UNITED STATES GOVERNMENT
MEMORANDUM

August 5, 2004

To: Public Information (MS 5034)

From: Plan Coordinator, FO, Plans Section (MS 5231)

Subject: Public Information copy of plan

Control #	-	S-06474
Type	-	Supplemental Development Operations Coordinations Document
Lease(s)	-	OCS-G10780 Block - 243 Ship Shoal Area
Operator	-	Walter Oil & Gas Corporation
Description	-	Well A-6
Rig Type	-	JACKUP

Attached is a copy of the subject plan.

It has been deemed submitted as of this date and is under review for approval.

Karen Dunlap
Plan Coordinator

Site Type/Name	Botm Lse/Area/Blk	Surface Location	Surf Lse/Area/Blk
WELL/A-6	G10780/SS/243	5812 FNL, 750 FWL	G10780/SS/243

ISS AUG 5'04PM 3:08

Mailed 8/6

S-6474
PE

Support vessels will not be needed during the operations proposed under this plan.

If necessary, Walter will utilize existing onshore facilities located in Fourchon, Louisiana, which will serve as a port of debarkation for supplies and crews. No onshore expansion or construction is anticipated with respect to the proposed activities.

Name	Location	Existing, New or Modified
ASCO Dock	Fourchon, LA	Existing

This 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. The facilities typically include outdoor storage, forklift and crane service, dock, trailer facilities, a radio tower with a phone patch and parking, as well as 24-hour service.

Support vessels and travel frequency during the proposed production activities are as follows:

Type	Trips / Week - Drilling	Trips / Week - Production	Hours on Location
Crew Boat	5	1/month	6
Supply Boat	3	0	6
Helicopter	0	7	2

Attachment B-1 - A Vicinity Plat showing the location of Ship Shoal Block 243 relative to the shoreline.

G. LEASE STIPULATIONS

Oil and gas exploration and development activities on the 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.

The Minerals Management Service invoked Stipulation No. 1, Cultural Resources for Ship Shoal Area, Block 243, OCS-G 10780. The Minerals Management Service has specific guidelines in NTL 2002-G01 for archaeological surveys that apply only to specific high probability areas. An Archaeological and Hazard Study of Ship Shoal Area Block 243 was performed by Gulf Ocean Services, Inc. for UNOCAL (1990) and is referenced in the following EIA.

H. RELATED OCS FACILITIES AND OPERATIONS

As mentioned in Appendix A, Well No. A006 will be drilled from Walter's existing A platform in Block 243. Platform A is 4-pile, 6-slot production facility with existing facilities. The production will flow via one existing 8-inch inch gas / condensate pipeline right-of-way (Segment 10595 / ROW OCS-G 15021) to Williams operated 20" subsea tie-in in Ship Shoal Block 228 and via one existing 6-inch oil pipeline right-of-way (Segment 10596 / ROW OCS-G 15022) to an Equilon operated pipeline system in Ship Shoal Block 241.

ATTACHMENT A-1

OCS PLAN INFORMATION FORM

General Information

Type of OCS Plan:	Exploration Plan (EP)	X	Development Operations Coordination Document (DOCD)
Company Name:	Walter Oil & Gas	MMS Operator Number:	0730
Address:		Contact Person:	Judy Archer
1100 Louisiana, Suite 200 Houston, TX 77002		Phone Number:	713/659-1222
		E-Mail Address:	jarcher@walteroil.com

Lease: OCS-G 10780	Area:	Ship Shoal					Block: 243	Project Name (If Applicable):	NA		
Objective(s):	X	Oil	X	Gas		Sulphur		Salt	Onshore Base: Fourchon, LA	Distance to Closest Land (Miles): 45	

Description of Proposed Activities (Mark all that apply)

	Exploration drilling	X	Development drilling
X	Well completion		Installation of production platform
X	Well test flaring		Installation of production facilities
	Installation of well protection structure		Installation of satellite structure
	Installation of subsea wellheads and/or manifolds		Installation of lease term pipelines
	Temporary well abandonment	X	Commence production
	Other (Specify and describe)		

Do you propose to use new or unusual technology to conduct your activities?		Yes	X No
Do you propose any facility that will serve as a host facility for deepwater subsea development?		Yes	X No
Do you propose any activities that may disturb an MMS-designated high-probability archaeological area?		Yes	X No

Tentative Schedule of Proposed Activities

Proposed Activity	Start Date	End Date	No. of Days
Drill and complete Well A006	08/15/2004	09/30/2004	45
Commence production	10/01/2004		

Description of Drilling Rig				Description of Production Platform			
X	Jackup		Drillship		Caisson		Tension leg platform
	Gorilla Jackup		Platform rig		Well protector		Compliant tower
	Semisubmersible		Submersible		Fixed platform		Guyed tower
	DP Semisubmersible		Other (Attach Description)		Subsea manifold		Floating production system
Drilling Rig Name (If Known): NA					Spar		Other (Attach Description)

Description of Lease Term Pipelines

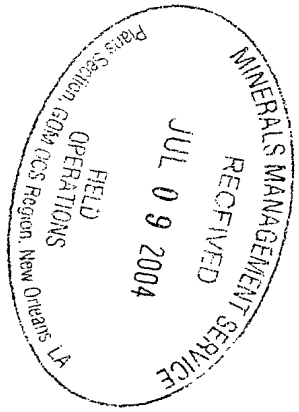
From (Facility/Area/Block)	To (Facility/Area/Block)	Diameter (Inches)	Length (Feet)	Product
NA				

AIR EMISSION CALCULATIONS

OMB Control No. 1010-0049
OMB Approval Expires: August 31, 2006

COMPANY	AREA	BLOCK	LEASE	PLATFORM	WELL
Walter Oil & Ga	Ship Shoal	243	10780	A	A006

Year	Emitted Substance				
	PM	SOx	NOx	VOC	CO
2004	2.48	11.37	85.20	2.56	18.59
2005	0.05	0.24	1.80	0.05	0.39
2006	0.05	0.24	1.80	0.05	0.39
2007	0.05	0.24	1.80	0.05	0.39
Allowable	1365.30	1365.30	1365.30	1365.30	40426.69



WALTER OIL & GAS CORPORATION

July 2, 2004

Mr. Donald C. Howard
Regional Supervisor
Office of Field Operations
U.S. Department of the Interior
Minerals Management Service
1201 Elmwood Park Boulevard
New Orleans, LA 70123-2394

RE: Supplemental Development Operations Coordination Document
Lease OCS-G 10780, Ship Shoal Block 243
OCS Federal Waters, Gulf of Mexico, Offshore, Louisiana

Gentlemen:

In accordance with the provisions of Title 30 CFR 250.203 and NTL 2003-G17, Walter Oil & Gas Corporation hereby submits for your review and approval two (2) hard copies of a Supplemental Development Operations Coordination Document (Plan) for Lease OCS-G 10780, Ship Shoal Area, Block 243, Offshore Louisiana. One (1) copy is "Proprietary Information" and one (1) copy is "Public Information". Also enclosed are two (2) CD-ROM's in a PDF format for MMS Public and Proprietary copies.

Excluded from the Public Information copies are certain Geologic discussions, depths of well(s) and structure maps.

Walter anticipates commencing drilling operations approximately August 15, 2004.

Should additional information be required, please contact the undersigned at 713/659-1221.

Sincerely,

WALTER OIL & GAS CORPORATION

Judy Archer /kc

Judy Archer
Regulatory / Environmental Coordinator

PUBLIC INFORMATION

JA:KC

Enclosures

1100 Louisiana, Suite 200 • Houston, Texas 77002-5299 • 713-659-1221

Walter Oil & Gas Corporation
Supplemental Development Operations Coordination Document
Ship Shoal Area, Block 243
Lease OCS-G 10780
July 5, 2004

Table of Contents

Attachments

Appendix A
CONTENTS OF PLAN

In accordance with 43 CFR 2.13 (c)(9), those items considered proprietary have been omitted from the Public Information copy and have been referenced accordingly.

A. LEASE DESCRIPTION / ACTIVITY

Walter Oil & Gas Corporation (Walter) is the designated operator of Ship Shoal Block 243, Lease OCS-G 10780. The referenced lease was purchased at the Central Gulf of Mexico Lease Sale 118. The lease was issued with an effective date of July 1, 1989 and primary term ending date of June 30, 1994. The lease is presently held by production.

Under this Supplemental Development Operations Coordination Document (DOCD), Walter Oil & Gas Corporation plans to drill, complete, test and produce Well No. A-6 via one existing 8-inch inch gas / condensate pipeline right-of-way (Segment 10595 / ROW OCS-G 15021) to Williams operated 20" subsea tie-in in Ship Shoal Block 228 and one existing 6-inch oil pipeline right-of-way (Segment 10596 / ROW OCS-G 15022) to an Equilon operated pipeline system in Ship Shoal Block 241.

PROPRIETARY INFORMATION

Attachment A-1 provides well information along with a tentative schedule leading up to commencement of production.

B. LOCATION / MAPS

Attachment A-2 - Well Location Map shows the surface location(s) of all existing and proposed well(s) and proposed platforms with any associated anchors (if applicable). The proposed / existing bottom hole location(s), depth of well(s) (MD and TVD) and the associated water depths for each well and or structure are provided in tabular format. Please note, bottom hole locations, MD & TVD depths are omitted from the Public Information Copy.

There are no associated anchors expected to disturb any areas discussed in this Plan.

C. DRILLING

Offshore exploratory and development 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 proposed well(s) will be drilled and completed with the Pride Kansas or Pride Missouri. Rig specifications will be made a part of the appropriate Application for Permit to Drill.

Safety features on the MODU will include well control, pollution prevention, welding procedure, and blowout prevention equipment as described in Title 30 CFR Part 250, Subparts C, D, E, G and O; and as further clarified by MMS Notice to Lessees, and current policy making invoked by the MMS, Environmental Protection Agency and the U.S. Coast Guard. 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 accordance with Title 30 CFR Part 250, Subpart 0, an operator is to ensure Well Control Training is provided for lessee and contractor personnel engaged in oil and gas operations in the OCS Gulf of Mexico. Further, the operator is charged with the responsibility to not create conditions that will pose unreasonable risk to the public health, life, property, aquatic life, wildlife, recreation, navigation, commercial fishing, or other uses of the ocean.

Supervisory and certain designated personnel on-board the facility are to be familiar with the effluent limitations and guidelines for overboard discharges into the receiving waters, as outlined in the NPDES General Permit GMG290000. Some of these pollution prevention measures include installation of curbs, gutters, drip pans, and drains on drilling deck areas to collect all contaminants and debris.

The MMS is required to conduct onsite inspections of offshore facilities to confirm operators are complying with lease stipulations, operating regulations, approved plans, and other conditions; as well as to assure safety and pollution prevention requirements are being met. The National Potential Incident of Noncompliance (PINC) List serves as the baseline for these inspections. The MMS also inspects the stockpiles of equipment listed in the operator's approved Oil Spill Response Plan that would be used for the containment and cleanup of hydrocarbon spills.

