this notification;
- (2) You must immediately provide BSEE with a copy of your SEMS program;
- (3) Within five business days of the date of this letter, the Chief Executive Officer of Legacy must certify that Legacy has, since November 15, 2011, been operating in accordance with its SEMS program. The certification should include the statement that "I understand that the submission of false statements to the United States is a criminal offense under 18 U.S.C. Section 1001"; and,
- (4) You must complete your SEMS audit without further delay.

If you fail to complete your audit on, or before, the date stated in your audit plan (December 23, 2013), BSEE will take further enforcement action, including suspension of offshore operations. If you have questions, please contact Doug Morris at (202) 208-3974.

Sincerely.

Brian M. Salerno Director



BUREAU OF SAFETY AND ENVIRONMENTAL ENFORCEMENT WASHINGTON, DC 20240-0001

November 17, 2013

Mr. Benji Smith President Monforte Exploration L.L.C. 3200 Southwest Freeway, Suite 3300 Houston, Texas 77027

Dear Mr. Smith:

According to Bureau of Safety and Environmental Enforcement (BSEE) records, Monforte Exploration L.L.C. (Monforte) is a designated operator of one or more facilities on the Outer Continental Shelf. Pursuant to BSEE regulations at 30 CFR §250.1900, Monforte was required to develop, implement and maintain a safety and environmental management system (SEMS) by no later than November 15, 2011. You were required to submit a SEMS audit plan to BSEE at least 30 days prior to conducting an audit and required to conduct an audit by the November 15, 2013 deadline in accordance with 30 CFR §250.1920.

As of November 15, 2013, Monforte has failed to complete an audit of its SEMS, in violation of 30 CFR §250.1920. As such:

- You are hereby notified that Monforte is out of compliance with 30 CFR §250.1920 and that BSEE will take other enforcement measures, as appropriate, including the assessment of civil penalties for each day of non-compliance. You have the right to appeal this notice of violation in accordance with 30 CFR Part 290. You must file your appeal with the Office of the Director, however, the filing of an appeal will not suspend the requirement to comply with this notification;
- (2) You must immediately provide BSEE with a copy of your SEMS program;
- (3) Within five business days of the date of this letter, the Chief Executive Officer of Monforte must certify that Monforte has, since November 15, 2011, been operating in accordance with its SEMS program. The certification should include the statement that "I understand that the submission of false statements to the United States is a criminal offense under 18 U.S.C. Section 1001"; and,
- (4) You must submit a revised audit plan that specifies a date for audit completion, the names and qualifications of your audit team, and continue your SEMS audit without further delay.

If you fail to complete your audit on, or before, the date stated in your audit plan, BSEE will take further enforcement action, including suspension of offshore operations. If you have questions, please contact Doug Morris at (202) 208-3974.

Sincerely

Brian M. Salerno Director



BUREAU OF SAFETY AND ENVIRONMENTAL ENFORCEMENT WASHINGTON, DC 20240-0001

November 16, 2013

Kim Carrier Petsec Energy 600 East Pinhook Lafayette, Louisiana 70501

Dear Ms. Carrier:

According to Bureau of Safety and Environmental Enforcement (BSEE) records, Petsec Energy (Petsec) is a designated operator of one or more facilities on the Outer Continental Shelf. Pursuant to BSEE regulations at 30 CFR §250.1900, Petsec was required to develop, implement and maintain a safety and environmental management system (SEMS) by no later than November 15, 2011. You were required to submit a SEMS audit plan to BSEE at least 30 days prior to conducting an audit and required to conduct an audit by the November 15, 2013 deadline in accordance with 30 CFR §250.1920.

