

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.

2016 Civil Penalties Summary Penalties Paid through the 2nd Quarter of 2016

(1/1/2016 - 6/30/2016)

Operator Name and Case No.	Violation and Date(s)	Penalty Paid and Date Paid	Regulation(s) Violated 30 CFR)
Stone Energy Corporation. G-2012-024	During the course of a BSEE inspection of simultaneous operations, inspectors discovered that an actuator associated with the shutdown valve on a 4" bi-directional pipeline, which delivers gas-lift gas to the facility was venting an excessive amount of natural gas to the atmosphere from a vent tube. April 12 – 19, 2012	\$200,000 3/28/16	250.107
Energy Resource Technology GOM, G-2014-008	BSEE investigated a loss of well control resulting in the uncontrolled release of hydrocarbons. BSEE discovered the operator failed to: (1) prevent the unauthorized discharge of pollutants into offshore waters; (2) maintain the casing of the well in a safe condition; (3) follow the approved procedures and after deviating from procedures, they failed to submit an amended procedure for approval. July 7-11, 2013 (2 violations) June 27 – July 7, 2016	\$300,000 4/1/16	250. 107 250.107(a) 250.1712
Fieldwood Energy G-2015-012	During the course of a BSEE inspection there was a failure to ensure that all activities during the abandonment operation were performed	\$140,000 1/15/16	250.107(a)

	<p>in a safe and workmanlike manner to protect health, safety, property, and the environment. The Heliport was used a part of the platform without a perimeter barricade and for the failure of personnel to use fall protection at the time of the inspection</p> <p>February 21-27, 2015</p>		
<p>GOM Shelf LLC G-2015-016</p>	<p>During a BSEE inspection, (1) A Emergency Shut Down (ESD) was initiated to function test close times of Surface Safety Valves (SSVs) and Surface Controlled Subsurface Safety Valve (SCSSVs.) The SSV on well L-12 failed to close during the ESD, L-12 was in bypass and was not properly flagged and monitored. (2) Function Test of a Sump Pump was initiated and pump failed to activate due to a disconnected gas supply line.</p> <p>October 21, 2014</p>	<p>\$25,000 4/22/16</p>	<p>250.803(c) 250.300(b)(4)</p>
<p>Energy XXI G-2015-021</p>	<p>During the course of a BSEE inspection the purge alarm in the Mud Engineer's shack was found in the bypassed position rendering it inoperable. The bypassed purge alarm posed an immediate danger as drilling operations were being conducted with an open hole. The Mud Engineer's shack could have become a potential ignition source in the event of gas accumulation at the shakers.</p> <p>January 31, 2013</p>	<p>\$25,000 3/23/16</p>	<p>250.107(a)</p>

<p>Apache Corporation</p> <p>G-2015-024</p>	<p>During an inspection, BSEE inspectors discovered that a crane pre-use inspection had identified several deficiencies and platform crane was not placed in restricted service or taken out of service. Crane deficiencies included: hydraulic and boom winch leaks, corrosion on the boom tip, and main hoist and aux winch cables were improperly installed.</p> <p>June 5-10, 2015</p>	<p>\$120,000</p> <p>4/28/16</p>	<p>250.108</p>
<p>Tarpon Operating & Development, L.L.C.</p> <p>G-2015-025</p>	<p>During an inspection, BSEE inspectors discovered an open hole that was improperly barricaded and exposed personnel to a dangerous condition.</p> <p>June 18-19, 2015</p>	<p>\$60,000</p> <p>4/20/16</p>	<p>250.107(a)</p>
<p>Fieldwood Energy</p> <p>G-2015-026</p>	<p>An incident occurred that caused a fire and damage to equipment, while bringing a platform back on line. A BSEE investigation took place and findings concluded that the top blew off the fuel gas filter, and a fire ignited from the hydrocarbons coming out of the vessel.</p> <p>May 9, 2015 (2 violations)</p>	<p>\$80,000</p> <p>3/24/16</p>	<p>250.803(b)(1)(i) 250.107</p>
<p>Chevron U.S.A. Inc</p> <p>G-2015-028</p>	<p>During the course of a BSEE inspection, an SCSSV leakage test was conducted. The test resulted in a leakage rate of 8.11 cubic feet per minute. That leakage rate is higher than the allowable rate..</p> <p>June 27, 2014 – June 11, 2015</p>	<p>\$149,520</p> <p>2/24/16</p>	<p>250.25 250.804(a)(1)(i)</p>

	June 6, 2014 – June 11, 2015		
Energy Resource Technology GOM, Inc. G-2015-034	During the course of a BSEE inspection, an open hole was discovered with missing grating. The hole was not properly barricaded to protect personnel from entering the hazardous area. September 15-17, 2015	\$30,000 3/22/16	250.107(a)(1)
Walter Oil & Gas Corporation G-2016-001	As a result of a Panel Investigation, BSEE issued two violations. During well completion operations, there was a loss of well control due to inability to detect a well bore influx in a timely manner. The loss of well control caused a fire and extensive damages to the rig structure. July 23-25, 2013 (2 violations)	\$222,000 5/26/16	250.107(a) 250.107
Total Penalties Paid: 1/1/2016 - 6/30/2016			
11 Cases: 1,351,520			

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.

ESD	Emergency Shut Down
SCSSV	Surface Controlled Subsurface Safety Valve
SSV	Surface Safety Valve