D. PRODUCTION FACILITY

Well No. A006 will be drilled from Walter's existing A platform in Block 243. Platform A is 4-pile, 6-slot production facility with original processing facilities. A drawing of the existing A platform is enclosed as **Attachment A-3**.

The production will flow via one existing 8-inch inch gas / condensate pipeline right-of-way (Segment 10595 / ROW OCS-G 15021) to Williams operated 20" subsea tie-in in Ship Shoal Block 228 and one existing 6-inch oil pipeline right-of-way (Segment 10596 / ROW OCS-G 15022) to an Equilon operated pipeline system in Ship Shoal Block 241.

No new nearshore or onshore pipelines or facilities will be constructed.

OCS PLAN INFORMATION FORM (CONTINUED)

Proposed Well/Structure Location							
Well or Structure Name/Number:	**A006**			Subsea Completion			
Anchor Radius (if applicable) in feet:	NA				Yes	X	No
	Surface Location		**Bottom-Hole Location (For Wells)**				
Lease No.	OCS-G 10780						
Area Name	Ship Shoal						
Block No.	243						
Block line Departures (in feet)	N/S Departure:	5812' FNL					
	E/W Departure:	750' FWL					
Lambert X-Y coordinates	X:	2,063,150.00					
	Y:	-87,643.08					
Latitude/ Longitude	Latitude:	28° 25' 31.913" N					
	Longitude:	91° 08' 12.954" W					
	TVD (Feet):		MD (Feet):		Water Depth (Feet):		150
Anchor Locations for Drilling Rig or Construction Barge – NOT APPLICABLE							

SS228

GRID NORTH

A006
A,1

SS243

OCS-G-10780

WALTER

LOCATIONS									
LOC'N	CALLS		X COORDINATE	Y COORDINATE	LATITUDE	LONGITUDE	WD	MD	TVD
A006 SURF.	5,812.00' FNL	750.00' FWL	2,063,150.00'	-87,643.08'	28° 25' 31.913"N	91° 08' 12.954"W	150'	15,155'	15,000'

SS252

PUBLIC INFORMATION

Printed: 6/7/04

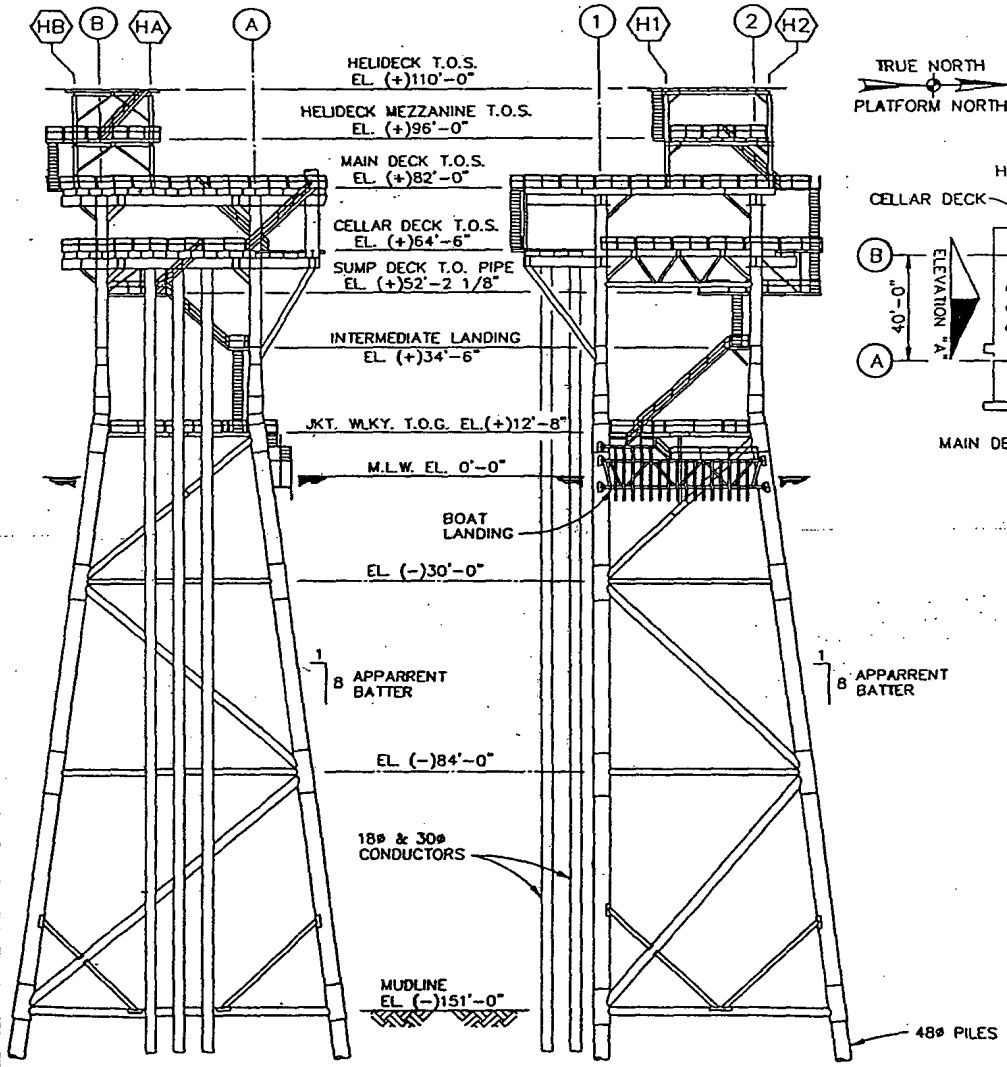
WALTER OIL & GAS CORPORATION

SUPPLENMENTAL DEVELOPMENT AND PRODUCTION PLAN

OCS-G-10780 BLOCK 243
SHIP SHOAL AREA
GULF OF MEXICO

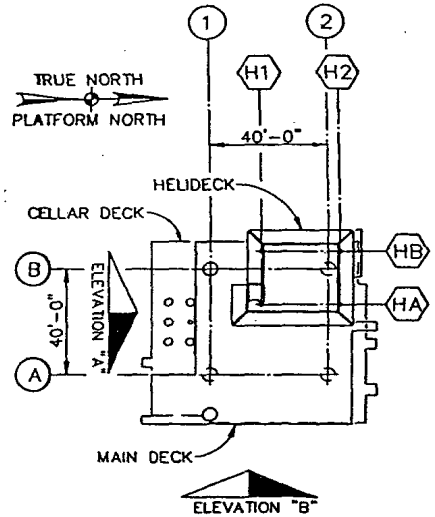
FUGRO CHANCE INC.
200 Dulles Dr. Lafayette, Louisiana 70506-3001 (337) 237-1300

GEODETIC DATUM: NAD27 PROJECTION: LOUISIANA SOUTH GRID UNITS: US SURVEY FEET		SCALE IN FEET 0 2,000'	
Job No.: 04-1859	Date: 6/04/04	Drwn: MCM	Chart: 1 Of: 1
Dwgfile: O:\WellPermit\LAs\SS\Permit\243sdpp			



ELEVATION "A"

ELEVATION "B"



KEY PLAN
N.T.S.

OVERTURNING MOMENTS (TOTAL WIND, WAVE, AND CURRENT FORCE)		ENVIRONMENTAL FORCES (TOTAL WIND, WAVE, AND CURRENT FORCE)	
LONG.	100,000 FT.-TONS	LONG.	940 TONS
TRANS.	66,000 FT.-TONS	TRANS.	670 TONS
DIAG.	101,000 FT.-TONS	DIAG.	1010 TONS

(NOTE: LONGITUDINAL DIRECTION IS EAST - WEST)

TOTAL GRAVITY LOADS		MAXIMUM PILE MOMENT (STORM LOAD)	
OPERATING	2200 TONS	MOMENT	24,000 FT.-TONS
STORM	2200 TONS	DIST. BELOW M.L.	41 FT.

PILE LOADS - STORM

	MAX. COMPRESSION	MAX. TENSION	HORIZONTAL SHEAR
LONG.	1260 TONS	460 TONS	116 TONS
TRANS.	1190 TONS	340 TONS	88 TONS
DIAG.	1590 TONS	870 TONS	130 TONS

ENVIRONMENTAL DESIGN FACTORS

	19TH EDITION	20TH EDITION
WAVE THEORY	STREAM FUNCTION	STREAM FUNCTION
RETURN INTERVAL	100 YRS.	100 YRS.
WAVE HEIGHT	API 66.50 FT.	API 63.0 FT.
WAVE PERIOD	12.0 SEC.	13.00 SEC.
STORM & ASTRO. TIDE	3.50 FT.	3.50 FT.
CREST ELEVATION	46.0 FT.	42.0 FT.
CURRENT	NONE	2.1 KT.
MARINE GROWTH	1 IN.	1.5 IN.
DRAG COEFFICIENT (SMOOTH/FOULED)	0.6/0.6	0.65/1.05
INERTIA COEFFICIENT (SMOOTH/FOULED)	1.50/1.50	1.60/1.20
WIND VELOCITY (AT 33 FT.)	98 MPH	80 KNOTS
SCOUR	NONE	NONE
DESIGN METHOD	ELASTIC	ELASTIC
PLATFORM LIFE (ANTICIPATED)		20 YRS.
CATHODIC PROTECTION		20 YRS. SACRIFICIAL ANODES

STATE OF TEXAS
NICHOLAS A. GOODWIN
45362
REGISTERED
PROFESSIONAL ENGINEER
3-24-95

PINNACLE PROJECT NO. 113601
DWG. NO. 1136MMS REV. NO. 0 DATE 1-12-95

4-PILE, 6-SLOT PRODUCTION PLATFORM
LEASE NO. OCS-G-10780
AREA SHIP SHOAL BLOCK 243
OPERATOR WALTER OIL & GAS CORPORATION

ORIGINAL

OSTS Questions for DOCD

Walter Oil & Gas Corporation
Ship Shoal 243
Lease OCS-G 10780
Supplemental DOCD

1.Was the structure installed within the last 5 years? 1.a. If so, do your proposed activities require a structural modification that would increase loading on the structure beyond the original design?	No, 1995 No
2.Will the structure change from unmanned to manned?	Currently Manned
3.Are you adding facilities to the structure which will result in 10% or greater change from original design parameters?	No
4.Will your proposed activities increase loading on structure resulting in 10% or greater change from original design parameters?	No
5.Is your deck height adequate according to API RP 2A-WSD Section 17.2.4?	Yes
6.Has the structure undergone an annual topsides inspection? 6.a. Was any damage discovered by this inspection?	Yes, 2004 No
7.Has the structure undergone an underwater inspection within the last 5 years? 7.a. Was any damage discovered by this inspection?	April 2003 II/III No

Appendix B
GENERAL INFORMATION

In accordance with 43 CFR 2.13 (c)(9), those items considered proprietary have been omitted from the Public Information copy and have been referenced accordingly.

A. CONTACT

Inquiries may be made to the following authorized representative:

Judy Archer
1100 Louisiana St., Suite 200
Houston, Texas 77002
713 / 659-1221
Email: jarcher@walteroil.com

B. PROJECT NAME

Walter does not commonly refer to project names for their projects.

