UNITED STATES GOVERNMENT
MEMORANDUM

February 2, 2005

To: Public Information (MS 5034)

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

Subject: Public Information copy of plan

- Control # - S-06617
- Type - Supplemental Exploration Plan
- Lease(s) - OCS-G17973 Block - 143 Eugene Island Area
- Operator - Walter Oil & Gas Corporation
- Description - Wells 005 and 006
- Rig Type - JACKUP

Attached is a copy of the subject plan.

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

Robert Stringfellow
Plan Coordinator

Site Type/Name	Botm Lse/Area/Blk	Surface Location	Surf Lse/Area/Blk
WP/005		903 FNL, 5844 FWL	G17973/EI/143
WP/006		1139 FSL, 2804 FWL	G17973/EI/143
WELL/005	G17973/EI/143	903 FNL, 5844 FWL	G17973/EI/143
WELL/006	G17973/EI/143	1139 FSL, 2804 FWL	G17973/EI/143

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WALTER OIL & GAS CORPORATION

CONTROL No. P-6617
REVIEWER: Robert Stringfellow
PHONE: (504) 736-2437

MINERALS MANAGEMENT SERVICE
RECEIVED
FEB 02 2005
FIELD OPERATIONS
Plans Section, GOM OCS Region, New Orleans, LA

January 31, 2005

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

RE: Supplemental Exploration Plan
Lease OCS-G 17973, Eugene Island Block 143
OCS Federal Waters, Gulf of Mexico, Offshore, Louisiana

Gentlemen:

In accordance with the provisions of Title 30 CFR 250.203 and NTL 2002-G08, Walter Oil & Gas Corporation hereby submits for your review and approval two (2) hard copies of a Supplemental EP (Plan) for Lease OCS-G 17973, Eugene Island Area, Block 143, Offshore Louisiana. One (1) copy is "Proprietary Information" and one (1) copy is "Public Information". Included in this package are one Proprietary and one Public Information copy of this plan on separate CD-ROM's in a PDF format for the Minerals Management Service. A Public Information copy of the Plan on CD-ROM is not required for the CZM at this time.

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

Walter anticipates drilling activities will commence under this proposed Plan on approximately June 1, 2005.

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

Sincerely,

WALTER OIL & GAS CORPORATION

Judy Archer / KCamp

Judy Archer
Regulatory / Environmental Coordinator

JA:KC

Enclosures

PUBLIC INFORMATION

Walter Oil & Gas Corporation
Supplemental EP
Eugene Island Area, Block 143
Lease OCS-G 17973
January 31, 2005

Table of Contents

Attachments

Appendix A
CONTENTS OF PLAN

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

A. LEASE DESCRIPTION / ACTIVITY

Walter Oil & Gas Corporation (Walter) is the designated operator of Eugene Island Block 143, Lease OCS-G 17973 by virtue of a farmout. The referenced lease was originally purchased at the Central Gulf of Mexico Lease Sale 166. The lease was issued with an effective date of July 1, 1997 and primary term ending date of June 30, 2002. This lease is presently held by production.

Under this Supplemental Exploration Plan (EP), Walter Oil & Gas plans to drill, complete and potentially test Well Nos. 005 and 006.

PROPRIETARY DATA

Attachment A-1 is MMS Form 137 with details of the proposed drilling, completion and potential testing as provided for in this Plan along with a tentative schedule.

B. LOCATION / MAPS

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

There are no associated anchors expected to disturb any areas during construction of the facility.

C. DRILLING

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

The proposed well(s) will be drilled and completed with the Ocean Crusader. Rig specifications will be made a part of the appropriate Application for Permit to Drill.

Safety features on the MODU will include well control, pollution prevention, welding procedure, and blowout prevention equipment as described in Title 30 CFR Part 250, Subparts C, D, E, G and O; and as further clarified by MMS Notice to Lessees, and current policy making invoked by the MMS, Environmental Protection Agency and the U.S. Coast Guard. The appropriate life rafts, life jackets, ring buoys, etc., as prescribed by the U.S. Coast Guard will be maintained on the facility at all times.

In accordance with Title 30 CFR Part 250, Subpart 0, an operator is to ensure Well Control Training is provided for lessee and contractor personnel engaged in oil and gas operations in the OCS Gulf of Mexico. Further, the operator is charged with the responsibility to not create conditions that will pose unreasonable risk to the public health, life, property, aquatic life, wildlife, recreation, navigation, commercial fishing, or other uses of the ocean.

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

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

ATTACHMENT A-1

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:	Walter Oil & Gas Corp.		MMS Operator Number:	0730	
Address:			Contact Person:	Judy Archer	
1100 Louisiana, Suite 200 Houston, TX 77002			Phone Number:	713/659-1222	
			E-Mail Address:	jarcher@walteroil.com	

Lease: OCS-G 17973	Area: Eugene Island						Block: 143		Project Name (If Applicable): NA		
Objective(s):	X	Oil	X	Gas		Sulphur		Salt	Onshore Base: Morgan City, LA		Distance to Closest Land (Miles): 24

Description of Proposed Activities (Mark all that apply)

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

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

Tentative Schedule of Proposed Activities

Proposed Activity	Start Date	End Date	No. of Days
Drill and complete Well 005	06/01/2005	07/30/2005	60
Install well protector structure	07/31/2005	08/01/2005	2
Test well	08/02/2005	08/02/2005	1
Drill and complete Well 006	08/03/2005	10/02/2005	60
Install well protector structure	10/03/2005	10/05/2005	2
Test well	10/06/2005	10/06/2005	1

Description of Drilling Rig

X	Jackup		Drillship
	Gorilla Jackup		Platform rig
	Semisubmersible		Submersible
	DP Semisubmersible		Other (Attach Description)
Drilling Rig Name (If Known):	Ocean Crusader		

Description of Production Platform

	Caisson		Tension leg platform
	Well protector		Compliant tower
	Fixed platform		Guyed tower
	Subsea manifold		Floating production system
	Spar		Other (Attach Description)

Description of Lease Term Pipelines

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

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:	**Well No. 005**			Subsea Completion	
Anchor Radius (if applicable) in feet:	NA			Yes	X	No

