UNITED STATES GOVERNMENT
MEMORANDUM

09/15/98

To: Public Information, (MS 5034)

From: Exploration/Development Plans Section, (MS 5231)

Reference is made to the following plan received September 1, 1998:

Type Plan - Initial Plan of Exploration
Leases - OCS-G 11573 and 11574
Blocks - 783 and 784
Area - Garden Banks
Activities Proposed - Wells A, B, C, D, and F
Control Number - N-6290
Operator - Conoco

In accordance with 30 CFR 250.203, this plan is hereby deemed submitted and is now being considered for approval.

Michael Tolbert
Reviewing Engineer

NOTED - SCHEXNAILDRE

conoco

400 East Kaliste Saloom Rd.
Lafayette, Louisiana 70508

MINERALS MANAGEMENT SERVICE
RECEIVED
SEP 0 1 1998
FIELD OPERATIONS
GOM OCS Region, New Orleans, La.

September 1, 1998

U.S. Department of the Interior
Minerals Management Service
1201 Elmwood Park Blvd.
New Orleans, Louisiana 70123

Attn: Mr. D. C. Howard
Regional Supervisor
Office of Field Operations

Re: Initial Plan of Exporation
Garden Banks Blocks 783 & 784
OCS-G 11573 & OCS-G 11574
Offshore, Louisiana

Dear Mr. Howard:

In accordance with the provisions of Title 30 CFR 250.33, Conoco Inc. hereby submits for your review and approval (9) copies of an Initial Plan of Exploration for Garden Banks Blocks 783 & 784, Lease No. 11573 & Lease No. 11574, offshore, Louisiana. Five (5) copies are "Proprietary Information" and four (4) copies are "Public Information." Excluded from the Public Information are certain geologic discussions, depth of wells, bottom hole locations, and structure maps.

This plan covers the anticipated exploration activities for the subject leases. Conoco Inc. anticipates activities will commence under this proposed Initial Plan of Exploration around December 15, 1998.

The proposed drilling unit for this activity is the drillship "Deepwater Pathfinder". We have also proposed this rig for the drilling activity in Atwater Valley blocks 155 and 156 (POE application Control No. N6213) with a stated commencement date in December 1998.

Obviously both locations cannot be drilled concurrently with the same drilling unit. The reality of the situation is that we need the flexibility, at any given time, to be able to locate the drillship in any one of a number of locations. This will accommodate not only changing commercial and partner requirements but, and perhaps more importantly, the potential prolonged downtime impact that a severe loop current situation could bring.

CONTROL No. N-6240
REVIEWER: MIKE TOLBERT
PHONE: (504) 736-2867

Should additional information be required, please contact the undersigned at (318) 269-2076.

Sincerely,

Conoco Inc.

David G. Pattrick
Team Leader, Geoscience Operations

Enclosures: (5) Copies of Initial POE (Proprietary)
(4) Copies of Initial POE (Public Information)
(3) Copies of Geophysical Survey Report
(1) Copy of Shallow Hazards Data for each surface location
(1) Copy each of Figures 2, 3 & 4 at larger scale

INITIAL
PLAN OF EXPLORATION

FOR

CONOCO INC.

GULF OF MEXICO
OFFSHORE, LOUISIANA

GARDEN BANKS BLOCKS 783 & 784
LEASES OCS-G 11573 & OCS-G 11574

COMPANY CONTACT

David G.Pattrick
Conoco Inc.
400 E. Kaliste Saloom Road
Lafayette, Louisiana 70508
Phone (318) 269-2076
Fax (318) 269-2310

PUBLIC INFORMATION

SEPTEMBER 1998

C. H. Fenstermaker & Associates, Inc.

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INDEX

CONOCO INC.
INITIAL PLAN OF EXPLORATION
GARDEN BANKS BLOCKS 783 & 784
OCS-G 11573 & OCS-G 11574

Conoco Inc., as designated operator of subject lease, submits this proposed Initial Plan of Exploration in accordance with the regulations contained in Title 30 CFR 250.33 and more specifically defined in the Minerals Management Service (MMS) Letters to Lessees (LTL) and Operators dated October 12, 1988, and September 5, 1989.

I. HISTORY OF LEASE

Conoco Inc. acquired leases OCS-G 11573 & OCS-G 11574, effective October 1, 1989, at Central Gulf of Mexico Lease Sale No. 122 held on August 23, 1989. Conoco is the first and only lease holder of these blocks.

II. LEASE STIPULATIONS

Oil and gas exploration activities on the Outer Continental Shelf (OCS) are subject to stipulations developed before the lease sale and would be attached to the lease instrument, as necessary, in the form of mitigating measures. The MMS is responsible for ensuring full compliance with stipulations.

Garden Banks Blocks 783 & 784 are not listed on the LTL issued by MMS on September 5, 1995 as being within the high-probability area for either prehistoric archaeological resources or historic period shipwrecks on the OCS. An Archaeological Assessment is not required for these leases.

III. BONDING REQUIREMENTS

In accordance with Letter to Lessees and Operators (LTL) dated November 5, 1993, which amends Title 30 CFR Part 256 surety bond requirements applicable to OCS lessees and operators, please be advised that Conoco Inc. has in place a $3,000,000 areawide bond to cover operations on Federal leases in the Gulf of Mexico.

IV. SCHEDULE OF OPERATIONS

Under this Plan of Exploration, Conoco Inc. proposes the drilling of five (5) exploratory wells. Planned commencement date is approximately December 15, 1998, subject to the approval of this Initial Plan of Exploration and issuance of the required Permits to Drill.

Conoco expects to spud GB 783 "A" (OCS-G-11573) on or about the 15th of December, 1998. The timing of subsequent wells is uncertain at this stage, but possibly another one or two wells could be drilled in 1999 with further drilling in the year 2000 contingent upon the results of the earlier wells.

It should be emphasized that this schedule is tentative in the meaning of Title 30 CFR 250.33-1. Additional exploratory drilling must be predicated upon the need to further define the structures and/or reservoir limitations.

V. NEW OR UNUSUAL TECHNOLOGY

No new techniques or unusual technology is planned for the drilling of these wells.

VI. DESCRIPTION OF DRILLING UNIT AND PRIMARY SAFETY AND POLLUTION CONTROL MEASURES

Offshore exploratory activities are carried out from mobile drilling rigs. The five most common types of mobile rigs employed for exploratory drilling offshore are submersible drilling rigs, semi-submersible drilling rigs, jack-up drilling rigs, drill ships, and drill barges.

The Garden Banks Blocks 783 / 784 exploratory drilling will be carried out by the Deepwater Pathfinder, owned and operated by Deepwater Drilling 1 L.L.C. The Pathfinder is a Panamanian registered, dynamically positioned drill ship with ABS DP-3 & DP class 3 classification, and U.S. Coast Guard certified. The drill ship complies with all national and international regulations applicable for this type of vessel as well as applicable requirements for operations in the U.S. Gulf of Mexico. The Pathfinder is a double hull vessel with approximately 103,000 mt DWT with expanded capability to store and off load crude oil for Extended Well Tests (EWT). Current plans with reference to this POE application do not include any intention to conduct either a DST or EWT using the Pathfinder.

Safety features will include well control and blowout prevention equipment as described in Title 30 CFR 250.50. As built schematics of the 18 ¾" 15K subsea BOP, 21 ¼" riser and diverter systems will be included in the Application for Permit to Drill (APD). The appropriate life rafts, life jackets, ring buoys, etc., as prescribed by the U.S. Coast Guard will be maintained on the facility at all times. In addition, the rig will be equipped with appropriate equipment, systems

and control measures to permit the operation of the vessel without restrictions on all navigable waters including "Special Areas" as required by IMO regulations and CFR including USCG MARPOL Certificate for newly built MODUS.

VII. WELL LOCATIONS

The approximate locations of the wells proposed in this Initial Plan of Exploration are shown on the Well Location Table and are included as **Attachment "A"**. The bottom-hole locations are considered Proprietary and are excluded from the Public Information copies of the plan.

Proposed wellsite location "E" is shown in the location plat and in all the structure maps, however it has been withdrawn as a potential drilling location from this POE. After careful review of the Shallow Hazards Analysis, it was determined that several incised channel sequences may be penetrated at the "E" location. These sequences, identified primarily from the 3D data volume, could pose a risk for shallow water flow, hole stability or lost circulation.

VIII. STRUCTURE MAP / GEOLOGIC CROSS-SECTIONS

A structure map drawn to the top of the prospective hydrocarbon accumulation showing the surface and bottom hole locations of the proposed wells is included as **Attachment "B"**. This attachment also includes cross-section maps depicting the proposed well locations. This information is considered Proprietary and is excluded from Public Information copies of the plan.

IX. BATHYMETRY MAP

Water depth at the proposed drillsite locations range from approximately 4678 feet to approximately 4699 feet. A bathymetry map showing the proposed surface location of the subject wells is included as **Attachment "C"**.

X. SHALLOW HAZARDS/CHEMOSYNTHETIC COMMUNITIES

Conoco Inc. contracted John E. Chance and Associates, Inc to acquire a high resolution 2-D survey in Garden Banks area, offshore Louisiana. This survey was acquired in July 1998 and covered Garden Banks blocks 783 and 784 and extended into blocks 782, 785 and 826 – 829. A Shallow Hazard study of the area was then performed by Fugro-McClelland Marine Geosciences, Inc. The study and interpretation were made using two data sets. Extensive use was made of a 1997 Digicon 3-D data set and the interpretation made from it was thoroughly and carefully calibrated using the high resolution 2-D data. The 2-D data was used as the primary data set for the detailed interpretation around each of the proposed drilling locations.

The purpose of the study was to determine seafloor and subbottom conditions, inspect for possible chemosynthetic communities, and address potential drilling hazards within the surveyed area. A Site Clearance Letter was prepared for each of the surface locations, addressing specific seafloor and subbottom conditions within 2000 feet for each location. During the compilation of this Shallow Hazard study it became clear that location "E" was in an area more likely to present shallow hazard problems. As a result of the study Conoco has decided to withdraw the location "E" from this POE. Some data and diagrams within the POE and Shallow Hazard study refer to the "E" location and depict its spatial position. However, until we have made a more thorough assessment of the particular shallow hazards associated with the location it is not being considered as a drilling site – hence its withdrawal from the POE. Site Clearance Letters for location A, B, C, D and F are included as **Attachment "D"**.

XI. LOCATION OF THE LEASE AND ONSHORE FACILITIES

Garden Banks Blocks 783 & 784, being adjacent to one another are located approximately 150 statute miles from the nearest shoreline and approximately 180 miles from the shorebase located in Fourchon, Louisiana. A vicinity map showing the location of Garden Banks Blocks 783 & 784 relative to the shoreline and onshore base is included as **Attachment "E"**.

Conoco Inc. expects to use existing onshore facilities at the Edison Chouest Cport base at Fourchon, Louisiana. This port is capable of providing all the necessary services for the anticipated drilling activities. No further onshore expansion or construction is anticipated with respect to the proposed activities.

Support vessels and travel frequency during drilling activities are as follows:

Supply Boat	4 Trips Per Week
Helicopter	7 Trips Per Week

XII. OIL SPILL CONTINGENCY PLAN INFORMATION

All drilling, completion and construction operations shall be performed in accordance with industry standards to prevent pollution of the environment. Conoco Inc.'s Oil Spill Contingency Plan has been approved by MMS. This plan designates an Incident Command System (ICS) Oil Spill Response Team consisting of Conoco Inc. personnel and contract personnel. This team's duties are to eliminate the source of any spill, remove all sources of possible ignition, deploy the most reliable means of available transportation to monitor the movement of a slick, and contain and remove the slick if possible.

Conoco Inc.'s ICS Team attends drills for familiarization with pollution-control equipment and operations procedures on an annual basis.

Conoco Inc. is a member of Clean Gulf Associates (CGA) and Marine Spill Response Corporation (MSRC), and utilizes the services of Morris Environmental for spill trajectory modeling and environmental resource impact analysis and protection.

The CGA and/or MSRC store pollution control equipment at three locations in Texas, at Ingleside, Galveston and Port Arthur; six locations in Louisiana, at Lake Charles, Grand Isle, Fort Jackson, New Iberia, Fourchon and Houma; one location in Mississippi at Pascagoula; and one location in Florida at Miami.

Each base is equipped with fast response skimmers and there are high volume open sea skimmers based at Houma, Lake Charles and Fort Jackson Louisiana; Ingleside and Galveston, Texas; and Miami, Florida. In addition to providing equipment, the CGA also supplies advisors for clean-up operations. CGA equipment is managed through the services of the Marine Spill Response Corporation (MSRC). Equipment available from CGA and MSRC and the bases of operation are listed in Conoco's Gulf Region Accidental Disharge Response Plan.

Conoco Inc. will make every effort to see that a spill is responded to as quickly as possible. Response equipment and response times will be suitable for anticipated environmental conditions in the area.

In good weather conditions, fast response with oil boom, skimmers, pump and storage tanks would require approximately 22.5 hours to reach the site, including preparation time as indicated below. A heavy equipment system response team would require some 29.5 hours to reach the site, including 4 hours of preparation time.

Equipment located in Ft. Jackson and Houma, Louisiana would be utilized first with additional equipment transported from the nearest equipment bases as required.

Procurement of Fast Response Unit (FRU) and appropriate transportation	2 Hours
Load out of FRU	1 Hours
Travel Time to Lease Site (180 miles open water @ 10 MPH)	18 Hours
Deployment of Equipment	1.5 Hours
Estimated Total Time to procure, load out and deploy FRU's	22.5 Hours
Procurement of tugs and load out of Hoss Barge	4 Hours
Travel time to Lease Site of Hoss Barge (180 miles @ 7.5 mph)	24 Hours
Deployment of Equipment	1.5 Hours
Estimated Total Time to procure, load out and deploy Hoss Barge	29.5 Hours

Potential shoreline and environmental impacts were obtained from the "Oil Spill Risk Analysis: Gulf of Mexico, Outer Continental Shelf (OCS) Central and Western Lease Sales 1998-2002, and

Gulf-wide OCS Program 1998-2036". The EIS contains oil spill trajectory simulations using seasonal surface currents coupled with wind data, adjusted every three hours for 30 days or until a target is contacted.

Hypothetical spill trajectories were simulated for each of the 500 potential launch sites across the entire Gulf. These simulations modeled spills occurring in each of the four seasons of the year. The results in the EIS were presented as probabilities that an oil spill beginning from a particular launch site would contact a certain land segment within 3, 10 or 30 days. Based on this information, there is a 1-2% probability of a spill emanating from Garden Banks Blocks 783 or 784 impacting either a land segment or Texas Coastal Waters or Flower Garden NMS within 10 days of occurrence and a 21 % probability of impact within 30 days of occurrence. It is unlikely, however, that a spill would persist for 30 days without significant levels of weathering and/or cleanup.

Should a spill occur from the proposed operations, Conoco Inc. would immediately activate its Incident Command System (ICS) Team. To determine from current conditions the probable location and time of landfall, Conoco would use Morris Environmental's SpillNet trajectory software for assistance in predicting spill movement. And the appropriate response would be determined by the following:

a) use the Morris Environmental database to identify the biological sensitive areas likely to be impacted.
b) use the Morris Environmental database to identify the specific protection equipment available in the impact area.
c) use the CGA and MSRC response advisors and Morris Environmental to identify the specific equipment required and the deployment methodology (e.g. boom deployment) to protect the environmental resources.

In order to address the wide range of possibilities in deepwater drilling, we have obtained Texas and Louisiana shoreline data from Morris Environmental that defines the following:

a) Divisions
b) Task Force Areas
c) Required Response Equipment for Task Force Areas
d) Response Contractors for Each of the Regions

Specific boom placement and resource plans would be based on trajectories performed at the time of a spill. These plans would be prepared with the assistance of Morris Environmental.

XIII. PROPOSED DRILLING FLUIDS, CHEMICALS AND DISCHARGES

All discharges associated with the proposed activity will be in accordance with regulations implemented by MMS, U.S. Environmental Protection Agency (EPA) and the U.S. Coast Guard (USCG).

EPA's Western Gulf of Mexico National Pollution Discharge Elimination System (NPDES) General Permit GMG290000 addresses the discharge limitations and testing protocol for drilling fluids, cuttings and associated wastes.

