

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF SAFETY AND ENVIRONMENTAL ENFORCEMENT
GULF OF MEXICO REGION

ACCIDENT INVESTIGATION REPORT

For Public Release

1. OCCURRED

DATE: 08-DEC-2012 TIME: 0300 HOURS

2. OPERATOR: Hess Corporation

REPRESENTATIVE:

TELEPHONE:

CONTRACTOR: ATWOOD OCEANICS, INC.

REPRESENTATIVE:

TELEPHONE:

- STRUCTURAL DAMAGE
- CRANE
- OTHER LIFTING DEVICE
- DAMAGED/DISABLED SAFETY SYS.
- INCIDENT >\$25K
- H2S/15MIN./20PPM
- REQUIRED MUSTER
- SHUTDOWN FROM GAS RELEASE
- OTHER

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

4. LEASE: G10350

AREA: GB LATITUDE: 27.58899268

BLOCK: 386 LONGITUDE: -92.2821184

5. PLATFORM:

RIG NAME: ATWOOD CONDOR

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

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 **Leaking Slip Joint Packers**

9. WATER DEPTH: 2627 FT.

10. DISTANCE FROM SHORE: 130 MI.

11. WIND DIRECTION: SSE
SPEED: 20 M.P.H.

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

13. SEA STATE: FT.

17. INVESTIGATION FINDINGS:

On 08 December 2012, the Atwood Oceanics Condor semi-submersible drilling rig under contract to Hess Corporation (Hess) reported a discharge of 31 barrels (bbls) of 12.6 pounds per gallon (ppg) synthetic base mud (SBM) into offshore waters during drilling operations on Well LL004 located in Garden Banks Block 386.

The discharge was first detected when a loss of SBM was noted in the trip tank during blowout preventer testing. The trip tank pump was shut down and a loss in volume of SBM was observed from the riser annulus at the location of the upper slip joint packer. The middle slip joint packer was energized with 90 pounds per square inch (psi) of air pressure; however, the trip tank continued to lose SBM volume. The lower slip joint packer was then hydraulically energized to 150 psi and trip tank volume became static as well as the SBM discharge at the upper slip joint packer ceased. It was estimated that from approximately 18:00 hours on 07 December through 05:00 hours on 08 December 2012, a total of 31 bbls of 12.6 ppg SBM was discharged into the Gulf of Mexico from the upper slip joint packer.

Atwood's investigation into the probable cause revealed that an insufficient air pressure of 90 psi had failed to engage and seal the middle slip joint packer. The SBM discharge was eventually stopped by hydraulically energizing the lower slip joint packer to 150 psi.

A contributing cause of the accident was that rig personnel did not recognize the need to change air or hydraulic pressure settings on the slip joint packers when encountering changing, in this case heavier, SBM weight. Additionally, according to Atwood, there are currently no industry standards that provide guidance for slip joint packer operating pressures when encountering changing mud weight conditions.

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

Atwood Oceanics' investigation into the probable cause revealed that an insufficient air pressure of 90 psi had failed to engage and seal the middle slip joint packer. The SBM discharge was eventually stopped by applying 150 psi of hydraulic pressure that energized and closed the lower slip joint packer.

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

A contributing cause of the accident was that personnel did not recognize the need to change air or hydraulic pressure settings on the slip joint packers when encountering changes in SBM weight. Furthermore, Atwood reported that there were no current industry standards that provide guidance for operating slip joint packers when encountering changing mud weight conditions.

20. LIST THE ADDITIONAL INFORMATION:

21. PROPERTY DAMAGED:

NATURE OF DAMAGE:

No property damage occurred during this accident. None

ESTIMATED AMOUNT (TOTAL): \$

22. RECOMMENDATIONS TO PREVENT RECURRENCE NARRATIVE:

The BSEE Lafayette District makes no recommendations to the Office of Safety Management.

23. POSSIBLE OCS VIOLATIONS RELATED TO ACCIDENT: YES

24. SPECIFY VIOLATIONS DIRECTLY OR INDIRECTLY CONTRIBUTING. NARRATIVE:

Based on the incident investigation findings, a G-110 Incident of Non-Compliance (INC) was issued "After the Fact" to document that Hess failed to perform all operations in a safe and workmanlike manner and to provide for the preservation and conservation of property and the environment. On 08 December 2012, the operator allowed an unauthorized discharge of 31 bbls of 12.6 ppg SBM into the Gulf of Mexico due to rig personnel not applying enough air pressure to energize and seal the middle slip joint packer during changing mud conditions.

25. DATE OF ONSITE INVESTIGATION:

04-JAN-2013

26. ONSITE TEAM MEMBERS:

Troy Naquin /

29. ACCIDENT INVESTIGATION

PANEL FORMED: NO

OCS REPORT:

30. DISTRICT SUPERVISOR:

Elliott S. Smith

APPROVED

DATE: 20-MAR-2013

