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

ACCIDENT INVESTIGATION REPORT

| 1. | OCCURRED | |
|----|--|---------------------------------|
| | DATE: | STRUCTURAL DAMAGE |
| | 13-JUL-2008 TIME: 2250 HOURS | CRANE |
| | | OTHER LIFTING DEVICE |
| 2. | OPERATOR: Arena Offshore, LLC | DAMAGED/DISABLED SAFETY SYS. |
| | REPRESENTATIVE: Ackal, Kalil | INCIDENT >\$25K |
| | TELEPHONE: (281) 210-3113 | H2S/15MIN./20PPM |
| | CONTRACTOR: HERCULES OFFSHORE DRILLING | REQUIRED MUSTER |
| | REPRESENTATIVE: Krapf, Gary | SHUTDOWN FROM GAS RELEASE |
| | TELEPHONE: (318) 649-0069 | X OTHER Connection made-up hand |
| | | tight |
| 3. | OPERATOR/CONTRACTOR REPRESENTATIVE/SUPERVISOR ON SITE AT TIME OF INCIDENT: | 6. OPERATION: |
| | | |
| | | PRODUCTION |
| 4. | LEASE: G02601 | DRILLING |
| | AREA: EI LATITUDE: | WORKOVER COMPLETION |
| | BLOCK: 57 LONGITUDE: | HELICOPTER |
| | Block. 37 Lengths | MOTOR VESSEL |
| 5 | PLATFORM: | PIPELINE SEGMENT NO. |
| ٠. | RIG NAME: HERCULES 150 | X OTHER Demobilizing Rig off |
| | RIG NAME. HERCOLLED 130 | location, Pads stuck in |
| 6. | ACTIVITY: | 8. CAUSE: sand |
| • | X DEVELOPMENT/PRODUCTION | |
| | (DOCD/POD) | EQUIPMENT FAILURE |
| 7. | TYPE: | X HUMAN ERROR |
| | DITOROPTO TNITUDY | EXTERNAL DAMAGE SLIP/TRIP/FALL |
| | HISTORIC INJURY REQUIRED EVACUATION 1 | WEATHER RELATED |
| | A 112golitab 2 viiooiilloit | LEAK |
| | LTA (1-3 days) | UPSET H2O TREATING |
| | LTA (>3 days RW/JT (1-3 days) | OVERBOARD DRILLING FLUID |
| | | OTHER |
| | X RW/JT (>3 days) 1 Other Injury | ш |
| | | 9. WATER DEPTH: 10 FT. |
| | FATALITY | |
| | POLLUTION | 10. DISTANCE FROM SHORE: 6 MI. |
| | FIRE | |
| | L EXPLOSION | 11. WIND DIRECTION: WSW |
| | LWC HISTORIC BLOWOUT | SPEED: 15 M.P.H. |
| | UNDERGROUND | - |
| | SURFACE | 12. CURRENT DIRECTION: WSW |
| | DEVERTER | |
| | SURFACE EQUIPMENT FAILURE OR PROCEDURES | SPEED: 1 M.P.H. |
| | COLLISION HISTORIC >\$25K <=\$25K | 13. SEA STATE: 2 FT. |

MMS - FORM 2010 PAGE: 1 OF 6

EV2010R

17. INVESTIGATION FINDINGS:

On 13 July 2008 at approximately 2250 hours, a work crew employed by Hercules Offshore was attempting to jet/wash the top side of a spud can on the port side of the rig where the leg became stuck in thick and heavy mud while jacking down. The work crew was using heavy weight drill pipe connected to a high pressure hose that was suspended from the crane of the rig. The work crew involved in the incident was installing a 3rd joint of heavy weight drill pipe to the suspended stand of pipe, when the chicksan swivel and 2" high pressure hose fell 30 feet to the deck striking a Hercules Offshore employee. The employee sustained injuries to his left shoulder.

It was determined that the stand of pipe was connected only hand tight to the chicksan swivel and high pressure hose, and the work crew, not accounting for the weight of the pipe while suspended above the deck, allowed the chicksan to back out of its connection. Instead of tightening the 3rd section of drill pipe to the suspended stand, they did the opposite by tightening the stand of drill pipe to the 3rd section of drill pipe. This allowed the stand of drill pipe to back out the chicksan swivel due to the weight of the pipe being suspended from the crane.

The Hercules Offshore HSE company policy manual specifies that a Job Safety Analysis (JSA) should be completed. Although the JSA was filled out, the process was not used to assure that hazards were identified and mitigating steps were discussed and/or put into place for all of the listed steps. The rig crew and personnel also deviated from plans discussed prior to conducting the operation.

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

Due to the hand tight/loose chicksan connection, the suspended drill pipe was able to back out of its connection and fall on the drilling employee during the jetting/washing operation.

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

The Hercules Offshore personnel failed to follow guidelines within their HSE company policy manual in regards to conducting a Job Safety Analysis (JSA).

