March 20, 2010



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

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

(1) Date Occurrence: Tool stuck in hole on February 22, 2010 @ 00:40 hrs.

(2) Irretrievable Source Descriptions:

2.5 Ci (92.5 GBq) Cesium-137 - Serial Number: SS39422B QSA GLOBAL CDC.CY4

(3) Surface Location & Well Identification:	
Operator -	Shell GOM Inc.
Rig -	Transocean Deepwater Nautilus
Well -	OCS-G 26253 001 ST02BP00
Field -	Mississippi _/ Ćanyon Block 392
Rig Surface Location -	N 28° 37' 07.574" and W 87° 59' 58.974"
General Area -	Offshore Louisiana

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

(5) Recovery Efforts: Please reference the attached document.

(6) Depth of Source(s):

Cesium-137 - 27,471 feet Measured Depth (25,944 ft. TVD)

(7) Top of Cement Plug: Approximately 26,208 feet Measured Depth (25,492 ft. TVD)

Proposed KOP Cementing Procedure was as follows:

Plug 1 Balanced Plug from 26,250 ft – 27,209 ft (MD) 25,519 ft – 25,892 ft (TVD)

- 1. Make up and RIH with a Diverter sub on ~1000 ft of cement stinger following HES tool best practices.
- 2. Install a Ball Catcher between the 6-5/8" drill pipe and the 4-1/2" drill pipe above the cement stinger.
- 3. TIH to top of fish at 27250 ft.
- 4. Circulate 2 bottoms up of 13.5 lb/gal SBM at maximum rate that pressure will allow while rotating and reciprocating the work string.

- 5. R/U Halliburton cementing unit, Cementing Head and necessary cementing lines
- 6. Pressure test cement pumps and lines to 6,000 psi.
- 7. Begin mixing and pump the following fluids at 5 bpm while still rotating the drill pipe:
 - a) 100 bbl of 14.5 lb/gal Tuned Spacer III with 0.6 gal/bbl surfactants.
 - b) 6.3" Hard Rubber Ball #1
 - c) 70 bbl of Premium cement lab test 63963.2.

Client utilized the steel bottom hole assembly as the permanent deflection device to sidetrack the well.

(8) Depth of Well: 27,525 feet Measured Depth (25,944 ft TVD)

(9) Other Information: N/A

(10) Agencies Notified: Nuclear Regulatory Commission

Thank you for your attention to this matter,

Ide & yunter

John A. Yunker Radiation Safety Officer E-mail: john.yunker@bakerhughes.com

Shell Gulf of Mexico, Inc.

OCS-G 26253 001 ST00BP00 & ST01BP00

Mississippi Canyon Block 392 Offshore, Alabama

Submitted By:

Ed Rathgeb

Brent Fusilier

Brad Mitchel

John Nguyen

Henry Trinh

Mounir El Saleh

Field Service Engineers

Date: 01 December 2009

Disclaimer

Baker Hughes INTEQ does not guarantee the accuracy or correctness of interpretations provided in or from this report. Since all interpretations are opinions based on measurements, Baker Hughes INTEQ shall under no circumstances be responsible for consequential damages or any other loss, costs, damages or expenses incurred or sustained in connection with any such interpretations. Baker Hughes INTEQ disclaims all expressed and implied warranties related to its service which is governed by Baker Hughes INTEQ's terms and conditions.

Chronological Drilling Summary

20 February 2010

0000 Drill ahead at 26793 feet MD.

- 0010 Pump problems.
- 0016 Circulate with pump# 4 online.
- 0024 Resume drilling with one pump.
- 0034 Off bottom at 26807 feet for a survey.
- 0035 Slow pump rate.
- 0316 Two pumps# 2 and 4 online.
- 0413 Downlink to target inclination of 77.04°.
- 0520 Downlink to walk force of zero.
- 0648 Tool desync but still pulsing.
- 0652 Cycle pumps. Tool is still showing desync.
- 0705 Cycle pumps. Tool is still showing desync.
- 0712 Hard reset for 5 minutes. Inform company man and driller.
- 0716 Cycle pumps. Tool is still showing desync.
- 0732 Cycle pumps. Tool is still showing desync.
- 0735 Called tech support Mike Trosper. Advised to keep cycling the pumps.
- 0750 Cycle pumps. Tool is still showing desync.
- 0800 Cycle pumps. Tool is still showing desync.
- 0810 Cycle pumps. Tool is still showing desync.
- 0820 Cycle pumps. Tool is still showing desync.
- 0822 Downlink to build force of 61.29% and target inclination of 78.48.
- 0833 Hard reset the tool.
- 0838 Pumps on. . Tool is still showing desync.
- 0849 Cycle pumps. Tool is still showing desync.
- 0859 Rack back one stand.
- 0903 Circulate bottom up.
- 0910 Tool reset.

