

MB CRD
17 FEB 2006

In Reply To: MS 5232

Mr. Marc Duncan
Contango Offshore Exploration LLC
3700 Buffalo Speedway, Suite 960
Houston, Texas 77098

Dear Mr. Duncan:

Reference is made to the following application that has been reviewed by the Minerals Management Service:

Application Type: New Right-of-Way Pipeline
Application Date: October 10, 2005
Supplemental Data Date: December 13, 2005

Work Description: Create 200-foot wide right-of-way and install, operate, and maintain the following:

A 4-1/2-inch bulk gas right-of-way pipeline, 1.44 miles long, from well number 1 in Eugene Island Area Block 10 to platform "A" in Eugene Island Area Block 24.

Assigned Right-of-Way Number: OCS-G26949
Assigned Segment Number: 15432

Pursuant to 43 U.S.C. 1334(e) and 30 CFR 250.1000(d), your application is hereby approved.

The approval is subject to the following:

Our review of your application indicates that the proposed pipeline route is in the vicinity of the unidentified magnetic anomaly listed in the Enclosure, a feature that may represent a significant archaeological resource. In accordance with 30 CFR 250.194(b), you will either (1) conduct an underwater archaeological investigation prior to commencing construction activities to determine whether this feature represents an archaeological resource, or (2) ensure that all seafloor disturbing actions required by pipeline construction avoid the unidentified feature by a distance greater than that listed in the Enclosure. Submit lay barge anchor position plats, at a scale of 1-in. = 1,000-ft. with DGPS accuracy, with your pipeline construction report required by 30 CFR 250.1008(b) that demonstrate that the feature was not physically impacted by the construction activities. If you conduct an underwater archaeological investigation prior to commencing operations, comply with the investigation methodology and reporting requirements found at:

<http://www.gomr.mms.gov/homepg/regulate/envir/archaeological/evaluation.html>.

Your request to use navigational positioning equipment to comply with Notice to Lessees and Operators No. 98-20, Section IV.B, is hereby approved.

Assigned MAOP (psi): 3705

MAOP Determination : Valves, Flanges

Please be reminded that, in accordance with 30 CFR 250.1008(a), you must notify the Regional Supervisor at least 48 hours prior to commencing the installation or relocation of a pipeline or conducting a pressure test on the pipeline. Commencement notification(s) should be faxed to (504) 736-2408. In accordance with 30 CFR 250.1008 (b), you are reminded to submit a report to the Regional Supervisor within 90 days after completion of any pipeline construction. Also in accordance with a Letter to Lessees dated April 18, 1991, a copy of the as-built plat(s) must be submitted to the National Ocean Service, N/CS26 Room 7317, 1315 E-W Highway, Silver Spring, MD 20910-3282

Sincerely,

Donald C. Howard
Regional Supervisor
Field Operations

bcc: 1502-01 Segment No. 15432, ROW OCS-G26949 (MS 5232)
1502-01 ROW OCS-G26949 (Microfilm) (MS 5033)
MS 5280 Lafayette District w/flow schematic
MS 5232 Cartography
bshrestha:bs:15432

CONTANGO OPERATORS, INC.

BS
15432
626949

October 10, 2005

Mr. Donald C. Howard
Regional Supervisor
U. S. Department of the Interior
Minerals Management Service
16855 Northchase, 7th Floor
Houston, Texas 77060

Minerals Management Service
RECEIVED

OCT 19 2005

Office of Field Operations
Pipeline Section

Attention: Mr. Alex Alvarado

RE: Application for 4.5-Inch Bulk Gas Right-of-Way Pipeline To Be Installed In
and/or Through Blocks 10 and 24, Eugene Island Area, OCS Federal Waters,
Gulf of Mexico, Offshore, Louisiana

Gentlemen:

Pursuant to the authority granted in Section 5 (e) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq, P.L. 212, 67 Stat. 462), as amended (P.L. 95-372, 92 Stat. 629), and in compliance with the regulations contained in Title 30 CFR, Part 250, Subpart J, Contango Operators, Inc. (Contango) is filing this application in quadruplicate (original and three copies) for a right-of-way easement two hundred feet (200') in width for the construction, maintenance and operation of a 4.5-inch bulk gas right-of-way pipeline to be installed in and/or through Blocks 10 and 24, Eugene Island Area, Offshore, Louisiana. Contango agrees that said right-of-way, if approved, will be subject to the terms and conditions of said regulations.

The proposed 4.5-inch bulk gas pipeline will originate at Contango's proposed Caisson No. 1, Eugene Island Block 10, Lease OCS-G 23851 and proceed in a southeasterly direction approximately 7597.66 feet (1.44 miles) to Unocal's Platform A, Eugene Island Block 24, Lease OCS-G 02893.

The subject pipeline has a calculated worst case discharge of less than 1000 barrels, therefore, Oil Spill Financial Responsibility coverage is not required.

Contango will review our Regional Oil Spill Response Plan to determine if installation of the subject right-of-way pipeline affects the current worst case discharge, and, if applicable, will modify the plan to include the pipeline at the next scheduled update.

Minerals Management Service
4.5-Inch Bulk Gas ROW Pipeline
Blocks 10 and 24, Eugene Island Area
October 10, 2005

Page Two

Installation of the proposed pipeline will be accomplished by utilizing a typical lay/bury barge(s). The pipeline will be jetted to a minimum of 3 feet below the mudline. There will be four pipeline crossings along the proposed route.

Contango hereby requests a waiver from NTL 98-20, Section IV.B, which requires the buoying of all existing pipeline(s) and other potential hazards located within 150 meters (490) feet of the proposed operations. Utilizing the on-board graphic system during construction operations, Contango will comply with the recommended avoidance criteria of the magnetic anomalies identified in the Fugro Geoservices, Inc. Pipeline Pre-Lay Survey Report along the proposed pipeline route.

The proposed construction operations will be supported by a crewboat and tug, each making approximately three (3) trips per week, respectively, from an onshore facility located in Intracoastal City, Louisiana.

Contango anticipates commencing installation on approximately March 1, 2005, with an overall completion of project time being estimated at five to seven days.

Contango Operators, Inc. will be the operator of the subject right-of-way pipeline.

This application (and any amendments made hereto) is made with our full knowledge and concurrence with the OCS Lands Act (43 U.S.C. 1331 et. seq.), as amended (P.L. 95-372), including the following: Sec. 5(e) addressing pipeline rights-of-way, requirements of the Federal Energy Regulatory Commission relating to notice of hearing, transportation and purchase of oil and gas without discrimination; Sec. 5(f)(1) addressing operation of pipelines in accordance with competitive principles, including open and nondiscriminatory access to both owner and non-owner shippers; Sec. 5(f)(2) which may allow exemption of the requirements in Sec. 5(f)(1); Sec. 5(e) addressing the assuring of maximum environmental protection, including the safest practices for pipeline installation; and Sec. 5(f)(1)(B) which may require expansion of throughput capacity of any pipeline except for the Gulf of Mexico or the Santa Barbara Channel.

Additionally, we expressly agree that if any site, structure, or object of historical or archaeological significance should be discovered during the conduct of any operations within the permitted right-of-way, we shall report immediately such findings to the Director, Gulf of Mexico OCS Region, and make every reasonable effort to preserve and protect the cultural resource from damage until said Director has given directions as to its preservation.

Minerals Management Service
4.5-Inch Bulk Gas ROW Pipeline
Blocks 10 and 24, Eugene Island Area
October 10, 2005

Page Three

In accordance with applicable regulations, we have forwarded information regarding the proposed project by certified mail, return receipt requested, to each designated oil and gas lease operator, right-of-way or easement holder whose lease, right-of-way or easement is so affected. A list of such designated operators, right-of-way or easement holders is included as Attachment A and copies of the return receipts showing date and signature as evidence of service upon such operators, right-of-way or easement holders will be forwarded to your office when received.

In order to expedite the permit process, we have requested a letter from the operator, right-of-way or easement holder expressing no objection to the proposed project. When obtained, these letters will be forwarded to your office. The proposed right-of-way does not adjoin or subsequently cross state submerged lands.

Applicant agrees to be bound by the foregoing regulations, and further agrees to comply with the applicable stipulations as set forth in Title 30 CFR 250 (Subpart J) and that certain Letter to Lessees dated April 18, 1991.

The risers at the respective platforms will be protected by riser guards or inside the jacket framing.

In support of our application and for your review and use, the following maps, drawings and documents have been enclosed herewith and made a part hereof:

1. Originally signed copy of Nondiscrimination in Employment Stipulation is attached to each copy of the application.
2. Designated Oil & Gas Lease Operators and Right-of-Way Holders (Attachment A)
3. General Information and Calculations for Design and Construction of 4.5-Inch Bulk Gas Pipeline
4. Coastal Zone Management Consistency Certification and copy of pipeline application submittal letter to CZM for each affected Gulf state
5. Calculations for Regional Oil Spill Response Plan/Oil Spill Financial Responsibility

Minerals Management Service
4.5-Inch Bulk Gas ROW Pipeline
Blocks 10 and 24, Eugene Island Area
October 10, 2005

Page Four

6. Plan and Profile Pipeline Route Map (Sheets 1 through 2 of 2)
7. Pipeline Safety Flow Schematic (Drawing No. 90526PP)
8. Pipeline Crossing Details (Drawing Nos. 90516xing-1.dwg, -2.dwg, -3dwg)
9. Riser Elevation Details (Drawing No. 90526PP-2 and -3dwg)
10. One copy of the High Resolution Geophysical Survey Report plus 3 CD's prepared by Fugro Geoservices, Inc.
11. Check in the amount of \$2380.00 covers the application fee of \$2350 plus \$15 for the first year rental on 1.44 miles of right-of-way

Contact on technical points or other information:

Cheryl Murphy
J. Connor Consulting, Inc.
16225 Park Ten Place, Suite 700
Houston, Texas 77084
(281) 578-3388
email address: Cheryl.murphy@jccteam.com

Contango Operators, Inc. hereby agrees to keep open at all reasonable times for inspection by the Minerals Management Service, the area covered by this right-of-way and all improvements, structures, and fixtures thereon and all records relative to the design, construction, operation, maintenance, and repairs, or investigations on or with regard to such area."

Please refer to your New Orleans Miscellaneous File No. 02503 for a copy of a resolution approved by the Board of Directors authorizing the undersigned to sign for and on behalf of Contango Operators, Inc. Additionally, Contango Operators, Inc. has an approved \$300,000 Right-of-Way Grant Bond on file with MMS, covering installation of right-of-way pipelines in Federal Waters, Gulf of Mexico.

Minerals Management Service
4.5-Inch Bulk Gas ROW Pipeline
Blocks 10 and 24, Eugene Island Area
October 10, 2005

Page Five

Sincerely,

Contango Operators, Inc.



Marc Duncan
President and Chief Operating Officer

MC:cpm
Attachments and Enclosures

cc: Anadarko E & P Company LP
1201 Lake Robbins Drive
The Woodlands, Texas 77380
(Certified Mail No. 7003 2260 0003 0200 6687)

Transcontinental Gas Pipe Line Corporation
2800 Post Oak Boulevard
Houston, Texas 77056
(Certified Mail No. 7003 2260 0003 0200 6656)

Amerada Hess Corporation
500 Dallas Street
Houston, Texas 77002
(Certified Mail No. 7003 2260 0003 0200 6700)


Union Oil Company of California
14141 Southwest Freeway
Sugarland, Texas 77478
(Certified Mail No. 7003 2260 0003 0200 6663)

NONDISCRIMINATION IN EMPLOYMENT

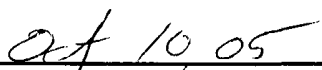
As a condition precedent to the approval of the granting of the subject pipeline right-of-way, the grantee, Contango Operators, Inc. hereby agrees and consents to the following stipulation, which is to be incorporated into the application for said right-of-way.

During the performance of this grant, the grantee agrees as follows:

During the performance under this grant, the grantee shall fully comply with paragraphs (1) through (7) of section 202 of Executive Order 11246, as amended (reprinted in 41 CFR 60-1.4(a)), which are for the purpose of preventing discrimination against persons on the basis of race, color, religion, sex or national origin. Paragraphs (1) through (7) of section 202 of Executive Order 11246, as amended, are incorporated in this grant by reference.



Signature



Date

ATTACHMENT A

The following Designated Oil & Gas Lease Operators and Right-of-Way Holders have been furnished information regarding the proposed pipeline installation by Certified Mail, Return Receipt Requested. (Note: The status of blocks listed below is current, per research of MMS records by J. Connor Consulting, Inc.).

EUGENE ISLAND AREA

BLOCK 10

Contango Operators, Inc.	OCS-G 23851	Oil & Gas Lease
Anadarko E & P LP	OCS-G 14275	Abandoned

BLOCK 24

Amerada Hess Corporation	OCS-G 05143	Abandoned
Transcontinental Gas Pipe Line Corp.	OCS-G 05153	Right-of-Way
Union Oil of California	OCS-G 02893	Oil & Gas Lease

CONTANGO OPERATORS, INC.