Discharges will contain no free oil and will be in compliance with and monitored as required by the permit. Any drilling fluid contaminated with oil will be transported to shore for proper disposal at an authorized disposal site.

Solid domestic wastes will be transported to shore for proper disposal at an authorized disposal site, and sewage will be treated on location by USCG approved marine sanitation devices.

EPA Region VI will be advised prior to and upon completion of discharges for the proposed drilling operations addressed in the subject plan.

Mud may be discharged for purposes of dilution or at the end of the well. Surveillance of the fluid is accomplished through daily inventory of mud and chemicals added to the system, in addition to monthly and end-of-well LC50 toxicity tests required by EPA. Typical mud components which may be used in the drilling of the proposed wells are included as **Attachment "F"**.

Both water based mud and pseudo oil based mud systems are likely to be utilized for the drilling program and the anticipated quantities and rates of discharge of drilling fluids are included as **Attachment "G"**.

XIV. HYDROGEN SULFIDE

In accordance with Title 30 CFR 250.67, Conoco Inc. requests that Garden Banks Blocks 783 & 784 be classified by the MMS as an area where the absence of hydrogen sulfide has been confirmed.

Examination of the available well data found no evidence of H_2S in any of the surrounding wells. The Garden Banks 785 No.1 & ST-1 is approximately 6.7 miles to the East within the same minibasin and there was no hydrogen sulfide encountered during any part of the drilling or sampling program.

XV. PROJECTED AIR EMISSIONS

Offshore air emissions related to the proposed activities result mainly from the drilling rig operations, helicopters and service vessels. These emissions occur mainly from combustion or burning of fuels and natural gas and from venting or evaporation of hydrocarbons. The combustion of fuels occurs primarily from diesel-powered generators, pumps and motors. Other air emissions can result from catastrophic events such as oil spills or blowouts.

Primary air pollutants associated with OCS activities are nitrogen oxides, carbon monoxide, sulphur oxides, volatile organic compounds, and suspended particulates.

Projected Air Emissions are included as **Attachment "H"**.

XVI. ENVIRONMENTAL REPORT

An Environmental Report is included as **Attachment "I"**.

XVII. COASTAL ZONE CONSISTENCY CERTIFICATION

To the best of our knowledge, the activities proposed in the POE and Environmental Report are consistent, comply with and will be conducted in a manner consistent with the provisions and guidelines of the Louisiana Coastal Zone Management Program.

In accordance with NTL 86-09, dated October 13, 1986, a Certificate of Coastal Zone Management Consistency for the State of Louisiana is enclosed as **Attachment "J"**. A copy of the Public Notice request for publication in the Louisiana Baton Rouge Advocate is included as **Attachment "K"**, as well as the appropriate Parish Journal being included as **Attachment "L"**.

XVIII. AUTHORIZED REPRESENTATIVE

Inquiries may be made to the following authorized representative:
Conoco Inc.
400 E. Kaliste Saloom Road
Lafayette, Louisiana 70508
Phone (318) 269-2076
Fax (318) 269-2310
David G. Pattrick
Team Leader
Geoscience Operations

XIX. ATTACHMENTS

Attachment	A	Well Location Table
Attachment	B	Structure Map / Geologic Cross-Sections (Figures 1-6)
Attachment	C	Bathymetry Map
Attachment	D	Site Clearance Letters
Attachment	E	Vicinity Map
Attachment	F	Drilling Fluid Product List
Attachment	G	Quantities and Rates of Discharges
Attachment	H	Projected Air Emissions
Attachment	I	Environmental Report
Attachment	J	Coastal Zone Certification Statement
Attachment	K	Public Notice - State Newspaper
Attachment	L	Public Notice - Parish Newspaper

CONOCO INC.
INITIAL PLAN OF EXPLORATION
GARDEN BANKS BLOCKS 783 & 784
LEASES OCS-G 11573 & OCS-G 11574

WELL LOCATION TABLE

(PUBLIC INFORMATION)

LEASE BLOCK OCS-G	WELL	SURFACE LOCATION		WATER DEPTH	TOTAL DRILLING DAYS
		DISTANCE FROM LEASE LINES	UTM, ZONE 15 X-Y COORDINATES		
GB 783 OCS-G 11573	A	1947' FSL 5824' FEL	X=1,894,976 Y=9,870,267	4699'	78
GB 783 OCS-G 11573	B	3625' FSL 6182' FEL	X=1,894,618 Y=9,871,945	4689'	84
GB 784 OCS-G 11574	C	2851' FSL 2287' FWL	X=1,903,087 Y=9,871,171	4678'	76
GB 784 OCS-G 11574	D	3642' FSL 771' FWL	X=1,901,571 Y=9,871,962	4690'	76
GB 783 OCS-G 11573	F	4036' FSL 788' FEL	X=1,900,012 Y=9,872,356	4694'	76

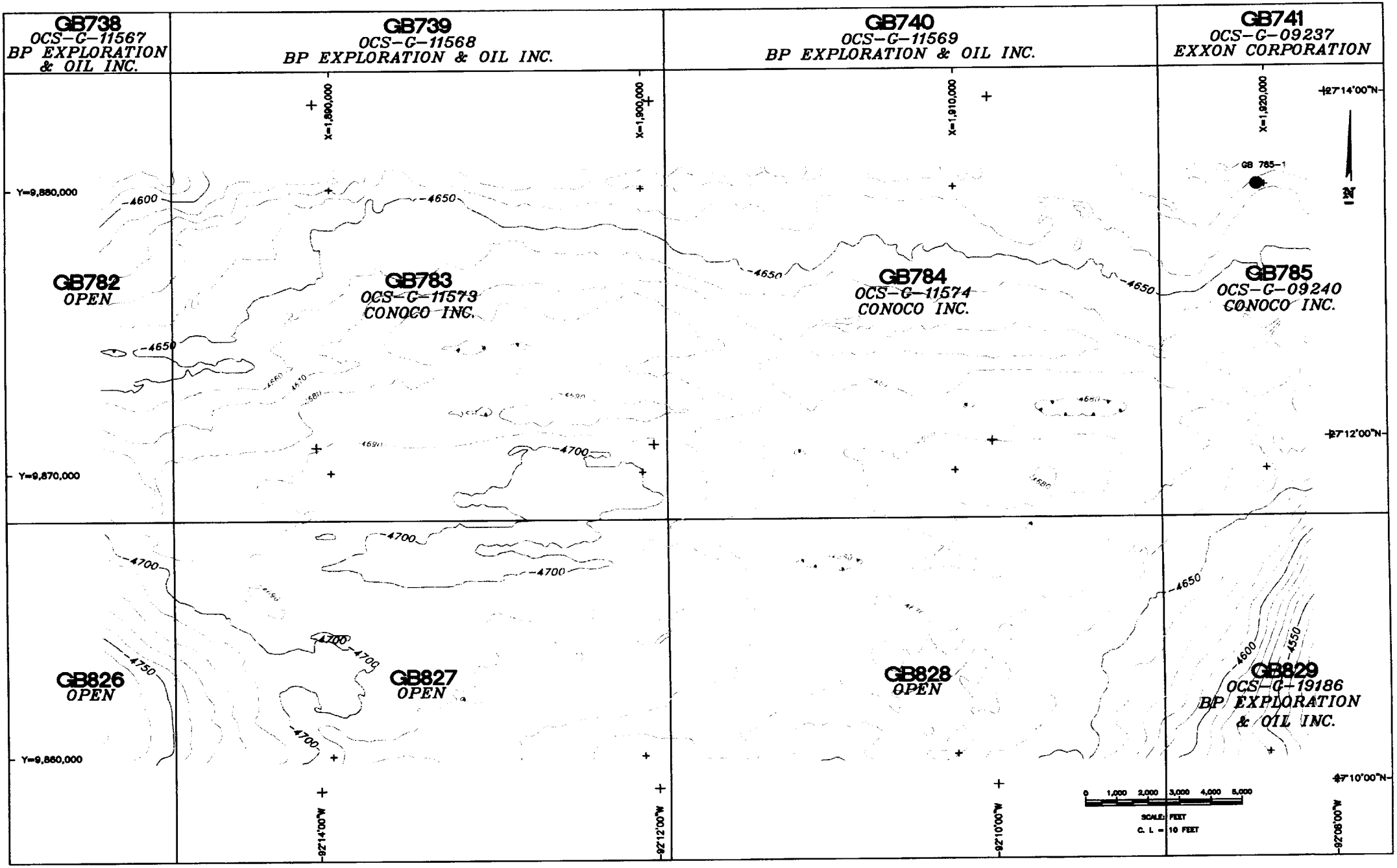
Proposed wellsite location "E" is shown in the location plat and in all the structure maps, however it has been withdrawn as a potential drilling location from this POE. After careful review of the Shallow Hazards Analysis, it was determined that several incised channel sequences may be penetrated at the "E" location. These sequences, identified primarily from the 3D data volume, could pose a risk for shallow water flow, hole stability or lost circulation.

STRUCTURE MAPS & GEOLOGIC CROSS-SECTIONS ARE EXCLUDED FROM PUBLIC INFORMATION COPIES OF PLAN

ATTACHMENT "B"

BATHYMETRY MAP

ATTACHMENT "C"



WATER DEPTH MAP, MAGNOLIA PROSPECT

SITE
CLEARANCE
LETTERS

ATTACHMENT "D"

August 27, 1998

Conoco Inc.
400 E. Kaliste Saloom Road
Lafayette, Louisiana 70508

Attention: Mr. David Pattrick

Re: **Site Clearance Letter**
Proposed "A" Location
Block 783, Garden Banks Area
OCS-G-11573

Gentlemen:

Fugro-McClelland Marine Geosciences, Inc. (FMMG) was contracted to prepare a Site Clearance Letter for the proposed "A" location in Block 783, Garden Banks Area (OCS-G-11573). This letter is intended to address specific seafloor and subbottom conditions within 2,000 ft of the proposed location. For additional information, please refer to the Fugro-McClelland Marine Geosciences, Inc., August 1998 Shallow Hazards Report for Blocks 782-785, and 826-829, Garden Banks Area (Report No. 0201-3675).

Interpretation for this Site Clearance Letter is based on a July 1998 John E. Chance & Associates, Inc., Marine 2-D High-Resolution Geophysical Survey and the August 1998 Fugro-McClelland Marine Geosciences, Inc., Shallow Hazards Report (FMMG, 1998).

This interpretation was supplemented by both 2-D and 3-D seismic correlation with nearby offset well GB 785-1. Information from the offset well was integrated into this letter including daily drilling reports and a published professional paper (Corthay, 1997) that provided a tophole well log and detailed shallow hazards encountered during drilling operations at the wellsite. As a result, direct seismic correlation was achieved between offset well GB 785-1 and the Magnolia study area.

The 2-D high-resolution data acquisition was completed by John E. Chance & Associates (JECA) in July 1998 on board the R/V *L'arpenteur*. Sea conditions during data acquisition were good with 1 to 4 foot seas and 0 to 15 knot winds. The quality of the collected geophysical data was good, and the data were adequate for interpretation. Accurate horizontal positioning of the survey vessel was accomplished with the JECA STARFIX® Differential Global Positioning System, which has a field accuracy of ± 3 meters. Navigational fixes (shot points) were recorded at 41 ft intervals (12.5 m) and annotated on all survey data at increments of 410 ft (125 m). Geophysical instruments utilized during the survey included a Simrad EA-500 Bathymetric System, ORE 3.5 kHz Pinger Subbottom Profiler, SSI 210 cubic inch G.I. Air Gun Profiler, and SVP-16 Sound Velocity Profiler.

The 2-D survey grid consisted of eighteen (18) east-west primary tracklines (Lines 1 to 18) and eleven (11) north-south lines (Lines 20 to 30). In addition, two well-tie lines were shot in a northeast-southwest orientation between offset well GB 785-1 and proposed wellsites A and B (Lines 33 and 32, respectively). The east-west lines are spaced approximately 1000 ft apart whereas the north-south tielines are spaced approximately 3000 ft apart. All or portions of Lines 4, 6, 7, 8, 9, 10, 15, and 30 were rerun as Lines 104, 506, 107, 108, 109, 210, 115, and 130, respectively, in order to ensure record quality.

The 3-D data cube contains 4-millisecond sample rate data to a record length of 4.0 seconds below the sea surface. The 3-D geophysical survey area forms a rectangle about 12.1 miles by 8.5 miles covering all or parts of Garden Banks Blocks 782 through 785, 826 through 829, and 738 through 741. Inlines are oriented east-west, have a numerical increment of five, and exhibit a line spacing of 65.6 ft (20 m). Crosslines are oriented north-south, have a numerical increment of one, and exhibit a line spacing of 41 ft (12.5 m).

The proposed "A" surface location is situated in the southeast quarter of Block 783, Garden Banks Area as follows:

Proposed "A" Surface Location
Block 783, Garden Banks Area

5,824 ft FEL	1,947 ft FSL
X = 1,894,976 ft	Y = 9,870,267 ft

The water depth at the proposed location is 4,699 ft with zero datum at sea level. Bathymetric contours show that the seafloor topography is dominated by a broad seafloor basin. The basin has an average seafloor gradient of 1.5% to the south. This wellsite is located near the central portion of the basin, where seafloor gradients are on the order of 0.5%.

The pinger data collected in the 2-D survey area displayed a maximum of approximately 115 ft of acoustic penetration. This corresponds to a penetration of about 46 milliseconds in the vicinity of the proposed "A" location. 2-D high-resolution, digitally processed air gun records in conjunction with a 3-D seismic data set were used to map the locations of faults and seismic amplitude anomalies.

No seafloor or buried faults are located within 2,000 ft of the proposed location. No high-amplitude anomalies (possible gassy zones) are penetrated at the proposed wellsite within the upper 3,000 ft BML. The closest anomaly is contained within Sequence IV about 2,100 ft northwest of Location A (FMMG, 1998). However, this anomaly does not exhibit additional hydrocarbon indicators. The nearest anomaly with additional hydrocarbon indicators is contained within channel deposits of Sequence III about 4,000 ft southwest of the wellsite. The absence of high-amplitude anomalies at the proposed "A" location suggests that the risk of encountering shallow, overpressured gas in the upper 3,000 ft BML is low.

Proposed wellsite A penetrates a thick sequence (Sequence III) of moderate-amplitude, channel overbank deposits between approximately 910 ft and 1180 ft BML (FMMG, 1998). These overbank deposits are interpreted to consist of silt and sand. 2-D and 3-D lines between the nearby offset well (GB 785-1) and Location A confirm that Sequence III is correlative to the shallow-water-flow (SWF) interval encountered at GB 785-1. Therefore, Location A is judged to have moderate-to-high potential for encountering SWF in Sequence III.

Based on the collected geophysical data, no areas that would be classified as having high potential for the support of chemosynthetic communities were noted within the 2-D survey area. No man-made features were noted in the vicinity of the proposed wellsite. Side scan sonar and magnetometer systems were not used for this study. Discarded or lost man-made objects not detectable by the systems used for this study may exist within the survey area.

Thank you for this opportunity to be of service, and if you have any questions concerning this matter, please do not hesitate to call Shawn Williamson at (713) 773-5936 or Stephen Taylor at (713) 778-5511.

Sincerely,

FUGRO-McCLELLAND
MARINE GEOSCIENCES, INC.

Shawn Williamson
Engineering Geologist

Stephen Taylor
Geosciences Department Manager

Attachments

August 27, 1998

Conoco Inc.
400 E. Kaliste Saloom Road
Lafayette, Louisiana 70508

Attention: Mr. David Pattrick

Re: **Site Clearance Letter**
Proposed "B" Location
Block 783, Garden Banks Area
OCS-G-11573

Gentlemen:

Fugro-McClelland Marine Geosciences, Inc. (FMMG) was contracted to prepare a Site Clearance Letter for the proposed "B" location in Block 783, Garden Banks Area (OCS-G-11573). This letter is intended to address specific seafloor and subbottom conditions within 2,000 ft of the proposed location. For additional information, please refer to the Fugro-McClelland Marine Geosciences, Inc., August 1998 Shallow Hazards Report for Blocks 782-785 and 826-829, Garden Banks Area (Report No. 0201-3675).

