Anadarko Petroleum Corporation

AUTHORIZATION FOR EXPENDITURE

Company Code: 0010 **AFE No:** 2039692 **AFE Type:** DE - DRILLING - EXPLORATORY
Midstream Capital Type: **Future Allocation Required:** NO
Well #/Name: 1C842300 / MISSISSIPPI CANYON 252 001 **Field:** 0990 WILDCAT (EXPLORATN)
Country: USA **State/Province:** NORTHERN GULF OF MEX **County:** MISSISSIPPI CANYON
AFE Project Manager: TRAUTMAN, TIM **AFE Coordinator:** WENDY RODRIGUEZ
Hierarchy Area: MISSISSIPPI CANYON EXPLORATION **Operator AFE#:**

Prospect: **Surface Loc:** MISSISSIPPI CANYON 252
Target Zone: MIOCENE **Bottom Hole Loc:** MISSISSIPPI CANYON 252
Project Depth:
Project Name: MISSISSIPPI CANYON 252 001 MACONDO

Project Description: PRELIMINARY AFE FOR 2009 ACCRUAL PURPOSES ONLY. SUPPLEMENT TO FOLLOW WITH FULL WELL DETAIL.
DRILL AND EVALUATE THE MISSISSIPPI CANYON 252 001 WELL ON THE MACONDO PROSPECT. THE WELL IS ESTIMATED TO REQUIRE ~77 DAYS AND THE OBJECTIVE DEPTH HALL BE THE FIRST TO OCCUR OF THE FOLLOWING A) 19,561' TVD SS; B) DEPTH SUFFICIENT TO ENCOUNTER THE FIRST IN-SITU OCCURRENCE OF THE FORAMINIFERA ROBULUS L OR ITS STRATIGRAPHIC EQUIVALENT; OR C) AN ONSET OF PRESSURE BEYOND 18,561' TVD SS THAT REQUIRES A NEW CASING STRING TO CONTINUE DRILLING.
SUPPLEMENT #2 INCLUDES FUNDS TO FINISH THE DRILLING, EVALUATION, AND ABANDONMENT OF THE MACONDO EXPLORATION WELL. THIS WELL WAS PARTIALLY DRILLED WITH THE TRANSOCEAN MARIANAS RIG BETWEEN 10/1-12/20/09. DUE TO DAMAGE FROM HURRICANE IDA COSTS ARE INCLUDED FOR RIG REPAIR. THE WELL WILL BE FINISHED WITH THE TRANSOCEAN DW HORIZON RIG IN Q1 2010.

Comments:

Anadarko NRI: 0.27083000

Working Interest Owner	Operator	WI	Amount
BP EXPLORATION & PRODUCTION INC	X	0.00000000	$0
ANADARKO PETROLEUM CORP.		0.32101000	$39,805,240
OTHER WORKING INTEREST OWNERS		0.67899000	$84,194,760
TOTAL		1.00000000	$124,000,000

Amount Authorized (Gross):	$124,000,000	**Amount Authorized (Net):**	$39,805,240

	DRL.DHC	Total
ORIGINAL	$60,000,000	$60,000,000
SUPP 01	$36,100,000	$36,100,000
SUPP 02	$27,900,000	$27,900,000
Total	$124,000,000	$124,000,000

5558
Exhibit No. _____
Worldwide Court Reporters, Inc.

NOT FOR EXTERNAL DISTRIBUTION

Exhibit "C" – Macondo Well Plan and AFE
Attached to the Lease Exchange Agreement dated October 1, 2009, among BP Exploration Production Inc., Anadarko E P Company LP and Anadarko Petroleum Corp

bp

AUTHORIZATION FOR EXPENDITURE

SAP NO:	X2-000X8
BP(GOM)	YES BP(GOM)X - Exploration
BP(GOM) COST CENTER	

DATE PREPARED:	28-Aug-2009	FINANCIAL MEMO NO:	GoM-SPU-FM-2009-5
OPERATOR:	BP	AFE NO:	X2-000X8
LEASE/UNIT/FACILITY:	OCS-G-32306	START DATE:	1-Oct-2009
LEASE/FAC FLAC ID:	Mississippi Canyon 252	END DATE:	20-Dec-2009
WELL DESC/NAME/NO:	MC 252 #1	SURFACE LOCATION:	X=1,202,803 Y=10,431,617
WELL FLAC:		BOTTOM HOLE LOC:	X=1,202,803 Y=10,431,617
BUSINESS UNIT:	GoMX	PRPSD TOTAL DEPTH:	19,561' TVD SS*
BP, ET. AL. WORKING INTEREST:	75.000%	COUNTY/STATE:	Offshore - GoM / LA
JOINT OPRTG AGRMNT NO:		OPERATING FIELD:	Macondo - Wildcat
SAP COST CENTER:		HORIZON: (formation/prospect)	Miocene