October 10, 2005

Louisiana Department of Natural Resources
Coastal Zone Management Division
617 North 3rd Street, Suite 1048
Baton Rouge, Louisiana
Attention: Mr. Greg DuCote

RE: Application for 4.5-Inch Bulk Gas Right-of-Way Pipeline To Be Installed In and/or Through Blocks 10 and 24, Eugene Island Area, OCS Federal Waters, Gulf of Mexico, Offshore, Louisiana

Gentlemen:

By letter dated October 10, 2005, Contango Operators, Inc. (Contango) submitted to the Minerals Management Service an application to install a 4.5-inch bulk gas right-of-way pipeline in Blocks 10 and 24, Eugene Island Area, Offshore, Louisiana.

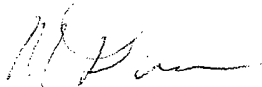
Contango hereby submits a copy of the subject pipeline application for your review

In accordance with Title 15 CFR 930.53 and further clarified in Notice to Lessees (NTL) 2002-G15, a copy of this application is hereby submitted along with a check in the amount of \$300.00 to cover the cost of the processing fee for the proposed application.

Should you have any questions concerning this matter, please contact our regulatory representative, Cheryl Murphy, J. Connor Consulting, Inc. at (281) 578-3388.

Sincerely,

Contango Operators, Inc.



Marc Duncan
President and Chief Operating Officer

MD:cpm

Enclosure: Check No. 002028

COASTAL ZONE MANAGEMENT PROGRAM
CONSISTENCY CERTIFICATION

Eugene Island Block 10
From (Area/Block)

Eugene Island Block 24
To (Area and Block)

7597.66 feet (1.44 miles)

The proposed activities described in detail in this right-of-way pipeline application comply with the enforceable policies of the State of Louisiana's approved Coastal Management Program and will be conducted in a manner consistent with such Program.

Contango Operators, Inc.


Certifying Official

Oct 10, 05
Date

CONTANGO OPERATORS, INC.
HOUSTON, TEXAS 77098

VENDOR

CHECK DATE

002028

LOU002

10/13/05

INVOICE NUMBER	INVOICE DATE		DISCOUNT TAKEN	AMOUNT PAID
1005MDCKREQ	10/12/05	4594 P/L ROW application	\$0.00	\$300.00
Total:			\$0.00	\$300.00

THE FACE OF THIS DOCUMENT HAS A VOID FEATURE, MICRO PRINTING AND AN ARTIFICIAL WATERMARK ON THE BACK.

CONTANGO OPERATORS, INC.
3700 BUFFALO SPEEDWAY, SUITE 960
HOUSTON, TEXAS 77098
(713) 960-1901

GUARANTY FEDERAL BANK F.S.B.
DALLAS, TX 75225

88-7066/3149

CHECK NO.
002028

002028

2 SIGNATURES REQUIRED OVER \$10,000.00

*****300 Dollars and 00 Cents

Pay

DATE

10/13/05

AMOUNT

*****\$300.00

TO THE
ORDER OF
Louisiana Dept of Natural Res
Coastal Zone Mgt Division
617 N 3rd St, 10th Floor #1048
Baton Rouge LA 70802

DD Little

AUTHORIZED SIGNATURE

⑈002028⑈ ⑆314970664⑆ 3801726302⑈

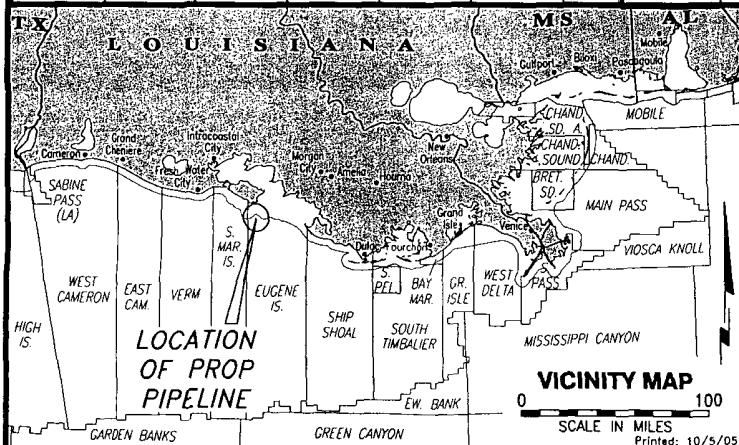
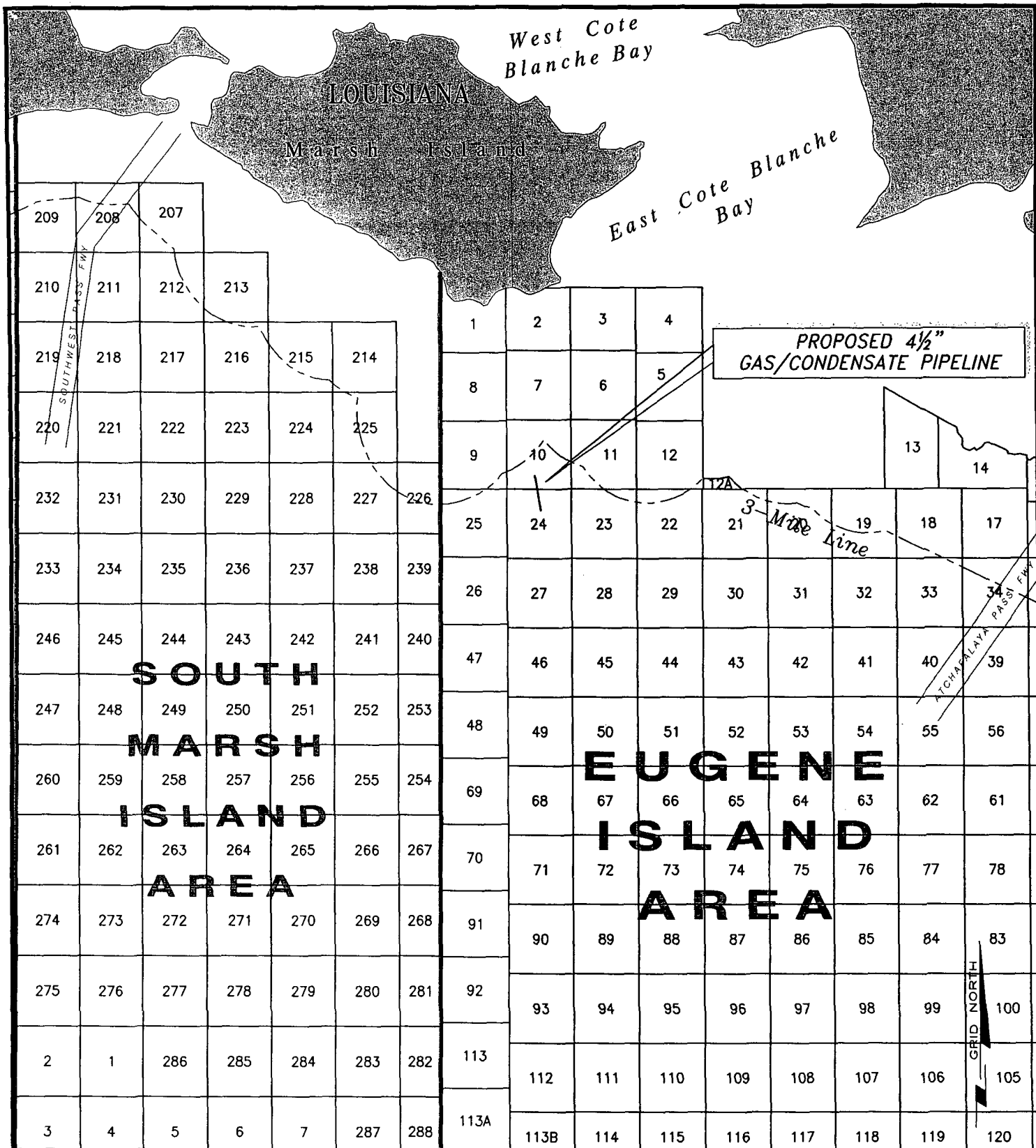
**REGIONAL OIL SPILL RESPONSE PLAN /
OIL SPILL FINANCIAL RESPONSIBILITY
RIGHT-OF-WAY PIPELINES**

**CALCULATION WORKSHEET FOR
WORST CASE DISCHARGE SCENARIO**

Calculations for ROW Pipelines

		Actual Calculations (BBLs)
1.	Add the pipeline system detection time to the shutdown response time assuming automatic shutdown (enter HRS. in decimals).	.25 hrs
2.	Multiply by the highest measured oil flow rate over the preceding 12 month period (for new pipelines used predicted oil flow rate).	150 BCPD
3.	Add the total volume of oil that would leak from the pipeline after it is shut in (consider effects of hydrostatic pressure, gravity, frictional wall forces, length of pipeline segment, tie-ins with other pipelines, etc.).	10 BBLS
	TOTAL	10 BBLS

**4-Inch Bulk Gas Right-of-Way (1.44 Miles)
Blocks 10/24, Eugene Island Area**



Contango Operators, Inc.

PROPOSED 4 1/2" GAS/CONDENSATE PIPELINE

BLK 10-PROP LOC'N A to BLK 24-STR "A"
EUGENE ISLAND AREA
GULF OF MEXICO

FUGRO CHANCE INC.

200 Dulles Dr. Lafayette, Louisiana 70506-5001 (337) 237-1300

GEODETIC DATUM: NAD27
PROJECTION: LOUISIANA SOUTH
GRID UNITS: US SURVEY FEET

SCALE 0 30,000'
IN FEET

Job No.: 05-2263

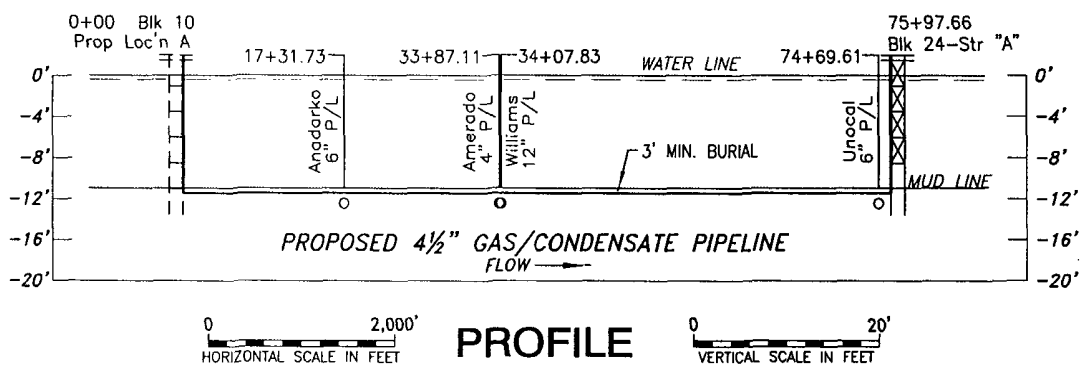
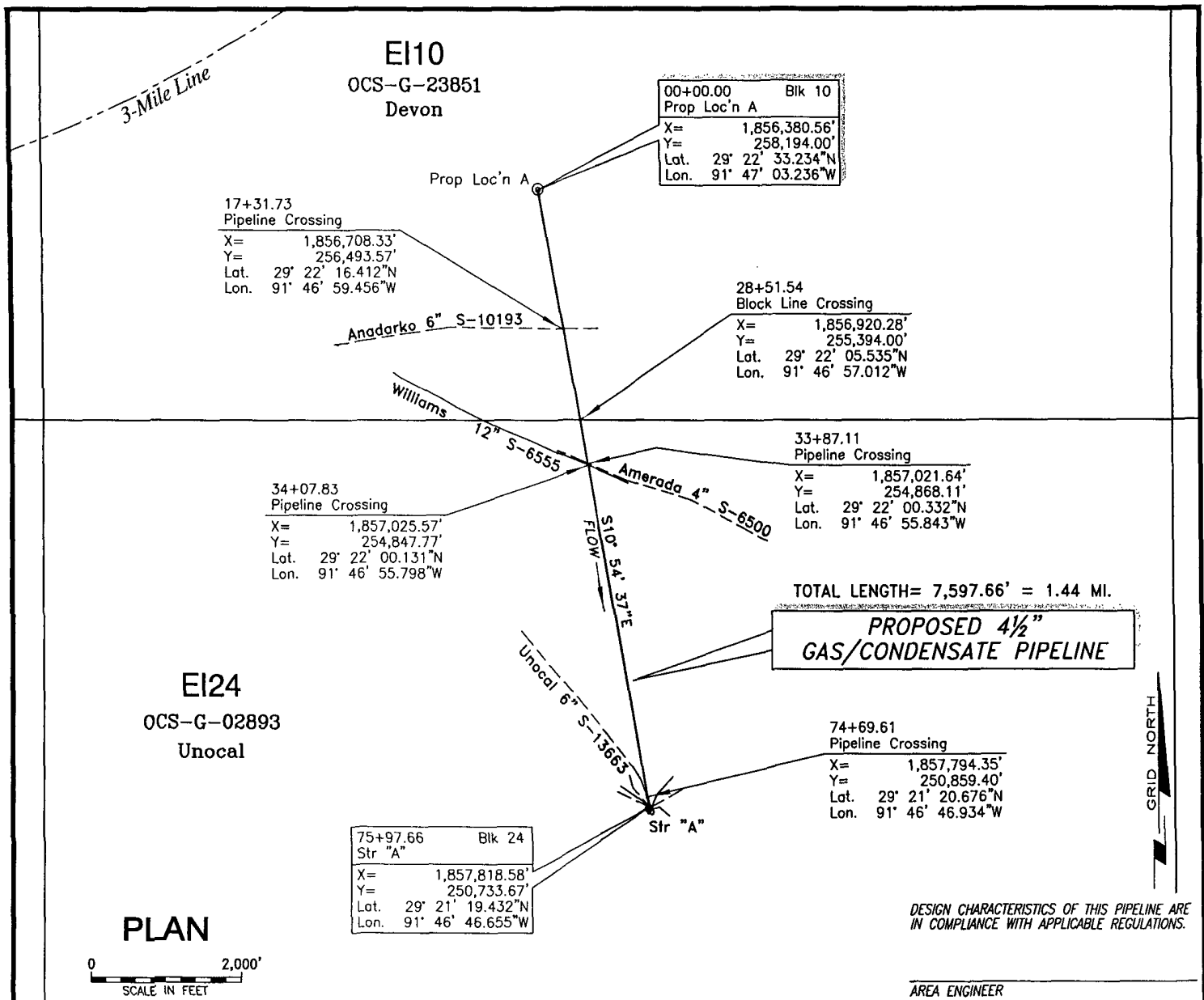
Date: 10/5/05

