

Deposition Testimony of:
Roger Dugas

Date: October 20, 2011

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00007:10 ROGER WAYNE DUGAS
11 was called as a witness by the Plaintiffs and,
12 being first duly sworn, testified as follows:

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00007:14 QUESTIONS BY MR. PALMINTIER:
15 Q. Good morning, Mr. Dugas. We met off the
16 record. I'm Mike Palmintier. I represent the
17 Plaintiffs' Steering Committee in MDL 1 -- 2179.
18 Would you state your full name again for the
19 record, please?
20 A. Roger Wayne Dugas.

Page 8:13 to 12:02

00008:13 Q. Okay. And your current occupation is
14 what, sir?
15 A. Excuse me, Senior Sales Manager
16 Cementing, Gulf of Mexico.
17 Q. And that's for Halliburton Energy
18 Services, Incorporated?
19 A. Yes, sir.
20 Q. Okay. All right. Give me that title
21 again?
22 A. Senior Sales Manager Cementing, Gulf of
23 Mexico.
24 Q. And that was your job in April of 2010,
25 when the DEEPWATER HORIZON explosion occurred?
00009:01 A. I was the Sales Manager, that's correct.
02 Q. Has your job changed in any way since
03 that time, in terms of its title, first?
04 A. Sales Manager, first, and then Senior
05 Sales Manager after.
06 Q. Okay. So at the time of the explosion,
07 you were a Sales Manager for Gulf of Mexico, and
08 then today, you are called Senior Sales Manager?
09 A. Yes, sir. Whether or not the "Senior"
10 was on there during Macondo is -- during the
11 incident, I don't know exactly when the Senior,
12 actually, promotion came.
13 Q. Okay. You will see in just a minute,
14 we're going to go over some little Rules that
15 this is not a test of your memory, in general.
16 So if you got that wrong, don't worry about it.
17 It's imperic -- it's written down somewhere.
18 There will be times when your memory is
19 important, but that's not one of them. We can --
20 we can get that from some other place.
21 But suffice it to say, the -- the Senior
22 status, the -- the word "Senior" was added to the
23 label of your job sometime over the past 18

24 months.
25 A. I would say "Yes."
00010:01 Q. Okay. Now, what -- did that make any
02 difference in terms of your job function, that
03 Senior -- the word "Senior" being added?
04 A. No.
05 Q. Okay. And tell me what, first, a -- a
06 Sales Manager and then a -- a Senior Sales
07 Manager Cementing in the Gulf of Mexico, what --
08 what was the job?
09 A. The job as a Sales Manager and/or Senior
10 Sales Manager, of course, is the profitability of
11 our Product Service Line, the business side of
12 the Product Service Line, new business acquisi --
13 you know, it's acquiring new business,
14 maintaining existing business. And there again,
15 the profitability of the Product Service Line.
16 Q. Okay. Tell me about -- again, all of
17 this, by way of background -- what's the
18 difference between the Service and the Products
19 side of the Halliburton Cementing Division that
20 you're a part of?
21 A. Well, the Service would pertain to
22 personnel and equipment; the Products is the
23 products.
24 Q. Okay. As to your responsibilities as
25 Sales Manager/Senior Sales Manager, were you --
00011:01 did -- did you deal and do you deal with both of
02 those, Service and Products?
03 A. With respect to the pricing, that's
04 correct.
05 Q. Okay. Now, with respect to operations of
06 any kind do you -- do you deal with both?
07 A. No, sir.
08 Q. Okay. So you'd qualified what I asked
09 you, so I -- is there anything else -- is there a
10 difference between the way you handle Sales and
11 Services, other than with regard to what you just
12 described?
13 A. No, sir.
14 Q. Okay. In -- in other words,
15 preliminarily, I just want to get a general idea
16 about what your job was back in April of 2010 and
17 what it is today.
18 And so, first, you're telling us today,
19 that there hasn't been any substantial change in
20 the nature of your work since April of 2010; is
21 that correct?
22 A. That's correct.
23 Q. And then, secondly, your work is
24 principally in -- in making sure that the -- both
25 products and service lines are profitable for
00012:01 Halliburton?
02 A. That's correct.

Page 13:01 to 14:07

00013:01 Q. Okay. All right. So just going back to
02 background, from 2008 to 2009, you were an
03 Account Rep. During that period of time, you
04 were an Account Rep, correct?
05 A. Yes, sir.
06 Q. Just let us know, if you will, when did
07 you first become the Senior Sales Manager -- or
08 Senior -- sorry. When did you first become the
09 Sales Manager?
10 A. October 2010.
11 Q. Okay. 2010?
12 A. Yes, sir.
13 Q. Okay. So you were an Account
14 Representative -- no. Let me let you think about
15 that.
16 A. Maybe it's twenty -- 20 -- 2009.
17 Q. Yeah --
18 A. Yeah --
19 Q. -- because if --
20 A. -- October 2009, I'm sorry.
21 Q. That's okay. Because at the time of the
22 explosion of the DEEPWATER HORIZON, you were a
23 Sale -- a Sales Manager?
24 A. That's correct.
25 Q. Not a -- a Sales Rep?
00014:01 A. That -- it is 2009.
02 Q. Okay. October of 2009, then, you're
03 elevated to a Senior Sales Manager, correct -- I
04 mean --
05 A. To Sales Manager.
06 Q. -- Sales Manager, correct?
07 A. Yes, sir.

