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VIA ELECTRONIC MAIL AND U.S. MAIL

October 22, 2010

Richard Lazarus
Executive Director
National Commission on the BP Deepwater Horizon Oil Spill
And Offshore Drilling
One Thomas Circle, NW
Fourth Floor
Washington, D.C. 20005

Re: **Response to Correspondence, Dated October 14, 2010, to Doug Suttles**

Dear Mr. Lazarus:

I am writing on behalf of BP Exploration and Production Inc. ("BPXP") in response to your October 14, 2010 letter to Doug Suttles, in which you request additional information regarding BPXP's drilling operations in the Gulf of Mexico in response to questions posed during the BP Deepwater Horizon Oil Spill and Offshore Drilling Commission's hearing in Washington, D.C. on September 27, 2010.

As Mr. Suttles noted in his testimony on September 27, 2010, his duties as the Chief Operating Officer for BPXP did not generally include personal involvement in the development of the permit applications for the Gulf of Mexico; we are, however, providing, in the attachment, information on behalf of BPXP that is responsive to your questions.

If you have any questions, please feel free to contact me directly.

Sincerely,

Kenneth R. Meade

Attachment

Response to Commission Letter to Doug Suttles Dated October 14, 2010

Question 1. How many wells does BP operate in the Gulf of Mexico that are more than 1,000 feet deep?

BP operates 147 deepwater (greater than 1,000 feet deep) wells in the Gulf of Mexico region.

Question 2. What did BP represent as its response capacity in drilling permit applications?

BP Exploration and Production Inc. (BPXP) submitted an Application for Permit to Drill a New Well for the Mississippi Canyon Block 252 (MC 252) to the Minerals Management Service (MMS, now the Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE)) on May 13, 2009. The application itself did not contain any representations regarding response capacity.

BPXP submitted an Initial Exploration Plan (EP) for MC 252 on February 23, 2009. The EP provided that all activities and facilities in the EP were covered by the Regional Oil Spill Response Plan (Regional OSRP) approved by MMS on November 14, 2008.

In section 7 of the EP for MC 252, BPXP calculated, pursuant to the parameters and requirements of 30 C.F.R. § 254.47, a worst-case discharge scenario for a volume uncontrolled blowout (for an exploratory well) of the MC 252 of 162,000 barrels of oil per day (bopd). In that same section it also made reference to the then-current (2008) approved Regional OSRP for the Gulf of Mexico, which had a calculated worst-case discharge scenario for a volume uncontrolled blowout for an exploratory well in the Gulf of Mexico region of 300,000 bopd, again calculated pursuant to the parameters and requirements of 30 C.F.R. § 254.47.

As required by the Notice to Lessees (NTL) No. 2008—G04, BPXP compared the worst-case scenario from the MMS-approved Regional OSRP to the worst-case scenario from the activities proposed in the EP. Because the worst-case discharge scenario in the Regional OSRP was greater than the worst-case discharge scenario in the EP, BPXP was required by the NTL to include the following statement, verbatim, from the NTL:

> Since BP Exploration and Production Inc. has the capability to respond to the appropriate worst-case spill scenario included in its regional OSRP approved on November 14, 2008, and since the worst-case scenario determined for our Exploration Plan does not replace the appropriate worst-case scenario in our regional OSRP, I hereby certify that BP Exploration and Production Inc. has the capability to respond, to the maximum extent practicable, to a worst-case discharge, or a substantial threat of such a discharge, resulting from the activities proposed in our Exploration Plan.

OSRPs are required pursuant to of the Oil Pollution Act of 1990 (OPA 90), 30 C.F.R. Parts 250 and 254, and applicable NTLs administered by BOEMRE. Under these requirements, an OSRP should be designed to allow an outer continental shelf (OCS) operator to respond to specified "worst

case discharge" scenarios to "the maximum extent practicable," defined as responding "within the limitations of available technology, as well as the physical limitations of personnel . . . in adverse weather conditions." (See 30 C.F.R. §§ 254.2, 254.5, 254.6.) Consistent with this standard, and given the many uncertainties and situation-specific challenges presented by a marine oil release, an OSRP cannot assure that a response to oil discharged offshore will in all cases prevent oil from reaching shorelines or from having some degree of impact to environmental or other resources.

The Regional OSRP is not intended to, and does not, include a detailed blueprint for how any particular incident should be responded to, or how any specific decision should be made during an ongoing response. Decision-making during an actual incident is highly dependent upon myriad situation-specific factors and conditions, including the characteristics of the oil released, location of the release, weather conditions, and other factors and conditions that cannot be fully understood before the incident. In addition, the personnel, equipment, strategies, tactics, response techniques and procedures set forth in the Regional OSRP are not intended to be exhaustive, nor does it set forth in detail all available spill prevention and containment methods, guidelines and policies. The response to a specific incident may not be limited to actions outlined in the Regional OSRP. The table in Attachment A contains an overview of the important resources included in the Regional OSRP.

BPXP's Regional OSRP is meant to facilitate an effective initial response, and to guide the response actions to be taken, in the event of an incident in the Gulf of Mexico. In implementing response actions pursuant to the Regional OSRP, BPXP's approach is to utilize, to the extent permitted by situation-specific circumstances and required regulatory approval processes, each of several distinct response technologies to enable the response team to be as efficient as possible in responding to the potential scenarios. Depending on the circumstances, the response technologies employed may include application of dispersants, controlled burning, mechanical recovery, and/or a combination of the above. The selection or combination of one or more response technologies in responding to an actual spill will depend in large part on the particular circumstances surrounding the incident, including the nature, scope and location of the spill.

