UNITED STATES GOVERNMENT
MEMORANDUM

August 6, 2004

To: Public Information (MS 5034)

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

Subject: Public Information copy of plan

- Control # - N-08158
- Type - Initial Exploration Plan
- Lease(s) - OCS-G25139 Block - 320 Green Canyon Area
- Operator - Kerr-McGee Oil & Gas Corporation
- Description - Wells A, B, C, D, and E
- Rig Type - SEMISUBMERSIBLE

Attached is a copy of the subject plan.

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

Michelle Griffitt
Plan Coordinator

Site Type/Name	Botm Lse/Area/Blk	Surface Location	Surf Lse/Area/Blk
WELL/A	G25139/GC/320	3738 FSL, 882 FEL	G25139/GC/320
WELL/B	G25139/GC/320	9184 FSL, 3610 FEL	G25139/GC/320
WELL/C	G25139/GC/320	1245 FSL, 11730 FEL	G25139/GC/320
WELL/D	G25139/GC/320	5182 FSL, 9951 FEL	G25139/GC/320
WELL/E	G25139/GC/320	2754 FSL, 5087 FEL	G25139/GC/320

ISS AUG 6'04AM10:56

Mailed

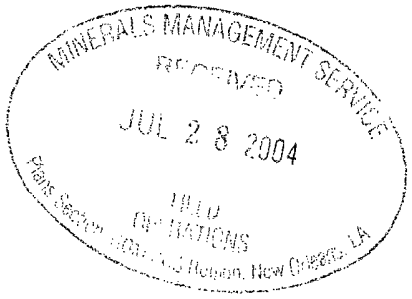
N-8158

KERR-McGEE OIL & GAS CORPORATION
16666 Northchase · Houston, Texas 77060

Cary V. Bradford
Manager of Regulatory Affairs
GOM and North America Region

Phone: 281/673-6338
Fax: 281/673-4338

July 20, 2004



U.S. Department of the Interior
Minerals Management Service
1201 Elmwood Park Boulevard
New Orleans, Louisiana 70123-2394

Attention: Mr. Nick Wetzel
Plans Unit

RE: Initial Exploration Plan for Lease OCS-G 25139, Green Canyon Block 320, OCS Federal Waters, Gulf of Mexico, Offshore, Louisiana

Gentlemen:

In accordance with the provisions of Title 30 CFR 250.203 and that certain Notice to Lessees (NTL 2003-G17), Kerr-McGee Oil & Gas Corporation (Kerr-McGee) hereby submits for your review and approval an Initial Exploration Plan (Plan) for Lease OCS-G 25139, Green Canyon Block 320, Offshore, Louisiana. Excluded from the Public Information copies are certain geologic and geophysical discussions and attachments.

Enclosed are two Proprietary Information copies (one hard copy and one CD) and two Public Information copies (one hard copy and one CD) of the Plan.

Contingent upon receiving regulatory approvals and based on equipment and personnel availability, Kerr-McGee anticipates operations under this Plan commencing as early as October 1, 2004.

Should additional information be required, please contact the undersigned, or our regulatory consultant, Christine Groth, R.E.M. Solutions, Inc., at 281.492.8562.

CONTROL No. N-8158
REVIEWER: Michelle Griffitt
PHONE: (504) 736-2975

Sincerely,

Cary V. Bradford

CVB:CAG:mjs
Attachments

Public Information

KERR-MCGEE OIL & GAS CORPORATION
16666 Northchase Drive
Houston, Texas 77060

Cary V. Bradford
cbradford@kmg.com

INITIAL EXPLORATION PLAN

LEASE OCS-G 25139

GREEN CANYON BLOCK 320

(CHILKOOT PROSPECT)

PREPARED BY:

Christine Groth
R.E.M. Solutions, Inc.
17171 Park Row, Suite 390
Houston, Texas 77084
281.492.8562 (Phone)
281.492.6117 (Fax)
christine@remsolutionsinc.com

DATED:

July 22, 2004

SECTION A
Plan Contents

A. Description, Objectives and Schedule

Lease OCS-G 25139, Green Canyon Block 320 was acquired by Kerr-McGee Oil & Gas Corporation, Ocean Energy, Inc. and Union Oil Company of California at the Central Gulf of Mexico Lease Sale No. 185 held on March 19, 2003. The lease was issued with an effective date of July 1, 2003 and a primary term ending date of June 30, 2013.

The current lease operatorship and ownership are as follows:

Area/Block Lease No.	Operator	Ownership
Green Canyon Block 320 Lease OCS-G 25139	Kerr-McGee Oil & Gas Corporation	Kerr-McGee Oil & Gas Corporation Devon Louisiana Corporation Union Oil Company of California

Kerr-McGee proposes to drill, complete, and potentially test Well Locations A, B, C, D and E in Green Canyon Block 320. Information pertaining to the geological targets, including a narrative of trapping features, is included as *Attachment A-1.*

B. Location

Attachments A-2 through A-4 is Form MMS-137 "OCS Plan Information Form", well location plat, and bathymetry map (original copy only) detailing the proposed well surface location disturbance areas with proposed anchor radius of semi-submersible rig.

C. Drilling Unit

Kerr-McGee will utilize a typical semi-submersible drilling rig for the proposed drilling, completion and testing operations provided for in this Plan. Actual rig specifications will be included with the Applications for Permit to Drill.

Safety of personnel and protection of the environment during the proposed operations is of primary concern with Kerr-McGee, and mandates regulatory compliance with the contractors and vendors associated with the proposed operations as follows:

Minerals Management Service regulations contained in Title 30 CFR Part 250, Subparts C, D, E, and O mandate the operations comply with well control, pollution prevention, construction and welding procedures as described in Title 30 CFR Part 250, Subparts C, D, E, and O; and as further clarified by MMS Notices to Lessees.

SECTION A
Contents of Plan - Continued

Minerals Management Service conducts periodic announced and unannounced 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.

U. S. Coast Guard regulations contained in Title 33 CFR mandate the appropriate life rafts, life jackets, ring buoys, etc., be maintained on the facility at all times.

U. S. Environmental Protection Agency regulations contained in the NPDES General Permit GMG290000 mandate that supervisory and certain designated personnel on-board the facility be familiar with the effluent limitations and guidelines for overboard discharges into the receiving waters.

Geological Targets and Trapping Features

Attachment A-1
(Proprietary Information)

OCS Plan Information Form

Attachment A-2
(Public Information)

U.S. Department of the Interior
Minerals Management Service

OMB Control Number: 1010-0049
OMB Approval Expires: August 31, 2006

OCS PLAN INFORMATION FORM

General Information

Type of OCS Plan	X	Exploration Plan (EP)		Development Operations Coordination Document (DOCD)	
Company Name:	Kerr McGee Oil & Gas Corporation		MMS Operation Number:	02219	
Address:	16666 Northchase		Contact Person:	Christine Groth R.E.M. Solutions, Inc.	
	Houston, Texas 77060		Phone Number:	281.492.8562	
			E-Mail Address:	christine@remsolutionsinc.com	

Lease(s):	OCS-G 25139	Area:	GC	Block(s):	320	Project Name (If Applicable):	Chilkoot				
Objective(s):		Oil	X	Gas		Sulphur		Salt	Onshore Base:	Fourchon, LA	Distance to Closes Land (Miles): 100

Description of Proposed Activities (Mark all that apply)

X	Exploration drilling		Development drilling
X	Well completion		Installation of production platform
X	Well test flaring (for more than 48 hours)		Installation of production facilities
	Installation of caisson or platform as well protection structure		Installation of satellite structure
X	Installation of subsea wellheads and/or manifolds		Commence production
	Installation of lease term pipelines		Other (Specify and describe)

Have you submitted or do you plan to submit a Conservation Information Document to accompany this plan?		Yes	X	No
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
Have all of the surface locations of your proposed activities been previously reviewed and approved by MMS?		Yes	X	No

Tentative Schedule of Proposed Activities

Proposed Activity	Start Date	End Date	No. of Days
Drill, Complete and Test Well Location A	10/01/2004	12/29/2004	90
Drill, Complete and Test Well Location B	04/01/2005	06/29/2005	90
Drill, Complete and Test Well Location C	06/30/2005	09/27/2005	90
Drill, Complete and Test Well Location D	09/28/2005	12/26/2005	90
Drill, Complete and Test Well Location E	12/27/2005	03/26/2006	90

Description of Drilling Rig

	Jackup		Drillship		Caisson		Tension Leg Platform
	Gorilla Jackup		Platform rig		Well protector		Compliant tower
X	Semi-submersible		Submersible		Fixed Platform		Guyed tower
	DP Semi-submersible		Other (Attach description)		Subsea manifold		Floating production system
Drilling Rig Name (if known): Unknown					Spar		Other (Attach Description)

Description of Production Platform

Description of Lease Term Pipelines

From (Facility/Area/Block)	To (Facility/Area/Block)	Diameter (Feet)	Length (Feet)
N/A			

OCS PLAN INFORMATION FORM (CONTINUED)

Include one copy of this page for each proposed well/structure

Proposed Well/Structure Location					
Well or Structure Name/Number (If renaming well or structure, reference previous name): **Well Location A**				Subsea Completion	
Anchor Radius (if applicable) in feet:				X Yes	No
	Surface Location		Bottom Hole Location (For Wells)		
Lease No.	OCS-G 25139		OCS-G 25139		
Area Name	Green Canyon		Green Canyon		
Block No.	320		320		
Blockline Departures (in feet)	N/S Departure	3738' FSL	N/S Departure:		
	E/W Departure	882' FEL	E/W Departure:		
Lambert X-Y coordinates	X:	2,185,038.00	X:		
	Y:	10,030,458.00	Y:		
Latitude / Longitude	Latitude:	27° 37' 51.66"	Latitude		
	Longitude	-91° 19' 03.13"	Longitude		
	TVD (Feet):		MD (Feet):	Water Depth (Feet):	2602'

Anchor Locations for Drilling Rig or Construction Barge (If anchor radius supplied above, not necessary)					
Anchor Name or No.	Area	Block	X Coordinate	Y Coordinate	Length of Anchor Chain on Seafloor
1	GC	365	2,191,513	10,026,382	3200'
2	GC	365	2,188,651	10,023,747	3175'
3	GC	364	2,180,855	10,026,088	3150'
4	GC	320	2,178,233	10,026,962	3150'
5	GC	320	2,178,563	10,034,534	3175'
6	GC	320	2,181,426	10,037,169	3175'
7	GC	321	2,189,223	10,036,828	3175'
8	GC	321	2,191,844	10,033,954	3150'

Paperwork Reduction Act of 1995 Statement: The Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35) requires us to inform you that MMS collects this information as part of an applicant's Exploration Plan or Development Operations Coordination Document submitted for MMS approval. We use the information to facilitate our review and data entry for OCS plans. We will protect proprietary data according to the Freedom of Information Act and 30 CFR 250.196. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid Office of Management and Budget Control Number. The use of this form is voluntary. The public reporting burden for this form is included in the burden for preparing Exploration Plans and Development Operations Coordination Documents. We estimate that burden to average 580 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to the Information Collection Clearance Officer, Mail Stop 4230, Minerals Management Service, 1849 C Street, N.W., Washington, DC 20240.

OCS PLAN INFORMATION FORM (CONTINUED)

Include one copy of this page for each proposed well/structure

Proposed Well/Structure Location						
Well or Structure Name/Number (If renaming well or structure, reference previous name): **Well Location B**					Subsea Completion	
Anchor Radius (if applicable) in feet:					X Yes	No
	Surface Location			Bottom-Hole Location (For Wells)		
Lease No.	OCS-G 25139			OCS-G 25139		
Area Name	Green Canyon			Green Canyon		
Block No.	320			320		
Blockline Departures (in feet)	N/S Departure	9184' FSL		N/S Departure:		
	E/W Departure	3610' FEL		E/W Departure:		
Lambert X-Y coordinates	X:	2,182,310.00		X:		
	Y:	10,035,904.00		Y:		
Latitude / Longitude	Latitude:	27° 38' 45.95"		Latitude		
	Longitude	-91° 19' 32.64"		Longitude		
	TVD (Feet):		MD (Feet):		Water Depth (Feet):	2614'

Anchor Locations for Drilling Rig or Construction Barge (If anchor radius supplied above, not necessary)

Anchor Name or No.	Area	Block	X Coordinate	Y Coordinate	Length of Anchor Chain on Seafloor
1	GC	321	2,187,645	10,030,040	3434'
2	GC	320	2,184,042	10,028,260	3380'
3	GC	320	2,176,430	10,030,752	3380'
4	GC	320	2,174,581	10,034,304	3398'
5	GC	320	2,176,998	10,041,741	3398'
6	GC	276	2,180,554	10,043,657	3470'
7	GC	321	2,188,245	10,041,106	3434'
8	GC	321	2,190,002	10,037,497	3380'

OCS PLAN INFORMATION FORM (CONTINUED)

Include one copy of this page for each proposed well/structure

Proposed Well/Structure Location							
Well or Structure Name/Number (If renaming well or structure, reference previous name): **Well Location C**					Subsea Completion		
Anchor Radius (if applicable) in feet:					X	Yes		No
	Surface Location			Bottom-Hole Location (For Wells)			
Lease No.	OCS-G 25139			OCS-G 25139			
Area Name	Green Canyon			Green Canyon			
Block No.	320			320			
Blockline Departures (in feet)	N/S Departure	1245' FSL		N/S Departure:			
	E/W Departure	11,730' FEL		E/W Departure:			
Lambert X, Y coordinates	X:	2,174,190.00		X:			
	Y:	10,027,965.00		Y:			
Latitude / Longitude	Latitude:	27° 37' 28.42"		Latitude			
	Longitude	-91° 21' 04.11"		Longitude			
	TVD (Feet):		MD (Feet):		Water Depth (Feet):	2874'	

Anchor Locations for Drilling Rig or Construction Barge (If anchor radius supplied above, not necessary)

Anchor Name or No.	Area	Block	X Coordinate	Y Coordinate	Length of Anchor Chain on Seafloor
1	GC	364	2,179,696	10,022,517	3330'
2	GC	364	2,176,272	10,020,602	3285'
3	GC	363	2,168,755	10,022,679	3245'
4	GC	363	2,166,861	10,026,044	3220'
5	GC	319	2,168,729	10,033,366	3285'
6	GC	320	2,172,074	10,035,453	3375'
7	GC	320	2,179,808	10,029,434	3410'
8	GC	320	2,181,774	10,029,954	3390'

OCS PLAN INFORMATION FORM (CONTINUED)

Include one copy of this page for each proposed well/structure

Proposed Well/Structure Location					
Well or Structure Name/Number (If renaming well or structure, reference previous name): **Well Location D**				Subsea Completion	
Anchor Radius (if applicable) in feet:				X Yes	No
	Surface Location		Bottom Hole Location (For Wells)		
Lease No.	OCS-G 25139		OCS-G 25139		
Area Name	Green Canyon		Green Canyon		
Block No.	320		320		
Blockline Departures (in feet)	N/S Departure	5182' FSL	N/S Departure:		
	E/W Departure	9951' FEL	E/W Departure:		
Lambert X-Y coordinates	X:	2,175,969.00	X:		
	Y:	10,031,902.00	Y:		
Latitude / Longitude	Latitude:	27° 38' 07.17"	Latitude		
	Longitude	-91° 20' 43.74"	Longitude		
	TVD (Feet):		MD (Feet):	Water Depth (Feet):	2689'

Anchor Locations for Drilling Rig or Construction Barge (If anchor radius supplied above, not necessary)

Anchor Name or No.	Area	Block	X Coordinate	Y Coordinate	Length of Anchor Chain on Seafloor
1	GC	364	2,181,531	10,026,398	3361'
2	GC	364	2,178,075	10,024,449	3325'
3	GC	364	2,170,514	10,026,595	3235'
4	GC	319	2,171,710	10,030,803	3235'
5	GC	320	2,170,424	10,037,388	3343'
6	GC	320	2,173,825	10,039,497	3434'
7	GC	320	2,181,426	10,037,169	3175'
8	GC	320	2,183,632	10,033,912	3434'

OCS PLAN INFORMATION FORM (CONTINUED)

Include one copy of this page for each proposed well/structure

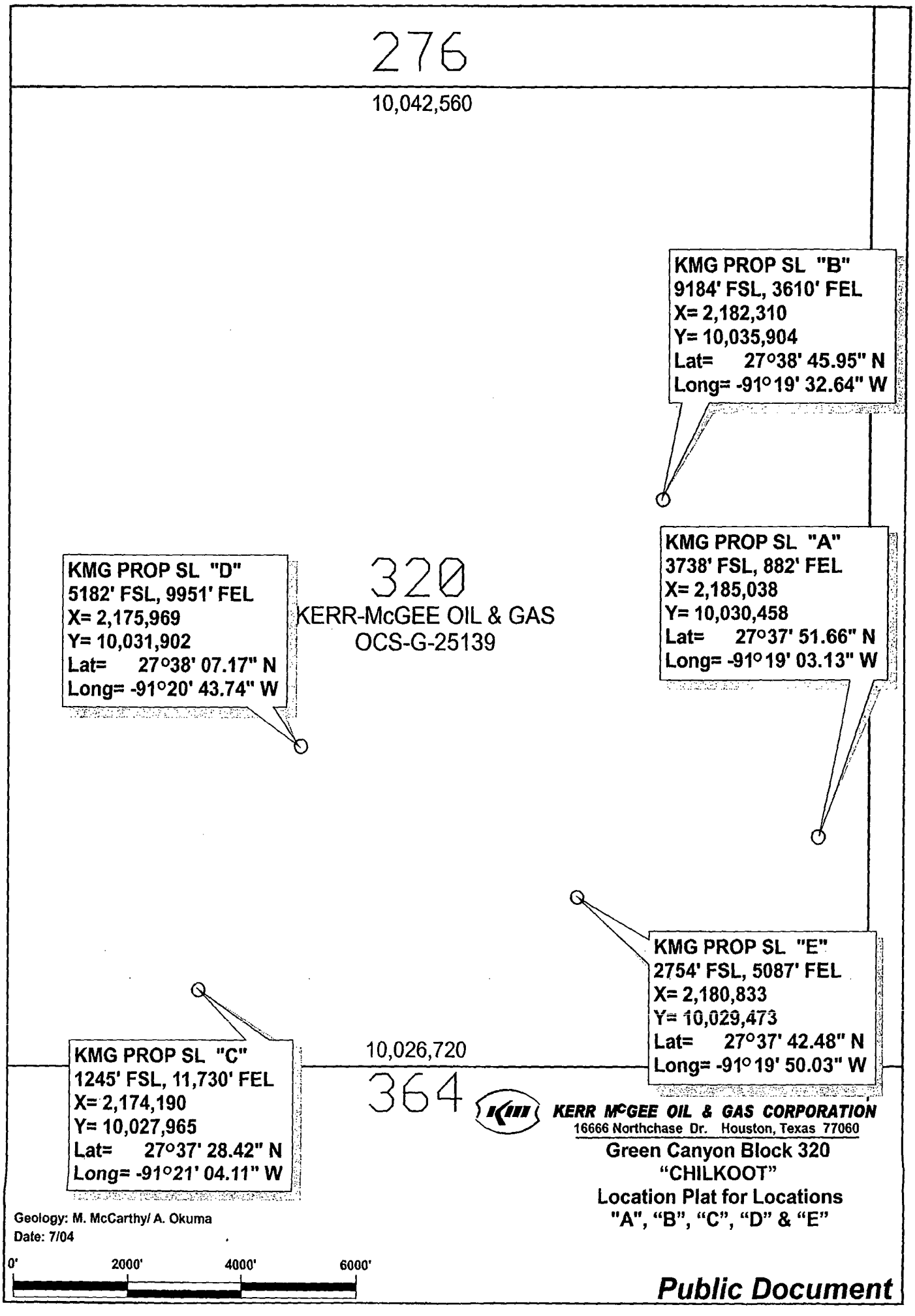
Proposed Well/Structure Location					
Well or Structure Name/Number (If renaming well or structure, reference previous name): **Well Location E**				Subsea Completion	
Anchor Radius (if applicable) in feet:				X Yes	No
	Surface Location		Bottom-Hole Location (For Wells)		
Lease No.	OCS-G 25139		OCS-G 25139		
Area Name	Green Canyon		Green Canyon		
Block No.	320		320		
Blockline Departures (in feet)	N/S Departure 2754' FSL		N/S Departure:		
	E/W Departure 5087' FEL		E/W Departure:		
Lambert X-Y coordinates	X: 2,180,833.00		X:		
	Y: 10,029,473.00		Y:		
Latitude / Longitude	Latitude: 27° 37' 42.48"		Latitude		
	Longitude -91° 19' 50.03"		Longitude		
	TVD (Feet):	MD (Feet):		Water Depth (Feet): 2658'	

Anchor Locations for Drilling Rig or Construction Barge (If anchor radius supplied above, not necessary)

Anchor Name or No.	Area	Block	X Coordinate	Y Coordinate	Length of Anchor Chain on Seafloor
1	GC	364	2,184,725	10,022,817	3300'
2	GC	364	2,180,938	10,021,793	3300'
3	GC	364	2,174,155	10,025,740	3285'
4	GC	320	2,173,152	10,029,516	3285'
5	GC	320	2,176,832	10,032,322	3455'
6	GC	320	2,180,728	10,037,314	3410'
7	GC	321	2,187,624	10,033,273	3375'
8	GC	321	2,188,764	10,029,432	3455'

Well Location Plat

Attachment A-3
(Public Information)


276
10,042,560
KMG PROP SL "B"
9184' FSL, 3610' FEL
X= 2,182,310
Y= 10,035,904
Lat= 27°38' 45.95" N
Long= -91°19' 32.64" W
KMG PROP SL "A"
3738' FSL, 882' FEL
X= 2,185,038
Y= 10,030,458
Lat= 27°37' 51.66" N
Long= -91°19' 03.13" W
KMG PROP SL "D"
5182' FSL, 9951' FEL
X= 2,175,969
Y= 10,031,902
Lat= 27°38' 07.17" N
Long= -91°20' 43.74" W
320
KERR-McGEE OIL & GAS
OCS-G-25139
KMG PROP SL "E"
2754' FSL, 5087' FEL
X= 2,180,833
Y= 10,029,473
Lat= 27°37' 42.48" N
Long= -91°19' 50.03" W
KMG PROP SL "C"
1245' FSL, 11,730' FEL
X= 2,174,190
Y= 10,027,965
Lat= 27°37' 28.42" N
Long= -91°21' 04.11" W
10,026,720
364
KERR McGEE OIL & GAS CORPORATION
16666 Northchase Dr. Houston, Texas 77060
Green Canyon Block 320
"CHILKOOT"
Location Plat for Locations
"A", "B", "C", "D" & "E"
Geology: M. McCarthy/ A. Okuma
Date: 7/04
0'
2000'
4000'
6000'
Public Document

Bathymetry Maps with Proposed Well Location
Surface Disturbances & Anchor Radius

Attachment A-4
(Public Information)

Original Copy Only

SECTION B
General Information

A. Contact

Questions or requests for additional information should be made to Kerr-McGee's authorized representative for this project:

Christine Groth
R.E.M. Solutions, Inc.
17171 Park Row, Suite 390
Houston, Texas 77084
281.492.8562 (Phone)
281.492.6117 (Fax)
christine@remsolutionsinc.com

B. Prospect Name

The proposed exploratory activities will be referred to by Kerr-McGee as the "Chilkoot Prospect".

