

Schlumberger Technology Corporation

200 Gillingham Lane, MD7
Sugar Land, TX 77478

Schlumberger

September 19, 2007

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

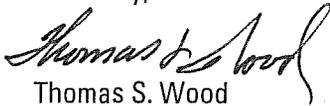
RE: Source Abandonment for McMoRan Oil & Gas Company: OCS-G 310 228

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 – McMoRan Oil & Gas Co.
Well: OCS-G 310 228

Date of Occurrence: 08/24/2007

Source #1

Identification: 592 GBq (16 Ci), Am241Be, Neutron Source, Serial # G4034
Manufacturer: Gammatron, Inc.
Model: NSR-L (AN-HP)
Depth: 17,711'

Source #2

Identification: 63 GBq (1.7 Ci), Cs 137, Density Source, Serial # A2109
Manufacturer: AEA Technology, QSA Inc.
Model: CDC.CY3
Depth: 17,731'

Well Identification: McMoRan Oil and Gas Company
Well: OCS-G 310 228
Location: South Marsh Island Block 212
API Number: 17-707-40881-00

Seal Results: 620' of 18.2 ppg cement plug (BJ Liquid Stone) was spotted in the annulus above the tool from 17,570' to 16,950'. A 2nd cement plug consisting of 25 bbls Joppa Class H + 25% 100 mesh sand + 10% silica flour + 50% hematite was pumped from 17,395' to 16,616' and dressed off to 17,280'. An unsuccessful attempt to sidetrack the well was made drilling to 17,411'. A 3rd cement plug consisting of 18.0 ppg Joppa Class H + 25% 100 mesh sand + 10% silica flour + 50% hematite was pumped from 17,411' to 16,938'. A BJ SV-5 cement retainer was run in the well and set in the 7 5/8" casing at 16,495'. A whipstock was set in the 7 5/8" casing just above the retainer at 16,495' and will serve as the mechanical deflection device.

Recovery Attempts: Multiple attempts from 08/02/07 to 08/08/2007

Depth of Well: 18,122' MD (3° 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: Mr. Chuck Cain, NRC Region IV on 08/07/07 @ 11:50 CDT.

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 :

Name: Mr. Chuck Cain Name: _____
Date: 07 August 2007 Date: _____
Time: 11:50 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).

