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June 23, 2009

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

Attention: James Thompson

CC:

Mineral Management Service 1201 Elmwood Park Blvd. Mail Stop 5020 New Orleans, LA 70123

Attention: Marty Rinado

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: 2 June 2009

Company Name: Newfield Exploration Company

363 North Sam Houston Parkway

Houston, TX 77060

Well Name: OCS-G-32164 #1

API # 17-707-40902-BP00

Well Location (surface): Lat. 29.9.6.1016 N - Lon. 92.9.13.1455 W

1738131.8000 X, -177320.0400 Y South Marsh Island Block 261 Offshore Louisiana (Federal Waters)

Depth of Well: 8585' md

8583' tvd

Bottom of Fish: 8580' md

8578' tvd

Depth of 8.0 Curie Am241Be Source 8493' md

8491' tvd

Depth of 1.5 Curie Cs-137 Source: 8499' md

8497' tvd

Depth of Top Fish: 8190' md

8188' tvd

Depth of Top of Cement Plug: 7784' md

7782' tvd

Depth of Bottom Cement Plug:

Below 8234' md Below 8232' tvd

Description of Sources:

One - 1.5 Curie Cs-137, Doubly Encapsulated, Special Form,

Well Logging Sealed Source Serial Number: 3014GW QSA Model CDC.CY6

One - 8.0 Curie Am241Be, Doubly Encapsulated, Special Form,

Well Logging Sealed Source Serial Number: DNS030 Gammatron Model AN-HP

While drilling a 12 ¼" hole to 8595' MD / 8583' TVD on May 26, 2009 the drill pipe became stuck when picking up off bottom. Jarring attempts were unsuccessful and a free point wire line unit with fishing jars was ordered. While waiting on fishing equipment the rig continued to jar on the stuck drill pipe. When the fishing equipment arrived on location a free point indicator was run and the drill pipe was backed off at 8234'. Several fishing attempts were made which included raising mud weight and changing fishing jars. On June 1, 2009 it became apparent that the drill string was not going to come out of the hole and abandonment procedures were put in place.

Mr. James Thompson (NRC – Region IV) was notified on May 28, 2009 at approximately at 2:00 PM of the possibility of abandoning the two radioactive sources and given details of the preliminary abandonment plan, which included at least a 200 foot cement plug, the remaining drill pipe on top of the sources to be used as a non-drillable object and at least 15 feet distance must be kept from the sources if a side track well is drilled. The MMS gave approval for the abandonment on condition of NRC approval. On June 1, 2009 Mr. Thompson was notified by email that the rig was pulling out of the hole to pick up cementing equipment to abandon this portion of the well. At 3:00 am June 2, 2009, 306' of drill pipe and a 709' cement plug was left on top of the radioactive sources.

A sidetracked well is planned to be drilled. The sidetrack well is planned not to come within 15 ft of the sources.

You will also find attached a sheet showing the information contained on the permanent identification plaque that will be supplied to Newfield Exploration Company.

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: Carlos Contreras - North America LWD Operations Manager

A.J. Broussard – M/LWD Operations Manager Andrew Neil – PathFinder Corporate RSO Mark Pye – Newfield Exploration Company COMPANY: NEWFIELD EXPLORATION CO.

HOUSTON, TX

WELL: OCS-G 32164 #1

API 17-707-40902-BP00

LOCATION: SOUTH MARSH ISLAND BLOCK 261

OFFSHORE GOM



CAUTION



ONE 1.5 CURIE Cs-137 AND ONE 8.0 CURIE Am241Be RADIOACTIVE SEALED SOURCES ABANDONED ON
2 JUNE 2009 8493 FT MD (8491 FT TVD)
PLUGBACK DEPTH 7784 FT MD (7782 FT TVD)

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