C. New or Unusual Technology

Kerr-McGee does not propose using any new and/or unusual technology for the operations proposed in this Plan.

D. Bonding Information

In accordance with Title 30 CFR Part 256, Subpart I, Kerr-McGee elected and has on file with the Minerals Management Service Gulf of Mexico Regional Office a $3,000,000 Areawide Development Bond.

As deemed warranted, Minerals Management Service will contact the designated operator in the event a supplemental bond is required for the proposed operations, as outlined in Notice to Lessees (NTL) 2003-N06 to cover plugging liability of the wellbores, removal of associated well protector structures and site clearance.

Kerr-McGee is on the exempt list with the Minerals Management Service for supplemental bonding.

E. Onshore Base and Support Vessels

The proposed surface disturbances in Green Canyon Block 320 will be located approximately 100 miles from the nearest Louisiana shoreline, and approximately 125 miles from the onshore support base to be located in Fourchon, Louisiana.

SECTION B
General Information - Continued

Kerr-McGee will use an existing onshore base to accomplish the following routine operations:

- Loading/Offloading point for equipment supporting the offshore operations,
- Dispatching personnel and equipment, and does not anticipate the need for any expansion of the selected facilities as a result of the activities proposed in this Plan,
- Temporary storage for materials and equipment
- 24-Hour Dispatcher

Personnel involved in the proposed operations will typically use their own vehicles as transportation to and from the selected onshore base; whereas the selected vendors will transport the equipment by a combination of trucks, boats and/or helicopters to the onshore base. The personnel and equipment will then be transported to the drilling rig via the transportation methods and frequencies shown below, taking the most direct route feasible as mandated by weather and traffic conditions:

Support Vessel	Drilling and Completion Trips Per Week
Crew Boat	7
Supply Boat	3
Helicopter	3

The proposed operations are temporary in nature and do not require any immediate action to acquire additional land, expand existing base facilities.

A Vicinity Plat showing the location of Green Canyon Block 320 relative to the shoreline and onshore base is included as *Attachment B-1.*

F. Lease Stipulations

Under the Outer Continental Shelf Lands Act, the Minerals Management Service is charged with the responsibility of managing and regulating the exploration and development on the OCS.

As part of the regulatory process, an Environmental Impact Statement (EIS) is prepared for each lease sale, at which time mitigation measures are addressed in the form of lease stipulations, which then become part of the oil and gas lease terms and are therefore enforceable as part of that lease.

As part of this process, the designated operator proposing to conduct related exploratory and development activities, must review the applicable lease stipulations, as well as other special conditions, which may be imposed by the Minerals Management Service, and other governing agencies.

SECTION B
General Information - Continued

Lease OCS-G 25139, Green Canyon Block 320 is subject to the following stipulation and conditions:

Marine Protected Species

Lease Stipulation No. 6 is to reference measures to minimize or avoid potential adverse impacts to protected species (sea turtles, marine mammals, gulf sturgeon, and other federally protected species). MMS has issued Notice to Lessees NTL 2004-G01 "Implementation of Seismic Mitigation Measures and Protected Species Observer Program", NTL 2003-G10 "Vessel Strike Avoidance and Injured/Dead Protected Species Reporting" and NTL 2003-G11 "Marine Trash and Debris Awareness and Elimination".

Special Conditions

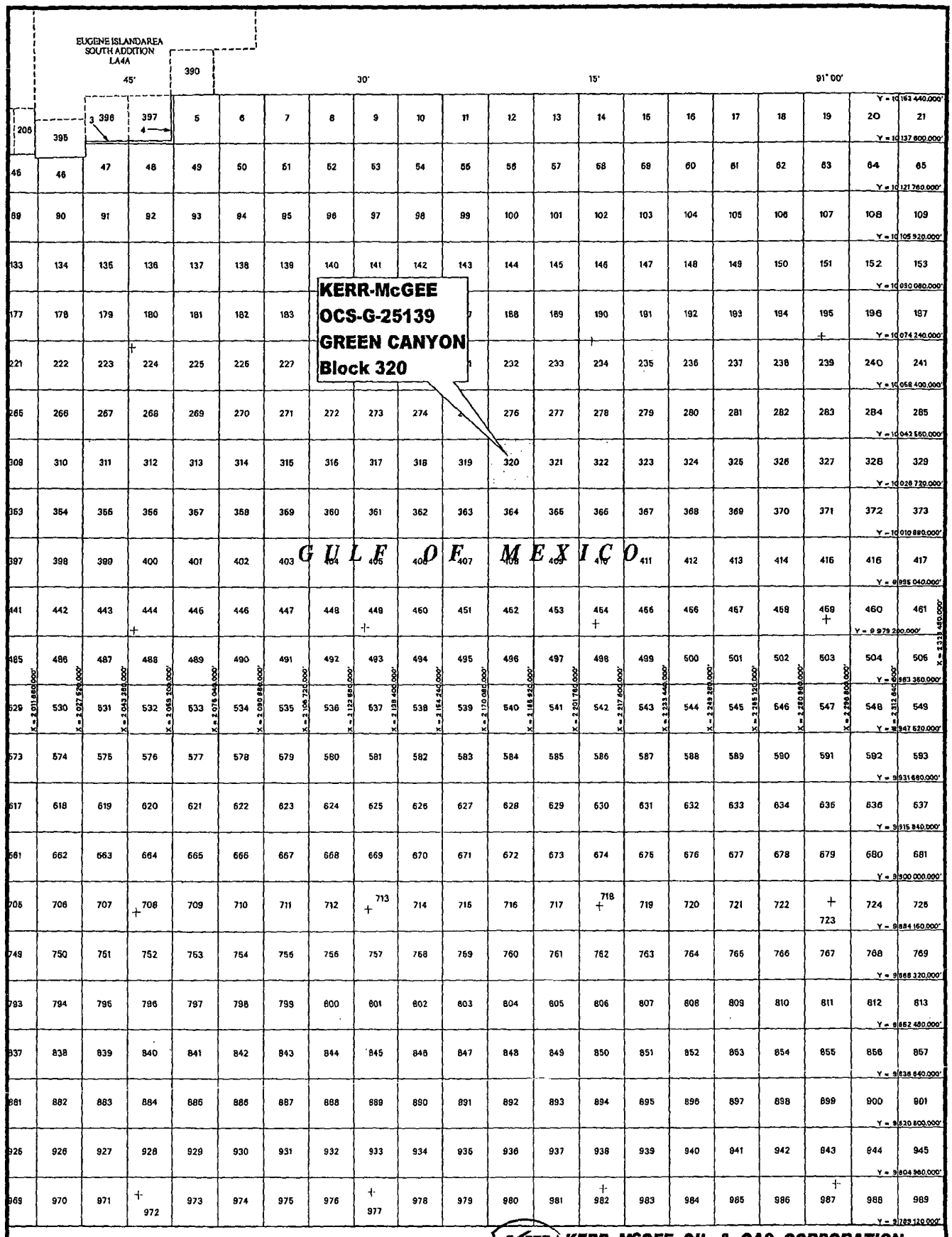
Certain area of the Gulf of Mexico have been designated by the U.S. Coast Guard as lightering zones for the purpose of permitting single hull vessels to off-load oil within the U.S. Exclusive Economic Zone. As defined in Title 33 CFR Part 156.300, there are currently four lightering zones established in the Gulf of Mexico: Southtex, Gulfmex No. 2, Offshore Pascagoula No. 2, and South Sabine Point.

Green Canyon Block 320 is located within the boundaries of Gulfmex No. 002 lightering zone. Kerr-McGee will exercise caution while conducting the proposed activities within this area.

Kerr-McGee may potentially complete Well Locations A, B, C, D and E as subsea completions. In this event, Kerr-McGee will follow the guidelines of the applicable Notice to Lessees (NTL's) 2000-N05 and 2000-N06, which mandates the submittal and approval of separate regulatory filings entitled as a "Conservation Information Document" and a "Deepwater Operations Plan", respectively.

Vicinity Plat

Attachment B-1
(Public Information)



KERR McGEE OIL & GAS CORPORATION

GREEN CANYON BLOCK 320
OCS-G-25139
POE LOCATIONS "A", "B", "C", "D" & "E"
MMS AREA MAP

SUBMITTED BY: M. McCARTHY/A. OKUMA
DATE: 7/04

SECTION C
Geological, Geophysical & H2S Information

A. Structure Contour Maps

Included as *Attachment C-1* is a current structure map (depth base and expressed in feet subsea) depicting the entire lease coverage area; drawn on the top of each prospective hydrocarbon sand. The map depicts each proposed bottom hole location and applicable geological cross section.

B. Interpreted Deep Seismic Lines

Included as *Attachment C-2* are page size copies of the migrated and annotated (shot point, time lines, well paths) of the deep seismic line within 500 feet of the surface locations.

C. Geological Structure Cross Sections

Interpreted geological cross sections depicting the proposed well locations and depth of the proposed wells are included as *Attachment C-3*. Such cross sections correspond to each seismic line being submitted.

D. Shallow Hazards Report

Geoscience Earth & Marine Services, Inc. conducted a 3D survey in Green Canyon Block 320 on behalf of Kerr-McGee Oil & Gas Corporation. The purpose of the survey was to evaluate geologic conditions and inspect for potential hazards or constraints to lease development.

Copies of these reports have been submitted to the Minerals Management Service under separate cover.

E. Shallow Hazards Assessment

Utilizing the 3D seismic exploration data, a shallow hazards analysis was prepared for the proposed surface locations, evaluating seafloor and subsurface geologic and manmade features and conditions, and is included as *Attachment C-4*.

F. High Resolution Seismic Lines

Utilizing the 3D seismic exploration data, an analysis was prepared for the proposed surface locations, evaluating seafloor and subsurface geologic and manmade features and conditions.

G. Stratigraphic Column

A generalized biostratigraphic/lithostratigraphic column from the seafloor to the total depth of the proposed wells is included as *Attachment C-5*.

SECTION C
Geological, Geophysical & H2S Information-Continued

H. Time Vs. Depth Tables

Kerr-McGee has determined that there is existing sufficient well control data for the target areas proposed in this plan; therefore, tables providing seismic time versus depth for the proposed well locations are not required.

I. Hydrogen Sulfide Classification

In accordance with Title 30 CFR 250.417, Kerr McGee requests that Green Canyon Block 320 be classified by the Minerals Management Service as an area where the absence of hydrogen sulfide has been confirmed as addressed in *Attachment C-6.*

Structure Maps

Attachment C-1
(Proprietary Information)

Deep Seismic Lines

Attachment C-2
(Proprietary Information)

Cross Section Maps

Attachment C-3
(Proprietary Information)

Shallow Hazards Assessment

Attachment C-4
(Public Information)

GEOSCIENCE EARTH & MARINE SERVICES, INC.

10615 SHADOW WOOD DRIVE
SUITE 200
HOUSTON, TEXAS 77043
Phone: (713) 468-1410
Fax: (713) 468-1438
E-mail: gems@gemsinc.com

July 14, 2004

Project No. 1103-739

Kerr-McGee Oil & Gas Corporation
16666 Northchase Drive
Houston, Texas 70060

Attention: Ms. Margaret McCarthy

Site Clearance Letter
Proposed Wellsite KMG-A
Block 320 (OCS-G-25139)
Green Canyon Area
Gulf of Mexico

The Proposed Wellsite KMG-A in GC 320 appears suitable for exploration drilling operations. Complex faulting above salt and the potential for some faults in the area used as conduits for shallow gas may influence drilling strategies at this site. This site may require further study for production purposes.

Introduction

Geoscience Earth & Marine Services, Inc., (GEMS) was contracted by Kerr-McGee Oil & Gas Corporation (Kerr-McGee) to prepare a Site Clearance Letter for the Proposed Wellsite KMG-A in Block 320 (OCS-G-25139), Green Canyon area (GC). This letter addresses specific seafloor and subsurface conditions near the proposed location to a depth of about 1,500 ft below the mudline (bml). This letter is based on findings provided within the geohazard report "Geologic and Stratigraphic Assessment, Blocks 320 (OCS-G-25139), 321 (OCS-G-20058), 364 (OCS-G-25141), and 365 (OCS-G-16737), Green Canyon Area, Gulf of Mexico" (GEMS Project No. 1103-739). The text, maps, and figures included in that report provide detail to the regional geology of the study area. This letter is intended to supplement that report with details pertaining directly to the proposed wellsite.

This letter complies with the Minerals Management Service (MMS) Notice-to-Lessees (NTL's) 2000-G20 and 98-20 (MMS, 2000 and 1998, respectively). The above stated Federal lease block does not lie within a historically significant area; therefore, requirements set forth in NTL 2002-G01 (MMS, 2002) are not applicable.

The Proposed Wellsite KMG-A is located in the southeast portion of Block 320, Green Canyon area, Gulf of Mexico. Kerr-McGee provided the following coordinates:

Proposed Wellsite KMG-A			
Spheroid & Datum: Clarke 1866, NAD27 Projection: UTM Zone 15 North		Seismic Line Reference	Block Calls GC 320
X: 2,185,038.34 ft	Latitude: 27° 37' 51.66" N	Inline: 3306	881.66 ft FEL
Y: 10,030,458.08 ft	Longitude: 91° 19' 03.13" W	Crossline: 2839	3,738.08 ft FSL

Attachments

The letter-size maps and figures accompanying this letter were extracted from the main report's original maps and 3-D data volume. The maps and figures (listed below) are centered on the proposed well location.

Map A-1:	Bathymetry Map
Map A-2:	Seafloor Rendering
Map A-3:	Seafloor Amplitude Rendering
Map A-4:	Geologic Features Map
Figure A-1:	Tophole Prognosis Chart, Proposed Wellsite KMG-A, Green Canyon Block 320
Figure A-2:	Inline 3306 and Crossline 2839 Showing Conditions Beneath Proposed Wellsite KMG-A

Water Depth and Seafloor Conditions

The water depth at the proposed location is -2,602 ft (Map A-1) with soft hemipelagic clays likely covering the seafloor (Figure A-1). The seafloor slopes to the south with a gradient of 5.2° (9.1%). The proposed location lies within a large band of irregular seafloor (Map A-2). The irregular seafloor is a result of the shallow salt uplift and surface faulting in the area. Seafloor conditions, however, appear to be favorable for exploration drilling activity.

Chemosynthetic Communities

There are no features or areas that could support significant high-density chemosynthetic communities within 1,500 ft of the proposed location. The Seafloor Amplitude Rendering (Map A-3) shows normal or ambient amplitudes along the seabed near the proposed wellsite.

Man-Made Features

There are no man-made features near the proposed surface location (Maps A-1 through A-4).

Sediments/Stratigraphy

Stratigraphic details are provided with the Tophole Prognosis Chart (Figure A-1). There are at least 272 ft of normally consolidated clays immediately below the seafloor. These normally consolidated clays should provide favorable conditions for anchoring and any bottom-founded structures. Mass-transport deposits occur below these clays and throughout the tophole section to the Top of Salt (about 1,140 ft bml). These mass-transport deposits are probably clay-rich; however, some sands are likely to occur.

Faults

The uplift of the shallow salt has resulted in complex faulting near the proposed wellsite (Figure A-2). The Proposed Wellsite KMG-A will penetrate a buried fault at approximately 394 ft bml (-2,996 ft bsl). This fault trends north-northwest to south-southeast and is downthrown to the northwest.

No seafloor faults will be penetrated nor lie within 1,000 ft of the proposed wellsite (Maps A-1 through A-4).

Shallow Gas

There are no apparent subsurface high-amplitude anomalies directly below the proposed wellsite (Map A-4; Figures A-1 and A-2). There is a negligible potential for encountering shallow gas in the upper 272 ft of normally deposited, fine-grained sediments.

There is a low potential for encountering significant shallow gas within the mass-transport deposits between 272 ft bml and 1,140 ft bml. Higher amplitude reflectors along the buried fault penetrated by the proposed wellsite suggest that the buried fault may be used as a conduit for shallow gas. However, significant pressures are unlikely and only minor amounts of solution gas may be present at the proposed wellsite.

Shallow Water Flow

The Proposed Wellsite KMG-A has a low potential for shallow water flow between 272 ft bml and 1,140 ft bml. Sand lenses may exist within the mass-transport deposits above salt; however, insufficient sediment cover exists to provide the necessary overpressured environment. Abundant faulting in the area could also provide a release of any significant overpressures.

The potential for encountering overpressured water sands in the remaining sequences at the proposed wellsite is negligible (Figure A-1).

Closing

The Proposed Wellsite KMG-A in GC 320 appears suitable for exploration drilling operations. We appreciate the opportunity to be of service to Kerr-McGee and look forward to working closely with you on other projects.

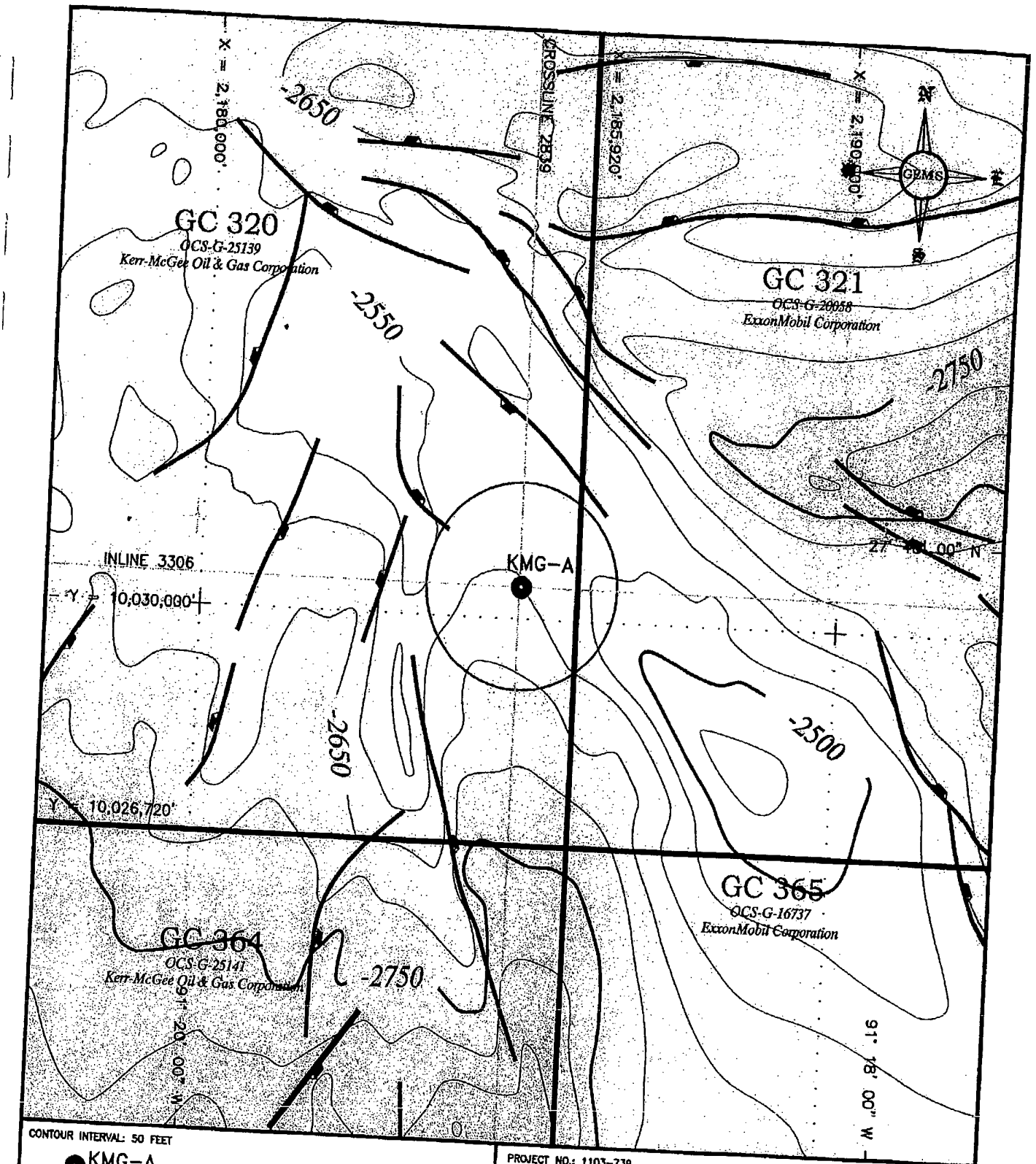
Sincerely,

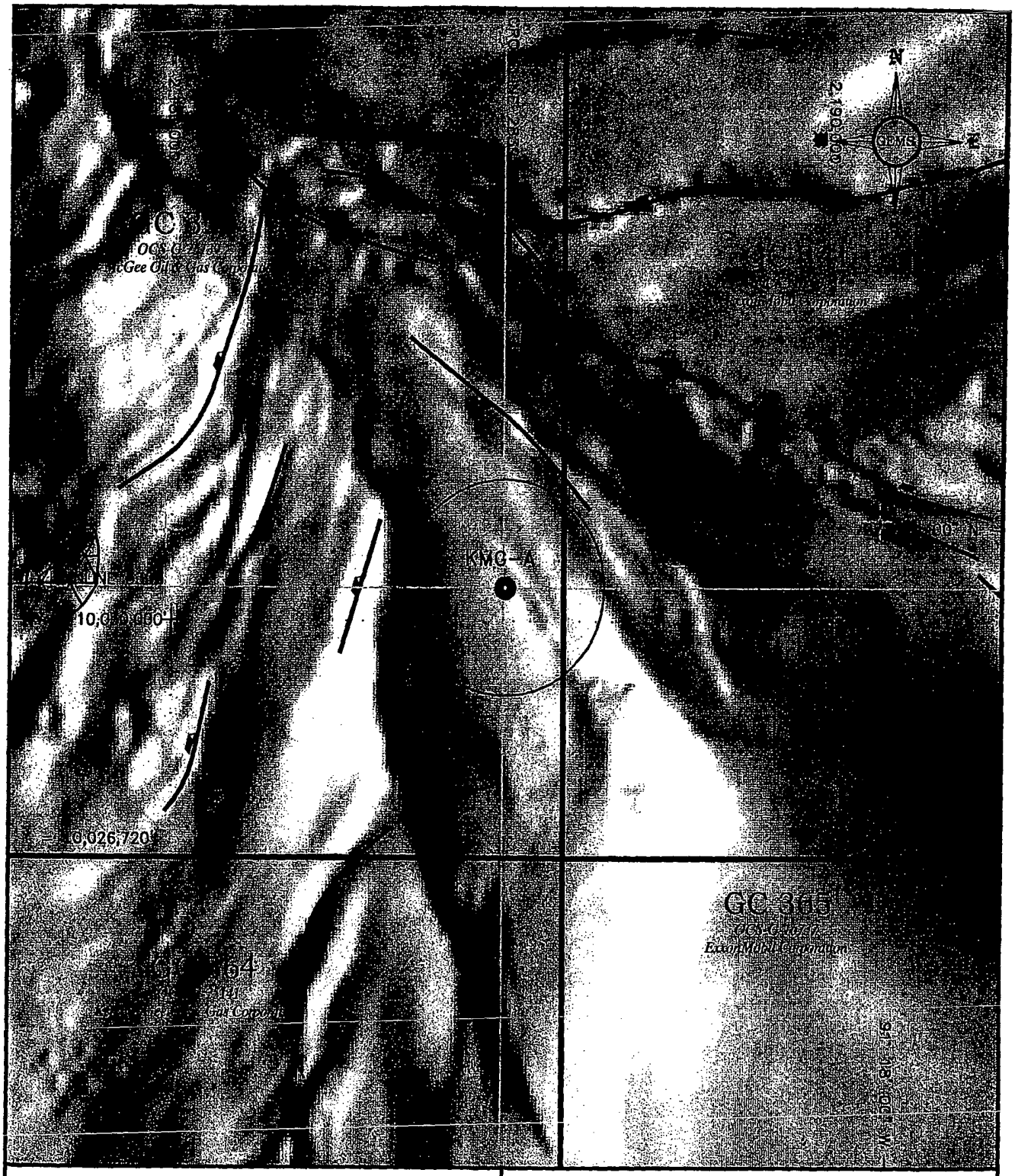
GEOSCIENCE EARTH & MARINE SERVICES, INC.

