Civil Penalties Program

The goal of the BSEE OCS Civil Penalties Program is to assure safe and clean operations on the OCS. Through the pursuit, assessment, and collection of civil penalties and referrals for the consideration of criminal penalties, the program is designed to encourage compliance with OCS statutes and regulations.

2013 Civil Penalties Summary Penalties Paid through 2013

(1/1/2013 - 12/31/2013)

Operator Name and Case No.	Violation and Date(s)	Penalty Paid and Date Paid	Regulation(s) Violated 30 CFR)
Linder Oil Company Production Services Network G-2009-001	During an inspection it was revealed that the shutdown valve (SDV), for the fuel gas to the main generator, was bypassed. It was also discovered that Linder was discharging produced water from the production separator into the containment skid. Oct. 25- Oct. 28, 2008 Oct. 2 – Oct. 28, 2008	\$150,000* 6/20/13 &12/3/13 *Note: Pursuant to a Settlement Agreement, Linder shall make payments from January 2013 to January 2015 totaling \$500,000. \$200,000 was paid in 2012, and \$150,000 was paid in 2013. Total payments received so far are	250.803 (c)
Mariner Energy, Inc.	During the course of a	\$350,000. \$35,000	250.802 (a)
G-2011-022	BSEE investigation into an incident with injury, on June 22,	7/24/13	
(Baker Energy, Inc.)	2009, it was discovered that the operator failed to follow internal Fall Protection Policy and properly supervise demobilization procedures on a S70-P portable crane in a safe manner to protect the equipment and employees resulting in an incident with serious injury. Mariner failed to comply with the safety requirements to perform all operations in a safe and workmanlike		
	manner while		250.107

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	disassembling the		
	defective boom section.		
	June 22, 2009		
Hall Houston	A pollution event occurred	\$225,000	
Exploration III, L.P.	from a block valve on the well's flow line that parted	2/1/13	
	at the threads of the valve	2/1/10	
	body. There was oil on		
G-2011-037	platform and oil pollution in Gulf waters.		
	Cull waters.		
	August 1, 2011		250.300(a)
	July 31 – August 1, 2011 July 12 – July 30, 2011		250.107 250.107
Beta Offshore	During the course of a	\$30,000	200.107
	BSEE investigation, it was	φ30,000	
P-2012-001	discovered that the injury	10/25/13	
	resulted from a mishandled strongback installation.		
	The strongback fell and		
	struck an employee		
	resulting in injuries to the head and face.		
	June 7, 2012		250.107(a)(1)
Black Elk Energy Offshore, LLC	During the course of a	\$71,250	
Olishole, LLC	BSEE inspection, the LSH for the 2nd Stage Scrubber	1/10/13	
(Island Operators Co.,	was not being tested		
Inc.)	monthly as required from April 21, 2011 to		
	September 25, 2011. In		
G-2012-003	addition, it was discovered		
	that the operator failed to check the		
	integrity and sandblast and		
	paint the piping on the		
	bottom of the vent scrubber per prior		
	inspection.		
	April 21, 2011 –		
	September 25, 2011		
	February 15, 2011 – September 27, 2011		250.802(b) 250.107
Black Elk Energy	During the course of a	\$140,000	200.107
Offshore Operations,	BSEE investigation	φιτο,000	
LLC	into an illness incident	4/22/13	
0 0040 000	involving flowback operation, it was		
G-2012-008	discovered that the		
	operator failed to conduct		
	operations in a safe and workmanlike		
	manner by not		
	following Job Safety		
	Analysis procedures and exercising Stop Work		
	Authority. In addition, it		
	was discovered that the		250.107
	operator failed to take		250.107

