In Reply Refer To: RP-2-1/

JUN 18 1984

Seagull Energy E & P Inc.
Attention: Mr. Ja - G. Floyd
1100 Louisiana, Sui 2000
Houston, Texas 77002

Gentlemen:

Reference is made to your Initial Plan of Exploration received June 4, 1984, for Lease OCS-G 6004, Block 828, Mustang Island Area. This plan includes the activities proposed for Wells A, B, and C.

In accordance with 30 CFR 250.34, revised December 13, 1979, and our letter dated January 29, 1979, this plan has been determined to be complete as of June 18, 1984, and is now being considered for approval.

Your plan control number is N-1693 and should be referenced in your communication and correspondence concerning this plan.

Sincerely yours,

(Orig. Sgd.) D.W. Solanas

D. W. Solanas
Regional Supervisor
Rules and Production

bcc: Lease OCS-G 6004 (OPS-2-3) (FILE ROOM)
OPS-2-5 w/Public Info. Copy of the plan (PUBLIC RECORDS ROOM)
DO-3

AGobert:gtj:6/5/84 Disk 3a

Office of
Program Services

JUN 19 1984

Records Management
Section

"Public Information"

SEAGULL ENERGY E&P INC.

PLAN OF EXPLORATION

OCS-G 6004

MUSTANG ISLAND AREA BLOCK 828

SECTION	ITEM
1	Introductory letter
2	Proposed type and Sequence of Exploration Activities and Timetable
3	Description of Drilling Vessel
4	Safety and Environmental Safeguards, including Oil Spill Contingency Plan
5	Approximate Location of Proposed Wells and Plat
6	Structural Interpretation and shallow Drilling Hazards Report
7	Onshore Support Base Facilities
8	Mud Components
9	Air Quality Review

PLAN OF EXPLORATION
OCS-G 6004

PROPOSED TYPE AND SEQUENCE OF EXPLORATION ACTIVITIES AND TIMETABLE

Section 2

Seagull Energy proposes to drill three (3) wells on Mustang Island Block 828 to evaluate the subject lease to determine the potential for future development.

Exploratory drilling of the first well is scheduled to begin approximately July 15, 1984, subject to the approval of this Plan of Exploration and issuance of the required Permit to Drill.

The proposed drilling schedule is as follows:

Location No.	Approximate Days to Drill
A.	30
B.	30
C.	45

Exploratory activity should be completed November 15, 1984.

It should be emphasized that this schedule is tentative in the meaning of 30 CFR 250. 34-1 (a). Additional exploratory drilling must be predicated upon the need to define structures and/or reservoir limits. The fabrication and installation of platforms, producing facilities and pipelines are contingent upon the success of these wells. In addition to the drilling of wells, other activities which may be conducted under this plan would be the setting of a seafloor template so as to minimize disruption of the seafloor, a velocity survey in a wellbore and soil boring.

PLAN OF EXPLORATION
OCS-G 6004

Description of Drilling Vessel

Section 3

The water depth in Block 828, Mustang Island area is approximately 165 feet.

A jack-up rig similar to J. Storm IV will be utilized for exploratory drilling. A description of the rig, including blowout preventers is included in this section.

BLOWOUT PREVENTER AND CONTROL EQUIPMENT - J. STORM IV

No.	Make, Type or Spools	Nominal Size (in.)	Working Pressure (psi)	Open Bore (in.)	Side Outlets No.	Side Outlets Size
1	Spherical (w/diverter system)	20*	2000	21 1/4		
1	Spherical	13 5/8	5000	13 5/8		
1	Type U single (H2S treated)	13 5/8	10000	13 5/8	2	4" ea.
1	Type U double (H2S treated)	13 5/8	10000	13 5/8	2	4" ea.

Ram sizes for Item 120 above, including 1 set of spares
5" and blind

Spare element for high pressure bag type preventer

320 gal. blowout preventer closing unit: 6 outlets, 6 stations, precharge pressure 2500 psi, and final pressure 3000 psi with regulating valve for the Hydril and regulating valve for all other operations

