UNITED STATES GOVERNMENT
MEMORANDUM

July 25, 2005

To: Public Information (MS 5034)

From: Plan Coordinator, FO, Plans Section (MS 5231)

Subject: Public Information copy of plan

Control #	-	N-08513
Type	-	Initial Exploration Plan
Lease(s)	-	OCS-G16641 Block - 696 Mississippi Canyon Area OCS-G21182 Block - 695 Mississippi Canyon Area
Operator	-	Chevron U.S.A. Inc.
Description	-	Wells A3, C3 and F3
Rig Type	-	DP SEMISUBMERSIBLE

Attached is a copy of the subject plan.

It has been deemed submitted as of this date and is under review for approval.

Robert Stringfellow
Plan Coordinator

Site Type/Name	Botm Lse/Area/Blk	Surface Location	Surf Lse/Area/Blk
WELL/A3	G21182/MC/695	5614 FNL, 2682 FWL	G16641/MC/696
WELL/C3	G16641/MC/696	5690 FNL, 2706 FWL	G16641/MC/696
WELL/F3	G16641/MC/696	5614 FNL, 2882 FWL	G16641/MC/696

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NOTED - SCHEXNAILDRE

Chevron

Philip A. Von Dullen III
Permit Specialist

Chevron U.S.A. Inc.
Deepwater Exploration
1500 Louisiana Street
Houston TX 77002
Tel 832 854 3644
Fax 832 854 2663
pvondullen@chevron.com

July 21, 2005

Mr. Donald C. Howard
Regional Supervisor
U.S. Department of the Interior
Minerals Management Service
Gulf of Mexico OCS Region
1201 Elmwood Park Boulevard
New Orleans, LA 70123-2394

Initial / Supplemental Exploration Plan
Mississippi Canyon Blocks 695 and 696
OCS-G 21182 and 16641
Offshore Louisiana and Alabama

Dear Mr. Howard:

Chevron U.S.A. Inc. submits for your review and approval this Exploration Plan (EP) for the drilling of three wells in Mississippi Canyon Blocks 695 and 696, OCS-G 21182 and 16641, respectively. This document has been prepared in accordance with NTL 2003-G17. We estimate a start up date of May 1, 2006.

We have enclosed the following:

- One (1) Proprietary Paper Copy and One (1) Proprietary CD in PDF format of the EP.
- One (1) Public Information Paper Copy and One (1) Public Information CD in PDF format of the EP.
- Two (2) Interpreted 3-D Seismic Lines as an enclosure to the Proprietary Copy of the EP.

Please contact me should you have any questions or need additional information.

Sincerely,

P.A. Von Dullen III

CHEVRON U.S.A. INC.

INITIAL EXPLORATION PLAN
OCS-G 21182
MISSISSIPPI CANYON BLOCK 695

SUPPLEMENTAL EXPLORATION PLAN
OCS-G 16641
MISSISSIPPI CANYON BLOCK 696

OFFSHORE LOUISIANA AND ALABAMA

"BLIND FAITH" PROSPECT

PUBLIC INFORMATION

APPENDIX A CONTENTS OF PLAN

LEASE DESCRIPTION

Chevron U.S.A. Inc. (Chevron) is the operator of federal oil and gas Leases OCS-G 21182 and OCS-G 16641, located in Mississippi Canyon (MC) Blocks 695 and 696 respectively, off the Alabama Coast in the Central Gulf of Mexico Planning Area. Chevron was assigned the designated operator of Leases OCS-G 16641 and OCS-G 21182 on September 19, 2003.
Lease OCS-G 16641 was acquired by BP Exploration & Oil Inc. (BP) in Lease Sale 157 with an effective date of June 1, 1996. Lease OCS-G 21182 was acquired in Lease Sale 172 by BP with an effective date of July 1, 1999.

OBJECTIVE

An initial Exploration Plan submitted by BP for Mississippi Canyon Area Block 696, control number N-06722, was approved by your office March 21, 2000 for the drilling of up to two wells. Chevron submitted a revised plan, control number R-03966, to move the OCS-G 16641 "B" proposed well which was approved on October 23, 2003. Chevron submitted a plan to add the "C" location in OCS-G 16641 and to cover the drilling of two proposed bottom-hole locations in MC Block 697, OCS-G 14650. This plan was assigned control number N-07993 and approved February 9, 2004.
Chevron now submits for approval this plan that proposes the drilling of three additional wells in OCS-G 16641, MC Block 696. One of the three wells in MC Block 696 will have a proposed bottom hole location in MC 695, OCS-G 21182. One of the proposed wells will reenter the previously drilled MC 696 OCS-G 16641 #1 well, sidetrack out and twin the previously drilled well. The two additional proposed wells' surface locations will be drilled within 125 feet of the MC 696 #1 well.

GEOLOGICAL OBJECTIVES

PROPRIETARY INFORMATION

SCHEDULE

WELL	START DATE	DAYS	COMPLETION DATE
"A3"	05/01/2006	110	08/18/2006
"F3"	08/19/2006	110	12/06/2006
"C3"	12/07/2006	60	02/04/2007

LOCATION

A location Map showing the surface location of the proposed wells and water depth are included as **Attachment A-1**. We have also included as **Attachment A-2** the MMS-137 "Plan Information Form" in accordance with **APPENDIX J**. The forms include a table indicating the surface location, bottom hole location, TVD, MD and water depth of the proposed well. Also included in the table is the distance from the lease lines, the Lambert x-y coordinates and the latitude and longitude

DRILLING UNIT AND POLLUTION PREVENTION EQUIPMENT

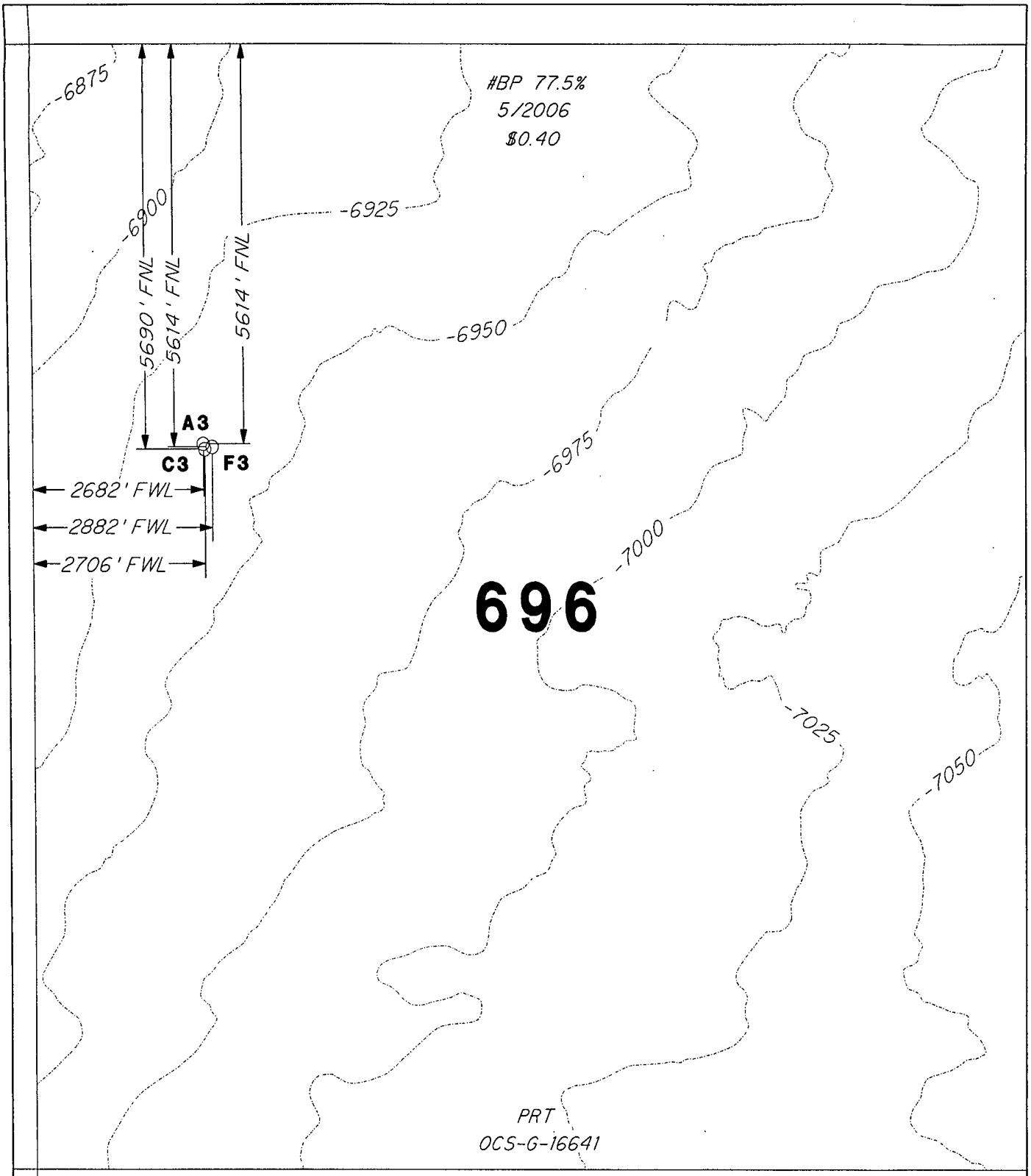
Chevron plans to use the dynamically positioned Ensco 7500 or a similar type drilling rig to drill the wells proposed in this plan. The drilling rig is designed to operate in water depths to eight thousand feet (8,000') with a drilling capacity of 30,000 feet. The rig will be monitored daily by a Chevron drilling representative and any waste or fuel resulting in pollution of the Gulf Waters will be reported to the representative in charge for immediate isolation and correction of the problem. Any spill will be reported to governmental agencies. Chevron will comply with all MMS Regulations during the course of the activities. The Regional Oil Spill Response Plan is discussed in **Section F**. Rig specifications are included as **Attachment A-3**.

