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

ACCIDENT INVESTIGATION REPORT

1. OCCURRED
   DATE:          05-APR-2007  TIME:  1800  HOURS
   STRUCTURAL DAMAGE
   CRANE
   OTHER LIFTING DEVICE
   DAMAGED/DISABLED SAFETY SYS.
   INCIDENT >$25K
   H2S/15MIN./20PPM
   REQUIRED MUSTER
   SHUTDOWN FROM GAS RELEASE
   OTHER  Slip Joint Packer failure

2. OPERATOR:  Chevron U.S.A. Inc.
   REPRESENTATIVE:  Chris Pender
   TELEPHONE:  (504) 674-0184
   CONTRACTOR:  ENSCO International Company
   REPRESENTATIVE:  Jimmy Pilcher
   TELEPHONE:  (337) 735-3530

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

4. LEASE:  G16641
   AREA:  MC  LATITUDE:
   BLOCK:  696  LONGITUDE:

5. PLATFORM:
   RIG NAME:  ENSCO 7500

6. ACTIVITY:
   X  EXPLORATION
   DRILLING
   DEVELOPMENT/PRODUCTION
   EQUIPMENT FAILURE
   HUMAN ERROR
   REQUIRED EVACUATION
   WEATHER RELATED
   LEAK
   OVERBOARD DRILLING FLUID
   OTHER

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

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

9. WATER DEPTH:  6944 FT.

10. DISTANCE FROM SHORE:  70 MI.

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

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

13. SEA STATE:  3 PT.
17. INVESTIGATION FINDINGS:

On 5 April 2007 at approximately 1800 hours, while function testing Blowout Preventers (BOPs) and monitoring the well on the trip tank, a drilling floor hand noticed pit mud losses and notified the drill floor. The BOP testing ceased to determine where the losses were going. The pit hand upon arrival in the moon pool area discovered mud from moon pool in the water. During the incident a total of 18 bbls of Synthetic Base Mud (SBM) was discharged into the Gulf of Mexico with 10.87 bbls of actual oil content.

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

Packer failure on the Slip Joint.

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

Slip Joint upper packer had a mechanical failure leaking SBM (Nova Plus) into the GOM.

20. LIST THE ADDITIONAL INFORMATION:

Riser inspection performed on 3 April 2007 and 6 April 2007.

21. PROPERTY DAMAGED: NATURE OF DAMAGE:

18 bbl of Synthetic Base Mud Loss overboard.

ESTIMATED AMOUNT (TOTAL): $3,600

22. RECOMMENDATIONS TO PREVENT RECURRANCE NARRATIVE:

The New Orleans District makes no recommendations to the Regional Office of Safety Management.

23. POSSIBLE OCS VIOLATIONS RELATED TO ACCIDENT: YES

24. SPECIFY VIOLATIONS DIRECTLY OR INDIRECTLY CONTRIBUTING. NARRATIVE:

E-100 W 300(a) 254.46 Lessee did not prevent pollution of offshore waters, on April 5, 2007 when 18 bbls of SBM (Nova Plus) was found leaking from upper slip joint riser into moon pool area.

25. DATE OF ONSITE INVESTIGATION:

05-APR-2007
26. ONSITE TEAM MEMBERS:
   Daryl Williams / Justin Josey /

29. ACCIDENT INVESTIGATION PANEL FORMED:
   NO

30. DISTRICT SUPERVISOR:
   Troy Trosclair

APPROVED DATE: 08-AUG-2007
1. VOLUME: GAL 10.87 BBL

YARDS LONG X YARDS WIDE

APPEARANCE:

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

3. SOURCE OF HYDROCARBON RELEASED: Upper packer on slip joint

4. WERE SAMPLES TAKEN? NO

5. WAS CLEANUP EQUIPMENT ACTIVATED? NO

IF SO, TYPE: □ SKIMMER
□ CONTAINMENT BOOM
□ ABSORPTION EQUIPMENT
□ DISPERSENS
□ OTHER

6. ESTIMATED RECOVERY: 0 GAL 0 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? YES

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