Interpretation for this Site Clearance Letter is based on a 1998 John E. Chance & Associates, Inc., Marine 2-D High-Resolution Geophysical Survey and the August 1998 Fugro-McClelland Marine Geosciences, Inc., Shallow Hazards Report covering portions of Blocks 782 to 785 and 826 to 829, Garden Banks Area (FMMG, 1998).

This interpretation was supplemented by both 2-D and 3-D seismic correlation with nearby offset well GB 785-1. Information from the offset well was integrated into this letter including daily drilling reports and a published professional paper (Corthay, 1997) that provided a tophole well log and detailed shallow hazards encountered during drilling operations at the wellsite. As a result, direct seismic correlation was achieved between offset well GB 785-1 and the Magnolia study area.

The 2-D high-resolution data acquisition was completed by John E. Chance & Associates (JECA) in July 1998 on board the R/V *L'arpenteur*. Sea conditions during data acquisition were good with 1 to 4 foot seas and 0 to 15 knot winds. The quality of the collected geophysical data was good, and the data were adequate for interpretation. Accurate horizontal positioning of the survey vessel was accomplished with the JECA STARFIX® Differential Global Positioning System, which has a field accuracy of ± 3 meters. Navigational fixes (shot points) were recorded at 41 ft intervals (12.5 m) and annotated on all survey data at increments of 410 ft (125 m). Geophysical instruments utilized during the survey included a Simrad EA-500 Bathymetric System, ORE 3.5 kHz Pinger Subbottom Profiler, SSI 210 cubic inch G.I. Air Gun Profiler, and SVP-16 Sound Velocity Profiler.

The 2-D survey grid consisted of eighteen (18) east-west primary tracklines (Lines 1 to 18) and eleven (11) north-south lines (Lines 20 to 30). In addition, two well-tie lines were shot in a northeast-southwest orientation between offset well GB 785-1 and proposed wellsites A and B (Lines 33 and 32, respectively). The east-west lines are spaced approximately 1000 ft apart whereas the north-south tielines are spaced approximately 3000 ft apart. All or portions of Lines 4, 6, 7, 8, 9, 10, 15, and 30 were rerun as Lines 104, 506, 107, 108, 109, 210, 115, and 130, respectively, in order to ensure record quality.

The 3-D data cube contains 4-millisecond sample rate data to a record length of 4.0 seconds below the sea surface. The 3-D geophysical survey area forms a rectangle about 12.1 miles by 8.5 miles covering all or parts of Garden Banks Blocks 782 through 785, 826 through 829, and 738 through 741. Inlines are oriented east-west, have a numerical increment of five, and exhibit a line spacing of 65.6 ft (20 m). Crosslines are oriented north-south, have a numerical increment of one, and exhibit a line spacing of 41 ft (12.5 m).

The proposed "B" surface location is situated in the southeast quarter of Block 783, Garden Banks Area as follows:

Proposed "B" Surface Location
Block 783, Garden Banks Area

6,182 ft FEL	3,625 ft FSL
X = 1,894,618 ft	Y = 9,871,945 ft

The water depth at the proposed location is 4,689 ft with zero datum at sea level. Bathymetric contours show that the seafloor topography is dominated by a broad seafloor basin. The basin has an average seafloor gradient of 1.5% to the south. This wellsite is located in the southeast portion of Block 783, where seafloor gradients are on the order of 0.5%.

The pinger data collected in the 2-D survey area displayed a maximum of approximately 115 ft of acoustic penetration. This corresponds to a penetration of about 46 milliseconds in the vicinity of the proposed "B" location. 2-D high-resolution, digitally processed air gun records in conjunction with a 3-D seismic data set were used to map the locations of faults and seismic amplitude anomalies.

No seafloor or buried faults were located within 2,000 ft of the proposed location. No high-amplitude anomalies (possible gassy zones) are penetrated at proposed wellsite B within the upper 3,000 ft BML. The closest anomaly is contained within Sequence IV about 2100 ft east-southeast of the proposed wellsite (FMMG, 1998). However, this anomaly does not exhibit additional hydrocarbon indicators. The nearest anomaly with additional hydrocarbon indicators is contained within channel deposits of Sequence III, about 4900 feet southwest of the wellsite. The absence of high-amplitude anomalies at the proposed "B" location suggests that the risk of encountering shallow, overpressured gas in the upper 3,000 ft BML is low.

Proposed wellsite B penetrates a thick sequence (Sequence III) of moderate-amplitude, channel overbank deposits between approximately 920 ft and 1190 ft BML (FMMG, 1998). These overbank deposits are interpreted to consist of silt and sand. 2-D and 3-D lines between the nearby offset well (GB 785-1) and Location B confirm that Sequence III is correlative to the shallow-water-flow (SWF) interval encountered at GB 785-1. Therefore, Location B is judged to have moderate-to-high potential for encountering SWF in Sequence III.

Based on the collected geophysical data, no areas that would be classified as having high potential for the support of chemosynthetic communities were noted within the 2-D survey area. No man-made features were noted in the vicinity of the proposed "B" location. Side scan sonar and magnetometer systems were not used for this study. Discarded or lost man-made objects not detectable by the systems used for this study may exist within the survey area.

Thank you for this opportunity to be of service, and if you have any questions concerning this matter, please do not hesitate to call Shawn Williamson at (713) 773-5936 or Stephen Taylor at (713) 778-5511.

Sincerely,

FUGRO-McCLELLAND
MARINE GEOSCIENCES, INC.

Shawn Williamson
Engineering Geologist

Stephen Taylor
Geosciences Department Manager

Attachments

August 27, 1998

Conoco Inc.
400 E. Kaliste Saloom Road
Lafayette, Louisiana 70508

Attention: Mr. David Pattrick

Re: **Site Clearance Letter**
Proposed "C" Location
Block 784, Garden Banks Area
OCS-G-11574

Gentlemen:

Fugro-McClelland Marine Geosciences, Inc. (FMMG) was contracted to prepare a Site Clearance Letter for the proposed "C" location in Block 784, Garden Banks Area (OCS-G-11574). This letter is intended to address specific seafloor and subbottom conditions within 2,000 ft of the proposed location. For additional information, please refer to the Fugro-McClelland Marine Geosciences, Inc., August 1998 Shallow Hazards Report for Blocks 782-785 and 826-829, Garden Banks Area (Report No. 0201-3675).

Interpretation for this Site Clearance Letter is based on a 1998 John E. Chance & Associates, Inc., Marine 2-D High-Resolution Geophysical Survey and the August 1998 Fugro-McClelland Marine Geosciences, Inc., Shallow Hazards Report covering portions of Blocks 782 to 785 and 826 to 829, Garden Banks Area (FMMG, 1998).

This interpretation was supplemented by both 2-D and 3-D seismic correlation with nearby offset well GB 785-1. Information from the offset well was integrated into this letter including daily drilling reports and a published professional paper (Corthay, 1997) that provided a tophole well log and detailed shallow hazards encountered during drilling operations at the wellsite. As a result, direct seismic correlation was achieved between offset well GB 785-1 and the Magnolia study area.

The 2-D high-resolution data acquisition was completed by John E. Chance & Associates (JECA) in July 1998 on board the R/V *L'arpenteur*. Sea conditions during data acquisition were good with 1 to 4 foot seas and 0 to 15 knot winds. The quality of the collected geophysical data was good, and the data were adequate for interpretation. Accurate horizontal positioning of the survey vessel was accomplished with the JECA STARFIX® Differential Global Positioning System, which has a field accuracy of $\pm$ 3 meters. Navigational fixes (shot points) were recorded at 41 ft intervals (12.5 m) and annotated on all survey data at increments of 410 ft (125 m). Geophysical instruments utilized during the survey included a Simrad EA-500 Bathymetric System, ORE 3.5 kHz Pinger Subbottom Profiler, SSI 210 cubic inch G.I. Air Gun Profiler, and SVP-16 Sound Velocity Profiler.

The 2-D survey grid consisted of eighteen (18) east-west primary tracklines (Lines 1 to 18) and eleven (11) north-south lines (Lines 20 to 30). In addition, two well-tie lines were shot in a northeast-southwest orientation between offset well GB 785-1 and proposed wellsites A and B (Lines 33 and 32, respectively). The east-west lines are spaced approximately 1000 ft apart whereas the north-south tielines are spaced approximately 3000 ft apart. All or portions of Lines 4, 6, 7, 8, 9, 10, 15, and 30 were rerun as Lines 104, 506, 107, 108, 109, 210, 115, and 130, respectively, in order to ensure record quality.

The 3-D data cube contains 4-millisecond sample rate data to a record length of 4.0 seconds below the sea surface. The 3-D geophysical survey area forms a rectangle about 12.1 miles by 8.5 miles covering all or parts of Garden Banks Blocks 782 through 785, 826 through 829, and 738 through 741. Inlines are oriented east-west, have a numerical increment of five, and exhibit a line spacing of 65.6 ft (20 m). Crosslines are oriented north-south, have a numerical increment of one, and exhibit a line spacing of 41 ft (12.5 m).

The proposed "C" surface location is situated in the southwest quarter of Block 784, Garden Banks Area as follows:

Proposed "C" Surface Location
Block 784, Garden Banks Area

2,851 ft FSL	2,287 ft FWL
X = 1,903,087 ft	Y = 9,871,171 ft

The water depth at the proposed location is 4,678 feet with zero datum at sea level. Bathymetric contours show that the seafloor topography is dominated by a broad seafloor basin. The basin has an average seafloor gradient of 1.5% to the south. This wellsite is located in the southwest portion of Block 784, where seafloor gradients are less than 1%.

The pinger data collected in the 2-D survey area displayed a maximum of approximately 115 feet of acoustic penetration. This corresponds to a penetration of about 46 milliseconds in the vicinity of the proposed "C" location. 2-D high-resolution, digitally processed air gun records in conjunction with a 3-D seismic data set were used to map the locations of faults and seismic amplitude anomalies.

No seafloor or buried faults are located within 2,000 ft of the proposed location. No high-amplitude anomalies (possible gas zones) are penetrated at the proposed wellsite within the upper 3,000 ft BML. The closest anomaly is contained within Sequence V about 600 feet west-southwest of Location C (FMMG, 1998). This high-amplitude anomaly exhibits additional hydrocarbon indicators and is interpreted to represent possible gassy sediments. The absence of high-amplitude anomalies at the proposed wellsite suggests that the risk of encountering shallow, overpressured gas in the upper 3,000 ft BML is low.

Proposed wellsite C penetrates a thick sequence (Sequence III) of crenulated, but parallel-stratified, moderate-amplitude reflectors (FMMG, 1998). This section is interpreted to represent distal overbank deposits related to a channel complex to the west. 2-D and 3-D lines between the nearby offset well (GB 785-1) and the study area confirm that Sequence III is correlative to the shallow-water-flow (SWF) interval encountered at GB 785-1. At Location C, Sequence III is characterized by distal overbank deposits that are interpreted to contain less granular material than the proximal portions of the channel complex. Therefore, Location C is judged to have moderate potential for encountering SWF in Sequence III.

Based on the collected geophysical data, no areas that would be classified as having high potential for the support of chemosynthetic communities were noted within the 2-D survey area. No man-made features were noted in the vicinity of the proposed "C" location. Side scan sonar and magnetometer systems were not used for this study. Discarded or lost man-made objects not detectable by the systems used for this study may exist within the survey area.

Thank you for this opportunity to be of service, and if you have any questions concerning this matter, please do not hesitate to call Shawn Williamson at (713) 773-5936 or Stephen Taylor at (713) 778-5511.

Sincerely,

FUGRO-McCLELLAND
MARINE GEOSCIENCES, INC.

Shawn Williamson
Engineering Geologist

Stephen Taylor
Geosciences Department Manager

Attachments

August 27, 1998

Conoco Inc.
400 E. Kaliste Saloom Road
Lafayette, Louisiana 70508

Attention: Mr. David Pattrick

Re: **Site Clearance Letter**
Proposed "D" Location
Block 784, Garden Banks Area
OCS-G-11574

Gentlemen:

Fugro-McClelland Marine Geosciences, Inc. (FMMG) was contracted to prepare a Site Clearance Letter for the proposed "D" location in Block 784, Garden Banks Area (OCS-G-11574). This letter is intended to address specific seafloor and subbottom conditions within 2,000 ft of the proposed location. For additional information, please refer to the Fugro-McClelland Marine Geosciences, Inc., August 1998 Shallow Hazards Report for Blocks 782-785 and 826-829, Garden Banks Area (Report No. 0201-3675).

Interpretation for this Site Clearance Letter is based on a 1998 John E. Chance & Associates, Inc., Marine 2-D High-Resolution Geophysical Survey and the August 1998 Fugro-McClelland Marine Geosciences, Inc., Shallow Hazards Report covering portions of Blocks 782 to 785 and 826 to 829, Garden Banks Area (FMMG, 1998).

This interpretation was supplemented by both 2-D and 3-D seismic correlation with nearby offset well GB 785-1. Information from the offset well was integrated into this letter including daily drilling reports and a published professional paper (Corthay, 1997) that provided a tophole well log and detailed shallow hazards encountered during drilling operations at the wellsite. As a result, direct seismic correlation was achieved between offset well GB 785-1 and the Magnolia study area.

The 2-D high-resolution data acquisition was completed by John E. Chance & Associates (JECA) in July 1998 on board the R/V *L'arpenteur*. Sea conditions during data acquisition were good with 1 to 4 foot seas and 0 to 15 knot winds. The quality of the collected geophysical data was good, and the data were adequate for interpretation. Accurate horizontal positioning of the survey vessel was accomplished with the JECA STARFIX® Differential Global Positioning System, which has a field accuracy of ± 3 meters. Navigational fixes (shot points) were recorded at 41 ft intervals (12.5 m) and annotated on all survey data at increments of 410 ft (125 m). Geophysical instruments utilized during the survey included a Simrad EA-500 Bathymetric System, ORE 3.5 kHz Pinger Subbottom Profiler, SSI 210 cubic inch G.I. Air Gun Profiler, and SVP-16 Sound Velocity Profiler.

The 2-D survey grid consisted of eighteen (18) east-west primary tracklines (Lines 1 to 18) and eleven (11) north-south lines (Lines 20 to 30). In addition, two well-tie lines were shot in a northeast-southwest orientation between offset well GB 785-1 and proposed wellsites A and B (Lines 33 and 32, respectively). The east-west lines are spaced approximately 1000 ft apart whereas the north-south tielines are spaced approximately 3000 ft apart. All or portions of Lines 4, 6, 7, 8, 9, 10, 15, and 30 were rerun as Lines 104, 506, 107, 108, 109, 210, 115, and 130, respectively, in order to ensure record quality.

The 3-D data cube contains 4-millisecond sample rate data to a record length of 4.0 seconds below the sea surface. The 3-D geophysical survey area forms a rectangle about 12.1 miles by 8.5 miles covering all or parts of Garden Banks Blocks 782 through 785, 826 through 829, and 738 through 741. Inlines are oriented east-west, have a numerical increment of five, and exhibit a line spacing of 65.6 ft (20 m). Crosslines are oriented north-south, have a numerical increment of one, and exhibit a line spacing of 41 ft (12.5 m).

The proposed "D" surface location is situated in the southwest quarter of Block 784, Garden Banks Area as follows:

Proposed "D" Surface Location
Block 784, Garden Banks Area

3,642 ft FSL	771 ft FWL
X = 1,901,571 ft	Y = 9,871,962 ft

The pinger data collected in the survey area displayed a maximum of approximately 115 feet of acoustic penetration. This corresponds to a penetration of about 46 milliseconds in the vicinity of the proposed "D" location. 2-D high-resolution, digitally processed air gun records in conjunction with 3-D seismic data set were used to map the seafloor features, faults, and seismic amplitude anomalies.

