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NOTED-SCHEXNAILDRE

UNITED STATES GOVERNMENT
MEMORANDUM

December 9, 2003

To: Public Information (MS 5034)

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

Subject: Public Information copy of plan

Control #	-	N-07973
Type	-	Initial Development Operations Coordinations Document
Lease(s)	-	OCS-G22754 Block - 239 South Timbalier Area
Operator	-	Walter Oil & Gas Corporation
Description	-	Produce Subsea Well SS002
Rig Type	-	Not Found

Attached is a copy of the subject plan.

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

Elmo Cooper
Plan Coordinator

Site Type/Name	Botm Lse/Area/Blk	Surface Location	Surf Lse/Area/Blk
SSTMP/SS002		1833 FNL, 4817 FWL	G22754/ST/239
WELL/SS002	G22754/ST/239	1833 FNL, 4817 FWL	G22754/ST/239

TYPICAL PROJECTION

X-MAS TREE

SV

WV

CIV

TEE #2

TEE #1

UMV

LMV

CONTROL PORT

TEST PORT

DHCI

TREE ADPTR.

12-3/8" TUBING HEAD

13-5/8" CASING HEAD

FLOWLINE SPOOL

SCSSV

TREE ADPTR. MTG. PLATE

CHEM INJECT VALVE (CIV)/ USV TEST LINE

SCSSV

ANNULUS MONITOR/ DX TEST

CHEM INJECTION/TEST LINE

UPPER MASTER VALVE (UMV)

WING VALVE (WV)

CASING HEAD ANNULUS MONITOR VALVE

TUBING HEAD ANNULUS MONITOR VALVE

DHCI-OPEN

DHCI

FLOWLINE FLATPACK UMBILICAL (BY OTHERS)

CUSTOMER FLOWLINE

3/8" HOSE ASSEMBLY (BLACK)

3/8" HOSE ASSEMBLY (BLACK)

3/8" HOSE ASSEMBLY (ORANGE)

COMMON RETURN TO RESERVOIR

(MAN) THAMV

(HYD) THAMV

THAMV

(MAN) CHAMV

(HYD) CHAMV

CHAML

CHAMV

FILTER

100 PSI

SEA WATER

OIL

TYP. 7 PLC'S.

EXHAUST MANIFOLD FOR ALL FSC VALVES

1" X .083"

COMPENSATION FILL PORT

EXHAUST RESERVOIR

NOTES:

4. LABEL BY LETTER/NUMBER AS SHOWN WITH NAMEPLATES (ITEMS 47 THRU 66).

3. UNITECH ASSY. P/N E02-7102 FIXED JUNCTION PLATE (CUSTOMER SUPPLIED).

2. EXISTING STENCIL ON FIXED JUNCTION PLATE.

1. 3/8" JIC MALE F/REMOTE WORKOVER OPERATION.

ITEM	LEGEND	DESCRIPTION (USAGE)
18 34		3/8" (8,000 PSI) HOSE ASSY. (AMV2 ACTUATOR)
35		3/8" (10,000 PSI) HOSE ASSY. (AMV/ TEST)
11		3/8" (0.049" W.J S.S. TUBING
19		3/8" (0.083" W.J S.S. TUBING (SCSSV CHEM. INJ. & ANN. MONITOR)

ESTIMATED WEIGHT

N/A LBS. N/A KG.

REVISIONS					
REV.	DATE	CHK'D	APP.	REL.	
A					

DWN. BY: TPC
CHKD. BY: CTC
APP. BY: MDD
REL. BY: KDS
REL. DATE: 02-SEP-03
REF. LAYOUT:
ALL DIMENSIONS IN INCHES

CAD

SCS. DIAGRAM, HYDRAULIC SCHEMATIC, F/TREE SYSTEM, SPECIAL, W/TEN (10) FUNCTIONS, INCLUDING TWO ANNULUS MONITOR VALVES ASSEMBLY

