

Deposition Testimony of:

Michael Beirne

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Page 345:05 to 345:05

00345:05 (Exhibit 2862 was marked.)

Page 345:13 to 345:23

00345:13 Q. Do you know what it is?
 14 A. It appears to be an on-site
 15 sampling summary.
 16 Q. Okay. Let's look at the very
 17 first page of it, and it shows -- actually,
 18 I'm sorry -- the -- right before the report.
 19 A. Oh, the e-mail.
 20 Q. Yeah, the e-mail. It appears
 21 that Mr. Bodek sent it to several people and
 22 copied you. Do you see that?
 23 A. Yes, sir.

Page 346:01 to 346:08

00346:01 Q. Okay. Now, who are these people
 02 up above?
 03 A. I believe John Kamm is with
 04 Anadarko.
 05 Q. Okay.
 06 A. Paul Chandler is with Anadarko.
 07 Q. Okay.
 08 A. And Naoki Ishii is with MOEX.

Page 347:17 to 347:19

00347:17 Q. Okay. I'm going to hand you
 18 what has been previously marked as 2851.
 19 Okay. Now --

Page 347:25 to 350:18

00347:25 Q. (BY MR. BOWMAN) Now,
 00348:01 Mr. Beirne, this is, again, from Mr. Bodek,
 02 and this is the day before he sent you the
 03 previous report. Did you read this after you
 04 got it?
 05 A. There was -- Mr. Bodek's e-mail
 06 to me?
 07 Q. Yes, sir.
 08 A. Yes, sir, I did.
 09 Q. Okay. So there is a lot of
 10 information here. The very second sentence
 11 is: Up until this point, as dictated by
 12 previous well control events, we have been
 13 operating under the premise that sands were
 14 .3 ppg overpressured relative to modeling
 15 shales. In this hole-section we had a GeoTap

16 tool in our bottom hole assembly which would
17 allow us to directly measure the pressures.
18 We took a GeoTap pressure at 17,723.
19 Now -- and then there is stuff
20 going down to: This decision was made to
21 pull out of the hole for a new BHA.
22 Now, did you talk to Mr. Bodek
23 or anybody about that information?
24 A. All the information in this
25 e-mail?
00349:01 Q. Yes, sir.
02 A. I believe I did.
03 Q. Okay. Well, if we go down
04 towards the middle -- I can just kind of hold
05 it up if you need to see it: After pumping
06 we have a tough decision.
07 You see that?
08 A. Yeah: After pumping several LCM
09 applications...
10 Q. Yeah. Do you know what an LCM
11 application is?
12 A. Not exactly. I've heard the
13 term, but I'm not sure exactly what it is,
14 no, sir.
15 Q. Well, when it says, the next
16 sentence: At this point, the team was faced
17 with a tough decision.
18 Did you ask anybody what "tough
19 decision"?
20 A. No, sir. If I recall, when
21 we -- when I was talking with Mr. Bodek and
22 some others about this, I was attempting to
23 get a very high-level summary of this, and a
24 very detailed summary was provided for me --
25 to me.
00350:01 Q. Well, if we go on down about
02 three or four sentences, we have: We had
03 already experienced static losses with
04 14.5 ppg ESD! It appeared as if we had
05 minimal, if any, drilling margin.
06 Do you see that? I'll help you.
07 A. Yes, sir, I do see it.
08 Q. Okay. Now, did that concern you
09 that there was -- appeared to be zero
10 drilling margin?
11 A. No, sir. At the time I was -- I
12 did not interpret this to that level of
13 detail.
14 Q. Well, I understand you're not an
15 engineer. But just reading the words "It
16 appeared as if we had minimal, if any,
17 drilling margin," did that send out a little
18 red flag or questions in any way?

00350:20 A. It did not to me, no, sir.

Page 351:04 to 351:23

00351:04 Q. Well, the very last two
 05 sentences -- I'm sorry -- three sentences
 06 say: Drilling ahead any further would
 07 unnecessarily jeopardize the wellbore.
 08 Did you talk to anyone about
 09 jeopardizing the wellbore?
 10 A. What we talked about, that
 11 was -- when I got into summarizing this, that
 12 was one of the issues we talked about was a
 13 wellbore integrity issue.
 14 Q. Okay. And then it says: We
 15 have simply run out of drilling margin.
 16 What does that mean?
 17 A. I don't know exactly what it
 18 means from a nontechnical standpoint. I
 19 believe it has something to do with the
 20 balance of the pressure and the mud weight.
 21 Q. Whatever it meant, you thought
 22 it had to stop right there. Did you get that
 23 message?

Page 351:25 to 352:16

00351:25 A. The message from the e-mail is
 00352:01 we had already stopped, and -- and these
 02 were -- may be some of the reasons for it, is
 03 my understanding.
 04 Q. (BY MR. BOWMAN) Now then, have
 05 you talked to anyone about whether stopping
 06 short of a TD caused any kind of
 07 complications as far as completion of the
 08 well?
 09 A. No, sir, I do not believe I did.
 10 Q. Well, after the event did that
 11 raise a -- did you think about, well, maybe
 12 that caused a problem?
 13 A. No, sir. I don't believe I was
 14 aware of whether -- at this point when this
 15 e-mail came out whether it was a discovery or
 16 not.

Page 355:17 to 357:02

00355:17 MR. BOWMAN: We'll mark it 2863.
 18 (Exhibit 2863 was marked.)
 19 A. Yes, sir, I do see my comment
 20 on: WE NEED TO DISCUSS ASAP.
 21 Q. (BY MR. BOWMAN) Yeah. And why
 22 did you have to discuss it ASAP?

