

From: Wardlaw, O. Kirk
Sent: Tue Dec 15 16:29:37 2009
To: Beirne, Michael
Subject: RE: Macondo Rig Update and revised AFE
Importance: Normal

Answers are fine.

Yes, please keep me in the loop. Helps me stay plugged in.

Thank You

O. Kirk Wardlaw
Chief Land Negotiator
281-366-4171
wardlaok@bp.com

From: Beirne, Michael
Sent: Tuesday, December 15, 2009 8:29 AM
To: Wardlaw, O. Kirk
Subject: RE: Macondo Rig Update and revised AFE

Kirk,
Any issues with my comments in red? I am double checking with you on everything MOEX due to sensitive nature of the relationship. Let me know if you do not want to be contacted on small things such as these.

Thanks,
Mike

From: Naoki Ishii [mailto:naoki_ishii@moexus.com]
Sent: Tuesday, December 15, 2009 12:01 AM
To: Beirne, Michael
Cc: Wardlaw, O. Kirk
Subject: RE: Macondo Rig Update and revised AFE

Mike,

Thank you for your response.



1. When do you estimate will BP resume drilling the Macondo? Has the Horizon Rig been utilizing for other well now? If so, when do you estimate will the Horizon Rig be available for the Macondo? Our best estimate to resume drilling at Macondo is Feb./March 2010. The Horizon is currently being utilized on BP's Kodiak well (MC 727) .
2. When are you going to submit the AFE to MOEX? We understand that it is 100% sure that the cost will exceed the permitted over-expenditure. We will submit a supplemental AFE once we have certain clarity on the rig that will be utilized and the timing.

We understand that there might be uncertainties but would like to hear BP's current best estimates on these. Thank you for your help.

Regards,
Naoki

From: Beirne, Michael [mailto:Michael.Beirne@bp.com]
Sent: Monday, December 14, 2009 5:43 PM
To: Naoki Ishii
Cc: Wardlaw, O. Kirk
Subject: RE: Macondo Rig Update and revised AFE

Ishii-san,
Apologies for not getting back to you sooner. I have provided the requested information in red below.

Please give me a call with any questions or concerns.

Thanks,
Mike

From: Naoki Ishii [mailto:naoki_ishii@moexus.com]
Sent: Monday, December 14, 2009 2:03 AM
To: Wardlaw, O. Kirk; Beirne, Michael
Subject: Macondo Rig Update and revised AFE
Importance: High
Kirk,
Mike,

I am in Tokyo now and would like to request the followings.

1. Could you give me the updates on the rig for the Macondo? I am supposed to attend the management meeting tomorrow and need to give Kagawa-san and JB the updates on the rig. The Marianas rig repairs are estimated to be completed around December 25, 2009. The decision has been made that we will not utilize the Marianas rig to finish the Macondo well and will release the rig at the end of the contract term (i.e., December 31, 2009) to ENI (who has it

under contract beginning on Jan. 1, 2010). It appears we may utilize Transocean's Horizon rig, which is under contract to BP, to finish the well sometime in the first or second quarter of 2010.

2. Could you give me the updated information on the estimated total cost for the Macondo based on BP's current best estimate? As it is 100% sure that the cost will exceed the AFE which is \$96MM, we need to report how much the cost will be to the management at this moment. We know that BP doesn't know how much the cost will be at this moment but it's OK if it's BP's current best estimate. Nobody can estimate the cost better than an Operator. We need this information as soon as possible. Thank you for your understanding in advance. The estimated total cost is plus or minus \$130 million dollars. Please note there are many moving parts to number and we will advise as we get more clarity.

3.

4.

5. Regards,
Ishii @Tokyo