

Schlumberger Technology Corporation

200 Gillingham Lane
Sugar Land, TX 77478

Schlumberger

RECEIVED

JUL 26 2006

DNMS

July 23, 2006

United States Nuclear Regulatory Commission
Region IV – Materials Inspection Branch
611 Ryan Plaza Drive, Suite 400
Arlington, Texas 76011

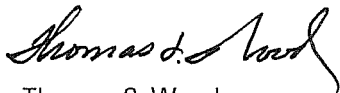
RE: Source Abandonment for Walter Oil and Gas Corporation: OCS-G 24464 001 ST01BP00

Dear Sir or Madam:

This letter is to confirm the abandonment of irretrievable sources in a well in accordance with Part 39, Section 39.77(d). Information for this abandonment is attached.

If you have any questions or require additional information, please contact me at 281-285-7460.

Sincerely,



Thomas S. Wood
Deputy Radiation Safety Officer
Schlumberger Technology Corporation

Source Abandonment in Walter Oil & Gas Corp.
Well: OCS-G 24464 001 ST01BP00

Date of Occurrence: July 4, 2006

Source #1

Identification: 1.7 Ci, Cs 137, Density Source, Serial # A2480
Manufacturer: AEA Technology, QSA Inc.
Model: CDC.CY3 (GGLS-DA)
Depth: 9,930'

Well Identification: Walter Oil & Gas Corp
Well: OCS-G 24464 001 ST01BP00
Location: Garden Banks Block 223
API Number: 60-807-40672-01

Seal Results: 600' of 17.8 ppg Class H cement with Red Oxide Dye spotted in the annulus above the drill pipe; the top of the cement plug is located at 9,055'. Top of the drill pipe is at 9,655'. 260' of heavy weight drill pipe, collars, jars and stabilizers remain in the hole from 9,655' – 9,915' and will serve as the mechanical deflection device. A second cement plug was spotted from 7,394' – 7,494'. Multiple plugs set up hole for well abandonment.

Recovery Attempts: Multiple attempts from 7/02/06 to 07/04/2006

Depth of Well: 9,985' MD (58.47° deviation)

Identification: Plaque as required by Part 39 ordered and will be attached to the well.

Reports: No other agency will receive a copy of this report.

Initial Telephone Contact: 07/04/06 @ 11:05 CDT
Jack Whitten - NRC Region IV

RADIATION FISHING & ABANDONMENT REPORT

Offshore (OCS Waters) Land or State Lease Waters
 Date 03-Jul-06 Time 8:30 pm
 Company Name (Full Name) Walter Oil & Gas Corporation
 Well Name or (OCS-G No. or State Lease No.) OCS-G 24464 001 ST01BP00
 Offshore State of Louisiana Rig Name Ocean New Era
 API Number (If Available or CLSD) 608074067201
 Location of Lease Garden Banks Block 223
 County or Parish GOM State Louisiana
 District D & M Youngsville Sales Engr CJ Hattier
 TD 9985.0 ft Hole Size 8.5 Deviation 58.47
 Casing Depth 7494.0 ft Casing Size 9 5/8"
 Depth of Fish (Top) 9655.0 ft (Bottom) 9975.0 ft
 Source Type (1) Density Source Source Type (2) PNG-C
 Source Activity (1) 63 GBq (1.7 Ci) Source Activity (2) 59.2 GBq
 Serial No. (1) GGLS-D-A2480 Serial No. (2) 2117-41168
 Isotope (1) Cs-137 Isotope (2) Neutron generator
 Depth (1) 9930.0 ft Depth (2) 9922.0 ft
 Leak Test Date (1) 6/28/2006 Leak Test Date (2) _____
 Leak Test Results (1) Certificate attached. Leak Test Results (2) _____
 Tool String (Head to Bottom) EcoScope
 Date and Time Stuck 02-Jul-06 @ 11:00 am
 Date and Time Cement Pumped 04 July 2006 @07:45 a.m.
 Hole Conditions Differential sticking
 Fishing Attempts See Comments below

