

HALLIBURTON

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17 September, 2008

U.S. Nuclear Regulatory Commission - Region IV
Texas Health Resources Tower
612 E. Lamar Blvd., Suite 400
Arlington, TX 76011-4125

RECEIVED

SEP 24 2008

DNMS

Attn: James Thompson

Re: Notification of Source Abandonment USNRC License # 42-01068-07

Dear Sir:

This letter comprises the required 30 day notification of source abandonment as per 10CFR 39.77(d) as a follow-up to the telephone conversation with your office on 17 August, 2008.

Date of Occurrence: 17 August, 2008

Source(s) Abandoned: One (1) 4.0 Ci. Am-241 Be doubly encapsulated radioactive source, Solid, Special Form. Amersham Model AMN-CY17. Source Serial Number 1614NN.

One (1) 2.0 Ci. Cs-137 doubly encapsulated radioactive source, Solid, Special Form. Amersham Model CDC.CY13. Source Serial Number 31795B.

Sources held in a source housing, screwed in and locked in place, into the sidewall of a heavy pipe wall Measurement While Drilling logging tool.

Two (2) 0.1 uCi. Cs-137 doubly encapsulated radioactive source, Solid, Special Form located in Density MWD tool. Saint Gobain Crystals. Source Serial Numbers 104598 and 104862.

Company Name, Surface
Location and Well
Identification:

Energy Resource Technology GOM
OCS-G-01023 #E020 ST00BP00
Ship Shoal Block 224

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Casing Depth: 4,520 ft. MD (4,517 ft. TVD)

Depth of the Cement Abandonment Plug(s): 10,018 ft. MD (9,201 ft. TVD) – 11,670 ft. MD (10,484 ft. TVD) Inside pipe.
10,000 ft. MD (9,187 ft. TVD) – 10,018 ft. MD (9,201 ft. TVD) Inside pipe.
9,300 ft. MD (8,641 ft. TVD) – 10,000 ft. MD (9,187 ft. TVD) Inside pipe.
6,251 ft. MD (6,200 ft. TVD) – 7,000 ft. MD (6,854 ft. TVD) Top of Fish. (Abandonment plug)

Kick-off and Sidetrack Depth after Abandonment: 6,251 ft. MD (6,200 ft. TVD)

Depth to Top of the Fish: (Top of Abandoned Drillstring) 7,001 ft. MD (6,855 ft. TVD)

Length of Abandoned Drillstring Located above Abandoned Sources: 4,675 ft. of original drill string length containing the sources.

Depth of Sources: The 4.0 Ci. Am241 Be source is located at 11,560 ft. MD (10,399 ft. TVD). The 2.0 Ci. Cs-137 source is located at 11,551 ft. MD (10,392 ft. TVD).

Bit Depth: 11,660 ft. MD (10,480 ft. TVD)

Depth to Bottom of Well: 11,670 ft. MD (10,484 ft. TVD)

Description of Recovery Attempts: 17-Aug-08 19:12 Drilled to 11,670 ft. MD (10,484 ft. TVD), stop to check flow.
17-Aug-08 19:35 Lost returns @ shakers.
17-Aug-08 20:15 Stuck pipe @ 11,660 ft. MD (10,476 ft. TVD) bit depth .
17-Aug-08 20:30 Tried to circulate through drill pipe, low standpipe pressure, no returns.
17-Aug-08 20:47 Contacted real time ops center and LRSO Harry Hitt.
18-Aug-08 00:20 Pump LCM pill.

18-Aug-08 01:00 Stopped pumping down drill pipe, pumping mud using the trip tank, 850 psi on stand pipe.

18-Aug-08 01:30 Survey .2 mR/hr @ trip tank, well control and wait on fishing tools.

18-Aug-08 08:30 Rig sent in extra personnel.

18-Aug-08 17:33 Received MMS approval, from Ben Coco MMS-Houma district, to plug back and isolate fish in the SS 224 OCS-G 01023, well E-20 in preparation to drill by-pass wellbore around fish.

18-Aug-08 18:32 Received NRC approval from Chuck Cain

18-Aug-08 22:00 Pumped 58 bbl cement through drill pipe and BHA. Dropped ball and pumped another 5 bbl, then displaced w/ 180 bbl of ACCOLADE 14.0 ppg mud. Cement in place @ 1:30 19-Aug-08. Wait on Cement and monitor well.

19-Aug-08 19:00 Attempt to test cement. Not holding. R/U Black Warrior Wireline w/ lubricator and test to 2000 psi. Spent rest of day trying to get lubricator and ring gauge down thru pipe. Unable to go past 10,018' MD (9,201' TVD).

20-Aug-08 05:30 Set 2.281 Extra range plug @ 10,018', R/U to test plug to 2000 psi. Plug did not hold.

20-Aug-08 09:00 M/U another 2.281 extra range plug w/ setting range of 2.441 to 3.343 – test lubricator to 2000 psi. set w/ wireline @ 10,010'.

20-Aug-08 13:00 Test Top Plug to 2000 psi, not holding. P/U 30' Cement Bailer & Mix EP Cement. RIH & Dump 5.4' of CMT on top of plug, POOH & Mix CMT, RIH & Dump Same – Est. to

of CMT @ 10,000'

20-Aug-08 19:00 M/U Freepoint Tool _ Test
Lubricator to 2000 psi. RIH w/ Freepoint - 100%
FREE @ 7008' - 60% FREE @ 7115' -POOH

21-Aug-08 02:30 M/U String Shot - RIH &
Correlate on depth @ 7001'. Prepared pipe to back
off, but string shot did not fire, POOH.