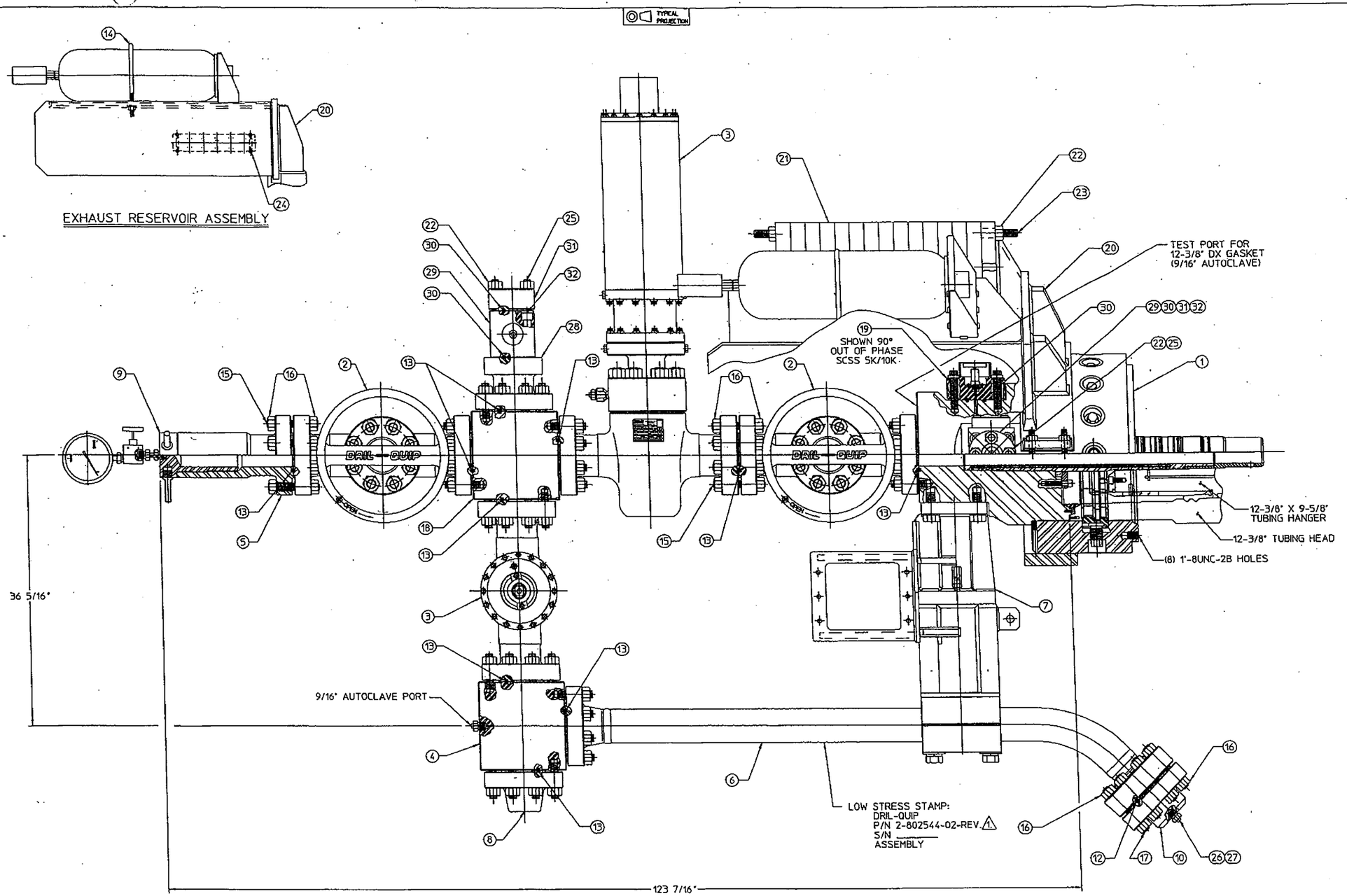
DRIL-QUIP, INC. HOUSTON, TEXAS

DWG SIZE: J

PART NUMBER: 2-802543

LAST REV: A

ATTACHMENT A-3



NOTES:
2. ITEMS 11 (DIAGRAM) AND 33 (ANODE) ARE NOT SHOWN.
⚠1 STAMP CURRENT REVISION LETTER FROM PARTS LIST.

REVISIONS				
REV.	DATE	CHKD.	APP.	REL.

DWN. BY: JDB
CHKD. BY:
APP. BY:
REL. BY:
REL. DATE:
REF. LAYOUT:
ALL DIMENSIONS IN INCHES

CAD

SCS. TREE, SUBSEA COMPLETION, W/3.06"-10000 PSI MNL LOWER MASTER, FSC UPPER MASTER, HWL SWAB, HYD. FSC, WING VALVE AND 3.06"-10000 PSI FLOWLINE W/3.06"-10000 PSI SWIVEL FLG DOWN, SPECIAL, W/SSSV, CHEM INJ & ANN MON PORTS, 1" 10K CIVTEST & DHCI VALVES, 17.33"-5/10 KSI RADIAL BOLT CONN DOWN AND UNITECH 10 LINE FIXED JUNCTION PLATE :ASSEMBLY

ESTIMATED WEIGHT	
11,200 LBS.	5,080 KG.

DRIL-QUIP, INC. HOUSTON, TEXAS

SIZE	PART NUMBER	LAST REV
J	2-802544	

WALTER OIL & GAS CORPORATION

December 5, 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: Initial Development Operations Coordination Document
Lease OCS-G 22754, South Timbalier Block 239
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 nine (9) copies of a Initial Development Operations Coordination Document (Plan) for Lease OCS-G 22754, South Timbalier, Block 239, Offshore Louisiana. Five (5) copies are "Proprietary Information" and four (4) copies are "Public Information".

Excluded from the Public Information copies are certain Geologic discussions, depths of well(s) and structure maps. CD-ROM's in a PDF format are available upon request.

Walter anticipates activities will commence under this proposed Plan on approximately February 1, 2004.

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

Sincerely,

WALTER OIL & GAS CORPORATION

Beth Attwood

for Judy Archer
Regulatory / Environmental Coordinator

JA:BA

Enclosures

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

PUBLIC INFORMATION

Walter Oil & Gas Corporation
Initial Development Operations Coordination Document
South Timbalier Area, Block 239
Lease OCS-G 22754
December 5, 2003

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 Lease OCS-G 22754. The referenced lease was purchased at the Central Gulf of Mexico Lease Sale 178. The lease was issued with an effective date of July 1, 2001 and primary term ending date of June 30, 2005. Well No. SS002ST00BP00 was drilled, completed and shut in under an existing Exploration Plan (Control No. S-05901) by Walter and is presently shut-in waiting on right-of-way pipeline and umbilical.

Under this Initial Development Operations Coordination Document (DOCD), Walter Oil & Gas plans to produce Well SS002ST00BP00 as follows:

Walter proposes to install one (1) 4.5-inch bulk gas right-of-way pipeline (Segment No. 14552) from Walter's existing subsea well (SS002ST00BP00) in South Timbalier Block 239 to terminate on Unocal's existing Platform "A" in South Timbalier Block 220 (CPXID 165-1). In addition, a 11-line umbilical (Segment No. 14553) will be installed from Unocal's existing Platform "A" (CPXID 165-1) in South Timbalier Block 220, terminating at Walter's existing SS02ST00BP00 well in South Timbalier Block 239. The unbilical will be installed to control the well from the host platform.

Attachment A-1 is MMS Form 137 with a tentative schedule leading up to commencement of production as proposed in this Plan.

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

There are no associated anchors expected to disturb any areas discussed in this Plan. The subsea tree was installed with the drilling rig upon completion of the well.

C. DRILLING

No new drilling operations are being proposed in this plan.

D. PRODUCTION FACILITY

Well No. SS002ST00BP00 is a subsea well. A schematic of the existing subsea tree is enclosed as **Attachment A-3**.

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, Environmental Protection Agency and the U.S. Coast Guard.

As mentioned above, Well No. SS002ST00BP00 will be produced via a proposed 4.5-inch bulk gas right-of-way pipeline. Gas production will be sold at South Timbalier Block 220 A platform. Liquid hydrocarbons will be transported to an existing onshore facility for sales. No new nearshore or onshore pipelines or facilities will be constructed.

