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

1. OCCURRED
   DATE: 01-DEC-2008  TIME: 1000 HOURS
   STRUCTURAL DAMAGE
   CRANE
   OTHER LIFTING DEVICE
   DAMAGED/DISABLED SAFETY SYS.
   INCIDENT >$25K
   H2S/15MIN./20PPM
   REQUIRED MUSTER
   SHUTDOWN FROM GAS RELEASE
   OTHER

2. OPERATOR: Palm Energy Offshore, L.L.C.
   REPRESENTATIVE: Lee Metcalf
   TELEPHONE: (337) 366-9918
   CONTRACTOR: Baker Energy, Inc.
   REPRESENTATIVE: Pat Simon
   TELEPHONE: (337) 210-9532
   CRANE
   OTHER LIFTING DEVICE
   DAMAGED/DISABLED SAFETY SYS.

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

4. LEASE: G02006
   AREA: WC  LATITUDE:
   BLOCK: 504  LONGITUDE:

5. PLATFORM: A
   RIG NAME: Hurricane Ike
   CONTRACTOR rep.

6. ACTIVITY:
   EXPLORATION (POE)
   DEVELOPMENT/PRODUCTION
   EQUIPMENT FAILURE
   (DOCD/POD)
   REQUIRE EVACUATION
   WEATHER RELATED
   LTA (1-3 days)
   OVERBOARD DRILLING FLUID
   RW/JT (1-3 days)

7. TYPE:
   HISTORIC INJURY
   REQUIRED EVACUATION
   LTA (1-3 days)
   LTA (>3 days)
   RW/JT (1-3 days)
   RW/JT (>3 days)
   Other Injury
   HISTORIC BLOWOUT
   UNDERGROUND
   SURFACE
   DEVERTER
   SURFACE EQUIPMENT FAILURE OR PROCEDURES
   COLLISION
   HISTORIC
   >$25K
   <=$25K
   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: 147 FT.

10. DISTANCE FROM SHORE: 89 MI.

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

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

13. SEA STATE: FT.
The construction crew involved in the incident had been on location for several days performing Hurricane Ike repairs. Multiple simultaneous hot work operations were ongoing during the repair project when 2 ½ days into the removal of the 12-feet X 23-feet sump deck, the fitter cut into the 8-inch incoming WC-504-B pipeline (Segment Number 11640). The investigation revealed that the sump deck was suspended by chain falls and air hoists (tuggers) while the crew cut away sections of the deck for removal. The Lessee's investigation report revealed that the sump deck shifted while the fitter cut through the penetration ring surrounding the incoming riser. As the deck shifted, the fitter continued cutting through the penetration ring and into the pipeline riser, resulting in a small low pressure flash fire. The Lessee's report states that the pipeline was out of service and bled down in September 2008 prior to the production crew evacuating for Hurricane Ike. Although there were no injuries or pollution associated with the incident, the potential for a serious injury did exist.

The construction crew was supervised by a Third Party Contractor Consultant along with a Construction Crew Supervisor. Although the crews were issued several permits to perform the work, our investigation revealed several deficiencies with these permits. Most importantly the Hot Work Permit, Task Hazard Assessment, and the Job Safety Analysis did not identify the pipeline riser as a potential hazard.

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

   The fitter utilized a cutting torch to cut through the deck penetration surrounding an 8-inch pipeline riser and cut a hole into the pipeline.

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

   1. Production/construction crew personnel failed to follow regulatory requirements for protecting the pipeline while performing hot work.
   2. Production/construction crew personnel failed to identify the pipeline as a potential hazard.
   3. The possibility of improper rigging practices may have contributed to the deck shifting while the fitter was cutting the deck penetration ring.

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

14-feet section of 8-inch pipeline Deck penetration ring and hole in incoming pipeline.

ESTIMATED AMOUNT (TOTAL): $38,639

22. RECOMMENDATIONS TO PREVENT RECURRANCE NARRATIVE:

The Lake Charles District does not have any recommendations for the MMS Regional Office of Safety Management (OSM).

23. POSSIBLE OCS VIOLATIONS RELATED TO ACCIDENT: YES

24. SPECIFY VIOLATIONS DIRECTLY OR INDIRECTLY CONTRIBUTING. NARRATIVE:

G-303: The Lessee failed to protect the incoming pipeline from damage while hot work was being conducted.

25. DATE OF ONSITE INVESTIGATION:

05–DEC–2008

26. ONSITE TEAM MEMBERS:

Jarrott Guillory / Wayne Meaux / Scott Mouton /

29. ACCIDENT INVESTIGATION

PANEL FORMED: NO

OCS REPORT:

30. DISTRICT SUPERVISOR:

Larry Williamson

APPROVED

DATE: 05–FEB–2009
1. SOURCE OF IGNITION: Cutting Torch

2. TYPE OF FUEL:  
   - [X] GAS
   - [ ] OIL
   - [ ] DIESEL
   - [ ] CONDENSATE
   - [ ] HYDRAULIC
   - [ ] OTHER

3. FUEL SOURCE: Pipeline

4. WERE PRECAUTIONS OR ACTIONS TAKEN TO ISOLATE KNOWN SOURCES OF IGNITION PRIOR TO THE ACCIDENT? NO

5. TYPE OF FIREFIGHTING EQUIPMENT UTILIZED:  
   - [X] HANDHELD
   - [ ] WHEELED UNIT
   - [ ] FIXED CHEMICAL
   - [ ] FIXED WATER
   - [ ] NONE
   - [ ] OTHER