C. PRODUCTION RATES AND LIFE OF RESERVES - Proprietary Data (Omitted from PI Copy)

PROPRIETARY INFORMATION

D. NEW OR UNUSUAL TECHNOLOGY

Walter does not propose the use of any new or unusual technology in the activities proposed under this plan.

E. BONDING INFORMATION

In accordance with regulations contained in Title 30 CFR Part 256, Subpart I, and further clarified by NTL 00-G16 pertaining to general lease surety bonds, Walter has on file with the Minerals Management Service a $3,000,000 Areawide Development Bond.

F. ONSHORE BASE AND SUPPORT VESSELS

Ship Shoal Block 243 is located approximately 41 statute miles from the nearest Louisiana shoreline and approximately 125 statute miles from the onshore support base located in Fourchon, LA.

Support vessels will not be needed during the operations proposed under this plan.

If necessary, Walter will utilize existing onshore facilities located in Fourchon, Louisiana, which will serve as a port of debarkation for supplies and crews. No onshore expansion or construction is anticipated with respect to the proposed activities.

Name	Location	Existing, New or Modified
ASCO Dock	Fourchon, LA	Existing

This 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. The facilities typically include outdoor storage, forklift and crane service, dock, trailer facilities, a radio tower with a phone patch and parking, as well as 24-hour service.

Support vessels and travel frequency during the proposed production activities are as follows:

Type	Trips / Week - Drilling	Trips / Week - Production	Hours on Location
Crew Boat	5	1/month	6
Supply Boat	3	0	6
Helicopter	0	7	2

Attachment B-1 - A Vicinity Plat showing the location of Ship Shoal Block 243 relative to the shoreline.

G. LEASE STIPULATIONS

Oil and gas exploration and development activities on the 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.

The Minerals Management Service did not invoke any Stipulations for Ship Shoal Area, Block 243, OCS-G 10780. The Minerals Management Service has specific guidelines in NTL 98-06 for archaeological surveys that apply only to specific high probability areas. Ship Shoal Block 243 is not included in any high probability area for archaeological resources.

H. RELATED OCS FACILITIES AND OPERATIONS

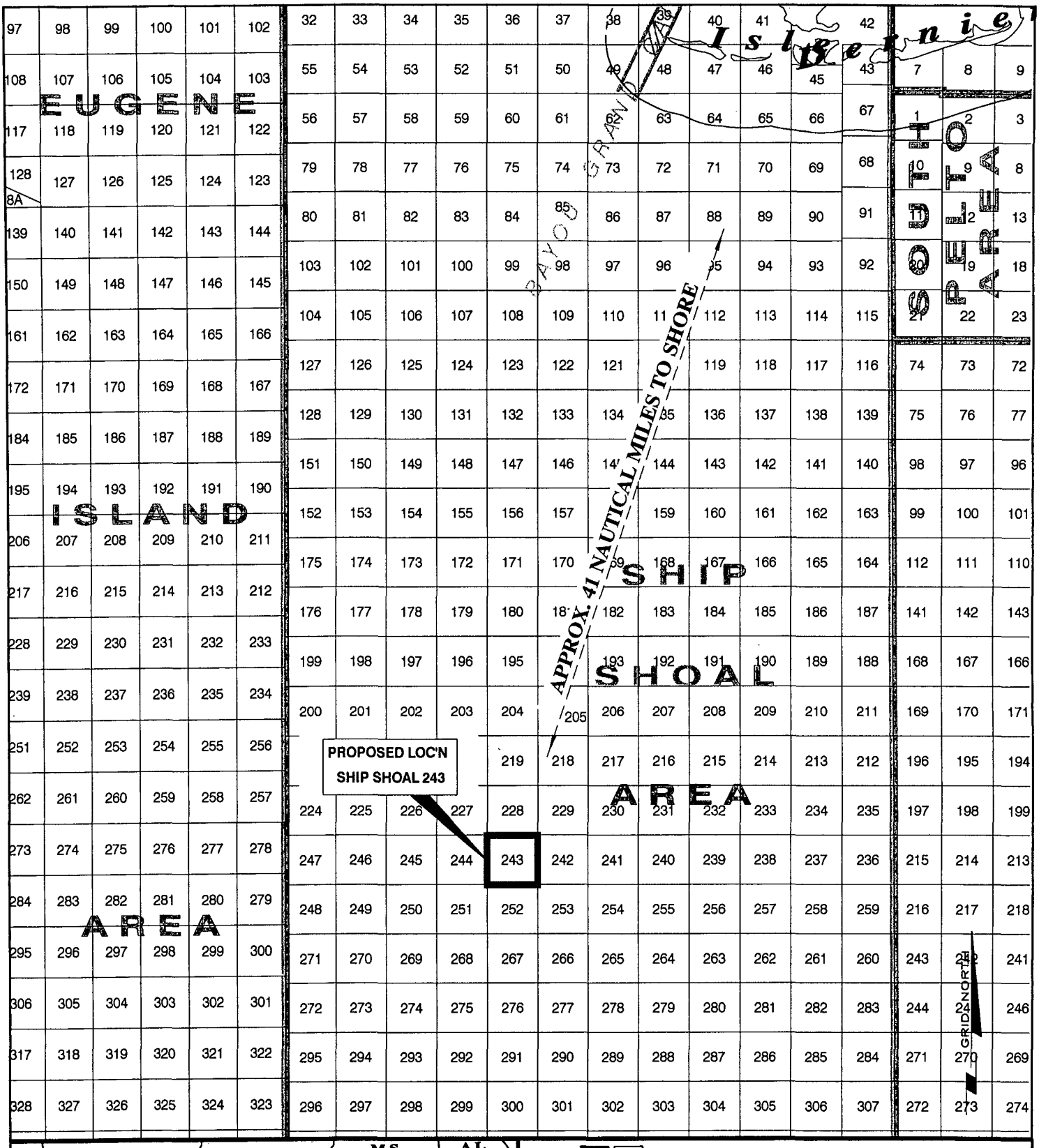
As mentioned in Appendix A, Well No. A006 will be drilled from Walter's existing A platform in Block 243. Platform A is 4-pile, 6-slot production facility with existing facilities. The production will flow via one existing 8-inch inch gas / condensate pipeline right-of-way (Segment 10595 / ROW OCS-G 15021) to Williams operated 20" subsea tie-in in Ship Shoal Block 228 and via one existing 6-inch oil pipeline right-of-way (Segment 10596 / ROW OCS-G 15022) to an Equilon operated pipeline system in Ship Shoal Block 241.

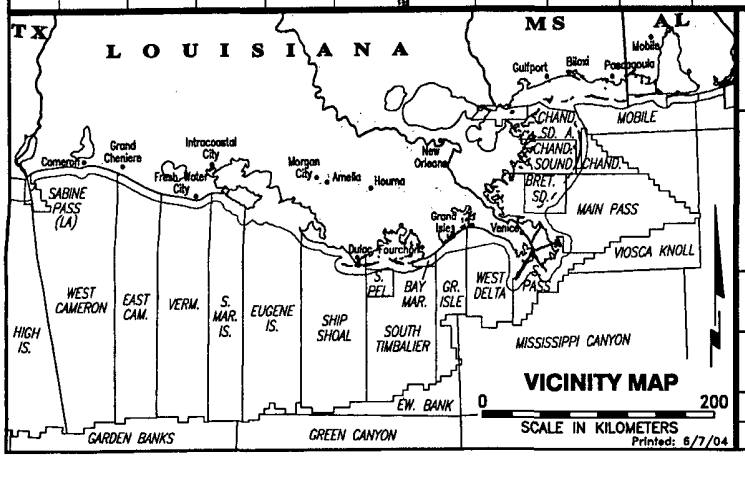
There will be no lease term pipelines or new OCS facilities installed under this proposed plan.

I. TRANSPORTATION INFORMATION

Well No. A006 will be produced via one existing 8-inch inch gas / condensate pipeline right-of-way (Segment 10595 / ROW OCS-G 15021) to a Williams operated 20" subsea tie-in in Ship Shoal Block 228 and via one existing 6-inch oil pipeline right-of-way (Segment 10596 / ROW OCS-G 15022) to an Equilon operated pipeline system in Ship Shoal Block 241. Liquid hydrocarbons, will be transported to an existing onshore facility for sales via Equilon's existing pipeline Segment No. 1636 to an onshore facility.

Walter does not anticipate the need to build, expand or modify any refineries, gas plants or compressor stations as the result of the activities proposed in this Supplemental DOCD. There will be no need for barging of condensate or crude production.





WALTER OIL & GAS CORPORATION

VICINITY MAP
OCS-G-10780

BLOCK 243
SHIP SHOAL AREA
GULF OF MEXICO

FUGRO CHANCE INC.
200 Dulles Dr. Lafayette, Louisiana 70506-3001 (337) 237-1300

GEODETIC DATUM: NAD27
PROJECTION: LOUISIANA SOUTH
GRID UNITS: US SURVEY FEET

SCALE IN FEET 0 40,000'

Job No.: 04-1859 | Date: 6/7/04 | Drwn: MCM | Chart: 1 Of: 1

Dwgfile: H:\2004\041859\CAD\Marine\VICINITY

Appendix C
Geological, Geophysical & H_2S INFORMATION

In accordance with 43 CFR 2.13 (c)(9), those items considered proprietary have been omitted from the Public Information copy and have been referenced accordingly.

A. STRUCTURE CONTOUR MAPS – Proprietary Data (Omitted from PI Copy)

PROPRIETARY INFORMATION

B. INTERPRETED 2-D or 3-D SEISMIC LINES - Proprietary Data (Omitted from PI Copy)

PROPRIETARY INFORMATION

C. GEOLOGICAL STRUCTURE CROSS-SECTIONS – Proprietary Data (Omitted from PI Copy)

PROPRIETARY INFORMATION

D. SHALLOW HAZARDS REPORT – Proprietary Data (Omitted from PI Copy)

An Archaeological and Hazard Study of Block 243, Ship Shoal Area, Offshore, Louisiana was performed by Gulf Ocean Services, Inc. for Unocal (1990) to evaluate geologic conditions and inspect for potential hazards or constraints to lease exploration and development.

Copies of the report were previously submitted to the Minerals Management Service with Marathon's Initial POE (Control No. N-4771).

E. SHALLOW HAZARDS ASSESSMENT – Proprietary Data (Omitted from PI Copy)

The operations proposed under this plan will occur from an existing surface location approved under previously approved Exploration Plans. Therefore, a Shallow Hazards Assessment is not required at this time.

F. HIGH RESOLUTION SEISMIC LINES – Proprietary Data (Omitted from PI Copy)

PROPRIETARY INFORMATION

G. HYDROGEN SULFIDE INFORMATION – Proprietary Data (Omitted from PI Copy)

In accordance with Title 30 CFR 250.417(c), Walter requests Ship Shoal Block 243, Lease OCS-G 10780 be classified by the Minerals Management Service as an area where the absence of hydrogen sulfide has been confirmed based upon the following:

PROPRIETARY INFORMATION

Appendix D
BIOLOGICAL INFORMATION

CHEMOSYNTHETIC INFORMATION

The seafloor disturbing activities proposed in the Plan are in water depths less than 400 meters (1312 feet); therefore, this section of the plan is not applicable.

