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FIELD OPERATIONS
Plans Section GOM OCS Region New Orleans, LA

AMERADA HESS CORPORATION

Keith J. Dupuis
Supervisor
Environmental and Regulatory Affairs

Phone: (713) 609-5926
Facsimile: (713) 609-5664

P.O. Box 2040
Houston, Texas 77252-2040
500 Dallas, Level 2
Houston, Texas 77002

E-Mail: kdupuis@hess.com

December 12, 2001

U.S. Department of the Interior
Minerals Management Service
Gulf of Mexico OCS Region
1201 Elmwood Park Blvd.
New Orleans, LA 70123-2394

Attn: Mr. Donald C. Howard
Regional Supervisor
Field Operations (MS 5231)

PUBLIC INFORMATION

RE: Initial Plan of Exploration
Matagorda Island Block 697
OCS-G 23157

Gentlemen:

In accordance with Minerals Management Service Regulations 30 CFR 250.204, relative to Exploration Plans, Amerada Hess Corporation hereby submits for your review and ultimate approval, nine (9) copies of the Initial Plan of Exploration for Matagorda Island Block 697 (OCS-G 23157).

Five (5) copies of the Initial Plan are considered "confidential," and include certain geological/geophysical data, which is to be exempt from public inspection. Four (4) Public Information copies of the Plan are enclosed, which exclude confidential information.

It is our estimation that the drilling of well "A" could begin on March 1, 2002.

Please contact me at (713) 609-5926 if any additional information is required.

Sincerely,

Keith J. Dupuis

KJD:bam
Attachments

BEST AVAILABLE COPY

Cc: U.S. Department of the Interior – MMS, Lake Jackson District Office
J.M. Calbeck
C. Files – Matagorda Island Block 697 (File 2.211)

CONTROL No. N-7337
REVIEWER: Michelle Griffitt
PHONE: (504) 736-2975

No cover sheet

AMERADA HESS CORPORATION

INITIAL PLAN OF EXPLORATION

GULF OF MEXICO – OFFSHORE, TEXAS

MATAGORDA ISLAND BLOCK 697
OCS-G 23157

DECEMBER 12, 2001

COMPANY CONTACT

KEITH J. DUPUIS (713) 609-5926

AMERADA HESS CORPORATION
500 DALLAS STREET, LEVEL 2
HOUSTON, TEXAS 77002

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1. CONTENTS OF PLAN

1.1 DESCRIPTION, OBJECTIVE, AND SCHEDULE

Under this Initial Plan of Exploration, Amerada Hess Corporation (AHC) proposes to drill up to four (4) exploratory wells, Wells A-D. The proposed exploratory wells will be drilled from the existing "A" platform in Matagorda Island Block 696 (OCS-G 4704). AHC is the designated operator of Matagorda Island Blocks 696 and 697.

PROPOSED ACTIVITY SCHEDULE	ESTIMATED START-UP DATE	ESTIMATED COMPLETION DATE
1. Drill Well "A" and complete.	March 1, 2002	April 15, 2002
2. Drill Well "B" and complete.	April 16, 2002	June 1, 2002
3. Drill Well "C" and complete.	January 1, 2003	February 15, 2003
4. Drill Well "D" and complete.	February 20, 2003	April 6, 2003

1.2 LOCATION

(Plat is included as Attachment A)

The location of the No.1 Well is described as follows:

WELL LOCATION	PROPOSED LOCATIONS	TOTAL DEPTH	WATER DEPTH	DAYS TO DRILL/ COMPLETE
A	SL: 2,424' FSL & 2,455' FEL of MI 696 X= 2,567,236 Y= 810,652		77'	
	Latitude: 27° 53' 09"N Longitude: 96° 44' 39"W			
	PBHL:			

WELL LOCATION	PROPOSED LOCATIONS	TOTAL DEPTH	WATER DEPTH	DAYS TO DRILL/TA
B	SL: 2,424' FSL & 2,455' FEL of MI 696 X= 2,567,236 Y= 810,652		77'	
	Latitude: 27° 53' 09"N Longitude: 96° 44' 39"W			
	PBHL:			

WELL LOCATION	PROPOSED LOCATIONS	TOTAL DEPTH	WATER DEPTH	DAYS TO DRILL/TA
C	SL: 2,424' FSL & 2,455' FEL of MI 696 X= 2,567,236 Y= 810,652		77'	
	Latitude: 27° 53' 09"N Longitude: 96° 44' 39"W			
	PBHL:			

WELL LOCATION	PROPOSED LOCATIONS	TOTAL DEPTH	WATER DEPTH	DAYS TO DRILL/TA
D	SL: 2,424' FSL & 2,455' FEL of MI 696 X= 2,567,236 Y= 810,652		77'	
	Latitude: 27° 53' 09"N Longitude: 96° 44' 39"W			
	PBHL:			

1.3 DRILLING UNIT

(Typical Diverter and Blowout Preventer Equipment are included as Attachments B-1 and B-2)

Offshore exploratory wells in the Gulf of Mexico are drilled from three (3) types of drilling rig. The type rig used depends on the water depth at the proposed drillsite. The types of drilling rigs used in relation to the water depth are:

- a jack-up rig is used in water depths up to 100m
- a semi-submersible rig is used in water depths that range from 100 to 750m
- a drill ship is used in water depths greater than 750m.

Schematics for a typical jack-up rig diverter and blowout preventer equipment are included as Attachments B-1 and B-2. The rig utilized by AHC will be operated and maintained in accordance with Title 30 CFR Part 250.300, *Pollution Prevention.*

Safety features will include well control and blowout prevention equipment as described in Title 30 CFR Part 250.400, *Control of Wells.* AHC will perform all operations in a safe and workmanlike manner and will maintain all equipment in a safe condition; thereby, ensuring the protection of the lease and associated facilities, the health and safety of all persons, and the preservation and conservation of property and environment.

The appropriate lifesaving equipment (i.e. life rafts, life jackets, ring buoys, etc.) as prescribed by the U.S. Coast Guard will be maintained on the facility at all times. 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 its presence in all weather conditions.

Matagorda Island Block 696 is adjacent to a designated anchorage area; however, a Nationwide Permit from the Department of the Army, Corps of Engineers, Galveston District Office, will not be required to drill Wells A-D.

2.0 GENERAL INFORMATION

2.1 CONTACT PERSON

AHC authorizes the following representative be contacted for any inquiries pertaining to this Plan:

Keith J. Dupuis
Amerada Hess Corporation
500 Dallas Street
Houston, TX 77002
(713) 609-5926
kdupuis@hess.com

2.2 NEW OR UNUSUAL TECHNOLOGY

AHC does not propose utilizing any new techniques and/or unusual technology during the proposed exploratory drilling activities planned for Matagorda Island Block 697.

2.3 BONDING INFORMATION

AHC has submitted to the Minerals Management Service a supplement to its existing areawide bond, Number 496746-30, effective November 24, 1993, pursuant to the provisions of Title 30 CFR Part 256, *Bonding Requirements*.

2.4 ONSHORE BASE AND SUPPORT VESSELS (Vicinity Map is included as Attachment C)

Matagorda Island Block 696, 697 are located approximately 12 miles from the Texas coastline, and approximately 28 nautical miles from from the AHC onshore support base, which is located at Harbor Island, Texas. A vicinity map showing the location of Matagorda Island Blocks 696, 697 relative to the shoreline and onshore base is included as Attachment C.

AHC will utilize existing onshore facilities located in Harbor Island, Texas. This will serve as port of debarkation for supplies and crews. No onshore expansion or construction is anticipated with respect to the proposed activities.

The base is capable of providing the services necessary for the proposed activities. It has 24-hour service, a radio tower with a phone patch, dock space, equipment and supply storage base, drinking and drill water, etc. Support vessels and travel frequency during tieback and completion activities are as follows:

TYPE OF SUPPORT VESSEL	TYPE OF OPERATIONS FREQUENCY OF TRIPS DRILLING
Crew Boat	2 Trips Per Week
Supply Boat	4 Trips Per Week
Helicopters	7 Trips Per Week

The boats will normally move via the most direct route from Harbor Island, Texas. The helicopter will normally take the most direct route of travel between the two points, when air traffic and weather conditions permit.

2.5 LEASE STIPULATIONS

Stipulations Nos.1&8: (Military Warning Area & Archeological Resources) was invoked during the issuance of Matagorda Island Block 696 to Exxon. The Military Warning Area Stipulation was involved during the issuance of Matagorda Island Block 697 to AHC.

Since the proposed explorating drilling activities will occur at the existing "A" Platform in Matagorda Island 696, AHC will conduct its activities in accordance with the Military Warning Area Stipulation, as applicable.

3. GEOLOGICAL, GEOPHYSICAL AND HYDROGEN SULFIDE INFORMATION

3.1 GEOLOGICAL AND GEOPHYSICAL INFORMATION

Structure Contour Map
(Included as Attachment D-1)

A Structure Contour Map is included as Attachment D-1 showing the surface and bottomhole location of the proposed wells, with both vertical and measured depths indicated in feet, as well as the prospective horizon.

Geological Structure Cross-Section
(Included as Attachments D-2a, D-2b)

Geological structure cross-section markers, showing the key horizon and objective sand, are included as Attachments D-2a and D-2b.

Geological Description (Included as Attachment D-3)

A Geological Description of the Matagorda Island Block 696 Field is included as Attachment D-3.

General Stratigraphic Column (Included as Attachment D-4)

A General Stratigraphic Column with the target sands identified is included as Attachment D-4.

Shallow Hazards Report

Exploratory drilling and lease development activities previously conducted by Exxon were done utilizing seismic information provided at the time Initial Plan of Exploration and Initial Plan of Development were submitted for Lease OCS-G 4704.

Since the proposed exploratory drilling activities for Matagorda Island Block 697 will be surface-located on the existing "A" Platform in Matagorda Island Block 696, seismic information relative to potential shallow hazards is not required to be submitted as a part of this plan.

Archaeological Resources
(Not Applicable)

As stated above, the proposed exploratory drilling activities for Matagorda Island Block 697 will be surfaced-located on the Matagorda Island Block 696 "A" Platform. Archeological Resource issues would have been previously addressed by Exxon during the filings of the Initial Plan of Exploration and Initial Plan of Development and are not applicable to this plan.

3.2 HYDROGEN SULFIDE INFORMATION

Classification

In accordance with Title 30 CFR Part 250.417(c), AHC requests that Matagorda Island Block 696 and 697 be classified by the Minerals Management Service as an area in which the absence of hydrogen sulfide has been confirmed.

