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

ACCIDENT INVESTIGATION REPORT

| l. | OCCURRED | STRUCTURAL DAMAGE | | | | |
|----|--|--|--|--|--|--|
| | DATE: 30-NOV-2008 TIME: 0800 HOURS | CRANE | | | | |
| 2. | OPERATOR: Apache Corporation REPRESENTATIVE: Garber, John TELEPHONE: (337) 354-8126 CONTRACTOR: Wood Group Production Services REPRESENTATIVE: Brian Armstrong TELEPHONE: (337) 735-6082 | OTHER LIFTING DEVICE DAMAGED/DISABLED SAFETY SYS. X INCIDENT >\$25K \$200,000 H2S/15MIN./20PPM REQUIRED MUSTER SHUTDOWN FROM GAS RELEASE OTHER | | | | |
| 3. | OPERATOR/CONTRACTOR REPRESENTATIVE/SUPERVISOR ON SITE AT TIME OF INCIDENT: | 6. OPERATION: | | | | |
| | LEASE: G01072 AREA: WD LATITUDE: 29.069291 BLOCK: 40 LONGITUDE: -89.805534 PLATFORM: B | X PRODUCTION DRILLING WORKOVER COMPLETION HELICOPTER MOTOR VESSEL PIPELINE SEGMENT NO. | | | | |
| | RIG NAME: | OTHER | | | | |
| | 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 X HUMAN ERROR EXTERNAL DAMAGE SLIP/TRIP/FALL WEATHER RELATED LEAK UPSET H20 TREATING OVERBOARD DRILLING FLUID OTHER | | | | |
| | Other Injury FATALITY | 9. WATER DEPTH: 90 FT. | | | | |
| | POLLUTION X FIRE EXPLOSION | 10. DISTANCE FROM SHORE: 15 MI. | | | | |
| | LWC HISTORIC BLOWOUT UNDERGROUND | 11. WIND DIRECTION: NW SPEED: 35 M.P.H. | | | | |
| | SURFACE DEVERTER SURFACE EQUIPMENT FAILURE OR PROCEDURES | 12. CURRENT DIRECTION: NW SPEED: M.P.H. | | | | |
| | COLLISION HISTORIC >\$25K <=\$25K | 13. SEA STATE: 10 FT. | | | | |

MMS - FORM 2010 PAGE: 1 OF 5 26-JUN-2009

EV2010R

17. DESCRIBE IN SEQUENCE HOW ACCIDENT HAPPENED:

On November 30, 2008, at approximately 0900 hours, on Apache Corporation's (Apache's) Lease OCS-G 01072, West Delta Block 40, B Platform, a fire occurred on a Nitrogen (N2) Unit during the hot refueling process of a diesel fuel tank. Hot fueling meant that the diesel fuel tank was filled while the engine was running. A third party contract company was contracted to inject (N2) through a pipeline. This operation required the use of an Electronic Injection Diesel-Caterpillar C15 400 HP (2000 RPM) engine, which ran the hydraulic pumps that in turn drove the entire Unit. The contract employee stated he finished filling diesel into the main diesel tank, closed all valves to the main diesel tank and walked inside for a short period of time when he heard the unit making unusual noises. He proceeded outside where he observed the engine on fire and he activated the Emergency Shutdown Devise (ESD). Five (5) 30 lb fire extinguishers and one (1) 125 lb wheel unit were dispensed to fight the fire. All attempts to extinguish the fire were unsuccessful, and the three personnel evacuated the platform by a field boat. Apache's field operations contacted three (3) utility boats that were located in the field to assist in extinguishing the fire. At approximately 0915 hours, the fire was extinguished by the assisting boats. There were no injuries or pollution as a result of the incident.

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

Human Error:

The hot fueling process was unsafe for the following reasons:

- 1) The N2 Unit was not attended during the entire hot refueling process.
- 2) The 400 HP engine running at 1800 RPMs were used to run the pumps that fed the refueling hose.
- 3) The pump hose was not secured to prevent movement during the refueling process.
- 4) There was no Job Safety Analysis (JSA) or any type of written procedure for the hot fueling process.
- 19. LIST THE CONTRIBUTING CAUSE(S) OF ACCIDENT:
 - 1) No fire water system existed aboard the facility during the incident.
 - 2) The hot refueling process occurred inside a building with a hot engine running.
 - 3) High winds.
 - 4) Poor communications between the operators and the third party contractor.
 - 5) The discharge hose did not have a shut-down valve on the end of the hose going to the tank.
- 20. LIST THE ADDITIONAL INFORMATION:

MMS - FORM 2010 PAGE: 2 OF 5

N2 Unit Fire

ESTIMATED AMOUNT (TOTAL):

\$200,000

22. RECOMMENDATIONS TO PREVENT RECURRANCE NARRATIVE:

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

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

The following INC's were issued during the December 9, 2008, accident investigation:

G-111: After investigation the N2 Unit fire, it was determined that the diesel tank's hot refueling process was unsafe. The Unit was left unattended for a short period of time, but long enough to enable an uncontrollable fire. The resulting fire and subsequent abandonment of the facility at WD 40B resulted from: 1) The 400 HP engine running at 1800 RPMs use to run the pumps that fed the refueling hose, 2) The hose was not secured to prevent movement. 3) Hot refueling of the N2 Unit was unsafe and the Unit was in an enclosed area. 4) Attendant did not stay with the N2 Unit during the entire refueling process.

G-110: No JSA written to address the hot refueling process.

G-110: Operator did not have fire water system on the facility, therefore hot refueling should have been prohibited. The engine was a 400 HP running approximately at 1800 RPM's (extremely hot unit).

F-103: The batteries inside the N2 Unit were not inside an explosion proof storage box to protect the batteries.

25. DATE OF ONSITE INVESTIGATION:

09-DEC-2008

26. ONSITE TEAM MEMBERS:

Michael Singleton / Elbert Clemens /

29. ACCIDENT INVESTIGATION PANEL FORMED: NO

OCS REPORT:

30. DISTRICT SUPERVISOR:

David Trocquet

APPROVED

MMS - FORM 2010 PAGE: 3 OF 5

EV2010R 26-JUN-2009

DATE: 24-JUN-2009

MMS - FORM 2010 PAGE: 4 OF 5
EV2010R 26-JUN-2009

FIRE/EXPLOSION ATTACHMENT

| 1. | SOURCE OF IGNITI | ON: D | iesel | fuel | contac | ting | hot eng | gine |
|----|--------------------------------------|---------|------------|-------|----------|-------------|---------|----------|
| 2. | TYPE OF FUEL: | | GAS OIL | | | | | |
| | | x | DIES | EL | | | | |
| | | | COND | ENSAT | E | | | |
| | | | | AULIC | | | | |
| | | Ш | OTHE: | R | | | | |
| 3. | FUEL SOURCE: D | iesel | tank | | | | | |
| 4. | WERE PRECAUTIONS KNOWN SOURCES OF | | | | | | | NO |
| 5. | TYPE OF FIREFIGH | ITING E | EQUIPM | ENT U | JTILIZEI | o: x | HANDH: | ELD |
| | | | | | | x | WHEEL | ED UNIT |
| | | | | | | | FIXED | CHEMICAL |
| | | | | | | | FIXED | WATER |
| | | | | | | | NONE | |
| | | | | | | П | OTHER | |

MMS - FORM 2010 PAGE: 5 OF 5