TOPOGRAPHIC FEATURES INFORMATION

MMS and the National Marine Fisheries Service (NMFS) have entered into a programmatic consultation agreement for Essential Fish Habitat that requires that no bottom disturbing activities, including anchors or cables from a semi-submersible drilling rig, may occur within 500 feet of the no-activity zone of a topographic feature. If such proposed bottom disturbing activities exist within 500 feet of a no activity zone, the MMS is required to consult with the NMFS.

A topographic feature does not affect the activities proposed in this plan. As per the Shallow Hazards Report, no known reefs of shelfedge topographic features are mapped within the boundaries of Ship Shoal Block 243.

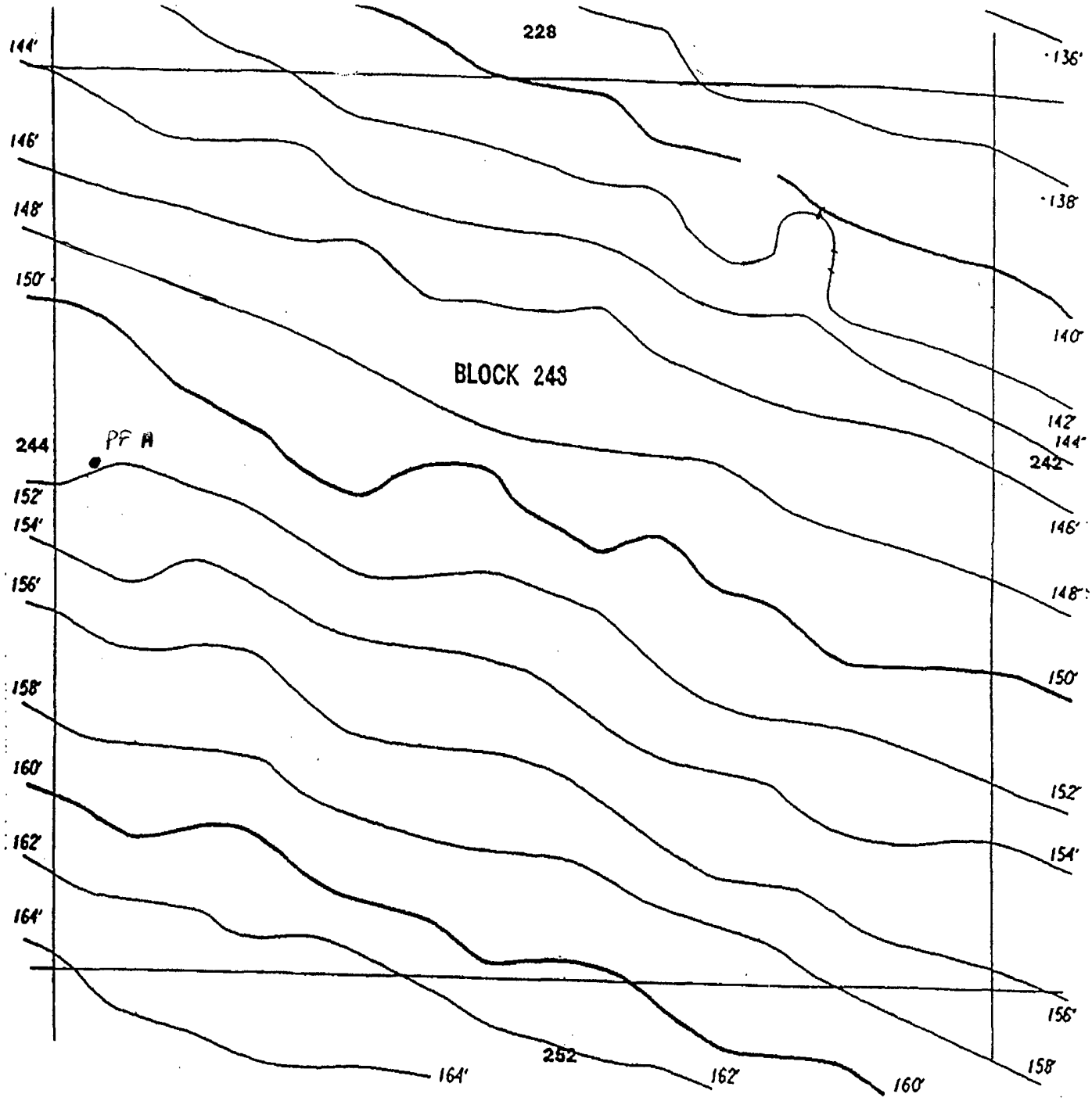
LIVE BOTTOM (PINNACLE TREND) INFORMATION

MMS and the National Marine Fisheries Service (NMFS) have entered into a programmatic consultation agreement for Essential Fish Habitat that relates to bottom-disturbing activities occurring within 100 feet of any pinnacle trend feature with vertical relief greater than or equal to 8 feet. If any bottom-disturbing activities are proposed (including anchors or cables from a semi-submersible drilling rig), within 100 feet of any pinnacle trend feature as defined above, the MMS is required to consult with the NMFS.

The activities proposed in this plan are not affected by a live bottom (pinnacle trend) stipulation.

REMOTELY OPERATED VEHICLE (ROV) SURVEYS

Ship Shoal Block 243 is not located in water depths ≥ 400 meters (1312 feet) and therefore does not require Walter to submit an ROV Monitoring Survey Plan.



WALTER OIL & GAS CORPORATION

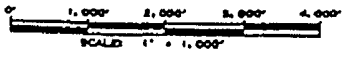
SHIP SHOAL BLOCK 243

OFFSHORE LOUISIANA

OCS-G-10780

BATHYMETRY MAP

C.I. = 2'



Appendix E
WASTES AND DISCHARGES INFORMATION

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

Walter has existing coverage under EPA Region VI NPDES General Permit GMG290000 by letter dated September 22, 1999, and will report any discharges under Outfall No. 085A or 085T.

A. Discharges

The type and general characteristic of the wastes, the amount to be discharged (volume or rate), the maximum discharge rate, a description of any treatment or storage, and the discharge location and method for each type of discharge is provided for in tabular format as **Attachment E-1**.

B. Disposed Wastes

The type and general characteristics of the wastes, the amount to be disposed of (volume, rate, or weight), the daily disposal rate, the name and location of the disposal facility, a description of any treatment or storage, and the methods for transporting and final disposal is provided for in tabular format as **Attachment E-2**.

Attachment E-1
WASTE AND DISCHARGE INFORMATION

Projected Ocean Discharges – this table is not required for this Supplemental DOCD offshore Louisiana.

Attachment E-2
Projected Wastes to be Disposed of:

Type of Waste / approximate composition	Amount (volume, weight or rate)	Rate per day	Name/Location of Disposal Facility	Treatment and /or Storage, Transport and Disposal Method
Spent oil-based drilling fluids and cuttings	NA	NA	NA	NA
Spent synthetic-based drilling fluids and cuttings	1500 bbls	Unknown	NA	SS 243 – discharge cuttings overboard, fluids returned to vendor for recycle
Waste Oil	NA	NA	Handled by Rig Contractor	Pack in drums and transport to an onshore incineration site
Trash and debris	20 ft^3 / day	20 ft^3 / day	ASCO in Fourchon, LA	Transport in storage bins on crew boat to shore base – Picked up at shore base and trucked to public facility
Waste Oil	100 bbls / yr	NA	ASCO in Fourchon, LA	Pack in drums and transport to an onshore incineration site
Produced water	NA	NA	NA	NA
Trash and debris	20 ft^3 / day	20 ft^3 / day	ASCO in Fourchon, LA	Transport in storage bins on crew boat to shore base – Picked up at shore base and trucked to a public landfill
Chemical product wastes	Unknown	Unknown	ASCO in Fourchon, LA	Transport in barrels on crew boat to shore location
Workover fluids	Unknown	Unknown	ASCO in Fourchon, LA	Transport in barrels on crew boat to shore location

Appendix F
OIL SPILL INFORMATION

Information to Comply with the Oil Pollution Act of 1990 (OPA) and the Coastal Zone Management Act (CZMA)

A. Site-Specific OSRP

Lease OCS-G 10780 is not located in the Eastern Gulf of Mexico therefore a site-specific OSRP is not required.

B. Regional OSRP Information

Walter Oil & Gas Corporation's Regional Oil Spill Response Plan (OSRP) was approved on August 20, 2003 for period ending July 31, 2005; the latest modification to the referenced plan was approved February 3, 2004. The Regional OSRP will cover activities proposed in this Supplemental DOCD.

C. OSRO Information

Walter'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.

Walter has contracted OOPS to act as Incident Commander and Spill Management Team to provide trained personnel capable of providing rapid, efficient and comprehensive supervisory management of the oil spill response. OOPS will direct the activities of Walter Oil & Gas Corporation's existing response plan and identify additional contractors as necessary for an adequate response. OOPS will act as liaison with Walter's response contractors, equipment provider organization and other related consultants to achieve a coordinated, efficient response to the spill.

D. Worst Case Scenario Comparison

The worst-case discharge (WCD) proposed in this Supplemental DOCD does not supersede the worst-case discharge as approved in our Regional OSRP. See below:

Category	Regional OSRP	DOCD
Type of Worst-case Scenario[1]	Production	Production
Facility Location (area/block)	EW 871	SS 243
Facility Designation[2]	Subsea Wells 001 & 004	Well A006
Distance to Nearest Shoreline	64	41
Worst-case Scenario Volume[3]		
Storage tanks (maximum capacity)	NA	800 bbls
Flowlines (maximum capacity)	NA	0
Lease term pipelines (calculated)	NA	600 bbls
Uncontrolled blowout (daily volume)	10,105 bbls	3000 bbls
Total Worst-case Scenario Volume	10,105 bbls	4400 bbls
Type of Oil (crude oil, condensate)	Oil	Crude / Condensate
API Gravity(s)[4]	19.7°	30° And 45.9°

[1] Types of worst-case discharge scenarios include (1) oil production platform, including caissons, subsea completions or manifolds, (2) exploratory or development drilling operations including subsea completion or manifold, and mobile drilling rig, and (3) pipeline facility (see 30 CFR 254.47(a),(b), and (c)).

[2] E.g., Well No. 2, Platform JA, Pipeline Segment No. 6373.
[3] Take your regional OSRP worst-case scenario volume from the appropriate section of your regional OSRP. For EP's, determine the worst-case scenario volume using the criteria at 30 CFR 254.47(b). For DOCD's, determine the worst-case scenario volume using the criteria at 30 CFR 254.47(a), (b), and (c), as appropriate.
[4] Provide API gravity of each oil given under "Type of Oil" above. Estimate for EP's.

Since Walter has the capability to respond to the WCD spill scenario included in its Regional OSRP and since the WCD scenario determined for our Supplemental DOCD does not replace the WCD scenario determined for our Regional OSRP, I hereby certify that Walter Oil & Gas Corporation has the capability to respond, to the maximum extent practicable, to a WCD resulting from the activities proposed in our Supplemental DOCD.