The basis for this determination is supported by the drilling of the Matagorda Island Block 696 Wells A-1 and A-2 by Exxon (OCS-G 4704).

Contingency Plan

In accordance with Title 30 CFR Part 250.417(f), a Contingency Plan is not required since the geological and geophysical information confirms that the area does not contain hydrogen sulfide.

4. BIOLOGICAL INFORMATION

4.1 CHEMOSYNTHETIC INFORMATION

The proposed exploratory drilling program for Matagorda Island Block 697 will not be conducted in water depths where chemosynthetic organisms and/or communities may be found.

4.2 TOPOGRAPHIC FEATURES INFORMATION

(Not Applicable)

The Central Gulf of Mexico lists 16 topographic features and the Western Gulf of Mexico lists 23 topographic features. The proposed operations for Matagorda Island Block 697 are not within the vicinity of any topographic features.

4.3 Live Bottom Information

The proposed exploratory drilling activities for Matagorda Island Block 697 will not impact any live bottom (pinnacle trend) areas. Therefore, this issue is not applicable to AHC's operations.

4.4 ROV Survey Plans

Amerada Hess is familiar with the ROV survey and reporting provisions of NTL 2001-G04. Due to the wells being drilled from the existing "A" Platform in Matagorda Island Block 696, this issue is not applicable in this case.

5. WASTE AND DISCHARGE INFORMATION

The Minerals Management Service regulations, the EPA NPDES General Permit and the U.S. Coast Guard's regulations implementing MARPOL 73/78 Annex V prohibit the disposal of any trash and debris into the marine environment.

The major operational wastes generated during offshore oil and gas exploration and development include drilling fluids, cuttings, and produced water. Other major wastes generated by the offshore oil and gas industry include the following: deck drainage and miscellaneous well fluids (cement, BOP fluid), and from other sources: sanitary and domestic wastes, gas and oil processing wastes, ballast water and other miscellaneous minor discharges.

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

5.1 WASTE INFORMATION

Minerals Management Service

The notice to Lessees and Operators NTL 98-14 dated August 10, 1998 advises operators that special caution should be exercised in the handling and disposing of small items and packaging materials which could be lost in the marine environment and eventually washed ashore. MMS recommends that OCS operators develop and implement training programs to emphasize the proper control and disposal of refuse.

Operators are required to install curbs, gutters, drip pans, and drains on rig deck areas in a manner necessary to collect all contaminants and debris not authorized for discharge. The rule explicitly prohibits the disposal of equipment, cables, chains, containers, or other materials into offshore waters. Portable equipment, spools or reels, drums, pallets and other loose items weighting 18kg or more must be marked in a durable manner with the operator's name prior to use or transport over offshore waters. Smaller objects must be stored in a marked container when not in use.

Therefore, AHC will comply with the regulations under Title 30 CFR Part 250.300(a) and 250.300(b) (6), which prohibits the deliberate discharge of containers; as well as Title 30 CFR Part 250.300(c), which requires identification markings on equipment tools and containers.

U.S. Coast Guard

The Marine Pollution Research and Control Act of 1987 implemented Annex V of the International Convention for the Prevention of Pollution from Ships. Under the provisions of the law, 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 U.S. Coast Guard is responsible for enforcing the provisions of this law and has developed final rules for its implementation, calling for adequate trash reception facilities at all ports, docks, marinas and boat launching facilities.

Environmental Protection Agency

When waste exceed NPDES permit requirements for overboard discharge, it must be transported to shore for disposal. The Resource Conservation and Recovery Act (RCRA) provides a framework for the safe disposal of discarded materials, regulating the management of solid and hazardous wastes. The USEPA has exempted many oil and gas wastes from coverage under hazardous wastes regulations under Subtitle C of RCRA.

Exempt wastes include those generally coming from an activity directly associated with the drilling, production, or processing of a hydrocarbon product. Nonexempt oil and gas wastes include those not unique to the oil and gas industry and used in the maintenance of equipment.

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

Offshore oilfield wastes that are not discharged or disposed of onsite are brought onshore for disposal and taken to specifically designated commercial oilfield waste disposal facilities. In Louisiana, these sites are referred to as NOW sites or "nonhazardous oil-field waste" disposal sites.

At commercial waste treatment facilities, liquid wastes are usually injected into disposal wells and solid wastes are usually put into pits, land treated, land farmed or undergo a stationary treatment process to remove contaminants.

Liquid wastes are usually transported to shore by barge or on tanks located on supply boats. Once onshore, the wastes are generally transported to commercial oil-field waste disposal facilities by vacuum truck or barge.

In Louisiana there are seven (7) existing commercial oilfield waste disposal facilities that receive all of the types of wastes that would come from OCS operations. In Texas there are ten (10) facilities. Included in these numbers are two sites in Louisiana and in Texas that process naturally occurring radioactive material (NORM)-contaminated oilfield wastes.

In addition to drilling wastes, trash and debris from the offshore oil industry is shipped onshore for disposal. This waste includes mud bags, drums, crates, and a variety of domestic wastes. The trash and debris are disposed of at either municipal or industrial landfills, depending on the method used or the company hired by the operator, to transport the trash from their service base or directly from the offshore facility.

5.2 Discharge Information

U.S. Coast Guard

Victual matter or organic food waste may be ground into small pieces and disposed of overboard, as long as the structure is located more than 20km from shore.

Environmental Protection Agency

The USEPA regulates discharges from the offshore oil and gas industry under Section 402 of the Clean Water Act. The USEPA established effluent limitation guidelines for the discharges and to authorize discharges into the waters of the United States by the issuance of the National Pollutant Discharge Elimination System (NPDES) permits.

Offshore wastes can be discharged overboard only if they are covered by a USEPA NPDES permit. Drilling muds and cuttings can be discharged overboard only if they meet requirements found in the NPDES permit. The permit requirements include (a) limit the acute toxicity to a minimum 96-hour LC 50 of 30,000 ppm as measured in the diluted suspended particulate phase; (b) prohibit the discharge of oil-based drilling fluids, oil-contaminated drilling fluids, or drilling fluids containing diesel oil and any drill cuttings generated while using these fluids; (c) prohibit the discharge of free oil (static sheen test); (d) limit the amount of cadmium and mercury in stock barite used in drilling fluids; and (e) limit the drilling fluid discharge rate to 1000 barrels per hour unless the well is within a controlled discharge rate restriction area, where the discharge rate will be as determined by a rate table.

Discharges will contain no free oil and will be in compliance with and monitored as required by the permit.

Continuous discharges occur during the entire drilling phase, with bulk discharges resulting at the end-of-well. Observation of the drilling fluid is accomplished by daily inventory of mud and chemical added to the system, in addition to monthly and end-of-well LC50 toxicity test required by EPA. Typical mud components which may be used in the drilling of the proposed wells is included as Attachment F. Included as Attachment F-1 is the estimated quantity and rates of discharges applicable to the drilling fluids/cuttings, based on hole size, interval and washout.

6. Oil Spill Response and Chemical Information

6.1 Worst Case Discharge Information (Not Applicable)

AHC is the only entity covered in its Regional Oil Spill Response Plan (OSRP), which was submitted on November 4, 1999, and in the worst case certification, which was approved on February 24, 2000. Activities proposed in this Exploration Plan will be covered by the Regional OSRP.

AHC's primary equipment provider is Clean Gulf Associates (CGA). The Marine Spill Response Corporation's (MSRC) STARS network will provide closest available personnel, as well as an MSRC supervisor to operate the equipment.

In the event of a spill, mechanical response equipment located in CGA's bases located in Ingleside, Texas, would be transported to a staging area in Ingleside, Texas.

The worst case discharge (WCD) proposed in this EP is less than 1000 barrels and does not supercede the WCD as approved in the Regional OSRP. If our evaluation reveals that this WCD does in fact have the potential of having more adverse impact than the currently identified WCD in AHC's existing Regional OSRP, AHC will then amend the Regional OSRP as required.

Activities proposed in this EP are considered far-shore, >10 miles from the shoreline. The Worst Case Discharge (WCD) scenario from the proposed activities in this EP and the WCD in the Regional OSRP on file with the MMS are compared below:

Comparison of WCD's in OSRP to Proposed Operations

Category	Regional OSRP WCD	EP WCD
Type of Activity (1)	Production	Drilling/Completion
Spill Location (Area/Block)	GB 260	MI 697
Facility Designation (2)	Platform A/33039	Jack-up
Distance to Nearest Shoreline (miles)	110	12
Volume	22,495 Barrels	1000 Barrels
Type of Oil (crude, condensate, diesel)	Oil	Condensate
API Gravity (4)	38°	38°

6.2 Spill Response Certification Statement

Since AHC has the capability to respond to the worst-case scenario included in its regional OSRP, approved on February 24, 2000, and since the worst-case scenario determined for our Plan of Exploration does not replace the worst-case scenario in our regional OSRP, I hereby certify that AHC has the capability to respond, to the maximum extent practicable, to a worst-case discharge, or a substantial threat of such a discharge, resulting from the activities proposed in our Initial Plan of Exploration.

7. Air Emissions Information

One of the mandates of the Clean Air Act was the establishment of National Ambient Air Quality Standards (NAAQS). The Act established two standards, the primary standard, to protect public health, and a secondary standard, to protect public welfare.

Ambient air quality is a function of the size, distribution and activities directly related to population, associated with the area economic development, transportation, and energy policies of the region. The effects of climate and topography result in meteorological conditions, which concentrate, disperse, and distribute air pollutants. Assessments of air quality depend on multiple variables such as the quantity of emissions, dispersion rates, distances from receptors and local meteorology. Due to the variable nature of these independent factors, ambient air quality is an ever-changing process.

Minerals Management Service established Title 30 CFR Parts 250.302, 250.303 and 250.304 to comply with the Clean Air Act. These regulations allow the collection of information about potential sources of pollution for the purpose of determining whether the projected emissions

of air pollutants from the facility may result in onshore ambient air concentrations above significant levels provided in the regulations and appropriate emissions controls as deemed necessary to prevent accidents and air quality deterioration.

Primary air pollutants associated with OCS activities are nitrogen oxides, carbon monoxide, sulfur oxides, volatile organic compound, and suspended particulate.

The Air Quality Review will address emissions associated with the proposed exploration activities. The Air Quality Review is included as Attachment G.

