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: | STRUCTURAL DAMAGE |
|----|---|---|
| | 30-JUL-2014 TIME: 2030 HOURS | X CRANE |
| 2. | OPERATOR: Energy XXI GOM, LLC REPRESENTATIVE: TELEPHONE: CONTRACTOR: Expro Americas Inc. REPRESENTATIVE: TELEPHONE: | OTHER LIFTING DEVICE DAMAGED/DISABLED SAFETY SYS. INCIDENT >\$25K 97,279.00 H2S/15MIN./20PPM REQUIRED MUSTER SHUTDOWN FROM GAS RELEASE OTHER |
| 3. | OPERATOR/CONTRACTOR REPRESENTATIVE/SUPERVISOR ON SITE AT TIME OF INCIDENT: | 6. OPERATION: |
| | LEASE: 00367 AREA: WD LATITUDE: BLOCK: 32 LONGITUDE: PLATFORM: E RIG NAME: | <pre>X PRODUCTION DRILLING X WORKOVER COMPLETION HELICOPTER MOTOR VESSEL PIPELINE SEGMENT NO. OTHER</pre> |
| 6. | ACTIVITY: EXPLORATION(POE) DEVELOPMENT/PRODUCTION (DOCD/POD) | 8. CAUSE: |
| 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 | HUMAN ERROR EXTERNAL DAMAGE SLIP/TRIP/FALL WEATHER RELATED LEAK UPSET H20 TREATING OVERBOARD DRILLING FLUID OTHER 9. WATER DEPTH: 65 FT. |
| | FIRE EXPLOSION LWC HISTORIC BLOWOUT UNDERGROUND SURFACE | <pre>10. DISTANCE FROM SHORE: 6 MI. 11. WIND DIRECTION: W SPEED: 5 M.P.H. 12. CURPENT DIRECTION: GW</pre> |
| | DEVERTER SURFACE EQUIPMENT FAILURE OR PROCEDURES | 12. CURRENT DIRECTION: SW SPEED: 5 M.P.H. |
| | COLLISION HISTORIC >\$25K <pre>COLLISION</pre> | 13. SEA STATE: 0 FT. |

EV2010R

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On July 30, 2014 at 2030 hours at the WD 32-E, OCS 0367 Energy XXI Platform, a crane incident occurred while rigging down a wireline operation.

During the course of the BSEE Investigation, it was revealed that at the time of the incident, the Crane Operator (CO) and the Wireline Operator (WO) were preparing to lay down the wireline lubricator. The CO boomed up in attempt to clear the barricade that was around the access hole above the well bay. Once the boom reached a position clearing the barricade, the CO released the control lever from the boom-up position to lay down the lubricator by lowering the crane block. When the CO released the boom lever, a clipboard fell between the boom lever and the crane cab window causing the boom to rise up further resulting in activating the boom kick-out. The left side of the boom kick-out retracted but the right side did not. The WO heard a loud metal sound and signaled the CO to stop the crane. The loud noise was the boom contacting the right kick-out, which did not retract, allowing the boom to continue moving up to the point of contact with the boom stops and causing damage to the boom. No one was injured in the crane incident.

CO did not follow API 2D Paragraph 3.1.5 Operating Practices and Energy XXI Crane Policy ensuring the cab was free of operating obstacles and trash. Improper maintenance performed on crane Annual, Quarterly and Monthly inspections ensuring boom kick-out would actuate.

The investigation further revealed that the boom kick-outs were improperly mounted, allowing the boom to continue moving up to the point of contact with the boom stops causing damage:

1) Right-side spring loaded boom kick-out failed to retract due to improper maintenance.

2) Pre-use clipboard not properly stored in crane cab.

3) High angle kick-out not inspected in pre-use.

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

1) Crane operator did not follow Energy XXI Crane Policy, ensuring crane cab was free operating obstacles and trash.

2) Crane operator did not follow API 2D Paragraph 3.1.5 Operating Practices.3) The High Boom Angle kick-out was not inspected in Pre-use to ensure of proper function.

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

 High angle kick-out failed to actuate.
 Right-side spring loaded boom kick-out failed to retract due to improper maintenance.
 Improper maintenance performed on crane Annual, Quarterly and Monthly inspections ensuring boom kick-out would actuate.
 Crane Operator did not follow Energy XXI "Crane Operations & Material Handing Manual" section 8.2 "Maintenance & Inspections".

20. LIST THE ADDITIONAL INFORMATION:

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1) Seatrax, a third party contractor, inspected the crane and found boom bent heel section. Top right boom cord has 3.35" of deflection. Top left boom cord has 1.52" of deflection with the bottom 2 cords having a slight bend. Also, two lacings were bent.

2) Crane boom was replaced by Seatrax on August 5, 2014 and inspected. Energy XXI added high angle kick-out to the pre-use inspection form.

3) Energy XXI installed a designated mount/holder in crane cab for pre-use forms.

Attached A - Operator's INC Response Letter dated 10-19-15 (revised 11-19-2015) and signed green copy of INC with Root Cause Analysis and Photos (22 Pages)

21. PROPERTY DAMAGED:

NATURE OF DAMAGE:

Crane Boom

Damaged

ESTIMATED AMOUNT (TOTAL): \$97,279

22. RECOMMENDATIONS TO PREVENT RECURRANCE NARRATIVE:

The BSEE New Orleans District makes no recommendations to the Office of Incident Investigation.

23. POSSIBLE OCS VIOLATIONS RELATED TO ACCIDENT: YES

24. SPECIFY VIOLATIONS DIRECTLY OR INDIRECTLY CONTRIBUTING. NARRATIVE:

G-110 250.107 (a) Lessee didn't perform all operations in safe and workmanlike manner and Conservation of property and the Environment. *Crane operator failed to follow API 2D Paragraph 3.1.5 Operating Practices and Energy XXI Policy on Crane Pre-use #14 on form indicating crane is free of operating obstacles and trash. Move all controls to ensure freedom of movement/ operations.

I-113 250.108 Boom kick-outs failed to stop boom from falling backwards. Operator didn't follow API Spec 2C Paragraph 13.1.2 and Energy XXI Crane Policy "Crane Operations & Material Handing Manual" Section 8.2 "Maintenance & Inspections". Boom up slowly to check the boom kick-outs and the boom angle indicator for proper operation.

MMS - FORM 2010 EV2010R 25. DATE OF ONSITE INVESTIGATION:

06-AUG-2014

26. ONSITE TEAM MEMBERS:

Pierre Lanoix /

29. ACCIDENT INVESTIGATION PANEL FORMED: NO

OCS REPORT:

30. DISTRICT SUPERVISOR:

David Trocquet

APPROVED DATE: 03-FEB-2016

INJURY/FATALITY/WITNESS ATTACHMENT

| OPERATOR REPRESENTATIVE X CONTRACTOR REPRESENTATIVE OTHER | INJURY FATALITY X WITNESS |
|---|----------------------------------|
| NAME : | |
| HOME ADDRESS: | |
| CITY: | STATE: |
| WORK PHONE: | TOTAL OFFSHORE EXPERIENCE: YEARS |
| EMPLOYED BY: BUSINESS ADDRESS: | |
| CITY: | STATE: |
| ZIP CODE: | |
| | |
| OPERATOR REPRESENTATIVE | INJURY |
| X CONTRACTOR REPRESENTATIVE | FATALITY |
| OTHER | X WITNESS |
| MMS - FORM 2010 | PAGE: 4 OF 5 |

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