	Surface Location	Bottom-Hole Location (For Wells)
Lease No.	OCS-G 17973	
Area Name	Eugene Island	
Block No.	143	
Block line Departures (in feet)	N/S Departure: 902.62 FNL	
	E/W Departure: 5844.32 FWL	
Lambert X-Y coordinates	X: 1,975,800.00	
	Y: 95,007.00'	
Latitude/ Longitude NAD 27	Latitude: 28° 55' 40.425" N	
	Longitude: 91° 24' 32.301" W	

TVD (Feet):	MD (Feet):	Water Depth (Feet): **39.5**

Anchor Locations for Drilling Rig or Construction Barge

Anchor Name or No.	Area	Block	X Coordinate	Y Coordinate	Length of Anchor Chain on Seafloor
1					
2					
3					
4					
5					
6					
7					
8					

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:	**Well No. 006**				Subsea Completion	
Anchor Radius (if applicable) in feet:	NA				Yes	X	No

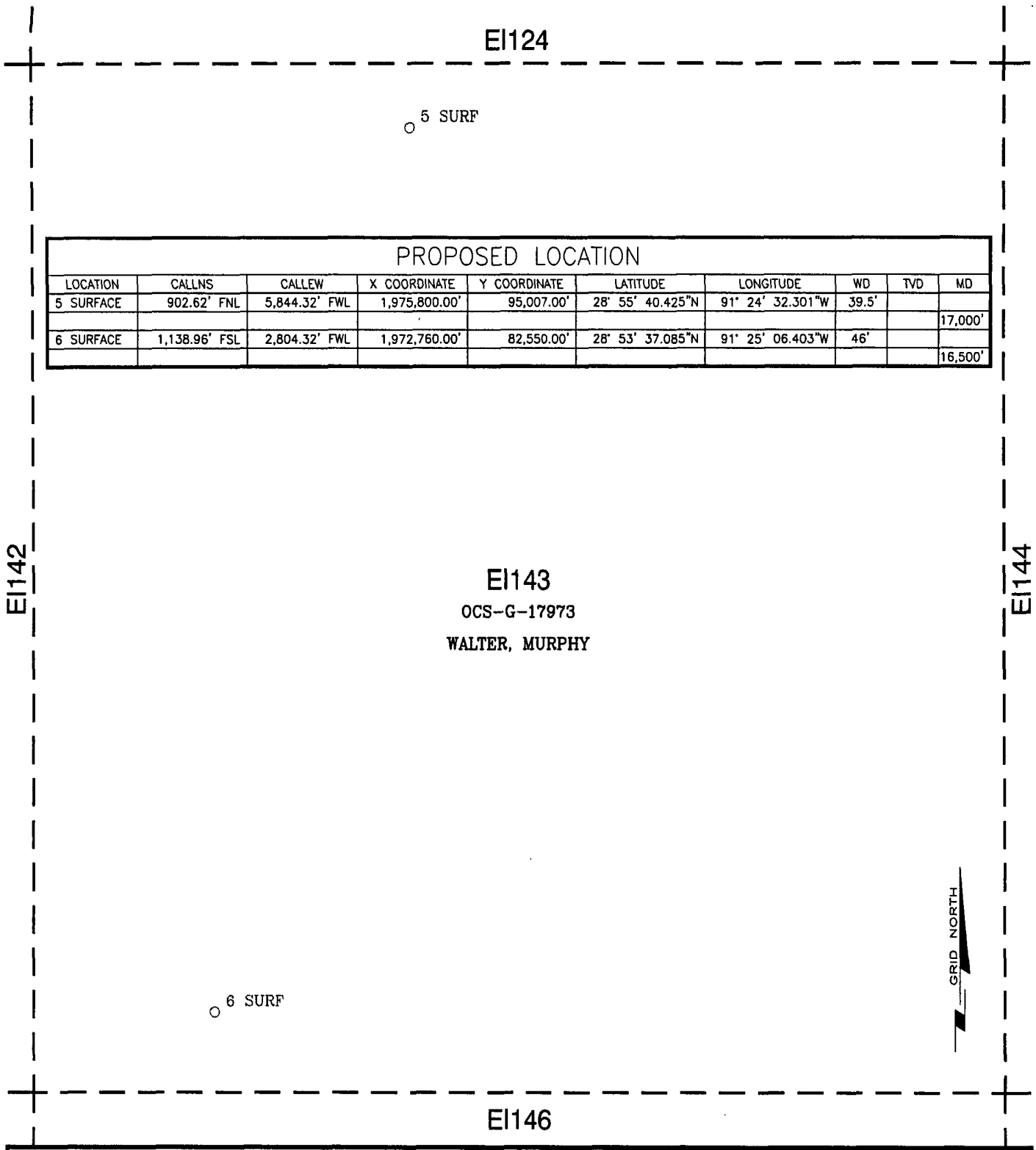
	Surface Location	Bottom-Hole Location (For Wells)
Lease No.	OCS-G 17973	
Area Name	Eugene Island	
Block No.	143	
Block line Departures (in feet)	N/S Departure: 1138.96 FSL	
	E/W Departure: 2804.32 FWL	
Lambert X-Y coordinates	X: 1,972,760.00	
	Y: 82,550.00'	
Latitude/ Longitude NAD 27	Latitude: 28° 53' 37.085" N	
	Longitude: 91° 25' 06.403" W	

TVD (Feet):	MD (Feet):	Water Depth (Feet): **46**

Anchor Locations for Drilling Rig or Construction Barge

Anchor Name or No.	Area	Block	X Coordinate	Y Coordinate	Length of Anchor Chain on Seafloor
1					
2					
3					
4					
5					
6					
7					
8					

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.