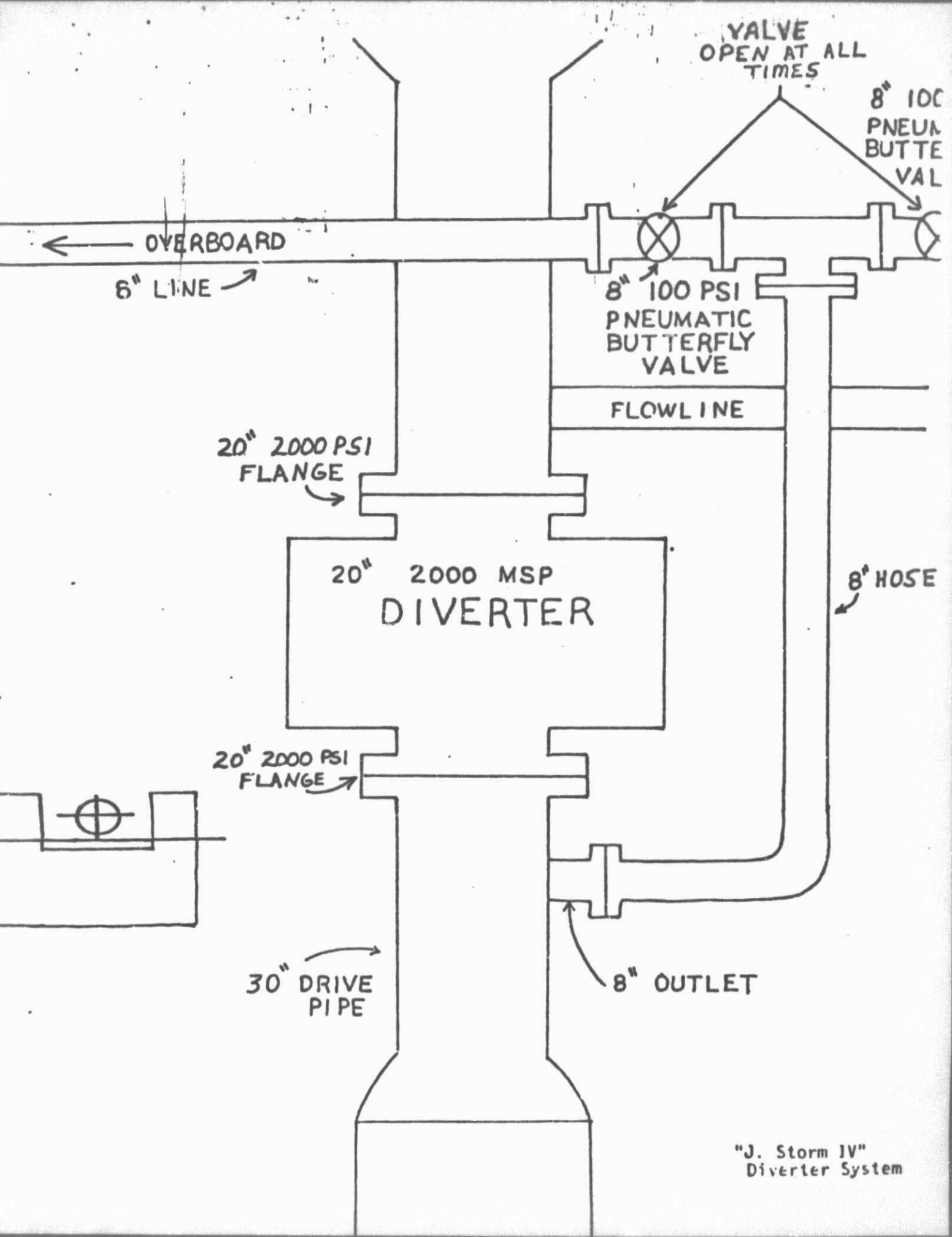
Choke manifold and kill manifold, 4 in. 10,000 psi W.P., four 2" full opening wings, and one 4" choke wings connected to a mud separator and derrick vent line

Automatic back pressure control valve and powered control unit equipped with stand; pump, accumulators and control panel containing: 2 - 500 psi pressure gauges with gauge savers, 2 - 10,000 psi pressure gauges, and a pump stroke counter connected to pump selector switch for each pump

Test plugs for testing blowout preventers

Studs, nuts, API rings and crossover spools to connect Contractor's blowout preventers with Operator's equipment

One 4 in., 10,000 psi W.P. hydraulic operated valve for choke and kill lines



"J. Storm IV"
Diverter System

PLAN OF EXPLORATION
OCS-G 6004

SAFETY AND ENVIRONMENTAL SAFEGUARDS

Section 4

Safety features during drilling operations will include well control and blowout prevention equipment that meets or exceeds the requirements of OCS No. 2.

Oil in any form shall not be disposed of into the water of the Gulf.

Liquid waste materials containing substances which may be harmful to aquatic life or wildlife, or injurious in any manner to life or property shall be treated to avoid disposal fo harmful substances into the waters of the Gulf.

Drilling muds containing oil are not disposed of into the Gulf. This type of material is loaded and barged to shore for proper disposal. Drilling mud containing toxic substances are neutralized prior to disposal.

Drilling cuttings, sand, and solids containing oil are not disposed of into the Gulf, unless the oil has been removed.

The subject offshore mobile drilling unit is equipped with drip pans under the rig floor. All oil from diesel engines is pumped to a sump and then pumped into barrels for return to an onshore site.

Operator personnel are instructed in the techniques and methods necessary to prevent pollution. Non-operator personnel are instructed and supervised to insure that non-pollution practices are adhered to.

The facilities are inspected daily.

OIL SPILL CONTINGENCY PLAN

Seagull Energy E&P Inc.'s Oil Spill Contingency Plan has been approved by the Minerals Management Service. This plan designates an Oil Spill Team consisting of Seagull Energy personnel and contract personnel. This teams duties are to eliminate the sources of the oil spill, remove all sources of possible ignition, deploy the most viable means of available transporation to monitor the movement of the slick, and contain and remove the slick if possible. Seagull Energy E & P Inc. is a member of Clean Gulf Associates (CGA). The CGA has four permanent bases in Louisiana; at Venice, Grand Isle, Intracoastal City and Cameron, and two bases in Texas; at Galveston and Rockport. Each base is equipped with fast response skimmers and there is a barge mounted high volume open sea skimmer based at Grand Isle. In addition to providing equipment, the CGA also supplies advisors for clean up operations. Response time for a spill in Mustang Island Block 828 could vary from 4 to 8 hours depending upon the location of company operated workboats or workboats available for Charter.

PLAN OF EXPLORATION

OCS-G 6004

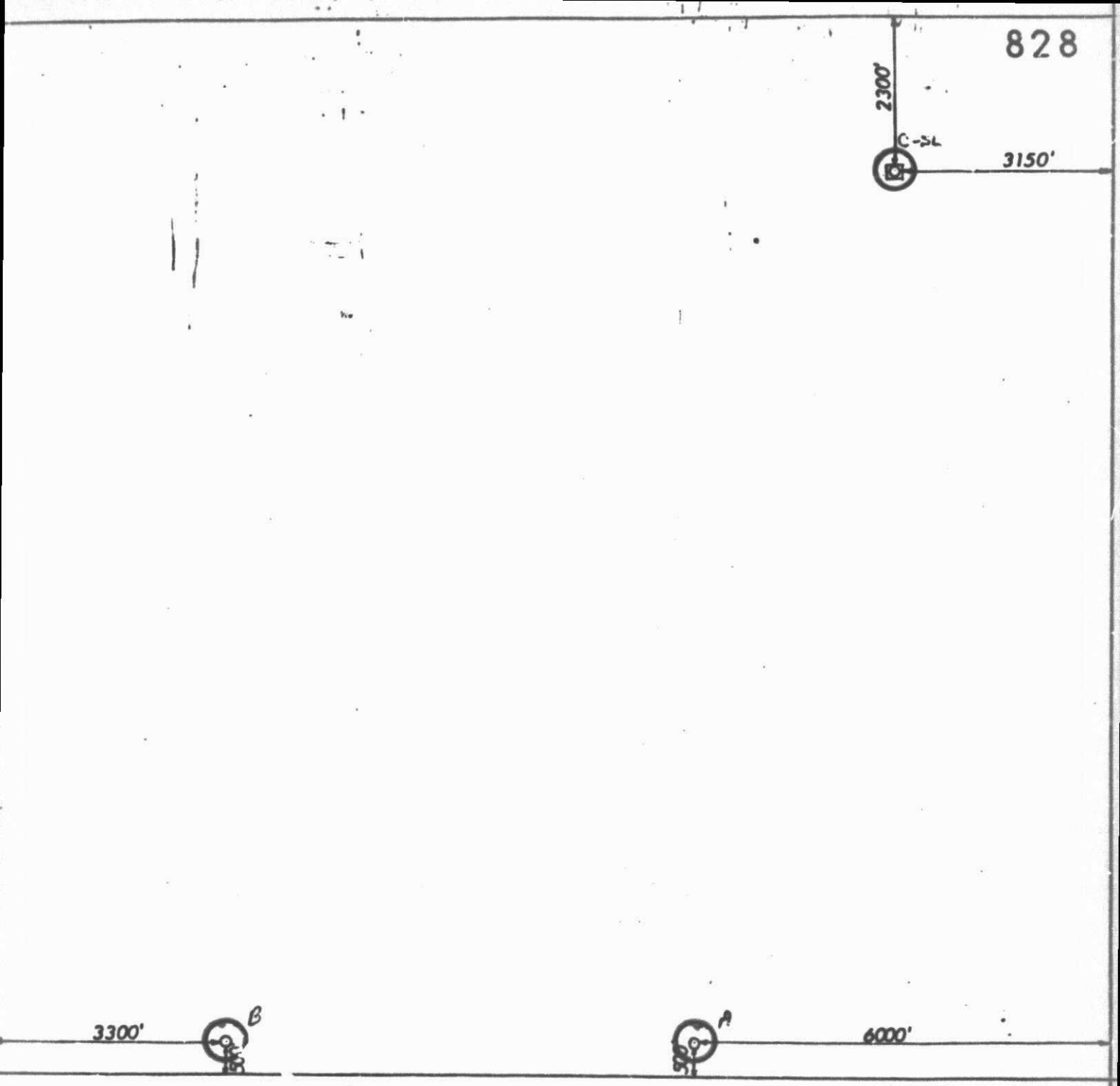
APPROXIMATE LOCATION OF PROPOSED WELLS AND PLAT

Section 5

Mustang Island Area Block 828 is located some thirty five miles from the nearest shoreline off the Texas coast. A vicinity plat is shown in this section.

Wells A, B, and C.

WELL NO.	PROPOSED LOCATION	PROPOSED DEPTH
A.	Surf: 500' FSL & 6000' FEL	
B.	Surf: 3300' FWL & 500' FSL	
C.	Surf: 2300' FNL & 3150' FEL	



SEAGULL ENERGY E & P INC.

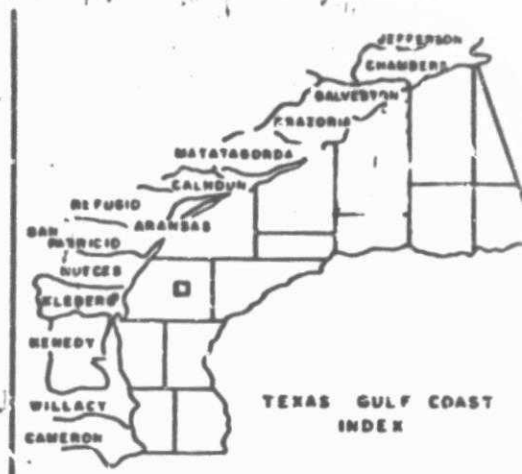
MUSTANG ISLAND BLK. 828

OFFSHORE TEXAS

PROPOSED LOCATION

WELLS A, B & C

1" = 2000'



810

MUSTANG ISLAND AREA
OCS-G 6004

828

829

LOCATION PLAT

SCALE IN FEET

0 4000 8000 16000

PLAN OF EXPLORATION

OCS-G 6004

STRUCTURAL INTERPRETATIONS AND SHALLOW HAZARDS REPORT

Section 6

SHALLOW DRILLING HAZARDS REPORT
MUSTANG ISLAND BLOCK 828

Seagull Energy E & P Inc. has reviewed the geophysical data pertinent to Mustang Island Block 828. This data, obtained by Odom Offshore Surveys included, sub-bottom profiler, sparker, side-scan sonar, echo sounder, and magnetometer.

Seagull has reviewed all available data over and proximal to the surface locations of proposed Wells A, B, & C.

No valid anomalies and/or shallow drilling hazards exist at this location.

These wells will be drilled in a safe and workmanlike manner.

PLAN OF EXPLORATION

OCS-G 6004

ONSHORE SUPPORT BASE FACILITIES

Section 7

Seagull Energy will use existing onshore base facilities of Dresser Industries located at Harbor Island, Texas. This will serve as port of debarkation for supplies and crews. No onshore expansion or construction is anticipated with respect to this activity.

This base is capable of providing the services necessary for the proposed activities. It has 24-hour service, a radio tower with phone patch, dock space, equipment and supply storage base, drinking and drill water, etc.