CAPITAL

Project ID:	X2 Exploratory Drilling
Project TYPE	B6 Capital - Exploration Authority
EXP COMPONENT	02 Exploration Well Costs
REPLACEMENT ACCOUNTING	Component Replacement - YES

EXPENSE

Project ID:	

WELL TYPE - If Applicable
Oil Well
Exploratory Well

FIELD TRIAL - Required
Not A Field Trial

COPAS Overhead - Required
Drilling

PROJECT DESCRIPTION/COMMENTS — **Project Name: Macondo (MC 252 #1)**

Authority is requested to fund the drilling and evaluation of the Macondo exploration well. This well will be drilled with the Transocean "Marianas " semi-submersible in 4,992' of water. Six (6) strings of casing are planned to be run to reach TD. Also included is a contingency expandable liner, risked at 50%. Abandonment costs are also included in this AFE. The well is designed as a "keeper," and in the success case, the well will be temporarily abandonded for future completion. The well is estimated to require ~ 77 days and $96.1M to drill and temporarily abandon. *Objective Depth shall be the first to occur of the following: (a) 19,561' TVD SS; (b) a depth sufficient to encounter the first in-situ occurrence of the foraminifera Robulus L, or its stratigraphic equivalent, as encountered at 24,220' MD in the MC 696 #1 well (OCS-G 16641); or (c) an onset of pressure beyond 18,561' TVD SS that requires a new casing string to continue drilling.

WORKING INTEREST OWNERS	Initial WI %	Final WI %	WI COST	NOTES
BP, et. al.	66.667%	75.000%	$ 64,066,987	
Anadarko**	33.333% ***	25.000%	$ 32,033,013	***Until Objective Depth or 110% of Total Costs described herein, whichever occurs first
			$ -	
**Anadarko E&P Company LP and			$ -	
Anadarko Petroleum Corporation	Total 100%	Total 100%	Total Costs $ 96,100,000	

TANGIBLE / INTANGIBLE	DESCRIPTION	ESTIMATED GROSS COST: PROJECT / PRODUCER	ESTIMATED GROSS COST: DRY HOLE
INTANGIBLE	Rig MOB, prep, drill, evaluate, and abandonment costs	$ 87,457,000.00	$ 87,457,000.00
TANGIBLE	Tubular (36", 28", 22", 18", 16", 13-5/8", 11-7/8" cont. and wellhead costs	$ 8,643,000.00	$ 8,643,000.00
	TOTAL PROJECT COST	$ 96,100,000.00	$ 96,100,000.00

PROJECT CONTACTS:	NAME	TITLE	EMAIL	PHONE
	Mark Hafle	Drilling Engineer	mark.hafle@bp.com	281-366-4237
	Andreas M. Kraus	D&C Project Services Team Lead	andreas.m.kraus@bp.com	281-366-4763

NOTICE TO NONOPERATOR: Costs shown are estimates only. Nonoperators should not consider these estimates as establishing any limit on the monies which will be required to perform the proposed operation. Overhead will be charged in accordance with the Joint Operating Agreement.

PARTNER APPROVAL: YES _____ NO _____ DATE _____

COMPANY NAME / NONOPERATOR: _____

PRINT NAME: _____ TITLE: _____

SIGNATURE: _____

ADDITIONAL APPROVALS:	PRINT NAME	SIGNATURE	DATE
AFE ORIGINATOR:	Mark Hafle		
DRILLING MANAGER:	Ian Little		
COMMERCIAL	Xuemei Liu		
PERFORMANCE UNIT LEADER	Jay Thorseth		
VICE PRESIDENT - GoM EXPLORATION	David Rainey		
DOA (Delegation of Authority)	Verified Yes ____ No: ____	Initial:	
FINANCIAL TREATMENT	Verified Yes ____ No: ____	Initial:	

Form 115 Rev: 11.21.07

CONFIDENTIAL REDACTED ANA-MDL-000002059

BP GoM Deepwater Exploration

Macondo Prospect (Basis of Design)

OPERATOR:	BP PARTNER: TBD	DATE:	7/30/2009 Rev 9
WELL NAME:	MC 252 #1, MACONDO PROSPECT, OCS-G-32306	PTD:	19,650' MD/TVD
FIELD / PROSPECT:	WILDCAT AREA: OFFSHORE STATE LA	RF ELEV:	89' (Marianas) WD: 4992'
SURFACE LOCATION:	X=1,202,803.88 Y=10,431,617.00	PBHL:	X=1,202,803.88 Y=10,431,617.00
OBJECTIVE ZONE(S):	M56	RIG:	Transocean Marianas