SAFETY FEATURES AND ENVIRONMENTAL SAFEGUARDS

The rig is equipped with safety, fire fighting and lifesaving equipment required to comply with USCG, ABS, SOLAS and IMO code requirements.

In accordance with 30 CFR 250.406, Chevron will ensure that safety features will include well control and blowout prevention equipment.

Chevron will comply with all pertinent regulations in 30 CFR 250.203, NTL's, and all federal and state documents to ensure that the proposed activities are safe and that there is minimal impact on the environment. Chevron will maintain compliance with the EPA NPDES Permit and lease agreement during the proposed activities in Mississippi Canyon Blocks 695 and 696, Leases OCS-G 21182 and 16641 respectively.



SURFACE LOCATION MC 696 'A3'
X=1,254,042
Y=10,274,546
LONG: 88°12'04.0345"
LAT: 28°18'27.2923"

SURFACE LOCATION MC 696 'F3'
X=1,254,182
Y=10,274,503
LONG: 88°12'02.4632"
LAT: 28°18'26.8802"

SURFACE LOCATION MC 696 'C3'
X=1,254,066
Y=10,274,470
LONG: 88°12'03.7575"
LAT: 28°18'26.5420"

ALL COORDINATES REFER TO THE UTM COORDINATE SYSTEM (ZONE 16) NAD27.

ChevronTexaco

MISSISSIPPI CANYON
BLOCK 696

LOCATION PLAT

OCS-G-16641

WELLS "A3, F3 & C3"

BY: C. I. = DATE: 07-14-05

SCALE: 1" = 2000'

0' 1000' 2000'

mc696_a3f3c3.loc

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U.S. Department of the Interior
Minerals Management Service

OMB Control Number: 1010-0049
OMB Approval Expires: August 31, 2006

OCS PLAN INFORMATION FORM

General Information

Type of OCS Plan:	X	Exploration Plan (EP)		Development Operations Coordination Document (DOCD)			
Company Name: Chevron U.S.A. Inc.				MMS Operator Number: 00078			
Address: 1500 Louisiana Street				Contact Person: Philip A. Von Dullen III			
Houston, TX 77002				Phone Number: (832) 854-3644			
				E-Mail Address: pvondullen@chevron.com			
Lease(s): G 21182/G 16641		Area: Mississippi Canyon		Block(s) 695/696		Project Name (If Applicable): Blind Faith	
Objective(s)	X Oil	X Gas	Sulphur	Salt	Onshore Base: Leeville,LA		Distance to closest land (Miles): 75

Description of Proposed Activities (Mark all that Apply)

X	Exploration Drilling		Development Drilling
	Well completion		Installation of production platform
X	Well test flaring (for more than 48 hours)		Installation of production facilities
	Installation of caisson or platform as well protection structure		Installation of satellite structure
	Installation of sub sea wellheads and/or manifolds		Commence production
	Installation of lease term pipelines		Other (specify and describe)

Have you submitted or do you plan to submit a Conservation Information Document to accompany this plan?		Yes	X	No
Do you propose to use new or unusual technology to conduct your activities?		Yes	X	No
Do you propose any facility that will serve as a host facility for deepwater sub sea development?		Yes	X	No
Do you propose any activities that may disturb an MMS-designated high-probability archaeological area?		Yes	X	No
Have all of the surface locations of your proposed activities been previously reviewed and approved by MMS?	X	Yes		No

Tentative Schedule of Proposed Activities

Proposed Activity	Start Date	End Date	No. of Days
Drill, Evaluate and Temporarily Abandon Well A3	05/01/2006	08/18/2006	110
Drill, Evaluate and Temporarily Abandon Well F3	08/19/2006	12/06/2006	110
Drill, Evaluate and Temporarily Abandon Well C3	12/07/2006	02/04/2007	60

Description of Drilling Rig

	Jack up		Drill ship		Caisson		Tension leg platform
	Gorilla Jack up		Platform rig		Well protector		Compliant tower
	Semi submersible		Submersible		Fixed platform		Guyed tower
X	DP Semi submersible		Other (attach description)		Sub sea manifold		Floating production system
Drilling Rig Name (If known): Ensco 7500					Spar		Other (attach description)

Description of Lease Term Pipelines

From (Facility/Area/Block)	To (Facility/Area/Block)	Diameter (Inches)	Length (Feet)

ATTACHMENT A-2

PUBLIC INFORMATION

OCS PLAN INFORMATION FORM (Continued)

Include one copy of this page for each proposed well/structure

Proposed Well / Structure Location					
Well or Structure Name / Number (If renaming well or structure, reference previous name): A3				Sub sea Completion	
Anchor Radius (if applicable) in feet				Yes X No	
	Surface Location			Bottom-Hole Location (For Wells)	
Lease No.	OCS-G 16641			PROPRIETARY INFORMATION	
Area Name	MISSISSIPPI CANYON				
Block No.	696				
Block line Departures (in feet)	N / S Departure: 5614	F N L			
	E / W Departure: 2682	F W L			
Lambert X-Y Coordinates	X: 1254042				
	Y: 10274546				
Latitude / Longitude	Latitude: 28° 18' 27.2923" N				
	Longitude: 88° 12' 04.0345" W				
					Water Depth (Feet) -6941

Anchor Locations for Drilling Rig or Construction Barge (If anchor radius supplied above, not necessary)

Anchor Name or No.	Area	Block	X Coordinate	Y Coordinate	Length of Anchor Chain on Seafloor
			X=	Y=	
			X=	Y=	
			X=	Y=	
			X=	Y=	
			X=	Y=	
			X=	Y=	
			X=	Y=	
			X=	Y=	

OCS PLAN INFORMATION FORM (Continued)

Include one copy of this page for each proposed well/structure

Proposed Well / Structure Location				
Well or Structure Name / Number (If renaming well or structure, reference previous name): F3			Sub sea Completion	
Anchor Radius (if applicable) in feet				Yes X No
	Surface Location		Bottom-Hole Location (For Wells)	
Lease No.	OCS-G 21182		PROPRIETARY INFORMATION	
Area Name	MISSISSIPPI CANYON			
Block No.	696			
Block line Departures (in feet)	N / S Departure: 5614	F N L		
	E / W Departure: 2882	F W L		
Lambert X-Y Coordinates	X: 1254182			
	Y: 10274503			
Latitude / Longitude	Latitude: 28° 18' 26.8802" N			
	Longitude: 88° 12' 02.4632" W			
			Water Depth (Feet) -6941	

Anchor Locations for Drilling Rig or Construction Barge (If anchor radius supplied above, not necessary)

Anchor Name or No.	Area	Block	X Coordinate	Y Coordinate	Length of Anchor Chain on Seafloor
			X=	Y=	
			X=	Y=	
			X=	Y=	
			X=	Y=	
			X=	Y=	
			X=	Y=	
			X=	Y=	
			X=	Y=	

OCS PLAN INFORMATION FORM (Continued)

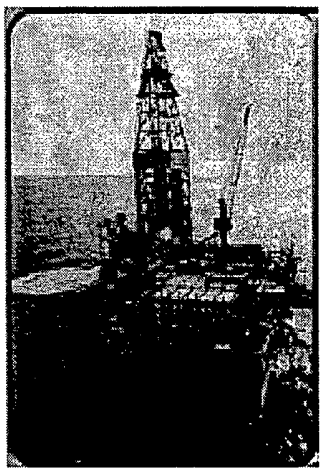
Include one copy of this page for each proposed well/structure

Proposed Well / Structure Location					
Well or Structure Name / Number (If renaming well or structure, reference previous name): C3				Sub sea Completion	
Anchor Radius (if applicable) in feet				Yes:	X — No
	Surface Location			Bottom-Hole Location (For Wells)	
Lease No.	OCS-G 16641			PROPRIETARY INFORMATION	
Area Name	MISSISSIPPI CANYON				
Block No.	696				
Block line Departures (in feet)	N / S Departure: 5690	F N L			
	E / W Departure: 2706	F W L			
Lambert X-Y Coordinates	X: 1254066				
	Y: 10274470				
Latitude / Longitude	Latitude: 28° 18' 26.5420" N				
	Longitude: 88° 12' 03.7575" W				
				Water Depth (Feet) -6941	

Anchor Locations for Drilling Rig or Construction Barge (If anchor radius supplied above, not necessary)

Anchor Name or No.	Area	Block	X Coordinate	Y Coordinate	Length of Anchor Chain on Seafloor
			X=	Y=	
			X=	Y=	
			X=	Y=	
			X=	Y=	
			X=	Y=	
			X=	Y=	
			X=	Y=	
			X=	Y=	