ATTACHMENT A-1

OCS PLAN INFORMATION FORM

General Information

Type of OCS Plan:	Exploration Plan (EP)	X	Development Operations Coordination Document (DOCD)
Company Name:	**Walter Oil & Gas**	MMS Operator Number:	**0730**
Address: 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 22754	Area: South Timbalier						Block: 239	Project Name (If Applicable):	NA
Objective(s):		Oil		Gas		Sulphur		Salt	Onshore Base: **NA**	Distance to Closest Land (Miles): 48

Description of Proposed Activities (Mark all that apply)

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

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

Tentative Schedule of Proposed Activities

Proposed Activity	Start Date	End Date	No. of Days
Pipeline & Umbilical Installation (permitted separately)	1/15/04	2/1/04	15
Commence Production	2/1/04		

Description of Drilling Rig

	Jackup		Drillship
	Gorilla Jackup		Platform rig
	Semisubmersible		Submersible
	DP Semisubmersible		Other (Attach Description)

Drilling Rig Name (If Known): **NA**

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

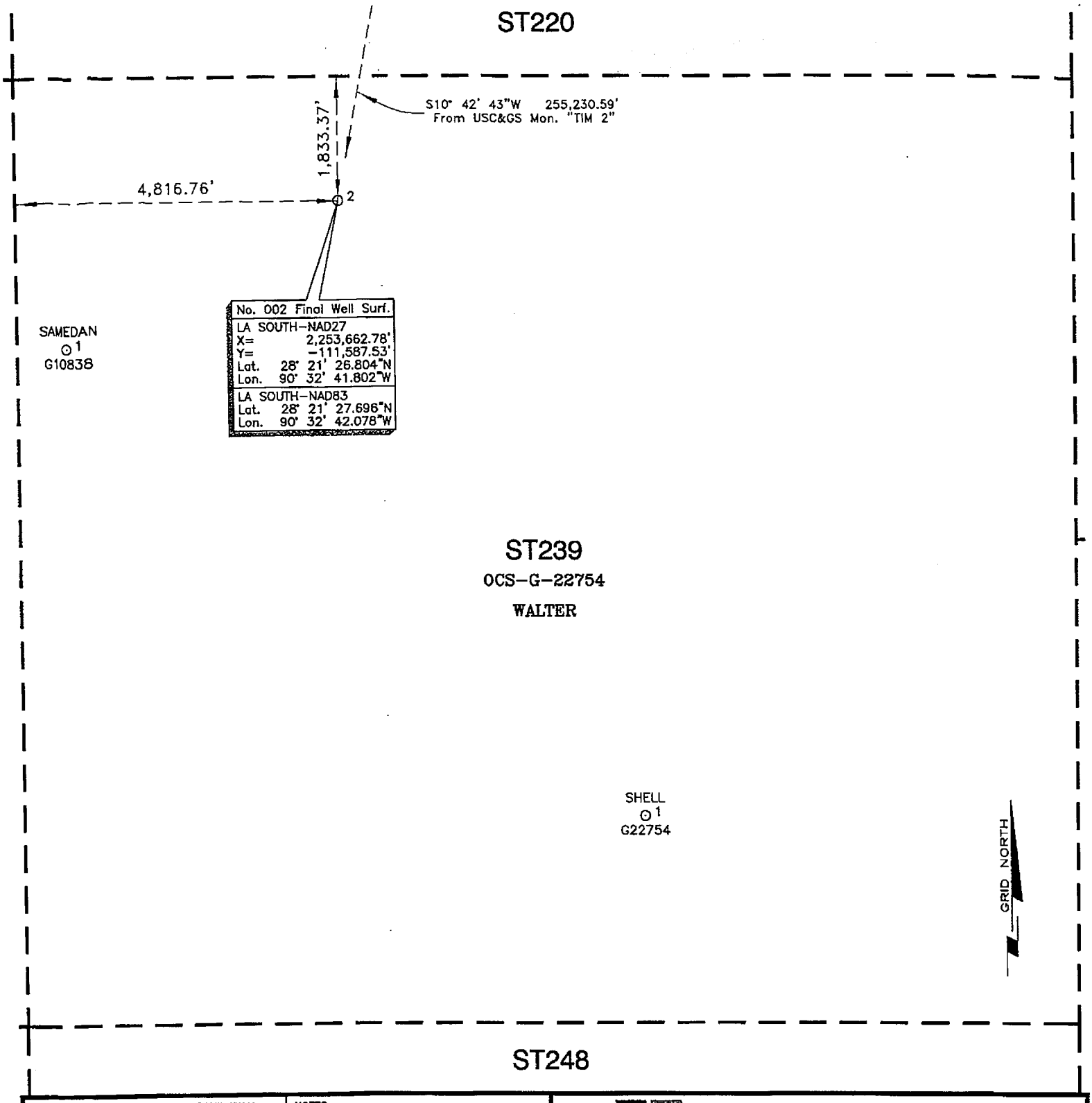
From (Facility/Area/Block)	To (Facility/Area/Block)	Diameter (Inches)	Length (Feet)	Product
NA				

OCS PLAN INFORMATION FORM (CONTINUED)

Proposed Well/Structure Location								
Well or Structure Name/Number:	**SS002ST00BP00**				Subsea Completion			
Anchor Radius (if applicable) in feet:	NA				X	Yes		No

	Surface Location		**Bottom-Hole Location (For Wells)**		
Lease No.	OCS-G 22754		OCS-G 22754		
Area Name	South Timbalier		South Timbalier		
Block No.	239		239		
Block line Departures (in feet)	N/S Departure:	1833.37' FNL	N/S Departure		
	E/W Departure:	4816.76' FWL	E/W Departure:		
Lambert X-Y coordinates	X:	2,253,662.78	X:		
	Y:	- 111,587.53	Y:		
Latitude/ Longitude	Latitude:	28° 21' 26.804" N	Latitude		
	Longitude:	90° 32' 41.802" W	Longitude:		
	TVD (Feet):		MD (Feet):	Water Depth (Feet):	162'

Anchor Locations for Drilling Rig or Construction Barge – NOT APPLICABLE



I HEREBY CERTIFY THAT THE ABOVE FINAL WELL SURFACE LOCATION IS CORRECT.

STATE OF LOUISIANA

LIONEL J. CORMIER
REG. No. 4401
REGISTERED
PROFESSIONAL
LAND SURVEYOR

REG. PROFESSIONAL LAND SURVEYOR NO. 4401
STATE OF LOUISIANA

NOTES:

1) SURVEYED COORDINATES TRANSFORMED FROM NAD83 (GPS DATUM) TO NAD27 (CHART DATUM) USING NADCON VERSION 2.1.

