

From: Beirne, Michael  
Sent: Thu Oct 29 14:40:19 2009  
To: Huch, Nick  
Subject: FW: Macondo Draft Documents  
Importance: Normal  
Attachments: Draft - Macondo Well Participation Agreement (BP-APC) (10-28-09).DOC; Draft - Macondo Lease Exchange Agreement (BP-APC) (10-28-09).DOC

Nick,  
Meant to copy you on the note to Jim. Apologies.

---

**From:** Beirne, Michael  
**Sent:** Wednesday, October 28, 2009 5:25 PM  
**To:** jim.bryan@anadarko.com  
**Cc:** Howe, Kemper  
**Subject:** Macondo Draft Documents

Jim,  
Per Nick's request, I am sending you all Macondo communications during his absence.

Attached for Anadarko's review is a draft Well Participation Agreement ("WPA") and draft Lease Exchange Agreement that evidence and further detail the general terms and conditions described in Nick's email below. A few things to note:

-A 110% (of the well AFE) promote cap rather than 100% has been inserted.

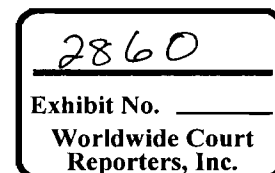
-In addressing #4 in Nick's email, it came to our attention that Kerr-McGee is a joint owner of the Pompano Platform and likely will need to execute the WPA (along with Anadarko). We are not fully aware of the details of the Kerr-McGee structure and would appreciate Anadarko's guidance in properly documenting. We have highlighted areas in the draft WPA we believe this issue may need to be addressed.

-Nick indicated that Anadarko will likely require a tax partnership to account for the disproportionate spending. Accordingly, we have drafted the WPA to include a tax partnership but did not provide the exhibit. If you could provide your tax department contact, we will have our tax representative contact them.

-Exhibit B (Macondo Operating Agreement) will be sent in a separate communication.

-Exhibit C (AFE) was sent to Nick yesterday.

-We are still working with our technical folks on the definition of Objective Depth in the draft WPA.



The attached documents are draft documents, subject to further modification and final BP management approval. We are please to be entering into this transaction with Anadarko and appreciate your continued cooperation.

Please give me a call with any questions.

Best regards,

**Michael J. Beirne**  
Offshore Land Negotiator  
**BP Exploration & Production Inc.**  
Gulf of Mexico  
200 WestLake Park Blvd.  
Houston, TX 77079  
Direct 281-366-1634  
Mobile 832-330-8754  
Fax 281-366-7569  
michael.beirne@bp.com

Nothing contained in this communication, or in any other written or oral communications with BP Exploration & Production Inc. or its affiliates (collectively "BP") concerning the matters addressed above, shall create an obligation on BP to conclude a transaction covering such matters. Unless and until a written agreement covering the matters addressed above is executed by BP's authorized representative having express authority to bind BP to a transaction of such size and nature, BP has no obligation (legal or otherwise) concerning such matters. You should not rely on this communication or any other written or oral communications with BP as the basis for taking any action, foregoing any opportunity or incurring any costs, in anticipation of concluding a transaction with BP.

**From:** Huch, Nick [mailto:Nick.Huch@anadarko.com]  
**Sent:** Wednesday, October 21, 2009 8:42 AM  
**To:** Beirne, Michael  
**Cc:** Howe, Kemper  
**Subject:** RE: BP Macondo Proposal (new)

Mike,

I've obtained Anadarko management approval to enter a transaction with BP relative to BP's Macondo Prospect (MC 252) consisting of the following general terms:

1) Anadarko and BP to enter into a tax free "Like Kind Exchange" whereby Anadarko assigns to BP all of Anadarko's 50% Record Title Interest in KC 140 and all of Anadarko's 25% Record Title Interest in GB 994,

GB 995 and KC 27 in exchange for BP assigning to Anadarko a 25% Record Title Interest in MC 252.

2) Anadarko to participate in the drilling of the initial well located on MC 252 by bearing 33.33% of all costs represented in an approved detailed well cost estimate ("AFE") to drill the well to "objective depth" and perform all other approved and authorized open hole evaluations to be defined in the approved AFE and accompanying approved Well Plan.

3) BP (75%) and Anadarko (25%) to enter into a 3 block AMI on a 75/25 basis covering MC 208, 209 and 253.

4) Unless mutually agreed to otherwise, the Development Plan will consist of a subsea development tied back to the BP and Anadarko (Kerr-McGee) jointly owned Pompano Platform located on VK 989.

Please advise whether or not BP is in agreement with the above general terms, and if so, please provide to me for Anadarko's review and approval an AFE and accompanying Well Plan, a draft of a Like Kind Exchange Agreement with accompanying Record Title Interest Assignments, a draft Joint Operating Agreement and a draft of any other agreements or documents that BP deems necessary to be executed by the parties in order to formalize this transaction.

I look forward to hearing back from you on this and Anadarko looks forward to this venture. Also, if all of this is acceptable to BP, we would like to have a simple phone discussion with BP on what went in to BP's development cost assumptions and to get a feel from BP of BP's anticipated development cost spending profile over the next year or two in the success case. So if you could provide me a name and number of a BP contact person that we could talk to about that, that would really be appreciated.

Nick Huch  
Anadarko Petroleum Corporation  
1201 Lake Robbins Drive  
The Woodlands, TX 77380  
Email: Nick.Huch@Anadarko.com  
Phone: 832-636-3018 Fax: 832-636-0177

---

**From:** Huch, Nick  
**Sent:** Tuesday, October 20, 2009 8:35 AM  
**To:** 'Beirne, Michael'  
**Cc:** Kemper.Howe@bp.com  
**Subject:** RE: BP Macondo Proposal (new)

Mike, just to confirm our understanding arrived at late yesterday afternoon with respect to BP's Macondo, we are recommending to Anadarko management this afternoon the following general terms:

1) Anadarko to assign to BP all of Anadarko's 50% interest in KC 140 and all of Anadarko's 25% interest in GB 994, 995, and KC 27.

2) Anadarko to participate in the Macondo Prospect (MC 252) by paying 33.33% of dry hole costs of the initial well to earn a 25% interest (i.e. 1/3rd for 1/4).

As mentioned, the approval to participate in the Macondo Prospect under the general terms set forth above will be subject to Anadarko's approval of the detailed well cost estimate (i.e. AFE) for the initial Macondo well which we understand is currently drilling, and as always, will be subject to entering into definitive agreement(s) to be executed by both parties formalizing the transaction.

If this is not BP's understanding of the general terms, please advise.

Thanks,

Nick Huch  
Anadarko Petroleum Corporation  
1201 Lake Robbins Drive  
The Woodlands, TX 77380  
Email: Nick.Huch@Anadarko.com  
Phone: 832-636-3018 Fax: 832-636-0177

---

**From:** Beirne, Michael [mailto:Michael.Beirne@bp.com]  
**Sent:** Sunday, October 18, 2009 3:55 PM  
**To:** Huch, Nick  
**Subject:** RE: BP Macondo Proposal (new)

Nick,  
I will give you a call in the morning to discuss.

Thanks,  
Mike

---

**From:** Huch, Nick [mailto:Nick.Huch@anadarko.com]  
**Sent:** Thursday, October 15, 2009 2:37 PM  
**To:** Beirne, Michael  
**Subject:** RE: BP Macondo Proposal (new)

Yes I'm sorry, that was a typo, it's KC 27. Yes KC 140 does have a pref right, but we've received assurance from our partner that it will be waived.

Nick Huch

Anadarko Petroleum Corporation  
1201 Lake Robbins Drive  
The Woodlands, TX 77380  
Email: Nick.Huch@Anadarko.com  
Phone: 832-636-3018 Fax: 832-636-0177

---

**From:** Beirne, Michael [mailto:Michael.Beirne@bp.com]  
**Sent:** Thursday, October 15, 2009 2:27 PM  
**To:** Huch, Nick  
**Subject:** RE: BP Macondo Proposal (new)

Nick,  
Can you confirm you meant KC 27 instead of KC 77. Also, does KC 140 have a pref. right?

I have sent your proposal forward and will be in touch shortly.

Thanks,  
Mike

---

**From:** Huch, Nick [mailto:Nick.Huch@anadarko.com]  
**Sent:** Thursday, October 15, 2009 1:56 PM  
**To:** Beirne, Michael  
**Subject:** RE: BP Macondo Proposal (new)

Mike - in attempt to try and bring a quick resolution of this batting back and forth of blocks, Anadarko proposes, subject to final management approval, a counter to BP's latest proposal that would include the following:

1) Anadarko assign to BP all of Anadarko's 50% interest in the same originally requested KC 140, and Anadarko has reconsidered and will now agree to include an assignment of all of Anadarko's 25% interest in GB 994, 995, and KC 77 that BP had originally requested plus we'll include an assignment of a 50% interest in GB 992 located in that same area.

2) Anadarko participate on a ground floor basis with a 25% interest in the Macondo Prospect (MC 252).

There has been a lot of discussion around here of BP's estimated \$100MM dry hole cost for the first well and BP's estimated \$50MM dry hole cost for all subsequent wells. If we move forward and eventually reach a general understanding for a deal, a detailed explanation of why the huge disparity in estimated well costs for the first and subsequent wells will be necessary. We're having a very hard time figuring out why BP's estimate is so high on that first well and what could possibly be in the AFE that drives that cost estimate that high. So we'll need clarification and a complete understanding of that.

