

From: Thorseth, Jay C
Sent: Tue Nov 24 17:35:09 2009
To: Illingworth, Martin.; Liu, Xuemei; Howe, Kemper; Wardlaw, O. Kirk; Gray, George E
Cc: Little, Ian
Subject: Macondo update and budget
Importance: Normal

All,

The Mariannas rig is de-mooring and will be headed to shore-base to be fixed. Most likely scenario is that we do not see this rig back on Macondo, because the rig contract expires on Dec 30. I foresee the well being finished in 2010 with another rig.

We have spent about \$47.5m to date. New projected total cost for the well is \$131m (AFE \$96m). I believe the rig is on expense right now after the hurricane and while it is being repaired (another \$26m to \$31m thru Dec 28). Further complications are co-owner(s). Mitsui has signed, but Anadarko has not. So, several moving parts regarding who is paying what and whether it is capital or expense.

Xuemei, can you coordinate with Kemper and Martin and determine the capital/expense situation and where the costs will be directed? Will need to have an estimate to what is remaining for 2010 drilling as well; George Gray can help on this.

Thanks,

Jay

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