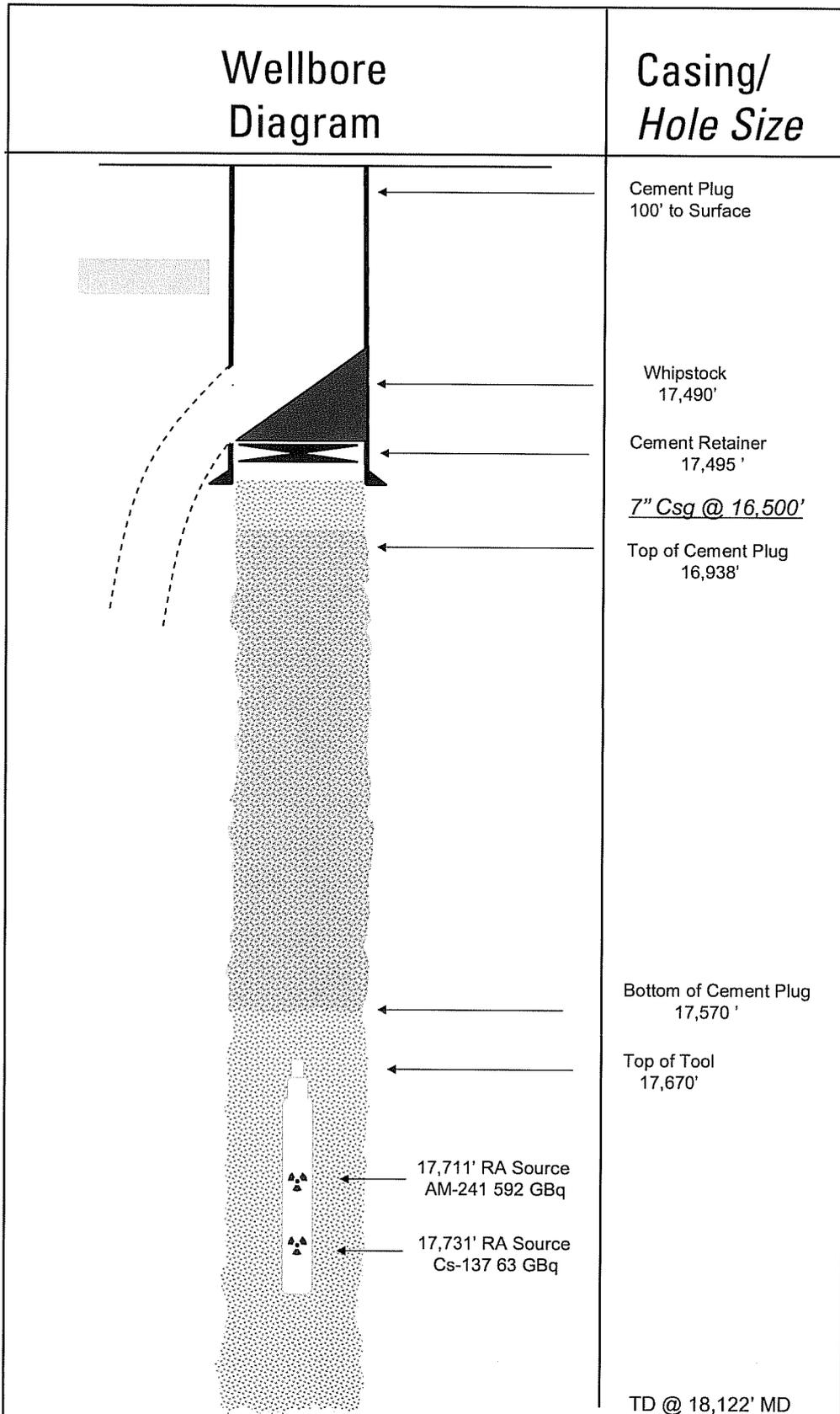
1. If a well logging source is irretrievable, the following requirements must be implemented.
 - a) The source(s) must be immobilized and sealed in place with a cement plug. The cement has to be dyed red in Texas as a condition of the Texas Railroad Commission (others occasionally).
 - b) A mechanical 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.

McMoRan Oil & Gas Co.

Well: OCS-G 310 228



McMoRan – OCS-G 310 228
Fishing Summary

1st Attempt:

1st attempt was a “cut and thread” operation with the logging tools still connected to surface via wireline using a 4-11/16” donut guide with a 3-3/8” spiral grapple. Operation threaded all the way to 17573 ft, 87 ft above expected top of fish. Rig crew attempted pumping and rotating string in an effort to get past the bridged point but BHA would go no further down hole. The electronic weakpoint was then released and the cable pulled out of hole. Rig crew spent another 5 hours attempting to get past bridge point with no success, so pulled out of hole to put on a drill bit for a clean up trip. Schlumberger recommended against RIH with a bit and counseled another fishing attempt with a smaller fishing assembly. Crew RIH with a 5-3/4” bit, cleaned up to within 300 ft of the top of fish, then after taking further counsel from Schlumberger, pulled out of hole, moving no closer to the fish.

2nd Attempt:

2nd attempt was an open ended fishing operation with 4-3/8” cutlip guide with a 3-3/8” grapple attempting to fish the tool body. Schlumberger recommended the use of a smaller guide and grapple to attempt to fish the fishing neck of the wireline logging head. BHA was run in hole to the same depth of 17573 and could not get any deeper. After some time of attempting to get past the down hole obstruction the decision was made to cement and sidetrack

McMoRan – OCS-G 310 228

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2nd Attempt:

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Permanent Abandonment of Open Hole and Logging Tools SMI-212 #228 BP-01 Well

History: A 5 3/4" hole was drilled to 18,122' md with 18.0 ppg OBM. An attempt to electric log the well was made on August 3, 2007 sticking the tools at 17,670' (including the Density source at 17,711' md). Subsequent fishing attempts were unable to get below a depth of 17,570'. At which time approvals were obtained from the NRC and the MMS to abandon the open hole and the logging tools.

Abandonment Operations:

8-7-07 – A 1029' 2 7/8" in tubing stinger was picked up on the bottom of the drill pipe string and run in the hole to 17,570'.