Please let me know whether or not the above general terms are acceptable to BP.

Thanks and I look forward to hearing back from you.

Nick Huch  
Anadarko Petroleum Corporation  
1201 Lake Robbins Drive  
The Woodlands, TX 77380  
Email: Nick.Huch@Anadarko.com  
Phone: 832-636-3018 Fax: 832-636-0177

**From:** Beirne, Michael [mailto:Michael.Beirne@bp.com]  
**Sent:** Wednesday, October 14, 2009 3:58 PM  
**To:** Huch, Nick  
**Subject:** RE: BP Macondo Proposal

Nick,  
Thanks for your note and message. We have discussed Anadarko's latest proposal below and counterproposal, subject to final management approval, the following:

- 1) Anadarko participate in Macondo (MC 252) paying 33.33% for 25% WI (1/3 for 1/4); and
- 2) Anadarko assign BP 100% of its interest in the following:
  - KC 13 (Anadarko 50%)
  - KC 14 (Anadarko 50%)
  - KC 15 (Anadarko 50%)
  - KC 140 (Anadarko 50%) - need to discuss whether this is subject to a preferential right
  - GB 939 (Anadarko 50%)
  - GB 983 (Anadarko 50%)

I would like to schedule a few minutes tomorrow morning to discuss the details of our counterproposal. Are you available tomorrow morning around 8 am?

Best regards,  
Mike

**From:** Huch, Nick [mailto:Nick.Huch@anadarko.com]  
**Sent:** Tuesday, October 06, 2009 4:21 PM  
**To:** Howe, Kemper  
**Cc:** Beirne, Michael  
**Subject:** RE: BP Macondo Proposal

Kemper - I got an email from Mike Beirne saying that he would be out beginning today through the rest of

the week and he asked that any communication be directed back to you. So I'm sending this email to you relative to BP's proposal in Mikes below email note.

Anadarko proposes, subject to final management approval, a counter to BP's proposal that would include Anadarko assigning to BP all of Anadarko's 50% interest in KC 13, 14, 15 and 140 and participating on a ground floor basis with a 25% working interest in BP's Macondo Prospect (MC 252). We tried to identify other blocks that we owned in common in the general area that might fit into a trade, because Anadarko is not willing at this time to include its 25% interest in GB 994, 995, KC 77 and 22.5% interest in GB 997 as BP had requested.

Please let me know if the above general terms are acceptable to BP and we can then begin to initiate more detailed discussions and obtain management approval.

I'll be out tomorrow, Thursday and Friday but can be reached by cell phone at 281-703-7436. So if you have any immediate questions or comments, please call me on my cell and we can visit on it.

Thanks,

Nick Huch  
Anadarko Petroleum Corporation  
1201 Lake Robbins Drive  
The Woodlands, TX 77380  
Email: Nick.Huch@Anadarko.com  
Phone: 832-636-3018 Fax: 832-636-0177

---

**From:** Beirne, Michael [mailto:Michael.Beirne@bp.com]  
**Sent:** Monday, September 21, 2009 8:39 AM  
**To:** Huch, Nick  
**Subject:** BP Macondo Proposal

Nick,  
As discussed, BP is not interested in including Anadarko's Pebble Beach (MC 116) prospect as additional consideration in Macondo, but is interested in discussing a deal that includes Anadarko's interest in other leads as additional consideration. Accordingly, BP proposes the following:

- 1) Anadarko participate in Macondo (MC 252) paying 33.33% for a 25% WI (1/3 for 1/4); and
- 2) Anadarko assign BP its interest the following:
  - KC 140 (50%)
  - GB 994 (25%)
  - GB 995 (25%)
  - KC 27 (25%)
  - GB 997 (22.5%)

The proposal outlined above is subject to final BP management approval. Please advise if these general terms would be acceptable to Anadarko and we initiate our process to

secure final management approval.

Best regards,

**Michael J. Beirne**

Offshore Land Negotiator

**BP Exploration & Production Inc.**

Gulf of Mexico

200 WestLake Park Blvd.

Houston, TX 77079

Direct 281-366-1634

Mobile 832-330-8754

Fax 281-366-7569

michael.beirne@bp.com

Nothing contained in this communication, or in any other written or oral communications with BP Exploration & Production Inc. or its affiliates (collectively "BP") concerning the matters addressed above, shall create an obligation on BP to conclude a transaction covering such matters. Unless and until a written agreement covering the matters addressed above is executed by BP's authorized representative having express authority to bind BP to a transaction of such size and nature, BP has no obligation (legal or otherwise) concerning such matters. You should not rely on this communication or any other written or oral communications with BP as the basis for taking any action, foregoing any opportunity or incurring any costs, in anticipation of concluding a transaction with BP.

Anadarko Confidentiality Notice: This electronic transmission and any attached documents or other writings are intended only for the person or entity to which it is addressed and may contain information that is privileged, confidential or otherwise protected from disclosure. If you have received this communication in error, please immediately notify sender by return e-mail and destroy the communication. Any disclosure, copying, distribution or the taking of any action concerning the contents of this communication or any attachments by anyone other than the named recipient is strictly prohibited.



DRAFT VERSION. NOT AN OFFER THAT CAN BE ACCEPTED

**WELL PARTICIPATION AGREEMENT  
DEEPWATER GULF OF MEXICO**

This Well Participation Agreement ("Agreement") dated effective as of October 1, 2009 ("Effective Date") is made by and between **BP Exploration & Production Inc.**, a Delaware corporation ("BP"), and **Anadarko Petroleum Corporation**, a \_\_\_\_\_ corporation ("APC"),

**RECITALS**

- A. BP is the current owner or holder of:
  - a. an undivided ninety percent (90%) working interest in lease OCS-G 32306, Mississippi Canyon Block 252, Deepwater Gulf of Mexico, U.S.A. (the "Macondo Prospect Area"), further described in Exhibit A.
- B. APC will be assigned an interest in the Macondo Prospect Area with BP's and APC's execution of this Agreement and the "Lease Exchange Agreement" (as defined hereinafter).
- C. **TO BE COMPLETED** – Address Kerr-McGee rather than Anadarko being a party at Pompano.
- D. In consideration of the mutual promises set out in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, BP and APC agree to be bound by the terms of this Agreement.

**AGREEMENT**

**1. DEFINITIONS, INTERPRETATION AND EXHIBITS**

**1.1 Definitions.** Capitalized terms defined in the Macondo Operating Agreement (as hereafter defined) and not otherwise defined or modified in this Agreement have the meanings defined in the Macondo Operating Agreement. Additionally, the following words and phrases shall have the following meanings:

**"AFE"** means the authorization for expenditure attached as Exhibit C.

**"Affiliate"** means any legal entity which controls, is controlled by, or is under common control with, another legal entity. An entity is deemed to "control" another if it owns directly or indirectly at least fifty percent (50%) of either of the following:

- (A) The shares entitled to vote at a general election of directors of such other entity.

DRAFT VERSION. NOT AN OFFER THAT CAN BE ACCEPTED

- (B) The voting interest in such other entity if such entity does not have either shares or directors.

"Agreement" means this Well Participation Agreement, including the Recitals and all Exhibits.

"Commenced Drilling Operations" means the start of actual drilling operations.

"Consequential Loss" means any of the following regardless of cause, whether arising under common law, equity or contract, by virtue of any fiduciary duty, in tort or delict (including negligence) as a consequence of breach of any duty (statutory or otherwise) or under any other legal doctrine or principle whatsoever, irrespective of whether recoverable in law or equity.

- (A) Loss of production, failure or inability to produce, process, take delivery of, transport or deliver or delay in producing, processing, taking delivery of, transporting or delivering hydrocarbons.
- (B) Any failure, loss or damage or expense directly or indirectly consequent upon any of the foregoing including any loss or damage incurred or liquidated or pre-estimated damages or penalties of any kind whatsoever borne or payable, under any contract for the sale, exchange, transportation, processing, storage or other disposal of hydrocarbons.
- (C) Any loss associated with business interruption including the cost of overhead incurred during business interruption or deferment of revenue or income, loss of or failure to obtain any contract or other business opportunity or loss of profit.
- (D) Any loss, damage, cost and expense arising out of any action, claim, suit, demand or judgment resulting from or arising out of any of the foregoing.
- (E) Loss of bargain, contract, expectation or opportunity in each case whether direct or indirect.
- (F) Any indirect or consequential loss under applicable law whether or not foreseeable at the date of execution of this Agreement.

"Exhibit" means a document referred to in Section 1.3.

"Extraordinary Damages" means any Claims howsoever arising or occurring that:

DRAFT VERSION. NOT AN OFFER THAT CAN BE ACCEPTED

- (A) Are in the nature of Consequential Loss, punitive or exemplary damages; or
- (B) Pertain to environmental damage or loss respecting environmental matters (including pollution control, environmental amelioration or rehabilitation) that relate to loss of well control during drilling, completion or production operations.

"IEW" or "Initial Exploratory Well" means the well to be drilled by Operator in the Macondo Prospect Area under this Agreement under which APC is assigned an interest in the Macondo Prospect. These terms include Substitute Well(s), as defined in the Macondo Operating Agreement, for the IEW.