ENSCO 7500



GENERAL INFORMATION
Flag U.S.A
Owner ENSCO Offshore Company
Manager ENSCO Offshore Company
Previous Name(s)
Year Built 2000 **Builder** TDI Halter Marine - Orange, Texas
Design Dynamically Positioned
Classification A. B. S. Maltese Cross A1 column stabilized drilling unit

MAIN DIMENSIONS
Length 240'
Breadth 228'
Pontoons 50' x 24' x 290'
Moon Pool 20' x 80'
Columns 50' x 35'
Keel to Main Deck 93' 0"
Main Deck Area 240' W x 220' L

MACHINERY
Main Power (6) EMD 20L710G7B/EMDEC – 5,000 HP/each; (6) Baylor 8855YNB – 506, 3,580 KW generator
Power Distribution SCR: Thrusters, (8) DW3000-6, 3,400 ADC, 750 VDC; SCR: Drilling, (12) DW1400-6, 1,500 ADC, 750 VDC
Emergency Power (1) Cat 3512B, 1,476 HP
Thrusters (8) Schottel SRP2020, 3,000 HP/each

OPERATING PARAMETERS
Water Depth 8,000'
Maximum Drilling Depth 30,000'
Air Gap 33' @ 60' drilling draft
Transit Speed 3.5 knots @ 45' draft
Variable Drilling Loads;
Operating Conditions 8,700 s. tons @ 60'
Survival Condition 7,620 s.ton @ 40'
Transit Conditions 3,940 s. ton @ 24'

DRILLING EQUIPMENT
Derrick Dreco 170' x 46' x 40'; 1,928,000 lb gross nominal capacity; 1,500,000 lb static hook load
Drawworks National 1625-UBDE, 3,000 HP; Dretech 15050 Elmagco brake
Rotary Varco RST 605 hydraulic, 60 1/2" opening, 1,000 ton, driven by (4) HT hydraulic motors 10-950
Top Drive Varco TDS-4H (750 ton) 7.5 kpsi, GE 752-HT Shunt
Drill String Compensator Maritime hydraulic, 1000K CMC
Travelling Block Dreco, 7-60TB-750, 750 ton
Pipe Handling Varco PRS-3i pipe-racker, AR4000 iron roughneck, PS30 slips, BX4 & BX5 elevators
Cementing Dowell Schlumberger
Mud Pumps (3) National 14-P-220, triplex, GE 752; (1) Lewco W446, 320 HP AC riser booster

HOISTING EQUIPMENT
Cranage (1) Dreco 72DNS 140, (1) Dreco 72DNS 160; (1) 106' span, 32 ton gantry crane

CAPACITIES
Active Mud Pits 3,625 bbls
Reserve Liquid Mud Storage 8,550 bbls
Bulk Mud/Cement 20,118 cu. ft.
Sacks 8,000 sacks
Drill Water 8,334 bbls
Potable Water 1,066 bbls
Fuel Oil 16,414 bbls

WELL CONTROL SYSTEMS
BOP (5) Ram Hydril 18 3/4" 15 M; dual Hydril annular 18 3/4" 10M GX; (1) Cameron HC 18 3/4" 10 M LMRP; (1) Vetco HD 18 3/4" 15M BOP connect
BOP Handling 650 ton BOP cart & elevator; 650 ton Xmas tree cart
Control System 5,000 psi BOP connecter Hydril MUX
Riser Details Drill-Quip 21" 2.5 m flanged – 85% Bouyant; 4 1/2" ID C/K lines – 4" ID Booster line; Dual 2 7/8" ID hydraulic conduit lines
Riser Tensioner (8) Retsco, 250 kips / each
Diverter Dril-Quip FDS, 60", 500 psi
Drillpipe 5 1/2", 24.70 ppf, S-135, HT-55, range 2; HWDP: 5 1/2", 60.10 ppf, S-135, HT-55, range 2; Landing String: 5 1/2", 38.01 ppf, HT-55, range 2
Drillcollars 9 1/2"; 8 1/2 ", 6 3/4"
TV System
Choke and Kill Manifold 3 1/16" x 15 M psi WOM with power choke dual hydraulic chokes

MOORING
Winches (8) Skagit WMD-52, 3 3/4"
Wire/Chain K4 chain – 1,000' chain
Anchors (4) Vrijhof Stevpris MK5, 10,000 MT

HELIDECK Sikorsky S-61 or S-92, 73' diameter
ACCOMMODATION 122 berths

ADDITIONAL DATA
Mud cleaning facilities: (5) Brandt LCM-3D Cascade, 5.9 G's; (1) Brandt ATL-16/3 dual degasser; (2) Brandt DG-10 vaccum type
Sewage treatment: (2) Omnipure units: (1) MX12 and (1) MX15; single point discharge

ENSCO Gulf of Mexico, 11200 Richmond. Suite 490, Houston, TX 77082, USA
Tel 281-920-6440 Fax 281- 920-6441 e-mail marketing.na@enscous.com

APPENDIX B GENERAL INFORMATION

COMPANY CONTACT

Philip A. Von Dullen III
Chevron U.S.A. Inc.
Deepwater Exploration and Projects SBU
1500 Louisiana Street
Houston, TX 77002
Phone (832) 854-3644
Fax (832) 854-2663
Email: pvondullen@chevron.com

PROSPECT NAME

"Blind Faith"

NEW OR UNUSUAL TECHNOLOGY

No new or unusual technology will be used during the proposed activities in Mississippi Canyon Blocks 695 and 696, Leases OCS-G 21182 and 16641 respectively.

BOND REQUIREMENTS

The activity proposed in this Exploration Plan is covered by Chevron's $3,000,000.00 area wide bond, Traveler's No. 103312842-0012 filed with the MMS pursuant to 30 CFR 256, subpart I.

ONSHORE SUPPORT BASE

Chevron will use its existing onshore base facility located in Leeville, Louisiana. The base has adequate facilities for marine and air transportation to handle the equipment for this exploration plan. The proposed operations do not require expansion or major modifications to the base.
The base is located approximately **75 statute miles** from the nearest landfall and **135 statute miles** from the Leeville Base.

- Supply Boat — 2 trips/week (2-2,600 horsepower)
- Helicopters — 7 trips per week

LEASE STIPULATIONS

Chevron acknowledges that Leases OCS-G 16641 and 21182 contain **Stipulation No. 3, Military Areas** which requires the operator to contact the appropriate authorities when operating within the area. The blocks are within Eglin Water Test Areas 1 and 3, WR-59, W-92, W-147, W-155A and B, and W-453. All proposed activity will be coordinated with the appropriate military authorities. Coordination with the appropriate military installation regarding restrictions and/or agreements necessary for conducting traffic in the test area will be established.

APPENDIX C GEOLOGICAL, GEOPHYSICAL AND H_2S INFORMATION

SHALLOW HAZARDS ASSESSMENT

A shallow hazard report using 3-D seismic data was prepared by Fugro Geoservices, Inc. for BP Amoco Exploration and copies of the report were included with the Initial Exploration Plan submitted by BP in February 2000. The title of the report is "Shallow Hazard Report, Blind Faith West Prospect, Blocks 695, 696, and Vicinity, OCS G-21182 and OCS G-16641, Mississippi Canyon, Gulf of Mexico" dated 28 January 2000.
All of the activities proposed in this plan will be conducted at and within 125 feet of a previously approved and drilled well location, the MC 696 OCS-G 16641 #1. Therefore, Chevron believes that an additional assessment is not necessary as per NTL 2003-G17, Appendix C, Section E.

The following documents are included as follows:

- Structure Maps (**PROPRIETARY INFORMATION**)
- Structural Cross-Section (**PROPRIETARY INFORMATION**)
- Stratigraphic Column (**PROPRIETARY INFORMATION**)
- 3-D Interpreted Seismic Lines (enclosure to one proprietary copy of the EP)

HYDROGEN-SULFIDE (H_2S) INFORMATION

Pursuant to 30 CFR 250.490(c), Chevron U.S.A. Inc. requests the Regional Supervisor to classify Mississippi Canyon Blocks 695 and 696 as an area where the absence of H_2S has been confirmed. This request is supported by the evidence gathered in the Initial Exploration Plan by BP for OCS-G 16641, where the area was declared "H_2S absent" with the approval of the Plan and further by the subsequent drilling of the MC Block 696 #1 well where no evidence of H_2S was encountered.

Should the Regional Supervisor not classify MC Blocks 695 and 696 as situated in areas designated as "Zones where the absence of H_2S has been confirmed" - an H_2S contingency plan will be proposed and submitted for approval. This proposed contingency plan would accompany the application for permit to drill (APD) for the respective proposed well(s).

APPENDIX D BIOLOGICAL AND PHYSICAL INFORMATION

CHEMOSYNTHETIC INFORMATION

Features or areas that could support high-density chemosynthetic communities are not located within 1,500 feet of the proposed locations. A high amplitude seafloor anomaly and mound has been identified near the center of the southern lease line of Mississippi Canyon Block 697. This feature may be capable of supporting chemosynthetic communities and will be avoided by all operations. The location is more than two miles away. There were no chemosynthetic communities identified near the location of the MC 696 #1 well during the drilling operations.