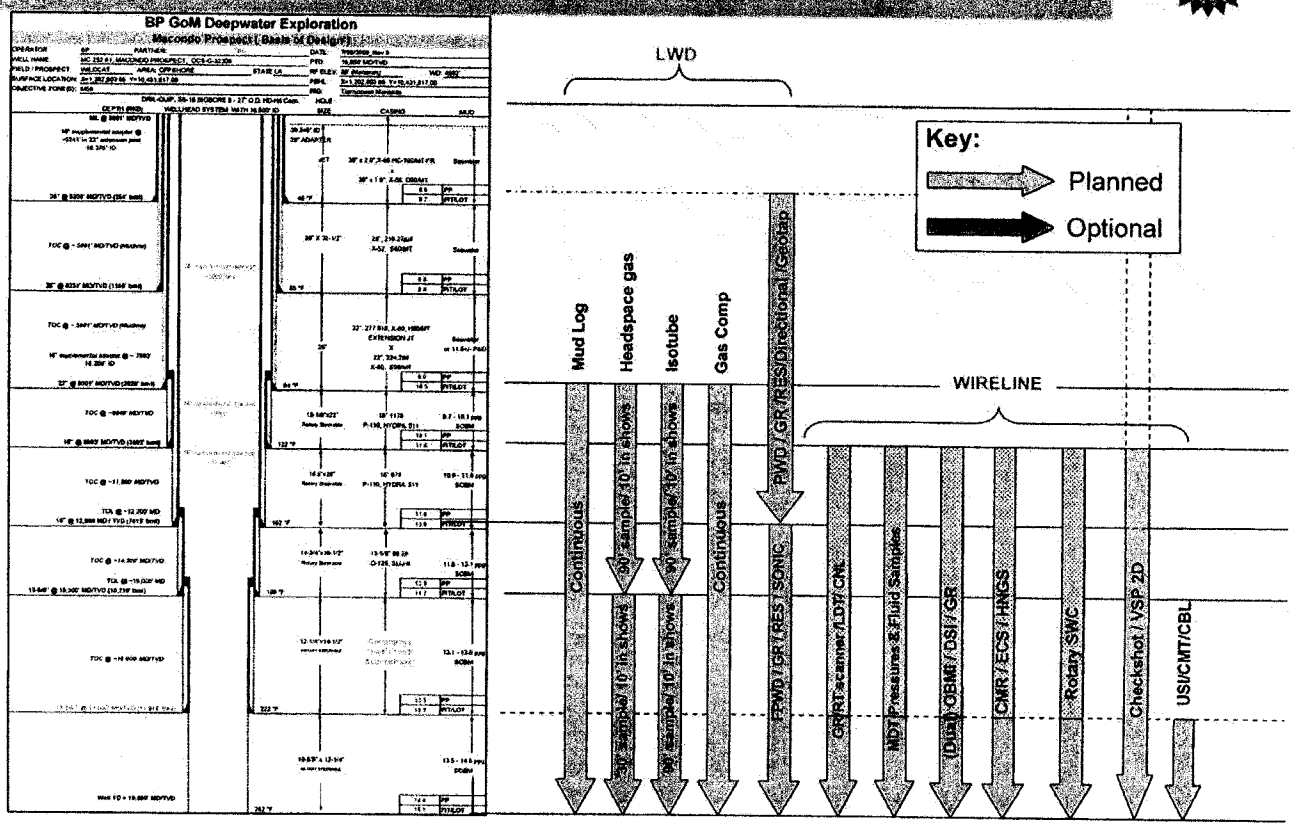
DRIL-QUIP, SS-15 BIGBORE II - 27" O.D. HD-H4 Conn.