PROPOSED LOCATION									
LOCATION	CALLNS	CALLEW	X COORDINATE	Y COORDINATE	LATITUDE	LONGITUDE	WD	TVD	MD
5 SURFACE	902.62' FNL	5,844.32' FWL	1,975,800.00'	95,007.00'	28° 55' 40.425"N	91° 24' 32.301"W	39.5'		
									17,000'
6 SURFACE	1,138.96' FSL	2,804.32' FWL	1,972,760.00'	82,550.00'	28° 53' 37.085"N	91° 25' 06.403"W	46'		
									16,500'

PUBLIC INFORMATION

DIGITAL COPY
ORIGINAL PLAT 01/31/05

Printed: 1/31/05

WALTER OIL & GAS CORPORATION

SUPPLEMENTAL EXPLORATION PLAN
OCS-G-17973
BLOCK 143
EUGENE ISLAND AREA
GULF OF MEXICO

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

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

SCALE IN FEET 0 2,000'

Job No.: 05-0477 | Date: 01/31/05 | Drwn: TCG | Chart: 1 Of: 1

Dwgfile: O:\WellPermit\LAs\EI\Permit\143sep

Appendix B
GENERAL INFORMATION

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

A. CONTACT

Inquiries may be made to the following authorized representative:

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

B. NEW OR UNUSUAL TECHNOLOGY

Walter does not propose the use of any new or unusual technology to carry out the proposed activities provided for in this Plan.

C. BONDING INFORMATION

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

D. ONSHORE BASE AND SUPPORT VESSELS

Eugene Island Block 143 is located approximately 23.7 statute miles from the nearest Louisiana shoreline and approximately 34 statute miles from the onshore support base located in Morgan City, Louisiana. A Vicinity Plat showing the location of Eugene Island Block 143 relative to the shoreline and the onshore base is included as **Attachment B-1**.

Name	Location	Existing, New or Modified
ELI Dock	Morgan City, LA	Existing

This base is capable of providing the services necessary for the proposed activities. It has 24-hour service, a radio tower with a phone patch, dock space, equipment and supply storage base, drinking and drill water, etc. The base will also serve as a loading point for tools, equipment and machinery to be delivered to the MODU, crew change and transportation base, and temporary storage for materials and equipment. The facilities typically include outdoor storage, forklift and crane service, dock, trailer facilities, a radio tower with a phone patch and parking, as well as 24-hour service.

Support vessels and travel frequency during the proposed drilling, completion activities are as follows:

Type	Trips / Week – Drilling	Hours on Location
Crew Boat	5	4
Supply Boat	3	7
Helicopter	As needed	NA
Anchor Handling Tugs	NA	NA

Personal vehicles will be the main means of transportation to carry personnel from various locations to the onshore base area. During drilling operations, they will be transported to the MODU by the crew boat. A supply boat will also be utilized to transport small supplies, and on occasion, personnel. Helicopters will be utilized on an as needed basis. The most practical, direct route permitted by the weather and traffic conditions will be utilized.

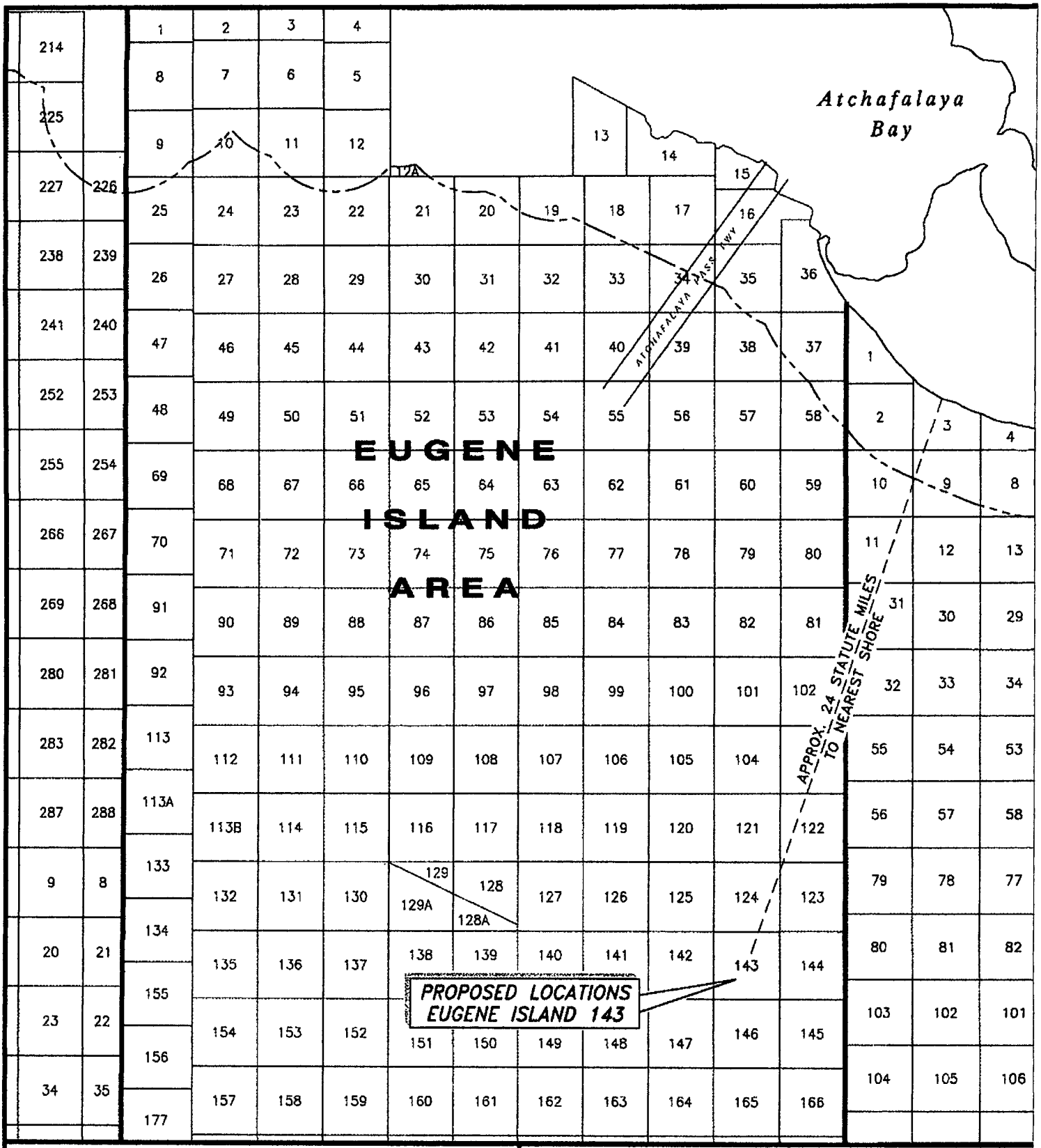
During the proposed operations, Walter and contractor personnel will be employed on the rig conducting drilling and completion activities. During these periods of time, approximately 35-50 personnel may be engaged in designated activities. Personnel engaged in onshore operations will be the dispatcher at the pre-determined support base, contract personnel for offloading equipment and materials required to support the activities, as well as the personnel needed to transport same to the offshore facility.