Information for MMS to Comply with the National Environmental Policy Act (NEPA) and Coastal Zone Management (CZMA)

Facility tanks, production vessels

Tanks with a capacity of 25 bbls or more of oil as defined at 30 CFR 254.6 are listed below.

Type of Storage Tank	Type of Facility	Tank Capacity (bbls)	Number of Tanks	Total Capacity (bbls)	Fluid Gravity (API)
NA	Platform A	NA	NA	NA	NA

Diesel oil supply vessels

Size of Fuel Supply Vessel	Capacity of Fuel Supply Vessel	Frequency of Fuel Transfers	Route Fuel Supply Vessel will Take
NA	NA	NA	NA

Support vessels fuel tanks

Type of Vessel	Number in Field Simultaneously	Estimated Maximum Fuel Tank Storage Capacity
Tug boat(s)	NA	140,000 gals
Supply boat(s)	1	25,000 - 35,000 gals
Service boat(s)	NA	25,000 - 35,000 gals
Crew boat(s)	1	25,000 – 35,000 gals

Produced Liquid Hydrocarbons Transportation Vessels

If liquid hydrocarbons are produced, they will not be transported by means other than a pipeline.

Oil-base and synthetic-based drilling fluids

Type of Fluid	Est. Vol. of Mud Used/Well	Mud Disposal Method	Est. Vol. of Cuttings Generated/Well	Cuttings Disposal Method
Synthetic-based	2000 bbls	Recycle	1500 bbls	Discharge

Blowout Scenario

The highest volume of liquid hydrocarbons would occur if a kick was encountered while drilling the objective zone and the blowout prevention equipment failed. **PROPRIETARY INFORMATION**
The well would potentially bridge in about 2 to 3 days. If a relief well was required, a separate rig should be on location within one week depending upon the weather and industry rig utilization rates. The estimated time to drill a relief well would be about 30 days.

Spill Response Sites

Primary Response Equipment Location	Preplanned Staging Location(s)
Houma, LA and Lake Charles, LA	Morgan City, LA

Spill response Discussion for NEPA Analysis

Should a WCD spill scenario occur from this development operation, Walter Oil & Gas Corporation's Qualified Individual (QI) would notify OOPS who will call together the Incident Command (IC) Team. The Incident Command Post would be determined. The IC would relay the actual conditions to determine the trajectory of the spill and the probability of impacting a land segment.

An over flight will be conducted to determine the extent of the spill and how quickly it is dissipating. Mechanical recovery (Skimmers) may include a fast response unit. If an offshore response is necessary, dispersants, if approved by the USCG would be applied by Airborne Support Inc. The dispersant rational would depend upon the size of the slick. PHI or Air Logistics would supply the spotter aircraft and spotter personnel.

If the spill went unabated, shoreline impact would depend upon existing environmental conditions. Onshore response may include the deployment of shoreline boom on beach areas, or protection and sorbent boom on vegetated areas. Strategies would be based upon surveillance and real time trajectories that depict areas of potential impact given actual sea and weather conditions. Detailed spill response discussions are included in Appendix H of Walter Oil & Gas Corporation's Regional Oil Spill Response Plan.

The probability that an oil spill starting within Ship Shoal Block 243 will contact a County or Parish has been projected utilizing information from the MMS Oil Spill Risk Analysis Model (OSRAM). The results are as follows:

Area / Block	Lease No.	Launch Area	Land Segment	% Probability within 3 / 10 / 30 days
SS 243	G-10780	40	Calhoun, TX	- / - / 1
			Matagorda, TX	- / - / 3
			Brazoria, TX	- / - / 1
			Galveston, TX	- / - / 5
			Jefferson, TX	- / 1 / 5
			Cameron, LA	- / 3 / 11
			Vermilion, LA	- / 1 / 4
			Iberia, LA	- / - / 2
			St. Mary, LA	- / - / 1
			Terrebonne, LA	- / 2 / 4
			LaFourche, LA	- / - / 1
			Jefferson, LA	- / - / -
			Plaquemines, LA	- / - / 2

NOTE: "-" equals < .5 percent

Walter will make every effort to respond to the Worst Case Discharge as effectively as possible.

Pollution Prevention Measures

Walter Oil & Gas Corporation does not propose any additional safety, pollution prevention, or early spill detection measures beyond those required by 30 CFR 250.

Walter Oil & Gas Corporation will utilize the best management practices available for ensuring all operations are performed in a safe and workmanlike conduct.

AIR EMISSIONS CALCULATIONS - SECOND YEAR

COMPANY	AREA	BLOCK	LEASE	PLATFORM	WELL		CONTACT	PHONE	REMARKS
Walter Oil & Gas	Ship Shoal	243	10780	A	A006		Judy Archer	713.659.1221	#REF!

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	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
	PRIME MOVER>600hp diesel	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
	PRIME MOVER>600hp diesel	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
	PRIME MOVER>600hp diesel	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
	BURNER diesel	0			0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	AUXILIARY EQUIP<600hp diesel	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(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
	VESSELS>600hp diesel(tugs)	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
PIPELINE INSTALLATION	PIPELINE LAY 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
	SUPPORT VESSEL 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
	PIPELINE BURY 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
	SUPPORT VESSEL 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
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
PRODUCTION	RECIP.<600hp 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
	RECIP.>600hp diesel	2065	99.7395	2393.75	6	12	1.46	6.68	50.03	1.50	10.92	0.05	0.24	1.80	0.05	0.39
	SUPPORT VESSEL 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
	TURBINE nat gas	0	0	0.00	0	0		0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00
	RECIP.2 cycle lean nat gas	0	0	0.00	0	0		0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00
	RECIP.4 cycle lean nat gas	0	0	0.00	0	0		0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00
	RECIP.4 cycle rich nat gas	0	0	0.00	0	0		0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00
	BURNER nat gas	0	0.00	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
2005 YEAR TOTAL							1.46	6.68	50.03	1.50	10.92	0.05	0.24	1.80	0.05	0.39
EXEMPTION CALCULATION	DISTANCE FROM LAND IN MILES															
	41.0											1365.30	1365.30	1365.30	1365.30	40426.69

AIR EMISSIONS CALCULATIONS - THIRD YEAR

COMPANY	AREA	BLOCK	LEASE	PLATFORM	WELL			CONTACT				PHONE	REMARKS			
Walter Oil & Gas	Ship Shoal	243	10780	A	A006			Judy Archer				713.659.1221	#REFI			
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	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
	PRIME MOVER>600hp 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
	PRIME MOVER>600hp 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
	PRIME MOVER>600hp 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
	BURNER diesel	0			0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	AUXILIARY EQUIP<600hp 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
	VESSELS>600hp diesel(tugs)	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
PIPELINE INSTALLATION	PIPELINE LAY 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
	SUPPORT VESSEL 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
	PIPELINE BURY 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
	SUPPORT VESSEL 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
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
PRODUCTION	RECIP.<600hp 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
	RECIP.>600hp diesel	2065	99.7395	2393.75	6	12	1.46	6.68	50.03	1.50	10.92	0.05	0.24	1.80	0.05	0.39
	SUPPORT VESSEL 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
	TURBINE nat gas	0	0	0.00	0	0		0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00
	RECIP.2 cycle lean nat gas	0	0	0.00	0	0		0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00
	RECIP.4 cycle lean nat gas	0	0	0.00	0	0		0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00
	RECIP.4 cycle rich nat gas	0	0	0.00	0	0		0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00
	BURNER nat gas	0	0.00	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
2006 YEAR TOTAL							**1.46**	**6.68**	**50.03**	**1.50**	**10.92**	**0.05**	**0.24**	**1.80**	**0.05**	**0.39**
EXEMPTION CALCULATION	**DISTANCE FROM LAND IN MILES**											**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
	0.0															

AIR EMISSIONS CALCULATIONS - FOURTH YEAR

COMPANY	AREA	BLOCK	LEASE	PLATFORM	WELL		CONTACT	PHONE	REMARKS
Walter Oil & Gas	Ship Shoal	243	10780	A	A006		Judy Archer	713.659.1221	#REFI

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	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
	PRIME MOVER>600hp 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
	PRIME MOVER>600hp 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
	PRIME MOVER>600hp 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
	BURNER diesel	0			0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	AUXILIARY EQUIP<600hp 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
	VESSELS>600hp diesel(tugs)	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
PIPELINE INSTALLATION	PIPELINE LAY 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
	SUPPORT VESSEL 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
	PIPELINE BURY 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
	SUPPORT VESSEL 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
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
PRODUCTION	RECIP.<600hp 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
	RECIP.>600hp diesel	2065	99.7395	2393.75	6	12	1.46	6.68	50.03	1.50	10.92	0.05	0.24	1.80	0.05	0.39
	SUPPORT VESSEL 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
	TURBINE nat gas	0	0	0.00	0	0		0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00
	RECIP.2 cycle lean nat gas	0	0	0.00	0	0		0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00
	RECIP.4 cycle lean nat gas	0	0	0.00	0	0		0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00
	RECIP.4 cycle rich nat gas	0	0	0.00	0	0		0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00
	BURNER nat gas	0	0.00	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
2007 YEAR TOTAL							1.46	6.68	50.03	1.50	10.92	0.05	0.24	1.80	0.05	0.39
EXEMPTION CALCULATION	DISTANCE FROM LAND IN MILES											1365.30	1365.30	1365.30	1365.30	40426.69
	41.0															

AIR EMISSION CALCULATIONS

OMB Control No. 1010-0049
OMB Approval Expires: August 31, 2006

COMPANY	AREA	BLOCK	LEASE	PLATFORM	WELL
Walter Oil & Gas	Ship Shoal	243	10780	A	A006

Year	Emitted Substance				
	PM	SOx	NOx	VOC	CO
2004	2.50	11.47	85.95	2.58	18.75
2005	0.05	0.24	1.80	0.05	0.39
2006	0.05	0.24	1.80	0.05	0.39
2007	0.05	0.24	1.80	0.05	0.39
Allowable	1365.30	1365.30	1365.30	1365.30	40426.69

Appendix G
AIR EMISSIONS INFORMATION

Included in this section as **Attachment G-1** is the Projected Air Quality Emissions Report prepared in accordance with Appendix G of NTL No. 2003-G17 addressing production operations.

There are no Projected Air Quality Emissions expected with the activities proposed in this Plan.

