1. OCCURRED
   DATE: 06-OCT-2006  TIME: 0140  HOURS

2. OPERATOR:  BHP Billiton Petroleum (GOM) Inc.
   REPRESENTATIVE: Ron Campbell
   TELEPHONE: (713) 961-8421

   CONTRACTOR:
   REPRESENTATIVE:
   TELEPHONE:

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

4. LEASE:  G08035
   AREA:  AT  LATITUDE: 
   BLOCK:  574  LONGITUDE: 

5. PLATFORM:
   RIG NAME:  GSF DEVELOPMENT DRILLER I

6. ACTIVITY:  X  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
   □ OTHER

9. WATER DEPTH:  6213 FT.

10. DISTANCE FROM SHORE:  124 MI.

11. WIND DIRECTION:  SSE

   SPEED:  10 M.P.H.

12. CURRENT DIRECTION:  SSW

   SPEED:  3 M.P.H.

13. SEA STATE:  4 FT.
17. DESCRIBE IN SEQUENCE HOW ACCIDENT HAPPENED:

Main Side drill floor was running in hole with 13 5/8" casing on drill pipe. Mud was reported to be coming from around the bottom of diverter and dripping onto slip joint and into sea. Investigations revealed that the mud was leaking between the diverter and diverter housing. Area between housings was packed with manila rope to reduce flow until well could be secured and operations allowed diverter removal for repairs. Spill Team responded and immediately started clean-up and source containment. Trash can was placed in cherry picker [man rider] and positioned to capture main drip path to prevent entry into sea.

Remedial Actions: Secure well - pull diverter, troubleshoot, repair and reinstall. Continue to clean residual SBM Mud from around moon-pool area.

Discharge of SBM into the water Discharge volume was 3bbls, consisting of 18% solids, 21% water and 61% synthetic base fluid or 1.83 bbls.

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

Diverter seal failed.

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

The rig examined the seal and found no obvious reason for the seal to fail. These seals are energized by control fluid, there was a leak of control fluid from the seal and the seal de-energized. Once de-energized the seal allowed mud to pass.
21. PROPERTY DAMAGED: 3 bbl of SOBM

22. RECOMMENDATIONS TO PREVENT RECURRANCE NARRATIVE:
   No recommendation to MMS.
   The New Orleans District concurs with operator's recommendations to prevent recurrence. The diverter seal shall be visually inspected prior to each installation.

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:

29. ACCIDENT INVESTIGATION PANEL FORMED: NO

OCS REPORT:

30. DISTRICT SUPERVISOR: Troy Trosclair

APPROVED

DATE: 08-DEC-2006
POLLUTION ATTACHMENT

1. VOLUME: GAL 1.83 BBL
   YARDS LONG X YARDS WIDE

   APPEARANCE:

2. TYPE OF HYDROCARBON RELEASED:  □ OIL
   □ DIESEL
   □ CONDENSATE
   □ HYDRAULIC
   □ NATURAL GAS
   □ OTHER  Synthetic Oil Base Mud (SOBM)

3. SOURCE OF HYDROCARBON RELEASED: Diverter seal

4. WERE SAMPLES TAKEN?  NO

5. WAS CLEANUP EQUIPMENT ACTIVATED?  NO
   IF SO, TYPE:  □ SKIMMER
   □ CONTAINMENT BOOM
   □ ABSORPTION EQUIPMENT
   □ DISPERANTS
   □ 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