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 | | | | |
| | 20-APR-2015 TIME: 1230 HOURS | CRANE | | | | |
| | | OTHER LIFTING DEVICE | | | | |
| 2. | OPERATOR: W & T Offshore, Inc. | DAMAGED/DISABLED SAFETY SYS. X INCIDENT >\$25K #2 Diesel Generator H2S/15MIN./20PPM Winding- REQUIRED MUSTER | | | | |
| | REPRESENTATIVE: | | | | | |
| | TELEPHONE: | | | | | |
| | CONTRACTOR: - | | | | | |
| | REPRESENTATIVE: - | | | | | |
| | TELEPHONE: - | SHUTDOWN FROM GAS RELEASE | | | | |
| _ | | OTHER | | | | |
| 3. | OPERATOR/CONTRACTOR REPRESENTATIVE/SUPERVISOR ON SITE AT TIME OF INCIDENT: | | | | | |
| | ON SITE AT TIME OF INCIDENT: | 6. OPERATION: | | | | |
| | | | | | | |
| 1 | LEACE. C12000 | x PRODUCTION | | | | |
| ±. | LEASE: G13808 AREA: HI LATITUDE: - | DRILLING | | | | |
| | | WORKOVER | | | | |
| | BLOCK: A 379 LONGITUDE: - | COMPLETION HELICOPTER | | | | |
| _ | DI LETIODI. | MOTOR VESSEL | | | | |
| ο. | PLATFORM: B RIG NAME: | PIPELINE SEGMENT NO. | | | | |
| | RIG NAME: | OTHER | | | | |
| 5. | ACTIVITY: | _ | | | | |
| • | X DEVELOPMENT/PRODUCTION - | 8. CAUSE: | | | | |
| | (DOCD/POD) - | V BOILLDMENIE BALLIDE | | | | |
| 7. | TYPE: | X EQUIPMENT FAILURE HUMAN ERROR - | | | | |
| | HISTORIC INJURY- | EXTERNAL DAMAGE SLIP/TRIP/FALL WEATHER RELATED | | | | |
| | REQUIRED EVACUATION | | | | | |
| | LTA (1-3 days) | | | | | |
| LTA (>3 days | | LEAK | | | | |
| | RW/JT (1-3 days) | UPSET H20 TREATING | | | | |
| RW/JT (>3 days) | | OVERBOARD DRILLING FLUID | | | | |
| | Other Injury | OTHER | | | | |
| | T FATALITY | 9. WATER DEPTH: 390 FT | | | | |
| | POLLUTION | | | | | |
| | X FIRE | 10. DISTANCE FROM SHORE: 110 MI. | | | | |
| | EXPLOSION | | | | | |
| | LWC HISTORIC BLOWOUT | 11. WIND DIRECTION: - | | | | |
| | UNDERGROUND | SPEED: M.P.H | | | | |
| | SURFACE | | | | | |
| | DEVERTER | 12. CURRENT DIRECTION: | | | | |
| | SURFACE EQUIPMENT FAILURE OR PROCEDURES | SPEED: M.P.H | | | | |
| | COLLISION HISTORIC >\$25K <=\$25K | 11.1.11. | | | | |
| | | 13 SEA STATE: FT | | | | |
| | | | | | | |

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On 20 April 2015, at approximately 1230 hours, a minor fire occurred at W&T Offshore's HI A379 'B' facility, Lease G-13808. Production Operators noticed the platform lights begin to flicker and proceeded to the #2 diesel generator which was online. Upon inspection, the crew observed smoke and barely visible flames emanating from the electrical winding end of the #2 diesel generator. The #2 diesel generator was immediately shut down which essentially stopped the flames. One (1) 30# dry chemical fire extinguisher was used to extinguish any additional flame potential. The crew continued to monitor the #2 diesel generator for an addition 30 minutes to ensure there were no secondary flare ups. No injuries or pollution events were noted.

The crew swapped the electrical load from the #1 diesel generator to the #2 diesel generator approximately 2 hours prior to the incident. W&T Offshore's policy is to alternate the electrical load between the two diesel generator's every seven days to equally distribute the duty cycle.

On 21 April 2015, the Lake Jackson District, Bureau of Safety and Environmental Enforcement (BSEE) inspectors conducted an onsite investigation. The investigation findings indicate the #2 diesel generator had been rebuilt on 9 January 2014 and transported to the HI A379 'B' facility on 8 August 2014. The #2 diesel generator was installed and placed in service on 9 August 2014. The #2 diesel generator is rated to produce 1000 Kilowatts of electricity. The BSEE inspectors requested the Lessee to send the #2 diesel generator to a 3rd party contractor for failure analysis. No Temperature Safety Elements (TSE's) in the #2 diesel generator enclosure had melted, indicating the fire was still in the incipient stage. BSEE inspectors requested the Lessee pull a TSE in the #2 diesel generator enclosure and demonstrate the Emergency Shut Down (ESD) function activated per the Safe Chart, which it did.