ATTACHMENT A-2

Printed: 8/11/03

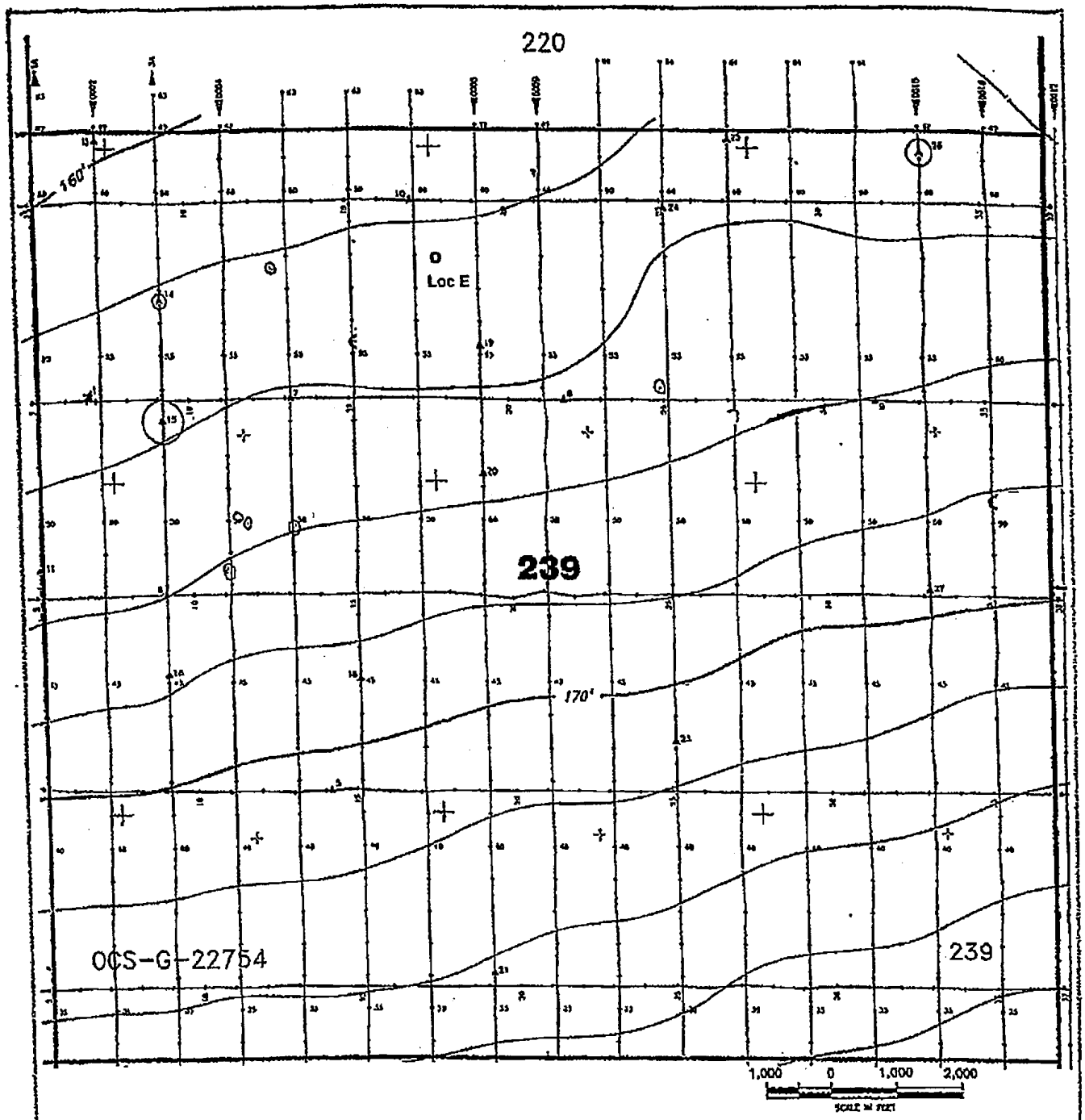
WALTER OIL & GAS CORPORATION

FINAL LOCATION
OCS-G-22754 WELL NO. 002

BLOCK 239
SOUTH TIMBALIER AREA
GULF OF MEXICO

FUGRO CHANCE INC.
200 Dulles Dr. Lafayette, Louisiana 70506-3001 (337) 237-1500

GEODETIC DATUM: NAD27 PROJECTION: LOUISIANA SOUTH GRID UNITS: US SURVEY FEET	SCALE IN FEET 0 2,000'		
Job No.: 03-2711	Date: 8/11/03	Drwn: RDT	Chart: 1 Of: 1
Dwgfile: O:\CADBASE\WPERMIT\LASOUTH\ST\Permit\239f2			



Location E

PSL: 1835' FNL & 4817' FWL of ST 239
28° 21' 26.787"N; 90° 32' 41.799"W
X = 2,253,663.02'; Y = -111,589.19'

Water Depth: ±162 feet

WALTER OIL & GAS CORPORATION

SO. TIMBALIER BLK. 239 SO. ADDN.

OFFSHORE LOUISIANA

BATHYMETRY MAP

DATE 06/03	DRAWN BY:	CHECKED BY:	DRAWING No.
REV. DATE	REV. No.:	SCALE: AS SHOWN	JOB No. DP No.

SURVEY PERFORMED BY THALES GEOSOLUTIONS, INC. IN JULY, 2001.
GRID - LOUISIANA LAMBERT, SOUTH ZONE (NAD 27) CLARKE 1866

Attachment A-2

DRIL-QUIP

Bill of Material 2-802543-02

Where Used

Part Description 2-802543-02

DIAGRAM,HYDRL SCHEMATIC :AS
SCS, DIAGRAM, HYDRAULIC SCHEMATIC, F/TREE SYSTEM, SPECIAL, W/TEN (10) FUNCTIONS, INCLUDING TWO ANNULUS MONITOR VALVES ASSEMBLY