"Lease" or "Macondo Lease" means the oil and gas lease identified on Exhibit A.

"Lease Exchange Agreement" means the Lease Exchange Agreement dated effective October 1, 2009, wherein BP assigned APC an undivided twenty five percent (25%) of 8/8ths Record Title Interest in the Macondo Lease pursuant to the terms and conditions of this Agreement.

"Macondo Operating Agreement" or "Macondo OA" means the operating agreement attached as Exhibit B – Macondo Operating Agreement.

"Objective Depth" To be further defined.

"Officer" of a company means any of the following:

- (A) A director or secretary of the company;
- (B) A receiver, or receiver and manager, of the property of the company;
- (C) An administrator of the company;
- (D) An administrator of a deed of company arrangement executed by the company;
- (E) A liquidator of the company; or
- (F) A trustee or other person administering a compromise or arrangement made between the company and someone else.

"Operator" means BP.

"Party" means either BP or APC, as applicable, and "Parties" means both of them.

DRAFT VERSION. NOT AN OFFER THAT CAN BE ACCEPTED

"Person" means an individual, corporation, company, state, statutory corporation, government entity or any other legal entity.

"Pompano OA" means that certain Operating Agreement dated effective May 1, 1988 among BP Exploration Inc. (predecessor-in-interest to BP), Kerr-McGee Corporation (predecessor-in-interest to APC) and Kerr-McGee Federal Limited Partnership I-1981 (predecessor-in-interest to APC), as amended, covering and affecting the following Federal offshore leases: (i) OCS-G 6898 (Viosca Knoll Block 989); (ii) OCG-G 6899 (Viosca Knoll Block 990); (iii) OCS-G 7923 (Mississippi Canyon Block 27); (iv) OCS-G 9771 (Mississippi Canyon Block 28); and (v) OCS-G 6894 (Mississippi Canyon Block 72).

"Property" of a Person means property owned, leased or furnished by that Person or in which that Person has an economic interest.

"Records" means information in any recorded form, whether electronic or otherwise, including books, papers, documents, contracts, financial accounts, ledgers, recordings, purchase orders, invoices, vouchers, receipts, manifests, correspondence, memoranda, instructions, plans, drawings, personnel records, timesheets, payroll records, inspection records, registers, statements, reports, written and other information on procedures and controls, computer data and other data.

"BP's Working Interest Share" means BP's working interest ownership in the Macondo Prospect Area of ninety percent (90%) of 8/8ths.

"APC's Working Interest Share" means APC's working interest ownership in the Macondo Prospect Area of twenty five percent (25%) of 8/8ths.

"TVD" means Total Vertical Depth.

"Well Costs" means all costs to drill, evaluate, and abandon the IEW.

- 1.2 **Incorporation of Provisions from the Macondo OA.** The Macondo OA is incorporated herein by reference, except as specifically modified in this Agreement.
- 1.3 **Exhibits.** All of the Exhibits that are attached to the body of this Agreement are an integral part of, and are incorporated by reference into, this Agreement, including:
  - (A) Exhibit A – Lease Description
  - (B) Exhibit B – Macondo Operating Agreement
  - (C) Exhibit C – Authorization for Expenditure

DRAFT VERSION. NOT AN OFFER THAT CAN BE ACCEPTED

(D) Exhibit D – Tax Partnership

- 1.4 **Conflicts and Enforceability.** If there is a conflict or inconsistency between a provision of this Agreement and that of any Exhibit, the provision of this Agreement will prevail, except insofar as this Agreement has become ineffective by its own terms.
- 1.5 **Interpretation.** Unless the context expressly requires otherwise, all of the following apply to the interpretation of this Agreement:
- (A) The plural and singular words each include the other.
  - (B) The masculine, feminine and neuter genders each include the others.
  - (C) The word “or” is not exclusive.
  - (D) The word “includes” and “including” shall be construed to mean “including without limitation to the generality”.
  - (E) References to matters “arising” (or which “arise” or “arises”) “out of this Agreement” include matters which arise in connection with this Agreement or have a causal connection with or which flow from this Agreement or which would not have arisen or occurred but for the entering into this Agreement or the performance of or failure to perform obligations under this Agreement.
  - (F) The headings in this Agreement are included for convenience and do not affect the construction or interpretation of any provision of, or the rights or obligations of a Party under, this Agreement.
  - (G) References to “Sections” shall unless the context provides otherwise be references to sections of this Agreement.
2. **EFFECTIVE DATE AND TERM.** This Agreement is effective as of the Effective Date and will terminate upon rig release from the IEW or its Substitute Well.
3. **INITIAL EXPLORATORY WELL (IEW)**
- 3.1 **Commencement.** Under the terms of this Agreement, BP Commenced Drilling Operations for the IEW on October 6, 2009 and will drill the IEW to the Objective Depth subject to the terms of this Agreement.
- 3.2 **Operating Agreement.** Any and all operations for the IEW and other corresponding and subsequent operations in connection with the IEW shall be conducted pursuant to the Macondo OA. BP represents that, as of the date of this Agreement, there are no pending, current, or accrued obligations pursuant to any agreement regarding the drilling of wells,

DRAFT VERSION. NOT AN OFFER THAT CAN BE ACCEPTED

installation or construction of facilities/platforms, or any other capital expenditure exceeding \$100,000 for which BP would be responsible, except as set forth in the AFE.

- 3.3 The Parties agree that any Development Plan proposed by either APC or BP pursuant to the Macondo OA shall provide for processing and handling of all production from the Macondo Prospect Area via a subsea tieback to the production facilities on Platform A (ID# 24130 1) located in Viosca Knoll Block 989 (the "Pompano Platform"); provided that BP determines it is safely, technically, and economically feasible to do so. Further, BP and Kerr-McGee agree that pursuant to Article 13 of the Pompano OA that they each hereby consent and approve the construction, installation and operation of Facilities, equipment, pipelines, risers and umbilicals (and any modifications to the Pompano Platform in connection therewith) for use in connection with processing and handling of all production from the Macondo Prospect Area.

Comment [M351]: We will need to be defined.

#### 4. COST-BEARING INTEREST:

- 4.1 Pursuant to this Agreement, APC shall pay thirty-three and one-third percent (33.33%) of Well Costs for the IEW to the Objective Depth as set forth in the AFE attached herein as Exhibit C and any Substitute Well therefore, if any, agreed to under the Macondo OA. This obligation shall apply only until the Well Costs for the IEW and any agreed-upon Substitute Well, if any, reaches one hundred and ten percent (110%) of the amount set forth in the AFE attached herein as Exhibit C and any Substitute Well therefore, if any, agreed to under the Macondo OA, excluding overhead (as "overhead" is defined in the COPAS provisions for the Macondo OA). The AFE for the IEW includes the estimated costs to drill, evaluate, and abandon the well. After Well Costs reach one hundred and ten percent (110%) for the IEW AFE as described above, APC shall pay only APC's Working Interest Share of Well Costs in excess of one hundred and ten percent (110%) for the IEW and any agreed upon Substitute Well, if any, pursuant to the Macondo OA. APC will execute BP's AFE contemporaneously with the execution of this Agreement. BP shall invoice APC the appropriate share of such Well Costs and APC shall pay the same in accordance with this Agreement and the Macondo OA.
- 4.2 In determining the above-referenced threshold for expenditures, the costs and expenses of the IEW and agreed-to Substitute Well(s) shall be considered cumulatively. For example, if the Parties expend one hundred percent (100%) of the amount set forth in the AFE attached herein as Exhibit C in Well Costs on the IEW before abandoning it and then agree to drill a Substitute Well, then APC's obligation to pay thirty-three and one-third percent (33.33%) of the Well Costs on the Substitute Well shall terminate

DRAFT VERSION. NOT AN OFFER THAT CAN BE ACCEPTED

after ten percent (10%) of the amount set forth in the AFE attached herein as Exhibit C has been expended in the Substitute Well, with APC paying APC's Working Interest Share thereafter.

5. **LEASE EXCHANGE AGREEMENT:** Contemporaneously with the execution of this Agreement, BP and APC will execute the Lease Exchange Agreement. If there is any conflict between the terms of this Agreement and Lease Exchange Agreement, the terms of this Agreement shall prevail.
6. **AREA OF MUTUAL INTEREST:** Parties agree to establish an area of mutual interest ("AMI"), effective as of the Effective Date of this Agreement until December 31, 2010, as follows:
  - 6.1 **AMI Area.** Mississippi Canyon, Blocks 208, 209, and 253.
  - 6.2 **AMI Percentage.**