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00025:22 Q. You know Jesse Gagliano, of course,
23 correct?
24 A. Yes.
25 Q. And we're going to get into a more
00026:01 detailed question about Mr. Gagliano. You have
02 not spoken to him since the time of the accident
03 that took place in April of 2010?
04 A. I have.
05 Q. Okay. On how many occasions have you
06 discussed -- strike that.
07 On how many occasions have you talked
08 with Jesse Gagliano?
09 A. He works in the same building. So when I
10 see him, I say "Hello."
11 Q. How long have you known him?
12 A. I would venture to say probably six
13 years.
14 Q. Okay. And in that six-year period -- and

15 I -- I recall your testimony as having been that
16 you, among other things, worked in a job similar
17 to his, correct, one of -- of Representatives?
18 A. Yes.

Page 27:16 to 44:25

00027:16 Q. Okay. Tell me about your educational
17 background. What -- where did you go to college?
18 A. Nichols State University.
19 Q. And what was your degree?
20 A. Petroleum Engineering Technology.
21 Q. And after you got out of Nichols, where
22 did you go to work?
23 A. Houston.
24 Q. And went to work for whom?
25 A. Halliburton.
00028:01 Q. So you've worked for Halliburton your
02 entire petroleum-based career?
03 A. Yes.
04 Q. Okay. Before you went to Nichols --
05 sorry, let me ask you this: How old are you,
06 sir?
07 A. Forty-six.
08 Q. Before you went to Nichols, what -- what
09 did you do?
10 A. I worked in the field, in the petroleum
11 industry, in the field.
12 Q. Okay. From the time you were how old?
13 A. Eighteen.
14 Q. Okay. And so you worked, what, as --
15 sort of worked your way up, you did roustabout
16 work, or what? Tell me about that generally.
17 A. I started on workover rigs out of high
18 school, and then did that about eight years, and
19 then went to work for Halliburton.
20 Q. Okay. Did you grow up in Southwest
21 Louisiana or where?
22 A. Texas.
23 Q. In Texas. In Southeast Texas?
24 A. Yes.
25 Q. Okay. Okay. When you went to work for
00029:01 Halliburton after you graduated from Nichols,
02 what was your entry-level job? What did you do?
03 A. Tech Professional.
04 Q. What is that?
05 A. I guess an Engineer.
06 Q. And what would you do? What was the job?
07 What were the duties of the job?
08 A. Installing servers on the rigs for data
09 collection.
10 Q. So you worked with the computer work that
11 Halliburton had out there, or was it Sperry?
12 A. No, it was -- it was Halliburton servers.
13 Q. Okay. Well, tell me about that. What --

14 what kind of servers?

15 A. Well, the data was being collected. It
16 goes to the server. The server streams it to the
17 Realtime Operations Center in Houston.

18 Q. Okay. I've actually had some experience
19 asking questions about this, but it was a long
20 time ago. Do you know John Gisclair?

21 A. I know the name.

22 Q. Okay. One of the things that he and I
23 talked about when I deposed him were -- was the
24 INSITE Anywhere software system that was used by
25 mud loggers, among other rigs, the DEEP -- on the
00030:01 DEEPWATER HORIZON.

02 A. (Nodding.)

03 Q. This is not what you were doing when you
04 went to work for Tech Professionals, working with
05 INSITE Anywhere, is it?

06 A. I did.

07 Q. You did?

08 A. (Nodding.)

09 Q. Okay. Let me back up. What training did
10 you receive to be a Tech -- a Tech Professional
11 for Halliburton back eight years ago?

12 A. The training was, as with any new
13 position, you're -- you working with a Senior
14 man.

15 Q. Okay. Who did you work with?

16 A. I worked with a man by the name of
17 Richard Story.

18 Q. Okay. All right. And you worked with
19 INSITE Anywhere software. What else did you work
20 with? What other computer-related programs or --
21 or hardware did you work with?

22 A. Well, basic Microsoft stuff. I mean, but
23 that's -- INSITE Anywhere was -- was pretty much
24 it.

25 Q. Okay. How long did you -- let me correct
00031:01 that.

02 Were you actually involved in anything
03 more than just installation? Did you actually
04 troubleshoot INSITE Anywhere problems or problems
05 with other software for Halliburton?

06 A. Not really, no.

07 Q. Okay. So mostly as an entry level a
08 function of installation and -- and startup?

09 A. Yes, sir.

10 Q. Okay. Now, how long did you do the Tech
11 Professional work that you just described?

12 A. Nine months.

13 Q. And then what did you do?

14 A. I transferred to the cementing products
15 service line.

16 Q. And why -- why did you do that? Did they
17 ask you, or did you explore that and decide
18 that's what you wanted to do? Tell me how that

19 happened.