23 A. I believe that was because we
 24 had since the -- the AFE to both MOEX and
 25 Anadarko at that point, and there were
 00356:01 several questions. And since things were --
 02 that operation was going to happen very
 03 quickly, we wanted to make sure that we got
 04 all their questions answered so that they
 05 could make a timely election.
 06 Q. Okay. Let's go to the very
 07 first e-mail string on this. It looks like
 08 you sent on it on the 13th. See it's from
 09 you to Nick Huch and Naoki Ishii?
 10 A. Yes, sir.
 11 Q. And here you're talking about
 12 various technical stuff. Sounds kind of
 13 technical to me: Due to safety concerns and
 14 wellbore integrity issues, BP as operator has
 15 deemed the Macondo exploratory well as
 16 achieving objective depth at 18,360 feet,
 17 having both loss zones and comparatively
 18 overpressured sands in the open hole provided
 19 for little to no margin to continue drilling.
 20 Now, what did you -- what were
 21 you saying by that?
 22 A. I was summarizing what Mr. Bodek
 23 had put in that long e-mail that we discussed
 24 a few minutes ago.
 25 Q. Okay. You were just sort of
 00357:01 paraphrasing what you said, but you didn't
 02 know what it meant?

Page 357:04 to 357:20

00357:04 A. I only have a very high-level
 05 nontechnical understanding.
 06 Q. (BY MR. BOWMAN) Well, what's
 07 your high-level nontechnical understanding?
 08 A. My high-level nontechnical
 09 understanding of loss zones would -- I
 10 believe it may be losing drilling mud into a
 11 formation.
 12 Q. Which means what?
 13 A. I don't know exactly. But I --
 14 my understanding is that your mud weight may
 15 be heavier than the -- you have more pressure
 16 than the formation, so you may lose -- lose
 17 returns.
 18 Q. And is that a good or a bad
 19 thing?
 20 A. I don't know.

Page 364:21 to 365:03

00364:21 Q. Okay. Now, were you supposed to

22 have anything to do with the next event that
23 the HORIZON was going to go to or the next
24 well?
25 A. I believe I may have -- I
00365:01 believe we were talking about it was maybe
02 going to go to the Nile well to do a plugging
03 and abandonment.

Page 365:09 to 365:10

00365:09 Q. Okay. Let me show you what has
10 previously been marked as Exhibit 1146.

Page 366:20 to 367:01

00366:20 Q. Yeah. And if you read his
21 e-mail to Mr. Morrison, he says: Thanks,
22 Dale. Sooner we can find out, the better, as
23 there are wheels turning for the Nile.
24 Those are his words, right?
25 A. That's what his e-mail says,
00367:01 yes, sir.

Page 367:14 to 368:10

00367:14 Q. (BY MR. BOWMAN) Okay. What was
15 the Nile?
16 A. It's a -- one well in the Viosca
17 Knoll Block 914 that was -- the lease expired
18 in July 2009.
19 Q. The lease expired in July 2009.
20 And so what was the HORIZON supposed to be
21 doing for the Nile?
22 A. I believe it was scheduled. I
23 don't know when it was scheduled to go --
24 perform the plugging and abandonment of the
25 well.
00368:01 Q. And was there some sort of
02 timing requirement on plugging and
03 abandonment?
04 A. It's my understanding that
05 absent an extension, you are to plug and
06 abandon a well within one year.
07 Q. Okay. And you said you had
08 something to do with the Nile?
09 A. I was the land negotiator that
10 worked that as well.

Page 380:07 to 380:22

00380:07 Q. Now, the form that was used for
08 the operating agreement between BP and MOEX,
09 which Anadarko later ratified and joined, was

10 actually one that had been prepared as a form
 11 operating agreement by the American
 12 Association of Professional Landmen; is that
 13 right?

14 MR. BOLES: Object to the form.

15 A. If my -- I believe it was a --
 16 it was based off a model form at the AAPL,
 17 yes, ma'am.

18 Q. (BY MS. KUCHLER) And that's a
 19 form of operating agreement that's typically
 20 used in the industry. Is that how you
 21 understand it?

22 A. Yes, ma'am.

Page 382:08 to 383:25

00382:08 Q. Now, the operating agreement
 09 clearly defines BP as the operator for the
 10 Macondo prospect, doesn't it?

11 A. Yes, ma'am.

12 Q. And under the operating
 13 agreement, BP as the operator has the
 14 exclusive right and duty to operate the well,
 15 doesn't it?

16 A. I believe you're referring to a
 17 certain provision, article?

18 Q. Sure. Paragraph 4.1 on Page 14.

19 A. Yes, ma'am. Can you repeat the
 20 question.

21 Q. Yes. I said the operating
 22 agreement clearly defines BP as the operator
 23 with the exclusive right and duty to operate
 24 the well?

25 A. Yes, ma'am. I -- I don't see
 00383:01 the exact language, the exclusive duty to
 02 operate.

03 Q. Okay.

04 A. But it's my understanding
 05 that...

06 Q. Well, if we look, Section 4.1
 07 says: BP Exploration & Production Inc. is
 08 designated as the operator of the contract
 09 area.

10 And then if we turn over to
 11 Section 5.1 on Page 20, there's a whole
 12 paragraph on the exclusive right to operate.
 13 And there it says: Except as otherwise
 14 provided, the operator has the exclusive
 15 right and duty to conduct or cause to be
 16 conducted all activities or operations under
 17 this agreement.