8. Environmental Information

The activities proposed in this Initial Plan of Exploration are considered to a have a potential major impact upon the environment, therefore an Environmental Report is required for submittal and is included as Attachment H.

9. Coastal Zone Management Consistency

The proposed operations are considered to have a potential major impact upon the environment; therefore, a certificate of Coastal Zone Management Consistency for the State of Texas is included at Attachment I.

10. Summary of Operations

EXPLORATION PLAN	X	DEV. OPERATIONS COOR. DOCUMENT		DEVELOPMENT & PRODUCTION PLAN	

OPERATOR: Amerada Hess Corporation		**ADDRESS:** P.O. Box 2040	
MMS OPERATOR NO.: 00059		Houston, TX 77252	
CONTACT PERSON: Keith Dupuis		**PHONE NO.:** (713) 609-5926	
PROPOSED START DATE: 03/01/02	**RIG TYPE:**	**DISTANCE CLOSEST TO LAND** (IN MILES): 12 Miles	
NEW OR UNUSUAL TECHNOLOGY	YES	NO X	**ONSHORE SUPPORT BASE(S):** Harbor Island, Texas
NARRATIVE DESCRIPTION OF PROPOSED ACTIVITIES: Amerada Hess proposes to drill and temporarily abandon up to four exploratory wells in Matagorda Island Block 697 from a surface location on the existing "A" Platform in Matagorda Island Block 696.			
PUBLIC INFORMATION			
PROJECT NAME: IF APPLICABLE:			

WELL/STRUCTURE NAME	SURFACE LOCATION		BOTTOM-HOLE LOCATION (FOR WELLS)
PLATFORM:	**CALLS:** 2,424' FSL & 2,455' FEL **LEASE OCS:** G-4704 **AREA:** MI **BLOCK:** 696		**CALLS:** **LEASE OCS:** **AREA:** **BLOCK:**
WELL: A	**X:** 2,567,236 **Y:** 810,652		**X:** **Y:**
NAME:	**LATITUDE:** 29° 53' 09"N **LONGITUDE:** 96° 44' 39"W		**LATITUDE:** **LONGITUDE:**
	TVD: (IN FEET)	**MD** (IN FEET)	**WATER DEPTH** (IN FEET) 77'

WELL/STRUCTURE NAME	SURFACE LOCATION		BOTTOM-HOLE LOCATION (FOR WELLS)
PLATFORM: **WELL:** B **NAME:**	**CALLS:** 2,424' FSL & 2,455' FEL **LEASE OCS:** G-4704 **AREA:** MI **BLOCK:** 696		**CALLS:** **LEASE OCS:** **AREA:** **BLOCK:**
	X: 2,567,236 **Y:** 810,652		**X:** **Y:**
	LATITUDE: 27° 53' 09"N **LONGITUDE:** 96° 44' 39"W		**LATITUDE:** **LONGITUDE:**
	TVD: (IN FEET)	**MD** (IN FEET)	**WATER DEPTH** (IN FEET) 77'

WELL/STRUCTURE NAME	SURFACE LOCATION		BOTTOM-HOLE LOCATION (FOR WELLS)
PLATFORM: **WELL:** C **NAME:**	**CALLS:** 2,424' FSL & 2,455' FEL **LEASE OCS:** G-4704 **AREA:** MI **BLOCK:** 696		**CALLS:** **LEASE OCS:** **AREA:** **BLOCK:**
	X: 2,567,236 **Y:** 810,652		**X:** **Y:**
	LATITUDE: 27° 53' 09"N **LONGITUDE:** 96° 44' 39"W		**LATITUDE:** **LONGITUDE:**
	TVD: (IN FEET)	**MD** (IN FEET)	**WATER DEPTH** (IN FEET) 77'

WELL/STRUCTURE NAME	SURFACE LOCATION		BOTTOM-HOLE LOCATION (FOR WELLS)
PLATFORM: **WELL:** D **NAME:**	**CALLS:** 2,424' FSL & 2,455' FEL **LEASE OCS:** G-4704 **AREA:** MI **BLOCK:** 696		**CALLS:** **LEASE OCS:** **AREA:** **BLOCK:** 697
	X: 2,567,236 **Y:** 810,652		**X:** **Y:**
	LATITUDE: 27° 53' 09"N **LONGITUDE:** 96° 44' 39"W		**LATITUDE:** **LONGITUDE:**
	TVD: (IN FEET)	**MD** (IN FEET)	**WATER DEPTH** (IN FEET) 77'

BLOCK 696
OCS-G-4704

EXISTING
"A"
PLATFORM
2,424' FSL
2,455' FEL
X = 2,567,236
Y = 810,652
96° 44' 39"W
27° 53' 09"N

□

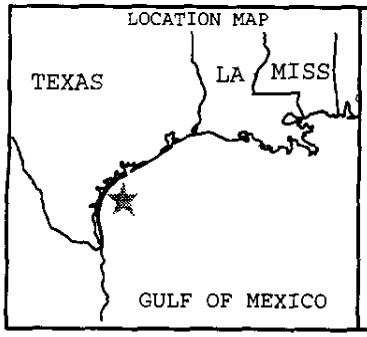
PROPOSED LOCATION "A"
PROPOSED LOCATION "B"
PROPOSED LOCATION "C"
PROPOSED LOCATION "D"

BLOCK 697
OCS-G-23157

PUBLIC INFORMATION

BLOCK 717
OCS-G-18890

BLOCK 716
OCS-G-23159



LEGEND

□ **SURFACE LOCATION**

PUBLIC

AMERADA HESS CORPORATION
UNITED STATES OFFSHORE EXPLORATION

MATAGORDA ISLAND
BLOCK 697
WELL LOCATION PLAT

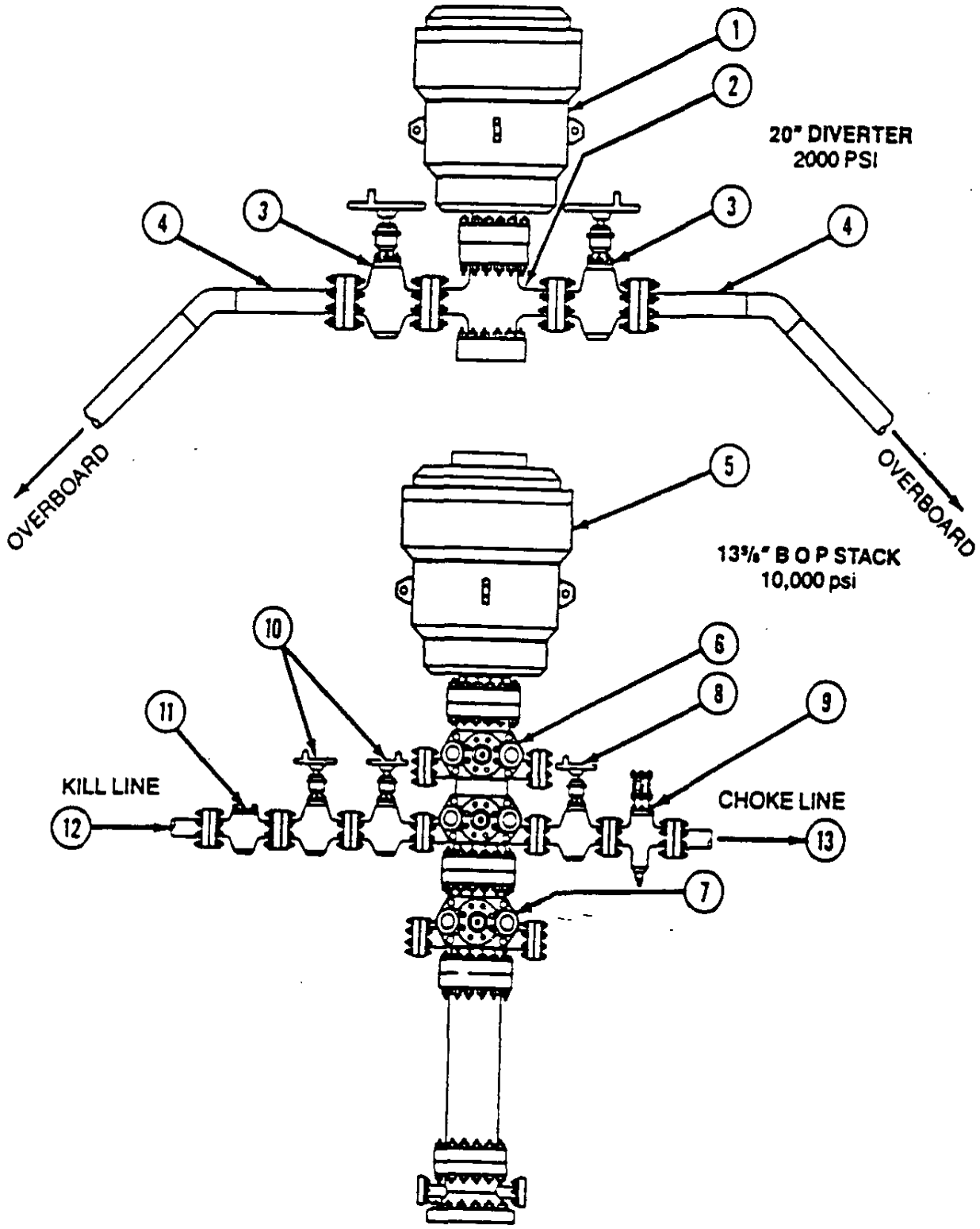
0' 2,000' 4,000'

DATE: 11/2001

S0138313PE.PLT

ATTACHMENT A

BLOWOUT PREVENTER STACK
WITH A
HYDRIL DIVERTER



Refer to following page for description of individual items of this assembly.