20. LIST THE ADDITIONAL INFORMATION:

MMS - FORM 2010 PAGE: 2 OF 6

21. PROPERTY DAMAGED:

NATURE OF DAMAGE:

N/A

N/A

ESTIMATED AMOUNT (TOTAL):

\$

22. RECOMMENDATIONS TO PREVENT RECURRANCE NARRATIVE:

The Lafayette District Office makes no recommendations to the Regional Office of Safety Management (OSM).

- 23. POSSIBLE OCS VIOLATIONS RELATED TO ACCIDENT: YES
- 24. SPECIFY VIOLATIONS DIRECTLY OR INDIRECTLY CONTRIBUTING. NARRATIVE:

An "After-the-Fact" G-110 Incident of Noncompliance was issued on 11 September 2008 to document Arena Offshore LLC's failure to properly supervise and provide for the safety and health of a drilling contractor employee as the result of a chicksan connection and high pressure hose falling thirty feet (30') before striking and injuring the drilling employee on 13 July 2008.

25. DATE OF ONSITE INVESTIGATION:

15-JUL-2008

26. ONSITE TEAM MEMBERS:

Jason A. Abshire / Tom Basey /

29. ACCIDENT INVESTIGATION PANEL FORMED: NO

OCS REPORT:

30. DISTRICT SUPERVISOR:

Elliott S. Smith

APPROVED

DATE: 18-SEP-2008

MMS - FORM 2010 PAGE: 3 OF 6

EV2010R 23-JUL-2010

INJURY/FATALITY/WITNESS ATTACHMENT

| OPERATOR REPRESENTATIVE CONTRACTOR REPRESENTATIVE OTHER Crane Operator | INJURY FATALITY WITNESS | |
|---|-----------------------------|-----|
| NAME: HOME ADDRESS: | | |
| CITY: | STATE: | |
| WORK PHONE: | TOTAL OFFSHORE EXPERIENCE: | YEA |
| EMPLOYED BY: BUSINESS ADDRESS: | | |
| CITY: | STATE: | |
| | | |
| ZIP CODE: | Птитиру | |
| OPERATOR REPRESENTATIVE CONTRACTOR REPRESENTATIVE X OTHER Rig Employee | INJURY FATALITY X WITNESS | |
| OPERATOR REPRESENTATIVE CONTRACTOR REPRESENTATIVE | FATALITY | |
| OPERATOR REPRESENTATIVE CONTRACTOR REPRESENTATIVE X OTHER Rig Employee | FATALITY | |
| OPERATOR REPRESENTATIVE CONTRACTOR REPRESENTATIVE X OTHER Rig Employee NAME: | FATALITY | |
| OPERATOR REPRESENTATIVE CONTRACTOR REPRESENTATIVE Rig Employee NAME: HOME ADDRESS: | FATALITY X WITNESS | YEA |
| OPERATOR REPRESENTATIVE CONTRACTOR REPRESENTATIVE X OTHER Rig Employee NAME: HOME ADDRESS: CITY: | FATALITY X WITNESS STATE: | YEA |
| OPERATOR REPRESENTATIVE CONTRACTOR REPRESENTATIVE Rig Employee NAME: HOME ADDRESS: CITY: WORK PHONE: | FATALITY X WITNESS STATE: | YEA |
| OPERATOR REPRESENTATIVE CONTRACTOR REPRESENTATIVE Rig Employee NAME: HOME ADDRESS: CITY: WORK PHONE: EMPLOYED BY: | FATALITY X WITNESS STATE: | YEA |

MMS - FORM 2010 PAGE: 4 OF 6

INJURY/FATALITY/WITNESS ATTACHMENT

| NAME: HOME ADDRESS: CITY: STATE: WORK PHONE: TOTAL OFFSHORE EXPERIENCE: YEARS EMPLOYED BY: BUSINESS ADDRESS: CITY: STATE: ZIP CODE: | OPERATOR REPRESENTATIVE CONTRACTOR REPRESENTATIVE X OTHER Rig Employee | INJURY FATALITY WITNESS |
|---|--|---------------------------|
| CITY: STATE: WORK PHONE: TOTAL OFFSHORE EXPERIENCE: YEARS EMPLOYED BY: BUSINESS ADDRESS: CITY: STATE: | <u></u> | |
| WORK PHONE: TOTAL OFFSHORE EXPERIENCE: YEARS EMPLOYED BY: BUSINESS ADDRESS: CITY: STATE: | | STATE: |
| BUSINESS ADDRESS: CITY: STATE: | | |
| CITY: STATE: | EMPLOYED BY: | |
| | BUSINESS ADDRESS: | |
| ZIP CODE: | CITY: | STATE: |
| | ZIP CODE: | |
| | | |

MMS - FORM 2010 PAGE: 5 OF 6

MMS - FORM 2010 PAGE: 6 OF 6
EV2010R 23-JUL-2010