Drwn: MGK

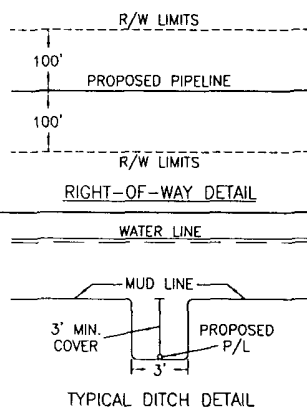
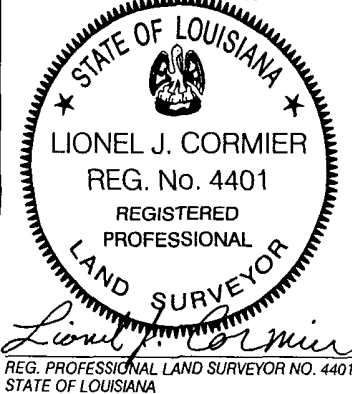
Chart: Of:

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1 2



THE RIGHT OF WAY OF THE PROPOSED PIPELINE IS ACCURATELY REPRESENTED.



Contango Operators, Inc.

PROPOSED 4½" GAS/CONDENSATE PIPELINE

BLK 10-PROP LOC'N A to BLK 24-STR "A"
EUGENE ISLAND AREA
GULF OF MEXICO

FUGRO CHANCE INC.

200 Dulles Dr. Lafayette, Louisiana 70506-3001 (337) 237-1300

GEODETIC DATUM: NAD27
PROJECTION: LOUISIANA SOUTH
GRID UNITS: US SURVEY FEET

SCALE 0 2,000'
IN FEET

Job No.: 05-2263

Date: 10/5/05

Drwn: MGK

Chart: Of:

Dwgfile: H:\2005\052263\CAD\Marine\052263pp

2 2

CONTANGO OPERATORS, INC.

Certified Mail No. 7003 2260 0003 0200 6687

October 10, 2005

Anadarko E & P LP
1201 Lake Robbins Drive
The Woodlands, Texas 77380

Attention: Ms. Susan Hathcock

Dear Ms. Hathcock:

This letter serves as notification that Contango Operators, Inc. is in the process of submitting an application to Minerals Management Service for the installation of a 4.5-inch bulk gas pipeline to be installed from Contango's Caisson No. 1 in Block 10 (Lease OCS-G 23851) to Unocal's Platform A, Block 24 (Lease OCS-G 02893), all being in the Eugene Island Area, a portion of which crosses your lease and/or right-of-way.

In accordance with MMS requirements, we are enclosing a complete copy of the subject application for your review.

Please indicate your consent to this proposed crossing by signing this letter in the space provided below and returning a signed copy to the attention of our regulatory representative, Cheryl Murphy, J. Connor Consulting, Inc., 16225 Park Ten Place, Suite 700, Houston, Texas 77084.

Your cooperation in this matter would be greatly appreciated.

Sincerely,

Contango Operators, Inc.



Marc Duncan
President and Chief Operating Officer

MD:cpm

CONSENT GRANTED THIS _____ DAY OF October, 2005.

By: _____

Title: _____

CONTANGO OPERATORS, INC.

Certified Mail No. 7003 2260 0003 0200 6656

October 10, 2005

Transcontinental Gas Pipe Line Corporation
2800 Post Oak Boulevard
Houston, Texas 77056

Attention: Mr. Stephen Patton

Gentlemen:

This letter serves as notification that Contango Operators, Inc. is in the process of submitting an application to Minerals Management Service for the installation of a 4.5-inch bulk gas pipeline to be installed from Contango's Caisson No. 1 in Block 10 (Lease OCS-G 23851) to Unocal's Platform A, Block 24 (Lease OCS-G 02893), all being in the Eugene Island Area, a portion of which crosses your lease and/or right-of-way.

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Your cooperation in this matter would be greatly appreciated.

Sincerely,

Contango Operators, Inc.



March Duncan
President and Chief Operating Officer

MD:cpm

CONSENT GRANTED THIS ____ DAY OF October, 2005.

By: _____

Title: _____

CONTANGO OPERATORS, INC.

Certified Mail No. 7003 2260 0003 0200 6700

October 10, 2005

Amerada Hess Corporation
500 Dallas Street
Houston, Texas 77002

Attention: Keith Dupuis

Gentlemen:

This letter serves as notification that Contango Operators, Inc. is in the process of submitting an application to Minerals Management Service for the installation of a 4.5-inch bulk gas pipeline to be installed from Contango's Caisson No. 1 in Block 10 (Lease OCS-G 23851) to Unocal's Platform A, Block 24 (Lease OCS-G 02893), all being in the Eugene Island Area, a portion of which crosses your lease and/or right-of-way.

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Your cooperation in this matter would be greatly appreciated.

Sincerely,

Contango Operators, Inc.



Marc Duncan
President and Chief Operating Officer

MD:cpm

CONSENT GRANTED THIS ____ DAY OF October, 2005.

By: _____

Title: _____

CONTANGO OPERATORS, INC.

Certified Mail No. 7003 2260 0003 0200 6663

October 10, 2005

Union Oil Company of California
14141 Southwest Freeway
Sugarland, Texas 77478

Attention: Mr. Dennis Codon

Gentlemen:

This letter serves as notification that Contango Operators, Inc. is in the process of submitting an application to Minerals Management Service for the installation of a 4.5-inch bulk gas pipeline to be installed from Contango's Caisson No. 1 in Block 10 (Lease OCS-G 23851) to Unocal's Platform A, Block 24 (Lease OCS-G 02893), all being in the Eugene Island Area, a portion of which crosses your lease and lease term pipeline Segment No. 13663.

In accordance with MMS requirements, we are enclosing a complete copy of the subject application for your review.

Please indicate your consent to this proposed crossing by signing this letter in the space provided below and returning a signed copy to the attention of our regulatory representative, Cheryl Murphy, J. Connor Consulting, Inc., 16225 Park Ten Place, Suite 700, Houston, Texas 77084.

Your cooperation in this matter would be greatly appreciated.

Sincerely,

Contango Operators, Inc.



Marc Duncan
President and Chief Operating Officer

MC:cpm

CONSENT GRANTED THIS ____ DAY OF October, 2005.

By: _____

Title: _____

CONTANGO OPERATORS, INC.

EUGENE ISLAND BLOCK 10 NO. 1

4.5" O.D. BULK PIPELINE PERMIT

PREPARED BY:

**TECHNICAL ENGINEERING CONSULTANTS, INC.
401 WHITNEY AVENUE, SUITE 600
GRETN, LOUISIANA 70056
(504) 362-0896**

**TECHNICAL ENGINEERING CONSULTANTS
INC.**

GENERAL INFORMATION & CALCULATIONS

4.5" O.D. BULK PIPELINE

EUGENE BLOCK 10 NO. 1

TEC PROJECT NO. 90526

OCTOBER 3, 2005

REVISION A

1. The maximum water depth (-) 17' MSL along the proposed pipeline route and in relationship to the natural bottom.
2. The description of the pipe and coating is as follows:
 - a. Line Pipe: 4.5" O.D. x 0.337" W.T. API 5L Grade X-42 seamless; bare weight = 14.99#/ft. Specific gravity in seawater (empty) = 2.11. Pipe will be coated with Scotchkote 6322 fusion bonded epoxy (14 mils). Pipe joints will be protected with heat shrinkable wraparound pipe sleeves.
 - b. Riser Pipe: 4.5" O.D. x 0.337" W.T. API 5L Grade X-52 seamless; bare weight = 14.99/ft. coated with 14 mils of Scotchkote 6322 fusion bonded epoxy. Splash zone will be coated with .5" of Splashton rubberized coating. Below the splash zone, the line will be protected by fusion bonded epoxy and the welded joints will be protected with heat shrinkable wraparound pipe sleeves. Above the splash zone, the line will be protected by platform piping paint system.
 - c. Internal Coating - Internal Coating is not required. The analysis of transported products will be monitored and preventative measures will be employed as necessary.
3. The proposed pipeline is approximately 7,600 feet in horizontal length. This does not include the approximate 45 feet of total vertical riser pipe used for both platforms. The pipeline will transport natural gas and condensate. The pipeline design working pressure is 3,705 psig.
4. Valves and Flanges: Pipeline valves and flanges will be ANSI 1,500 with rated working pressure of 3,705 psig.

5. The design of the proposed pipeline is in accordance with DOI (MMS) 30 CFR Part 250 Subparts H and J, D.O.T. Part 192, Title 49 CFR, ANSI B16.5, ANSI B31.8 and ANSI B31.4. Each was applied within the scope of the intended code or regulation.

6. The cathodic protection system for the pipeline will use Galvalum III Alloy tapered semi-cylindrical bracelet anodes. Calculations are as follows:

a. Anticipated line life is 20 years.

b. Assumed maximum of 2% bare pipe.

c. Current 6 MA/sq. ft.

d. Galvalum III Alloy 14#/amp year

e. Anode spacing calculations:

$$\text{Area/mile} = 5,280 \text{ ft./mi.} \times 3.14 \times (4.500''/12)\text{ft.}$$

$$= 6,220.4 \text{ sq. ft./mi.}$$

$$\text{Amps} = 6,220.4 \text{ sq. ft./mi.} \times .02 \times .006 \text{ amps/sq. ft.}$$

$$= 0.746 \text{ amps/mi.}$$

$$\text{Line Life} = 0.746 \text{ amps/mi.} \times 20 = 14.93 \text{ amp yr./mi.}$$

$$\text{\#/mile} = 14.93 \text{ amp yr./mi.} \times 14\text{\#/amp yr.}$$

$$= 209.02\text{\#/mile}$$

$$\text{Anode quantity} = (209.02\text{/mi.})/23\# = 9.09 \text{ anodes/mi.}$$

$$\text{Anode spacing} = (5,280 \text{ ft./mi.})/(9.09 \text{ anodes/mi.}) = 580.9 \text{ ft./anode}$$

Use one 23# (net) Galvalum III Alloy anode every 500 feet.

7. The design pressure for the riser and line pipe:

a. Riser:

$$t = PD/2S + C.A.$$

t = minimum wall thickness (inches)

$$t = 3,705(4.500)/2(31,200) + C.A.$$

P = internal design pressure (psig)

$$P = 3,705 \text{ psig}$$

$$t = 0.267" + 0.05"$$

D = nominal outside diameter (inches)

$$D = 4.500"$$

$$t = 0.317" \text{ (minimum)}$$

S = SMYS [ANSI B31.8] x Design Factor [49 CFR Part 192.111 (a)]

$$S = 52,000 \times .6$$

$$S = 31,200 \text{ psi}$$

C.A. = Corrosion Allowance

$$C.A. = 0.05"$$

Use 4.500" O.D. x 0.337" W.T. API 5L Grade X-52 seamless.

