

UNITED STATES GOVERNMENT
MEMORANDUM

March 20, 2003

To: Public Information (MS 5034)
From: Plan Coordinator, FO, Plans Section (MS
5231)

Subject: Public Information copy of plan
Control # - S-06141
Type - Supplemental Development Operations Coordinations Document
Lease(s) - OCS-G10968 Block - 1006 Ewing Bank Area
Operator - Walter Oil & Gas Corporation
Description - Susea Wells 003 and 004
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.

Robert Stringfellow
Plan Coordinator

| Site Type/Name | Botm Lse/Area/Blk | Surface Location | Surf Lse/Area/Blk |
|----------------|-------------------|--------------------|-------------------|
| WELL/003 | G10968/EW/1006 | 8930 FSL, 5930 FEL | G10968/EW/1006 |
| WELL/004 | G10968/EW/1006 | 8930 FSL, 5940 FEL | G10968/EW/1006 |

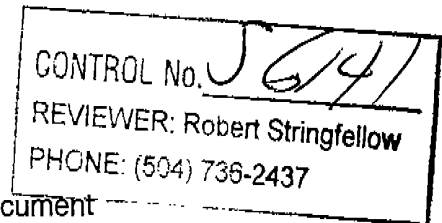
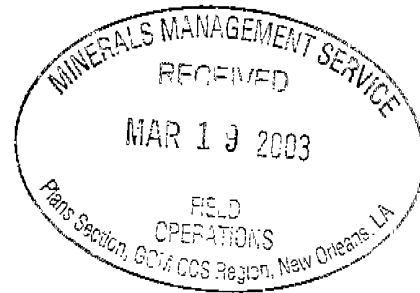
NOTED - SCHEXNAILDRE



WALTER OIL & GAS CORPORATION

March 17, 2003

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



RE: Supplemental Development Operations Coordination Document
Lease OCS-G 10968, Ewing Bank Block 1006
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 eight (8) copies of a Supplemental Development Operations Coordination Document (Plan) for Lease OCS-G 10968, Ewing Bank Area, Block 1006, Offshore Louisiana. Five (5) copies are "Proprietary Information" and three (3) copies are "Public Information".

Excluded from the Public Information copies are certain Geologic discussions, depths of well(s) and structure maps. When the plan has been deemed complete, one Proprietary and one Public Information copy of the plan on separate CD-ROM's in PDF format will be submitted.

Please note, per a discussion between Kathy Camp (Walter's Regulatory Consultant) and Brian Marcks (Louisiana CZM) the enforceable policies discussion as required by NTL 2002-G08, Appendix I (B) is not necessary and has been omitted.

Please note, Lease OCS-G 10968 is held by production through May 14, 2002; therefore, Walter respectfully requests your earliest review. Walter anticipates activities will commence under this proposed Plan on approximately April 15, 2003.

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

Sincerely,

WALTER OIL & GAS CORPORATION

Judy Archer
Regulatory / Environmental Coordinator

JA:KC

Enclosures

PUBLIC INFORMATION

Walter Oil & Gas Corporation
Supplemental Development Operations Coordination Document
Ewing Bank Area, Block 1006
Lease OCS-G 10968
March 17, 2003

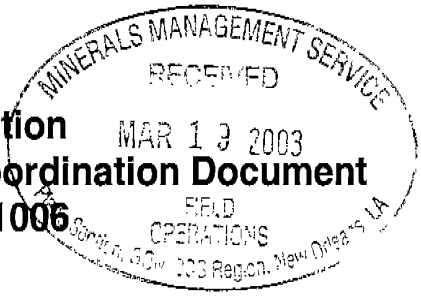


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Appendix A CONTENTS OF PLAN

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

The Minerals Management Service approved an Initial Development Operations Coordination Document (DOCD) for Walter Oil & Gas Corporation's (Walter) Lease OCS-G 10968 on December 5, 1997 (Control No. N-5858). Lease OCS-G 10968 is held by production through May 14, 2003.

Walter Oil & Gas Corporation is the designated operator of the subject oil and gas lease.

Under this Supplemental DOCD, Walter Oil & Gas plans to drill, complete, potentially test and produce two (2) subsea wells (No. 003 and 004) in Ewing Bank Block 1006. The wells will be produced by installing one 4.5-inch bulk oil R-O-W pipeline from the proposed wells to Walter's existing production platform A in Ewing Bank Block 873.

Attachment A-1 is MMS Form 137 with details of the drilling, completion and potential testing of the two proposed subsea wells as provided for in this Plan along with a tentative schedule leading up to commencement of production

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). The proposed / existing bottom hole location(s), depth of well(s) (MD and TVD) and the associated water depths for each subsea well are provided in tabular format. Please note, bottom hole locations, MD & TVD depths are omitted from the Public Information Copy.

The anchor pattern associated with the drilling of the proposed subsea wells are described on the attached anchor plan (**Attachment A-3**) as well as listed on Attachment A-1 referenced above.

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 Concord. 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 O, 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 (PINIC) List serves as the baseline for these inspections. The MMS also inspects the stockpiles of equipment listed in the operator's approved Oil Spill Response Plan that would be used for the containment and cleanup of hydrocarbon spills.

D. PRODUCTION FACILITY

Well Nos. 003 and 004 will be subsea wells. A schematic of the proposed subsea trees are enclosed as **Attachment A-4**.

There will be no surface facilities installed under this Plan.

Safety features 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.

As mentioned above, Well Nos. 003 and 004 will be produced via a proposed 4.5-inch bulk oil R-O-W pipeline transporting production to an existing facility located off lease.

