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

1. OCCURRED
DATE: 06-JAN-2008  TIME: 0745  HOURS

2. OPERATOR: Stone Energy Corporation
   REPRESENTATIVE: Cobb Lebouef
   TELEPHONE: (337) 521-0213
   CONTRACTOR: Stokes & Spiehler
   REPRESENTATIVE: Butch Coney
   TELEPHONE: (337) 233-6871

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

4. LEASE: G03323
   AREA: EC  LATITUDE: 
   BLOCK: 220  LONGITUDE: 

5. PLATFORM: A
   RIG NAME: 

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)
   [X] Other Injury  1 bruise on bicep of IP

   [ ] FATALITY
   [ ] POLLUTION
   [ ] FIRE
   [ ] EXPLOSION

   LWC
   [ ] HISTORIC BLOWOUT
   [ ] UNDERGROUND
   [ ] SURFACE
   [ ] DEVERTER
   [ ] SURFACE EQUIPMENT FAILURE OR PROCEDURES

   COLLISION  [ ] HISTORIC  [X] >$25K  [ ] <=$25K

   [ ] STRUCTURAL DAMAGE
   [X] CRANE
   [ ] OTHER LIFTING DEVICE
   [ ] DAMAGED/DISABLED SAFETY SYS.
   [ ] INCIDENT >$25K
   [ ] H2S/15MIN./20PPM
   [ ] REQUIRED MUSTER
   [ ] SHUTDOWN FROM GAS RELEASE
   [ ] OTHER

8. OPERATION:
   [ ] PRODUCTION
   [ ] DRILLING
   [ ] WORKOVER
   [ ] COMPLETION
   [ ] HELICOPTER
   [ ] MOTOR VESSEL
   [ ] PIPELINE SEGMENT NO.
   [X] OTHER  P&A operations

9. WATER DEPTH: 99 FT.

10. DISTANCE FROM SHORE: 69 MI.

11. WIND DIRECTION: E
    SPEED: 10 M.P.H.

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

13. SEA STATE: 2 FT.
17. DESCRIBE IN SEQUENCE HOW ACCIDENT HAPPENED:

During ongoing plug and abandon operations the crane was being utilized to hold the power swivel in place over the well that was being plugged and abandoned. A casing cutter was being used to cut the 20 inch casing. Work began that morning by starting up the crane and standing by for instruction. The Smith personnel and EES crew started their own equipment. The auxiliary cable was repositioned to its dead man anchor point on the power swivel used to operate the casing cutter. The crane operator then picked up on the main hoist to reposition the cutting tool. Once the tool was set in place the cutting operation began.

After a while, the Smith personnel ceased cutting and ordered the EES personnel to shut his mud pump down so he could evaluate the casing. While cutting operations were in progress, the weight indicator increased to 10,000 lbs. This was an indication that the casing had indeed fallen on to the cutting tool. In order to verify that the casing was in fact cut in two, the EES personnel ordered the crane operator to pick up on the load. The boom angle at the time was 29 degrees at 61 feet. The dynamic and static load rating at this angle is 7563 lbs. and 11,460 lbs. respectively. The crane operator picked up on the load line to an indicated 12,000 lbs. The crane operator stated that he stopped the operation to say that the tool was stuck. The crane operator reported at that moment he heard the loud pop sound of the boom cable failing and the boom coming down.

As the boom came down, the flagman ran to escape injury. The cable struck the flagman causing a bruise on his left bicep. The crane boom came to rest on top of the power swivel and associated equipment. The job was shut down immediately and the injured person was flown to a hospital for medical evaluation.

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

1. Boom cable parted
2. Boom cable worn and rusted
3. Weight indicator was not reliable
4. Crane was overloaded
5. Crane was consistently shock loaded due to erratic movement of the power swivel

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

1. Cable had lube on it so could not be inspected thoroughly enough
2. Dampening screw on weight indicator was backed out possibly giving a false reading
3. Lead sheave in the bridle was not rolling free
4. Crane operator was utilizing static load chart instead of the dynamic load chart
5. Proper and complete pre-use was not performed since the crane stayed connected to the load overnight
6. Auxiliary hoist was being used to secure the arm of the power swivel and this weight was not accounted for
7. Load chart indicates that the block weight is 500 pounds but does not specify if this weight is deducted for the capacity chart

20. LIST THE ADDITIONAL INFORMATION:

Crane is heavy usage and no monthly's being performed.
Missing pre-use inspections.
Post incident investigation revealed the following: A boom cable inspection was performed revealing that the boom cable failed in a section that would have been on or around the area of the lead bridle sheave. Although the boom cable was well lubricated, it was apparent that the boom cable experienced excessive wear. The boom cable was no longer rounded and was actually flattened for approximately 50 feet from this excessive wear. The cable dead-end which was pinned to the bridle has approximately 15 feet of rusted cable that was not lubricated and would flake if rubbed. In the cable failure area approximately 10 feet on each side had randomly broken wires. During bridle inspection it was discovered that the lead sheave was incapable of movement. It was also noted that the weight indicator was not secure in the cab but rather hanging to the side with a quarter inch rope. Furthermore, the dampening screw on the front of the indicator was backed out completely. This may have rendered the weight indicator inoperable.

