

# Deposition Testimony of:

## **Michael Beirne**

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Page 11:09 to 11:11

00011:09 MICHAEL BEIRNE,  
10 having been first duly sworn, testified as  
11 follows:

Page 11:14 to 11:16

00011:14 Q. Good morning, Mr. Beirne. My  
15 name is Joseph Bruno. I represent the  
16 plaintiffs in this deposition.

Page 12:05 to 12:15

00012:05 Q. All right. Let's start with  
06 your current title. What is your current  
07 title at BP?  
08 A. Offshore land negotiator.  
09 Q. And is that the same title that  
10 you held in 2010?  
11 A. Yes, sir.  
12 Q. For how long have you been an  
13 offshore land negotiator?  
14 A. Just over three years, starting  
15 in March of 2008.

Page 12:25 to 13:02

00012:25 Q. All right. When did you start  
00013:01 working for BP?  
02 A. In February of 2006.

Page 15:18 to 16:03

00015:18 Q. Okay. Share with us what, then,  
19 does a land negotiator do?  
20 A. In the offshore we're part of a  
21 team of folks that drafts, analyzes,  
22 negotiates contracts associated with our  
23 exploration and production activities. We  
24 also do communications with co-owners, kind  
25 of serve as the go-between.  
00016:01 Q. Uh-huh.  
02 A. And also with some regulatory  
03 agencies to a certain extent as well.

Page 17:06 to 19:11

00017:06 Q. Okay. Now, in reading the  
07 documents, it appears that you were assigned  
08 the Macondo well to replace someone else.  
09 Did I read that correctly?

10 A. Yeah. It was -- Tom Lee was  
11 the --  
12 Q. Yeah.  
13 A. -- land negotiator who  
14 originally -- I don't know if he  
15 originally -- but at the time before I took  
16 it over, he was working -- working the  
17 prospect. Tom was retiring from BP, and so I  
18 was assigned that from Tom.  
19 Q. Okay. Well, that was going to  
20 be my next question; that is, why was there a  
21 need to switch? And it was because Tom Lee  
22 was retiring?  
23 A. Yes, sir.  
24 Q. Okay. All right. Now, what was  
25 your job -- what were you asked to do? When  
00018:01 you took over Tom Lee's job, what was the  
02 goal of whatever it was that you were trying  
03 to accomplish?  
04 A. At the time my understanding  
05 was -- I believe this was summer of 2009 --  
06 we were in the process -- I say we -- BP was  
07 in the process of marketing a percentage of  
08 the interest in the Macondo prospect.  
09 Q. Okay. Is your -- does your  
10 group also have the responsibility on  
11 deciding when to market percentages of a  
12 particular well to other investors, or does  
13 that happen at some other location or some  
14 other -- you know, in the hierarchy of the  
15 company?  
16 A. It's my understanding it happens  
17 at a different part of the company, a higher  
18 level.  
19 Q. Do you have any understanding as  
20 to why BP decides to sell interest in a  
21 particular prospect? What are the conditions  
22 or circumstances that would suggest that be  
23 done?  
24 A. My understanding, it can be for  
25 a number of reasons. Strategically there may  
00019:01 be some other opportunities in other areas of  
02 the Gulf of Mexico we may be interested in  
03 having an ownership in. That -- a company  
04 that owns that may want to have an interest  
05 in our prospect we're marketing.  
06 Or an example in the Macondo  
07 would be if we had a -- we thought we may tie  
08 it back to a certain platform, it would make  
09 sense maybe to have a -- the partner or  
10 co-owner in that platform. Things of that  
11 nature --

00022:21 Q. All right. So when you moved in  
 22 there was already a team in place, the  
 23 purpose of this team being to market the  
 24 Macondo prospect; is that correct?  
 25 A. Yes, sir. There was a team in  
 00023:01 place, and that was my understanding.  
 02 Their --  
 03 Q. All right.  
 04 A. -- goal was to market.  
 05 Q. Fair enough. So who was on the  
 06 team with the technical expertise to describe  
 07 the formation, the geology, the likelihood of  
 08 the well to produce, et cetera, et cetera?  
 09 A. The ones that come to mind -- I  
 10 won't be able to name everybody. The  
 11 exploration manager was Bryan Ritchie.

Page 23:22 to 24:11

00023:22 Q. Do you know what his particular  
 23 expertise is?  
 24 A. I'm not certain whether he's a  
 25 geologist or geophysicist, but he is a  
 00024:01 scientist.  
 02 Q. Okay. All right. Are there any  
 03 other folks on your team who would be  
 04 knowledgeable about the -- you know, the  
 05 formation, like -- just what -- same as what  
 06 you alluded to earlier, the folks who would  
 07 likely make the presentation, other than  
 08 Mr. Ritchie?  
 09 A. On Mr. Ritchie's team, who were  
 10 part of the Macondo team, there was Chuck  
 11 Bondurant.

Page 24:17 to 24:25

00024:17 Q. All right. And what was his  
 18 expertise or background?  
 19 A. Geologist.  
 20 Q. Okay. Anyone else?  
 21 A. Pierre Depret, and I don't know  
 22 how to spell it. I believe it's D-E --  
 23 Q. D-E-P-U-Y or --  
 24 A. Yeah. He a petroleum systems  
 25 expert.

Page 25:02 to 25:03

00025:02 A. Some others on the team, Sharma.  
 03 I do not know Sharma's last name.

Page 25:07 to 25:08

00025:07           A.       And he was an expert in rock  
08       properties, to my understanding.

Page 25:10 to 25:12

00025:10           A.       I believe we had a reservoir  
11       engineer. I believe it was Kelly McAughan.  
12       I'm not certain.

Page 25:17 to 27:04

00025:17           Q.       Okay. That's all right.  
18       Anybody else?  
19           A.       I can't think of any others at  
20       the time right now.  
21           Q.       Right. Now, who else is on your  
22       team, now that we've gotten the engineering  
23       or the geologists' side down?  
24           A.       Just to clarify, it's not my  
25       team. I'm part of that team.  
00026:01           Q.       The team. Forgive me.  
02           A.       Yes, sir.  
03           Q.       Who else is a part of the team?  
04           A.       That's all I can think of now  
05       from a drilling side. They weren't always  
06       involved necessarily in the presentations,  
07       but Mark Hafle was the drilling engineer.  
08           Q.       Was he involved in the  
09       presentation?  
10           A.       I did not -- I was not involved  
11       in all the presentations. I -- without  
12       looking back at our attendee list, I don't  
13       recall whether he was or not.  
14           Q.       Okay. What is his role?  
15           A.       His role with BP is a drilling  
16       engineer.  
17           Q.       Okay. But what is his role with  
18       regard to marketing this prospect?  
19           A.       If he was involved in the actual  
20       marketing, he is the drilling engineer, so he  
21       would be the contact for the drilling  
22       engineer.  
23           Q.       All right. In other words, if  
24       some of the potential investors had any  
25       questions about how this well was going to be  
00027:01       drilled, would he be the person to whom you  
02       would go to get that information?  
03           A.       Yes, sir. He would be my first  
04       person I would contact.

Page 27:09 to 27:15

00027:09           Q.       So we have the geology group or

10 the reservoir, the scientists. We have the  
 11 drilling side. And then we have, I suppose,  
 12 folks in your group who would be the  
 13 marketers and the contract negotiators?  
 14 A. Yes, sir, that's a fair  
 15 characterization.

Page 28:25 to 29:01

00028:25 Q. All right. So then your job is  
 00029:01 to market the well?

Page 31:08 to 31:11

00031:08 Q. (BY MR. BRUNO) I need to  
 09 understand, if you would, more about what you  
 10 mean with that answer because it's -- again,  
 11 you're in your world and we're in our world,

Page 31:16 to 32:16

00031:16 So I'm getting the sense that  
 17 there's an interest in having investors.  
 18 Let's start with that. Is that accurate?  
 19 A. I don't -- we don't characterize  
 20 them as investors. It would be a co-owner.  
 21 Q. All right. Co-owner.  
 22 Let me -- then I'll redraft the  
 23 question. There is an interest in having  
 24 co-owners of the well; is that accurate?  
 25 A. In Macondo?  
 00032:01 Q. Yes.  
 02 A. That was my understanding, yes,  
 03 sir.  
 04 Q. Okay. Now, I appreciate that  
 05 just because someone is a co-owner doesn't  
 06 make them a co-operator; is that accurate?  
 07 A. Yes, sir.  
 08 Q. All right. So BP would still be  
 09 the operator of the well?  
 10 A. That was my understanding, yes,  
 11 sir.  
 12 Q. All right. What does that mean;  
 13 that is, if one party is the operator and the  
 14 other party is merely a co-owner, but not an  
 15 operator? Help us understand what that  
 16 means.

Page 32:18 to 33:09

00032:18 A. You know, I'm not sure exactly  
 19 all what -- all the responsibilities of the  
 20 operator. I -- from a very high level, BP

21 would be the operator, would file the  
 22 permits, bring a drilling well in the -- if  
 23 they were co-owners, the non-operators would,  
 24 you know, perform their duties under the  
 25 operating agreement.

00033:01 Q. (BY MR. BRUNO) Uh-huh. All  
 02 right. Well, are these operating agreements  
 03 standard in the industry, or do you -- you  
 04 know, can you negotiate the various  
 05 responsibilities between the co-owners and  
 06 the operator?

07 A. There's a model form that most,  
 08 if not all, companies use as a basis for  
 09 negotiation.

Page 33:22 to 34:06

00033:22 Q. (BY MR. BRUNO) And I meant  
 23 it -- I mean the question to be in a general  
 24 way, because obviously you can always have  
 25 terms that are different from contract to  
 00034:01 contract.

02 But overall, is it -- would it  
 03 be your view that the co-owners in a well  
 04 where BP is the operator have a general --  
 05 very general understanding of their various  
 06 responsibilities?

Page 34:09 to 34:14

00034:09 A. I would say yes, sir.  
 10 Q. (BY MR. BRUNO) Okay. Well,  
 11 when you're marketing it, you don't have to  
 12 sit there and explain to them what their  
 13 various responsibilities would be if they  
 14 decided to become a co-owner, do you?

Page 34:17 to 34:21

00034:17 A. I -- we do -- we did not. In  
 18 all the presentations I've been involved  
 19 with, that was not a --  
 20 Q. (BY MR. BRUNO) Okay.  
 21 A. -- a topic.

Page 36:18 to 37:10

00036:18 Q. (BY MR. BRUNO) All right. So  
 19 now we know generally what it is that we're  
 20 trying to sell. So in our world, when I want  
 21 to go buy something, be it a car or a boat or  
 22 otherwise, I have a general sense of what I  
 23 want, and I can go see the boat and I can

24 touch it, I can look at it, I can look at the  
25 specifications, and so forth and so on.  
00037:01 In this business when you're  
02 selling an interest in a well, what kinds of  
03 information do you make available to your  
04 prospective purchasers so that they can have  
05 an understanding of what it is that they're  
06 actually buying?  
07 A. In an exploration prospect,  
08 generally the vast majority of the  
09 information is subsurface geologic,  
10 geophysical.

Page 38:18 to 39:21

00038:18 Q. (BY MR. BRUNO) In going through  
19 the documents, I recall seeing -- I'm not  
20 blind-sighting you. We'll get to the  
21 documents. But I can recall seeing a phrase  
22 that said that there was a certain percentage  
23 likelihood of finding the hydrocarbons. And  
24 I think it was maybe 65 percent or  
25 62 percent.  
00039:01 Does BP, in marketing its wells  
02 like the Macondo, make a representation on  
03 the likelihood of success?  
04 A. I don't know whether I would  
05 be -- it's a representation. I believe it  
06 would -- and I don't know whether we do it in  
07 all of ours, but I believe in Macondo -- I  
08 believe our estimated -- our chance of  
09 success was in that range, 65, 60-some  
10 percent.  
11 Q. All right. Now -- and when we  
12 talk about success -- I'm not being flip  
13 here, but what do we mean? Is that just  
14 finding hydrocarbons, or is it finding a  
15 certain amount of hydrocarbons? Help me  
16 understand that.  
17 A. I'm not exactly sure since I'm  
18 not involved in how they calculate that and  
19 exactly what it is. But in my nontechnical  
20 level understanding, that would be defined  
21 hydrocarbons.

Page 40:06 to 40:14

00040:06 Q. Okay. Can you recall for us  
07 what the expected process resources were for  
08 the Macondo well?  
09 A. Without reviewing it, I believe  
10 the -- we do -- the range -- I believe the  
11 middle range was in the 60 million barrel.  
12 That was -- you know, estimated potential



13 resources, I believe, would be how they were  
14 described.

Page 42:20 to 42:25

00042:20 Q. Okay. All right. Do you know,  
21 sir, how many wells BP anticipated drilling  
22 if they would have been successful in finding  
23 hydrocarbons in the Macondo prospect?  
24 A. Yes, sir. I believe the  
25 estimate was going to be three.

Page 45:03 to 45:15

00045:03 Q. Okay. All right. Now, do --  
04 generally, do the co-owners have any role in  
05 the development scenario?  
06 A. Yes, sir.  
07 Q. All right. And when does that  
08 normally occur? Is it at the front end when  
09 they're negotiating the purchase of the  
10 ownership interest, or is it after the -- I'm  
11 sorry -- after the discovery of the -- of the  
12 hydrocarbons?  
13 A. It's important to note that I  
14 have not -- I do not have any experience in  
15 the development piece.

Page 45:17 to 45:20

00045:17 A. But my understanding is it would  
18 be after you had a discovery, the operating  
19 agreement has mechanisms to handle the  
20 developments.

Page 47:08 to 48:25

00047:08 Q. (BY MR. BRUNO) Why don't you  
09 give us your understanding? Because, again,  
10 I'm just -- I'm interpreting it, which is  
11 inappropriate. Let me learn from you exactly  
12 what your memory is with regard to that  
13 incident.  
14 A. The incident of?  
15 Q. Of where there was some degree  
16 of importance placed on -- on the development  
17 scenario, at least a portion of the  
18 development scenario, I believe, as it  
19 related to the potential for a tieback on  
20 this particular well if it should be a  
21 producing well.  
22 A. Yeah. The -- do you just want  
23 me to give you the general summary of it?

24 Q. Yeah, that's all.  
25 A. The general summary with one of  
00048:01 the co-owners is they were an owner in the  
02 platform that we were -- that was a  
03 possibility of where it could be tied back.  
04 And it was our understanding one of their  
05 drivers for possibly becoming a co-owner in  
06 this well was for it to be tied back to this  
07 platform, if possible.  
08 Q. They wanted it to be tied back  
09 or they didn't want it to be tied back?  
10 A. It was my understanding they --  
11 they -- it was their desire for it to be tied  
12 back.  
13 Q. All right. Which entity was  
14 this?  
15 A. It would have been Anadarko.  
16 Q. All right. And what production  
17 facility was it?  
18 A. The Pompano -- BP's Pompano  
19 platform.  
20 Q. Okay. And so Anadarko is a  
21 co-owner of the Pompano platform?  
22 A. Yes, sir. I don't work Pompano,  
23 but it's my understanding it may be  
24 Kerr-McGee or an Anadarko entity. But my  
25 understanding is they own 25 percent.

Page 52:02 to 52:25

00052:02 Q. All right. Now, in these  
03 discussions about price, be it for cash or  
04 trade, is there a discussion as to how much  
05 it will cost to drill the well?  
06 A. Yes, sir. The initial  
07 exploratory well, yes, sir.  
08 Q. All right. And I take it that  
09 that's a number that BP comes up with?  
10 A. Yes. We come up with the  
11 estimated costs of the initial exploratory  
12 well. That is a BP number, yes, sir.  
13 Q. All right. Now, obviously there  
14 are contingencies, particularly in an  
15 exploratory well, which would make the cost  
16 of drilling the well go higher than one would  
17 expect; isn't that true?  
18 A. Yes, sir. It's -- in the AFEs  
19 there are estimates.  
20 Q. All right. And what I'm trying  
21 to understand is that once an investor  
22 commits to become an investor, do they also  
23 have an opportunity -- I'm sorry -- do they  
24 also commit to pay these unforeseen  
25 additional costs of drilling?

Page 53:03 to 53:06

00053:03           A.       They would commit to paying the  
04       estimated costs up to usually what's provided  
05       in the operating agreement.  Usually there is  
06       a limit on the estimated costs.

Page 53:23 to 54:25

00053:23           Q.       (BY MR. BRUNO)  And I am  
24       speaking generally now because I don't want  
25       to -- I don't know this field at all.  So in  
00054:01       a general sense I want to get a handle on how  
02       these negotiations take place.  
03       So I'm gathering that when a  
04       co-owner goes into a negotiation like this,  
05       they understand that there may be additional  
06       expenses associated with drilling; is that  
07       true?  
08           A.       Yes, sir.  
09           Q.       Okay.  All right.  And they have  
10       an opportunity to withdraw if they want to,  
11       right?  
12           A.       Yes, sir.  
13           Q.       And they have an opportunity to  
14       pay those extra expenses if they want to?  
15           A.       Yes, sir.  
16           Q.       Okay.  Now, let's talk about the  
17       method of drilling.  All right.  In other  
18       words, which rig, which processes, which well  
19       plan, which drilling plan, and so forth and  
20       so on.  
21                    When you're marketing a well  
22       like Macondo or a prospect like Macondo, what  
23       information do you provide to these potential  
24       co-owners about the way that BP has decided  
25       to drill a particular well?

Page 55:02 to 55:13

00055:02           A.       I don't know that I can  
03       specifically answer the details on how we're  
04       going to drill the well.  What we do provide  
05       is an estimated -- in this marketing  
06       presentation, an estimated cost.  
07           Q.       (BY MR. BRUNO)  All right.  So  
08       they know about the costs.  But do you share  
09       with them your -- your drilling plan?  
10           A.       Yes, I believe I -- I'm thinking  
11       back specifically at Macondo.  I believe in  
12       the marketing presentation it had a couple or  
13       a few slides about the drilling plan.

Page 55:16 to 56:12

00055:16 Q. (BY MR. BRUNO) All right. And  
17 let me clarify that. Do you know what a  
18 drilling plan is?  
19 A. From a -- from a general  
20 high-level standpoint I have an  
21 understanding.  
22 Q. From a more technical, specific,  
23 on the drilling side of the business, have  
24 you ever seen a drilling plan or a well plan?  
25 A. Yes, sir.  
00056:01 Q. All right. It's got a lot of  
02 detail, doesn't it?  
03 A. Yes, sir.  
04 Q. All right. And you would agree  
05 with me that that's not something -- that  
06 would not be the same as a couple of slides,  
07 right?  
08 A. I don't -- I don't know. You  
09 know, I'm trying to think of an -- the  
10 example I'm thinking of, a drilling plan or a  
11 well plan -- it's more of a well plan I've  
12 seen -- it was approximately three pages.

Page 56:15 to 57:03

00056:15 Q. (BY MR. BRUNO) Okay. All  
16 right. What -- can you tell us about the  
17 well plan that you think you've seen. Can  
18 you recall the circumstances?  
19 A. The well plan I've seen was --  
20 Q. For this well?  
21 A. For this well --  
22 Q. Right.  
23 A. -- is the one I can recall.  
24 Q. All right. So you can recall  
25 specifically having seen a well plan for the  
00057:01 Macondo well, and your memory is that it was  
02 approximately three pages; is that correct?  
03 A. Yes, sir.

Page 61:05 to 62:22

00061:05 Q. All right. By the way, do you  
06 have any sense of what the value is of a  
07 60-million-barrel reservoir of oil?  
08 A. No, I don't know what the value  
09 is, but it would be -- based on oil prices,  
10 it would be a lot of money.  
11 Q. Okay. But this is not a  
12 particularly large prospect, is it?  
13 A. Large in -- to the -- compared  
14 to other prospects in the Gulf of Mexico?

15 Q. Yes.  
 16 A. Again, you know, as I said, I've  
 17 been in the business three years and kind of  
 18 hearsay in looking at other BP prospects,  
 19 other company prospects.  
 20 Q. Right, right.  
 21 A. You know, my first take was if  
 22 it's not big enough to have a standalone  
 23 platform, at least predrill --  
 24 Q. Right.  
 25 A. -- is what the thought was.  
 00062:01 For example, the Mars Shell  
 02 asset is -- produced, I don't know,  
 03 500 million barrels and still developing.  
 04 Q. Right.  
 05 A. So it was certainly not on that  
 06 level.  
 07 Q. So it's not so much whether it's  
 08 large or small. It's whether or not the find  
 09 is large enough to justify locating its own  
 10 production facility over that reservoir. Is  
 11 that -- am I getting that accurately?  
 12 A. Is the question how -- whether  
 13 it's big?  
 14 Q. In terms of large versus small.  
 15 A. I guess in my mind that may be a  
 16 measure. I don't know whether that's an  
 17 official industry term or not. But I would  
 18 in my mind say, you know, if -- it's  
 19 relatively smaller if it doesn't have a  
 20 platform, and it's relatively bigger if it  
 21 can justify building its own production  
 22 platform.

Page 63:24 to 64:13

00063:24 Q. (BY MR. BRUNO) Okay. Now,  
 25 we've learned that part of your job includes  
 00064:01 contacting the potential purchases of  
 02 co-ownership interest in these wells.  
 03 What else do you generally do in  
 04 the context of this -- of this effort?  
 05 A. With Macondo, sir?  
 06 Q. Yes.  
 07 A. It would be to contact and  
 08 attend the present -- when we would have the  
 09 marketing presentations, attend those  
 10 presentations and answer -- answer questions  
 11 that may arise, not necessarily during --  
 12 some during, but followup questions from  
 13 those presentations.

Page 71:18 to 71:23

00071:18 Q. (BY MR. BRUNO) All right.  
 19 Let's go to the next document, which is Bates  
 20 numbered 173687 in seriatim to 173697. We're  
 21 going to mark this as 2822.  
 22 (Exhibit 2822 was marked.)  
 23 A. Sir, is this still under Tab 1?

Page 72:03 to 72:20

00072:03 Q. I don't know why.  
 04 All right. Are you with me?  
 05 A. Is this the August 10th --  
 06 Monday, August 10th e-mail from myself?  
 07 Q. It was from you to Nick Huch?  
 08 A. Yes, sir, I'm here.  
 09 Q. All right. Do you know who he  
 10 is?  
 11 A. Yes, sir.  
 12 Q. Who is he?  
 13 A. Mr. Huch is my counterpart at  
 14 Anadarko.  
 15 Q. All right. Now, at this point  
 16 in time are you negotiating with Anadarko?  
 17 A. I believe at that point in time  
 18 they had come and reviewed -- they had  
 19 already reviewed the presentation before. I  
 20 believe it was with Mr. Lee --

Page 72:22 to 72:22

00072:22 A. -- when he was still involved.

Page 72:24 to 73:08

00072:24 A. And they were having questions.  
 25 Q. All right. What was the status  
 00073:01 of any negotiations with MOEX at this point  
 02 in time, August 10th, 2009?  
 03 A. I do not recall right now.  
 04 Q. Do you recall that they were an  
 05 interested party?  
 06 A. Yes, sir.  
 07 Q. All right. And was Anadarko  
 08 interested?

Page 73:10 to 74:10

00073:10 A. I would say they're interested  
 11 in that they came and viewed the presentation  
 12 and were asking questions.  
 13 Q. (BY MR. BRUNO) All right.  
 14 What -- were there any other suitors, if you  
 15 will?

16 A. I'm not sure exactly. I had  
17 begun to keep a list of the folks that we  
18 had -- or the companies we had showed to, and  
19 there was more than just MOEX and Anadarko.  
20 Q. All right. Now, attached to  
21 your e-mail, according to the verbiage of the  
22 e-mail, are the slides from the BP Macondo  
23 presentation, right?  
24 A. I'm sorry. What was the  
25 question?  
00074:01 Q. I said attached to the e-mail  
02 are the slides of the presentation?  
03 A. I believe it's a --  
04 representative of a short pack from the  
05 presentation.  
06 Q. What is a short pack?  
07 A. Usually in the marketing  
08 presentations they can -- there are 50 to a  
09 hundred slides, and it contains a lot of  
10 seismic data in there --

Page 74:12 to 74:15

00074:12 A. -- and which may be -- we may be  
13 restricted from having leave the premises.  
14 So if they request a packet to take home,  
15 then a short pack usually is a generated --

Page 74:17 to 75:24

00074:17 A. -- that takes out that.  
18 Q. All right. Is there -- on that  
19 subject, is there any requirement by BP that  
20 the folks who attend these presentations sign  
21 confidentiality agreements?  
22 A. Yes, sir, the company does. But  
23 before we would show them the presentation,  
24 they would be under -- the company would be  
25 under a confidentiality agreement.  
00075:01 Q. And so the -- tell what us what  
02 the procedure is. How does that actually get  
03 done?  
04 A. From a general standpoint,  
05 usually what we do is we send an executive  
06 summary. This is the prospect we're  
07 marketing. If you're interested, then let us  
08 know and we'll send you a confidentiality  
09 agreement to review.  
10 Q. Okay. All right. And despite  
11 that, BP still doesn't want to send out by  
12 e-mail the entire presentation?  
13 A. I would say it's more of we may  
14 not be permitted to. A lot of seismic, for  
15 example.

16 Q. Okay. Well, tell me why it  
17 would be that seismic -- when you say, We are  
18 not permitted to, BP doesn't permit you? Who  
19 is the person not permitting you to send  
20 seismic material?

21 A. My understanding would be -- it  
22 would be the contract BP would have with the  
23 seismic company -- the seismic companies.  
24 Our license agreement would not permit that.

Page 78:09 to 78:12

00078:09 Q. All right. Okay. And then  
10 173695 says Macondo M56 Risk Discussion. Do  
11 you know what this is?  
12 A. I've seen it, yes, sir.

Page 78:17 to 80:08

00078:17 Q. Well, the bottom line says:  
18 Overall chance of success is.

19 What does CA dot refer to?

20 A. I'm not certain what CA dot  
21 stands for.

22 Q. But it says 67 percent?

23 A. Yes, sir.

24 Q. There is a pretty good  
25 likelihood that this well was going to  
00079:01 produce hydrocarbons, right?

02 A. I don't know whether it was a  
03 good likelihood it would produce. I believe  
04 that was referring to the chance that they  
05 may find hydrocarbons.

06 Q. All right. Well, how does that  
07 number relate to you in terms of your  
08 experience in being able to market interest  
09 in wells? Is this -- is this number a good  
10 number, a bad number, a medium number, or  
11 what -- what -- help us understand what this  
12 means in your world.

13 A. In my world --

14 Q. Yeah.

15 A. -- from three years' experience  
16 in looking at and hearing about some  
17 prospects, they go anywhere from, I think,  
18 20 -- you know, could be 20 percent to  
19 67 percent. I don't know how they calculate  
20 those numbers.

21 Q. All right. But based upon what  
22 you've just told me, does that mean that  
23 67 percent is on the high end of the  
24 potential for success scale?

25 A. Against other ones I've seen and  
00080:01 heard about, that was -- this was a higher



02 chance of success from an exploration  
03 standpoint.  
04 Q. Right. Have you seen a  
05 percentage higher than 67 percent in your --  
06 in your experience?  
07 A. Not of chance of success, no.  
08 No, sir.

Page 81:11 to 81:20

00081:11 Q. All right. Next document is  
12 173697. It's entitled Well Plan, and it's  
13 one page. Is this what you had in your mind  
14 in -- when you were describing well plan in  
15 response to my previous questions this  
16 morning?  
17 A. Yes, sir. It was a version -- a  
18 version of -- I know that wellbore schematic  
19 on the right is one of the things that comes  
20 to mind.

Page 86:16 to 86:16

00086:16 (Exhibit 2823 was marked.)

Page 97:05 to 97:22

00097:05 Q. All right. The next page is --  
06 looks like another sign-in sheet for a  
07 September 17th, 2009, presentation?  
08 A. Yes, sir.  
09 Q. And some say MOEX, and others  
10 say JOGMEC or MOECO. Which companies are  
11 those referencing, if you know?  
12 A. So this is what generally I  
13 would classify as the second MOEX  
14 presentation in what they -- they had some of  
15 their personnel from -- it's my understanding  
16 their parent company, MOECO from Japan,  
17 attend.  
18 And also JOGMEC, I don't know  
19 the exact -- what exactly all it stands for.  
20 But they are, my understanding, a part of the  
21 Japanese government that provides funding or  
22 assists with funding.

Page 98:14 to 98:23

00098:14 All right. Let's go to Tab 3.  
15 This is BP-HZN-2179MDL2319086, in seriatim,  
16 to 16 -- 116. 2319116. I'm going to mark  
17 this as Exhibit 2824.  
18 (Exhibit 2824 was marked.)

19 Q. (BY MR. BRUNO) Do you know what  
20 this is, sir?  
21 A. Sir, this appears to be a lease  
22 exchange agreement between BP and two  
23 Anadarko entities.

Page 99:04 to 100:09

00099:04 Q. Okay. All right. Thank you.  
05 There is an attachment, Exhibit A-1, the  
06 assigned leases.  
07 A. Okay. I see it.  
08 Q. All right. Tell us what this  
09 is.  
10 A. This is a lease exchange  
11 agreement that sets out the exchange between  
12 BP and two Anadarko entities for their  
13 assignment of a portion of BP's interests in  
14 Macondo for an assignment of some other  
15 leases from the two Anadarko entities.  
16 Q. All right. What -- what  
17 ownership interest did Anadarko get as a  
18 result of the signing of this agreement?  
19 A. I believe -- I need to look at  
20 the exhibit to be certain.  
21 Q. Look at 2319101. Maybe I got it  
22 wrong.  
23 A. Yeah, it's that exhibit.  
24 Yes, sir. This agreement would  
25 have BP, after BP had owned it at a -- I'm  
00100:01 not sure if it was 90 percent at this point.  
02 I believe it was 90 percent. It reflects  
03 BP's after -- after-exchange interests of  
04 65 percent, and then one of the Anadarko  
05 entities with 22 and a half percent and the  
06 other with 2.5 percent.  
07 Q. Okay. So the -- so essentially  
08 the Anadarko interests owned 25 percent after  
09 this document was signed?

Page 100:11 to 101:08

00100:11 A. Being the two -- the two  
12 Anadarko entities combined --  
13 Q. (BY MR. BRUNO) Yes.  
14 A. -- owned 25 percent, yes, sir.  
15 Q. All right. And do I gather,  
16 then, that BP had previously sold 10 percent  
17 to someone else?  
18 A. Yes, sir. I believe at that  
19 point we had assigned 10 percent to MOEX.  
20 Q. All right. And this document  
21 was signed on December the 17th of '09?  
22 A. It appears. The date is

23 December 17th on Page 13, yes, sir.  
 24 Q. All right. And do you know if  
 25 Anadarko still had an obligation to fund the  
 00101:01 drilling costs or any portion thereof?  
 02 A. In signing this agreement?  
 03 Q. Yes.  
 04 A. Yes, sir, they did. They at the  
 05 same time signed another agreement that had  
 06 more detail --  
 07 Q. All right.  
 08 A. -- about that.

Page 102:25 to 105:15

00102:25 Q. All right. Let's go to the next  
 00103:01 document, which is 2319125, in seriatim, to  
 02 239137. I'm going to mark this as 2825.  
 03 (Exhibit 2825 was marked.)  
 04 Q. (BY MR. BRUNO) Do you know what  
 05 this is, sir?  
 06 A. This is the Macondo Prospect  
 07 Well Participation Agreement.  
 08 Q. All right. This is the document  
 09 which obligates Anadarko to pay a certain  
 10 portion of the drilling costs?  
 11 A. Yes, sir. I believe it has a  
 12 provision in there that they will pay a  
 13 disproportionate amount.  
 14 Q. All right. Do we know what that  
 15 disproportionate amount is? If we look at  
 16 Page 6 of 11.  
 17 A. Yes, sir. They were -- to  
 18 summarize, they were to pay 33.33 percent up  
 19 to, I believe, the earlier of objective depth  
 20 or 110 percent of the estimated costs in the  
 21 original AFE.  
 22 Q. All right. And the original AFE  
 23 is the document which is the last document in  
 24 this agreement, or last document in  
 25 Exhibit 2825. Is that accurate?  
 00104:01 A. 2825. This is entitled:  
 02 Exhibit B, Well Plan and AFE.  
 03 Q. So it's the last document in the  
 04 exhibit?  
 05 A. In this, it appears so.  
 06 Q. All right. So is that the  
 07 authorization -- is that the AFE?  
 08 A. This doesn't appear to be a  
 09 complete copy. I believe it has "Page 1  
 10 of 3" at the bottom.  
 11 Q. Okay.  
 12 A. But from what I recall, we took  
 13 the original -- the AFE with the estimated  
 14 cost and placed it as an exhibit to this  
 15 agreement.

16 Q. All right. And your  
 17 recollection was that it was a three-page  
 18 exhibit and not one?  
 19 A. That's my recollection, yes,  
 20 sir.  
 21 Q. And what was the amount of the  
 22 AFE?  
 23 A. On this exhibit the total  
 24 project cost was -- \$96,100,000, was the  
 25 estimated project cost.  
 00105:01 Q. All right. Explain to us: What  
 02 is an authorization for expenditure?  
 03 A. It's my understanding it is a  
 04 document that's generated under the joint  
 05 operating agreement that provides for the  
 06 funding of an operation or drilling of a  
 07 well.  
 08 Q. All right. Who is the person  
 09 giving the authorization?  
 10 A. In the Macondo well?  
 11 Q. Yes. This one right here.  
 12 A. The authorization was sent out  
 13 or provided for in these agreements where BP  
 14 would send it, and then it would go as an  
 15 election to the nonoperating parties.

Page 107:08 to 107:12

00107:08 Q. Okay. Preparation, drilling,  
 09 evaluation and abandonment costs, and that's  
 10 figured at \$87,457,000?  
 11 A. I believe you said 87,457,000,  
 12 yes, sir.

Page 117:20 to 119:01

00117:20 Q. Yeah. We're going to mark this  
 21 as 2828.  
 22 (Exhibit 2828 was marked.)  
 23 Q. (BY MR. BRUNO) Do you see that?  
 24 A. Yes, sir.  
 25 Q. And this is from you. It says:  
 00118:01 Gents, please let me know if the following  
 02 definition of objective depth at Macondo is  
 03 okay.  
 04 And then you have in quotes:  
 05 Objective depth shall be the first of the  
 06 following to occur: 19,650 TBD, a depth  
 07 sufficient to test benthic foraminifera  
 08 Roblus L. interval as seen in BP's MC 562  
 09 OCS-G19966#1 well; or, C, an onset of  
 10 pressure beyond 18,650 TBD that requires a  
 11 new casing string to continue -- and there is  
 12 a blank there -- drilling.

13                   Did you write that, what's in  
 14 bold?  
 15       A.       No, sir. That was provided by  
 16 the subsurface group.  
 17       Q.       All right. Do you know what it  
 18 means?  
 19       A.       I understand what 19,650 feet  
 20 TBD is.  
 21       Q.       Right.  
 22       A.       Beyond that, I don't understand  
 23 in detail, no, sir.  
 24       Q.       All right. Do you understand an  
 25 onset of pressure beyond 18,650 feet TBD?  
 00119:01       A.       No, sir.

Page 121:16 to 122:15

00121:16       Q.       Okay. All right. All right.  
 17 This may help us. Let's go the next tab --  
 18 actually, it's not the next tab. BP 192549,  
 19 192550, and 192551. This will be a cleaner  
 20 copy of the same document that we looked at  
 21 before.  
 22                   This is the well plan which  
 23 contains the authorization of expenditure.  
 24 We'll mark this as Exhibit 2830 because you  
 25 couldn't read the names on the other  
 00122:01 document.  
 02                   (Exhibit 2830 was marked.)  
 03       A.       It's under Tab 4?  
 04       Q.       (BY MR. BRUNO) Yes, sir. And  
 05 it's the -- you've got it.  
 06       A.       192549?  
 07       Q.       Yes, sir.  
 08       A.       Okay.  
 09       Q.       This is the three-page well plan  
 10 which contains the authorization for  
 11 expenditure. Is that accurate? And this one  
 12 we can read.  
 13       A.       Yes, sir, this appears to be the  
 14 one that was attached to -- or it was part of  
 15 the MOEX one, yes, sir.

Page 124:18 to 125:12

00124:18       Q.       Okay. All right. Let's go to  
 19 Tab 6 after the first yellow piece of paper.  
 20 And it's a document number 97441. We're  
 21 going to mark it as 2831.  
 22                   (Exhibit 2831 was marked.)  
 23       Q.       (BY MR. BRUNO) It's an e-mail  
 24 from Mark Hafle to Nick Huch, copying you.  
 25       A.       Yes, sir.  
 00125:01       Q.       All right. Tell us what this

02 is.  
 03 A. Appears to be a note from our  
 04 drilling engineer, Mark Hafle, stating the  
 05 estimated costs of what was spent in 2009 on  
 06 the Macondo well and how much they expect to  
 07 be spending in 2010.  
 08 Q. All right. So am I gathering  
 09 from this e-mail that Hafle is the guy that  
 10 is knowledgeable about the costs of this  
 11 well?  
 12 A. Yes, sir.

Page 127:11 to 127:22

00127:11 Q. All right. So it was  
 12 anticipated that because we had to switch  
 13 from the MARIANAS to the HORIZON, that that  
 14 was going to cost an additional \$54 million?  
 15 A. I don't know if that's  
 16 exclusively the reason it was going to  
 17 increase to 54 million, but I think that was  
 18 one of the reasons.  
 19 Q. Did you know what the reason was  
 20 for the \$54 million increase?  
 21 A. No, sir, I do not know all the  
 22 reasons.

Page 130:07 to 131:10

00130:07 Q. The question was: Why would you  
 08 go to Mr. Ishii, who we recognize to be  
 09 someone who is not employed by BP, for a copy  
 10 of a drilling plan for a well that BP  
 11 drilled?  
 12 A. Well, in context, Will K. was a  
 13 well that MOEX was a co-owner in. And  
 14 Mr. Ishii, from what I recall, asked, Do we  
 15 have -- the Will K. drilling plan, can you  
 16 send us one that looks like that for Macondo?  
 17 Q. All right. Well, that's because  
 18 Mr. Ishii had asked in the past for a well  
 19 plan, right?  
 20 A. I believe so.  
 21 Q. Okay. And your thinking was,  
 22 well, if I can deliver to him something that  
 23 looks like Will K., I can satisfy him, right?  
 24 A. No, sir. That was what  
 25 Mr. Ishii inferred. I had not seen up to  
 00131:01 that point --  
 02 Q. Right.  
 03 A. -- the Will K. drilling plan.  
 04 Q. Mr. Ishii says to you, Listen,  
 05 if you give me what you gave me in the  
 06 Will K., I'll be happy. And you say, Okay,

07 let me see what you've got.  
08 And that's why you asked  
09 Mr. Ishii for a copy of the Will K. drilling  
10 plan. Is that more accurate?

Page 131:12 to 132:01

00131:12 A. I think it would be more  
13 accurate were Mr. Ishii asked, We received  
14 this type of drilling plan at Will K. Do you  
15 have one like this for Macondo?  
16 Q. (BY MR. BRUNO) Okay. And since  
17 you hadn't seen Will K., you say to yourself,  
18 I need to see what he's talking about, right?  
19 A. Yes, sir.  
20 Q. That's why you asked him for a  
21 copy of the drill plan, right?  
22 A. Yes, sir.  
23 Q. Okay. Now, this next document  
24 is 99615, in seriatim, to 99619. I'm going  
25 to mark this as 2832.  
00132:01 (Exhibit 2832 was marked.)

Page 132:14 to 133:10

00132:14 Q. (Reading) If so, can you have  
15 them prepare the supplemental so that the  
16 additional amount in which we are seeking  
17 approval, the difference between the  
18 124 million and 96 million. What we want to  
19 avoid is having the AFE set up for  
20 124 million in total for approval. The JOA  
21 is set up for approval on an AFE-by-AFE  
22 basis. I'll give you a call to discuss.  
23 Help us understand what you're  
24 conveying there, sir.  
25 A. What I'm conveying is the JOA --  
00133:01 the mechanism within the JOA is for a  
02 supplemental. The original AFE in this  
03 instance was 96 million.  
04 Q. Right. Correct.  
05 A. And then to issue a  
06 supplemental, a lot of times the internal,  
07 the project services or other groups, they  
08 view things on a total project basis. The  
09 JOA doesn't necessarily provide that  
10 mechanism. It's on an AFE-by-AFE basis.

Page 148:07 to 150:02

00148:07 Q. All right. Thank you. Let's  
08 look at DWHMX 70243 and 44, which has already  
09 been marked as 1245. This is February 19

10 where Mr. Ishii -- I'm sorry -- Mr. Naoki is  
 11 asking again for a drill plan.  
 12 A. I'm sorry. Exhibit 1245 at the  
 13 bottom?  
 14 Q. Yes.  
 15 A. All right.  
 16 Q. So this is yet another request  
 17 by Mr. Naoki for the drilling plan, right?  
 18 MR. BOLES: Object to the form.  
 19 A. It appears from the e-mail he's  
 20 asking what we had discussed previously, the  
 21 Will K., or if we had a version of the  
 22 Will K. drilling plan for Macondo.  
 23 Q. (BY MR. BRUNO) Right. But this  
 24 is post-lunch?  
 25 A. It appears, yes.  
 00149:01 Q. Okay.  
 02 A. I don't remember the exact  
 03 dates.  
 04 Q. Well, he says -- and then you  
 05 respond: I will check. I know the drilling  
 06 folks are in possession of planning the P&A.  
 07 What are you referring to there?  
 08 A. It looks like I was -- thought  
 09 he was talking about Will K. And Will K.  
 10 was -- that they were -- we were at that time  
 11 in the process of planning a plugging and  
 12 abandonment of that well.  
 13 Q. He says: No, you -- no, I'm  
 14 talking about the Macondo, in response.  
 15 And he says: Do you remember  
 16 that we requested you to provide us with the  
 17 Macondo drilling plan? Sorry for the  
 18 confusion.  
 19 Do you see that?  
 20 A. Yes, sir.  
 21 Q. All right. And then you say:  
 22 Not a problem. I'll get back to you. Have a  
 23 good weekend.  
 24 Right?  
 25 A. Yes, sir.  
 00150:01 Q. So this is his second request  
 02 for the drill plan?

Page 150:04 to 150:08

00150:04 A. I don't know whether it was his  
 05 second or not.  
 06 Q. (BY MR. BRUNO) All right.  
 07 Well, would you regard the lunch meeting as  
 08 the first?

Page 150:10 to 150:11



00150:10           A.       It could be. I -- I just don't  
11       recall when was the first or...

Page 154:16 to 156:06

00154:16   writing to Kirk Wardlaw, and you're saying:  
17       Any thoughts on whether we should/need to  
18       provide the detailed drilling procedure?  
19       Thanks, Mike.  
20                Do you see that?  
21       A.       Yes, sir.  
22       Q.       Okay. So obviously they're  
23       still bugging you about that, right? That  
24       is, Ishii is?  
25       A.       Sir, I wouldn't characterize it  
00155:01   as "bugging."  
02       Q.       Well, he still wants the  
03       information. How about that?  
04       MR. BOLES: Object to the form.  
05       A.       The information he was  
06       requesting in the form of the Will K.  
07       Drilling Plan.  
08       Q.       (BY MR. BRUNO) Correct. He  
09       still wants it?  
10       A.       He's still asking if we have the  
11       Macondo information in the same form as the  
12       Will K.  
13       Q.       And you don't have it?  
14       A.       I personally don't have it, and  
15       I'd sent a note to Mark.  
16       Q.       Because you're requesting it?  
17       A.       That's right. I requested it  
18       from Mark.  
19       Q.       And now you're asking Wardlaw to  
20       get involved, right?  
21       A.       It appears I'm asking Kirk a  
22       question.  
23       Q.       Right.  
24       A.       Yes, sir.  
25       Q.       Did he respond?  
00156:01   A.       I do not know.  
02       Q.       It's March by this time, right?  
03       A.       Yes, sir.  
04       Q.       The last request was in  
05       February, right?  
06       A.       Yes, sir.

Page 156:11 to 156:14

00156:11   A.       Sir, can I clarify? I'm not  
12       sure when the last request was on the last  
13       part of that question, if it was February or  
14       not. I don't recall.

Page 156:19 to 157:08

00156:19 But let's look at Friday, March  
20 the 12th. And you say on March the 12th:  
21 MOEX called again and has asked for a copy of  
22 the Macondo predrill plan. Do we have  
23 anything that was already created that was  
24 used internally?  
25 And Mark responds: Sorry for  
00157:01 the delay. On past Gulf of Mexico MOEX  
02 wells, we only supply the wellbore diagram to  
03 the partners. We have never given our  
04 drilling procedure, and unless the JOA  
05 specifically spells that requirement out, I  
06 do not think we should send it.  
07 Do you know why he wouldn't want  
08 to send it?

Page 157:10 to 157:19

00157:10 A. No, sir. As I stated earlier,  
11 this was my first deepwater well. The  
12 Will K. well I had worked on before was a  
13 deep gas well.  
14 Q. (BY MR. BRUNO) All right.  
15 A. And Mark had much more  
16 experience in drilling deepwater wells.  
17 Q. It wasn't your call to make,  
18 that is, whether to give it to them or not.  
19 It was Hafle's call to make, right?

Page 157:21 to 158:03

00157:21 A. Not necessarily. I think at  
22 this point we were still trying to determine  
23 whether it even existed in the format that  
24 they were asking.  
25 Q. (BY MR. BRUNO) Well, he's not  
00158:01 saying that, in fairness to the record. He's  
02 not saying it doesn't exist. He's saying, I  
03 do not think we should send it, right?

Page 158:05 to 158:15

00158:05 A. No. In the context, he says, I  
06 will pull something together similar to  
07 Will K., and then states that on past GoMX  
08 wells, we only supply the wellbore diagram to  
09 partners.  
10 Q. (BY MR. BRUNO) Right. We have  
11 never given our drilling procedure.  
12 Now, certainly there exists at  
13 this time a drilling procedure because

14 they're about to drill using the HORIZON?  
 15 A. I --

Page 158:17 to 158:17

00158:17 A. I don't know.

Page 160:04 to 161:14

00160:04 Q. Okay. We have yet another  
 05 e-mail from Mr. Ishii Naoki, and he is still  
 06 looking for the well plan, apparently. Is  
 07 that accurate?  
 08 MR. BOLES: Objection; form.  
 09 A. It appears he's looking for --  
 10 I'm not sure what all is in the well plan,  
 11 but it appears he's still looking for the  
 12 form -- he's looking for something in that  
 13 Will K. form.  
 14 Q. (BY MR. BRUNO) Okay. And  
 15 again, to be very precise -- I say "again"  
 16 because if we look back at 2840, that e-mail  
 17 was dated March the 12th, and this e-mail is  
 18 dated March the 16th. So this is yet another  
 19 request for whatever it is he means by a well  
 20 plan. Is that accurate?  
 21 A. What was the other document you  
 22 referenced, sir?  
 23 Q. 2840, right before it, where you  
 24 say: MOEX called again.  
 25 A. And that's March 11th at  
 00161:01 9:55 a.m.?  
 02 Q. That's right. Okay. And then  
 03 your response. And then this is another one  
 04 that's dated March 15th, right?  
 05 A. Yes, sir. What was -- can you  
 06 repeat the question.  
 07 Q. Just to confirm that this is yet  
 08 another request for whatever he means to  
 09 refer to for a well plan.  
 10 A. It appears it's a request for  
 11 the same --  
 12 Q. Okay.  
 13 A. -- type of information.  
 14 Q. All right. Let's look at

Page 170:06 to 170:12

00170:06 A. We're back to this Exhibit 2379?  
 07 Q. Yes.  
 08 A. It appears Ms. Semina Sewani --  
 09 Q. Okay.  
 10 A. -- in her original e-mail.

11 Q. And she is responding to  
12 Mr. Hafle's e-mail, right?

Page 170:14 to 171:19

00170:14 Q. (BY MR. BRUNO) We see Hafle, we  
15 see Semina, and then we see you?  
16 A. I was looking at the original  
17 one. It looks like Semina created the  
18 document on Wednesday, March 27th.  
19 Q. Okay.  
20 A. And then it appears Mark sent  
21 some projected costs.  
22 Q. Right. To her?  
23 A. To her.  
24 Q. And she responded by drafting a  
25 supplemental authorization for expenditure?  
00171:01 A. It appears she's stating that  
02 she needed to do a supplemental FM prior to  
03 sending an AFE.  
04 Q. Okay. But again, that's not  
05 responsive to the question. She drafted the  
06 supplemental authorization for expenditure?  
07 A. I don't know for sure whether  
08 she drafted it.  
09 Q. Who drafted it?  
10 A. It likely came from the project  
11 services group with Mr. Hafle's input.  
12 Q. Okay. What is an FM?  
13 A. A financial memorandum.  
14 Q. And who issues the financial  
15 memorandum?  
16 A. It's an internal BP document.  
17 Q. So before you get approval from  
18 your partners, you have to get approval from  
19 within BP?

Page 171:21 to 172:02

00171:21 A. Approval to send a supplemental  
22 AFE?  
23 Q. (BY MR. BRUNO) Yes. That's  
24 what it seems to say here.  
25 A. Yes, sir. I don't execute the  
00172:01 AFEs, so they would be executed internally  
02 with approval.

Page 172:04 to 172:06

00172:04 A. If you look, a lot of times on  
05 an AFE form it has many different signatures.  
06 So that would be the approval I would review.

Page 172:19 to 174:04

00172:19 Q. March 23 at 8:15 in the morning  
 20 she says: Mike, we need to first get a  
 21 supplemental FM in place before we start  
 22 circulating AFEs? I will keep you informed  
 23 as soon as we get the FM ready.  
 24 So my question to you is: Did  
 25 you not know what she meant?

00173:01 A. It appears she was asking me a  
 02 question that -- of a BP internal policy  
 03 question, perhaps, that I did not know the  
 04 answer to.  
 05 Q. Well, you respond. You say:  
 06 Thanks. We need to be sure we get something  
 07 out ASAP so we are not exposed when the spend  
 08 goes above 126 million.  
 09 Right?

10 A. Yes, sir.  
 11 Q. You didn't write her back and  
 12 say, I don't understand?  
 13 A. What I was telling her is we  
 14 need to send out -- we have the supplemental  
 15 AFE up to --  
 16 Q. Right.  
 17 A. -- about 126 million, and we  
 18 needed to do the external -- we needed to  
 19 have an AFE out externally before that spend.  
 20 Q. Agreed. I'm just trying to  
 21 understand whether you do or you don't know  
 22 anything about FMs?  
 23 A. I don't -- I did not address  
 24 her --  
 25 Q. Okay.

00174:01 A. -- question on that.  
 02 Q. So you know nothing about it,  
 03 right?  
 04 A. About that policy.

Page 175:14 to 178:16

00175:14 Q. Yeah. It's in the same tab  
 15 you're in, just moved in a little bit. This  
 16 is 2319416, in seriatim, to 2319419. And  
 17 this is -- it will be marked as 2846.  
 18 (Exhibit 2846 was marked.)  
 19 Q. (BY MR. BRUNO) This includes  
 20 the second supplemental authorization for  
 21 expenditure; is that correct? It's in front  
 22 of the yellow. You've got your hands on it.  
 23 A. Do I have it here?  
 24 Q. Yeah, you've got it.  
 25 A. The 9416 at the end?

00176:01 Q. 9416 continuing to 9418.  
 02 A. Yes, sir.

03 Q. So this is in fact the second  
04 supplemental which brings the authorized  
05 expenditures to \$151 million, correct?  
06 A. I believe that the question was  
07 total project costs to 151 million?  
08 Q. That's right.  
09 A. All right. Yes, sir, this was  
10 the cover letter with the second  
11 supplemental, yes, sir.  
12 Q. Okay. And then at Exhibit 1921,  
13 which is the next exhibit, and it's three  
14 pages. 30687, 30688, 30689, 30690, we have  
15 Anadarko agreeing and signing the second  
16 supplemental authorization, correct?  
17 A. Yes, sir.  
18 Q. All right. And let's -- just  
19 for completeness, 178328 and 178329 I'm going  
20 to mark as 2847, which is the MOEX approval  
21 of the same document. Is that correct? Is  
22 that accurate?  
23 (Exhibit 2847 was marked.)  
24 A. Just let me confirm. I just  
25 want to make sure. Yes, sir, the second  
00177:01 supplemental. That's correct.  
02 Q. (BY MR. BRUNO) Thank you. All  
03 right. Let's go to the next document, which  
04 is 1250. This is dated --  
05 MR. BRUNO: Is this more than one page?  
06 Q. (BY MR. BRUNO) Do you see it?  
07 A. It's 1250?  
08 Q. Yeah.  
09 A. That's right at Tab 9.  
10 Q. Right. Here we have March 15.  
11 This is the same -- this is yet another  
12 request for the well plan dated March the  
13 15th?  
14 A. Which well plan?  
15 Q. It's -- if you look on Monday,  
16 March the 15th: Mike, thank you for your  
17 time last Friday.  
18 Followup on the discussion:  
19 Macondo status & way forward.  
20 And then, 2, the: Macondo well  
21 plan.  
22 Is this -- maybe I'm mistaken.  
23 Is this the e-mail that resulted from the  
24 luncheon, or is this another request for a  
25 well plan?  
00178:01 A. I don't recall.  
02 Q. Okay. And then you write back  
03 and you say: Can you provide more detail on  
04 the information Kanoo-san requested (see the  
05 second bullet point below).  
06 Which is the well plan.  
07 And you say: I do not believe

08 we have a more detailed well plan, but  
09 perhaps may be able to provide specific  
10 detail.  
11 Do you see that?  
12 A. Yes, sir.  
13 Q. All right. Now, in fact there  
14 is a more detailed well plan. You couldn't  
15 drill the well without a more detailed well  
16 plan; isn't that true?

Page 178:18 to 178:25

00178:18 A. I don't know whether there is.  
19 The well plan can include a lot of things.  
20 Q. (BY MR. BRUNO) Sure. But  
21 you're saying you didn't have a more detailed  
22 well plan. You didn't mean to suggest that  
23 BP didn't have a detailed well plan because  
24 you need a well plan to drill the well; isn't  
25 that true?

Page 179:02 to 179:20

00179:02 A. What I was providing -- stating  
03 to Ishii here is we did not have what they  
04 request -- we did not have the format of the  
05 Will K., what they were requesting, a well  
06 plan in the format of the Will K. Whether  
07 they were provided that -- all that  
08 information separately, I don't know. They  
09 could have been.  
10 Q. (BY MR. BRUNO) So your  
11 impression, your understanding was he was  
12 looking for some particular piece of document  
13 as opposed to information?  
14 A. My understanding was he was  
15 looking for a certain form of a document that  
16 he had received on another well.  
17 Q. Well, do you really believe he  
18 was looking for a form? I mean, you know,  
19 you've been in the business for three years.  
20 He was looking for information, wasn't he?

Page 179:22 to 179:25

00179:22 A. I don't know. I -- that -- my  
23 understanding at the time is he was looking  
24 for a form from some people in Tokyo, with  
25 their parent company requesting that.

Page 180:07 to 183:09

00180:07 (Exhibit 2848 was marked.)

08 Q. (BY MR. BRUNO) And you write to  
09 Mark: MOEX is pushing to get the requested  
10 information in bullet points 2 and 3.  
11 Regarding bullet point 2, I sent him a note  
12 telling him that we do not have a more  
13 detailed well plan, but perhaps may be able  
14 to answer some specific questions, and you  
15 can see their reply. If we do not have  
16 anything, let me know and I will tell them  
17 just that.

18 And you're writing this to Mark  
19 Hafle, correct?

20 A. Yes, sir.

21 Q. Did you have any understanding  
22 as to what Mark Hafle thought Mr. Naoki  
23 wanted?

24 A. I believe in looking at these,  
25 this is back to they wanted a well plan in  
00181:01 the format of the Will K. well. It was a  
02 format they were looking for.

03 Q. Well, did you have a discussion  
04 with Mark Hafle about this on the phone?

05 A. I don't recall.

06 Q. All right. Well, if they were  
07 looking for a format, why did you suggest  
08 that he simply answer some questions? That's  
09 not a format.

10 A. I'm not sure I understand your  
11 question. Can you repeat or rephrase it.

12 Q. You've told us repeatedly that  
13 what Mr. Naoki wanted was a form or format  
14 which contained certain information. And  
15 you've said repeatedly and you responded in  
16 e-mail: We don't have it.

17 And in this e-mail you say:  
18 Well, maybe we can give him answers to some  
19 questions.

20 And clearly, to me, an answer to  
21 a question is not a form or a format. It's  
22 information.

23 A. What I believe I was concluding  
24 at that point is we didn't have the format of  
25 what they wanted, but I didn't know whether  
00182:01 that information -- they already had it  
02 through other channels --

03 Q. Right.

04 A. -- or we were just trying to  
05 provide them -- I was trying to go another  
06 avenue.

07 Q. Sure. And what you concluded  
08 was: Well, maybe we can give him some  
09 information which might satisfy him.

10 Isn't that accurate?

11 A. Again, not knowing what  
12 information exactly he wanted, I didn't



13 know -- I was trying to get us -- ask Mark if  
 14 maybe he would be available to answer --  
 15 Q. Okay.  
 16 A. -- a specific question.  
 17 Q. All right. If you look at  
 18 the -- would you look at the e-mail from  
 19 Hafle to Morel above. It says: Brian, here  
 20 is something I've been hoping would go  
 21 away... It hasn't.  
 22 Do you see that?  
 23 A. Yes, sir.  
 24 Q. Did you have any indication from  
 25 Mr. Hafle that he was hoping that this  
 00183:01 request by Mr. Naoki would simply go away?  
 02 A. No, sir. I was not on that  
 03 e-mail.  
 04 Q. Understood. That's why I asked  
 05 the question the way I did.  
 06 A. No, sir.  
 07 Q. Okay. So you had no knowledge  
 08 of Hafle's views as expressed in this e-mail.  
 09 Is that accurate?

Page 183:11 to 183:11

00183:11 A. I don't know his views, no, sir.

Page 186:08 to 186:08

00186:08 (Exhibit 2850 was marked.)

Page 186:16 to 187:12

00186:16 Q. All right. Now, this is not  
 17 colorized. Is it fair to conclude that the  
 18 indented sections in a different typeface are  
 19 the ones that were in red?  
 20 If we look at the e-mail from  
 21 Mr. Shinjiro Naito, there's a variety of  
 22 paragraphs, 1 and 2. And then there's below  
 23 that what appears to be a smaller typeface  
 24 below each.  
 25 A. Yes, sir.  
 00187:01 Q. Okay. Is that the response?  
 02 A. I believe your question is: Is  
 03 that representative of what the comments  
 04 were?  
 05 Q. Yes.  
 06 A. I think it's -- it probably is.  
 07 It -- I recall seeing the red, but it looks  
 08 like it's a different size font, but --  
 09 Q. But you had nothing to do with  
 10 the -- with preparing the answers; is that

11 accurate?  
12 A. No, sir.

Page 190:24 to 191:14

00190:24 Q. Okay. Now, let's go to 178359.  
25 We'll mark this as 2853.  
00191:01 (Exhibit 2853 was marked.)  
02 A. Yes, sir, I...  
03 Q. (BY MR. BRUNO) Now, you are  
04 reporting that the total gross spend at  
05 Macondo is \$136 million as of April 14 -- I  
06 should say April 13, to be technically  
07 correct, right?  
08 A. It appears from the e-mail  
09 that...  
10 Q. That's how much money was spent  
11 as of that date, right?  
12 A. Yes. It appears that I'm  
13 sending a note to MOEX indicating that the  
14 total gross spend was 136.1 million.

Page 191:25 to 192:01

00191:25 Q. (BY MR. BRUNO) Now, did MOEX  
00192:01 ever get its well plan?

Page 192:03 to 192:18

00192:03 A. I don't know. Which well plan  
04 are you --  
05 Q. (BY MR. BRUNO) Whatever the  
06 thing was that Mister -- the gentleman from  
07 MOEX was asking for, as you understood it,  
08 did they ever get it?  
09 A. I don't know whether -- what all  
10 encompasses the well plan.  
11 Q. All right.  
12 A. Whether -- I don't know.  
13 Q. Well, to the extent that he kept  
14 asking for something, did he ever get  
15 whatever it was he was asking for?  
16 A. I don't believe he got the  
17 format of the Will K. well plan, but I'm not  
18 certain.

Page 195:15 to 195:23

00195:15 Q. Let's start with the joint  
16 operating agreement. You mentioned earlier  
17 that part of your job responsibility was to  
18 negotiate joint operating agreements with  
19 co-owners that you were entering into

20 agreements with; is that correct?  
 21 A. Yes, ma'am. I was involved on a  
 22 team of folks that would do that, among other  
 23 things.

Page 196:03 to 197:05

00196:03 Q. The base agreement ultimately  
 04 that was used kind of as the starting point  
 05 for the negotiation, was that -- am I correct  
 06 in thinking that that was based on the  
 07 agreement for the Gouda prospect?  
 08 A. Yes, ma'am, I believe you are  
 09 correct.  
 10 Q. And is it your understanding  
 11 that the Gouda prospect is another agreement  
 12 between BP and Anadarko and MOEX?  
 13 A. Yes, ma'am, I believe that is  
 14 correct.  
 15 Q. Okay. And then that was used,  
 16 then, to negotiate -- as the basis for  
 17 negotiation of the Macondo joint operating  
 18 agreement?  
 19 A. Yes, ma'am.  
 20 Q. Great. To your knowledge, after  
 21 you submitted the base agreement to MOEX, I  
 22 believe, do you know if there was anything  
 23 that they suggested in their response that  
 24 concerned the rights or duties of the  
 25 co-owners?  
 00197:01 A. I don't recall everything. The  
 02 one thing that comes to mind I know that they  
 03 were wanting to -- wanting to put in the  
 04 agreement was the preferential right to  
 05 purchase.

Page 197:20 to 198:24

00197:20 Q. Let's actually turn to the  
 21 document, the joint operating agreement,  
 22 which is Tab 1. It's previously marked in  
 23 other depositions as Exhibit 1243. There is  
 24 also an attachment to that at the very last  
 25 page, 1243A.  
 00198:01 Let's start with Article 5,  
 02 which, I believe, are the rights and duties  
 03 of the operator; is that correct?  
 04 A. Yes, ma'am. On Page 20 --  
 05 Q. Yes.  
 06 A. -- of the operating agreement?  
 07 Q. Uh-huh.  
 08 A. Yes, ma'am.  
 09 Q. Actually, let's start with 5.2.  
 10 And you can read it to familiarize yourself

11 with that provision.  
12 A. Yes, ma'am.  
13 Q. Great. And under this  
14 provision, it requires the operator to  
15 consult with the nonoperating parties, in  
16 this case the co-owners, Anadarko and MOEX,  
17 to consult with them and keep them informed  
18 of important matters; is that correct?  
19 A. Yes, ma'am.  
20 Q. Unless as otherwise provided in  
21 the agreement.  
22 What do you understand BP's  
23 responsibilities were to consult with  
24 Anadarko and MOEX and to keep them informed?

Page 199:01 to 199:04

00199:01 Q. (BY MS. HARVEY) What sorts of  
02 matters would you say that BP would be  
03 required to consult with Anadarko and MOEX  
04 on?

Page 199:06 to 200:07

00199:06 A. I can give you an example.  
07 Q. (BY MS. HARVEY) Sure.  
08 A. For example, the supplemental  
09 AFE at that point would -- we would be  
10 required under the operating agreement to  
11 send them an election, would be an example.  
12 Q. (BY MS. HARVEY) Okay. Great.  
13 And what were some of the ways by which you  
14 kept them informed? Could it have been  
15 through providing them information on INSITE  
16 Anywhere or well space?  
17 A. Yes, ma'am. It's important to  
18 note I wasn't the only one that would send  
19 communications. We did have INSITE Anywhere,  
20 which was a realtime drilling data, to my  
21 understanding, in well space as well.  
22 Q. And when you say other people  
23 were also in communication with Anadarko and  
24 MOEX, could you -- to your knowledge, do you  
25 know who those people at BP were?  
00200:01 A. Yes, ma'am. Some of the folks  
02 that did communicate at times would have been  
03 Mr. Robert Bodek, our operations geologist.  
04 I believe our exploration manager, Bryan  
05 Ritchie, may have had some communications as  
06 well. Those are just a couple I can think  
07 of. There may have been others.

Page 200:18 to 200:20

00200:18 Q. But then there were these other  
19 communications going on between geologists at  
20 BP and geologists at -- for Anadarko or MOEX?

Page 200:22 to 200:24

00200:22 A. Yes, ma'am, I'm aware that there  
23 were communications. How many and to the  
24 extent of when --

Page 202:10 to 203:08

00202:10 Q. And are you aware whether, with  
11 respect to the Macondo prospect, the  
12 application for permit to drill and  
13 amendments were provided to the parties?

14 A. I did not -- I did not provide  
15 it. I don't know whether it was. I know I  
16 was not requested to provide it. I don't  
17 know whether it was or not.

18 Q. Okay. If it wasn't provided,  
19 would a party -- could they come to you and  
20 ask you for that kind of information?

21 A. Yes, ma'am, they certainly  
22 could.

23 Q. Okay. One of the types of  
24 information that appears that the operator is  
25 to provide is, quote, realtime information;  
00203:01 is that correct?

02 A. Yes, ma'am. I believe it -- if  
03 it's available, that we -- we are to provide  
04 it.

05 Q. Do you know if this provision  
06 that discusses the provision of realtime  
07 data, whether that's a common provision in an  
08 operating agreement?

Page 203:10 to 203:14

00203:10 A. Yes, I believe it is. I believe  
11 it is in the 2007 AAPL model form.

12 Q. (BY MS. HARVEY) And do you know  
13 why that type of information would be  
14 provided to participating parties?

Page 203:16 to 203:24

00203:16 A. No, I don't know exactly why.  
17 Keep them informed would be my assumption.

18 Q. (BY MS. HARVEY) And if a party  
19 was granted access -- if the data was  
20 available in realtime and the party was

21 granted access to that, if they had a  
22 question about the -- the data, they could  
23 come to BP, right?  
24 A. Yes, ma'am.

Page 204:01 to 205:06

00204:01 Q. (BY MS. HARVEY) And if you  
02 didn't know the answer, if they came directly  
03 to you, you could refer them to somebody in  
04 your technical group?  
05 A. Yes, ma'am. And I did do that  
06 on numerous occasions.  
07 Q. Can you recall a time when they  
08 came -- when one of the nonoperating parties  
09 came and asked you a question based on  
10 something that they had -- some kind of data  
11 that they had been provided?  
12 A. One of the e-mails that comes to  
13 mind is -- came from MOEX, where they asked  
14 some detailed drilling questions, and I had  
15 forwarded it to our drilling engineer.  
16 Q. And to your knowledge, did the  
17 drilling engineer provide responses to those  
18 questions?  
19 A. Yes, ma'am, to my knowledge,  
20 they did.  
21 Q. Was that Mr. Hafle that they  
22 then asked the questions to in that e-mail  
23 you're discussing?  
24 A. Yes, ma'am. The one that I have  
25 in mind was sent to Mr. Hafle, yes, ma'am.  
00205:01 Q. And if one of the drilling  
02 partners came to you with a request for  
03 information that hasn't been provided to  
04 them, you would do your best to try to  
05 determine first whether -- or determine  
06 whether you could provide that information?

Page 205:09 to 205:11

00205:09 A. Yes, ma'am. If that happened, I  
10 would send it to see if we -- if it was  
11 available.

Page 206:17 to 207:03

00206:17 Q. Turn, if you will, to Tab 26.  
18 This appears to be an e-mail that you've  
19 written to Mr. Ishii on November 4th. And  
20 the subject is Macondo safety information; is  
21 that correct?  
22 A. Yes, ma'am.

23 Q. Do you recall sending this  
24 e-mail?  
25 A. Yes, ma'am.  
00207:01 Q. And are you attaching certain  
02 safety documents to this e-mail?  
03 A. Yes, ma'am, it appears so.

Page 207:07 to 207:15

00207:07 Q. Okay. And when it says under  
08 the attachments the EPA general permit, do  
09 you know what that is?  
10 A. I believe it would be  
11 Environmental Protection Agency general  
12 permit.  
13 Q. Okay. And the EP public?  
14 A. I think that may be the  
15 exploration plan.

Page 207:19 to 207:25

00207:19 Q. Okay. So this was some  
20 information that you were -- this is some  
21 information related to health, safety and the  
22 environment that you were providing to  
23 Mr. Ishii?  
24 A. Yes, ma'am, it appears that  
25 that's what it is, yes.

Page 208:05 to 208:06

00208:05 Q. Okay. Let's turn back to the  
06 operating agreement, Article 6.

Page 208:08 to 208:12

00208:08 Q. Yes. And this is -- this  
09 article generally sets forth the process by  
10 which the co-owners are charged for certain  
11 activities and operations occurring at the  
12 Macondo well; is that correct?

Page 208:14 to 209:23

00208:14 A. In summary, in just not reading  
15 through the whole part, I believe Article 6,  
16 what -- it mainly goes through what the --  
17 when AFEs may be required and detailing, for  
18 instance, when a supplemental may be  
19 required.  
20 Q. (BY MS. HARVEY) Okay. For  
21 example, when a activity or operation exceeds

22 \$500,000 or more, an AFE -- under this  
23 agreement, an AFE will be prepared?  
24 A. Yes, ma'am.  
25 Q. So when you're preparing -- or  
00209:01 when the AFE is prepared, it's broken down --  
02 each participating party contributes its --  
03 its share of -- for the proposed operation;  
04 is that correct?  
05 A. Yes, ma'am. The shares can vary  
06 depending on the operation.  
07 Q. Right. And in this case, at  
08 least with respect to the initial AFE,  
09 Anadarko was paying for 33 percent of those  
10 costs; is that correct?  
11 A. Yes, ma'am. With certain  
12 limitations in their -- in the well  
13 participation agreement, it provides that  
14 they'll pay, I believe -- I'm summarizing  
15 from what I remember -- 33.33 percent, up to  
16 a limit of 110 percent of the AFE or  
17 objective depth -- reaching objective depth,  
18 the earlier of the two.  
19 Q. That's for operations with  
20 respect to that initial exploratory well,  
21 correct?  
22 A. Operate at the initial  
23 exploratory AFE.

Page 210:01 to 211:23

00210:01 Q. And so they are billed for the  
02 costs pursuant to the terms of the -- of  
03 their contribution levels?  
04 A. Yes, ma'am.  
05 Q. Okay. And taking as an example  
06 that first AFE -- we can -- we can turn to  
07 it, if you want. It's -- we'll look at Tab  
08 No. -- that's the supplemental -- Tab No. 5.  
09 And this is previously introduced  
10 Exhibit 1919.  
11 A. Yes, ma'am.  
12 Q. So this is the AFE for the --  
13 the drilling of the initial well, correct?  
14 A. Yes, ma'am. This appears to be  
15 the initial AFE that was provided to  
16 Anadarko.  
17 Q. And it details certain costs of  
18 this -- of this operation; is that correct?  
19 A. Yes, ma'am.  
20 Q. So there is included both  
21 intangible costs and tangible costs; is that  
22 correct?  
23 A. Yes, ma'am.  
24 Q. Do you have an understanding  
25 after the tangible costs what that is



00211:01 specifying?

02 A. I have a general understanding  
03 that tangible would be some hard equipment,  
04 such as a wellhead cost. But I don't  
05 understand the details of it.

06 Q. And -- okay. Do you understand  
07 what the tubular -- a tubular -- under the  
08 tangible costs, what that means?

09 A. No, ma'am, I do not.

10 Q. Okay. But it's your  
11 understanding that it is some sort of  
12 equipment that is associated with the well?

13 A. That's -- that's my  
14 understanding, yes, ma'am.

15 Q. And Anadarko is, under this AFE,  
16 being asked to authorized -- authorize  
17 expenditure for that equipment; is that  
18 correct?

19 A. My understanding under this  
20 agreement, that they're authorizing the  
21 spending within the scope of that AFE. To  
22 the extent of a specific detailed, every  
23 piece of equipment, I don't know.

Page 212:08 to 212:19

00212:08 Q. (BY MS. HARVEY) Under the joint  
09 operating agreement, parties are billed for  
10 certain costs; is that correct?

11 A. Yes, ma'am.

12 Q. When they are billed for those  
13 costs, is something additional other than  
14 this AFE provided to them?

15 A. Yes, ma'am. I believe they get  
16 a joint interest bill. I don't know if it's  
17 monthly or -- I believe monthly, but they get  
18 a -- I believe they get a joint interest  
19 bill.

Page 213:07 to 213:12

00213:07 Q. And although you're not directly  
08 involved, if one of the participating  
09 partners, one of the co-owners, was not  
10 paying its bill in accordance with the joint  
11 operating agreement, would you be made aware  
12 of that fact?

Page 213:14 to 213:23

00213:14 A. I may be. Not necessarily. So  
15 I'm not sure who keeps the accounts, payments  
16 and who they communicate with.

17 Q. (BY MS. HARVEY) To your  
18 knowledge from when Anadarko and MOEX signed  
19 on to this agreement until April 20th, had  
20 you heard anything about them -- let's first  
21 start with Anadarko -- had you heard that  
22 Anadarko had not paid any of its bills?  
23 A. No, ma'am.

Page 213:25 to 214:12

00213:25 A. No, ma'am, I had not heard that.  
00214:01 Q. (BY MS. HARVEY) With respect to  
02 MOEX, the same time period from when they  
03 signed on to the agreement in November to the  
04 incident on April 20th, had you heard whether  
05 or not -- had you heard that they had not  
06 been paying their bills?  
07 A. I don't recall hearing anything  
08 of that nature.  
09 Q. Let's go back to the operating  
10 agreement, Article 7, so Exhibit 1243. Let's  
11 go to Page 36 at the bottom of the page.  
12 7.3, Access to Lease and Rig.

Page 214:15 to 214:16

00214:15 Q. What does this provision  
16 provide? If you could summarize it.

Page 214:18 to 215:08

00214:18 A. My summary would be that it's  
19 titled: Access to Lease and Rig.  
20 Except as may be otherwise  
21 provided in the agreement, that the  
22 participating parties have access to the  
23 drilling rig or facilities, in short.  
24 Q. (BY MS. HARVEY) And here the  
25 participating parties would be -- and the  
00215:01 participating parties in this first well are  
02 Anadarko and MOEX -- the two Anadarko  
03 entities and MOEX?  
04 A. Yes, ma'am.  
05 Q. To your knowledge, did they ever  
06 ask to be provided with access to the  
07 drilling rig?  
08 A. No, ma'am, not to my knowledge.

Page 216:06 to 216:20

00216:06 Q. (BY MS. HARVEY) The -- if you  
07 read the last full sentence in the provision:  
08 Except as otherwise provide in Article 6.3(b)

09 (Default) and in Exhibit "F," each party  
10 shall have access to all drilling rigs,  
11 production systems and facilities to observe  
12 and expect -- inspect operations in wells in  
13 which it participates (and the pertinent  
14 records and other data).  
15 Did I read that correctly?  
16 A. Yes, ma'am, you did. I see it  
17 now.  
18 Q. So they could have also asked  
19 for records concerning the drilling rig; is  
20 that correct?

Page 216:23 to 216:23

00216:23 A. Yes, ma'am, they could have.

Page 218:05 to 218:08

00218:05 Q. So at the time that Anadarko and  
06 MOEX signed on to the agreement, there was  
07 already a well plan that had been proposed by  
08 BP; is that correct?

Page 218:10 to 218:17

00218:10 A. When you say "well plan," are  
11 you referring to what was attached to the --  
12 Q. (BY MS. HARVEY) Yes.  
13 A. -- original AFE? To that  
14 extent, yes, ma'am.  
15 Q. So when they signed on to the  
16 agreement, they were also approving of that  
17 well plan; is that correct?

Page 218:20 to 218:23

00218:20 A. Yes, ma'am. In executing the  
21 agreements to come into the well, including  
22 the initial AFE, it included that well plan  
23 that was attached.

Page 219:08 to 219:16

00219:08 Q. (BY MS. HARVEY) Under this  
09 agreement could a party propose a revision to  
10 the well plan?  
11 A. Under this agreement a party,  
12 yes, ma'am, can propose a revision.  
13 Q. To your knowledge, did Anadarko  
14 propose any revisions to the well plan?  
15 A. Not to my knowledge, no, ma'am.

16 Q. Did MOEX?

Page 219:18 to 219:21

00219:18 A. Not to my -- not to my knowledge  
 19 did they propose any --  
 20 Q. (BY MS. HARVEY) Okay.  
 21 A. -- revisions.

Page 221:12 to 222:11

00221:12 Q. Right. And here at Macondo,  
 13 were -- when the decision was made to call  
 14 total depth, had the criteria set forth in  
 15 the AFE regarding objective depth -- to your  
 16 knowledge, had those been met?  
 17 A. No, ma'am, not to my knowledge.  
 18 Q. And so why was it that BP called  
 19 total depth at that time?  
 20 A. I was not involved in the  
 21 decision, but it was communicated to me.  
 22 From my understanding, there was a wellbore  
 23 stability issue.  
 24 Q. And that's what Mr. Bodek  
 25 communicated to you in the e-mail that was  
 00222:01 discussed in the previous portion of the  
 02 deposition?  
 03 A. Yes, ma'am.  
 04 Q. This article also allows parties  
 05 to propose subsequent operations that may  
 06 occur after total depth is called, is that  
 07 correct, at Article 10.2?  
 08 A. Yes, ma'am, it does.  
 09 Q. Do you know examples of what  
 10 kinds of activities the co-owners could  
 11 propose?

Page 222:15 to 223:01

00222:15 A. Some examples, once objective  
 16 depth was achieved, that could be proposed or  
 17 counter-proposed would be additional testing,  
 18 sidewall coring, logging a side track of the  
 19 well to eventually core, deepen the well, do  
 20 a site track to a different objective.  
 21 Q. (BY MS. HARVEY) And let's turn  
 22 to Tab 54. This is an e-mail dated  
 23 April 14th, and the subject is: Macondo JOA  
 24 Application.  
 25 Is that correct?  
 00223:01 A. Yes, ma'am.

Page 223:04 to 223:04

00223:04 (Exhibit 2855 was marked.)

Page 223:08 to 224:13

00223:08 Q. So it appears from this e-mail  
09 that you are setting forth certain  
10 obligations under the JOA that are triggered  
11 at this point in time, which is after BP has  
12 called total depth; is that correct?  
13 A. Yes, ma'am.  
14 Q. And can you summarize the first  
15 bullet that you have there. What -- what was  
16 your understanding of BP's obligations at  
17 this time?  
18 A. Yeah. I'm saying this to make  
19 sure that all the drilling folks were aware  
20 of our obligations, as you stated. And in  
21 the first one it says: Complete the  
22 evaluation program as outlined in the  
23 original AFE.  
24 It's part of the original AFE.  
25 It's to drill to objective depth and then  
00224:01 evaluate. And then once that's completed and  
02 all the results are distributed, then at that  
03 point the operator is provided the  
04 opportunity to propose a subsequent operation  
05 under objective depth.  
06 Q. And here did BP propose a  
07 subsequent operation?  
08 A. Not in this e-mail, but --  
09 Q. No, no, no. To your knowledge.  
10 A. Yes, ma'am. It -- and we had  
11 been in communications with -- excuse me --  
12 our co-owners that at this point our  
13 recommendation was to set production casing.

Page 224:15 to 225:05

00224:15 Q. (BY MS. HARVEY) And you say,  
16 quote: We need to be sure we have co-owner  
17 approval prior to initiating this operation,  
18 end quote.  
19 And that's with reference to the  
20 production casing AFE; is that correct?  
21 A. Yes, ma'am. The context on that  
22 was we needed to be sure we had approval so  
23 that in the instance that another co-owner  
24 may want to do an operation that has a higher  
25 priority under that article in the operating  
00225:01 agreement.  
02 Q. So the co-owner could propose  
03 prior to setting of the production casing  
04 doing another one of the operations that you

05 described in Article 10.2; is that correct?

Page 225:08 to 225:23

00225:08 A. Yes, ma'am, I believe it is  
 09 within 10.2, but there are a list of a number  
 10 of operations in it. In my understanding in  
 11 summarizing, it has a priority of operations.  
 12 Q. (BY MS. HARVEY) And then the  
 13 next step for -- and it's -- after setting of  
 14 the production casing, BP's intent was --  
 15 you're confirming that BP's intent was to  
 16 proceed to TA the well; is that correct?  
 17 A. Yes, that was my understanding  
 18 at that point, yes, ma'am.  
 19 Q. So to temporarily abandon the  
 20 well?  
 21 A. Yes, ma'am.  
 22 Q. But the co-owners could have  
 23 proposed operations as well at that point?

Page 226:01 to 226:15

00226:01 A. Yes, ma'am, they could have.  
 02 Before we temporarily abandoned the well,  
 03 they could have proposed other operations.  
 04 Q. (BY MS. HARVEY) And then you go  
 05 on to say towards the end of the e-mail: I  
 06 have had verbal conversations with both  
 07 Anadarko and MOEX who both appear to be on  
 08 board with BP's forward plan at the moment.  
 09 Is that correct?  
 10 A. Yes, ma'am.  
 11 Q. Did I read that correctly?  
 12 So by that statement, were you  
 13 under -- understanding that the co-owners  
 14 would both approve -- would approve to the  
 15 production casing AFE?

Page 226:17 to 227:07

00226:17 A. What I meant in that was during  
 18 this we were -- I was in communication -- I'm  
 19 not sure if others may have been as well --  
 20 with Anadarko and MOEX, providing them  
 21 information on what we were planning on  
 22 doing.  
 23 What we try to avoid is we don't  
 24 want to just send them a formal AFE that they  
 25 don't know is coming. So we -- we don't want  
 00227:01 any surprises, especially when things are  
 02 happening on the rig.  
 03 Q. (BY MS. HARVEY) And so

04 ultimately you wanted to have them approve  
05 the decision to temporarily abandon the  
06 well -- ultimately you needed their approval  
07 to temporarily abandon the well at that time?

Page 227:10 to 227:19

00227:10 A. Yes, ma'am. I believe the  
11 question was, did we need their approval --  
12 Q. (BY MS. HARVEY) Yes.  
13 A. -- to temporarily abandon the  
14 well?  
15 Yes, ma'am.  
16 Q. And the same with the  
17 authorization for expenditure with respect to  
18 setting of the production casing. You needed  
19 their approval; is that correct?

Page 227:22 to 228:10

00227:22 A. Yes, ma'am. Or they could have  
23 non-consented. Approval -- if they didn't  
24 approve it, it doesn't necessarily mean that  
25 we couldn't have done that operation at some  
00228:01 point in time.  
02 Q. (BY MS. HARVEY) But then they  
03 would be a nonconsenting party; is that  
04 correct?  
05 A. If they did not approve that,  
06 they would have the option to -- they could  
07 counter-propose a different operation. But  
08 if they ultimately did nonconsent, they would  
09 be a nonconsenting or a nonparticipating  
10 party.

Page 228:14 to 228:19

00228:14 Q. And what is that?  
15 A. When you nonconsent -- it  
16 depends at what operation and at what point  
17 in time, but there's a -- many different  
18 provisions of the operating agreement in  
19 Article 16 provides the penalty.

Page 228:24 to 229:13

00228:24 Q. And just to close the loop on  
25 this, ultimately Anadarko did provide its  
00229:01 approval to TA the well; is that correct?  
02 A. Yes, ma'am.  
03 Q. And do you recall when they  
04 provided that approval?  
05 A. I believe it was on April 19th

06 or 20th. I don't recall the exact date, but  
07 I believe it was one of those two dates.  
08 Q. If you'd turn to Tab 58. This  
09 is previously introduced Exhibit 1931.  
10 A. Yes, ma'am. I can -- it was the  
11 Anadarko -- the two Anadarko entities in the  
12 document I'm provided approved the temporary  
13 abandonment on April 20th.

Page 229:17 to 229:17

00229:17 (Exhibit 2856 was marked.)

Page 229:21 to 230:02

00229:21 Is this an e-mail evidencing  
22 MOEX's approval to temporarily abandon the  
23 Macondo well at that time?  
24 A. Yes, ma'am, it appears so. I  
25 believe that's the attachment --  
00230:01 Q. Right.  
02 A. -- to the e-mail.

Page 230:07 to 230:23

00230:07 Q. All right. Let's talk about the  
08 lease exchange agreement. Switch gears. And  
09 in -- at Tab -- we'll start with Tab No. 3,  
10 which is the MOEX -- previously introduced  
11 Exhibit 1244.  
12 Can you tell me what this is.  
13 A. This is a copy of the lease  
14 exchange agreement between BP and MOEX.  
15 Q. To your knowledge, is it a final  
16 copy of the agreement?  
17 A. Yes, ma'am, it appears it is.  
18 It does not appear it has the exhibits on  
19 here, but --  
20 Q. Okay. So this is a copy without  
21 the exhibits?  
22 A. It -- yes, ma'am, that appears  
23 to be the case.

Page 232:09 to 232:15

00232:09 Q. And is this lease exchange  
10 agreement, is it -- is it based on a model  
11 agreement, like the joint operating  
12 agreement?  
13 A. Not an industry model form. It  
14 was based off an internal form we at BP had  
15 used previously.



Page 233:09 to 233:23

00233:09 Q. Okay. And do you recall whether  
10 MOEX provided -- suggested changes to the  
11 agreement?  
12 A. Yes, ma'am, I believe they did.  
13 They had their own counsel.  
14 Q. Okay. And so there was a -- and  
15 then did you then review those changes that  
16 MOEX proposed and provide another draft to  
17 MOEX?  
18 A. Yes, ma'am. The process was we  
19 would -- we would take -- get their comments  
20 and then review their comments and sometimes  
21 comment to theirs, or at some point we  
22 usually have a meeting where we can go  
23 through things line by line.

Page 234:07 to 235:22

00234:07 Q. Okay. And I'll turn your  
08 attention to Article 1.4 of this agreement.  
09 A. Yes, ma'am.  
10 Q. And that's titled BP Property.  
11 Is that correct?  
12 A. Yes, ma'am.  
13 Q. And it's your understanding that  
14 is a description of the property BP was  
15 conveying to MOEX by this agreement?  
16 A. Yes, that's my understanding in  
17 reading that provision.  
18 Q. And do you understand what that  
19 final clause means that it -- that says:  
20 Excluding all tangible personal property such  
21 as the tubulars and wellheads set forth in  
22 Exhibit C, Macondo well plan and AFE?  
23 A. I don't recall the exact reason  
24 for that, but I believe that was a comment  
25 from our tax legal group.  
00235:01 Q. Is that a common exclusion?  
02 A. I'm sorry?  
03 Q. Is that a -- based on your  
04 negotiations of other lease exchange  
05 agreements, is it typical to exclude the  
06 personal property?  
07 A. I don't have a lot of experience  
08 with others. I don't recall seeing it in the  
09 one or two other ones I've been involved in.  
10 But that's not to say it's not in there.  
11 Q. Do you have an understanding of  
12 what the term "tangible personal property"  
13 means?  
14 A. My understanding is tangible  
15 would be a physical asset as opposed to

16 intangible, which would be something like rig  
17 costs, from a very high-level understanding.  
18 Q. And when we were discussing  
19 earlier the costs that were provided for in  
20 the first authorization for expenditure, it  
21 included a line for tangible items; is that  
22 correct?

Page 235:24 to 236:05

00235:24 A. I believe it had a line that  
25 stated tangible items. Yes, ma'am, I believe  
00236:01 so.  
02 Q. (BY MS. HARVEY) So the  
03 co-owners were authorizing funds for the  
04 purchase and installation of those tangible  
05 items; is that correct?

Page 236:08 to 236:21

00236:08 A. At my level, I don't -- they  
09 weren't necessarily -- they were approving  
10 the drilling of the well based on those  
11 estimated costs. In the documents the AFE  
12 provided, it doesn't, from what I've seen,  
13 get down to every -- you know, how many  
14 pieces of pipe or material they're going to  
15 buy.  
16 So I'm not sure that answers  
17 your question, but that's my understanding.  
18 Q. (BY MS. HARVEY) But you also  
19 said that there was a procedure by which  
20 parties were billed for operations at the  
21 well; is that correct?

Page 236:24 to 237:15

00236:24 Q. (BY MS. HARVEY) Through the  
25 joint billing procedure?  
00237:01 A. Yes, ma'am. I'm not sure what  
02 the procedure is, but in my understanding  
03 we -- as costs are incurred in drilling,  
04 joint interest bills are issued.  
05 Q. Okay. If you could actually  
06 turn to one of those bills at Tab 13. And I  
07 just want to make sure I get the -- starting  
08 with Bates No. ANA-MDL 000031079.  
09 Is this an example of an invoice  
10 that was sent to Anadarko providing billing  
11 that party for costs associated with the  
12 Macondo well?  
13 A. I don't receive these. It  
14 appears that, but I'm not familiar with these

15 documents.

Page 237:17 to 237:25

00237:17 A. It does appear be an invoice.  
18 Q. That was sent to Anadarko?  
19 A. Yes, ma'am.  
20 Q. And if you'd turn to the Bates  
21 number ending 31084.  
22 A. 31 -- okay. Yes, ma'am.  
23 Q. Does that appear to itemize  
24 certain tangible equipment for the Macondo  
25 well?

Page 238:03 to 238:11

00238:03 A. In my understanding of tangible,  
04 a casing line pipe conductor, that would be  
05 considered tangible. It does itemize that.  
06 Quite a few casing -- or CSG, which is -- my  
07 understanding is casing.  
08 Q. (BY MS. HARVEY) And it also  
09 appears that in addition to the casings,  
10 there is an item labeled Wellhead on the next  
11 page; is that correct?

Page 238:13 to 238:18

00238:13 Q. (BY MS. HARVEY) Housing subsea  
14 wellhead: 36 inch, DQ, 2-401472?  
15 A. Yes, ma'am, I see it, and it  
16 appears that was billed, yes, ma'am.  
17 Q. Can we mark that -- the invoice  
18 as Exhibit 2857.

Page 238:20 to 238:23

00238:20 MS. HARVEY: This is the invoice from  
21 January 2010, and it begins Bates  
22 No. ANA-MDL 00031079, and it goes to 31085.  
23 (Exhibit 2857 was marked.)

Page 239:20 to 239:24

00239:20 Q. (BY MS. HARVEY) If you will  
21 turn to Tab No. 2, which is the lease  
22 exchange agreement between BP and the  
23 Anadarko entities; is that correct?  
24 A. Yes, ma'am.

Page 241:07 to 241:21

00241:07 Q. (BY MS. HARVEY) And is your  
08 recollection that the initial division of  
09 interest, 22.5 percent in the MC 252, was  
10 assigned to Anadarko Exploration Company?  
11 A. Yes, ma'am. I believe it's  
12 Anadarko E&P Company, LP.  
13 Q. And then the remaining  
14 2.5 percent was assigned to Anadarko  
15 Petroleum Corporation initially?  
16 A. Yes, ma'am.  
17 Q. Was it your understanding that  
18 Anadarko Exploration & Production Company  
19 would then assign its interest to Anadarko  
20 Petroleum Corporation under the terms of the  
21 lease exchange agreement?

Page 241:23 to 242:19

00241:23 A. Yes, ma'am, that's my  
24 understanding.  
25 Q. (BY MS. HARVEY) And do you have  
00242:01 an understanding of the timing of that second  
02 assignment from Anadarko Exploration &  
03 Production to Anadarko Petroleum Corporation?  
04 A. I believe it's -- this is the  
05 assignment from AEP, Anadarko E&P  
06 Corporation, to APC, the --  
07 Q. Yeah, Section 2.2.  
08 A. Yes, ma'am, that's what I  
09 thought you were referring to. It is  
10 immediately following delivery of the  
11 assignment from BP to AEP. AEP will deliver  
12 an assignment of all of its right and  
13 interest in the BP property to Anadarko  
14 Petroleum Corporation. So it was  
15 immediately --  
16 Q. So it was contemplated by the  
17 parties that Anadarko Petroleum Corporation  
18 would receive the entirety of the 25 percent  
19 assignment from BP ultimately?

Page 242:21 to 243:09

00242:21 A. Yes, ma'am.  
22 Q. (BY MS. HARVEY) And was it  
23 your -- after this lease exchange agreement  
24 was -- was signed and AE&P and APC each  
25 received their percentage of the record title  
00243:01 interest in the lease, do you recall when AEP  
02 then assigned its percentage of APC?  
03 A. I don't recall the exact dates,  
04 but I believe it was in April, around the  
05 beginning of April 2010.  
06 Q. Do you recall why that

07 assignment didn't happen immediately as  
08 contemplated under Section 2.2 of the lease  
09 exchange agreement?

Page 243:11 to 243:20

00243:11 A. No, ma'am, I'm not aware of why  
12 it -- it did not happen immediately.  
13 Q. (BY MS. HARVEY) Did you have  
14 any discussions with your counterparts at  
15 Anadarko about why the assignment did not  
16 occur immediately?  
17 A. I may have. I don't  
18 specifically recall an instance, but I may  
19 have sent a note asking them for an update on  
20 it.

Page 243:23 to 244:01

00243:23 When you interacted with people  
24 from Anadarko, do you know whether they were  
25 from Anadarko Petroleum Corporation, whether  
00244:01 they were employees of that corporation?

Page 244:03 to 244:06

00244:03 A. In my -- in my view, all the  
04 employees I was dealing with were part of  
05 Anadarko Petroleum Corporation. They were --  
06 in my mind, they were all the same company.

Page 245:09 to 246:02

00245:09 I'm sorry -- 40. I'd like to -- this is  
10 Bates No. BP-HZN-2179MDL00267688 to 689, and  
11 mark that as Exhibit 2859.  
12 (Exhibit 2859 was marked.)  
13 Q. (BY MS. HARVEY) Read to refresh  
14 your memory on this e-mail.  
15 A. Yes, ma'am. Appears from this  
16 e-mail I was communicating with our head of  
17 financing, Xuemei Liu. I believe their  
18 question -- or what they wanted to do was  
19 send -- they were only going to send one bill  
20 out.  
21 And you know, I believe at that  
22 point I must have talked -- I might have  
23 talked to somebody over at Anadarko and asked  
24 them, In looking at our agreement, that's  
25 ultimately going to come to Anadarko  
00246:01 Petroleum Corporation, so let's just go ahead  
02 and make -- send them one bill.

Page 247:02 to 247:09

00247:02 Q. You said earlier that you may  
03 have had a conversation with someone at  
04 Anadarko about why the transfer of interest  
05 between APC and AEP hadn't yet occurred; is  
06 that correct?  
07 A. I believe I may have.  
08 Q. Do you recall any response that  
09 you received from that person at Anadarko?

Page 247:11 to 247:14

00247:11 A. No, ma'am, I don't recall. It  
12 just was understood that we were --  
13 everything was going to be in Anadarko  
14 Petroleum Corporation.

Page 247:20 to 247:23

00247:20 The full 25 percent share that  
21 had been assigned to the Anadarko entities  
22 that would remain with Anadarko Petroleum  
23 Corporation?

Page 248:02 to 249:04

00248:02 A. Yes, ma'am.  
03 Q. That was the understanding?  
04 A. That was the understanding. And  
05 I believe it was in -- it was provided for in  
06 the agreement.  
07 Q. Right. Let's go to the --  
08 another negotiated document -- you can tell  
09 me what it is -- on Tab 4.  
10 A. This is the Macondo Prospect  
11 Well Participation Agreement.  
12 Q. And is this the final version,  
13 to your knowledge?  
14 A. Yes, ma'am. It's been executed.  
15 Q. Can you describe generally, if  
16 you can, what the purpose of this agreement  
17 is.  
18 A. I recall we -- we did this  
19 agreement in addition to the lease exchange  
20 agreement to account for the disproportionate  
21 spending at the well, the 33.33 percent for  
22 25 percent. And the agreement is actually --  
23 it's with Anadarko Petroleum Corporation.  
24 And we also have Kerr-McGee in  
25 there because in 3.3 it has language of --  
00249:01 regarding a possible tieback to the Pompano  
02 platform in which Kerr-McGee is the record --

03 the record title of -- owner of.  
04 Q. And so this --

Page 249:07 to 249:15

00249:07 Q. (BY MS. HARVEY) -- this  
08 agreement is between BP Exploration &  
09 Production, Anadarko Petroleum Corporation,  
10 and Kerr-McGee Oil & Gas Corporation; is that  
11 correct?  
12 A. Yes, ma'am.  
13 Q. Do you recall why Anadarko  
14 Exploration & Production was not a party to  
15 this agreement?

Page 249:17 to 249:23

00249:17 A. From what I recall, it was  
18 because we were -- the lease exchange  
19 agreement, that was done to those two  
20 entities at the direction of our tax  
21 department in that ultimately, everything was  
22 going to be in Anadarko Petroleum  
23 Corporation, so we did not need Anadarko E&P.

Page 250:08 to 251:17

00250:08 Q. And is the initial exploratory  
09 well later defined in the agreement?  
10 A. Yes, ma'am, I believe it is.  
11 Yes, ma'am, it is a defined term.  
12 Q. If you could read the definition  
13 of Initial Exploratory Well.  
14 A. Initial Exploratory Well means  
15 the well currently being drilled by  
16 Operator -- which is a defined term -- on the  
17 Macondo Prospect Area in which APC will  
18 participate under the terms of this  
19 Agreement. IEW and Initial Exploratory Well  
20 include Substitute Well(s), as defined in the  
21 Macondo Operating Agreement, for the IEW.  
22 The interest in the IEW assigned to APC  
23 consists of all tangible personal property in  
24 the well, including the tubular and wellhead  
25 costs as set forth in the AFE.  
00251:01 Q. Now, this is the -- the final  
02 definition of Initial Exploratory Well,  
03 correct?  
04 A. Yes, ma'am.  
05 Q. You indicated earlier that  
06 you -- sorry. You did not. We were talking  
07 about the lease exchange.  
08 Was this the initial draft that

09 was sent to Anadarko? Were there any changes  
10 made from when you initially sent Anadarko a  
11 draft and the final agreement, which is  
12 Exhibit 1943?  
13 A. "This" being 1943?  
14 Q. Yes.  
15 A. Okay. Yes, ma'am. From what I  
16 recall, there were several rounds of comments  
17 between both parties, Anadarko and BP.

Page 252:06 to 252:15

00252:06 Q. If you could turn to Tab 22,  
07 please. This is an e-mail beginning with  
08 Bates No. BP-HZN-2179MDL 01973897, and it  
09 continues to 1973939. And we will mark that  
10 Exhibit 2860.  
11 (Exhibit 2860 was marked.)  
12 Q. (BY MS. HARVEY) And this is --  
13 the top of the chain is an e-mail from you to  
14 Nick Huch dated October 29th, 2009?  
15 A. Yes, ma'am.

Page 253:04 to 253:23

00253:04 Q. And so is this the first draft  
05 of what you sent to Anadarko, the attachment  
06 beginning on Bates No. BP-HZN-2179MDL  
07 01973905?  
08 A. 3905. Yes, ma'am. It appears  
09 from my note that this is the initial draft  
10 of the well participation agreement.  
11 Q. And if I could direct your  
12 attention to Page 3 of that draft.  
13 A. Yes, ma'am.  
14 Q. And the definition of IEW or  
15 Initial Exploratory Well.  
16 A. Yes, ma'am.  
17 Q. And does that refresh your  
18 recollection as to whether there were any  
19 changes made to that particular provision?  
20 A. Yes, ma'am. It appears that  
21 that language regarding the tangibles that  
22 was in the final document was not in that  
23 original draft.

Page 254:03 to 254:06

00254:03 Q. And do you have any recollection  
04 of why that change was made?  
05 A. I believe it was at the  
06 direction of our tax department.



Page 254:14 to 254:21

00254:14 Q. In the final well participation  
15 agreement -- which you can flip back to  
16 Tab 4, Exhibit 1943, back to that definition  
17 of Initial Exploratory Well.  
18 Do you have an understanding  
19 or -- do you have an understanding of what is  
20 included in the definition of tangible  
21 personal property?

Page 254:23 to 255:14

00254:23 A. My understanding is the  
24 definition of the IEW in the agreement would  
25 include everything that was in -- on the AFE,  
00255:01 including the tangible.  
02 Q. (BY MS. HARVEY) So including  
03 the equipment that was installed in the well?  
04 A. Yes, ma'am.  
05 Q. And that Anadarko Petroleum  
06 Corporation paid for its proportionate -- or  
07 paid for a share of those costs?  
08 A. Yes, ma'am.  
09 Q. After the agreements were  
10 executed with the co-owners, could you -- and  
11 drilling resumed at the -- at the Macondo  
12 prospect, could you describe what your  
13 responsibilities were with respect to the  
14 prospect, the ongoing operations.

Page 255:16 to 255:24

00255:16 A. Generally after the well started  
17 drilling, my role was to monitor AFE matters,  
18 if we were maybe going to have to issue a  
19 supplemental AFE, and issue those. Or any  
20 questions that may come in from the  
21 co-owners, I -- I would get -- I could get --  
22 I'd be one of the people that may get, and  
23 answer them or forward them to people that  
24 can answer them.

Page 257:02 to 257:13

00257:02 Q. (BY MS. HARVEY) And if you  
03 didn't know the answer, you would either ask  
04 somebody in -- one of your geologists or a  
05 technical person at BP, or direct them to  
06 just communicate -- I'm trying to figure out,  
07 I guess, the flow of information and the  
08 communications between you and the co-owners  
09 and how that worked at BP.

10 So if the co-owners had a  
11 particular question about operations at the  
12 well, would you ever directly respond to that  
13 question?

Page 257:15 to 257:20

00257:15 A. Sometimes I would. But  
16 sometimes they would get -- our technical  
17 folks may get communications that I may --  
18 that I wasn't on. And there was also  
19 information being provided in well space and  
20 INSITE Anywhere as well.

Page 257:22 to 258:08

00257:22 Q. (BY MS. HARVEY) With respect to  
23 MOEX, you mentioned that your primary contact  
24 was Naoki Ishii, correct?  
25 A. Yes, ma'am.  
00258:01 Q. Do you recall any other  
02 individuals at MOEX that you communicated  
03 with about the Macondo prospect?  
04 A. Not specifically. I know  
05 Mr. Ishii sometimes may forward a note from  
06 maybe Mr. Kachi in his organization or  
07 somebody from Tokyo in their parent company  
08 organization.

Page 258:13 to 258:16

00258:13 Q. But there were some  
14 communications that came from some -- a  
15 member of the parent corporation. Is that  
16 your understanding?

Page 258:18 to 260:09

00258:18 A. Yes, ma'am.  
19 Q. (BY MS. HARVEY) Let's look at  
20 Tab 51 -- oh, sorry. Sorry. It's not 51.  
21 Sorry. Did I say Tab 41 before or 51?  
22 It's 41.  
23 A. Tab 41.  
24 Q. Sorry. This is also previously  
25 introduced in your earlier testimony as  
00259:01 Exhibit 2836.  
02 And this is an e-mail from Bobby  
03 Bodek -- or Mr. Bodek discussing realtime  
04 access -- realtime data access for persons at  
05 MOEX; is that correct?  
06 Let's start with -- let's start  
07 with the e-mail in the middle of the page

08 that's dated February 1st with the subject:  
09 Macondo realtime data access.  
10 A. Yes, ma'am.  
11 Q. Okay. And is that an e-mail in  
12 which Mr. Ishii from MOEX is specifying the  
13 persons from MOEX who will be accessing --  
14 who MOEX would -- wants to arrange for them  
15 to have access to the realtime data  
16 transmission; is that correct?  
17 A. Yes, ma'am, that appears to  
18 be --  
19 Q. And --  
20 A. -- the case.  
21 Q. -- there are five individuals  
22 listed; is that correct?  
23 A. Yes, ma'am.  
24 Q. Shinjiro Naito, Hiroto Kanno,  
25 Kyoko Yamamoto, Yutaka Tsuji and Naoki Ishii.  
00260:01 Do you know whether all of those individuals  
02 are employed by MOEX 2007?  
03 A. No, ma'am. I know Mr. Ishii is  
04 employed in Houston and -- but I'm not sure  
05 exactly who the others are.  
06 Q. Is it your understanding that  
07 Mr. Ishii would communicate with persons at  
08 the parent company about operations at  
09 Macondo well?

Page 260:11 to 260:20

00260:11 A. Yes. Yes, ma'am. It would be  
12 my understanding in dealing with Mr. Ishii,  
13 he would receive a lot of requests from --  
14 from his people in Tokyo, which to my  
15 understanding was MOECO.  
16 Q. (BY MS. HARVEY) And that -- do  
17 you know whether Mr. Ishii would have to seek  
18 approval from Moiko before, for example,  
19 signing off on an authorization for  
20 expenditure?

Page 260:23 to 261:07

00260:23 A. I don't know for certain, but my  
24 understanding was he did have to receive some  
25 sort of approval.  
00261:01 Q. (BY MS. HARVEY) And the  
02 technical -- you mentioned Mr. Ishii was a  
03 businessperson who was your counterpart on  
04 the business side.  
05 To the extent that he relied on  
06 technical people to monitor the well, do you  
07 know who those individuals were employed by?

Page 261:09 to 262:01

00261:09           A.       I do know at the time Mr. Kachi  
10    was a technical representative that worked  
11    for Mr. Ishii in Houston. And then I recall  
12    getting e-mails from -- from Mr. Ishii that  
13    were forwarded from his people in Tokyo  
14    asking questions -- technical questions.  
15       Q.       (BY MS. HARVEY) And did -- to  
16    your knowledge, did individuals other than  
17    Mr. Ishii directly -- who from the -- from  
18    either MOEX or its parent -- or an affiliated  
19    company, did -- did they communicate with --  
20    did they ever communicate with you directly?  
21       A.       Yes, ma'am. I recall  
22    receiving -- I don't know how many, but I  
23    would get some notes from somebody in Tokyo  
24    that may say -- you know, introduce  
25    themselves, that they're with Moiko, and then  
00262:01   ask some questions.

Page 262:11 to 262:21

00262:11           Q.       Let's go to Tab 11. It's  
12    titled: Second supplemental authorization  
13    for expenditure.  
14                To your knowledge, is this the  
15    final approved version that MOEX signed?  
16       A.       Yes, ma'am.  
17       Q.       And if you could -- I know we've  
18    talked a little bit about this second  
19    supplemental before, but if you could  
20    generally explain the reasons that the second  
21    supplemental was necessary.

Page 262:24 to 263:18

00262:24           A.       Yes, ma'am. The -- one of the  
25    reasons the second supplemental was required  
00263:01   is under the operating agreement, it was  
02    going to exceed the approved expenditure  
03    limit.  
04                And can you rephrase -- can you  
05    ask that question -- I think you had a little  
06    bit more detail in it.  
07       Q.       (BY MS. HARVEY) I'll read a  
08    portion of the description, and we can then  
09    discuss it.  
10    The second sentence under  
11    project description and comments says: The  
12    first supplemental AFE was exceeded due to an  
13    unexpected loss circulation and well control  
14    events resulting in earlier than planned

15 setting of the 16-inch and 13-5/8-inch casing  
16 strings.  
17 Is that correct?  
18 A. Yes, ma'am.

Page 265:02 to 265:14

00265:02 Q. (BY MS. HARVEY) Do you recall  
03 whether MOEX asked any questions regarding  
04 the well control events that are listed in  
05 this supplemental AFE?  
06 A. I don't know whether this is  
07 specifically one of the well control events.  
08 But I do recall Mr. Ishii asking about -- I  
09 believe we had to bypass -- and I don't know  
10 whether that was in March or not, and I do --  
11 do remember some communication about it.  
12 Q. Do you recall whether Anadarko  
13 similarly had any questions about a well  
14 control event occurring at the Macondo well?

Page 265:16 to 266:07

00265:16 A. I don't recall.  
17 Q. (BY MS. HARVEY) Do you recall  
18 whether MOEX voiced any concerns about the  
19 costs of the second supplemental AFE?  
20 A. I don't -- I don't recall  
21 concerns. I know any time that we would  
22 issue a supplemental, there were questions.  
23 Q. What sort of questions?  
24 A. You know, explanation of why.  
25 Q. Did you try to respond with  
00266:01 information about the need for the second  
02 supplemental?  
03 A. Yes, ma'am.  
04 Q. Okay. The second supplemental  
05 AFE, the final signed version from MOEX is  
06 2861.  
07 (Exhibit 2861 was marked.)

Page 266:15 to 266:17

00266:15 let's turn to Tab 8. This is previously  
16 marked Exhibit 1922.  
17 A. Yes, ma'am.

Page 266:22 to 266:24

00266:22 Q. Can you describe what Mr. Huch's  
23 letter -- would you please summarize  
24 Mr. Huch's letter.

Page 267:01 to 267:04

00267:01           A.       Yes, ma'am. His letter is a  
           02       cover letter sending the Anadarko entities  
           03       their collective 25 percent approval of the  
           04       production casing AFE.

Page 267:11 to 267:16

00267:11   And it's dated April 15th, 2010?  
           12       A.       Yes, ma'am, Mr. Huch's letter is  
           13       dated April 15, yes, ma'am.  
           14       Q.       And does that comport with your  
           15       recollection of the timing of when this  
           16       letter was sent?

Page 267:18 to 267:22

00267:18           A.       The letter from Mr. Huch?  
           19       Q.       (BY MS. HARVEY)   Yes.  
           20       A.       Yes, ma'am.  
           21       Q.       And the next two pages that --  
           22       are these attachments to the letter?

Page 267:24 to 268:07

00267:24           A.       The -- speaking of the two AFEs  
           25       that are executed?  
           00268:01   Q.       (BY MS. HARVEY)   Yes.  
           02       A.       Yes, ma'am. They appear to be  
           03       enclosures or attachments, yes.  
           04       Q.       And are they documents  
           05       representing Anadarko -- the two Anadarko  
           06       entities' approval to set the -- to fund  
           07       setting the production casing?

Page 268:09 to 268:13

00268:09           A.       Yes, ma'am.  
           10       Q.       (BY MS. HARVEY)   And one appears  
           11       to be signed by Anadarko E&P Company, and the  
           12       other appears to be signed by Anadarko  
           13       Petroleum Corporation; is that correct?

Page 268:15 to 268:19

00268:15           A.       Yes, ma'am.  
           16       Q.       (BY MS. HARVEY)   And are you  
           17       aware of why Anadarko Exploration &  
           18       Petroleum -- Anadarko E&P was signing this  
           19       AFE?

Page 268:21 to 269:05

00268:21 A. I believe at the time we had not  
22 received the approved assignments into the  
23 Anadarko -- the combined 25 percent into  
24 Anadarko Petroleum Corporation, so that was  
25 why the AFE was drafted in that manner.  
00269:01 Q. (BY MS. HARVEY) So as of  
02 April 15th, 2010, Anadarko Exploration &  
03 Production Company was still -- still had an  
04 interest in the Macondo lease; is that  
05 correct?

Page 269:07 to 270:05

00269:07 A. Yes, ma'am. That was my  
08 understanding. I'm not sure -- I think they  
09 may have submitted the assignment sometime  
10 around that period, but they were not  
11 approved by the MMS, my understanding.  
12 Q. (BY MS. HARVEY) And is it your  
13 understanding that MMS has to approve the  
14 assignment in order for it to be effective?  
15 A. Generally, yes. From the  
16 government's standpoint, it must be approved.  
17 Q. And will you turn back to the  
18 document in which Anadarko was approving of  
19 the temporary abandonment procedure -- or  
20 temporary abandonment, which is Tab No. 58,  
21 previously introduced Exhibit 1931.  
22 And as we discussed earlier,  
23 this was sent to you on April 20th; is that  
24 correct?  
25 A. Yes, ma'am.  
00270:01 Q. And at this time both Anadarko  
02 E&P and Anadarko Petroleum Corporation --  
03 there are signatures for their approval,  
04 correct?  
05 A. Yes, ma'am.

Page 270:12 to 270:24

00270:12 Q. (BY MS. HARVEY) As of  
13 April 20th, 2010, BP still needed approval  
14 from Anadarko Exploration & Production  
15 Company to TA the well?  
16 A. No, ma'am. This was our -- this  
17 was BP's approval from Anadarko.  
18 Q. Right. So they -- so they -- so  
19 by this letter, Anadarko Exploration &  
20 Production Company is approving the decision  
21 to TA the well --  
22 A. Yes, ma'am.

23 Q. -- on April 20th?  
24 A. Yes, ma'am.

Page 271:01 to 271:01

00271:01 A. When we received it.

Page 274:09 to 274:11

00274:09 Q. You've talked some today about  
10 the INSITE and well space realtime data  
11 feeds. Do you recall that?

Page 274:13 to 275:13

00274:13 A. Yes, sir. I believe the INSITE  
14 Anywhere is the live feed, and then the well  
15 space is the database.  
16 Q. (BY MR. POTE) I understand. Do  
17 you know who at MOEX had access to the INSITE  
18 Anywhere program?  
19 A. I know Mr. Ishii did, and I  
20 believe there were three or four others. I  
21 don't know the specific names.  
22 Q. Three or four?  
23 A. I believe so, yes, sir.  
24 Q. Okay. And I want to ask the  
25 same question about Anadarko: Do you know  
00275:01 who at Anadarko had access to the INSITE  
02 Anywhere data? And when I say "data," I mean  
03 in a realtime streaming form.  
04 A. I can't recall the specific  
05 names at the moment, but I believe it was  
06 maybe five or so --  
07 Q. Okay.  
08 A. -- individuals.  
09 Q. Is it fair to say that Anadarko  
10 and MOEX had individuals with the type of  
11 technical expertise that would be able to  
12 make use of the data coming through the  
13 INSITE Anywhere system?

Page 275:16 to 275:16

00275:16 A. Yes, sir.

Page 277:02 to 278:17

00277:02 Q. Okay. And do you recall, I  
03 believe you may have testified in this regard  
04 at the MBI testimony, that there was a  
05 standalone AFE submitted with respect to the



06 9-by-7 inch -- 9-7/8 by 7-inch casing design  
 07 that was put on the well? Do you recall  
 08 that?

09 A. Yes, sir.

10 Q. Okay. What exactly is the  
 11 difference between a standalone and  
 12 supplemental AFE? What's the significance  
 13 there?

14 A. A standalone -- that may have  
 15 been my characterization. But in this case  
 16 the original AFE was to drill the well and  
 17 evaluate it to objective depth, the  
 18 96.1 million. And then that same operation,  
 19 the scope of that was supplemented twice for  
 20 additional costs.

21 Then once the decision was made  
 22 and approved to set production casing, that  
 23 was not within the scope of the original  
 24 96.1 million in the supplements. It was a  
 25 different scope of operation.

00278:01 Q. Okay. Well, is it fair to say  
 02 that part of your job is to ensure that AFEs  
 03 have proper information for nonoperating  
 04 partners to review so that they can either  
 05 approve or disprove of those AFEs; is that  
 06 correct?

07 A. I would say, yeah, that could --  
 08 that's one of my jobs, yes, sir.

09 Q. Okay. And in conjunction with  
 10 that, there are individuals both within BP  
 11 and within the nonoperating partners,  
 12 Anadarko and MOEX, who have technical  
 13 expertise to review that information that's  
 14 contained in the AFEs to assist the  
 15 nonoperating partners in deciding whether  
 16 they want to approve or disapprove of the  
 17 AFEs; is that correct?

Page 278:20 to 279:04

00278:20 A. Yes, sir.

21 Q. (BY MR. POTE) And I think  
 22 you've already testified today, and in fact  
 23 just a few minutes ago counsel for the United  
 24 States showed you the second supplemental  
 25 AFE, which was approved on March 3rd --  
 00279:01 March 30th by the nonoperating partners that,  
 02 as shown in the document, was necessitated by  
 03 well control issues and unexpected lost  
 04 circulation in March. Do you recall that?

Page 279:07 to 279:14

00279:07 A. Yes, sir, I recall reading

08 through that AFE.

09 Q. (BY MR. POTE) Right. Okay.  
10 And based on that AFE, the nonoperating  
11 partners would then have been aware that the  
12 Macondo well was experiencing well control  
13 issues and unexpected lost circulation issues  
14 in March; is that correct?

Page 279:17 to 279:21

00279:17 A. Yes, sir. I don't believe I --  
18 like I say, I wasn't sure of the  
19 understanding of what exactly those were or  
20 when they were, so it may not have been  
21 exactly at that time. But it would be aware.

Page 280:07 to 280:12

00280:07 Q. (BY MR. POTE) Okay. And do you  
08 agree with me in your general understanding  
09 of your day-to-day job that the nonoperating  
10 partners had the right to discontinue their  
11 participation in the well at any time; is  
12 that correct?

Page 280:14 to 280:19

00280:14 A. Yes, sir, they could withdraw it  
15 at any time.  
16 Q. (BY MR. POTE) And the  
17 nonoperating partners had the right to reject  
18 authorizations for expenditure or to not  
19 approve them; is that correct?

Page 280:21 to 281:01

00280:21 A. Yes, sir, they had that right  
22 under the operating agreement.  
23 Q. (BY MR. POTE) And nonoperating  
24 partners also had the right to propose  
25 alternative procedures or plans for the well;  
00281:01 is that correct?

Page 281:04 to 281:10

00281:04 A. Yes, sir.  
05 Q. (BY MR. POTE) Okay. To your  
06 knowledge, were there any alternative --  
07 excuse me -- any authorization for  
08 expenditures or supplemental authorization  
09 for expenditures that were ultimately  
10 rejected by any of the nonoperating partners?

Page 281:12 to 281:12

00281:12           A.       No, sir.

Page 281:14 to 281:18

00281:14           Q.       (BY MR. POTE) Okay. And did at  
15   any time the nonoperating partners ever  
16   instruct BP to discontinue operations at the  
17   well based on safety and well integrity  
18   issues?

Page 281:21 to 282:01

00281:21           A.       No, sir, not that I'm aware of.  
22           Q.       (BY MR. POTE) Okay. Did --  
23   did at any time, to your knowledge, the  
24   nonoperating partners ever raise objections  
25   to any procedures or plans proposed by BP  
00282:01   based on well integrity and safety issues?

Page 282:04 to 282:04

00282:04           A.       No, sir, not that I'm aware of.

Page 283:06 to 283:22

00283:06           Q.       You did tell us today over the  
07   course of several hours about your  
08   responsibilities communicating with Anadarko  
09   and MOEX; is that correct?  
10           A.       Yes, sir.  
11           Q.       During those communications do  
12   you recall discussing with any  
13   representatives of either of those entities  
14   anything related to Transocean?  
15           A.       Other than they owned the  
16   HORIZON and the MARIANAS, I don't recall any  
17   discussion.  
18           Q.       So nothing more than the fact  
19   that Transocean was in fact the owner of the  
20   two rigs that were involved with the well?  
21           A.       Yes. I don't remember any other  
22   communication.

Page 304:15 to 304:25

00304:15   And what's the purpose of a  
16   financial memorandum?  
17           A.       My understanding, internally --  
18   that is the internal approval to fund the

19 well.  
20 Q. Someone puts it together from  
21 drilling, I guess, or exploration or which  
22 one here? Do you know?  
23 A. Not certain in this instance,  
24 but usually somebody within the finance  
25 group.

Page 307:24 to 308:19

00307:24 Q. Okay. Now, then when you were  
25 dealing with anyone from Anadarko or MOEX,  
00308:01 did they ever ask you about any potential  
02 risks that BP may have analyzed in connection  
03 with drilling this well?  
04 A. I believe there are some e-mails  
05 that were -- after they had reviewed the  
06 documents on -- specific drilling questions  
07 that may have included risks.  
08 Q. Okay. What did you do with  
09 those?  
10 A. I would forward it to our --  
11 either our exploration subsurface team or the  
12 drilling group or both.  
13 Q. Uh-huh. And the drilling group  
14 in this situation, as far as answering the  
15 questions, was headed up by Mr. Hafle?  
16 A. He was my primary contact, being  
17 the drilling engineer. I don't believe he  
18 headed up a group, but he was my primary  
19 contact.

Page 311:15 to 312:09

00311:15 Q. (BY MR. BOWMAN) Do you know if  
16 he had been in charge of any?  
17 MR. MONICO: Objection; form.  
18 A. I do recall somebody stating  
19 that he was experienced.  
20 Q. (BY MR. BOWMAN) Okay. I'm  
21 going to guess you don't know who that was,  
22 do you?  
23 A. I believe it was one of my  
24 colleagues, Dale Morrison.  
25 Q. Dale Morrison. Okay.  
00312:01 And did you ask Mr. Morrison  
02 what that meant by being experienced?  
03 A. No, sir. I believe the context  
04 of the conversation was -- I don't know if I  
05 may have been asking Dale a question, and he  
06 had mentioned something about Mark, and he  
07 said: Well, Mark is very experienced.  
08 And I don't remember the exact  
09 topic, but...

Page 315:25 to 316:24

00315:25 Q. Okay. What engineers, if any,  
00316:01 did you have any dealings with that were  
02 Anadarko drilling engineers?  
03 A. I don't believe I had any  
04 one-on-one dealings. The only one I can  
05 recall maybe on a conference call was the --  
06 maybe Dawn Payton. That's the only thing,  
07 and I believe it -- I'm not even sure she was  
08 an engineer.  
09 Q. Okay. I've seen some references  
10 to Robert Quitzau or somebody like that,  
11 Q-u-i-t-z-a-u or something like that, in some  
12 of y'all's papers.  
13 If there is a drilling engineer  
14 from Anadarko and you didn't have  
15 particularly drilling -- any dealings with  
16 him, who would?  
17 A. I do recall seeing some e-mails  
18 from Robert Quitzau. I don't know if they  
19 were addressed to me, but I have seen them.  
20 They were, I believe, addressed to Mr. Bodek  
21 asking detailed questions.  
22 Q. And do you know if Mr. Bodek  
23 answered them?  
24 A. Yes, sir, I believe he did.

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00317:09 Q. Okay. Now, then was the well  
10 over budget? I'm really confused now. There  
11 was questioning earlier. At the end of day,  
12 before April 20th, was the well over budget?

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00317:14 A. In my understanding I was not  
15 aware of any budget. It was over the initial  
16 estimate.  
17 Q. (BY MR. BOWMAN) Okay. And it  
18 was over the initial estimate by, what, \$40-  
19 \$50 million, something like that?  
20 A. I believe if -- that's accurate.

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00317:22 A. Approximate number, probably. I  
23 can't be certain.  
24 Q. Believe me, there is plenty of  
25 paper that will show an exact number here.  
00318:01 Now, while you were monitoring,

02 you were seeing that they were having to get  
03 new AFEs and that it was over the initial  
04 estimated budget, or whatever you want to  
05 say. Did you ask anyone how come?  
06 A. Yes, sir. When we would put  
07 together an AFE, I would ask them to put a --  
08 a short description of the reasons for why  
09 we're issuing a supplemental AFE.  
10 Q. Sure. And what do you remember  
11 being told?  
12 A. I believe on the first one,  
13 the -- a lot of the -- a lot of it had to do  
14 with MARIANAS rig damage.  
15 Q. Okay. And so you had to bring  
16 in the HORIZON. And the HORIZON started  
17 drilling January-February 2010, something  
18 like that?  
19 A. I think it was February 2010, I  
20 believe.  
21 Q. And that took longer than  
22 expected, did it not?  
23 A. What took longer?  
24 Q. Yes, sir. The drilling. Once  
25 the HORIZON started drilling, before it got  
00319:01 to the TD, that took longer than expected,  
02 did it not?  
03 A. Yeah. I believe when you look  
04 back at the time the HORIZON came, we had the  
05 first supplemental AFE, and it had a -- an  
06 expected date. And I believe we had to -- we  
07 did supplement it again, so --  
08 Q. Right. So in that situation,  
09 what were you told was the reason it took  
10 longer than expected?  
11 A. I just recall in my testimony  
12 today about what I read in that -- those  
13 comments, well control events.

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00325:22 Okay. Have you ever spoken with  
23 anyone at Halliburton?  
24 A. I don't believe so.  
25 Q. Okay. So you've never spoken to  
00326:01 anyone at Halliburton about the blowout?  
02 A. No, sir.  
03 Q. Okay. And sitting here today,  
04 you don't -- I think I heard earlier you  
05 don't have any opinions about the cause of  
06 the blowout, correct?  
07 A. Yes, sir, I do not have any  
08 opinions.  
09 Q. Okay. And carrying it one step  
10 further, do you have an opinion one way or  
11 the other about the cement job that was done

12 on the Macondo well?  
13 A. No, sir, I do not.  
14 Q. Now, then during the -- say, the  
15 last week before the 20th, did anyone mention  
16 to you one way or the other about the use or  
17 nonuse of centralizers on the well?  
18 A. April 20th, I assume you're --  
19 Q. Yes, sir.  
20 A. -- referring to?  
21 Q. 2010.  
22 A. Yes. Nobody mentioned anything  
23 to me.  
24 Q. Okay. Do you know anything  
25 about a negative test? Did anyone mention  
00327:01 anything like that to you?  
02 A. Before April 20th, no, sir.

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00328:07 Q. (BY MR. BOWMAN) Now, were there  
08 any discussions prior to April 20th about the  
09 BOP on the HORIZON?  
10 A. Not that I was aware of. Not  
11 that I was a part of.