20 A. Because that's what I knew.

21 Q. And you knew that because of your

22 experience offshore in the years before you went

23 to college?

24 A. I -- yes.

25 Q. Okay. All right. So did you ask them,

00032:01 or did they ask you to enter the cementing

02 service and products line?

03 A. I asked my supervision.

04 Q. Okay. And did they immediately hire you

05 on in cement, or did they send you for training?

06 How did that transpire?

07 A. I was transferred to New Iberia,

08 Louisiana.

09 Q. Okay. And what did you do there?

10 A. It would actually be Lafayette,

11 Louisiana, but trained in New Iberia, Louisiana.

12 Q. Okay.

13 A. I went through the Technical Excellence

14 Center for our Engineering Training Program.

15 Q. All right, sir. And then what?

16 A. And then started working out of our

17 Lafayette facility.

18 Q. As what?

19 A. As a Cementing Engineer.

20 Q. Okay. Now, would that be around 2000 --

21 say, 2004, or '5? I'm guesstimating.

22 A. Ar -- around that timeframe, yes.

23 Q. And when you went to do Cementing

24 Engineering work for Halliburton in 2004 or '5,

25 am I correct in saying that you were stationed in

00033:01 the, I guess, by then, the Broussard office, and

02 then you would go out of there to various rigs

03 and facilities for Cementing Engineering work, or

04 am I wrong about that?

05 A. You're -- you're wrong about that.

06 Q. Okay. Tell me how that worked.

07 A. I was officed in Lafayette.

08 Q. Okay. All right.

09 A. And I didn't necessarily go out on the

10 locations.

11 Q. Okay. What did you do?

12 A. I was a -- I was a Land and Shelf

13 Cementing Engineer.

14 Q. Did you work in the field at all?

15 A. If I did, I -- you know, it may have been

16 one or two jobs, you know, critical jobs.

17 Q. Okay. But that wasn't the -- the norm

18 for you?

19 A. Not for me.

20 Q. For you, it -- it was working in an

21 office. Were you working with the OptiCem

22 software or -- or program, or were you working

23 creating designs for slurries? What were you

24 doing?
25 A. Both.

00034:01 Q. Okay. Limited to those two things, or
02 what else might you have done in office in
03 Lafayette when you had this job as a Cementing
04 Engineer?
05 A. Just the -- you know, just like you said,
06 the -- the design, you know, working with the --
07 the Coordinators with respect to -- and the
08 Account Reps with respect to what was going on,
09 on location, as far as downhole.
10 Q. Now, did you continue to do that until
11 you became a -- a Representative -- a Cementing
12 Representative for -- for Halliburton?
13 A. I was a Tech Professional in Cementing
14 until I became an Account Rep, that's correct.
15 Q. Okay. And I beg your pardon for having
16 some difficulty with the description of the jobs,
17 but you were first a Tech Professional, then a
18 Cementing Engineer, and then a Representative?
19 Is that what --
20 A. Tech Professional for -- in Houston.
21 Q. Yes, sir.
22 A. Then Associate Tech Professional to go
23 through my training as an Engineer.
24 Q. Okay.
25 A. Once you go through your training, then

00035:01 you are promoted to a Tech Professional after
02 you've given a -- like a terminology, kind of a
03 thesis-type scenario where you're given -- you
04 give a presentation --
05 Q. Okay.
06 A. -- to the Senior Engineers, and then they
07 decide whether or not you have covered -- are you
08 ready to be a Tech Professional in the Cementing
09 Product Service Line, then a Tech Professional,
10 and then the Account Rep.
11 Q. Okay. Now, the Account Rep, is it -- is
12 it similar to what you were doing in Lafayette?
13 A. No -- well, yes.
14 Q. But instead of being in office in
15 Halliburton, you go and actually are on location
16 with the client, or customer?
17 A. No.
18 Q. All right. Tell me the difference.
19 A. The Tech Professional in Lafayette, like
20 you say, is running the OptiCems, looking at the
21 design, lab testing, such as that. I was land,
22 shelf, and inland water, or land, inland water,
23 and shelf.
24 Q. Okay.
25 A. And so whenever I became an Account Rep,

00036:01 my account list or the customers that I took care
02 of were the small and medium-sized independent
03 accounts drilling in land, shelf, and inland

04 water.

05 Q. Okay.

06 A. And so I didn't necessarily go out to
07 their location, but I would go to their office.
08 Basic sales job.

09 Q. Excuse me. And that job -- excuse me, in
10 that job, did you -- excuse me -- were you doing
11 OptiCem and design and -- and lab work?

12 A. Yes.

13 Q. For the small companies that you worked
14 for inland water, and shelf work?

15 A. Yes.

16 Q. Okay. Now, and the reas -- you'll see in
17 a -- during the day why that becomes important.
18 We're trying to understand what your function
19 was, especially as we approach April of 2010.
20 What companies -- when you were an Account Rep,
21 what companies did you work for?

