1. OCCURRED
   DATE: 09-DEC-2006  TIME: 0600  HOURS

2. OPERATOR: Apache Corporation
   REPRESENTATIVE: Norman Porche
   TELEPHONE: (337) 354-8030
   CONTRACTOR: ISLAND OPERATORS CO. INC.
   REPRESENTATIVE: Bernie Broussard
   TELEPHONE: (337) 735-8638

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

4. LEASE: G12941
   AREA: SS  LATITUDE: 28.750669
   BLOCK: 129  LONGITUDE: -91.239418

5. PLATFORM: A
   RIG NAME:

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

8. CAUSE:
   □ EQUIPMENT FAILURE
   □ HUMAN ERROR
   □ EXTERNAL DAMAGE
   □ SLIP/TRIP/FALL
   □ WEATHER RELATED
   □ LEAK
   □ UPSET H2O TREATING
   □ OVERBOARD DRILLING FLUID
   □ REQUIRED MUSTER
   □ SHUTDOWN FROM GAS RELEASE
   □ OTHER

9. WATER DEPTH:  48 FT.

10. DISTANCE FROM SHORE:  28 MI.

11. WIND DIRECTION: NE
    SPEED: 14 M.P.H.

12. CURRENT DIRECTION: SW
    SPEED: 6 M.P.H.

13. SEA STATE:  5 FT.
17. DESCRIBE IN SEQUENCE HOW ACCIDENT HAPPENED:

On December 8, 2006 at 1400 hours, the Compressor on Ship Shoal Block 129, Platform A, shut down due to electrical and fuel gas problems. The platform lost fuel gas supply due to freezing temperatures. This caused the liquid outlet Shut Down Valves (SDV's) on the Heater Treater (NBK-0350) to close. Electrical problems from a low voltage reading on the generator lead to a gas detection malfunction as well as a process shut-in. At this time, the Compressor blew down without any liquid carry over to the low pressure vent boom. The Compressor was brought back online at 1600 hours and the platform was brought back online at 1615 hours. The Level Safety High (LSH) on the Heater Treater was placed in bypass while the Lead Operator was monitoring the system for start-up.

At 1730 hours, another operator noticed small amounts of fluid coming out of the vent boom. The operators started to investigate the problem. One of the operators found the SDV's closed on the Heater Treater and he immediately opened them. The Lead Operator found a high level on the Vent Scrubber (MBF-2070) but the LSH did not trip. The bridle assembly and level controller were found to be plugged and failed to dump the fluids to the Sump (ABH-6210). The Lead Operator attempted to repair the level controller. He manually tripped the level controller and the Vent Scrubber began dumping fluids to the Sump. The operator thought that it would be better to try and get rid of the fluids from the Vent Scrubber before the platform shuts-in again and the Compressor blows down through the vent. The operators rigged up a pump to the Vent Scrubber to pump fluids into the Wet Oil Tank (ABJ-3070).

At approximately 2345 hours, the Compressor shut down on its own. The Compressor blew down through the low pressure Vent Scrubber and out of the vent boom. An excessive amount of oil was placed in the Vent Scrubber and was carried out of the vent boom. A strong North wind blew the oil back onto the platform. The Lead Operator initiated a platform ESD. The platform shut in and the operators began to assess the extent of the pollution.

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

There were several things that caused this incident. First, the LSH on the Heater Treater was placed in bypass. Second, the liquid outlet SDV's on the Heater Treater were closed due to the loss of fuel gas supply. Third, the LSH on the Vent Scrubber failed to operate.

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

There were several contributing causes for this incident. The temperature was near freezing at the time of the incident. The operator stated that he was confused with the panel logic and did not really understand what was going wrong.

20. LIST THE ADDITIONAL INFORMATION:

As a result of this incident, Apache is providing panel operational training for all operators on the platform. The SDV's on the liquid outlets of the Heater Treater were removed. A Hot Gas line coming off of the Compressor will be used in the future to prevent fuel gas freezing problems. Also, the platform was using methanol for fuel gas, but the methanol will be replace with Ice Check. The platform was decontaminated and completely cleaned and the Houma District gave Apache the approval to bring the platform back online on December 15, 2006.
None  n/a

Due to the specific nature of this incident, the Houma District has no recommendations to report to the Regional Office.

23. POSSIBLE OCS VIOLATIONS RELATED TO ACCIDENT: YES

24. SPECIFY VIOLATIONS DIRECTLY OR INDIRECTLY CONTRIBUTING. NARRATIVE:

The Houma District issued three Incidents of Non-Compliance on February 2, 2007. 1) G-110: The lessee did not take all the necessary measures to prevent the discharge of crude oil into the Gulf of Mexico. 2) E-100: While conducting routine production operations on December 8, 2006, crude oil was carried over from the vent scrubber on the platform and into the offshore waters. 3) P-150: The gas detection system is not continuously monitored due to the battery back-up system inoperable. On December 8, 2006, the generator experienced low voltage which caused the gas detection system to malfunction.

25. DATE OF ONSITE INVESTIGATION:

09-DEC-2006

26. ONSITE TEAM MEMBERS:

Freddie Mosely / Darrell Griffin / Amy Wilson /

29. ACCIDENT INVESTIGATION PANEL FORMED: NO

30. DISTRICT SUPERVISOR:

Michael J, Saucier

APPROVED

DATE: 07-FEB-2007
<table>
<thead>
<tr>
<th>OPERATOR REPRESENTATIVE</th>
<th>INJURY</th>
</tr>
</thead>
<tbody>
<tr>
<td>CONTRACTOR REPRESENTATIVE</td>
<td>FATALITY</td>
</tr>
<tr>
<td>OTHER</td>
<td>WITNESS</td>
</tr>
</tbody>
</table>

**Name:**

**Home Address:**

**City:**

**State:**

**Work Phone:**

**Total Offshore Experience:**

**Employed By:** ISLAND OPERATORS CO. INC. / 20324

**Business Address:** 108 ZACHARY

**City:** LAFAYETTE

**State:** LA

**Zip Code:** 70583
1. VOLUME: GAL 2.8 BBL

2640 YARDS LONG X 200 YARDS WIDE

APPEARANCE: BROWN SHEEN

2. TYPE OF HYDROCARBON RELEASED: [X] OIL
   [ ] DIESEL
   [ ] CONDENSATE
   [ ] HYDRAULIC
   [ ] NATURAL GAS
   [ ] OTHER

3. SOURCE OF HYDROCARBON RELEASED: Low Pressure Flare Scrubber

4. WERE SAMPLES TAKEN? NO

5. WAS CLEANUP EQUIPMENT ACTIVATED? NO

   IF SO, TYPE: [ ] SKIMMER
   [ ] CONTAINMENT BOOM
   [ ] ABSORPTION EQUIPMENT
   [ ] DISPERSANTS
   [ ] OTHER

6. ESTIMATED RECOVERY: GAL BBL

7. RESPONSE TIME: HOURS

8. IS THE POLLUTION IN THE PROXIMITY OF AN ENVIRONMENTALLY SENSITIVE AREA (CLASS I)? NO

9. HAS REGION OIL SPILL TASK FORCE BEEN NOTIFIED? NO

10. CONTACTED SHORE: NO IF YES, WHERE:

11. WERE ANY LIVE ANIMALS OBSERVED NEAR: NO

12. WERE ANY OILED OR DEAD ANIMALS OBSERVED NEAR SPILL: NO