E. LEASE STIPULATIONS

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

The Minerals Management Service did not invoke any lease stipulations for Eugene Island Area, Block 143, OCS-G 17973. The Minerals Management Service has specific guidelines in NTL 98-06 for archaeological surveys that apply only to specific high probability areas. Eugene Island Block 143 is included in a high probability area for archaeological resources. An archaeological assessment was performed with the High Resolution Geophysical Survey for Eugene Island Block 143 (See Appendix C and Appendix H for further discussion).

Eugene Island Block 143 is located within the designated ***Military Warning Area W-59***. Walter will contact the Naval Air Station – JRB, 400 Russell Avenue, Box 27, New Orleans, LA 70143-0027, in order to coordinate and control the electromagnetic emissions during proposed operations, if necessary.



WALTER OIL & GAS CORPORATION

VICINITY MAP
OCS-G-17973

BLOCK 143
EUGENE ISLAND AREA
GULF OF MEXICO

FUGRO CHANCE INC.

GEODETIC DATUM: NAD 1927 PROJECTION: LOUISIANA SOUTH GRID UNITS: US SURVEY FEET		SCALE IN FEET 0 30,000'	
Job No.: 02-2315	Date: 8/7/02	Drwn: RDT	Chart: Of:

Appendix C
Geological, Geophysical & H_2S INFORMATION

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

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

PROPRIETARY DATA

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

PROPRIETARY DATA

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

PROPRIETARY DATA

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

Gulf Ocean Services, Inc. performed a High Resolution Geophysical Survey of Block 143, Eugene Island Area, Offshore, Louisiana in June 1997. The purpose of the survey was to evaluate geologic conditions and inspect for potential hazards or constraints to lease exploration.

Copies of the report have been previously submitted to the Minerals Management Service with Murphy's Initial Exploration Plan.

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

A shallow hazards assessment has been prepared for the proposed surface location, evaluating seafloor and subsurface geologic and manmade features and conditions, and is included as **Attachments C-4a and C-4b**.

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

PROPRIETARY DATA

G. STRATIGRAPHIC COLUMN – Proprietary Data (Omitted from PI Copy)

PROPRIETARY DATA

H. TIME VERSUS DEPTH TABLES – Proprietary Data (Omitted from PI Copy)

PROPRIETARY DATA

I. DEPTH OF GEOPRESSURE

PROPRIETARY DATA

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

In accordance with Title 30 CFR 250.417(c), Walter requests Eugene Island Block 143 be classified by the Minerals Management Service as an area where the absence of hydrogen sulfide has been confirmed based upon the following:

PROPRIETARY DATA

SUPPLEMENTAL EXPLORATORY PLAN
OCS-G 17973, BLOCK 143
EUGENE ISLAND AREA
WELL NO. 5

SHALLOW HAZARDS

During June, 1997, Gulf Ocean Services, Inc. performed a Geophysical/Cultural Resources Survey of Block 143, Eugene Island Area (OCS-G 12916) for Murphy Exploration and Production.

The data acquisition was performed by Gulf Ocean Services, Inc. aboard the MV DAVID McCALL II and the M/V MARY McCALL utilizing Trimble Differential Global Positioning Systems coupled to IBM-based microprocessors (Sentinel). Survey coverage consisted of 89 east-west prime lines spaced 50 meters apart with 5 north-south tie lines at 900 meters.

Remote sensing equipment included side scan sonar, magnetometer, subbottom profiler, fathometer and sparker system.

In addition to the field data acquisition, Gulf Ocean Services, Inc. furnished annotated field sections and completed certain data interpretation and mapping, including: (1) Navigation Postplot Map, (2) Bathymetry Map, (3) Anomaly Map, (4) Isopach May and (5) Structure Map.

Based upon the results of the survey, Walter proposes to drill the subject well from a proposed surface location of 0903' FNL & 5844' FWL of Eugene Island Area Block 143. Walter has reviewed all available data over and proximal to the proposed surface location and has found no indication of shallow high-pressure gas accumulation.

WALTER OIL & GAS CORPORATION
Lessee or Operator

Pete Hetherington, Geologist

January 31, 2005
Date

SUPPLEMENTAL EXPLORATORY PLAN
OCS-G 17973, BLOCK 143
EUGENE ISLAND AREA
WELL NO. 6

SHALLOW HAZARDS

During June, 1997, Gulf Ocean Services, Inc. performed a Geophysical/Cultural Resources Survey of Block 143, Eugene Island Area (OCS-G 12916) for Murphy Exploration and Production.

The data acquisition was performed by Gulf Ocean Services, Inc. aboard the MV DAVID McCALL II and the M/V MARY McCALL utilizing Trimble Differential Global Positioning Systems coupled to IBM-based microprocessors (Sentinel). Survey coverage consisted of 89 east-west prime lines spaced 50 meters apart with 5 north-south tie lines at 900 meters.

Remote sensing equipment included side scan sonar, magnetometer, subbottom profiler, fathometer and sparker system.

In addition to the field data acquisition, Gulf Ocean Services, Inc. furnished annotated field sections and completed certain data interpretation and mapping, including: (1) Navigation Postplot Map, (2) Bathymetry Map, (3) Anomaly Map, (4) Isopach May and (5) Structure Map.

Based upon the results of the survey, Walter proposes to drill the subject well from a proposed surface location of 1139' FSL & 2804' FWL of Eugene Island Area Block 143. Walter has reviewed all available data over and proximal to the proposed surface location and has found no indication of shallow high-pressure gas accumulation. However, Walter is aware of a magnetic anomaly approximately 400 feet NE of the proposed location and will take all necessary precautions when drilling the drill.

WALTER OIL & GAS CORPORATION
Lessee or Operator

Pete Hetherington, Geologist

January 31, 2005
Date

Appendix D
BIOLOGICAL INFORMATION

CHEMOSYNTHETIC INFORMATION

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

TOPOGRAPHIC FEATURES INFORMATION

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

A topographic feature does not affect the activities proposed in this plan.

