Joint Information Center News Release





WALTER OIL & GAS CORPORATION

July 26, 2013

Media Inquiries: (504)736-2595

Response Efforts Continue for Loss of Well Control Event

HOUMA, LA - The Unified Command, made up of the Bureau of Safety and Environmental Enforcement (BSEE), U.S. Coast Guard, and Walter Oil & Gas Corporation (Walter), continues oversight and coordination in response efforts to secure the South Timbalier 220 natural gas Well A-3.

The Unified Command continues to analyze and review all options for a safe resolution to the incident. Response teams are working towards completing the site assessment to ensure the safety of personnel. Once that determination is made, gas detectors and high-capacity water jet fire monitors will be installed on the rig for contingency purposes. BSEE is approving procedures for preparation work that includes site debris clearance necessary for well intervention. Well intervention work at South Timbalier 220 will be conducted from a barge adjacent to the well.

BSEE is reviewing Walter's permit application to drill a relief well, which includes proposals for the cement and casing programs. Casing is a series of steel pipes used to prevent the well bore from collapsing. **C**ement holds the casing in place.

Walter has contracted the Rowan EXL-3 jack-up rig to potentially drill a relief well. The rig is scheduled to be under tow to the South Timbalier Block 220 area this afternoon. A relief well is drilled to intercept the target well. Once intercepted, drilling mud followed by cement will be pumped into the well to secure it.

Earlier today, BSEE conducted aerial observations. A slight sheen continues to be detected on the water's surface and is dissipating quickly. U.S. Coast Guard is maintaining a 500-meter safety zone around the site. Currently, firefighting and other marine vessels are on site with personnel from Walter, Hercules, and other professional engineering contractors, and relevant federal agencies. Safety of personnel and protection of the environment remain the top priorities during response operations.

BSEE's investigation into the cause of the loss of well control continues in coordination with the Coast Guard.

The Joint Information Center will continue to issue daily updates. Media inquiries should be directed to 504-736-2595.

BACKGROUND:

Walter experienced a loss of control of Well A-3 at approximately 8:45 a.m. July 23 on an unmanned platform at South Timbalier Block 220 while doing completion work on the sidetrack well to prepare the well for production. The operator reported the safe evacuation of 44 personnel from the Hercules 265 jack-up rig. Coast Guard confirmed that the leaking natural gas ignited at 10:45 p.m. CDT July 23. BSEE confirmed July 25 that the well flow subsided after a natural bridging process suppressed the fire.