Civil/Criminal Penalties Program

The goal of the BSEE OCS Civil/Criminal Penalties Program is to assure safe and clean operations on the OCS. Through the pursuit, assessment, and collection of civil penalties and referrals for the consideration of criminal penalties, the program is designed to encourage compliance with OCS statutes and regulations.

2012 Civil/Criminal Penalties Summary Penalties Paid through the 2nd Quarter of 2012

(1/1/2012 - 6/30/2012)

Operator Name and Case No.	Violation and Date(s)	Penalty Paid and Date Paid	Regulation(s) Violated 30 CFR)
LLOG Exploration Offshore, LLC.	During a drilling inspection, a BSEE inspector discovered an unattended, nonbarricaded open hole in	\$5,000 5/14/12	
(Noble Drilling (US) Inc.)	the pit room.		
G-2010-013	February 25, 2010		250.107
East Cameron Partners, LP G-2011-006	During a BSEE inspection, the Level Safety High (LSH) isolation valves to the vent scrubber (MBF- 6000) was blocked closed, preventing the	\$80,000 4/9/12	
	shutdown device from functioning. Aug 2 – Aug 5, 2010		250.803(c)
Ankor Energy LLC	During a BSEE inspection, the inspectors discovered	\$15,000	
G-2011-021	that the Operator removed the LSH on the Booster Compressor No. 2 Suction Scrubber and capped off the sensing line from the vessel to the Compressor shut down panel.	3/26/12	
	February 16, 2011		250.803
Flextrend Development Company, LLC G-2011-023	During a BSEE Inspection, it was observed that the fire and gas detection systems panel was not in service and not being monitored. Upon investigation, a determination was made that the switch located outside the panel was in the off / test position, placing both the fire and gas detection systems in a bypassed mode.	\$25,000 4/5/12	
	May 19, 2011	A . =	250.803(c)
Maritech Resources	During a BSEE Inspection, it was discovered that a	·	250 802/5\
	Pressure Safety High Low	4/20/12	250.803(c)

Inc	in atallad an a wall was		
Inc.	installed on a well was observed pinned open and		
G-2011-025	blocked rendering the device		
G-2011-025	inoperable without a		
	flag while this portion of the		
	facility was operating		
	unmonitored by personnel		
	under normal conditions.		
	April 6, 2011		
Apache Corporation	During the course of a BSEE	\$50,000	
	inspection, the inspectors	,	
G-2011-029	discovered two Open		
	Hole/Fall Hazards posing a	1/4/12	
	threat to the safety of		
	personnel on the rig.		
	July 7, 2011		250.401
Mariner Energy, Inc.		\$55,000	
	announced inspection, the	4/00/40	
G-2011-033	inspector discovered the	4/23/12	
	following areas of concern; Well No. 10, on the facility,		
	was found not secured and		
	was moving freely in all		
	directions creating a 12 foot		
	hole in the grating (Noted:		
	Area was within a		
	Barricaded area);		
	Numerous areas of the top deck were discovered with		
	severe corrosion, metal		
	loss, and holes within the		
	designated walk areas. In		
	addition, there were several		
	areas of corrosion in bracing,		
	beams, and equipment		
	threatening to fall, creating an overhead falling hazard to		
	personnel when visiting		
	the facility; Numerous items		
	of trash, scrap metal, drums,		
	buckets, cans, etc were		
	found laying on the open		
	deck creating trip hazards and a potential		
	environmental hazards.		
	onvironmental nazaras.		
	June 17, 2011 (3 violations)		250.107
Chevron USA Inc.	During a BSEE investigation	\$35,000	
	it was discovered that an injury occurred to an	4/6/12	
G-2011-034	employee attempting to	7/0/12	
	repair a water pressure tank.		
	·		050 407(-)
Amaaha O	August 26, 2011	# 400 000	250.107(a)
Apacne Corporation		\$480,000	
	inspection, the inspectors discovered the isolation	5/2/12	
G-2011-035	valve for the surface	0/2/12	
	controlled subsurface safety		
	valve (SCSSV) was found to		
	be shut / bypassed and not		250.803
	71		-

	flagged or monitored.		
	Aug. 23 – Aug. 31, 2011 (2 violations)		
Chevron USA, INC G-2011-036	A BSEE investigation into a fire, revealed that the failure to repair or replace the extremely corroded and pitted section of the fire tube led to the fire. Operator failed to properly maintain the heater treater's fire tube, which resulted in a pinhole due to severe corrosion in the fire tube's heat impingement area, thus causing a fire, property damage, and a potential	\$30,000 4/6/12	
	threat to the health and safety of personnel on the facility. May 31, 2011		250.107
BHP Billiton Petroleum (GOM)	During the course of a BSEE inspection on	\$20,000	
Inc.	June 3, 2011, the inspector discovered an	6/8/12	
G-2011-038	improper barricade around the ROV stab panel, located on the upper level of the BOP stack and was approximately 50 feet off the main deck. In addition, at the time of the inspection personnel were also not equipped with fall protection.		
	June 3, 2011	000.000	250.107(a)
Energy XXI GOM, LLC G-2011-039	During an on-site inspection, the BSEE Inspector discovered and verified the isolation valves on the LSH bridle were in the closed position on the sump tank (ABH 0100). It was operating with no one in attendance, and the panel was not flagged out of service.	\$60,000 6/14/12	
Marit Engrave	Aug. 3 – Aug. 5, 2011	#25.000	250.107
Merit Energy Company, LLC G-2011-042	During the course of a BSEE investigation into a crane incident, the inspectors discovered that operator failed to follow safe lifting policies and procedures and to accurately identify the weight of the load prior to lifting operations.	\$35,000 4/16/12	
	mung operations.		250.107

	July 31, 2011		
Castex Offshore,	During the course of a BSEE	\$15,000	
Inc.	inspection, and upon review of the SCSSV inspection	5/23/12	
(Evans Operating LLP)	records, the inspection records, the inspectors discovered that the SCSSV for Well No. 2, being utilized as a tubing plug prior to	3/23/12	
G-2012-002	production, was not tested for leakage at the required 6 month intervals.		
	Sept. 1 – Sept. 13, 2011		250.804(a)(1)
Contango	During the course of a BSEE	\$25,000	
Operators, Inc.	inspection, the inspectors discovered that the Pressure	4/27/12	
(Island Operators Co. Inc)	Safety Valve (PSV) for the Heater Treater (NBK-8300) was found isolated by a		
G-2012-005	closed block valve placing the safety device in bypass and was not flagged or monitored by personnel.		
	November 30, 2011		250.803(c)
Energy XXI GOM, LLC	During an on-site inspection, BSEE Inspectors discovered	\$20,000	
	an open hole, approximately	6/14/12	
G-2012-014	3 feet x 4 feet, created by missing grating on a walking/working surface. The open hole posed a threat for personnel to drop approximately three feet to the deck below. The open		
	hole was not properly		
	barricaded to protect personnel from entering the		
	hazardous area.		
	December 28, 2011		250.401
	Total Penalties Paid: 1/1	/12 - 6/30/12	
40.0			
	16 Cases: \$965	,000	

The following acronyms are used in this table:

LSH	Level Safety High
PSHL	Pressure Safety High Low
PSV	Pressure Safety Valve
SCSSV	Surface Controlled Subsurface Safety Valve

The purpose of publishing the penalties summary is to provide information to the public on violations of special concern in OCS operations and to provide an additional incentive for safe and environmentally sound operations.