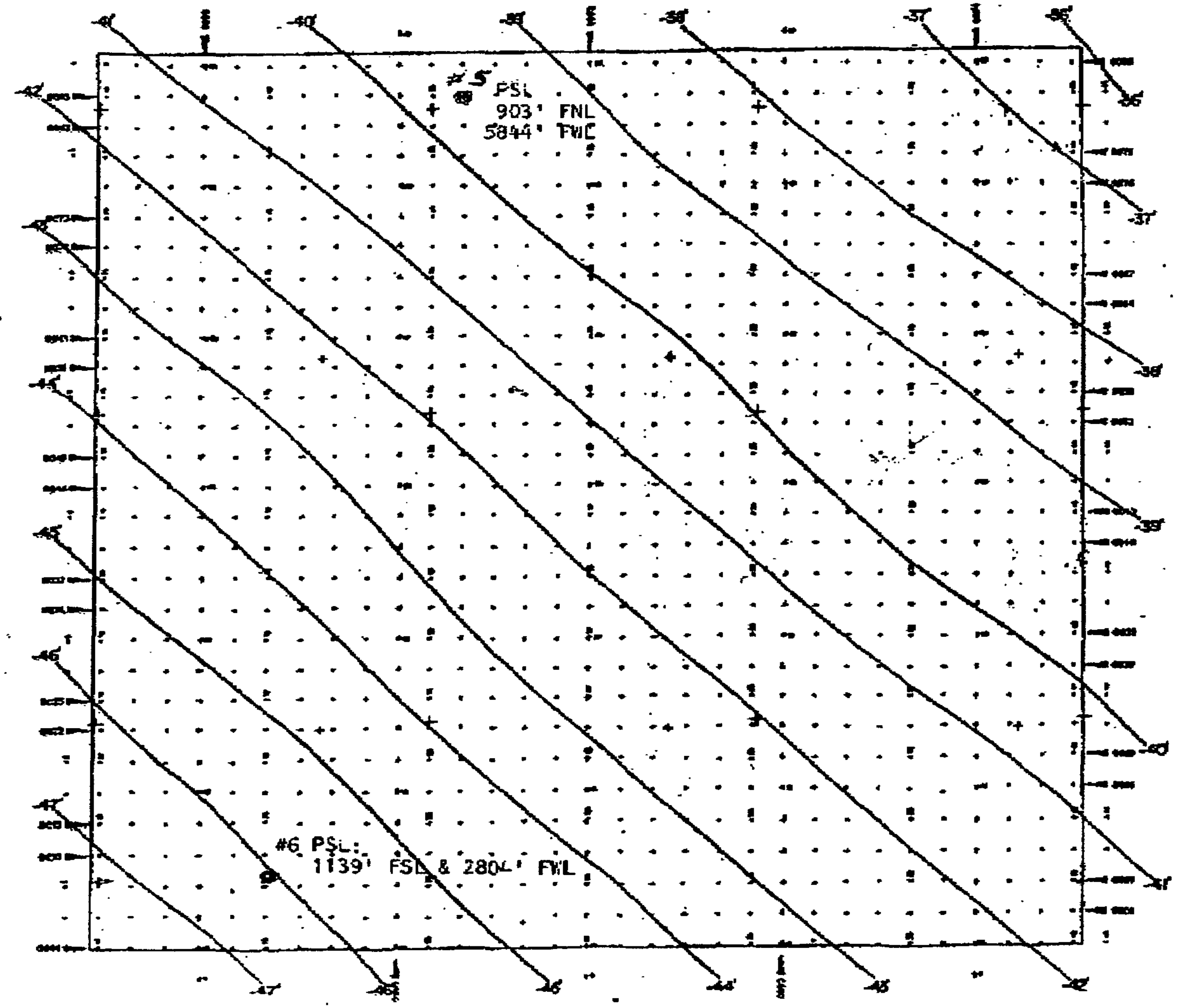
LIVE BOTTOM (PINNACLE TREND) INFORMATION

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

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

REMOTELY OPERATED VEHICLE (ROV) SURVEYS

Eugene Island Block 143 is not located in water depths ≥ 400 meters (1312 feet) and therefore does not require Walter to submit an ROV Monitoring Survey Plan.



DEPTHS IN FEET, BASED ON ACOUSTIC VELOCITY OF

CONTOUR INTERVAL = 1 FOOT

HIGH RESOLUTION GEOPHYSICAL SURVEY

EUGENE ISLAND 143

MURPHY EXPLOR & PROD.

GULF OCEAN SERVICES, INC.

JUNE 1997

BATHYMETRY MAP

FIGURE 3

Appendix E
WASTES AND DISCHARGES INFORMATION

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

Walter has received coverage under EPA Region VI NPDES General Permit GMG290000 by letter dated September 24, 2002, which regulates overboard discharges, including restrictions and limitations of waste generated from oil and gas operations in the Western Gulf of Mexico and will be reported under Outfall Nos. 203T / 203A / 203S, if applicable.

A. Discharges

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

B. Disposed Wastes

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

Attachment E-1
WASTE AND DISCHARGE INFORMATION

Projected Ocean Discharges – this table is not required for a Supplemental Exploration Plan offshore Louisiana.

Attachment E-2
Projected Wastes to be Disposed of:

Type of Waste / approximate composition	Amount (volume, weight or rate)	Rate per day	Name/Location of Disposal Facility	Treatment and /or Storage, Transport and Disposal Method
Spent oil-based drilling fluids and cuttings	NA	NA	NA	NA
Spent synthetic-based drilling fluids and cuttings	NA	NA	NA	NA
Waste Oil	NA	NA	NA	NA
Trash and debris	20 ft^3 / day	20 ft^3 / day	ELI Dock Morgan City, LA	Transport in storage bins on crew boat to shore base – Picked up at shore base and trucked to public facility

Appendix F
OIL SPILL INFORMATION

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

A. Site-Specific OSRP

Lease OCS-G 17973 is not located in the Eastern Gulf of Mexico therefore a site-specific OSRP is not required.