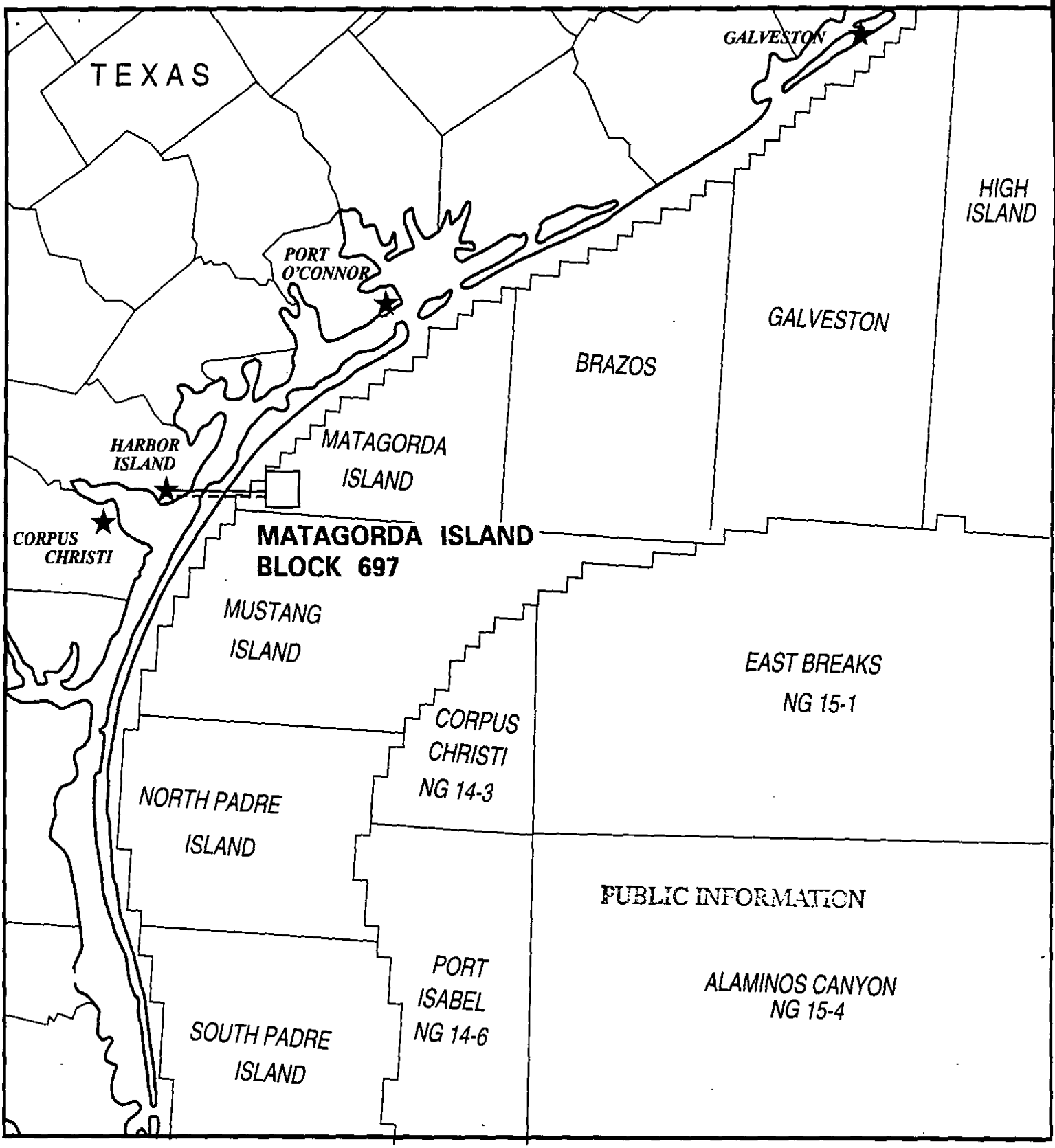
20" HYDRIL DIVERTER 2000 psi

ITEM	DESCRIPTION
1	20" HYDRIL 2000 psi Type MSP
2	20" FLANGE SPOOL 2000 psi w/6" 2000 psi Outlets
3	GATE VALVE std Low Pressure (REMOTE)
4	DIVERTER LINE (To Overboard)

BLOWOUT PREVENTER STACK

13⅝' 10,000 psi

ITEM	DESCRIPTION
5	13⅝" HYDRIL ANNULAR BOP 5000 psi Type GK H25 Trimmed
6	13⅝" CAMERON DOUBLE BOP 10,000 psi WP H_2S Trimmed
7	13⅝" CAMERON SINGLE BOP 10,000 psi WP H_2S Trimmed
8	4 1/16" MANUAL GATE VALVE Cameron Type "F" H_2S
9	2 1/16" REMOTE HYDRAULIC VALVE Cameron Type "F" 10,000 psi H_2S
10	2 1/16" MANUAL GATE VALVE Cameron Type "F" 10,000 psi H_2S
11	2 1/16" CHECK VALVE Cameron Type "R" 10,000 psi H_2S
12	3" 10,000 psi KILL LINE from Choke Manifold
13	3" 10,000 psi CHOKE LINE from choke Manifold



LEGEND

PROPOSED TRANSPORTATION ROUTES

——— **HELICOPTER**

– – – – – **BOAT**

APPROX. 28 MILES TO HARBOR ISLAND
APPROX. 12 MILES TO NEAREST SHORE

PUBLIC

AMERADA HESS CORPORATION

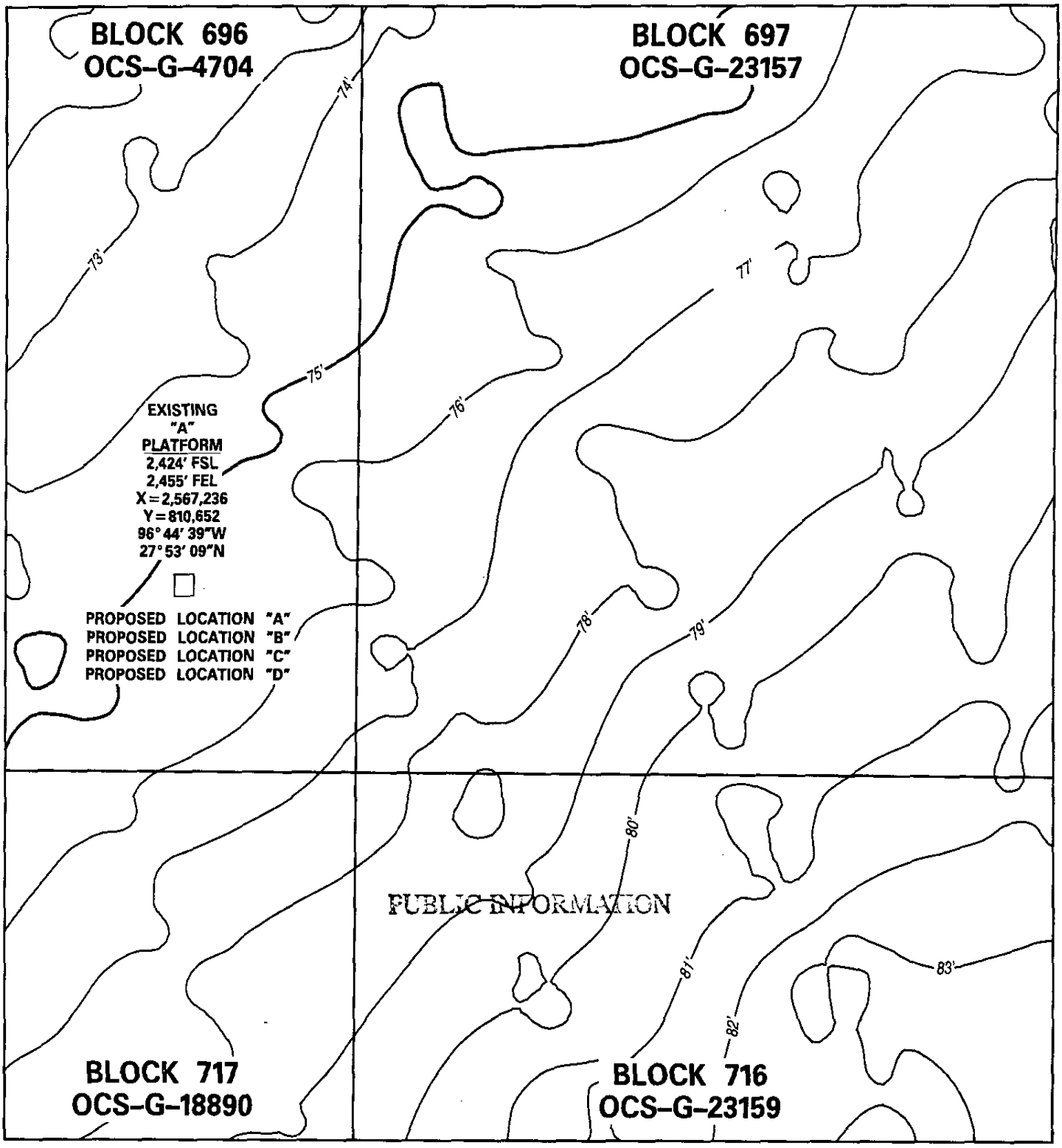
UNITED STATES OFFSHORE EXPLORATION

MATAGORDA ISLAND
BLOCK 697
VICINITY MAP

DATE: 11/2001

S0136313PE.PLT

ATTACHMENT C



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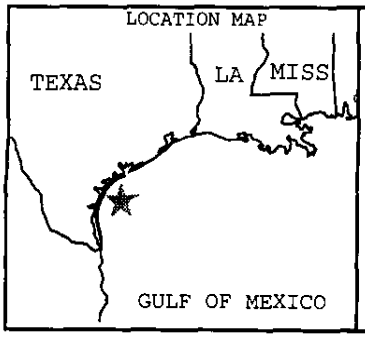

LEGEND

☐ SURFACE LOCATION

PUBLIC

AMERADA HESS CORPORATION

UNITED STATES OFFSHORE EXPLORATION

MATAGORDA ISLAND
BLOCK 697

BATHYMETRY MAP

0' 2,000' 4,000'

C.I. = 1'

DATE: 11/2001

ATTACHMENT E

S013831BE.PLT

WATER BASE MUD COMPONENTS

GULF OF MEXICO

CATEGORY	COMPOSITION
Gelling Agent	Wyoming Bentonite Clay Attapulgite
Weight Material	Barium Sulfate Barite
Thinner	Sodium Acid Pyrophosphage Leanardite Phosphate Lignite Resin Soaps Sodium Teraphosphate Terrochrome Lignosulfonate Chrome Lignosulfonate Polymeric Lignosulfonate Aluminum Chrome Lignosulfonate Calcium Lignosulfonate Hemlock Bark Extract Gilsonite Quebracho
Viscosifier	Starch Carboxymethyl Cellulose Sodium Hexametaphosphate Pelletized Asbestos
Lost Circulation Material	Cellophane Mica Flakes Ground Nut Hulls Expanded Perlite Diatomaceous Earth Shredded Leather Rice Hulls
Corrosion Inhibitor	Filming Amine
pH Control	Potassium Hydrate Caustic Soda
Lubricants	Detergent Castor Oil Alcohol
Various Chemicals	$CaCl_2$ $CaCo_3$

ATTACHMENT F

EXPLORATION PLAN (EP)
AIR QUALITY SCREENING CHECKLIST

OMB Control No. 1010-0049
OMB Approval Expires: Septemb.. 30, 2003

COMPANY	AMERADA HESS CORPORATION
AREA	MATAGORDA ISLAND
BLOCK	696
LEASE	G 4704
PLATFORM	A
WELL	LOCATIONS A THRU D
COMPANY CONTACT	CHERYL POWELL
TELEPHONE NO.	(281) 578-3388
REMARKS	DRILL AND COMPLETE FOUR (4) EXPLORATORY WELLS IN MATAGORDA ISLAND BLOCK 697, FROM AN EXISTING SURFACE LOCATION IN MATAGORDA ISLAND BLOCK 696.
	NOTE: A GORILLA CLASS TYPE RIG WILL NOT BE UTILIZED.