DEPTH (RKB)	WELLHEAD SYSTEM WITH 16,500" ID	HOLE SIZE	CASING	MUD
ML @ 5081' MD/TVD 16" supplemental adapter @ ~5241' in 22" extension joint 18.375" ID		30.240" ID 26" ADAPTER JET	36" x 2.0" X-65 HC-100/MT-FR x 36" x 1.5", X-56, D90/MT	Seawater
36" @ 5335' MD/TVD (254' bml)		48 °F	8.6 PP 8.7 FIT/LOT	
TOC @ ~ 5081' MD/TVD (Mudline)	16" rupture/burst disk sub ~1000' bml	26" X 32-1/2"	28", 218.27ppf X-52, S60/MT	Seawater
28" @ 6231' MD/TVD (1150' bml)		65 °F	8.6 PP 9.8 FIT/LOT	
TOC @ ~ 5081' MD/TVD (Mudline) 18" supplemental adapter @ ~ 7503' 18.250" ID		26"	22", 277.01#, X-80, H90/MT EXTENSION JT X 22", 224.28# X-80, S90/MT	Seawater or 11.5+/- P&D
22" @ 8081' MD/TVD (2920' bml)		94 °F	9.0 PP 10.3 FIT/LOT	
TOC @ ~8040' MD/TVD	16" rupture/burst disk sub ~9000'	18-1/8"x22" Rotary Steerable	18" 117# P-110, HYDRIL 511	9.7 - 10.1 ppg SOBM
18" @ 8983' MD/TVD (3902' bml)		122 °F	10.1 PP 11.8 FIT/LOT	
TOC @ ~11,500' MD/TVD	16" rupture/burst disk sub ~10,400'	16.5"x20" Rotary Steerable	16" 97# P-110, HYDRIL 511	10.6 - 11.8 ppg SOBM
TOL @ ~12,200' MD 16" @ 12,500 MD / TVD (7419' bml)		162 °F	11.6 PP 13.6 FIT/LOT	
TOC @ ~14,300' MD/TVD TOL @ ~15,000' MD		14-3/4"x16-1/2" Rotary Steerable	13-5/8" 88.2# Q-125, SLIJ-II	11.8 - 13.1 ppg SOBM
13-5/8" @ 15,300' MD/TVD (10,219' bml)		199 °F	12.9 PP 14.7 FIT/LOT	
TOC @ ~16,000' MD/TVD		12-1/4"x14-1/2" ROTARY STEERABLE	Contingency 11-3/4" x 13-5/8" Expandable Liner	13.1 - 13.5 ppg SOBM
11-3/4" @ 17,000' MD/TVD (11,919' bml)		222 °F	13.3 PP 15.2 FIT/LOT	
Well TD = 19,650' MD/TVD		10-5/8" x 12-1/4" ROTARY STEERABLE 262 °F		13.5 - 14.6 ppg SOBM 14.4 PP 16.1 FIT/LOT

CONFIDENTIAL REDACTED ANA-MDL-000002060

Macondo Well Evaluation Plan

bp



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Geologic Program

Version 2.0 **Date:** Jan 14, 2010

Revision #:

	Macondo			
Well Name	Mc 252 #1			
Area/Block (Field)	MC Block 252			
OCS-G #	32306			
AFE #				
APC WI%	100%			
Exploration / Development	Exploratory			
Water Depth	4,992	**Datum:**	Sea level	0
Proposed Surface Location	X=1202803, Y=10431617 1041' FEL & 6940' FNL, MC BLK 252			
Proposed Bottomhole Location	X=1202803, Y=10431617 1041' FEL & 6940' FNL, MC BLK 252			
Total Depth of Well – TVD / MD	**TVD:**	19,650	**MD:**	19,650
Number of Objectives	2			

		Zone 1	**Zone 2**	**Zone 3**	**Zone 4**
Objective Name(s)		MM7(M56 Sd)	MM7 (M55 Sd)		
Target Depth	**TVD**	18,460	19,050		
	MD	18,460	19,050		
Target Location X:		1,202,803	1,202,803		
Target Location Y:		10,431,617	10,431,617		
Dip angle and azimuth					
Target Tolerance		100'	100'		

	Geologic Top	**TVD**	**MD**	**Subsea**
Anticipated Geologic Tops (MD,TVD,SS)	T/ MM 9	14,450	14,450	-14,361
	T/ MM7	16,850	16,850	-16,761
	T/ Cyclo Floridan.	17,340	17,340	-17,251
	T/ M56 Sd	18,460	18,460	-18,371
	T/ M55 Sd	19,050	19,050	-18,961
	T/ MM 5	19,260	19,260	-19,171
Anticipated Geopressure				