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	necessary precautions to prevent hazardous accumulation of chemical vapors.		
	October 8 – 10, 2011 (2 violations)		
Energy Partners, Ltd. G-2012-011	During the course of a BSEE review of a Well Activity Report, and subsequent	\$33,000 2/15/13	
	inspection, it was discovered that the SCSSV was not re- installed after being removed for well work operations.		
	September 6 – 27, 2011		250.801(c)
McMoRan Oil & Gas, Inc.	During the course of a BSEE inspection, the	\$29,750	
G-2012-016	operator failed to maintain and correct several areas of handrails with severe corrosion identified in a previous inspection.	6/3/13	
	Aug. 30, 2011-Jan.30-2012		250.107
Arena Offshore, LP	During a BSEE inspection, the inspector discovered	\$25,000	
G-2012-023	an unattended and improperly barricaded open hole in the grating in the deck area resulting in a threat to personnel.	2/25/13	
	April 12, 2012		250.107(a)
Rooster Petroleum, LLC	BSEE investigated a crane lift operation where a rigger was injured. The	\$30,000 4/26/13	
G-2012-025	incident was cause by unsafe conditions.		
	February 29, 2012		250.107(a)
Apache Corporation	During a BSEE inspection, the inspectors discovered	\$30,000	
(Island Operators Co., Inc.)	the heater treater that was in-service was severely corroded and leaking. It	1/16/13	
G-2012-026	was also discovered that a rubber patch secured the hose clamps to prevent the vessel from leaking. Using a rubber patch is not an approved method of fixing leaks.		
	April 18, 2012		250.107
El Paso E&P Company, L.P.	During a BSEE investigation into an	\$40,000	
	incident involving a fire in	2/19/13	250.401(e)

