

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  
281-366-4237 (o)  
281-687-8216 (m)

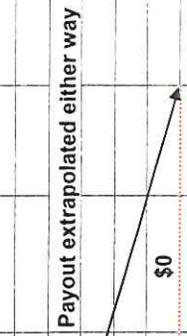
EXHIBIT NO. 3208

CONFIDENTIAL

BP-HZN-2179MDL00263660

Document Produced Natively

		Benchmark Data		Macondo Potential Pay Outs	
		days/10k 6-8 csg ( 24 wells)	Calculated rig days*		
New Top Quartile	-	23.5	51.8	\$6,000	
1st Quartile	-	29.3	60.2	\$4,500	
Mid point between 1st / 2nd	-	38.77	74.0	\$3,000	
2nd Quartile	-	41.34	77.8	\$1,500	
Mid point between 2nd / 3rd	-	43.9		\$0	
3rd Quartile	-	48.95			
Mid point between 3rd / 4th	-	52.6			
4th Quartile	-	53.68			
		54.13			
		56.5			
		68.4			
		68.83			
		69.26			
		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

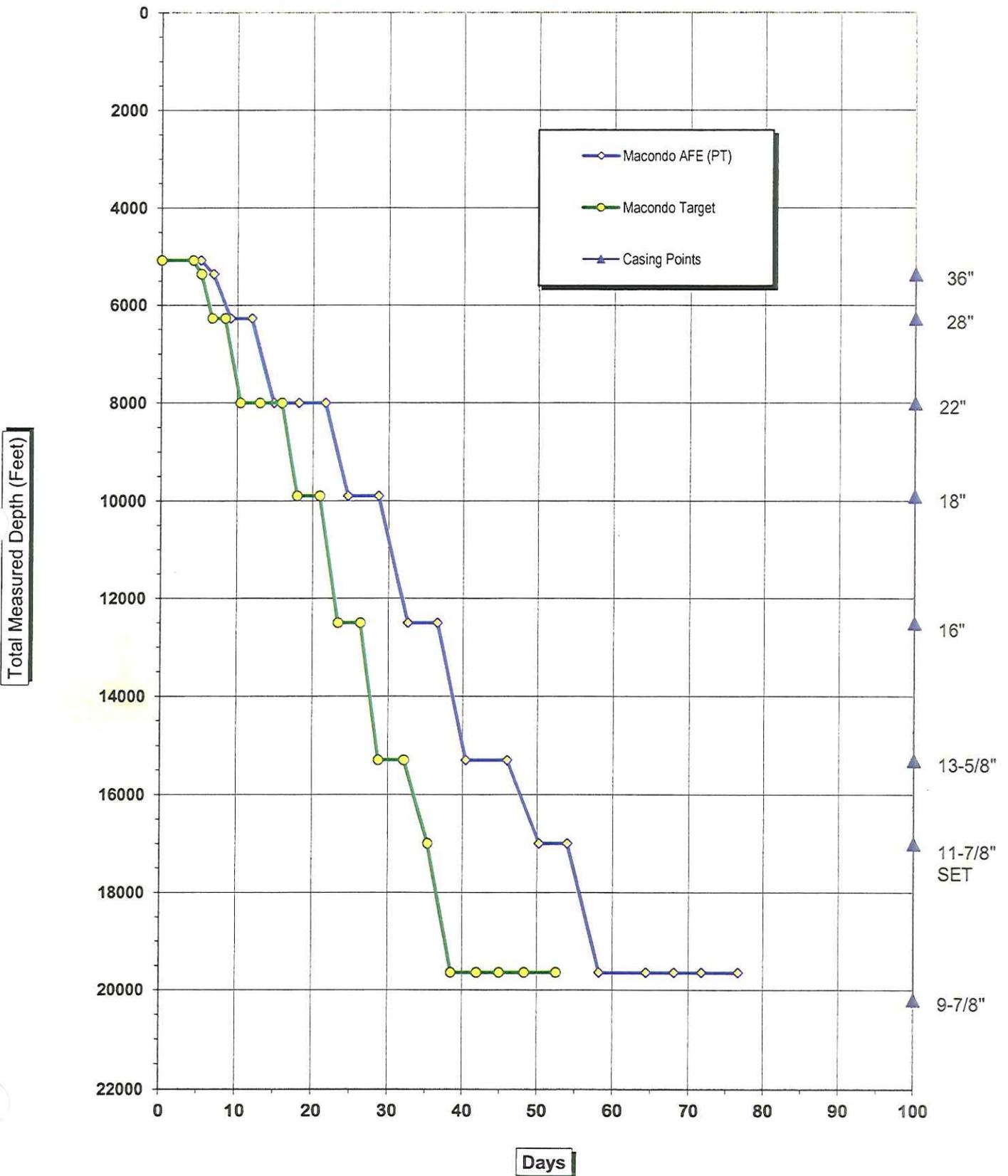
Potential payout based on 265 people: 265 x \$2,000 = \$530,000 265 x \$3,000 = \$795,000 265 x \$6,000 = \$1,590,000 Note: Not to exceed 5% of actual savings

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	

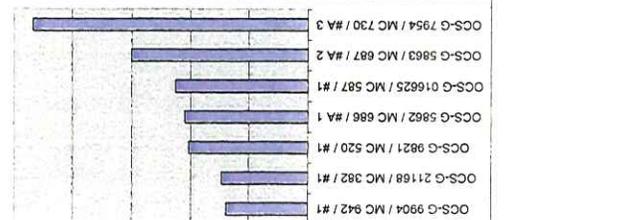
23.50			
25.63			
28.28			29.30
30.32			
32.96			
38.77		41.34	
43.90			
44.75			
48.84			48.95
49.07			
52.60			
53.23		53.68	
54.13			
55.42			
55.78			
57.22			56.50
66.23			
68.40		68.83	
69.26			
73.30			
101.71			103.53
105.35			
113.26			
150.09			
Dropped well #25, 233d/10 well from 1997			
This 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.			