"Yes"	"No"	Air Quality Screening Questions
	X	1. Are the proposed activities east of 87.5° W latitude?
	X	2. Are H_2S concentrations greater than 20 ppm expected?
	X	3. Is gas flaring proposed for greater than 48 continuous hours per well?
	X	4. Is produced liquid burning proposed?
X		5. Is the exploratory activity within 25 miles of shore?
	X	6. Are semi-submersible activities involved and is the facility within 50 miles of shore?
	X	7. Are drillship operations involved and is the facility within 120 miles of shore?
X		8. Will the exploratory activity be collocated (same surface location) on a production facility?

If ALL questions are answered "No":
Submit only this coversheet with your plan; a full set of spreadsheets is not needed.

If ANY of questions 1 through 7 is answered "Yes":
Prepare and submit a full set of **EP** spreadsheets with your plan.

If question number 8 is answered "Yes":
Prepare and submit a full set of **DOCD** spreadsheets showing the cumulative emissions from both the proposed activities and the existing production platform.

ATTACHMENT G

EMISSIONS FACTORS

Fuel Usage Conversion Factor	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	PM	SOx	NOx	VOC	CO	REF.	DATE
NG Turbines	gms/hp-hr		0.00247	1.3	0.01	0.83	AP42 3.2-1& 3.1-1	10/96
NG 2-cycle lean	gms/hp-hr		0.00185	10.9	0.43	1.5	AP42 3.2-1	10/96
NG 4-cycle lean	gms/hp-hr		0.00185	11.8	0.72	1.6	AP42 3.2-1	10/96
NG 4-cycle rich	gms/hp-hr		0.00185	10	0.14	8.6	AP42 3.2-1	10/96
Diesel Recip. < 600 hp.	gms/hp-hr	1	1.468	14	1.12	3.03	AP42 3.3-1	10/96
Diesel Recip. > 600 hp.	gms/hp-hr	0.32	1.468	11	0.33	2.4	AP42 3.4-1	10/96
Diesel Boiler	lbs/bbl	0.084	2.42	0.84	0.008	0.21	AP42 1.3-12,14	9/98
NG Heaters/Boilers/Burners	lbs/mmscf	7.6	0.593	100	5.5	84	42 1.4-1, 14-2, & 1	7/98
NG Flares	lbs/mmscf		0.593	71.4	60.3	388.5	AP42 11.5-1	9/91
Liquid Flaring	lbs/bbl	0.42	6.83	2	0.01	0.21	AP42 1.3-1 & 1.3-3	9/98
Tank Vapors	lbs/bbl				0.03		E&P Forum	1/93
Fugitives	lbs/hr/comp.				0.0005		API Study	12/93
Glycol Dehydrator Vent	lbs/mmscf				6.6		La. DEQ	1991
Gas Venting	lbs/scf				0.0034			

Sulfur Content Source	Value	Units
Fuel Gas	3.33	ppm
Diesel Fuel	0.4	% weight
Produced Gas(Flares)	3.33	ppm
Produced Oil (Liquid Flaring)	1	% weight

ATTACHMENT G

EMISSIONS CALCULATIONS 1ST YEAR

COMPANY	AREA	BLOCK	LEASE	PLATFORM	WELL		CONTACT	PHONE	REMARKS
AMERADA HESS COR	MATAGORDA ISLAND	696	G 4704	A	LOCATIONS A THRU D		CHERYL POWELL	(281) 578-338	

OPERATIONS	EQUIPMENT	RATING	MAX. FUEL	ACT. FUEL	RUN TIME		MAXIMUM POUNDS PER HOUR					ESTIMATED TONS				
	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	PM	SOx	NOx	VOC	CO	PM	SOx	NOx	VOC	CO
DRILLING	PRIME MOVER>600hp diesel	11400	550.62	13214.88	24	90	8.04	36.86	276.21	8.29	60.26	8.68	39.81	298.31	8.95	65.09
	VESSELS>600hp diesel(crew)	2265	109.3995	2625.59	6	26	1.60	7.32	54.88	1.65	11.97	0.12	0.56	4.23	0.13	0.92
	VESSELS>600hp diesel(supply	2265	109.3995	2625.59	10	51	1.60	7.32	54.88	1.65	11.97	0.41	1.88	14.11	0.42	3.08
	VESSELS>600hp diesel(tugs)	8400	405.72	9737.28	18	2	5.92	27.16	203.52	6.11	44.41	0.11	0.49	3.66	0.11	0.80
FACILITY INSTALLATION	DERRICK BARGE diesel	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
	MATERIAL TUG diesel	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
	VESSELS>600hp diesel(crew)	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
	VESSELS>600hp diesel(supply	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	
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
2002 YEAR TOTAL							17.15	78.67	589.49	17.68	128.62	9.32	42.75	320.32	9.61	69.89
EXEMPTION CALCULATION	DISTANCE FROM LAND IN MILES															
	12.0											399.60	399.60	399.60	399.60	17821.04

ATTACHMENT G

EMISSIONS CALCULATIONS 2ND YEAR

COMPANY	AREA	BLOCK	LEASE	PLATFORM	WELL		CONTACT	PHONE	REMARKS
AMERADA HESS COR	MATAGORDA ISLAND	696	G 4704	A	LOCATIONS A THRU D		CHERYL POWELL	(281) 578-338	

OPERATIONS	EQUIPMENT	RATING	MAX. FUEL	ACT. FUEL	RUN TIME		MAXIMUM POUNDS PER HOUR					ESTIMATED TONS				
	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	PM	SOx	NOx	VOC	CO	PM	SOx	NOx	VOC	CO
DRILLING	PRIME MOVER>600hp diesel	11400	550.62	13214.88	24.00	90.00	8.04	36.86	276.21	8.29	60.26	8.68	39.81	298.31	8.95	65.09
	VESSELS>600hp diesel(crew)	2265	109.3995	2625.59	6	26	1.60	7.32	54.88	1.65	11.97	0.12	0.56	4.23	0.13	0.92
	VESSELS>600hp diesel(supply	2265	109.3995	2625.59	10	51	1.60	7.32	54.88	1.65	11.97	0.41	1.88	14.11	0.42	3.08
	VESSELS>600hp diesel(tugs)	8400	405.72	9737.28	18	2	5.92	27.16	203.52	6.11	44.41	0.11	0.49	3.66	0.11	0.80
FACILITY INSTALLATION	DERRICK BARGE diesel	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
	MATERIAL TUG diesel	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
	VESSELS>600hp diesel(crew)	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	VESSELS>600hp diesel(supply	0	0	0.00	0.00	0.00	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	
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
2003	YEAR TOTAL						17.15	78.67	589.49	17.68	128.62	9.32	42.75	320.32	9.61	69.89
EXEMPTION CALCULATION	DISTANCE FROM LAND IN MILES											399.60	399.60	399.60	399.60	17821.04
	12.0															

ATTACHMENT G

SUMMARY

COMPANY	AREA	BLOCK	LEASE	PLATFORM	WELL
AMERADA HE	MATAGORDA ISLA	696	G 4704	A	LOCATIONS A THR

Year	Emitted Substance				
	PM	SOx	NOx	VOC	CO
2002	9.32	42.75	320.32	9.61	69.89
2003	9.32	42.75	320.32	9.61	69.89
Allowable	399.60	399.60	399.60	399.60	17821.04

ATTACHMENT G

INITIAL PLAN OF EXPLORATION

ENVIRONMENTAL REPORT

MATAGORDA ISLAND BLOCK 697
OCS-G 23157
OFFSHORE, TEXAS

Prepared by:

Keith J. Dupuis

Supervisor, Environmental / Regulatory Affairs

Amerada Hess Corporation

500 Dallas St., Level 2

Houston, Texas 77002

(713) 609-5926

December 12, 2001

ENVIRONMENTAL REPORT

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7. REFERENCES

ENVIRONMENTAL REPORT

1. GENERAL INFORMATION

Objectives

- To provide guidelines that facilitate Amerada Hess Corporation's (AHC) compliance with the requirements of Title 30 CFR Part 250.203 (b) and 250.204 (b).

- To establish a uniform method of portraying data and planned activities that can be efficiently utilized by the Gulf of Mexico Region to prepare National Environmental Policy Act (NEPA) documents and to determine the potential environmental impacts of proposed oil and gas operations on the OCS.

- To provide information to affected state(s) and the public concerning the nearshore and onshore impacts of the activities described in proposed OCS plan.

- To provide the necessary data and information to the affected state(s) to enable them to make a Coastal Zone Management consistency determination.

Authority

- Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.), Outer Continental Shelf Lands Amendments (43 U.S.C. 1801 et seq.), and implementing regulations (30 CFR Part 250.203 and 30 CFR 250.204).

- Coastal Zone Management Act (16 U.S.C. 1451 et seq.) and implementing regulations (15 CFR Part 930).

- National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

2. STATEMENT

The proposed activity will be carried out and completed with the guarantee that:

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, equipment, and monitoring systems.

All operations will be covered by an approved Minerals Management Service Regional Oil Spill Response Plan.

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.

3. DESCRIPTION OF THE PROPOSED ACTION

Under this Initial Plan of Exploration, AHC proposes to drill up to four exploratory wells, Wells A-D in Matagorda Island Block 697.

Activities under this Initial Plan of Exploration for Matagorda Island Block 697 will commence on or about March 1, 2001.