TOPOGRAPHIC FEATURES INFORMATION

The proposed activity is approximately 85 miles southeast of the closest topographic feature, the Sackett Bank in West Delta Area Block 148. The proposed activity area should have no affect on this feature or any topographic features.

LIVE BOTTOM (PINNACLE TREND) INFORMATION

The proposed activity is not affected by the Live Bottom (Pinnacle Trend) Lease Stipulation. The Live Bottom area is approximately 60 miles north of the proposed activity area.

REMOTELY OPERATED VEHICLE (ROV) SURVEYS

Chevron U.S.A. Inc. is aware of requirements of NTL No. 2003-G03 to conduct remotely operated vehicle (ROV) surveys and report findings from same. Plans are to conduct the survey(s), making biological and physical observations, for the first well drilled, pre-spud, post drilling and prior to facility installation, as required by conditions of the letter approving this activity. Transect locations will be selected at the time of the activity in accordance with the requirements of the NTL. Equipment will include the ROV with video recording capability. Any required surveys will be performed according to the guidelines in the NTL. Completed MMS-141 forms, videotapes and any other imagery obtained during the survey(s) will be submitted within 60 days after the surveys are completed to:

U.S. Department of the Interior
Minerals Management Service
Office of Field Operations
Attention: Plans Section (MS 5230)
1201 Elmwood Park Boulevard
New Orleans, Louisiana 70123-2394

ARCHAEOLOGICAL INFORMATION

Chevron acknowledges that Mississippi Canyon Blocks 695 and 696 are included on the list of blocks requiring **Archaeological Resource Surveys and Reports, NTL No. 2005-G10**. All seafloor disturbing activities in MC Block 696 will be conducted at and within 125 feet of a MMS approved and drilled well location. There will be no seafloor disturbing operations conducted in MC Block 695.

APPENDIX E WASTES AND DISCHARGES INFORMATION

DISCHARGES

All drilling discharges are regulated by the EPA's General NPDES Permit GMG 290132 for the Central and Western Gulf of Mexico. The EPA NPDES Outfall Numbers for discharges associated with the activities proposed in Mississippi Canyon Block 696 are 476B and 476R. The following types and estimated volumes of discharges associated with the proposed activities are shown in **Attachment E-1**.

The overboard discharges detailed in **Attachment E-1** are those anticipated as a result of our proposed drilling activities.

DISPOSED WASTES

Disposed wastes describe those waste generated by your proposed activities that are disposed of by means other than by releasing them into the waters of the Gulf of Mexico at the site where they are generated. These wastes can be disposed of by offsite release, injection, encapsulation, or placement at either onshore or offshore permitted locations for the purpose of returning them back to the environment.

The wastes detailed in **Attachment E-2** are those wastes generated by our proposed activities that are disposed of by means of offsite release, injection, encapsulation, or placement at either onshore or offshore permitted locations for the purpose of returning them back to the environment.

Discharges Table—Wastes to be Discharged Overboard

Type of Waste Approximate Composition	Amount to be Discharged (Volume or Rate)	Maximum Discharge Rate	Treatment and/or Storage, Discharge Location, and Discharge Method
Water-based drilling fluids	64,744 bbl/well	200 bbl/hr	Mississippi Canyon Blk 696 Shunt through downpipe
Drill cuttings associated with water-based fluids	2,670 bbl/well	1,000 bbl/hr	Mississippi Canyon Blk 696 Shunt through downpipe
Drill cuttings associated with synthetic drilling fluids	4,810 bbl/well	1,000 bbl/hr	Mississippi Canyon Blk 696 Shunt through downpipe
Mud, cuttings and cement at the seafloor	Volumes not monitored	35 bbl/min	No Discharge
Produced water	No Discharge	No Discharge	No Discharge
Sanitary wastes	25 gal/person/day	Not Applicable	Mississippi Canyon Blk 696 Chlorinate and discharge
Domestic wastes	25 gal/person/day	Not Applicable	Mississippi Canyon Blk 696 Remove floating solids and discharge
Deck drainage	0-4,000 bbl/day (Dependent upon rainfall)	15 bbl per hour (maximum separator discharge)	Mississippi Canyon Blk 696 Remove oil and grease and discharge
Well treatment, workover or completion fluid	No Discharge	No Discharge	No Discharge
Uncontaminated fresh or seawater	Volumes not monitored	Not Applicable	Mississippi Canyon Blk 696 Discharged overboard
Desalinization unit water	No Discharge	No Discharge	No Discharge
Uncontaminated bilge water	No Discharge	No Discharge	No Discharge
Uncontaminated ballast water	No Discharge	No Discharge	No Discharge
Misc. discharges to which treatment chemicals have been added	No Discharge	No Discharge	No Discharge
Misc. discharges (permitted under NPDES) (Excess cement with cementing chemicals)	100 bbl	Not Applicable	Mississippi Canyon Blk 696 Discharged overboard

Disposal Table—Wastes Not Discharged

Type of Waste Approximate Composition	Amount	Rate per Day	Name/Location of Disposal Facility	Treatment and/or Storage, Transport and Disposal Method[4]
Spent water-based drilling fluids and cuttings	3,200 bbls/well	200 bbl/day	Newpark Environmental Services, Venice, LA	Transport by boat in cutting bins to shorebase; truck to disposal facility
Spent synthetic oil-based drilling fluids and cuttings	2,500 bbls/well	200 bbl/day	Newpark Environmental Services, Venice, LA	Transport by boat in cutting bins to shorebase; truck to disposal facility
Wash Water	425 bbls/well	2 bbl/day	Newpark Environmental Services, Venice, LA	Transport by boat in tanks to shorebase; truck to disposal facility
Waste Oil	None	None	None	None
Norm-contaminated wastes	None	None	None	None
Trash and debris	1000 ft^3	3 ft^3	Solid Waste Disposal Inc, Riverbirch Landfill, Avondale, LA	Transport by boat in storage bins to shorebase
Chemical product wastes	None	None	None	None
Workover fluids-Not Discharged	None	None	None	None

APPENDIX F OIL SPILL INFORMATION

The following information is regarding our Regional Oil Spill Response Plan (OSRP) submitted to MMS on February 28, 2004 and approved on June 21, 2004.

Chevron U.S.A., Inc., ChevronTexaco Pipeline Company and Sabine Pipeline Company, Inc., all of which are wholly or partially owned subsidiaries of ChevronTexaco Corp. are covered under the above referenced OSRP as well as the activities proposed in this Exploration Plan.

Any produced liquid hydrocarbons associated with this application will be transported by pipeline.

Clean Gulf Associates (CGA) and Marine Spill Response Corporation (MSRC) are our primary oil spill removal organizations that will supply equipment and personnel. CGA and MSRC have equipment pre-staged around the Gulf of Mexico. The major locations of this equipment are Lake Charles, Intracoastal City, Houma, Grand Isle, Fort Jackson, and Venice, Louisiana; Galveston, Texas; and Pascagoula, Mississippi.

The following locations are noted as possible staging areas in the worst-case discharge scenarios in the pending Regional Oil Spill Response Plan:

- Grand Isle Shipyard – Grand Isle, LA
- Mississippi State Port Authority– Port of Gulfport - Gulfport, MS

Additional staging areas are Chevron U.S.A. Inc.'s shorebase locations as follows:

- Intracoastal City, LA
- Leeville, LA
- Venice, LA
- Pascagoula, MS

Other staging areas will be pursued as warranted by any specific response.

WORST-CASE DISCHARGE ANALYSIS

Category	Regional OSRP "Mobile Rig Exploration Drilling Ops." Worst-Case Discharge Scenario	EP
Type of Activity *(Types of activities include pipeline, platform, caisson, subsea completion or manifold, and mobile drilling rig)*	Drillship	Drill three (3)Wells
Spill Location (area/block)	Green Canyon Block 640, OCS-G 20082	Mississippi Canyon Block 696; OCS-G 16641
Facility Designation *(e.g., Well No. 2, Platform JA, Pipeline Segment No. 6373)*	Exploratory Lease	Dynamically Positioned Semi-submersible Drilling Unit
Distance to Nearest Shoreline *(miles)*	118 miles	75 miles
Volume		
Storage Tanks (total)	37,688 barrels	16,414 barrels
Flowlines (on facility)		N/A barrels
Lease term pipelines		N/A barrels
Uncontrolled blowout (volume per day)	154,900 barrels	177,600 barrels
Total Volume	192,588 barrels	192,010 barrels
Type of Oil(s) - *(crude oil, condensate, diesel)*	Crude Oil	Crude Oil, Diesel
Gravity(s) API - *(Provide API gravity of all oils given under "Type of Oil(s)" above. Estimate for EP's)*	28°, 36°	28°, 36°

Model Assumptions:

- Water Depth 6941 ft
- 13-3/8" casing set @ 9000 ft below seafloor
- 12-1/4" open hole to 14200 ft below seafloor
- 5" drillpipe in hole at time of blowout
- Flow through drill pipe and drill pipe-casing annulus against water column
- Expected flow from reservoir parameters similar
- 1 day of flow

Please be advised that updated Worst Case Discharge Analysis information was submitted to MMS for review and approval with the Biennial Update to our Regional Oil Spill Response Plan, on February 28, 2004. Since Chevron has the capability to respond to the worst-case spill scenario included in its Regional OSRP, approved on June 21, 2004, and since the worst-case scenario determined for our Plan does not replace the worst-case scenario in our Regional OSRP; I hereby certify that Chevron has the capability to respond, to the maximum extent practicable, to a worst-case discharge, or a substantial threat of such a discharge, resulting from the activities proposed in this Plan.