Comments (what happened to get stuck?, etc.): At 11:00 am on July 2, 2006 Total Depth of 9985 ft MD was reached. The driller pulled the stand back up 10 ft to rack back in order to begin back reaming out of the hole. With the pumps up the TopDrive was un-torqued and separated from the stand. The stand was immediately racked back and it was attempted to pull the next stand out, but the string would not move more than 15 ft and could not rotate more than 2 revolutions. Jarring while torque was applied was attempted, and then working the pipe while circulating and lowering the mud weight. Continued jarring, and then Coastal Spot pill pumped down hole for increased lubricity. The pill was given 24 hrs to work, while waiting attempted jarring every 20 minutes with no success. Decision to abandon in hole was made at 8:00 pm on July 3, 2006. 1st Cement plug set from 9,055' to 9,655' (600' plug) on July 4, 2006 at 7:45 am. Deflection device above the tool was 260' in length and composed of the following: MWD tool, Monel drill collar, XO, 3 drill collars, XO, 2 joints of heavy weight drill pipe. 2nd plug to be set up hole.

NOTE: Regulatory agencies should be contacted ONLY by the Schlumberger Technology Corporation (STC) Radiation Safety Officer or, if unavailable, his designee.

Notified: NRC or State of : NRC Region IV

Name: Jack Whitten Name: _____
Date: 7/4/2006 Date: _____
Time: 11:05 CDT Time: _____

ABANDONMENT

The following is a summary of NRC and/or Agreement States regulations that *must* be followed when abandoning an irretrievable well logging source(s). The specific regulations are found in 10 CFR 39.15 and equivalent regulations in Agreement States.

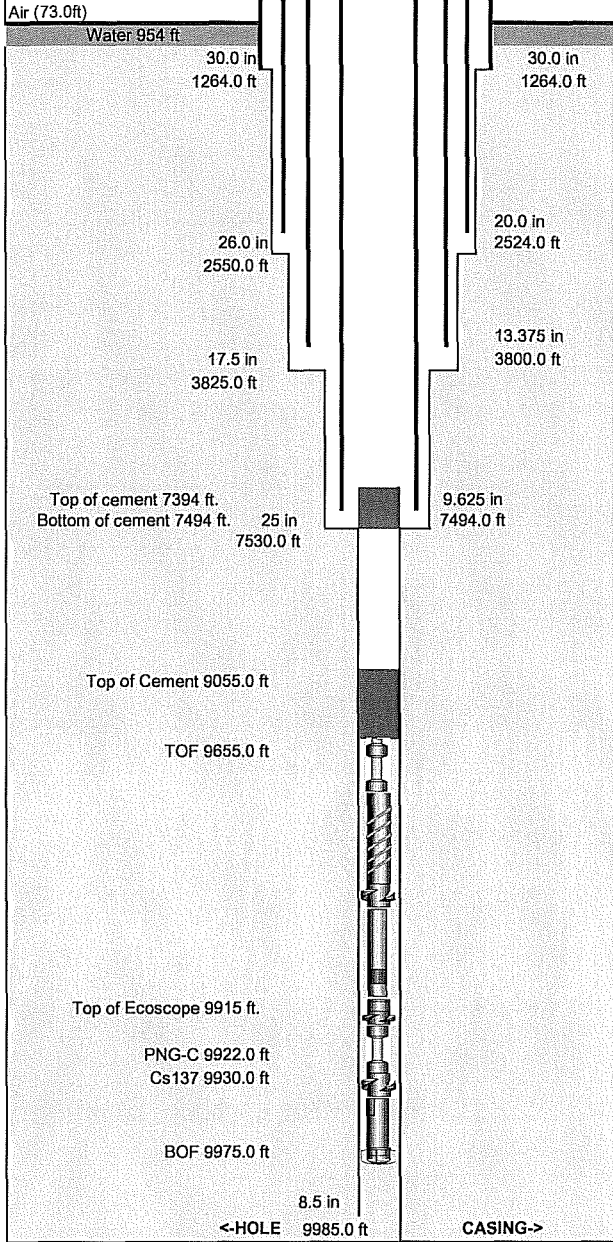
An *irretrievable well logging source* means any licensed radioactive sealed source that becomes lodged in a well and cannot be retrieved after reasonable efforts have been made to recover the source(s).