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

Appendix B
GENERAL INFORMATION

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

A. CONTACT

Inquiries may be made to the following authorized representative:

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

B. PROJECT NAME

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

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

D. NEW OR UNUSUAL TECHNOLOGY

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

E. BONDING INFORMATION

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

F. ONSHORE BASE AND SUPPORT VESSELS

Ewing Bank Block 1006 is located approximately 75 statute miles from the nearest Louisiana shoreline and approximately 75 statute miles from the onshore support base located in Fourchon, Louisiana. A Vicinity Plat showing the location of Ewing Bank Block 1006 relative to the shoreline and the onshore base is included as **Attachment B-1**.

| Name | Location | Existing, New or Modified |
|----------------|--------------|---------------------------|
| Allison Marine | Fourchon, LA | Existing |

This base is capable of providing the services necessary for the proposed activities. It has 24-hour service, a radio tower with a phone patch, dock space, equipment and supply storage base, drinking and drill water, etc. The 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 | Trips / Week - Production | Hours on Location |
|----------------------|--|---------------------------|-------------------|
| Crew Boat | 7 | 0 | 4 |
| Supply Boat | 7 | 0 | 4 |
| Helicopter | As needed | 0 | 0 |
| Anchor Handling Tugs | 1 day move on location / 1 day move off location | | |

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 off loading equipment and materials required to support the activities, as well as the personnel needed to transport same to the offshore facility.

The proposed operations do not mandate any immediate measures for land acquisition or expansion of the existing onshore base facilities.

Dredging and filling operations will not be required for the operations, nor will any new construction or expansion of onshore facilities be involved for the operations proposed in this Plan.

G. LEASE STIPULATIONS

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

The Minerals Management Service invoked the following lease stipulations for Ewing Bank Area, Block 1006, OCS-G 10968:

Stipulation No. 1 – Protection of Archaeological Resources

- (a) “Archaeological resource” means any prehistoric or historic district, site, building, structure, or object (including shipwrecks); such term includes artifacts, records, and remains which are related to such a district, site, building, structure or object (16 U.S.C. 470w(5), National Historic Preservation Act, as amended). “Operations” means any drilling, mining, or construction or placement of any structure for exploration, development or production of the lease.
- (b) If the Regional Director (RD) believes an archaeological resource may exist in the lease area, the RD will notify the lessee in writing. The lessee shall then comply with subparagraphs (1) through (3).
 - (1) Prior to commencing any operations, the lessee shall prepare a report, as specified by the RD, to determine the potential existence of any archaeological resource that may be affected by operations. The report, prepared by an archaeologist and a geophysicist, shall be based on an assessment of data from remote-sensing surveys and of other pertinent archaeological and environmental information. The lessee shall submit this report to the RD for review.
 - (2) If the evidence suggests that an archaeological resource may be present, the lessee shall either:
 - i. Locate the site of any operation so as not to adversely affect the area where the archaeological resource may be; or
 - ii. Establish to the satisfaction of the RD that an archaeological resource does not exist or will not be adversely affected by operations. This shall be done by further archaeological investigation, conducted by an archaeologist and a geophysicist, using survey equipment and techniques deemed necessary by the RD. A report on the investigation shall be submitted to the RD for review.
 - (3) If the RD determines that an archaeological resource is likely to be present in the lease area and may be adversely affected by operations, the RD will notify the lessee immediately. The lessee shall take no action that may adversely affect the archaeological resource until the RD has told the lessee how to protect it.

- (c) If the lessee discovers any archaeological resource while conducting operations on the lease area, the lessee shall report the discovery immediately to the RD. The lessee shall make every reasonable effort to preserve the archaeological resource until the RD has told the lessee how to protect it.

The Minerals Management Service has specific guidelines in NTL 2002-G01 for archaeological surveys that apply only to specific high probability areas. Ewing Bank Block 1006 is not included in a high probability area for archaeological resources; therefore an archaeological assessment was not required (See Appendix C and Appendix H for further discussion).

H. RELATED OCS FACILITIES AND OPERATIONS

As mentioned in Appendix A, Well Nos. 003 and 004 will be subsea wells. There will be no surface facilities installed under this Plan. Well Nos. 003 and 004 will be produced via a proposed 4.5-inch bulk oil R-O-W pipeline transporting production to an existing facility located off lease.

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

I. TRANSPORTATION INFORMATION

Produced hydrocarbons from Lease OCS-G 10968, Well Nos. 003 and 004, in Ewing Bank Block 1006, will flow via a proposed 4.5-inch R-O-W pipeline to an existing facility located in Ewing Bank Block 873.

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

Appendix C
Geological, Geophysical & H₂S 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)

Enclosed as **Attachment C-1a and C-1b** is a current structure map drawn to the top of the productive hydrocarbon zones. The surface and bottom hole location(s) along with the locations of the geologic cross-sections of the existing well(s) to be produced under this Supplemental DOCD are included.

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

One copy of the migrated and annotated deep seismic line within 500 feet of the proposed surface locations of Well Nos. 003 and 004 was submitted under separate cover in order to expedite review (See attached cover letter).

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

An interpreted geological cross-section showing the location and depth of each existing and proposed well(s) with at least one key horizon and the objective sand labeled is enclosed as **Attachment C-2**.

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

John E. Chance and Associates, Inc. performed a Hazard Study of Block 1006, Ewing Bank Area, Offshore, Louisiana in December 1989. The purpose of the survey was to evaluate geologic conditions and inspect for potential hazards or constraints to lease development.

Copies of the report have been previously submitted to the Minerals Management Service with previous Exploration Plans.

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

A shallow hazards assessment has been prepared for each of the proposed surface locations, evaluating seafloor and subsurface geologic and manmade features and conditions, and is included as **Attachment C-3a and C-3b**.

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

Since the lease is held by production to May 14, 2003, the high resolution seismic lines were submitted under separate cover in order to expedite review. (See attached cover letter)

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

In accordance with Title 30 CFR 250.417(c), Walter requests Ewing Bank Block 1006, Lease OCS-G 10968 be classified by the Minerals Management Service as an area where the absence of hydrogen sulfide has been confirmed based upon the following:

Appendix D **BIOLOGICAL INFORMATION**

CHEMOSYNTHETIC INFORMATION

Chemosynthetic communities that lie in water depths in excess of 400 meters (1312 feet) are of concern for environmental protection measures. Water depths exceed 1312 feet throughout the entire block.