Erin Williams Janes
Geoscientist

Michael J. Kaluza
President/Marine Geologist

Attachments (4 Maps, 2 Figures)
Distribution:
Ms. Margaret McCarthy, Kerr-McGee Oil & Gas Corporation, Houston, TX (7)


X = 2,180,000'
CROSSLINE 2839
X = 2,185,920'
X = 2,190,000'
GC 320
OCS-G-25139
Kerr-McGee Oil & Gas Corporation
GC 321
OCS-G-20058
ExxonMobil Corporation
-2650
-2550
-2750
-2500
GEMS
INLINE 3306
Y = 10,030,000'
KMG-A
Y = 10,026,720'
27° 16' 00" N
91° 18' 00" W
GC 364
OCS-G-25141
Kerr-McGee Oil & Gas Corporation
GC 365
OCS-G-16737
ExxonMobil Corporation
CONTOUR INTERVAL: 50 FEET
KMG-A
PROPOSED WELL LOCATION.
CIRCLE REPRESENTS 1500 FT RADIUS AROUND PROPOSED WELLSITE.
-3000
BATHYMETRY CONTOUR. IN FEET.
SEAFLOOR FAULTS. HOUSE REPRESENTS DOWNTHROWN SIDE OF FAULT.
WATER DEPTH IN FEET
-2450
-2500
-2750
-2850
0 1000 2000 3000 4000
SCALE 1 : 24,000
SCALE 1" = 2000'
PROJECT NO.: 1103-739
FILE NAME: 739A_M1.DWG
KERR-McGEE OIL & GAS CORPORATION
BATHYMETRY MAP
BLOCK 320
GREEN CANYON AREA
GULF OF MEXICO
MAP NO. A-1



KMG-A PROPOSED WELL LOCATION.

CIRCLE REPRESENTS 1500 FT RADIUS AROUND PROPOSED WELLSITE.

SEAFLOOR FAULTS. HOUSE REPRESENTS DOWNTHROWN SIDE OF FAULT.

SLUMP SCARPS. ARROWS POINT DOWNSLOPE.

POSSIBLE EXPOSED SALT.

SEAFLOOR MOUNDS.

0 1000 2000 3000 4000

SCALE 1 : 24,000
SCALE 1" = 2000'

PROJECT NO.: 1103-739

FILE NAME: 739A_M2.DWG

KERR-McGEE OIL & GAS CORPORATION

SEAFLOOR RENDERING

BLOCK 320
GREEN CANYON AREA
GULF OF MEXICO

MAP NO. A-2

KMG-A PROPOSED WELL LOCATION.

CIRCLE REPRESENTS 1500 FT RADIUS AROUND PROPOSED WELLSITE.

SEAFLOOR FAULTS. HOUSE REPRESENTS DOWNTHROWN SIDE OF FAULT.

SLUMP SCARPS. ARROWS POINT DOWNSLOPE.

POSSIBLE EXPOSED SALT.

SEAFLOOR MOUNDS.

SEAFLOOR AMPLITUDES.

RELATIVE AMPLITUDE: HIGH / LOW

RELATIVE WATER DEPTH: SHALLOW / DEEP

0 1000 2000 3000 4000

SCALE 1 : 24,000
SCALE 1" = 2000'

PROJECT NO.: 1103-739

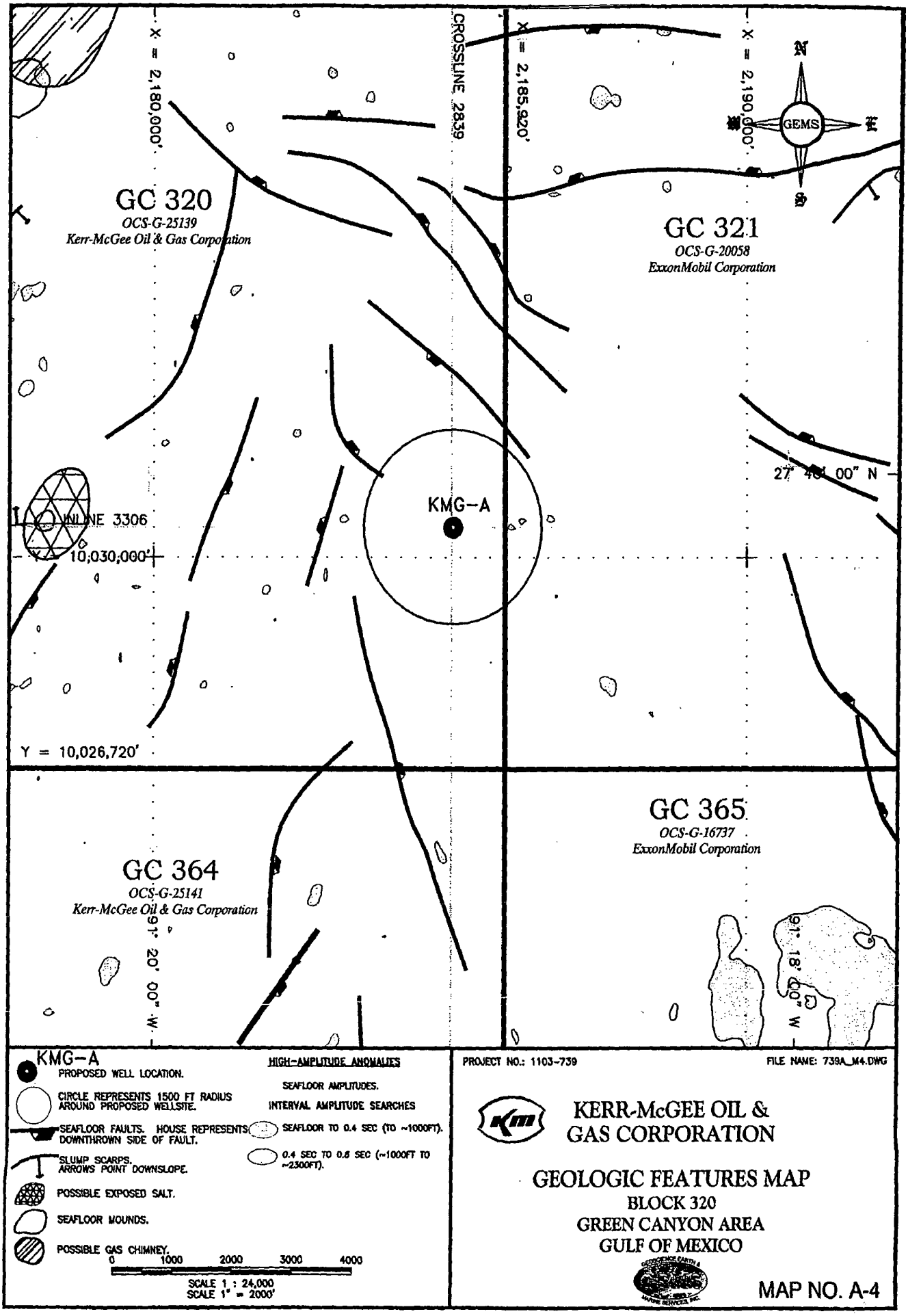
FILE NAME: 738A_M3.DWG

KERR-McGEE OIL & GAS CORPORATION

SEAFLOOR AMPLITUDE RENDERING

BLOCK 320
GREEN CANYON AREA
GULF OF MEXICO

MAP NO. A-3


X = 2,180,000'
CROSSLINE 2839
X = 2,185,920'
X = 2,190,000'
N
W
GEMS
E
S
GC 320
OCS-G-25139
Kerr-McGee Oil & Gas Corporation
GC 321
OCS-G-20058
ExxonMobil Corporation
KMG-A
INLINE 3306
Y = 10,030,000'
27° 40' 00" N
Y = 10,026,720'
GC 364
OCS-G-25141
Kerr-McGee Oil & Gas Corporation
GC 365
OCS-G-16737
ExxonMobil Corporation
91° 20' 00" W
91° 18' 00" W
KMG-A
PROPOSED WELL LOCATION.
CIRCLE REPRESENTS 1500 FT RADIUS AROUND PROPOSED WELLSITE.
SEAFLOOR FAULTS. HOUSE REPRESENTS DOWNTHROWN SIDE OF FAULT.
SLUMP SCARPS. ARROWS POINT DOWNSLOPE.
POSSIBLE EXPOSED SALT.
SEAFLOOR MOUNDS.
POSSIBLE GAS CHIMNEY.
HIGH-AMPLITUDE ANOMALIES
SEAFLOOR AMPLITUDES.
INTERVAL AMPLITUDE SEARCHES
SEAFLOOR TO 0.4 SEC (TO ~1000FT).
0.4 SEC TO 0.8 SEC (~1000FT TO ~2300FT).
0 1000 2000 3000 4000
SCALE 1 : 24,000
SCALE 1" = 2000'
PROJECT NO.: 1103-739
FILE NAME: 739A_M4.DWG
KERR-McGEE OIL & GAS CORPORATION
GEOLOGIC FEATURES MAP
BLOCK 320
GREEN CANYON AREA
GULF OF MEXICO
MAP NO. A-4

GEOSCIENCE EARTH & MARINE SERVICES, INC.

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SUITE 200
HOUSTON, TEXAS 77043
Phone: (713) 468-1410
Fax: (713) 468-1438
E-mail: gems@gemsinc.com

July 14, 2004

Project No. 1103-739

Kerr-McGee Oil & Gas Corporation
16666 Northchase Drive
Houston, Texas 70060

Attention: Ms. Margaret McCarthy

Site Clearance Letter
Proposed Wellsite KMG-B
Block 320 (OCS-G-25139)
Green Canyon Area
Gulf of Mexico

The Proposed Wellsite KMG-B in GC 320 appears suitable for exploration drilling operations. Complex faulting above salt and the potential for some faults in the area used as conduits for shallow gas may influence drilling strategies at this site. This site may require further study for production purposes.

Introduction

Geoscience Earth & Marine Services, Inc., (GEMS) was contracted by Kerr-McGee Oil & Gas Corporation (Kerr-McGee) to prepare a Site Clearance Letter for the Proposed Wellsite KMG-B in Block 320 (OCS-G-25139), Green Canyon area (GC). This letter addresses specific seafloor and subsurface conditions near the proposed location to a depth of about 600 ft below the mudline (bml). This letter is based on findings provided within the geohazard report "Geologic and Stratigraphic Assessment, Blocks 320 (OCS-G-25139), 321 (OCS-G-20058), 364 (OCS-G-25141), and 365 (OCS-G-16737), Green Canyon Area, Gulf of Mexico" (GEMS Project No. 1103-739). The text, maps, and figures included in that report provide detail to the regional geology of the study area. This letter is intended to supplement that report with details pertaining directly to the proposed wellsite.

This letter complies with the Minerals Management Service (MMS) Notice-to-Lessees (NTL's) 2000-G20 and 98-20 (MMS, 2000 and 1998, respectively). The above stated Federal lease block does not lie within a historically significant area; therefore, requirements set forth in NTL 2002-G01 (MMS, 2002) are not applicable.

The Proposed Wellsite KMG-B is located in the northeastern portion of Block 320, Green Canyon area, Gulf of Mexico. Kerr-McGee provided the following coordinates:

Proposed Wellsite KMG-B			
Spheroid & Datum: Clarke 1866, NAD27 Projection: UTM Zone 15 North		Seismic Line Reference	Block Calls GC 320
X: 2,182,309.55 ft	Latitude: 27° 38' 45.95" N	Inline: 3389	3,610.45 ft FEL
Y: 10,035,904.22 ft	Longitude: 91° 19' 32.64" W	Crossline: 2806	6,655.78 ft FNL

Attachments

The letter-size maps and figures accompanying this letter were extracted from the main report's original maps and 3-D data volume. The maps and figures (listed below) are centered on the proposed well location.

Map B-1:	Bathymetry Map
Map B-2:	Seafloor Rendering
Map B-3:	Seafloor Amplitude Rendering
Map B-4:	Geologic Features Map
Figure B-1:	Tophole Prognosis Chart, Proposed Wellsite KMG-B, Green Canyon Block 320
Figure B-2:	Inline 3389 and Crossline 2806 Showing Conditions Beneath Proposed Wellsite KMG-B

Water Depth and Seafloor Conditions

The water depth at the proposed location is -2,614 ft (Map B-1) with soft hemipelagic clays likely covering the seafloor (Figure B-1). The seafloor slopes to the north-northeast with a gradient of 2.8° (4.9%). The proposed location lies within a large band of irregular seafloor (Map B-2). This irregular seafloor is a result of the shallow salt uplift and surface faulting in the area. Seafloor conditions, however, appear to be favorable for exploration drilling activity.

Chemosynthetic Communities

There are no features or areas that could support significant high-density chemosynthetic communities within 1,500 ft of the proposed location. The Seafloor Amplitude Rendering (Map B-3) shows normal or ambient amplitudes along the seabed near the proposed wellsite.

Man-Made Features

There are no man-made features near the proposed surface location (Maps B-1 through B-4).

Sediments/Stratigraphy

Stratigraphic details are provided with the Tophole Prognosis Chart (Figure B-1). There are at least 194 ft of normally consolidated clays immediately below the seafloor. These normally consolidated clays should provide favorable conditions for anchoring and any bottom-founded structures. Mass-transport deposits occur below these clays and throughout the tophole section to the Top of Salt (about 600 ft bml). These mass-transport deposits are probably clay-rich; however, some sands are likely to occur.

Faults

The uplift of the shallow salt has resulted in complex faulting near the proposed wellsite (Figure B-2). The Proposed Wellsite KMG-B will penetrate a fault with seafloor expression at approximately 379 ft bml (-2,993 ft bsl). This fault trends northwest to southeast and is downthrown to the northeast. The seafloor expression of this fault occurs approximately 447 ft southwest of the proposed wellsite (Maps B-1 through B-4).

Other seafloor faults are present within 1,500 ft of the proposed wellsite. The closest seafloor fault to the proposed wellsite occurs approximately 300 ft to the north-northeast (Maps B-1 through B-4). This fault trends northwest to southeast and is downthrown to the northeast, away from the wellsite.

A vertical borehole will not penetrate any other mapped faults within the upper 600 ft bml (Figure B-1 and B-2). Additional minor faults may be present but are masked by the chaotic stratigraphy and structural complexity.

Shallow Gas

There are no apparent subsurface high-amplitude anomalies directly below the proposed wellsite (Map B-4; Figures B-1 and B-2). There is a negligible potential for encountering shallow gas in the upper 194 ft of normally deposited, fine-grained sediments.

There is a low potential for encountering significant shallow gas within the mass-transport deposits between 194 ft bml and 600 ft bml. Slightly higher amplitude reflectors along the seafloor fault penetrated by the proposed wellsite suggest that the fault has the potential to be used as a conduit for shallow gas. However, significant pressures are unlikely and only minor amounts of solution gas may be present at the proposed wellsite.

Shallow Water Flow

The Proposed Wellsite KMG-B has a low potential for shallow water flow between 194 ft bml and 600 ft bml. Sand lenses may exist within the mass-transport deposits above salt; however, insufficient sediment cover exists to provide the necessary overpressured environment. Abundant faulting in the area could also provide a release of any significant overpressures.

The potential for encountering overpressured water sands in the remaining sequence at the proposed wellsite is negligible (Figure B-1).

Closing

The Proposed Wellsite KMG-B in GC 320 appears suitable for exploration drilling operations. We appreciate the opportunity to be of service to Kerr-McGee and look forward to working closely with you on other projects.

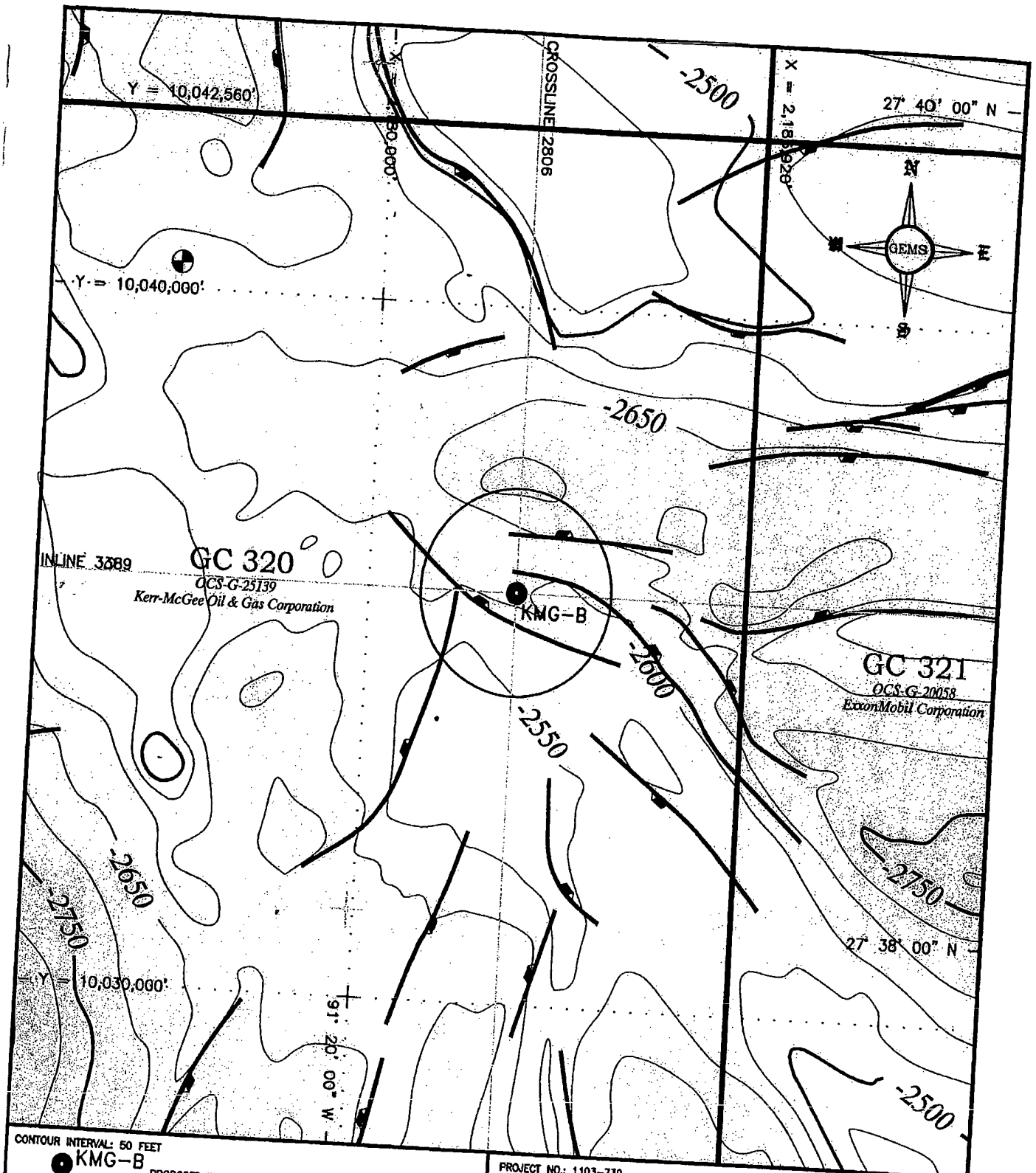
Sincerely,

GEOSCIENCE EARTH & MARINE SERVICES, INC.

Erin Williams Janes
Geoscientist

Michael J. Kaluza
President/Marine Geologist

Attachments (4 Maps, 2 Figures)
Distribution:
Ms. Margaret McCarthy, Kerr-McGee Oil & Gas Corporation, Houston, TX (7)



CONTOUR INTERVAL: 50 FEET

KMG-B — PROPOSED WELL LOCATION.

CIRCLE REPRESENTS 1500 FT RADIUS AROUND PROPOSED WELLSITE.

EXISTING CORE LOCATION.

-3000 — BATHYMETRY CONTOUR, IN FEET.

SEAFLOOR FAULTS. HOUSE REPRESENTS DOWNTHROWN SIDE OF FAULT.