The water depth at the proposed location is 4,690 feet with zero datum at sea level. Bathymetric contours show that the seafloor topography is dominated by a broad seafloor basin. The basin deepens to the west and has an average seafloor gradient of 1.5% to the south. The crest of a low-relief, seafloor high was identified on echosounder record Line 25 about 700 feet west-southwest of proposed wellsite D. This feature has less than 10 feet of local relief. Analysis of high-resolution, digitally processed 2-D airgun records and 3-D seismic data records indicates that this seafloor perturbation is a minor seafloor high. The closest approach of this low-relief feature is approximately 450 feet southwest of the proposed "D" location (See attached site map). A conical acoustic wipeout zone was identified directly below this feature on pinger records Lines 25 and 107. Faint stratification is visible within the wipeout zone on the pinger records. 2-D airgun records and 3-D seismic data records show no acoustic wipeout zones coincident with the seafloor high. Also, no high-amplitude anomalies were identified in the vicinity of the minor seafloor high. The digitally processed 2-D and 3-D records do show that the low-relief feature is comprised of marine drape above a shallow-buried high within a channelized, landslide unit. A detailed portion of 3-D seismic crossline 1723 is included with this assessment to illustrate this interpretation. Therefore, this seafloor high and associated acoustic wipeout zone is not interpreted to represent a risk to exploration drilling at the proposed "D" location. The conical shape of the acoustic wipeout zone suggests that this response is the result of acquisition geometry caused by the surface-towed, wide beam angle, pinger profiler system.

No seafloor or buried faults are identified within 2,000 ft of proposed wellsite D. No high-amplitude anomalies (possible gas zones) are penetrated at the proposed "D" location. The closest anomaly is contained in Sequence V about 1000 feet southeast of Location D (FMMG, 1998). This high-amplitude anomaly exhibits additional hydrocarbon indicators and is interpreted to represent possible gassy sediments. The absence of high-amplitude anomalies at the proposed wellsite suggests that the risk of encountering shallow, overpressured gas in the upper 3,000 ft BML is low.

The upper portion of Sequence III at Location D consists of crenulated, but parallel-stratified, moderate-amplitude reflectors (FMMG, 1998). This section is interpreted to represent distal overbank deposits related to a channel complex to the west. 2-D and 3-D lines between the nearby offset well (GB 785-1) and the study area confirm that Sequence III is correlative to the shallow-water-flow (SWF) interval encountered at GB 785-1. At Location D, Sequence III is characterized by distal overbank deposits that are interpreted to contain less granular material than the proximal portions of the channel complex. Therefore, Location D is judged to have moderate potential for encountering SWF in Sequence III.

Based on the collected geophysical data, no areas that would be classified as having high potential for the support of chemosynthetic communities were noted within the 2-D survey area. No man-made features were noted in the vicinity of the proposed "D" location. Side scan sonar and magnetometer systems were not used for this study. Discarded or lost man-made objects not detectable by the systems used for this study may exist within the survey area.

Thank you for this opportunity to be of service, and if you have any questions concerning this matter, please do not hesitate to call Shawn Williamson at (713) 773-5936 or Stephen Taylor at (713) 778-5511.

Sincerely,

FUGRO-McCLELLAND
MARINE GEOSCIENCES, INC.

Shawn Williamson

Shawn Williamson
Engineering Geologist

Stephen Taylor

Stephen Taylor
Geosciences Department Manager

Attachments

August 27, 1998

Conoco Inc.
400 E. Kaliste Saloom Road
Lafayette, Louisiana 70508

Attention: Mr. David Pattrick

Re: **Site Clearance Letter**
Proposed "F" Location
Block 783, Garden Banks Area
OCS-G-11573

Gentlemen:

Fugro-McClelland Marine Geosciences, Inc. (FMMG) was contracted to prepare a Site Clearance Letter for the proposed "F" location in Block 783, Garden Banks Area (OCS-G-11573). This letter is intended to address specific seafloor and subbottom conditions within 2,000 ft of the proposed location. For additional information, please refer to the Fugro-McClelland Marine Geosciences, Inc., August 1998 Shallow Hazards Report for Blocks 782-785 and 826-829, Garden Banks Area (Report No. 0201-3675).

Interpretation for this Site Clearance Letter is based on a 1998 John E. Chance & Associates, Inc., Marine 2-D High-Resolution Geophysical Survey and the August 1998 Fugro-McClelland Marine Geosciences, Inc., Shallow Hazards Report covering portions of Blocks 782 to 785 and 826 to 829, Garden Banks Area (FMMG, 1998).

This interpretation was supplemented by both 2-D and 3-D seismic correlation with nearby offset well GB 785-1. Information from the offset well was integrated into this letter including daily drilling reports and a published professional paper (Corthay, 1997) that provided a tophole well log and detailed shallow hazards encountered during drilling operations at the wellsite. As a result, direct seismic correlation was achieved between offset well GB 785-1 and the Magnolia study area.

The 2-D high-resolution data acquisition was completed by John E. Chance & Associates (JECA) in July 1998 on board the R/V *L'arpenteur*. Sea conditions during data acquisition were good with 1 to 4 foot seas and 0 to 15 knot winds. The quality of the collected geophysical data was good, and the data were adequate for interpretation. Accurate horizontal positioning of the survey vessel was accomplished with the JECA STARFIX® Differential Global Positioning System, which has a field accuracy of $\pm$ 3 meters. Navigational fixes (shot points) were recorded at 41 ft intervals (12.5 m) and annotated on all survey data at increments of 410 ft (125 m). Geophysical instruments utilized during the survey included a Simrad EA-500 Bathymetric System, ORE 3.5 kHz Pinger Subbottom Profiler, SSI 210 cubic inch G.I. Air Gun Profiler, and SVP-16 Sound Velocity Profiler.

The 2-D survey grid consisted of eighteen (18) east-west primary tracklines (Lines 1 to 18) and eleven (11) north-south lines (Lines 20 to 30). In addition, two well-tie lines were shot in a northeast-southwest orientation between offset well GB 785-1 and proposed wellsites A and B (Lines 33 and 32, respectively). The east-west lines are spaced approximately 1000 ft apart whereas the north-south tielines are spaced approximately 3000 ft apart. All or portions of Lines 4, 6, 7, 8, 9, 10, 15, and 30 were rerun as Lines 104, 506, 107, 108, 109, 210, 115, and 130, respectively, in order to ensure record quality.

The 3-D data cube contains 4-millisecond sample rate data to a record length of 4.0 seconds below the sea surface. The 3-D geophysical survey area forms a rectangle about 12.1 miles by 8.5 miles covering all or parts of Garden Banks Blocks 782 through 785, 826 through 829, and 738 through 741. Inlines are oriented east-west, have a numerical increment of five, and exhibit a line spacing of 65.6 ft (20 m). Crosslines are oriented north-south, have a numerical increment of one, and exhibit a line spacing of 41 ft (12.5 m).

The proposed "F" surface location is situated in the southeast quarter of Block 783, Garden Banks Area as follows:

Proposed "F" Surface Location
Block 783, Garden Banks Area

4,036 ft FSL	788 ft FEL
X = 1,900,012 ft	Y = 9,872,356 ft

The pinger data collected in the survey area displayed a maximum of approximately 115 feet of acoustic penetration. This corresponds to a penetration of about 46 milliseconds in the vicinity of the proposed "F" location. 2-D high-resolution, digitally processed air gun records in conjunction with a 3-D seismic data set were used to map seafloor features, faults, and seismic amplitude anomalies.

The water depth at the proposed location is 4,694 feet with zero datum at sea level. Bathymetric contours show that the seafloor topography is dominated by a broad seafloor basin. The basin has an average seafloor gradient of 1.5%. This wellsite is located in the southeast corner of Block 783, where seafloor gradients are less than 1%. The crest of a low-relief, seafloor high was identified on echosounder record Line 107 about 350 feet west-southwest of the proposed wellsite (See attached site map). .This feature has less than 10 feet of local relief. Analysis of high-resolution, digitally processed 2-D airgun records and 3-D seismic data records indicates that this seafloor perturbation is a minor seafloor high. A conical acoustic wipeout zone was identified directly below this feature on pinger records Lines 33 and 107. Faint stratification is visible within the wipeout zone on the pinger records. 2-D airgun records and 3-D seismic data records show no acoustic wipeout zones coincident with the seafloor high. Also, no amplitude anomalies were identified in the vicinity of the low-relief high. The digitally processed 2-D and 3-D records do show that the isolated seafloor feature is comprised of marine drape above a shallow-buried high within a channelized, landslide unit. A detailed portion of 2-D seismic line 107 is included with this letter to illustrate this interpretation. Therefore, this low-relief high and associated acoustic wipeout zone is not interpreted to represent a risk to exploration drilling at the proposed wellsite. The conical shape of the acoustic wipeout zone suggests that this response is the result of acquisition geometry cause by the surface-towed, wide beam angle, pinger profiler system.

No seafloor or buried faults were identified within 2,000 ft of the proposed location. No high-amplitude anomalies (possible gas zones) are penetrated at the proposed wellsite within the upper 3,000 ft BML. The closest anomaly is contained in Sequence IV about 1300 ft northeast of Location F (FMMG, 1998). This high-amplitude anomaly does not exhibit additional hydrocarbon indicators. The nearest anomaly with additional hydrocarbon indicators is located about 2500 feet southwest of the wellsite in Sequence V. The absence of high-amplitude anomalies at the proposed wellsite suggests that the risk of encountering shallow, overpressured gas in the upper 3,000 ft BML is low.

The upper portion of Sequence III at Location F (between about 880 ft and 1040 ft BML) consists of crenulated, but parallel-stratified, moderate-amplitude reflectors (FMMG, 1998). This section is interpreted to represent distal overbank deposits related to a channel complex to the east. 2-D and 3-D lines between the nearby offset well (GB 785-1) and the study area confirm that Sequence III is correlative to the SWF interval encountered at GB 785-1. At Location F, Sequence III is characterized by distal overbank deposits that are interpreted to contain less granular material than the proximal portions of the channel complex. Therefore, Location F is judged to have moderate potential for encountering SWF in Sequence III.

Based on the collected geophysical data, no areas that would be classified as having high potential for the support of chemosynthetic communities were noted within the 2-D survey area. No man-made features were noted in the vicinity of the proposed "F" location. Side scan sonar and magnetometer systems were not used for this study. Discarded or lost man-made objects not detectable by the systems used for this study may exist within the survey area.

Thank you for this opportunity to be of service, and if you have any questions concerning this matter, please do not hesitate to call Shawn Williamson at (713) 773-5936 or Stephen Taylor at (713) 778-5511.

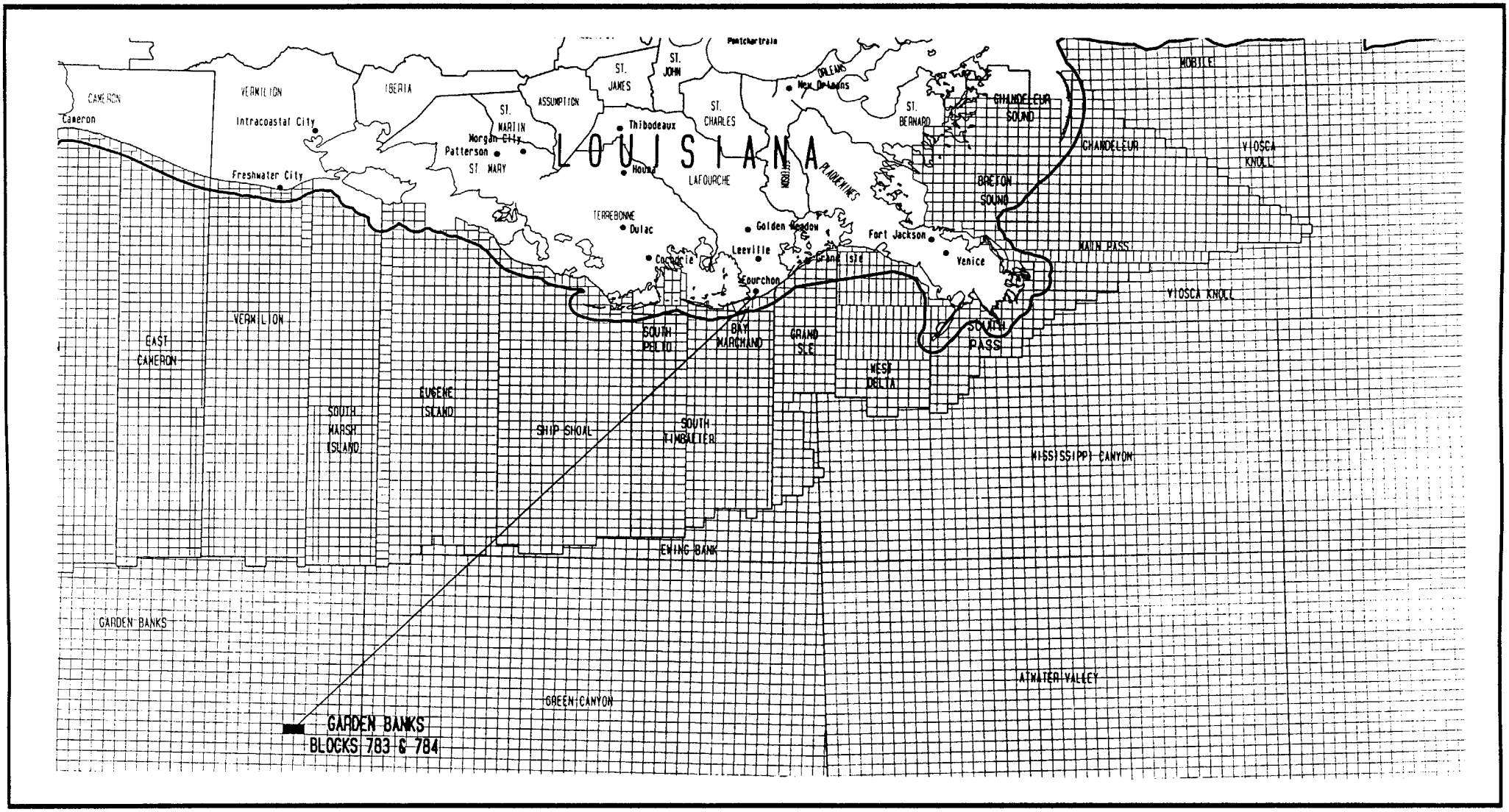
Sincerely,

FUGRO-McCLELLAND
MARINE GEOSCIENCES, INC.

Shawn Williamson
Engineering Geologist

Stephen Taylor
Geosciences Department Manager

Attachments



LAMBERT (1927-DATUM)

Location is approximately 180 miles from shorebase at Fourchon, Louisiana. Location is approximately 150 miles from the nearest Louisiana shoreline.

BEST AVAILABLE COPY

CONOCO INC.

VICINITY MAP

Garden Banks Blocks 783 & 784

Gulf of Mexico

40 0 40 80

Scale: 1" = 40 Miles

Prepared by: C.H. Fenstermaker & Associates, Inc., Lafayette & New Orleans, La.

