1. OCCURRED
    DATE: 02-JUL-2015 TIME: 0400 HOURS

2. OPERATOR: Freeport-McMoRan Oil & Gas LLC
    REPRESENTATIVE: [TELEPHONE:]
    CONTRACTOR: Rowan Companies Inc.
    REPRESENTATIVE: [TELEPHONE:]

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

4. LEASE: G18194
    AREA: MC LATITUDE: [LONGITUDE: -]
    BLOCK: 126

5. PLATFORM:
    RIG NAME: Rowan Relentless

6. ACTIVITY: 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:
   EQUIPMENT FAILURE
   HUMAN ERROR
   EXTERNAL DAMAGE -
   SLIP/TRIP/FALL
   WEATHER RELATED
   LEAK
   UPSET H2O TREATING
   OVERBOARD DRILLING FLUID
   OTHER

9. WATER DEPTH: 4525 FT.

10. DISTANCE FROM SHORE: 52 MI.

11. WIND DIRECTION: E -
    SPEED: 13 M.P.H.

12. CURRENT DIRECTION: SE
    SPEED: 0 M.P.H.

13. SEA STATE: 0 FT.
On 02 July 2015 an incident occurred on the Rowan Relentless drill ship that resulted in a 368 barrel discharge of SBM (Synthetic Base Mud). The SBM discharged was 9.4 pounds per gallon and contained 67 percent synthetic oil.

At 0100 hours the Derrick Man aligned reserve pit #1 (containing SBM) to the Schlumberger cement pumping unit. This would allow the Schlumberger cementer to pump SBM into the well to conduct a FIT (Formation Integrity Test). The Derrick Man also aligned pit # 1 to circulate on itself to prevent pressure building up on the valve at the cement pumping unit. After the FIT was completed, the Schlumberger cementer pumped the excess SBM from his tanks into the wellbore. At this time, the Derrick Man was not aware that the FIT was completed and reserve pit #1 continued to circulate on itself. The Driller was only monitoring active pit #3 and active pit #5 for wellbore operations.

At 0200 hours the Derrick Man prepared a cold work permit in order to dump the seawater out of pit #12 and pit #14. Both of these pits contained the seawater that was used to displace the wellbore to SBM.

Between 0220 hours and 0245 hours, without double checking valve alignment as stated in the Job Risk Assessment, the overboard discharge valve was unlocked. The Derrick Man then began to pump displacement seawater overboard from pit #12. Once pit #12 was pumped out, the Derrick Man switched the valve alignment to pump out pit #14. A total of 1,350 barrels of displacement seawater was discharged overboard between both pits.

At approximately 0345 hours, the Derrick Man noticed the manual splitter valve separating the SBM in reserve pit #1 from pits #12 and #14 was halfway open. Note that at the time of the incident, this splitter valve was not recognized as a sensitive valve and was not locked out, as outlined in Rowans Platinum Rules. The Derrick Man then confirmed reserve pit #1 was pumped empty. He notified his supervisors about this incident and it is determined that 368 barrels of SBM was inadvertently discharged into Gulf of Mexico waters.

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

1) Poor communication between all parties involved.
2) Failure of the Derrick Man and Assistant Derrick Man to verify valve alignment prior to pumping the displacement seawater overboard.
3) Splitter valve was left half open.

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

1) SBM from reserve pit #1 was used to conduct the FIT and that pit was not monitored by the Driller.
2) Driller was only monitoring mud pits #3 and #5 (active) for wellbore operations.
3) Lack of awareness on company (Rowan) policy.
4) Simultaneous operations in pit room: SBM transfer and seawater being pumped overboard at the same time. The signed Job Risk Assessment states "Do one job at a time from start to finish".
5) The mud pit dump valves leading to the overboard discharge line were not locked out.
20. LIST THE ADDITIONAL INFORMATION:

21. PROPERTY DAMAGED: NATURE OF DAMAGE:
   368 barrels of SBM Discharged overboard.

ESTIMATED AMOUNT (TOTAL):

22. RECOMMENDATIONS TO PREVENT RECURRANCE NARRATIVE:
   The BSEE New Orleans District makes no recommendations to the Agency.

23. POSSIBLE OCS VIOLATIONS RELATED TO ACCIDENT: YES

24. SPECIFY VIOLATIONS DIRECTLY OR INDIRECTLY CONTRIBUTING. NARRATIVE:
   G-110, 30 CFR 250.107(a) issued 7-7-2015, Operations were not performed in a safe
   and workmanlike manner to provide for the preservation and conservation of property
   and the environment.

   E100, 30 CFR 250.300(a) issued 7-7-2015, Operator failed to prevent the
   unauthorized discharge of pollutants into offshore waters, resulting in 368 barrels
   of 9.4 ppg SMB inadvertently released into Gulf of Mexico waters.

25. DATE OF ONSITE INVESTIGATION:
   07-JUL-2015

26. ONSITE TEAM MEMBERS:
   Earl Roy / Suleiman Ibrahim / Lorenzo Buckley /

29. ACCIDENT INVESTIGATION
   PANEL FORMED: NO

   OCS REPORT:

30. DISTRICT SUPERVISOR:
    David Trocquet
## INJURY/FATALITY/WITNESS ATTACHMENT

<table>
<thead>
<tr>
<th>Operator Representative</th>
<th>Injuy</th>
<th>Contractor Representative</th>
<th>Fatality</th>
<th>Other</th>
<th>Witness</th>
</tr>
</thead>
</table>

**NAME:**
**HOME ADDRESS:**
**CITY:**
**STATE:**
**WORK PHONE:**
**TOTAL OFFSHORE EXPERIENCE:**
**YEARS**

**EMPLOYED BY:**
**BUSINESS ADDRESS:**
**CITY:**
**STATE:**
**ZIP CODE:**
1. VOLUME: GAL 368 BBL
   YARDS LONG X YARDS WIDE

   APPEARANCE:

2. TYPE OF HYDROCARBON RELEASED: □ OIL
   □ DIESEL
   □ CONDENSATE
   □ HYDRAULIC
   □ NATURAL GAS
   X OTHER Synthetic Based Mud

3. SOURCE OF HYDROCARBON RELEASED: Overboard discharge line.

4. WERE SAMPLES TAKEN? NO

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