Nexen Petroleum

Miguel I. Flores
Director, Water Quality Protection Division
EPA Region 6
1445 Ross Avenue
Suite 1200
Dallas, Texas 75202

Re: Nexen Petroleum U.S.A. Inc., OCSG 22968 Well # 1; Green Canyon Area/Block 504; Permit No. GMG 290056

Dear Mr. Flores:

On behalf of Nexen Petroleum U.S.A. Inc. ("Nexen"), I am sending you this letter to inform you of safety issues relating to monitoring of the cooling water intake during drilling of OCSG 22968 Well # 1; Green Canyon Area/Block 504. The permit reference number is GMG 290056. Nexen submitted an original Notice of Intent ("NOI") under the General Permit for the Western Gulf ("Permit") of Mexico January 22, 2010, and a supplemental NOI on June 22, 2011.

The issue that has arisen is that the Permit requires visual inspections or use remote monitoring devices during the period the cooling water intake structure is in operation. However, as discussed in more detail below, this will create a hazardous situation. By this letter we are (1) notifying you of this situation, and (2) requesting an alternative approach to monitoring the cooling water intake.

The unit conducting the drilling of the well is the Ensco 8502 owned by Ensco International Incorporated ("Ensco"), which is a Mobile Offshore Drilling Unit (MODU). Dynamically positioned MODUs such as the Ensco 8502 require the use of thrusters for dynamic positioning of the vessel. The thrusters must be used during drilling to keep the vessel in position and connected to the well.

We were informed recently by Ensco representatives that the monitoring would be a safety risk. The use of the thrusters during drilling makes visual monitoring or remote monitoring by Remotely Operated Vehicles (ROV) unsafe. The location of the sea chest is in close proximity to the thrusters. In order to perform the visual inspection, the MODU would be required to shut down one or two quadrants of thrusters. This action may not allow the MODU to stay in position. This would present an unsafe condition that could result in the MODU drifting off and disconnection during the drilling process which could spill thousands of barrels of mud into the water.

In order to confirm that the cooling water intake does not contain blockage, it is proposed that Ensco periodically monitor the pump pressure to confirm that the intake is not blocked. Ensco would monitor differential pressure across the strainer and clean it when differential pressure is equal to 5 PSI as per routine preventative maintenance procedures. Periodic visual inspection can be performed between drilling periods where drifting off course and disconnection are not a safety or well control issue. During these periods, the visual inspections can be performed using an ROV or divers.

We would propose a meeting at your earliest convenience or the convenience of your staff to discuss this situation and the proposed alternative monitoring approach.

We greatly appreciate your consideration and look forward to our meeting.

Sincerely,

Richard Johnston
Vice President of Drilling and Completions
Nexen Petroleum U.S.A. Inc.

cc: Isaac Chen, EPA Region 6
Robert Houston, EPA Region 6
Adam Rubin, Nexen Petroleum U.S.A. Inc.
Richard Davis, Nexen Petroleum U.S.A. Inc.
Scott D. Deatherage, Patton Boggs