

Civil Penalties Program

The goal of the BSEE OCS Civil Penalties Program is to assure safe and clean operations on the OCS. Through the pursuit, assessment, and collection of civil penalties and referrals for the consideration of criminal penalties, the program is designed to encourage compliance with OCS statutes and regulations.

2013 Civil Penalties Summary Penalties Paid through the 2nd Quarter of 2013 (1/1/2013 - 6/30/2013)

Operator Name and Case No.	Violation and Date(s)	Penalty Paid and Date Paid	Regulation(s) Violated 30 CFR)
Linder Oil Company Production Services Network G-2009-001	During an inspection it was revealed that the shutdown valve (SDV), for the fuel gas to the main generator, was bypassed. It was also discovered that Linder was discharging produced water from the production separator into the containment skid. Oct. 25- Oct. 28, 2008 Oct. 2 – Oct. 28, 2008	\$75,000* 6/12/13 *Note: Pursuant to a Settlement Agreement, Linder shall make payments from January 2013 to January 2015 totaling \$500,000. \$200,000 was paid in 2012. With the above payment, total payments received so far are \$275,000.	250.803 (c) 250.802 (a)
Hall Houston Exploration III, L.P. G-2011-037	A pollution event occurred from a block valve on the well's flow line that parted at the threads of the valve body. There was oil on platform and oil pollution in Gulf waters. August 1, 2011 July 31 – August 1, 2011 July 12 – July 30, 2011	\$225,000 2/1/13	250.300(a) 250.107 250.107
Black Elk Energy Offshore, LLC (Island Operators Co., Inc.) G-2012-003	During the course of a BSEE inspection, the LSH for the 2nd Stage Scrubber was not being tested monthly as required from April 21, 2011 to September 25, 2011. In addition, it was	\$71,250 1/10/13	250.802(b) 250.107

	<p>discovered that the operator failed to check the integrity and sandblast and paint the piping on the bottom of the vent scrubber per prior inspection.</p> <p>April 21, 2011 – September 25, 2011 February 15, 2011 – September 27, 2011</p>		
<p>Black Elk Energy Offshore Operations, LLC</p> <p>G-2012-008</p>	<p>During the course of a BSEE investigation into an illness incident involving flowback operation, it was discovered that the operator failed to conduct operations in a safe and workmanlike manner by not following Job Safety Analysis procedures and exercising Stop Work Authority. In addition, it was discovered that the operator failed to take necessary precautions to prevent hazardous accumulation of chemical vapors.</p> <p>October 8 – 10, 2011 (2 violations)</p>	<p>\$140,000</p> <p>4/22/13</p>	<p>250.107</p> <p>250.107</p>
<p>Energy Partners, Ltd.</p> <p>G-2012-011</p>	<p>During the course of a BSEE review of a Well Activity Report, and subsequent inspection, it was discovered that the SCSSV was not re-installed after being removed for well work operations.</p> <p>September 6 – 27, 2011</p>	<p>\$33,000</p> <p>2/15/13</p>	<p>250.801(c)</p>
<p>McMoRan Oil & Gas, Inc.</p> <p>G-2012-016</p>	<p>During the course of a BSEE inspection, the operator failed to maintain and correct several areas of handrails with severe corrosion identified in a previous inspection.</p> <p>Aug. 30, 2011-Jan.30-2012</p>	<p>\$29,750</p> <p>6/3/13</p>	<p>250.107</p>

Arena Offshore, LP G-2012-023	During a BSEE inspection, the inspector discovered an unattended and improperly barricaded open hole in the grating in the deck area resulting in a threat to personnel. April 12, 2012	\$25,000 2/25/13	250.107(a)
Rooster Petroleum, LLC G-2012-025	BSEE investigated a crane lift operation where a rigger was injured. The incident was caused by unsafe conditions. February 29, 2012	\$30,000 4/26/13	250.107(a)
Apache Corporation (Island Operators Co., Inc.) G-2012-026	During a BSEE inspection, the inspectors discovered the heater treater that was in-service was severely corroded and leaking. It was also discovered that a rubber patch secured the hose clamps to prevent the vessel from leaking. Using a rubber patch is not an approved method of fixing leaks. April 18, 2012	\$30,000 1/16/13	250.107
El Paso E&P Company, L.P. G-2012-027	During a BSEE investigation into an incident involving a fire in the Heater-Treater fire tube, it was discovered that the operator failed to maintain the equipment in a safe condition. February 10, 2012	\$40,000 2/19/13	250.401(e)
Rooster Petroleum, LLC G-2012-029	During the course of the BSEE investigation into an injury involving grating installation operations, the operator failed to perform all operations in a safe and workmanlike manner by failing to identify the fall hazard in the Job Safety Analysis. March 5, 2012	\$35,000 6/6/13	250.107
McMoRan Oil & Gas, LLC G-2012-031	During a BSEE inspection, an inspector discovered that the PSH on the Fired Component fuel gas was blocked Out-of-Service, and was not flagged and monitored by personnel.	\$25,000 3/8/13	250.803(c)

