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

1. OCCURRED
   DATE: 09-APR-2006  TIME: 0945  HOURS

2. OPERATOR: Nexen Petroleum U.S.A. Inc.
   REPRESENTATIVE: Larry McRae
   TELEPHONE: (972) 450-4489

3. LEASE: G20051
   AREA: GC  LATITUDE:  
   BLOCK: 243  LONGITUDE:  

4. PLATFORM: GSF ARCTIC I
   RIG NAME:  

5. ACTIVITY: ☒ EXPLORATION (POE)
   ☐ DEVELOPMENT/PRODUCTION (DOCD/POD)

6. TYPE: ☒ FIRE
   ☐ EXPLOSION
   ☐ BLOWOUT
   ☒ COLLISION
   ☐ INJURY NO. ____
   ☐ FATALITY NO. ____
   ☐ POLLUTION
   ☐ OTHER

7. OPERATION: ☐ PRODUCTION
   ☒ DRILLING
   ☐ WORKOVER
   ☐ COMPLETION
   ☐ 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

9. WATER DEPTH: 3048 FT.
10. DISTANCE FROM SHORE: 100 MI.
11. WIND DIRECTION: NE
    SPEED: 7 M.P.H.
12. CURRENT DIRECTION: 
    SPEED: M.P.H.
13. SEA STATE: 6 FT.
14. OPERATOR REPRESENTATIVE/SUPERVISOR ON SITE AT TIME OF INCIDENT:
    Mark Lloyd
15. CONTRACTOR: Global Marine Drilling Co.
16. CONTRACTOR REPRESENTATIVE/SUPERVISOR ON SITE AT TIME OF INCIDENT:
    Jay-Dee Aberndroth
17. DESCRIBE IN SEQUENCE HOW ACCIDENT HAPPENED:

On April 9, 2006, the Rig "Artic I" was scheduled to take on Synthetic Oil Based Mud (SOBM) from the Motor Vessel (M/V) Cape Hope. At 0825 hours the mud hose was passed to the Artic I on the port side of the rig and soon after the transfer was started from the Cape Hope to the Rig. During the transfer, the vessel personnel noticed that some of the SOBM was overflowing out a vent. The engineer then closed the main fuel valve on the Cape Hope. This action did shut off fuel to the transfer pumps but also shut off fuel to the vessels thrust engines. The Cape Hope began having trouble maintaining station. The Cape Hope then drifted across the rig's bow. At 0945 hours the M/V Cape Hope makes contact with the Port Forward blister of the Rig.

Instructions were given to the rig personnel to secure all equipment and suspend drilling operations. The abandon vessel alarm was then sounded and the blind rams were closed and the well was secured. The Cape Hope continues to drift into rig drifting between the Port/Starboard vertical diagonals. At 1000 hours the United States Coast Guard (USCG) is contacted and given notification of collision along with the rig's position and number of personnel onboard. The USCG then dispatched a ship and aircraft to the scene. At this time the ballast control reported no change in draft or trim and no bilge alarms. The vessels Carl Thorne, Ms. Nancy, HOS Mariner, and Intrepid called in and were responding to scene. The Cape Hope then drifted under the lifeboats and the wheel house came in contact with life boat #2. This contact, punctured the hull of life boat and forced the boat into its davit arms creating punctures on the topside of life boat. The M/V Cape Hope then drifted further underneath the rig and its stern came in contact with the Starboard midships vertical diagonal. At 1012 hours M/V Ms. Nancy arrived on location to assist. And at 1013 hours all personnel on the rig were accounted for. Soon after a line was passed from M/V Cape Hope to M/V Ms. Nancy and pulled the Cape Hope from under rig. Once the Cape Hope was clear of rig, the vessel checked its ballast control. Also, personnel on the rig were assigned to take manual sounding of all forward voids and tanks on the rig, confirming no flooding had occurred. All personnel were stood down from stations and the crew mustered in the galley for a planning meeting.

Note: The Coast Guard Morgan City Marine Safety Office is the primary investigation Agency in this incident.

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

The cause of this incident was the on-duty vessel engineer on the Cape Hope activating the emergency fuel shutdown for the entire vessel instead of the shutting off only fuel to the vessels transfer pumps. This caused the vessel to lose power and drift into and under the Arctic I.

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

20. LIST THE ADDITIONAL INFORMATION:

The following are some of the preliminary findings from GSF structural engineer.
Port Forward Vertical Diagonal (PVDI) appears to have sustained the most damage of the three braces. There are several areas of deflection on the brace in an area approximately 26 feet in length and 6 foot in width. The deflection is approximately 8" and rounded. The area of deflection begins approx. 4 feet above the first ring support from the bottom.

Starboard Fwd Vertical Diagonal (SVD 1) sustained deflection in an area approx. 14' in length and 6' in width. There are several areas of deflection within this overall area. The deflection is approximately 8 inches and rounded. There are no shell plate fractures noted. The area begins approx. 8 foot above 2nd ring support.

Starboard Amidships Vertical Diagonal (SVD 2) sustained deflection in an area approx. 13' in length by 6' in width. The deflection was approx 6-8 inches and in multiple areas in this overall area. The area begins 8 feet below the second support ring and ends approx. 5 feet above the 2nd support ring. There was also deflection noted to webbing on support ring.

Global Santa Fe stated, that the rig repair cost were approximately $4,300,000 dollars. The rig was sent in to the shipyard and received the required work to be considered repaired. The well cost and other damages suffered by Nexen are ongoing at this date. At present their estimate for additional well cost due to the collision is $29,250,000.
21. PROPERTY DAMAGED: Rig Arctic I
               M/V Cape Hope
               Aspen #5 Well

               NATURE OF DAMAGE: Collision Damage

22. RECOMMENDATIONS TO PREVENT RECURRANCE NARRATIVE:
    Due to the nature of this incident the Houma District has no recommendations to the
    Regional Office.

23. POSSIBLE OCS VIOLATIONS RELATED TO ACCIDENT: NO

24. SPECIFY VIOLATIONS DIRECTLY OR INDIRECTLY CONTRIBUTING. NARRATIVE:

25. DATE OF ONSITE INVESTIGATION:

26. ONSITE TEAM MEMBERS: Brad Hunter /

29. ACCIDENT INVESTIGATION
    PANEL FORMED: NO

    OCS REPORT:

30. DISTRICT SUPERVISOR:
    Michael J. Saucier

    APPROVED
    DATE: 27-JUN-2006
Cape Hope Sea Supply Boat

Captain Kelly Flowers

Captain Harold Gifford

$600,000