22 A. It was a -- it was a long list, like I
23 said, it's transactional, you know, the small
24 independents.

25 Q. Okay. Now, in that Account Rep job --
00037:01 MR. PALMINTIER: Thank you so much.

02 Q. (By Mr. Palmintier) In that Account Rep
03 job, did you have anything more than a practical
04 function, such as design, lab, OptiCem? Did you
05 also have a sales function?

06 A. Yeah. I would say so. I mean, that's
07 part of the Account Rep position.

08 Q. This isn't in the record. This is from
09 my having read as much as I could about your job
10 and about Mr. Gagliano's job, frankly.

11 There is a sort of a hybridization there
12 of both function operational work and sales.
13 Is -- is that a fair statement to describe the
14 Account Representative's job?

15 A. It's -- yeah. I suppose.

16 Q. Yes. I mean, for example, in that
17 Account Representative job, you're attentive to
18 the customer as a salesperson would be, correct?

19 A. Yes.

20 Q. One of the reasons for that is because
21 you want to get future business with that
22 customer, correct?

23 A. Yes.

24 Q. All right. And, in fact, weren't you
25 trained to some extent by Halliburton while you
00038:01 were being trained as an Account Representative
02 to -- to, in fact, maintain good customer
03 rapport?

04 A. That's correct.

05 Q. All right. So speaking of Jesse Gagliano
06 and his function at the time of the explosion in
07 April of 2010, he had a similar job, as -- as
08 we've been describing, Account Representative,

09 didn't he?
10 A. That was his title.
11 Q. And so, in his case, he was in-house at
12 BP in Houston, correct?
13 A. Correct.
14 Q. And one of the things that he did
15 in-house in BP in Houston was to promote good
16 rapport with that customer, BP?
17 A. I would hope so.
18 Q. Okay. Now, let's go back to October of
19 2009, when you became the Sales Manager of
20 Cementing Gulf of Mexico for Halliburton.
21 When you reached that position, can you
22 tell me about the hierarchy of the job; in other
23 words, who was above you and who was under you
24 when you first started?
25 First, let's begin with who you reported
00039:01 to directly above you when you took that sales
02 job.
03 A. Vice President Business Development, Gulf
04 of Mexico.
05 Q. And at the time who was that?
06 A. Wayne Stein.
07 Q. Okay.
08 THE COURT REPORTER: Stein?
09 THE WITNESS: Stein.
10 THE COURT REPORTER: Spell it.
11 THE WITNESS: S-t-e-i-n.
12 Q. (By Mr. Palmintier) And if you know, for
13 October of '09, who did he report to?
14 A. I'm not exactly sure who his direct
15 report would be, who he would -- would direct to.
16 Q. In the two years since then, has there
17 been a change in that hierarchy? As we sit here
18 today, would we have the same framework of work
19 positions as we would have had back in October --
20 A. No.
21 Q. -- of '09?
22 A. No. There's been a change.
23 Q. Okay. Can you give us a brief
24 description of that change?
25 A. I now report to Richard Hutto.
00040:01 Q. And is that because Mr. Hutto took
02 Mr. Stein's place or because there's been a -- a
03 change in the structure of things?
04 A. That's because Mr. Hutto took the
05 position of BD Manager.
06 Q. Okay. All right. And "BD" meaning?
07 A. Business Development.
08 Q. Business Development?
09 A. Yes, sir.
10 Q. Okay. All right. Was there anybody
11 between you and Wayne Stein in October of '09
12 when you started?
13 A. No.

14 Q. In other words, that was the only --
15 the -- the -- the line was directly between you
16 and then Mr. Stein, correct?
17 A. Correct.
18 Q. And today it is between you and
19 Mr. Hutto?
20 A. That's correct.
21 Q. Even though you've now got the title
22 "Senior," you still -- the line is directly to
23 Hutto?
24 A. Yes, sir.
25 Q. All right. Let's talk about who was
00041:01 below you in October of '09, when you started.
02 Who reported to you, and what lines went from you
03 downward?
04 A. The Account Reps.
05 Q. All right. How many Account Reps were --
06 were there working below you, in April of 2010?
07 A. Seven.
08 Q. All right. One of those was Jesse
09 Gagliano?
10 A. No.
11 Q. Okay. Did Jesse Gagliano report to you,
12 were you his Supervisor?
13 A. At -- at one point.
14 Q. Okay. And what point was that?
15 A. October of 2009, until April sometime. I
16 think it was around April time frame.
17 Q. So at the time around April 20th, 2010,
18 you were -- Jesse Gagliano was no longer
19 reporting directly to you?
20 A. No.
21 Q. Is that correct?
22 A. That's correct.
23 Q. So there was a change, and it happened,
24 you think, in April, correct?
25 A. My estimation.
00042:01 Q. Okay. That's one of those, if you got it
02 wrong, we can get it right.
03 A. (Nodding.)
04 Q. But your general recollection is that it
05 was sometime in April. Would it have been early
06 April?
07 A. Early to mid, I guess.
08 Q. Okay. So it was a matter of days before
09 the explosion of the DEEPWATER HORIZON that
10 Mr. Gagliano no longer reported to you?
11 A. I don't have a definitive date, to be
12 honest with you.
13 Q. Can you tell me, though, generally, the
14 occasion upon which that shift happened? Did it
15 happen only with Mr. Gagliano? Did it happen
16 with all of your Account Reps? How did that
17 change happen?
18 A. It was -- it happened with all the