8-8-07 – The well was circulated, and a 20 bbl 18.2 ppg Cement plug (BJ Liquid Stone) was spotted in the well at 23:00 hours. The cement was displaced with 295 bbls of 18.0 ppg OBM leaving a balanced cement plug in the well from 17,570' to 16,950'.

A bit was picked up and the cement plug dressed off to 17,395'. It was decided to pump a second cement plug in an attempt to get a harder plug for sidetracking the well.

8-11-07 – the 2 7/8" tubing stinger was picked up again and run into the top of cement at 17,395'.

8-12-07 - The 2nd cement plug was mixed and pumped into the well at 04:00 hours consisting of 25 bbls Joppa Class H + 25% 100 mesh sand + 10% silica flour + 50% hematite. Displaced with 284 bbls 18.0 ppg OBM, placing the cement plug from 17,395' up to a calculated top of 16,616'.

Note: Cement plug now extends f/17,570' to 16,616' (954' of cement)

A bit was picked up and the cement plug dressed off to 17,280'. A directional assembly was then run in the well. An unsuccessful attempt to sidetrack the well was made drilling to 17,411' (surveys indicated that we were still drilling in the original hole). The 2 7/8" stinger was again picked up and run in the well to the new top of cement at 17,411'.

8-24-07 - The 3rd cement plug was mixed and pumped into the well at 10:00 hours consisting of 15.2 bbls Joppa Class H + 25% 100 mesh sand + 10% silica flour + 50% hematite. Displaced with 285 bbls 18.0 ppg OBM, placing the cement plug from 17,411' up to a calculated top of 16,938'.

Note: **Final Cement plug left in well extends from 17,570' to 16,938' (632' of cement)**

8-25-07 – A BJ SV-5 cement retainer was run in the well and set in the 7 5/8” casing at 16,495’. An unsuccessful attempt to squeeze additional cement below the retainer was made (unable to pump in with 1000 psi). Approval was granted by the MMS to continue with By-pass operations, without squeezing additional cement.

A whipstock was set in the 7 5/8” casing just above the retainer at 16,495’ and the well successfully sidetracked on 8-29-07 with a window milled in the casing from 16,484’ to 16,490’. Kick-off point is 16,490’. **A directional hole was drilled by-passing the abandon tools at a separation distance of ±35’ at 17,700’ md on 9-10-07.**

The well is currently drilling at 18,402’ on 9-13-07.

Bob Gibson
Senior Drilling Engineer
F.J.Brown Associates
281-537-7958

McMoRan Oil & Gas Co.

Message



Tom Wood

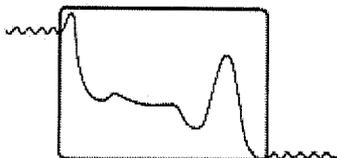
From: Bob Gibson [BobGibson@fjbrownassociates.com]
Sent: Tuesday, August 21, 2007 11:06 AM
To: woodt@sugar-land.oilfield.slb.com; Jonathan Malone; Julie_Bowen@fmi.com; mcmoranp76@seatoshore.net
Cc: Chris Tevis; Billy_Richey@fmi.com; Ralph Doughty
Subject: RE: Permit to P&A lower portion of hole at SM Block: 212 Well Name: 228 with API Number: 177074088101 has been approved.

Tom,

We went in the hole with the cement stinger and could not get below the previous fishing depth of 17,570'. We spotted a 500' cement plug up to 17,070'. We went in the hole to dress off the cement plug and found it not to be hard enough to kick-off, cleaned out to 17,395'. Pull out of hole and go back in with second cementing string, spot 2nd 500' plug f/17,395' to 16,895'. Went in and dressed off the cement plug to our planned kick-off point of 17,280'. Pulled out of the hole, went in the hole with our side track assembly and unsuccessfully attempted to side track the well down to 17,411' (could not get the well to deviate from the old well bore). We are currently spotting another cement plug from 17,411' up to 17,000'. After spotting this plug we will run a cement retainer to approximately 16,495' (5' inside the 7" casing shoe) and squeeze enough cement below the retainer to fill the open hole from 17,000' to the retainer. A mechanical whipstock will be run, set on top of the retainer and the well sidetracked thru casing following the same basic directional plan as before only we will be kicking off at $\pm 16,480$ instead of the planned 17,280' to 17,295'...we will still plan on by-passing the source with at least 15' of clearance (the plan actually calls for 20' of clearance).