Screening Questions for DOCD's	Yes	No
Is any calculated Complex Total (CT) Emission amount (in tons) associated with your proposed development activities more than 90% of the amounts calculated using the following formulas: CT = $3400D^{2/3}$ for CO, and CT = 33.3D for other other air pollutants (where D = distance to shore in miles)?		X
Do your emission calculations include any emission reduction measures or modified emission factors?		X
Does or will the facility complex associated with your proposed development and production activities process production from eight or more wells?		X
Do you expect to encounter H_2S at concentrations greater than 20 parts per million (ppm)?		X
Do you propose to flare or vent natural gas in excess of the criteria set forth under 250.1105(a)(2) and (3)		X
Do you propose to burn produced hydrocarbon liquids?		X
Are your proposed development and production activities located within 25 miles from shore?		X
Are your proposed development and production activities located within 200 kilometers of the Breton Wilderness Area?		X

For further information please contact:

Kathy Camp
713.201.9627
Email: kcamp2@houston.rr.com

DOCD AIR QUALITY SCREENING CHECKLIST

OMB Control No. 1010-0049
OMB Approval Expires: August 31, 2006

COMPANY	Walter Oil & Gas
AREA	Ship Shoal
BLOCK	243
LEASE	10780
PLATFORM	A
WELL	A006
COMPANY CONTACT	Judy Archer
TELEPHONE NO.	713.659.1221
REMARKS	Drill, complete and produce Well A006

LEASE TERM PIPELINE CONSTRUCTION INFORMATION:		
YEAR	NUMBER OF PIPELINES	TOTAL NUMBER OF CONSTRUCTION DAYS
1999		
2000		
2001		
2002		
2003		
2004	NA	
2005		
2006		
2007		
2008		
2009		

AIR EMISSION CALCULATIONS - FIRST YEAR

COMPANY	AREA	BLOCK	LEASE	PLATFORM	WELL		CONTACT	PHONE	REMARKS
Walter Oil & Gas	Ship Shoal	243	10780	A	A006		Judy Archer	713.659.1221	#REF!

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	1476	71.2908	1710.98	24	45	1.04	4.77	35.76	1.07	7.80	0.56	2.58	19.31	0.58	4.21
	PRIME MOVER>600hp diesel	1476	71.2908	1710.98	24	45	1.04	4.77	35.76	1.07	7.80	0.56	2.58	19.31	0.58	4.21
	PRIME MOVER>600hp diesel	1476	71.2908	1710.98	24	45	1.04	4.77	35.76	1.07	7.80	0.56	2.58	19.31	0.58	4.21
	PRIME MOVER>600hp diesel	1476	71.2908	1710.98	24	45	1.04	4.77	35.76	1.07	7.80	0.56	2.58	19.31	0.58	4.21
	BURNER diesel	0			0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	AUXILIARY EQUIP<600hp 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)	2065	99.7395	2393.75	35	6	1.46	6.68	50.03	1.50	10.92	0.15	0.70	5.25	0.16	1.15
	VESSELS>600hp diesel(supply)	2065	99.7395	2393.75	21	6	1.46	6.68	50.03	1.50	10.92	0.09	0.42	3.15	0.09	0.69
	VESSELS>600hp diesel(tugs)	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
PIPELINE INSTALLATION	PIPELINE LAY 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
	SUPPORT VESSEL 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
	PIPELINE BURY 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
	SUPPORT VESSEL 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
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
PRODUCTION	RECIP.<600hp 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
	RECIP.>600hp diesel	2065	99.7395	2393.75	2	6	1.46	6.68	50.03	1.50	10.92	0.01	0.04	0.30	0.01	0.07
	SUPPORT VESSEL 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
	TURBINE nat gas	0	0	0.00	0	0		0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00
	RECIP.2 cycle lean nat gas	0	0	0.00	0	0		0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00
	RECIP.4 cycle lean nat gas	0	0	0.00	0	0		0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00
	RECIP.4 cycle rich nat gas	0	0	0.00	0	0		0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00
	BURNER nat gas	0	0.00	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		208333		0	0		0.12	14.87	12.56	80.94		0.00	0.00	0.00	0.00
2004 YEAR TOTAL							8.53	39.25	308.02	21.36	144.90	2.50	11.47	85.95	2.58	18.75
EXEMPTION CALCULATION	DISTANCE FROM LAND IN MILES											1365.30	1365.30	1365.30	1365.30	40426.69
	41.0															

Appendix H
ENVIRONMENTAL IMPACT ANALYSIS (EIA)

A. ENVIRONMENTAL IMPACT ANALYSIS MATRIX

Walter Oil & Gas has placed an "X" in each IPF category that we believe (by using good engineering judgment) would be impacted by the activity proposed in this plan.

Environmental Resources	Impact Producing Factors (IPFs) Categories and Examples					
	Emissions (air, noise, light, etc.)	Effluents (muds, cuttings, other discharges to the water column or seafloor)	Physical disturbances to the seafloor (rig or anchor emplacements, etc.)	Wastes sent to shore for treatment or disposal	Accidents (e.g., oil spills, chemical spills, H_2S releases)	Other IPFs you identify
Site-specific at Offshore Location						
Designated topographic features		(1)	(1)		(1)	
Pinnacle Trend area live bottoms		(2)	(2)		(2)	
Eastern Gulf live bottoms		(3)	(3)		(3)	
Chemosynthetic communities		(4)	(4)		(4)	
Water quality		X	X		X	
Fisheries		X	X		X	
Marine mammals	(8) X			X	(8) X	
Sea turtles	(8) X			X	(8) X	
Air quality	(9)					
Shipwreck sites (known or potential)			(7)			
Prehistoric archaeological sites			(7) X			
Vicinity of Offshore Location						
Essential fish habitat		X			(6) X	
Marine and pelagic birds	X			X	X	
Public health and safety					(5)	
Coastal and Onshore						
Beaches				X	(6) X	
Wetlands					(6) X	
Shore birds and coastal nesting birds					(6) X	
Coastal wildlife refuges					X	
Wilderness areas					X	
Other Resources You Identify						
None						

Footnotes for Environmental Impact Analysis Matrix

1. Activities that may affect a marine sanctuary or topographic feature. Specifically, if the well or platform site or any anchors will be on the seafloor within the:
   (a) 4-mile zone of the Flower Garden Banks, or the 3-mile zone of Stetson Bank,
   (b) 1000-m, 1-mile or 3-mile zone of any topographic feature (submarine bank) protected by the Topographic Features Stipulation attached to an OCS lease;
   (c) Essential Fish Habitat (EFH) criteria of 500 ft from any no-activity zone; or

(d) Proximity of any submarine bank (500 ft buffer zone) with relief greater than 2 meters that is not protected by the Topographic Features Stipulation attached to an OCS lease.

2. Activities with any bottom disturbance within a OCS lease block protected through the Live Bottom (Pinnacle Trend) Stipulation attached to an OCS lease.
3. Activities within any Eastern Gulf OCS block where seafloor habitats are protected by the Live Bottom (Low-Relief) Stipulation attached to an OCS lease.
4. Activities on blocks designated by the MMS as being in water depths 400 meters or greater.
5. Exploration or production activities where H_2S concentrations greater than 500 ppm might be encountered.
6. All activities that could result in an accidental spill of produced liquid hydrocarbons or diesel fuel that you judge would impact these environmental resources. If the proposed action is located a sufficient distance from a resource that no impact would occur, the EIA can note that in a sentence or two.
7. All activities that involve seafloor disturbances, including anchor emplacements, in any OCS block designated by the MMS as having high-probability for the occurrence of shipwrecks or prehistoric sites, including such blocks that will be affected that are adjacent to the lease block in which your planned activity will occur. If the proposed activities are located a sufficient distance from a shipwreck or prehistoric site that no impact would occur, the EIA can note that in a sentence or two.
8. All activities that you determine might have an adverse effect on endangered or threatened marine mammals or sea turtles or their critical habitats.
9. Production activities that involve transportation of produced fluids to shore using shuttle tankers or barges.

B. ANALYSIS

Site-specific at Offshore Location

1. Designated Topographic Features

The topographic features of the Central Gulf provide habitat for coral reef community organisms. Since 1973 stipulations have been made a part of leases on or near these biotic communities so that impacts from nearby oil and gas activities were mitigated to the greatest extent possible. This stipulation does not prevent the recovery of oil and gas resources, but serves to protect valuable and sensitive biological resources.

There are no IPF's (including effluents, physical disturbances to the seafloor, and accidents) from the proposed activities planned for Ship Shoal Block 243 that could cause impacts to topographic features. The site-specific offshore location of the proposed activities is approximately 30 miles from the closest designated topographic feature (Ewing Bank).

It is unlikely that an accidental surface or subsurface oil spill would occur from the proposed activities. Since the crests of designated topographic features in the northern Gulf are found below 10 meters, concentrated oil from a surface spill is not expected to reach their sessile biota. Even if a subsurface spill were to occur very near a designated topographic feature, subsurface oil should rise to the surface, and any oil remaining at depth would probably be swept clear of the bank by currents moving around the bank.

The activities proposed in this plan will be covered by our regional OSRP (refer to information submitted in accordance with NTL 2003-G17 Appendix F).

2. Pinnacle Trend Area Live Bottoms

A small portion of the northeastern Central Planning Area includes portions of 70 lease blocks that are characterized by a pinnacle trend. The pinnacle trend extends into the northwest portion of the Eastern Planning Area. The pinnacles are a series of topographic irregularities with variable biotal coverage, which provide structural habitat for a variety of pelagic fish. The Live Bottom (Pinnacle Trend) Stipulation is intended to protect the pinnacle trend and associated hard-bottom communities from damage and, at the same time, provide for recovery of potential oil and gas resources.

There are no IPF's (including effluents, physical disturbances to the seafloor, and accidents) from the proposed activities planned for Ship Shoal Block 243 that could cause impacts to pinnacle trend area live bottoms. The site-specific offshore location of the proposed activities is approximately 250 miles away from the closest pinnacle trend live bottom stipulated block.

It is unlikely that an accidental surface or subsurface oil spill would occur from the proposed activities. Any surface oil spill resulting from the proposed action would likely have no impact on the biota of the pinnacle trend because the crests of these features are much deeper than 20 meters. Even if a subsurface spill were to occur very near pinnacle trend live bottom areas, subsurface oil should rise in the water column, surfacing almost directly over the source location and thus not impact pinnacles.

The activities proposed in this plan will be covered by our regional OSRP (refer to information submitted in accordance with NTL 2003-G17 Appendix F).

3. Eastern Gulf Live Bottoms

A small portion of the northeastern Central Planning Area includes portions of 70 lease blocks that are characterized by a pinnacle trend. The pinnacle trend extends into the northwest portion of the Eastern Planning Area. The pinnacles are a series of topographic irregularities with variable biotal coverage, which provide structural habitat for a variety of pelagic fish. The Live Bottom (Pinnacle Trend) Stipulation is intended to protect the pinnacle trend and associated hard-bottom communities from damage and, at the same time, provide for recovery of potential oil and gas resources.

There are no IPF's (including effluents, physical disturbances to the seafloor, and accidents) from the proposed activities planned for Ship Shoal Block 243 that could cause impacts to Eastern Gulf live bottoms. The site-specific offshore location of the proposed activities is approximately 250 miles away from the closest Eastern Gulf live bottom stipulated block.

It is unlikely that an accidental surface or subsurface oil spill would occur from the proposed activities. Any surface oil spill resulting from the proposed action would not be expected to cause adverse impacts to Eastern Gulf live bottoms because of the depth of the features and dilution of spills (by currents and / or quickly rising oil).

