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May 26, 2010

BY ELECTRONIC DELIVERY

Hon. Henry A. Waxman, Chairman
Committee on Energy and Commerce
United States House of Representatives
2125 Rayburn House Office Building
Washington, D.C. 20515-6115

Hon. Bart Stupak, Chairman
Subcommittee on Oversight and Investigations
United States House of Representatives
2125 Rayburn House Office Building
Washington, D.C. 20515-6115

Dear Chairman Waxman and Chairman Stupak:

I am BP's Group Vice President for Safety & Operations and the leader of BP's internal investigation of the April 20 incident involving the Transocean *Deepwater Horizon* drill rig. My team, made up of individuals both internal and external to BP, comprises more than 70 engineers, technical specialists, and other businesspeople with relevant expertise. My team leaders and I appreciated the opportunity to brief your staff on May 25 regarding our preliminary perspectives on the incident and our areas of focus for continuing inquiry. I have subsequently reviewed your May 25, 2010 Memorandum entitled "Key Questions Arising from Inquiry into the Deepwater Horizon Gulf of Mexico Oil Spill," which I understand that your staff prepared following the briefing, and I write to clarify several statements it contains.

First, my team and I have not prepared and did not provide an "interim report" on the incident. We have drawn no conclusions at this point, preliminary or otherwise, because our investigation is ongoing, and we have not had access to certain key pieces of evidence that might enable us to make such conclusions. The initial perspectives we communicated yesterday and that are reflected in the draft presentation we provided to you are based on our post-incident review of the data and witness statements to which we have had access to this point.

Second, I respectfully submit below clarifications to several statements in the Memorandum. For ease of your reference, I have quoted the statement and then offered clarifying comments:

- "According to BP there were three flow indicators from the well before the explosion."

  As my team and I shared with your staff on May 25, the BP Investigation Team has conducted a post-incident review of the Halliburton (Sperry Sun) data. The team believes that this data suggests that there were three occasions within the 51 minutes

prior to the explosion in which abnormal well conditions could have been observed. These indications involved drill pipe pressure abnormalities and mud outflow from the well.

- "As early as 5:05 p.m., almost 5 hours before the explosion, an unexpected loss of fluid was observed in the riser pipe, suggesting that there were leaks in the annular preventer in the BOP."

  The BP Investigation team believes, based on review of the Halliburton data described above and witness interviews, that, in preparation for the negative test, the rig crew bled a volume of fluid from the drill pipe and subsequently refilled the riser. As my team and I shared with your staff on May 25, this information suggests that, in the period prior to the rig crew's conducting the negative test, there was fluid leaking from the space above the annular preventer to the space below the annular preventer. Based on a review of the data, the rig crew appears subsequently to have corrected this leak.

- "A cementer witness stated that the 'well continued to flow and spurted.'"

  As my team and I shared with your staff on May 25, the BP Investigation Team learned, in an interview with a Halliburton employee, that, during the negative test, this employee observed a brief flow on the kill line. This interviewee did not say that he observed "the well" flowing.

- "Having received an unacceptable result from conducting the negative pressure test through the drill pipe, the pressure test was then moved to the kill line where a volume of fluid came out when the line was opened."

  The BP Investigation team believes that the rig crew performed the negative test on the kill line not because of an "unacceptable result" on the drill pipe test, but because the BP well site leader instructed the rig crew to stop the drill pipe test and conduct the test on the kill line in order to meet the requirements of the MMS permit and to adhere to the drilling plan, both of which specified a negative test conducted on the kill line. The drill pipe test had not been completed when the test was conducted on the kill line.

- "Moreover, the float test performed after cementing may not have been definitive, leading to concern that there may have been contamination of the cement due to density differences between the cement and the drilling mud."

  The BP Investigation Team understands that the "float test" to which the Memorandum refers is an operational check (as opposed to a required test) that the rig crew uses to determine if the float valves are holding. This operational check looks for a significant hydrostatic pressure differential between the fluids in the annulus and the casing; in the case of this well, the pressures in the two fluid columns were nearly at balance during this check. As my team and I shared with your staff on May 25, we

have seen no evidence to suggest that this test "le[d] to concern that there may have been contamination of the cement" at that time. In its post-incident review of data, the team has postulated that contamination, if it occurred at all, might have occurred as a result of the heavier cement mixing with the lighter drilling fluid in the pilot hole.

As for the testing of the float collar, that equipment was tested positively and negatively during the integrity test of the well, subsequent to the operational check described above.

- "In addition, the method of displacing the drilling mud with seawater may have interfered with the monitoring of the flow levels from the well because the mud was transferred to another boat instead of measured in the mud pits."

There are two independent means of monitoring mud flow levels from a well – the flow meter and mud pit levels. The BP Investigation Team believes that, on the afternoon of April 20, the cleaning of pits, transfer of fluids between pits, and offloading of mud to a support vessel may have complicated the rig crew's monitoring of the pit levels. The "method of displacing the drilling mud with seawater," in and of itself, would not be a complicating factor.

Again, thank you for the opportunity to brief your staff yesterday. If you have any questions regarding this correspondence, please feel free to contact me directly.

Sincerely,

Mark R. Bly