18 Is that correct?

19 A. Yes, ma'am.

20 Q. And as the operator, if we
 21 continue going down Section 5.1: BP was

22 considered an independent contractor, not
23 subject to the control or direction of
24 nonoperating parties.
25 Is that right?

Page 384:02 to 384:15

00384:02 A. Yes, ma'am, that is an accurate
03 reading of what the operating agreement
04 states.
05 Q. (BY MS. KUCHLER) Several times
06 in your testimony yesterday some of the
07 questioners -- and in your answers you
08 sometimes referred to Anadarko and MOEX as
09 co-owners.
10 Let's look at the definition
11 section of the operating agreement which
12 begins on Page 2 under Tab 5, which is
13 Exhibit 1243. And I'd like for you to look
14 and see whether the operating agreement
15 defines Anadarko or MOEX as co-owners.

Page 384:17 to 385:14

00384:17 A. It does not appear that there is
18 a defined -- is definition of co-owner in
19 this operating agreement.
20 Q. (BY MS. KUCHLER) How about
21 partners? Anadarko and MOEX were referred to
22 repeatedly as BP's partners on this well.
23 Does the operating agreement define Anadarko
24 or MOEX as partners of BP?
25 A. There is not a definition of
00385:01 partner in this operating agreement.
02 Q. In fact, if we look at
03 Section 22.1 of the operating agreement -- if
04 I could put my finger on it. Actually, it's
05 at Tab 8 -- no, that's not correct.
06 On Page 130 of the operating
07 agreement, Section 22.1, the operating
08 agreement specifically says, quote: Nothing
09 in this agreement shall be construed to
10 create a partnership, doesn't it?
11 A. That -- it does state in this
12 operating agreement that -- the words are:
13 Nothing in this agreement shall be construed
14 to create a partnership.

Page 391:05 to 391:17

00391:05 Q. (BY MS. KUCHLER) The original
06 AFE for -- that set forth the design and
07 initial plan for the well. When that was

08 presented by BP to Anadarko, it was for the
 09 purpose of Anadarko funding its share of the
 10 cost s, right?

11 MR. BOLES: Object to the form.

12 A. No, ma'am. It was showed to
 13 them several times prior to them executing
 14 it. So I'm not sure exactly which instance
 15 you're referring to of when it was presented
 16 to them. They certainly had the ability to
 17 provide input.

Page 392:04 to 393:01

00392:04 Q. Question starting at Line 3 was:

05 Let me just pose this to you since I can't
 06 remember exactly how you said it and you
 07 don't remember saying it. When BP had
 08 submitted, say, a supplemental AFE or even
 09 the final new AFE and had settled internally
 10 on a well plan, it wasn't asking for input
 11 from the NOPs about well design, was it?

12 And what was your answer?

13 A. My answer was: From my
 14 perspective, no, ma'am. It was to seek input
 15 on whether they would want to do another
 16 operation. That would be a higher priority
 17 in the operating agreement.

18 Q. Do you stand by that answer
 19 today?

20 A. I'm not sure. In -- in
 21 reviewing this, I think the context of it was
 22 a very specific question, based on what I'm
 23 seeing in my answer, of when we submitted the
 24 AFE for production casing. That's what I
 25 recall in -- in the context of what my answer

00393:01 was.

Page 397:19 to 397:23

00397:19 Q. (BY MS. KUCHLER) And with
 20 respect to the issue of calling total depth,
 21 no one from Anadarko put pressure on you, or
 22 on BP through you, to drill past the total
 23 depth of 18,360 feet, did they?

Page 397:25 to 399:09

00397:25 A. I'm not sure what you mean by
 00398:01 "pressure." But I do recall an e-mail from
 02 Anadarko stating they may be supportive of BP
 03 drilling further.

04 Q. (BY MS. KUCHLER) Yeah. Let's
 05 take a look at that. It's in the second

06 binder, Tab 60.

07 A. 60? 6-0?

08 Q. 6-0. We will label this as

09 Exhibit 2866.

10 It's an e-mail from Nick Huch to
11 you dated April 14th, 2010. And it says:
12 This e-mail will evidence Anadarko's approval
13 to conclude the drilling of the MC 252 No. 1
14 BP01 well (Macondo) at its current TD of
15 18,360 feet MD, even though the well has not
16 reached any of the "Objective Depth" criteria
17 defined in the Well Participation Agreement
18 between BP and Anadarko/Kerr-McGee and in
19 Well AFE attached as "Exhibit B" to said
20 agreement.

21 Would you please read the last
22 sentence of Nick Huch's e-mail to you.

23 A. (Reading) However, in the event
24 BP concludes that it is safe and prudent to
25 continue drilling to original Objective
00399:01 Depth, Anadarko would not be opposed to BP
02 doing so.

03 Q. And this is the e-mail that you
04 were just referencing; is that right?

05 A. Yes, ma'am. That was the e-mail
06 that I was -- came to my mind.

07 MS. KUCHLER: I'm being told this has
08 already been labeled Exhibit 1256, so let's
09 not use 2866 on it.

Page 399:17 to 400:16

00399:17 Q. Let's turn back to Tab 5 in the
18 first binder, Exhibit 1243, Section 5.1,
19 Page 20.

20 BP alone had the authority to
21 decide which employees it used with respect
22 to well design and operations, didn't it?