(A) Facility tanks, production vessels. Information on tanks and/or production vessels at the facility (including barges, drilling rigs, platforms, etc.) that will store oil, as defined at 30 CFR 254.6. Tanks with a capacity of 25 barrels or more are listed.

Type of Storage Tank	Type of Facility	Total Capacity (bbls)	Fluid Gravity (API)
Heavy Fuel Oil (HFO) Storage	Semi Submersible Ensco 7500	16,414	No. 2 Diesel
Mud Tank	Semi Submersible Ensco 7500	8,550	Mud
Mud Pits	Semi Submersible Ensco 7500	3,625	Mud

APPENDIX G AIR EMISSIONS INFORMATION

SCREENING QUESTIONS FOR EP'S	YES	NO
Is any calculated Complex Total (CT) Emission amount (in tons) associated with your proposed exploration activities more than 90% of the amounts calculated using the following formulas: CT = $3400D^{2/3}$ for CO, and CT = 33.3D for the other pollutants (where D = distances to shore in miles)?	☐	☒
Do your emissions calculations include any emission reduction measures or modified emissions factors?	☐	☒
Are your proposed exploration activities located east of 87.5° W longitude?	☐	☒
Do you expect to encounter H_2S at concentrations greater than 20 parts per million (ppm)?	☐	☒
Do you propose to flare or vent natural gas for more than 48 continuous hours from any proposed well?	☒	☐
Do you propose to burn produced hydrocarbon liquids?	☐	☒

Included in this section as **Attachment G-1** is the Projected Air Quality Emissions Report worksheets (Form MMS-138), prepared in accordance with NTL No. 2003-G17.

The Complex Total Emissions are the same as the Plan Emissions, and therefore only one set of emissions calculations is included. Emissions from the proposed location are estimated using the EPA Publications referenced in the tables.

All calculations are based on worst possible situations. Actual emissions are expected to be considerably below those estimated.

AIR EMISSIONS REPORT

Supplemental Exploration Plan

Mississippi Canyon Block 696

Lease OCS-G 16641

Semi-Submersible
Ensco 7500

Prepared by:

Philip A. Von Dullen III
Chevron U.S.A. Inc.
1500 Louisiana Street
Houston, TX 77002
(832) 854-3644

July 21, 2005

ATTACHMENT G-1

EXPLORATION PLAN (EP)
AIR QUALITY SCREENING CHECKLIST

COMPANY	Chevron U.S.A. Inc.
AREA	Mississippi Canyon
BLOCK	695,696
LEASE	OCS-G 21182, 16641
PLATFORM	DP SEMI Ensco 7500
WELL	3-Wells
COMPANY CONTACT	Philip Von Dullen III
TELEPHONE NO.	(832) 854-3644
REMARKS	Initial Exploration Plan (EP)

EMISSIONS FACTORS

Fuel Usage Conversion Factors	Natural Gas Turbines		Natural Gas Engines		Diesel Recip. Engine		REF.	DATE
	SCF/hp-hr	9.524	SCF/hp-hr	7.143	GAL/hp-hr	0.0483	AP42 3.2-1	4/76 & 8/84

Equipment/Emission Factors	units	PM	SOx	NOx	VOC	CO	REF.	DATE
NG Turbines	gms/hp-hr		0.00247	1.3	0.01	0.83	AP42 3.2-1& 3.1-1	10/96
NG 2-cycle lean	gms/hp-hr		0.00185	10.9	0.43	1.5	AP42 3.2-1	10/96
NG 4-cycle lean	gms/hp-hr		0.00185	11.8	0.72	1.6	AP42 3.2-1	10/96
NG 4-cycle rich	gms/hp-hr		0.00185	10	0.14	8.6	AP42 3.2-1	10/96
Diesel Recip. < 600 hp.	gms/hp-hr	1	1.468	14	1.12	3.03	AP42 3.3-1	10/96
Diesel Recip. > 600 hp.	gms/hp-hr	0.32	1.468	11	0.33	2.4	AP42 3.4-1	10/96
Diesel Boiler	lbs/bbl	0.084	2.42	0.84	0.008	0.21	AP42 1.3-12,14	9/98
NG Heaters/Boilers/Burners	lbs/mmscf	7.6	0.593	100	5.5	84	P42 1.4-1, 14-2, & 14	7/98
NG Flares	lbs/mmscf		0.593	71.4	60.3	388.5	AP42 11.5-1	9/91
Liquid Flaring	lbs/bbl	0.42	6.83	2	0.01	0.21	AP42 1.3-1 & 1.3-3	9/98
Tank Vapors	lbs/bbl				0.03		E&P Forum	1/93
Fugitives	lbs/hr/comp.				0.0005		API Study	12/93
Glycol Dehydrator Vent	lbs/mmscf				6.6		La. DEQ	1991
Gas Venting	lbs/scf				0.0034			

Sulfur Content Source	Value	Units
Fuel Gas	3.33	ppm
Diesel Fuel	0.4	% weight
Produced Gas(Flares)	3.33	ppm
Produced Oil (Liquid Flaring)	1	% weight

EMISSIONS CALCULATIONS 1ST YEAR

COMPANY	AREA	BLOCK	LEASE	PLATFORM	WELL		CONTACT	PHONE	REMARKS
Chevron U.S.A. Inc.	Mississippi Canyon	695696	OCS-G 21182, 1664	P SEMI Ensco 750	3-Wells		Philip Von Dutten III	(832) 854-3644	Initial Exploration Plan (EP)

OPERATIONS	EQUIPMENT	RATING	MAX. FUEL	ACT. FUEL	RUN TIME		MAXIMUM POUNDS PER HOUR					ESTIMATED TONS				
	Diesel Engines	HP	GAL/HR	GAL/D												
	Nat. Gas Engines	HP	SCF/HR	SCF/D												
	Burners	MMBTU/HR	SCF/HR	SCF/D	HR/D	DAYS	PM	SOx	NOx	VOC	CO	PM	SOx	NOx	VOC	CO
DRILLING	PRIME MOVER>600hp diesel	30000	1449	34776.00	24	245	21.15	97.00	726.87	21.81	158.59	62.17	285.19	2137.00	64.11	466.26
	Emergency Generator-diesel	1476	71.2908	1710.98	1	245	1.04	4.77	35.76	1.07	7.80	0.13	0.58	4.38	0.13	0.96
	BURNER diesel	0			0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	AUXILIARY EQUIP<600hp diesel	0	0	0.00	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	VESSELS>600hp diesel(crew)	0	0	0.00	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	VESSELS>600hp diesel(supply)	5200	251.16	6027.84	16	70	3.67	16.81	125.99	3.78	27.49	2.05	9.42	70.56	2.12	15.39
	VESSELS>600hp diesel(tugs)	0	0	0.00	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FACILITY INSTALLATION	DERRICK BARGE diesel	0	0	0.00	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	MATERIAL TUG diesel	0	0	0.00	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	VESSELS>600hp diesel(crew)	0	0	0.00	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	VESSELS>600hp diesel(supply)	0	0	0.00	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MISC.		BPD	SCF/HR	COUNT												
	TANK-	0			0	0				0.00					0.00	
DRILLING WELL TEST	OIL BURN	0			0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	GAS FLARE		1875000		24	21		1.11	133.88	113.06	728.44		0.28	33.74	28.49	183.57
2005 YEAR TOTAL							25.85	119.70	1022.50	139.72	922.32	64.35	295.47	2245.68	94.85	666.17
EXEMPTION CALCULATION	DISTANCE FROM LAND IN MILES											2497.50	2497.50	2497.50	2497.50	60467.1
	75.0															

EMISSIONS CALCULATIONS 2ND YEAR

COMPANY	AREA	BLOCK	LEASE	PLATFORM	WELL		CONTACT	PHONE	REMARKS
Chevron U.S.A. Inc.	Mississippi Canyon	695696	OCS-G 21182, 1664	DP SEMI Ensco 750	3-Wells		Philip Von Dullen III	(832) 854-3644	Initial Exploration Plan (EP)