The activities proposed in this plan will be covered by our regional OSRP (refer to information submitted in accordance with NTL 2003-G17 Appendix F).

4. Chemosynthetic Communities

There are no IPF's (including effluents, physical disturbances to the seafloor, and accidents) from the proposed activities that could cause impacts to Chemosynthetic Communities.

Chemosynthetic biologic communities that lie in water depths in excess of 400 meters (1312 feet) are of concern for environmental protection measures. The water depth at the existing platform location in Block 243 is 150 feet. The site-specific offshore location of the proposed activity is in water depths less than 400 meters (1312 feet).

5. Water Quality

Effluents and accidents from the proposed activities planned for Ship Shoal Block 243 could potentially cause impacts to water quality. Routine impact-producing factors that could result in water quality degradation from offshore OCS oil and gas operations include rig / anchor emplacement, platform and pipeline installation and removal, and the discharge of operational wastes. The major discharges from offshore oil and gas exploration and production activities include produced water, drilling fluids and cuttings, ballast water, and uncontaminated seawater. Minor discharges from the offshore oil and gas industry include drilling-waste chemicals, fracturing and acidifying fluids, and well completion and workover fluids; and from production operations, deck drainage, and miscellaneous well fluids (cement, BOP fluid); and other sanitary and domestic wastes, gas and oil processing wastes, and miscellaneous discharges. Since all discharges will be made in accordance with a general National Pollutant Discharge Elimination System (NPDES) permit issued by U.S. Environmental Protection Agency (USEPA), operational discharges are not expected to cause significant adverse impacts to water quality.

Offshore accidents, such as blowouts and spills could also occur and have the potential to alter offshore water quality. Sediment disturbance is expected to result in minor, localized, temporary increases in water-column turbidity in offshore waters. Given the low frequency of blowouts, minimum impacts on water quality due to resuspension of sediments are expected.

Oil spills related to the proposed action are assumed to be mostly very small events (and for spills greater than 50 bbl) to occur very infrequently. It is unlikely that an accidental oil spill would occur from the proposed activities. If a spill were to occur, the dissolved components and small oil droplets would temporarily affect the water quality of marine waters. Dispersion by currents and microbial degradation would remove the oil from the water column or dilute the constituents to background levels.

The activities proposed in this plan will be covered by our Regional OSRP (refer to information submitted in accordance with NTL 2003-G17 Appendix F).

6. Fisheries

Effects on commercial fisheries from activities associated with this plan for Ship Shoal Block 243 could come from oil spills, subsurface blowouts, and offshore discharges of drilling mud and produced waters.

An accidental oil spill that may occur as a result of the proposed action has the potential to cause some detrimental effects to fisheries. However, it is unlikely that an accidental surface or subsurface oil spill would occur from the proposed activities. If a spill were to occur in open waters of the OCS proximate to mobile adult finfish or shellfish, the effects would likely be sublethal and the extent of damage would be reduced to the capability of adult fish and shellfish to avoid a spill, to metabolize hydrocarbons, and to excrete both metabolites and parent compounds. The effect of oil spills on fisheries is expected to cause less than 1 percent decrease in commercial populations or in commercial fishing. At the expected level of effect, the resultant influence on Central Gulf fisheries is negligible and will be indistinguishable from natural population variations. The activities proposed in this plan will be covered by our regional OSRP (refer to information submitted in accordance with NTL 2003-G17 Appendix F).

Subsurface blowouts have the potential to adversely affect commercial fishery resources. Sandy sediments will be quickly redeposited within 400 m of the blowout site and finer sediments will be widely dispersed and redeposited over a period of 30 days or longer within a few thousand meters. It is expected that the infrequent subsurface blowout that may occur on the Gulf OCS will have a negligible effect on Gulf commercial fisheries.

Drilling mud discharges contain chemicals toxic to marine fishes; however, this is only at concentrations 4 or 5 orders of magnitude higher than those found more than a few meters from the discharge point. Offshore discharges of drilling muds will dilute to background levels within 1000 meters of the discharge point and have a negligible effect on Central Gulf fisheries.

7. Marine Mammals

Marine mammals may be adversely impacted by several IPF's (including vessel traffic, noise, accidental oil spills, and loss of trash and debris, all of which could occur due to the proposed action for Ship Shoal Block 243. Chronic and sporadic sublethal effects could occur that may stress and / or weaken individuals of a local group or population and make them more susceptible to infection from natural or anthropogenic sources. Few lethal effects are expected from oil spills, chance collisions with service vessels and ingestion of plastic material. Oil spills of any size are estimated to be aperiodic events that may contact cetaceans. Disturbance (e.g., noise) may stress animals, weaken their immune systems, and make them more vulnerable to parasites and diseases that normally would not be fatal.

The net result of any disturbance would depend on the size and percentage of the population affected, ecological importance of the disturbed area, environmental and biological parameters that influence an animal's sensitivity to disturbance and stress, and the accommodation time in response to prolonged disturbance (Geraci and St. Aubin, 1980). Collisions between cetaceans and ships could cause serious injury or death (Laist et al., 2001). Sperm whales are one of 11 whale species that are hit commonly by ships (Laist et al., 2001). Collisions between OCS vessels and cetaceans within the project area are expected to be unusual events.

The activities proposed in this plan will be covered by our regional OSRP (refer to information submitted in accordance with NTL 2003-G17 Appendix F).

The Minerals Management Service issued NTL 2003-G10 pursuant to 30 CFR 250.103, 250.23(o) and 250.204(s) to explain how Operators must implement measures to minimize the risk of vessel strikes to protected species and report observations of injured or dead protected species effective June 19, 2003. We will ensure that our contract vessel operators are aware of their requirement to report sightings of any injured or dead protected species immediately to the MMS Protected Species Biologist by telephone.

With regards to marine trash and debris, effective June 19, 2003, the Minerals Management Service issued NTL 2003-G11 pursuant to 30 CFR 150.103 to provide guidance and assist the operators in preventing intentional and / or accidental introduction of trash and debris into the marine environment. With this assistance and with laws such as MARPOL-Annex V, the Marine Plastic Pollution Research and Control Act, and regulations imposed by various agencies including the U.S. Coast Guard and the U.S. Environmental Protection Agency, our employees will ensure that all offshore personnel, including contractors and other support services-related personnel have

complete understanding of the requirement that Operators be proactive in avoiding accidental loss of solid waste items on the OCS.

8. Sea Turtles

IPF's that could impact sea turtles include vessel traffic, noise, trash and debris, and accidental oil spills. Small numbers of turtles could be killed or injured by chance collision with service vessels or by eating indigestible trash, particularly plastic items, accidentally lost from drill rigs, production facilities, and service vessels. Drilling rigs and project vessels produce noise that could disrupt normal behavior patterns and create some stress potentially making sea turtles more susceptible to disease. Oil spills and oil-spill-response activities are potential threats that could have lethal effects on turtles. Contact with oil, consumption of oil particles, and oil-contaminated prey could seriously affect individual sea turtles. Oil-spill-response planning and the habitat protection requirements of the Oil Pollution Act of 1990 should mitigate these threats.

Most OCS-related impacts on sea turtles are expected to be sublethal. Chronic sublethal effects (e.g., stress) resulting in persistent physiological or behavioral changes and / or avoidance of effected areas could cause declines in survival or productivity, resulting in gradual population declines.

The activities proposed in this plan for Ship Shoal Block 243 will be covered by our regional OSRP (refer to information submitted in accordance with NTL 2003-G17 Appendix F). The Minerals Management Service issued NTL 2003-G10 pursuant to 30 CFR 250.103, 250.23(o) and 250.204(s) to explain how Operators must implement measures to minimize the risk of vessel strikes to protected species and report observations of injured or dead protected species effective June 19, 2003. We will ensure that our contract vessel operators are aware of their requirement to report sightings of any injured or dead protected species immediately to the MMS Protected Species Biologist by telephone.

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9. Air Quality

The proposed drilling and production activities planned for Ship Shoal Block 243 are located approximately 41 miles from the nearest Louisiana shoreline.

Although the proposed drilling and production operations are temporary in nature, there would be a limited degree of air quality degradation in the immediate vicinity. Emissions of pollutants into the atmosphere from the production are not expected to have significant impacts on onshore air quality because of the prevailing atmospheric conditions, emission heights, emission rates, and the distance of these emissions from the coastline.

The Projected Air Quality Emissions Report (Attachment G-1) indicates that the MMS exemption level will not be exceeded during the operations proposed in the Supp DOCD. There are no existing facilities or activities co-located with the current proposed activities; therefore, the Complex Total Emissions are the same as the Plan Emissions.

10. Shipwreck Sites (Known or Potential)

IPF's that could cause impacts to known or potential shipwreck sites from the proposed activities include physical disturbances to the seafloor. The archival review indicates that no shipwrecks are recorded or reported lost within this block although several have been reported lost within the near vicinity (LI'L Texas, 1960 in SS 235). The proposed activity will be from an existing surface location.

However, in the event items of significant cultural resource potential are discovered during the proposed operations, Walter will immediately halt all operations and notify the appropriate department at the Minerals Management Service for further evaluation and assistance.

11. Prehistoric Archaeological Sites

IPF's that could cause impacts to known or potential prehistoric archaeological sites from the proposed activities include physical disturbances to the seafloor. Correlations between prehistoric archaeological sites and geomorphic features were attractive habitation and resource utilization sites (Aten, 1983; CEI, 1977, 1982, 1986; Gagliano, 1984). Such features include the natural levees, margins, point bars, and terraces of alluvial streams, the margins of lakes and estuaries, relict beach ridges, and the crests of exposed salt domes (CEI, 1977). The identification of such features on presently submerged portions of the shelf would indicate high probability areas for prehistoric archaeological sites. Based on the Gulf Ocean Services survey performed in 1990, no high probability areas for prehistoric archaeological sites were recorded within the block.

However, in the event items of significant cultural resource potential are discovered during the proposed operations, Walter will immediately halt all operations and notify the appropriate department at the Minerals Management Service for further evaluation and assistance.

Vicinity of Offshore Location:

1. Essential Fish Habitat

IPF's that could impact essential fish habitats as a result of the proposed operations in the plan for Ship Shoal Block 243 include effluents and accidents. The major effluent discharges from offshore oil and gas exploration and production activities include produced water, drilling fluids and cuttings, ballast water, and uncontaminated seawater (see Section 5, Water Quality, above). Minor discharges from the offshore oil and gas industry include drilling-waste chemicals, fracturing and acidifying fluids, and well completion and workover fluids; and from production operations, deck drainage, and miscellaneous well fluids (cement, BOP fluid); and other sanitary and domestic wastes, gas and oil processing wastes, and miscellaneous discharges. Since all discharges will be made in accordance with a general National Pollutant Discharge Elimination System (NPDES) permit issued by U.S. Environmental Protection Agency (USEPA), operational discharges are not expected to cause significant adverse impacts to water quality.

An accidental oil spill that may occur as a result of the proposed action has the potential to cause some detrimental effects on essential fish habitat. However, it is unlikely that an accidental surface or subsurface oil spill would occur from the proposed activities.