WATER DEPTH IN FEET: -2450, -2500, -2550, -2600, -2650, -2700, -2750, -2800, -2850

0 1000 2000 3000 4000

SCALE 1 : 24,000
SCALE 1" = 2000'

PROJECT NO.: 1103-739

FILE NAME: 739B_M1.DWG

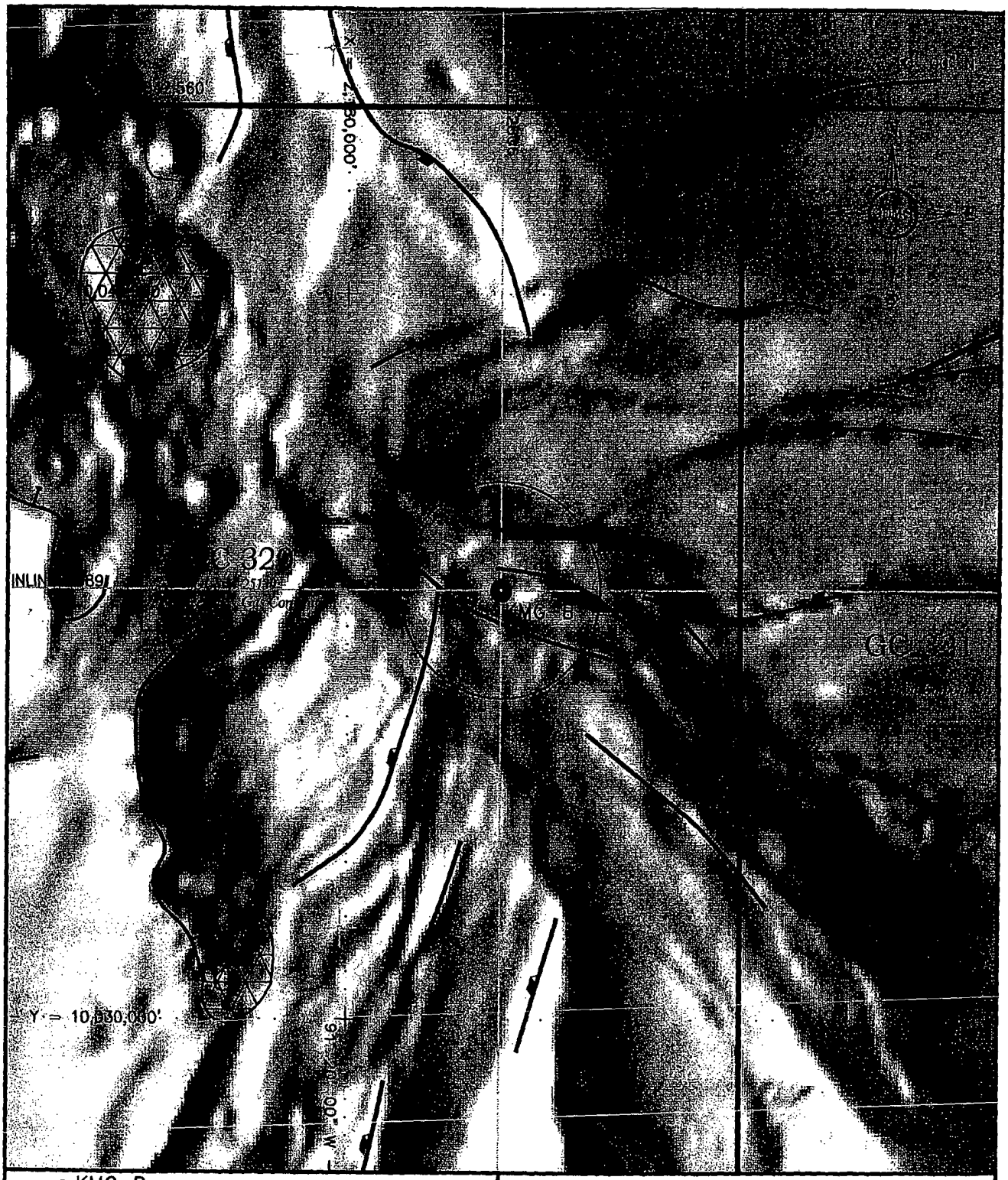
KERR-McGEE OIL & GAS CORPORATION

BATHYMETRY MAP

BLOCK 320
GREEN CANYON AREA
GULF OF MEXICO

GEOSERVICE EARTH MARINE SERVICES, INC.

MAP NO. B-1



KMG–B PROPOSED WELL LOCATION.

CIRCLE REPRESENTS 1500 FT RADIUS AROUND PROPOSED WELLSITE.

EXISTING CORE LOCATION.

SEAFLOOR FAULTS. HOUSE REPRESENTS DOWNTHROWN SIDE OF FAULT.

SLUMP SCARPS. ARROWS POINT DOWNSLOPE.

POSSIBLE EXPOSED SALT.

SEAFLOOR MOUNDS.

RELATIVE WATER DEPTH: SHALLOW — DEEP

0 1000 2000 3000 4000

SCALE 1 : 24,000
SCALE 1" = 2000'

PROJECT NO.: 1103–739

FILE NAME: 7398_M2.DWG

KERR-McGEE OIL & GAS CORPORATION

SEAFLOOR RENDERING

BLOCK 320
GREEN CANYON AREA
GULF OF MEXICO

MAP NO. B-2

KMG–B PROPOSED WELL LOCATION.

CIRCLE REPRESENTS 1500 FT RADIUS AROUND PROPOSED WELLSITE.

EXISTING CORE LOCATION.

SEAFLOOR FAULTS. HOUSE REPRESENTS DOWNTHROWN SIDE OF FAULT.

SLUMP SCARPS. ARROWS POINT DOWNSLOPE.

POSSIBLE EXPOSED SALT.

SEAFLOOR MOUNDS.

SEAFLOOR AMPLITUDES.

RELATIVE AMPLITUDE: HIGH / LOW

RELATIVE WATER DEPTH: SHALLOW / DEEP

0 1000 2000 3000 4000

SCALE 1 : 24,000

PROJECT NO.: 1103–739

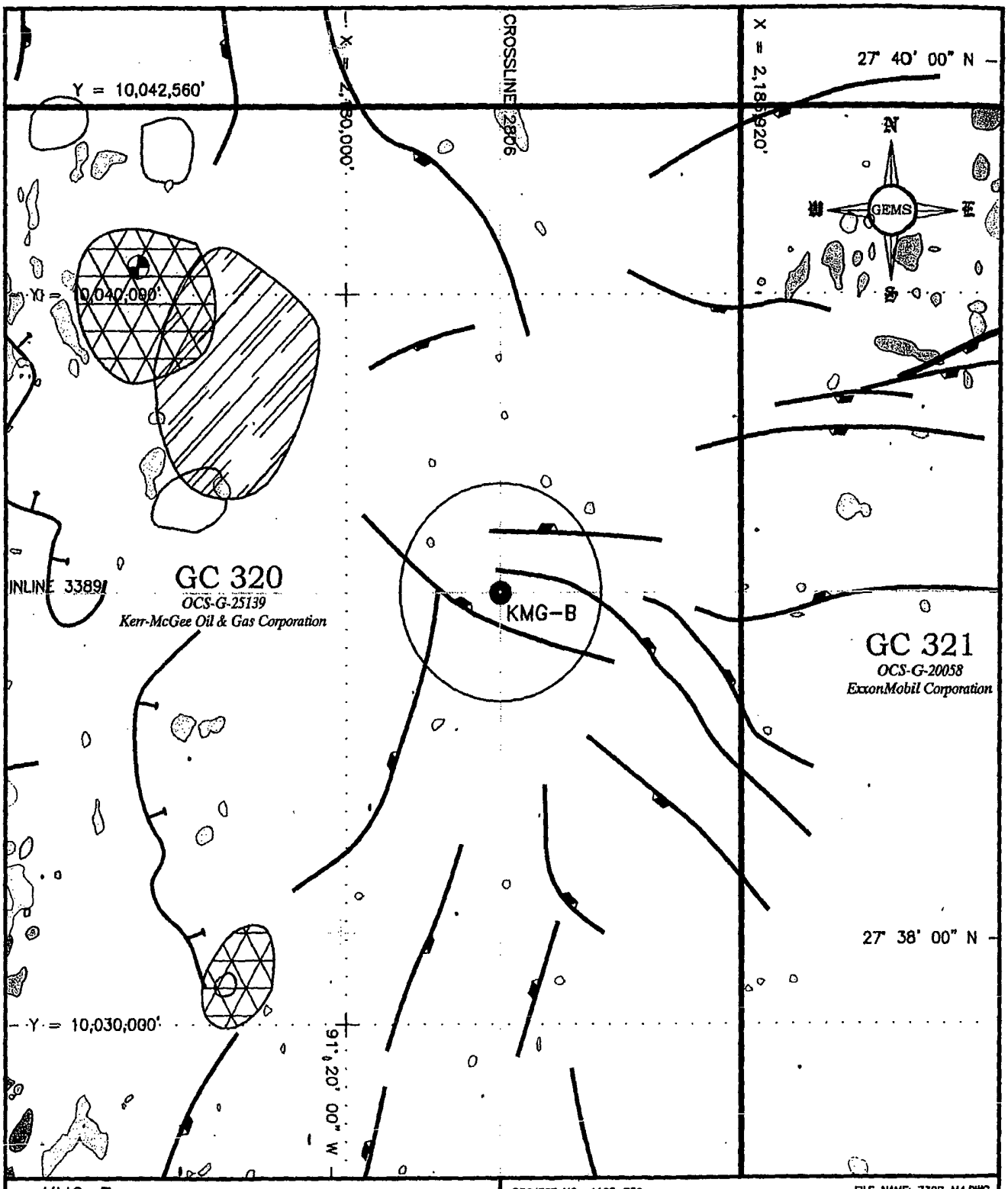
FILE NAME: 739B_M3.DWG

KERR-McGEE OIL & GAS CORPORATION

SEAFLOOR AMPLITUDE RENDERING

BLOCK 320
GREEN CANYON AREA
GULF OF MEXICO

MAP NO. B-2



KMG-B
PROPOSED WELL LOCATION.

CIRCLE REPRESENTS 1500 FT RADIUS AROUND PROPOSED WELLSITE.

EXISTING CORE LOCATION.

SEAFLOOR FAULTS. HOUSE REPRESENTS DOWNTHROWN SIDE OF FAULT.

SLUMP SCARPS. ARROWS POINT DOWNSLOPE.

POSSIBLE EXPOSED SALT.

SEAFLOOR MOUNDS.

POSSIBLE GAS CHIMNEY.

HIGH-AMPLITUDE ANOMALIES
SEAFLOOR AMPLITUDES.

INTERVAL AMPLITUDE SEARCHES

SEAFLOOR TO 0.4 SEC (TO ~1000FT).

0.4 SEC TO 0.8 SEC (~1000FT TO ~2300FT).

0.8 SEC TO 1.2 SEC (~2300FT TO ~3700FT).

1.2 SEC TO 1.6 SEC (~3700FT TO ~5100FT).

0 1000 2000 3000 4000

SCALE 1 : 24,000
SCALE 1" = 2000'

PROJECT NO.: 1103--739

FILE NAME: 739B_M4.DWG

KERR-McGEE OIL & GAS CORPORATION

GEOLOGIC FEATURES MAP

BLOCK 320
GREEN CANYON AREA
GULF OF MEXICO

MAP NO. B-4

GEOSCIENCE EARTH & MARINE SERVICES, INC.

10615 SHADOW WOOD DRIVE
SUITE 200
HOUSTON, TEXAS 77043
Phone: (713) 468-1410
Fax: (713) 468-1438
E-mail: gems@gemsinc.com

July 14, 2004

Project No. 1103-739

Kerr-McGee Oil & Gas Corporation
16666 Northchase Drive
Houston, Texas 70060

Attention: Ms. Margaret McCarthy

Site Clearance Letter
Proposed Wellsite KMG-C
Block 320 (OCS-G-25139)
Green Canyon Area
Gulf of Mexico

The Proposed Wellsite KMG-C in GC 320 appears suitable for exploration drilling operations. The potential for shallow water flow and minor shallow gas may influence drilling strategies at this site.

Introduction

Geoscience Earth & Marine Services, Inc., (GEMS) was contracted by Kerr-McGee Oil & Gas Corporation (Kerr-McGee) to prepare a Site Clearance Letter for the Proposed Wellsite KMG-C in Block 320 (OCS-G-25139), Green Canyon area (GC). This letter addresses specific seafloor and subsurface conditions near the proposed location to a depth of about 5,000 ft below the mudline (bml). This letter is based on findings provided within the geohazard report "Geologic and Stratigraphic Assessment, Blocks 320 (OCS-G-25139), 321 (OCS-G-20058), 364 (OCS-G-25141), and 365 (OCS-G-16737), Green Canyon Area, Gulf of Mexico" (GEMS Project No. 1103-739). The text, maps, and figures included in that report provide detail to the regional geology of the study area. This letter is intended to supplement that report with details pertaining directly to the proposed wellsite.

This letter complies with the Minerals Management Service (MMS) Notice-to-Lessees (NTL's) 2000-G20 and 98-20 (MMS, 2000 and 1998, respectively). The above stated Federal lease block does not lie within a historically significant area; therefore, requirements set forth in NTL 2002-G01 (MMS, 2002) are not applicable.

The Proposed Wellsite KMG-C is located in the southwest portion of Block 320, Green Canyon area, Gulf of Mexico. Kerr-McGee provided the following coordinates:

Proposed Wellsite KMG-C			
Spheroid & Datum: Clarke 1866, NAD27 Projection: UTM Zone 15 North		Seismic Line Reference	Block Calls GC 320
X: 2,174,189.6 ft	Latitude: 27° 37' 28.42" N	Inline: 3268	4,109.6 ft FWL
Y: 10,027,964.6 ft	Longitude: 91° 21' 04.11" W	Crossline: 2707	1,244.6 ft FSL

Attachments

The letter-size maps and figures accompanying this letter were extracted from the main report's original maps and 3-D data volume. The maps and figures (listed below) are centered on the proposed well location.

Map C-1:	Bathymetry Map
Map C-2:	Seafloor Rendering
Map C-3:	Seafloor Amplitude Rendering
Map C-4:	Geologic Features Map
Figure C-1:	Tophole Prognosis Chart, Proposed Wellsite KMG-C, Green Canyon Block 320
Figure C-2:	Inline 3268 and Crossline 2707 Showing Conditions Beneath Proposed Wellsite KMG-C

Water Depth and Seafloor Conditions

The water depth at the proposed location is -2,874 ft (Map C-1) with soft hemipelagic clays likely covering the seafloor (Figure C-1). The seafloor slopes to the west with a gradient of 2.5° (4.4%) and is relatively smooth at this location (Map C-2). Seafloor conditions are favorable for exploration drilling activity.

Chemosynthetic Communities

There are no features or areas that could support significant high-density chemosynthetic communities within 1,500 ft of the proposed location. The Seafloor Amplitude Rendering (Map C-3) shows normal or ambient amplitudes along the seabed near the proposed wellsite.

Man-Made Features

There are no man-made features near the proposed surface location (Maps C-1 through C-4).

Sediments/Stratigraphy

Stratigraphic details are provided with the Tophole Prognosis Chart (Figure C-1). There are at least 203 ft of normally consolidated clays immediately below the seafloor. These normally consolidated clays should provide favorable conditions for anchoring and any bottom-founded structures. Mass-transport deposits occur below these clays and throughout the shallow section to the limit of investigation (about 4,898 ft bml). These mass-transport deposits are likely clay-rich, but may contain some sands, particularly from 742 ft bml to 1,177 ft bml and 2,931 ft bml to 3,831 ft bml.

Faults

The Proposed Wellsite KMG-C will penetrate a fault with seafloor expression at approximately 3,535 ft bml (-6,409 ft bsl). This fault trends northeast to southwest with its seafloor expression approximately 3,330 ft northwest of the proposed wellsite (Map C-1 through C-4). No other faults will be penetrated by the proposed well.

Shallow Gas

There are no apparent subsurface high-amplitude anomalies directly below the proposed wellsite (Map C-4; Figures C-1 and C-2). There are low potentials for encountering significant accumulations of shallow gas between 742 ft bml and 1,177 ft bml and 2,931 ft bml and 3,831 ft bml. High-amplitude events that exist near the proposed wellsite occur within these units. Minor amounts of solution gas may exist within these sand-prone units; however, significant pressures are unlikely.

The potential for encountering gas in the remaining sequences at the Proposed Wellsite KMG-C is negligible (Figure C-1).

Shallow Water Flow

Mass-transport deposits within the Horizon 20 to Horizon 30 and Horizon 40 to Horizon 50 sequences (about 742 ft to 1,177 ft bml and 2,931 ft to 3,831 ft bml) are the most likely units to be sand-prone and water-bearing. There is an increase in the number of amplitude events from these units in this area. The Proposed Wellsite KMG-C is rated with a moderate potential for shallow water flow from these mass-transport deposits.

Low potentials for shallow water flow exist from 203 ft to 742 ft bml, 1,177 ft to 2,931 ft bml, and below 3,831 ft bml to the Limit of Investigation (about 4,898 ft bml); Figure C-1. Thin sand layers may exist within these generally clay-rich sequences; however, overpressured sand layers not likely.

The potential for encountering overpressured water sands in the remaining sequence (between the Seafloor and 203 ft bml) is negligible (Figure C-1).

Closing

The Proposed Wellsite KMG-C in GC 320 appears suitable for exploration drilling operations. We recommend, however, that your geologists, geophysicists, and drilling engineers consult on the best approach to drilling through the expected sandy units from 742 ft to 1,177 ft bml and 2,931 ft to 3,831 ft bml.

We appreciate the opportunity to be of service to Kerr-McGee and look forward to working closely with you on other projects.

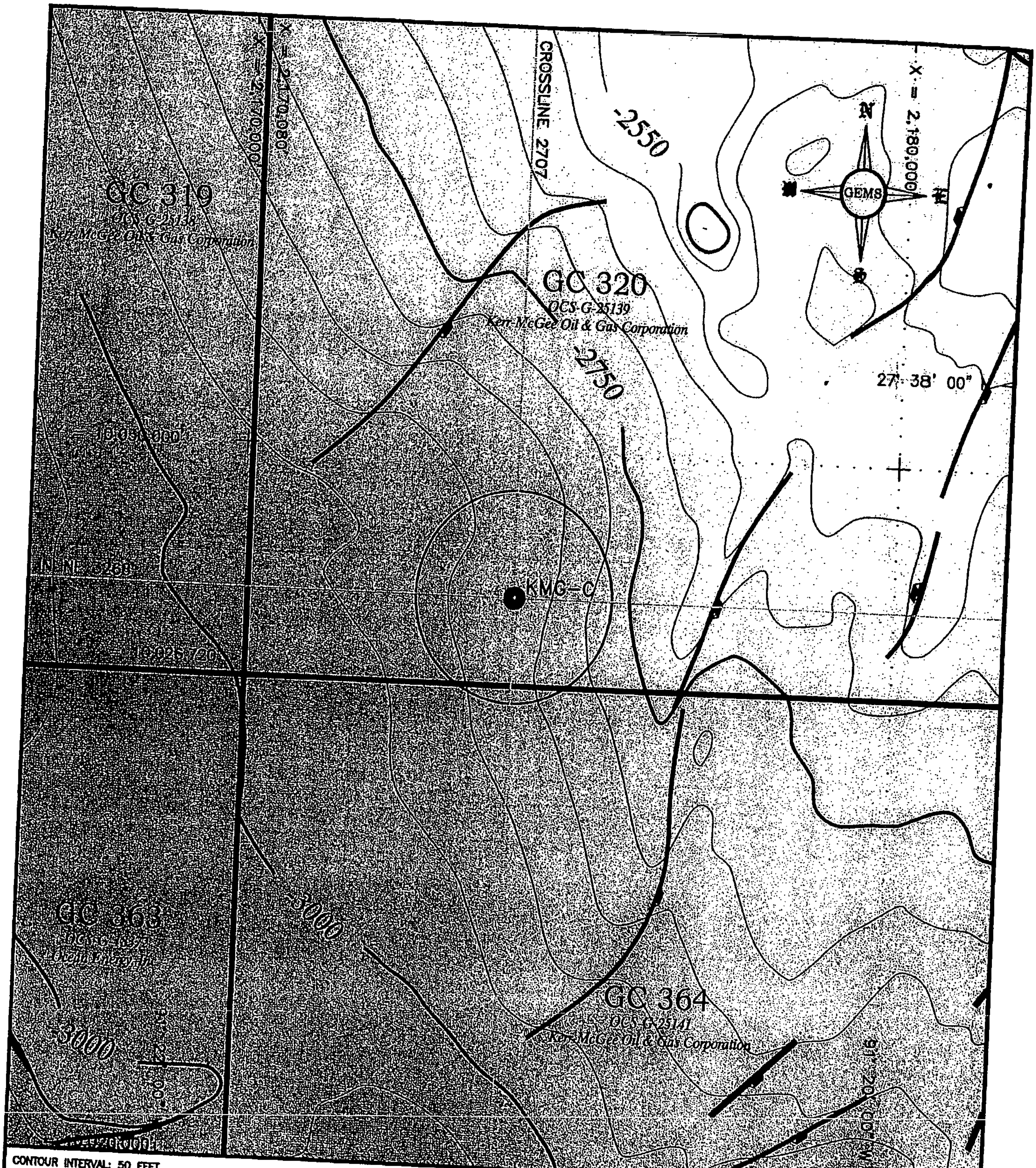
Sincerely,

GEOSCIENCE EARTH & MARINE SERVICES, INC.

Erin Williams Janes
Geoscientist

Michael J. Kaluza
President/Marine Geologist

Attachments (4 Maps, 2 Figures)
Distribution:
Ms. Margaret McCarthy, Kerr-McGee Oil & Gas Corporation, Houston, TX (7)



CONTOUR INTERVAL: 50 FEET

KMG-C — PROPOSED WELL LOCATION.

CIRCLE REPRESENTS 1500 FT RADIUS AROUND PROPOSED WELLSITE.

-3000 — BATHYMETRY CONTOUR, IN FEET.

SEAFLOOR FAULTS. HOUSE REPRESENTS DOWNTHROWN SIDE OF FAULT.

WATER DEPTH IN FEET: -2450, -2500, -2750, -3000, -3050

0 1000 2000 3000 4000

SCALE 1 : 24,000
SCALE 1" = 2000'

PROJECT NO.: 1103-739

FILE NAME: 739C_M1.DWG

KERR-McGEE OIL & GAS CORPORATION

BATHYMETRY MAP

BLOCK 320
GREEN CANYON AREA
GULF OF MEXICO

MAP NO. C-1

KMG-C
PROPOSED WELL LOCATION.

CIRCLE REPRESENTS 1500 FT RADIUS AROUND PROPOSED WELLSITE.

SEAFLOOR FAULTS. HOUSE REPRESENTS DOWNTHROWN SIDE OF FAULT.

SLUMP SCARPS. ARROWS POINT DOWNSLOPE.

POSSIBLE EXPOSED SALT.

SEAFLOOR MOUNDS.