BP	75.00%
APC	25.00%
  - 6.3 **AMI Terms.** Should either Party ("Acquiring Party") by reason of a farm-in agreement or by purchase from third parties or through purchase pursuant to an OCS lease sale, or by any other means (other than as a result of a merger, reorganization or other affiliate transfer, including transfers between BP and BPAPC, or the acquisition of all or substantially all of a third party's assets located in the Gulf of Mexico) acquire an interest in leasehold record title, leasehold operating rights, production, reserves, facilities, or any other interest within the AMI Area as defined in Section 6.1 herein, then the Acquiring Party shall, within thirty (30) days after such acquisition, give written notice of such acquisition including a description of the right, title, and interest, and all terms and conditions relating thereto or equivalent terms for a non-cash or exchange transaction (other than as excluded above) to the other Party hereto ("Non-Acquiring Party") inclusive of the purchase price or other consideration offered (which shall include the monetary equivalent in U.S. Dollars based upon the reasonable market value of any consideration other than cash). The Non-Acquiring Party shall have the option for a period of thirty (30) days after such notice is received to elect in writing to the Acquiring Party to acquire its pro rata share of the Acquiring Party's interest. Such pro rata share shall be equal to each Party's applicable AMI Percentage, as defined in Section 6.2 herein, multiplied by the interest acquired by the Acquiring Party. Should the Non-Acquiring Party elect to acquire a pro rata share of the Acquiring Party's interest as aforesaid, then within thirty (30) days after its election to acquire its share, it shall reimburse the Acquiring Party for the pro rata share of the costs attributable to the interest and shall assume its respective pro rata share of the Acquiring Party's rights and obligations, if any, attributable to such interest. The Acquiring Party shall then assign to the Non-Acquiring Party its proportionate share of the interest to be assigned within five (5)

DRAFT VERSION. NOT AN OFFER THAT CAN BE ACCEPTED

days after the aforementioned reimbursement. Said assignment shall be in the same form and content in all material respects as used in the Lease Exchange Agreement, modified only insofar as is necessary to reflect the percentage and location of the interest assigned. Failure to respond in writing within the time period specified above is deemed to be an election not to participate in such acquisition. If BP acquires an interest pursuant to this AMI provision, BP shall be designated Operator. In such case, APC will execute the requisite documentation required by the MMS within thirty (30) days of receipt of such documents from BP.

## 7. GENERAL PROVISIONS

- 7.1 **Notices.** All notices and communications required or permitted under this Agreement shall be made in accordance with the Macondo OA.
- 7.2 **Public Announcements.** No Party shall issue a press release concerning this Agreement unless all Parties have approved the issuance and content of the press release.
- 7.3 **Prior Agreements.** This Agreement and all exhibits attached hereto comprise the complete and exclusive agreement between the Parties regarding the subject matter of this Agreement, and supersede all oral and written communications, negotiations, representations or agreements in relation to that subject matter made or entered into on or before the Effective Date.
- 7.4 **Waiver.** The failure by either Party to pursue remedies for breach of this Agreement does not constitute a waiver by that Party of any breach of this Agreement by the other Party or raise any defense against Claims for breach of this Agreement. The waiver or failure to require the performance of any covenant or obligation contained in this Agreement or pursue remedies for breach of this Agreement does not waive a later breach of that covenant or obligation.
- 7.5 **Preparation.** Preparation of this Agreement has been an effort of the Parties and the resulting Agreement must not be construed more severely against one of the Parties than against the other.
- 7.6 **Severability.** Each provision of this Agreement is severable and if any provision is determined to be invalid, unenforceable or illegal under any existing or future law by a court, arbitrator of competent jurisdiction or by operation of any applicable law, this invalidity, unenforceability or illegality does not impair the operation of or affect those portions of this Agreement that are valid, enforceable and legal.



DRAFT VERSION. NOT AN OFFER THAT CAN BE ACCEPTED

- 7.7 **Amendment.** No change to this Agreement is effective unless made in writing and signed by both Parties. Any contemplated assignment or reassignment under this Agreement will be in a form (i) mutually agreeable to all Parties, (ii) approvable by the Minerals Management Service, Gulf of Mexico Region, and (iii) warranted by, through and under each respective Party.
- 7.8 **Counterparts.** This Agreement may be executed in any number of duplicate counterparts, each of which will be deemed an original of this Agreement, and which together will constitute one and the same instrument; provided that neither Party will be bound to this Agreement unless and until both Parties have executed a duplicate counterpart.
- 7.9 **No Responsibility For Extraordinary Damages.** BP and APC mutually waive and release to the fullest extent permitted by applicable law, all Claims for Extraordinary Damages arising out of this Agreement, whether such Claims are made in connection with an indemnity, a breach of any obligation under this Agreement, or otherwise; provided however, that this release and waiver of Extraordinary Damages among the Parties shall not bar recovery by the releasing Party from the released Party for such Extraordinary Damages to the extent claimed against a releasing Party by a third party that is not an affiliate of the releasing Party.
- 7.10 **Survival.** Despite completion of the obligations or termination of this Agreement for any reason, Section 6, and all provisions in this Agreement containing representations, warranties, releases and indemnities, and all provisions relating to audit, confidentiality, insurance, disclaimer of certain remedies, limitations of liability, ownership or use or return of Confidential Information, retention, inspection, or furnishing of Records or other documentary support, dispute resolution and governing law, and all causes of action which arose prior to completion or termination, survive indefinitely until, by their respective terms, they are no longer operative or are otherwise limited by an applicable statute of limitations.
- 7.11 **Binding Effect.** The terms and conditions of this Agreement shall be governed by the laws of TEXAS and shall be binding upon, and shall inure to the benefit of each Party and its respective successors and assigns, but may not be assigned without the prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned, or delayed.
- 7.12 **Further Assurances.** Each of the Parties hereto shall execute, acknowledge and deliver to the other such further documents and take such other action, as may be necessary in order to carry out the purposes of this Agreement. Unless otherwise provided in this Agreement, the Parties agree to prepare and execute such documents within thirty (30) days of receipt of a written request for such documents from the other Party.

DRAFT VERSION. NOT AN OFFER THAT CAN BE ACCEPTED

- 7.13 **Subchapter K Elect Out.** For United States Federal Income tax purposes, the Parties elect to be excluded from the application of all of the provisions of Subchapter "K", Chapter 1, Subtitle "A" of the United States Internal Revenue Code of 1986 (the "Code"), as amended, to the extent permitted and authorized by Section 761(a) of the Code and regulations promulgated under the Code.
- 7.14 **Representation and Acknowledgement.** BP represents that it owns the record title interest in the Lease set forth in Exhibit A, the Lease is in full force and effect, and BP is in compliance with each of the material terms and conditions of the Lease.
- 7.15 **Dispute Resolution Procedure.** Any Dispute arising out of, relating to, or in connection with this Agreement or an activity or operation conducted under this Agreement shall be resolved under the Dispute Resolution Procedure in the Macondo OA.

The remainder of this page is intentionally left blank.

DRAFT VERSION. NOT AN OFFER THAT CAN BE ACCEPTED

The Parties have executed this Agreement as evidenced by the following signatures of the authorized representatives of the Parties, but is effective for all purposes as of the Effective Date:

**BP Exploration & Production Inc.**

By :

\_\_\_\_\_

—

Title: \_\_\_\_\_

Date : \_\_\_\_\_

—

**Anadarko Petroleum Corporation**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Kerr-McGee Corporation**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

DRAFT VERSION. NOT AN OFFER THAT CAN BE ACCEPTED

**Exhibit A**

Attached to and made a part of that certain Well Participation Agreement dated effective October 1, 2009 by and between BP Exploration & Production Inc. and Anadarko Petroleum Corporation.

**BP LEASE - MACONDO PROSPECT AREA**

**Lease Description:**

Federal OCS Oil & Gas Lease Serial number OCS-G 32306 dated June 1, 2008 between the United States of America and BP Exploration & Production Inc., covering all of Mississippi Canyon Block 252, OCS Official Protraction Diagram NH 16-10, containing approximately 5,760 acres as to all depths and bearing a royalty of 18.75%.

DRAFT VERSION. NOT AN OFFER THAT CAN BE ACCEPTED

**Exhibit B**

Attached to and made a part of that certain Well Participation Agreement dated effective October 1, 2009 by and between BP Exploration & Production Inc. and Anadarko Petroleum Corporation.

**Macondo Operating Agreement**

DRAFT

DRAFT VERSION. NOT AN OFFER THAT CAN BE ACCEPTED

**Exhibit C**

Attached to and made a part of that certain Well Participation Agreement dated effective October 1, 2009 by and between BP Exploration & Production Inc. and Anadarko Petroleum Corporation.

**Authorization For Expenditure**

Macondo Prospect

Page 14 of 15

CONFIDENTIAL

BP-HZN-2179MDL01973918  
BPD210-078667

DRAFT VERSION. NOT AN OFFER THAT CAN BE ACCEPTED

**Exhibit D**

Attached to and made a part of that certain Well Participation Agreement dated effective October 1, 2009 by and between BP Exploration & Production Inc. and Anadarko Petroleum Corporation.

**Tax Partnership Agreement**

DRAFT





## LEASE EXCHANGE AGREEMENT

This Lease Exchange Agreement (the "Agreement") is made and entered into effective \_\_\_\_\_, 2009 ("Effective Date") by and between the Parties identified below:

**"BP"** BP Exploration & Production Inc.  
200 WestLake Park Blvd.  
Houston, TX 77079  
Contact: Mr. Kemper Howe  
Phone: (281) 366-1278  
Fax: (281) 366-7569

**"APC"** Anadarko Petroleum Corporation  
1201 Lake Robbins Drive  
The Woodlands, TX 77380  
Contact: Mr. Jim Bryan  
Phone: (832) 636-8831  
Fax: (832) 636-8059

In this Agreement, each of the companies listed above are sometimes referred to individually as a "Party" and collectively as the "Parties." BP and APC hereby agree to a conveyance of certain property interests in the federal OCS oil and gas leases described in Exhibit "A-1" according to the following terms and conditions:

**1. DEFINITIONS:** As used in this Agreement the initially capitalized terms listed below have the following meanings:

**1.1 Affiliate:** means any corporation, limited liability company or partnership (including a limited partnership) or other entity owned or controlled by a Party to this Agreement. The term "Affiliate" of a Party includes any parent corporation, partnership or other entity that directly or indirectly owns or controls fifty percent (50%) or more of the outstanding stock (or other interests) having the right to vote for directors, of a Party to this Agreement, and also includes any other corporation, partnership or other entity in which the parent corporation directly or indirectly owns or controls the voting stock (or other interests) in the other corporation.