G-2012-027the Heater-Treater fire the operator failed to maintain the equipment in a safe condition. February 10, 2012BP Exploration & Production, Inc.During an on-site section, it was discovered that primary and secondary accumulator pumps were inoperable. Low fluid level for the fluid lank, low rig air, and low accumulator partil 26-30, 2012 April 26-30, 2012\$35,000 8/5,00				
BP Exploration & Production, Inc. During an on-site inspection, it was discovered that primary and secondary accumulator pumps were inoperable. Low fluid level for the fluid tank, low rig air, and low accumulator alarms were found inoperable. \$40,000 G-2011-028 April 30, 2012 April 30, 2012 April 30, 2012 April 26-30, 2012 April 26-30, 2012 April 26-30, 2012 April 26-30, 2012 April 26-30, 2012 April 26-30-2012 \$35,000 Rooster Petroleum,LLC During the course of the BSEE investigation into an injury involving grating installation operations, the operator failing to identify the fall hazard in the Job Safety Analysis. \$35,000 McMoRan Oil & Gas, LLC During a BSEE Inspection, an inspector discovered that the PSH on the Fired Component fuel gas was blocked Out-of-Service, and was not flagged and monitored by personnel. \$210,000 Mariner Energy Resources, Inc. During a BSEE inspection, it was discovered that missing skirting around an it was discovered that missing skirting around an so noted that the heliport skirting was severely corroded. \$210,000 G-2012-032 During the course of a BSEE inspection, it was discovered that the heliport skirting was severely corroded. \$210,000 G-2012-033 During the course of a BSEE inspection, it was discovered that four group bypass selector switches were placed in bypass mode (flagged) but left unmonitored. \$160,000	G-2012-027	tube, it was discovered that the operator failed to maintain the equipment in a safe condition.		
Production, Inc.inspection, it was discovered that primary and secondary accumulator pumps were inoperable.9/18/13G-2011-028air secondary accumulator pumps were inoperable.9/18/13April 30, 2012 April 26-30, 2012 April 26-30, 2012250.107 250.401 250.401Rooster Petroleum,LLCDuring the course of the BEE investigation into an injury involving grating installation operations. It he operator failed to perform all overkament by failing to identify the fail hazard in the Job Safety Analysis.\$35,000McMoRan Oli & Gas LCDuring a BSEE Inspection, inspect on the Job Safety Analysis.\$25,000 3/8/13G-2012-031During a BSEE Inspection, inspect on the Job Safety Analysis.\$25,000 3/8/13March 5, 2012250.803(c)March 5, 2012250.803(c)March 5, 2012250.803(c)March 5, 2012250.803(c)March 5, 2012250.803(c)March 5, 2012250.803(c)Mariner Energy Resources, Inc.During a BSEE inspection, it was discovered that missing skirting around an ison skirting around an ison skirting around an ison skirting was severely corroded.\$210,000G-2012-032During the course of a BSEE inspection, it was also noted that the heliport skirting was severely corroded.\$160,000G-2012-033During the course of a BSEE inspection, it was also onded that the heliport skirting was severely corroded.\$160,000G-2012-033During the course of a BSEE inspection, it was also onded that the way bypass selector switch		⊢ebruary 10, 2012		
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Petroleum,LLCBSEE investigation into an injury involving grating installation operations, the operator failed to perform all operations in a safe and workmanlike manner by failing to identify the fail hazard in the Job Safety Analysis.6/6/13McMoRan Oil & Gas, LLCDuring a BSEE Inspection, an inspector discovered that the PSH on the Fired Component fuel gas was blocked Out-of-Service, and was not flagged and monitored by personnel. May 22, 2012\$250.000Mariner Energy Resources, Inc.During a BSEE inspection, twas discovered that the PSH on the Fired Component fuel gas was 		April 26-30, 2012		250.401
McMoRan Oil & Gas, LLCDuring a BSEE Inspection, an inspector discovered that the PSH on the Fired Component fuel gas was blocked Out-of-Service, and was not flagged and monitored by personnel.\$25,000G-2012-031May 22, 20123/8/13Mariner Energy Resources, Inc.During a BSEE inspection, it was discovered that missing skirting around an "out of service" heliport was being used as a working platform. It was also noted that the heliport skirting was severely corroded.\$210,000Hilcorp Energy GOM, LCDuring the course of a BSEE inspection, it was discovered that four group bypass selector switches were placed in bypass mode (flagged) but left unmonitored.\$160,000	Petroleum,LLC	BSEE investigation into an injury involving grating installation operations, the operator failed to perform all operations in a safe and workmanlike manner by failing to identify the fall hazard in the Job Safety		
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Hilcorp Energy GOM, LLCDuring the course of a BSEE inspection, it was discovered that four group bypass selector switches were placed in bypass mode (flagged) but left unmonitored.\$160,000	Resources, Inc.	During a BSEE inspection, it was discovered that missing skirting around an "out of service" heliport was being used as a working platform. It was also noted that the heliport skirting was severely	. ,	
Hilcorp Energy GOM, LLCDuring the course of a BSEE inspection, it was discovered that four group bypass selector switches were placed in bypass mode (flagged) but left unmonitored.\$160,000		July 11 – 17, 2012		250.107(a)
March 30, 2012 (4 250.803(c)	LLC	During the course of a BSEE inspection, it was discovered that four group bypass selector switches were placed in bypass mode (flagged) but left		(4)
		March 30, 2012 (4		250.803(c)

	violations)		
Black Elk Energy	During the course of a	\$40,000	
Offshore Operations, LLC	BSEE inspection, there were multiple unbarricaded open hole violations.	5/6/13	
G-2012-035	August 15, 2012		250.107
GOM Shelf, Inc. G-2012-036	During the course of a BSEE inspection, an inspector observed a unqualified employee was operating the crane while the crane operator was performing repairs on the heavy lift spool.	\$30,000 5/22/13	
	September 4, 2012		250.108
Hilcorp Energy GOM, LLC	During the course of a BSEE inspection, the	\$40,000	
(Wood Group Production Services)	inspector discovered that the SDV for the incoming pipeline (KAQ-2100) selector switch was in test mode (bypassed).	4/12/13	
G-2012-037	September 14, 2012		250.803(c)
Energy Resource Technology GOM, Inc. G-2012-039	During the course of the BSEE investigation into an incident with injury, it was discovered that the operator failed to perform operations in a safe and workmanlike manner by failing to utilize Stop Work Authority and identify specific critical hazards in the Job Safety Analysis during the installation operations of the FC-150 ton "Bullfrog" crane.	\$35,000 7/1/13	
	August 10, 2012		250.107
Black Elk Energy Offshore Operations, LLC G-2013-001	During the course of a BSEE investigation into an incident involving loss of well control, it was discovered that the operator failed to conduct operations in accordance with the approved permit by not maintaining the proper drilling fluid weight to control the well. They also failed to perform all operations in a safe and workmanlike manner for not sounding the audible alarm to alert personnel during the well control incident.	\$100,000 8/8/13	
	September 26-27, 2012 September 27, 2012		250.613(a) 240.107(a)