Hydrostatic test pressure, if testing as a segment

In accordance with DOI 30 (MMS) CFR Part 250 Subparts H and J, if testing as a segment

$$HTP = 1.5 \times MAOP = 1.5 \times 3,705 \text{ psig}$$

$$HTP = 5,557 \text{ psig (when testing riser segment only)}$$

b. Line Pipe:

$$t = PD/2S + C.A.$$

t = minimum wall thickness (inches)

$$t = 3,705(4.500)/2(30,240) + C.A.$$

P = internal design pressure (psig)

$$P = 3,705 \text{ psig}$$

$$t = 0.276" + 0.05"$$

D = nominal outside diameter (inches)

$$D = 4.500"$$

$$t = 0.326" \text{ (minimum)}$$

S = SMYS [ANSI B31.8] x Design Factor [49 CFR Part 192.111(a)]

$$S = 42,000 \times .72$$

$$S = 30,240 \text{ psi}$$

C.A. = Corrosion Allowance

$$C.A. = 0.05"$$

Use 4.500" O.D. x 0.337" W.T. API 5L Grade X-42 seamless.

Hydrostatic test pressure, when testing as a segment:

In accordance with DOI 30 (MMS) CFR Part 250 Subparts H & J.

$$HTP = 1.25 \times MAOP + \text{external pressure}$$

$$= 1.25 \times 3,705 + 17 (1.03)/2.31$$

$$= 4,639 \text{ psig}$$

Test to 5,557 psig, same as riser.

8. The hydrostatic test will be conducted in accordance with applicable regulations. Test duration will be a minimum of eight (8) hours per 49 CFR Ch. 1 Part 192.505.c. The test medium will be inhibited seawater. The test pressure is not greater than 95% of the hoop stress pressure using 100% of the steel's SMYS.

a. Line Pipe:

$$P = 2tS/D$$

$$P = \text{max. hoop pressure (psig)}$$

$$= 2(.337)(42,000)/4.500$$

$$t = \text{nominal wall thickness (inches)}$$

$$= 6,291 \text{ psig}$$

$$S = \text{SMYS} = 42,000 \text{ psi}$$

$$95\% \text{ of } P = 5976.1 \text{ psig} > 5,557 \text{ psig} \quad D = \text{nominal outside diameter (inches)}$$

b. Hydrotest:

Line Pipe and Riser to 5,557 psig for 8 hours.

9. The specific gravity of the line pipe was calculated as follows:

The line pipe weighs 14.99 lbs./LF.

The pipe displaces $[\text{AREA}(\text{sq. in.})/144] \times 62.4 \times 1.03 = 7.10\# \text{ water/ft.}$

Specific gravity of pipeline = $14.99/7.10 = 2.11$

The weight of coatings, anodes, and other materials was not considered in these calculations.

10. The design capacity of the pipeline is approximately 15 MMSCFD of natural gas and 150 BPD of condensate.
11. The proposed pipeline will tie-in Contango Operators, Inc. caisson at Eugene Island Block 10 No. 1 to Unocal Corporation's Eugene Island Block 24 "A" production facility.

12. The pipeline shall be protected at Eugene Island Block 10 No. 1 platform by the following: Two (2) high pressure monitoring devices set at 15% and 10% above the normal operating pressure, but in no case above the maximum allowable operating pressure of the pipeline, and one (1) low pressure monitoring device, set at 15% below the normal operating pressure. Also, the second flowline portion on Eugene Island Block 10 No. 1 is designed above the well shut-in tubing pressure. The effect of any pressure exceeding either limit will cause the automatic and orderly shutdown of the well.
13. The riser at Eugene Island Block 10 No. 1 is designed and will be installed inside the boat landing for protection. The riser at Eugene Island Block 24 "A" is designed and will be installed inside the jacket for protection.

PIPELINE SUMMARY

1. Line Pipe Specifications:

<u>O.D.</u>	<u>W.T.</u>	<u>Material Spec.</u>	<u>Length</u>	<u>MAOP</u>
4.5"	0.337"	API 5L Grade X-42	7,600 ft.	3,705 PSI

2. Riser Pipe Specifications:

<u>O.D.</u>	<u>W.T.</u>	<u>Material Spec.</u>	<u>Length</u>	<u>MAOP</u>
4.5"	0.337"	API 5L Grade X-52	45 ft.	3,705 PSI

3. Pipeline Hydrostatic Test Pressure:

Line Pipe and Riser = 5,557 psig for 8 hours

4. Line Pipe Coating:

Scotchkote 6322 thin film fusion bonded epoxy (14 mils). Welded joints protected with heat shrinkable pipe sleeves.

5. Name of Product:

Natural Gas and Condensate

6. Class Location:

Class I

7. Governing Code

DOT 49 CFR Ch. 1 Part 192, DOI 30 CFR Part 250 Subparts H and J and ANSI B31.8

Application by:
Contango Operators, Inc.
October 3, 2005

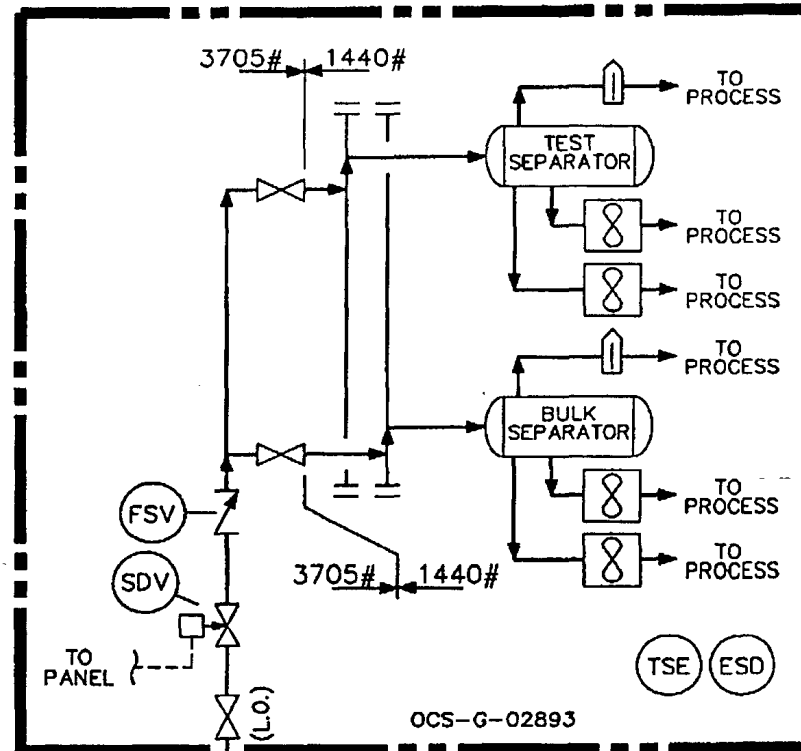
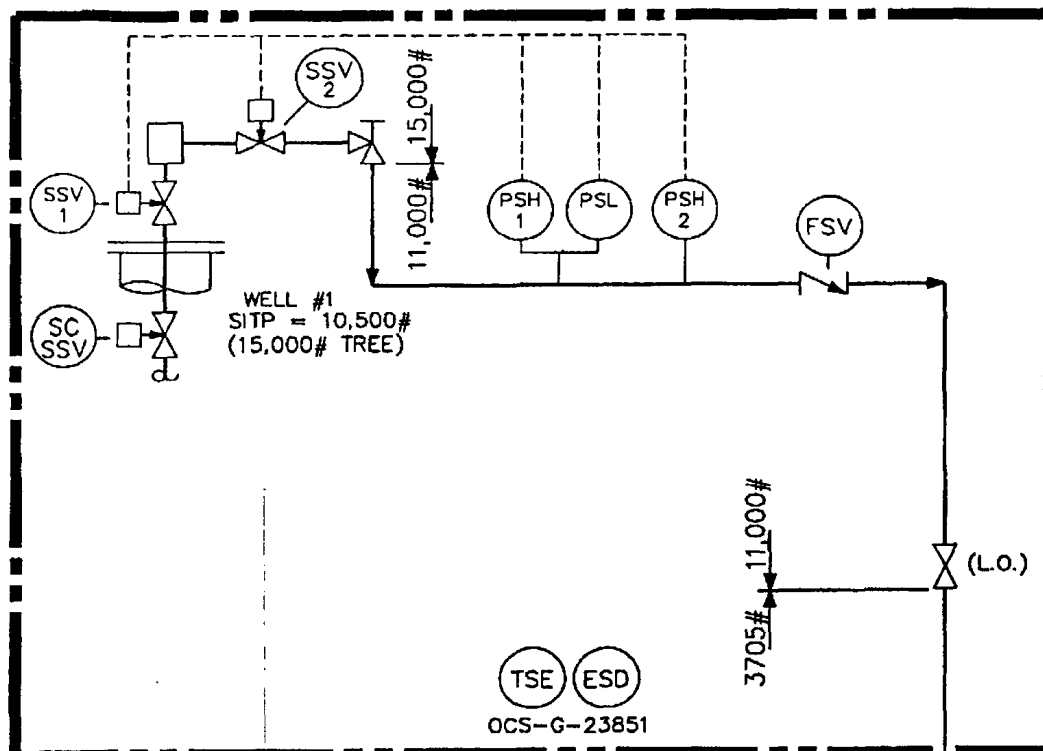
4.5" O.D. Bulk Pipeline
Eugene Island Block 10 No. 1
Gulf of Mexico

- 10 - SUMMARY -

TECHNICAL ENGINEERING CONSULTANTS
INC.

CONTANGO OPERATORS, INC.
EUGENE ISLAND BLOCK 10 No.1

UNOCAL CORPORATION
EUGENE ISLAND BLOCK 24 "A"



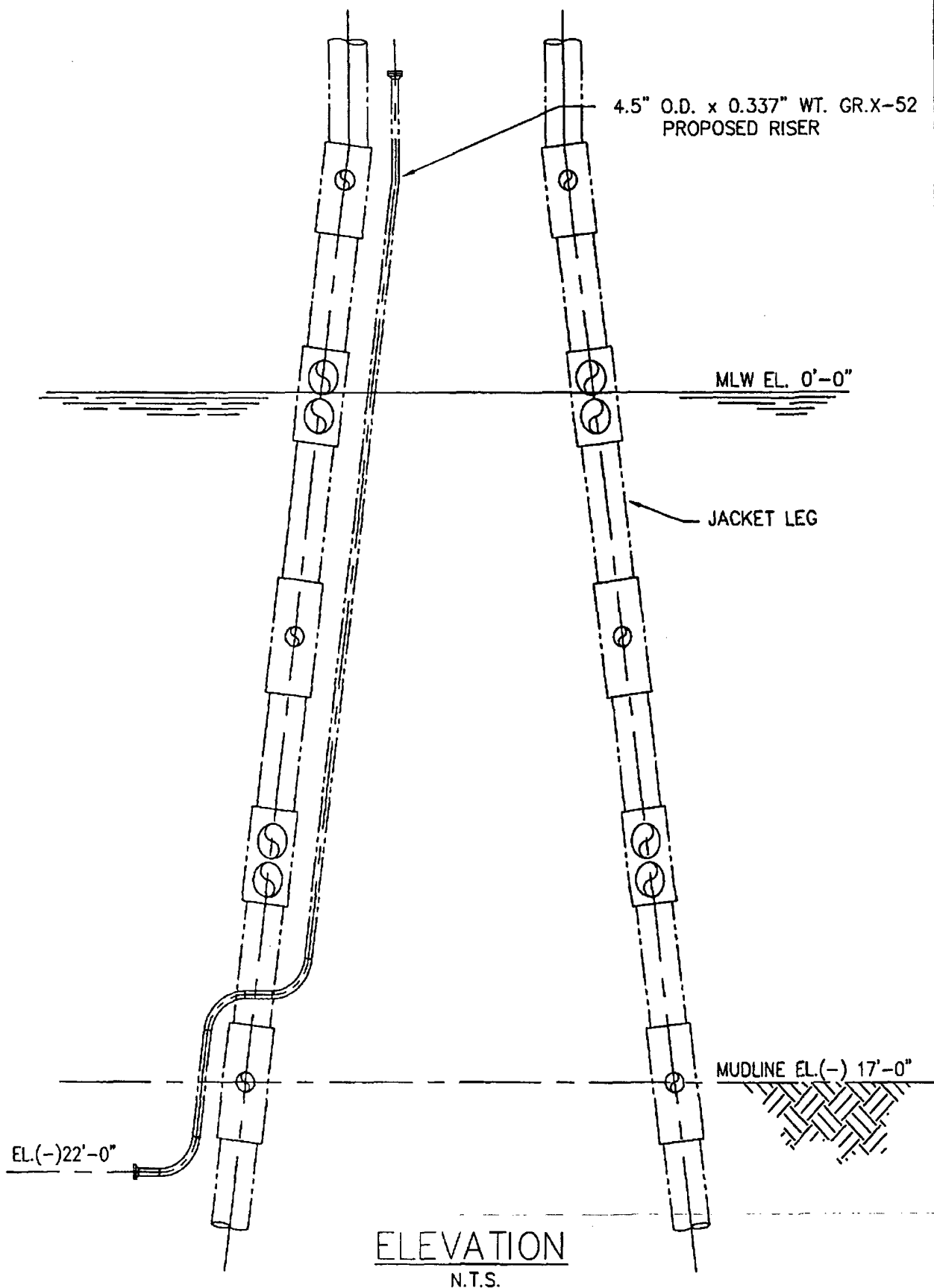
NOTES:


1. GAS PIPELINE COMPLIES WITH D.O.T. PART 192, TITLE 49 CFR & D.O.I. TITLE 30 PART 250, SUBPART H & J
2. CODES & SPECIFICATIONS:
 VALVES & FITTINGS ANSI B16.5
 PIPELINE ANSI B31.8, B31.4
 PLATFORM PIPING API RP 14E

APPLICATION BY:
 CONTANGO OPERATORS, INC.
 HOUSTON, TEXAS
 SEPTEMBER 29, 2005 REV. **A**

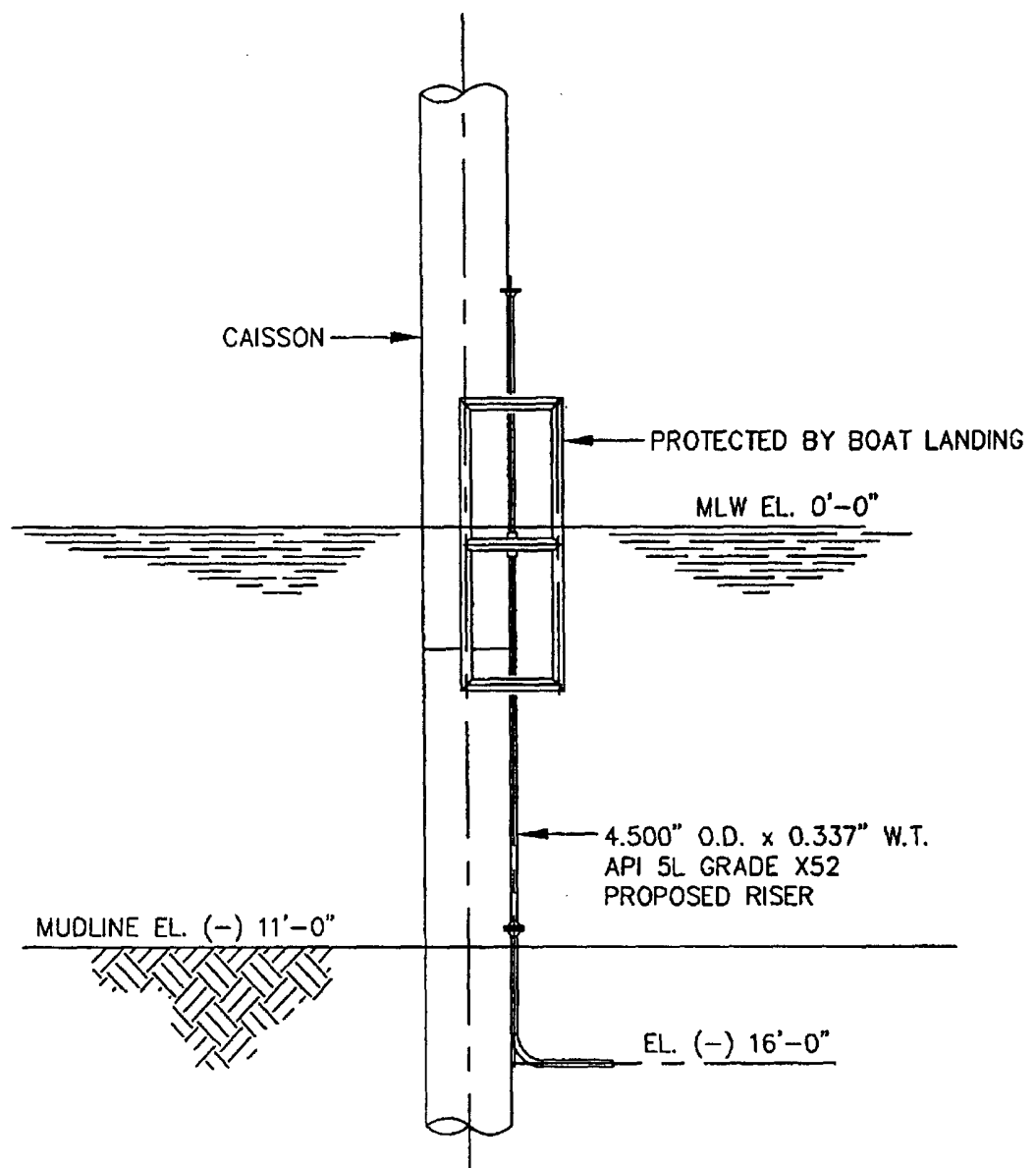
RISER **(A)** 4.5"O.D. X .337"W.T. GRADE X-52
 PIPELINE **(B)** 4.5"O.D. X .337"W.T. GRADE X-42

PROPOSED 4"
 BULK PIPELINE
 EUGENE ISLAND BLOCK 10 No.1
 GULF OF MEXICO




APPLICATION BY:
CONTANGO OPERATORS, INC.
HOUSTON, TEXAS
SEPTEMBER 29, 2005
REVISION 

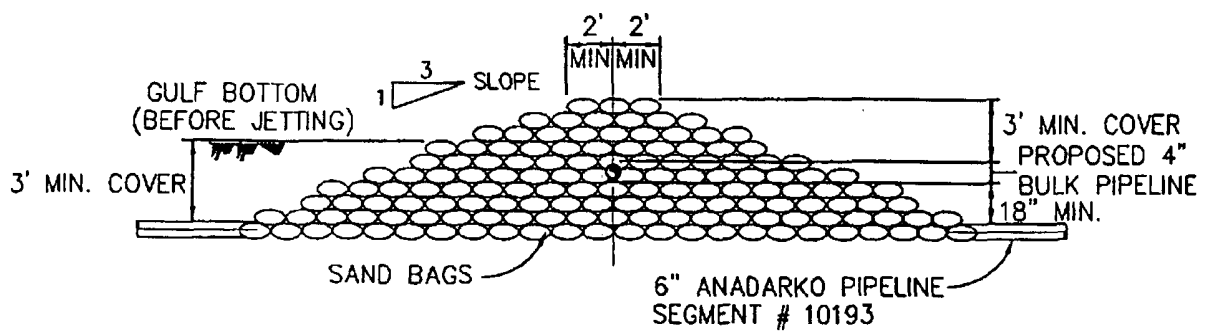
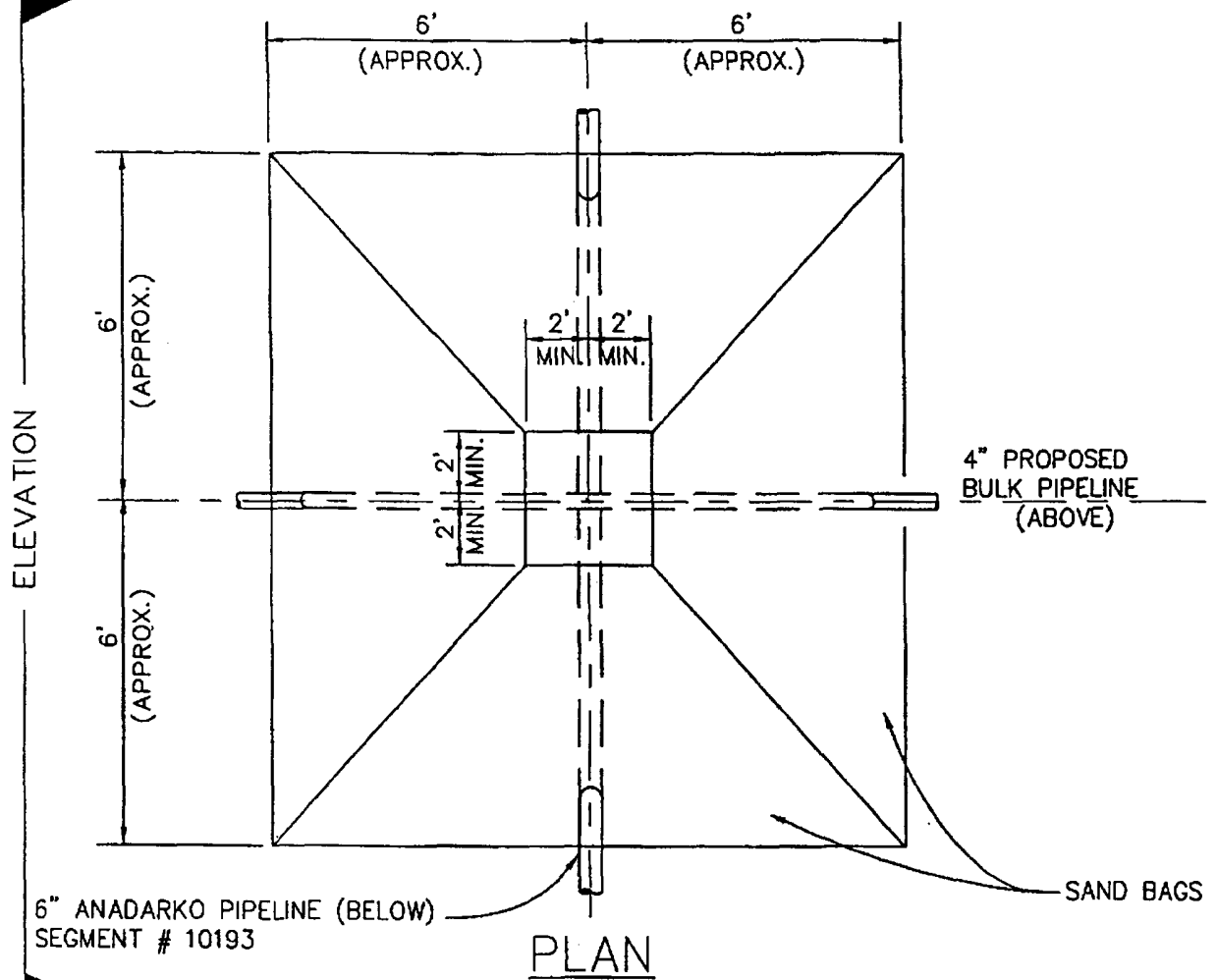
EUGENE ISLAND BLOCK 24 "A"
PROPOSED 4" PIPELINE
RISER ELEVATION
EUGENE ISLAND AREA
GULF OF MEXICO