	Throw	**TVD**	**MD**	**Subsea**
Anticipated Faults				

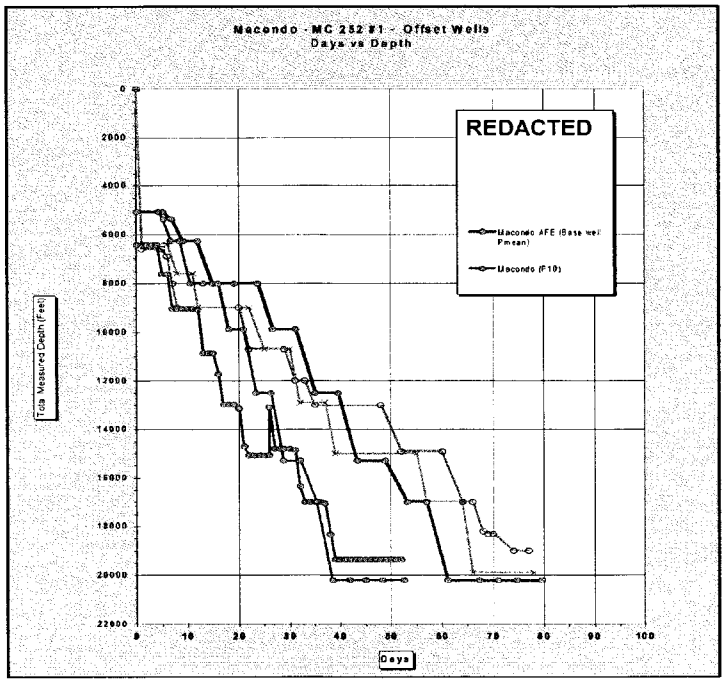
Geologic Attachments

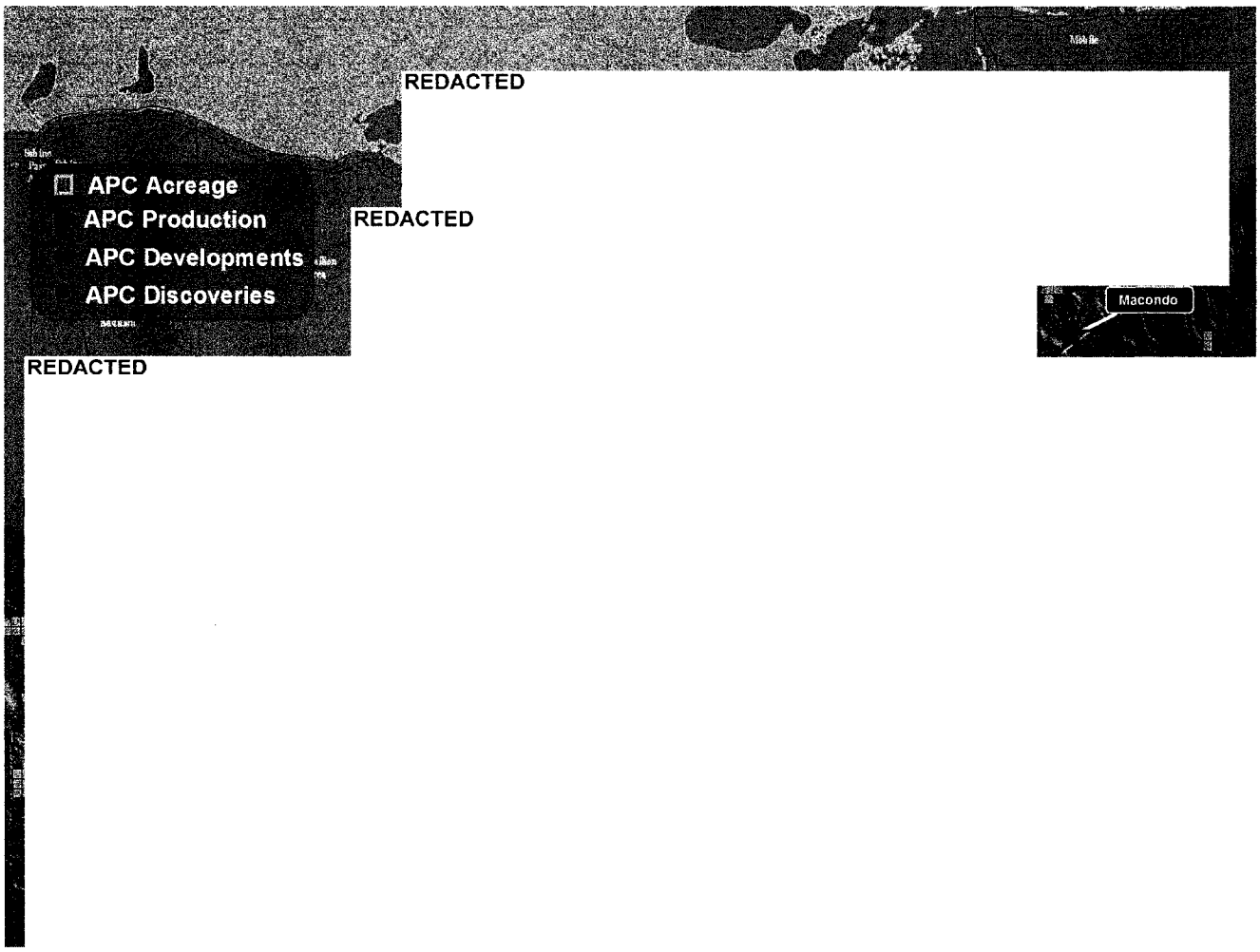
Structure Map Horizons	Depth Structure Map T/ M56 Sd		
Target Section Type Log	BP, MC 562 #1, (Isabela Discovery)		
Cross Section / Stick Section	X-Section Thru Prop. Loc.		
Well Path Seismic Line	Key Seismic Line thru P.L.		
Key Offset Correlation Logs	**Well Name**	**Operator**	**Data Type (i.e. Logs, Scout Tickets, etc)**
	MC 252 #1	BP Expl.& Prod.	Logs,
Directional Plan			

