

From: Sims, David C
Sent: Mon Apr 19 21:44:15 2010
To: Morrison, Dale B.
Subject: RE: MMS SOO Request for Kaskida - Horizon Rig
Importance: Normal
Attachments: image005.jpg; image006.jpg; image007.jpg; image008.jpg

Thanks Dale. Sooner we can find out the better as there are wheels turning for Nile.

David

David Sims
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From: Morrison, Dale B.
Sent: Monday, April 19, 2010 4:39 PM
To: Sims, David C; Segal, Lauren B; Jennings, Michael T; Imm, Gary R; Rainey, David I; Grant, James R; O'Bryan, Patrick L; Black, Wes; Walz, Gregory S
Cc: Laplante, Anne-Renee; Tate, Maurice (Marty); Howe, Kemper; Beirne, Michael
Subject: RE: MMS SOO Request for Kaskida - Horizon Rig

All,

I received no further comments...this went out via Fed-Ex today for delivery to the MMS tomorrow. I will follow-up with a phone call later this week to get initial feedback from the MMS.

Thanks,

Dale B. Morrison
Offshore Land Negotiator
Deepwater GoM SPU

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morrisdb@bp.com  Email

From: Morrison, Dale B.

EXHIBIT # <u>1146</u>
WIT: _____

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BP-HZN-2179MDL00003007
BP-HZN-2179MDL00003007

Sent: Monday, April 19, 2010 11:15 AM
To: Sims, David C; Segal, Lauren B; Jennings, Michael T; Imm, Gary R; Rainey, David I; Grant, James R; O'Bryan, Patrick L; Black, Wes; Walz, Gregory S
Cc: Laplante, Anne-Renee; Tate, Maurice (Marty); Howe, Kemper; Beirne, Michael
Subject: MMS SOO Request for Kaskida - Horizon Rig

All,

A couple of additional minor edits & some clean-up.

I spoke to Kemper and he agrees that we should forward this to the MMS this afternoon. Hopefully, they can provide a quick review and gives us an indication of whether they will approve or not prior to us moving to Nile.

If you have any additional comments or modifications would appreciate receiving by 3:00pm.

Thanks,

Dale B. Morrison
Offshore Land Negotiator
Deepwater GoM SPU

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From: Sims, David C
Sent: Friday, April 16, 2010 2:39 PM
To: Morrison, Dale B.; Howe, Kemper
Cc: Segal, Lauren B; Jennings, Michael T; Beirne, Michael; Imm, Gary R; Rainey, David I; Grant, James R; O'Bryan, Patrick L; Laplante, Anne-Renee; Tate, Maurice (Marty)
Subject: RE: Nile and Kaskida 180 day clock

Looks good to me Dale, thanks.

David Sims
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BP-HZN-2179MDL00003008
BP-HZN-2179MDL00003007

From: Morrison, Dale B.
Sent: Friday, April 16, 2010 9:47 AM
To: Sims, David C; Howe, Kemper
Cc: Segal, Lauren B; Jennings, Michael T; Beirne, Michael; Imm, Gary R; Rainey, David I; Grant, James R; O'Bryan, Patrick L; Laplante, Anne-Renee; Tate, Maurice (Marty)
Subject: RE: Nile and Kaskida 180 day clock
David / Kemper, et.al.,

Here is the latest draft of the SOO request letter. I have incorporated all comments received.

For everyone else's info, David & I sat down yesterday and confirmed the dates in the schedules so we believe those dates are reasonable & supportable should we need to submit some back-up to the MMS.

My plan is to send this to the MMS early next week (Monday, but Tuesday at the latest) once I confirm the end date for Macondo operations & get the go-ahead from Kemper.

I just want to emphasize that SOO (particularly now-a-days) are not slam dunks, but I do believe we have made a reasonable case here.

Please let me know if you see any additional glitches or if you have any questions.

Thanks,

Dale B. Morrison
Offshore Land Negotiator
Deepwater GoM SPU

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From: Morrison, Dale B.
Sent: Wednesday, April 14, 2010 11:38 AM
To: Sims, David C; Howe, Kemper
Cc: Segal, Lauren B; Jennings, Michael T; Beirne, Michael; Imm, Gary R; Rainey, David I; Grant, James R; O'Bryan, Patrick L; Laplante, Anne-Renee
Subject: RE: Nile and Kaskida 180 day clock

Kemper/David:

Here is my first pass at the SOO letter. David, as you will see, I will need some help with dates/well names. Generally, I believe the dates (to be further modified by you to accommodate mob/demob and the like) will hang together for the MMS. However, whether or not they approve something like this is anyone's guess at this point. While the Nile P&A timing is critical path to us, the MMS unit group may not see it that way and suggest that that operation be delayed to avoid the issuance of an SOO.

Please give me a call if you want to discuss.

Thanks,

Dale B. Morrison
Offshore Land Negotiator
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From: Sims, David C
Sent: Monday, April 12, 2010 8:05 AM
To: Morrison, Dale B.; Howe, Kemper
Cc: Segal, Lauren B; Jennings, Michael T; Beirne, Michael; Imm, Gary R; Rainey, David I; Grant, James R; O'Bryan, Patrick L
Subject: RE: Nile and Kaskida 180 day clock

Dale, see below.