B. Regional OSRP Information

Walter Oil & Gas Corporation's Regional Oil Spill Response Plan (OSRP) was approved on August 20, 2003 for period ending July 31, 2005. The latest revision was approved on August 11, 2004 and is presently being revised to increase the WCD for drilling by letter dated January 13, 2005. The Regional OSRP will cover activities proposed in this Supplemental EP.

C. OSRO Information

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

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

D. Worst Case Scenario Comparison

The worst-case discharge (WCD) proposed in this Supplemental EP supersedes the worst-case discharge as approved in our Regional OSRP and is presently being updated. See below:

Category	Regional OSRP	Supp EP
Type of Worst-case Scenario[1]	Drilling	Drilling
Facility Location (area/block)	EI 143	EI 143 #5 / #6
Facility Designation[2]	JU	Ocean Crusader
Distance to Nearest Shoreline	23.7	23.7
Worst-case Scenario Volume[3]		
Storage tanks (maximum capacity)		
Flowlines (maximum capacity)		
Lease term pipelines (calculated)		
Uncontrolled blowout (daily volume)		1500 bbls
Total Worst-case Scenario Volume	1000 bbls	1500 bbls
Type of Oil (crude oil, condensate)	Condensate	Condensate
API Gravity(s)[4]	45°	NA

[1] Types of worst-case discharge scenarios include (1) oil production platform, including caissons, subsea completions or manifolds, (2) exploratory or development drilling operations including subsea completion or manifold, and mobile drilling rig, and (3) pipeline facility (see 30 CFR 254.47(a),(b), and (c)).
[2] E.g., Well No. 2, Platform JA, Pipeline Segment No. 6373.
[3] Take your regional OSRP worst-case scenario volume from the appropriate section of your regional OSRP. For EP's, determine the worst-case scenario volume using the criteria at 30 CFR 254.47(b). For DOCD's, determine the worst-case scenario volume using the criteria at 30 CFR 254.47(a), (b), and (c), as appropriate.
[4] Provide API gravity of each oil given under "Type of Oil" above. Estimate for EP's.

Although the WCD scenario determined for our Supplemental EP replaces the WCD scenario determined for our Regional OSRP, I hereby certify that Walter Oil & Gas has the capability to respond, to the maximum extent practicable, to a WCD resulting from the activities proposed in our Supplemental EP.

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

Facility tanks, production vessels

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

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

Further data is not required to be submitted with this Supplemental Exploration Plan affecting the State of Louisiana.

Appendix G
AIR EMISSIONS INFORMATION

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

Screening Questions for EP	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 other other air pollutants (where D = distance to shore in miles)?		X
Do your emission calculations include any emission reduction measures or modified emission factors?		X
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 hours from any proposed well?		X
Do you propose to burn produced hydrocarbon liquids?		X

The following information was prepared by:

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EXPLORATION PLAN (EP)
AIR QUALITY SCREENING CHECKLIST

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

COMPANY	Walter Oil & Gas
AREA	Eugene Island
BLOCK	143
LEASE	G17973
PLATFORM	NA
WELL	5 & 6
COMPANY CONTACT	Judy Archer
TELEPHONE NO.	713/659-1221
REMARKS	Drill, complete and test (2) wells

SUMMARY

COMPANY	AREA	BLOCK	LEASE	PLATFORM	WELL
Walter Oil & Gas	Eugene Island	143	G17973	NA	5 & 6

Year	Emitted Substance				
	PM	SOx	NOx	VOC	CO
2005	18.63	85.46	640.69	19.51	141.65
Allowable	799.20	799.20	799.20	799.20	28289.14

Appendix H
ENVIRONMENTAL IMPACT ANALYSIS (EIA)

A. ENVIRONMENTAL IMPACT ANALYSIS MATRIX

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

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

Footnotes for Environmental Impact Analysis Matrix

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

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

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

B. ANALYSIS

Site-specific at Offshore Location

1. Designated Topographic Features

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

There are no IPF's (including effluents, physical disturbances to the seafloor, and accidents) from the proposed activities in Eugene Island Block 143 that could cause impacts to topographic features. The site-specific offshore location of the proposed activities is approximately 60 miles from the closest designated topographic feature (Fishnet Bank).

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

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

2. Pinnacle Trend Area Live Bottoms

A small portion of the northeastern Central Planning Area includes portions of 70 lease blocks that are characterized by a pinnacle trend. The pinnacle trend extends into the northwest portion of the Eastern Planning Area. The pinnacles are a series of topographic irregularities with variable biotal coverage, which provide structural habitat for a variety of pelagic fish. The Live Bottom (Pinnacle Trend) Stipulation is intended to

protect the pinnacle trend and associated hard-bottom communities from damage and, at the same time, provide for recovery of potential oil and gas resources.

There are no IPF's (including effluents, physical disturbances to the seafloor, and accidents) from the proposed activities in Eugene Island Block 143 that could cause impacts to pinnacle trend area live bottoms. The site-specific offshore location of the proposed activities is approximately 180 miles away from the closest pinnacle trend live bottom stipulated block.

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

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

3. Eastern Gulf Live Bottoms

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

There are no IPF's (including effluents, physical disturbances to the seafloor, and accidents) from the proposed activities in Eugene Island Block 143 that could cause impacts to Eastern Gulf live bottoms. The site-specific offshore location of the proposed activities is approximately 180 miles away from the closest Eastern Gulf live bottom stipulated block.

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

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

4. Chemosynthetic Communities

There are no IPF's (including effluents, physical disturbances to the seafloor, and accidents) from the proposed activities in Eugene Island Block 143 that could cause impacts to Chemosynthetic Communities.

Chemosynthetic biologic communities that lie in water depths in excess of 400 meters (1312 feet) are of concern for environmental protection measures. Water depths in Block 143 vary from 36 to 47 feet. The site-specific offshore location of the proposed activity is in water depths less than 400 meters (1312 feet).

5. Water Quality

Effluents, physical disturbances to the seafloor and accidents from the proposed activities could potentially cause impacts to water quality. Routine impact-producing factors that could result in water quality degradation from offshore OCS oil and gas operations include rig / anchor emplacement, platform and pipeline installation and removal, and the discharge of operational wastes.

There are no pipeline or platform installations proposed under this plan for Eugene Island Block 143.