Any questions or comments, let me know.

Regards,
Bob Gibson
Senior Drilling Engineer
F.J. Brown & Associates
(281)-537-7958



Monitoring Services

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

SEALED SOURCE LEAK TEST CERTIFICATE

RSO

Schlumberger Well Services 626
13804 WEST MAIN STREET

CUSTOMER #: 784

CUTOFF

LA
70345

SOURCE #: 35674

ACCOUNT #: 1654

RADIONUCLIDE: AM241BE

SOURCE CODE: NSRL

ACTIVITY: 16 CI

SERIAL NO: G4034

WIPE DATE 6/6/2007

EFFICIENCY: 1.32

GROSS CPM: 19 BKG CPM: 16 NET CPM: 3

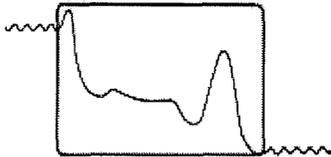
$\frac{\text{NET CPM}}{\text{EFF} \times 2.22 \times 10^6 \text{ DPM/u CI}} = \text{MICROCURIE}$

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}) MICROCURIE OR MORE OF ACTIVITY.

THE REMOVABLE ACTIVITY WAS: 1.02E-06 MICROCURIE
3.79E-02 Bq

ASSAY NO.: 7/3/2007 63 DATE: 7/4/2007

ASSAYED BY:



Monitoring Services

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

SEALED SOURCE LEAK TEST CERTIFICATE

RSO

Schlumberger Well Services 626
13804 WEST MAIN STREET

CUSTOMER #: 784

CUTOFF

LA
70345

SOURCE #: 33496

ACCOUNT #: 1654

RADIONUCLIDE: CS-137

SOURCE CODE: GSRZ

ACTIVITY: 1.7 CI

SERIAL NO: 2109

WIPE DATE 5/24/2007

EFFICENCY: 0.95

GROSS CPM: 24 BKG CPM: 13 NET CPM: 11

$\frac{\text{NET CPM}}{\text{EFF} \times 2.22 \times 10^6 \text{ DPM}/\mu \text{ CI}}$ = 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: 5.22E-06 MICROCURIE
1.93E-01 Bq

ASSAY NO.: 5/30/2007 53 DATE: 5/31/2007

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: September 19 2007

To Ernie Jilek

Fax: 985-727-2165

From Tom Wood

Tel: 281-285-7460

Fax: 281-285-8526

Subject Abandonment Plaque – McMoRan

Pages 2 (including cover)

Ernie,

Request for abandonment plaque for **McMoRan**, well information follows.

Regards,



Tom

Oilfield Services

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

Schlumberger

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

September 19, 2007

Attn: Ernie Jilek,

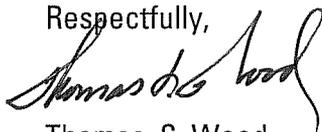
Please construct the standard abandonment plaque with the following information:

Company: McMoRan Oil & Gas Company
Well Name: OCS-G 310 228
Location: South Marsh Island Block 212
State: Offshore Louisiana
API#: 17-707-40881-00
Date of Abandonment: 24 August 2007
Well Depth: 18,122' MD
Plug Back: 16,938'
Top of Fish: 17,670'
Sources Abandoned: 592 GBq (16 Ci), Am-241, Neutron Source @ 17,711'
63 GBq (1.7 Ci), Cs 137, Density Source @ 17,731'

Special Instructions: DO NOT RE-ENTER THIS WELL BEFORE CONTACTING
REGION IV OF THE NUCLEAR REGULATORY COMMISSION
OR THE PACIFIC 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 : SEP-21-07 11:52AM
TEL NUMBER1: +281-285-8526
TEL NUMBER2: +
NAME : Schlumberger Technology Corp.

FILE NUMBER : 557
DATE : SEP-21 11:50AM
TO : 919857272165
DOCUMENT PAGES : 002
START TIME : SEP-21 11:50AM
END TIME : SEP-21 11:52AM
SENT PAGES : 002
STATUS : OK

FILE NUMBER : 557 *** SUCCESSFUL TX NOTICE ***

Oilfield Services
Radiation/Explosives Compliance

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

Schlumberger

Fax

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