- Ownership or control by a Party is deemed to exist if a Party to this Agreement directly or indirectly owns or controls fifty percent (50%) or more of the outstanding stock of the corporation having the right to vote for directors of the corporation (or fifty percent (50%) or more of the interests in the partnership or other entity).

- The stock (or interests in a partnership or other entity) owned or controlled by a Party shall include all stock (or other interests) directly or indirectly owned or controlled by any other corporation, partnership or other entity owned or controlled by a Party to this Agreement.

**1.2 Agreement:** means this Lease Exchange Agreement together with the Exhibits attached hereto and defined herein.

**1.3 Assignment:** means the conveyance of Record Title Interest substantially similar in form to the form of Assignment attached hereto as Exhibit "B" to be executed and delivered between the Parties pursuant to this Agreement along with any "Designation of Operator Forms" and other applicable instruments, documents or forms to be executed by the Parties

that are reasonably necessary to carry out the intent and purposes of this Agreement.

**1.4 BP Property:** means an undivided twenty-five percent (25.00%) of one hundred percent (100%) Record Title Interest in and to Lease OCS-G 32306 (Mississippi Canyon Block 252) as well as the tangible personal property which includes the tubular and wellhead costs as set forth in Authorization For Expenditure attached hereto as Exhibit "C."

**1.5 APC Property:** means an undivided twenty-five percent (25.00%) of one hundred percent (100%) Record Title Interest in and to Lease OCS-G 31855 (Keathley Canyon Block 27); an undivided fifty percent (50.00%) of one hundred percent (100%) Record Title Interest in and to Lease OCS-G 31214 (Keathley Canyon 140); an undivided twenty-five percent (25.00%) of one hundred percent (100%) Record Title Interest in and to Lease OCS-G 32462 (Garden Banks 994); and an undivided twenty-five percent (25.00%) of one hundred percent (100%) Record Title Interest in and to Lease OCS-G 32463 (Garden Banks 995).

**1.6 Exhibits:** means the following exhibits to this Agreement, which are attached hereto and made part hereof for all purposes:

Exhibit "A-1"	Description of Assigned Leases
Exhibit "A-2"	Interests of the Parties
Exhibit "B"	Form of Assignment
Exhibit "C"	Macondo Well Plan and AFE

**1.7 Final Closing:** means the date determined in accordance with the provisions in Section 12 ("Final Closing"), which is the date the Parties will execute and deliver the instruments described in said Section 12, if at all.

**1.8 MMS:** means the U.S. Department of the Interior, Minerals Management Service, and the records maintained at the New Orleans, Louisiana, Regional Office of that agency, or any successor agency having jurisdiction over either the APC Property or the BP Property.

**1.9 Record Title Interest:** means, as to all depths, with respect to any federal OCS oil & gas lease, the undivided, fractional or percentage share of all right, title, and interest in such lease granted to the original lessee (or lessees) by the MMS, including, without limitation, an equal undivided fractional or percentage share of the operating rights in such lease.

**2. CONVEYANCE OF PROPERTIES.** Subject to the satisfaction of the "Conditions of Final Closing" described in Section 17 below, APC agrees to assign and convey a certain undivided Record Title Interest in the APC Property to BP in exchange for a certain undivided Record Title Interest in the BP Property, and BP agrees to assign and convey a certain undivided Record Title Interest in the BP Property to APC in exchange for a certain undivided Record Title Interest in the APC Property. The pre-exchange and post-exchange interests of each of the Parties in the APC Property and the BP Property are set out on Exhibit "A-2."

1 **3. LIMITED WARRANTY.** The Assignments to be made hereunder by either Party  
2 at Final Closing shall be made:

- 3 (a) without warranty of title or any other type of warranty (express or implied);  
4 except as to claims by persons claiming the same property, or any part  
5 thereof, by, through or under the assigning party, but not otherwise, but  
6 with full subrogation and substitution in and to all actions in warranty; and,  
7 (b) free and clear of any overriding royalties, production payments,  
8 mortgages, pledges or other burdens, liens or encumbrances on  
9 production (including but not limited to dedications of production,  
10 production handling agreements, and/or processing agreements) other  
11 than the lessor's royalty, and  
12 (c) subject to the provisions in the oil and gas leases for the BP Property, and  
13 the APC Property, as the case may be, this Agreement, the applicable  
14 operating agreement referred to in Section 7 hereof and approval by the  
15 MMS.  
16

17 **4. LIKE KIND EXCHANGE:** APC and BP expect and intend that the Assignments  
18 to be made hereunder shall be characterized for tax purposes as a partial "like-  
19 kind exchange" pursuant to Section 1031 of the Internal Revenue Code of 1986,  
20 as amended, or similar provisions, with no resulting gain or loss by either Party.  
21 However, should any Party recognize any gain or loss, as a result of this  
22 exchange, such Party shall bear one-hundred percent (100%) of any such gain  
23 or loss, including any tax consequences associated with such gain or loss,  
24 without contribution from the other Party to this Agreement.  
25

26 **5. DATA AND INFORMATION NOT INCLUDED.** The interests in the APC  
27 Property and the BP Property to be conveyed hereunder do not include any  
28 rights and/or interests in any data or information not specifically described as  
29 being included in this Agreement.  
30

31 **6. CONSENTS AND PREFERENTIAL RIGHTS.** BP represents that there are no  
32 consents to assign or preferential rights of purchase affecting the BP Property as  
33 of Final Closing. APC represents that there are no consents to assign but there  
34 are preferential rights of purchase affecting the APC Property. APC agrees to  
35 seek a waiver of the preferential rights to purchase from its respective co-  
36 owners. If APC is unsuccessful in obtaining waiver(s), the Parties shall mutually  
37 agree as to the cash equivalent value of each lease comprising the APC  
38 Property prior to APC tendering preferential rights of purchase to the affected  
39 parties under the applicable operating agreements. If none of the preferential  
40 rights of purchase are exercised, then APC shall provide evidence of the same in  
41 writing to BP prior to Final Closing. If any of the preferential rights of purchase  
42 that the APC Property is subject to are exercised, then BP shall take the cash  
43 consideration offered in lieu of the Record Title Interest for the affected lease.  
44

1       7. **OPERATING AGREEMENT:** Mississippi Canyon Block 252 is subject to an  
2 existing operating agreement between BP and MOEX Offshore 2007 LLC  
3 ("MOEX") covering BP's Macondo Prospect ("Macondo Operating Agreement").  
4 BP is designated operator under the Macondo Operating Agreement, which is  
5 dated effective October 1, 2009. If APC is assigned a Record Title Interest in  
6 Mississippi Canyon Block 252, then, contemporaneous with the execution of  
7 such assignment, APC will adopt, ratify, and execute the Macondo Operating  
8 Agreement.

9  
10       Keathley Canyon Block 140 is subject to an existing operating agreement  
11 between APC and Nexen Petroleum Offshore U.S.A. Inc. ("Nexen") covering its  
12 respective prospect. Nexen is designated operator and the operating agreement  
13 is dated effective \_\_\_\_\_, 200\_. If, subject to Section 6 of this  
14 Agreement, BP is assigned a Record Title Interest in Keathley Canyon Block  
15 140, then, contemporaneously with the execution of such assignment, BP will  
16 adopt, ratify, and execute the existing operating agreement covering Keathley  
17 Canyon Block 140.

18  
19       8. **ACCOUNTING FOR THE APC PROPERTY.** All operating and capital expenses  
20 (including lease rental and maintenance expenses) associated with any part of  
21 the APC Property and relating to the period prior to the Effective Date shall be  
22 borne by APC.

23  
24       9. **ACCOUNTING FOR THE BP PROPERTY.** All operating and capital expenses  
25 (including lease rental and maintenance expenses) associated with any part of  
26 the BP Property, except for the tangible personal property which includes the  
27 tubular and wellhead costs as set forth in Exhibit "C" Macondo Well Plan and  
28 AFE, and relating to the period prior to the Effective Date shall be borne by BP.  
29 Regarding tangible personal property referred to in Section 1.4, the Parties  
30 agree that there will be a post-closing accounting to determine the cost of the  
31 respective tangible personal property incurred as of Final Closing. This post-  
32 closing accounting will occur on or before one hundred and eighty (180) days  
33 subsequent to Final Closing.

34  
35       10. **THE APC PROPERTY INDEMNITY.** With respect to the APC Property, subject  
36 to Sections 3 and 13, APC shall indemnify, defend, and hold BP harmless from:  
37 (a) all liabilities, penalties, claims, causes of action, demands, lawsuits  
38 (including environmental liabilities, fines and penalties), and expenses  
39 (including attorney's fees and court costs) relating to APC's ownership or  
40 operatorship of the APC Property prior to the Effective Date; and  
41 (b) any claims, causes of action, and lawsuits that are asserted by APC's  
42 stockholders or other parties that in any way challenge APC's right to  
43 complete the transaction contemplated hereunder.