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

The major discharges from offshore oil and gas exploration and production activities include produced water, drilling fluids and cuttings, ballast water, and uncontaminated seawater. Minor discharges from the offshore oil and gas industry include drilling-waste chemicals, fracturing and acidifying fluids, and well completion and workover fluids; and from production operations, deck drainage, and miscellaneous well fluids (cement, BOP fluid); and other sanitary and domestic wastes, gas and oil processing wastes, and miscellaneous discharges. Since all discharges will be made in accordance with a general National Pollutant Discharge Elimination System (NPDES) permit issued by U.S. Environmental Protection Agency (USEPA), operational discharges are not expected to cause significant adverse impacts to water quality.

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

Oil spills related to the proposed action are assumed to be mostly very small events (and for spills greater than 50 bbl) to occur very infrequently. It is unlikely that an accidental oil spill would occur from the proposed activities in Eugene Island Block 143. If a spill were to occur, the water quality of marine waters would be temporarily affected by the dissolved components and small oil droplets. Dispersion by currents and microbial degradation would remove the oil from the water column or dilute the constituents to background levels.

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

6. Fisheries

Effects on commercial fisheries from activities associated with this plan could come from emplacement of production platform(s), underwater OCS obstructions, oil spills, subsurface blowouts, pipeline installation and offshore discharges of drilling mud and produced waters (See Section 5, Water Quality above).

There are no pipeline or platform installations proposed under this plan for Eugene Island Block 143.

An accidental oil spill that may occur as a result of the proposed action has the potential to cause some detrimental effects to fisheries. However, it is unlikely that an accidental surface or subsurface oil spill would occur from the proposed activities in Eugene Island Block 143. If a spill were to occur in open waters of the OCS proximate to mobile adult finfish or shellfish, the effects would likely be sublethal and the extent of damage would be reduced to the capability of adult fish and shellfish to avoid a spill, to metabolize hydrocarbons, and to excrete both metabolites and parent compounds. The effect of oil spills on fisheries is expected to cause less than 1 percent decrease in commercial populations or in commercial fishing. At the expected level of effect, the resultant influence on Central Gulf fisheries is negligible and will be indistinguishable from natural population variations. The activities proposed in this plan will be covered by our regional OSRP (refer to information submitted in accordance with NTL 2003-G17 Appendix F).

Subsurface blowouts and pipeline trenching have the potential to adversely affect commercial fishery resources. Sandy sediments will be quickly redeposited within 400 m of the trench or blowout site and finer sediments will be widely dispersed and redeposited over a period of 30 days or longer within a few thousand meters. It is expected that the infrequent subsurface blowout that may occur on the Gulf OCS will have a negligible effect on Gulf commercial fisheries. The effect on fisheries from pipeline trenching is expected to cause less than a 1 percent decrease in commercial fishery populations or in commercial fishing.

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

7. Marine Mammals

Marine mammals may be adversely impacted by several IPF's (including vessel traffic, noise, accidental oil spills, and loss of trash and debris, all of which could occur due to the proposed action in Eugene Island Block 143. Chronic and sporadic sublethal effects could occur that may stress and / or weaken individuals of a local group or population and make them more susceptible to infection from natural or anthropogenic sources. Few lethal effects are expected from oil spills, chance collisions with service vessels and ingestion of plastic material. Oil spills of any size are estimated to be aperiodic events that may contact cetaceans. Disturbance (e.g., noise) may stress animals, weaken their

immune systems, and make them more vulnerable to parasites and diseases that normally would not be fatal.

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

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

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

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

8. Sea Turtles

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

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

The activities proposed in this plan for Eugene Island Block 143 will be covered by our regional OSRP (refer to information submitted in accordance with NTL 2003-G17 Appendix F). The Minerals Management Service issued NTL 2003-G10 pursuant to 30 CFR 250.103, 250.23(o) and 250.204(s) to explain how Operators must implement measures to minimize the risk of vessel strikes to protected species and report observations of injured or dead protected species effective June 19, 2003. We will ensure that our contract vessel operators are aware of their requirement to report sightings of any injured or dead protected species immediately to the MMS Protected Species Biologist by telephone.

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

9. Air Quality

The proposed drilling activities in Eugene Island Block 143 are located approximately 24 miles from the nearest Louisiana shoreline.

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

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

10. Shipwreck Sites (Known or Potential)

IPF's that could cause impacts to known or potential shipwreck sites from the proposed activities include physical disturbances to the seafloor. The operations proposed in this Supplemental EP are occurring at locations previously approved under explorations plans submitted at an earlier date. This block lies in the MMS Zone 1, defined as having a high potential for historic shipwrecks. Two hundred and twenty (22) magnetic anomalies were recorded and can be found on the Table of Magnetic Anomalies in the High Resolution Geophysical Survey performed by Gulf Ocean Services, Inc. in June 1997. They have been organized for analytical purposes into four groups:

1. anomalies with durations too short to represent shipwrecks,
2. clusters (anomalies located on adjacent lines or primary and tie lines),
3. pattern anomalies and
4. all others.

Based on the survey data, any one of the clusters could represent historical shipwrecks except cluster 4, which also appears linear. Walter is aware of the anomalies, anomaly clusters and the anomaly patterns that should be avoided.

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

11. Prehistoric Archaeological Sites

IPF's that could cause impacts to known or potential prehistoric archaeological sites from the proposed activities in Eugene Island Block 143 include physical disturbances to the seafloor. The operations proposed in this Supplemental EP are occurring at locations previously approved under explorations plans submitted at an earlier date. This block lies in the MMS Zone 1, defined as having a high potential for historic shipwrecks. Two hundred and twenty (22) magnetic anomalies were recorded and can be found on the Table of Magnetic Anomalies in the High Resolution Geophysical Survey performed by Gulf Ocean Services, Inc. in June 1997. Based on the survey data, published research and Gulf Ocean's interpretations, the probability of locating the presence of significant prehistoric cultural resources within this block is assessed as poor. Walter is aware of the anomalies to be avoided.