23 A. Is there a specific part of 5.1
24 that you're referring to, ma'am?

25 Q. Towards the middle it says: The
00400:01 operator shall select and determine the
02 number of employees, Affiliates, contractors
03 and/or consultants used in conducting
04 activities or drilling operations under this
05 Agreement and the hours of labor and the
06 compensation for these employees, Affiliates,
07 contractors and/or consultants.

08 Doesn't it?

09 A. Yes, ma'am, that is an accurate
10 reading.

11 Q. So for example, Anadarko did not
12 have any input in the decision as to whether
13 Ronnie Sepulvado should leave the DEEPWATER
14 HORIZON to attend well control school for

15 recertification and be replaced by Bob
16 Kaluza; isn't that right?

Page 400:18 to 401:05

00400:18 A. No, ma'am. I don't believe
19 Anadarko was forbidden from providing any
20 input. I believe that was your question.
21 Q. No. My question is: Anadarko
22 had no input under the operating agreement as
23 to which employees BP kept out on the rig.
24 That was solely BP's decision as to which
25 company man for BP would stay out on the rig
00401:01 during the temporary abandonment, wasn't it?
02 A. In my understanding of the
03 operating agreement, I believe it is BP's
04 ultimate decision, but it does not forbid
05 input.

Page 402:17 to 402:20

00402:17 Q. Right. So BP's contract with
18 Transocean was already executed and in effect
19 before Anadarko had any interest in the
20 Macondo well. Isn't that true?

Page 402:23 to 403:08

00402:23 A. Not with respect to this well.
24 But BP did have a -- its contracts, to my
25 understanding, in place with Transocean.
00403:01 Q. (BY MS. KUCHLER) And BP took
02 the position that drilling contracts in fact
03 are highly confidential. And it's not
04 customary for BP to share them with
05 non-operators like Anadarko or MOEX; isn't
06 that right?
07 A. Yes, ma'am. I believe that's
08 what I was told internally.

Page 404:11 to 404:14

00404:11 Q. Now, the decision to modify the
12 blowout preventer by installing a test ram
13 rather than a bore ram was made by BP and not
14 Anadarko; is that right?

Page 404:16 to 404:25

00404:16 A. Ma'am, I'm not sure that -- I
17 don't know whether that happened -- or I'm
18 not familiar with that.

19 Q. (BY MS. KUCHLER) So you're not
 20 familiar with the change to the blowout
 21 preventer that was done in 2004 before
 22 Anadarko had anything to do with the Macondo
 23 prospect?
 24 A. No, ma'am, I'm not familiar with
 25 any aspect of the blowout preventer.

Page 405:13 to 405:25

00405:13 Q. Okay. Take a look at Tab 58.
 14 It's previously been marked as Exhibit 1255.
 15 It says: Bobby Bodek called and notified me
 16 that they had drilled ahead to 18,360 and
 17 called this final TD. It is about a hundred
 18 feet below the bottom sand and enough for
 19 wireline rathole.
 20 It's an e-mail from Alan
 21 O'Donnell to Bob Quitzau at Anadarko dated
 22 April 9, 2010. Do you have any reason to
 23 doubt the information contained in this
 24 e-mail?
 25 A. No, ma'am.

Page 406:05 to 406:11

00406:05 Q. In fact you sent an e-mail to
 06 Kemper Howe on April 12, 2010, to discuss
 07 with him whether we need/should provide a
 08 written explanation to the Macondo co-owners
 09 of the reasoning we had to call objective
 10 depth. And if you'd like to see that, that's
 11 at Tab 59 in Binder 2.

Page 406:13 to 407:08

00406:13 A. Yes, ma'am, I have that e-mail.
 14 Q. (BY MS. KUCHLER) And you did
 15 write to Kemper Howe saying: Kemper, would
 16 like to discuss whether we need/should
 17 provide a written explanation to the Macondo
 18 co-owners of the reasoning we had to call
 19 objective depth (i.e., HSSE, wellbore
 20 stability issues from lost returns).
 21 You did write that?
 22 A. Yes, ma'am.
 23 Q. And that indicates that BP
 24 called final total depth and then notified
 25 the nonoperating parties that it had been
 00407:01 done; is that correct?
 02 A. I believe I found -- that was on
 03 Monday, the 12th. And I don't recall who
 04 told me, but that we had called objective

05 depth. So I wasn't aware of -- of whether
 06 that was the final total -- or the final
 07 total depth, but I was made aware that we had
 08 stopped drilling.

Page 408:23 to 408:23

00408:23 as Exhibit 2866.

Page 414:24 to 415:03

00414:24 Q. (BY MS. KUCHLER) BP distributed
 25 the plan for temporary abandonment on
 00415:01 April 15th internally among BP. Are you
 02 aware of any evidence that BP shared that
 03 temporary abandonment plan with Anadarko?

Page 415:05 to 416:23

00415:05 A. Ma'am, I don't believe I've seen
 06 the temporary abandonment plan.
 07 Q. (BY MS. KUCHLER) Take a look at
 08 Tab 78, which had previously been marked as
 09 Exhibit 1259. Is this familiar to you?
 10 A. No, ma'am, it is not.
 11 Q. So you wouldn't obviously, then,
 12 be able to tell us whether BP shared that
 13 plan with Anadarko?
 14 A. Ma'am, I do not know whether --
 15 I don't know.
 16 Q. But you do know that you -- as
 17 the main contact between BP and Anadarko, you
 18 didn't share this plan with Anadarko, did
 19 you?
 20 MR. BOLES: Object to the form.
 21 A. In that I don't believe I've
 22 ever seen this, I don't believe personally I
 23 sent this to Anadarko or MOEX.
 24 Q. Are you aware of a call by John
 25 Guide to the subsurface team, the completions
 00416:01 team, Jesse Gagliano and Schlumberger after
 02 the cement job was completed, during which
 03 time they discussed whether a cement bond log
 04 would be run?
 05 MR. BOWMAN: Objection; form.
 06 A. No, ma'am, I'm not aware of the
 07 phone call.
 08 Q. (BY MS. KUCHLER) It was BP's
 09 decision alone to make -- to decide to use
 10 only six centralizers instead of the 21
 11 centralizers that Halliburton had
 12 recommended; is that true?
 13 MR. BOLES: Object to the form.

