



Baker Hughes HPHT Technology Successfully Deployed at Ultra-deep Gas Discovery in the Shallow Water Gulf of Mexico Shelf

Formation evaluation technology helps confirm operator's geologic model and indicates additional development potential.

HOUSTON, TX – May 6, 2010 – Baker Hughes (NYSE: BHI) has successfully deployed a full suite of technologies designed for high-pressure, high-temperature (HPHT) environments at the McMoRan Exploration Co. Davy Jones ultra-deep gas discovery in 20 feet of water on the shelf in the Gulf of Mexico.

Baker Hughes technology was employed to re-enter an existing well, set a whipstock at approximately 17,300 feet and drill to over 29,000 feet measured depth in the extreme HPHT conditions of the Gulf of Mexico shelf Lower Tertiary formations. The challenges encountered during the operation ranged from executing a reliable sidetrack, improving well stability, designing a robust, reliable drilling system to withstand the extreme pressures and temperatures, and obtaining logging data in this difficult downhole environment.

The wireline logging operation was particularly critical to provide additional reservoir understanding. Baker Hughes deployed its [Nautilus Ultra™ suite of logging tools](#) which are rated to 30,000 psi (2068 bar) and 500°F (260°C). The Nautilus Ultra suite includes acoustic pipe-conveyed logging tools specifically designed for HPHT environments. Logging operations were conducted at 28,134 feet and included acoustic, gamma ray, density, and neutron logs. During the drilling and formation evaluation operation, McMoRan experienced no nonproductive time due to whipstock, drill bit, drilling fluids, or liner hanger operations conducted by Baker Hughes.

In the announcement of the Davy Jones discovery, McMoRan's Co-Chairman and CEO James R. Moffett said, "Davy Jones log results confirm our geologic model and indicate that the previously identified sands in the Wilcox section on this large ultra-deep structure encompassing four OCS lease blocks (20,000 acres) provides significant additional development potential which, upon confirmation development drilling, could make Davy Jones one of the largest discoveries on the shelf of the Gulf of Mexico in decades."

Richard Williams, Baker Hughes president of Gulf of Mexico operations, notes "The Davy Jones project highlights Baker Hughes' tremendous research and development in technologies designed for high-pressure, high-temperature environments. The deep shelf in the Gulf holds immense promise, but the technological challenges have been daunting. This well illustrates we can overcome this extreme downhole environment."

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About Baker Hughes Baker Hughes provides reservoir consulting, drilling, pressure pumping, formation evaluation, completion and production products and services to the worldwide oil and gas industry.

CONTACTS: Media Relations: Kathy Shirley, +1.713.439.8135, kathy.shirley@bakerhughes.com

Investor Relations: Gary R. Flaharty, +1.713.439.8039, gflaharty@bakerhughes.com

H. Gene Shiels, +1.713.439.8822, gene.shiels@bakerhughes.com