Chemosynthetic communities may appear as small, highly reflective mounds located within seafloor pockmarks. Communities are known to flourish in areas of active hydrocarbon seepage. Hydrocarbon seeps tend to overlay shallow faults and zones where diapirically deformed strata outcrop at the seafloor allowing hydrocarbon gas migration up fault planes or up-dip permeable strata.

The geophysical hazard study of Ewing Bank Block 1006 indicated the existence of near-seafloor faulting and possible gas migration zones that may be associated with chemosynthetic communities. Walter is aware of these areas, which are not in the immediate vicinity of the proposed wellsite(s), and have designed the anchor patterns to avoid disturbing these possible chemosynthetic organisms.

In accordance with NTL 2002-G02, Well Nos. 003 and 004 have been proposed at least 1500 feet from any feature(s) or area(s) that could support high-density chemosynthetic communities. The anchor placement for each referenced location will be at least 250 feet from any feature(s) or area(s) that could support high-density chemosynthetic communities.

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.

ROV SURVEY INFORMATION (If required)

Walter Oil & Gas Company is familiar with the ROV survey and reporting provisions of NTL 2003-G03.

Walter will, if required, conduct surveys immediately prior to commencing drilling operations on Well No. 003 approximately April 15, 2003 and following the completion of drilling, completion and testing operations on said well approximately 30 days later. Walter will use the Ocean Concord 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 bearings of 30 degrees, 90 degrees, 150 degrees, 210 degrees, 270 degrees, and 330 degrees. The seafloor will be videotaped continuously along each track.

Walter will make biological and physical observations as described in NTL 2003-G03 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 reasonable facsimile and submitted to the MMS within 60 days after the second survey is completed.

A bathymetry map for Ewing Bank Block 1006 is enclosed as **Attachment D-1**. The anchor plan for proposed Well Nos. 003 and 004 from the Ocean Concord is enclosed in Appendix A as **Attachment A-3**. Two (2) oversized copies of the anchor pattern for proposed Well Nos. 003 and 004 are being submitted under separate cover.

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 coverage under EPA Region VI NPDES General Permit GMG290000 which regulates overboard discharges, including restrictions and limitations of waste generated from oil and gas operations in the Western Gulf of Mexico.

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**.

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 10968 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 is the only entity covered in their Regional Oil Spill Response Plan (OSRP) originally approved on September 14, 2001, with a new WCD approved on June 6, 2002 for period ending July 31, 2003. The Regional OSRP will cover activities proposed in this Supplemental DOCD.

C. OSRO Information

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

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

D. Worst Case Scenario Comparison

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

| Category | Regional OSRP | EP or DOCD |
|--|---------------|------------------------|
| Type of Worst-case Scenario ¹ | Drilling | Drilling |
| Facility Location (area/block) | EW 956 | EW 1006 |
| Facility Designation ² | Ocean Concord | Subsea Wells 003 & 004 |
| Distance to Nearest Shoreline | 71 | 75 |
| Worst-case Scenario Volume ³ | | |
| Storage tanks (maximum capacity) | | NA |
| Flowlines (maximum capacity) | | 1600 bbls |
| Lease term pipelines (calculated) | | NA |
| Uncontrolled blowout (daily volume) | 12,000 bbls | 6000 bbls |
| Total Worst-case Scenario Volume | | 7600 bbls |
| Type of Oil (crude oil, condensate) | Crude | Oil |
| API Gravity(s) ⁴ | 36° | 21° |

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

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

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

This data is not required to be submitted with this Supplemental DOCD 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. 2002-G08 addressing production operations.

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.

The following information was prepared by:

Kathy Camp
PPI Technology Services, Inc.
713/463-2334
Email: kcamp@ppitech.net

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 ₂ S 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 H₂S 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 Ewing Bank Block 1006 that could cause impacts to topographic features. The site-specific offshore location of the proposed activities is approximately 32 miles from the closest designated topographic feature (Diaphus 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 2002-G08 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 Ewing Bank Block 1006 that could cause impacts to pinnacle trend area live bottoms. The site-specific offshore location of the proposed activities is approximately 120 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 2002-G08 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 Ewing Bank Block 1006 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 2002-G08 Appendix F).

4. Chemosynthetic Communities

There are no IPF's (including effluents, physical disturbances to the seafloor, and accidents) from the proposed activities in Ewing Bank Block 1006 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 1006 range from 1575 to 1965 feet.

The geophysical hazard study of Ewing Bank Block 1006 indicated the existence of near-seafloor faulting and possible gas migration zones that may be associated with chemosynthetic communities. Walter is aware of these areas, which are not in the immediate vicinity of the proposed wellsite(s), and have designed the anchor patterns to avoid disturbing these possible chemosynthetic organisms.

5. Water Quality

Effluents, physical disturbances to the seafloor and accidents from the proposed activities in Ewing Bank Block 1006 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.

With regards to marine trash and debris, effective February 15, 2003, the Minerals Management Service issued NTL 2003-G06 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. If a spill were to occur, the dissolved components and small oil droplets would temporarily affect the water quality of marine waters. Dispersion by currents and microbial degradation would remove the oil from the water column or dilute the constituents to background levels.

The activities proposed in this plan will be covered by our Regional OSRP (refer to information submitted in accordance with NTL 2002-G08 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 platforms or lease term pipelines proposed in this plan.

An accidental oil spill that may occur as a result of the proposed action has the potential to cause some detrimental effects to fisheries. However, it is unlikely that an accidental surface or subsurface oil spill would occur from the proposed activities. If a spill were to occur in open waters of the OCS proximate to mobile adult finfish or shellfish, the effects would likely be sublethal and the extent of damage would be reduced to the capability of adult fish and shellfish to avoid a spill, to metabolize hydrocarbons, and to excrete both metabolites and parent compounds. The effect of oil spills on fisheries is expected to cause less than 1 percent decrease in commercial populations or in commercial fishing. At the expected level of effect, the resultant influence on Central Gulf fisheries is negligible and will be indistinguishable from natural population variations. The activities proposed in this plan will be covered by our regional OSRP (refer to information submitted in accordance with NTL 2002-G08 Appendix F).