CC	Component Part	Description	UM	Qty Per	Phtm	P/F	Rev
DG	2-802543	DIAGRAM,HYDRL SCHEMATIC :AS	EA	1.0000N		P	NC
01	902306-06	ELBOW,MALE TBG	EA	10.0000N		P	A
02	2-900276-02	ACCUMULATOR,TRANSFER BARRIER	EA	1.0000N		P	NC
03	904105-07	TEE,TBG UNION	EA	5.0000N		P	A
04	2-900409-12	VLV,BALL,3/16"	EA	1.0000N		P	NC
05	950054-05	VLV,CHECK	EA	1.0000N		P	NC
06	917517-04	TBG,SEAMLESS	IN	250.0000N		P	A
07	902164-09	GLAND;.562" H/P	EA	1.0000N		P	NC
08	4-955385-013	ELBOW,UNION	EA	1.0000N		F	A
09	902165-09	COLLAR;.562" H/P	EA	2.0000N		P	NC
10	917461-19	VLV,CHECK	EA	1.0000N		P	B
11	906504-02	TBG,SEAMLESS	IN	750.0000N		P	A
12	950053-08	VLV,NEEDLE,STRAIGHT 2-WAY	EA	2.0000N		P	A
13	917463-17	VLV,BALL	EA	1.0000N		P	NC
14	917303-08	NIPPLE,HEX RDCG	EA	4.0000N		P	B
15	917639-17	NIPPLE,QUICK-DISCONNECT	EA	5.0000N		P	NC
16	917640-24	COUPLER,VLV	EA	5.0000N		P	NC
17	902169-22	ADPTR,MALE	EA	7.0000N		P	NC
18	917382-23	HOSE,ASSY,BLACK,15'	EA	2.0000N		P	NC
19	917517-05	TBG,AUTOCLAVE	FT	240.0000N		P	A
20	904104-07	ADPTR,FRACTIONAL TUBE	EA	1.0000N		P	NC
21	902306-14	ELBOW,MALE	EA	2.0000N		P	NC
22	917705-05	CROSS,TUBE UNION	EA	1.0000N		P	NC
23	903158-06	RDCR,TUBE	EA	1.0000N		P	NC
24	902161-36	NIPPLE,TBG	EA	1.0000N		P	A
25	917579-03	ADPTR,AUTOCLAVE	EA	3.0000N		P	A
26	902186-29	CONN,MALE STRAIGHT TBG	EA	1.0000N		P	F
27	902186-41	CONN,MALE STRAIGHT TBG	EA	1.0000N		P	F
28	917463-15	VLV,BALL	EA	1.0000N		P	A
29	917384-13	ADPTR	EA	1.0000N		P	A
30	917513-06	CAP,.38"TUBE	EA	1.0000N		P	NC
31	2-900659-03	FERRULE,FRONT	EA	6.0000N		F	NC
32	2-900107-07	NUT	EA	6.0000N		P	B
33	902169-48	ADPTR,AUTOCLAVE	EA	1.0000N		F	NC
34	917382-18	HOSE,ASSY,ORANGE,15'	EA	3.0000N		P	NC
35	917382-15	HOSE ASSY;144"PARKER HANNIFIN	EA	1.0000N		P	D
36	902186-24	CONN,MALE STRAIGHT TBG	EA	2.0000N		P	F
37	905103-05	PLUG,PIPE	EA	7.0000N		P	B

38	917744-02	TEE,AUTOCLAVE TBG	EA	2.0000N	P	B
39	902169-28	ADPTR	EA	3.0000N	P	NC
40	917328-07	GLAND,AUTOCLAVE	EA	6.0000N	P	C
41	917581-03	COLLAR;.375"-20K	EA	6.0000N	P	NC
42	917447-03	UNION,AN;.37"X.37",SST	EA	3.0000N	P	NC
43	917639-20	NIPPLE,QUICK-DISCONNECT,MALE	EA	1.0000N	P	NC
44	917640-32	COUPLER,FEMALE	EA	1.0000N	P	NC
45	917457-02	TEE,MALE BRANCH TBG	EA	2.0000N	P	A
46	2-896614	MANIFOLD,PRESS COMPENSATING:MA	EA	1.0000N	F	NC

DRIL-QUIP

Bill of Material 2-802544-02

Where Used

Part Description 2-802544-02

TREE,SUBSEA COMPL :AS
SCS, TREE, SUBSEA COMPLETION, W/3.06"-10000 PSI MNL LOWER MASTER, FSC UPPER MASTER, MNL SWAB, HYD. FSC. WING VALVE AND 3.06"-10000 PSI FLOWLINE W/3.06"-10000 PSI SWIVEL FLG DOWN, SPECIAL, W/SSSV, CHEM INJ & ANN MON PORTS, 1" 10K CI/TEST & DHCI VALVES, 12.38"-5/10 KSI RADIAL BOLT CONN DOWN AND UNITECH 10 LINE FIXED JUNCTION PLATE :ASSEMBLY

CC	Component Part	Description	UM	Qty Per	Phtm	P/F	Rev
DG	2-802544	TREE,SUBSEA COMPL :AS	EA	1.0000N		P	NC
01	2-800952-02	ADPTR,TREE :AS	EA	1.0000N		F	A
02	2-700337-02	VALVE;3.06"-10K MNL :AS	EA	2.0000N		F	NC
03	2-700431-02	3.06",GATE VLV,ACTD,DH :AS	EA	2.0000N		F	C
04	2-501324-04	TEE,STUDDED :AS	EA	1.0000N		F	NC
05	2-800950-02	WELL CAP,3.06"- 10,000 PSI :AS	EA	1.0000N		F	A
06	2-800953-02	PROD FLL,4.50"O.D. :AS	EA	1.0000N		F	A
07	2-802546-02	BRKT,SUPPORT/MOUNTING :AS	EA	1.0000N		F	NC
08	2-501325-02	TARGET FLG,3.06"-10,000 PSI:AS	EA	1.0000N		F	A
09	2-800951-02	TREE CAP,3.06"- 10,000 PSI :AS	EA	1.0000N		F	A
10	2-1105-04	FLG,BLIND;3.06"BX154 RG GRV:AS	EA	1.0000N		F	NC
11	2-802543-02	DIAGRAM,HYDRL SCHEMATIC :AS	EA	1.0000N		F	NC
12	2-899775	GSKT,RG :MA	EA	1.0000N		F	NC
13	917369-06	GSKT,"BX"RG	EA	10.0000N		P	B
14	917317-15	"U"BOLT,LG TANGENT	EA	2.0000N		P	B
15	912100-23	STUD,ALL THD	EA	16.0000N		P	BC
16	2-599158-10	NUT,HEX :CD	EA	48.0000N		F	A
17	912100-76	STUD,ALL THD	EA	8.0000N		P	BC
18	2-501420-04	CROSS,STUDDED :AS	EA	1.0000N		F	NC
19	2-700141-02	ORFICE;.250"NEEDLE VLV ASSY:AS	EA	1.0000N		F	A
20	2-802548-02	CLP,COUNTER-WEIGHT :AS	EA	1.0000N		F	NC
21	2-898899	PLATE,SPRT :BD	EA	15.0000N		F	C
22	917177-10	NUT,HVY HEX	EA	12.0000N		P	D
23	912100-64	STUD,ALL THD	EA	4.0000N		P	BC
24	903170-11	U-BOLT	EA	2.0000N		P	NC
25	917433-23	STUD,DOUBLE ENDED	EA	8.0000N		P	R
26	902163-09	PLUG;.562"H/P	EA	1.0000N		P	NC
27	902164-09	GLAND;.562" H/P	EA	1.0000N		P	NC
28	2-801590-02	CRSVR,ADPTR FLG :SA	EA	1.0000N		F	A
29	2-900484-02	1",GATE VLV,HYDRL ACTD	EA	2.0000N		P	B
30	917369-02	GSKT,"BX"RG	EA	5.0000N		P	B
31	2-501491-02	1",FLG,BLND :AS	EA	2.0000N		F	A
32	902337-331	SCR,SKT HD CAP	EA	8.0000N		P	H
33	917420-14	ANODE,SACRIFICIAL	EA	3.0000N		P	B