19 in-house Deepwater Engineering staff that were
20 the Account Reps.

21 Q. And what was the impetus for that change,
22 do you remember? What brought it about?

23 A. It was -- it was a decision made to keep
24 sales in -- technical sales in technical.

25 Q. Okay. Let me see if I understand that.

00043:01 Your best understanding of these changes in the
02 structure of things in April of 2010, is that it
03 was driven by sales in an effort to strengthen
04 sales position relative to the general market?

05 A. No.

06 Q. Well, what was the impet -- again, what
07 was the reason for the change?

08 A. The -- the thoughts that I had with
09 respect to the separation of -- of the Deepwater
10 Technical staff, which were called "Account Reps"
11 at the time --

12 Q. M-h'm.

13 A. -- was having sales and technical
14 separated to where technical now has a technical
15 hierarchy, as opposed to technical having a sales
16 hierarchy. That would be my best explanation.

17 Q. Okay.

18 A. And, of course, that is my opinion.

19 Q. That's right. And you're entitled to
20 that, and I -- I -- I actually wanted to know it,
21 so let me make sure I understand. This really
22 harkens back to a question I had earlier, where I
23 was asking you about the -- kind of the
24 hybridization of the role of the Account Rep at
25 Halliburton, you know, around this time, where

00044:01 there was both a technical responsibility and a
02 sales responsibility.

03 A. (Nodding.)

04 Q. Is it your understanding that -- that
05 that is the division that happened there in April
06 of 2010 where technical was more isolated from
07 the sales responsibility?

08 MR. BOWMAN: Objection, form.

09 A. I wouldn't necessarily say "separated"
10 but it's -- if you're -- if you're going to have
11 someone that is going to manage technical, then
12 they need to be on the technical side of it as
13 opposed to the sales side of it.

14 Q. (By Mr. Palmintier) Yes. Okay. And
15 that's, again, from Roger Dugas?

16 A. That's correct.

17 Q. Okay. When that change happened, where
18 the technical and the sales responsibilities were
19 changed, do you know who became the person to
20 whom Jesse Gagliano would have reported?

21 A. Ronnie Faul.

22 Q. Okay. Have you spoken with Mr. Faul
23 about that change since the -- the April 2010

24 disaster?
25 A. No.

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00045:09 Q. Are you saying that, during that time, in
10 April -- on April 20th, of 2010 in particular,
11 that Mr. Ronnie Faul would have been the
12 individual to whom Mr. Gagliano would have
13 reported?

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00045:15 Q. (By Mr. Palmintier) At least as far as
16 you understand?
17 A. As far as I understand.

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00046:04 Q. All right. Let's project forward then.
05 Mr. Faul becomes the person to whom Jesse
06 Gagliano, one of your seven Representatives prior
07 to the explosion -- I'm sorry, prior to this
08 change, did Mr. Faul receive the Account
09 Representatives, the -- the other six that you
10 used to have?

11 A. Mr. Faul took the role of managing the
12 Technical, the Cementing Engineers that were
13 in-house for the in-house, you know, the BPs, so
14 to speak.

15 Q. Understood. And -- and all pertaining to
16 deepwater?

17 A. I would say about the majority of them
18 were deepwater, yes.

19 Q. Okay. What did that leave you with, in
20 terms of the people who reported to you? When
21 that change in early April or mid-April happened,
22 what did -- what -- how did that change your
23 structure?

24 A. That left me with the sales staff.

25 Q. Was the sales staff newly created for
00047:01 this purpose, or had they already been in place?

02 A. They were already in place.

03 Q. So I did not know -- I apologize, I was
04 unfamiliar with that. We have the -- the guys
05 who were in the position that you've described
06 as -- as Account Representatives, and we've
07 discussed that they had both sales and technical
08 function.