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 Ewing Bank Block 1006. 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 periodic 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 2002-G08 Appendix F).

The Minerals Management Service issued NTL 2003-G07 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 February 15, 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 February 15, 2003, the Minerals Management Service issued NTL 2003-G06 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 will be covered by our regional OSRP (refer to information submitted in accordance with NTL 2002-G08 Appendix F). The Minerals Management Service issued NTL 2003-G07 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 February 15, 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 February 15, 2003, the Minerals Management Service issued NTL 2003-G06 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 production and construction activities are located 75 miles from the nearest Louisiana shoreline.

Although the proposed operations are temporary in nature, there would be a limited degree of air quality degradation in the immediate vicinity. Emissions from drilling activities consist mainly of NO_x and CO. These emissions are temporary in nature. Emissions of pollutants into the atmosphere from the drilling operations proposed 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 DOCD. There are no existing facilities or activities co-located with the current proposed activities; therefore, the Complex Total Emissions are the same as the Plan Emissions.

10. Shipwreck Sites (Known or Potential)

IPF's that could cause impacts to known or potential shipwreck sites from the proposed activities in Ewing Bank Block 1006 include physical disturbances to the seafloor such as platform and pipeline installation.

There are no platforms or lease term pipelines proposed in this plan. Ewing Bank Block 1006 is located outside the high probability area for shipwrecks.

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

11. Prehistoric Archaeological Sites

IPF's that could cause impacts to known or potential prehistoric archaeological sites from the proposed activities include physical disturbances to the seafloor such as platform and pipeline installation.

There are no platforms or lease term pipelines proposed in this plan. Ewing Bank Block 1006 is located outside the Archaeological Prehistoric High Probability Line.

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 Ewing Bank Block 1006 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 2002-G08 Appendix F).

2. Marine and Pelagic Birds

IPF's that could impact marine and pelagic birds as a result of the proposed operations in Ewing Bank Block 1006 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 2002-G08 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 February 15, 2003, the Minerals Management Service issued NTL 2003-G06 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 H₂S releases) from the proposed activities that could cause impacts to public health and safety.

Further, In accordance with 30 CFR 250.417(c) and NTL 2002-G08 (Appendix C) we have submitted sufficient information to justify our request that the area of our proposed activities be classified by MMS as H₂S absent.

Coastal and Onshore:

1. Beaches

Primary IPF's associated with offshore oil and gas exploration and development, and most widely recognized as major threats to the enjoyment and use of recreational beaches, are oil spills (accidents) and marine trash and debris. The operations proposed in this plan 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 in Ewing Bank Block 1006. 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 2002-G08 Appendix F).

With regards to marine trash and debris, effective February 15, 2003, the Minerals Management Service issued NTL 2003-G06 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.

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 2002-G08 Appendix F).

3. Shore Birds and Coastal Nesting Birds

The primary IPF associated with offshore oil and gas exploration and development, and most widely recognized as major threats to the shore birds and coastal nesting birds are oil spills (accidents). The operations proposed in this plan 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 in Ewing Bank Block 1006. 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 2002-G08 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 Ewing Bank Block 1006 are not projected to have significant impacts on coastal wildlife refuges.

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 2002-G08 Appendix F).

5. Wilderness Areas

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

The activities proposed in this plan will be covered by our regional OSRP (refer to information submitted in accordance with NTL 2002-G08 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 (N-4261). A Shallow Hazards Assessment of any seafloor and subsurface geological manmade features and conditions that may adversely affect operations is included in Appendix C.

D. ALTERNATIVES

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

E. MITIGATION MEASURES

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

F. CONSULTATION

No agencies or persons were consulted regarding the potential environmental impacts associated with the activities proposed under this Supplemental DOCD, 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 1006, Ewing Bank Area, OCS-G 10968, prepared for Marathon Oil Co. by John E. Chance and Associates, Inc. during December 1989.

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-G06, effective February 15, 2003, for Marine Trash and Debris Awareness and Elimination

NTL 2003-G07, effective February 15, 2003 for Vessel Strike Avoidance and Injured / Dead Protected Species Reporting

NTL 2002-G08, effective August 29, 2002 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 production activities proposed in this plan.

Appendix J
OCS Plan Information Form

The OCS Plan Information Form MMS-137 was prepared in accordance with Appendix J of NTL 2002-G08 and is located in Appendix A as **Attachment A-1**.

OCS PLAN INFORMATION FORM

General Information

| | | |
|--|--|---|
| Type of OCS Plan: | <input type="checkbox"/> Exploration Plan (EP) | <input checked="" type="checkbox"/> Development Operations Coordination Document (DOCD) |
| Company Name: Walter Oil & Gas | MMS Operator Number: 0730 | |
| Address: 1100 Louisiana, Suite 200 Houston, TX 77002 | Contact Person: Judy Archer | |
| | Phone Number: 713/659-1222 | |
| | E-Mail Address: jarcher@walteroil.com | |
| Lease: OCS-G 10968 | Area: Ewing Bank | Block: 1006 Project Name (If Applicable): NA |
| Objective(s): | <input checked="" type="checkbox"/> Oil <input checked="" type="checkbox"/> Gas <input type="checkbox"/> Sulphur <input type="checkbox"/> Salt | Onshore Base: Fourchon, LA Distance to Closest Land (Miles): 75 |

Description of Proposed Activities (Mark all that apply)

| | |
|---|--|
| <input type="checkbox"/> Exploration drilling | <input checked="" type="checkbox"/> Development drilling |
| <input checked="" type="checkbox"/> Well completion | Installation of production platform |
| <input checked="" type="checkbox"/> Well test flaring | Installation of production facilities |
| Installation of well protection structure | Installation of satellite structure |
| <input checked="" type="checkbox"/> Installation of subsea wellheads and/or manifolds | Installation of lease term pipelines |
| Temporary well abandonment | <input checked="" type="checkbox"/> Commence production |
| Other (Specify and describe) | |

| | | |
|--|-----|--|
| Do you propose to use new or unusual technology to conduct your activities? | Yes | <input checked="" type="checkbox"/> No |
| Do you propose any facility that will serve as a host facility for deepwater subsea development? | Yes | <input checked="" type="checkbox"/> No |
| Do you propose any activities that may disturb an MMS-designated high-probability archaeological area? | Yes | <input checked="" type="checkbox"/> No |