As of November 15, 2013, Petsec has failed to complete an audit of its SEMS in violation of 30 CFR §250.1920. As such:

- (1) You are hereby notified that Petsec is in violation of 30 CFR §250.1920 and that BSEE will take other enforcement measures, as appropriate, including the assessment of civil penalties for each day of noncompliance. You have the right to appeal this notice of violation in accordance with 30 CFR Part 290. You must file your appeal with the Office of the Director, however, the filing of an appeal will not suspend the requirement to comply with this notification;
- (2) You must immediately provide BSEE with a copy of your SEMS program;
- (3) Within five business days of the date of this letter, the Chief Executive Officer of Petsec must certify that Petsec has, since November 15, 2011, been operating in accordance with its SEMS program. The certification should include the statement that "I understand that the submission of false statements to the United States is a criminal offense under 18 U.S.C. Section 1001"; and,
- (4) You must complete your SEMS audit without further delay.

If you fail to complete your audit on, or before, the date stated in your audit plan (November 25, 2013), BSEE will take further enforcement action, including suspension of offshore operations. If you have questions, please contact Doug Morris at (202) 208-3974.

Sincerely,

Brian M. Salerno Director



BUREAU OF SAFETY AND ENVIRONMENTAL ENFORCEMENT WASHINGTON, DC 20240-0001

November 16, 2013

Pat McInturff Tengasco, Inc. 1706 Seamist Drive, Suite 590 Houston, TX 77008

Dear Mr. McInturff:

According to Bureau of Safety and Environmental Enforcement (BSEE) records, Tengasco, Inc. (Tengasco) is a designated operator of one or more facilities on the Outer Continental Shelf. Pursuant to BSEE regulations at 30 CFR §250.1900, Tengasco was required to develop, implement and maintain a safety and environmental management system (SEMS) by no later than November 15, 2011. You were required to submit a SEMS audit plan to BSEE at least 30 days prior to conducting an audit and required to conduct an audit by the November 15, 2013 deadline in accordance with 30 CFR §250.1920.

As of November 15, 2013, Tengasco has failed to complete an audit of its SEMS in violation of 30 CFR §250.1920. As such:

- (1) You are hereby notified that Tengasco is in violation of 30 CFR §250.1920 and that BSEE will take other enforcement measures, as appropriate, including the assessment of civil penalties for each day of noncompliance. You have the right to appeal this notice of violation in accordance with 30 CFR Part 290. You must file your appeal with the Office of the Director, however, the filing of an appeal will not suspend the requirement to comply with this notification;
- (2) You must immediately provide BSEE with a copy of your SEMS program;
- (3) Within five business days of the date of this letter, the Chief Executive Officer of Tengasco must certify that Tengasco has, since November 15, 2011, been operating in accordance with its SEMS program. The certification should include the statement that "I understand that the submission of false statements to the United States is a criminal offense under 18 U.S.C. Section 1001"; and,
- (4) You must complete your SEMS audit without further delay.

If you fail to complete your audit on, or before, the date stated in your audit plan (December 20, 2013), BSEE will take further enforcement actions, including suspension of offshore operations. If you have questions, please contact Doug Morris at (202) 208-3974.

Sincerely.

Brian M. Salerno Director



BUREAU OF SAFETY AND ENVIRONMENTAL ENFORCEMENT WASHINGTON, DC 20240-0001

November 16, 2013

Mr. Brian Donnelly Breton Energy, LLC 1331 Lamar, Suite 670 Houston, TX 77010

Dear Mr. Donnelly:

According to Bureau of Safety and Environmental Enforcement (BSEE) records, Breton Energy, LLC (Breton) is a designated operator of one or more facilities operating on the Outer Continental Shelf (OCS). In accordance with BSEE regulations at 30 CFR Part 250, Subpart S, you were required to develop and implement a Safety and Environmental Management System (SEMS) by November 15, 2011 and complete an audit of that system no later than November 15, 2013.

