

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

1. OCCURRED

DATE: **07-JUN-2006** TIME: **1130** HOURS

2. OPERATOR:

PANACO, INC.

REPRESENTATIVE: **Gill Nix**

TELEPHONE: **(281) 339-5301**

CONTRACTOR: **Baker Energy, Inc.**

REPRESENTATIVE: **Todd Irwin**

TELEPHONE: **(318) 715-3077**

3. OPERATOR/CONTRACTOR REPRESENTATIVE/SUPERVISOR
 ON SITE AT TIME OF INCIDENT:

4. LEASE:

G06280

AREA: **EB**

LATITUDE: **27.818735**

BLOCK: **165**

LONGITUDE: **-94.322836**

5. PLATFORM:

A

RIG NAME:

6. ACTIVITY:

EXPLORATION(POE)

DEVELOPMENT/PRODUCTION
 (DOCD/POD)

7. TYPE:

HISTORIC INJURY

REQUIRED EVACUATION

LTA (1-3 days)

LTA (>3 days)

RW/JT (1-3 days)

RW/JT (>3 days)

Other Injury

FATALITY

0

POLLUTION

FIRE

EXPLOSION

LWC

HISTORIC BLOWOUT

UNDERGROUND

SURFACE

DEVERTER

SURFACE EQUIPMENT FAILURE OR PROCEDURES

COLLISION

HISTORIC

>\$25K

<=\$25K

STRUCTURAL DAMAGE

CRANE

OTHER LIFTING DEVICE

DAMAGED/DISABLED SAFETY SYS.

INCIDENT >\$25K

H2S/15MIN./20PPM

REQUIRED MUSTER

SHUTDOWN FROM GAS RELEASE

OTHER

6. OPERATION:

PRODUCTION

DRILLING

WORKOVER

COMPLETION

HELICOPTER

MOTOR VESSEL

PIPELINE SEGMENT NO.

OTHER

8. CAUSE:

EQUIPMENT FAILURE

HUMAN ERROR

EXTERNAL DAMAGE

SLIP/TRIP/FALL

WEATHER RELATED

LEAK

UPSET H2O TREATING

OVERBOARD DRILLING FLUID

OTHER

9. WATER DEPTH:

863 FT.

10. DISTANCE FROM SHORE:

90 MI.

11. WIND DIRECTION:

SPEED:

0 M.P.H.

12. CURRENT DIRECTION:

SPEED:

0 M.P.H.

13. SEA STATE:

0 FT.

17. DESCRIBE IN SEQUENCE HOW ACCIDENT HAPPENED:

While preparing to transfer methanol from a 500 gallon stainless steel chemical transporter (tank tote) to a poly storage tank (plastic tank), the crane operator employed by Island, lifted the tank tote with methanol to gravity feed it into a poly storage tank on the top deck. When the tank was raised to a height of approximately seven feet, two Multi-Chem employees observed methanol spraying out of the hose at a point half way down it's length . The spray was directed outboard, towards the handrail, and onto the lower deck, around the gas and air compressors . The Island crane operator began to lower the tank towards the deck, so that the Multi-Chem employees could close the valve on the tank tote. The methanol that sprayed on to the lower deck was ignited by the heat of the exhaust from the compressor and spread to the top deck. In bright sunlight, burning alcohol produces only a very light blue flame with no smoke and is not easily seen. Before the tank tote reached the deck, both Multi Chem employees felt intense heat in and around the area at the base of the crane and the immediate area around the tank totes. One Multi Chem employee began kicking tank tote valves closed and in turn broke the sight glass on one of the tank totes, spilling methanol onto the deck. At this time, production personnel on the lower deck became aware of the fire in the vicinity of the gas compressor skid. The fire alarm sounded and the employees initiated the ESD from the upper deck. By this time, the fire had spread across the southeastern portion of the upper deck. PSV's on two other chemical tank totes began relieving, and fire was reported on top of one tank tote .

