

From: Beirne, Michael  
Sent: Tue Jan 26 14:32:56 2010  
To: Hafle, Mark E  
Subject: RE: Macondo Supplemental AFE  
Importance: Normal  
Attachments: Document.pdf

I have MOEX's signature (see attached) but not Anadarko's currently. Anadarko is obligated to execute the AFE (in the Well Participation Agreement). Note, the AFE looks different in that it has only Kirk's signature and the Kemper's on the Anadarko one. We discussed with the controllers that we did not need to another internal AFE executed.

<<...>>

I will send another follow-up to Anadarko to get an executed AFE. It is just a formality that needs to be cleaned up.

Thanks,  
Mike

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From: Hafle, Mark E  
Sent: Monday, January 25, 2010 2:17 PM  
To: Beirne, Michael  
Subject: RE: Macondo Supplemental AFE  
Mike,

Do we have the original AFE signed by both current partners?  
Mark

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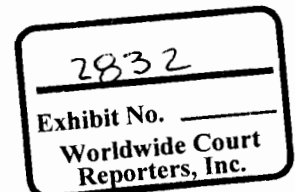
From: Beirne, Michael  
Sent: Monday, January 25, 2010 2:11 PM  
To: Hafle, Mark E  
Subject: Macondo Supplemental AFE  
Mark,

Regarding the Macondo Supplemental AFE, I understand the project services group will be putting together the AFE? If so, can you have them prepare the supplemental so that for the additional amount in which are seeking approval (i.e., the difference between ~\$124 mm and \$96 mm). What we want to avoid is having the AFE set-up for ~\$124 mm in total for approval. The JOA is set-up for approval on an AFE by AFE basis. I will give you a call to discuss.

Thanks,

**Michael J. Beirne**

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**BP Exploration & Production Inc.**  
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michael.beirne@bp.com

## AUTHORIZATION FOR EXPENDITURE

DATE PREPARED: 28-Aug-2009

OPERATOR: BP

LEASE/UNIT/FACILITY: OCS-G-32306

LEASE/FAC FLAC ID: Mississippi Canyon 252

WELL DESC/NAME/NO: MC 252 #1

WELL FLAC: \_\_\_\_\_

BUSINESS UNIT: GoMX

BP WORKING INTEREST: 90.000%

JOINT OPRTG AGRMNT NO: \_\_\_\_\_

SAP COST CENTER: \_\_\_\_\_

FINANCIAL MEMO NO: GoM-SPU-FIA-2009-6

APE NO: X2-000X8

START DATE: 1-Oct-2009

END DATE: 20-Dec-2009

SURFACE LOCATION: X=1,202,803  
Y=10,431,617

BOTTOM HOLE LOC: X=1,202,803  
Y=10,431,617

PRPSD TOTAL DEPTH: 19,561' TVD SS\*

COUNTY/STATE: Offshore - GoM / LA

OPERATING FIELD: Macondo - Wildcat

HORIZON: Miocene  
(formation/prospect)

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

CAPITAL	
Project ID:	X2 - Exploratory Drilling
Project TYPE:	68 Capital - Exploration Authority
ESP COMPONENT:	02 Exploration Well Costs
REPLACEMENT & ACCOUNTING:	Component Replacement - YES

EXPENSE	
Project ID:	

WELL TYPE - If Applicable	
Oil Well	<input type="checkbox"/>
Exploratory Well	<input type="checkbox"/>
FIELD TRIAL - Required	
Not A Field Trial	<input type="checkbox"/>
COPAS Overhead - Required	
Drilling	<input type="checkbox"/>

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. Six (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. "Objective Depth shall be the first of the following to occur: (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 18841); or (c) an onset of pressure beyond 18,561' TVD SS that requires a new casing string to continue drilling</p>	

Working Interest OWNERS	Initial WI %	Final WI %	WI COST	NOTES
BP	90.000%	90.000%	\$ 86,490,000	
MOEX OFFSHORE 2007 LLC	10.000%	10.000%	\$ 9,610,000	
			\$ -	
			\$ -	
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 Haffe	Drilling Engineer	mark.haffe@bp.com	
	Andreas M. Kraus	D&C Project Services Team Lead	andreas.m.kraus@bp.com	

PARTNER APPROVAL: YES ☒ NO ☐ DATE: 11/18/09

NOTICE TO NONOPERATOR: Costs shown are estimates only. Nonoperator 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: MOEX OFFSHORE 2007 LLC

PRINT NAME: N. Ishii TITLE: President

SIGNATURE: *N. Ishii*

SIGNATURE: *O. Kirk Wardlaw* DATE: 11/18/09

BP APPROVAL  
ATTORNEY-IN-FACT  
O. Kirk Wardlaw

# BP GoM Deepwater Exploration Macondo Prospect ( Basis of Design )

OPERATOR: BP PARTNER: TSD DATE: 7/30/2009 Rev 9  
WELL NAME: MC 252 #1, MACONDO PROSPECT, OCS-G-32308 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 PBL: X=1,202,803.88 Y=10,431,617.00  
OBJECTIVE ZONE(S): M58 RIG: Transocean Marianas

DEPTH (RKB)	WELLHEAD SYSTEM WITH 18,500" ID	HOLE SIZE	CASING	MUD
ML @ 5081' MD/TVD 16" supplemental adapter @ ~5241' in 22" extension joint 18.375" ID		30.240" ID 28" ADAPTER		
36" @ 5335' MD/TVD (254' bml)		JET	36" x 2.0", X-65 HC-100/MT-FR	Seawater
TOC @ ~ 5081' MD/TVD (Mudline)		48" F	36" x 1.5", X-58, D90MT	8.6 PP 8.7 FIT/LOT
28" @ 6231' MD/TVD (1150' bml)	15" rupture/burst disk sub ~1000' bml	26" X 32-1/2"	26", 218.27ppf X-52, S80/MT	Seawater
TOC @ ~ 5081' MD/TVD (Mudline)		65" F		8.6 PP 8.8 FIT/LOT
18" supplemental adapter @ ~ 7503' 18.250" ID		26"	22", 277.01#, X-80, H90MT EXTENSION JT	Seawater or 11.5 +/- P&D
22" @ 8001' MD/TVD (2920' bml)		94" F	22", 224.28# X-80, S90/MT	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)	16" rupture/burst disk sub ~10400'	122" F		10.1 PP 11.8 FIT/LOT
TOC @ ~ 11,500' MD/TVD		16.5"x20" Rotary Steerable	16" 97# P-110, HYDRIL 511	10.6 - 11.8 ppg SOBM
TOL @ ~ 12,200' MD 16" @ 12,600 MD / TVD (7419' bml)		162" F		11.6 PP 13.6 FIT/LOT
TOC @ ~ 14,300' MD/TVD		14-3/4"x16-1/2" Rotary Steerable	13-5/8" 86.2# 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 = 19,680' 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