21-Aug-08 04:00 Replaced detonator on string
shot, RIH to 7001', fired shot & backed off @
7001' as per wire line measurement .

21-Aug-08 13:00 While POOH w/ wireline,
monitoring well, circ. @ 4450' stage pumps up to
70 spm - Started loosing mud , slowed pumps to
50 spm- Lost returns - Stop pumps- Mud falling on
back side. Filled back side w/ 43 bbls of sea water
- Swap to 10.0 ppg mud - Total loses of 256 bbls.

21-Aug-08 15:00 POOH, Monitor well on trip
tank, losing 30 bbl/hr - slowed to 9.6 bbl/hr.

21-Aug-08 18:00 R/U & RIH w/ 1046' of 3 1/2"
drill pipe, to 4453' checking torque on each
connection.

22-Aug-08 04:00 Continue RIH to 6989' - R/U &
Test CMT lines to 2500 psi.

22-Aug-08 06:30 Pump 45 bbl spacer - mix &
pump 403 sacks Class H+ADD. @ 16.4 ppg YLD
= 1.06 displaced CMT w/ 101 bbls mud - 700' Plug
- E.T.O.P 6301', POOH to 6200'

22-Aug-08 14:00 POOH to shoe - well static -
continue POOH.

22-Aug-08 15:00 Test BOP's

23-Aug-08 14:00 RIH w/ Steerable BHA, to 4522'
stage up pumps to 450 gpm. & circ B/U.

23-Aug-08 16:00 RIH to 6200' – stage up pumps to 450 gpm. & circ. B/U.

23-Aug-08 20:00 Washed from 6200' to 6750' w/ no weight – Tag CMT. @ 6620'MD.

23-Aug-08 22:00 Circ. @ 6750' – Packed off – Rack back stand & established circ. @ 6685' – stage pumps up to 450 gpm. & washed from 6685' to 6750'

24-Aug-08 04:00 Washed to 6784', Time drill @ 1 ft/hr to 6789'.

24-Aug-08 10:30 Time drilled to 6819' then rotate drilled to 6870' – MWD Survey indicated well not side tracked.

24-Aug-08 16:00 Time drilled from 6870' to 6882' – pump 25 bbl LCM pill – due to 40 bbl loss. Continue to time drill to 6900' – Survey indicated well not side tracked. Circ. B/U, Pump Slug, POOH.

25-Aug-08 04:00 RIH w/ 3 ½" CMT Stinger to 6894'.

25-Aug-08 07:30 Pump 40 bbls Spacer – Mix & Pumped 403 sacks Class H + ADD. @ 16.4 ppg. YLD = 1.06 – Displace w/ 3.5 bbl spacer & 99.5 bbl 11.3 ppg mud. POOH to 6045'. Drop wiper ball – Circ. 2 drill pipe volumes – Check Flow – Well Static.

25-Aug-08 13:30 Pump slug, POOH to Shoe, Cut / Slip drill line, service Top Drive, Resume POOH.

25-Aug-08 23:30 Change out BHA, RIH to 6024' Circ. B/U.

26-Aug-08 07:30 Reduce rate circ. To repair solids control equipment.

26-Aug-08 07:30 to 27-Aug-08 04:00 Time drill

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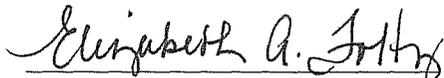
Results of Efforts to Immobilize and Seal the Source in Place: from 6250' MD (6200' TVD) to 6286' MD (6286' TVD) Side tracked well @ 6250'MD.
On 27 August, 2008 the radioactive sources and remaining BHA were immobilized by placement of a cement plug.

Warning Statement: A warning plaque will be made and provided to Energy Resources Company GOM for mounting on the wellhead. It will be possible to mount the plaque since there is a permanent structure available at this location. See attachment for Warning Statement plaque.

Other Agencies Notified in Writing: Minerals Management Service – Lake Jackson District
U.S. NRC Document Control Desk (Washington, D.C.)

If you have any questions, please call me at (281) 871-5745.

Respectfully,



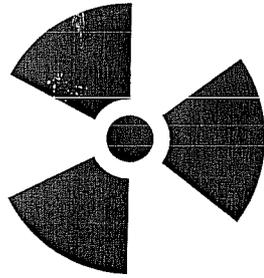
Elizabeth A. Foltz
Global Radiation Protection Manager
Halliburton Energy Services

Attachments: Warning Statement

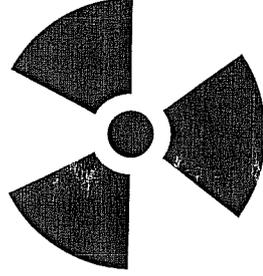
cc: H. Hitt
NRC License File

HL1341

ERT Gulf of Mexico
OCS-G-01023 #E-20 ST00BP00
Ship Shoal Block 224



CAUTION



ONE 4.0 CURIE Am-241Be RADIOACTIVE SOURCE,
AND ONE 2.0 CURIE Cs-137 RADIOACTIVE
SOURCE ABANDONDED 27 AUGUST, 2008 AT
11,560 FT. MD (10,399 FT. TVD), AND AT 11,551 FT
MD (10,392 FT. TVD). PLUG BACK DEPTH 7,001 FT.
MD (6,855 FT. TVD) AVOID BORE BELOW PLUG
BACK, AND DO NOT REENTER THIS WELL
BELOW PLUG BACK BEFORE CONTACTING U.S.
NUCLEAR REGULATORY COMMISSION