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From: Morrison, Dale B.
Sent: Friday, April 09, 2010 9:35 AM
To: Howe, Kemper
Cc: Segal, Lauren B; Jennings, Michael T; Beirne, Michael; Imm, Gary R; Rainey, David I; Grant, James R; Sims, David C
Subject: RE: Nile and Kaskida 180 day clock
I can work with this. However I will need some specific dates/info:

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BP-HZN-2179MDL00003007

1. When was the contract let for the 20 Ksi Equipment? Specifications developed 3Q/4Q 2008. Bids taken early 2009. Contract with Dril Quip awarded March 2, 2009.
2. What day in February did the Horizon begin operations on Macando and at that time what was the expected completion date? Moved from Kodiak 2 on January 31, 2010. Expected time to complete operations was 45 days. How many days have been added as a result of that downtime? 38 days behind that schedule
3. What types of drilling problems occurred at Macando? Don't really need detail - rig problems, subsurface problems? Primarily subsurface problems - lost circulation and kicks/well control.

Thanks,
Dale

From: Howe, Kemper
Sent: Fri 4/9/2010 9:17 AM
To: Morrison, Dale B.
Cc: Segal, Lauren B; Jennings, Michael T; Beirne, Michael; Imm, Gary R; Rainey, David I; Grant, James R; Sims, David C
Subject: FW: Nile and Kaskida 180 day clock

Dale:

See Dave's email below; lets discuss on Monday and begin preparing a SOO request for Kaskida based on the information provided below.

Thanks,
Kemper

From: Sims, David C
Sent: Friday, April 09, 2010 8:13 AM
To: Howe, Kemper
Cc: Frazelle, Andrew E; Rich, David A; Sprague, Jonathan D; O'Bryan, Patrick L; Gates, Jayne; Sutton, Wayne L; Guide, John; Walz, Gregory S
Subject: Nile and Kaskida 180 day clock

Kemper,

As the forward plan still maintains the Nile P&A operation following Macondo, there is a slight risk of not getting Kaskida IFT spud prior to May 16. I've attempted to describe the planning issues we have and provide a justification for the rig schedule with the goal of getting MMS approval to *possibly* spud Kaskida IFT a short time after May 16. I think it is important that we address this with the MMS soon, before we leave Macondo, so that we have their answer before we move on the Nile well. Obviously, we don't want to get to Nile and then have to stop work there and move to Kaskida IFT.

- **Kaskida 20Ksi equipment** - This Kaskida well (KC 292 #2) will be completed and flow tested. Design and construction of the unique equipment to complete and flow test this well started more than a year ago.
 - **Serial #1 wellhead equipment** - The first equipment needed at spud, the Dril Quip 20Ksi wellhead, is the first of it's kind - Serial #001.
 - **Design/Testing** - Design and testing of the entire wellhead system has been going on for more than a year.
 - **Delivery slippage/uncertainty** - The promise date for the 20Ksi wellhead system has slipped approximately one month to it's current promise date of May 1, 2010. Manufacture of a tested design is expected to be concluded by May 1, 2010. The equipment can then be shipped to the rig. This date is not guaranteed and may slip further.
- **Nile P&A**

- o **MMS deadline** - The Nile well has to be P&A'd by July 2, 2010.
- o **Approved procedure** - We have been planning the Nile P&A for about 6 months, following our standard well planning process. We have an approved budget and procedure to conduct this operation.
- o **On rig schedule** - The Nile P&A has been on the drilling rig schedule for at least 6 months.
- o **Timing** - P10 is 21 days, P50 is 30 days.
- o **Complicated operation** - Nile is a completed well that has been a producer. The P&A operation is more complicated and carries a higher risk of unanticipated problems than an exploration wellbore would. We have planned this operation for the Deepwater Horizon and do not feel that it is prudent to switch this operation to another rig without significant re-work.
- o **Need a gap-filler to bridge time between Macondo finish and wellhead equipment delivery** - because the wellhead delivery date of May 1, 2010 has always been close to the May 16, 2010 date that we have to spud the Kaskida well by, we have maintained a short, gap-filler option to bridge the time between the end of Macondo and the delivery of the wellhead equipment. In this case, the Nile P&A operation - anticipated 30 day duration - serves the purpose of filling the gap and completing an MMS mandated P&A of the Nile well by July 2, 2010.
- o **First subsea P&A** - Nile is the first subsea producing well to be permanently abandoned by BP in the Gulf of Mexico.
- **Macondo Delays**
 - o **Drilling problems** - When we started back on Macondo in February (following the drilling of the first three hole sections by the Marianas before being damaged by Hurricane Ike), we thought that we would be finished in early April which would allow the Nile P&A operation to be completed after delivery of the wellhead equipment but prior to the Kaskida continuous operations date of May 16. Drilling problems in several hole sections have caused delays and extended the expected completion date into late April.
- **Marlin TLP issues**
 - o **Flowline cleanout/preservation** - the flowline from Nile to the Marlin platform has to be flushed out and preserved for future use. This requires equipment and personnel to be staged on the platform. A crane replacement operation is scheduled to be performed starting June 1. This operation will take approximately two months. To maintain this schedule, it is necessary to complete the Nile P&A before June 1.

Concluding, the uncertainty of both the completion of Macondo and the delivery of the wellhead equipment mandate that we maintain a short duration operation to prevent the Deepwater Horizon from incurring standby costs while waiting for the Kaskida wellhead equipment to be delivered. The Nile P&A operation is a short, 30 day operation that fulfills this requirement perfectly. This also satisfies the requirement to plug and abandon Nile by July 2, 2010. We believe that completing the Macondo drilling operation followed by the Nile P&A operation has the potential to delay the spud of Kaskida IFT by approximately two weeks.

Thanks and let me know if you need more information,
David

David Sims

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