UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF SAFETY AND ENVIRONMENTAL ENFORCEMENT
GULF OF MEXICO REGION

ACCIDENT INVESTIGATION REPORT

1. OCCURRED
   DATE: 23-OCT-2012  TIME: 1100 HOURS

2. OPERATOR: Energy XXI GOM, LLC
   REPRESENTATIVE:
   TELEPHONE:
   CONTRACTOR: Ensco Offshore Co.
   REPRESENTATIVE:
   TELEPHONE:

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

4. LEASE: 00020
   AREA: ST
   BLOCK: 67
   LATITUDE: LONGITUDE:

5. PLATFORM: B
   RIG NAME: ENSCO 99

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: 65 FT.

10. DISTANCE FROM SHORE: 16 MI.

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

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

13. SEA STATE: FT.
On October 23, 2012, while preparing to test 7 inch casing, the Assistant Driller inadvertently closed the Blind Shear Rams (BSR) and sheared a joint of 5 inch drill pipe which dropped 500 feet into the wellbore.

The drill crew had just finished running and cementing the 7 inch casing and had rigged up the Halliburton Cement Unit in preparation of the upcoming casing test. Both the Driller and the drill crew left the rig floor to go eat lunch, leaving the Toolpusher and the Assistant Driller to remain on the floor. The lines on the Halliburton Unit were successfully tested to 4000 psi when the Toolpusher instructed the Assistant Driller to close the Upper Pipe Rams (UPR) to start a test on the casing. Despite a protective cover placed over the BSR controls to prevent accidental functioning, the Assistant Driller attempted to close the UPR and activated the BSR instead. As a result, the joint of 5 inch drill pipe that was lying across the stack was sheared.

After the incident, the Offshore Installation Manager was notified and the job was shut down. The rig made arrangements to get a new rental Blowout Preventer (BOP) Stack to replace the compromised one, and an investigation was started. After the investigation was complete, it was determined that the accident was due mainly to human error. Preparations were made to modify their procedures to call for two "competent" people to be present when making non-emergency functions to the BOP, and to increase the use of verbal confirmation between the persons involved for reaffirmation before the function is set into motion. No personnel were injured during the incident and no INC's were issued.

A possible contributing cause of the accident was complacency of assistant driller. Another possible contributing cause is Possible lack of experience. Employee had just been promoted to the position of Assistant Driller in January 2012. In addition, after being promoted to his new position, the employee was moved to a different rig. This transition would mean a new crew to work with, new equipment, etc.

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

1) Assistant Driller failed to acknowledge barriers put into place for the Blind Shear Rams and accidently initiated the wrong function.

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

1) Complacency of Assistant Driller

2) Possible lack of experience. Employee had just been promoted to the position of Assistant Driller in January 2012. In addition, after being promoted to his new position, the employee was moved to a different rig. This transition would mean a new crew to work with, new equipment, etc.

20. LIST THE ADDITIONAL INFORMATION:
21. PROPERTY DAMAGED:  
   - 1 joint of 5 inch drill pipe  
   NATURE OF DAMAGE:  
   1 joint of 5 inch pipe was sheared.

ESTIMATED AMOUNT (TOTAL):  $  

22. RECOMMENDATIONS TO PREVENT RECURRANCE NARRATIVE:  
   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:  
   No INC's were issued.

25. DATE OF ONSITE INVESTIGATION:

26. ONSITE TEAM MEMBERS:  
   James Richard /

29. ACCIDENT INVESTIGATION
   PANEL FORMED:  NO

30. DISTRICT SUPERVISOR:  
   Bryan A. Domangue

APPROVED
DATE:  29-MAR-2013