Offshore oil spillage from OCS operations is small compared with the volume of oil produced. Since 1980, OCS operators have produced about 5.5 BBO of oil, while the amount of oil spilled offshore totaled about 61,500 bbl (0.001%) or 1 bbl spilled for every 89,500 produced. In 1994, MMS revised its oil-spill occurrence rates for large spills (Anderson and LaBell3, 1994). An examination of the two major sources of OCS-related offshore spills (platforms and pipelines) shows that the greater risk of a large spill is from a pipeline. There have been no spills ≥1000 bbls from OCS platforms since 1980.

If a spill were to occur in open waters of the OCS proximate to mobile adult finfish or shellfish, the effects would likely be sublethal and the extent of damage would be limited and lessened due to the capability of adult fish and shellfish to avoid a spill, to metabolize hydrocarbons, and to excrete both metabolites and parent compounds. The activities proposed in this plan will be covered by our regional OSRP (refer to information submitted in accordance with NTL 2003-G17 Appendix F).

2. Marine and Pelagic Birds

IPF's that could impact marine and pelagic birds as a result of the proposed operations in the plan for Ship Shoal Block 243 include air emissions, accidents and discarded trash and debris. Emissions of pollutant into the atmosphere from the activities associated with the proposed operations in this plan are not projected to have significant impacts on air quality that could harm marine and pelagic birds because of the prevailing atmospheric conditions, emission heights, emission rates and pollutant concentrations.

An accidental oil spill that may occur as a result of the proposed action has the potential to cause some detrimental effects on marine and pelagic birds. Some physical oiling could occur during dives, as well as secondary toxic effects through the uptake of prey. However, it is unlikely that an accidental surface or subsurface oil spill would occur from the proposed activities. The activities proposed in this plan will be covered by our regional OSRP (refer to information submitted in accordance with NTL 2003-G17 Appendix F).

With regards to marine trash and debris, coastal and marine birds can commonly become entangled and snared in discarded trash and debris. Effective June 19, 2003, the Minerals Management Service issued NTL 2003-G11 pursuant to 30 CFR 150.103 to provide guidance and assist the operators in preventing intentional and / or accidental

introduction of trash and debris into the marine environment. With this assistance and with laws such as MARPOL-Annex V, the Marine Plastic Pollution Research and Control Act, and regulations imposed by various agencies including the U.S. Coast Guard and the U.S. Environmental Protection Agency, our employees will ensure that all offshore personnel, including contractors and other support services-related personnel have complete understanding of the requirement that Operators be proactive in avoiding accidental loss of solid waste items on the OCS.

3. Public Health and Safety Due to Accidents

There are no IPF's (including an accidental H_2S releases) from the proposed activities for Ship Shoal Block 243 that could cause impacts to public health and safety.

Under the Supplemental DOCD approval dated May 25, 2000, MMS confirmed that the activities proposed on Ship Shoal Block 243 were classified as "H_2S absent" in accordance with 30 CFR 250.417(c). Further, In accordance with 30 CFR 250.417(c) and NTL 2003-G17 (Appendix C) we have submitted sufficient information to justify our request that the area of our proposed activities be classified by MMS as H_2S absent.

Coastal and Onshore:

1. Beaches

Primary IPF's associated with offshore oil and gas exploration and development, and most widely recognized as major threats to the enjoyment and use of recreational beaches, are oil spills (accidents) and marine trash and debris. The operations proposed in this plan for Ship Shoal Block 243 are not projected to have significant impacts on coastal beaches.

An accidental oil spill that may occur as a result of the proposed action has the potential to cause some detrimental effects on coastal beaches. However, it is unlikely that an accidental surface or subsurface oil spill would occur from the proposed activities. The level of response to a spill will be based on volume, weather, and the characteristics of the product spilled. Walter's objectives for spill response are to ensure the safety of citizens and response personnel; control the source of the spill, have a coordinated response effort; maximize the protection of environmental sensitive areas; contain, recover and remove as much of the spill product as possible; recover and rehabilitate injured wildlife; minimize economic impacts; and keep the general public informed of the response activities. The activities proposed in this plan will be covered by our regional OSRP (refer to information submitted in accordance with NTL 2003-G17 Appendix F).

With regards to marine trash and debris, effective June 19, 2003, the Minerals Management Service issued NTL 2003-G11 pursuant to 30 CFR 150.103 to provide guidance and assist the operators in preventing intentional and / or accidental introduction of trash and debris into the marine environment. With this assistance and with laws such as MARPOL-Annex V, the Marine Plastic Pollution Research and Control Act, and regulations imposed by various agencies including the U.S. Coast Guard and the U.S. Environmental Protection Agency, our employees will ensure that all offshore personnel, including contractors and other support services-related personnel have complete understanding of the requirement that Operators be proactive in avoiding accidental loss of solid waste items on the OCS.

2. Wetlands

The primary IPF associated with offshore oil and gas exploration and development, and most widely recognized as major threats to the wetlands are oil spills (accidents). The operations proposed in this plan for Ship Shoal Block 243 are not projected to have significant impacts on wetlands.

The probability that an oil spill starting within Ship Shoal Block 243 will contact a County or Parish (thereby encountering any wetlands within same) has been projected utilizing information from the MMS Oil Spill Risk Analysis Model (OSRAM). The results can be found in Appendix F of this plan, under the "Spill Response Discussion for NEPA Analysis".

If the spill went unabated, shoreline impact would depend upon existing environmental conditions. Onshore response may include the deployment of shoreline boom on beach areas, or protection and sorbent boom on vegetated areas. Strategies would be based upon surveillance and real time trajectories that depict areas of potential impact given actual sea and weather conditions. Detailed spill response discussions are included in Appendix H of Walter Oil & Gas Corporation's Regional Oil Spill Response Plan. The activities proposed in this plan will be covered by our regional OSRP (refer to information submitted in accordance with NTL 2003-G17 Appendix F).

3. Shore Birds and Coastal Nesting Birds

The primary IPF associated with offshore oil and gas exploration and development, and most widely recognized as major threats to the shore birds and coastal nesting birds are oil spills (accidents). The operations proposed in this plan for Ship Shoal Block 243 are not projected to have significant impacts on shore birds and coastal nesting birds.

An accidental oil spill that may occur as a result of the proposed action has the potential to cause some detrimental effects on shore birds and coastal nesting birds. However, it is unlikely that an accidental surface or subsurface oil spill would occur from the proposed activities. The level of response to a spill will be based on volume, weather, and the characteristics of the product spilled. Walter's objectives for spill response are to ensure the safety of citizens and response personnel; control the source of the spill, have a coordinated response effort; maximize the protection of environmental sensitive areas; contain, recover and remove as much of the spill product as possible; recover and rehabilitate injured wildlife; minimize economic impacts; and keep the general public informed of the response activities. The activities proposed in this plan will be covered by our regional OSRP (refer to information submitted in accordance with NTL 2003-G17 Appendix F).

4. Coastal Wildlife Refuges

The primary IPF associated with offshore oil and gas exploration and development, and most widely recognized as major threats to the coastal wildlife refuges are oil spills (accidents). The operations proposed in this plan for Ship Shoal Block 243 are not projected to have significant impacts on coastal wildlife refuges.

The probability that an oil spill starting within Ship Shoal Block 243 will contact a County or Parish (thereby encountering any coastal wildlife refuges within same) has been

projected utilizing information from the MMS Oil Spill Risk Analysis Model (OSRAM). The results can be found in Appendix F of this plan, under the "Spill Response Discussion for NEPA Analysis".

If the spill went unabated, shoreline impact would depend upon existing environmental conditions. Onshore response may include the deployment of shoreline boom on beach areas, or protection and sorbent boom on vegetated areas. Strategies would be based upon surveillance and real time trajectories that depict areas of potential impact given actual sea and weather conditions. Detailed spill response discussions are included in Appendix H of Walter Oil & Gas Corporation's Regional Oil Spill Response Plan. The activities proposed in this plan will be covered by our regional OSRP (refer to information submitted in accordance with NTL 2003-G17 Appendix F).

5. Wilderness Areas

The primary IPF associated with offshore oil and gas exploration and development, and most widely recognized as major threats to wilderness areas are oil spills (accidents). The closest designated wilderness is the southern portion of the Lacassine National Wildlife Refuge, which is primarily a freshwater marsh. The operations proposed in this plan are not projected to have significant impacts on wilderness areas.

The activities proposed in this plan will be covered by our regional OSRP (refer to information submitted in accordance with NTL 2003-G17 Appendix F).

Other Environmental Resources Identified: None

C. IMPACTS ON YOUR PROPOSED ACTIVITIES

The site-specific environmental conditions have been taken into account for the proposed activities under this plan. No impacts are expected on the proposed activities from site-specific environmental conditions.

An Archaeological and Hazard Study was previously submitted to the Minerals Management Service with the Initial Exploration Plan. A Shallow Hazards Assessment of any seafloor and subsurface geological manmade features and conditions that may adversely affect operations is not required for the operations proposed in this Plan for Ship Shoal Block 243.

D. ALTERNATIVES

No alternatives to the proposed activities described in this Supp DOCD were considered to reduce environmental impacts.

E. MITIGATION MEASURES

No mitigation measures other than those required by regulation will be considered to avoid, lessen or eliminate potential impacts on environmental resources.

F. CONSULTATION

Robert J. Floyd, PhD with Tesla Offshore was consulted regarding the potential environmental impacts associated with the activities proposed under this Supp DOCD.

G. REFERENCES

Although not always cited, the following were utilized in preparing the EIA:

Archaeological and Hazard Study for Block 243, Ship Shoal Area, OCS-G 10780, prepared for Unocal by Gulf Ocean Services, Inc. during 1990.

Gulf of Mexico OCS Oil and Gas Lease Sales 169, 172, 175, 178 and 182; Central Planning Area, Final EIS (OCS EIS/EA MMS 97-0033)

Gulf of Mexico OCS Oil and Gas Lease Sales 2003-2007; Central and Western Planning Area Sales; Final EIS (OCS EIS/EA MMS 2002-052)

NTL 2003-G10, effective June 19, 2003 for Vessel Strike Avoidance and Injured / Dead Protected Species Reporting

NTL 2003-G11, effective June 19, 2003, for Marine Trash and Debris Awareness and Elimination

NTL 2003-G17, effective August 27, 2003 for Information Requirements for Exploration Plans and Development Operations Coordination Documents

Appendix I
Coastal Zone Management Consistency Information

The States of Texas, Louisiana, Mississippi, Alabama and Florida have federally approved coastal zone management programs (CZMP). Applicants for an OCS plan submitted to the Minerals Management Service must provide a certification with necessary data and information for the affected State to determine that the proposed activity(s) complies with the enforceable policies of each States' approved program, and that such activity will be conducted in a manner consistent with the program.

A Coastal Zone Management Consistency Certification for the State of Louisiana is not required for the supplemental development activities proposed in this plan.

Appendix J
OCS Plan Information Form

The OCS Plan Information Form MMS-137 was prepared in accordance with Appendix J of NTL 2003-G17 and is located in Appendix A as **Attachment A-1**.