



15 March 2016

**Anadarko Comments Regarding Proposed Well Control Rule**  
(Supplement to Company Confidential Presentation)

In today's meeting, Anadarko will present company-confidential information from one recent successful Gulf of Mexico development project and from one potential Gulf of Mexico development project to illustrate some of our concerns with the proposed Well Control Rule:

- **We whole-heartedly support the stated goal of BSEE: "to better protect human lives and the environment from oil spills."**
- The Proposed WCR, in particular the **"Safe" Drilling Margin** could actually increase drilling risk. It will unnecessarily increase costs and technical complexity, and will increase the likelihood that the objectives of a significant number of deepwater wells will not be met.
- The **Economic Impact** of the proposed WCR was dramatically underestimated by BSEE.
- We would look forward to **working with BSEE, in a collaborative manner, to revise the proposed WCR** to ensure that the final Rule accomplishes its stated purpose and to **develop a consensus view on the economic impact of the proposed WCR.**
- **The proposed WCR will make it more difficult to economically develop Gulf of Mexico oil and natural gas resources that are necessary for our country and our region.**

**Additionally, the proposed WCR**

- Imposes a (new) **"Safe" Drilling Margin** standard that is one-dimensional and does not take into account API standard 92L, other well-specific information, or safe, proven industry practices
  - **We recommend adopting API Bulletin 92L into regulation without modification**
  - We do not support "alternative compliance" as this would create uncertainty by requiring us to seek "out-of-standard" compliance to conduct baseline deepwater drilling activities
- Imposes **BOP requirements** that go beyond API Standard 53
  - **We recommend adopting API Standard 53 in its entirety.** This standard was developed by Subject Matter Experts, including BSEE
- Imposes **Real Time Monitoring** Standards prematurely
  - BSEE requested that the National Academy of Science study this important issue, and **we recommend waiting for the study to be completed before proposing standards**
  - We have serious concerns about **cyber security** in relation to safety critical equipment
- Imposes a **significant administrative burden on BSEE**
  - We believe responsibility for the safe implementation of well control activities must remain with the rigsite crew, who have the highest level of situational awareness
- Imposes **Cementing and Packer Fluid Requirements** that are onerous, without a sound technical basis, that will not increase safety
  - We recommend continuing to use industry best practices as detailed in API Standard 65-Part 2 – Isolating Potential Flow Zones During Well Construction and API Recommended Practice 96 – Deepwater Well Design and Construction
- Contains **ambiguous language that creates regulatory uncertainty**
  - **We believe this is best resolved through two-way dialog between BSEE and industry during a new comment period**
- Mandates an **unachievable and unrealistic implementation period**
  - We recommend that BSEE and the industry jointly develop a timetable for implementation in the new WCR