OPERATIONS	EQUIPMENT	RATING	MAX. FUEL	ACT. FUEL	RUN TIME		MAXIMUM POUNDS PER HOUR					ESTIMATED TONS				
	Diesel Engines	HP	GAL/HR	GAL/D												
	Nat. Gas Engines	HP	SCF/HR	SCF/D												
	Burners	MMBTU/HR	SCF/HR	SCF/D	HR/D	DAYS	PM	SOx	NOx	VOC	CO	PM	SOx	NOx	VOC	CO
DRILLING	PRIME MOVER>600hp diesel	30000	1449	34776.00	24	35	21.15	97.00	726.87	21.81	158.59	8.88	40.74	305.29	9.16	66.61
	Emergency Generator-diesel	1476	71.2908	1710.98	1	35	1.04	4.77	35.76	1.07	7.80	0.02	0.08	0.63	0.02	0.14
	BURNER diesel	0			0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	AUXILIARY EQUIP<600hp diesel	0	0	0.00	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	VESSELS>600hp diesel(crew)	0	0	0.00	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	VESSELS>600hp diesel(supply)	5200	251.16	6027.84	16	10	3.67	16.81	125.99	3.78	27.49	0.29	1.35	10.08	0.30	2.20
	VESSELS>600hp diesel(tugs)	0	0	0.00	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FACILITY INSTALLATION	DERRICK BARGE diesel	0	0	0.00	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	MATERIAL TUG diesel	0	0	0.00	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	VESSELS>600hp diesel(crew)	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	VESSELS>600hp diesel(supply)	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MISC.		BPD	SCF/HR	COUNT												
	TANK-	0			0	0				0.00					0.00	
DRILLING	OIL BURN	0		0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
WELL TEST	GAS FLARE		1875000		24	21		1.11	133.88	113.06	728.44		0.28	33.74	28.49	183.57
	2006 YEAR TOTAL						25.85	119.70	1022.50	139.72	922.32	9.19	42.45	349.73	37.97	252.51
EXEMPTION CALCULATION	DISTANCE FROM LAND IN MILES											2497.50	2497.50	2497.50	2497.50	60467.1
	75.0															

SUMMARY

COMPANY	AREA	BLOCK	LEASE	PLATFORM	WELL
Chevron U.S.A. Inc.	Mississippi Canyo	695696	OCS-G 21182, 16641	DP SEMI Ensco 7500	3-Wells

Year	Emitted Substance				
	PM	SOx	NOx	VOC	CO
2005	64.35	295.47	2245.68	94.85	666.17
2006	9.19	42.45	349.73	37.97	252.51
2007	0.00	0.00	0.00	0.00	0.00
2008	0.00	0.00	0.00	0.00	0.00
2009	0.00	0.00	0.00	0.00	0.00
2010	0.00	0.00	0.00	0.00	0.00
2011	0.00	0.00	0.00	0.00	0.00
2012	0.00	0.00	0.00	0.00	0.00
2013	0.00	0.00	0.00	0.00	0.00
2014	0.00	0.00	0.00	0.00	0.00
Allowable	2497.50	2497.50	2497.50	2497.50	60467.19

APPENDIX H ENVIRONMENTAL IMPACT ANALYSIS (EIA)

Pursuant to NTL 2002-G08, Chevron U.S.A. Inc. has included with this Exploration Plan an Environmental Impact Analysis (**Attachment H-1**) which addresses the activities proposed for Mississippi Canyon Blocks 695 and 696, Leases OCS-G 21182 and 16641, respectively.

Appendix H
Environmental Impact Analysis
MISSISSIPPI CANYON BLOCKS 695 AND 696

(A) Impact-producing factors (IPF's)

ENVIRONMENTAL IMPACT ANALYSIS Worksheet

Environmental Resources	Impact Producing Factors (IPFs) Categories and Examples Refer to a recent GOM OCS Lease Sale EIS for a more complete list of IPFs					
	Emissions (air, noise, light, etc.)	Effluents (muds, cuttings, other discharges to the water column or seafloor)	Physical disturbances to the seafloor (rig or anchor emplacements, etc.)	Wastes sent to shore for treatment or disposal	Accidents (e.g., oil spills, chemical spills, H_2S releases)	Other IPFs you identify
Site-specific at Offshore Location						
Designated topographic features		(1)	(1)		(1)	
Pinnacle Trend area live bottoms		(2)	(2)		(2)	
Eastern Gulf live bottoms		(3)	(3)		(3)	
Chemosynthetic communities			x (4)			
Water quality						
Fisheries					x	
Marine mammals	x (8)				x (8)	
Sea turtles	x (8)				x (8)	
Air quality	x (9)					
Shipwreck sites (known or potential)			(7)			
Prehistoric archaeological sites			(7)			
Vicinity of Offshore Location						
Essential fish habitat					(6)	
Marine and pelagic birds						
Public health and safety					(5)	
Coastal and Onshore						
Beaches					(6)	
Wetlands					(6)	
Shore birds and coastal nesting birds					(6)	
Coastal wildlife refuges						
Wilderness areas						
Other Resources You Identify						

The numbers in parentheses refer to the footnotes on page 2 of this form.

Footnotes for Environmental Impact Analysis Matrix

1. Activities that may affect a marine sanctuary or topographic feature. Specifically, if the well or platform site or any anchors will be on the seafloor within the:
   (a) 4-mile zone of the Flower Garden Banks, or the 3-mile zone of Stetson Bank,
   (b) 1000-m, 1-mile or 3-mile zone of any topographic feature (submarine bank) protected by the Topographic Features Stipulation attached to an OCS lease;
   (c) Essential Fish Habitat (EFH) criteria of 500 ft from any no-activity zone; or
   (d) Proximity of any submarine bank (500 ft buffer zone) with relief greater than 2 meters that is not protected by the Topographic Features Stipulation attached to an OCS lease.
2. Activities with any bottom disturbance within a OCS lease block protected through the Live Bottom (Pinnacle Trend) Stipulation attached to an OCS lease.
3. Activities within any Eastern Gulf OCS block where seafloor habitats are protected by the Live Bottom (Low-Relief) Stipulation attached to an OCS lease.
4. Activities on blocks designated by the MMS as being in water depths 400 meters or greater.
5. Exploration or production activities where H_2S concentrations greater than 500 ppm might be encountered.
6. All activities that could result in an accidental spill of produced liquid hydrocarbons or diesel fuel that you judge would impact these environmental resources. If the proposed action is located a sufficient distance from a resource that no impact would occur, the EIA can note that in a sentence or two.
7. All activities that involve seafloor disturbances, including anchor emplacements, in any OCS block designated by the MMS as having high-probability for the occurrence of shipwrecks or prehistoric sites, including such blocks that will be affected that are adjacent to the lease block in which your planned activity will occur. If the proposed activities are located a sufficient distance from a shipwreck or prehistoric site that no impact would occur, the EIA can note that in a sentence or two.
8. All activities that you determine might have an adverse effect on endangered or threatened marine mammals or sea turtles or their critical habitats.
9. Production activities that involve transportation of produced fluids to shore using shuttle tankers or barges.

(B) Analysis

Site Specific at Offshore Location

Designated Topographic Features

There are no anticipated impacts to any marine sanctuaries or topographic features from the proposed activity in Mississippi Canyon Blocks 695 and 696. The nearest designated topographic feature is the Sackett Bank located approximately 137 kilometers (85 statute miles) to the northwest.

The proposed activity should have no affect on this feature. The following Impact Producing Factors (IPF's) would not have any affect on topographic features:

- Effluents (including muds, cuttings and other discharges)
- Emissions (including air, noise, light, etc.)
- Shore Bound Wastes
- Other Physical Disturbances to the Seafloor

The proposed activities for Mississippi Canyon Blocks 695 and 696 are not within 500 feet of any submarine bank that has a relief of greater than 2 meters. There is no designated Essential Fish Habitat within the block, therefore all activity will be at least 500 feet away from no-activity zone for EFH.

The experience of oil and gas exploration in the Gulf of Mexico indicates that there is a small probability of occurrence of an oil spill. The probability remains low because of the level of technology used by the industry to insure safe and responsible operations. Chevron U.S.A., Inc., as a prudent operator, will take the necessary measures to reduce the probability of oil spills. Towards this, Chevron will comply with Title 30 CFR Part 254 on pollution prevention and control, and has an approved Oil Spill Response Plan (covered by Chevron U.S.A. Inc.'s regional plan) on file with the MMS. Offshore or onshore activities related to this exploration activity would have no effect on topographic features since the depths exceed 10 meters, and no oil would reach the seafloor to impact any organisms found there.

Pinnacle Trend Area Live Bottoms

The nearest block with a pinnacle trend live bottom stipulation occurs approximately 60 miles away in Viosca Knoll Block 778. Therefore, no IPF's from Mississippi Canyon Blocks 695 and 696 such as Effluents, Emissions, Shore Bound Wastes and Physical Disturbances to the seafloor are anticipated to affect these features.

There is a small probability of occurrence of an oil spill. The probability remains low because of the level of technology used by the industry to insure safe and responsible operations. No impact to the pinnacle trend areas live bottoms found in the Gulf of Mexico is expected due to the remote distance to the nearest known live bottom area.

Eastern Gulf Live Bottoms

The nearest Eastern Gulf Live Bottom Area is at least 60 miles away from the proposed activity within Mississippi Canyon Blocks 695 and 696. Therefore, no IPF's (Effluents, Emissions, Shore Bound Wastes and Physical Disturbances to the seafloor) are expected to impact any Eastern Gulf Live Bottom area.

There is a small probability of occurrence of an oil spill. The probability remains low because of the level of technology used by the industry to insure safe and responsible operations. No impact to the Eastern Gulf Live Bottom is expected due to the remote distance to the nearest known live bottom area.

Chemosynthetic Communities

The proposed activities for Mississippi Canyon Blocks 695 and 696 will occur in water depths that range from 6,956' to 6,989', so the potential of encountering Chemosynthetic Communities exist. The risk level of chemo-synthetic presence in the two-block study area is considered low due to the presence of salt at shallow depth that acts as a barrier to fluid flow, and the absence of geophysical characteristics. The only IPF that might occur would be Physical Disturbances to the Seafloor. There are no indications of hard-bottom or fluid expulsion vents and bright spot amplitude anomalies within a 1,500 foot radius of the proposed locations. A high amplitude seafloor anomaly and mound has been identified near the center of the southern lease line of Mississippi Canyon Block 697. This feature may be capable of supporting chemosynthetic communities and will be avoided by all operations. The location is more than 2 statute miles away from the nearest proposed activity.