1 With respect to the APC Property, APC's and BP's respective rights and  
2 obligations after Final Closing shall be determined in accordance with and  
3 governed by the applicable operating agreement.  
4

5 **11. THE BP PROPERTY INDEMNITY.** With respect to the BP Property, subject to  
6 Sections 3 and 13, BP shall indemnify, defend, and hold APC harmless from:

- 7 (a) all liabilities, penalties, claims, causes of action, demands, lawsuits  
8 (including environmental liabilities, fines and penalties), and expenses  
9 (including attorney's fees and court costs) relating to BP's ownership or  
10 operatorship of the BP Property prior to the Effective Date; and  
11 (b) any claims, causes of action, and lawsuits that are asserted by BP's  
12 stockholders or other parties that in any way challenge BP's right to  
13 complete the transaction contemplated.

14 With respect to the BP Property, APC's and BP's respective rights and  
15 obligations after Final Closing shall be determined in accordance with and  
16 governed by the Macondo Prospect Operating Agreement.  
17

18 **12. FINAL CLOSING:** The Final Closing with respect to the APC Property and the  
19 BP Property shall occur on or before \_\_\_\_\_, 2009. Final Closing shall  
20 be accomplished by either execution in BP's 200 WestLake Park Blvd., Houston,  
21 Texas, offices at an agreed time or by the circulation of documents via overnight  
22 mail to each of the Parties. Final Closing shall be deemed complete and binding  
23 upon all Parties only upon the execution of all required documents referred to  
24 below by all of the Parties to this Agreement. In the event APC does not obtain  
25 waivers referenced in Section 6 prior to Final Closing, Final Closing shall  
26 nonetheless occur on the date mentioned above; provided, however, that the  
27 APC Property assigned to BP shall remain subject to preferential rights to  
28 purchase in accordance with the applicable operating agreement.

29 **12.1 Effective Date of Instruments:** The Assignments delivered hereunder  
30 shall be made effective as of October 1, 2009 ("Effective Date of  
31 Assignments").

32 **12.2 Instruments to be Executed and Delivered by APC to BP at or before**  
33 **Final Closing:**

- 34 (a) four (4) duplicate counterparts of Assignments, in the form of the  
35 assignment set forth in Exhibit "B," appropriately prepared to vest  
36 BP with the Post Exchange Interest set forth opposite BP's name in  
37 Exhibit "A-2" for each of the following leases: OCS-G 31855  
38 (Keathley Canyon Block 27), OCS-G 31214 (Keathley Canyon  
39 140), OCS-G 32462 (Garden Banks 994), and OCS-G 32463  
40 (Garden Banks 995); and  
41 (b) four (4) Designation of Operator Forms designating BP as Operator  
42 of lease OCS-G 32306 (Mississippi Canyon 252), along with any  
43 necessary OSFR forms; and  
44 (c) three (3) duplicate ratification instruments covering Keathley  
45 Canyon 140 operating agreement.

1       **12.3 Instruments to be Executed and Delivered by BP to APC at or before**  
2       **Final Closing:**

- 3           (a) four (4) duplicate counterparts of an Assignment, in the form of the  
4           assignment set forth in Exhibit "B," appropriately prepared to vest  
5           APC with the Post Exchange Interest set forth opposite APC's  
6           name in Exhibit "A-2" for lease OCS-G 32306 (Mississippi Canyon  
7           Block 252).  
8           (b) three (3) duplicate ratification instruments covering the Macondo  
9           Prospect Operating Agreement.

10  
11       **13. REPRESENTATIONS AND WARRANTIES OF APC.** With respect to the APC  
12       Property, APC represents and warrants to BP only that, as of the date of Final  
13       Closing:

- 14           (a) APC has the corporate power and authority to execute and deliver this  
15           Agreement, the Assignments and to consummate the exchange  
16           contemplated hereunder. This Agreement constitutes the valid and  
17           binding obligation of APC, enforceable against APC in accordance with  
18           the terms hereof, and no other corporate act, corporate approval, or  
19           proceeding on the part of APC is required to authorize the execution and  
20           delivery of this Agreement and the Assignments by APC or the  
21           consummation of the exchange contemplated hereunder.  
22           (b) APC has not incurred any liability, contingent or otherwise, for broker's or  
23           finder's fees relating to the exchange contemplated hereunder for which  
24           BP could or will bear any responsibility.  
25           (c) To APC's actual knowledge, there are no pending or, threatened claims,  
26           lawsuits, administrative proceedings, or governmental investigations or  
27           inquiries involving the APC Property, except those claims, lawsuits,  
28           administrative proceedings, and governmental investigations and inquiries  
29           that APC has disclosed to BP in writing prior to Final Closing.  
30           (d) There exists no material contract or agreement to which APC is a party  
31           relating to hydrocarbon production, including oil production, gas  
32           production, natural gas liquids, or oil and gas production from any part of  
33           the APC Property in which any third party is granted a call on APC's  
34           interest in such production or the right to purchase such production for a  
35           period in excess of thirty (30) days, except as may be provided by the  
36           United States government under law or the terms of the oil and gas  
37           leases.  
38           (e) The APC Properties are not held in a tax partnership.  
39           (f) APC has paid or caused to have been paid all rentals or other lease  
40           maintenance payments affecting the APC Property that are or become due  
41           on or before November 1, 2009.

42  
43       **14. REPRESENTATIONS AND WARRANTIES OF BP.** With respect to the BP  
44       Property, BP represents and warrants to APC only that, as of the date of Final  
45       Closing:

- 1 (a) BP has the corporate power and authority to execute and deliver this  
2 Agreement, the Assignments and to consummate the exchange  
3 contemplated hereunder. This Agreement constitutes the valid and  
4 binding obligation of BP, enforceable against BP in accordance with the  
5 terms hereof, and no other corporate act, corporate approval, or  
6 proceeding on the part of BP is required to authorize the execution and  
7 delivery of this Agreement and the Assignments by BP or the  
8 consummation of the exchange contemplated hereunder.
- 9 (b) BP has not incurred any liability, contingent or otherwise, for broker's or  
10 finder's fees relating to the exchange contemplated hereunder for which  
11 APC could or will bear any responsibility.
- 12 (c) To BP's actual knowledge, there are no pending or, threatened claims,  
13 lawsuits, administrative proceedings, or governmental investigations or  
14 inquiries involving the BP Property, except those claims, lawsuits,  
15 administrative proceedings, and governmental investigations and inquiries  
16 that BP has disclosed to APC in writing prior to Final Closing.
- 17 (d) There exists no material contract or agreement to which BP is a party  
18 relating to hydrocarbon production, including oil production, gas  
19 production, natural gas liquids, or oil and gas production from any part of  
20 the BP Property in which any third party is granted a call on any of BP's  
21 interest in such production or the right to purchase such production for a  
22 period in excess of thirty (30) days, except as may be provided by the  
23 United States government under law or the terms of the oil and gas  
24 leases.
- 25 (e) The BP Property is not held in a tax partnership.
- 26 (f) BP has paid or caused to have been paid all rentals or other lease  
27 maintenance payments affecting the BP Property that are or become due on  
28 or before November 1, 2009.

29  
30 **15. COVENANTS OF APC.** With regard to the APC Property, APC hereby enters  
31 into the following covenants with BP between the Effective Date of this  
32 Agreement and until Final Closing:

- 33 (a) APC shall maintain customary books and records consistent with past  
34 practices, and will continue to operate the same in a good and  
35 workmanlike manner consistent with past practices.
- 36 (b) APC shall not take any action which would create any material liabilities or  
37 which would create any commitments other than those created in the  
38 ordinary course of business.

39  
40 **16. COVENANTS OF BP.** With regard to the BP Property, BP hereby enters into  
41 the following covenants with APC between the Effective Date of this Agreement  
42 and until Final Closing:

- 43 (a) BP shall maintain customary books and records consistent with past  
44 practices, and will continue to operate the same in a good and  
45 workmanlike manner consistent with past practices.

(b) BP shall not take any action which would create any material liabilities or which would create any commitments other than those created in the ordinary course of business.

**17. CONDITIONS OF FINAL CLOSING.** No Party shall have any obligation to proceed to Final Closing if prior to Final Closing it knows, or has reason to believe, that any representation or warranty made by the other Party herein is not true in all material respects or that the other Party has not performed any obligation, covenant, or agreement required by this Agreement to be performed by a Party. Any Party may terminate this Agreement without liability to the other Party(ies) and without any obligation to proceed to Final Closing if:

(a) There is pending or instituted, threatened, or proposed, any action or proceeding by or before a court or administrative agency challenging or complaining of, or seeking to collect damages or other relief in connection with, the transaction contemplated hereunder, or

(b) There is any law, regulation, rule, or order, or any judicial or administrative decision (whether on a preliminary or final basis) which purports to prohibit, restrict, or delay the consummation of the transaction contemplated hereunder prior to Final Closing.

**18. RESPONSIBILITY FOR TAXES AND RECORDING FEES.** Any sales taxes, transfer taxes, documentary taxes and recording fees relating to an assignment hereunder shall be paid by the assignee. Each Party shall be legally responsible for paying its own local, state and federal income tax reporting, recognition of gain or loss, if any, and the taxes, if any, payable with respect to the transaction.

