

From: Beirne, Michael  
Sent: Tue Oct 27 22:15:04 2009  
To: Hafle, Mark E  
Cc: Ritchie, Bryan; Howe, Kemper  
Subject: RE: Macondo AFE and Well Plan  
Importance: Normal  
Attachments: Macondo AFE and Well Plan.pdf

FYI, attached is copy of what they got. Slimmed down version of the slides you sent.

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**From:** Beirne, Michael  
**Sent:** Tuesday, October 27, 2009 5:12 PM  
**To:** Hafle, Mark E  
**Cc:** Ritchie, Bryan; Howe, Kemper  
**Subject:** FW: Macondo AFE and Well Plan

Mark,  
Assume you would be the best one to bring in on a phone call? Or better yet, can you provide them a breakdown of the costs? Of course, it would be all pre-drill. Maybe we can get ahead of some of their questions.

Thanks,  
Mike

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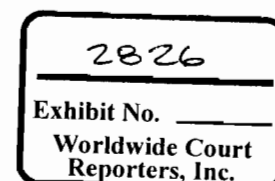
**From:** Huch, Nick [mailto:Nick.Huch@anadarko.com]  
**Sent:** Tuesday, October 27, 2009 3:20 PM  
**To:** Beirne, Michael  
**Subject:** RE: Macondo AFE and Well Plan

Thanks Mike, I'll send it around.

Does BP not have a detailed cost breakdown representing how the cost of 96.1MM is derived? Could you provide me a name a number of BP's drilling contact because I know we're going to have questions from our drilling group?

Thanks,

Nick Huch  
GOM - Land  
Phone: Ext. - 63018



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**From:** Beirne, Michael [mailto:Michael.Beirne@bp.com]  
**Sent:** Tuesday, October 27, 2009 2:45 PM  
**To:** Huch, Nick  
**Subject:** Macondo AFE and Well Plan

Nick,

Attached is the Macondo AFE and Well Plan. Let me know if you are having trouble viewing and I will see if I can get a better copy to you. I will give you a call to discuss.

<<Macondo AFE and Well Plan.pdf>>

Best regards,

**Michael J. Beirne**

Offshore Land Negotiator

**BP Exploration & Production Inc.**

Gulf of Mexico

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Houston, TX 77079

Direct 281-366-1634

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# AUTHORIZATION FOR EXPENDITURE

SAP NO:	<b>X2-000X8</b>
BP/GOAL	YES BP/GOAL - Exploration
BP/GOAL COST CENTER	

CAPITAL	
Project ID:	X2 Exploratory Drilling
Project TYPE	BB Capital - Exploration Authority
E&P COMPONENT	02 Exploration Well Costs
REPLACEMENT & REPAIRS	Component Replacement - YES

EXPENSE	
Project ID:	

WELL TYPE - If Applicable	
Oil Well	
Exploratory Well	
FIELD TRIAL - Required	
Not A Field Trial	
COPAS Overhead - Required	
On/Off	

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:	19,650' MD/TVD
BP WORKING INTEREST:	100.000%	COUNTY/STATE:	Offshore - GoM / La
JOINT OPRTG AGRMNT NO:		OPERATING FIELD:	Macondo - Wildcat
SAP COST CENTER:		HORIZON:	Miocene
		(formation/prospect)	

PROJECT DESCRIPTION/COMMENTS	Project Name: Macondo ( MC 252 #1 )
<p>Authority is requested to fund the drilling and evaluation of the Macondo exploration (ILX) well. This well will be drilled with the Transocean "Marianas " semi-submersible in 4,992' of water. The well will be vertically drilled. 6 strings of casing are planned to be run to reach TD. Also included is a contingency expendable 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 abandoned for future completion. The well is estimated to require ~ 77 days and \$96.1M to drill and temporarily abandon.</p>	

WORKING INTEREST OWNERS	Initial WI %	Final WI %	WI COST	NOTES
BP	100.000%	100.000%	\$ 96,100,000	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
Total	100%	Total 100%	Total Costs \$ 96,100,000	

TANGIBLE / INTANGIBLE	DESCRIPTION	ESTIMATED GROSS COST	
		PROJECT / PRODUCER	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 Haffle	Drilling Engineer	mark.haffle@bp.com	281-366-4237
	Andreas M. Kraus	D&C Project Services Team Lead	andreas.m.kraus@bp.com	281-366-4763

