For Public Release

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

ACCIDENT INVESTIGATION REPORT

| 1. OCCURRED DATE: 31-JAN-2023 TIN | IE: 1045 HOURS | STRUCTURAL DAMAGE CRANE |
|---|---|---|
| 2. OPERATOR: Talos ERT LLC REPRESENTATIVE: TELEPHONE: CONTRACTOR: Alliance Off REPRESENTATIVE: TELEPHONE: | shore, LLC | DAMAGED/DISABLED SAFETY SYS. INCIDENT >\$25K H2S/15MIN./20PPM REQUIRED MUSTER SHUTDOWN FROM GAS RELEASE OTHER |
| 3. OPERATOR/CONTRACTOR REPR ON SITE AT TIME OF INCID 4. LEASE: G01023 AREA: SS LATI PLOCK: 224 LONGT | ESENTATIVE/SUPERVISOR ENT: FUDE: TUDE: | 8. OPERATION: PRODUCTION DRILLING WORKOVER COMPLETION HELICOPTER |
| 5. PLATFORM: E RIG NAME: 6 ACTIVITY: T EXPLORA | TION (DOF) | MOTOR VESSEL PIPELINE SEGMENT NO. DECOMMISSIONING PA PIPELINE SITE CLEARANCE TA PLATFORM |
| C. ACTIVITY. EXPLORA X DEVELOP (DOCD/P) | MENT/PRODUCTION OD) | <pre>x OTHER Plug and abandonment 9. CAUSE:</pre> |
| 7. TYPE: INJURIES: HISTORIC INJURY REQUIRED EVACUATION LTA (1-3 days) LTA (>3 days) RW/JT (1-3 days) RW/JT (>3 days) | OPERATOR CONTRACT | X EQUIPMENT FAILURE HUMAN ERROR EXTERNAL DAMAGE SLIP/TRIP/FALL WEATHER RELATED LEAK UPSET H20 TREATING OVERBOARD DRILLING FLUID OTHER |
| FATALITY Other Injury | | |
| POLLUTION FIRE EXPLOSION | | <pre>11. DISTANCE FROM SHORE: 44 MI. 12. WIND DIRECTION: E SPEED: 13 M.P.H.</pre> |
| LWC HISTORIC BLOWOUT UNDERGROUND SURFACE DEVERTER SURFACE EQUIPMENT | FAILURE OR PROCEDURES | <pre>13. CURRENT DIRECTION:</pre> |
| COLLISION HISTORIC | □>\$25K □ <=\$25K | 16. STATEMENT TAKEN: |

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17. INVESTIGATION FINDINGS:

On January 31, 2023, a wireline incident occurred during operations for the operator, Talos Energy, located at Ship Shoal 224 "E" OCS-G-01023. Personnel were in the process of temporarily abandoning (T&A) the E-4 well, using electric line (E-line) with a casing cutter. During the procedure, a release of energy occurred, causing the tool string to be ejected out of the well, damaging some grating. No injuries reported, and an onsite investigation was initiated.

On the morning of January 31, 2023, the crew held a pre-job safety meeting to discuss the safety of using E-line for the T&A procedure of the E-4 well on the platform. The crew proceeded to erect barricades on the cellar and wellbay decks before installing the work plate on the top deck. A pipe rack was then set up to lay out and measure the 2-3/8" work string before going into the well. The well has a subsea wellhead tieback system (subsea wellhead) near the mudline with all casing cut off 12 feet above the water line. The crew made up a 7-5/8" casing scraper assembly and went in the well to 30 feet below the water line before rigging up a pump line to circulate 8.6-pound seawater. After circulating, the assembly was pulled out of the hole (POOH) and a 6.35" gauge ring and junk basket was run in the well and tagged the cement plug at 123 feet below mud line (BML). The crew POOH with the gauge ring and junk basket to rig up an E-line cutter to cut the 7-5/8" casing at 120 feet BML. Once in place, the E-line operator fired the casing cutter and the fluid and tool string were ejected from the well, damaging the grating on the cellar and well bay decks. A safety stand down was called and an onsite investigation was initiated.