3.1 DESCRIPTION OF PROPOSED TRAVEL MODES, ROUTES AND FREQUENCY

Support vessels will be dispatched from an existing support base located in Harbor Island, Texas. The boats will normally move to the block via the most direct route from Harbor Island, Texas; however, boats operating in the field may travel from other facilities nearby. Following is an estimate of trips for the proposed operations:

TYPE OF SUPPORT VESSEL	TYPE OF OPERATION FREQUENCY OF TRIPS DRILLING
Crew Boat	2 Trips Per Week
Supply Boat	4 Trips Per Week
Helicopters	7 Trips Per Week

3.2 PROPOSED SHOREBASE OPERATIONS

The proposed activities will utilize a support base located in Harbor Island, Texas. This base provides 24-hour service, a radio tower with a phone patch, dock space, office space, parking lot, equipment and supply storage space, drinking and drill water, etc.

The proposed development activities will help 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.

The first socioeconomic database report will be submitted when the MMS and the States of Alabama, Louisiana, and Mississippi identify the specific parameters to be addressed in these semi-annual reports.

3.3 NEW OR UNUSUAL TECHNOLOGY

No new technologies and/or unusual technology will be required for the proposed exploration operations in Matagorda Island Block 697.

3.4 VICINITY MAP

Matagorda Island Block 697 is located approximately 12 nautical miles from the Texas coastline. The distance from AHC's onshore support base located at Harbor Island, Texas, is approximately 28 nautical miles.

4. DESCRIPTION OF AFFECTED ENVIRONMENT

4.1 COMMERCIAL FISHERIES AND FREQUENCY

The Gulf of Mexico provides nearly 20 percent of the commercial fish landing in the continental United States. The Gulf of Mexico yielded the nation's second largest regional commercial fishery by both weight and value in 1995.

Most commercial fish species harvested from Federal waters of the Gulf of Mexico are considered to be at or near an over-fished condition. Continued fishing at the present levels may result in rapid declines in commercial landings and eventual failure of certain fisheries. Commercial landings of traditional fisheries, such as shrimp, red snapper, spiny lobster and mackerel, have declined over the past decade, despite substantial increases in fishing effort. Commercial landings of recent fisheries, such as shark, black drum, and tuna have increased exponentially over the past five years and those fisheries are thought to be in need of conservation.

LANDINGS AND VALUE OF 1995 GULF OF MEXICO FISHERIES
(Source: USDOC, NMFS, 1996)

SPECIES	LANDINGS (million pounds)	VALUE (million dollars)
Total-all Fisheries	1490	787
Menhaden	1040	52
Shrimp	234	468
Oyster	24	44
Blue Crab	54	42

LANDINGS AND VALUE OF 1995 GULF OF MEXICO STATE FISHERIES
(Source: USDOC, NMFS, 1996)

SPECIES	LANDINGS (million pounds)	VALUE (million dollars)
Louisiana	1129	316
Texas	88	193
Alabama	28	50
Mississippi	145	42

The Gulf of Mexico shrimp fishery is the most valuable in the United States, accounting for 71.5 percent of total domestic production. Three species of shrimp: brown, white, and pink dominate the landings. The status of the stocks are as follows: (a) brown shrimp yields are at or near the maximum sustainable levels; (b) white shrimp yields are beyond maximum sustainable levels, with signs of overfishing occurring; and (c) pink shrimp yields are at or beyond maximum sustainable levels.

Most species significantly contributing to the Gulf of Mexico's commercial catches are estuarine dependent. The degradation of inshore water quality and loss of Gulf wetlands as nursery areas are considered significant threats to commercial fishing. Conflicts between the use of fixed gear (traps and mobile gear (trawls) continue to be a problem in some parts of the Gulf. Natural catastrophes may change the physical characteristics of

offshore, nearshore, and inshore ecosystems, potentially destroying gear and shore facilities.

4.2 SHIPPING

The establishment of a series of safety fairways or Traffic Separation Schemes (TSS), and anchorage areas provide unobstructed approach for vessels using U.S. ports. Shipping safety fairways are lanes or corridors in which no fixed structure, whether temporary or permanent, is permitted. A traffic separation scheme (TSS) is a designated routing measure that is aimed at the separation of opposing streams of traffic by appropriate means and by the establishment of traffic lanes (Title 33 CFR 167.5).

The Galveston Bay approach, traffic separation scheme, and precautionary area is the only TSS established in the Gulf of Mexico. Fairway anchorages are areas contiguous to and associated with a fairway, in which fixed structures may be permitted within certain spacing limitations, 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 mitigating factor is the requirement for adequate marking and lighting of structures. After a structure has been in place for a reasonable period of time, it often becomes a landmark and an aid to navigation for vessels that operate in the area on a regular basis. Most ocean-going vessels are equipped with radar capable of aiding navigation in all weather conditions. This has contributed to safe navigation on the OCS.

Matagorda Island Block 697 is located adjacent to a designated anchorage area. However, a permit from the Department of the Army, Corps of Engineers, Galveston District Office will not be required.

The rig and each of the marine vessels servicing this operation will be equipped with all U.S. Coast Guard required navigational safety aids to alert ships of its presence in all weather conditions.

4.3 RECREATIONAL RESOURCES AND BEACH USE

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 and landmarks, wilderness areas, wildlife sanctuaries and scenic rivers. Commercial and private recreational facilities and establishments, such as resorts, marinas, amusement parks and ornamental gardens, also serve as primary interest areas.

Marine recreational fishing in the Gulf Region from Texas to Alabama is a major industry, which is important to these States' economies. The marine recreational fishing industry accounts for an estimated $769 million in sales and employment for over 15,000 people, earning more than $158 million annually in the Central and Western

Planning Areas. According to NMFS, over 40 percent of the nation's marine recreational fishing catch comes from the Gulf of Mexico, and marine anglers in the Gulf made over 15 million fishing trips in 1991, exclusive of Texas.

Speckled trout and redfish are the most sought-after sport fish in coastal marine waters, whereas snapper and mackerel are some of the more popular offshore sport fish.

Beaches are a major inducement for coastal tourism, as well as a primary resource for resident recreational activity. Beach use is a major economic factor for many Gulf Coastal communities, especially during peak use seasons in the spring and summer. Tourism in the coastal zone of the five Gulf Coast states has been valued at an estimated $20 billion/year (USEPA, 1991).

4.4 ARCHAEOLOGICAL RESOURCES

Archaeological resources are defined as any prehistoric or historic site, building, structure, object, or feature that is manmade or modified by human activity. The new Archaeological Resources Regulation, 30 CFR Part 250.194, grants specific authority to the MMS Regional Director to require archaeological resource surveys and reports. Surveys are required prior to any drilling or development activities on leases within the areas of archaeological high probability.

Historic

With the exception of the Ship Shoal Lighthouse, historic archaeological resources on the OCS consist of shipwrecks. Management of historical archaeological resources has been accomplished by establishing a high- probability zone for the occurrence of historic shipwrecks. The a high- probability zone consists of three subzones (1) shoreline to 10km from shore; (2) half-degree square high probability quadrants associated with cultural and geographic features and (3) specific high- probability search polygons associated with shipwrecks located outside of the two aforementioned zones.

Prehistoric

The continental shelf shoreward of the 45-M bathymetric contour would have potential for prehistoric sites dating subsequent to 12,000 B.C. Therefore, the prehistoric archaeological high-probability zone is roughly contiguous to the area between the Federal/State boundary and the 45-M bathymetric contour. Activities occurring within this zone are subject to archaeological clearance.

Geomorphic features that have a high probability for associated prehistoric archaeological resources in the Central and Western Gulf include barrier islands and back-barrier embayments, river channels and associated floodplains and terraces, and salt dome features. Manmade features, such as mounds, may also exist in the shallow inundated portions of the OCS.

Surveys from other areas of the western part of the Central Planning Area have produced evidence of floodplains, terracing, and point-bar deposits associated with relict late Pleistocene fluvial systems. Prehistoric sites associated with these features would have a high probability for preservation.

Damage to both historic and prehistoric archaeological resources could be caused by the placement of drilling rigs. This could destroy artifacts or disrupt the provenance and stratigraphic context of artifacts, sediments and paleoindicators, from which the scientific value of the archaeological resources is derived. Therefore, the proposed activity within a lease block, having a high probability for either historic and/or prehistoric shipwrecks requires archaeological clearance.

As previously mentioned in Section 3 of this plan, Archeological Resource issues were addressed by Exxon during the filings of the Initial Plan of Exploration and Initial Plan of Development for Matagorda Island Block 696, therefore no additional archeological assessments are required for this plan.

4.5 ECOLOGICALLY SENSITIVE COASTAL ENVIRONMENT

Coastal barriers of the Western and Central Gulf Coast consist of relatively low landmasses that can be divided into several interrelated environments. The beach itself consists of the foreshore and backshore. The dune zone of a barrier landform can consist of a single dune ridge, several parallel dune ridges, or a number of curving dune lines that are stabilized by vegetation. These elongated, narrow landforms are composed of sand and other unconsolidated, predominantly coarse sediments that have been transported and deposited by waves, currents, storm surges, and winds.

Habitats found among the coastal barrier landforms provide a variety of niches that support many avian, terrestrial, aquatic and amphibious species, some of which are endangered or threatened. Stability of these habitats is primarily dependent upon the rates of geodynamic change for each coastal vicinity. The major sources of pressure that cause barrier landforms to change are storms, subsidence, delta abandonment and human activity.

Accumulations and movements of the sediments that make up barrier landforms are often described in terms of transgressive and regressive sequences. Transgressions and regressions are related to local relative sea-level change and rates of sedimentation and erosion. A transgressive sequence is one in which the shore moves landward and marine deposits form on terrestrial sediments. In contrast, a regressive sequence is one in which terrestrial sediments are deposited over marine deposits as the land builds out into the sea. Both transgressive and regressive barriers occur in the Central and Western Gulf of Mexico.

From east to west, headlands found on the barrier coasts of the Central Gulf include Baldwin County Headland in Alabama the barrier islands of Mississippi Sound, Chandeleur Island, the modern Mississippi River Delta and its developing barrier islands, the Bayou Lafouche Headland and accompanying barrier islands, Isles Dernires and the Cheniere Plain of Louisiana. 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 in Texas.

Louisiana has the most rapidly retreating beaches in the nation. Recent analyses reveal that Louisiana shorelines are retreating at an average rate of 4.2 m/yr, ranging from a gain of 3.4 m/yr to a loss of 15.3 m/yr (U.S. Geological Survey, 1988). In Louisiana, the

highest reported rates of coastal retreat occurred along the deltaic plain of the Mississippi River (Penland and Suter, 1988; Boyd and Penland, 1988; Williams et al., 1992).

