

United States Senate

COMMITTEE ON FINANCE

WASHINGTON, DC 20510-6200

May 17, 2010

Via Electronic Transmission

David J. Lesar
Halliburton Co.
U.S. Corporate Headquarters
3000 North Sam Houston Parkway East
Houston, Texas 77032

Dear Mr. Lesar:

As the ranking member of the Committee on Finance, I have a constitutional duty to conduct oversight into U.S. government regulated programs that directly impact the safety, security, and economic livelihood of American citizens. Additionally, the oil spill liability trust fund and related taxes are included in the Internal Revenue Code, as are tax incentives directed at deep water drilling. I am writing about the concerns I have regarding the recent explosion and subsequent oil spill at the Deepwater Horizon oil rig in the Gulf of Mexico.

It is my understanding that British Petroleum (BP) leased the Deepwater Horizon rig in the Gulf of Mexico from Transocean Ltd., and that Halliburton provided services including cementing, mud logging, and directional drilling. Cameron provided equipment used in the drilling process.

I would like to understand the type of cement and the process that Halliburton used for sealing this well. Because of the devastating consequences of the recent oil rig explosion and subsequent oil spill, I am requesting the following:

- 1) Please explain the Halliburton's involvement in the Deepwater Horizon rig.
- 2) Please provide the following information on the cementing process:
 - a. Explain what type of cement was used.
 - b. Please explain how this cement was tested before use at the Deepwater Horizon rig. Provide any pertinent documents.
 - c. Please provide a list of all other offshore wells where this specific type of cement was used in the past. For each well, provide the depth of the well, below sea level.

- d. Please explain the MMS approval process and pertinent regulations that allowed Halliburton to use this particular cement at the Deepwater Horizon rig.
- 3) Provide any communications that may explain the cause for the recent explosion and subsequent spill.
- 4) Please explain, in detail, who made the decision to replace the mud in the drill hole with seawater. Provide any pertinent documents and/or communications.

In cooperating with the Committee's review, no documents, records, data or information related to these matters shall be destroyed, modified, removed or otherwise made inaccessible to the Committee.

I look forward to hearing from you by no later than June 4, 2010. All documents responsive to this request should be sent electronically in PDF format to Brian_Downey@finance-rep.senate.gov. If you have any questions, please do not hesitate to contact Janet Drew or Paul Thacker at (202) 224-4515.

Sincerely,



Charles E. Grassley
Ranking Member