1. If a well logging source is irretrievable, the following requirements must be implemented.
 - a) The source(s) must be immobilized and sealed in place with a cement plug. The cement has to be dyed red in Texas as a condition of the Texas Railroad Commission (others occasionally).
 - b) A mechanical deflection device must be set at some point in the well above the cement plug to prevent inadvertent intrusion on the source, unless the cement plug and source(s) are not accessible to any subsequent drilling operations. The mechanical device can be devices such as a whipstock, old drill bit, etc. For LWD, drillpipe and/or collars left on top of the BHA usually are approved as a deflection device.
 - c) A permanent identification plaque, (supplied by your QHSE Manager) made of stainless steel (or brass, bronze and monel), must be mounted at the surface of the well unless the mounting of the plaque is not practical (i.e. subsea completion).
2. The STC RSO (or his designee) will notify the NRC or Agreement State of the abandonment plan developed by/with the client. The NRC or Agreement State must approve the abandonment plan prior to implementation. The federal and/or state oil and gas well permitting agency normally will also require that they approve the abandonment plan. The contact with the well permitting agency is the responsibility of the well owner/client but we should advise him/her of that fact as a courtesy.
3. If any changes must be made to the abandonment plan submitted to the NRC or Agreement State, the STC RSO must be informed so that he/she can get approval of the modification, as appropriate. The actual abandonment must not begin until any abandonment plan or modification to that plan is approved by the appropriate agency.
4. The STC Radiation Safety Officer must file a written report with the NRC or Agreement State within 30 days after the abandonment. The facility management should file a written report within 10 days to the STC Radiation Safety Officer via the Health, Safety and Environment Manager. The facility report should cover the final abandonment details such as:
 - a) Actual date of abandonment.
 - b) Any changes in the data sent with the approved abandonment plan.
 - c) A new well diagram if different from the that submitted with the approved abandonment plan.
 - d) Any information pertinent to the abandonment that the STC RSO may not have for his/her final report.
 - e) If all data sent to the STC RSO is still applicable for the final report, an e-mail or fax is to be sent to the STC RSO confirming that fact so that he/she can be ensured that the data sent to the appropriate agency is totally accurate. Most facilities send a completely new report since many these documents often are incomplete or are poor quality fax reproductions.

If there are any questions regarding these procedures, discuss them with your Operations Manager.

FACILITY MANAGEMENT MUST ENSURE THAT THE FINAL ABANDONMENT REPORT IS SUBMITTED TO THE STC RADIATION SAFETY OFFICER.

Wellbore Geometry Report



Client: Walter Oil & Gas Corporation
 Field: Garden Banks 223
 Structure: Ocean New Era
 Well: OCS-G-24464 001
 Borehole: ST01BP00
 Geometry: 001 Wellbore Geometry

Hole Profile

Hole Size in	From ft	To ft	Length ft
Air	-73.0	0.0	73.0
Water	0.0	954.0	954.0
26	954.0	2550.0	1596.0
17.5	2550.0	3825.0	1275.0
12.25	3825.0	7530.0	3705.0
8.5	7530.0	9985.0	2455.0

Tubulars

Casing String	OD in	ID in	Lin Wt lbm/ft	Grade	From ft	To ft	Length ft
30" Casing String	30.0	28.0	309.0	X-52	1017.0	1264.0	247.0
20" Casing String	20.0	18.73	133.0	X-56	1014.0	2524.0	1510.0
13 3/8" Casing String	13.375	12.415	68.0	J-55	1014.0	3800.0	2786.0
9 5/8" Casing String	9.625	8.535	53.5	P-110	1014.0	7494.0	6480.0

Quality Control

Created By: Chad Cluver Date: 3-Jul-06
 Checked By: Date:

WALTER OIL & GAS CORPORATION
OCS-G 24464, WELL NO. 001ST01BP00
GARDEN BANKS AREA BLOCK 223
Proposed P&A Procedure

SL: 2566' FSL & 5068' FEL of Garden Banks Area Block 223
BHL: 2992' FSL & 6309' FEL of Garden Banks Area Block 223
Well Depth: 9985' MD / 9389' TVD
RKB: 0073'
Water Depth: 0954'
Mudline: 1027'
Casing Program: 30" 309# X-56 D-60 MT Pipe Jetted to 1264' MD/TVD
20" 133# X-56 E-60 MT Casing Set at 2525' MD/TVD, TOC: ML
13-3/8" 68# J-55 BTC Casing Set at 3800' MD/TVD, TOC: ML
9-5/8" 53.5# P-110 LTC Casing Set at 7494' MD/TVD, TOC: ML

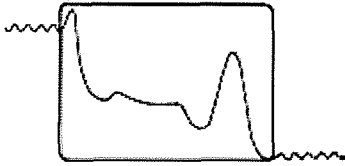
Hydrocarbon Zone: 9255' MD / 9000' TVD to
9758' MD / 9270' TVD

Fish: Bit, Mud Motor, 8-1/2" Stab., LWD, MWD, Monel, XO, 3 6-1/2" DC's, XO, 4 jts of HWDP = 320'
Depth of nuclear source: 9930' MD (NRC approval attached)
Top of Fish: 9655' MD
Bottom of Fish: 9975' MD

Proposed P&A Procedure:

1. GIH open ended to TOF at 9655' MD. Mix and pump 237 cu ft of Class "H" cement and set cement plug at ±9655'-9055' to cover hydrocarbon zone .
2. POOH to 8000' and circulate bottoms up. POOH.
3. GIH with 9-5/8" EZSV and set at ±7394' MD. Test backside to 1500 psi. Mix and pump 130 cu ft of cement. Sting into EZSV and pump 80 cu ft of cement below EZSV leaving 100' in open hole below 9-5/8" casing shoe.
4. Sting out of EZSV leaving 50 cu ft (100') of cement on top of EZSV.
5. POOH to ±7300', reverse out two (2) drill pipe volumes and POOH.
6. Pull 9-5/8" pack-off. Test 9-5/8" x 13-3/8" annulus to 500 psi. . Verbal approval from Mr. Steve Martinez on 07/07/06 not to test the annulus because there is cement to ML.
7. GIH and cut 9-5/8" at ±1057' MD (30' BML). POOH with 9-5/8" casing.
8. GIH and set 200' surface plug from ±1077 to 1277' (±50' to 250' BML) using 80 cu ft of cement.
9. Cut mud weight to 11.0 ppg.
10. Pull 13-3/8" pack-off. Test 13-3/8" x 20" annulus to 200 psi. Verbal approval from Mr. Steve Martinez on 07/07/06 not to test the annulus because there is cement to ML.
11. GIH and cut 13-3/8", 20" and 30" casings at ±1042' (±15' BML). Recover pipe.
12. Perform site clearance survey.
13. Pull anchors and move to next location.

Note: Verbal approval from Mr. Kassim Kassim with MMS to Mr. Wayne Holmes with Walter Oil & Gas Corporation on July 4, 2006 at 7:45 AM to proceed with Steps 1 through 5 above. Log and survey to be submitted to MMS.



Monitoring Services

P.O. BOX 266677 . HOUSTON, TEXAS 77207-6677 . AREA CODE 713-478-6820 . FAX 281-532-0929

SEALED SOURCE LEAK TEST CERTIFICATE

RADIATION SAFETY

SCHLUMBERGER Anadrill Loc.100
135 ROUSSEAU ROAD

CUSTOMER #: 2138

YOUNGSVILLE

LA
70592

SOURCE #: 36860

ACCOUNT #: 2138

RADIONUCLIDE: CS-137 SOURCE CODE: GGLS-DA

ACTIVITY: 1.7 CI SERIAL NO: A2480

WIPE DATE 6/28/2006

EFFICENCY: 0.95

GROSS CPM: 36 BKG CPM: 19 NET CPM: 17

$\frac{\text{NET CPM}}{\text{EFF} \times 2.22 \times 10^6 \text{ DPM/u CI}} = \text{MICROCURIE}$

THE ABOVE SOURCE WIPE TEST HAS BEEN ASSAYED IN ACCORDANCE WITH OUR RADIOACTIVE MATERIAL LICENSE AND THE APPROPRIATE REGULATORY REQUIREMENTS. THE REGULATIONS DEFINE A LEAKING SOURCE AS ONE FROM WHICH AN APPROPRIATE WIPE TEST HAS REMOVED 0.005 (5.0×10^{-3}) MICROCUIRE OR MORE OF ACTIVITY.

