

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

1. OCCURRED
 DATE: **01-DEC-2008** TIME: **1000** HOURS

2. OPERATOR: **Palm Energy Offshore, L.L.C.**
 REPRESENTATIVE: **Lee Metcalf**
 TELEPHONE: **(337) 366-9918**
 CONTRACTOR: **Baker Energy, Inc.**
 REPRESENTATIVE: **Pat Simon**
 TELEPHONE: **(337) 210-9532**

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

4. LEASE: **G02006**
 AREA: **WC** LATITUDE:
 BLOCK: **504** LONGITUDE:

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
- 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. **11640**
- OTHER **Construction repairs
Hurricane Ike**

8. CAUSE:

- EQUIPMENT FAILURE
- HUMAN ERROR
- EXTERNAL DAMAGE
- SLIP/TRIP/FALL
- WEATHER RELATED
- LEAK
- UPSET H2O TREATING
- OVERBOARD DRILLING FLUID
- OTHER _____

9. WATER DEPTH: **147** FT.

10. DISTANCE FROM SHORE: **89** MI.

11. WIND DIRECTION:
 SPEED: M.P.H.

12. CURRENT DIRECTION:
 SPEED: M.P.H.

13. SEA STATE: FT.

17. DESCRIBE IN SEQUENCE HOW ACCIDENT HAPPENED:

The construction crew involved in the incident had been on location for several days performing Hurricane Ike repairs. Multiple simultaneous hot work operations were ongoing during the repair project when 2 ½ days into the removal of the 12-foot X 23-foot sump deck, the fitter cut into the 8-inch incoming WC-504-B pipeline (Segment Number 11640). The investigation revealed that the sump deck was suspended by chain falls and air hoists (tuggers) while the crew cut away sections of the deck for removal. The Lessee's investigation report revealed that the sump deck shifted while the fitter cut through the penetration ring surrounding the incoming riser. As the deck shifted, the fitter continued cutting through the penetration ring and into the pipeline riser, resulting in a small low pressure flash fire. The Lessee's report states that the pipeline was out of service and bled down in September 2008 prior to the production crew evacuating for Hurricane Ike. Although there were no injuries or pollution associated with the incident, the potential for a serious injury did exist.

The construction crew was supervised by a Third Party Contractor Consultant along with a Construction Crew Supervisor. Although the crews were issued several permits to perform the work, our investigation revealed several deficiencies with these permits. Most importantly the Hot Work Permit, Task Hazard Assessment, and the Job Safety Analysis did not identify the pipeline riser as a potential hazard.

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

The fitter utilized a cutting torch to cut through the deck penetration surrounding an 8-inch pipeline riser and cut a hole into the pipeline.

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

1. Production/construction crew personnel failed to follow regulatory requirements for protecting the pipeline while performing hot work.
2. Production/construction crew personnel failed to identify the pipeline as a potential hazard.
3. The possibility of improper rigging practices may have contributed to the deck shifting while the fitter was cutting the deck penetration ring.

20. LIST THE ADDITIONAL INFORMATION:

21. PROPERTY DAMAGED:

14-feet section of 8-inch pipeline

NATURE OF DAMAGE:

Deck penetration ring and hole in incoming pipeline.

ESTIMATED AMOUNT (TOTAL):

\$38,639

22. RECOMMENDATIONS TO PREVENT RECURRENCE NARRATIVE:

The Lake Charles District does not have any recommendations for the MMS Regional Office of Safety Management (OSM).

23. POSSIBLE OCS VIOLATIONS RELATED TO ACCIDENT: **YES**

24. SPECIFY VIOLATIONS DIRECTLY OR INDIRECTLY CONTRIBUTING. NARRATIVE:

G-303: The Lessee failed to protect the incoming pipeline from damage while hot work was being conducted.

25. DATE OF ONSITE INVESTIGATION:

05-DEC-2008

26. ONSITE TEAM MEMBERS:

**Jarrott Guillory / Wayne Meaux /
Scott Mouton /**

29. ACCIDENT INVESTIGATION

PANEL FORMED: **NO**

OCS REPORT:

30. DISTRICT SUPERVISOR:

Larry Williamson

APPROVED

DATE: **05-FEB-2009**

FIRE/EXPLOSION ATTACHMENT

1. SOURCE OF IGNITION: **Cutting Torch**

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

3. FUEL SOURCE: **Pipeline**

4. WERE PRECAUTIONS OR ACTIONS TAKEN TO ISOLATE
KNOWN SOURCES OF IGNITION PRIOR TO THE ACCIDENT ? **NO**

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