UNITED STATES DEPARTMENT OF THE INTERIOR MINERALS MANAGEMENT SERVICE GULF OF MEXICO REGION

ACCIDENT INVESTIGATION REPORT

| 1. | OCCURRED DATE: 05-JUL-2007 TIME: 2100 HOURS | STRUCTURAL DAMAGE CRANE |
|----|--|---|
| 2. | OPERATOR: Apache Corporation REPRESENTATIVE: Gary Wetzel TELEPHONE: (337) 354-8130 CONTRACTOR: REPRESENTATIVE: TELEPHONE: | OTHER LIFTING DEVICE DAMAGED/DISABLED SAFETY SYS. INCIDENT >\$25K H2S/15MIN./20PPM REQUIRED MUSTER SHUTDOWN FROM GAS RELEASE X OTHER Flash fire with two injured. |
| 3. | OPERATOR/CONTRACTOR REPRESENTATIVE/SUPERVISOR ON SITE AT TIME OF INCIDENT: | 6. OPERATION: |
| | LEASE: G01220 AREA: EI LATITUDE: BLOCK: 158 LONGITUDE: | PRODUCTION DRILLING WORKOVER COMPLETION HELICOPTER MOTOR VESSEL |
| 5. | PLATFORM: C RIG NAME: | PIPELINE SEGMENT NO. X OTHER Gas Compressor Repairs |
| | ACTIVITY: EXPLORATION (POE) X DEVELOPMENT/PRODUCTION (DOCD/POD) TYPE: HISTORIC INJURY REQUIRED EVACUATION LTA (1-3 days) LTA (>3 days RW/JT (1-3 days) RW/JT (>3 days) | 8. CAUSE: EQUIPMENT FAILURE HUMAN ERROR EXTERNAL DAMAGE SLIP/TRIP/FALL WEATHER RELATED X LEAK UPSET H20 TREATING OVERBOARD DRILLING FLUID X OTHER Leaking SDV |
| | X Other Injury 2 Multiple flash burns POLLUTION X FIRE EXPLOSION | 9. WATER DEPTH: 83 FT. 10. DISTANCE FROM SHORE: 40 MI. |
| | LWC HISTORIC BLOWOUT UNDERGROUND SURFACE DEVERTER SURFACE EQUIPMENT FAILURE OR PROCEDURES | 11. WIND DIRECTION: SE SPEED: 1 M.P.H. 12. CURRENT DIRECTION: W SPEED: 1 M.P.H. |
| | COLLISION THISTORIC T>\$25K T <=\$25K | 13. SEA STATE: FT. |

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17. DESCRIBE IN SEQUENCE HOW ACCIDENT HAPPENED:

On July 5, 2007 at approximately 2100 hours, a flash fire occurred in the low pressure (LP) compressor building on the Eugene Island Block 158 Platform C. The fire resulted in multiple flash burns to the hands, arms and faces of two (2) Island Operating contract operators. Both were treated onsite by the Field Medic and evacuated for medical treatment to the Lafayette General Hospital. Several contract employees were in the process of removing the suction valve cap on the 3rd state cylinder of the LP compressor when trapped gas forced the cap to pop off and release gas into the compressor building. A flash fire occurred in the compressor building approximately 30 seconds after the release.

18. LIST THE PROBABLE CAUSE(S) OF ACCIDENT:

Gas sources that had been blocked and isolated from flow to the low pressure gas compressor 1st stage suction scrubber apparently leaked through the closed automatic shut down valve (SDV) and closed manual block valve to the 3rd stage cylinder and into the compressor building.

19. LIST THE CONTRIBUTING CAUSE(S) OF ACCIDENT:

The source of ignition may have been the high surface temperature of the compressor exhaust manifold system. All electrical connections and junction boxes in the area of the compressor were inspected to verify that the integrity of the electrical system had not been compromised.