Revised:	Job No.: 98-2861	Date: 8/31/98
		Drawn By: SLE

ATTACHMENT "E"

DRILLING FLUID
PRODUCT LIST

ATTACHMENT "F"

	Hazardous	Product Description	Vendors Name of product	Product Origin	Unit Size
1		PHPA shale stabilizer/viscosifier	ALCOMER 120L	Allied Colloid	5 gal
2		CHEMICAL AND SALTS	AMMONIUM CHLORIDE	US	50 lb
3		POLYMERS	BIOZAN	Kelco	50 lb
4		CALCIUM BROMIDE	CALCIUM BROMIDE	US	55 lb
5		LOSS CIRCULATION MATERIAL	CALCIUM CARBONATE COARSE	US	50 lb
6		LOSS CIRCULATION MATERIAL	CALCIUM CARBONATE FINE	US	50 lb
7		LOSS CIRCULATION MATERIAL	CALCIUM CARBONATE MEDIUM	US	50 lb
8		LOSS CIRCULATION MATERIAL	CALCIUM CARBONATE VERY FINE (50 LB BG)	US	50 lb
9		CHEMICAL AND SALTS	CALCIUM CHLORIDE (94-97%)PELLETS	US	80 lb
10		CHEMICAL AND SALTS	CALCIUM CHLORIDE PWD	US	80 lb
11		CAUSTIC POTASH	CAUSTIC POTASH (KOH)	US	50 lb
12		CAUSTIC SODA	CAUSTIC SODA	US	50 lb
13		CHEMICAL AND SALTS	CITRIC ACID	US	50 lb
14		OIL MUD CLEAN UP SOAP	CLEAN-UP	M-I	55 gal
15		Organic Inhibitor	CONQOR 404	M-I	55 gal
16		Brine Soluble Blended Amine	CONQOR A303	M-I	55 gal
17		all purpose defoamer	DEFOAM X	M-I	5 gal
18		Chrome Tannin	DESCO	Drilling Specialities	25 lb
19		Diatomaceous Earth High FL LCM	DIASEAL M	Drilling Specialities	40 lb
20		mild detergent, low toxicity	DRIL-KLEEN	M-I	5 gal
21		Chrome free tannin	DRILL THIN	Drilling Specialities	25 lb
22		Polyanionic Cellulose (PAC)	DRISPAC PLUS	Drilling Specialities	50 lb
23		Polyanionic Cellulose (PAC)	DRISPAC PLUS S.L.	Drilling Specialities	50 lb
24		Novadril system HTHP FL additive	EMI-157	M-I	55 gal
25		Hematite	FEROX	M-I	100 lb
26		High Density Hematite Bulk	FEROX BULK	M-I	2000 lb
27		Starch derivative	FLO-TROL	M-I	50 lb
28		Clarified xanthan gum	FLO-VIS	M-I	25 lb
29		Xanthan gum biopolymer	FLOWZAN	Kelco	25 lb
30		Liquid xanthan gum biopolymer	FLOWZAN (LIQUID)	Kelco	5 gal
31		Natural asphalt	GILSONITE	US	50 lb
32		Polyglycol shale inhibitor	GLYDRIL GP BULK	M-I	1 gal
33		Polyglycol shale inhibitor	GLYDRIL MC BULK	M-I	1 gal
34		Polyglycol shale inhibitor	GLYDRIL HC BULK	M-I	1 gal
35		Graphite	GRAPHITE	US	50 lb
36		Gypsum	GYPSUM	US	100 lb
37		HEC	HEC (CELLOSIZE)	US	50 lb
38		HEC Liquid	HEC LIQUID (VIS L)	Baker	5 gal
39		SYNTHETIC FLUID	IO 1618	US	1 gal
40		Potassium Lignite	K 17	M-I	50 lb
41		Potassium Supplement	K-52 (POTASSIUM ACETATE)	M-I	50 lb
42		MODIFIED POLYAMINE	KLA-CURE (EMI - 180)	M-I	55 gal
43		SPECIALITY PRODUCT	KLA-GARD	M-I	55 gal
44		Oil Mud Clean Up Soap/Rig Wash	KLEEN UP	M-I	55 gal
45		Blend Granular/Flake/Fiber LCM	KWIK SEAL COARSE	Baker	40 lb
46		Blend Granular/Flake/Fiber LCM	KWIK SEAL FINE	Baker	40 lb
47		Blend Granular/Flake/Fiber LCM	KWIK SEAL MEDIUM	Baker	40 lb
48		Lime	LIME	US	50 lb
49		Ground Calcium Carbonate	LOWATE	M-I	50 lb
50		Low Toxicity Glycol Lubricant	LUBE 167	M-I	55 gal
51		Polypropalene glycol (from victoria tx.	LUBE-100	M-I	55 gal
52		Glass beads	LUBRA-GLIDE (FINE)	Sun	50 lb
53		Barite Bulk	M-I BAR BULK	M-I	2000 lb
54		Barite	M-I BAR DRLG FLUIDS	M-I	100 lb
55		Wyoming Bentonite Clay	M-I GEL SUPREME BULK (UN-TREATED)	M-I	2000 lb
56		Wyoming Bentonite Clay	M-I GEL UNTREATED (SUPREME)	M-I	100 lb
57		Ground Mica Flakes	MICA FINE	US	50 lb
58		Pulverized cellulose	MIX II	M-I	25 lb
59		Synthetic Gelling Agent	NOVAMOD	M-I	55 gal
60		Synthetic Primary Emulsifier	NOVAMUL	M-I	55 gal

61		ORGANIC SURFACTANT	NOVATHIN	M-I	55 gal
62		Synthetic Wetting Agent	NOVAWET	M-I	55 gal
63		Oil Mud Clean	OIL ABSORBANT (OIL DRY) (SURFOOT)		50 lb
64		Ground pecans	PECAN NUT PLUG CSE	M-I	50 lb
65		Ground pecans	PECAN NUT PLUG FINE	M-I	50 lb
66		Ground pecans	PECAN NUT PLUG MED	M-I	50 lb
67		Formica Chips	PHENO SEAL	Montello	40 lb
68		Formica Chips	PHENO SEAL COARSE	Montello	40 lb
69		Formica Chips	PHENO SEAL MED	Montello	40 lb
70		Stuck Pipe Spotting Fluid	PIPELAX ENV (EMI-1267)	M-I	42 gal
71		Workover completion	PLUG SAL (SAFE BLOCK) (BRINESTOP X)	TBC	50 lb
72		Workover completion	PLUG SAL X	TBC	50 lb
73		Workover completion	PLUG SAL XC	TBC	50 lb
74		Polyacrylamide-High MW PHPA	POLY PLUS (RAPID MUD)	M-I	5 gal
75		Polyacrylamide-High MW PHPA	POLY PLUS RD	M-I	50 lb
76		Polyanionic Cellulose (PAC)	POLYPAC	M-I	50 lb
77		Polyanionic Cellulose (PAC)	POLYPAC UL	M-I	50 lb
78		Potassium Chloride	POTASSIUM CHLORIDE (KCL)	US	100 lb
79		Potassium Chloride	POTASSIUM CHLORIDE (KCL)	US	50 lb
80		PotassiumAsphalt	POTASSIUM SOLTEX	Drilling Specialities	50 lb
81		Resinated Lignite	RESINEX	M-I	50 lb
82		Resinated Lignite	RESINEX (INDIA)	M-I	50 lb
83		Liquid HEC	SAFE VIS E	M-I	5 gal
84		Completion Fluids	SAFE-SURF W	M-I	55 gal
85		Sodium Salt of an unsaturated carboxylhexose	SAFE-SCAV CA	M-I	5 gal
86		Morpholine process Residue	SAFE-COR	M-I	55 gal
87		Sodium Chloride	SALT (EVAPORATED SALT)	US	2000 lb
88		Sodium Chloride	SALT FINE EVAPORATED	US	100 lb
89		Attapulgite Clay	SALT GEL	M-I	50 lb
90		Sodium Acid Pyrophosphate	SAPP	US	50 lb
91		Synthetic Polymer Blend	SHALE CHEK	M-I	50 lb
92		Sodium Carbonate	SODA ASH	US	100 lb
93		Sodium Carbonate	SODA ASH	US	50 lb
94		Sodium Bicarbonate	SODIUM BICARBONATE	US	100 lb
95		Sodium Bicarbonate	SODIUM BICARBONATE	US	50 lb
96		Sulfonated Asphalt	SOLTEX	Drilling Specialities	50 lb
97		Chrome Lignosulfonate	SPERSENE	M-I	50 lb
98		Chrome Free Lignosulfonate	SPERSENE CF	M-I	50 lb
99		Pregelatinized Starch	STARCH (HTS) (LOID) (AMAIZO)	US	50 lb
100		Sulfide Scavenger	SULF X	M-I	50 lb
101		Treated gilsonite	SUPERDRIL PLUS	Montello	50 lb
102		Lignite	TANNATHIN	M-I	50 lb
103		Modified Polysaccharide	THERMPAC UL	TBC	50 lb
104		Synergistic polymer blend	THIXSAL PLUS	TBC	50 lb
105		Sized fibers and crosslinking polymer	ULTRA SEAL-POLY PLUG 40# BAG	M&D	40 lb
106		GROUND NUT SHELLS	WALNUT NUT PLUG CSE	M-I	50 lb
107		GROUND NUT SHELLS	WALNUT NUT PLUG FINE	M-I	50 lb
108		GROUND NUT SHELLS	WALNUT NUT PLUG MED	M-I	50 lb
109		SIZED SALT WEIGHTING BLEND	WATESAL A	TBC	50 lb
110		COMPLETION GRADE XANTHAN GUM	XAN VIS	Kelco	25 lb
111		COMPLETION GRADE XANTHAN GUM LIQ.	XAN VIS L	Kelco	5 gal
112		XANTHAN GUM BIOPOLYMER	XC POLYMER	Kelco	50 lb
113		XANTHAN GUM BIOPOLYMER	XCD POLYMER	Kelco	25 lb
114		CHROME LIGNITE	XP 20	M-I	50 lb
115		H2S REMOVER	ZINC CARBONATE	US	50 lb

CONOCO INC.

INITIAL PLAN OF EXPLORATION
GARDEN BANKS BLOCKS 783 & 784
LEASES OCS-G 11573 & OCS-G 11574

QUANTITIES AND RATES OF DISCHARGES[1]

(PUBLIC INFORMATION)

WELL	DEPTH	HOLE SIZE	QUANTITY(bbls)[2]	DISCHARGE RATE*
GB 783 "A"	(omitted)	24"	1410	Maximum 1000 bbls/hr.
	(omitted)	22"	1240	Maximum 1000 bbls/hr.
	(omitted)	17.5"	1010	Maximum 1000 bbls/hr.
	(omitted)	12.25"	525	Maximum 1000 bbls/hr.
	(omitted)	8.5"	210	Maximum 1000 bbls/hr.
GB 783 "B"	(omitted)	24"	1410	Maximum 1000 bbls/hr.
	(omitted)	22"	1240	Maximum 1000 bbls/hr.
	(omitted)	17.5"	1010	Maximum 1000 bbls/hr.
	(omitted)	12.25"	525	Maximum 1000 bbls/hr.
	(omitted)	8.5"	295	Maximum 1000 bbls/hr
GB 784 "C"	(omitted)	24"	1410	Maximum 1000 bbls/hr.
	(omitted)	22"	1240	Maximum 1000 bbls/hr.
	(omitted)	17.5"	1010	Maximum 1000 bbls/hr.
	(omitted)	12.25"	525	Maximum 1000 bbls/hr.
	(omitted)	8.5"	170	Maximum 1000 bbls/hr
GB 784 "D"	(omitted)	24"	1410	Maximum 1000 bbls/hr.
	(omitted)	22"	1240	Maximum 1000 bbls/hr.
	(omitted)	17.5"	1010	Maximum 1000 bbls/hr.
	(omitted)	12.25"	525	Maximum 1000 bbls/hr.
	(omitted)	8.5"	170	Maximum 1000 bbls/hr
GB 783 "F"	(omitted)	24"	1410	Maximum 1000 bbls/hr.
	(omitted)	22"	1240	Maximum 1000 bbls/hr.
	(omitted)	17.5"	1010	Maximum 1000 bbls/hr.
	(omitted)	12.25"	525	Maximum 1000 bbls/hr.
	(omitted)	8.5"	170	Maximum 1000 bbls/hr

A list of mud additives that may be used while conducting drilling operations is shown in **Attachment "F"**.

Mud and drill cuttings will be discharged at the well site in accordance with EPA regulations.

Mud and drill cuttings which have been contaminated with oil will be transported to shore for proper disposal at an authorized disposal site.

* The discharge rate will not exceed 1000 bbls/hr., in accordance with EPA regulations.

[1] Discharge consists of cuttings and drilling fluid.

[2] Quantity (bbls) = Capacity of hole (cuttings) + 20% (loss of drilling fluids).

PROJECTED AIR EMISSIONS

FOR

GARDEN BANKS BLOCKS 783 & 784
OCS-G 11573 & OCS-G 11574

GULF OF MEXICO
OFFSHORE, LOUISIANA

CONOCO INC.

400 E. Kaliste Saloom Road
Lafayette, Louisiana 70508
Phone (318) 269-2076
Fax (318) 269-2310

SEPTEMBER 1998

ATTACHMENT "H"

C. H. Fenstermaker & Associates, Inc.

Civil Engineers *Environmental Consultants* *Land Surveyors*

Corporate Headquarters
135 Regency Square
Post Office Box 52106
Lafayette, LA 70505
318.237.2200 Phone
318.237.7703 Environmental Division Fax

New Orleans Office
1100 Poydras, Suite 1550
Post Office Box 57089
New Orleans, LA 70157-7089
504.582.2201 Phone
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WWW http://www.fenstermaker.com
Email info@fenstermaker.com

TITLE PAGE

COMPANY	CONOCO INC.
AREA	GARDEN BANKS
BLOCK	783 &784
LEASE	OCS-G 11573 & OCS-G 11574
PLATFORM	DRILLSHIP
WELL	A,B,C,D,F
COMPANY CONTACT	DAVID G. PATTRICK
TELEPHONE NO.	318/269-2076
REMARKS	INITIAL POE, SEE REMARKS

DEEPWATER DRILLING L.L.C.
901 Threadneedle, Suite 200
Houston, Texas 77079
(281) 496-5000

June 29, 1998

VIA FACSIMILE: (318) 232-3299

Ms. Sherry Eastin
Fenstermaker & Associates
Lafayette, LA

Subject: Deepwater Pathfinder – Power Consumption Gulf of Mexico

Dear Sherry,

This letter is to confirm our telephone conversation on this subject regarding the typical maximum power consumption for the Deepwater Pathfinder class drillships while operating in the Gulf of Mexico.

Our electrical load analysis estimates the maximum daily power consumption to be 16,997 kW (22,793 horsepower). This maximum power condition will result in a fuel consumption of 559 barrels per day.

It is important to note that 99% of the time while dynamic positioned on GOM drilling locations, the power consumption of the Deepwater Pathfinder will be less than this maximum load. Also recognize that due to the ABS DP-3 rating of the Deepwater Pathfinder, 33% excess available horsepower is installed (three engine rooms) as a safety contingency in the event of a complete engine room failure.

Please advise if we can further assist you in this matter.

Yours truly,
DEEPWATER DRILLING L.L.C.

Dan Farr

Cc: Mr. Van Lineberger – Manager Well Operations
Conoco Inc.
P.O. Box 51266
Lafayette, LA 70505

REMARKS
CONOCO INC.
INITIAL PLAN OF EXPLORATION
GARDEN BANKS BLOCKS 783 & 784
LEASES OCS-G 11573 & OCS-G 11574
INITIAL POE

A) Initial Plan of Exploration – Drill and evaluate five wells: A, B, C, D & F.

B) No well tests are currently planned.

C) A new build drill ship, the "Deepwater Pathfinder" will be used to drill and evaluate each well.

D) Drilling Schedule for GB 783/784 is as follows:

12/15/98	Drill and evaluate GB 783 Well "A"	78 days
1999	Drill and evaluate GB 783 Well "B"	84 days
1999	Drill and evaluate GB 783 Well "F"	76 days
2000	Drill and evaluate GB 784 Well "C"	76 days
2000	Drill and evaluate GB 784 Well "D"	76 days

Drilling days in 1998 - 16
Drilling days in 1999 - 222
Drilling days in 2000 - 152

Total drilling days - 390

F) No completion, pipeline or production operation operations taken into account herein.

G) The proposed surface location is approximately 180 statute miles from Fourchon shorebase and approximately 150 statute miles from the nearest Louisiana shoreline.

H) 1 Supply boat - 5200 HP — 4 trips per week
1 Helicopter - 1800 HP — 7 trips per week

I) Deepwater Drilling 1 L.L.C. has provided statements of maximum daily horsepower consumption and average daily fuel usage.

J) The drillship has six main engines capable of developing a maximum of 47,400 HP, however, it has been determined that the maximum daily power requirement of the drillship will not exceed 22,793 HP (and 99% of the time the actual power requirement will be less than this).

K) The drillship has 4 cranes each of 500 HP, and the assumption is that no more than two will be in use at any one time, and typically for approximately 2 hrs/day for the two cranes (or 4 hrs/day for one crane).