Formation Evaluation Requirements

Mud Logging Unit (Services & intervals required) Shale densities / Prssure detection	Full mudlogging services including pressure detection at 9000' to TD		
Drill Cuttings Samples (Set and intervals required)	2 sets of cuttings starting at 9000'		
Paleo Data (Forams, Nannos or both) include intervals needed. **Samples to be sent in daily during target sections & in TD hole section**	Paleo Data, both Forams & Nannos from 9000' to TD.		
Logging Program		**Logs**	**Depths**
	MWD/LWD Requirements	GR/Res/I-Sonic/Dens/Neu/ GeoTap	9000' To TD
	Open Hole – Primary	Quad Combo, RT scanner, SWC's, MDT w/ fluids	17000' to TD
		Checkshot /VSP	9000' To TD
	Open Hole - Optional	CMR/ OBMI	17000' to TD
Coring (Conventional, Sidewall-percussion or Rotary)	30 SWCs thru main targets M55 & M56 (18400' to 19200' MD). 30 additional as needed. Optional rotary cores as determined by operator.		
Special Core / Petrographic Analysis			
RFT / MDT Requirements (Samples, pressures and intervals)	MDTs thru main targets (20 pressures & 4 fluids minimum)		
Velocity Survey			
Special Instructions			
Additional Information	This well has been previously drilled to 9000' by BP, and will continue with different Rig on March 30th.		

Well Plan


Macondo - MC 252 #1 - Offset Wells
Days vs Depth
REDACTED
Macondo AFE (Base well Pmean)
Macondo (F10)
Total Measured Depth (Feet)
Days
0
2000
4000
6000
8000
10000
12000
14000
16000
18000
20000
22000
0
10
20
30
40
50
60
70
80
90
100


REDACTED
APC Acreage
APC Production
APC Developments
APC Discoveries
REDACTED
Macondo
REDACTED

Macondo Prospect Summary

(BP prospect submittal)

