

March 20, 2007

Nuclear Regulatory Commission Region IV
611 Ryan Plaza Dr., Suite 400
Arlington, Texas 76011-8064
Attn.: Mr. Richard Leonardi

RECEIVED

MAR 21 2007

DNMS



Re: NRC License No. 17-27437-01 Source Abandonment Report

(1) Date Occurrence: Tool stuck in hole on Feb. 21, 2007 at approximately 10:10 hours.

(2) Irretrievable Source Descriptions:

5 Ci (185 GBq) Americium-241/Be - Serial Number: 25564B
2.5 Ci (92.5 GBq) Cesium-137 - Serial Number: 24462B

(3) Surface Location & Well Identification:

Operator - Chevron Texaco
Rig - ENSCO 68
Well - OCS-G 02118 006
Field - Eugene Island 338
Rig Surface Location - N 28° 11' 18.313" and W 91° 41' 17.755"
General Area - Federal Waters, Offshore Louisiana

(4) Results of Efforts Immobilize: Pumped concrete to immobilize and seal hole.

(5) Recovery Efforts: Please reference the attached daily log.

(6) Depth of Source(s):

Americium-241/Be - 7,228 feet Measured Depth (5,623 ft. TVD)
Cesium-137 - 7,235 feet Measured Depth (5,626 ft. TVD)

(7) Top of Cement Plug: Approximately 4,574 feet Measure Depth (4,118 ft. TVD)

(8) Depth of Well: 7,333 feet Measured Depth (5,677 ft TVD)

(9) Other Information: N/A

(10) Agencies Notified: MMS

Thank you for your attention to this matter,

A handwritten signature in black ink, appearing to read "John A. Yunker".

John A. Yunker
Radiation Protection Officer

Chevron U.S.A., Inc.

OCS-G 02118 006

Eugene Island Block 338

Offshore, Louisiana

Submitted By:

Bill Ajala

Luis Arismendi

Ronald Wheatley

Jacob Fontenot

27 February 2007

Chronological Drilling Summary

21 February 2007

- 0000 Midnight depth is 7296 feet MD (5658 TVD).
0007 Mud weight in 12.8 ppg at 7296 feet MD (5658 feet TVD).
0109 Gas 304 units at 7296 feet MD.
0149 Reset bit depth at 7274 feet MD.
0152 **On bottom. MPR 2 MHZ transmitting all 1's at 7298 feet MD.**
0156 Kelly down at 7303 feet MD.
0200 Survey at 7250 feet MD.
0225 Unable to close IBOP.
0309 Repairing IBOP.
0335 Pumps on, circulating.
0410 On bottom drilling ahead.
0419 **Gas 500 units.**
0420 **MPR 2 MHZ transmitter recovered at 7323 feet MD.**
0423 **MPR 2 MHZ transmitter working intermittently at 7329 feet MD.**
0426 **Pumps off at 7333 feet MD. WELL SHUT IN.**
0520 Circulate at 2 barrels per minute through the choke.
1011 **The drill string became stuck at 7309 feet MD (5665 feet TVD).**
1113 **Start to jar on drill string.**
2345 The jars stopped working, continue to work pipe while waiting on fishing tools.

22 February 2007

- 0000 Midnight depth is 7333 feet MD (5677 TVD).
0530 Fishing tools arrive on location.
1200 Trip in hole with freepoint tools.
2100 Perforate drill string at 7105 feet MD. Unable to circulate.
2300 Preparing another perforating charge.
-

23 February 2007

0000 Midnight depth is 7333 feet MD (5677 TVD). Wireline unit down.
0100 Trip in hole with perforating gun. Perforate drill string at 6854 and
6856 feet MD. Still cannot circulate.
0300 Attempting to work stuck pipe.
0330 Bent a joint of pipe with top drive while trying to work free.
1300 **Back off drill pipe at 6186 feet MD (5061 TVD), Circulate.**
1630 Well shut in, circulating 13.2 ppg mud through choke, mud cut 12.3
ppg with maximum gas 4988 units.
2045 Taking on mud from boat.

24 February 2007

0000 Midnight depth is 7333 feet MD (5677 TVD), Circulating.
0300 Weighting mud up to 13.4 ppg mud through choke, mud cut 13.1
ppg with maximum gas 4890 units.
1010 Weighting mud up to 13.6 ppg mud through choke, mud cut 13.5
ppg with maximum gas 1000 units.
1507 Start cementing.
1700 Cement in place, start to pull out of the hole.
1830 The client made a decision to plug and abandon the well.
1900 Start to rig down.

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2200 Finish rig down.

26 February 2007

1100 FSE's left the rig. Job finished.