

15151 Sommermeyer St. Houston, Texas 77041-5332 (713) 996-1299 Fax (713) 996-1270

February 18, 2008

U.S. Nuclear Regulatory Commission – Region IV
611 Ryan Plaza Drive
Suite 400
Arlington, Texas 76011-8064

Attention: Anthony Gaines

CC:
Mineral Management Service
620 Esplanade Street
Suite 200
Lake Charles, LA 70607-2984
Attention: Dave C. Moore

RECEIVED
FEB 19 2008
DNMS

RE: **NRC Radioactive Materials License Number 17-27623-01**
Abandonment of Radioactive Sources

This notice is being furnished to describe the final abandonment of two (2) radioactive sources associated with LWD well-logging activities as described in the referenced license.

| | |
|-----------------------------------|--|
| Date of Occurrence: | 20 January 2008 |
| Company Name: | Virgin Offshore U.S.A., INC 909 Poydras Street Suite 2200 New Orleans, LA 70112 |
| Well Name: | OCS-G-19702 A-1 ST01 BP00 17-700-41166-01 |
| Well Location (surface): | Lat. 29.36.23.9750 N - Lon. 93.27.6.8015 W 1326789.8075 X – 348047.7589 Y West Cameron Block 78 Offshore Louisiana (Federal Waters) |
| Depth of Well: | 12,132' md 10,635' tvd |
| Bottom of Fish: | 12,086' md 10,596' tvd |
| Depth of 8 Curie Am-241Be Source | 11,993' md 10,517'tvd |
| Depth of 1.7 Curie Cs-137 Source: | 11,998' md 10,521' tvd |

Depth of Top Fish: 6080' md
5464' tvd

Depth of Top of Cement Plug : 5780' md
5204' tvd

Depth of Bottom Cement Plug : Below 9500' md
Below 8380' tvd

Description of Sources: One 1.7 Curie Cs-137, Doubly Encapsulated, Special Form,
Well Logging Sealed Source
Serial Number: 5139-GW
Amersham Model CDC.CY6

One 8 Curie Am-241Be, Doubly Encapsulated, Special Form,
Well Logging Sealed Source
Serial Number: DNS-008
Gammatron Model AN-HP

While drilling, the well took a salt water kick (01-16-07) and was shut in. The mud weight was increased to 11.6 ppg to attempt to stabilize the well. The well starts to loose mud, the pumps were shut down to monitor the well and wait on more mud. On 01-17-08 continued weighting up the mud to 11.6 ppg and the hole packed off. Wire line and fishing tools were called out. Temperature and acoustic logs were run. Perforations in the drill string were made between 9494 and 9500 feet in an attempt to bleed off the pressure. Due to well control problems the decision to abandon the well was made on 1-20-2008

Mr. Anthony Gaines (NRC – Region IV) was notified on January 18, 2008 of a possible abandonment of well logging sources. On January 20, 2008 the Duty Officer on call was notified of the request for abandonment of the sources, who then contacted a Duty Officer in Region IV thru a conference call, verbal permission was granted with the condition of a formal letter be sent in 30 days and, at least 300 feet of cement be placed on top of the fish with the remaining portions of the drill string to serve as a deflection device and MMS approval. Permission was given by the MMS (Dave C. Moore - Lake Charles district) to abandon the radioactive sources on 1-20-2008.

A sidetrack well is not planned to be drilled. If a future sidetrack is drilled notice will be given to the MMS and the NRC for approval.

You will also find attached a sheet showing the information contained on the permanent identification plaque that will be supplied to Virgin Offshore U.S.A., Inc.

If you need additional information or have any questions please contact me at the letterhead address.

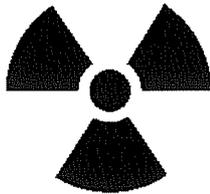
Sincerely,


James Bolling
Regional Radiation Safety Officer

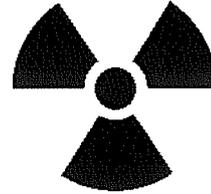
ENC: Facsimile of Abandonment Plaque

CC: Mike Pfister – V.P. North America Operations
Mike Castille – Gulf Coast Operations
Andrew Neil - Corporate RSO
Rick Farmer – Crescent Drilling Engineer

COMPANY: VIRGIN OFFSHORE U.S.A., INC
WELL: NEW ORLEANS, LA
OCS-G-19702 A-1 ST01 BP 00
API 17-700-41166-01
LOCATION: WEST CAMERON
BLOCK # 78



CAUTION



**ONE 1.7 CURIE Cs-137 AND ONE 8 CURIE Am-241Be RADIOACTIVE
SOURCE ABANDONED ON
25 JANUARY 2008 AT 11,993 FT MD (10,517 FT TVD)
PLUGBACK DEPTH 5780 FT MD (5204 FT TVD)**

**DO NOT RE-ENTER THIS WELL
BEFORE CONTACTING
US NUCLEAR REGULATORY COMMISSION OR
MINERALS MANAGEMENT SERVICE**