There is a small probability of occurrence of an oil spill. The probability remains low because of the level of technology used by the industry to insure safe and responsible operations. Due to depth below the water surface, no impact to the Chemosynthetic Communities is expected via an accidental oil spill.

Water Quality

An oil spill or well blowout would cause the greatest environmental threat. Using trained personnel, adequate operational safeguards, and employing available safety and pollution control systems can reduce these occurrences in number. These measures are standard operating procedure for Chevron U.S.A., Inc.

All discharges for the proposed activity will be in accordance with the National Pollutant Discharge Elimination System (NPDES), specifically Chevron U.S.A. Inc.'s general permit GMG 290000 issued by the U.S. Environmental Protection Agency (EPA). Due to the stringent guidelines imposed by the Permit, no operational discharges are expected to impact water quality within Mississippi Canyon Blocks 695 and 696.

Drill cuttings are brought to the surface by the drilling mud. These cuttings are separated and disposed of overboard. If any oil-based mud is used, it and its associated cuttings will be transported to shore for proper disposal. Treated domestic waste, kitchen, and other wastes may also be disposed of at the proposed activity site. There will be no intentional discharge of any oily or hazardous materials in violation of MMS or EPA regulations.

The unavoidable adverse impacts that will occur as a result of the proposed exploration activity will be few in number and temporary in nature. The primary adverse impacts are a localized degradation of water quality in the vicinity of the activity sites the potential obstruction to commercial and recreational fishing vessels, and the disruption and/or killing of benthic and/or pelagic organisms during the disposal of domestic wastes and treated sewage.

Fisheries

Mississippi Canyon Blocks 695 and 696 is located approximately 121 kilometers (75 statute miles) from the nearest land. Water depth range within the block is approximately 2,120 meters to 2,130 meters (6,956 feet to 6,989 feet). This location is beyond the limits of all major commercial marine-fishing areas (U.S.D.I., FEIS, Gulf of Mexico, 1995, Visual No. 2). The placement of a drilling rig on this block may remove a portion of the waters from use by commercial fisheries. Additionally, the waters adjacent to the drill sites may become temporarily turbid due to drilling operations. These operations should have no impact on commercial fisheries.

Commercial and recreational fishing could be affected by the proposed activities in the Mississippi Canyon Blocks 695 and 696 area, mainly in terms of interference. Although the unavoidable adverse impacts could include some smothering of shellfish, reduction of the area presently available for unrestricted fishing, and minimal finfish killing, fishing activities would not be significantly affected.

Based on the proposed activities, it highly unlikely that an accidental surface or subsurface spill would occur. If a spill were to occur, the finfish and shellfish that could be impacted would probably evacuate the area of impact. If any finfish or shellfish did come into contact with spill residue, the effect most likely would not be lethal as the finfish and shellfish can metabolize the hydrocarbons and avoid increased exposure.

Chevron U.S.A., Inc., as a prudent operator, will take the necessary measures to reduce the probability of oil spills. Towards this, Chevron will comply with Title 30 CFR Part 254 on pollution prevention and control, and has an approved Oil Spill Response Plan (covered by Chevron U.S.A. Inc.'s regional plan) on file with the MMS.

Marine Mammals

Five (5) species of baleen whales (blue, fin, humpback, northern right, and sei) and one (1) specie of toothed whale (sperm) and five (5) species of marine turtles (Kemp's ridley, green, hawksbill, leatherback, and loggerhead) found within the Gulf of Mexico are currently listed as endangered (U.S.D.I., FEIS, Gulf of Mexico, 1997, p III-39 through III-44). Of the whale species, all are uncommon to rare in the Gulf except for the sperm whale. Generally, these whales inhabit the waters of the continental slope and the deep oceanic waters.

Little or no impact is expected to any of these threatened or endangered species by the proposed activities. There may be adverse impacts by several of the IPF's due to the proposed activity in Mississippi Canyon Blocks 695 and 696. These include but are not limited to: Vessel Traffic, Noise, Accidental Oil Spills, Effluent Discharges, and loss of shore-bound wastes. The only lethal effect, which may occur only in extremely rare instances, would be oil spills, ingestion of plastic materials or collision with a vessel. As stated above, mitigative steps are in place via the Oil Spill Response Plan.

Sea Turtles

The leatherback turtle is believed to prefer the deeper oceanic waters while the other species may be considered more coastal in nature. However, it is possible that any of these species may occur in the project area at one time or another.

Little or no impact is expected to any of these threatened or endangered species by the proposed activities. There may be adverse impacts by several of the IPF's due to the proposed activity in Mississippi Canyon Blocks 695 and 696. These include but are not limited to: Vessel Traffic, Noise, Accidental Oil Spills, Effluent Discharges, and loss of shore-bound wastes. The majority of impacts are not expected to be lethal, although the impacts that might be expected could cause declines in survival and reproductive rates, which could have a detrimental affect on the population as a whole. The only lethal effect, which may occur only in extremely rare instances, would be oil spills, ingestion of plastic materials or collision with a vessel.

Air Quality

No IPF's should impact the Air Quality within the proposed activity area of Mississippi Canyon Blocks 695 and 696. The proposed activities will generate a small amount of air pollutants due to the emissions from the diesel engines; therefore, some deterioration in air quality of the OCS operation area is expected. These emissions affect only the immediate activity site and are rapidly dissipated by the atmosphere. A Projected Air Emissions Report has been prepared for the proposed activities and is included in the Exploration Plan to which this environmental document is a part. Emissions will be kept within accepted standards and effluents.

Shipwreck Sites (known or potential)

Mississippi Canyon Blocks 695 and 696 are included on the list of blocks requiring Archaeological Resource Surveys and Reports, NTL No. 2005-G10. All seafloor disturbing activities in MC Block 696 will be conducted at and within 125 feet of a MMS approved and drilled well location. There will be no seafloor disturbing operations conducted in MC Block 695.

Prehistoric Archaeological Sites

There are no known cultural resources located in Mississippi Canyon Blocks 695 and 696. The map attached to the U.S.D.I. Letter to Lessees and Operators dated November 30, 1990 indicates the block is outside the designated prehistoric cultural resources high probability line. No impact to cultural resources is expected.

Vicinity of Offshore Location

Essential Fish Habitat

This location is beyond the limits of all major commercial marine-fishing areas (U.S.D.I., FEIS, Gulf of Mexico, 1995, Visual No. 2). The placement of a drilling rig on this block may remove a portion of the waters from use by commercial fisheries. Additionally, the waters adjacent to the drill sites may become temporarily turbid due to drilling operations. These operations should have no impact on commercial fisheries.

Chevron U.S.A., Inc., as a prudent operator, will take the necessary measures to reduce the probability of oil spills. Towards this, Chevron will comply with Title 30 CFR Part 254 on pollution prevention and control, and has an approved Oil Spill Response Plan (covered by Chevron U.S.A. Inc.'s regional plan) on file with the MMS.

Marine and Pelagic Birds

Federally listed endangered or threatened species expected to occur in the vicinity of the onshore bases are the bald eagle, the brown pelican, whooping crane, piping plover, least tern and Eskimo curlew (U.S.D.I., FEIS, Gulf of Mexico, 1997, p III-44 through III-46). The bald eagle inhabits the area from Morgan City, Louisiana east and north to the Mississippi River. The Eskimo curlew is a small American curlew that nests in Arctic tundra and migrates across the Louisiana coast. The brown pelican nests in coastal Louisiana. The piping plover is a migratory shorebird that is endemic to North America and winters on the Atlantic and Gulf of Mexico coasts. The impacts discussed are primarily based on the occurrence of oil spills. The impacts on various endangered and threatened species will depend on the nature of the spill, weather conditions, proximity of the spill to the species, tolerance of the species for oil, and the response time and effectiveness of the spill cleanup and containment services. Given these variables, the impact on the various endangered or threatened species will vary from no effect to serious in extremely rare circumstances.

The probability remains low because of the level of technology used by the industry to insure safe and responsible operations. Chevron U.S.A. Inc., as a prudent operator, will take the necessary measures to reduce the probability of oil spills. Towards this, Chevron will comply with Title 30 CFR Part 254 on pollution prevention and control, and has an approved Oil Spill Response Plan (covered by Chevron U.S.A. Inc.'s regional plan) on file with the MMS. It is unlikely that the offshore or onshore activities related to this exploration activity would have any effect on federally listed endangered or threatened species.

Public Health and Safety

No IPF's are expected to impact or cause any harm to public health and safety. Chevron U.S.A., Inc, has requested the proposed drilling area be classified as "H_2S Absent" by the Minerals Management Services in our initial Exploration Plan to which this environmental document is a part.

Coastal and Onshore

Beaches/Wetlands

With the exception of an accidental oil spill, no IPF's are expected to impact any of the beaches in onshore locations. An accidental oil spill from the proposed activities could cause impacts to the nearest beaches, 75 miles from the activity site. This distance along with the response capabilities implemented would greatly decrease the probability that an oil spill would adversely impact these areas. OCS EIS/EA MMS 2002-052 publication of historical spill data and trajectory / risk calculations show that there would be little risk of impact to the coastline or other shoreline environmental resources.

