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

1. OCCURRED
DATE: 04-AUG-2006 TIME: 1200 HOURS

2. OPERATOR: Newfield Exploration Company
REPRESENTATIVE: Larry Moerbe
TELEPHONE: (281) 389-0734

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

4. LEASE: G01898
AREA: ST LATITUDE: 
BLOCK: 148 LONGITUDE: 

5. PLATFORM: B
RIG NAME: * COIL TUBING UNIT

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)
□ Other Injury

□ FATALITY
□ POLLUTION
□ FIRE
□ EXPLOSION

LWC □ HISTORIC BLOWOUT
□ UNDERGROUND
□ SURFACE
□ DEVERTER
□ SURFACE EQUIPMENT FAILURE OR PROCEDURES

COLLISION □ HISTORIC □ >$25K □ <=$25K

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

9. WATER DEPTH: 109 FT.

10. DISTANCE FROM SHORE: 38 MI.

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

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

13. SEA STATE: 3 FT.
17. DESCRIBE IN SEQUENCE HOW ACCIDENT HAPPENED:

On Friday August 04, 2006, at approximately 1200 hours, an incident occurred during coiled tubing operations at Lease OCS-G 01898, South Timbalier Block 148, Platform "B", causing moderate damage to the gas buster and associated piping. Inspectors from the Houma District arrived on location to conduct an accident investigation on August 09, 2006.

While attempting to circulate a hydrate plug out with coiled tubing using a 50/50 fluid mixture of glycol and water, gas came through the gas buster due to the slow response of the hydraulic choke operator. He was cautioned about the importance of maintaining control of the gas during the CT operation. After pulling out of the hole, a lead impression block was attached to the CT. On the next trip in the hole, the CT could not get deeper than 8 feet. While pulling out of the hole, the operator was told to close the choke. It could not be determined after Newfield’s investigation into the accident, that the operator closed the choke before or after the incident. A large gas bubble went up the 2 inch return line, through the choke, then into the gas buster, shearing the bolts securing it to the top of the sand trap tank and falling approximately six feet to the deck. After the accident, the operator found both choke stems and beans damaged. These were replaced as well as the gas buster and the choke operator. The job was completed with no other occurrences. There was no pollution, injuries, or fatalities.

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

Slow response of the hydraulic choke operator.

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

Once it was realized during the operation by the supervisor that the choke operator was too slow to react to gas kicks, the job was not shut down.

20. LIST THE ADDITIONAL INFORMATION:
21. PROPERTY DAMAGED:

<table>
<thead>
<tr>
<th>Nature of Damage</th>
<th>1. Bent Piping, Broken Bolts</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Gas Buster</td>
<td>2. Broken Piping</td>
</tr>
<tr>
<td>2. Associated Piping</td>
<td>3. Broken Choke Stems and Beans</td>
</tr>
<tr>
<td>3. Hydraulic Choke Stems and Beans</td>
<td></td>
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</tbody>
</table>

ESTIMATED AMOUNT (TOTAL): $1,000

22. RECOMMENDATIONS TO PREVENT RECURRANCE NARRATIVE:

Due to the specific nature of this incident, the Houma District has no recommendations at this time.

23. POSSIBLE OCS VIOLATIONS RELATED TO ACCIDENT: NO

24. SPECIFY VIOLATIONS DIRECTLY OR INDIRECTLY CONTRIBUTING. NARRATIVE:

25. DATE OF ONSITE INVESTIGATION:

09-AUG-2006

26. ONSITE TEAM MEMBERS:

Lance Belanger / Terry Hollier /

27. OPERATOR REPORT ON FILE: NO

29. ACCIDENT INVESTIGATION PANEL FORMED: NO

OCS REPORT:

30. DISTRICT SUPERVISOR:

Michael J. Saucier

APPROVED

DATE: 20-SEP-2006