Tentative Schedule of Proposed Activities

| Proposed Activity | Start Date | End Date | No. of Days |
|---|------------|------------|-------------|
| Drill Well No. 003 | 04/15/2003 | 05/05/2003 | 21 |
| Complete Well No. 003 | 05/06/2003 | 05/25/2003 | 20 |
| Set subsea tree with drilling rig while on location | 05/26/2003 | 05/27/2003 | 2 |
| Test Well No. 003 | 05/28/2003 | 05/29/2003 | 2 |
| Drill Well No. 004 | 06/01/2003 | 06/30/2003 | 30 |
| Complete Well No. 004 | 07/01/2003 | 07/21/2003 | 20 |
| Set subsea tree with drilling rig while on location | 07/22/2003 | 07/23/2003 | 2 |
| Test Well No. 004 | 07/24/2003 | 07/25/2003 | 2 |

Description of Drilling Rig

Description of Production Platform

| | | | |
|---|---|--|---|
| <input type="checkbox"/> Jackup | <input type="checkbox"/> Drillship | <input type="checkbox"/> Caisson | <input type="checkbox"/> Tension leg platform |
| <input type="checkbox"/> Gorilla Jackup | <input type="checkbox"/> Platform rig | <input type="checkbox"/> Well protector | <input type="checkbox"/> Compliant tower |
| <input checked="" type="checkbox"/> Semisubmersible | <input type="checkbox"/> Submersible | <input type="checkbox"/> Fixed platform | <input type="checkbox"/> Guyed tower |
| <input type="checkbox"/> DP Semisubmersible | <input type="checkbox"/> Other (Attach Description) | <input type="checkbox"/> Subsea manifold | <input type="checkbox"/> Floating production system |
| Drilling Rig Name (If Known): Ocean Concord | | <input type="checkbox"/> Spar | <input type="checkbox"/> Other (Attach Description) |

Description of Lease Term Pipelines

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

OCS PLAN INFORMATION FORM (CONTINUED)

| Proposed Well/Structure Location | | | | |
|--|------------------------------|------------|---|-----|
| Well or Structure Name/Number: Well 003 | | | Subsea Completion | |
| Anchor Radius (if applicable) in feet: 6,000 | | | X | Yes |
| | | | No | |
| | Surface Location | | Bottom-Hole Location (For Wells) | |
| Lease No. | OCS-G 10968 | | | |
| Area Name | Ewing Bank | | | |
| Block No. | 1006 | | | |
| Block line Departures (in feet) | N/S Departure: | 8,930 FSL | | |
| | E/W Departure: | 5,930 FEL | | |
| Lambert X-Y coordinates | X: 2,560,150' | | | |
| | Y: 10,162,370' | | | |
| Latitude/ Longitude | Latitude: 27° 58' 28.801" N | | | |
| | Longitude: 90° 09' 00.730" W | | | |
| | TVD (Feet): | MD (Feet): | Water Depth (Feet): 1,860 | |
| Anchor Locations for Drilling Rig or Construction Barge | | | | |
| Anchor Name or No. | X Coordinate | | Y Coordinate | |
| Anchor #1 | X = 2558828.60 | | Y = 10168186.68 | |
| Anchor #2 | X = 2561836.60 | | Y = 10168047.98 | |
| Anchor #3 | X = 2565854.43 | | Y = 10163684.78 | |
| Anchor #4 | X = 2565755.04 | | Y = 10160705.45 | |
| Anchor #5 | X = 2561423.54 | | Y = 10156644.96 | |
| Anchor #6 | X = 2558944.83 | | Y = 10158420.81 | |
| Anchor #7 | X = 2556110.36 | | Y = 10161485.80 | |
| Anchor #8 | X = 2554440.62 | | Y = 10164093.64 | |

OCS PLAN INFORMATION FORM (CONTINUED)

| Proposed Well/Structure Location | | | | |
|---|--------------------------------|------------|---|-----|
| Well or Structure Name/Number: Well 004 | | | Subsea Completion | |
| Anchor Radius (if applicable) in feet: 6,000 | | | X | Yes |
| | | | | No |
| | Surface Location | | Bottom-Hole Location (For Wells) | |
| Lease No. | OCS-G 10968 | | | |
| Area Name | Ewing Bank | | | |
| Block No. | 1006 | | | |
| Block line Departures (in feet) | N/S Departure: 8,930 FSL | | | |
| | E/W Departure: 5,940 FEL | | | |
| Lambert X-Y coordinates | X: 2,560,140' | | | |
| | Y: 10,162,370' | | | |
| Latitude/ Longitude | Latitude: 27° 58' 28.803" N | | | |
| | Longitude: 90° 09' 00.841" W | | | |
| | TVD (Feet): | MD (Feet): | Water Depth (Feet):1,860 | |
| Anchor Locations for Drilling Rig or Construction Barge | | | | |
| Anchor Name or No. | X Coordinate - Northing | | Y Coordinate - Easting | |
| Anchor #1 | X = 2558828.60 | | Y = 10168186.68 | |
| Anchor #2 | X = 2561836.60 | | Y = 10168047.98 | |
| Anchor #3 | X = 2565854.43 | | Y = 10163684.78 | |
| Anchor #4 | X = 2565755.04 | | Y = 10160705.45 | |
| Anchor #5 | X = 2561423.54 | | Y = 10156644.96 | |
| Anchor #6 | X = 2558944.83 | | Y = 10158420.81 | |
| Anchor #7 | X = 2556110.36 | | Y = 10161485.80 | |
| Anchor #8 | X = 2554440.62 | | Y = 10164093.64 | |