It should be noted that on the day of the incident a complete crane pre-use was not performed due to the fact that the crane was still attached to the load. A comment was made by the crane operator that he should have a seatbelt on while he was sitting in the crane cab due to the bouncing of the boom with the power swivel attached. This was not the first well that was worked on which leads one to believe that the crane had experienced "shock loading" for an extended period of time.
21. PROPERTY DAMAGED: Crane boom, boom cable, swivel head.

NATURE OF DAMAGE: Bent metal

ESTIMATED AMOUNT (TOTAL): $100,000

22. RECOMMENDATIONS TO PREVENT RECURRANCE NARRATIVE:

The Lake Charles District recommends a safety alert be distributed with the following information:
1. When a device is found to be defective, take the crane out of service until repairs can be made.
2. Verify crane inspection, testing, and maintenance is being conducted according to manufacturers recommendations, company policy and in accordance with API RP-2D section 4 Inspection, Testing, and Maintenance.
3. Verify inspection, maintenance and replacement intervals for wire rope are performed according to manufacturers recommendations, company policy and in accordance with API RP-2D section 5 Wire rope and Sling Inspection, Replacement and Maintenance.
4. During (daily) pre-use inspection, verify all components are operational. Special attention should be focused on the following:
   a. Verify proper operation of all sheaves
   b. Condition of wire rope "Possible loss of strength can result from wear, abuse and other forms of deterioration"
   c. Accuracy and operation of weight indicators where installed.

23. POSSIBLE OCS VIOLATIONS RELATED TO ACCIDENT: YES

24. SPECIFY VIOLATIONS DIRECTLY OR INDIRECTLY CONTRIBUTING. NARRATIVE:

G-110 Unsafe workmanlike operation.
I-105 Crane operations continued with faulty weight indicator.
I-143 Missing pre-use inspections throughout job.
I-144 No monthly inspections being performed.

25. DATE OF ONSITE INVESTIGATION:

11-JAN-2008

26. ONSITE TEAM MEMBERS: Cody LeBlanc / Eric Fontenot /

29. ACCIDENT INVESTIGATION PANEL FORMED: NO

OCS REPORT:

30. DISTRICT SUPERVISOR: larry Williamson

APPROVED

DATE: 18-MAR-2008
INJURY/FATALITY/WITNESS ATTACHMENT

[ ] OPERATOR REPRESENTATIVE [ ] INJURY
[ ] CONTRACTOR REPRESENTATIVE [ ] FATALITY
[ ] OTHER ___________________________ [X] WITNESS

NAME: BUTCH CONEY
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 WITNESS [X] WITNESS

NAME: GORDON SPRINKLE
HOME ADDRESS:
CITY: STATE:
WORK PHONE: TOTAL OFFSHORE EXPERIENCE: YEARS
EMPLOYED BY:
BUSINESS ADDRESS:
CITY: STATE:
ZIP CODE:
<table>
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<th>CITY</th>
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<th>WORK PHONE</th>
<th>TOTAL OFFSHORE EXPERIENCE</th>
<th>YEARS</th>
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<tbody>
<tr>
<td>DANNY VALENTINE</td>
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<td>CHRIS ZELLNER</td>
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**INJURY/FATALITY/WITNESS ATTACHMENT**

- **Operator Representative**
- **Contractor Representative**
- **Other Injured**
- **Witness**

**Notes:**
- [ ] Operator Representative
- [ ] Injured
- [ ] Contractor Representative
- [ ] Fatality
- [ ] Other Witness
- [ ] Witness

**Injury/Fatality/Witness Details:**

1. **Name:** DANNY VALENTINE
2. **Home Address:**
3. **City:**
4. **State:**
5. **Work Phone:**
6. **Total Offshore Experience:**
7. **Years:**
8. **Employed By:**
9. **Business Address:**
10. **City:**
11. **State:**
12. **Zip Code:**

1. **Name:** CHRIS ZELLNER
2. **Home Address:**
3. **City:**
4. **State:**
5. **Work Phone:**
6. **Total Offshore Experience:**
7. **Years:**
8. **Employed By:**
9. **Business Address:**
10. **City:**
11. **State:**
12. **Zip Code:**

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**EV2010R**

**20-MAR-2008**