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.

PUBLIC INFORMATION

F. ONSHORE BASE AND SUPPORT VESSELS

South Timbalier Block 239 is located approximately 48 statute miles from the nearest Louisiana shoreline and approximately 52 statute miles from the onshore support base located in Fourchon, LA. A Vicinity Plat showing the location of South Timbalier Block 239 relative to the shoreline and the onshore base is included as **Attachment B-1**.

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

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

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 will not be needed during the operations proposed under 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.

Minerals Management Service did not invoke any stipulation(s) for Lease OCS-G 22754, South Timbalier Block 239.

H. RELATED OCS FACILITIES AND OPERATIONS

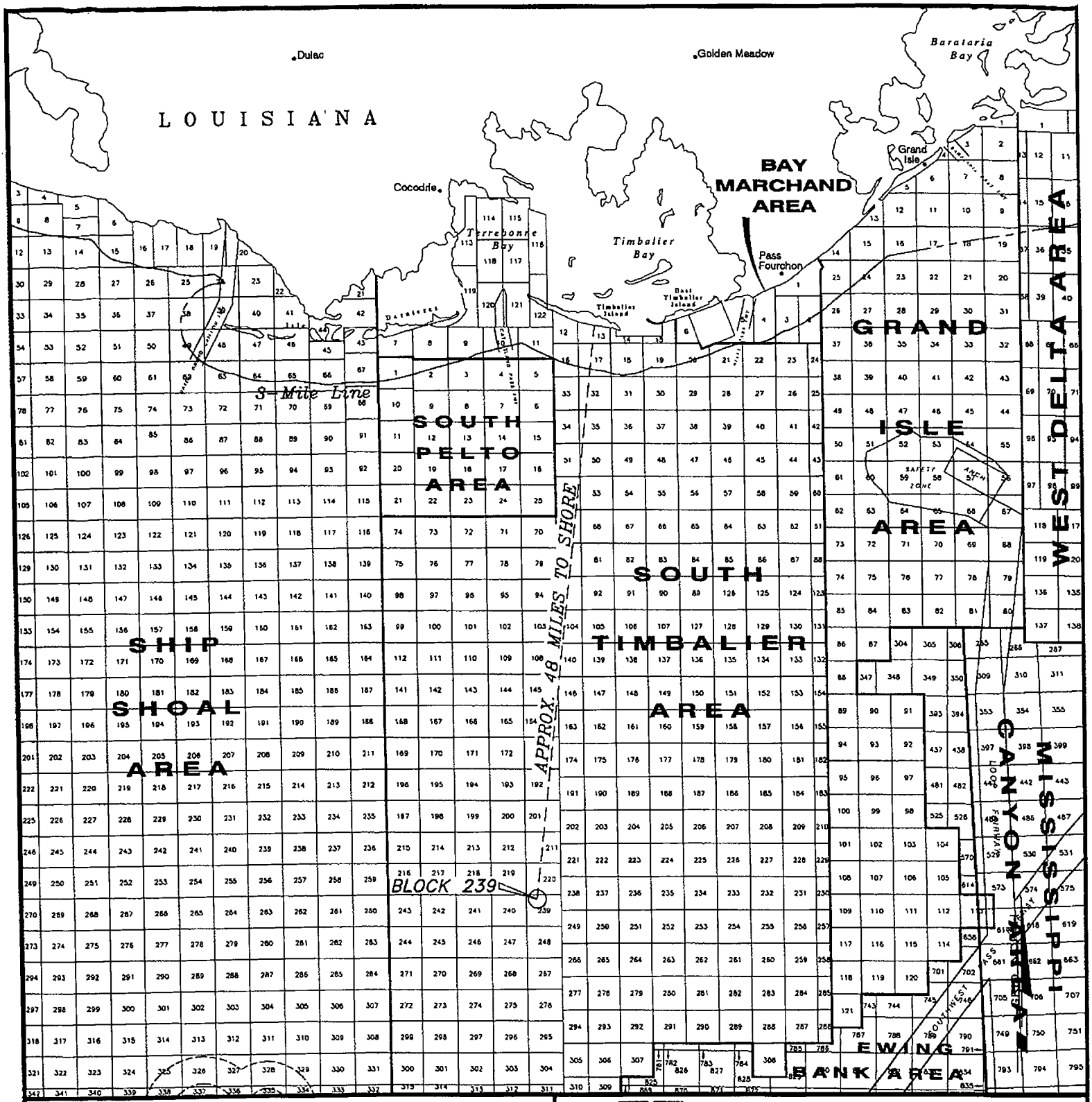
As mentioned in Appendix A, the subject well is a subsea well that was drilled, completed and shut in under an existing Plan of Exploration.

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

I. TRANSPORTATION INFORMATION

Well No. SS002ST00BP00 will be produced via a proposed 4.5-inch bulk gas right-of-way pipeline (Segment No. 14552). Gas production will be sold at South Timbalier Block 220 A platform. Liquid hydrocarbons will be transported to an existing onshore facility for sales.

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 Initial DOCD. There will be no need for barging of condensate or crude production.