RELATIVE WATER DEPTH: SHALLOW — DEEP

0 1000 2000 3000 4000

SCALE 1 : 24,000
SCALE 1" = 2000'

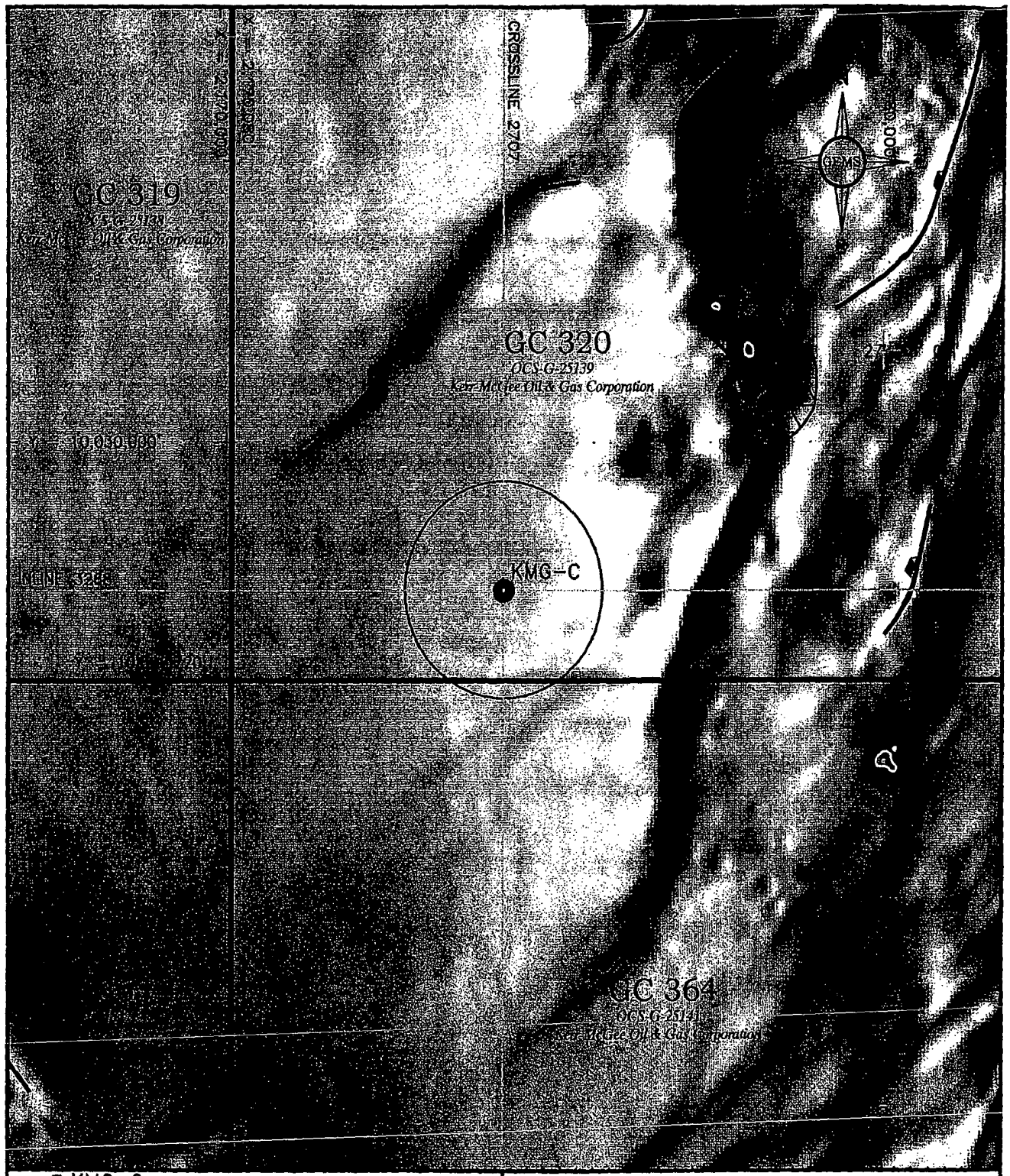
PROJECT NO.: 1103-739

FILE NAME: 739C_M2.DWG

KERR-McGEE OIL & GAS CORPORATION

SEAFLOOR RENDERING
BLOCK 320
GREEN CANYON AREA
GULF OF MEXICO

MAP NO. C-2



KMG-C
PROPOSED WELL LOCATION.

CIRCLE REPRESENTS 1500 FT RADIUS AROUND PROPOSED WELLSITE.

SEAFLOOR FAULTS. HOUSE REPRESENTS DOWNTHROWN SIDE OF FAULT.
SLUMP SCARPS.
ARROWS POINT DOWNSLOPE.

POSSIBLE EXPOSED SALT.

SEAFLOOR MOUNDS.

SEAFLOOR AMPLITUDES.

RELATIVE AMPLITUDE: HIGH / LOW

RELATIVE WATER DEPTH: SHALLOW / DEEP

0 1000 2000 3000 4000

SCALE 1 : 24,000
SCALE 1" = 2000'

PROJECT NO.: 1103-739

FILE NAME: 739C_M3.DWG

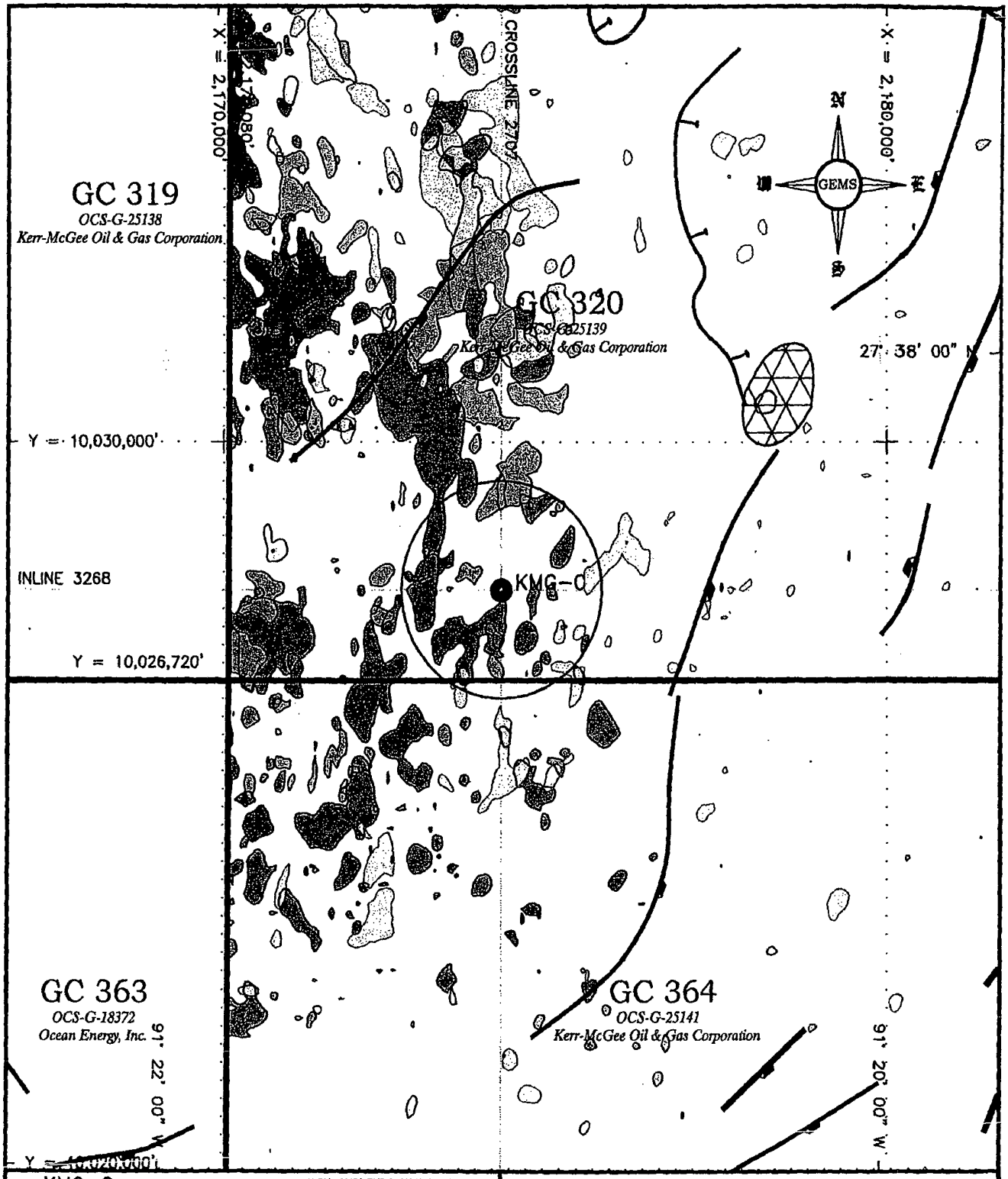
KERR-McGEE OIL & GAS CORPORATION

SEAFLOOR AMPLITUDE RENDERING

BLOCK 320
GREEN CANYON AREA
GULF OF MEXICO

GEOSCIENCE EARTH & MARINE SERVICES, INC.

MAP NO. C-3



KMG-C
PROPOSED WELL LOCATION.

CIRCLE REPRESENTS 1500 FT RADIUS AROUND PROPOSED WELLSITE.

SEAFLOOR FAULTS. HOUSE REPRESENTS DOWNTHROWN SIDE OF FAULT.

SLUMP SCARPS. ARROWS POINT DOWNSLOPE.

POSSIBLE EXPOSED SALT.

SEAFLOOR MOUNDS.

HIGH-AMPLITUDE ANOMALIES

SEAFLOOR AMPLITUDES.

INTERVAL AMPLITUDE SEARCHES

SEAFLOOR TO 0.4 SEC (TO ~1000FT).

0.4 SEC TO 0.8 SEC (~1000FT TO ~2300FT).

0.8 SEC TO 1.2 SEC (~2300FT TO ~3700FT).

1.2 SEC TO 1.6 SEC (~3700FT TO ~5100FT).

1.6 SEC TO 2.0 SEC (~5100FT TO ~6600FT).

0 1000 2000 3000 4000

SCALE 1 : 24,000
SCALE 1" = 2000'

PROJECT NO.: 1103-739

FILE NAME: 739C_M4.DWG

KERR-McGEE OIL & GAS CORPORATION

GEOLOGIC FEATURES MAP

BLOCK 320
GREEN CANYON AREA
GULF OF MEXICO

MAP NO. C-4

GEOSCIENCE EARTH & MARINE SERVICES, INC.
GEMS

10615 SHADOW WOOD DRIVE
SUITE 200
HOUSTON, TEXAS 77043
Phone: (713) 468-1410
Fax: (713) 468-1438
E-mail: gems@gemsinc.com

July 14, 2004

Project No. 1103-739

Kerr-McGee Oil & Gas Corporation
16666 Northchase Drive
Houston, Texas 70060

Attention: Ms. Margaret McCarthy

Site Clearance Letter
Proposed Wellsite KMG-D
Block 320 (OCS-G-25139)
Green Canyon Area
Gulf of Mexico

The Proposed Wellsite KMG-D in GC 320 appears suitable for exploration drilling operations. The potential for shallow water flow and minor shallow gas may influence drilling strategies at this site.

Introduction

Geoscience Earth & Marine Services, Inc., (GEMS) was contracted by Kerr-McGee Oil & Gas Corporation (Kerr-McGee) to prepare a Site Clearance Letter for the Proposed Wellsite KMG-D in Block 320 (OCS-G-25139), Green Canyon area (GC). This letter addresses specific seafloor and subsurface conditions near the proposed location to a depth of about 5,000 ft below the mudline (bml). This letter is based on findings provided within the geohazard report "Geologic and Stratigraphic Assessment, Blocks 320 (OCS-G-25139), 321 (OCS-G-20058), 364 (OCS-G-25141), and 365 (OCS-G-16737), Green Canyon Area, Gulf of Mexico" (GEMS Project No. 1103-739). The text, maps, and figures included in that report provide detail to the regional geology of the study area. This letter is intended to supplement that report with details pertaining directly to the proposed wellsite.

This letter complies with the Minerals Management Service (MMS) Notice-to-Lessees (NTL's) 2000-G20 and 98-20 (MMS, 2000 and 1998, respectively). The above stated Federal lease block does not lie within a historically significant area; therefore, requirements set forth in NTL 2002-G01 (MMS, 2002) are not applicable.

The Proposed Wellsite KMG-D is located in the southwest portion of Block 320, Green Canyon area, Gulf of Mexico. Kerr-McGee provided the following coordinates:

Proposed Wellsite KMG-D			
Spheroid & Datum: Clarke 1866, NAD27 Projection: UTM Zone 15 North		Seismic Line Reference	Block Calls GC 320
X: 2,175,968.96 ft	Latitude: 27° 38' 07.17" N	Inline: 3328	5,888.96 ft FWL
Y: 10,031,901.54 ft	Longitude: 91° 20' 43.74" W	Crossline: 2729	5,181.54 ft FSL

Attachments

The letter-size maps and figures accompanying this letter were extracted from the main report's original maps and 3-D data volume. The maps and figures (listed below) are centered on the proposed well location.

Map D-1:	Bathymetry Map
Map D-2:	Seafloor Rendering
Map D-3:	Seafloor Amplitude Rendering
Map D-4:	Geologic Features Map
Figure D-1:	Tophole Prognosis Chart, Proposed Wellsite KMG-D, Green Canyon Block 320
Figure D-2:	Inline 3328 and Crossline 2729 Showing Conditions Beneath Proposed Wellsite KMG-D

Water Depth and Seafloor Conditions

The water depth at the proposed location is -2,689 ft (Map D-1) with soft hemipelagic clays likely covering the seafloor (Figure D-1). The seafloor slopes to the southwest with a gradient of 3.6° (6.3%) and is relatively smooth at this location (Map D-2). A seafloor slump scarp occurs approximately 925 ft east of the proposed wellsite (Map D-2). This scarp trends generally north-south with slumping occurring to the east. The slump scarp and related debris field should not impact the proposed wellsite. Seafloor conditions are favorable for exploration drilling activity.

Chemosynthetic Communities

There are no features or areas that could support significant high-density chemosynthetic communities within 1,500 ft of the proposed location. The Seafloor Amplitude Rendering (Map D-3) shows normal or ambient amplitudes along the seabed near the proposed wellsite.

Man-Made Features

There are no man-made features near the proposed surface location (Maps D-1 through D-4).

Sediments/Stratigraphy

Stratigraphic details are provided with the Tophole Prognosis Chart (Figure D-1). There are at least 201 ft of normally consolidated clays immediately below the seafloor. These normally consolidated clays should provide favorable conditions for anchoring and any bottom-founded structures. Mass-transport deposits occur below these clays and throughout the shallow section to the approximate Top of Salt (about 5,311 ft bml). These mass-transport deposits are likely clay-rich, but may contain some sands, particularly from 459 ft bml to 767 ft bml and 1,786 ft bml to 2,952 ft bml.

Faults

The Proposed Wellsite KMG-D will penetrate a fault with seafloor expression at approximately 2,072 ft bml (-4,761 ft bsl). This fault trends northeast to southwest with its seafloor expression approximately 1,840 ft northwest of the proposed wellsite (Map D-1 through D-4). No other shallow faults will be penetrated by the proposed wellsite.

Shallow Gas

There are no apparent subsurface high-amplitude anomalies directly below the proposed wellsite (Map D-4; Figures D-1 and D-2). There are low potentials for encountering significant accumulations of shallow gas between 459 ft bml and 767 ft bml and 1,786 ft bml and 2,952 ft bml. High-amplitude events that exist near the proposed wellsite occur within these units. Minor amounts of solution gas may exist within these sand-prone units; however, significant pressures are unlikely.

The potential for encountering gas in the remaining sequences at the Proposed Wellsite KMG-D is negligible (Figure D-1).

Shallow Water Flow

Mass-transport deposits within the Horizon 20 to Horizon 30 and Horizon 40 to Horizon 50 sequences (about 459 ft to 767 ft bml and 1,786 ft to 2,952 ft bml) are the most likely units to be sand-prone and water-bearing. There is an increase in the number of amplitude events originating from these units in this area. The Proposed Wellsite KMG-D is rated with a moderate potential for shallow water flow from these mass-transport deposits.

Low potentials for shallow water flow exist from 201 ft to 459 ft bml, 767 ft to 1,786 ft bml, and 2,952 ft bml to 5,311 ft bml (Figure D-1). Thin sand layers may exist within these generally clay-rich sequences; however, overpressured sand layers not likely.

The potential for encountering overpressured water sands in the remaining sequence at the proposed wellsite is negligible (Figure D-1).

Closing

The Proposed Wellsite KMG-D in GC 320 appears suitable for exploration drilling operations. We recommend, however, that your geologists, geophysicists, and drilling engineers consult on the best approach to drilling through the expected sandy units from 459 ft to 767 ft bml and 1,786 ft bml to 2,952 ft bml.

We appreciate the opportunity to be of service to Kerr-McGee and look forward to working closely with you on other projects.

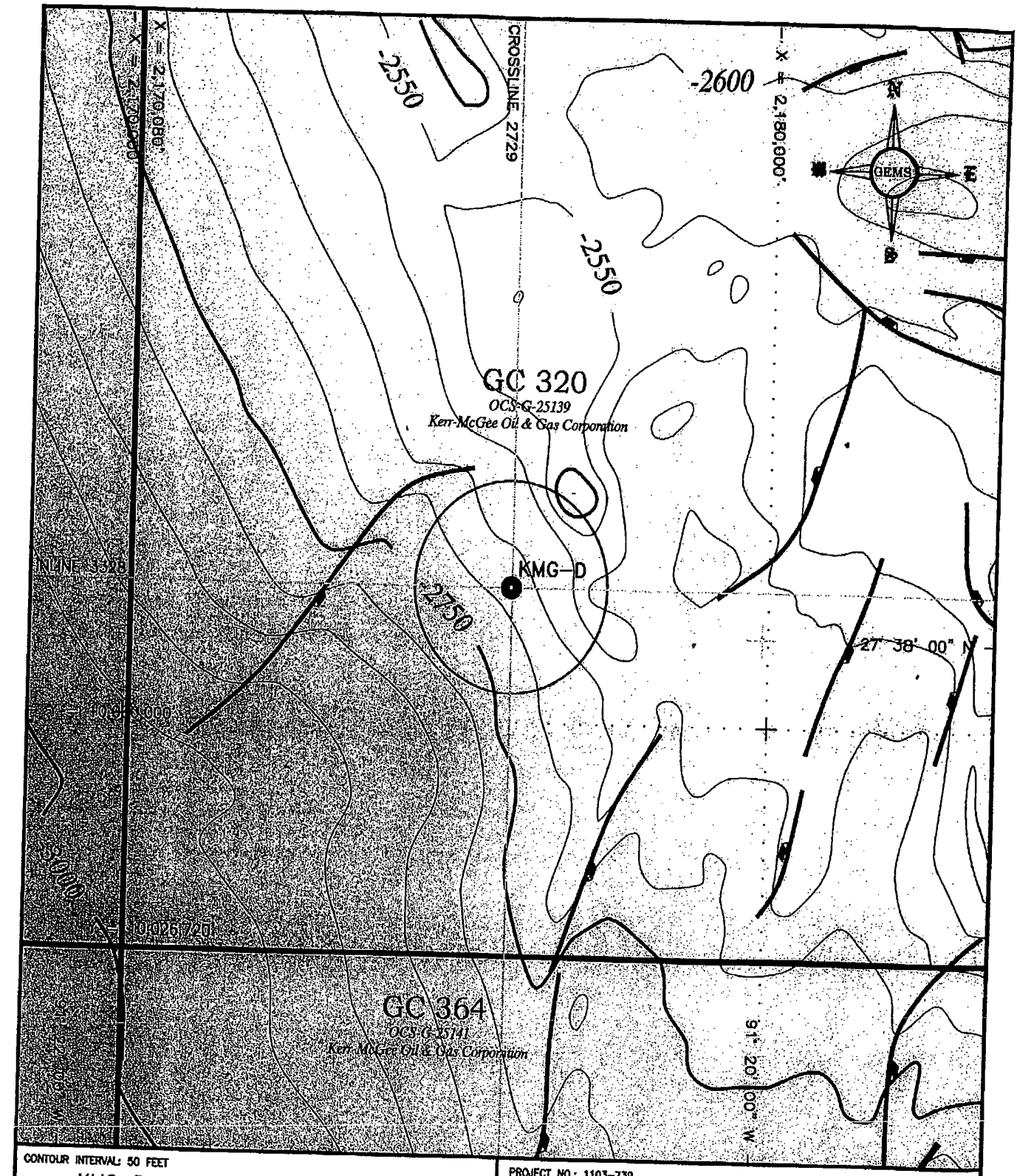
Sincerely,

GEOSCIENCE EARTH & MARINE SERVICES, INC.

Erin Williams Janes
Geoscientist

Michael J. Kaluza
President/Marine Geologist

Attachments (4 Maps, 2 Figures)
Distribution:
Ms. Margaret McCarthy, Kerr-McGee Oil & Gas Corporation, Houston, TX (7)



CONTOUR INTERVAL: 50 FEET

KMG-D — PROPOSED WELL LOCATION.

CIRCLE REPRESENTS 1500 FT RADIUS AROUND PROPOSED WELLSITE.

-3000 — BATHYMETRY CONTOUR, IN FEET.

SEAFLOOR FAULTS. HOUSE REPRESENTS DOWNTHROWN SIDE OF FAULT.