09 But there was also, simultaneously, a
10 sales staff?

11 A. That's correct.

12 Q. And -- and tell me about that. The --

13 that sales staff, what did they do?
14 A. Sales, go -- you know, they -- they're
15 out visiting with the customers, independent
16 customers, land, shelf, and no deepwater --
17 Q. Okay.
18 A. -- and the -- out there acquiring new
19 business, interfacing with the customers, typical
20 sales. I mean, they're -- I mean, they have
21 tenure with the company, and so they understand
22 the operational sides of it. And so they'd
23 get -- they'd get the new business, and we'd go
24 from there.
25 Q. Okay. How many were working under you
00048:01 when the change was made?
02 A. When the separation took place?
03 Q. Yes.
04 A. 14.
05 Q. Okay. And do you still have 14 working
06 under you today?
07 A. Five.
08 Q. All right. And the reason for that
09 change?
10 A. Of the fourteen, seven or so went to
11 Technical.
12 Q. Okay.
13 A. And the other seven, one was transferred,
14 and one was let go, so that leaves me with five.
15 Q. Okay. So you have now five purely Sales
16 Representatives working under you, correct?
17 A. That's correct.
18 Q. And that change began shortly before the
19 explosion in April of 2010?
20 A. Not exactly sure of the date of when the
21 change took place.
22 Q. Okay. But it -- it --
23 A. Before Macondo, before --
24 Q. But it was before the Macondo blowout?
25 A. Yes.
00049:01 Q. Okay. And all those other seven began to
02 be more purely technical in their work, correct?
03 A. They were already purely technical in
04 their work.
05 Q. Okay. But we've already discussed that
06 they also had a sales component to their
07 responsibility?
08 A. With respect to a rapport with the
09 customer.
10 Q. Okay. All right. And they -- those
11 seven, including Jesse Gagliano, went within the
12 structure, when it changed, to the ambit of
13 Mr. Ronnie Faul?
14 A. To -- yes, sir.

00049:23 Do you recall that Mr. Gagliano, at least
24 at some point in your work beginning in October
25 of '09, reported to you?

00050:01 A. Yes.
02 Q. Now, I'm interested in the mechanism of
03 that reporting, how it took place.
04 Did he -- did he E-mail you on a regular
05 basis? Did you E-mail him back? Generally, how
06 did it take -- how did your communication with
07 him take place?
08 A. The communication that I would have with
09 Jesse could be E-mail, could be phone, could be
10 in person.
11 Q. Okay. I -- I will tell you that I see
12 very little in the way of a production in terms
13 of E-mail, is -- is almost nothing, in fact,
14 between you and -- and Mr. Gagliano. Is it fair
15 to conclude from that -- No. 1, is that accurate,
16 so far as you know?
17 A. So far as I know.
18 Q. And so is it fair to conclude that your
19 communication with him was mostly either by phone
20 or in person?
21 A. No.
22 Q. Did he ever send you a Report that he had
23 produced?
24 A. Not to my recollection.
25 Q. Now, did he send anyone -- up until the
00051:01 time that the changes in early to mid-April took
02 place, did he -- and -- and from October when you
03 had your new status, to -- so far as you know,
04 did he send any Technical Reports to anyone else
05 at Halliburton?
06 A. That would be a question for
07 Mr. Gagliano.
08 Q. Well, I've heard that answer as a -- as a
09 safe harbor a couple of times, but he's not
10 answering.
11 So I want to -- I want to understand,
12 Roger, what you know. Wouldn't you have expected
13 Jesse Gagliano to have sent copies of his
14 proposed plans for cementing to someone at
15 Halliburton?
16 A. I would say so.

Page 51:23 to 55:18

00051:23 Q. See, that's about seven -- about 5,000
24 documents ago in this case. But what is that,
25 first of all, that -- that document?

00052:01 A. The title page says the "9 7/8...X 7 inch
02 Production Casing Design Report."
03 Q. All right. Now, when you were an Account
04 Representative, you produced Design Reports,
05 correct?

06 A. Yes.

07 Q. You're familiar with those, and this is
08 one of them, correct?

09 A. Yes.

10 Q. Now, and you see, interesting to me, is
11 that it is actually design -- it was sent
12 directly to a -- a BP Representative in this
13 case, Brian Morel, and dated April 14th, 2010.

14 Do you see that?

15 A. Yes.

16 Q. And when you were doing that work, is --
17 is that the way you would address your Design
18 Reports when you -- when you created them, to a
19 specific individual and -- and dated?

20 A. Yeah. I could -- it could be put on
21 there, yes.

22 Q. Okay. Were there times when you would
23 send them elsewhere, when you were doing Design
24 Reports such as Exhibit 2040?

25 A. Usually it'd be in the customer's office
00053:01 pertaining to their well.

02 Q. I'm going to ask you to think back for
03 me, though. Did you, when you had the job that
04 Mr. Gagliano had in April of 2010, and by that, I
05 mean the -- the Account Representative -- when
06 you were an Account Representative, did you send
07 the Report back to Halliburton, a copy of it back
08 to Halliburton, as well as to the customer?

09 A. Operations would probably get a copy of
10 my Report.

11 Q. Okay. And you did that on a routine
12 basis, did you not?

13 A. If it was critical.

14 Q. Okay. But, well, let's say it's not
15 critical. When you were creating a Report,
16 wouldn't you send -- nonetheless, send a copy to
17 your Home Office to have a copy of your Report?

