

From: "Shepard, Mark J CAPT" <Mark.J.Shepard@uscg.mil>
Date: October 31, 2018 at 2:41:25 PM CDT
To: Will Pecue <wpecue@tayloenergy.com>
Cc: "Luttrell, Kristi M CAPT" <Kristi.M.Luttrell@uscg.mil>, "Watson, Will E CAPT" <Will.E.Watson@uscg.mil>
Subject: **FW: Request for Information**

Mr Pecue

Good afternoon, I am responding to your email below on behalf of the FOSC. We share your desire to have a productive set of Unified Command Meetings, productive review of Taylor Energy Company containment proposals, and selection of a Company to provide containment. The attached document is forwarded to assist with our selection of a containment contractor next week. We are unable to provide additional records, raw data, and interpretation at this time. The photos, video, and site conditions included with Administrative Order 19-001 were provided to assist you and your prospective contractors with the development of a suitable containment system. I will be working with the Planning Section Chief to finalize the schedule for 6-9 November 2018. As part of the attached document, we will be looking to video record the contractor presentations. The USCG can provide video services if you prefer, or you are welcome to arrange for an outside contractor.

As part of Alternative B in the attached document, the Coast Guard has been conducting Market Research on containment options for the ongoing spill at the MC-20 site. In talking to our contracting personnel, I can share with you that we sent out a solicitation for proposals to our 104 Basic Ordering Agreement (BOA) Contractors. We anticipate receiving about 4-6 proposals for Federal consideration. I have been advised that under the Procurement Integrity Act, 41 USC 423, I am unable to release the names of the contractors that provide us with proposals. However, I am told the list of 104 BOAs is available on the internet. Additionally, if you reach out to a contractor, or a contractor reaches out to you, to discuss proposals there is nothing that precludes you from including those contractors in your presentations next week.

I am available if you have any questions.

Kind Regards,
Shep
CAPT Mark Shepard
Deputy Incident Commander
Commander, National Strike Force
Commanding Officer National Strike Force Coordination Center



From: Will Pecue <wpecue@tayloenergy.com>
Sent: Tuesday, October 30, 2018 10:29 AM
To: Luttrell, Kristi M CAPT <Kristi.M.Luttrell@uscg.mil>
Cc: Shepard, Mark J CAPT <Mark.J.Shepard@uscg.mil>; Dina Bracci <dbracci@tayloenergy.com>;
Denise Mustin <dmustin@tayloenergy.com>
Subject: [Non-DoD Source] Request for Information

Capt. Luttrell

Taylor Energy Company LLC (Taylor) acknowledges your letter dated October 25, 2018. Taylor remains committed to working with the Coast Guard and the Unified Command. We are in the process of contacting multiple contractors to submit proposals as requested in your Administrative Order. In doing so, it appears that Coast Guard has recently been reaching out to some of these same parties for the same request. It would make this exercise far more efficient if Coast Guard can provide the list of potential contractors that have already been engaged in this effort. We think it makes sense to coordinate so that we can properly manage our joint efforts during this limited time span before Nov 6.

I write again to emphasize Taylor's need for "the records, raw data, and methods applied in interpretation" of the science relied upon by the FOSC in issuing Administrative Order 19-001. Taylor's ability to perform is enhanced by continuing to share scientific data with each other. Without reviewing this information, Taylor's ability to continue to act as the Responsible Party for the MC20 Response is being severely prejudiced.

We understand you wish to meet next week. Taylor believes that jointly evaluating various risk reduction techniques is an effective and deliberate path to balancing the risks inherent in the Coast Guard Order (and known to all parties). Taylor believes that the scope of next week's meeting should include how the Coast Guard, Unified Command, and Taylor can best work together to achieve practical results.

Will Pecue

Taylor Energy Company LLC – President
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504.589.0572 (office)

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STATEMENT OF OBJECTIVES (SOO) FOR TAYLOR ENERGY/MC-20 RESPONSE

PURPOSE. The purpose of this effort is to eliminate the surface sheen at Mississippi Canyon Block 20 (MC-20).

The Coast Guard intends to select one of the solutions below to conduct response operations:

Alternative A. In accordance with the Administration Order number 19-001, require Taylor Energy, the Responsible Party (RP) to develop a technical plan and contain the active discharge. In addition, the Coast Guard intends to hire a contractor to work with the UC to develop an independent technical plan for the performance of this response. In the event the RP fails to contain the active discharge in accordance with the Administrative Order, the Coast Guard will utilize the selected contractor to continue the response.

Alternative B. Issue a Notice of Federal Assumption and hire a contractor to work with the UC to develop an independent technical plan and execute for the performance of the response.

SCOPE. The Scope of this effort includes employing innovative response strategies including containment, capture, recovery, and well top-kill, to eliminate the surface sheen at MC-20.

PLACE OF PERFORMANCE.

The primary place of performance is Mississippi Canyon, Block 20 in the Gulf of Mexico. The site is approximately 11 miles Southeast of South Pass, Louisiana.

PERIOD OF PERFORMANCE.

The estimated period of performance for this statement of objectives is November 2018 through June 2019.

BACKGROUND. In September 2004, the MC 20A platform was toppled by a subsea mudslide that occurred during Hurricane Ivan. The platform was dragged off station approximately 500 feet and many of the wellbay conductors buried under sediment (see diagram). Of the 25 wells at the MC20 site, interventions were performed on 9 deemed to be the highest risks. After 14 years of constant monitoring, and failed attempts at subsea containment, oil and gas still consistently emit from the seafloor and a constant sheen still presents on the ocean surface. Recent studies have better defined the sheen source location to inform potential innovative response options.

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PERFORMANCE OBJECTIVES.

1. Develop and implement strategies and tactics to eliminate surface sheen at MC-20 site.

OPERATING CONSTRAINTS. Site Conditions at MC-20 are as follows:

- Water depth is approximately 470 feet.
- Water temperature at the site can be in the range of 32-40 degree F. As such, there may be potential for hydrate formation at this depth.
- Seafloor sediment near plumes is unconsolidated.
- Location of the primary plumes of interest incorporates an area approximately 40'x30'
- The primary plumes originate from a spot ~7' from the fallen jacket pilings.
- The plumes are believed to originate from the end of the conductor bundle, which is believed to be roughly parallel to the surface buried in ~60' of mud.
- There are significant currents which vary with depth in the water column, but virtually none at the sea floor. There are virtually no currents within the erosion pit.
- Visibility is nearly zero for the first 5 feet above the sea floor
- Oil flow at the source is estimated at hundreds of bbls of oil per day. The current federal position is the system needs to be capable of collecting a minimum of 250 bbls per day.
- API Gravity of source oil is ~21-38.

SUBMISSION OF SOLUTION.

The RP shall submit a written solution and participate in oral presentations of their solution.

Questions regarding this requirement shall be submitted to Mark.J.Shepard@uscg.mil no later than 0900EST on Thursday November 1, 2018. Responses to all questions will be distributed to the RP and all contractors.

Written solutions and oral presentations must meet response objective of eliminating the sheen surface expression and must be sustainable given site conditions at MC-20. UC focus is on Containment/Capture/Recovery but will evaluate any response strategies against stated objectives.

The written solutions shall address Technical Capability, Response Time, Past Performance and Price. The total written solutions shall not exceed **10 pages**.

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Written solutions will be submitted to the following email address by 0900EST Monday November 5, 2018.

Mark.J.Shepard@uscg.mil

Technical Capability

Provide a Management Approach

The RP shall provide a sound, compliant approach that complies with all applicable laws and regulations and demonstrate a thorough knowledge and understanding of the requirements based on the information provided. It is the RP's responsibility to ensure that their solution clearly demonstrates their understanding of the requirement and capability to perform.

- Demonstrate that the RP has an effective approach to ensure that they employ adequate qualified personnel and are available for the performance of the response.
- Ensure the selected Subcontractors are capable of performing the work. The RP shall provide information regarding proposed partnerships.

Contingency and Mitigation Approach

- How you will handle a serious weather event (tropical storm, hurricane, etc.) that affects the operating area. What measures would be put into effect to mitigate a serious weather event, i.e., partial demobilization, etc.?
- How you will handle mechanical failures or personnel injuries.
- How you will handle any potential (or increases in volume) oil releases
- How does the system compensate for the anticipated environmental conditions? Included in this are: depth 470 feet, pressure 14.2 atmospheres, temperature 32-40 F (hydrates), sediment (unconsolidated), daily throughput = or > 250 BBLS, unattended storm capacity.

Response Strategy

- How does your proposed concept/technology differ from existing equipment or technology conventionally applied to similar response scenarios?
- Explanation of detailed operational procedures, including required equipment and the installation process. Operational procedures should address capture/storage/drainage for containment concepts.
- If containment and kill operation is proposed, describe in detail the equipment and procedures that you will use to conduct operations and employ.

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- Any limitations related to its application at the MC-20 site.
- Any assumptions being made due to lack of MC-20 data.
- If you do not have the organic capability to perform this job, how will you perform this job?
- Do you anticipate using vessels over 100 gross tons?
- What type of containment system would you design to capture the oil in the plumes? How long would it take to design, fabricate, and deploy this system?
- Using this containment system, what type of storage system would you design to capture, temporarily store, dewater, and recover the oil recovered from the plume? How long would it take to design, fabricate, and deploy this system?
- What type of system would you design to capture and destroy the oil collected on site? How long would it take to design, fabricate, and deploy this system?
- What type of system would you design to contain and top-kill the oil and gas plumes emanating from the conductor bundles under the erosion pit? How long would it take to design, fabricate, and deploy this system?
- Provide history of previous and successful application of each of the three proposed concept technologies listed above during past projects, and if applicable, testing/industry certification on proposed equipment.

Response Time

Time frame to put the system in place and operational and include in this area: design time, fabrication time, testing time, deployment time.

- Where do you anticipate equipment to be mobilized from?
- What do you anticipate the length of time for the entire project?

Past Performance

Past performance shall include similar work active or completed in the past 10 years with similar services (preferably for projects related to the strategy that the RP proposes

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to use at the MC-20 site or other projects with similar magnitude). Include any past performance of subcontractors and partners. Relevant contracts are contracts of similar scope, complexity, and magnitude to the project. References for the RP, subcontractors and partners shall include CPARS/PPIRS and other references in this format:

Company Name
Point of Contact
Contact phone number
Email address
Dollar value
Brief description of the services provided.

Copies of CPARS/PPIRS records will not be counted towards the total page limit.

The UC reserves the right to determine the relevance of any information provided and may use information from any other source. The burden of providing thorough and complete past performance information rests with the RP.

Oral Presentations

The oral presentations augment the written solutions and must address Technical Capability and Response time at minimum.

The RP shall consent to videotaping of their potential contractor's Oral Presentations.

Oral Presentations will be scheduled for November 6-9, 2018 in New Orleans, LA. Location, times for Oral presentations will be provided by COB November 5, 2018.

The RP will be limited to no more than 4 contractor representatives participating in the oral presentations.

- 40 minutes will be allotted for all presentations and 20 minutes for questions. The RP should be prepared to discuss or take questions on the following topics.
- The RP's potential contractors will be able to provide and present Power Point or PDF that describes the potential application at the MC-20 site. **If Power Point Slides or PDF will be used, the number of pages is limited to 15 pages.**