UNITED STATES DEPARTMENT OF THE INTERIOR
MINERALS MANAGEMENT SERVICE
GULF OF MEXICO REGION

ACCIDENT INVESTIGATION REPORT

1. OCCURRED
DATE: 13-JUL-2008  TIME: 2250  HOURS

2. OPERATOR: Arena Offshore, LLC
   REPRESENTATIVE: Ackal, Kalil
   TELEPHONE: (281) 210-3113
   CONTRACTOR: HERCULES OFFSHORE DRILLING
   REPRESENTATIVE: Krapf, Gary
   TELEPHONE: (318) 649-0069

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

4. LEASE: G02601
   AREA: EI  LATITUDE:  BLOCK: 57  LONGITUDE:

5. PLATFORM:
   RIG NAME: HERCULES 150

6. ACTIVITY: EXPLORATION(POE)
   DEVELOPMENT/PRODUCTION (DOCD/POD)

7. TYPE:
   HISTORIC INJURY
   REQUIRED EVACUATION  1
   LTA (1-3 days)
   LTA (>3 days)
   RW/JT (1-3 days)
   RW/JT (>3 days)  1
   Other Injury

   HISTORIC BLOWOUT
   UNDERGROUND
   SURFACE
   DEVERTER
   SURFACE EQUIPMENT FAILURE OR PROCEDURES

   COLLISION  HISTORIC  >$25K  <=$25K

8. CAUSE:
   EQUIPMENT FAILURE
   HUMAN ERROR  1
   EXTERNAL DAMAGE
   SLIP/TRIP/FALL
   WEATHER RELATED
   LEAK
   UPSET H2O TREATING
   OVERBOARD DRILLING FLUID
   OTHER

9. WATER DEPTH: 10 FT.

10. DISTANCE FROM SHORE: 6 MI.

11. WIND DIRECTION: WSW
     SPEED: 15 M.P.H.

12. CURRENT DIRECTION: WSW
     SPEED: 1 M.P.H.

13. SEA STATE: 2 FT.
17. INVESTIGATION FINDINGS:

On 13 July 2008 at approximately 2250 hours, a work crew employed by Hercules Offshore was attempting to jet/wash the top side of a spud can on the port side of the rig where the leg became stuck in thick and heavy mud while jacking down. The work crew was using heavy weight drill pipe connected to a high pressure hose that was suspended from the crane of the rig. The work crew involved in the incident was installing a 3rd joint of heavy weight drill pipe to the suspended stand of pipe, when the chicksan swivel and 2" high pressure hose fell 30 feet to the deck striking a Hercules Offshore employee. The employee sustained injuries to his left shoulder.

It was determined that the stand of pipe was connected only hand tight to the chicksan swivel and high pressure hose, and the work crew, not accounting for the weight of the pipe while suspended above the deck, allowed the chicksan to back out of its connection. Instead of tightening the 3rd section of drill pipe to the suspended stand, they did the opposite by tightening the stand of drill pipe to the 3rd section of drill pipe. This allowed the stand of drill pipe to back out the chicksan swivel due to the weight of the pipe being suspended from the crane.

The Hercules Offshore HSE company policy manual specifies that a Job Safety Analysis (JSA) should be completed. Although the JSA was filled out, the process was not used to assure that hazards were identified and mitigating steps were discussed and/or put into place for all of the listed steps. The rig crew and personnel also deviated from plans discussed prior to conducting the operation.

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

Due to the hand tight/loose chicksan connection, the suspended drill pipe was able to back out of its connection and fall on the drilling employee during the jetting/washing operation.

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

The Hercules Offshore personnel failed to follow guidelines within their HSE company policy manual in regards to conducting a Job Safety Analysis (JSA).

20. LIST THE ADDITIONAL INFORMATION:
21. PROPERTY DAMAGED: N/A
   NATURE OF DAMAGE: N/A

   ESTIMATED AMOUNT (TOTAL): $

22. RECOMMENDATIONS TO PREVENT RECURRANCE NARRATIVE:

   The Lafayette District Office makes no recommendations to the Regional Office of Safety Management (OSM).

23. POSSIBLE OCS VIOLATIONS RELATED TO ACCIDENT: YES

24. SPECIFY VIOLATIONS DIRECTLY OR INDIRECTLY CONTRIBUTING. NARRATIVE:

   An "After-the-Fact" G-110 Incident of Noncompliance was issued on 11 September 2008 to document Arena Offshore LLC's failure to properly supervise and provide for the safety and health of a drilling contractor employee as the result of a chucksan connection and high pressure hose falling thirty feet (30') before striking and injuring the drilling employee on 13 July 2008.

25. DATE OF ONSITE INVESTIGATION:

   15-JUL-2008

26. ONSITE TEAM MEMBERS: Jason A. Abshire / Tom Basey /

29. ACCIDENT INVESTIGATION PANEL FORMED: NO

   OCS REPORT:

30. DISTRICT SUPERVISOR:

   Elliott S. Smith

   APPROVED DATE: 18-SEP-2008
| OPERATOR REPRESENTATIVE | INJURY |
| CONTRACTOR REPRESENTATIVE | FATALITY |
| OTHER Crane Operator | WITNESS |

### Crane Operator

**NAME:**
**HOME ADDRESS:**
**CITY:**
**STATE:**
**WORK PHONE:**
**TOTAL OFFSHORE EXPERIENCE:**
**YEARS EMPLOYED BY:**
**BUSINESS ADDRESS:**
**CITY:**
**STATE:**
**ZIP CODE:**

| OPERATOR REPRESENTATIVE | INJURY |
| CONTRACTOR REPRESENTATIVE | FATALITY |
| OTHER Rig Employee | WITNESS |

### Rig Employee

**NAME:**
**HOME ADDRESS:**
**CITY:**
**STATE:**
**WORK PHONE:**
**TOTAL OFFSHORE EXPERIENCE:**
**YEARS EMPLOYED BY:**
**BUSINESS ADDRESS:**
**CITY:**
**STATE:**
**ZIP CODE:**
INJURY/FATALITY/WITNESS ATTACHMENT

☐ OPERATOR REPRESENTATIVE ☐ INJURY
☐ CONTRACTOR REPRESENTATIVE ☐ FATALITY
☒ OTHER  Rig Employee ☒ WITNESS

NAME:
HOME ADDRESS:
CITY: STATE:
WORK PHONE:
TOTAL OFFSHORE EXPERIENCE: YEARS

EMPLOYED BY:
BUSINESS ADDRESS:
CITY: STATE:
ZIP CODE: