

LISKOW & LEWIS

A Professional Law Corporation

One Shell Square
701 Poydras Street, Suite 5000
New Orleans, LA 70139
(504) 581-7979 Main
(504) 556-4108 Fax

www.Liskow.com

822 Harding Street
Post Office Box 52008
Lafayette, LA 70505
(337) 232-7424 Main
(337) 267-2399 Fax

First City Tower
1001 Fannin Street, Suite 1800
Houston, TX 77002
(713) 651-2900 Main
(713) 651-2908 Fax

June 10, 2010

Robert E. Holden

Direct: (504) 556-4130
reholden@Liskow.com

Ms. Lourdes Iturralde
Office of Environmental Compliance
Louisiana Department of Environmental Quality
Post Office Box 4312
Baton Rouge, LA 70821-4312

Mr. Christopher Ratcliff
Attorney Supervisor
Louisiana Department of Environmental Quality
Post Office Box 4302
Baton Rouge, LA 70821-4302

Re: In the Matter of BP Exploration & Production, Inc.
Compliance Order and Notice of Potential Penalty
Enforcement Tracking No. MM-CN-10-0083
Agency Interest No. 170547

Dear Lourdes and Chris:

I want to thank you, Peggy Hatch and others for meeting with BP on Tuesday, June 8, 2010, concerning the above-referenced Compliance Order and Notice of Potential Penalty (CO/NOPP). At the meeting, we reiterated BP's strong interest and intent to cooperate fully with the Department, consistent with its obligation to coordinate with and follow the directions of the Unified Command established pursuant to the National and Regional Contingency Plans. This letter will briefly confirm our discussions concerning the timing of BP's response to the CO/NOPP.

First, paragraphs I-IV of the Compliance Order require BP Exploration & Production Inc ("BP") immediately to take all necessary measures (1) to end unauthorized discharges of oil to waters of the State of Louisiana, (2) to remediate oil contamination to the extent practicable, (3) to submit a plan describing BP's actions to eliminate the discharge and to remediate oil contamination to the extent practicable, and (4) to comply with water quality and waste regulations. BP described the comprehensive measures it is taking under the direction of the Unified Command in preventing shoreline impacts, the remediation of contaminated media and to comply with waste



June 10, 2010

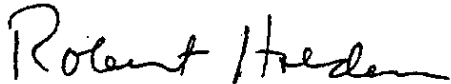
disposal requirements. At the meeting, the Department did not identify any additional measures for immediate action beyond those already being taken.

Second, the CO/NOPP requires and establishes deadlines for BP to submit certain documents and reports to the Department. Paragraph V of the Compliance Order requires BP to submit a report within 30 days of service on the alleged violations and BP's compliance actions. BP requested, and the Department agreed that BP's reports on its compliance actions, including a report on its response plan, would be submitted to the department within 45 days of service, or by July 16.

Third, Paragraph V of the Compliance Order requires BP to submit to the Department a report on the circumstances surrounding the alleged violations within 30 days of service, Paragraph I of the Notice of Potential Penalty (NOPP) allows BP 10 days from service to submit to the Department comments on any potential penalty, and Paragraph IV of the NOPP requires BP to submit to the Department within 10 days of service a statement of gross annual revenues and on the economic benefits of noncompliance. In view of other ongoing investigations of this matter, we agreed that it would be premature for BP to submit comments on the circumstances of the alleged violations and on any proposed penalty at this time. We understand that the Department will advise BP when it is ready to proceed with a penalty assessment, and BP will then submit comments concerning the alleged violations and any proposed penalty assessment within a reasonable time that you will determine.

Please let me know promptly if this letter does not accurately reflect the Department's understanding of its expectations on the timing of BP's response efforts under the CO/NOPP.

Very truly yours,



Robert E. Holden
Attorney for BP Exploration & Production Inc.

REH:ddt