PLAN OF EXPLORATION

OCS-G 6004

MUD COMPONENTS

Section 8

COMPARABLE MUD PRODUCTS

DELTA	BAROID	MAGCOBAR	MILCHEM	DESCRIPTION
Del-Bar	Baroid	Magcobar	Mil-Bar	Barite
Del-Gel	Aquagel	Magcogel	Milgel	Bentonite
Del-S-Gel	Zeogel	Salt Gel	SaltWaterGel	Attapulgite
Del-Det	Con-Det	D-D	M.D.	Detergent
Del-Fiber	Fibertex	Mud Fiber	Mil-Fiber	Fibrous Material
Del-Flakes	Jel-Flake	Cell-O-Seal	Mil-Flake	Cellophane
Del-Mica	Micatex	Magco Mica	Milmica	Ground Mica
Del-Plug	Wall-Nut	Nut-Plug	Mil-Plug	Walnut Shells
Del-Starch	Impermex	My-Lo-Jel	Milstarch	Starch
DeFoamer	Froban	Magconol	LD-7	Alcohol Compound
Driscose	Cellex	Magco CMC	Milchem CMC	Sodium Carboxyl
(1) Hi-Vis	(1) Hi-Vis	(1) Hi-Vis	(1) Hi-Vis	Methyl Cellulose
Del-Lig	Carbonox	Tann-Athin	Ligco	Mined Lignite
Oilphos	Barafos	Magco-phos	Oilfos	Sodium Tetraphosphate
C.L.S. CL-CLS	Q-Broxin	Spersene	Uni-cal	Modified-Lignosulfonate
Del-CFT	-	-	-	Chrome-Free Thinner
Del-Vert	Invermul	Oil Phase	Carbotec	Invert Emulsion Mud
Del-Slick-Plus	-	-	-	Non-polluting Mud Lubricant

PROJECTED AIR EMISSIONS SCHEDULE FOR EXPLORATION PROJECT

General Information:

Location of Facility:	Mustang Island Area, Block 828
Distance Offshore:	33 miles
Operator:	Seagull Energy E & P Inc. 1100 Louisiana, Suite 2000 Houston, Texas 77002
Contact Person:	Ross Frazer
Total Well Footage to be Drilled:	34,000
Date Drilling Will Begin:	July, 1984
Date Drilling will End:	November, 1984

MAJOR SOURCE (OFFSHORE):

Power used aboard drilling vessel, approximate footage drilled 34,000.*

Projected Emissions (lbs/day)**tons/year

CO	VOC	TSP	SO_2	NOX
(128)6.7	(49)2.5	(43)2.2	(41)2.1	(602)31.6

* Based on 60 hphr/ft. from Table 4-3, "Atmospheric Emissions from Offshore Oil and Gas Development and Production", EPA No. 450/3-77-026, June, 1977.

** Emission factors from Table 3.3.3-1, "Compilation of Air Pollutant Emission Factors", Third Edition, EPA Report AP-42, August, 1977.

MINOR SOURCES (OFFSHORE)***:

Including helicopter landing and take-off (10.5 trips/week); supply and crewboats (1 trip/day); loading and unloading operations; and incineration of waste paper (average 750 pounds of waste per month).

Projected Emissions Tons/Year

CO	VOC	TSP	SO_2	NOX
.90	.085	.04	.028	.169

*** Tables 3.2.1-3, 3.2.3-1 and 2.1-1, "Compilation of Air Pollutant Emission Factors", Third Edition, EPA Report AP-42, August, 1977.

TOTAL ALL SOURCES (OFFSHORE): (Tons/year)

	CO	VOC	TSP	SO_2	NOX
Major	6.7	2.5	2.20	2.10	31.6
Minor	.9	.1	.04	.03	.2
Total	7.6	2.6	2.24	2.13	31.8

ONSHORE SOURCES:

These should be about the same as minor sources unless new facilities are installed at the onshore base. No additional facilities are required or planned at this time.

EMISSION EXEMPTION DETERMINATION:

For CO: $E = 3400\ D^{2/3} = 3400(33)^{2/3} = 33,653$ tons/year
For NOX, VOC, TSP, SO_2: $E = 33.3\ D = 33.3(33) = 1,099$ tons/year

As per DOI/MMS regulations, this facility is exempt from further air quality review as it has been determined that its operations will not have a significant adverse environmental impact on air quality.

DEVELOPMENT OPERATIONS COORDINATION DOCUMENT

LEASE OCS-G 6004, BLOCK 828

MUSTANG ISLAND AREA

OFFSHORE, TEXAS

In compliance with 30 CFR 250.34 and the Notice to Lessees 84-1 of February 10, 1984, the following information is submitted for the Development Operations Coordination Document (DOCD).

1. Description of Development and Production Activity

A total of seven (7) wells will be involved in the development and production activities for Mustang Island Block 828 (Figure 1). One well was included in the Plan of Exploration. Well #1 (A-1) is temporarily abandoned.

Six additional wells (A-2 thru A-7) are proposed for drilling under the Development Operations Coordination Document. Development and production activities for all wells will occur from proposed Platform "A", located in Mustang Island Block 828. Platform "A" is a 4-pile, 9-slot platform which will be positioned at the location of Well No. 1 (A-1) (860' FSL & 5938' FEL) in Mustang Island Block 828.

2. Schedule

The development phase will commence approximately February 1, 1985. The estimated time to complete the work proposed in the Development Operations Coordination Document is approximately November, 1985. Production is estimated to be 60 MMCF/D.