18 A. Not necessarily.

19 Q. Okay. While you were in the position
20 above Mr. Gagliano, during October of '09 through
21 April of 2010, did you ever receive copies of
22 documents such as 2040, Exhibit 2040, from
23 Mr. Gagliano?

24 A. No.

25 Q. Now, you had six other people in the
00054:01 field, fourteen others, but certainly six others
02 who did Technical work during that phase,
03 correct?

04 A. Yes.

05 Q. Did they send you copies of their reports
06 when they would do similar reports to that which
07 is reflected in Exhibit 2040?

08 A. Not that I can recall.

09 Q. All right. But you sent copies of
10 reports when you were in the position that you --

11 that Mr. Gagliano was in, you sent copies. Who
12 would you have sent them to?

13 A. Operations.

14 Q. And do you have any idea why
15 Mr. Gagliano -- strike that.

16 I understand now. So you wouldn't send
17 it to -- you wouldn't send your Report to Sales.
18 You would send it to Operations. Is -- is that
19 the distinction I -- I'm having trouble making,
20 but is that the distinction you're expressing?

21 A. I was Sales when I was the Account Rep.
22 And but I -- when I would run the Report, I would
23 send it to the Operational Engineers in
24 Operations in Lafayette.

25 Q. Okay.

00055:01 THE COURT REPORTER: Five minutes.

02 Q. (By Mr. Palmintier) Yes, I should have
03 asked you that. When -- when you were a -- an --
04 an Account Rep, you were a Sales Account Rep, as
05 opposed to a combination Technical Sales Account
06 Rep, correct?

07 A. No. I was a Technical Sales Account Rep
08 for land, shelf, and inland water.

09 Q. Okay. All right. And I mean, you've
10 said you -- you did Technical work, you created a
11 Report such as that which is reflected in
12 Exhibit 2040?

13 A. That's correct.

14 Q. Okay. And when you sent copies, you sent
15 them to Operations, as opposed to whom? Sales?

16 A. I was Sales, so I would -- so I would
17 send it to Operations, so they would have a copy,
18 but I would also send it to the customer.

Page 56:01 to 56:13

00056:01 Q. Okay. And when the change in early April
02 or mid-April 2010 happened, was there a -- a new
03 set of instructions, if you will, to the
04 Sales/Technical staff for -- for reporting or
05 sending copies of reports such as 2040 to a --
06 a -- a specific source?

07 A. I don't know what the -- I wasn't
08 involved with the Technical Reporting Sales. I
09 was the Sales Manager, business.

10 Q. Okay.

11 A. So the Technical side, I'm not familiar
12 with the reporting.

13 Q. Okay. Good deal.

Page 57:07 to 62:06

00057:07 But one of the things I'm interested in
08 is you -- you talked about the change in

09 structure, some -- somewhat of a separation
10 between Technical and Sales in early to mid-April
11 of 2010. And you mentioned to us that you
12 retained the Sales Representatives, frankly, half
13 of them, and two -- and you lost two, so you had
14 five. Remember that? Am I correct about that?

15 A. Yes.

16 Q. And -- and I think I heard you say that
17 when those five -- when you had those five, those
18 five worked land, water, and shelf, correct?

19 A. Predominantly, yes.

20 Q. But not deepwater?

21 A. I've got one Account Rep that does have
22 deepwater customers.

23 Q. And back then, you did, too, back in
24 April of 2010, or has that changed?

25 A. No, I still have one that has deepwater
00058:01 customers, but only from a Sales aspect as far as
02 the rapport.

03 Q. Okay. And who is that?

04 A. Fred Hardy.

05 Q. And Mr. Hardy, in April, when this shift
06 changes -- changed, took on BP?

07 A. No.

08 Q. All right. You -- you mentioned that he
09 had deepwater. Who were his customers, do you
10 recall?

11 A. Some of the large independents, so to
12 speak, Deep Gulf, Cobalt, one of the larger ones
13 that he has is Hess, but we weren't doing much
14 work for Hess. They didn't have a Halliburton
15 rig.

16 Q. Well, who had BP from the Sales
17 standpoint when this shift took place?

18 A. We really didn't have a "Sales Rep"
19 calling on BP when the shift took -- whenever the
20 change took place.

21 Q. All right. Now after that, in the year
22 and a half or so that has followed, have -- have
23 you developed a Sales Rep for BP?

24 A. No.

25 Q. Who does Sales for BP, between
00059:01 Halliburton and -- and BP now?

02 A. That's -- would be, I guess, a
03 collaborative effort between the Sales Manager
04 and the Account Leaders.

05 Q. Okay. Now, that's some new semantics in
06 there. The Sales Manager, that's you, correct?

07 A. That -- that's correct.

08 Q. And who are the Account Leaders?

09 A. The Account Leaders are the Halliburton
10 represent -- that represent all the prod --
11 they're kind of the liaison between all the PSLs,
12 the Product Service Lines, and Halliburton.

13 Q. Okay. Okay.

14 A. The -- the customer -- the -- the liaison
15 between the Product Service Lines, all the
16 Product Service Lines, the customer, and
17 Halliburton.