ATTACHMENT B-1

WALTER OIL & GAS CORPORATION

OCS-G-22754

BLOCK 239
SOUTH TIMBALIER 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 60,000'	
Job No.: 03-2107	Date: 6/16/03	Drwn: MGK	Chart: 1 Of: 1
Printed: 6/16/03	Dwgfile: H:\2003\032107\CAD\Marine\2107VICMAP		

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)

Enclosed as **Attachment C-1** 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 Initial DOCD are included.

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

No new drilling operations are being proposed in this plan. Therefore, Walter is not required to submit additional shallow hazard or seismic data.

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)

Thales GeoSolutions, Inc. performed a Geophysical Survey of Block 239, South Timbalier Area, Offshore, Louisiana in July 2001. The survey was previously submitted to the Minerals Management Service with the Exploration Plan referenced in Appendix A.

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

The operations proposed under this plan will occur from an existing surface location approved under previously approved Exploration Plan (Control No. S-5901). Therefore, a Shallow Hazards Assessment is not required at this time.

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

The operations proposed under this plan will occur from existing surface location(s) approved under a previous Exploration Plan; therefore a high-resolution seismic line is not being submitted at this time.

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

In accordance with Title 30 CFR 250.417(c), Walter requests South Timbalier Block 239, Lease OCS-G 22754 be classified by the Minerals Management Service as an area where the absence of hydrogen sulfide has been confirmed based upon the following:

- Walter Oil & Gas Corporation drilled, completed and shut-in Well No. SS002ST00BP00 without encountering any hydrogen sulfide.

Appendix D
BIOLOGICAL INFORMATION

CHEMOSYNTHETIC INFORMATION

The proposes activities will not be conducted in water depths of 400 meters (1312 feet) or greater.

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

South Timbalier Block 239 is not located in water depths ≥400 meters (1312 feet) and therefore does not require Walter to submit an ROV Monitoring Survey Plan.The activities proposed in ths plan will not take place within 500 feet of any identified topographic feature; therefore topographic features information is not required.

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 filed a Notice of Intent to be covered under EPA Region VI NPDES General Permit GMG290000 prior to drilling this subsea well under an Exploration Plan.

A. Discharges

There are no discharges anticipated during the operations proposed in this plan to commence production of South Timbalier Block 239 Well No. SS002ST00BP00.

B. Disposed Wastes

There are no projected wastes to be disposed of during the operations proposed in this plan to commence production of South Timbalier Block 239 No. SS002ST00BP00.

Attachment E-1
WASTE AND DISCHARGE INFORMATION

Projected Ocean Discharges – there are no discharges anticipated during the operations proposed in this plan to commence production of South Timbalier Block 239 No. SS002ST00BP00.

Attachment E-2
Projected Wastes to be Disposed of:

There are no projected wastes to be disposed of during the operations proposed in this plan to commence production of South Timbalier Block 239 No. SS002ST00BP00.

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 22754 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 Regional OSRP will cover activities proposed in this Initial 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 Initial 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]	Production	Production
Facility Location (area/block)	EW 871	ST 239
Facility Designation[2]	Subsea Wells 001 & 004	Subsea Well 002
Distance to Nearest Shoreline	64	48
Worst-case Scenario Volume[3]		
Storage tanks (maximum capacity)	NA	0 bbls
Flowlines (maximum capacity)	NA	10 bbls
Lease term pipelines (calculated)	NA	NA bbls
Uncontrolled blowout (daily volume)	10,105 bbls	750 bbls
Total Worst-case Scenario Volume	**10,105 bbls**	**760 bbls**
Type of Oil (crude oil, condensate)	Oil	Condensate
API Gravity(s)[4]	19.7°	44.1°

[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 Initial 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 Initial DOCD.

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

Facility tanks, production vessels

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

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

Diesel oil supply vessels

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

Support vessels fuel tanks

Type of Vessel	Number in Field Simultaneously	Estimated Maximum Fuel Tank Storage Capacity
Tug boat(s)	NA	NA
Supply boat(s)	NA	NA
Service boat(s)	NA	NA
Crew boat(s)	NA	NA
Construction Barge	NA	NA
Lay Barge	NA	NA
Lift Boat	NA	NA

Produced Liquid Hydrocarbons Transportation Vessels

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

Oil-base and synthetic-based drilling fluids

No new drilling operations are being proposed in this plan.

Blowout Scenario

No new drilling operations are being proposed in this plan.

Spill Response Sites

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

Spill response Discussion for NEPA Analysis

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

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

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

The probability that an oil spill starting within South Timbalier Block 239 will contact a County or Parish has been projected utilizing information from the MMS Oil Spill Risk Analysis Model (OSRAM). The results are as follows:

Area / Block	Lease No.	Launch Area	Land Segment	% Probability within 3 / 10 / 30 days
ST 239	G-22754	41	Cameron, LA	- / - / 12
			Vermilion, LA	- / 1 / 7
			Iberia, LA	- / 1 / 4
			St. Mary, LA	- / - / 1
			Terrebonne, LA	- / 8 / 14
			LaFourche, LA	- / 1 / 3
			Jefferson, LA	- / - / -
			Plaquemines, LA	- / - / 1

NOTE: "-" equals < .5 percent

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

Pollution Prevention Measures

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

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

Appendix G
AIR EMISSIONS INFORMATION

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

There are no Projected Air Quality Emissions expected with the activities proposed in this Plan. There are no existing facilities or activities co-located with the currently proposed activities, therefore the Complex Total Emissions are the same as the Plan Emissions.

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

No new drilling or construction operations are being proposed in this plan.