14 A. I do not know, ma'am.
 15 Q. (BY MS. KUCHLER) If you would
 16 take a look back at your testimony from the
 17 MBI at Tab 19, which we've marked as
 18 Exhibit 2865. Page 45, the question
 19 beginning at Line 23: And who would make the
 20 decision as between BP and the non-operators
 21 with regard to the type and number of
 22 centralizers?
 23 And what was your answer?

Page 420:13 to 420:25

00420:13 Q. Was there any specific piece of
 14 information that you can recall as you sit
 15 here today that you were instructed by
 16 someone at BP that you could not share with
 17 the non-operators?
 18 A. The only one that comes to mind
 19 is the drilling contract for the HORIZON, and
 20 I don't recall whether we had shared a
 21 redacted version. I don't believe we did.
 22 But that's what comes to mind as an example.
 23 Q. All right. No other examples
 24 come to mind?
 25 A. None come to mind, no, ma'am.

Page 422:15 to 422:19

00422:15 Q. (BY MS. KUCHLER) But you do
 16 know for certain that it wasn't the
 17 non-operators who made the decision as to the
 18 type, amount or weight of drilling mud to
 19 use?

Page 422:22 to 423:02

00422:22 A. No, ma'am, I don't know for
 23 certain, but --
 24 Q. You wouldn't expect that the
 25 non-operators would have made those kinds of
 00423:01 operational decisions where BP was the
 02 operator, would you?

Page 423:04 to 423:05

00423:04 A. In my capacity I would not
 05 expect that. That's just my view.

Page 423:19 to 423:24

00423:19 Q. (BY MS. KUCHLER) Okay. So you

20 don't know anything about the decision on
 21 what kind of cement to use. Is that a fair
 22 statement?
 23 A. Yes, ma'am, that's a fair
 24 statement.

Page 433:24 to 434:03

00433:24 Q. (BY MS. KUCHLER) Would it be BP
 25 as the operator who would design the
 00434:01 temporary abandonment plan?
 02 A. In my understanding that would
 03 likely be the case.

Page 437:23 to 438:03

00437:23 Q. What was in the BP-only folder
 24 in Well Space?
 25 A. I do not know.
 00438:01 Q. Do you know that there is a
 02 BP-only folder?
 03 A. I've heard there is.

Page 438:22 to 438:25

00438:22 Q. Now, the information available
 23 to the non-operators on the Well Space
 24 database reflected activities that had
 25 already occurred, correct?

Page 439:02 to 439:03

00439:02 A. That's my understanding of -- it
 03 was reports of what had happened.

Page 471:08 to 472:04

00471:08 Q. (BY MS. KUCHLER) Okay.
 09 Switching topics again. I'd like to discuss
 10 the role of Anadarko Exploration &
 11 Production. Can we call it AE&P, and we'll
 12 both know that that's the company that we're
 13 talking about? Is that okay with you?
 14 A. Yes, ma'am.
 15 Q. Okay. So was it your
 16 understanding that AE&P was only involved in
 17 this series of transactions because it was
 18 going to be a like kind exchange,
 19 transferring leaseholds that were held by
 20 AE&P?
 21 A. It was my understanding that we
 22 had -- the split between the two Anadarko

23 entities, it was driven by -- for tax
 24 reasons. That was my understanding.
 25 Q. Okay. And so the intent was
 00472:01 always that Anadarko Petroleum Corporation
 02 would be the only entity to ultimately
 03 participate in Macondo. Is that how you
 04 understood it?

Page 472:06 to 472:22

00472:06 A. No, ma'am, that's not. How I
 07 understood it is that they would -- the full
 08 25 percent would ultimately be an Anadarko
 09 Petroleum Corporation, but there was never
 10 any indication that both the entities would
 11 not participate.
 12 Q. (BY MS. KUCHLER) Well, AE&P was
 13 not even a party to the well participation
 14 agreement, was it?
 15 A. I don't believe they were.
 16 Q. And that's because the purpose
 17 of AE&P's involvement in the transaction was
 18 to transfer interest in leaseholds that were
 19 held by AE&P to BP; isn't that right?
 20 A. I believe that was my
 21 understanding, for tax reasons. I believe
 22 that was the reason.

Page 474:25 to 475:11

00474:25 Q. Did you understand that although
 00475:01 AE&P's signature was required for AFEs, that
 02 all AFE payments were going to come from
 03 Anadarko Petroleum Corporation?
 04 A. I believe I recall yesterday we
 05 had -- there was some testimony and
 06 discussion on -- I think it was either BP and
 07 Anadarko's intent that we would just have the
 08 billing to one company.
 09 Q. Which would be APC?
 10 A. I believe that's -- from what I
 11 remember, I believe that's correct.

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00476:02 Q. Do you understand that -- then
 03 that it was primarily for BP's tax purposes?
 04 A. My understanding was it was so
 05 that the transaction would be a like kind
 06 exchange. And my understanding is that that
 07 has -- that affects both parties.
 08 Q. And it gave BP tax benefits to
 09 have that like kind exchange, correct?

10 A. I don't know whether it's a
 11 benefit or not. I'm not a tax expert.
 12 Q. Wasn't it BP's tax department
 13 that requested the involvement of AE&P to
 14 effectuate the like kind exchange?
 15 A. I believe it was BP's
 16 suggestion, our tax department's suggestion.
 17 I believe that's the case.
 18 Q. Because Anadarko Petroleum
 19 Corporation had expressed an interest in
 20 being the sole participant in the operating
 21 agreement and the derivative AFEs, correct?

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00476:23 A. I don't -- that may be. I don't
 24 recall.
 25 Q. (BY MS. KUCHLER) Didn't
 00477:01 Anadarko Petroleum Corporation specifically
 02 exclude tangible personal property interests
 03 in the well from transferred property
 04 interests in the lease exchange agreement?
 05 A. Can you restate that or rephrase
 06 it, please.
 07 Q. Sure. Why was tangible personal
 08 property, such as the wellhead and tubulars,
 09 excluded from the description of BP property
 10 to be transferred in the lease exchange
 11 agreement?
 12 A. That was something, from what I
 13 recall, that our tax department had placed in
 14 there.
 15 Q. Okay. And was it placed in
 16 there because there was an intention that
 17 only Anadarko Petroleum Corporation would
 18 hold an interest in the well?
 19 A. I don't recall all the details
 20 on the intent around the taxes. I just don't
 21 recall. I don't remember.
 22 Q. And was it intended that the
 23 transfer of AE&P's interest in the Macondo
 24 prospect to Anadarko Petroleum Corporation
 25 would occur contemporaneously with the
 00478:01 signing of the operating agreement?
 02 A. I believe there is language in
 03 there that's similar to that in the lease
 04 exchange agreement, if I'm not mistaken.

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00485:05 Q. Good afternoon, Mr. Beirne. My
 06 name is Ed Flanders. I represent MOEX
 07 Offshore 2007, LLC and MOEX USA in these
 08 proceedings. And during the course of my

09 questioning I may refer to them collectively
 10 as MOEX. Is that okay?
 11 A. Yes, sir.
 12 Q. I'm going to ask you just a
 13 couple of questions about -- there has been a
 14 lot of testimony about the detailed well plan
 15 that Mr. Ishii had asked for, and I just
 16 wanted to follow up with a couple of things.
 17 If you could turn to Tab 49.
 18 A. Yes, sir.
 19 Q. And I believe that you've given
 20 some prior testimony about this particular
 21 exhibit, which is 1261. I wanted to just
 22 direct your attention to the e-mail in the
 23 middle of the page from you to Mr. Ishii
 24 dated April 1st, 2010, at 10:43 a.m. Do you
 25 see that?
 00486:01 A. Yes, sir, the 10:43 a.m.
 02 Q. And in the second sentence there
 03 you say, quote: I do not believe we have a
 04 more detailed well plan, but perhaps we may
 05 be able to provide specific detail, end
 06 quote.
 07 Do you see that?
 08 A. Yes, sir.
 09 Q. And then at the top of the page
 10 is Mr. Ishii's response to your e-mail. Do
 11 you see that?
 12 A. Yes, sir.
 13 Q. And the third sentence of
 14 Mr. Ishii's e-mail states, quote: Attached
 15 is a copy of the drilling plan for Will K.
 16 Please try to collect information on the
 17 following for the Macondo.
 18 And then below that he's got
 19 No. 1: Well design details (refer to 4.3 in
 20 the attached).
 21 Do you see that?
 22 A. Yes, sir.
 23 Q. And then No. 2 is: Well plan
 24 (refer to 4.5 in the attached).
 25 Do you see that?
 00487:01 A. Yes, sir.
 02 Q. Mr. Beirne, did you ever provide
 03 this requested information to Mr. Ishii?
 04 MR. BOLES: Object to the form.
 05 A. I don't recall whether -- if I
 06 responded to this e-mail or provided
 07 information.
 08 Q. (BY MR. FLANDERS) Okay.
 09 A. I don't remember.
 10 Q. And as you sit here today,
 11 you're not able to point to any information
 12 that you may have provided to Mr. Ishii in
 13 response to his April 1 request?

14 MR. BOLES: Object to the form.
 15 A. There is nothing, sitting here
 16 today, I can think of specifically. But it
 17 may -- there may be something in another --
 18 something else I sent, but I can't think of
 19 anything right now.

20 Q. (BY MR. FLANDERS) Okay. Thank
 21 you. I'm going to ask you now, Mr. Beirne,
 22 to turn to Tab No. 5, please.

23 A. The operating agreement?
 24 Q. Yes. Tab 5 is actually --
 25 starts with the Ratification and Joinder of
 00488:01 the Operating Agreement, but I'm going to
 02 just talk to you about the actual operating
 03 agreement itself. And in particular, if you
 04 could turn to Section 5.10.

05 A. Yes, sir.

06 Q. Ms. Harvey asked you some
 07 questions about Section 5.10. Do you recall
 08 those questions?

09 A. At 5.1?
 10 Q. 5.10. I'm sorry.
 11 A. Okay. 5.1. Yes, sir, I
 12 remember the -- being asked some questions.
 13 I don't remember specifically the questions.