4.6 WETLANDS

According to the U.S. Department of the Interior (Hefner et al., 1994) during the mid-1980's, 8% of Alabama, 28% of Louisiana, and 14% of Mississippi were considered wetlands. During the following 10 years, these three states' wetland areas decreased by 1.6, 5.6 and 4.6 percent, respectively.

Wetland habitat types occurring along the Central Gulf Coast include fresh, brackish, saline marshes, and forested wetlands, including small areas of mangroves in the southern most regions of Louisiana. The Louisiana coastal wetlands support more than two-thirds of the Mississippi Flyway wintering waterfowl population. This region supports the largest fur harvest in North America.

Louisiana contains most of the Gulf's coastal wetlands, where they occur in two physiographic settings, the Mississippi River Deltaic Plain and the Chenier Plain. Estuarine marshes around Mississippi Sound and associated bays occur in discontinuous bands. The most extensive wetland areas in Mississippi occur in the eastern Pearl River Delta near the western border of the State and in the Pascagoula River Delta area near the eastern border of the state. Most coastal wetlands in Alabama occur on the Mobile River Delta or along the northern Mississippi Sound.

4.7 SEAGRASSES

The area off the coast of Florida, in the Eastern Planning Area, contains approximately 98.5% of all coastal seagrasses in the northern Gulf of Mexico. Texas and Louisiana contain approximately 0.5 percent. Mississippi and Alabama have the remaining 1 percent of seagrass beds.

In offshore Louisiana, the Chandeleur Sound area supports the few areas of seagrass beds. In Mississippi and Alabama, seagrasses occur within the Mississippi Sound.

4.8 SENSITIVE OFFSHORE RESOURCES

Sensitive offshore resources refer to both water-column and seafloor biological resources. Seafloor habitats, including live-bottom areas, deepwater benthic communities, and topographic features are at risk of being adversely affected by offshore oil and gas operations.

4.9 PIPELINES AND CABLES

As a prudent operator, AHC, will conduct its operations in accordance with the provisions specified in Minerals Management Service Notice to Lessees 98-20, in order to avoid all pipelines and/or cables in the vicinity of the proposed operations.

4.10 OTHER MINERALS USES

The activities proposed for Matagorda Island Block 697 will have no direct or indirect impact on other mineral uses.

4.11 OCEAN DUMPING RESTRICTIONS

U.S. Coast Guard Restrictions

The Marine Pollution Research and Control Act of 1987 implements Annex V of the International Convention for the Prevention of Pollution of Ships. Most of the law's regulatory provisions became effective on December 31, 1988. Under provisions of the law, 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 USCG is responsible for enforcing the provisions of this law and has developed final rules for its implementation, calling for adequate trash reception facilities at all ports, docks, marinas and boat launching facilities.

Under the provisions of Title 33 CFR Part 151.73, all fixed and floating platforms, drilling rigs, manned production platforms, and support vessels operating under a Federal oil and gas lease are required to develop a Waste Management Plan, in accordance with Title 33 CFR 151.57, and must post placards reflecting MARPOL, Annex V dumping restrictions.

Waste Management Plans, which cover procedures for collecting, processing, storing, and discharging garbage, are required to identify the individual who is responsible for carrying out the plan. These rules also apply to all oceangoing ships of 12m or more in length that are documented under the laws of the U.S. or numbered by a State, and are equipped with a galley and berthing. Placards noting discharge limitations and restrictions, as well as penalties for non-compliance, apply to all boats and ships 8m or more in length.

Furthermore, the Shore Protection Act of 1988 requires ships transporting garbage and refuse to ensure that the garbage and refuse are properly contained on board, to avoid being discharged into the water during inclement wind or water conditions.

EPA Restrictions

The disposal of oil and gas operational wastes are managed by U.S. EPA, through regulations established under three Federal Acts. The Resource Conservation and Recovery Act (RCRA) provides a framework for the safe disposal of discarded materials, regulating the management of solid and hazardous wastes.

The U.S. EPA has exempted many oil and gas wastes from coverage under hazardous wastes regulations associated with Subtitle C of RCRA. If covered, such wastes would be more stringently regulated under hazardous waste rules, i.e., industry would be responsible for the wastes, from generation to final disposal. Exempt wastes include those generally originating from an activity directly associated with the drilling, production, or processing of a hydrocarbon product. Nonexempt oil and gas wastes

include those not unique to the oil and gas industry and used in the maintenance of equipment.

The direct disposal of operational wastes into offshore waters is limited by U.S. EPA under the authority of the Clean Water Act, and when injected underground, oil and gas operational wastes are regulated by U.S. EPA's third program, the Underground Injection Control Program.

A general NPDES permit, based on effluent limitation guidelines, is required for direct disposal of operational wastes into offshore waters. The major discharges from offshore oil and gas exploration and production activities include produced water, drilling fluids and cuttings, ballast, water, and storage displacement water. Minor discharges from the offshore oil and gas industry include drilling-waste chemicals, fracturing and acidifying fluids, and well completion and workover fluids. Production operations generate produced sand, deck drainage, miscellaneous well fluids (cement, BOP fluid). other sanitary and domestic wastes, gas and oil processing wastes, and miscellaneous discharges.

4.12 Endangered and Threatened Species, and Critical Habitat

Twenty-nine species of cetaceans, one sirenian and one exotic pinniped (California sea lion) have been sighted in the northern Gulf of Mexico. Seven species of baleen whales have been reported in the Gulf of Mexico. These include the northern right whale and six species of balaenopterid whales (blue, fin, sei, Bryde's, minke and humpback). Sightings and strandings of these species in this area are uncommon. Historical sightings and strandings census data suggests that these whales are found primarily in the north-central Gulf region.

Twenty-two species of toothed whales and dolphins have been reported in the Gulf of Mexico. These include the great sperm whale, pygmy and dwarf sperm whales; four species of beaked whales (Cuvier's, Gervais', Blainville's, and Sowerby's); killer whale; false and pygmy killer whale; short-finned pilot whale; grampus (Risso's dolphin); melon-headed whale; and nine other species of delphinid dolphins (bottlenose, Atlantic spotted, pantropical spotted, spinner, clymene, striped, common, Fraser's and rough toothed). Many of these species are found in warm temperate to tropical waters throughout the world.

With the exception of sperm whales, none of the toothed whales and dolphins from the Gulf of Mexico are listed as endangered or threatened. Dwarf and pygmy sperm whales are typically found in deeper waters and congregate in small herd sizes (2-10 individuals). Temporal distribution within the Gulf has been variable. Beaked whales from the Gulf include Cuvier's beak whale and three members of the genus Mesoplodon (North Sea beaked whale, Blainsville's beaked whale and antillian beaked whale). Observed herd sizes of beaked whales are in most cases small (1-2 individuals) and the typical behavioral response to survey aircraft and ships is for the whales to be evasive.

The family Delphinidae is taxonomically broad and includes all remaining species of nonendangered whales and dolphins found in the Gulf. Most of these whales inhabit deeper waters of the Gulf, with the exception of the bottlenose dolphins, whose specific distributions appear to be a function of preferred depth range. Bottlenose dolphins are

the most common delphinid on the continental shelf and nearshore waters of the Gulf. There is no evidence to support the assumption that inshore/offshore populations are genetically discrete. Knowledge of the spatial and temporal abundance of most deep-water cetaceans in the Gulf has been, until recently, sparse and limited to a few survey areas. MMS is funding a study (GULFCET) using broad-based aerial and shipboard surveys to determine the seasonal and geographic distribution of cetaceans along the continental slope in the north-central and western Gulf.

Six species of baleen whales (northern right, blue, fin, sei, minke, and humpback) and one species of toothed whale (sperm whale) found within the Gulf of Mexico are currently listed as endangered species under the provisions of the U.S. Endangered Species Act of 1973. All are uncommon to rare in the Gulf, with the exception of the sperm whale.

The Alabama, Choctawhatchee and Perdido Key beach mice, subspecies of the common field mouse, occupy restricted habitats in the mature coastal dunes of Florida and Alabama. The beach mice feed nocturnally on the lee side of the dunes and remain in burrows during the day. Their diet consists mainly of beach grasses, sea oats, and sometimes sea rocket and invertebrates.

The green turtle population in the Gulf once supported a commercial harvest in Texas and Florida, but the population has not completely recovered since the collapse of the fishery around the turn of the century. Green turtles prefer depths of less than 20m, where seagrasses and algae are plentiful. Leatherbacks, the most oceanic of marine turtles, occasionally enter shallow water in more northern areas. Their nesting is concentrated on coarse-grain beaches in the tropical latitudes. The hawksbill is the least commonly reported marine turtle in the Gulf. Texas is the only Gulf state where stranded turtles are frequently reported. The Kemp's Ridley sea turtle is the most imperiled of the world's marine turtles. Nesting in the United States occurs infrequently on Padre and Mustang Island in south Texas from May to August. Female Kemp's Ridleys appear to inhabit nearshore areas, and congregations of Kemp's have been recorded near the mouth of the Mississippi River.

The loggerhead sea turtle occurs worldwide, in habitats ranging from estuaries to the continental shelf. Aerial surveys indicate that loggerheads are common in depths shallower than 50m, but they are also found in deep water. 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. Nesting in Texas occurs primarily on North and South Padre Islands, although occurrences are recorded throughout coastal Texas.

Birds most susceptible to oiling, either raft at sea (i.e., gulls and terns), or dive when disturbed (i. e., cormorants and boobies). Migrant and nonmigrant coastal and marine birds populate the beaches and wetlands of the northern Gulf of Mexico. This broad category consists of three main groups: waterfowl, wading birds, and marine birds. Feeding habitats include the waters and coastal shore of the open Gulf, bays, and estuaries, brackish and freshwater wetlands, as well as coastal farmlands and landfills.

The piping plover is endangered in the Great Lakes watershed and threatened elsewhere. Its historic populations have remained depressed as a results of losses to their beach and nesting habitat. On the Gulf Coast, Texas and Louisiana have the largest numbers and highest wintering densities of the piping plover. There, the plover prefers intertidal flats and beaches for its habitat. Piping plovers are susceptible to contact with spilled oil because of their preference for feeding in intertidal areas.

The whooping crane breeding population winters along the Texas coast from November to April, occupying the coastal marshes of Aransas, Calhoun, and Matagorda Counties. Portions of these counties and the Aransas National Wildlife Refuge have been designated as critical habitat for the whooping crane.