Question 3. What does BP now think about its capacity to live up to those representations?

The nature of the *Deepwater Horizon* incident, including the scope, scale and complexity, required implementing a spill response process unlike any other. Under the supervision of the Unified Command and the U.S. Coast Guard, the company implemented the response actions in accordance with the Regional OSRP; while the systems and procedures set forth in the Regional OSRP met all regulatory requirements, over time the response teams modified its response activities as necessary and appropriate to respond to the magnitude of the incident.

There were ongoing efforts to ensure that support and appropriate authority flowed rapidly to local leadership and communities while still operating within the command structure set forth in the National Contingency Plan. This included BP Incident Management Teams as well as external governmental entities and third party response organizations with available technical expertise.

In addition, the many challenges posed by the specific contingencies of the *Deepwater Horizon* incident caused BP to undertake an unprecedented deployment of assets. Under the

supervision of the Unified Command and the U.S. Coast Guard, the company implemented the Regional OSRP and was able to draw on and deploy resources from an inventory of pre-allocated assets, including open- and closed-containment systems, boom, dispersant, skimmers and other equipment, to respond to the spill. In many cases, these response actions utilized resources and capabilities identified in the OSRP and adapted and expanded them to address the conditions encountered in the response. These included:

- Deployment of a variety of open-containment systems in deepwater conditions;
- Engineering and construction of closed-containment systems to collect hydrocarbons and to control flow and allow for the introduction of well-control fluids;
- The safe simultaneous operation of 16 Remotely Operated Vehicles (ROVs) in close proximity to the open- and closed-containment systems;
- Use of advanced visualization techniques that allowed simultaneous operation of 19 major vessels in a narrow radius, in hazardous conditions, without incident;
- Rapid retrofit and deployment of multipurpose vessels performing a variety of tasks, including high-volume containment, flaring, and vessel-to-vessel offloading;
- Implementation of a long-term containment system (including emergency hurricane disconnection capability);
- The deployment of new, highly scalable skimming technology, maintenance and deployment systems that enabled the largest skimming response in history;
- Demonstration of the capability of controlled *in-situ* burning, as provided for in the Regional OSRP, as a proven technique for oil recovery;
- Implementation of precise and effective dispersant application techniques, including surface techniques driven by advanced surveillance technology and operational streamlining, and subsea injection systems to efficiently inject dispersants at the source;
- Mobilization of at least 10 million feet of boom, the largest mobilization of boom in any oil spill response; and
- Deployment of more than 6,000 marine vessels, including 5,800 "vessels of opportunity."

BP, as well as others in the industry and government, continues to develop enhancements to oil response capabilities. For example, in July, Chevron, ConocoPhillips, ExxonMobil and Shell announced the establishment of the Marine Well Containment Company (MWCC), a non-profit entity created to build and deploy a rapid response system that will be available to capture and contain oil in the event of a potential future underwater well blowout in the deepwater Gulf of Mexico. BP has announced that it intends to join MWCC, and as part of the agreement BP has committed to making its underwater well containment equipment and full-time BP technical

personnel available to all oil and gas companies operating in the U.S. Gulf of Mexico. The equipment could be deployed to capture and contain oil from a potential underwater well blowout while the rapid response system is being developed.

These efforts have reduced and will continue to further reduce the risk of a future substantial oil spill and strengthen the resources available to respond such a spill. Government regulators have recognized these efforts as well. On October 12, 2010 the Department of Interior lifted the July 2010 suspension of deepwater drilling, noting that "there has been significant progress in addressing drilling safety, blowout containment, and spill response, such that [the Secretary finds] that the threat to life and the marine and coastal environments has been sufficiently reduced to allow" the suspension to be lifted.[1] In that same memorandum the Secretary also concluded "that at present there are sufficient safety measures, including well control measures involving the functionality and testing of BOPs, and well containment and spill response resources to address the threat that led to [the] imposition of the original suspension of certain types of deepwater drilling activities."[2]

[1] Memorandum from Secretary of Interior, Termination of the suspension of certain offshore permitting and drilling activities on the Outer Continental Shelf, October 12, 2010, p.2.
[2] *Id.*, at 3.

Attachment A

Important Resources Included in the Oil Spill Response Plan

•	An organizational structure for the Incident Management Team (IMT) (**Section 4**), specifying how personnel trained in emergency response will come together into an integrated team to respond to the released oil, and will interface with federal, state and other response personnel and authorities.
•	Procedures to make required notifications of the oil release to prescribed federal, state and local officials and agencies (**Section 8**) and to notify and mobilize personnel and key contractor resources (**Section 7**).
•	Techniques and available resources to assist the IMT to assess the size, distribution and movement of released oil (**Section 10**).
•	Reference materials describing commonly-used spill response methods and techniques and key strategies to guide their selection and implementation, including a description of the Incident Action Plan (IAP) planning process (**Sections 12, 13, 15, 16, 18 & 19**).
•	Identification of equipment and personnel resources available for immediate mobilization and procedures to effect such mobilization (**Section 14**; see **Appendices E & F**).
•	Information regarding sensitive environmental and other resources that may require protection or cleanup and the availability of techniques and strategies to accomplish this (**Sections 9, 11 & 13**).
•	Reference material for wildlife protection and rehabilitation (**Section 17**).