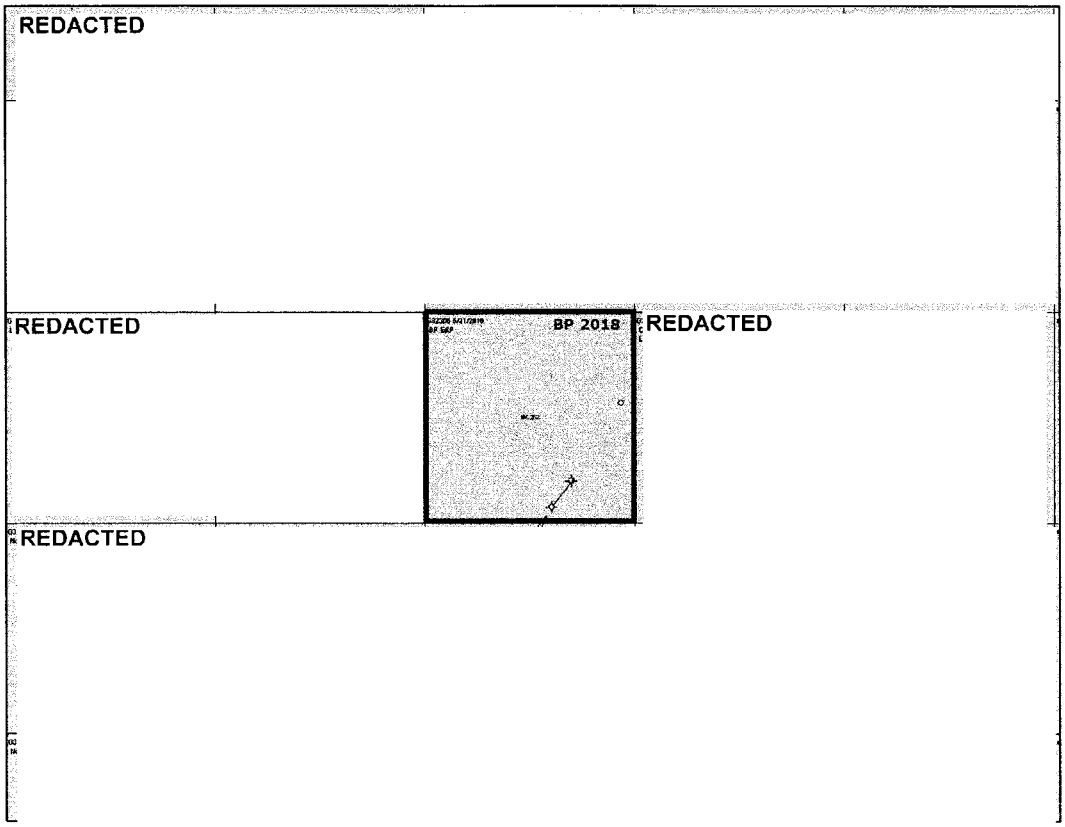
- **Location:** MC 252, WD= 4900'
- **Primary Target:** Lower Miocene (MM7/MM5)
- **Depth to Target:** 18800' TVD, PTD=19,650'MD/TVD
- **Trap:** 4-way closure w/ strong amplitudes
- **Analogies:** REDACTED
- **Reserve Range:** 8.8 MMBOE to 150 MMBOE (Mean 60 MMBOE)
- **Development:** Two additional development wells w/ Tie back to the Pompano Facility
- **Costs:** $100MM DHC, $50MM Comp., Total Project=$850MM
- **Trade:** BP is looking for a 25% WI partner to take a 3 for 1 promote
- **Status:** BP will operate using the Marianas rig (underway)

Anadarko Petroleum Corporation

Summary

- Pursue an emerging play-type (LM sands) that has been driven by BP in the area
- Quick oil tie-back to an existing facility (rig underway)
- Extends the life of the Pompano facility - defer decommissioning expenditures
- Strong Economic case