WATER DEPTH IN FEET: -2450, -2500, -2750, -3000

0 1000 2000 3000 4000

SCALE 1 : 24,000
SCALE 1" = 2000'

PROJECT NO.: 1103-739

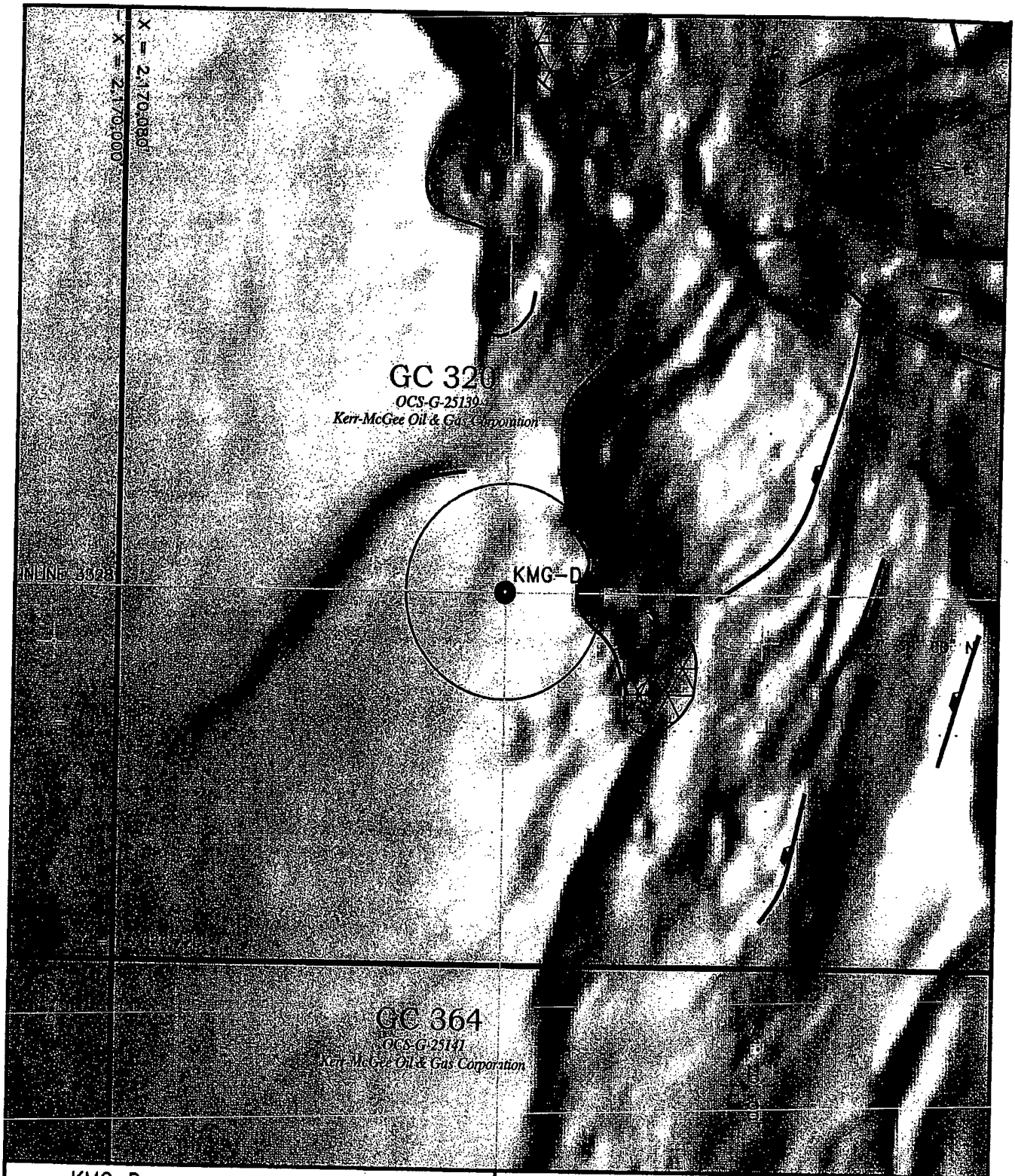
FILE NAME: 739D_M1.DWG

KERR-McGEE OIL & GAS CORPORATION

BATHYMETRY MAP

BLOCK 320
GREEN CANYON AREA
GULF OF MEXICO

MAP NO. D-1



KMG-D
PROPOSED WELL LOCATION.

CIRCLE REPRESENTS 1500 FT RADIUS AROUND PROPOSED WELLSITE.

SEAFLOOR FAULTS. HOUSE REPRESENTS DOWNTHROWN SIDE OF FAULT.

SLUMP SCARPS. ARROWS POINT DOWNSLOPE.

POSSIBLE EXPOSED SALT.

SEAFLOOR MOUNDS.

RELATIVE WATER DEPTH
SHALLOW
DEEP

0 1000 2000 3000 4000
SCALE 1 : 24,000
SCALE 1" = 2000'

PROJECT NO.: 1103-739

FILE NAME: 739D_M2.DWG

KERR-McGEE OIL & GAS CORPORATION

SEAFLOOR RENDERING
BLOCK 320
GREEN CANYON AREA
GULF OF MEXICO

GEOSERVICE EARTH & MARINE SERVICES, INC.

MAP NO. D-2

KMG-D
PROPOSED WELL LOCATION.

CIRCLE REPRESENTS 1500 FT RADIUS AROUND PROPOSED WELLSITE.

SEAFLOOR FAULTS. HOUSE REPRESENTS DOWNTHROWN SIDE OF FAULT.

SLUMP SCARPS. ARROWS POINT DOWNSLOPE.

POSSIBLE EXPOSED SALT.

SEAFLOOR MOUNDS.

SEAFLOOR AMPLITUDES.

RELATIVE AMPLITUDE: HIGH / LOW

RELATIVE WATER DEPTH: SHALLOW / DEEP

0 1000 2000 3000 4000

SCALE 1 : 24,000
SCALE 1" = 2000'

PROJECT NO.: 1103-739

FILE NAME: 739D_M3.DWG

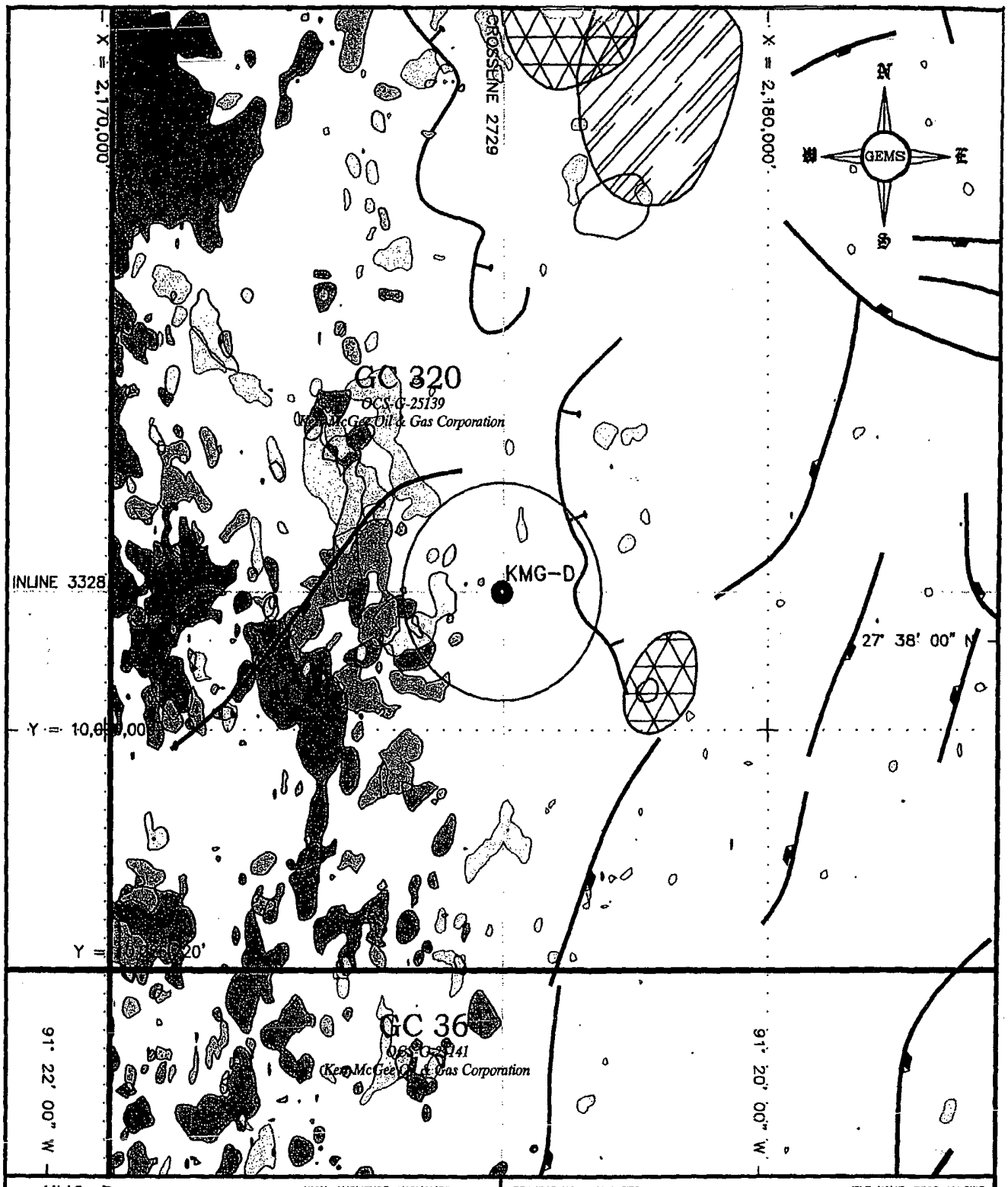
KERR-McGEE OIL & GAS CORPORATION

SEAFLOOR AMPLITUDE RENDERING

BLOCK 320
GREEN CANYON AREA
GULF OF MEXICO

GEOSCIENCE EARTH MARINE SERVICES, INC.

MAP NO. D-3



KMG-D
PROPOSED WELL LOCATION.

CIRCLE REPRESENTS 1500 FT RADIUS AROUND PROPOSED WELLSITE.

SEAFLOOR FAULTS. HOUSE REPRESENTS DOWNTHROWN SIDE OF FAULT.

SLUMP SCARPS. ARROWS POINT DOWNSLOPE.

POSSIBLE EXPOSED SALT.

SEAFLOOR MOUNDS.

POSSIBLE GAS CHIMNEY.

0 1000 2000 3000 4000

SCALE 1 : 24,000
SCALE 1" = 2000'

HIGH-AMPLITUDE ANOMALIES

SEAFLOOR AMPLITUDES.

INTERVAL AMPLITUDE SEARCHES

SEAFLOOR TO 0.4 SEC (TO ~1000FT).

0.4 SEC TO 0.8 SEC (~1000FT TO ~2300FT).

0.8 SEC TO 1.2 SEC (~2300FT TO ~3700FT).

1.2 SEC TO 1.6 SEC (~3700FT TO ~5100FT).

1.6 SEC TO 2.0 SEC (~5100FT TO ~6600FT).

PROJECT NO.: 1103-738

FILE NAME: 738D_M4.DWG

KERR-McGEE OIL & GAS CORPORATION

GEOLOGIC FEATURES MAP

BLOCK 320
GREEN CANYON AREA
GULF OF MEXICO

MAP NO. D-4

GEOSCIENCE EARTH & MARINE SERVICES, INC.
GEMS

10615 SHADOW WOOD DRIVE
SUITE 200
HOUSTON, TEXAS 77043
Phone: (713) 468-1410
Fax: (713) 468-1438
E-mail: gems@gemsinc.com

July 14, 2004

Project No. 1103-739

Kerr-McGee Oil & Gas Corporation
16666 Northchase Drive
Houston, Texas 70060

Attention: Ms. Margaret McCarthy

Site Clearance Letter
Proposed Wellsite KMG-E
Block 320 (OCS-G-25139)
Green Canyon Area
Gulf of Mexico

The Proposed Wellsite KMG-E in GC 320 appears suitable for exploration drilling operations. Complex faulting above salt and the potential for some faults in the area used as conduits for shallow gas may influence drilling strategies at this site. This site may require further study for production purposes.

Introduction

Geoscience Earth & Marine Services, Inc., (GEMS) was contracted by Kerr-McGee Oil & Gas Corporation (Kerr-McGee) to prepare a Site Clearance Letter for the Proposed Wellsite KMG-E in Block 320 (OCS-G-25139), Green Canyon area (GC). This letter addresses specific seafloor and subsurface conditions near the proposed location to a depth of about 1,200 ft below the mudline (bml). This letter is based on findings provided within the geohazard report "Geologic and Stratigraphic Assessment, Blocks 320 (OCS-G-25139), 321 (OCS-G-20058), 364 (OCS-G-25141), and 365 (OCS-G-16737), Green Canyon Area, Gulf of Mexico" (GEMS Project No. 1103-739). The text, maps, and figures included in that report provide detail to the regional geology of the study area. This letter is intended to supplement that report with details pertaining directly to the proposed wellsite.

This letter complies with the Minerals Management Service (MMS) Notice-to-Lessees (NTL's) 2000-G20 and 98-20 (MMS, 2000 and 1998, respectively). The above stated Federal lease block does not lie within a historically significant area; therefore, requirements set forth in NTL 2002-G01 (MMS, 2002) are not applicable.

The Proposed Wellsite KMG-E is located in the southeast portion of Block 320, Green Canyon area, Gulf of Mexico. Kerr-McGee provided the following coordinates:

Proposed Wellsite KMG-E			
Spheroid & Datum: Clarke 1866, NAD27 Projection: UTM Zone 15 North		Seismic Line Reference	Block Calls GC 320
X: 2,180,833.23 ft	Latitude: 27° 37' 42.48" N	Inline: 3291	5,086.77 ft FEL
Y: 10,029,473.82 ft	Longitude: 91° 19' 50.03" W	Crossline: 2788	2,753.82 ft FSL

Attachments

The letter-size maps and figures accompanying this letter were extracted from the main report's original maps and 3-D data volume. The maps and figures (listed below) are centered on the proposed well location.

Map E-1:	Bathymetry Map
Map E-2:	Seafloor Rendering
Map E-3:	Seafloor Amplitude Rendering
Map E-4:	Geologic Features Map
Figure E-1:	Tophole Prognosis Chart, Proposed Wellsite KMG-E, Green Canyon Block 320
Figure E-2:	Inline 3291 and Crossline 2788 Showing Conditions Beneath Proposed Wellsite KMG-E

Water Depth and Seafloor Conditions

The water depth at the proposed location is -2,658 ft (Map E-1) with soft hemipelagic clays likely covering the seafloor (Figure E-1). The seafloor slopes to the southwest with a gradient of 1.3° (2.3%). The proposed location lies within a large band of irregular seafloor (Map E-2). This irregular seafloor is a result of the shallow salt uplift and surface faulting in the area. Seafloor conditions, however, appear to be favorable for exploration drilling activity.

Chemosynthetic Communities

There are no features or areas that could support significant high-density chemosynthetic communities within 1,500 ft of the proposed location. The Seafloor Amplitude Rendering (Map E-3) shows normal or ambient amplitudes along the seabed near the proposed wellsite.

Man-Made Features

There are no man-made features near the proposed surface location (Maps E-1 through E-4).

Sediments/Stratigraphy

Stratigraphic details are provided with the Tophole Prognosis Chart (Figure E-1). There are at least 284 ft of normally consolidated clays immediately below the seafloor. These normally consolidated clays should provide favorable conditions for anchoring and any bottom-founded structures. Mass-transport deposits occur below these clays and throughout the tophole section to the shallow Top of Salt (about 1,211 ft bml). These mass-transport deposits are probably clay-rich; however, some sands are likely to occur.

Faults

The uplift of the shallow salt has resulted in complex faulting near the proposed wellsite (Figure E-2). Two mapped seafloor faults, as well as several small bathymetric slope breaks that may represent minor seafloor offsets, exist within 1,500 ft of the proposed wellsite (Map E-2). Additionally, the Proposed Wellsite KMG-E will penetrate a seafloor fault at approximately 258 ft bml (-2,916 ft bsl). This fault trends northeast to southwest and is downthrown to the southeast. The seafloor expression of this fault occurs approximately 270 ft northwest of the proposed wellsite (Maps E-1 through E-4).

A vertical borehole will not penetrate any other mapped faults within the upper 1,211 ft bml (Figure E-1 and E-2). Additional faults may be present but are masked by the chaotic stratigraphy and structural complexity.

Shallow Gas

There are no apparent subsurface high-amplitude anomalies directly below the proposed wellsite (Map E-4; Figures E-1 and E-2). There is a negligible potential for encountering shallow gas in the upper 284 ft of normally deposited, fine-grained sediments.

There is a low potential for encountering significant shallow gas within the mass-transport deposits between 284 ft bml and 1,211 ft bml. Slightly higher amplitude reflectors along the seafloor fault penetrated by the proposed wellsite suggest that the fault has the potential to be used as a conduit for shallow gas. However, significant pressures are unlikely and only minor amounts of solution gas may be present at the proposed wellsite.

Shallow Water Flow

The Proposed Wellsite KMG-E has a low potential for shallow water flow between 284 ft bml and 1,211 ft bml (Figure E-1). Sand lenses may exist within the mass-transport deposits above salt; however, insufficient sediment cover exists to provide the necessary overpressured environment. Abundant faulting in the area could also provide a release of any significant overpressures.

There is a negligible potential for shallow water flow in the remaining sequences above the salt.

Closing

The Proposed Wellsite KMG-E in GC 320 appears suitable for exploration drilling operations. We appreciate the opportunity to be of service to Kerr-McGee and look forward to working closely with you on other projects.

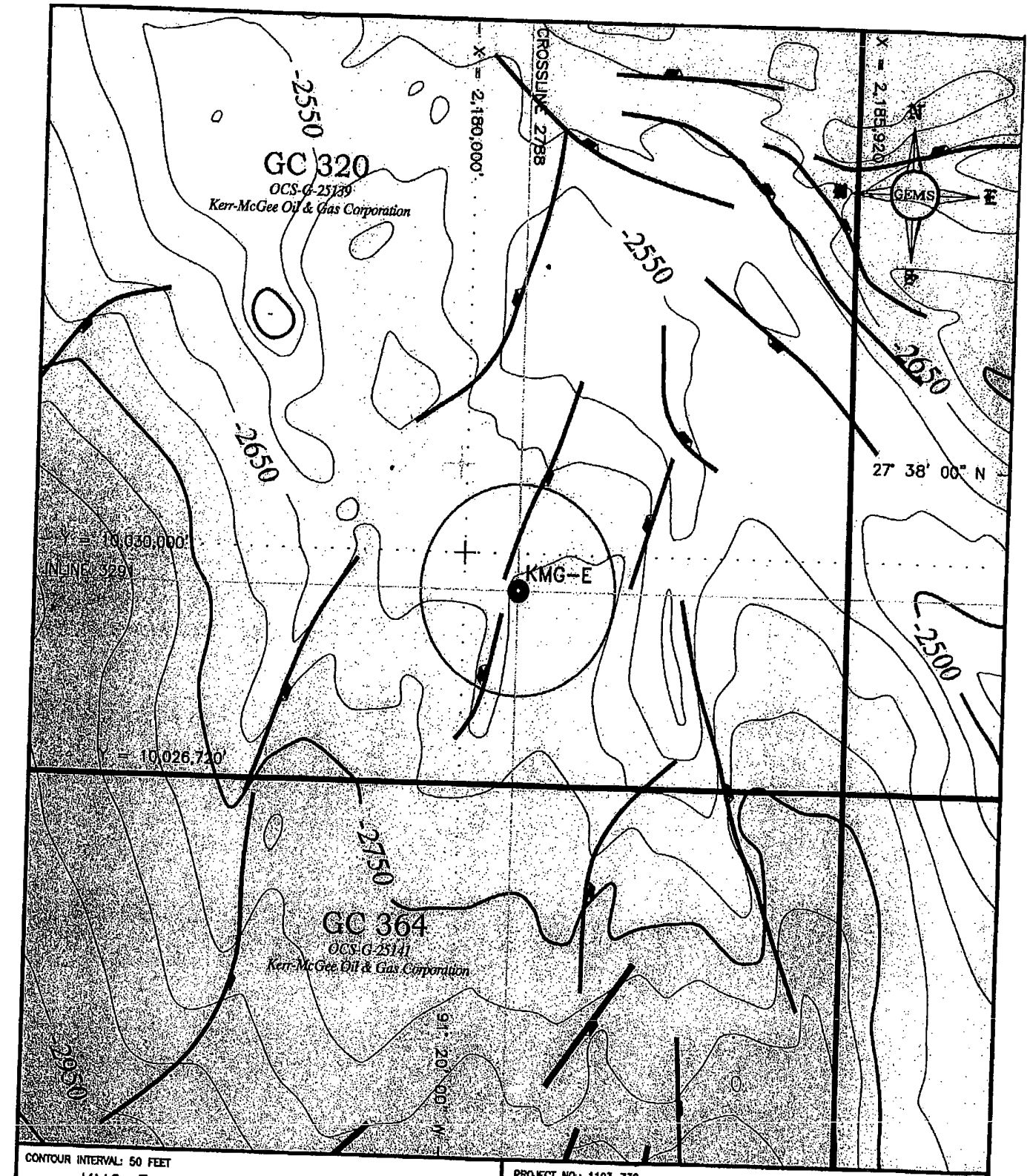
Sincerely,

GEOSCIENCE EARTH & MARINE SERVICES, INC.

Erin Williams Janes
Geoscientist

Michael J. Kaluza
President/Marine Geologist

Attachments (4 Maps, 2 Figures)
Distribution:
Ms. Margaret McCarthy, Kerr-McGee Oil & Gas Corporation, Houston, TX (7)



CONTOUR INTERVAL: 50 FEET

KMG-E — PROPOSED WELL LOCATION.

CIRCLE REPRESENTS 1500 FT RADIUS AROUND PROPOSED WELLSITE.

—-3000 — BATHYMETRY CONTOUR, IN FEET.

SEAFLOOR FAULTS. HOUSE REPRESENTS DOWNTHROWN SIDE OF FAULT.

WATER DEPTH IN FEET: -2450, -2500, -2750, -3000

0 1000 2000 3000 4000

SCALE 1 : 24,000
SCALE 1" = 2000'

PROJECT NO.: 1103-739

FILE NAME: 739E_M1.DWG

KERR-McGEE OIL & GAS CORPORATION

BATHYMETRY MAP

BLOCK 320
GREEN CANYON AREA
GULF OF MEXICO

MAP NO. E-1

KMG-E

PROPOSED WELL LOCATION.

CIRCLE REPRESENTS 1500 FT RADIUS AROUND PROPOSED WELLSITE.

SEAFLOOR FAULTS. HOUSE REPRESENTS DOWNTHROWN SIDE OF FAULT.

SLUMP SCARPS. ARROWS POINT DOWNSLOPE.

POSSIBLE EXPOSED SALT.

SEAFLOOR MOUNDS.

RELATIVE WATER DEPTH: SHALLOW — DEEP

0 1000 2000 3000 4000

SCALE 1 : 24,000
SCALE 1" = 2000'

PROJECT NO.: 1103-739

FILE NAME: 739E_M2.DWG

KERR-McGEE OIL & GAS CORPORATION

SEAFLOOR RENDERING
BLOCK 320
GREEN CANYON AREA
GULF OF MEXICO

MAP NO. E-2

KMG-E

PROPOSED WELL LOCATION.

CIRCLE REPRESENTS 1500 FT RADIUS AROUND PROPOSED WELLSITE.

SEAFLOOR FAULTS. HOUSE REPRESENTS DOWNTHROWN SIDE OF FAULT.

SLUMP SCARPS. ARROWS POINT DOWNSLOPE.

POSSIBLE EXPOSED SALT.

SEAFLOOR MOUNDS.

SEAFLOOR AMPLITUDES.

