

From: Huch, Nick
Sent: Wed Apr 14 18:54:22 2010
To: Beirne, Michael
Cc: Naoki Ishii
Subject: RE: Macondo TD & Draft Sub. Op. AFE
Importance: Normal

This email will evidence Anadarko's approval to conclude the drilling of the MC 252 No. 1 BP01 Well (Macondo) at it's current TD of 18,360' MD even though the well has not reached any of the "Objective Depth" criteria defined in the Well Participation Agreement between BP and Anadarko/Kerr-McGee and in Well AFE attached as Exhibit "B" to said Agreement. However, in the event BP concludes that it is safe and prudent to continue drilling to original Objective Depth, Anadarko would not oppose to BP doing so.

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From: Beirne, Michael [<mailto:Michael.Beirne@bp.com>]
Sent: Tuesday, April 13, 2010 11:02 AM
To: Huch, Nick; Naoki Ishii
Subject: Macondo TD & Draft Sub. Op. AFE

Gentlemen:

Due to safety concerns and wellbore integrity issues, BP, as operator, has deemed the Macondo exploratory well as achieving Objective Depth at 18,360' MD. Having both loss zones, and comparatively over-pressured sands in the open hole provided for little to no margin to continue drilling. Currently, we are in the process of evaluating the well in accordance with the approved well plan and AFE.

It is anticipated that we will conclude the evaluation program as early as tomorrow evening at such time we will issue a subsequent operation AFE to set 9 7/8" production casing. To avoid unnecessary rig standby time awaiting an election, we are attaching a copy of the subsequent operation AFE for your review and would appreciate your feedback ASAP. Please note there may be some slight changes to the official AFE once it is issued (e.g., start date, end date, proposed TD); but the cost estimate will be the same.

Please let me know if you have any questions or concerns.

<<Document.pdf>>

Best regards,

Michael J. Beirne
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