	May 22, 2012		
Mariner Energy Resources, Inc. G-2012-032	During a BSEE inspection, it was discovered that missing skirting around an "out of service" heliport was being used as a working platform. It was also noted that the heliport skirting was severely corroded. July 11 – 17, 2012	\$210,000 4/30/13	250.107(a)
Hilcorp Energy GOM, LLC G-2012-033	During the course of a BSEE inspection, it was discovered that four group bypass selector switches were placed in bypass mode (flagged) but left unmonitored. March 30, 2012 (4 violations)	\$160,000 4/12/13	250.803(c)
Black Elk Energy Offshore Operations, LLC G-2012-035	During the course of a BSEE inspection, there were multiple unbarricaded open hole violations. August 15, 2012	\$40,000 5/6/13	250.107
GOM Shelf, Inc. G-2012-036	During the course of a BSEE inspection, an inspector observed a unqualified employee was operating the crane while the crane operator was performing repairs on the heavy lift spool. September 4, 2012	\$30,000 5/22/13	250.108
Hilcorp Energy GOM, LLC (Wood Group Production Services) G-2012-037	During the course of a BSEE inspection, the inspector discovered that the SDV for the incoming pipeline (KAQ-2100) selector switch was in test mode (bypassed). September 14, 2012	\$40,000 4/12/13	250.803(c)
Contango Operators, Inc. G-2013-002	During the course of a BSEE inspection, inspectors discovered a man-hole cover was left open from previous operations along a heavily used catwalk leading from the rig floor to the shaker area. September 5, 2012	\$20,000 4/8/13	250.107
Boise d'Arc Exploration, LLC G-2013-003	During a BSEE Inspection, it was discovered that there was an unattended, non-barricaded open hole in the	\$20,000 3/21/13	250.107(a)

	mud pit room. . October 25, 2012		
McMoRan Oil & Gas, LLC G-2013-004	During the course of a BSEE inspection, the inspector discovered that the PSH/L for the Heater Treater (NBK-0450) was pinned at the NBK-0450 relay in bypass and was not flagged or monitored. July 2, 2012	\$30,000 6/12/13	250.803(c)
BP Exploration & Production Inc. G-2013-006	During the course of a BSEE inspection, inspectors observed employees who failed to use fall protection around an unprotected open hole. June 2, 2012	\$20,000 4/22/13	250.107
Apache Corporation G-2013-013	During the course of a BSEE inspection, inspectors determined that the fire loop system was bypassed and blocked out of service as they were performing a Temperature Safety Element function test over the sump pump (PBH 6120) and the high pressure test separator (MBD 1020). It was also discovered that the main fire loop header manifold system had been capped off inside of the master panel. January 7, 2013	\$270,000 6/12/13	250.803(c)
Stone Energy Corporation G-2013-015	During the course of a BSEE investigation, it was discovered that a Crane Pre-Use Form had not been filled out prior to the days lifting operations and the parties involved failed to identify the weight of the load. September 17, 2012	\$35,000 6/27/13	250.108
Total Penalties Paid: 1/1/13 - 6/30/13			
23 Cases: \$1,634,000			

The following acronyms are used in this table:

LSH	Level Safety High
PSH	Pressure Safety High
PSH/L	Pressure Safety High/Low
PSV	Pressure Safety Valve
SCSSV	Surface Controlled Subsurface Safety Valve
SDV	Shut Down Valve

The purpose of publishing the penalties summary is to provide information to the public on violations of special concern in OCS operations and to provide an additional incentive for safe and environmentally sound operations.