RELATIVE AMPLITUDE: HIGH — LOW

RELATIVE WATER DEPTH: SHALLOW — DEEP

0 1000 2000 3000 4000

SCALE 1 : 24,000
SCALE 1" = 2000'

PROJECT NO.: 1103-739

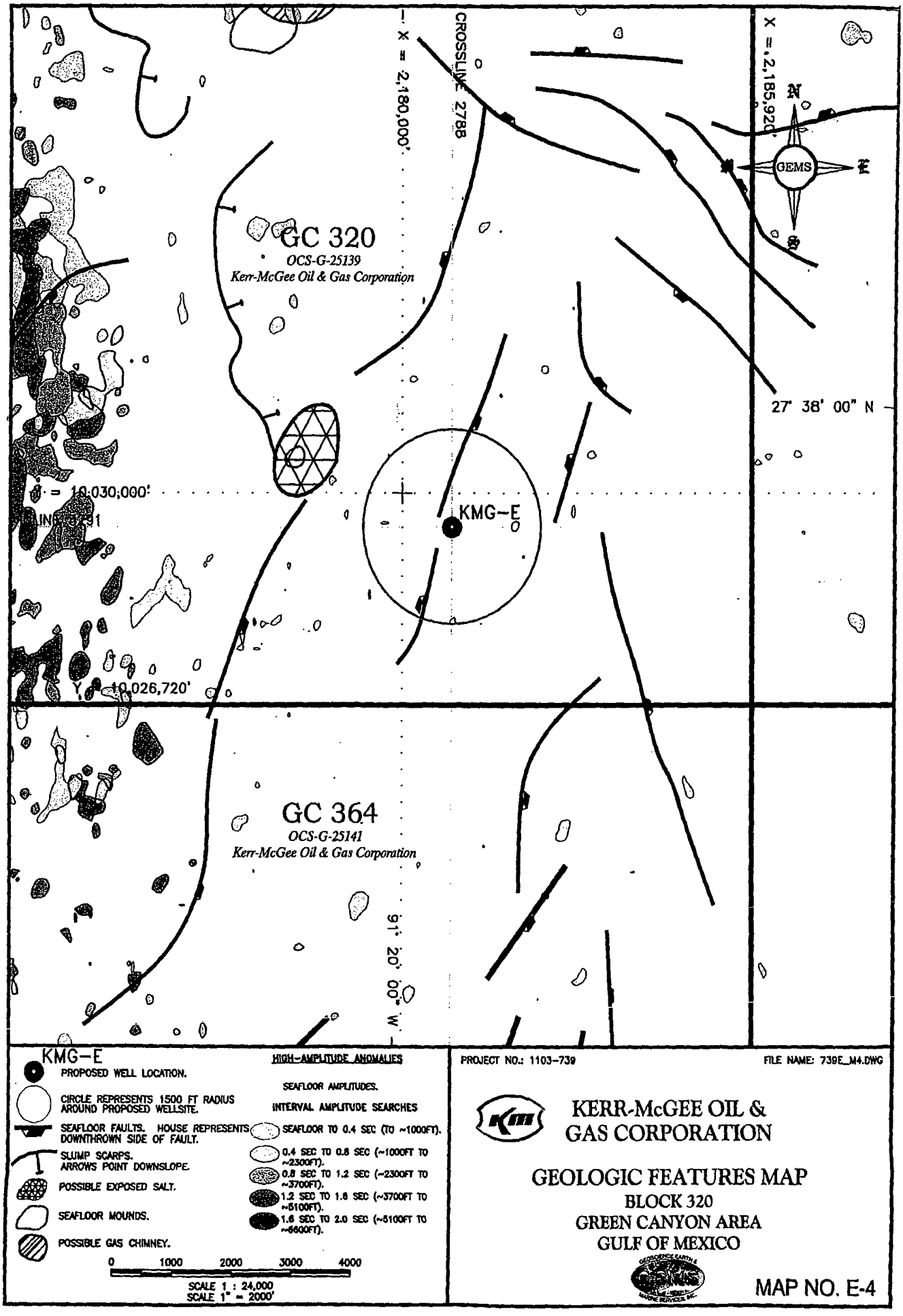
FILE NAME: 739E_M3.DWG

KERR-McGEE OIL & GAS CORPORATION

SEAFLOOR AMPLITUDE RENDERING

BLOCK 320
GREEN CANYON AREA
GULF OF MEXICO

MAP NO. E-3


X = 2,180,000'
CROSSLINE 2788
X = 2,185,920'
N
GEMS
E
S
GC 320
OCS-G-25139
Kerr-McGee Oil & Gas Corporation
27° 38' 00" N
Y = 10,030,000'
KMG-E
Y = 10,026,720'
GC 364
OCS-G-25141
Kerr-McGee Oil & Gas Corporation
91° 20' 00" W
KMG-E
PROPOSED WELL LOCATION.
CIRCLE REPRESENTS 1500 FT RADIUS AROUND PROPOSED WELLSITE.
SEAFLOOR FAULTS. HOUSE REPRESENTS DOWNTHROWN SIDE OF FAULT.
SLUMP SCARPS. ARROWS POINT DOWNSLOPE.
POSSIBLE EXPOSED SALT.
SEAFLOOR MOUNDS.
POSSIBLE GAS CHIMNEY.
HIGH-AMPLITUDE ANOMALIES
SEAFLOOR AMPLITUDES.
INTERVAL AMPLITUDE SEARCHES
SEAFLOOR TO 0.4 SEC (TO ~1000FT).
0.4 SEC TO 0.8 SEC (~1000FT TO ~2300FT).
0.8 SEC TO 1.2 SEC (~2300FT TO ~3700FT).
1.2 SEC TO 1.6 SEC (~3700FT TO ~5100FT).
1.6 SEC TO 2.0 SEC (~5100FT TO ~6600FT).
0 1000 2000 3000 4000
SCALE 1 : 24,000
SCALE 1" = 2000'
PROJECT NO.: 1103-739
FILE NAME: 739E_M4.DWG
KERR-McGEE OIL & GAS CORPORATION
GEOLOGIC FEATURES MAP
BLOCK 320
GREEN CANYON AREA
GULF OF MEXICO
MAP NO. E-4

Stratigraphic Column

Attachment C-5
(Proprietary Information)

H2S Classification

Attachment C-6
(Public Information)

INTERNAL CORRESPONDENCE

	TO	Mr. Cary Bradford	**DATE**	July 13, 2004
Gulf of Mexico Deepwater Exploration	**FROM**	Margaret McCarthy Angelo Okuma GOM Deepwater Exploration	**SUBJECT**	Plan of Exploration H_2S Statement Green Canyon Block 320

The proposed test will penetrate middle interval below salt. Few wells in the area have penetrated the sediments. A list of recently drilled wells which penetrated parts of the upper, middle and lower is provided below. To our knowledge none of these wells encountered H2S and therefore we request this area be declared absent of H2S through the . After penetrating the top , H2S equipment may be installed and monitored through total depth.

Local wells that have penetrated the upper, middle, and lower intervals are:

GC 99 #1	OCS-G-22930	Anadarko
GC 236 #2	OCS-G-15562	Chevron
GC 142 #1	OCS-G- 05093	Conoco
GC 485 #1	OCS-G-20070	Kerr McGee O & G
GC 534 #1	OCS-G-22974	Kerr McGee O & G
GC 415 #1	OCS-G-09931	Texaco
GC 640 #1	OCS-G-26082	Chevron

Angelo Okuma

Geologist, GOM Deepwater

SECTION D
Biological and Physical Information

A. Chemosynthetic Information

The proposed seafloor disturbing activities vary in water depths from 2602 feet to 2874 feet.

MAPS

Submitted under separate cover are the maps prepared using high resolution seismic information and/or 3-D seismic data to depict bathymetry, seafloor and shallow geological features, surface location of each proposed well and platform, positions of anchors and chains relative to the proposed operations.

ANALYSIS

Submitted under separate cover is the analysis of seafloor features and areas that could be disturbed by the activities proposed in this Plan.

Features or areas that could support high-density chemosynthetic communities are not located within 1500 feet of each proposed muds and cuttings discharge location.

Features or areas that could support high-density chemosynthetic communities are not located within 1500 feet of any seafloor disturbances resulting from our use of anchors (including those caused by anchors, anchor chains, and wire ropes).

B. 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 are within 500 feet of a no activity zone, the MMS is required to consult with the NMFS.

The activities proposed in this Plan are not affected by a topographic feature.

C. Live Bottom (Pinnacle Trend) Information

Certain leases are located in areas characterized by the existence of live bottoms. Live bottom areas are defined as seagrass communities; those areas that contain biological assemblages consisting of sessile invertebrates living upon and attached to naturally occurring hard or rocky formations with rough, broken, or smooth topography; and areas where the lithotope favors the accumulation of turtles, fishes, or other fauna. These leases contain a Live Bottom Stipulation to ensure that impacts from nearby oil and gas activities on these live bottom areas are mitigated to the greatest extent possible.

SECTION D
Biological and Physical Information - Continued

For each affected lease, the Live Bottom Stipulation requires that you prepare a live bottom survey report containing a bathymetry map prepared by using remote sensing techniques. This report must be submitted to the Gulf of Mexico OCS Region (GOMR) before you may conduct any drilling activities or install any structure, including lease term pipelines in accordance with NTL 99-G16.

Green Canyon Block 320 is not located within the vicinity of a proposed live bottom area.

D. Remotely Operated Vehicle (ROV Surveys)

Pursuant to NTL No. 2003-G03, operators may be required to conduct remote operated vehicle (ROV) surveys during pre-spudding and post-drilling operations for the purpose of biological and physical observations.

Kerr-McGee is familiar with the ROV survey and reporting provisions of this NTL; and if required, will conduct surveys immediately prior to commencing drilling operations on Well Location A with an anticipated spud date of October 1, 2004, and following the completion of drilling operations approximately 90 days later.

Kerr-McGee will utilize a semi-submersible rig based ROV equipped with video imaging capabilities. The survey pattern will consist of six transects centered on the well location with tracks extending approximately 100 meters away from the well on bearing of 30 degrees, 90 degrees, 150 degrees, 210 degrees, 270 degrees and 330 degrees. The seafloor will be videotaped continuously along each track.

Kerr-McGee will make biological and physical observations as described in the subject NTL and Form MMS-141 prior to commencing drilling operations and also following the completion of drilling operations, but prior to moving the rig off location. The observations will be documented using Form MMS-141 or a facsimile and submitted to the MMS within 60 days after the second survey is completed.

E. Archaeological Reports

MMS has issued NTL 2002-G01, this requirement provides protection of prehistoric and historic archaeological resources by requiring remote sensing surveys in areas designated to have a high probability for archaeological resources.

Green Canyon Block 320 is classified by MMS as a low probability area for archaeological resources; therefore, an archaeological survey is not required.

SECTION E
Wastes and Discharge/Disposal Information

The Minerals Management Service (MMS), U. S. Coast Guard (USCG) and the U.S. Environmental Protection Agency (EPA) regulate the overboard discharge and/or disposal of operational waste associated with drilling, completing, testing and/or production operations from oil and gas exploration and production activities.

Minerals Management Service regulations contained in Title 30 CFR 250.300 require operators to "prevent the unauthorized discharge of pollutants into offshore waters". These same regulations prohibit the intentional disposal of "equipment, cables, chains, containers, or other materials" offshore. Small items must be stored and transported in clearly marked containers and large objects must be individually marked. Additionally, items lost overboard must be recorded in the facility's daily log and reported to MMS as appropriate.

U. S. Coast Guard regulations implement the Marine Pollution Research and Control Act (MARPOL) of 1987 requiring manned offshore rigs, platforms and associated vessels prohibit the dumping of all forms of solid waste at sea with the single exception of ground food wastes, which can be discharged if the facility is beyond 12 nautical miles from the nearest shore. This disposal ban covers all forms of solid waste including plastics, packing material, paper, glass, metal, and other refuse. These regulations also require preparation, monitoring and record keeping requirements for garbage generated on board these facilities. The drilling contractor must maintain a Waste Management Plan, in addition to preparation of a Daily Garbage Log for the handling of these types of waste. MODU's are equipped with bins for temporary storage of certain garbage. Other types of waste, such as food, may be discharged overboard if the discharge can pass through 25-millimeter type mesh screen. Prior to off loading and/or overboard disposal, an entry will be made in the Daily Garbage Log stating the approximate volume, the date of action, name of the vessel, and destination point.

U. S. Environmental Protection Agency regulations address the disposal of oil and gas operational wastes under three Federal Acts. The Resource Conservation and Recovery Act (RCRA) which provides a framework for the safe disposal of discarded materials, regulating the management of solid and hazardous wastes. The direct disposal of operational wastes into offshore waters is limited under the authority of the Clean Water Act. And, when injected underground, oil and gas operational wastes are regulated by the Underground Injection Control program. If any wastes are classified as hazardous, they are to be properly transported using a uniform hazardous waste manifest, documented, and disposed at an approved hazardous waste facility.

A National Pollutant Discharge Elimination System (NPDES) permit, based on effluent limitation guidelines, is required for any discharges into offshore waters. Kerr-McGee has requested coverage under the Region VI NPDES General Permit GMG290000 for discharges associated with exploration and development activities in Green Canyon Block 320 and will take applicable steps to ensure all offshore discharges associated with the proposed operations will be conducted in accordance with the permit.

SECTION E
Wastes and Discharge/Disposal Information-Continued

A. Composition of Solid and Liquid Wastes

The major operational solid waste in the largest quantities generated from the proposed operations will be the drill cuttings, drilling and/or completion fluids. Other associated wastes include waste chemicals, cement wastes, sanitary and domestic waste, trash and debris, ballast water, storage displacement water, rig wash and deck drainage, hydraulic fluids, used oil, oily water and filters, and other miscellaneous minor discharges.

These wastes are generated into categories, being solid waste (trash and debris), nonhazardous oilfield waste (drilling fluids, nonhazardous waste including cement and oil filters), and hazardous wastes (waste paint or thinners).

The type of discharges included in this permit application allow for the following effluents to be discharged overboard, subject to certain limitations, prohibitions and recordkeeping requirements.

Overboard Discharges

In accordance with NTL 2003-G17, overboard discharges generated by the activities are not required for submittal in this Plan.

Disposed Wastes

The wastes detailed in *Attachment E-1* are those wastes generated by our proposed activities that are disposed of by means of offsite release, injection, encapsulation, or placement at either onshore or offshore permitted locations for the purpose of returning them back to the environment.

Kerr-McGee will manifest these wastes prior to being offloaded from the MODU, and transported to shore for disposal at approved sites regulated by the applicable State. Additionally, Kerr-McGee will comply with any approvals or reporting and recordkeeping requirements imposed by the State where ultimate disposal will occur.

Waste & Discharge Tables

Attachment E-1
(Public Information)

Kerr-McGee Oil & Gas Corporation
Green Canyon Block 320
Examples of Wastes and Discharges Information

Table 1. Disposal Table (Wastes to be disposed of, not discharged)

Type of Waste Approximate Composition	Amount*	Rate per day	Name/Location of Disposal Facility	Treatment and/or Storage, Transport and Disposal Method
Spent oil-based drilling fluids and cuttings	1,000 bbl/well	200 bbl/day	Newpark Environmental Fourchon, LA	Transport to shore in barge tanks to a land farm
Spent synthetic-based drilling fluids and cuttings	1,000 bbl/well	200 bbl/day	Newpark Environmental Fourchon, LA	Transport to shore base in cuttings boxes on crew boat then inject down hole at offshore waste disposal facility
Norm – contaminated wastes	1 ton	Not applicable	Green Canyon Block 320	Transport to a transfer station via dedicated barge
Trash and debris	1,000 ft^3	3 ft^3/day	Newpark Environmental Fourchon, LA	Transport in storage bins on crew boat to disposal facility
Chemical product wastes	50 bbl/yr	2 bbl/day	Newpark Environmental Fourchon, LA	Transport in containers to shore location
Chemical product wastes	100 bbl	2 bbl/day	Newpark Environmental Fourchon, LA	Transport in barrels on crew boat to shore location

*can be expressed as a volume, weight, or rate

SECTION F
Oil Spill Response and Chemical Information

A. Regional Oil Spill Response Plan (OSRP) Information

Effective May 5, 2004, Minerals Management Service approved Kerr-McGee Oil & Gas Corporation (Kerr-McGee's) Regional Oil Spill Response Plan (OSRP). An update to the Regional Oil Spill Response Plan was submitted on June 23, 2004 updating the current exploratory worst-case discharge. Kerr-McGee Oil & Gas Corporation is the only entity covered under this OSRP. Activities proposed in this Initial Exploration Plan will be covered by the Regional OSRP.

B. Oil Spill Removal Organizations (OSRO)

Kerr-McGee utilizes Clean Gulf Associates (CGA) as its primary provider for equipment, which is an industry cooperative owning an inventory of oil spill clean-up equipment. CGA is supported by the Marine Spill Response Corporation's (MSRC), which is responsible for storing, inspecting, maintaining and dispatching CGA's equipment. The MSRC STARS network provides for the closest available personnel, as well as an MSRC supervisor to operate the equipment.

C. Worst-Case Scenario Comparison (WCD)

Category	*Current Regional OSRP WCD*	*Proposed Exploration Plan WCD*
Type of Activity	Drilling/Completion/Testing	Drilling/Completion/Testing
Facility Surface Location	Grand Island Block 106	Green Canyon Block 320
Facility Description	MODU	Jack-Up Rig
Distance to Nearest Shoreline (Miles)	50 Miles	100 Miles
Volume: Storage Tanks (total) Facility Piping (total) Lease Term Pipeline Uncontrolled Blowout (day) **Potential 24 Hour Volume (Bbls.)**	10,000	2,000
Type of Liquid Hydrocarbon	Oil	Oil
API Gravity	43°	28°

SECTION F
Oil Spill Response and Chemical Information-Continued

Due to the estimated flow rates from an exploratory well blowout are speculative and temporary in nature, Kerr-McGee will not modify their Regional OSRP to change the WCD.

Since Kerr-McGee has the capability to respond to the worst-case discharge (WCD) spill scenario included in its Regional OSRP approved on May 5, 2004, and since the worst-case scenario determined for our EP does not replace the worst-case scenario in our Regional OSRP, I hereby certify that Kerr-McGee 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 SEP.

D. Facility Tanks, Production Vessels

The following table details the *tanks* (capacity greater than 25 bbls. or more) to be used to support the proposed activities (MODU and barges):

Type of Storage Tank	Type of Facility	Tank Capacity (bbls)	Number of Tanks	Total Capacity (bbls)	Fluid Gravity (API)
Fuel Oil	MODU	250	2	500	38° (Diesel)

E. Spill Response Sites

According to NTL 2003-G17, this section of the Plan is not applicable to the proposed operations.

F. Diesel Oil Supply Vessels

According to NTL 2003-G17, this section of the Plan is not applicable to the proposed operations.

G. Support Vessel Fuel Tanks

According to NTL 2003-G17, this section of the Plan is not applicable to the proposed operations.

H. Produced Liquid Hydrocarbon Transportation Vessels

Kerr-McGee is proposing to conduct well testing operations on the proposed well locations. This process will include flaring the produced gas hydrocarbons and burning the liquid hydrocarbons.

I. Oil and Synthetic-Based Drilling Fluids

According to NTL 2003-G17, this section of the Plan is not applicable to the proposed operations.

SECTION F
Oil Spill Response and Chemical Information (Continued)

J. Oil Characteristics

According to NTL 2003-G17, this section of the Plan is not applicable to the proposed operations.

I. Blowout Scenario

According to NTL 2003-G17, this section of the Plan is not applicable to the proposed operations.

L. Spill Discussion for NEPA Analysis

According to NTL 2003-G17, this section of the Plan is not applicable to the proposed operations.

M. Pollution Prevention Measures

According to NTL 2003-G17, this section of the Plan is not applicable to the proposed operations.

N. FGBNMS Monitoring Plans

According to NTL 2003-G17, this section of the Plan is not applicable to the proposed operations.

SECTION G
Air Emissions Information

The primary air pollutants associated with OCS exploration activities are:

- Carbon Monoxide
- Particulate Matter
- Sulphur Oxides
- Nitrogen Oxides
- Volatile Organic Compounds

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

A. Calculating Emissions

Attachment G-1 is the Projected Air Quality Emissions Report (Form MMS-138) for Plan Emissions addressing drilling, potential completion and testing operations utilizing a typical semi-submersible drilling unit, with related support vessels and construction barge information.

B. Screening Questions

As evidenced by *Attachment G-1*, the worksheets were completed based on flaring and burning operations.

C. Emission Reduction Measures

The projected air emissions are within the exemption level; therefore, no emission reduction measures are being proposed.

D. Verification of Non-Default Emissions Factors

Kerr-McGee has elected to use the default emission factors as provided in *Attachment G-1.*

E. Non-Exempt Activities

The proposed activities are within the exemption amount as provided in *Attachment G-1.*

SECTION G
Air Emissions Information-Continued

F. Review of Activities with Emissions Below the Exemption Level

The proposed activities are below the exemption amount and should not affect the air quality of an onshore area, as provided in *Attachment G-1.*

G. Modeling Report

The proposed activities are below the exemption amount and should not affect the air quality of an onshore area.

Air Quality Emissions Report

Attachment G-1
(Public Information)

EXPLORATION PLAN (EP)
AIR QUALITY SCREENING CHECKLIST

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

COMPANY	Kerr-McGee Oil & Gas Corporation
AREA	Green Canyon
BLOCK	320
LEASE	OCS-G 25139
RIG	Semi-submersible
WELL	A, B, C, D, and E
COMPANY CONTACT	Christine Groth/R.E.M. Solutions, Inc.
TELEPHONE NO.	281.492.8562
REMARKS	Drill, Complete and potentially test five (5) well locations.

Screening Questions for EP's	Yes	No
Is any calculated Complex Total (CT) Emission amount (in tons associated with your proposed exploration activities more than 90% of the amounts calculated using the following formulas: CT = $3400D^{2/3}$ for CO, and CT = 33.3D for the other air pollutants (where D = distance to shore in miles)?		X
Does your emission calculations include any emission reduction measures or modified emission factors?		X
Are your proposed exploration activities located east of 87.5° W longitude?		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 for more than 48 continuous hours from any proposed well?	X	
Do you propose to burn produced hydrocarbon liquids?	X	

Air Pollutant		Plan Emission Amounts[1] (tons)	Calculated Exemption Amounts[2] (tons)		Calculated Complex Total Emission Amounts[3] (tons)
Carbon monoxide (CO)		716.07	73250.78		NA
Particulate matter (PM)		94.99	3330.00		NA
Sulphur dioxide (SO_2)		439.46	3330.00		NA
Nitrogen oxides (NOx)		3257.11	3330.00		NA
Volatile organic compounds (VOC)		98.54	3330.00		NA

[1] For activities proposed in your EP or DOCD, list the projected emissions calculated from the worksheets.
[2] List the exemption amounts in your proposed activities calculated using the formulas in 30 CFR 250.303(d).
[3] List the complex total emissions associated with your proposed activities calculated from the worksheets.