14 Q. Sure. Let me just read to you
 15 the first part of that section which states,
 16 quote: With the goal of achieving safe and
 17 reliable activities in operations in
 18 compliance with all applicable laws and
 19 regulations, including avoiding significant
 20 and unintended impact on (i) the health or
 21 safety of people, (ii) property, or (iii) the
 22 environment, the Operator shall, with the
 23 support and cooperation of the Non-Operators,
 24 while it conducts activities or operations
 25 under this Agreement:

00489:01 And then it sets forth certain
 02 activities. Do you see that?

03 A. Yes, sir.

04 Q. Was it your understanding,
 05 Mr. Beirne, that the obligations set forth in
 06 5.10 was an obligation of the operator?

07 A. In doing a cursory review of
 08 this, and not understanding exactly all
 09 that's entailed in that, it appears in my
 10 understanding that it says: The Operator
 11 shall, with the support and cooperation,
 12 conduct its activities --

13 Q. Okay.
 14 A. -- as it's provided there.

15 Q. Mr. Beirne, to your knowledge,
 16 did BP ever seek the support and/or
 17 cooperation of MOEX in fulfilling those
 18 obligations under Section 5.10?

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00489:20 A. Without knowing all that's
21 entailed in 5.10, nothing I can think of at
22 this -- at this point.
23 Q. (BY MR. FLANDERS) Are you aware
24 of any instances where MOEX did not provide
25 such support or cooperation?
00490:01 A. With regard to this topic and my
02 understanding of it, I don't have any -- I
03 can't think of any instance where they did
04 not provide support.
05 Q. Okay. Thank you. We're done
06 with that binder.
07 Mr. Beirne, Mr. Pote asked you
08 some questions yesterday about whether MOEX
09 had individuals with the requisite technical
10 expertise to make sure of the realtime data
11 and to evaluate the AFEs. And I believe you
12 stated that you believe that MOEX had
13 individuals with such expertise.
14 Do you recall that?
15 A. That sounds -- sounds accurate,
16 from what I recall.
17 Q. Okay. You do not have a
18 technical background, correct?
19 A. No, sir, I do not.
20 Q. Okay. Do you know whether any
21 of these MOEX individuals that you were
22 referring to were drilling engineers or
23 whether any of them had deepwater drilling
24 expertise or experience?
25 A. I don't recall exactly the
00491:01 individuals I was referring to. What I
02 recall is when MOEX would have their -- some
03 of their folks come in from Tokyo, I recall
04 some of them being of an engineering
05 background, a drilling engineer or a -- I
06 think they had a reservoir engineer and then
07 some scientists. So that was what my
08 understanding -- as far as deepwater, I don't
09 know. I don't know their personal
10 qualifications.
11 Q. Okay. So you were speculating
12 when you answered that question?

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00491:14 A. I don't believe I was
15 speculating. I was providing my
16 understanding of what I believed their
17 expertise to be.
18 Q. (BY MR. FLANDERS) Okay. But
19 you do not know for a fact whether any of

20 them were drilling engineers with deepwater
21 drilling experience?

22 A. I do recall at least one
23 individual being a drilling engineer. I
24 don't know what the -- I don't know his or --
25 his experience -- experiences.

00492:01 Q. You don't know whether that was
02 land-based or deepwater?

03 A. No, sir, I do not know one way
04 or the other.

05 Q. Okay. Mr. Beirne, Ms. Kuchler
06 asked you a number of questions about whether
07 BP shared certain drilling information, such
08 as BP's temporary abandonment plan, with
09 Anadarko. Do you recall those questions?

10 A. Generally, yes, sir.

11 Q. And I'm not going to try to
12 characterize your answers to those questions.
13 There were a lot of them.

14 But given that MOEX was also a
15 non-operating party like Anadarko, would your
16 answers be the same for MOEX as far as
17 information that was shared with Anadarko?

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00492:19 A. Without knowing -- I just recall
20 the topic. Without knowing the specific
21 topics, it's hard to answer. I can
22 provide -- as a non-operator under the
23 operating agreement, MOEX and Anadarko were
24 both non-operators, both the same under the
25 operating agreement, in my understanding.

00493:01 Q. (BY MR. FLANDERS) And I believe
02 that in your marine board testimony you
03 didn't differentiate between Anadarko or MOEX
04 insofar as their involvement; is that
05 correct?

06 A. I don't believe so. A lot of
07 that may have -- had to have been with -- the
08 counsel rep was representing both companies,
09 so a lot of -- I believe they were referred
10 to collectively in a lot of things.

11 Q. Let me try it this way: Would
12 it be fair to say that if you testified that
13 BP did not share certain information with
14 Anadarko, then that -- it would be -- the
15 same would be true that it did not share such
16 information with MOEX?

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00493:18 A. What I can say -- I don't know
19 what information may not have been shared.

20 But what I can say as far as sharing of
 21 information from my -- my level, my
 22 understanding, they would be treated the
 23 same.
 24 Q. (BY MR. FLANDERS) Okay.
 25 Ms. Kuchler also asked you a number of
 00494:01 questions about whether BP as the operator
 02 solely made drilling decisions, such as the
 03 number and type of centralizers to be used,
 04 or whether a cement bond log would be
 05 performed, or the decision to set the
 06 lockdown sleeve. Do you recall those
 07 questions?
 08 A. Yes, sir.
 09 Q. And she also asked you whether
 10 Anadarko was involved in those decisions or
 11 provided input with respect to those
 12 decisions. Do you recall those questions?
 13 A. Yes, sir.
 14 Q. And again, you gave answers, and
 15 I won't try to characterize them here. But
 16 would the answers be the same as to whether
 17 MOEX was involved or provided input with
 18 respect to those decisions?