ELEVATION

APPLICATION BY:
CONTANGO OPERATORS, INC.
HOUSTON, TEXAS
SEPTEMBER 29, 2005
REVISION 

EUGENE ISLAND BLOCK 10 #1
PROPOSED 4" PIPELINE
RISER ELEVATION
EUGENE ISLAND AREA
GULF OF MEXICO



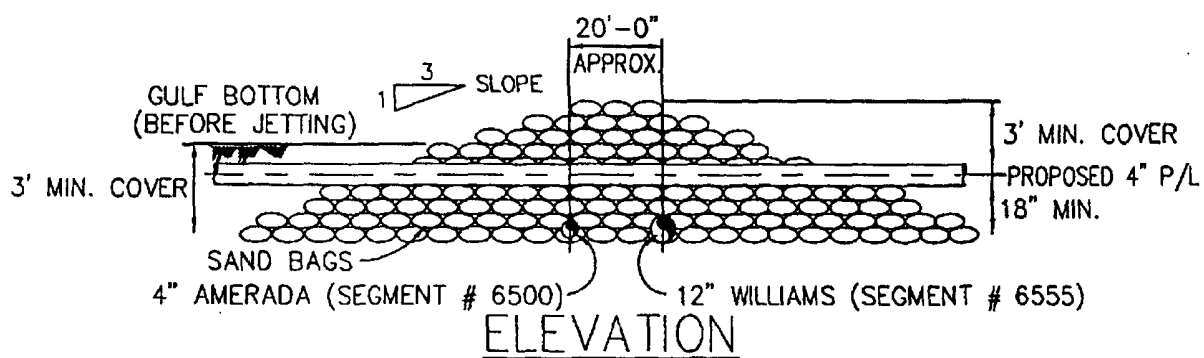
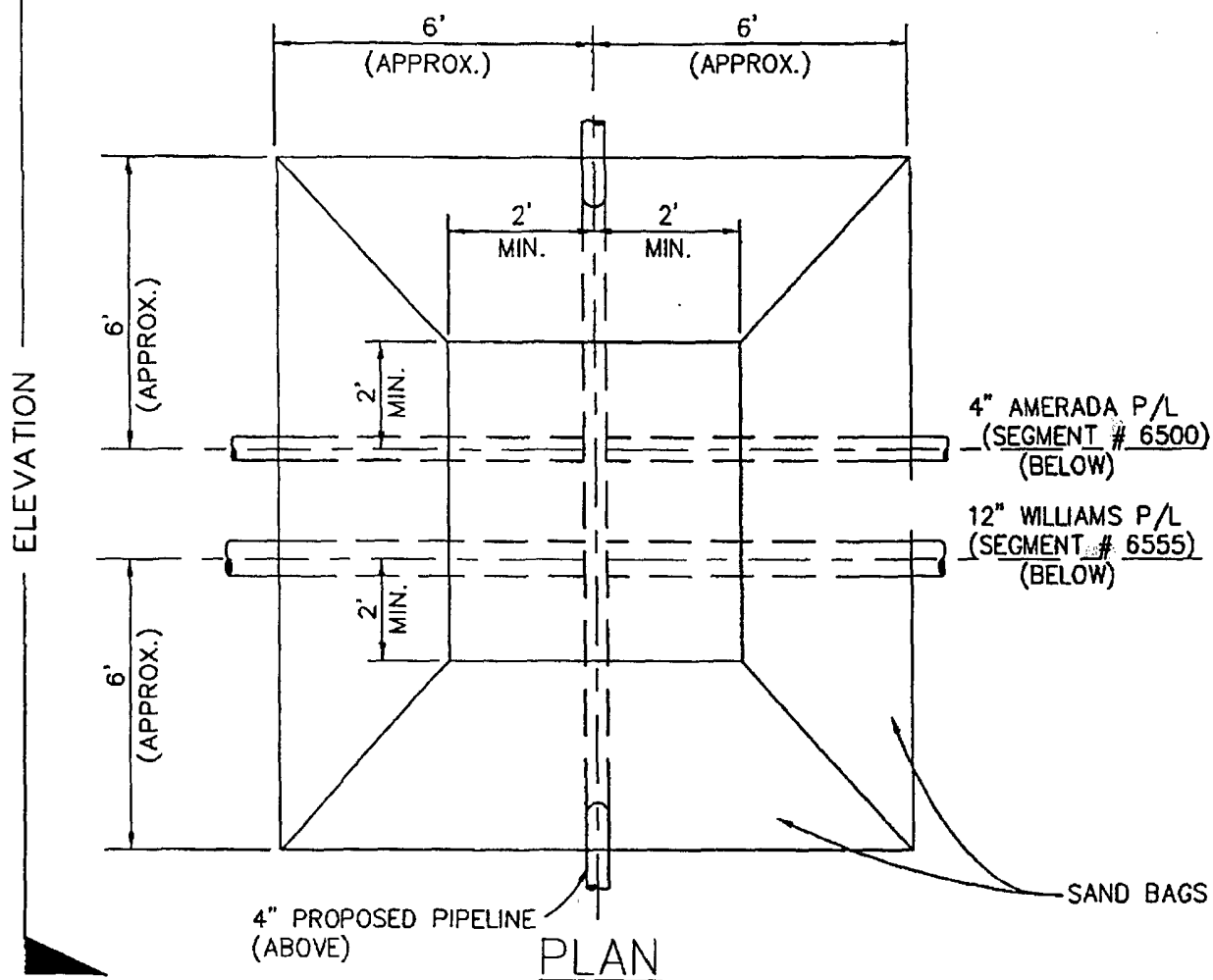
NOTES

1. BAGS SHALL BE MADE OF CLOSELY WOVEN MATERIAL WITH A WICKING ACTION.
2. AFTER FILLING THE BAG, IT SHALL BE CLOSED BY SEWING OR THE EQUIVALENT BUT NOT BY BUNCHING AND TYING THE END.
3. A 10'x10'x3/16" THICK SHEET OF NEOPRENE OR POLYETHYLENE, SHALL BE INSTALLED AT PIPELINE CROSSING.

APPLICATION BY:
CONTANGO OPERATORS, INC.
HOUSTON, TEXAS
SEPTEMBER 29, 2005
REVISION



PROPOSED 4"
PIPELINE CROSSING
EUGENE ISLAND BLOCK 10
GULF OF MEXICO



NOTES

1. BAGS SHALL BE MADE OF CLOSELY WOVEN MATERIAL WITH A WICKING ACTION.
2. AFTER FILLING THE BAG, IT SHALL BE CLOSED BY SEWING OR THE EQUIVALENT BUT NOT BY BUNCHING AND TYING THE END.
3. A 10'x10'x3/16" THICK SHEET OF NEOPRENE OR POLYETHYLENE, SHALL BE INSTALLED AT PIPELINE CROSSING.

APPLICATION BY:
CONTANGO OPERATORS, INC.
HOUSTON, TEXAS
SEPTEMBER 29, 2005
REVISION



PROPOSED 4"
BULK PIPELINE CROSSING
EUGENE ISLAND AREA (BLOCK 24)
GULF OF MEXICO

CONTANGO OPERATORS, INC.

15432
G26949
135

October 24, 2005

Minerals Management Service
RECEIVED

OCT 25 2005

**Office of Field Operations
Pipeline Section**

U. S. Department of the Interior
Minerals Management Service
16855 Northchase Drive, 7th Floor
New Orleans, Louisiana 70123-2394

Attention: Alex Alvarado

RE: Application for a 4.5-Inch Bulk Gas Right-of-Way Pipeline To Be Installed In and/or Through Blocks 10 and 24, Eugene Island Area, OCS Federal Waters, Gulf of Mexico, Offshore, Louisiana

Gentlemen:

By letter dated October 10, 2005, Contango Operators, Inc. submitted the referenced application for right-of way to install a 4.5-Inch bulk gas right-of-way pipeline to be installed in and/or through blocks 10 and 24, Eugene Island Area, OCS federal waters, Gulf of Mexico, offshore, Louisiana.

Enclosed please find one (1) copy of the following Certified Mail Return Receipt Cards from the affected operators evidencing receipt of the proposed pipeline installation data.

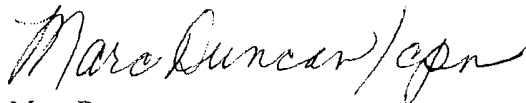
Transcontinental Gas Pipe Line
Union Oil Company of California
Anadarko E & P LP
Amerada Hess Corporation

Certified Mail No. 7003 2260 0003 0200 6656
Certified Mail No. 7003 2260 0003 0200 6663
Certified Mail No. 7003 2260 0003 0200 6687
Certified Mail No. 7003 2260 0003 0200 6700

Should you have any questions or requests for additional information, please contact our regulatory consultant, Cheryl Murphy, J. Connor Consulting, Inc., at (281) 578-3388.

Sincerely,

Contango Operators, Inc.



Marc Duncan
President and Chief Operating Officer

MD:CPM;clk
Enclosure

SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.

Article Addressed to:

Amerada Hess Corporation
ATTN: KEITH DUPUIS
500 Dallas Street
Houston, TX 77002

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *Russell Rodriguez* ☐ Agent
☐ Addressee

B. Received by (Printed Name)

Russell Rodriguez

C. Date of Delivery

20 2005

D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

Article Number

(Transfer from service label)

7003 2260 0003 0200 6700

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1540

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Union Oil Company of California
ATTN: DENNIS CODON
14141 Southwest Freeway
Sugar Land, TX 77478

2. Article Number

(Transfer from service label)

7003 2260 0003 0200 6663

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *Ted Martin* ☐ Agent
☐ Addressee

B. Received by (Printed Name)

Ted Martin

C. Date of Delivery

D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes**SENDER: COMPLETE THIS SECTION**

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.

Article Addressed to:

Anadarko E & P LP
ATTN: SUSAN HATHCOCK
1201 Lake Robbins Drive
The Woodlands, TX 77380

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *[Signature]* ☐ Agent
☐ Addressee

B. Received by (Printed Name)

[Signature]

C. Date of Delivery

10/21/05

D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

Article Number

(Transfer from service label)

7003 2260 0003 0200 6687

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1540

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Transcontinental Gas Pipe Line
ATTN: STEPHEN PATTON
2800 Post Oak Boulevard
Houston, TX 77056

2. Article Number

(Transfer from service label)

7003 2260 0003 0200 6656

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *Barbara Spencer* ☐ Agent
☐ Addressee

B. Received by (Printed Name)

Barbara Spencer

C. Date of Delivery

D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

CONTANGO OPERATORS, INC.
HOUSTON, TEXAS 77098

VENDOR

CHECK DATE

002030

MMS01

10/13/05

INVOICE NUMBER	INVOICE DATE		DISCOUNT TAKEN	AMOUNT PAID
1005MDCKREQ	10/12/05	4593 P/L ROW application	\$0.00	\$2,380.00
Total:			\$0.00	\$2,380.00

THE FACE OF THIS DOCUMENT HAS A VOID FEATURE, MICRO PRINTING AND AN ARTIFICIAL WATERMARK ON THE BACK.

CONTANGO OPERATORS, INC.
3700 BUFFALO SPEEDWAY, SUITE 960
HOUSTON, TEXAS 77098
(713) 960-1901

GUARANTY FEDERAL BANK F.S.B.
DALLAS, TX 75225

88-7066/3149

002030

CHECK NO.

002030

2 SIGNATURES REQUIRED OVER \$10,000.00

Pay *****2,380 Dollars and 00 Cents

DATE	AMOUNT
10/13/05	*****\$2,380.00

TO THE ORDER OF: Mineral Management Service
16855 Northchase, 7th Floor
Houston TX 77060

[Signature] MP

AUTHORIZED SIGNATURE

002030 314970664 3801726302

CONTANGO OPERATORS, INC.
HOUSTON, TEXAS 77098

VENDOR
MMS01

CHECK DATE
10/13/05

002030

INVOICE NUMBER	INVOICE DATE		DISCOUNT TAKEN	AMOUNT PAID
1005MDCKREQ	10/12/05	4593 P/L ROW application	\$0.00	\$2,380.00
Total:			\$0.00	\$2,380.00

THE FACE OF THIS DOCUMENT HAS A VOID FEATURE, MICRO PRINTING AND AN ARTIFICIAL WATERMARK ON THE BACK.

CONTANGO OPERATORS, INC.
3700 BUFFALO SPEEDWAY, SUITE 960
HOUSTON, TEXAS 77098
(713) 960-1901

GUARANTY FEDERAL BANK F.S.B.
DALLAS, TX 75225
88-7066/3149

002030

CHECK NO.
002030

2 SIGNATURES REQUIRED OVER \$10,000.00

*****2,380 Dollars and 00 Cents

Pay

DATE

AMOUNT

10/13/05

*****\$2,380.00

TO THE
ORDER OF:

Mineral Management Service
16855 Northchase, 7th Floor
Houston TX 77060



MP

AUTHORIZED SIGNATURE

⑈002030⑈ ⑆314970664⑆ 3801726302⑈

Shrestha, Bimal

From: Shrestha, Bimal
Sent: Monday, November 14, 2005 2:37 PM
To: 'CHERYL.MURPHY@JCCTEAM.COM'
Cc: Horrell, Christopher
Subject: Contargo operator's pipeline segment 15405

Attachments: 15405Arch.PDF

Dear Cheryl:

Attached please find Archaeological Review on the pipeline application and address the comments on it.
Thanks.

Bimal Shrestha
Pipeline - MMS



15405Arch.PDF (12
KB)

54-736-2548

Pipeline Review Report

Review : Archaeological Review

Permit Number: P-15405

Permit Type: ROW Application

Submittal Received: 09/14/2005

Operator : Spinnaker Exploration Company, L.L.C.

ROW Number : G26942

Reviewer Received Date: 11/10/2005 Review Completed: 11/14/2005

Segments : 15405

Reviewer : HORRELLC

Remark : Please refer to checklist item #1 in TIMS.

Item	Response Text
<hr/>	
1	<p><i>The submitted information is not sufficiently adequate, accurate, and comprehensive to perform an archaeological review. The following is a precise description of the deficiency.</i></p> <p>The following items must be addressed prior to approval of the ROW Pipeline application:</p> <ol style="list-style-type: none">1. The report indicates that sixteen (16) magnetic anomalies should be avoided based on archaeological potential. These magnetic anomalies are not identified on the map. Please see NTL 2005-G07 for guidance2. The report indicates that a radius of 150 feet are applied to all anomalies or clusters of anomalies. Some of these anomalies have a duration greater than 150 feet. For example anomaly # 82 has a duration of 947.9 feet while # 95 is listed at 661.5 feet in duration. A 150 foot avoidance criterion is inappropriate for these anomalies. An analysis of each anomaly must be conducted rather than blanket avoidance criteria. Please see NTL 2005-G07 for guidance.3. Magnetometer table does not include the appropriate avoidance radius for each anomaly recommended for avoidance. Please see NTL 2005-G07 for guidance.4. The job log does not list the altitude of the magnetometer at the start and end of each line. Please see NTL 2005-G07 for guidance.5. The unidentified magnetometer and sonar tables are listed in degrees decimal minutes. NTL 2005-G07 specifies that these coordinates are to be listed in decimal degrees. Please see NTL 2005-G07 for guidance.6. The report discusses one side scan sonar target and other debris. Analysis of the single identified side scan sonar target indicates that it may represent a piece of railing. The other debris (approximately three sonar targets), which are clear in the data samples, are not discussed as side scan sonar targets. Yet they are clearly present on the sea floor as sonar targets and appear not to be natural. Please provide a better description of these sonar targets. In addition, these targets must be present on the archaeological and hazard map. Please see NTL 2005-G07 for guidance.
2	<p><i>Based on the information provided, there is not reason to believe that the proposed activities are inconsistent with the provisions of applicable laws, regulations, or NTLs regarding archaeological resources.</i></p>

- 3 Based on the information provided or otherwise available, the proposed activities are not likely to represent an exception, regarding archaeological resources, to the applicable categorical exclusion.
- 4 Based on the information provided, there is not reason to believe that the proposed activities will probably cause unreasonable or serious harm or damage to any archaeological resources.