The eight persons on board, two Island, four Baker, and two Multi Chem, formed a fire brigade and fought to contain and extinguish the fire using dry chemical and fire water on the lower deck and then moved to the upper deck to fight the fire. Now they were fighting two fires. The fire was extinguished on the lower deck around both the air and gas compressors. The crew then moved to the top deck to fight the fire around the chemical storage area. After expending twenty-two 30-lb.hand-held and two 125 lb. wheel units and using two fire monitors for thirty minutes, the fire was out and water was sprayed for another hour.

The injured man received second-degree burns on the lower part of one of his legs while shutting the site glass valve off on the paraffin inhibitor.

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

- 1) The hose used to transfer the methanol was not constructed or designed for transferring chemicals.
- 2) Damage to the two-inch transfer hose caused the methanol to leak or be sprayed on hot surfaces and equipment. An attempt had been made to repair the damaged hose with duct tape.
- 3) Another probable cause was the location of the chemical storage and transfer area.

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

Not having a written operating procedure for transfer volatility or highly flammable

liquids from one container to another. Additionally, not locating chemical storage areas away from high temperature equipment into an unclassified area is a contributing cause.

21. PROPERTY DAMAGED: NATURE OF DAMAGE:

Chemical poly-tanks
Various water hoses
Four 500-gallon tote tanks
Chemical pumps
Injection pumps
Air Compressor

Fire damage

ESTIMATED AMOUNT (TOTAL): \$40,000

22. RECOMMENDATIONS TO PREVENT RECURRENCE NARRATIVE:

The Lake Jackson District recommends that a Safety Alert be sent out to all Leases informing them of the hazards of transferring Hazardous and Flammable Liquids next to or above classified areas and only using hoses specifically for the chemicals being transferred.

23. POSSIBLE OCS VIOLATIONS RELATED TO ACCIDENT: NO

24. SPECIFY VIOLATIONS DIRECTLY OR INDIRECTLY CONTRIBUTING. NARRATIVE:

25. DATE OF ONSITE INVESTIGATION:

09-JUN-2006

26. ONSITE TEAM MEMBERS:

James Barnard /

29. ACCIDENT INVESTIGATION

PANEL FORMED: NO

OCS REPORT:

30. DISTRICT SUPERVISOR:

Fpausina for EdSmith

APPROVED

DATE: 04-AUG-2006

FIRE/EXPLOSION ATTACHMENT

1. SOURCE OF IGNITION: **Hot surfaces of the turbo charger of the gas compressor on lower deck**

2. TYPE OF FUEL:
- GAS
 - OIL
 - DIESEL
 - CONDENSATE
 - HYDRAULIC
 - OTHER **Methanol**

3. FUEL SOURCE: **Portable 500-gallon tote tank**

4. WERE PRECAUTIONS OR ACTIONS TAKEN TO ISOLATE KNOWN SOURCES OF IGNITION PRIOR TO THE ACCIDENT ? **YES**

5. TYPE OF FIREFIGHTING EQUIPMENT UTILIZED:
- HANDHELD
 - WHEELED UNIT
 - FIXED CHEMICAL
 - FIXED WATER
 - NONE
 - OTHER

INJURY/FATALITY/WITNESS ATTACHMENT

<input type="checkbox"/>	OPERATOR REPRESENTATIVE	<input checked="" type="checkbox"/>	INJURY
<input checked="" type="checkbox"/>	CONTRACTOR REPRESENTATIVE	<input type="checkbox"/>	FATALITY
<input type="checkbox"/>	OTHER _____	<input type="checkbox"/>	WITNESS

NAME:

HOME ADDRESS:

CITY:

STATE:

WORK PHONE:

TOTAL OFFSHORE EXPERIENCE:

EARS

EMPLOYED BY: **Multi-Chem Group, LLC / 21726**

BUSINESS ADDRESS: **3401 West Admiral Doyle Drive**

CITY: **New Iberia**

STATE: **LA**

ZIP CODE: **70560**