As of November 15, 2013, Breton failed to demonstrate that it has a SEMS program that meets the requirements of Subpart S. In accordance with 30 CFR §250.173(a), a Suspension of Operations (SOO) and Suspension of Production (SOP) are hereby directed for all Breton operated facilities, beginning November 18, 2013, and lasting until BSEE determines that all SEMS regulatory obligations have been addressed in a manner acceptable to BSEE. The November 18, 2013, date provides time for the safe and orderly shut-in of OCS activities. The SOO and SOP will not be lifted until Breton provides evidence of compliance with all SEMS program requirements.

While under this directed SOO and SOP, all Breton facilities are to remain shut-in, production and all other leaseholding operations are prohibited until BSEE notifies you in writing that this directed SOO and SOP are no longer in effect. This SOO and SOP does not relieve Breton of its obligation to perform all decommissioning actions in accordance with 30 CFR §250.1700-250.1754, or otherwise comply with all applicable permit, lease, and regulatory requirements.

Sincerely,

Brian M. Salerno Director



BUREAU OF SAFETY AND ENVIRONMENTAL ENFORCEMENT WASHINGTON, DC 20240-0001

November 16, 2013

Mr. Michael Frampton EP Energy 1001 Louisiana Street Houston, TX 77002

Dear Mr. Frampton:

According to Bureau of Safety and Environmental Enforcement (BSEE) records, EP Energy is a designated operator of one or more facilities operating on the Outer Continental Shelf (OCS). In accordance with BSEE regulations at 30 CFR Part 250, Subpart S, you were required to develop and implement a Safety and Environmental Management System (SEMS) by November 15, 2011 and complete an audit of that system no later than November 15, 2013.

As of November 15, 2013, EP Energy failed to demonstrate that it has a SEMS program that meets the requirements of Subpart S. In accordance with 30 CFR §250.173(a), a Suspension of Operations (SOO) and Suspension of Production (SOP) are hereby directed for all EP Energy operated facilities, beginning November 18, 2013, and lasting until BSEE determines that all SEMS regulatory obligations have been addressed in a manner acceptable to BSEE. The November 18, 2013, date provides time for the safe and orderly shut-in of OCS activities. The SOO and SOP will not be lifted until EP Energy provides evidence of compliance with all SEMS program requirements.

While under this directed SOO and SOP, all EP Energy facilities are to remain shut-in, production and all other leaseholding operations are prohibited until BSEE notifies you in writing that this directed SOO and SOP are no longer in effect. This SOO and SOP does not relieve EP Energy of its obligation to perform all decommissioning actions in accordance with 30 CFR §250.1700-250.1754, or otherwise comply with all applicable permit, lease, and regulatory requirements.

Sincerely,

Brian M. Salerno Director



BUREAU OF SAFETY AND ENVIRONMENTAL ENFORCEMENT WASHINGTON, DC 20240-0001

November 16, 2013

Mr. Gerald H. Schiff Trustee for Virgin Offshore USA 400 East Kaliste Saloom Road, Suite 4200 Lafayette, LA 70508-8517

Dear Mr. Schiff:

According to Bureau of Safety and Environmental Enforcement (BSEE) records, Virgin Offshore USA (Virgin) is a designated operator of one or more facilities operating on the Outer Continental Shelf (OCS). In accordance with BSEE regulations at 30 CFR Part 250, Subpart S, Virgin was required to develop and implement a Safety and Environmental Management System (SEMS) by November 15, 2011 and complete an audit of that system no later than November 15, 2013.

As of November 15, 2013, Virgin failed to demonstrate that it has a SEMS program that meets the requirements of Subpart S. In accordance with 30 CFR §250.173(a), a Suspension of Operations (SOO) and Suspension of Production (SOP) are hereby directed for all Virgin operated facilities, beginning November 18, 2013, and lasting until BSEE determines that all SEMS regulatory obligations have been addressed in a manner acceptable to BSEE. The November 18, 2013, date provides time for the safe and orderly shut-in of OCS activities. The SOO and SOP will not be lifted until Virgin provides evidence of compliance with all SEMS program requirements.