CONTANGO OPERATORS, INC.

November 22, 2005

U. S. Department of the Interior
Minerals Management Service
16855 Northchase Drive, 7th Floor
New Orleans, Louisiana 70123-2394

Attention: Bimal Shrestha

RE: Application for a 4.5-Inch Bulk Gas Right-of-Way Pipeline (Segment No. 15432/OCS-G 26949)
To Be Installed In and/or Through Blocks 10 and 24, Eugene Island Area, OCS Federal Waters,
Gulf of Mexico, Offshore, Louisiana

Gentlemen:


By letter dated October 10, 2005, Contango Operators, Inc. submitted the referenced application to install a 4.5-Inch bulk gas right-of-way pipeline to be installed in and/or through blocks 10 and 24, Eugene Island Area, OCS federal waters, Gulf of Mexico, offshore, Louisiana.

Enclosed please find one (1) copy of the Letter of No Objection from Amerada Hess Corporation and Transcontinental Gas Pipe Line Corporation.

Should you have any questions or requests for additional information, please contact our regulatory consultant, Cheryl Murphy, J. Connor Consulting, Inc., at (281) 578-3388.

Sincerely,

Contango Operators, Inc.


Marc Duncan
President and Chief Operating Officer

MD:cpm
Enclosure

Minerals Management Service
RECEIVED

NOV 23 2005

Office of Field Operations
Pipeline Section

AMERADA HESS CORPORATION

DON L. POWELL, CPL
LAND MANAGER
GULF OF MEXICO DEVELOPMENT AND PRODUCTION

500 DALLAS STREET
HOUSTON, TEXAS 77002
Phone 713-609-5481
Fax 713-609-5608
dpowell@hess.com

VIA OVERNIGHT MAIL

November 17, 2005

Minerals Management Service
Gulf of Mexico OCS Region
Attention: Mr. Alex Alvarado
1201 Elmwood Park Boulevard
New Orleans, Louisiana 70123-2394

RE: Contango Operators, Inc.'s Application for Proposed 4.5-inch Gas Pipeline
Crossing Amerada Hess Corporation's Abandoned 4-inch Pipeline Segment No. 6500
Eugene Island Area, Block 24
Gulf of Mexico

Gentlemen:

Amerada Hess Corporation (AHC) has received Contango Operators, Inc.'s Application for Proposed 4.5-inch Gas Pipeline that crosses Amerada Hess Corporation's (AHC) abandoned 4-inch pipeline segment No. 6500 in Eugene Island Area, Block 24. This is to advise that AHC has no objection to Contango Operators, Inc.'s application.

Very truly yours,

Amerada Hess Corporation


Don Powell

cc: Mr. Marc Duncan - Contango Operators, Inc.
Cheryl Murphy - Connor Consulting, Inc.

DLP/20051112

11/21/2005 17:38 FAX 713 965 0602
NOV-21-2005 MON 07:08 AM Williams-Tower

CONTANGO OPERATORS INC
FAX NO. 7132154552

001
P. 01

11/18/2005 12:25 FAX 713 965 0602

CONTANGO OPERATORS INC

002



GAS PIPELINE - TRANSCO
2800 Post Oak Blvd.
Houston, TX 77056
P.O. Box 1396
Houston, TX 77251-1396
713-215-2650
713-215-2622 fax

BEST AVAILABLE COPY

October 20, 2005

Mr. Marc Duncan
Contango Operators, Inc.
3700 Buffalo Speedway, Suite 960
Houston, Texas 77098

Re: Pipeline crossing agreement affecting Pipeline Segment No. 6555
Contango Operators, Inc.'s proposed construction of a 4.5" pipeline to be installed from Contango's Caisson No. 1 in Block 10 to Unocal's platform A, Block 24, Eugene Island, crossing Transcontinental Gas Pipe Line Corporation's 12" pipeline, Segment No. 6555, Eugene Island, Block 24, Federal Waters, Gulf of Mexico, Offshore, Louisiana

Dear Mr. Duncan:

Transcontinental Gas Pipe Line Corporation (TGPL) was notified by your letter dated October 10, 2005, of the above-referenced pipeline project by Contango Operators, Inc (Contango). As proposed, Contango's pipeline will cross TGPL's 12" pipeline, Segment No. 6555 located in Eugene Island, Block 24.

This letter will, upon execution by Contango, evidence the terms under which approval is granted by TGPL to cross the above-referenced 12" pipeline with a 4.5" bulk gas pipeline if and when built by Contango.

1. The crossing of TGPL's pipelines is to be at the sole expense of Contango. All expenses incurred by TGPL shall be reimbursed by Contango. The expenses are defined as labor expenses for a TGPL representative to be present during the construction of Contango's pipeline.
2. Contango will secure all necessary permits and approvals and comply with all applicable laws, rules and regulations in constructing, operating, maintaining, and repairing the proposed lines.

11/18/2005 12:26 FAX 713 965 0602

CONTANGO OPERATORS INC

003

Mr. Marc Duncan

Page 2

October 20, 2005

3. The proposed crossing shall be accomplished while TGPL's pipelines are in service and without adjustment to the elevation of TGPL's pipelines. **Exercise extreme caution. These high pressure pipelines contain extremely volatile natural gas vapors and liquids. Impacts from anchors, cables, or chains can cause damage resulting in danger to life and the environment.**
4. Contango will conduct all operations, including construction, repair and maintenance consistent with MMS regulations and so as not to interfere with any of TGPL's operations. Contango's operations in TGPL's rights-of-way will always be subject to the prior right of TGPL to utilize any and all portions of same in any manner consistent MMS regulations and good industry practice.
5. At least seven (7) days prior to commencing any crossing activity in the immediate vicinity of TGPL's pipelines, Contango will notify Mr. Robbie Knight, 144 Horseshoe Road, Schriever, LA 70395, office 985-446-7114, fax 985-446-7124, mobile 985-665-2969, so he or his designated alternate can be present during the crossing operations. Contango agrees that Mr. Knight or his designated alternate will be afforded the opportunity to be present on board the lay barge during Contango's construction of its pipeline over TGPL's pipelines.
6. Prior to move in of marine construction equipment, Contango will physically locate and buoy TGPL's lines through the potential anchor spread corridors. Such buoys will be set a maximum of 500 feet spacing along the pipelines and will be maintained for so long as the marine construction equipment is in the area. In lieu of physically locating TGPL's pipelines, or to supplement locational data obtained by such means, Contango may utilize electronic satellite positioning equipment during work in the vicinity of TGPL's pipelines.
7. When setting and weighing anchors, anchor positions will be plotted to determine the extent of anchor slippage. All anchors placed across TGPL's lines will be located a minimum horizontal distance of 1,000 feet from TGPL's lines, and all anchors not crossing TGPL's lines will be located a minimum horizontal distance of 500 feet from TGPL's lines. All anchors will be weighed vertically from their stationary positions to a height of not less than one-half the distance between the ocean floor and sea level before the anchors move laterally. (This paragraph is not applicable if dynamically positioned vessels (DPV) are utilized during the crossing operation.)
8. Whether Contango uses divers or remotely operated vehicles (ROV) to inspect the crossing locations after installation of Contango's line, Contango agrees that Mr. Knight

Mr. Marc Duncan

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October 20, 2005

or his designated alternate will be notified at least seven (7) days prior to inspection operations and will be given the opportunity to be present on board the vessel during the periods of diver/ROV inspection.

9. Within 90 days following completion of construction, Contango will furnish TGPL, attention Robbie Knight, at the address listed in paragraph 5 above, an "as-built" drawing of the crossings and (unless dynamically positioned vessels are utilized) an anchor coordinates drawing showing the locations where the anchors were set and picked up within 1,000 feet of TGPL's lines, which drawing(s) will be used to show if anchor slippage has occurred which may endanger the TGPL lines. Anchor locations will also be shown in a table on the as-built drawing(s). Said as-built drawing(s) shall include x and y coordinates, actual separation between the pipelines and specifications of Contango's pipeline, including size, yield, type of coating, if any, and contents.
10. Contango shall adhere to the specifications shown on Transcontinental Gas Pipeline Corporation Drawing Job No.: TYP-0001, titled "Typical Buried Pipeline Crossing - Offshore, which is attached hereto and made a part hereof. The details of the crossings including the type and extent of mats and/or sand cement bags and minimum separation between the lines shall be as shown on TGPL's Drawing No. TYP-0001, which is attached hereto and made a part hereof. (~~waiting on drawing~~)
11. Contango shall defend, indemnify and hold harmless TGPL, its parents, associated and affiliated companies, its and their agents, employees, officers, directors, insurers, successors and assigns from and against any loss, damage, claim, suit, liability, judgment and expense (including attorney's fees and the costs of litigation), and any fines, penalties and assessments arising out of injury, or death of persons (including that of employees of Contango, TGPL or their contractors or subcontractors), damage to or loss of any property (including that of Contango, TGPL, or their contractors or subcontractors), caused by, arising out of, or resulting from, either directly or indirectly, the activities of Contango or its contractors or subcontractors in the construction, operation, and maintenance of Contango's pipeline across TGPL's pipelines, but excepting any injury, death, or damages caused by the sole negligence or willful misconduct of TGPL.
12. Contango shall carry adequate insurance or shall self-insure in order to support the indemnifications given herein.
13. If any provision of this agreement is adjudicated or otherwise found to be against public policy, void, or otherwise unenforceable, then such provision shall be deleted or

11/18/2005 12:26 FAX 713 885 0802

CONTANGO OPERATORS INC

005

Mr. Marc Duncan

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October 20, 2005

modified, in keeping with the express intent of the parties hereto, as necessary to render all the remainder of this agreement, valid and enforceable. All such deletions or modifications shall be the minimum required to effect the foregoing.

14. This agreement may not be assigned by Contango without the prior written consent of TGPL, which consent shall not be unreasonably withheld.
15. No waiver by TGPL of any one or more defaults by Contango in performance of any provision of this agreement shall operate or be construed as a waiver of any future default or defaults, whether of a like or different character.
16. Transportation to and from the construction site for TGPL personnel will be provided on Contango's vessels at the sole expense of Contango.
17. Nothing contained herein shall be construed to reduce any of TGPL's right, title, or interest in or to its existing rights-of-way for the construction, operation and maintenance of its pipelines.
18. Contango will lay over TGPL's pipelines and provide a vertical clearance of at least eighteen (18') between the pipelines at the crossings. Contango shall not disturb the bottom beneath TGPL's pipelines or lower or move TGPL's pipelines without prior written approval from TGPL. In addition, Contango agrees to install two (2) bracelet anodes on its pipelines, in the vicinity of its crossing of TGPL's pipelines.
19. Contango shall place at TGPL's disposal diving inspectors for free and unobstructed use by TGPL at the pipeline crossings for a reasonable amount of time required to inspect the crossings.
20. This grant is accepted by Contango under the condition and with the understanding that if Contango's pipeline interferes unreasonably as defined by industry practice and MMS regulations with TGPL's present pipeline operations Contango will relocate or alter its pipeline at its sole cost and expense to the extent reasonably necessary to remove or avoid such interference.
21. Contango shall be solely responsible for locating and marking all existing pipelines or other submarine structures using current industry practices prior to moving any pipe laying or burial equipment onto TGPL's leases or over TGPL's pipelines.

Mr. Marc Duncan
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October 20, 2005

22. If a preconstruction diving survey is not conducted to obtain actual depth of cover over the existing TGPL lines and subsequent custom design of the crossings, then the following additional work will be conducted to insure integrity of the TGPL pipelines. (Please note that pipeline crossings involving 8-inch in diameter and larger crossing pipes will require actual diving depth of cover survey to design the crossing detail prior to execution of a crossing agreement. Pipelines smaller than 8 inches in diameter will not require a preconstruction survey. Special considerations could require that a preconstruction survey is necessary at TGPL's sole discretion.):
- a. Contango agrees to place articulating mattresses and sand bags at the location where the Contango line crosses the TGPL lines as protection for the crossing from fishing and anchor snags. The Contango pipeline shall be installed in such a manner as to maintain a minimum radius of curvature over the TGPL lines.
 - b. Articulating concrete mattresses will be utilized to provide the 18-inch separation between the pipelines to act as armoring cover over the TGPL pipeline crossings and the Contango line. The mattresses will extend from the crossing points (intersection of the pipelines) extending outward in both directions to points along the Contango line where the pipelines penetrate the seabed and have the full 3 feet of soil cover as required by regulation.
 - c. The minimum radius of curvature of the Contango line will be indicated on the crossing details and will be furnished to TGPL for review and approval. Calculations indicating the minimum radius of curvature shall be furnished to TGPL for review and approval.
 - d. Sand cement bags will not be used at the crossings without the written approval of TGPL. Sand bags or mattresses will be used to transition the Contango pipeline over the TGPL lines, however, articulating concrete mattresses must be used to provide the separation between lines and the protection over the new pipeline as indicated above.
23. The TGPL field inspection personnel on board the installation vessel shall have authority to determine if the crossings are constructed in accordance with the approved crossing agreement. Contango will correct any deficiencies consistent with industry practices and MMS regulations in the crossing method as directed by TGPL's inspector.