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PROPOSED LOCATIONS

| LOC'N. | X COORDINATE | Y COORDINATE | LATITUDE | LONGITUDE | CALLS | | | MD | TVD | WD |
|------------|---------------|----------------|------------------|------------------|---------------|---------------|---------|----|--------|----|
| SS003 SURF | 2,560,150.00' | 10,162,370.00' | 27° 58' 28.801"N | 90° 09' 00.730"W | 8,930.00' FSL | 5,930.00' FEL | 8,721' | | 1,860' | |
| SS004 SURF | 2,560,140.00' | 10,162,370.00' | 27° 58' 28.803"N | 90° 09' 00.841"W | 8,930.00' FSL | 5,940.00' FEL | 11,865' | | 1,860' | |

MOBIL
G5820
○¹

SS003,
SS004 ○

EW1006
OCS-G-10968
WALTER

WALTER
○²
○¹
WALTER
G10968



EWING BANK AREA

**PUBLIC
INFORMATION**

ATTACHMENT A-2

Printed: 2/24/03



WALTER OIL & GAS CORPORATION

**SUPPLEMENTAL
DEVELOPMENT AND PRODUCTION PLAN**

OCS-G-10968
BLOCK 1006 EWING BANK AREA
GULF OF MEXICO

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

GEODETTIC DATUM: NAD27
PROJECTION: U.T.M. 15
GRID UNITS: US SURVEY FEET

SCALE 0 2,000'
IN FEET 

Job No.: 03-0694

Date: 2/24/03

Drwn: VAG

Chart: Of:

Dwgfile: O:\CDBASE\WPERMIT\UTM15\EW\Permit\1006SDPP

1 1



DIAMOND
OFFSHORE

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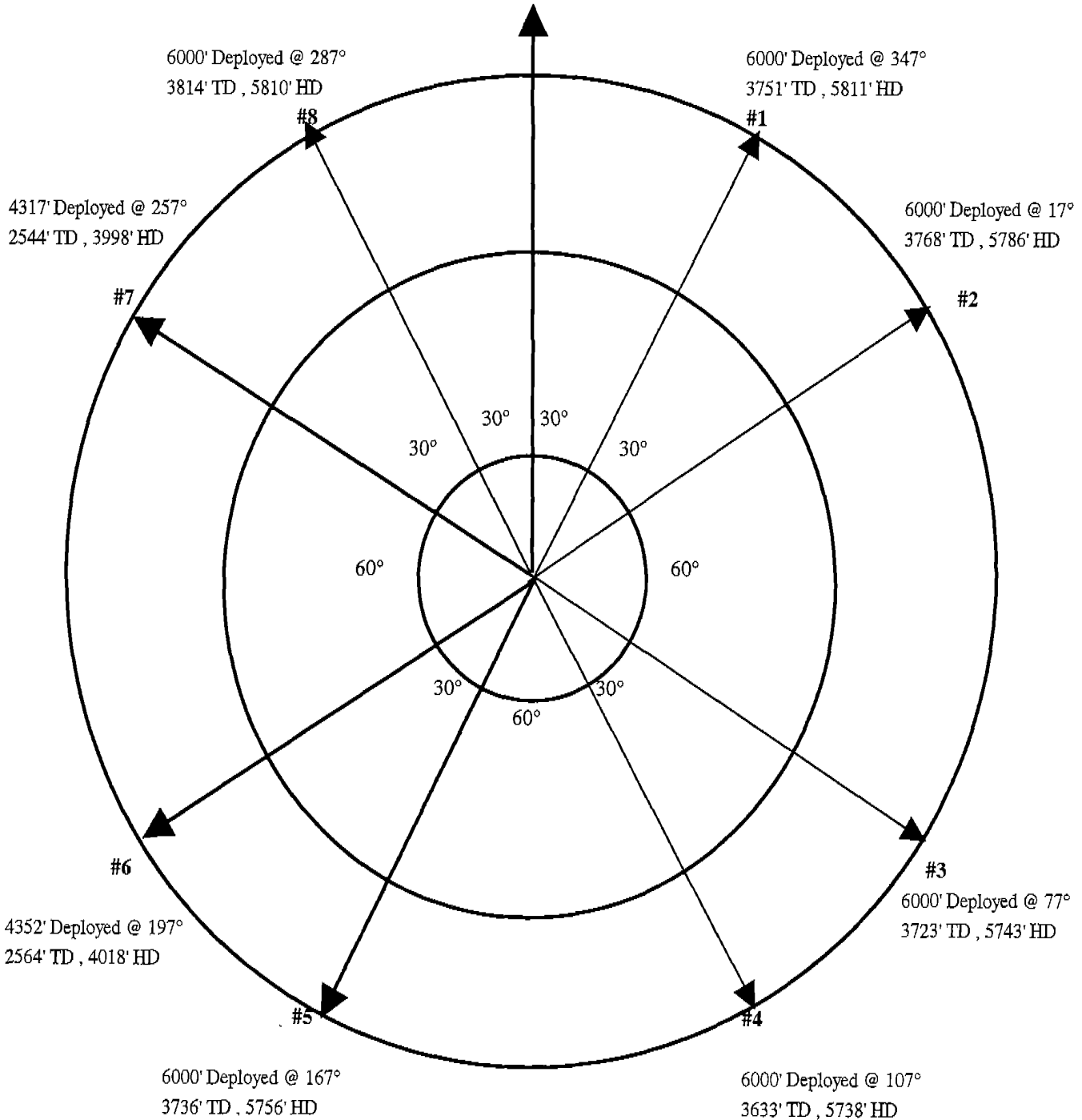
Drilling Unit: Ocean Concord
Drilling Location: EW 1006
Bow Heading: 317°

Date: 3/12/2003

Completed By: ISR
Operator: Walter Oil & Gas
Water Depth: 1050 Feet
File Name: EW 1006