THE REMOVABLE ACTIVITY WAS: 8.06E-06 MICROCURIE

2.98E-01 Bq

ASSAY NO.: 7/1/2006 20 DATE: 7/1/2006

ASSAYED BY:

Oilfield Services
Radiation/Explosives Compliance

200 Gillingham Lane, MD 7
Sugar Land, Texas 77478
Tel 281-285-7460
Fax 281-285-8526

Schlumberger

Fax

Date: July 23, 2006

To Ernie Jilek

Fax: 985-727-2165

From Tom Wood

Tel: 281-285-7460

Fax: 281-285-8526

Subject Abandonment Plaque

Pages 2 (including cover)

Ernie,

Request for abandonment plaque, well information follows.

Regards,


Tom

This transmission is intended only for the use of the individual or entity to which it is addressed and may contain information that is privileged and confidential. If you are not the intended recipient, you are hereby notified that any disclosure, distribution or copying of this information is strictly prohibited. If you have received this transmission in error, please notify us immediately by telephone and return the original documents to us at the address above via the United States Postal Services.

Oilfield Services

200 Gillingham Lane
SugarLand, Texas 77478
Tel 281-285-8500

Schlumberger

Graphics N' Metal
1200 Clausel Street
Mandeville, LA. 70448
(504) 669-6082
(985) 727-2165 (Fax)

July 24, 2006

Attn: Ernie Jilek,

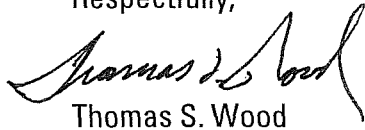
Please construct the standard abandonment plaque with the following information:

Company: Walter Oil & Gas Corporation
Well Name: OCS-G 24464 001 ST01BP00
Field: Garden Banks Block 223
State: Offshore Louisiana
API#: 60 807 40672 01
Date of Abandonment: 7/4/2006
Well Depth: 9,985' MD
Plug Back Depth: 9,055'
Top of Fish: 9,655'
Sources Abandoned: 63 GBq (1.7 Ci), Cs-137, Density Source @ 9,930' MD

Special Instructions: DO NOT RE-ENTER THIS WELL BEFORE CONTACTING
GULF OF MEXICO OUTER CONTINENTAL SHELF (OCS) REGION
OF MINERALS MANAGEMENT SERVICE (MMS)

Please forward to me the completed plaque and invoice.

Respectfully,


Thomas S. Wood

MEMORY TRANSMISSION REPORT

PAGE : 001
TIME : JUL-24-06 03:20PM
TEL NUMBER1: +281-285-8526
TEL NUMBER2: +
NAME : Schlumberger Technology Corp.

FILE NUMBER : 982
DATE : JUL-24 03:18PM
TO : 919857272165
DOCUMENT PAGES : 002
START TIME : JUL-24 03:18PM
END TIME : JUL-24 03:20PM
SENT PAGES : 002
STATUS : OK

FILE NUMBER : 982

*** SUCCESSFUL TX NOTICE ***

Oilfield Services
Radiation/Explosives Compliance

200 Gillingham Lane, MD 7
Sugar Land, Texas 77478
Tel 281-285-7180
Fax 281-285-8526

Schlumberger

Fax

To Ernie Jilek

From Tom Wood

Subject Abandonment Plaque

Date: July 23, 2006

Fax: 985-727-2165

Tel: 281-285-7460

Fax: 281-285-8526

Pages 2 (including cover)

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Regards,


Tom

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