ACCIDENT INVESTIGATION REPORT

1. **Occurred**
   D**ate:** 10-FEB-2012  **Time:** 1600  **Hours**

2. **Operator:** Chevron U.S.A. Inc.
   **Representative:**
   **Telephone:**
   **Contractor:** Nabors Drilling Inc.
   **Representative:**
   **Telephone:**

3. **Operator/Contractor Representative/Supervisor on site at time of incident:**

4. **Lease:** G05911
   **Area:** GC
   **Block:** 205
   **Longitude:**

5. **Platform:** A-Genesis Spar
   **Rig Name:** NABORS 85 (MAYRONNE 162)

6. **Activity:**
   **Development/Production (DOCD/POD)**
   **Exploration (POE)**

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**
   - **Hazardous Waste**
     - Historic blowout
     - Underground
     - Surface
     - Deverter
     - Surface equipment failure or procedures
   - **Collision**
     - Historic
     - >$25K
     - <=$25K

8. **Operation:**
   - **Production**
   - **Drilling**
   - **Workover**
   - **Completion**
   - **Helicopter**
   - **Motor Vessel**
   - **Pipeline Segment No.**
   - **Other**

9. **Water depth:** 2590 FT.

10. **Distance from shore:** 81 MI.

11. **Wind direction:** N
    **Speed:** 1 M.P.H.

12. **Current direction:** N
    **Speed:** 1 M.P.H.

13. **Sea state:** 1 FT.

14. **Pictures taken:** NO

15. **Statement taken:** NO
17. INVESTIGATION FINDINGS:

On 10 February 2012 the Nabors 85 unintentionally released 44 barrels of Synthetic Based Mud (SBM) which included 30 barrels of oil into the Gulf of Mexico. The rig was in the process of displacing water-based mud (WBM) with SBM, when it was noticed that levels were not rising as expected in pits #4 and #5. While searching for the leak source mud was noticed in the shunt line and the operation was shut down. The post incident investigation revealed that dump valves for pits #4 and #5 were partially opened to a manifold going to the overboard shunt line. These valves should have taken approximately 15 turns to open and/or close, but the employee that closed them stated that it took only 2 turns. It was also noted that the day prior to the incident an employee reported to rig management that the master dump valve (which is connected to the overboard shunt line) was hard to close. He was told to “get a bigger wrench” and no one followed up to ensure the valve was closed properly. The valve was found to have either rope or rag debris stuck in it preventing full closure.

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

1) The dump valves for mud pits #4 and #5 were partially open.
2) The master dump valve had a piece of debris in it which prevented full closure.

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

1) Poor maintenance of the valves in question.
2) Rig crew (supervisors and workers) failed to ensure proper functionality of equipment.

20. LIST THE ADDITIONAL INFORMATION:

The 5 mud processing pits each have a dump valve. All of the dump lines are manifold into one common dump line which has a master valve that leads to the overboard shunt line.

21. PROPERTY DAMAGED: NATURE OF DAMAGE:

Loss of 44 barrels of SBM

Estimated Amount (Total): $6,600

22. RECOMMENDATIONS TO PREVENT RECURRANCE NARRATIVE:

The BSEE Houma District makes no recommendations to the Agency.

23. POSSIBLE OCS VIOLATIONS RELATED TO ACCIDENT: YES

24. SPECIFY VIOLATIONS DIRECTLY OR INDIRECTLY CONTRIBUTING NARRATIVE:

MMS - FORM 2010
EV2010R
PAGE: 2 OF 5
28-J UN-2012
An E-100 INC issued on 3/15/2012:
On February 7, 2012 the operator discharged 44 bbls of Synthetic Based Mud into the Gulf of Mexico.

25. DATE OF ONSITE INVESTIGATION: 15-MAR-2012
26. ONSITE TEAM MEMBERS:
   Clint Campo / Jeramie Liner /

27. OPERATOR REPORT ON FILE: YES
28. ACCIDENT CLASSIFICATION: MINOR
29. ACCIDENT INVESTIGATION PANEL FORMED: NO
30. DISTRICT SUPERVISOR: Bryan Domangue

OCS REPORT:

APPROVED DATE: 20-JUN-2012
1. VOLUME: GAL 30 BBL
   YARDS LONG X YARDS WIDE

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

3. SOURCE OF HYDROCARBON RELEASED: Synthetic Based Mud from mud pits #4 and #5.

4. WERE SAMPLES TAKEN? NO

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

6. ESTIMATED RECOVERY: 0 GAL 0 BBL

7. RESPONSE TIME: 0 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