Bow Heading
317°

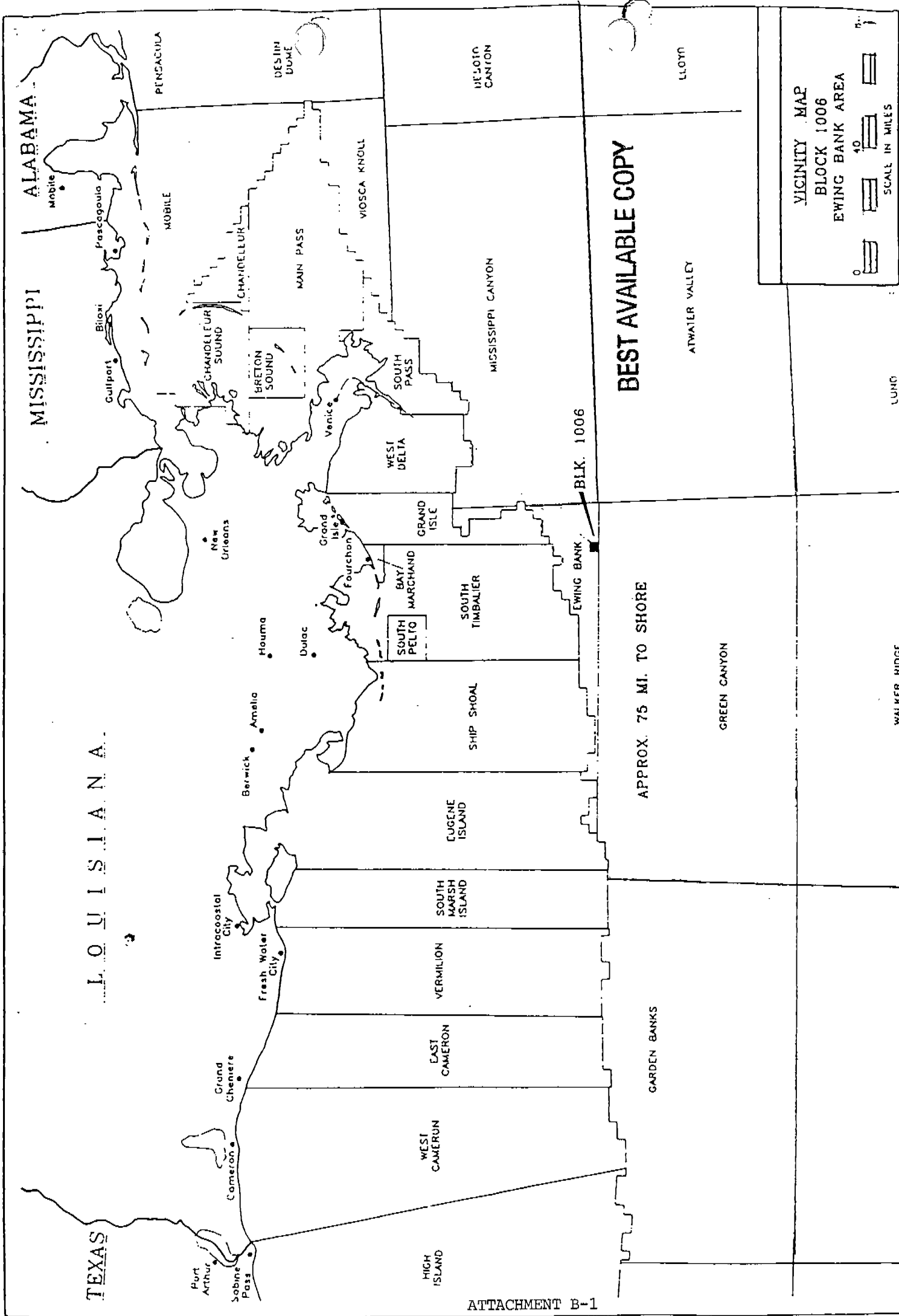
FOR PERMITTING PURPOSES ONLY, NOT APPROVED FOR DRILLING WITHOUT FULL ANALYSIS



Latitude: 27° 58' 28.80" N
Longitude: 90° 09' 00.73" W
X: 2560150.00
Y: 10162370.00

Notes
TD=Touch Down of Chain from Rig
HD=Horizontal Distance from Rig to Anchor

Block Calls: FSL: 6930'
FEL: 5930'
To Proposed: °
Location: '



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VICINITY MAP
 BLOCK 1006
 EWING BANK AREA

SCALE IN MILES



WALTER OIL & GAS CORPORATION

February 27, 2003

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, Louisiana 70123-2394

Attention: Mr. Adnan Ahmed
MS 5222

Re: Supplemental DOCD Information
Lease OCS-G 10968, Ewing Bank Area Block 1006
OCS Federal Waters, GOM, Offshore Louisiana
Geological Information

Gentlemen:

Enclosed are copies of the seismic and amplitude information for the above referenced plan that was discussed by you and Pete Hetherington, Geologist with Walter Oil & Gas Corporation, for your review before the submission of the Supplemental DOCD. Also enclosed is a permit plat with the two wells listed. Walter respectfully request your review and decision as soon as possible as this lease is being held under the one hundred and eighty day clock period to expire on May 14, 2003.

