ACCIDENT INVESTIGATION REPORT

1. OCCURRED
   DATE: 10-FEB-2007     TIME: 1200     HOURS

2. OPERATOR: Fairways Offshore Exploration, Inc.
   REPRESENTATIVE: Bobby Vasquez
   TELEPHONE: (713) 622-3492

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

4. LEASE: G14159
   AREA: HI     LATITUDE:
   BLOCK: 154     LONGITUDE:

5. PLATFORM: JA
   RIG NAME:

6. ACTIVITY:
   □ EXPLORATION (POE)
   X 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
   □ FATALLY
   □ POLLUTION
   X FIRE
   □ EXPLOSION

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

9. WATER DEPTH: 52 FT.

10. DISTANCE FROM SHORE: 20 MI.

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

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

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

On February 10, 2007, welding/cutting operations were being conducted directly above open grating. Slag fell to the lower deck, igniting a bucket containing rags and rope.

On February 11, 2007, welding/cutting operations were being conducted directly above open grating. Slag fell to the lower deck, igniting polyflow tubing by the production separators.

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

Hot work operations were being conducted over open grating with insufficient insulation to keep slag from falling into the production separator area. Simultaneous production operations were being conducted at the time of both of the fires. Hot work was being conducted within ten (10) feet of active production lines.

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

There was no production supervision on the platform (Fairways or contractor. Grasso Production is the contractor. Production personnel were not involved with Hot Work Permits or Job Safety Analysis (JSA). The only supervisor was a construction superintendent who stated that he was only in charge of the construction work being conducted.
21. PROPERTY DAMAGED:  

The damaged materials had been removed by Unknown. the time the MMS inspectors were on site.

ESTIMATED AMOUNT (TOTAL):

22. RECOMMENDATIONS TO PREVENT RECURRANCE NARRATIVE:

The Lake Jackson District has no recommendations to MMS.

23. POSSIBLE OCS VIOLATIONS RELATED TO ACCIDENT: YES

24. SPECIFY VIOLATIONS DIRECTLY OR INDIRECTLY CONTRIBUTING. NARRATIVE:


25. DATE OF ONSITE INVESTIGATION:

26-FEB-2007

26. ONSITE TEAM MEMBERS:

Phillip Couvillion / Ralph Tate /

29. ACCIDENT INVESTIGATION PANEL FORMED: NO

OCS REPORT:

30. DISTRICT SUPERVISOR:

Stephen P. Martinez

APPROVED

DATE: 26-MAR-2007