**19. NOTICES.** All notices and communications required or permitted under this Agreement, shall be made in writing and delivered to the designated representative listed in the preamble to this Agreement either in person or by facsimile transmission, U.S. mail (postage pre-paid), electronic mail (e-mail) with printed read receipt confirmation retained, overnight express or courier.

**20. CONSTRUCTION AND INTERPRETATION OF THIS AGREEMENT.** The interpretation and construction of the terms of this Agreement will be governed by the following conventions:

**20.1 Headings for Convenience:** Except for the definition headings contained in Section 1, all captions, numbering sequences, and headings used in this Agreement are inserted for convenience only and shall in no way define, limit or describe the scope or intent of this Agreement or any part thereof; nor have any legal effect.

**20.2 Gender and Number:** The use of pronouns in whatever gender or number shall be deemed to be a proper reference to the Parties to this Agreement though the Parties may be individuals, business entities, or groups thereof. Any necessary grammatical changes required to make the provisions of this Agreement refer to the correct gender or number



1 shall in all instances be assumed as though each case was fully  
2 expressed.

3 **20.3 Independent Representation:** Each Party has had the benefit of  
4 independent legal representation with respect to the subject matter of this  
5 Agreement. This Agreement, though drawn by one Party, shall be  
6 construed fairly and reasonably and not more strictly against one Party  
7 than another.

8 **20.4 Severance of Invalid Provisions:** If, for any reason and for so long as,  
9 any clause or provision of this Agreement is held by a court of competent  
10 jurisdiction to be illegal, invalid, unenforceable or unconscionable under  
11 any present or future law (or interpretation thereof), the remainder of this  
12 Agreement shall not be affected by such illegality or invalidity. Any such  
13 invalid provision shall be deemed severed from this Agreement as if this  
14 Agreement had been executed with the invalid provisions eliminated. The  
15 surviving provisions of this Agreement shall remain in full force and effect  
16 unless the removal of the invalid provisions destroys the legitimate  
17 purposes of this Agreement; in which event this Agreement shall be null  
18 and void. The Parties shall use reasonable efforts to attempt to negotiate  
19 any required modifications to this Agreement.

20 **20.5 Applicable Law:** The provisions of this Agreement and the  
21 relationship of the Parties shall be governed and interpreted  
22 according to the laws of the State of Texas without regard to choice  
23 or conflict of laws that would refer the matter to the laws of another  
24 jurisdiction.  
25

26 **21. FURTHER ASSURANCES.** To the extent each other Party complies with its  
27 obligations under this Agreement, APC and BP, whichever applies, agree to  
28 execute, acknowledge, and deliver or cause to be executed, acknowledged, and  
29 delivered any instrument, or take any action necessary or appropriate to  
30 effectuate the terms of this Agreement.  
31

32 **22. REPRESENTATIONS SURVIVE FINAL CLOSING.** All representations,  
33 warranties, covenants, indemnities or agreements contained in this Agreement  
34 or in any Exhibit that by its express provisions is intended to do so, shall survive  
35 the Final Closing; provided that survival beyond Final Closing shall not extend or  
36 expand such representations, warranties, covenants, indemnities or agreements  
37 beyond its respective express provisions or its reasonable intent.  
38

39 **23. BINDING EFFECT.** This Agreement shall be binding upon and inure to the  
40 benefit of the Parties and their respective successors and assigns. This  
41 Agreement does not benefit or create any rights in any person or entity not a  
42 Party to this Agreement.  
43

- 1 **24. INTEGRATED AGREEMENT.** This Agreement, and the Exhibits attached and  
2 incorporated herein, contain the final and entire agreement of the Parties with  
3 respect to the subject matter of this Agreement. If there is a conflict between the  
4 body of this Agreement (excluding the Exhibits) and any Exhibit, the provisions in  
5 the body of this Agreement (excluding the Exhibits) shall prevail. There are no  
6 representations, warranties or promises, oral or written between the Parties other  
7 than those included in this Agreement. This Agreement shall supersede and  
8 replace all previous agreements, negotiations, understandings or promises,  
9 whether written or oral, relative to the subject of this Agreement. Each of the  
10 Parties acknowledges that no other Party has made any promise, representation  
11 or warranty that is not expressly stated in this Agreement. This Agreement shall  
12 not be modified or changed except by a written amendment signed by all the  
13 Parties.
- 14
- 15 **25. COUNTERPART EXECUTION.** This Agreement may be executed by signing  
16 the original or a duplicate counterpart thereof. If this Agreement is executed in  
17 multiple duplicate counterparts, each such counterpart shall be deemed an  
18 original and all of which when taken together shall constitute but one and the  
19 same agreement with the same effect as if all Parties had signed the same  
20 instrument.
- 21
- 22 **26. ASSIGNMENT.** This Agreement shall not be assigned by a Party without the  
23 prior written consent of the other Party. Any assignment made without the prior  
24 written consent of the other Party shall be null and void, *ab initio*.
- 25
- 26 **27. CONFLICT.** In the event of a conflict between the terms of this Agreement and  
27 the applicable operating agreement, this Agreement shall prevail.
- 28
- 29 **28. TERM OF AGREEMENT.** This Agreement shall become binding upon execution  
30 by all of the Parties as of the Effective Date as set forth in the preamble to this  
31 Agreement and shall survive Final Closing, if it occurs. If the conditions of Final  
32 Closing are not met as set forth in Section 17, then unless mutually agreed to by  
33 the Parties in writing, this Agreement shall terminate on November 1, 2009  
34 without liability on the part of either Party.
- 35
- 36 **29. DISPUTE RESOLUTION PROCEDURE.** On or after the Effective Date, any  
37 claim, controversy, or dispute arising out of, relating to, or in connection with this  
38 Agreement or an activity or operation conducted under this Agreement shall be  
39 resolved under the Dispute Resolution Procedure attached to the Macondo  
40 Prospect Operating Agreement.
- 41
- 42
- 43
- 44

**THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK**

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45

**EXECUTION PAGE FOR THE LEASE EXCHANGE AGREEMENT  
DATED \_\_\_\_\_, 2009 BY AND BETWEEN BP EXPLORATION &  
PRODUCTION INC. & ANDARKO PETROLEUM CORPORATION**

**IN WITNESS WHEREOF**, each Party, through its duly authorized agent or representative, has executed this Agreement on date set forth below.

**BP EXPLORATION & PRODUCTION INC.**

\_\_\_\_\_  
Signature  
Kemper Howe  
Printed Name  
Attorney-in-Fact  
Title  
\_\_\_\_\_  
Date

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17

**ANADARKO PETROLEUM CORPORATION**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

1                                   **Exhibit "A-1" - Description of Assigned Leases**

2   Attached to and made a part of that certain Lease Exchange Agreement dated \_\_\_\_\_  
3                                   \_\_\_\_\_, 2009 by and between BP Exploration & Production Inc.  
4                                   and Anadarko Petroleum Corporation

5  
6   **The BP Property**

7   **Lease Description:**   Federal OCS oil & gas lease serial number OCS-G 32306,  
8                                   dated June 1, 2008, between the United States of America and  
9                                   BP Exploration & Production Inc., covering all of Mississippi  
10                                  Canyon Block 252, OCS Official Protraction Diagram NH 16-10,  
11                                  covering 5,760 acres as to all depths and bearing a royalty rate  
12                                  of 18.75% percent. (Record Title Interest).

13  
14   **The APC Property**

15   **Lease Descriptions:**   Federal OCS oil & gas lease serial number OCS-G 31855,  
16                                  dated March 1, 2008, between the United States of America  
17                                  and BP Exploration & Production Inc., covering all of Keathley  
18                                  Canyon Block 27, OCS Official Protraction Diagram NG 15-05,  
19                                  covering 5,760 acres as to all depths and bearing a royalty rate  
20                                  of 16.67% percent. (Record Title Interest).

21  
22                                  Federal OCS oil & gas lease serial number OCS-G 31214,  
23                                  dated November 1, 2007, between the United States of  
24                                  America, Anadarko Petroleum Corporation, and Nexen  
25                                  Petroleum Offshore U.S.A. Inc., covering all of Keathley Canyon  
26                                  Block 140, OCS Official Protraction Diagram NG 15-05,  
27                                  covering 5,760 acres as to all depths and bearing a royalty rate  
28                                  of 16.67% percent. (Record Title Interest).

29  
30                                  Federal OCS oil & gas lease serial number OCS-G 32462,  
31                                  dated August 1, 2008, between the United States of America  
32                                  and BP Exploration & Production Inc., covering all of Garden  
33                                  Banks Block 994, OCS Official Protraction Diagram NG 15-02,  
34                                  covering 5,760 acres as to all depths and bearing a royalty rate  
35                                  of 18.75% percent. (Record Title Interest).

36  
37                                  Federal OCS oil & gas lease serial number OCS-G 32463,  
38                                  dated August 1, 2008, between the United States of America  
39                                  and BP Exploration & Production Inc., covering all of Garden  
40                                  Banks Block 995, OCS Official Protraction Diagram NG 15-02,  
41                                  covering 5,760 acres as to all depths and bearing a royalty rate  
42                                  of 18.75% percent. (Record Title Interest).

