UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF OCEAN ENERGY MANAGEMENT, REGULATION AND ENFORCEMENT
GULF OF MEXICO REGION
ACCIDENT INVESTIGATION REPORT

1. OCCURRED
   DATE: 14-SEP-2010  TIME: 0500  HOURS

2. OPERATOR: Hilcorp Energy GOM, LLC
   REPRESENTATIVE: Schumann, Natalie
   TELEPHONE: (713) 289-2896
   CONTRACTOR:
   REPRESENTATIVE:
   TELEPHONE:

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

4. LEASE: 00827
   AREA: SS  LATITUDE: 28.528612
   BLOCK: 209  LONGITUDE: -90.871014

5. PLATFORM A-AUX
   RIG NAME:

6. ACTIVITY: EXPLOREATION (POE)
   DEVELOPMENT/ PRODUCTI ON
   (DOCD/ POD)

7. TYPE:
   - HI STOR C INJURY
   - EQUIPMENT FAI LURE
   - HUMAN ERROR
   - EXTERNAL DAMAGE
   - SLIP/ TRIP/ FALL
   - WEATHER RELATED
   - LEAK
   - UPSET H2O TREATING
   - OVERBOARD DRILLING FLUID
   - OTHER

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

9. WATER DEPTH: 95 FT.

10. DISTANCE FROM SHORE: 34 MI.

11. WIND DIRECTION: E
    DEVERTER SPEED: 12 M.P.H.

12. CURRENT DIRECTION: E
    DEVERTER SPEED: 3 M.P.H.

13. SEA STATE: 2 FT.

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17. INVESTIGATION FINDINGS:

On 14 April 2010 at approximately 0500 hours, an operator noticed a leak coming from the top of the heater treater fire tube. Flow was then shut-in and although a skid pan was placed under the leak to contain the spill, approximately 4.71 barrels of oil traveled down the side of the vessel and overboard. The oil produced a three miles by two miles sheen that was 40 percent brightly colored and 60 percent silvery colored. The spill was contained at approximately 0515 hours. Once the spill was contained, an 8" crack in the fire tube at the 12 O'clock position was observed directly against the sealed weld at the face plate penetration. There were no reported injuries or platform evacuations with this incident.

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

Preliminary review of the incident indicates the oil leaked overboard due to the crack located in the fire tube at the face plate penetration's sealed weld.

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

Preliminary review of the incident indicates fatigue failure due to a hot spot may have contributed to the crack.

20. LIST THE ADDITIONAL INFORMATION:

At this time, the fire tube has been repaired, and the heater treater is back in service. To prevent this incident from reoccurring, Hilcorp placed a containment skid to prevent pollution releases into the Gulf of Mexico. The Houma District agrees that these steps should prevent this incident from reoccurring.

21. PROPERTY DAMAGED:

<table>
<thead>
<tr>
<th>Heater treater fire tube</th>
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<tr>
<th>NATURE OF DAMAGE:</th>
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<tr>
<td>8&quot; long crack in the fire tube at the 12 O'clock position directly against the face plate penetration's sealed weld.</td>
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<tr>
<th>ESTIMATED AMOUNT (TOTAL):</th>
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<tr>
<td>$10,000</td>
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22. RECOMMENDATIONS TO PREVENT RECURRENT NARRATIVE:

The Houma District office has no further recommendations for the Regional Office of Safety Management.

23. POSSIBLE OCS VIOLATIONS RELATED TO ACCIDENT: NO

24. SPECIFY VIOLATIONS DIRECTLY OR INDIRECTLY CONTRIBUTING NARRATIVE:

25. DATE OF ONSITE INVESTIGATION:

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26. ONSITE TEAM MEMBERS:
    Casey Bisso / Julie King /

29. ACCIDENT INVESTIGATION PANEL FORMED:

30. DISTRICT SUPERVISOR:
    OCS REPORT:
    Bryan A. Domangue

APPROVED DATE: 23-DEC-2010
1. VOLUME: GAL 4.71   BBL
   5280 YARDS LONG X 3520 YARDS WIDE
   APPEARANCE: SILVERY SHEEN

2. TYPE OF HYDROCARBON RELEASED: ☒ OIL
   ☐ DIESEL
   ☐ CONDENSATE
   ☐ HYDRAULIC
   ☐ NATURAL GAS
   ☐ OTHER _________________________

3. SOURCE OF HYDROCARBON RELEASED: Heater treater

4. WERE SAMPLES TAKEN?  NO

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