The Arctic peregrine falcon is a subspecies of the peregrine falcon, which breeds in North American tundra. A portion of the population migrates to areas along the Central, Mississippi and Eastern flyways to winter on the U.S. and Mexican Gulf Coast. The birds concentrate along beaches and barrier islands.

Bald eagles are found throughout the Gulf States. Bald eagles actively nest in upland and wetland areas 30-50 miles from the coast, throughout the Gulf of Mexico. Bald eagles inhabit areas near water, although they rarely nest on the coast. They prey on birds, fish, and small mammals. Historically, two nestings have occurred along the Mississippi coast. In northwestern Florida, coastal nesting occurs at St. Vincent, St. Marks and lower Suwannee National Wildlife Refuges.

Brown pelicans have been removed from the Federal endangered species list in Alabama and Florida but remain listed as endangered in Mississippi, Louisiana, and Texas. Their decline is primarily the result of hatching failure caused by ingestion of fish containing pesticides. Nesting occurs in colonies on coastal islands. Six brown pelican rookeries have been documented in Louisiana: on Queen Bess, North, Last, Calumet-Timbalier, Grand Gosier Islands and at South Pass. There is also a small rookery on Pelican Island in Nueces County, Texas. Unsuccessful nesting has occurred on Sunset Island in Matagorda Bay and 40 hatchlings have been reintroduced to San Bernard National Wildlife Refuge. Brown pelicans inhabit the coast, rarely venturing into freshwater or flying more than 32km (20 miles) offshore. They feed by plunge-diving to catch fish near the surface.

4.13 SOCIOECONOMIC

The Gulf of Mexico impact area for populations, labor and employment is defined as that portion of the Gulf of Mexico Coastal Zone, in which social and economic well-being is directly or indirectly affected by the OCS oil and gas industry.

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 Bureau of Economic Analysis Regional Measurement Division for 1994 show that the average annual payroll

associated with all oil and gas activities amounts to approximately $8.2 billion for the Gulf of Mexico Region. Average annual tax dollars generated in the offshore oil and gas program are estimated at 8 percent of payroll revenues. Thus state and local taxes generated annually by the development of oil and gas in the Gulf of Mexico coastal region are estimated at approximately $660 million.

Job estimates as of February 1997 show that 35,500 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. In addition, offshore activity in other areas of the Gulf also generates employment in Louisiana.

In September 1992, the MMS Gulf of Mexico Region sponsored a socioeconomic workshop in New Orleans, Louisiana. A total of 18 studies on the impact of OCS oil and gas activities on broad areas of social and economic environment were designed by participants. The workshop and resulting products defined gaps in the understanding of social and economic impacts of the OCS oil and gas industry in the Region. As of January 1997, ten socioeconomic studies were underway, including a study examining the historical impacts of OCS activity on communities.

The offshore oil exploration industry, which includes oil companies, drilling contractors, and oilfield suppliers, have a major impact on Louisiana's economy. A number of ports in the central and western Gulf have developed into important centers for offshore support. The most active of those in Louisiana are (from east to west) Venice, Morgan City, Intracoastal City, and Fourchon, Louisiana. The onshore support base for operations in Matagorda Island Block 697 will be Harbor Island, Texas.

5. Unavoidable Adverse Environmental Impacts on Sensitive Coastal Resources

5.1 Water Quality

The major factors associated with the proposed action, that could adversely affect beaches and dunes include oil spills, pipeline emplacements, navigation canal dredging and maintenance dredging, and support infrastructure construction.

The proposed action is not expected to adversely alter barrier beach or dune configurations significantly, either as a result of related spills or beyond existing impacts in very localized areas downdrift of artificially jettied and maintained channels. Strategic placement of dredged material from channel maintenance, channel deepening, and related actions can mitigate adverse impacts upon those localized areas.

5.2 Wetlands

The OCS oil and gas activities that could adversely affect wetlands and seagrass beds include oil spills, pipeline construction, pipeline canals, dredging of new navigation channels, maintenance dredging, vessel usage of waterways, and construction /maintenance of inshore facilities.

Although initial impacts are considered locally significant and primarily limited to locations in which OCS-related canals pass through wetlands, secondary impacts may have significant progressive and cumulative adverse impacts to the hydrologic basin or

sub basin in which it is found. The proposed action-related impacts would not be considered significant because of their low Louisiana, Mississippi and Alabama, and the difficulty in distinguishing them from other ongoing, OCS-related impacts to wetlands. In response to these impacts, MMS has initiated actions to better evaluate these impacts and related mitigative efforts.

5.3 Coastal Water Quality

Future water quality degradation associated with effluent discharges and runoff from the use on onshore infrastructure and coastal waterways supporting proposed action operations is small. Degradation from proposed action operations in coastal waters is expected to cause acute, localized impacts. Except for the short-term effects of dredging and oil spills, impacts to coastal waters should not disrupt current activity uses designated for these waters.

5.4 Coastal and Marine Birds

Activities resulting from the proposed action are expected to affect endangered/threatened and nonendangered/nonthreatened coastal and marine birds of the Central Planning Area. It is expected that the majority of effects from the major impact-producing factors are sublethal, causing temporary disturbances and displacement of localized groups inshore. Lethal effects result primarily from coastal inshore oil spills and associated spill-response activities, and are especially serious for endangered/ threatened species, as any reduction in population size represents a threat to their existence.

6. Unavoidable Adverse Environmental Impacts on Sensitive Offshore Resources

6.1 Live Bottom (Pinnacle Trend)

Seventy blocks are within the region defined as the pinnacle trend, which contain live bottoms that may be sensitive to oil and gas activities. A number of OCS-related factors may cause adverse impacts on the pinnacle trend communities and features. Damage caused by oil spills, blowouts, anchoring, structure emplacement and removal, pipeline emplacement, drilling discharges, produced-water discharges, and the disposal of domestic and sanitary waste may affect the immediate mortality of live-bottom organisms or the alteration of sediment, to the point that the recolonization of the affected areas may be delayed or impossible.

Activities resulting from the proposed action are not expected to adversely impact the pinnacle trend environment, because of the implementation of the Live Bottom Stipulation. Oil spills would not be followed by adverse impacts because of the depth of the features and dilution of spills.

6.2 Deepwater Benthic Communities

The greatest potential for adverse impacts to deepwater chemosynthetic communities would come from those OCS-related bottom-disturbing activities associated with pipelaying and structure emplacement. The provisions of NTL 88-11 (currently in

effect) requiring surveys and avoidance prior to drilling, will greatly reduce the risk of physical disturbance.

6.3 Topographic Features

The potential impact-producing factors on the topographic features of the central Gulf are anchoring, effluent discharge, blowouts, oil spills, and structure emplacement/ removal. Activities resulting from the proposed action are not expected to adversely impact the topographic features, because of the implementation of the Topographic Features Stipulation.

6.4 Marine Water Quality

Sediment disturbance from the emplacement and removal of platforms and associated pipelines and from the drilling of wells is expected to result in minor, localized, temporary increases in water-column turbidity in offshore waters.

6.5 Air Quality

Discharge of pollutants into the atmosphere from activities associated with the proposed action are not projected to have a significant impacts on onshore air quality, because of prevailing atmospheric conditions, or emissions from the coastline. Emissions from proposed activities are not expected to have concentrations that would affect onshore air quality classifications.

6.6 Marine Mammals

The major impact-producing factors resulting from OCS oil and gas activities affecting marine mammals include degradation of water quality, noise and discarded debris from service vessels and OCS structures. The proposed action is unlikely to have significant long-term impace on the size and productivity of any marine mammal species or population stock in the northern Gulf of Mexico.

There is little likelihood of a well blowout or pipeline break resulting in a major oil spill. If a major oil spill occurs, containment and cleanup capabilities are sufficient to ensure that significant numbers of marine mammals will not be affected. Lethal effects are not likely to occur from chance collisions with OCS service vessels and ingestion of plastic materials, though few lethal impacts are anticipated. Chronic sublethal effects, such as stress, resulting in persistent physiological or behavioral changes and/or avoidance of impacted area, could cause declines in survival or productivity decline.

6.7 Commercial Fisheries

The proposed action is expected to result in less than a 1 percent decrease in commercial fishery populations, in essential habitat, or in commercial fishing. It will require less than six months for fishing activity to recover, and one generation for fishery resources to recover from 99 percent of the impacts.

6.8 Recreational Resources and Beach Use

The primary impact-producing factors associated with offshore oil and gas exploration and development are oil spills, trash and debris.

The proposed action is expected to result in pollution events and nearshore operations that may adversely affect the enjoyment of some beach users on Louisiana and Mississippi beaches. However, these will have little effect on the number of beach users.

6.9 Archaeological Resources

Historic

The greatest potential impact to a historic archaeological resource as a result of the proposed action, would result from contact between an OCS offshore activity and a historic shipwreck. OCS activities could contact a shipwreck because of incomplete knowledge of 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 action are not expected to affect historic archaeological resources.

Prehistoric

Should a spill contact an archaeological site, damage could include loss of C-14 dating potential, direct impact from oil spill cleanup equipment, and/or looting. There is a small possibility of onshore oil spills contacting a prehistoric site. Should such contact occur, impacts identical to those described for offshore spills could occur.

6.10 Socioeconomic Conditions

Employment resulting from oil spill and cleanup activities associated with the proposed action is expected to be negligible. It is expected that most of the permanent employment demands in support of the proposed action will be met with the existing population and available labor force. However, some employment is expected to be met through in-migration, due to the shadow effect and labor force lacking requisite skills for the oil and gas supporting industries. The temporary importation of labor, particularly in the South Lafourche area of Louisiana, is also expected to continue in the near future.

7.0 References

Final Environmental Impact Statement, Proposed Oil and Gas Lease Sales 169, 172, 175, 178 and 182, Gulf of Mexico OCS Region, OCS EIS, MMS 97-0033.

Final Environmental Impact Statement, Proposed Oil and Gas Lease Sales 157 and 161, Gulf of Mexico OCS Region, OCS EIS, MMS 95-0017.

CONSISTENCY CERTIFICATION

INITIAL PLAN OF EXPLORATION

MATAGORDA ISLAND BLOCK 697

OCS-G 23157

The proposed activities described in detail in this Plan comply with Texas' approved Coastal Management Program, and will be conducted in a manner consistent with such Program.

Amerada Hess Corporation

Keith J. Dupuis

Date: 12/12/01

Keith J. Dupuis
Supervisor
Environmental / Regulatory Affairs