11/21/2005 17:39 FAX 713 965 0602
NOV-21-2005 MON 07:09 AM Williams-Tower

CONTANGO OPERATORS INC
FAX NO. 7132154552

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P. 06

11/18/2005 12:27 FAX 713 965 0602

CONTANGO OPERATORS INC

007.

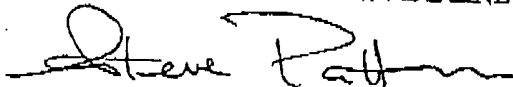
Mr. Marc Duncan
Page 6
October 20, 2005

If Contango is agreeable to the terms and requirements herein, please have an authorized Contango representative indicate your agreement by signing, dating and returning one original copy of this agreement to my attention at the letterhead address.

Should you have any questions or need additional information, please feel free to contact me at 713-215-2679, fax 713-215-2622, e-mail stephen.k.patton@williams.com.

Sincerely,

TRANSCONTINENTAL GAS PIPE LINE CORPORATION

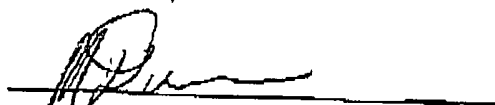


Steve Patton
Team Lead-Land

AGREED TO AND ACCEPTED THIS 18 DAY OF NOV, 2005.

CONTANGO OPERATORS, INC.

BY:



TITLE

President & COO

Attachments

cc: Mr. Robbie Knight, Schriever, LA

BS
1543

AMERADA HESS CORPORATION

DON L. POWELL, CPL
LAND MANAGER
GULF OF MEXICO DEVELOPMENT AND PRODUCTION

500 DALLAS STREET
HOUSTON, TEXAS 77002
Phone 713-609-5481
Fax 713-609-5608
dpowell@hess.com

VIA OVERNIGHT MAIL

November 17, 2005

Minerals Management Service
Gulf of Mexico OCS Region
Attention: Mr. Alex Alvarado
1201 Elmwood Park Boulevard
New Orleans, Louisiana 70123-2394

RE: Contango Operators, Inc.'s Application for Proposed 4.5-inch Gas Pipeline
Crossing Amerada Hess Corporation's Abandoned 4-inch Pipeline Segment No. 6500
Eugene Island Area, Block 24
Gulf of Mexico

Gentlemen:

Amerada Hess Corporation (AHC) has received Contango Operators, Inc.'s Application for Proposed 4.5-inch Gas Pipeline that crosses Amerada Hess Corporation's (AHC) abandoned 4-inch pipeline segment No. 6500 in Eugene Island Area, Block 24. This is to advise that AHC has no objection to Contango Operators, Inc.'s application.

Very truly yours,

Amerada Hess Corporation

Don Powell

cc: Mr. Marc Duncan - Contango Operators, Inc.
Cheryl Murphy - Connor Consulting, Inc.

DLP/20051112

Minerals Management Service
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NOV 18 2005

Office of Field Operations
Pipeline Section

BS
1543

State of Louisiana



KATHLEEN BABINEAUX BLANCO
GOVERNOR

SCOTT A. ANGELLE
SECRETARY

DEPARTMENT OF NATURAL RESOURCES
OFFICE OF COASTAL RESTORATION AND MANAGEMENT

November 3, 2005

Marc Duncan
President & Chief Operating Officer
Contango Operating, Inc.
3700 Buffalo Speedway, Suite 960
Houston, TX 77098

RE: **C20050580**, Coastal Zone Consistency
Contango Operating, Inc.
Minerals Management Service
Federal License or Permit
Installation of a 4.5" Bulk Gas Pipeline Right-of-Way from Eugene Island Block 10 Location
A to Eugene Island Block 24 Structure "A", Gulf of Mexico, **Offshore Louisiana**

Dear Mr. Duncan:

The above referenced project has been reviewed for consistency with the approved Louisiana Coastal Resources Program (LCRP) as required by Section 307 of the Coastal Zone Management Act of 1972, as amended. The project, as proposed in the application, is consistent with the LCRP.

If you have any questions concerning this determination please contact Brian Marcks of the Consistency Section at (225)342-7939 or 1-800-267-4019.

Sincerely,

Jim Rives
Acting Administrator

JR/JH/bgm

cc: MMS ATTENTION PIPELINE APPROVALS
Bonnie Johnson, MMS 5412
Ronnie Duke, NOD-COE
Cheryl Murphy, J. Connor Consulting, Inc.

Minerals Management Service
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NOV 14 2005

**Office of Field Operations
Pipeline Section**

PIPELINE APPLICATION ENGINEERING ANALYSIS

Report Run Date: 12/27/2005

Engineer: Bimal Shrestha

Permit Number: 15432

Permit Type: ROW Application

Application Date: 10/10/2005

Pipeline Masters

Segment Number	15432	--- ORIGIN ---	--- DESTINATION ---
Row Number	G26949	ID Name: Cais #1	ID Name: A
Row Status Code		Area/Block: EI/ 10	Area/Block: EI/ 24
Row Permittee Name	Contango Operators, Ir	Lease Number:	Lease Number:
Row Permittee Code	02503	Protraction No. LA4	Protraction No.
Operator Name	Contango Operators, Ir		
Operator Code	02503	Design Type	BRACELET
Approval Code	R	Anode Composition	GALIII
Approval Authority	I	Cathodic Life time	46
Status Code	PROP	Digitized Data Flag	N
Size Code	04	Bi-Directional Flag	
Product Code	BLKG	Old Pipe Flag	N
Oil/Condensate API		Surface Tie-in Seg No.	
H2S Concentration		Surface Tie-in MAOP	0
Alt Product Code		Subsea Tie-in Seg No.	
Fed Segment Length	7598	Subsea Tie-in MAOP	0
Fed+State Offshore Length	7598	Assigned MAOP	3705
Minimum Water Depth	17		
Maximum Water Depth	17		
Burial Designator Flag	Y		

Technical Data

Segment Number	15432	Authority Code I	Application Number 15432
Originating Area Block EI	10	Product Code BLKG	Application Type RWAP
Destination Area Block EI	24		

Flange and Valve Data

Valve Max Temperature (F): 100

Flanges ANSI 1500# 3705 psig

Valves ANSI 1500# 3705 psig

Cathodic Protection Data

Design Type: BRACELET

Anode Type: GALIII

Anode Weight(lbs): 23

Anode Spacing(ft): 500

Anode Life(yrs): 46

Tie-in Data

Subsea Segment

Surface Segment

Operational Data

Max Source Press(psi): 10500

Design Gas Capacity(mmscfpd): 15

Design Oil Capacity(bldpd): 150

Hydrostatic Test Data

	Proposed	Actual	Test	Max Test
	H.T.P	H.T.P	Duration	H.T.P
	(psig)	(psig)	(hrs)	(psig)
				(S*0.95)
Pipelines	5557			5976
Deprt Rsrs	5557			7399
Recv Rsrs	5557			7399
Flanges	5557			5575
Valves	5557			5575

Collapse Data

Water Depth(ft) Min: 17 Max: 17

External Pressure Min: 7.548 Max: 7.548

Collapse Pressure(psi): 6124

Safety Factor: 811.3

Buried: Y

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Volume Data

Pipe Section Length: 7598

Max Pipeline Volume (bbls): 185

Specific Gravity Data

Bare Pipe S.G.	Weighted Pipe S.G.	WEIGHT Thick (in)	COATING Density (pcf)
2.12	2.12	0	0

	Size (in)	Wall Thickness	Grade	SMYS (S) (psig)	(S*0.72) Riser (S*0.6) (S*0.5)	Pipe Type	MAOP (psig)
Pipelines	4.5	.337	X-42	6291	4529	STND	4529
Dep't Rsrs	4.5	.337	X-52	7788	4673 3894	STND	4446
Recv Rsrs	4.5	.337	X-52	7788	4673 3894	STND	4446
Assigned MAOP							3705

Permit Applications

Number	Permit Type	Application Dt	Received Dt	ROW No.	Engineer	Operator
15432	ROW Application	10/10/2005	10/19/2005	G26949	Bimal Shrestha	Contango Operators, Inc

Pipeline Description:

A 4-1/2-inch bulk gas right-of-way pipeline, 1.44 mile long, from well number 1 in Eugene Island Area Block 10 to platform A in Eugene island Area Block 24.

Pipeline Submittals

Submittal Type	Application Dt	Sub Recv'd Dt	Sent To Type	Sent to Sign	Final Action	Final Action Dt
	10/10/2005	10/19/2005				
	12/13/2005	12/13/2005				

Pipeline Segments

Segment No	Size	Product	Orig Area/Block	Orig ID Name	Dest Area/Block	Dest ID Name
15432	04	BLKG	EI/ 10	Cais #1	EI/ 24	A

All Reviews

Review Name	Sent Date	Received Dt	Requested Dt	Completed Dt	Reviewer
Application Completeness Review	10/19/2005				
Adjudication Review	11/02/2005	11/07/2005	11/18/2005	11/07/2005	987
Hazards Review (Geological and Ge)	11/02/2005	12/20/2005	11/18/2005	12/20/2005	787
Leasing and Environment Pipeline)	11/02/2005		11/18/2005	11/22/2005	895
Louisiana Pipeline CZM Review	11/02/2005	11/14/2005	11/21/2005	11/18/2005	875
Archaeological Review	11/16/2005	11/16/2005	11/26/2005	11/21/2005	766
NEPA (1) Determination Type Revie	11/16/2005	11/16/2005	11/26/2005	11/16/2005	895
Adjudication Review	12/13/2005	12/13/2005	12/29/2005	12/13/2005	443
Pipeline Engineers Review	11/02/2005	12/27/2005		12/27/2005	875

Platforms

Complex ID	Structure No	Structure Name	Area/Block	Install Date	Removal Date
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Application Fees

Application Fee	\$ 2,350.00				
Rental Fee	\$ 15.00	Rent Period 1	Unit ML	Length of ROW 1.44	Total Rent \$ 30.0
Total Application Fees	\$ 2,380.00				
Check Info					

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*
*   Proposed Pipeline Application Review Report
*
*   Segment number: 15432
*   Right_of_Way Number: G26949
*   Application Date: 10/10/2005 0:00:00
*   Operator: Contango Operators, Inc.
*   Operator Code: 02503
*
*   Review User: shresthb
*   Review Run Date: Tue Dec 27 07:09:01 2005
*
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----- The Proposed Pipeline Pass Following Blocks -----
-                               EI10                               -
-                               EI24                               -
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(1) Blocks and Leases

Area	Lease No.	Status	Operator
EI24	G02893	PROD	Union Oil Company of California
EI10	G23851	PRIMRY	Contango Operators, Inc.

(2.1) --- Crossed Pipelines ---

Seg.No.	Row No.	Area	Product	Status	H2S	Operator-Lease/ROW Holder-ROW
6555	G05153	EI 10~EI 24	GAS	ACT	N	Transcontinental Gas Pipe Line Corporation
10193	G14275	EI 23~EI 10	BLKO	ABN	N	Canadarko E&P Company LP
6500	G05143	EI 10~EI 23	OIL	ABN	N	Amerada Hess Corporation
13978		EI 24~EI 24	BLKG	ACT	N	Union Oil Company of California

(2.2) --- Nearby Pipelines ---

Seg.No.	Row No.	Area	Product	Status	H2S	Operator-Lease/ROW Holder-ROW
6480	G05136	EI 24~EI 11	GAS	ACT	N	Enbridge Pipelines (East Texas) L.P.
6509	G05142	EI 24~EI 23	OIL	ACT	N	Union Oil Company of California
6547		EI 24~EI 24	BLKO	ABN	N	Union Oil Company of California
6548		EI 24~EI 24	BLKO	PABN	N	Union Oil Company of California
6549		EI 24~EI 24	BLKO	PABN	N	Union Oil Company of California
13663		EI 24~EI 24	BLKO	OUT	N	Union Oil Company of California

NO

(10) MMS District
Lafayette

(11) U.S. Coast Guard
Morgan City COTPZ

(17) CZM cheking
louisiana CZM is required