EMISSIONS CALCULATIONS 1ST YEAR

COMPANY	AREA	BLOCK	LEASE	PLATFORM	WELL		CONTACT	PHONE	REMARKS
Kerr-McGee Oil & Gas C	Green Canyon	320	OCS-G 25139	Semi-submersibl	A, B, C, D, and E		Christine Groth/R.E.M. Solution	281.492.8562	

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	39555	1910.5065	45852.16	24	90	27.88	127.90	958.38	28.75	209.10	30.11	138.13	1035.05	31.05	225.83
	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 diese	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	8	90	1.46	6.68	50.03	1.50	10.92	0.52	2.40	18.01	0.54	3.93
	VESSELS>600hp diesel(supply)	2065	99.7395	2393.75	10	39	1.46	6.68	50.03	1.50	10.92	0.28	1.30	9.76	0.29	2.13
	VESSELS>600hp diesel(tugs)	4200	202.86	4868.64	12	4	2.96	13.58	101.76	3.05	22.20	0.07	0.33	2.44	0.07	0.53
FACILITY INSTALLATION	DERRICK BARGE diese	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	OIL BURN	250			24	2	4.38	71.15	20.83	0.10	2.19	0.11	1.71	0.50	0.00	0.05
WELL TEST	GAS FLARE		208333.33		24	2		0.12	14.87	12.56	80.94		0.00	0.36	0.30	1.94
2004 YEAR TOTAL							38.13	226.10	1195.92	47.47	336.26	31.09	143.87	1066.12	32.26	234.42
EXEMPTION CALCULATION	DISTANCE FROM LAND IN MILES											3330.00	3330.00	3330.00	3330.00	73250.78
	100.0															

EMISSIONS CALCULATIONS 2ND YEAR

COMPANY	AREA	BLOCK	LEASE	PLATFORM	WELL		CONTACT			PHONE	REMARKS					
Kerr-McGee Oil & Gas C	Green Canyon	320	OCS-G 25139	emi-submersibl	A, B, C, D, and E			Christine Groth/R.E.M. Solutions		281.492.8562						
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	39555	1910.5065	45852.16	24.00	275.00	27.88	127.90	958.38	28.75	209.10	92.00	422.07	3162.66	94.88	690.03
	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	[redacted]	[redacted]	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)	2065	99.7395	2393.75	8.00	275.00	1.46	6.68	50.03	1.50	10.92	1.60	7.34	55.04	1.65	12.01
	VESSELS>600hp diesel(supply)	2065	99.7395	2393.75	10.00	118.00	1.46	6.68	50.03	1.50	10.92	0.86	3.94	29.52	0.89	6.44
	VESSELS>600hp diesel(tugs)	4200	202.86	4868.64	12.00	12.00	2.96	13.58	101.76	3.05	22.20	0.21	0.98	7.33	0.22	1.60
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	[redacted]	[redacted]	0	0				0.00					0.00	
DRILLING	OIL BURN	250	[redacted]	[redacted]	24	6	4.38	71.15	20.83	0.10	2.19	0.32	5.12	1.50	0.00	0.16
WELL TEST	GAS FLARE	[redacted]	208333.33	[redacted]	24	6		0.12	14.87	12.56	80.94		0.01	1.07	0.90	5.83
2005	YEAR TOTAL						38.13	226.10	1195.92	47.47	336.26	94.99	439.46	3257.11	98.54	716.07
EXEMPTION CALCULATION	DISTANCE FROM LAND IN MILES											3330.00	3330.00	3330.00	3330.00	73250.78
	100.0															

EMISSIONS CALCULATIONS 3RD YEAR

COMPANY	AREA	BLOCK	LEASE	PLATFORM	WELL		CONTACT			PHONE	REMARKS					
Kerr-McGee Oil & Gas Co	Green Canyon	320	OCS-G 25139	Semi-submersible	A, B, C, D, and E		Christine Groth/R.E.M. Solutions			281.492.8562						
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	39555	1910.5065	45852.16	24	86	27.88	127.90	958.38	28.75	209.10	28.77	131.99	989.05	29.67	215.79
	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)	2065	99.7395	2393.75	8	86	1.46	6.68	50.03	1.50	10.92	0.50	2.30	17.21	0.52	3.76
	VESSELS>600hp diesel(supply)	2065	99.7395	2393.75	10	37	1.46	6.68	50.03	1.50	10.92	0.27	1.24	9.26	0.28	2.02
	VESSELS>600hp diesel(tugs)	4200	202.86	4868.64	12	4	2.96	13.58	101.76	3.05	22.20	0.07	0.33	2.44	0.07	0.53
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	250			24	2	4.38	71.15	20.83	0.10	2.19	0.11	1.71	0.50	0.00	0.05
	GAS FLARE		208333.33		24	2		0.12	14.87	12.56	80.94		0.00	0.36	0.30	1.94
2006	YEAR TOTAL						38.13	226.10	1195.92	47.47	336.26	29.72	137.56	1018.82	30.84	224.10
EXEMPTION CALCULATION	DISTANCE FROM LAND IN MILES											3330.00	3330.00	3330.00	3330.00	73250.78
	100.0															

SUMMARY

COMPANY	AREA	BLOCK	LEASE	PLATFORM	WELL
Kerr-McGee Oil & Gas Corporation	Green Canyon	320	OCS-G 25139	Semi-submersible	A, B, C, D, and E

Year	Emitted Substance				
	PM	SOx	NOx	VOC	CO
2004	31.09	143.87	1066.12	32.26	234.42
2005	94.99	439.46	3257.11	98.54	716.07
2006	29.72	137.56	1018.82	30.84	224.10
Allowable	3330.00	3330.00	3330.00	3330.00	73250.78

SECTION H
Environmental Impact Analysis

A. IMPACT PRODUCING FACTORS (IPF'S)

The following matrix is utilized to identify the environmental resources that could be impacted by these IPF's. An "x" has been marked for each IPF category that Kerr-McGee has determined may impact a particular environmental resource as a result of the proposed activities. For those cells which are footnoted, a statement is provided as to the applicability of the proposed activities, and where there may be an effect, an analysis of the effect is provided.

Environmental Resources	Emissions (air, noise, light, etc.)	Effluents (muds, cuttings, other discharges to the water column or seafloor	Physical Disturbances To the seafloor (rig or anchor emplacement, etc.)	Wastes Sent to Shore for Treatment Or disposal	Accidents (e.g. oil spills, chemical spills, H2S releases)	Other IPF's identified
Site Specific at Offshore Location						
Designated topographic feature						
Pinnacle Trend area live bottoms						
Eastern Gulf live bottoms						
Chemosynthetic communities						
Water quality		X			X	
Fisheries		X			X	
Marine mammals	X	X			X	
Sea turtles	X	X			X	
Air quality						
Shipwreck sites (known or potential)						
Prehistoric archaeological sites						
Vicinity of Offshore Location						
Essential fish habitat					X	
Marine and pelagic birds					X	
Public health and safety						
Coastal and Onshore						
Beaches					X	
Wetlands					X	
Shorebirds and coastal nesting birds					X	
Coastal wildlife refuges					X	
Wilderness areas					X	
Other Resources						

SECTION H
Environmental Impact Analysis-Continued

B. VICINITY OF OFFSHORE LOCATION ANALYSES

1. Designated Topographic Features

There are no anticipated effluents, physical disturbances to the seafloor, and accidents from the proposed activities that could cause impacts to topographic features. The proposed surface disturbances within Green Canyon Block 320 are located approximately 30 miles away from the closest designated topographic feature (Jakkula Bank). The crests of designated topographic features in the northern Gulf are found below 10 m. In the event of an accidental oil spill from the proposed activities, the gravity of such oil (high gravity condensate and/or diesel fuel) would rise to the surface, quickly dissipate, and/or be swept clear by the currents moving around the bank; thereby avoiding the sessile biota.

2. Pinnacle Trend Live Bottoms

There are no anticipated effluents, physical disturbances to the seafloor, and accidents from the proposed activities that could cause impacts to a pinnacle trend area. The proposed surface disturbances within Green Canyon Block 320 are located a significant distance (> 100 miles) from the closest pinnacle trend live bottom stipulated block. The crests of the pinnacle trend area are much deeper than 20 m. In the event of an accidental oil spill from the proposed activities, the gravity of such oil (high gravity condensate and/or diesel fuel) would rise to the surface, quickly dissipate, and/or be swept clear by currents moving around the bank; and thus not impacting the pinnacles.

3. Eastern Gulf Live Bottoms

There are no anticipated effluents, physical disturbances to the seafloor, and accidents from the proposed activities that could cause impacts to Eastern Gulf live bottoms. The proposed surface disturbances within Green Canyon Block 320 are located a significant distance (>100 miles) from the closest pinnacle Eastern Gulf live bottom stipulated block. In the event of an accidental oil spill from the proposed activities, the gravity of such oil (high gravity condensate and/or diesel fuel) would rise to the surface, quickly dissipate, and/or be swept clear by currents moving around the bank; and would not be expected to cause adverse impacts to Eastern Gulf live bottoms because of the depth of the features and dilutions of spills.

4. Chemosynthetic Communities

Water depths in Green Canyon Block 320 range from 2602 feet to 2874 feet. The proposed activities are not located within the vicinity of any known chemosynthetic communities.

SECTION H
Environmental Impact Analysis-Continued

5. Water Quality

Accidental oil spill releases from the proposed activities, and cumulative similar discharge activity within the vicinity could potentially cause impacts to water quality. It is unlikely that an accidental oil spill release would occur from the proposed activities. In the event of such a release, the water quality would be temporarily affected by the dissolved components and small droplets. Currents and microbial degradation would remove the oil from the water column or dilute the constituents to background levels.

In the event of an unanticipated blowout resulting in an oil spill, it is unlikely to have an impact based on the industry wide standards for using proven equipment and technology for such responses, implementation of Kerr-McGee's Regional Oil Spill Response Plan which address available equipment and personnel, techniques for containment and recovery, and removal of the oil spill. Kerr-McGee will conduct the proposed activities under EPA's Region VI NPDES General Permit GMG290000 which authorizes the discharge of certain effluents, subject to certain limitations, prohibitions and recordkeeping requirements. As such, it is not anticipated these discharges will cause significant adverse impacts to water quality.

6. Fisheries

Accidental oil spill releases from the proposed activities, and cumulative similar discharge activity within the vicinity may potentially cause some detrimental effects on fisheries. It is unlikely a spill would occur; however, such a release in open waters closed to mobile adult finfish or shellfish 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.

In the event of an unanticipated blowout resulting in an oil spill, it is unlikely to have an impact based on the industry wide standards for using proven equipment and technology for such responses, implementation of Kerr-McGee's Regional Oil Spill Response Plan which address available equipment and personnel, techniques for containment and recovery, and removal of the oil spill. Kerr-McGee will conduct the proposed activities under EPA's Region VI NPDES General Permit GMG290000 which authorizes the discharge of certain effluents, subject to certain limitations, prohibitions and recordkeeping requirements. As such, it is not anticipated these discharges will cause significant adverse impacts to water quality.

7. Marine Mammals

As a result of the proposed activities, marine mammals may be adversely impacted by traffic, noise, accidental oil spills, cumulative similar discharge activity, and loss of trash and debris. 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 accidental oil spill, chance collisions with service vessels and ingestion of plastic material.

The net results 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 ship 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.

In the event of an unanticipated blowout resulting in an oil spill, it is unlikely to have an impact based on the industry wide standards for using proven equipment and technology for such responses, implementation of Kerr-McGee's Regional Oil Spill Response Plan which address available equipment and personnel, techniques for containment and recovery, and removal of the oil spill. Kerr-McGee will conduct the proposed activities under EPA's Region VI NPDES General Permit GMG290000 which authorizes the discharge of certain effluents, subject to certain limitations, prohibitions and recordkeeping requirements. As such, it is not anticipated these discharges will cause significant adverse impacts to water quality. Additionally, Kerr-McGee and its contractors will conduct the proposed activities under the additional criteria addressed by MMS in Notice to Lessee's (NTL's) 2003-G10 "Vessel Strike Avoidance and Injured/Dead Protective Species" and NTL 2003-G11 "Marine Trash & Debris Awareness & Elimination".

8. Sea Turtles

As a result of the proposed activities, sea turtles may be adversely impacted by traffic, noise, accidental oil spills, cumulative similar discharges, and loss of trash and debris. 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 drilling rigs, production facilities and service vessels. Drilling rigs and project vessels (construction barges) produce noise that could disrupt normal behavior patterns and crease some stress to sea turtles, making them more susceptible to disease. Accidental oil spill releases are potential threats which could have lethal effects on turtles. Contact and/or consumption of this released material could seriously affect individual sea turtles. Most OCS related impacts on sea turtles are expected to be sublethal. Chronic and/or avoidance of effected areas could cause declines in survival or productivity, resulting in gradual population declines.

In the event of an unanticipated blowout resulting in an oil spill, it is unlikely to have an impact based on the industry wide standards for using proven equipment and technology for such responses, implementation of Kerr-McGee's Regional Oil Spill Response Plan which

address available equipment and personnel, techniques for containment and recovery, and removal of the oil spill. Kerr-McGee will conduct the proposed activities under EPA's Region VI NPDES General Permit GMG290000 which authorizes the discharge of certain effluents, subject to certain limitations, prohibitions and recordkeeping requirements.

As such, it is not anticipated these discharges will cause significant adverse impacts to water quality. Additionally, Kerr-McGee and its contractors will conduct the proposed activities under the additional criteria addressed by MMS in Notice to Lessee's (NTL's) 2003-G10 "Vessel Strike Avoidance and Injured/Dead Protective Species" and NTL 2003-G11 "Marine Trash & Debris Awareness & Elimination".

9. Air Quality

The proposed activities are located approximately 100 miles to the nearest shoreline. There would be a limited degree of air quality degradation in the immediate vicinity of the proposed activities. Air quality analyses of the proposed activities are below the MMS exemption level.

10. Shipwreck Site (Known or Potential)

There are no physical disturbances to the seafloor which could impact known or potential shipwreck sites, as the review of high resolution shallow hazards data indicate there are no known or potential shipwreck sites located within the surveyed area.

11. Prehistoric Archaeological Sites

There are no physical disturbances to the seafloor which could cause impacts to prehistoric archaeological sites, as the review of high resolution shallow hazards data and supporting studies did not reflect the occurrence of prehistoric archaeological sites.

Site Specific Offshore Location Analyses

1. Essential Fish Habitat

An accidental oil spill that may occur as a result of the proposed activities has potential to cause some detrimental effects on essential fish habitat. It is unlikely that an accidental oil spill release would occur; however, if a spill were to occur in close proximity to 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.

SECTION H
Environmental Impact Analysis-Continued

In the event of an unanticipated blowout resulting in an oil spill, it is unlikely to have an impact based on the industry wide standards for using proven equipment and technology for such responses, implementation of Kerr-McGee's Regional Oil Spill Response Plan which address available equipment and personnel, techniques for containment and recovery, and removal of the oil spill.

2. Marine and Pelagic Birds

An accidental oil spill that may occur as a result of the proposed activities has potential to impact marine and pelagic birds, by the birds coming into contact with the released oil. It is unlikely that an accidental oil spill release would occur.

In the event of an unanticipated blowout resulting in an oil spill, it is unlikely to have an impact based on the industry wide standards for using proven equipment and technology for such responses, implementation of Kerr-McGee's Regional Oil Spill Response Plan which address available equipment and personnel, techniques for containment and recovery, and removal of the oil spill.

3. Public Health and Safety Due to Accidents

There are no anticipated IPF's from the proposed activities that could impact the public health and safety. Kerr-McGee has requested MMS approval to classify the proposed objective area as absent of hydrogen sulfide.

Coastal and Onshore Analyses

1. Beaches

An accidental oil spill release from the proposed activities could cause impacts to beaches. However, due to the distance from shore (approximately 100 miles), and the response capabilities that would be implemented, no significant adverse impacts are expected. Both historical spill data and the combined trajectory/risk calculations referenced in the publication of OCS EIA /EA MMS 2002-052 indicate there is little risk of contact or impact to the coastline and associated environmental resources.

In the event of an unanticipated blowout resulting in an oil spill, it is unlikely to have an impact based on the industry wide standards for using proven equipment and technology for such responses, implementation of Kerr-McGee's Regional Oil Spill Response Plan which address available equipment and personnel, techniques for containment and recovery, and removal of the oil spill.

SECTION H
Environmental Impact Analysis-Continued

2. Wetlands

An accidental oil spill release from the proposed activities could cause impacts to wetlands. However, due to the distance from shore (approximately 100 miles) and the response capabilities that would be implemented, no significant adverse impacts are expected. Both historical spill data and the combined trajectory/risk calculations referenced in the publication of OCS EIA /EA MMS 2002-052 indicate there is little risk of contact or impact to the coastline and associated environmental resources.

In the event of an unanticipated blowout resulting in an oil spill, it is unlikely to have an impact based on the industry wide standards for using proven equipment and technology for such responses, implementation of Kerr-McGee's Regional Oil Spill Response Plan which address available equipment and personnel, techniques for containment and recovery, and removal of the oil spill.

3. Shore Birds and Coastal Nesting Birds

An accidental oil spill release from the proposed activities could cause impacts to shore birds and coastal nesting birds. However, due to the distance from shore (approximately 100 miles) and the response capabilities that would be implemented, no significant adverse impacts are expected. Both historical spill data and the combined trajectory/risk calculations referenced in the publication of OCS EIA /EA MMS 2002-052 indicate there is little risk of contact or impact to the coastline and associated environmental resources.

In the event of an unanticipated blowout resulting in an oil spill, it is unlikely to have an impact based on the industry wide standards for using proven equipment and technology for such responses, implementation of Kerr-McGee's Regional Oil Spill Response Plan which address available equipment and personnel, techniques for containment and recovery, and removal of the oil spill.

4. Coastal Wildlife Refuges

An accidental oil spill release from the proposed activities could cause impacts to coastal wildlife refuges. However, due to the distance from shore (approximately 100 miles) and the response capabilities that would be implemented, no significant adverse impacts are expected. Both historical spill data and the combined trajectory/risk calculations referenced in the publication of OCS EIA /EA MMS 2002-052 indicate there is little risk of contact or impact to the coastline and associated environmental resources.

In the event of an unanticipated blowout resulting in an oil spill, it is unlikely to have an impact based on the industry wide standards for using proven equipment and technology for such responses, implementation of Kerr-McGee's Regional Oil Spill Response Plan which address available equipment and personnel, techniques for containment and recovery, and removal of the oil spill.

SECTION H
Environmental Impact Analysis-Continued

5. Wilderness Areas

An accidental oil spill release from the proposed activities could cause impacts to wilderness areas. However, due to the distance from shore (approximately 100 miles) and the response capabilities that would be implemented, no significant adverse impacts are expected. Both historical spill data and the combined trajectory/risk calculations referenced in the publication of OCS EIA /EA MMS 2002-052 indicate there is little risk of contact or impact to the coastline and associated environmental resources.

In the event of an unanticipated blowout resulting in an oil spill, it is unlikely to have an impact based on the industry wide standards for using proven equipment and technology for such responses, implementation of Kerr-McGee's Regional Oil Spill Response Plan which address available equipment and personnel, techniques for containment and recovery, and removal of the oil spill.

Other Identified Environmental Resources

Kerr-McGee has not identified any other environmental resources other than those addressed above.

Impacts on Proposed Activities

No impacts are expected on the proposed activities as a result of taking into consideration the site specific environmental conditions.

A High Resolution Shallow Hazards Survey was conducted, a report prepared in accordance with NTL 2002-G01 and NTL 98-20.

Based on the analysis of the referenced data, there are no surface or subsurface geological and manmade features and conditions that may adversely affect the proposed activities. Kerr-McGee will institute procedures to avoid pipelines and abandoned wells within the vicinity of the proposed operations.

Alternatives

Kerr-McGee did not consider any alternatives to reduce environmental impacts as a result of the proposed activities.

Mitigation Measures

Kerr-McGee will not implement any mitigation measures to avoid, diminish, or eliminate potential environmental resources, other than those required by regulation and policy.

SECTION H
Environmental Impact Analysis-Continued

Consultation

Kerr-McGee has not contacted any agencies or persons for consultation regarding potential impacts associated with the proposed activities. Therefore, a list of such entities is not being provided.

References

The following documents were utilized in preparing the Environmental Impact Assessment:

Document	*Author*	*Dated*
3D Seismic Data Survey	Geoscience Earth & Marine Services, Inc.	2004
MMS Environmental Impact Statement Report No. 2002-15	Minerals Management Service	2002
NTL 2003-N06 "Supplemental Bond Procedures	Minerals Management Service	2003
NTL 2004-G01 "Implementation of Seismic Survey Mitigation Measures and Protected Species Observer Program"	Minerals Management Service	2004
NTL 2003-G10 "Vessel Strike Avoidance and Injured/Dead Protective Species"	Minerals Management Service	2003
NTL 2003-G11 "Marine Trash & Debris Awareness & Elimination"	Minerals Management Service	2003
NTL 2002-G09 "Regional and Subregional Oil Spill Response Plans"	Minerals Management Service	2002
NTL 2003-G17 "Guidance for Submitting Exploration Plans and Development Operations Coordination Documents"	Minerals Management Service	2003
NTL 2002-G01 "Archaeological Resource Surveys and Reports"	Minerals Management Service	2002
NTL 2000-G16 "Guidelines for General Lease Surety Bonds"	Minerals Management Service	2000
NTL 98-20 "Shallow Hazards Survey Requirements"	Minerals Management Service	1998
NTL 98-16 "Hydrogen Sulfide Requirements"	Minerals Management Service	1998
NPDES General Permit GMG290000	EPA – Region VI	1998
Regional Oil Spill Response Plan	Kerr-McGee Oil & Gas Corporation	2004

SECTION I
CZM Consistency

Under direction of the Coastal Zone Management Act (CMZA), the States of Alabama, Florida, Louisiana, Mississippi and Texas developed Coastal Zone Management Programs (CZMP) to allow for the supervision of significant land and water use activities that take place within or that could significantly impact their respective coastal zones.

A certificate of Coastal Zone Management Consistency for the State of Louisiana is enclosed as *Attachment I-1.*

Kerr-McGee Oil & Gas Corporation has considered all of Louisiana's enforceable policies and certifies the consistency for the proposed operations.

Louisiana Coastal Zone Consistency Statement

Attachment I-1
(Public Information)

COASTAL ZONE MANAGEMENT CONSISTENCY CERTIFICATION

INITIAL EXPLORATION PLAN

GREEN CANYON BLOCK 320

LEASE OCS-G 25139

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

By: Kerr-McGee Oil & Gas Corporation

Signed By: _____

Dated: _____