ACCIDENT INVESTIGATION REPORT

For Public Release

1. OCCURRED
   DATE: 07-APR-2013 TIME: 1245 HOURS

2. OPERATOR: Stone Energy Corporation
   REPRESENTATIVE:
   TELEPHONE:
   CONTRACTOR: Acadian Oil and Gas, LLC
   REPRESENTATIVE:
   TELEPHONE:

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

4. LEASE: G06898
   AREA: VK LATITUDE: 28.97303233
   BLOCK: 989 LONGITUDE: -88.62598209

5. PLATFORM: A
   RIG NAME:

6. ACTIVITY: 
   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 Inadequate Preparation

9. WATER DEPTH: 1290 FT.

10. DISTANCE FROM SHORE: 26 MI.

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

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

13. SEA STATE: 3 FT.
17. INVESTIGATION FINDINGS:

A small fire occurred in the deck drain next to a designated hot work area while performing repairs on the A-29 Vent/Drain Header. Sparks from a grinder being used to clean and prep the pipe for welding, entered into the drain outside of the immediate hot work area and ignited residual hydrocarbons. Although, the drain had previously been cleaned, flushed and filled with soap and water, a flash fire still occurred. The fire was immediately pushed to the West end of the drain with the use of the standby light water hose reel, where it was extinguished with the use of a 30 pound extinguisher within 30 seconds. There were no injuries to personnel and no impact to the environment and no reported property damages. However, Stone Energy did not take all the necessary precautions to prevent the fire hazard. Although some precautions were taken, an accumulation of flammable hydrocarbons were missed, resulting in a small flash fire ignited by a grinder's spark.

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

1. Residual hydrocarbons or flammable substances not being accounted for while hot work was being performed.
2. Inadequate fire blankets.
3. Inadequate isolation methods to prevent grinding sparks from reaching possible flammable sources outside of the immediate hot work area.

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

Not doing as thorough a job preparation before the fire occurred, as was done after the incident happened.

20. LIST THE ADDITIONAL INFORMATION:

An All Stop (Safety Stand Down) was called shutting down all operations following the incident. Notifications were made to Stone's operations and HSE Department. A completed review of all JSEA's was performed. Multiple Hazard Hunts were performed. A hazard analysis was performed of the work going forward. A complete wash down of the area around the construction activity including brushing and power wash with soap. Wet tarps were laid covering all deck drain lines. An enclosure using tarps was built around the construction area. Gas detectors are being used within these enclosures which are ventilated on the top. Three fire watches will be on duty to insure adequate surveillance. The OIM and Construction PIC both walked down the operation and were comfortable to resume the hot work operations without further incident.
21. PROPERTY DAMAGED: None
   NATURE OF DAMAGE: None

ESTIMATED AMOUNT (TOTAL): $ 

22. RECOMMENDATIONS TO PREVENT RECURRANCE NARRATIVE:
   The MMS New Orleans District makes no recommendations to the MMS Regional Office of
   Safety Management (OSM).

23. POSSIBLE OCS VIOLATIONS RELATED TO ACCIDENT: YES

24. SPECIFY VIOLATIONS DIRECTLY OR INDIRECTLY CONTRIBUTING. NARRATIVE:
   G-112 was issued on 08-APR-2013 for Stone Energy Corporation's failure to take all
   necessary precautions to prevent a fire hazard.

25. DATE OF ONSITE INVESTIGATION:
   08-APR-2013

26. ONSITE TEAM MEMBERS:
   Otho Barnes / Gerald Taylor /

29. ACCIDENT INVESTIGATION
   PANEL FORMED: NO

   OCS REPORT:

30. DISTRICT SUPERVISOR:
   David Trocquet

APPROVED
   DATE: 19-MAR-2014
FIRE/EXPLOSION ATTACHMENT

1. SOURCE OF IGNITION: Sparks from a grinder.

2. TYPE OF FUEL: ■ GAS
   ■ OIL
   ■ DIESEL
   ■ CONDENSATE
   ■ HYDRAULIC
   ■ OTHER Residual Hydrocarbons

3. FUEL SOURCE: A-29 Vent/Drain Header

4. WERE PRECAUTIONS OR ACTIONS TAKEN TO ISOLATE
   KNOWN SOURCES OF IGNITION PRIOR TO THE ACCIDENT? NO

5. TYPE OF FIREFIGHTING EQUIPMENT UTILIZED: ■ HANDHELD
   ■ WHEELED UNIT
   ■ FIXED CHEMICAL
   ■ FIXED WATER
   ■ NONE
   ■ OTHER

INJURY/FATALITY/WITNESS ATTACHMENT

■
INJURY/FATALITY/WITNESS ATTACHMENT

☐ OPERATOR REPRESENTATIVE ☐ INJURY
☐ CONTRACTOR REPRESENTATIVE ☐ FATALITY
☐ OTHER ________________________ ☐ WITNESS

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

EMPLOYED BY:
BUSINESS ADDRESS:
CITY: STATE:
ZIP CODE: