

From: Hafle, Mark E
Sent: Sun Sep 13 20:10:23 2009
To: Gray, George E
Cc: Sims, David C; Morel, Brian P; Fleece, Trent J
Subject: Macondo Incentive Data
Importance: Normal
Attachments: Macondo Incentive - v1.ZIP

George,
Have a look and we can discuss on Monday if required.
<<...>>

Regards,

Mark Hafle
Drilling Engineer
BP Deepwater GoM
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281-687-8216 (m)

EXHIBIT NO. 3208

CONFIDENTIAL

BP-HZN-2179MDL00263660

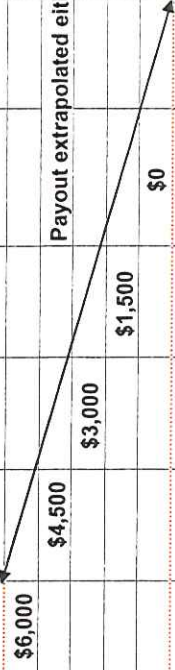
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BP-HZN-2179MDL00263661

		Benchmark Data		Macondo Potential Pay Outs										
		6-8 csg (24 wells)	days/10k	Calculated rig days*										
New Top Quartile	-	23.5		51.8										
1st Quartile	-	29.3		60.2										
Mid point between 1st / 2nd	-	38.77		74.0										
		41.34		77.8										
		43.9												
2nd Quartile	-	48.95												
		52.6												
Mid point between 2nd / 3rd	-	53.68												
		54.13												
3rd Quartile		56.5												
		68.4												
		68.83												
		69.26												
4th Quartile		103.53												
		150												
* Calculated rig days utilizes 5.2 days of pre-spud activity plus 12.34 days of abandonment / demob / demoor														
Calculated rig days = Days/10K * (19650-5081)/10000 + 5.2 + 12.34														
Potential payout based on 265 people: 265 x \$2,000 = \$530,000 265 x \$3,000 = \$795,000 265 x \$6,000 = \$1,590,000 Note: Not to exceed 5% of actual savings														

Payout extrapolated either way

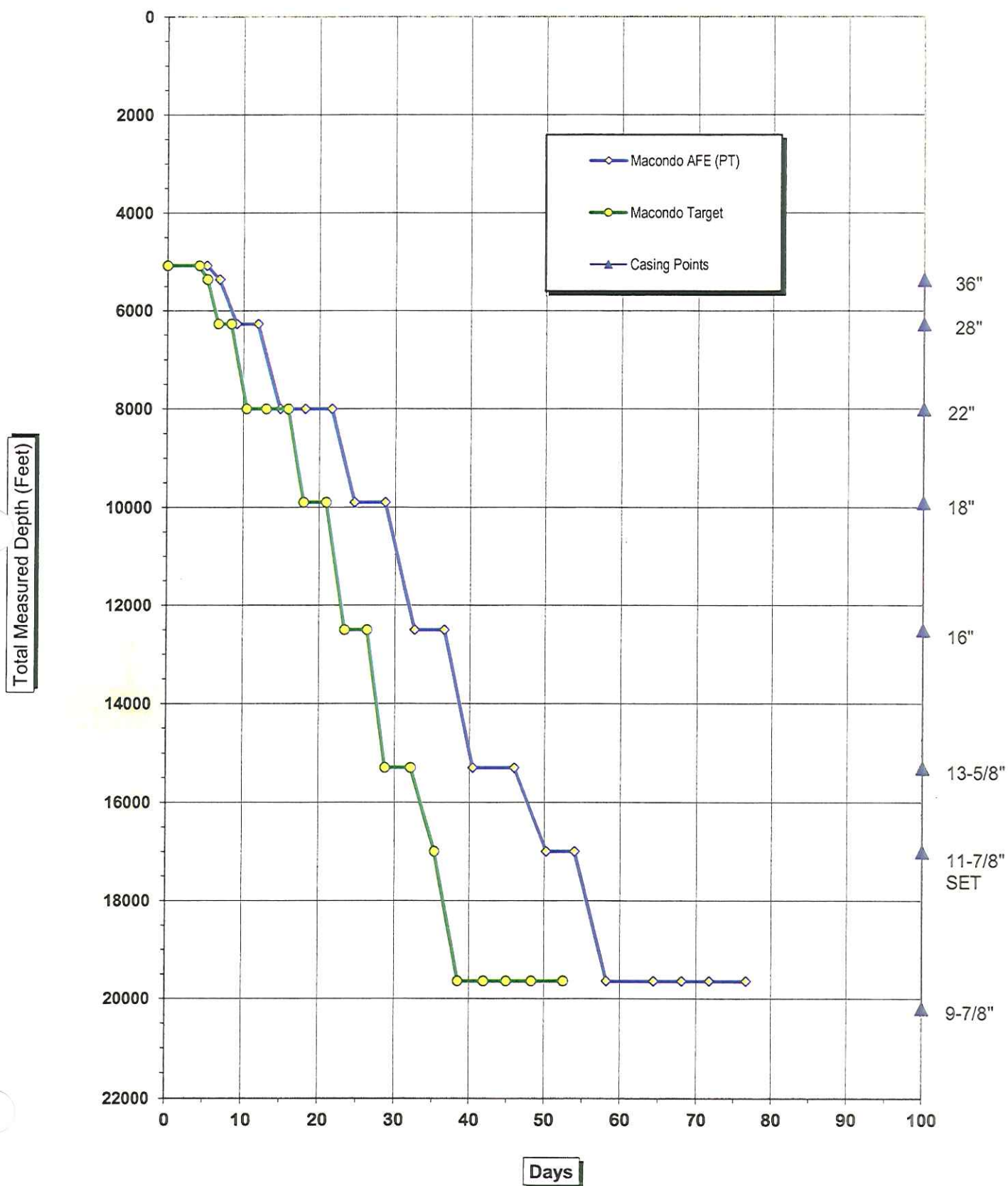


23.50	
28.28	
29.40	
29.41	
30.32	
31.80	
33.95	
38.77	
43.83	44.29
44.75	
46.72	
47.14	
47.61	
48.84	
49.07	
52.33	
53.84	
54.07	
54.08	54.27
54.46	
55.40	
55.42	
55.78	
56.94	
57.22	
57.59	
61.49	
62.89	
62.93	65.66
68.40	
69.57	
69.93	
72.28	
79.41	
93.12	
99.33	
101.71	
112.95	
GoM, 6-8 strings, w&w/o salt, 10-17k	

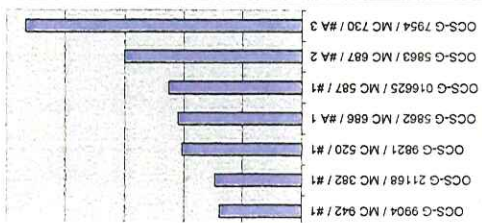
23.50					
25.63					
28.28					
30.32					
32.96					
38.77					
43.90		41.34			
44.75					
48.84					
49.07					
52.60					
53.23		53.68			
54.13					
55.42					
55.78					
57.22					
66.23					
68.40		68.83			
69.26					
73.30					
101.71					
105.35					
113.26					
150.09					
Dropped well #25, 233d/10 well from 1997					
<p>This Data set contains all Mississippi Canyon E&A wells, excluding sub-salt. Drilled interval '10-17k', 6 - 8 casing strings. This data set was also used for the "one pager" supporting the FM and AFE. The actual well will have 6, 7, or 8 strings of casing, but due the PP uncertainty, final number will not be known until well is completed.</p>					

28.3
29.4
30.3
31.8
34.0
38.8
43.8
44.8
46.7
47.1
47.6
48.8
49.1
53.8
54.1
54.5
55.4
55.4
55.8
56.9
57.2
61.5
62.9
68.4
69.6
69.9
72.3
79.4
99.3
101.7
6 strings, no salt, GoM, 10-17k

Macondo - MC 252 #1 - Offset Wells Days vs Depth



Rig Name	Well Depth ft	Spud Depth ft	Q ft	Horiz Disp ft	Max Inclination	Casing String	DHT Days	Drill Days	65.9	Region Best Ditch	MTD ft	TVD ft	Subst	Max Mud Weight	Rig Company	Block	Prospect	SPUD Date	Pressure	Group
OCEAN VICTORY	3,682.00	0.00	15,318.00	0.00	0.00	0	6	38	23.50	28.85	19,078.00	19,078.00 N		18 DODI	506		WRIGLEY	27-Dec-04	17360.08 B	
JIM THOMPSON	3,682.00	3,594.00	18,322.00	0.00	0.00	30	7	41.83	25.63	28.85	20,258.00	19,200.00 N		14 4169 Noble Drilling	935		EUROPA	10-Nov-05	13592.58278 A	
CELTIC SEA	1,894.00	0.00	12,728.00	0.00	0.00	0	6	38	28.28	28.85	14,700.00	15,000.00 N		14.7 DODI	493		STONE/MAKER	21-Jul-03	10534.48 A	
JIM THOMPSON	4,036.00	4,117.00	13,943.00	0.00	0.00	0	7	46.87	30.32	28.85	15,190.00	15,190.00 N		Transocean	755		ANDUN	04-Jan-05		
Ocean America	4,252.00		18,248.00			0	6	63	38.77	28.85	20,568.00	19,600.00 N		14 DODI	838		CROSBY	25-Dec-04	12918.822 A	
JIM THOMPSON	3,682.00	3,844.00	14,606.00			59	7	65	43.90	28.85	18,740.00	14,600.00 N		14 3276 Noble Drilling	935		EUROPA	20-Jul-05	10518.76594 A	
DISCOVERER 534	6,558.00		19,502.00			6	6	47	44.75	28.85	17,138.00	16,500.00 n		13 Transocean	607			20-Sep-07	10781.4 A	
HOVER FERRINGTON	4,668.00		11,057.00			6	54	54	48.84	28.85	15,725.00	15,240.00 N		15 DODI	555			15-Oct-00	9905	
OCEAN CONCORD	1,780.00		13,248.00			6	65	49.07	28.85	15,100.00	17,081.00 N	15,100.00 N		16 DODI	496			04-Jul-98	11355.4 A	
OCEAN CONCORD	2,233.00		14,626.00			7	77	52.60	28.85	17,207.00	15,621.00 N	15,621.00 N		16 DODI	755			17-Jul-97	13787.265 A	
OCEAN CONCORD	2,233.00		14,626.00			7	77	52.60	28.85	17,207.00	15,621.00 N	15,621.00 N		16 DODI	755			04-Aug-99	11778.234 A	
CAJUN EXPRESS	5,229.00	0.00	19,890.00			7	59	54.13	28.85	18,220.00	17,493.00 n	17,493.00 n		12 Transocean	476		RIGEL	26-Sep-03	11147.676 A	
DISCOVERER 534	6,626.00		11,548.00			6	64	55.42	28.85	20,760.00	20,377.00 n	20,377.00 n		12 Transocean	876		DW Core Ex	12-Dec-00	12855.448 A	
DW PATHFINDER	7,792.00		12,509.00			6	72	55.78	28.85	20,850.00	20,850.00 n	20,850.00 n		12 Transocean	739		DW Core Ex	05-Feb-98	12458.3 A	
DISCOVERER 534	6,658.00		13,606.00			6	79	57.22	28.85	15,750.00	15,750.00 N	15,750.00 N		13 DODI	496			30-Aug-01	11875.5 A	
CAJUN EXPRESS	1,637.00		14,041.00			7	93	69.23	28.85	16,800.00	16,800.00 N	16,800.00 N		14 Transocean	553			16-Nov-99	10790 A	
CAJUN ALLIANT	4,525.00		11,959.00			6	82	68.40	28.85	18,200.00	18,200.00 N	18,200.00 N		14 DODI	942		Yamuri	04-Oct-98	12778.4 A	
MARINA	3,525.00		11,959.00			7	86	69.26	28.85	18,200.00	18,200.00 N	18,200.00 N		14 DODI	942		DW Core Ex	01-Sep-01	12377.32 A	
MARINA	3,525.00		12,142.00			7	86	69.26	28.85	18,200.00	18,200.00 N	18,200.00 N		14 DODI	942		DW Core Ex	11-Sep-96	11875.5 A	
DISCOVERER 534	5,432.00		10,717.00			6	109	101.71	28.85	16,710.00	16,710.00 N	16,710.00 N		13 Transocean	696		Blues Image	24-Sep-01	11034.4159 A	
RICHARDSON	5,297.00		11,391.00			7	120	105.35	28.85	14,068.00	14,068.00 n	14,068.00 n		15.6 Transocean	587			23-Nov-97	13403.602 A	
DW HORIZON	2,338.00		11,655.00	233.00		8	132	113.26	28.85	20,573.00	19,101.00 N	19,101.00 N		13 Transocean	730			13-Jan-97	10274.55 A	
RICHARDSON	5,300.00		15,191.00			8	228	150.09	28.85	18,030.00	18,030.00	18,030.00		13 Transocean						
RICHARDSON	5,297.00		12,651.00			7	295	233.18	28.85	18,030.00	18,030.00	18,030.00		13 Transocean						



Macondo D&C Cost Estimate and Benchmarking

Wells Cost Estimate	Cost
Mooring / Mob / Demob	\$ 32.4 MM
Drilling (Inc. MOB & Prep)	\$ 53.8 MM
Evaluation	\$ 6.2 MM
Abandonment	\$ 3.7 MM
Performance Target (PT)	\$ 96.1 MM
Not To Exceed (NTE)	\$ 139.5 MM

Scope:

- Design based off Isabela well
 - 6 casing string (Isabel had 7 strings)
 - Moored rig vs dynamically positioned
 - Contingency casing string risked at 50%
 - PT DCUS based on Isabela w/ NPT removed
- Well TD deepened to evaluate M54 sands
- Abandonment costs included in PT costs

Performance & Learning:

- PT = 39.1 days/10k (77 days):
 - Top of 2nd Quartile
 - Includes 23.6 % NPT
 - No major weather in PT estimate
- Recent Drilling NPT:
 - Isabela 13%
 - Horizon ~21% (Puma / Tiber)
 - Marianas ~ 34% (H2 top drive incident removed)
 - SPU ~34.1% excluding weather (2009 YTD)
- Uncontrollable events excluded from PT estimate (re-spud, BOP, major weather, rig failure)
- Continue good mooring performance
- Rig stack allows for equipment to have extended maintenance and reduces failure risks
- Incorporated learnings from Isabela to optimize well performance & reduce likelihood of expandable liner

Significant Risks to Delivery:

- Weather - hurricane season & loop currents
- Narrow PPFG window / uncertainty
- BOP stack issues
- Riserless section (weather / seas)
- Depleted gas sands in 16" section
- Faulting into high pressure below the M56

NTE (Not to exceed basis):

- P90 - 59 days/10k (122 days)
- Max NTE NPT from DCUS = 47.9%
 - H2 actual = 57%
- Contingency liner required
- Single hurricane or loop current event