20. LIST THE ADDITIONAL INFORMATION:

- Attachment 1 Apache Corporation Gas Detection Calibration report (compressor building) dated 7/6/07.
- Attachment 2 Labor ticket from Delta Safety Systems for the calibration of the compressor building gas detectors.
- Attachment 3 Apache Corporation Incident/Accident report dated 7/7/07.
- Attachment 4 Apache Corporation Job Safety Analysis (JSA) dated 7/5/07.
- Attachment 5 Island Operating Company Witness Statement.
- Attachment 6 Pictures taken by onsite inspectors on 7/10/07.
- Attachment 7 Apache Corporation Final Accident Investigation report dated 8/6/07.

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21. PROPERTY DAMAGED:

NATURE OF DAMAGE:

1-Plastic label sign attached to vessel

1-Melted from heat

2-Fusible plugs (TSE)

2-Melted from heat

ESTIMATED AMOUNT (TOTAL):

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22. RECOMMENDATIONS TO PREVENT RECURRANCE NARRATIVE:

The MMS Lafayette District has no recommendations to the MMS Office of Safety Management.

- 23. POSSIBLE OCS VIOLATIONS RELATED TO ACCIDENT: NO
- 24. SPECIFY VIOLATIONS DIRECTLY OR INDIRECTLY CONTRIBUTING. NARRATIVE:

No violations sited as a result of this investigation.

25. DATE OF ONSITE INVESTIGATION:

10-JUL-2007

26. ONSITE TEAM MEMBERS:

Tom Basey / Jason Abshire / Leo Dartez /

29. ACCIDENT INVESTIGATION PANEL FORMED: NO

OCS REPORT:

30. DISTRICT SUPERVISOR:

Elliott S. Smith

APPROVED

DATE: 09-AUG-2007

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FIRE/EXPLOSION ATTACHMENT

| 1. | SOURCE OF IC | GNITION: P | ossibly | the | compresso | or's ex | haust | manifold | system |
|----|--------------|-------------|------------|------|-----------|---------|--------|----------|--------|
| 2. | TYPE OF FUE | L: x | GAS OIL | | | | | | |
| | | | DIESEL | | | | | | |
| | | | CONDEN | SATE | | | | | |
| | | | HYDRAU | LIC | | | | | |
| | | | OTHER | | | | | | |
| 3. | FUEL SOURCE | : Leaking | inlet : | Shut | Down Valv | re (SDV | 7) | | |
| 4. | WERE PRECAU. | | | | | | ? YES | | |
| 5. | TYPE OF FIRE | EFIGHTING 1 | EQUIPMEN | T UT | ILIZED: x | HANI | DHELD | | |
| | | | | | | WHEE | LED U | NIT | |
| | | | | | | FIXE | ED CHE | MICAL | |
| | | | | | L | FIXE | D WATE | ΞR | |
| | | | | | | NONE | E | | |
| | | | | | | OTHE | R | | |

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INJURY/FATALITY/WITNESS ATTACHMENT

| OPERATOR REPRESENTATIVE CONTRACTOR REPRESENTATIVE OTHER | x INJURY FATALITY WITNESS | | |
|---|-----------------------------------|-----|----|
| NAME: HOME ADDRESS: CITY: WORK PHONE: EMPLOYED BY: | STATE: TOTAL OFFSHORE EXPERIENCE: | 7 | YE |
| BUSINESS ADDRESS: CITY: ZIP CODE: | STATE: | | |
| | | | |
| OPERATOR REPRESENTATIVE CONTRACTOR REPRESENTATIVE OTHER | x INJURY FATALITY WITNESS | | |
| X CONTRACTOR REPRESENTATIVE | FATALITY | 1.5 | YE |

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INJURY/FATALITY/WITNESS ATTACHMENT

| FATALITY x WITNESS | |
|-----------------------------------|--|
| STATE: TOTAL OFFSHORE EXPERIENCE: | .6 YEARS |
| STATE: | |
| INJURY FATALITY WITNESS | |
| STATE: TOTAL OFFSHORE EXPERIENCE: | .1 YEAR |
| | |
| | STATE: TOTAL OFFSHORE EXPERIENCE: STATE: STATE: INJURY FATALITY X WITNESS STATE: |

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