- 0915 Tool is working fine.
- 0933 Set bit depth at 26987.81.
- 0937 Resume drilling.
- 0954 RTPROC locked up.
- 1000 Restart RTPROC.
- 1004 Resume drilling.
- 1913 Slow pump rates.
- 2000 Off bottom at 27385 feet for a survey.
- 2223 Off bottom at 27479 feet for a survey.

21 February 2010

- 0000 Drill ahead at 27531 feet MD.
- 0016 Off bottom at 27543. Start losing mud.
- 0035 Downlink Ribs off. Tool stopped pulsing after downlink.
- 0040 Sticky hole. Circulate and work the pipe.
- 0116 Tool is pulsing.
- 0118 Jarring operation.
- 0200 Still circulating below tool flow rate.
- 0300 Cut mud weight back to a 13.6 ppg.
- 0925 Continue jarring.
- 1230 Flow check (-).
- 1250 Circulate below tool flow rate.
- 1309 Tool powered up and jarring.
- 1514 Pump and spot 40 bbl of oil based mud down drill pipe.
- 1530 Jarring every 15 minutes.

22 February 2010

- 0000 Continue jarring every 15 minutes.
- 1200 Slowly bring pumps up to a max rate of 450 gpm.
- 1230 Circulate bottoms up.
- 1300 Tool is showing desync. No data is transmitted.

- 1305 Tool is transmitting data.
- 2005 Pumps off. Inspect jars.
- 2104 Continue circulating.

23 February 2010

- 0000 Circulating.
- 0417 Tool powered down and back up.
- 0432 Message server locked up.
- 0440 Restart Realtime machine.
- 0509 Realtime machine up and running.

26 February 2010

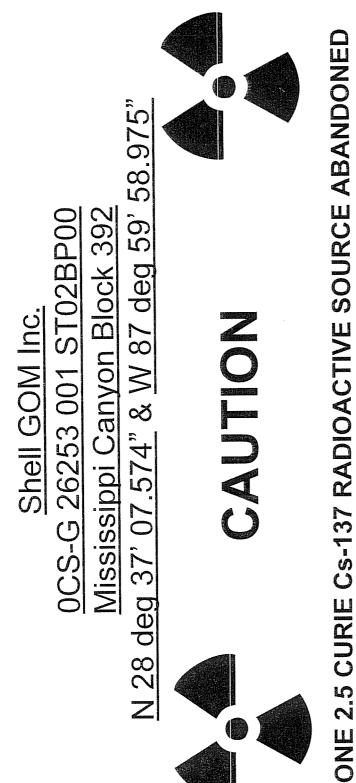
- 0000 Tripping in to cement fish.
- 1230 Cement in place over fish.

27 February 2010

- 0000 Wireline caliper run.
- 2315 Pick up AutoTrak/OnTrak assembly.
- 2325 Make up bit to AutoTrak.
- 2335 Plug into tool.

28 February 2010

- 0000 Programming MWD tools.
- 0035 Unplug from tool.
- 0040 Tool below rotary. Begin MWD Run 22.
- 0050 Continue making up rest of BHA.
- 0241 Surface test on first stand of drill-pipe.
- 0310 Trip in hole.
- 1107 Slip and cut drill line.
- 1155 Trip in hole.
- 1405 Testing BOPs.



February 26, 2009 AT 27,471 FT MD. (25,944 FT TVD) AND ONE 5 CURIE AM-241/Be RADIOACTIVE SOURCE ABANDONED XXXX AT XXXX MD (XXXX TVD). TOP OF FISH AT 27,209 FT MD (25,892 FT TVD).

DO NOT ENTER WELL BEFORE CONTACTING

NUCLEAR REGULATORY COMMISSION