UNITED STATES DEPARTMENT OF THE INTERIOR -
BUREAU OF SAFETY AND ENVIRONMENTAL ENFORCEMENT -
GULF OF MEXICO REGION -
ACCIDENT INVESTIGATION REPORT

For Public Release

1. OCCURRED
   DATE: 13-SEP-2012  TIME: 0330  HOURS

2. OPERATOR: Energy XXI GOM, LLC
   REPRESENTATIVE:
   TELEPHONE:
   CONTRACTOR: Nabors Drilling Inc.
   REPRESENTATIVE:
   TELEPHONE:

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

4. LEASE: G01083
   AREA: WD
   LATITUDE:
   BLOCK: 73
   LONGITUDE:

5. PLATFORM: D
   RIG NAME: NABORS 17

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
   □ 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
   □ OVERBOARD DRILLING FLUID
   □ OTHER -

9. WATER DEPTH: 168 FT.

10. DISTANCE FROM SHORE: 23 MI.

11. WIND DIRECTION: N
    SPEED: 16 M.P.H.

12. CURRENT DIRECTION: M.P.H.

13. SEA STATE: FT.
On 13 September 2012 at 0300 hours, an incident occurred that resulted in equipment damage at the West Delta 73 on the Nabors 17 rig under contract with Energy XXI GOM, LLC. The operation at the time of the incident involved the drilling crew who were conducting BOP testing.

The crew began testing BOP's around 1500 hours on 12 September 2012 using a 7-5/8" Greens cup tester. The test required 4" and 5" drill pipe to be tested to a high pressure of 5000 psi. The crew completed nine (9) successful tests to 5000 psi with the 4" drill pipe and then removed the 4" testing assembly. After making up the 5" test assembly, testing began with the lower pipe rams (2-7/8" x 5" Variable Bore Rams (VBRs). At 4800 psi, the test assembly was forced up the hole stopping when the tool joint struck the lower pipe rams. The force of the assembly slamming into the top drive caused the traveling block and the top drive to shoot up approximately 20'. As the top drive came back down, the following equipment was damaged: test assembly, top drive electrical panel, top drive gear box and sealing elements in the lower pipe rams. The use of the cup tester and possible associated hazards were not included in the Job Safety Analysis (JSA). The BSEE investigation revealed that rig personnel did not fully understand how to properly install the cup tester and there was no instruction manual on site for the cup tester. No stop work authority was used.

After the assembly was pulled out of the hole it was discovered that the bull plug was never installed in the cup tester. Not having the bull plug installed allowed the pressure to build in the casing below the cup tester. The calculated force exerted for the 4" test at 5000 psi was 62,800 pounds and the 5" at 4800 psi was 94,200 pounds. No one was injured as a result of this incident.

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

1) Bull plug not installed allowing hydraulic pressure to push the 5" test assembly up into the top drive.

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

1) Lack of training - No one on the rig was trained on the use or how to properly install the cup tester.
2) Inadequate JSA - The JSA reviewed prior to testing BOPs did not include the use of a cup tester or the hazards involved.
3) No operating procedures or instruction manual on site for the Greens cup tester.
4) No Stop Work Authority was used.

20. LIST THE ADDITIONAL INFORMATION:

The top drive was replaced with one of the same make and 70' of drill line was slipped and cut.
After the incident the rig crew conducted an inspection of the derrick, drill line, and draw works.
Inspection of the lower pipe rams revealed that the sealing elements were damaged. The ram was pulled and the elements replaced.

BSEE questions the decision to have rig personnel inspect the derrick after such a violent incident. Were the rig personnel qualified to determine if the derrick is still structurally sound and would it have been more beneficial to have a 3rd party specialist conduct the inspection?

Recommend Energy XXI conduct a self-audit of their Safety and Environmental Management System.

21. PROPERTY DAMAGED:

   Test assembly
   Top drive electrical panel
   Top drive gear box
   Sealing elements in the lower pipe rams

   NATURE OF DAMAGE:
   Crushed and bent equipment.

   ESTIMATED AMOUNT (TOTAL): $384,067

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:

   INC G-132 was issued on 20 September 2012 for not immediately verbally reporting the incident to the District Manager of BSEE N.O. District.

   "After the Fact" INC G-110 was issued on 18 October 2012 for the failure to perform all operations in a safe and workmanlike manner. The lessee performed an unsafe act that resulted in a major incident that could have caused harm or death to personnel.
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:
NAME:
HOME ADDRESS:
CITY: STATE:
WORK PHONE: TOTAL OFFSHORE EXPERIENCE: YEARS
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