AIR EMISSIONS FACTORS

Fuel Usage Conversion Factors	Natural Gas Turbines		Natural Gas Engines		Diesel Recip. Engine		REF.	DATE
	SCF/hp-hr	9.524	SCF/hp-hr	7.143	GAL/hp-hr	0.0483	AP42 3.2-1	4/76 & 8/84

Equipment/Emission Factors	units	TSP	SOx	NOx	VOC	CO	REF.	DATE
NG Turbines	gms/hp-hr		0.00247	1.3	0.01	0.83	AP42 3.2-2	4/93
NG 2-cycle lean	gms/hp-hr		0.00185	11	0.43	1.5	AP42 3.2-2	4/93
NG 4-cycle lean	gms/hp-hr		0.00185	12	0.72	1.6	AP42 3.2-2	4/93
NG 4-cycle rich	gms/hp-hr		0.00185	10	0.14	8.6	AP42 3.2-2	4/93
Diesel Recip. < 600 hp.	gms/hp-hr	1	0.931	14	1.12	3.03	AP42 3.3-1	4/93
Diesel Recip. > 600 hp.	gms/hp-hr	0.24	1.49	11	0.33	2.4	AP42 3.4-1	4/93
NG Heaters/Boilers/Burners	lbs/mmscf	5	0.6	140	2.8	35	AP42 1.4-1/2/3	4/93
NG Flares	lbs/mmscf		0.57	71.4	60.3	388.5	AP42 11.5-1	9/91
Liquid Flaring	lbs/bbl	0.42	6.6	2.3	0.01	0.21	AP42 1.3-1	4/93
Tank Vapors	lbs/bbl				0.03		E&P Forum	1/93
Fugitives	lbs/hr/comp.				0.000025		API Study	12/93
Glycol Dehydrator Vent	lbs/mmscf				6.6		La. DEQ	1991
Gas Venting	lbs/scf				0.0034			

COMPANY	AREA	BLOCK	LEASE	PLATFORM	WELL	LATITUDE	LONGITUDE	CONTACT	PHONE	REMARKS
CONOCO INC.	GARDEN BANKS	783	OCS-G 11573	DRILLSHIP	A			DAVID G. PATTRICK	318/269-2076	INITIAL POE, SEE REMARKS

OPERATIONS	EQUIPMENT		MAX. FUEL	ACT. FUEL	RUN TIME		POUNDS PER HOUR					TONS PER YEAR				
	Diesel Engines	HP	GAL/HR	GAL/D												
	Nat. Gas Engines	HP	SCF/HR	SCF/D												
	Burners	MMBTU/HR	SCF/HR	SCF/D	HR/D	DAYS	TSP	SOx	NOx	VOC	CO	TSP	SOx	NOx	VOC	CO
DRILLING	6 PRIME MOVERS>600hp diesel	47400	2289.42	23478.00	24	16	25.06	155.56	1148.46	34.45	250.57	2.06	12.76	94.22	2.83	20.56
	CRANE<600hp diesel	500	24.15	579.60	2	16	1.10	1.03	15.42	1.23	3.34	0.02	0.02	0.25	0.02	0.05
	CRANE<600hp diesel	500	24.15	579.60	2	16	1.10	1.03	15.42	1.23	3.34	0.02	0.02	0.25	0.02	0.05
	CRANE<600hp diesel	500	24.15	579.60	2	16	1.10	1.03	15.42	1.23	3.34	0.02	0.02	0.25	0.02	0.05
	CRANE<600hp diesel	500	24.15	579.60	2	16	1.10	1.03	15.42	1.23	3.34	0.02	0.02	0.25	0.02	0.05
	2 WIRELINE UNITS<600hp diesel	280	13.524	324.58	24	3	0.62	0.57	8.63	0.69	1.87	0.02	0.02	0.31	0.02	0.07
	SUPPLY BOAT>600hp diesel	5200	251.16	6027.84	2	9	2.75	17.07	125.99	3.78	27.49	0.02	0.15	1.13	0.03	0.25
PIPELINE INSTALATION	N/A	0	0	0.00	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FACILITY INSTALLATION	N/A	0	0	0.00	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PRODUCTION	N/A	0	0	0.00	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	MISC.	BPD	SCF/HR	COUNT						0.00					0.00	
	TANK-	0			0	0		0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00
	FLARE-		0		0	0				0.00					0.00	
	PROCESS VENT-		0		0	0				0.00					0.00	
	FUGITIVES-			0.0		0				0.00					0.00	
	GLYCOL STILL VENT-		0		0	0				0.00					0.00	
DRILLING WELL TEST	OIL BURN	0			0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	GAS FLARE		0		0	0		0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00
1998 YEAR TOTAL							32.83	177.31	1344.76	43.86	293.28	2.17	13.00	96.65	2.96	21.09
												4362.30	4362.30	4362.30	4362.30	89135.50
EXEMPTION	DISTANCE FROM LAND IN															
	131															

COMPANY	AREA	BLOCK	LEASE	PLATFORM	WELL	LATITUDE	LONGITUDE	CONTACT	PHONE	REMARKS
CONOCO INC	GARDEN BANKS	783	OCS-G 11573	DRILLSHIP	A, B, F			DAVID G. PATTRICK	318/269-2076	INITIAL POE, SEE REMARKS

OPERATIONS	EQUIPMENT		MAX. FUEL	ACT. FUEL	RUN TIME		POUNDS PER HOUR					TONS PER YEAR				
	Diesel Engines	HP	GAL/HR	GAL/D												
	Nat. Gas Engines	HP	SCF/HR	SCF/D												
	Burners	MMBTU/HR	SCF/HR	SCF/D	HR/D	DAYS	TSP	SOx	NOx	VOC	CO	TSP	SOx	NOx	VOC	CO
DRILLING	6 PRIME MOVERS>600hp diesel	47400	2289.42	23478.00	24	222	25.06	155.56	1148.46	34.45	250.57	28.52	177.08	1307.30	39.22	285.23
	CRANE<600hp diesel	500	24.15	579.60	2	222	1.10	1.03	15.42	1.23	3.34	0.24	0.23	3.42	0.27	0.74
	CRANE<600hp diesel	500	24.15	579.60	2	222	1.10	1.03	15.42	1.23	3.34	0.24	0.23	3.42	0.27	0.74
	CRANE<600hp diesel	500	24.15	579.60	2	222	1.10	1.03	15.42	1.23	3.34	0.24	0.23	3.42	0.27	0.74
	CRANE<600hp diesel	500	24.15	579.60	2	222	1.10	1.03	15.42	1.23	3.34	0.24	0.23	3.42	0.27	0.74
	2 WIRELINE UNITS<600hp diesel	280	13.524	324.58	24	18	0.62	0.57	8.63	0.69	1.87	0.13	0.12	1.87	0.15	0.40
	SUPPLY BOAT>600hp diesel	5200	251.16	6027.84	2	126	2.75	17.07	125.99	3.78	27.49	0.35	2.15	15.87	0.48	3.46
PIPELINE INSTALATION	N/A	0	0	0.00	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FACILITY INSTALLATION	N/A	0	0	0.00	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PRODUCTION	N/A	0	0	0.00	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	MISC.	BPD	SCF/HR	COUNT												
	TANK-	0			0	0				0.00					0.00	
	FLARE-		0		0	0		0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00
	PROCESS VENT-		0		0	0				0.00					0.00	
	FUGITIVES-			0.0		0				0.00					0.00	
	GLYCOL STILL VENT-		0		0	0				0.00					0.00	
DRILLING WELL TEST	OIL BURN	0			0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	GAS FLARE		0		0	0		0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00
1999 YEAR TOTAL							32.83	177.31	1344.76	43.86	293.28	29.98	180.26	1338.73	40.94	292.06
EXEMPTION	DISTANCE FROM LAND IN											4362.30	4362.30	4362.30	4362.30	89135.50
	131															

2000	AREA	BLOCK	LEASE	PLATFORM	WELL	LATITUDE	LONGITUDE	CONTACT	PHONE	REMARKS
CONOCO INC.	GARDEN BANKS	784	OCS-G 11574	DRILLSHIP	C,D			DAVID G. PATTRICK	318/269-2076	INITIAL POE, SEE REMARKS

OPERATIONS	EQUIPMENT		MAX. FUEL	ACT. FUEL	RUN TIME		POUNDS PER HOUR					TONS PER YEAR				
	Diesel Engines	HP	GAL/HR	GAL/D												
	Nat. Gas Engines	HP	SCF/HR	SCF/D												
	Burners	MMBTU/HR	SCF/HR	SCF/D	HR/D	DAYS	TSP	SOx	NOx	VOC	CO	TSP	SOx	NOx	VOC	CO
DRILLING	6 PRIME MOVER>600hp diesel	47400	2289.42	23478.00	24	152	25.06	155.56	1148.46	34.45	250.57	19.53	121.24	895.09	26.85	195.29
	CRANE <600hp diesel	500	24.15	579.60	2	152	1.10	1.03	15.42	1.23	3.34	0.17	0.16	2.34	0.19	0.51
	CRANE <600hp diesel	500	24.15	579.60	2	152	1.10	1.03	15.42	1.23	3.34	0.17	0.16	2.34	0.19	0.51
	CRANE <600hp diesel	500	24.15	579.60	2	152	1.10	1.03	15.42	1.23	3.34	0.17	0.16	2.34	0.19	0.51
	CRANE <600hp diesel	500	24.15	579.60	2	152	1.10	1.03	15.42	1.23	3.34	0.17	0.16	2.34	0.19	0.51
	2 WIRELINE UNITS <600hp diesel	280	13.524	324.58	24	9	0.62	0.57	8.63	0.69	1.87	0.07	0.06	0.93	0.07	0.20
	SUPPLY BOAT>600hp diesel	5200	251.16	6027.84	6	86	2.75	17.07	125.99	3.78	27.49	0.71	4.40	32.51	0.98	7.09
PIPELINE INSTALLATION	N/A	0	0	0.00	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FACILITY INSTALLATION	N/A	0	0	0.00	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PRODUCTION	N/A	0	0	0.00	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	MISC.	BPD	SCF/HR	COUNT												
	TANK-	0			0	0				0.00					0.00	
	FLARE-		0		0	0		0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00
	PROCESS VENT-		0		0	0				0.00					0.00	
	FUGITIVES-			0.0		0				0.00					0.00	
	GLYCOL STILL VENT-		0		0	0				0.00					0.00	
DRILLING WELL TEST	OIL BURN	0			0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	GAS FLARE		0		0	0		0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00
2000 YEAR TOTAL							32.83	177.31	1344.76	43.86	293.28	20.97	126.33	937.90	28.65	204.61
EXEMPTION	DISTANCE FROM LAND IN											4362.30	4362.30	4362.30	4362.30	89135.50
	131															

SUMMARY AIR EMISSION CALCULATIONS

COMPANY	AREA	BLOCK	LEASE	PLATFORM	WELL
CONOCO INC.	GARDEN BANKS	783 &784	OCS-G 11573 & OCS	DRILLSHIP	A,B,C,D,F

Year	Emitted Substance				
	TSP	SOx	NOx	HC	CO
1999	29.98	180.26	1338.73	40.94	292.06
2000	20.97	126.33	937.90	28.65	204.61
Allowable	4362.30	4362.30	4362.30	4362.30	89135.50

ENVIRONMENTAL REPORT

FOR

CONOCO INC.

GULF OF MEXICO
OFFSHORE, LOUISIANA

GARDEN BANKS BLOCKS 783 & 784
LEASES OCS-G 11573 & 11574

COMPANY CONTACT

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SEPTEMBER 1998

ATTACHMENT "I"

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TABLE OF CONTENTS

I. DESCRIPTION OF PROPOSED ACTION

Conoco Inc. (Conoco) proposes to conduct exploratory activities within Garden Banks Blocks 783 & 784, Leases OCS-G 11573 & OCS-G 11574, Offshore, Louisiana. As proposed, the Initial Plan of Exploration provides for the drilling of up to five (5) exploratory wells utilizing a drillship. At this time, the planned commencement date for the proposed activities is December 15, 1998.

A. DESCRIPTION OF PROPOSED TRAVEL MODES, ROUTES AND FREQUENCY

Support vessels will be dispatched from a base located in Fourchon, Louisiana. Helicopters and boats will normally move to the block via the most direct route, however, vessels operating in the field may travel from other facilities nearby. Following is an estimate of trips to the proposed operation:

	DRILLING OPERATIONS
Supply Boat	4 trips per week
Helicopter	7 trips per week

B. ONSHORE SUPPORT BASE

Conoco Inc. will utilize the Edison Chouest Cport Base in Fourchon, Louisiana for activities proposed in this plan. This base is capable of providing all necessary support functions. The proposed activities will help to maintain this base at its present level of activity. No expansion of the physical facilities or the creation of new jobs is expected to result from the work planned in conjunction with this block.

C. NEW OR UNUSUAL TECHNOLOGY

No new or unusual technology will be required for the proposed activities.

D. VICINITY OF PROPOSED OPERATIONS

The location for the proposed activities is approximately 150 statute miles from the nearest Louisiana shoreline. The water depths at the proposed locations range from approximately 4678 feet to approximately 4699 feet. Figure 1 represents the location of the block in relation to the Louisiana Coast, as well as the geographic relationship between other Outer Continental Shelf (OCS) lease areas and Garden Banks Blocks 783 & 784.

II. DESCRIPTION OF AFFECTED ENVIRONMENT

A. COMMERCIAL FISHING

The Gulf of Mexico provides nearly 20% of the commercial fish landings in the continental United States. The Gulf of Mexico yielded the nation's second largest regional commercial fishery by both weight and value in 1994. During 1994, commercial landings of all fisheries in the Gulf totaled nearly 2.2 billion pounds valued at about $806 million.

Menhaden, with landings of over 1.7 billion pounds, valued at $76.7 million, was the most important Gulf species in quantity landed during 1994. Shrimp, with landings of 206.2 million pounds, valued at $462 million, was the most important Gulf species in value landed during 1994. The 1994 Gulf oyster fishery accounted for 72 percent of the national total with landings of 27.3 million pounds of meats, valued at about $96 million. The Gulf blue crab fishery accounted for 25 percent of the national total with landings of 49.1 million pounds, valued at $34 million.

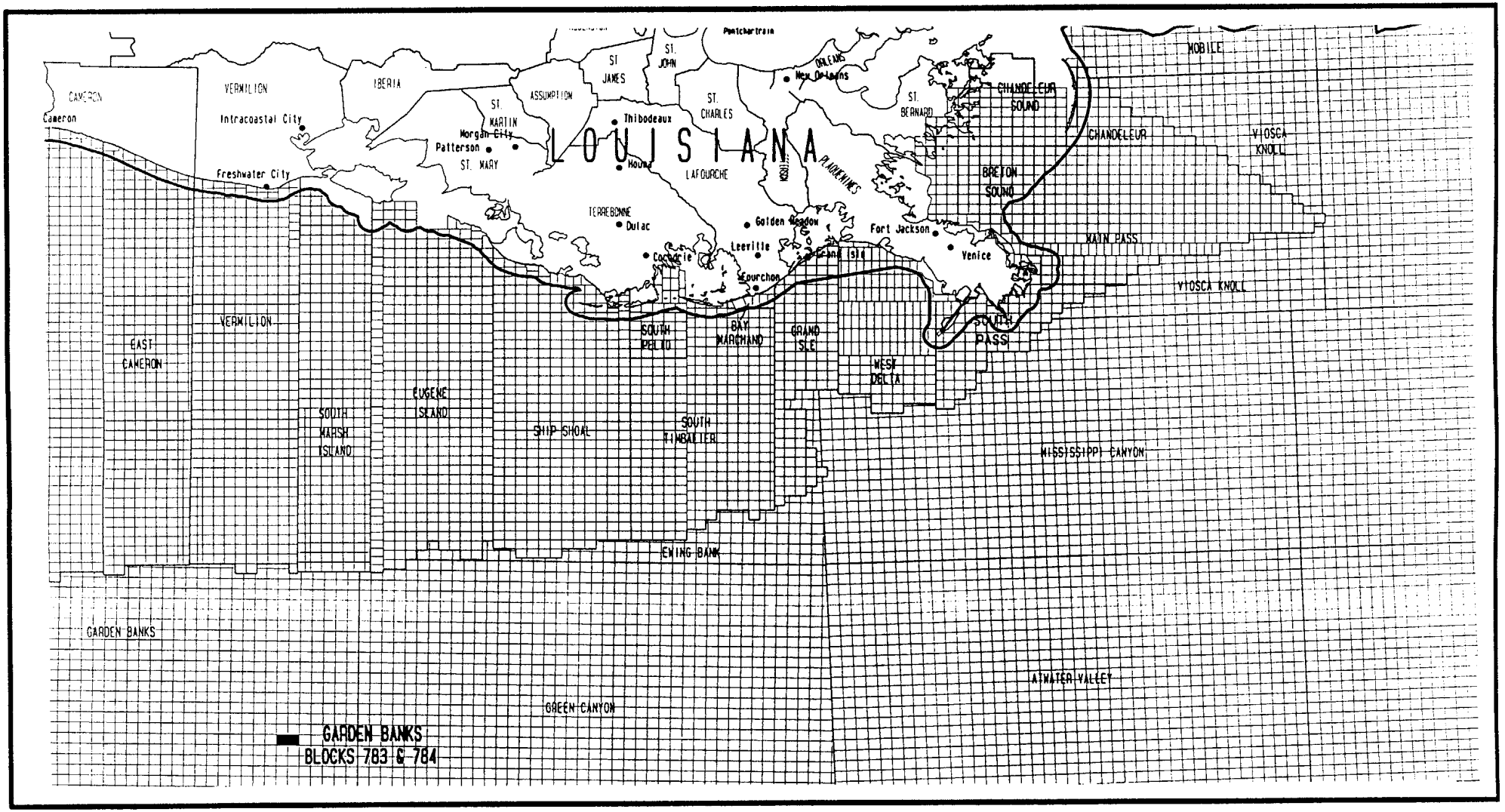
Louisiana ranked first among Central and Western Gulf states in total commercial fishery landings for 1994, with about 1.7 billion pounds landed, valued at $339.7 million. Texas ranked second with nearly 81.1 million pounds landed, valued at $206.2 million. Alabama ranked third with 23.3 million pounds landed, valued at $48.1 million. Mississippi ranked last in total commercial fishery landings for 1994, with value at approximately $44.8 million.

