



Terms of Reference NPT Review of Macondo 20" Open Hole Mud Loss Event

Incident Overview

At 23:30 hours of February 17, 2010, the Macondo project being executed by the Transocean Deepwater Horizon, suffered complete loss of mud returns resulting in a 5 1/2 day, \$5.4 MM NPT event. The immediate cause of this event is an ECD that exceeded the fracture gradient of a marl located from 78' to 271' below the 18" casing shoe. For the purpose of this investigation the event ended when the annular was opened with the well static at 15:30 hours on February 23, 2010.

Purpose

Conduct an investigation of the response to the mud loss event to determine the relative effectiveness of actions taken to mitigate the losses during the NPT event. Also the investigation team will document lessons learned and make follow up recommendations for future events of a similar nature.

Objectives/Scope

- Identify all facts and possible (immediate and system) causes from the well operations that contributed to the NPT event.
- Identify areas for improvement concerning mud loss events in shales or marls.
- Make recommendations to improve lost circulation material/pill mixing procedures, training, and rig site readiness.
- The team will use the NPT one pager to document the lessons learned.
- The investigation team leader reports to David Sims, E&A Drilling Team Leader and to Doug Chester Wells Team Leader - Drilling Excellence.

Investigation Team

John LeBleu – Investigation Team Lead (BP Drilling Fluids Engineer)
Mark Hafle – E&A Drilling Engineer
Mark Alberty – Senior Advisor Pore Pressure / Rock Mechanics, EPTG

Additional Resources

Brett Coteles - E&A Operations Drilling Engineer
Brian Morel – E&A Drilling Engineer
Doyle Maxie - M-I SWACO Project Engineer
Leo Linder - M-I SWACO Drilling Fluid Engineer
Andres Diaz – Drilling Fluids Engineer
Jianguo Zhang - Rock Mechanics / Fluids Specialist, EPTG
Randall Sant - Pore Pressure Specialist, EPTG
Paul Johnson - Deepwater Horizon Rig Manager, Transocean
Don Vidrine - Deepwater Horizon Well Site Leader
Ronnie Sepulvado - Deepwater Horizon Well Site Leader

The target date for a draft written report is May 5th 2010

EXHIBIT #

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