Block Ownership



REDACTED

Tie-back Opportunities

Anadarko Petroleum Corporation

REDACTED

BP - Macondo

REDACTED

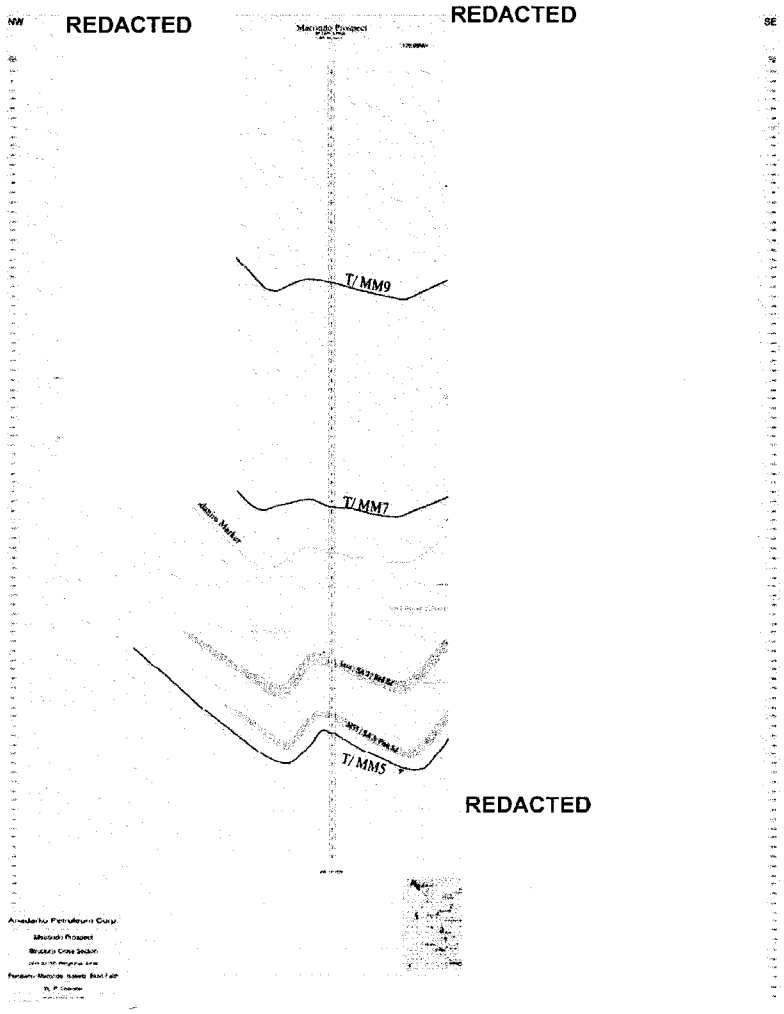
Prospects

Facilities

REDACTED

Macondo Prospect

Regional Cross Section



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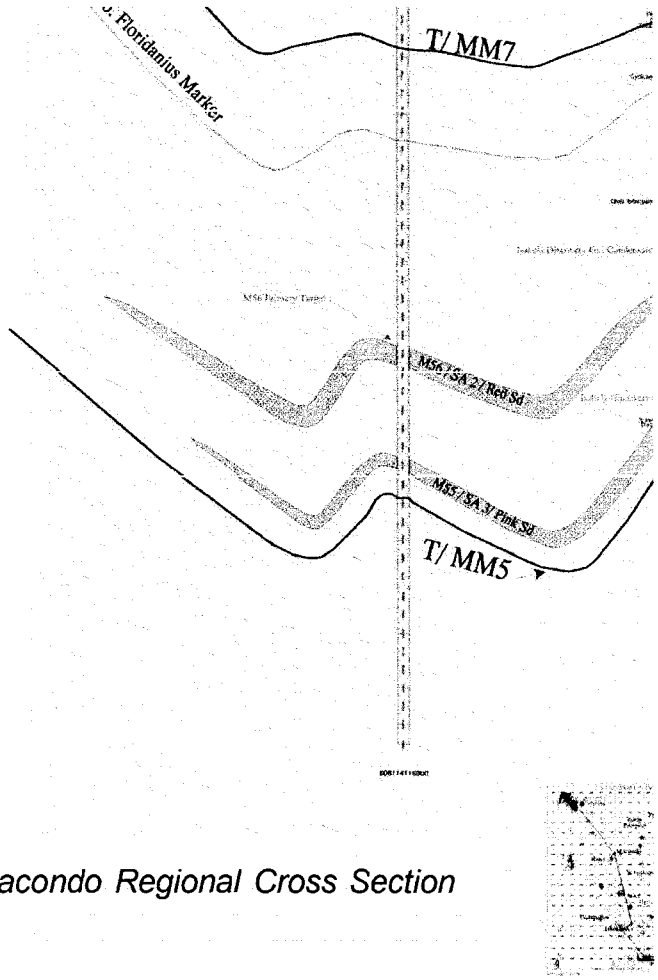


Macondo Regional Cross Section

NW REDACTED

Macondo Prospect

REDACTED SE

<22.59MI> <20.95MI>

T/MM9

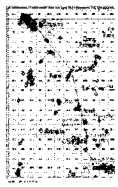
T/MM7

Floridanus Marker

M56 / SA 2 / Red Sd

M55 / SA 3 / Pink Sd

T/MM5



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Macondo Prospect

Structural Cross Section

NW to SE Regional Line

Pompano-Macondo-Isabela-Blind Faith

By P. Chandler

*Preferred number to call

POSITION	CONTACT PERSON	OFFICE	HOME	PAGER /CELL	FAX	EMAIL
			REDACTED			
Anadarko						
Development Manager	Alan O'Donnell	832-636-8769				**Alan.ODonnell@anadarko.com**
Development Geophysicist	Glenn Raney	832-636-8847				Glenn.Raney@anadarko.com
Development Geologist	Paul Chandler	832-636-8762				Paul.Chandler@anadarko.com
Operations Geologist	John Kamm	832-636-8410				John.Kamm@anadarko.com
Drilling Supervisor	Todd Durkee	832-636-8734				Todd.Durkee@anadarko.com
Technical Support	Rebecca Isbell	832-636-2881				Rebecca.Isbell@anadarko.com
Reservoir Engineer	Dawn Peyton	832-636-1747				Dawn.Peyton@anadarko.com
Land	Nick Huch	832-636-3018				Nick.Huch@@anadarko.com
Drilling Engineer	Josh Nichols	832-636-3487			832-636-9677	Josh.Nichols@anadarko.com
Petrophysicist	Brian O'Neil	832-636-1599			832-636-8036	Brian.Oneill@anadarko.com
Exploration Engineer	Bert Allbritton	832-636-8344				Bert.Allbriton@anadarko.com
Exploration Geophysicist	Derek Folger	832-636-3146				Derek.Folger@anadarko.com
Exploration Geologist	Forrest Burton	832-636-2967				Forrest.Burton@anadarko.com