Chevron U.S.A., Inc., as a prudent operator, will take the necessary measures to reduce the probability of oil spills. Towards this, Chevron will comply with Title 30 CFR Part 254 on pollution prevention and control, and has an approved Oil Spill Response Plan (covered by Chevron U.S.A. Inc.'s regional plan) on file with the MMS.

Shore Birds and Coastal Nesting Birds

With the exception of an accidental oil spill, no IPF's are expected to impact any of the shore birds and coastal nesting birds in onshore locations. The whooping crane is an omnivorous, wading bird. These birds winter in coastal marshes and estuarine habitat along the Gulf of Mexico coast at Aransas National Wildlife Refuge, Texas. The least tern is the smallest North American Tern. Least terns are listed as endangered, except within 80 kilometers (50 miles) of the coast.

The probability remains low because of the level of technology used by the industry to insure safe and responsible operations. Chevron U.S.A. Inc., as a prudent operator, will take the necessary measures to reduce the probability of oil spills. Towards this, Chevron will comply with Title 30 CFR Part 254 on pollution prevention and control, and has an approved Oil Spill Response Plan (covered by Chevron U.S.A. Inc.'s regional plan) on file with the MMS. It is unlikely that the offshore or onshore activities related to this exploration activity would have any effect on federally listed endangered or threatened species.

Coastal Wildlife Refuges/Wilderness Areas

With the exception of an accidental oil spill, no IPF's are expected to impact any of the coastal wildlife refuges. An accidental oil spill from the proposed activities could cause impacts to the nearest beaches, 75 miles from the activity site. This distance along with the response capabilities implemented would greatly decrease the probability that an oil spill would adversely impact the coastal wildlife refuges. OCS EIS/EA MMS 2002-052 publication of historical spill data and trajectory / risk calculations show that there would be little risk of impact to the coastline or other shoreline environmental resources.

Chevron U.S.A., Inc., as a prudent operator, will take the necessary measures to reduce the probability of oil spills. Towards this, Chevron will comply with Title 30 CFR Part 254 on pollution prevention and control, and has an approved Oil Spill Response Plan (covered by Chevron U.S.A. Inc.'s regional plan) on file with the MMS.

Other Environmental Resources Identified

It is expected that the proposed activities in Mississippi Canyon Blocks 695 and 696 will have no other environmental resources identified or impacted.

(C) Impacts on Mississippi Canyon Blocks 695 and 696

It is expected that the activities proposed for Mississippi Canyon 695 and 696 will have no impacts on site-specific environmental conditions. The conditions of the site have been analyzed in order to make this judgment.

(D) Alternatives

Due to the lack of Environmental Impacts no alternatives was considered for the proposed activities in Mississippi Canyon Blocks 695 and 696.

(E) Mitigation Measures

With the exception of measures required by regulation, no mitigative steps will be taken to avoid, diminish, or eliminate potential impacts to environmental resources.

(F) Consultation

Fugro Geoservices, Inc., Kelley H. Peace, R.P.G. Senior Geoscientist, was consulted regarding potential impacts to environmental resources due to the proposed activities.

(G) References

Although not always cited, the following were utilized in preparing the Environmental Impact Analysis

1) United States Department of the Interior, Minerals Management Service, Final Environmental Impact Statement, Gulf of Mexico, Sales 157 and 161: Central and Western Planning Areas, November 1995.

2) United States Department of the Interior, Minerals Management Service, Final Environmental Impact Statement, Gulf of Mexico, Sales 166 and 168: Central and Western Planning Areas, December 1996.

3) United States Department of the Interior, Minerals Management Service, Final Environmental Impact Statement, Gulf of Mexico, Sales 169, 172, 175, 178 and 182: Central and Western Planning Areas, November 1997.

4) Shallow Hazards Report, Blind Faith West Prospect Blocks 695, 696 and Vicinity, OCS G-21182 and G-16641, Mississippi Canyon, Gulf of Mexico. Report No. 2499-2077. Prepared for BP Amoco Corporation, 28 January 2000. Fugro Geoservices, Inc. Kelley H. Peace, R.P.G. Senior Geoscientist.

5) Visual 3, Offshore Regulatory Features, OCS Map MMS 2001-074, Gulf of Mexico, Outer Continental Shelf, October 2001.

APPENDIX I COASTAL ZONE CONSISTENCY INFORMATION

The Coastal Zone Management Consistency Certifications are included in the document as **Attachments I-1, I-1a, and I-1b**. To the best of our knowledge, the set of findings included in the Environmental Impact Analysis and Exploration Plan indicates that the proposed activity and its associated facilities and effects are all consistent with, and comply with, the provisions and guidelines of the Alabama Department of Environmental Management and the Louisiana Coastal Management Program. The proposed activity will be conducted in a manner consistent with such Programs. Specific guidelines addressed:

Louisiana Coastal Resources Program (LCRP):

A. Guidelines Applicable to All Uses

1.2 Applicable air and water quality laws and regulations compliance guidelines

A. Air Quality - *See Section G*

B. Water Quality - *See Section E*

1.6 General factors that will be utilized by the permitting authority - *Not applicable*

1.7 Adverse effects from land and water uses in the coastal areas - *Not applicable*

1.9 Permitting multiple uses to avoid conflict - *Not applicable*

C. Guidelines for Linear Facilities - *Not applicable*

D. Guidelines for Dredged Spoil Deposition - *Not applicable*

F. Guidelines for Surface Alterations - *Not applicable*

G. Guidelines for Hydrologic and Sediment Transport Modifications - *Not applicable*

H. Guidelines for Disposal of Wastes – *See Appendix E-1*

I. Guidelines for Uses that Result in the Alternation of Waters Draining into Coastal Waters - *Not applicable*

J. Guidelines for Oil, Gas, and other Mineral Activities

10.3 Siting of exploration, production and refining activities – *Not Applicable. No additional environmental impact on existing facilities at Leeville, Louisiana.*

10.5 Access to sites - *Not Applicable. No additional environmental impact on existing facilities at Leeville, Louisiana.*

10.6 Best practical techniques for drilling and production sites – *Not applicable.*

10.10 Guidelines for drilling and production equipment for preventing adverse environmental effects - *Not Applicable.*

10.11 Effective environmental protection and emergency or contingency plans- *See Section F*

Alabama Coastal Area Management Program (ACAMP):

A. Coastal Resource Use Policies

1. **Coastal Development** - *Not applicable*
2. **Mineral Resource Exploration and Extraction** – *Information contained within this Exploration Plan*
3. **Commercial Fishing**- *See Attachment H-1 Environmental Impact Analysis (EIA)*
4. **Hazard Management** - *Not applicable*
5. **Shoreline Erosion** – *Not affected by activities addressed in this Plan*
6. **Recreation** - *Not applicable*
7. **Transportation** – *See Sections B*

A. Natural Resource Protection Policies

1. **Biological Productivity** – *See Attachment H-1 Environmental Impact Analysis (EIA)*
2. **Water Quality** – *See Sections E and F*
3. **Water Resources** – *See Sections E and H*
4. **Air Quality** – *See Appendix G*
5. **Wetlands and Submerged Grassbeds** - *Not applicable*
6. **Beach and Dune Protection** - *Not applicable*
7. **Wildlife Habitat Protection** - *Not applicable*
8. **Endangered Species** - *See Attachment H-1 Environmental Impact Analysis (EIA)*
9. **Cultural Resources Protection** – *See Section D*

COASTAL ZONE MANAGEMENT
CONSISTENCY CERTIFICATION

Initial Exploration Plan
Type of OCS Plan

Mississippi Canyon Block 695
Area and Block

OCS-G 21182
Lease Number

The proposed activities described in detail in this OCS Plan comply with Alabama's approved Coastal Management Program and will be conducted in a manner consistent with such program.

CHEVRON U.S.A. INC.
LESSEE AND OPERATOR

Philip A. Von Dullen III
Certifying Official

July 21, 2005

COASTAL ZONE MANAGEMENT CONSISTENCY CERTIFICATION

Initial Exploration Plan
Type of OCS Plan

Mississippi Canyon Block 695
Area and Block

OCS-G 21182
Lease Number

The proposed activities described in detail in this OCS Plan comply with Louisiana's approved Coastal Management Program and will be conducted in a manner consistent with such program.

CHEVRON U.S.A. INC.
LESSEE AND OPERATOR

Philip A. Von Dullen III
Certifying Official

July 21, 2005

COASTAL ZONE MANAGEMENT CONSISTENCY CERTIFICATION

Supplemental Exploration Plan
Type of OCS Plan

Mississippi Canyon Block 696
Area and Block

OCS-G 16641
Lease Number

The proposed activities described in detail in this OCS Plan comply with Alabama's approved Coastal Management Program and will be conducted in a manner consistent with such program.

CHEVRON U.S.A. INC.
LESSEE AND OPERATOR

Philip A. Von Dullen III
Certifying Official

July 21, 2005

APPENDIX J OCS PLAN INFORMATION FORM

The MMS Plan Information Form (MMS-137) is included in Section A of this document as **Attachment A-2**.