Contango Operators, Inc.	During the course of a BSEE inspection,	\$20,000	
G-2013-002	inspectors discovered a man-hole cover was left open from previous operations along a heavily used catwalk leading from the rig floor to the shaker area.	4/8/13	
	September 5, 2012		250.107
Boise d'Arc Exploration, LLC G-2013-003	During a BSEE Inspection, it was discovered that there was an unattended, non-barricaded open hole in the mud pit room.	\$20,000 3/21/13	
	October 25, 2012		250.107(a)
McMoRan Oil & Gas, LLC G-2013-004	During the course of a BSEE inspection, the inspector discovered that the PSH/L for the Heater	\$30,000 6/12/13	
	Treater (NBK-0450) was pinned at the NBK-0450 relay in bypass and was not flagged or monitored.		
	July 2, 2012		250.803(c)
W&T Offshore, Inc. (Wood Group Production Services) 2013-005	During the course of the BSEE investigation it was discovered that the operator failed to ensure safe operations after the crane wire rope was wrapped in plastic; there was continued use of crane with plastic and duct tape on the wire rope. They also failed to perform a pre use inspection;	\$160,000 9/27/13	
	October 17-18, 2012 (2 violations) October 17, 2012 (1 violation) October 18, 2012 (1 violation)		250.108
BP Exploration & Production Inc.	During the course of a BSEE inspection, inspectors observed	\$20,000 4/22/13	
G-2013-006	employees who failed to use fall protection around an unprotected open hole.		
	June 2, 2012		250.107
Hilcorp Energy GOM, LLC	During the course of a BSEE inspection, the inspectors discovered two	\$60,000 7/12/13	
G-2013-007	(2) Open Hole/Fall Hazards posing a threat to the safety of personnel on the rig.		250.107
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	July 28-30, 2012		
Energy Resource Technology GOM, Inc. G-2013-008	During the course of a BSEE inspection, it was discovered that there was no mud-pit-level indicator in place to determine mud- pit-volume gains and losses. There was also no record of testing the valves on the choke manifold.	\$40,000 10/4/13	
	November 27-29, 2012 November 27-29, 2012		250.614(c) 250.616 (a)
Probe Resources GOM, LLC G-2013-009	During the course of a BSEE inspection, the inspectors noted a section of the heliport skirting had been removed creating an open hole that was not barricaded. They also noted that the heliport was being used as an extension of the platform to conduct zone change operations without the addition of hand rails and workers were on ladders without fall protection.	\$200,000 7/10/13	
	October 12-17, 2013		250.107
Chevron U.S.A. Inc . G-2013-011	During the course of a BSEE investigation, it was determined that Chevron failed to properly supervise blasting operations. They also failed to follow recommended policies and procedures which resulted in an injury.	\$40,000 7/5/13	
	December 11, 2012		250.105(a)
W&T Offshore, Inc. G-2013-012	During the course of a BSEE inspection, the inspectors cited 2 violations of the water treatment system. Unsafe operating practices were observed, specifically gas vapors with liquid hydrocarbons were being vented into the atmosphere from the hatch. Also there were no corrective actions taken to prevent further leaking from the hatch.	\$50,000 9/27/13	
Annaha Osaarii	November 29, 2012 December 12, 2012	0070.000	250.107
Apache Corporation	During the course of a BSEE inspection, inspectors determined that	\$270,000 6/12/13	
G-2013-013	the fire loop system was		250.803(c)