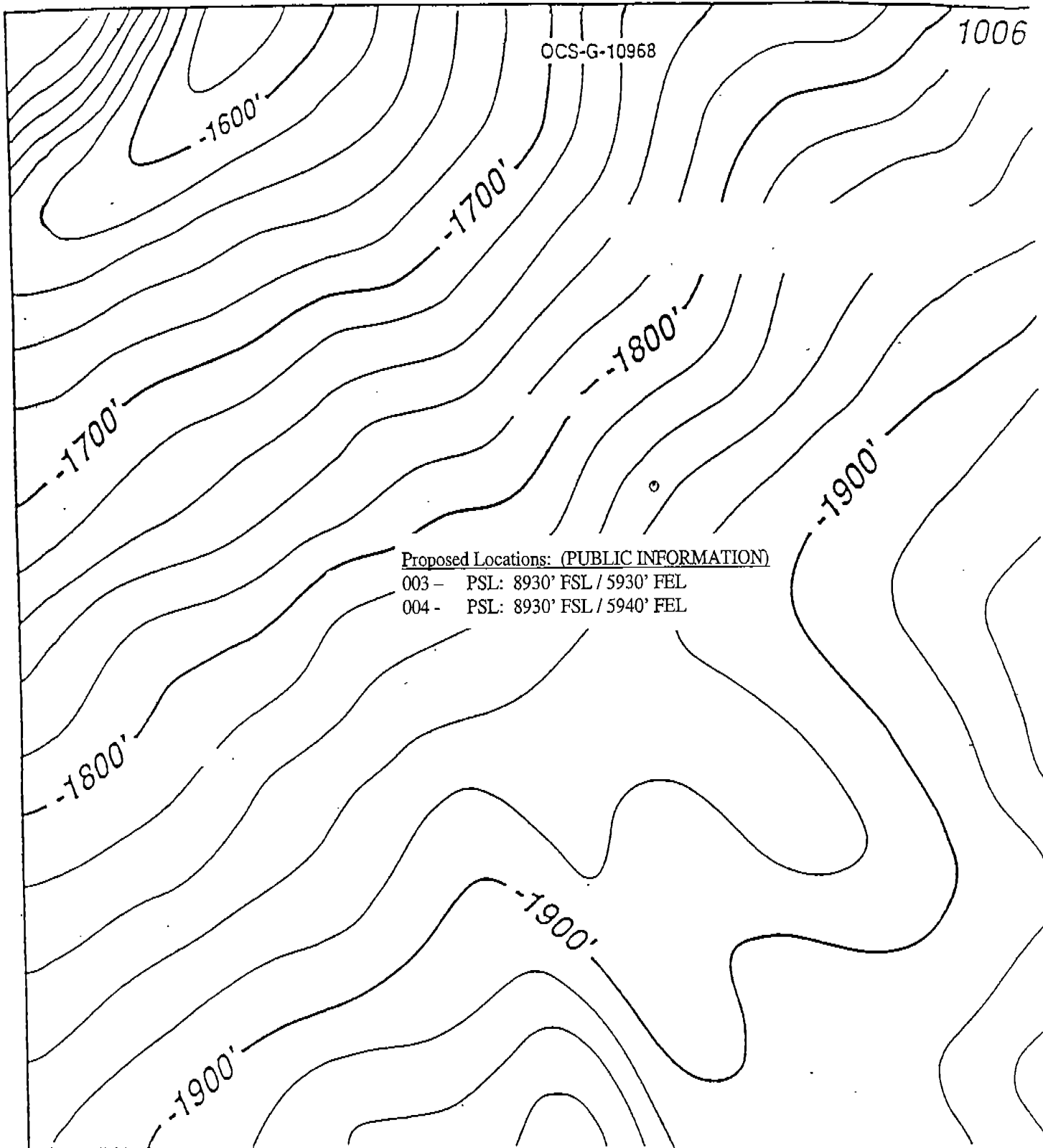
Should you have any questions or need additional information, please contact the undersigned at 713.659.1222 or Mr. Pete Hetherington, geologist, at 713.659.1221.

Very truly yours,
WALTER OIL & GAS CORPORATION

Judy Archer
Regulatory/Environmental Coordinator

Enclosures

BEST AVAILABLE COPY



C.I. = 20'

BATHYMETRIC MAP

Scale: 1" = 2,000'

Attachment E-1
WASTE AND DISCHARGE INFORMATION

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

Attachment E-2
Projected Wastes to be Disposed of:

| Type of Waste / approximate composition | Amount (volume, weight or rate) | Rate per day | Name/Location of Disposal Facility | Treatment and /or Storage, Transport and Disposal Method |
|--|---------------------------------|--------------------------|------------------------------------|---|
| Spent oil-based drilling fluids and cuttings | 2447 bbls / well | Unknown | US Liquids Fourchon, LA | Store in cutting boxes and transport to shore to land farm |
| Spent synthetic-based drilling fluids and cuttings | 2447 bbls / well | Unknown | NA | EW 1006 – discharge cuttings overboard, fluids returned to vendor for recycle |
| Waste Oil | NA | NA | Handled by Rig Contractor | Pack in drums and transport to an onshore incineration site |
| Trash and debris | 20 ft ³ / day | 20 ft ³ / day | Allison Marine Fourchon, LA | Transport in storage bins on crew boat to shore base – Picked up at shore base and trucked to public facility |

| | |
|-----------------|--|
| COMPANY | Walter Oil & Gas Corp. |
| AREA | Ewing Bank |
| BLOCK | 1006 |
| LEASE | 10698 |
| PLATFORM | NA |
| WELL | Subsea Wells 003 and 004 |
| COMPANY CONTACT | Judy Archer |
| TELEPHONE NO. | 713 / 659-1221 |
| REMARKS | Drill, complete, potentially test and produce two (2) subsea wells |

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

AIR EMISSION CALCULATIONS

OMB Control No. xxxx-xxxx
Expiration Date: Pending

| COMPANY | AREA | BLOCK | LEASE | PLATFORM | WELL |
|------------------|----------------|----------------|----------------|----------------|----------------------|
| Walter Oil & Gas | Ewing Bank | 1006 | 10698 | NA | Subsea Wells 003 and |
| Year | Emitted | | Substance | | |
| | PM | SOX | NOX | VOC | CO |
| 2003 | 22.74 | 104.31 | 781.60 | 23.45 | 170.53 |
| 2004 | 22.74 | 104.31 | 781.60 | 23.45 | 170.53 |
| 2005 | 22.74 | 104.31 | 781.60 | 23.45 | 170.53 |
| 2006 | 22.74 | 104.31 | 781.60 | 23.45 | 170.53 |
| 2007 | 22.74 | 104.31 | 781.60 | 23.45 | 170.53 |
| Allowable | 2497.50 | 2497.50 | 2497.50 | 2497.50 | 60467.19 |