B. SHIPPING

The establishment of a series of safety fairways or traffic separation schemes (TSS's), and anchorage areas provide unobstructed approach for vessels using U.S. ports. Shipping safety fairways are lanes or corridors in which no fixed structure, temporary or permanent, is permitted. TSS's increase navigation safety by separating opposing lanes of vessel traffic. Fairway anchorages are areas contiguous to and associated with a fairway, in which fixed structures may be permitted within certain spacing limitations.

Fairways play an important role in the avoidance of collisions on the Outer Continental Shelf OCS, particularly in the case of the larger oceangoing vessels, but not all vessels stay within the fairways. Many others, such as fishing boats and OCS support vessels, travel through areas with high concentrations of fixed structures. In such cases the most important mitigation factor is the requirement for adequate marking and lighting of structures.

After a structure has been in place for a while, it often becomes a landmark and an aid to navigation for vessels that operate in the area on a regular basis. Most oceangoing vessels are equipped with radar capable of aiding navigation in all weather conditions. This has contributed to safe navigation on the OCS.



3

LAMBERT (1927-DATUM)

Location of proposed activity is approximately 150 statute miles from the nearest Louisiana shoreline.

BEST AVAILABLE COPY

FIGURE 1

CONOCO INC.

VICINITY MAP

Garden Banks Blocks 783 & 784

Gulf of Mexico

40 0 40 80

Scale: 1" = 40 Miles

Prepared by: C.H. Fenstermaker & Associates, Inc., Lafayette & New Orleans, La.		
Revised:	Job No.: 98-2861	Date: 8/31/98
		Drawn By: SLE

Garden Banks Blocks 783 & 784 is clear of shipping fairways and anchorage areas. The drilling rig and each of the marine vessels servicing these operations will be equipped with all U.S. Coast Guard required navigational safety aids to alert ships of their presence in all weather conditions.

C. PLEASURE BOATING, SPORT FISHING AND RECREATION

The northern Gulf of Mexico coastal zone is one of the major recreational regions of the United States, particularly for marine fishing and beach activities. Gulf Coast shorelines offer a diversity of natural and developed landscapes and seascapes. Major recreational resources include coastal beaches, barrier islands, estuarine bays and sounds, river deltas, and tidal marshes. Other resources include publicly owned and administered areas such as national seashores, parks, beaches, and wildlife lands, as well as designated preservation areas, such as historic and natural sites, landmarks, wilderness areas, wildlife sanctuaries, and scenic rivers.

The two major recreational areas most directly associated with offshore leasing and potentially affected by it are the offshore marine environment and the coastal shorefront of the adjoining states. The major recreational activity occurring on the OCS is offshore marine recreational fishing and diving. Petroleum platforms provide recreation for fishermen and scuba divers because they act as artificial reefs attracting and establishing aquatic communities including highly sought after food and sport fishes. Additionally, offshore rigs and platforms serve as navigation points for small commercial and recreational marine craft.

D. POTENTIAL OR KNOWN ARCHAEOLOGICAL RESOURCES

Archaeological resources are any prehistoric or historic site, building, structure, object or feature that is manmade or modified by human activity. The Archaeological Resources Regulation at 30 CFR 250.26 grants specific authority to each Minerals Management Service (MMS) Regional Director to require archaeological resource surveys and reports. Surveys are required as per Notice to Lesses (NTL) 91-02 prior to any drilling or development activities on leases within the archaeological high-probability areas.

With the exception of the Ship Shoal Lighthouse, historic archaeological resources on the OCS consist of shipwrecks. Management of this resource was accomplished by establishing a high probability zone for the occurrence of historic shipwrecks. Many of the OCS shipwrecks occur in clustered patterns related mainly to navigation hazards and port entrances.

Geomorphic features that have a high probability for associated prehistoric archaeological resources in the Central and Western Gulf include barrier islands, embayments, river channels and associated floodplains and terraces, and salt dome features. Remote sensing surveys have been very successful in identifying the geographic features that have a high probability for associated prehistoric sites.

The operational regulations addressed in MMS Letter to Lessees (LTL) dated September 5, 1995, reflect that Green Canyon 819 Block does not fall within the High Probability Area for either Historic Period Shipwrecks or Prehistoric Archaeological Resources on the OCS. An archaeological survey is not required for this lease.

E. ECOLOGICALLY SENSITIVE FEATURES

Barrier Islands and Beaches

Barrier beaches are a common landform along the Gulf Coast and stretch in an irregular chain, from Florida to Texas. These enlongated, narrow landforms are composed of sand and other loose sediments transported by waves, currents, storm surges, and wind. The term "barrier" identifies the structure as one that protects other features, such as bays, estuaries, and marshes from direct impacts of the open ocean. By separating coastal waters from the ocean, barriers contribute to the amount of estuarine habitat along the coast. As much as two-thirds of the top value Gulf Coast species of fish are considered to be directly dependent on conditions in these estuaries during some stage of their life. Another benefit of both the islands and their adjacent marshes and bays is that of providing habitats for a large number of birds and other animals, some of which are endangered or threatened. Barrier landform configurations continually adjust in response to prevailing or changing environmental conditions.

From east to west, the barrier coasts of the Western and Central Gulf include Baldwin County Headland in Alabama, the barrier islands of Mississippi Sound, the Chandeleur Islands, the Modern Mississippi River Delta and its developing barrier islands, the Bayou Lafourche Headland and accompanying barrier islands, Isles Dernieres, the Chenier Plain of Louisiana and Texas, Trinity River Delta, Brazos-Colorado River Delta and its accompanying barrier islands, barrier islands of Espiritu Santo Bay and Laguna Madre and the Rio Grande Delta.

The Central and Western Gulf Coast includes barrier islands that are part of the National Park System. These are the Padre Island National Seashore along the Texas coast and Gulf Islands National Seashore offshore Mississippi.

Coastal Wetlands

Wetland habitat types occurring along the Gulf Coast include fresh, brackish, and saline marshes; forested wetlands; and small areas of mangroves. Coastal wetlands provide habitat for a great number and wide diversity of invertebrates, fish, reptiles, birds, and mammals, and are particularly important as nursery grounds for juvenile forms of many important fish and shellfish species. The Louisiana coastal wetlands support over two-thirds of the Mississippi Flyway wintering waterfowl population and the largest fur harvest in North America.

Louisiana contains most of the Gulf coastal wetlands. The deterioration of coastal wetlands, particularly in Louisiana, is an issue of concern. Several factors contribute to wetland loss in coastal Louisiana, including sediment deprivation, subsidence and sea level rise, construction of ring levees, and the construction of pipeline and navigation canals through the wetlands. The

wetlands of Mississippi seem to be more stable than those in Louisiana, perhaps reflecting the more stable substrate and more active sedimentation in wetland areas. Also, there have been only minor amounts of canal dredging in the Mississippi wetlands. Most wetlands in Alabama occur on the Mobile River delta or along northern Mississippi Sound. In Texas, coastal marshes occur along bays, on rivers and their deltas, and on the inshore side of barrier islands. Salt marshes consisting primarily of smooth cordgrass occur at lower elevations and at higher salinities. Brackish marshes occur in less saline areas inland of salt marshes. Freshwater marshes of the region occur primarily along the major rivers and tributaries.

Seagrasses

Seagrass beds grow in shallow, relatively clear and protected waters with predominantly sand bottoms. Primarily because of low salinity and high turbidity, robust seagrass beds are found only within a few scattered, protected locations in the Central and Western Gulf of Mexico. The area off Florida contains approximately 98.5% of all coastal seagrass beds in the northern Gulf of Mexico. Texas and Louisiana contain approximately 0.5%, Mississippi and Alabama have the remaining 1%. Inshore seagrasses provide important habitat for early life stages of commercial and recreational fisheries species and they provide a food source for several species of wintering waterfowl.

Live Bottoms (Pinnacle Trend)

The northeastern portion of the Central Gulf of Mexico exhibits a region of topographic relief, the "pinnacle trend", found at the outer edge of the Mississippi-Alabama shelf between the Mississippi River and DeSoto Canyon. The region contains a variety of features from low to major pinnacles, as well as ridges, scarps, and relict patch reefs. The features of the pinnacle trend offer a combination of topographic relief and hard substrate for the attachment of sessile organisms and, therefore, have a greater potential to support significant live bottom communities than surrounding areas on the Mississippi-Alabama Shelf. Human impact in these environments appears to be minimal. Cables and lines can affect shallower reef communities, but probably have little impact at these depths once they become tangled on or lodged against reef structures.

Live bottom surveys are required by MMS for blocks within the pinnacle trend area. This block is not located within the pinnacle trend.

Deepwater Benthic Communities

Chemosynthetic communities are defined as persistent, largely sessile assemblages of marine organisms dependent upon chemosynthetic bacteria as their primary food source. Chemosynthetic clams, mussels, and tube worms, similar to the hydrothermal vent communities of the eastern Pacific have been discovered in association with hydrocarbon seeps in the deep water areas of the Gulf of Mexico. Chemosynthetic communities have been a source of controversy over the past few years, in part because of the unusual environmental requirements and hypothesized sensitivity of the communities to oil and gas activities. The MMS requires site specific surveys of bottom disturbing actions in water depths greater than 400 m in order to judge the potential of the region for supporting chemosynthetic organisms. These areas are subsequently protected from physical disturbance from anchors, pipelines, chains, and templates.

In accordance with Notice to Lessees (NTL) 88-11, Conoco Inc. has had a chemosynthetic evaluation prepared in conjunction with the geophysical survey for the area.

The report concluded that water depths within the Garden Banks Blocks 783 & 784 survey areas are sufficient to consider the possibility of the presence of chemosynthetic communities. Based on the collected geophysical data, no areas that would be classified as having high potential for the support of chemosynthetic communities were noted within the survey area.

Topographic Features
The shelf and shelf edge of the Central and Western Gulf are characterized by topographic features, which are inhabited by hard bottom benthic communities. The habitat created by the topographic features is important in several respects: they support hard bottom communities of high biomass, high diversity, and high numbers of plant and animal species; they support, either as shelter, food, or both, large numbers of commercially and recreationally important fishes; they are unique to the extent that they are small isolated areas of such communities in vast areas of much lower diversity; they provide a relatively pristine area suitable for scientific research; and they have an aesthetically attractive intrinsic value.

The Central Gulf of Mexico lists 16 topographic features and the western Gulf of Mexico lists 23 topographic features. None of those listed are in or near the vicinity of the proposed operations.

F. PIPELINES AND CABLES

As a prudent operator, Conoco will conduct its operations in accordance with the provisions specified in MMS NTL 83-03 in order to avoid all pipelines and/or cables in the vicinity of the proposed operations. Conoco is not aware of any pipelines or cables located in this block.

G. OTHER MINERAL USES

The activities proposed for Garden Banks Blocks 783 & 784 will have no direct or indirect impact on other mineral uses.

H. OCEAN DUMPING

Under provisions of The Marine Pollution Research and Control Act of 1987, all ships and watercraft, including all commercial and recreational fishing vessels, are prohibited from dumping plastics at sea. The law also severely restricts the legality of dumping other vessel generated garbage and solid waste items both at sea and in U.S. navigable waters.

The major sources of ocean dumping related to OCS petroleum activities are drilling fluids, or "muds", and drill cuttings. If any oil-based mud is used in the proposed operations, it will be transported to shore for proper disposal.

All discharges will be made in compliance with a general National Pollution Discharge Elimination System (NPDES) permit issued by U.S. Environmental Protection Agency under the Federal Water Pollution Act. These discharges should not impact any ecologically sensitive areas along the coast or on the OCS.

I. ENDANGERED AND THREATENED SPECIES AND CRITICAL HABITAT

Twenty-eight species of cetaceans, one sirenian, and one exotic pinniped (California sea lion) have been sighted in the northern Gulf of Mexico. Cetaceans are divided into two major suborders: Mysticeti (baleen whales) and Odontoceti (toothed whales). Seven baleen and 21 toothed whale species have been reported for the Gulf. The only member of the Order Sirenia found in the northern Gulf is the West Indian manatee. California sea lions exist in the northern Gulf of Mexico as feral individuals that were probably were released or escaped from marine parks.

Five species of baleen whales (northern right, blue, fin, sei and humpback) and one species of toothed whale (sperm whale) found within the Gulf of Mexico are currently listed as endangered species. All are uncommon to rare in the Gulf except for the sperm whale.

Several endangered or threatened species of turtles, including the green turtle, leatherback, hawksbill, Kemp's ridley, and loggerhead may occasionally visit the lease area. Green turtles prefer depths of less than 20m, where seagrasses and algae are plentiful. Leatherbacks, the largest and most oceanic of the marine turtles, seasonally enter coastal and estuarine habitats where jellyfish are plentiful. The hawksbill is the least commonly reported marine turtle in the Gulf. Stranded turtles are regularly reported in Texas and, recently, in Louisiana; these tend to be either hatchlings or yearlings. The Kemp's ridley sea turtle is the most imperiled of the world's marine turtles. In the Gulf, Kemp's ridleys inhabit nearshore areas, and have also been recorded off the mouth of the Mississippi River. The loggerhead sea turtle occurs worldwide in habitats ranging from estuaries to the continental shelf. In the Gulf of Mexico, recent surveys indicate that the Florida Panhandle accounts for approximately one-third of the nesting on the Florida Gulf Coast. In the Central Gulf, loggerhead nesting has been reported on Gulf Shores and Dauphin Island, Alabama, Ship Island, Mississippi, and the Chandeleur Islands, Louisiana. The banks off of the central Louisiana coast and near the Mississippi Delta are also important marine turtle feeding areas. Hatchlings have a pelagic phase followed by movement inshore.

The offshore waters, coastal beaches, and contiguous wetlands of the northern Gulf of Mexico are populated by both resident and migratory species of coastal and marine birds. They are herein separated into five major groups: seabirds, shorebirds, wading birds, marsh birds, and waterfowl. Many species are strongly pelagic, and therefore rarely seen from shore. The

remaining species, which are most susceptible to potential deleterious effects resulting from OCS related activities, are found within coastal and inshore habitats. Recent surveys indicate that Louisiana and Texas are among the most important states in the south and southeastern U.S. in terms of nesting colony sites and total number of nesting coastal and marine birds. Fidelity to these nesting sites varies from year to year along the Gulf Coast, with site abandonment along the northern Gulf Coast often attributed to habitat alteration and excessive human disturbance. Feeding habitats include the waters and coastal shores of the open Gulf, bays and estuaries, brackish and freshwater wetlands, as well as coastal farmlands and landfills.

The following coastal and marine bird species, which inhabit or frequent the north-central and western Gulf of Mexico coastal areas, are recognized by the FWS as either endangered or threatened: piping plover, whooping crane, eskimo curlew, bald eagle, brown pelican, and least tern.

The piping plover is a migratory shorebird that is endemic to North America. It nests on sandy beaches along coasts or inland lakeshores, preferring areas with scant vegetation and cover. Most wintering plovers occur in Texas and along other U.S. Gulf coast sites. The plover's wintering habitat includes coastal sandflats and mudflats in close proximity to large inlets or passes.

