



Douglas J. Suttles
Chief Operating Officer



BP Exploration & Production Inc.
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July 6, 2010

Rear Admiral James A. Watson
Federal On-Site Coordinator
United States Coast Guard

Re: Source Control Subsea Dispersant Forward Plan

Dear Admiral Watson,

This letter is in response to your request that BP Exploration & Production Inc. ("BP") provide a high-level description of its plans going forward with regard to the use of dispersants. Specifically, you asked that we describe BP's planned dispersant use after the improvements to the containment system by the implementation of the Helix producer concept.

BP is moving forward with the installation of the Free Standing Riser 1 system that BP projects will have the capacity to contain an additional 20 - 25 MMBOPD from the MC252 well (the "Well") to the Helix Producer. The current weather conditions make the timing for the start-up of the Helix Producer system uncertain. The earliest projected date for the start-up is July 7, 2010, with it being more likely that the date will be around July 10, 2010. BP anticipates it will take approximately 5 days after the start-up of the Helix Producer system for it to stabilize to the point that we will know how effective it will be at containing the flow from the Well.

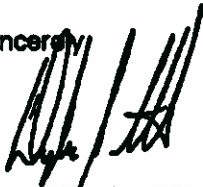
As a general principle, (under all conditions the use of subsea dispersant will be held under the 15,000 gallon limit in accordance with the May 26, 2010, Dispersants Monitoring and Assessment Directive) the more effective the Helix Producer system is in containing the flow from the Well, the less subsea dispersant it will be used. If the addition of the Helix Producer system virtually eliminates the escape of oil into the sea, BP will be able to suspend the application of subsea dispersant altogether. However, under this circumstance, BP believes it is critical that we maintain the capability to apply subsea dispersant to meet unforeseen contingencies such as weather disruptions or equipment failures.

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If there is still flow from the Well escaping into the sea after installation of the Helix Producer system at a significantly reduced rate, BP will continue to apply subsea dispersant at a proportionately reduced rate. The attached table updates our 6 June 2010 document entitled GoM Drilling, Completions and Interventions- MC252: Guidance on Subsea Dispersants Application OPS Note #3 based on the monitoring and performance data that has been collected. For safety reasons, in accordance with current practices, BP plans to maintain the ability to apply surface dispersant capability as required for prompt VOC control in the case of operational difficulty.

Please let me know if there is any additional information we can provide regarding BP's planned dispersant use.

Sincerely,



Douglas J. Suttles

Approval granted subject to the above:



Jim Watson
Rear Admiral, USCG
Federal On-Scene Coordinator

Date: 7-11-10

Attachment 1

- Assume flow rate of 53,000 bbls/day
- Calculate oil escaping by subtracting oil captured by containment system from 53,000 bbls/day
- Apply dispersant at dispersant to oil ratio of 1:75
- Line shows not to exceed 15,000 gallons

Estimated Volume of Oil Captured by Containment Systems (000s barrels per day)	Target EC9500A Subsea Dispersant Application Rate (gallons per minute) ¹
Total Containment	0
> 45	3
40 to 45	4
35 to 40	6
30 to 35	8
25 to 30	10

¹Averaged over 24-hour period



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July 11, 2010

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Exemption to Dispersant Monitoring and Assessment Directive – Addendum 3

Dear Admiral Watson,

BP respectfully requests an exemption to the Directive's maximum daily application of subsea dispersant for Sunday, July 11, 2010. Consistent with the Capping Stack Installation Plan sent to Admiral Allen on July 9, 2010, we are currently injecting 12 gallons per minute of subsea dispersant into the exiting oil stream. This is to ensure safe working conditions for the +1400 people on vessels working near the source. While we will continue to adjust the dispersant injection rate based upon winds, observed VOCs and oil capture volume, if we maintain 12 gpm, we will exceed 15,000 gallons for July 11.

An increase in subsea dispersant use is consistent with the Guidance on Subsea Dispersant Application you signed on June 23, which states, "For the purpose of VOC control, increases in the application rate of subsurface dispersants will be limited to conditions where winds are weak (< 10 knots) or VOC readings indicate potential health concerns. While this authority is granted to the OSC in the National Contingency Plan, all attempts will be made to maintain the 15,000 gallon per day subsurface cap outlined in Addendum 3 of the Dispersant Monitoring and Assessment Directive." The increase in subsea dispersant is also consistent with the Source Control Subsea Dispersant Forward Plan signed by Doug Suttles on July 6 and awaiting your signature. Assuming a flow rate of 53,000 bbls/day, a capture rate of 8,000 bbls/day, and a dispersant to oil ratio of 75 as stipulated by the USCG and EPA, the target daily dispersant volume would be 25,200 gallons or 17.5 gallons/minute.

The amount of subsea dispersant needed for VOC control has many controlling factors, including oil containment volume, wind conditions, and ocean currents. As you are aware, the amount of oil being captured decreased by ~18,000 barrels yesterday when the previous cap was removed. While we continue to bring the Helix Producer on line as quickly as is safely and operationally prudent, until it is operational, the amount of oil coming to the surface is greater than it has been recently. Additionally, winds are less than 10 knots today and the NOAA forecast is for winds to continue to be light. Finally, while ocean currents are currently bringing the oil to the surface to the southeast of the central operational area, if this current shifts or dissipates, the oil could revert to coming up directly under the main operational area, increasing the risk of VOCs.

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Consistent with all of the above, we are requesting an exemption from the 15,000 gallon limit for July 11, 2010. Unless we see an increase in VOCs, we intend to hold our subsea dispersant rate at approximately 12 gpm, which would result in a total volume for today of less than 20,000 gallons. Further, the Helix Producer should begin capturing oil today, and thus we expect we will only need a one day exemption to proactively prevent dangerous VOC conditions during this time of crucial operations near the source.

Sincerely,

 RIF

Douglas J. Suttles

Approval granted subject to the above:



Date: 7-11-10

Rear Admiral James A. Watson
Federal On-Scene Coordinator
United States Coast Guard