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00494:20 A. Yeah. Without citing the exact
 21 questions again or just recall the topic,
 22 it's hard to answer. But under the operating
 23 agreement, from my view, it -- it would
 24 not -- there would not be -- they're both
 25 non-operators.
 00495:01 Q. (BY MR. FLANDERS) So would it
 02 be fair to say that if you testified that
 03 Anadarko was not involved in those decisions
 04 or didn't provide input, then the same would
 05 be true for MOEX?

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00495:15 Q. (BY MR. FLANDERS) Okay. Let me
 16 ask you this: To your knowledge, did MOEX or
 17 any of its representatives provide any
 18 technical input related to the production
 19 casing that was used for the Macondo well?

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00495:21 A. I'm not sure all what technical
 22 input would be. What I do recall is when we
 23 sent the draft, I believe, of the production
 24 casing AFE, we received several questions

25 from, I believe, the Tokyo office. I do
00496:01 recall that.

02 Q. (BY MR. FLANDERS) Okay. But
03 did MOEX recommend that BP use any different
04 type of production casing or do anything
05 different than what BP was planning to do?

06 A. I don't recall whether they
07 recommended. I recall them maybe asking some
08 questions if that was -- I don't know if it
09 was -- they were asking if it was considered
10 or -- I just remember them asking questions
11 if we were going to do certain type of
12 things. I don't recall exactly what they
13 were.

14 Q. Okay. Do you recall whether
15 MOEX or any of its representatives provided
16 any technical input related to the type of --
17 or the number of centralizers to be used?

18 A. No, sir, I do not know one way
19 or the other.

20 Q. To your knowledge, did MOEX or
21 any of its representatives provide any
22 technical input related to the determination
23 that the float collar had converted on the
24 Macondo well?

25 A. No, sir, I'm not aware of any
00497:01 information. I was not aware of information
02 on the float collar.

03 Q. Okay. To your knowledge, did
04 MOEX or any of its representatives provide
05 any technical input relating to decisions
06 about the cement job?

07 A. I do not know one way or the
08 other.

09 Q. Okay. To your knowledge, did
10 MOEX or any of its representatives provide
11 any technical input related to the decision
12 to accept the results of the negative
13 pressure test?

14 A. I was not involved in any
15 information on the pressure test that I can
16 recall.

17 Q. To your knowledge, did MOEX or
18 any of its representatives provide any
19 technical input related to the temporary
20 abandonment procedure to be used?

21 A. Again, I -- from -- I don't know
22 what all would be entailed in the temporary
23 abandonment procedure. So without -- not
24 knowing -- understanding the details of that,
25 I don't know.

00498:01 Q. But you're not aware of any such
02 instances where MOEX provided such technical
03 input, correct?

04 A. From the information I was on or

05 the e-mails or phone calls I was on, I recall
 06 technical questions, but I don't know whether
 07 there was input or not. I just recall
 08 questions.

09 Q. And those -- I'm sorry.

10 A. No, go ahead. That was -- I'm
 11 finished.

12 Q. And those questions were
 13 reflected in the e-mail exchanges that you
 14 had with MOEX, correct?

15 A. Yes, sir. I'm trying to think
 16 if there would be any other communication.
 17 There may have been phone calls, but it
 18 would -- wouldn't be -- wouldn't have been
 19 technical questions to me in a phone call.

20 Q. So to the extent that MOEX was
 21 providing any input, those would be reflected
 22 in those questions that were sent by e-mail,
 23 correct?

24 A. Not necessarily --

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00499:02 A. Not necessarily to me. Very
 03 likely their questions based on -- in the
 04 past would have come through e-mail. Whether
 05 they would have come to me or not, it -- I'm
 06 not sure. It could have.

07 Q. (BY MR. FLANDERS) But they
 08 would have at least been copied to you. Is
 09 that your understanding?

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00499:11 A. They may have been.
 12 Q. (BY MR. FLANDERS) Well, you
 13 were the -- I think you used the word
 14 "go-between" between MOEX and BP, correct?

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00499:16 A. I -- I was, I would say, the
 17 primary contact, yes, sir.

18 Q. (BY MR. FLANDERS) To your
 19 knowledge, did anyone from MOEX ever visit
 20 the DEEPWATER HORIZON rig at any time?

21 A. No, sir, not to my knowledge.

22 MR. FLANDERS: I have no further
 23 questions.

Page 500:08 to 500:24

00500:08 Q. Mr. Beirne, would you do me the

09 favor of, in your own words, characterizing
10 what you believe your role was with regard to
11 the relationship between BP and the
12 non-operating interests with regard to the
13 communication of information first.

14 A. My interpretation or my
15 understanding was mostly on higher level
16 general information, such as points of
17 operating, you know, when we were going to
18 start drilling the well, when an AFE would be
19 coming; a lot of things that are provided for
20 in the JOA. Those are just two examples.

21 Not -- not -- my role would not
22 be necessarily being responsible for
23 providing every piece of information or very
24 detailed technical information.

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00505:12 Q. All right. With regard to the
13 information that Mr. Hafle was reticent to
14 give to MOEX and/or the Anadarko interests,
15 do you have an understanding as to why he
16 didn't want to give that information?

Page 505:18 to 505:25

00505:18 A. My understanding of -- I believe
19 you're talking about that Will K.?

20 Q. (BY MR. BRUNO) (Nods.)

21 A. As I testified before, I believe
22 Mr. Hafle was saying that there was -- that
23 we did not have that information in that
24 format, whether that information was provided
25 or not.