Wild whooping cranes presently occur in two migratory populations. The first nests in Canada and migrates to wintering grounds along the Texas coast on salt flats and islands in and around Aransas National Wildlife Refuge (ANWR). The second population was established in southeastern Idaho. Cranes feed during the winter months on a wide variety of foods gathered from the coastal environment.

The eskimo curlew is a small American curlew that nests on Arctic tundra and migrates to its wintering habitat in the pampas grasslands of southern South America. In 1929, the eskimo curlew was thought to be extinct; however, occasional records persist. Census efforts are underway to ascertain whether this species is extinct.

The bald eagle is the only species of sea eagle regularly occurring on the North American continent. The bulk of the bald eagle's diet is fish, combined with opportunistic capture of a variety of vertebrate species. The bald eagle requires a large area for hunting and is sensitive to chemical contaminants in the food chain. Most breeding pairs occur in Florida and Louisiana, and some in South Carolina, Alabama, and east Texas. In 1995, the Fish and Wildlife Service reclassified the bald eagle from endangered to threatened.

The brown pelican is one of two pelican species in North America. It feeds entirely upon fishes captured by plunge diving in coastal waters. It rarely ventures beyond 20 miles from the coast. In recent years, there has been a marked increase in populations of the brown pelican along its entire former range.

The least tern is the smallest North American tern. They are listed as endangered, except within 50 miles from the coast. Least terns usually nest in small colonies on bare or sparsely vegetated sand and shell substrates, and will use human made and managed spoil sites as well.

J. SOCIOECONOMIC

In relation to oil and gas activity in the Gulf of Mexico, the exploration and production of crude oil and gas is classified as a primary industry. Classified as secondary industries are activities associated with the processing of crude oil and gas in refineries, natural gas plants, and petrochemical plants.

The production of OCS oil and gas, particularly offshore Louisiana, has been a major source of revenue in the study area since 1954. Data from the 1990 Census show that the average annual payroll associated with oil and gas activities amounts to approximately $3.3 billion for the Gulf of Mexico. Average annual tax dollars generated per employee in the offshore oil and gas program are estimated at 8% of payroll revenues. Thus, State and local taxes generated annually by development of offshore oil and gas in the Gulf of Mexico coastal region are estimated at $267.9 million.

Job estimates as of September 1995 show that about 31,700 jobs are directly or indirectly dependent on the offshore program. Nearly all offshore-related employment in the Central Gulf is due to activity offshore Louisiana.

The offshore oil exploration industry including oil companies, drilling contractors, and oilfield suppliers provide a major input to Louisiana's economy. A number of ports in the Central and Western Gulf have developed into important centers for offshore support. The onshore support base for Conoco's operations in Garden Banks Blocks 783 & 784 is located in Fourchon, Louisiana.

The first socioeconomic data base report will be submitted when the Minerals Management Service (MMS) and the States of Alabama, Louisiana and Mississippi identify the specific parameters to be addressed in these semi-annual reports.

III. UNAVOIDABLE ADVERSE ENVIRONMENTAL IMPACTS

A. WATER QUALITY

Routine operational discharges (drilling muds and cuttings, produced waters, deck drainage, and sanitary and domestic wastes) or accidental spills may temporarily degrade some measures of water quality adjacent to the proposed activity site. However, these impacts decrease to very low with distance from the source.

B. EFFECTS ON MARINE ORGANISMS

The proposed activities could affect plankton and benthos immediately around the proposed surface locations. Although some motile animals could avoid the area, some adverse impacts could not be avoided. These communities are widespread throughout the Gulf and tend to recover quickly, so these impacts would not be deleterious to the overall ecosystem over the long term.

C. EFFECTS ON THREATENED OR ENDANGERED SPECIES

Offshore activities have the potential to cause detrimental effects on marine mammals. These animals could be impacted by operational discharges, helicopter and vessel traffic, platform noise, seismic surveys, oil spills, oil spill response activities, and discarded trash and debris from service vessels and OCS structures. The effects of the majority of these activities are estimated to be sublethal, and expected impact levels range from low to very low. Oil spills of any size are expected to seldom contact endangered and threatened cetaceans.

An impact from offshore oil and gas activities on the Alabama, Choctawhatchee, and Perdido Key beach mice could occur as a result of oil spills, oil spill response activities, beach trash and debris, and coastal habitat degradation. Deleterious effects are not expected because of the low probability of spill occurrence and contact due to the location of the block and the particular consideration their habitat receives during oil-spill cleanup, as directed by OPA 90.

Marine turtles could be impacted by structure installation, pipeline placement, blowouts, operational discharges, OCS related trash and debris, vessel traffic, explosive platform removals, oil spills, oil spill response activities, and habitat and water quality degradation. All to most disturbances are expected to be temporary, and marine turtles are expected to recover from a period of weeks to months.

The brown pelican, Arctic peregrine falcon, bald eagle, piping plover, and least tern may be impacted by helicopter and service vessel traffic, entanglement in and ingestion of offshore oil and gas related plastic debris, and oil spills. Oil spills of any size are expected to seldom contact threatened and endangered birds or their critical feeding, resting, or nesting habitats. It is expected that the effects from the major impact producing factors on coastal and marine birds are negligible and of nominal occurrence. As a result, there will be no discernible disturbance of Gulf coastal and marine birds.

The Gulf sturgeon could be impacted by oil spills resulting from oil and gas activities. However, oil spills of any size will rarely contact Gulf sturgeon.

D. WETLANDS AND BEACHES

Wetlands and beaches could be adversely affected by oil spills, pipeline emplacements, navigation canal dredging and construction and maintenance of inshore facilities. Although some maintenance dredging is expected to occur, this activity has not been shown to have a negative impact on barriers, and the need for dredging cannot be attributed to the small percentage of vessel traffic in these channels.

The probability of an oil spill impacting coastal beaches and wetlands is extremely low. Seagrasses may be contacted by low concentrations of oil, if any, from oil spills. No permanent impacts are expected.

E. AIR QUALITY

Emissions of pollutants into the atmosphere are expected to have concentrations that would not change the onshore air quality classifications. Offshore activities generate a small but significant amount of air pollutants due to the emissions of diesel engines; therefore the deterioration of air quality is unavoidable in an OCS operation area. In most instances, these emissions affect only the immediate activity site and are rapidly dissipated by the atmosphere, depending on climatic conditions.

The potential degrading effects on air quality from onshore and offshore operational activities are platform emissions; drilling activities during exploration, delineation and development; service vessel operations; evaporation of volatile hydrocarbons from surface oil slicks; and fugitive emissions during hydrocarbon venting and offloading.

Projected Air Emissions have been prepared for the proposed operations and are included as an attachment to the plan.

F. COMMERCIAL FISHING

The major impact producing factors on fishing activities from oil and gas activities include oil spills, platform removals, underwater OCS obstructions, seismic surveys, subsurface blowouts, and OCS discharges of drilling muds, produced waters and Naturally Occurring Radioactive Material (NORM).

Oil spills that contact the coastal bays, estuaries, and open Gulf areas with high concentrations of floating eggs have the greatest potential for damage to commercial fisheries. The majority of the Gulf's fishes are estuarine dependent. An oil spill could possibly affect commercial fisheries such as menhaden, shrimp and blue crab that use these areas as nursery or spawning grounds

Commercial fishery resources may also be affected by the discharge of drilling muds which may contain material toxic to marine fishes; however, this is only at concentrations four or five orders of magnitude higher than those found more than a few meters from the discharge point. Further dilution is extremely rapid in offshore waters.

In conclusion, although these factors impact the commercial fisheries industry, the level of impact is expected to be very low.

G. SHIP NAVIGATION

Very little interference can be expected between the drilling unit and marine vessels utilized during proposed operations and ships that use established fairways. However, at night and during rough weather, fog, and heavy seas, ships not using established fairways could collide with the structures. Approved aids to navigation will be installed on the drilling rig and all marine vessels servicing these operations in accordance with USCG regulations.

H. ARCHAEOLOGICAL RESOURCES

The greatest potential impact to an historic and/or prehistoric archaeological resource as a result of the offshore oil and gas activity would result from a contact between OCS offshore activity and a historic shipwreck and/or prehistoric site located on the OCS.

The OCS activity could contact a shipwreck because of incomplete knowledge on the location of shipwrecks in the Gulf. Although this occurrence is not probable, such an event would result in the disturbance or destruction of important historic archaeological information. Other factors associated with the proposed activities are not expected to affect historic archaeological resources.

The archaeological surveys required prior to an operator beginning oil and gas activities in a lease block are estimated to be 90% effective at identifying possible sites. No archaeological survey was required on this lease, as per MMS Letter to Lessees dated September 5, 1995.

Conoco, as a prudent operator, agrees that, should any site, structure or object of historical or archaeological significance be discovered during drilling and exploration activities within the lease, such finds would immediately be reported to the Director, Gulf of Mexico OCS Region, and every reasonable effort would be made to preserve and protect the archaeological resources from damage until the Director has given directions as to its preservation.

I. RECREATION AND AESTHETIC VALUES

Major recreational beaches include Padre Island National Seashore, Gulf Islands National seashore, State parks and recreational areas, parks, urban beaches, private resort areas, and private environmental preservation and conservation areas. The most widely recognized threats to the enjoyment and use of recreational beaches are oil spills and trash and debris. The physical presence of platforms and drilling rigs can affect the aesthetics of beach appreciation, and noise from aircraft can disturb the ambiance of beach-related experiences. The proposed activities are not expected to affect recreational areas.

Due to the water depth and the distance of the block offshore, the likelihood of interference with sport fishermen is remote. The effects that normal operations or a minor oil spill would have on any fish stocks important to sport fishermen are also considered to be negligible.

IV. SUMMARY

The proposed activity will be carried out and completed with the guarantee of the following items:

A. The best available and safest technologies will be utilized throughout the project. This includes meeting all applicable requirements for equipment types, general project layout, safety systems, and equipment and monitoring systems.

B. All operations are covered by a Minerals Management Service approved Oil Spill Contingency Plan.

C. All applicable Federal, State, and Local requirements regarding air emissions, water quality, and discharge for the proposed activities, as well as any other permit conditions, will be complied with.

D. The proposed activities described in detail in the Plan of Exploration comply with Louisiana's Coastal Management Program and will be conducted in a manner consistent with such program.

BIBLIOGRAPHY

1. U.S. Department of the Interior, Minerals Management Service, 1992. Gulf of Mexico Sales 142 and 143: Central and Western Planning Areas Final Environmental Impact Statement. Washington, D.C. OCS EIS/EA MMS 92-0054 Volumes I & II

2. U.S. Department of the Interior, Minerals Management Service, 1993. Gulf of Mexico Sales 147 and 150: Central and Western Planning Areas Final Environmental Impact Statement. Washington, D.C. OCS EIS/EA MMS 93-0065 Volumes I & II

3. U.S. Department of the Interior, Minerals Management Service, 1994. Gulf of Mexico Sales 152 and 155: Central and Western Planning Areas Final Environmental Impact Statement. Washington, D.C. OCS EIS/EA MMS 94-0058 Volumes I & II

4. U.S. Department of the Interior, Minerals Management Service, 1995. Gulf of Mexico Sales 157 and 161: Central and Western Planning Areas Final Environmental Impact Statement. Washington, D.C. OCS EIS/EA MMS 95-0058 Volumes I & II

5. U.S. Department of the Interior, Minerals Management Service, 1996. Gulf of Mexico Sales 166 and 168: Central and Western Planning Areas Final Environmental Impact Statement. Washington, D.C. OCS EIS/EA MMS 96-0058

COASTAL ZONE MANAGEMENT CONSISTENCY CERTIFICATION FOR LOUISIANA

ATTACHMENT "J"

CONOCO INC.
INITIAL PLAN OF EXPLORATION
GARDEN BANKS BLOCKS 783 & 784
LEASES OCS-G 11573 & 11574

The proposed activities described in this Plan comply with Louisiana's approved Coastal Zone Management Program and will be conducted in a manner consistent with such Program.

Arrangements have been made with The Advocate in Baton Rouge, Louisiana to publish a legal notice no later than September 8, 1998.

Additionally, arrangements have been made with The Daily Comet in Lafourche Parish, Louisiana to publish a notice of the proposed activities no later than September 8, 1998.

Conoco Inc.
Lessee or Operator

Certifying Official

31st August 1998
Date

400 East Kaliste Saloom Rd.
Lafayette, Louisiana 70508

September 1, 1998

The Advocate
Legal Ad Department-Public Notice
525 Lafayette Street
Baton Rouge, Louisiana 70804

Attention: Public Notices

Please publish the following as a legal ad no later than September 8, 1998.

Public notice of Federal Consistency review of a proposed Initial Plan of Exploration (POE) by the Coastal Management Division/Louisiana Department of Natural Resources for the Plan's consistency with the Louisiana Coastal Resources Program.

Applicant: Conoco Inc.
400 E. Kaliste Saloom Road
Lafayette, Louisiana 70508
Attn: David G. Pattrick

Location: Garden Banks Blocks 783 & 784
Leases OCS-G 11573 & OCS-G 11574
Offshore, Louisiana

Description: Exploration activities include the drilling of up to five (5) wells from a drillship and the transport of crews and equipment by helicopter and/or supply vessel from an onshore base located at Fourchon, Louisiana. These activities are not expected to affect any ecologically sensitive species or habitats.

A copy of the plan described above is available for inspection at the Coastal Management Division Office located on the 10th floor of the State Lands and Natural Resources Building, 625 North 4th Street, Baton Rouge, Louisiana. Office Hours are: 8:00 AM to 5:00 PM, Monday thru Friday. The public is requested to submit comments to the Louisiana Department of Natural Resources Coastal Management Division, Attention: OCS Plans, P.O. Box 44487, Baton Rouge, Louisiana 70804-4487. Comments must be received within 15 days of this notice or 15 days after the Coastal Management Division obtains a copy of the plan and it is available for public inspection. This public notice is provided to meet the requirements of the NOAA Regulations on Federal Consistency with approved Coastal Management Programs.

ATTACHMENT "K"

The Advocate
Legal Ad Publication
September 1, 1998

Page Two

A copy of the published notice and bill should be submitted to the attention of the undersigned:

Sherry Eastin
C.H. Fenstermaker & Associates, Inc.
135 Regency Square
Lafayette, LA 70508

If there are any questions regarding this ad, please contact Conoco's regulatory agent, Sherry Eastin, at (318) 237-2200 Ext. 3151.

Sincerely,

Conoco Inc.

David G. Pattrick
Team Leader
Geoscience Operations

400 East Kaliste Saloom Rd.
Lafayette, Louisiana 70508

September 1, 1998

The Daily Comet
P.O. Box 5238
Thibodaux, Louisiana 70302

Attention: Public Notices

Please publish the following as a legal ad no later than September 8, 1998

Public notice of Federal Consistency review of a proposed Initial Plan of Exploration (POE) by the Coastal Management Division/Louisiana Department of Natural Resources for the Plan's consistency with the Louisiana Coastal Resources Program.

Applicant: Conoco Inc.
400 E. Kaliste Saloom Road
Lafayette, Louisiana 70508
Attn: David G. Pattrick

Location: Garden Banks Blocks 783 & 784
Leases OCS-G 11573 & OCS-G 11574
Offshore, Louisiana

Description: Exploration activities include the drilling of up to five (5) wells from a drillship and the transport of crews and equipment by helicopter and/or supply vessel from an onshore base located at Fourchon, Louisiana. These activities are not expected to affect any ecologically sensitive species or habitats.

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ATTACHMENT "L"

The Daily Comet
Legal Ad Publication
September 1, 1998

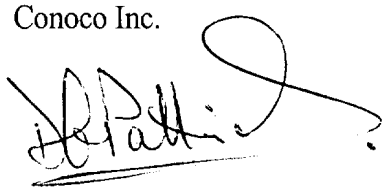
A copy of the published notice and bill should be submitted to the attention of the undersigned:

Sherry Eastin
C.H. Fenstermaker & Associates, Inc.
135 Regency Square
Lafayette, LA 70508

If there are any questions regarding this ad, please contact Conoco's regulatory agent, Sherry Eastin, at (318) 237-2200 Ext. 3151.

Sincerely,

Conoco Inc.



David G. Pattrick
Team Leader
Geoscience Operations