For further information please contact:

Beth Atwood
PPI Technology Services, Inc.
713/463-2330
Email: batwood@ppitech.net

DOCD AIR QUALITY SCREENING CHECKLIST

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

COMPANY	Walter Oil & Gas
AREA	South Timbalier
BLOCK	239
LEASE	22754
PLATFORM	NA
WELL	SS002ST00BP00
COMPANY CONTACT	Judy Archer
TELEPHONE NO.	713 / 659-1221
REMARKS	Commence production of SS002

LEASE TERM PIPELINE CONSTRUCTION INFORMATION:

YEAR	NUMBER OF PIPELINES	TOTAL NUMBER OF CONSTRUCTION DAYS
1999		
2000		
2001		
2002		
2003		
2004		
2005		
2006		
2007		
2008		
2009		

ATTACHMENT G-1

AIR EMISSION CALCULATIONS

OMB Control No. xxxx-xxxx
Expiration Date: Pending

COMPANY	AREA	BLOCK	LEASE	PLATFORM	WELL
Walter Oil & Gas	South Timbalier	239	22754	NA	SS002ST00BP00

Year	Emitted Substance				
	PM	SOx	NOx	VOC	CO
2004	0.00	0.00	0.00	0.00	0.00
2005	0.00	0.00	0.00	0.00	0.00
2006	0.00	0.00	0.00	0.00	0.00
2007	0.00	0.00	0.00	0.00	0.00
2008	0.00	0.00	0.00	0.00	0.00
2009	0.00	0.00	0.00	0.00	0.00
2010	0.00	0.00	0.00	0.00	0.00
2011	0.00	0.00	0.00	0.00	0.00
2012	0.00	0.00	0.00	0.00	0.00
2013	0.00	0.00	0.00	0.00	0.00
Allowable	1665.00	1665.00	1665.00	1665.00	46145.10

ATTACHMENT G-1

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) X					
Shipwreck sites (known or potential)			(7)			
Prehistoric archaeological sites			(7)			
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 South Timbalier Block 239 that could cause impacts to topographic features. The site-specific offshore location of the proposed activities is approximately 45 miles from the closest designated topographic feature (Diaphus Bank, South Timbalier Block 314).

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.

The nearest block, Main Pass 290, with a pinnacle trend live bottom stipulation is approximately 123 miles from South Timbalier 239. There are no IPF's (including effluents, physical disturbances to the seafloor, and accidents) from the proposed activities in South Timbalier Block 239 that could cause impacts to pinnacle trend area live bottoms.

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.

The nearest block, Main Pass 290, with a pinnacle trend live bottom stipulation is approximately 123 miles from South Timbalier 239. There are no IPF's (including effluents, physical disturbances to the seafloor, and accidents) from the proposed activities in South Timbalier Block 239 that could cause impacts to Eastern Gulf live bottom area.

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 South Timbalier Block 239 that could cause impacts to Chemosynthetic Communities.

Chemosynthetic biologic communities that lie in water depths in excess of 400 meters (1312 feet) are of concern for environmental protection measures. The water depth at

the existing SS002ST00BP00 location is 162 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 in South Timbalier Block 239 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 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. If a spill were to occur, the dissolved components and small oil droplets would temporarily affect the water quality of marine waters. Dispersion by currents and microbial degradation would remove the oil from the water column or dilute the constituents to background levels.

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

6. Fisheries

Effects on commercial fisheries from activities associated with this plan 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 2003-G17 Appendix F).

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 South Timbalier Block 239. 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 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 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 Projected Air Quality Emissions Report (Attachment G-1) indicates that the MMS exemption level will not be exceeded during the operations proposed in the Initial DOCD.

10. Shipwreck Sites (Known or Potential)

IPF's that could cause impacts to known or potential shipwreck sites from the proposed activities in South Timablier Block 239 include physical disturbances to the seafloor such as platform and pipeline installation.

There are no platforms or lease term pipelines proposed in this plan. South Timbalier Block 239 lies 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. South Timbalier Block 239 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 South Timbalier Block 239 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). 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 South Timbalier Block 239 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 that could cause impacts to public health and safety.

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

Coastal and Onshore:

1. Beaches

Primary IPF's associated with offshore oil and gas exploration and development, and most widely recognized as major threats to the enjoyment and use of recreational beaches, are oil spills (accidents) and marine trash and debris. The operations proposed in this plan 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. Although it is unlikely that an accidental surface or subsurface oil spill would occur from the proposed activities in South Timbalier Block 239, Walter's 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 p The nearest block, Main Pass 290, with a pinnacle trend live bottom stipulation is approximately 123 miles from South Timbalier 239. There are no IPF's (including effluents, physical disturbances to the seafloor, and accidents) from the proposed activities in South Timbalier Block 239 that could cause impacts to pinnacle trend area live bottoms.
rojected to have significant impacts on wetlands.

The probability that an oil spill starting within South Timbalier Block 239 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 activities proposed in this plan will be covered by our regional OSRP (refer to information submitted in accordance with NTL 2003-G17 Appendix F).

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. 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).

Wintering waterfowl take advantage of the rich food resources found in the delta. Large numbers of wading birds nest on the refuge, and thousands of shorebirds can be found on tidal mudflats and deltaic splays. Commonly observed species include greater and lesser yellowlegs, long-billed dowitchers, dunlins, western sandpipers, Wilson's plovers, killdeer and willets. 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, although it is unlikely that an accidental surface or subsurface oil spill would occur from the proposed activities in South Timbalier Block 239. 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 South Timbalier Block 239 are not projected to have significant impacts on coastal wildlife refuges.

Wintering waterfowl take advantage of the rich food resources found in the delta. Large numbers of wading birds nest on the refuge, and thousands of shorebirds can be found on tidal mudflats and deltaic splays. Commonly observed species include greater and

lesser yellowlegs, long-billed dowitchers, dunlins, western sandpipers, Wilson's plovers, killdeer and willets.

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 Breton Wilderness Area (designated in 1975) is located off the delta of the great Mississippi River. The operations proposed in this plan are not projected to have significant impacts on wilderness areas.

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

Other Environmental Resources Identified: None

C. IMPACTS ON YOUR PROPOSED ACTIVITIES

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

A Shallow Hazards Report was previously submitted to the Minerals Management Service with the Exploration Plan (S-5901). A Shallow Hazards Assessment is not required as no new drilling, platforms or lease pipelines are proposed.

D. ALTERNATIVES

No alternatives to the proposed activities described in this Initial 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

None

G. REFERENCES

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

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

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

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

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

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.

Coastal Zone Management Consistency Certification for the State of Louisiana is included at **Attachment I-1**.

COASTAL ZONE MANAGEMENT

CONSISTENCY CERTIFICATION

INITIAL DEVELOPMENT OPERATIONS COORDINATION DOCUMENT

South Timbalier Block 239

LEASE OCS-G 22754

The proposed activities described in detail in this OCS Plan comply with Louisiana's approved Coastal Management Program(s) and will be conducted in a manner consistent with such Program(s).

WALTER OIL & GAS CORPORATION
Lessee or Operator

Keith Atwood
Certifying Official
for Judy Archer
Regulatory / Environmental Coordinator

December 5, 2003
Date

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 included as **Attachment A-1**.