

Plains Exploration & Production Company

Revisions to the Platform Hidalgo Development and Production Plan to Include Development of the Western Half NW/4 of Lease OCS-P 0450

Accompanying Information Volume Cementing Program and Muds and Cuttings

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This application for revisions to the Platform Hidalgo DPP is for development of the western half NW/4 of OCS-P 0450.

1.0 Cementing Program

A cementing system will be used to force cement down the well to seal the annulus between the casing and the hole or between concentric casing strings. The cementing program details are provided in Table 1.

2.0 Mud System

A mud system is used to control well pressure, lubricate the drill pipe and bit, and return drill cuttings to the surface. In addition, muds containing additives not approved by the EPA, or containing concentrations above EPA limits will be taken ashore via boats. Attachment B provides a more detailed description of the mud equipment. Attachment C contains the estimated mud composition for a sample well (C-16).

Mud monitoring equipment will be installed and maintained for all drilling below the 24-inch diameter conductor casing, primarily for the purpose of well control. The equipment includes: sensors, which continuously record mud pit level and flowline flow; alarms at the driller's station will indicate lost circulation displacement volume; and on-bottom kicks.

The trip tank monitors fluid gain or loss from the wellbore while the drill string is being pulled out of the hole.

Table 1 Cementing Program Details C-16

Casing Diameter (in)	Туре	Seawater or Fresh	Density (ppg)	Yield, (cft/sack)	Top of Cement ¹ (feet) MD	Openhole Excess (%)	Number of Sacks	Blend
24	Lead	Seawater	14.28	1.64	543 (mudline)	100	1,347	Type III + 10% A-10 + 1 ghs FP-6L
18.625	Lead	Seawater	14.2	1.64	0	100	1,068	Type III + 10% A-10 + 1 ghs FP-6L
13.375	Lead	Seawater	12.5	2.28	0	50	1,914	Type III + 10% bwoc BA-90 + 0.75% bwoc EC-1 + 6% bwoc LW-6 + 0.25 lbs/sack Cello Flake + 0.2% bwoc CD-32 + 15 lbs/sack LCM-1 + 0.7% bwoc FL-62 + 1 ghs FP-6L + 0.5% bwoc Sodium Metasilicate + 91.9% Sea Water
13.375	Tail	Seawater	16	1.14	5,000	50	487	Class G + 6 ghs sack R- 21L + 1 ghs FP-6L + 2 ghs ASA-301L + 5 ghs CD-32L + 20 ghs FL-67L + 41.8% Sea Water
9.625	Lead	Seawater	16.0	1.14	10,000	25	2426	Class G + 6 ghs R- 21L + 1 ghs FP-6L + 2 ghs ASA-301L + 5 ghs CD-32L + 20 ghs FL-67L + 41.8% Sea Water
7	Lead	Seawater	13.5	1.29	16,480	29	460	Class G + 8 ghs R-21L + 1 ghs FP-6L + 2 ghs ASA-301L + 5 ghs CD-32L + 20 ghsFL-67L + 68.6% Sea Water

^{1.} Measured from rig floor. Numbers assume Platform Hidalgo.

Nomenclature: ghs – gallons per 100 sacks of cement

cft/sack – cubic feet per sack of cement

A-10 – liquid thixotropic additive

CD-32 – dispersant

Cello – Flake – cellophane flakes for lost circulation CD-31L – liquid cement dispersant, friction reducer

LCM-1 lost circulation material

R-21L – liquid retarder FL-67L – liquid fluid loss

ppg – pounds per gallon

FP-6L – liquid foam preventer

BA-90 – liquid free water control and anti setting agent

CD-32L – liquid dispersant

EC-1 – bond improver

FL-62 – fluid loss

LW-6 – microspheres to reduce weight Sodium Metasilicate – Cement extender

ASA-301L - liquid anti-setting

As is evident by the lengthy production history of Point Arguello Field, it is not expected that any shallow gas will be encountered. Diligent efforts will be maintained to keep the wellbore full of fluid whenever possible.

3.0 Drilling Fluids and Cutting Disposal

The estimated water based cuttings and drilling fluid volumes for C-16 is 19,773 bbls and for C-17 is 19,087 bbls. The information is based on use of an environmentally acceptable water base drilling fluid. All water-based drill cuttings and drilling fluid will be discharged into the ocean in accordance with the current approved NPDES permit assuming they contain concentrations below EPA approved limits. Table 2 provides an estimate of the properties of the water based drilling fluids that will be used for the drilling program.

Table 2 Proposed Water Based Drilling Fluid Properties

Property	Drill Hole Size					
	30"	22''	17 1/2"	12 1/4''	8 1/2"	
MW, ppg	8.8 – 10.0	9.0 – 10.5	9.0 – 10.5	9.0 – 10.5	8.8 – 9.0	
Plastic Viscosity (cp)	12 - 20	12 - 20	12 - 20	ALAP	ALAP	
Fluid Loss (cc 30 min)	NC	<20	<6	4 - 8	4 - 8	
Yield Point (lb/100ft2)	20 - 30	20 - 30	15 - 25	10 - 16	10 - 16	
Solids Content	<8 LGS	<8 LGS	<8 % LGS	< 5 % LGS	< 5 % LGS	
Mud Components	Seawater MI Gel Soda Ash	Seawater MI Gel Soda Ash Polypac Sodium Bicarb	Seawater MI Gel SP101 Soda Ash Polypac Lube167	ULTRAHIB ULTRACAP ULTRAFREE Duovis Polypac M-I BarDefoam X	ULTRAHIB ULTRACAP ULTRAFREE Duovis Polypac M-I Bar Defoam X	

ALAP-as low as possible