1 **Exhibit "A-2" – Interests of the Parties**

2 Attached to and made a part of that certain Lease Exchange Agreement dated \_\_\_\_\_  
3 \_\_\_, 2009 by and between BP Exploration & Production Inc.  
4 and Anadarko Petroleum Corporation  
5

6 **Pre-Exchange Interests:**

7  
8 **APC Property**

9 Company	Record Title Interest	Net Revenue Interest
10 APC	25.00%	20.833% (Keathley Canyon 27)
11 APC	50.00%	41.66% (Keathley Canyon 140)
12 APC	25.00%	20.3125% (Garden Banks 994)
13 APC	25.00%	20.3125% (Garden Banks 995)

14  
15 **BP Property**

16 Company	Record Title Interest	Net Revenue Interest
17 BP	90.00%	73.125% (Mississippi Canyon 252)

18  
19  
20 **Post-Exchange Interests:**

21  
22 **OCS-G 31855 Keathley Canyon Block 27\***

24 Company	Record Title Interest	Net Revenue Interest
25 BP	80.00%	66.67%

26  
27 \*Assumes Devon Energy does not elect to acquire its proportionate share under  
28 the Preferential Right provision of the applicable operating agreement.  
29

30 **OCS-G 31214 Keathley Canyon Block 140\*\***

32 Company	Record Title Interest	Net Revenue Interest
33 BP	50.00%	41.66%

34  
35 \*\* Assumes Nexen does not elect to acquire its proportionate share under the  
36 Preferential Right provision of the applicable operating agreement.  
37  
38  
39  
40  
41  
42  
43  
44  
45

46 **Exhibit "A-2" Continued – Interests of the Parties**  
47

1 **OCS-G 32462 Garden Banks Block 994\*\*\***

2

<u>Company</u>	<u>Record Title Interest</u>	<u>Net Revenue Interest</u>
BP	80.00%	65.00%

5

6 \*\*\* Assumes Devon does not elect to acquire its proportionate share under the  
7 Preferential Right provision of the applicable operating agreement.

8

9 **OCS-G 32463 Garden Banks Block 995\*\*\*\***

10

<u>Company</u>	<u>Record Title Interest</u>	<u>Net Revenue Interest</u>
BP	80.00%	65.00%

13

14 \*\*\*\* Assumes Devon does not elect to acquire its proportionate share under the  
15 Preferential Right provision of the applicable operating agreement.

16

17 **OCS-G 32306 Mississippi Canyon Block 252**

18

<u>Company</u>	<u>Record Title Interest</u>	<u>Net Revenue Interest</u>
BP	65.00%	52.8125%
APC	25.00%	20.3125%

22

**Exhibit "B" – Assignment**

Attached to and made a part of that certain Lease Exchange Agreement dated \_\_\_\_\_  
\_\_\_\_, 2009 by and between BP Exploration & Production Inc.  
and Andarko Petroleum Corporation

**FORM OF ASSIGNMENT**



ASSIGNMENT OF RECORD TITLE INTEREST IN  
FEDERAL OCS OIL AND GAS LEASE

Lease No. \_\_\_\_\_

Lease Effective Date \_\_\_\_\_

New Lease No. (MMS Use Only) \_\_\_\_\_

Part A: Assignment

Legal description of land/area being assigned.

Assignor(s) does hereby sell, assign, transfer and convey unto Assignee(s) the following undivided right, title and interest:

Insert name and Company number of each Assignor and Assignee.

Assignor(s): \_\_\_\_\_ Percentage Interest Conveyed \_\_\_\_\_

Assignee(s): \_\_\_\_\_ Percentage Interest Received \_\_\_\_\_

The approval of this assignment is restricted to record title interest only.

Exhibit "A," which sets forth other provisions between Assignor(s) and Assignee(s), is attached to and made a part of this assignment.

For MMS Use only - Do Not Type Below This Line

This Assignment of Record Title Interest has been filed as of the date stamped on this document and hereby approved by the Minerals Management Service on the date below.

By \_\_\_\_\_ Title \_\_\_\_\_ Approval Date \_\_\_\_\_  
Authorized Official for MMS

Paperwork Reduction Act of 1995 (PRA) Statement: The PRA (44 U.S.C. 3501 et seq.) requires us to inform you that we collect this information to use in the adjudication process involved in leasing and lease operations. The MMS uses the information to track ownership of leases in the Federal OCS. Responses are mandatory (43 U.S.C. 1334). Proprietary data are covered under 30 CFR 250.196. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB Control Number. Public reporting burden of this form is estimated to average 30 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of the this form to the Information Collection Clearance Officer, Mail Stop 4230, Minerals Management Service, 1849 C Street, NW, Washington, DC 20240.

MMS FORM MMS-150 (June 2006)

Page 1 of 2

**Part B - Certification and Acceptance**

1. Assignor(s) certifies it is the owner of the record title interest in the above-described lease that is hereby assigned to the Assignee(s) specified above.
2. **DEBARMENT COMPLIANCE:** Assignee shall comply with the Department of the Interior's nonprocurement debarment and suspension regulations as required by Subpart C of 43 CFR Part 42 and shall communicate the requirement to comply with these regulations to persons with whom it does business related to this record title interest assignment by including this term in its contracts and transactions.
3. **EQUAL OPPORTUNITY AND AFFIRMATIVE ACTION COMPLIANCE CERTIFICATION:** Assignor(s) and Assignee(s) certify that they are in full compliance with Equal Opportunity Executive Order 11246, as amended, and the implementing regulations at 41 CFR 60-01 - Obligations of Contractors and Subcontractors; and 41 CFR 60-2 - Affirmative Action Programs. These requirements are for the purpose of preventing discrimination against persons on the basis of race, color, religion, sex, or national origin. These regulations have specific performance requirements.
4. Assignee's execution of this assignment constitutes acceptance of all applicable terms, conditions, stipulations and restrictions pertaining to the lease described herein. Applicable terms and conditions include, but are not limited to, an obligation to conduct all operations on the leasehold in accordance with the terms and conditions of the lease, to condition all wells for proper abandonment, to restore the leased lands upon completion of any operations as described in the lease, and to furnish and maintain bond(s) pursuant to regulations at 30 CFR 256. This assignment is subject to the Outer Continental Shelf Lands Act of August 7, 1953, 67 Stat. 462; 43 U.S.C. 1331 et seq., as amended (the "Act"), and Assignee(s) is subject to, and shall fully comply with, all applicable regulations now or ~~to be issued under the Act. Notwithstanding any agreement between the Assignor(s) and Assignee(s), the parties' liability to the Minerals Management Service is governed by 30 CFR 256.~~

This Assignment of Record Title Interest will be made effective between the parties hereto as of \_\_\_\_\_, upon approval by the Minerals Management Service, United States Department of the Interior.

This instrument may be executed in any number of counterparts, each of which will be deemed an original instrument, but all of which together shall constitute but one and the same instrument provided, however, this instrument and any other counterpart hereof, will not be binding unless and until executed by all of the parties, and will not be accepted by the Minerals Management Service unless all counterparts are filed simultaneously.

I certify that the statements made herein by the undersigned are true, complete and correct to the best of my knowledge and belief and are made in good faith.

Title 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**ASSIGNOR**

**ASSIGNOR**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Execution Date

Execution Date

**ASSIGNEE**

**ASSIGNEE**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Execution Date

Execution Date

Attach Notary Acknowledgement (not mandatory)

MMS FORM MMS-150

(June 2006)

Page 2 of 2

**EXHIBIT "A"**

**ATTACHED TO AND MADE A PART OF THAT CERTAIN ASSIGNMENT OF  
RECORD TITLE INTEREST  
IN FEDERAL OCS OIL & GAS LEASE FOR OCS-G XXXXX**

**ASSIGNOR:**

**ASSIGNEE:**

To have and to hold the Assigned Lease (and all appurtenant property, if any) unto the Assignee forever, subject to and in accordance with all the terms and provisions of the Assigned Lease and subject to the limitations, exceptions, reservations, and conditions set forth below.

**Assignment Subject to Prior Contracts**

The record title interest conveyed in the Assigned lease is subject to Assignee's assumption of the express and implied terms and conditions of the Assigned Lease and the following agreement(s):

1. \_\_\_\_\_
2. \_\_\_\_\_

Should any terms of the Assignment conflict with the terms of the agreement(s) listed above, the terms of the agreement(s) shall control. There shall be no merger of any of the agreements with this Assignment; rather, the agreement(s) shall survive the granting of this Assignment.

**Limited Warranty of Title**

The Assignment is delivered and accepted without warranty of title, express or implied, except as to persons claiming by, through or under the Assignor, but not otherwise. The Assignor warrants and represents that the interests assigned are not subject to any royalty obligations or burdens created by or through Assignor, other than the Lessor's royalty.

**Binding Effect**

This Assignment and the rights, titles, interests, and obligations assigned, reserved, excepted, or retained in the Assignment, shall inure to the benefit of, and shall be binding upon, the successors and assigns of the Assignor and Assignee. The covenants, obligations and agreements contained in the Assignment shall be construed as covenants running with the land and the Assigned Lease.

**Exhibit "C" – Macondo Well Plan and AFE**

Attached to and made a part of that certain Lease Exchange Agreement dated  
\_\_\_\_\_, 2009 by and between BP Exploration & Production Inc.  
and Andarko Petroleum Corporation