While under this directed SOO and SOP, all Virgin facilities are to remain shut-in, production and all other leaseholding operations are prohibited until BSEE notifies you in writing that this directed SOO and SOP are no longer in effect. This SOO and SOP does not relieve Virgin of its obligation to perform all decommissioning actions in accordance with 30 CFR §250.1700-250.1754, or otherwise comply with all applicable permit, lease, and regulatory requirements.

Sincerely,

Brian M. Salerno Director



BUREAU OF SAFETY AND ENVIRONMENTAL ENFORCEMENT WASHINGTON, DC 20240-0001

November 16, 2013

Mr. Jerry Vaughn Matagorda Island Gas Operations, LLC 1020 Davis Drive Morgan City, LA 70380

Dear Mr. Vaughn:

According to Bureau of Safety and Environmental Enforcement (BSEE) records, Matagorda Island Gas Operations, LLC (MIGO) is a designated operator of one or more facilities operating on the Outer Continental Shelf (OCS). In accordance with BSEE regulations at 30 CFR Part 250, Subpart S, you were required to develop and implement a Safety and Environmental Management System (SEMS) by November 15, 2011 and complete an audit of that system no later than November 15, 2013.

As of November 15, 2013, MIGO failed to demonstrate that it has a SEMS program that meets the requirements of Subpart S. In accordance with 30 CFR §250.173(a), a Suspension of Operations (SOO) and Suspension of Production (SOP) are hereby directed for all MIGO operated facilities, beginning November 18, 2013, and lasting until BSEE determines that all SEMS regulatory obligations have been addressed in a manner acceptable to BSEE. The November 18, 2013, date provides time for the safe and orderly shut-in of OCS activities. The SOO and SOP will not be lifted until MIGO provides evidence of compliance with all SEMS program requirements.

While under this directed SOO and SOP, all MIGO facilities are to remain shut-in, production and all other leaseholding operations are prohibited until BSEE notifies you in writing that this directed SOO and SOP are no longer in effect. This SOO and SOP does not relieve MIGO of its obligation to perform all decommissioning actions in accordance with 30 CFR §250.1700-250.1754, or otherwise comply with all applicable permit, lease, and regulatory requirements.

Sincerely,

Brian M. Salerno Director



BUREAU OF SAFETY AND ENVIRONMENTAL ENFORCEMENT WASHINGTON, DC 20240-0001

November 16, 2013

Mr. David Pickard, CSP EHS & Regulatory Manager XTO Energy Inc. One Riverway, Suite 700 Houston, Texas 77056

Dear Mr. Pickard:

According to Bureau of Safety and Environmental Enforcement (BSEE) records, XTO Offshore, Inc. (XTO) is a designated operator of one or more facilities operating on the Outer Continental Shelf (OCS). In accordance with BSEE regulations at 30 CFR Part 250, Subpart S, you were required to develop and implement a Safety and Environmental Management System (SEMS) by November 15, 2011 and complete an audit of that system no later than November 15, 2013.

As of November 15, 2013, XTO failed to demonstrate that it has a SEMS program that meets the requirements of Subpart S. In accordance with 30 CFR §250.173(a), a Suspension of Operations (SOO) and Suspension of Production (SOP) are hereby directed for all XTO operated facilities, beginning November 18, 2013, and lasting until BSEE determines that all SEMS regulatory obligations have been addressed in a manner acceptable to BSEE. The November 18, 2013, date provides time for the safe and orderly shut-in of OCS activities. The SOO and SOP will not be lifted until XTO provides evidence of compliance with all SEMS program requirements.

While under this directed SOO and SOP, all XTO facilities are to remain shut-in, production and all other leaseholding operations are prohibited until BSEE notifies you in writing that this directed SOO and SOP are no longer in effect. This SOO and SOP does not relieve XTO of its obligation to perform all decommissioning actions in accordance with 30 CFR §250.1700-250.1754, or otherwise comply with all applicable permit, lease, and regulatory requirements.

Sincerely.

Brian M. Salerno Director