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

Vicinity of Offshore Location:

1. Essential Fish Habitat

IPF's that could impact essential fish habitats as a result of the proposed operations in Eugene Island Block 143 include effluents and accidents. The major effluent discharges from offshore oil and gas exploration and production activities include produced water, drilling fluids and cuttings, ballast water, and uncontaminated seawater (see Section 5, Water Quality, above). Minor discharges from the offshore oil and gas industry include drilling-waste chemicals, fracturing and acidifying fluids, and well completion and workover fluids; and from production operations, deck drainage, and miscellaneous well fluids (cement, BOP fluid); and other sanitary and domestic wastes, gas and oil processing wastes, and miscellaneous discharges. Since all discharges will be made in accordance with a general National Pollutant Discharge Elimination System (NPDES) permit issued by U.S. Environmental Protection Agency (USEPA), operational discharges are not expected to cause significant adverse impacts to water quality.

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

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

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

2. Marine and Pelagic Birds

IPF's that could impact marine and pelagic birds as a result of the proposed operations in Eugene Island Block 143 include air emissions, accidents and discarded trash and debris. Emissions of pollutant into the atmosphere from the activities associated with the proposed operations in this plan are not projected to have significant impacts on air quality that could harm marine and pelagic birds because of the prevailing atmospheric conditions, emission heights, emission rates and pollutant concentrations.

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

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

3. Public Health and Safety Due to Accidents

There are no IPF's (including an accidental H_2S releases) from the proposed activities in Eugene Island Block 143 that could cause impacts to public health and safety.

In accordance with 30 CFR 250.417(c) and NTL 2003-G17 (Appendix C) we have submitted sufficient information to justify our request that the area of our proposed activities be classified by MMS as H_2S absent.

Coastal and Onshore:

1. Beaches

Primary IPF's associated with offshore oil and gas exploration and development, and most widely recognized as major threats to the enjoyment and use of recreational beaches, are oil spills (accidents) and marine trash and debris. The operations proposed in Eugene Island Block 143 are not projected to have significant impacts on coastal beaches.

An accidental oil spill that may occur as a result of the proposed action has the potential to cause some detrimental effects on coastal beaches. However, it is unlikely that an accidental surface or subsurface oil spill would occur from the proposed activities. Walter is aware of the close proximity of the shore (24 miles). The level of response to a spill will be based on volume, weather, and the characteristics of the product spilled. Walter's objectives for spill response are to ensure the safety of citizens and response personnel; control the source of the spill, have a coordinated response effort; maximize the protection of environmental sensitive areas; contain, recover and remove as much of the spill product as possible; recover and rehabilitate injured wildlife; minimize economic impacts; and keep the general public informed of the response activities. The activities proposed in this plan will be covered by our regional OSRP (refer to information submitted in accordance with NTL 2003-G17 Appendix F).

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

2. Wetlands

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

The probability that an oil spill starting within Eugene Island Block 143 will contact a County or Parish (thereby encountering any wetlands within same) has been projected utilizing information from the MMS Oil Spill Risk Analysis Model (OSRAM). The results can be found in Appendix F of this plan, under the "Spill Response Discussion for NEPA Analysis".

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

3. Shore Birds and Coastal Nesting Birds

The primary IPF associated with offshore oil and gas exploration and development, and most widely recognized as major threats to the shore birds and coastal nesting birds are oil spills (accidents). The operations proposed in Eugene Island Block 143 are not projected to have significant impacts on shore birds and coastal nesting birds.

An accidental oil spill that may occur as a result of the proposed action has the potential to cause some detrimental effects on shore birds and coastal nesting birds. However, it is unlikely that an accidental surface or subsurface oil spill would occur from the proposed activities. Walter is aware of the close proximity of the shore (24 miles). The level of response to a spill will be based on volume, weather, and the characteristics of the product spilled. Walter's objectives for spill response are to ensure the safety of citizens and response personnel; control the source of the spill, have a coordinated response effort; maximize the protection of environmental sensitive areas; contain, recover and remove as much of the spill product as possible; recover and rehabilitate injured wildlife; minimize economic impacts; and keep the general public informed of the response activities. The activities proposed in this plan will be covered by our regional OSRP (refer to information submitted in accordance with NTL 2003-G17 Appendix F).

4. Coastal Wildlife Refuges

The primary IPF associated with offshore oil and gas exploration and development, and most widely recognized as major threats to the coastal wildlife refuges are oil spills (accidents). The operations proposed in Eugene Island Block 143 are not projected to have significant impacts on coastal wildlife refuges.

The probability that an oil spill starting within Eugene Island Block 143 will contact a County or Parish (thereby encountering any coastal wildlife refuges within same) has been projected utilizing information from the MMS Oil Spill Risk Analysis Model (OSRAM). The results can be found in Appendix F of this plan, under the "Spill Response Discussion for NEPA Analysis".

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

5. Wilderness Areas

The primary IPF associated with offshore oil and gas exploration and development, and most widely recognized as major threats to wilderness areas are oil spills (accidents). The closest designated wilderness is the southern portion of the Lacassine National Wildlife Refuge, which is primarily a freshwater marsh. The operations proposed in Eugene Island Block 143 are not projected to have significant impacts on wilderness areas.

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

Other Environmental Resources Identified: None

C. IMPACTS ON YOUR PROPOSED ACTIVITIES

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

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

D. ALTERNATIVES

No alternatives to the proposed activities described in this Supplemental EP were considered to reduce environmental impacts.

E. MITIGATION MEASURES

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

F. CONSULTATION

No agencies or persons were consulted regarding the potential environmental impacts associated with the activities proposed under this Supplemental EP, therefore, no such persons or agencies are listed.

G. REFERENCES

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

High Resolution Geophysical Survey Report of Block 143, Eugene Island Area, OCS-G 17973, prepared for Murphy Exploration and Production by Gulf Ocean Services, Inc. during June 1997.

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

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

Brief Overview of Gulf of Mexico OCS Oil and Gas Pipelines: Installation, Potential Impacts, and Mitigation Measures, OCS Report MMS 2001-067.

NTL 2003-G03, effective January 23, 2003 for Remotely Operated Vehicle Surveys in Deepwater

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

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

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

Appendix I
Coastal Zone Management Consistency Information

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

A Coastal Zone Management Consistency Certification for the State of Louisiana is not required for the drilling activities proposed in this Supplemental Plan.

Appendix J
OCS Plan Information Form

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