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



Well Depth ft	Depth ft	Q ft	Horiz Disp ft	Max Inclinor	Casing Strng	DHT Days	Diok	659	Region Best Dktn	MTD ft	TVD ft	Subst	Max Mud Weight	Rig Consqy	Block	Prospect	SPUD Date	Pressure	Group
3682.00	0.00	15318.00	0.00	0	6	38	23.50	28.85	19,078.00	19,078.00	19,078.00	14 4169 Noble Drilling	16 DODI	506	WRICLEY EUROPA	27-Dec-04	17360.08 B		
3682.00	3594.00	18322.00	0.00	30	7	41.83	25.83	28.85	20,258.00	19,208.00	19,208.00	14 4169 Noble Drilling	16 DODI	835	WRICLEY EUROPA	10-Nov-05	13592.88278 A		
1894.00	0.00	12728.00	0.00	0	6	38	28.28	28.85	14,700.00	14,700.00	14,700.00	14 4169 Noble Drilling	16 DODI	493	STONEMAKER	21-Jul-03	10584.48 A		
4035.00	4117.00	11943.00	0.00	0	7	37	30.32	28.85	15,190.00	15,190.00	15,190.00	14 4169 Noble Drilling	16 DODI	755	ANDUN	04-Jan-05	12618.832 A		
4252.00	3844.00	14628.00	0.00	59	6	48.80	38.77	28.85	20,860.00	19,600.00	19,600.00	14 4169 Noble Drilling	16 DODI	835	CROSTY EUROPA	25-Dec-04	10518.76594 A		
3682.00	3844.00	14628.00	0.00	59	7	65	43.90	28.85	18,750.00	14,629.00	14,629.00	14 4169 Noble Drilling	16 DODI	835	CROSTY EUROPA	20-Jul-05	10518.76594 A		
6585.00	11057.00	19502.00	0.00	0	7	47	44.75	28.85	17,138.00	16,558.00	16,558.00	13 Noble Drilling	13 DODI	555		20-Sep-07	10781.4 A		
4668.00	13248.00	14628.00	0.00	0	6	54	48.84	28.85	15,725.00	15,240.00	15,240.00	13 Noble Drilling	13 DODI	496		15-Oct-00	9905		
1780.00	14628.00	14628.00	0.00	0	6	77	52.80	28.85	17,207.00	17,081.00	17,081.00	15 DODI	15 DODI	496		04-Jul-98	11385.4 A		
2233.00	14628.00	14628.00	0.00	0	7	77	52.80	28.85	16,950.00	15,921.00	15,921.00	15 DODI	15 DODI	582		17-Jul-97	13787.285 A		
5229.00	0.00	10820.00	0.00	0	7	59	54.13	28.85	18,220.00	17,476.00	17,476.00	13 Transocean	13 Transocean	476	RIGEL	04-Aug-99	11778.234 A		
8628.00	11548.00	19502.00	0.00	0	6	64	55.42	28.85	18,220.00	17,493.00	17,493.00	13 Transocean	13 Transocean	476	RIGEL	28-Sep-03	10650.81 A		
7792.00	12509.00	19502.00	0.00	0	6	72	55.78	28.85	20,760.00	20,317.00	20,317.00	12 Transocean	12 Transocean	878	DW Core Ex	12-Dec-00	12185.448 A		
6958.00	13805.00	19502.00	0.00	0	6	79	57.22	28.85	20,850.00	20,850.00	20,850.00	12 Transocean	12 Transocean	739	DW Core Ex	05-Feb-98	12468.3 A		
1637.00	14041.00	19502.00	0.00	0	7	93	69.23	28.85	15,750.00	15,750.00	15,750.00	15 Transocean	15 Transocean	498	DW Core Ex	30-Aug-01	11875.5 A		
4525.00	11959.00	19502.00	0.00	0	6	82	68.40	28.85	18,600.00	18,600.00	18,600.00	13 DODI	13 DODI	553		18-Nov-99	10790 A		
5412.00	12142.00	19502.00	0.00	0	7	86	69.26	28.85	18,200.00	18,200.00	18,200.00	14 Transocean	14 Transocean	942		04-Oct-98	12778.4 A		
8432.00	10717.00	19502.00	0.00	0	7	86	69.26	28.85	17,801.00	17,801.00	17,801.00	14 DODI	14 DODI	42	Yumori	01-Sep-01	12973.32 A		
8738.00	10717.00	19502.00	0.00	0	6	109	101.71	28.85	16,710.00	16,501.00	16,501.00	13 Transocean	13 Transocean	650	DW Core Ex	11-Sep-96	10691.5 A		
5297.00	11391.00	19502.00	233.00	7	7	120	105.35	28.85	14,068.00	14,053.00	14,053.00	15.6 Transocean	15.6 Transocean	587	Blues Image	24-Sep-01	11034.4159 A		
2338.00	11655.00	19502.00	233.00	8	8	132	113.26	28.85	20,973.00	19,101.00	19,101.00	14 Transocean	14 Transocean	687		23-Nov-97	13403.802 A		
5300.00	15191.00	19502.00	0.00	0	7	228	150.09	28.85	18,033.00	15,807.00	15,807.00	13 Transocean	13 Transocean	730		13-Jan-97	10274.55 A		
5297.00	12651.00	19502.00	0.00	0	7	295	233.18	28.85	18,033.00	15,807.00	15,807.00	13 Transocean	13 Transocean	730					



# 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 (Isabela 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