The 3rd party contractor disassembled the #2 diesel generator on 4 May 2015 to determine the cause of failure. The 3rd party contractor concluded the failure of the electrical winding probably started at the Stator, most likely caused by an overload or ground wall failure from moisture/contamination resulting in Arc flash. The Failure Analysis stated; "Arc Flash occurs when one or more high current arcs are created between energized electrical conductors or between an energized conductor and ground".

The Lessee's Maintenance Supervisor did not concur with the 3rd party contractor's failure analysis. The Maintenance Supervisor did not believe moisture was in the electrical winding of the unit at the time of failure. His opinion is corrosion build up in the electrical winding caused a bridge and direct electrical short resulting in the incipient fire and damage to the #2 diesel generator's electrical winding.

Both assessments concluded the #2 diesel generator electrical winding was damaged beyond economic repair. The repair cost estimate was \$50,000.

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

Arc Flash in the #2 diesel generator's electrical winding due to corrosion and/or contaminants are believed to have caused the failure.

- 19. LIST THE CONTRIBUTING CAUSE(S) OF ACCIDENT:
 - *Failure of the electrical winding probably started at the Stator, most likely caused by an overload or ground wall failure from moisture/contamination.
 - *Arc Flash occurs when one or more high current arcs are created between energized electrical conductors or between an energized conductor and ground.
 - *Corrosion and rust build up in the electrical winding may have caused a bridge and

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direct electrical short resulting in the incipient fire and damage to the #2 diesel generator's electrical winding.

20. LIST THE ADDITIONAL INFORMATION:

The #2 diesel generator had been rebuilt on 9 January 2014 and transported to HI A379 'B' on 8 August 2014.-

The #2 diesel generator was installed and placed in service on 9 August 2014. -

The #2 diesel generator is rated to produce 1000 Kilowatts of electricity. -

21. PROPERTY DAMAGED:

NATURE OF DAMAGE:

The #2 diesel generator's electrical Fire. winding.

ESTIMATED AMOUNT (TOTAL):

\$50,000

22. RECOMMENDATIONS TO PREVENT RECURRANCE NARRATIVE:

None

- 23. POSSIBLE OCS VIOLATIONS RELATED TO ACCIDENT: YES
- 24. SPECIFY VIOLATIONS DIRECTLY OR INDIRECTLY CONTRIBUTING. NARRATIVE:
 - (4) P-408 'C'
 - (1) G-100 'C'-

The Surface Safety Valves (SSV's) on four wells failed to close within 45 seconds after activation of the ESD resulting in four (4) Incidents of Non Compliance (INC) - being issued to the Lessee. Additional investigation of the facility revealed that multiple gas and smoke detectors were found to be inoperable which yielded one (1) additional incident of noncompliance for a total of 5 INC's.

25. DATE OF ONSITE INVESTIGATION:

21-APR-2015

26. ONSITE TEAM MEMBERS:

Marcus Bianca / Marco DeLeon /
Jacob Trevino /

29. ACCIDENT INVESTIGATION PANEL FORMED: NO

OCS REPORT:

30. DISTRICT SUPERVISOR:

Stephen P. Martinez

FIRE/EXPLOSION ATTACHMENT

| 1. | SOURCE OF IGNIT | 'ION: A | RC Flash | in genera | tor v | winding- |
|----|---|---------|----------|------------|-------|----------------|
| 2. | TYPE OF FUEL: | | GAS | | | |
| | | | OIL | | | |
| | | | DIESEL | | | |
| | | | CONDENS | ATE | | |
| | | | HYDRAUL | iIC | | |
| | | x | OTHER | Metal | | |
| 3. | FUEL SOURCE: | Generat | or elect | rical wind | ing | |
| 4. | . WERE PRECAUTIONS OR ACTIONS TAKEN TO ISOLATE KNOWN SOURCES OF IGNITION PRIOR TO THE ACCIDENT ? NO | | | | | |
| 5. | TYPE OF FIREFIG | HTING E | QUIPMENT | TUTILIZED: | x | HANDHELD |
| | | | | | | WHEELED UNIT |
| | | | | | | FIXED CHEMICAL |
| | | | | | Ш | FIXED WATER |
| | | | | | | NONE |
| | | | | | П | OTHER |

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