



National Incident Commander  
Deepwater Horizon Response

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16451  
July 8, 2010

Bob Dudley  
Chief Managing Director  
BP Group  
501 West Lake Park Boulevard  
Houston, Texas 77070

Dear Mr. Dudley,

We are entering a critical stage in the Deepwater Horizon response where key decisions will be made in executing plans for total collection of oil at the wellhead and for potentially securing the well completely. Those decisions also overlap with predictions for an active storm and hurricane season in the region, already impacting response efforts.

You received a letter from the Federal On-Scene Coordinator (FOSC) dated June 19, 2010, directing BP to provide timelines on decision points and plans to arrest the flow of the well and requiring submission of plans for subsea collection devices for approval by the FOSC. As a result, plans for additional collection efforts from the HELIX PRODUCER are nearly operational.

BP has also presented general plans for implementing a capping stack procedure for complete collection of oil with the possibility of shutting in the well depending on results of tests to determine well integrity. If the current top hat containment system is replaced with the capping stack, there will be a period of decreased oil capture from the wellhead while this operation is carried out. If this operation is executed before the HELIX PRODUCER is in production, the Q4000 would be the sole source of oil removal during this operation. To approve these potential actions, I must have knowledge of the steps and decision points involved; mitigation efforts to be implemented; and contingency plans if these efforts are not successful.

To carry out my responsibilities as the National Incident Commander, I am directing the following within the next 24 hours:

1. BP will provide me with an updated and detailed timeline outlining upcoming decision points relating to operations to begin production by the Helix Producer and mounting of the capping stack. These decision points will include, but are not limited to the removal of the top hat and deviations from plans as a result of severe weather impacts.
2. BP will provide me with a detailed contingency plan for resuming source recovery at the riser should the mounting of the capping stack fail.

3. BP will provide me with a detailed plan with decision points for pressure testing the well and potential transitioning from full collection from the capping stack to shutting in the well using the capping stack.
4. BP will provide me a detailed timeline for the estimated completion of the relief wells, which are being drilled simultaneously.
5. BP will provide me with a detailed plan, keyed off of the timelines developed under paragraphs one through four, outlining operations to maximize management of oil reaching the surface, including skimming and the pre-positioning of skimming assets. The utilization of in-situ burning to further address oil on the surface will be detailed as well. The use of dispersants will be minimized at all times consistent with the need to address VOC exposure issues for workers at the Deepwater Horizon site. The plan will include dispersant use limits, a surface and sub-sea monitoring plan similar to the current plan that includes toxicity, dissolved oxygen and fluorometry.

Following a meeting scheduled for Friday, July 9, 2010 with the Federal Scientific Technical Team in Houston to review current plans, BP will provide me with updated plans and timelines required in paragraphs one through five incorporating the recommendations discussed during the meeting.

BP shall obtain my approval before any actions are taken on each of the decision points subsequently identified.

Sincerely,



THAD W. ALLEN