**PARTNER APPROVAL:** YES \_\_\_\_\_ NO \_\_\_\_\_ DATE: \_\_\_\_\_

**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.

**COMPANY NAME / NONOPERATOR:** \_\_\_\_\_

**PRINT NAME:** \_\_\_\_\_ **TITLE:** \_\_\_\_\_

**SIGNATURE:** \_\_\_\_\_

ADDITIONAL APPROVALS:	PRINT NAME	SIGNATURE	DATE
AFE ORIGINATOR:	Mark Haffle	_____	_____
DRILLING MANAGER:	Ian Little	_____	_____
COMMERCIAL:	Xuemel Liu	_____	_____
PERFORMANCE UNIT LEADER:	Jay Thorseth	_____	_____
VICE PRESIDENT - G&M EXPLORATION:	David Rainey	_____	_____
DOA (Delegation of Authority)	Verified Yes _____ No _____	Initial: _____	_____
FINANCIAL TREATMENT	Verified Yes _____ No _____	Initial: _____	_____

# 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: WMLDCAT	AREA: OFFSHORE	STATE: LA
SURFACE LOCATION: X=1,202,803.88 Y=10,431,617.00	RF ELEV: 89' (Marianas)	WD: 4992'
OBJECTIVE ZONE(S): M56	PBHL: X=1,202,803.88 Y=10,431,617.00	RIG: Transocean Marianas

DEPTH (RKB)	WELLHEAD SYSTEM WITH 18.500" ID	HOLE SIZE	CASING	MUD
ML @ 5081' MD/TVD 15" supplemental adapter @ ~5121' in 22" extension joint 18.375" ID		30.240" ID 28" ADAPTER		
36" @ 5361' MD/TVD (280' bml)		JET	36" x 2.0", X-65 HC-100MT-FR	Seawater
			36" x 1.5", X-56, D90/MT	
		46 °F		8.6 PP 8.7 FIT/LOT
TOC @ ~ 5081' MD/TVD (Mudline)		26" X 32-1/2"	28", 218.27ppf X-52, S90/MT	Seawater
28" @ 6275' MD/TVD (1194' bml)	16" rupture/burst disk sub ~1000' bml	65 °F		8.6 PP 8.8 FIT/LOT
TOC @ ~ 5081' MD/TVD (Mudline)			22", 277.01#, X-80, H90/MT EXTENSION JT	Seawater or 11.5+/- P&D
18" supplemental adapter @ ~ 7600' 18.250" ID		26"	22", 224.28# X-80, S90/MT	
22" @ 8000' MD/TVD (2919' bml)		94 °F		9.3 PP 11.1 FIT/LOT
TOC @ ~8900' MD/TVD	16" rupture/burst disk sub ~9000'		18-1/8"x22" Rotary Steerable	10.0 - 10.6 ppg SOBM
18" @ 9900' MD/TVD (4819' bml)		122 °F	P-110, HYDRIL 511	10.4 PP 12.3 FIT/LOT
TOC @ ~11,500' MD/TVD	16" rupture/burst disk sub ~10,400'		16 5"x20" Rotary Steerable	10.6 - 11.6 ppg SOBM
TOL @ ~12,200' MD 18" @ 12,500' MD / TVD (7419' bml)		162 °F	P-110, HYDRIL 511	11.6 PP 13.6 FIT/LOT
TOC @ ~14,300' MD/TVD			14-3/4"x16-1/2" Rotary Steerable	11.8 - 13.1 ppg SOBM
TOL @ ~15,000' MD 13-5/8" @ 15,300' MD/TVD (10,219' bml)		199 °F	13-5/8" 88.2# Q-125, SLIJ-II	12.9 PP 14.7 FIT/LOT
TOC @ ~16,000' MD/TVD			12-1/4"x14-1/2" ROTARY STEERABLE	13.1 - 13.5 ppg SOBM
11-3/4" @ 17,000' MD/TVD (11,919' bml)		222 °F	Contingency 11-3/4" x 13-5/8" Expandable Liner	13.3 PP 15.2 FIT/LOT
Well TD = 19,650' MD/TVD			10-5/8" x 12-1/4" ROTARY STEERABLE	13.5 - 14.6 ppg SOBM
		262 °F		14.4 PP 16.1 FIT/LOT

X2-000X8\_MACONDO\_Wellhead\_JOA.XIS

10/27/2009