	bypassed and blocked out		
	of service as they were performing a Temperature Safety Element function test over the sump pump (PBH 6120) and the high pressure test separator (MBD 1020). It was also discovered that the main fire loop header manifold system had been capped off inside of the master panel.		
Mariner Energy	January 7, 2013 During the course of a	\$40,000	
Resources	BSEE investigation into an incident with injury,	\$40,000 10/1/13	
G-2013-014	it was discovered that the operator failed to follow internal Smoking Policy and Stop Work Authority Policy during operation to replace Navigational Aid (NAV) batteries and troubleshoot NAV Aid to verify the proper light sequence. Apache failed to adhere to safety policies and perform all operations in a safe and workmanlike manner while conducting these operations.		
	October 12, 2012		250.107(a)
Stone Energy Corporation G-2013-015	During the course of a BSEE investigation, it was discovered that a Crane Pre-Use Form had not been filled out prior to the days lifting operations and the parties involved failed to identify the weight of the load.	\$35,000 6/27/13	
	September 17, 2012		250.108
Anadarko Petroleum Corp. G-2013-016	During the course of a BSEE inspection, it was discovered that the pit level alarm was disabled and	\$50,000 10/11/13	
2010-010	the flow show alarm was also disabled. December 13, 2012 (2 violations)		250.457
Arena Offshore, LP	During the course of a	\$30,000	
G-2013-018	BSEE investigation into an incident with injury, it was discovered, that the port side air hoist cable had become entangled with the kelly hose safety clamp	11/8/13	
	during the replacement of		250.107(a)

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	the inner bushings. It was observed that the driller's view of the entangled air hoist cable was obstructed by the traveling block and top drive. The downward force of the traveling block and top drive put enough force on the cable and anchor post to break the post from the rig floor allowing either the anchor post or the bushing puller tool to strike the injured party.		
	December 16, 2012		
Apache Corporation G-2013-019	During the course of a BSEE investigation of a chemical fire on the platform. The fire was caused by the stock tank overfill blowing onto a pump exhaust.	\$40,000 10/18/13	
	June 3, 2012		250.107
W&T Energy VI, LLC G-2013-020	During the course of a BSEE investigation into an electrocution incident, it was discovered that the operator did not assess safety hazards and follow policies for unplugging and plugging an electric cord without determining if breaker equipment was off or on, resulting in an electrical flash fire that caused injury.	\$70,000 12/5/13	
	April 29, 2012 (2 violations)		250.107 250.107(a)
Arena Offshore, LP G-2013-023	During the course of a BSEE inspection, the inspector discovered that the needle valve in the hydraulic line to the Surface Controlled Sub- surface Safety Valve (SCSSV) in the well control panel was in the closed position rendering the SCSSV inoperable, locking the valve in the open position, and not flagged or being monitored.	\$35,000 10/9/13	
	March 14, 2013	¢40.000	250.803(c)
Alliance Oilfield Services	During the course of a BSEE investigation into an incident with a fatality. It was discovered that the	\$40,000 11/6/13	250.107(a)

G-2013-026	contract operator failed conduct all operations in a safe and workmanlike manner by failing to address safety hazards and equipment deficiencies while conducting platform decommissioning operations to plug and abandon the wells. April 18, 2011		
Mariner Energy Resources (Shamrock Management, LLC) (Shamrock Energy Solutions) G-2013-031	During the course of a BSEE Investigation into an incident with injury, it was discovered that the operator failed to supervise and ensure that safety procedures were followed during cutting operations to remove a section of 2-inch pipe.		
	April 12, 2013		250.107(a)
Total Penalties Paid: 1/1/13 - 12/31/13			
	42 Cases: \$2,844,000		

The following acronyms are used in this table:

LSH	Level Safety High
PSH	Pressure Safety High
PSH/L	Pressure Safety High/Low
PSV	Pressure Safety Valve
SCSSV	Surface Controlled Subsurface Safety Valve
SDV	Shut Down Valve

The purpose of publishing the penalties summary is to provide information to the public on violations of special concern in OCS operations and to provide an additional incentive for safe and environmentally sound operations.