

**To:** O'Donnell, Alan[Alan.O'Donnell@anadarko.com]  
**Cc:** Bryan, Jim[Jim.Bryan@anadarko.com]; Durkee, Todd[Todd.Durkee@anadarko.com]; Hollek, Darrell[Darrell.Hollek@anadarko.com]; Strife, Stuart[Stuart.Strife@anadarko.com]  
**From:** Huch, Nick  
**Sent:** Tue 11/24/2009 1:52:00 PM  
**Importance:** Normal  
**Sensitivity:** None  
**Subject:** RE: BP's Macondo (MC 252) Well Cost Update  
**Categories:** urn:content-classes:message

Alan - for purposes of re-running economics, let me clarify for you the deal terms and our cost bearing %.

APC bears 33.33% of the first \$105.71MM (being 110% of the \$96.1MM original AFE) plus 25% of all costs thereafter. So therefore:

In 2009, APC's net cost share will be  $(.3333) (\$80\text{MM}) = \$26.67\text{MM}$   
In 2010, APC's net cost share will be  $(.3333) (\$25.71\text{MM}) + (.25)(\$24.29\text{MM}) = \$14.64\text{MM}$   
Total = \$41.31MM net to APC on an estimated \$130MM gross well cost.

Let me know if you have any questions about that.

Nick Huch  
GOM - Land  
Phone: Ext. - 63018

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**From:** O'Donnell, Alan  
**Sent:** Monday, November 23, 2009 10:00 PM  
**To:** Hollek, Darrell; Strife, Stuart; Huch, Nick  
**Cc:** Bryan, Jim; Durkee, Todd  
**Subject:** Re: BP's Macondo (MC 252) Well Cost Update

we will rerun the economics asap.

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Alan O'Donnell  
281-874-8769

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**From:** Hollek, Darrell  
**To:** Strife, Stuart; Huch, Nick  
**Cc:** O'Donnell, Alan; Bryan, Jim; Durkee, Todd  
**Sent:** Mon Nov 23 19:12:47 2009  
**Subject:** Re: BP's Macondo (MC 252) Well Cost Update

We will be doing just that. Obviously this will have a huge negative impact



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**From:** Strife, Stuart  
**To:** Huch, Nick  
**Cc:** Hollek, Darrell; O'Donnell, Alan; Bryan, Jim; Durkee, Todd  
**Sent:** Mon Nov 23 18:38:34 2009  
**Subject:** Re: BP's Macondo (MC 252) Well Cost Update

Doesn't sound good to me, even though it is probably economic. Need to rerun and check materiality.

Stuart

On Nov 23, 2009, at 6:28 PM, "Huch, Nick" <[Nick.Huch@anadarko.com](mailto:Nick.Huch@anadarko.com)> wrote:

With the damage to BP's rig that was drilling Macondo, BP estimates that the total Macondo well costs will be ~\$130MM (up from the original \$96.1MM AFE amount). Of that \$130MM, BP's estimates that ~\$80MM or so will be spent in 2009 for already sunk drilling costs plus the rig repair and the remaining ~\$50MM to be spent in 2010 to conclude the drilling operations.

As Jim mentioned in a prior email, we still haven't signed the deal with BP and will wait to get further feedback from management on this issue.

Nick Huch  
GOM - Land  
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