Investigation:

The Bureau of Safety and Environmental Enforcement (BSEE) inspectors conducted an onsite investigation on February 3, 2023. The BSEE investigation team consisting of Well Operations Inspectors were able to collect incident documentation and photos from the operator and contractor at the team's request. The BSEE investigation team reviewed all the provided documentation and found that in 2004 the E-4 well at Ship Shoal 224-E was abandoned with a cement plug set in the 7-5/8" production casing from 123 feet to 375 feet below the mud line (BML). In 2007, the well head was removed from the well and all casings were cut off 12 feet above the water line and a subsea tieback wellhead was in the well near the mudline.

According to the approved procedure, contractor's crew was instructed to cut and remove the 7-5/8" casing above the surface cement plug. Following its removal, a cement retainer was going to be placed in the 10-3/4'' casing so an attempt could be made to inject fluid to the 10-3/4" casing shoe. The 16" and 10-3/4" casing was tied back to surface but there was no communication with the wellbore below the subsea wellhead. This allowed trapped pressure to build up under the wellhead without being detected. All non-essential personnel were clear of the area, in the case of any unforeseen pressure event. When the casing cutter was fired below the subsea wellhead, the trapped pressure in the 10-3/4" and 7-5/8" annulus was released causing the tool string to be ejected from the wellbore. The tool string landed on the top deck, damaging the grating on the cellar and wellbay decks. The 2004 well files indicated a subsea tieback wellhead in the well near the mudline. All the casing strings were tied back into the system and run back to surface for the well to be completed. In 2007, the surface wellhead was removed from the well and all casings were cut off approximately 12 feet above the waterline. The operator or contractor were not aware that the well did not communicate above or below the subsea tieback system. The well had no history of pressure recordings and the surface wellhead had been removed, therefore no wireline pressure control equipment was used.

Since the incident, the contractor will install a slip-on surface wellhead on all wells that have a subsea wellhead system on this facility. The contractor will also update their standard operating procedure to include utilizing pressure control

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| equipment before perforating untested annuli t pressure. | For Public Release of trapped | | | |
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| 18. LIST THE PROBABLE CAUSE(S) OF ACCIDENT: | | | | |
| Project personnel were unaware that there was subsea wellhead tieback system where there was | no communication above or below the strapped pressure. | | | |
| 19. LIST THE CONTRIBUTING CAUSE(S) OF ACCIDENT | : | | | |
| No wireline pressure control equipment was use | ed because the wellhead was removed. | | | |
| 20. LIST THE ADDITIONAL INFORMATION: | | | | |
| n/a | | | | |
| 21. PROPERTY DAMAGED: | NATURE OF DAMAGE: | | | |
| Damaged grating on cellar deck ESTIMATED AMOUNT (TOTAL): \$4,000 | Grating broke loose and bent | | | |
| 22. RECOMMENDATIONS TO PREVENT RECURRANCE NARRATIVE: | | | | |
| BSEE Houma Dsitrict has no recommendations for this time. | or the Office of Incident Investigations at | | | |
| 23. POSSIBLE OCS VIOLATIONS RELATED TO ACCIDEN | IT: NO | | | |
| 24. SPECIFY VIOLATIONS DIRECTLY OR INDIRECTLY CONTRIBUTING. NARRATIVE: | | | | |
| None | | | | |
| 25. DATE OF ONSITE INVESTIGATION: | 28. ACCIDENT CLASSIFICATION: | | | |
| 03-FEB-2023 | | | | |
| 26. Investigation Team Members/Panel Members: Tim Boudreaux / Tony Bass / Gabe | 29. ACCIDENT INVESTIGATION PANEL FORMED: NO | | | |
| 27. OPERATOR REPORT ON FILE: | OCS REPORT: | | | |
| | 30. DISTRICT SUPERVISOR: | | | |
| | Amy Pellegrin | | | |

| APPROVED | |
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| DATE: | 12-FEB-2024 |