

From: Guide, John
Sent: Fri Apr 16 18:27:43 2010
To: Sims, David C
Subject: FW: Additional Centralizers
Importance: Normal

See below, I left a message on your cell phone.

From: Walz, Gregory S
Sent: Friday, April 16, 2010 12:53 PM
To: Guide, John
Subject: Re: Additional Centralizers

I agree. This is not what I was envisioning. I will call you directly.

Gregg Walz
Cell: 281-543-8634
Sent from my BlackBerry

EXHIBIT # <u>796</u>
WIT: _____

From: Guide, John
To: Walz, Gregory S
Sent: Fri Apr 16 12:48:11 2010
Subject: Re: Additional Centralizers

I just found out the stop collars are not part of the centralizer as you stated. Also it will take 10 hrs to install them. We are adding 45 pieces that can come off as a last minute addition. I do not like this and as David approved in my absence I did not question but now I very concerned about using them

From: Walz, Gregory S
To: Guide, John
Sent: Fri Apr 16 00:50:27 2010
Subject: Additional Centralizers

John,

Halliburton came back to us this afternoon with additional modeling after they loaded the final directional surveys, caliper log information, and the planned 6 centralizers. What it showed, is that the ECD at the base of sand jumped up to 15.06 ppg. This is being driven by channeling of the cement higher than the planned TOC.

We have located 15 Weatherford centralizers with stop collars (Thunder Horse design) in Houston and worked things out with the rig to be able to fly them out in the morning. My understanding is that there is no incremental cost with the flight because they are combining the planned flights they already had. The maximum they could fly is 15.

The model runs for 20 centralizers (6 on hand + 14 new ones) reduce the ECD to 14.65 ppg, which is back below the 14.7+ ECD we had when we lost circulation earlier.

There has been a lot of discussion about this and there are differing opinions on the model accuracy. However, the issue, is that we need to honor the modeling to be consistent with our previous decisions to go with the long string. Brett and I tried to reach you twice to discuss things. David was still here in the office and I discussed this with him and he agreed that we needed to be consistent with honoring the model.

To be able to have this option we needed to kick things off at 6:00 pm tonight, so I went ahead and gave Brett the go ahead. We also lined up a Weatherford hand for installing them to go out on the same flight. I wanted to make sure

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that we did not have a repeat of the last Atlantis job with questionable centralizers going into the hole. John, I do not like or want to disrupt your operations and I am a full believer that the rig needs only one Team Leader. I know the planning has been lagging behind the operations and I have to turn that around. I apologize if I have over step my bounds.

I would like to discuss how we want to handle these type of issues in the future.

Please call me tonight if you want to discuss this in more detail.

Gregg

Drilling Engineering Team Leader

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