18 Q. Okay. And who currently would be the one
19 who deals with BP?

20 A. Durel Bernard.

21 Q. Durel?

22 A. Durel.

23 Q. Durel.

24 A. D-u-r-e-l Bernard.

25 Q. Okay. And who, in April of 2010, would
00060:01 have been in the position that Mr. Bernard is in?

02 A. I believe it was still Durel.

03 Q. Okay. So he's kept that position, as far
04 as you know, throughout the period intervening
05 from April of 2010?

06 A. Yes.

07 Q. All right. Was there a relationship
08 between Durel -- strike that.

09 Was there a line of communication between
10 Mr. Bernard, Durel Bernard, and Jesse Gagliano,
11 in April of 2010 when this shift took place?

12 A. I would assume that there would be.

13 Q. Is it fair to describe the shift as
14 having taken some of Mr. Gagliano's
15 responsibilities in Sales and given them to Durel
16 Bernard?

17 A. H'm. With a deepwater customer, I mean,
18 that's -- that's very vague, to be honest with
19 you, as far as the -- the duties.

20 Q. Okay. And -- and I assumed that. And
21 I -- is it fair to say that relation -- this was
22 very relationship-driven, that is, the -- the
23 responsibilities depended on the skills of the --
24 of the employee of Halliburton and -- and the
25 relationships he or she had formed through the
00061:01 years?

02 A. It is -- it is relationship-driven.

03 Q. Okay. Let me ask you some questions
04 about your relationship with Mr. Gagliano prior
05 to this shift in mid to Ap -- early to mid-April
06 of 2010.

07 You mentioned that when you became the
08 Sales Manager, that you would communicate with
09 him, correct?

10 A. M-h'm, yes, sir.

11 Q. And that there was telephone, in person,
12 and occasional E-mail, correct?

13 A. Yes.

14 Q. What was the nature of the communication
15 that you would have with Mr. Gagliano? Was it
16 purely Sales, or was there some Technical between
17 you and him, discussions of Technical matters?

18 A. Purely Sales.

19 Q. All right. I want you to think back
20 then, in the -- in the few months that you were
21 in the Sales Management standpoint. Between
22 October and April, were there -- do you recall
23 that there was some difficulties reported
24 relative to Mr. Gagliano's performance?

25 A. I don't recall that.

00062:01 Q. All right. If I were to tell you that
02 it's been reported in -- in depose -- in
03 depositions throughout this case, that there was
04 a -- a dissatisfaction with Mr. Gagliano's
05 performance, would that be a surprise to you?

06 A. That would be a surprise to me.

Page 63:04 to 65:15

00063:04 Q. (By Mr. Palmintier) I'm going to ask you
05 to turn to Tab 18. This is an exhibit that has
06 been previous intro -- pre -- previously
07 introduced as Exhibit 2047, and it purports to be
08 a copy of a Production Casing Design Report
09 submitted to Brian Morel on April 18th, 2010.

10 Do you see that document?

11 A. Yes, sir.

12 Q. Is it of the kind of Report that we've
13 been discussing thus far that you used to
14 generate, and that people in Mr. Gagliano's
15 position in April of 2010 would have generated on
16 a routine basis?

17 A. Yes.

18 Q. All right. Now, this one, of course, we
19 know of the -- the date April 20th, this one
20 occurring two days before.

21 First, have you ever seen this document
22 before?

23 A. No.

24 Q. Okay. Turn to Page 18. In the middle --
25 I'm sorry. In about the beginning in the middle
00064:01 third of page, there is, under "5.4 Gas Flow
02 Potential," this comment: "Based on analysis of
03 the above outlined well conditions, this well is
04 considered to have a SEVERE" -- and that's in all
05 caps -- "gas flow problem. Wells in this
06 category fall into flow condition..."

07 Did I read that correctly? "...flow
08 condition 3."

09 A. Yes.

10 Q. Sorry. I did read it correct.

11 With the addition of the -- the -- the
12 word "three," did I read that collect --
13 correctly?

14 A. Yes.

15 Q. All right. Now, my question for you is,
16 first, based on your experience in -- in the same
17 job, as -- as an Account Representative, is this

18 the kind of comment that is expected in a Report
19 of this kind --
20 MR. BOWMAN: Objection, form.
21 Q. (By Mr. Palmintier) -- that is as -- as
22 demonstrated in Exhibit 2047?
23 A. Ask me the question again.
24 Q. Is this the kind of comment that is
25 expected of an Account Res -- Representative who
00065:01 generates a Report such as 2047?
02 A. Based on the data inputted into this,
03 that is the gas flow potential as per OptiCem, so
04 this would be generated.
05 Q. All right. Now, this was a comment,
06 though, that was generated by the software, or
07 was it a comment that was introduced by
08 Mr. Gagliano in this Report?
09 A. When you say "introduced" --
10 Q. Was it something that he wrote on his
11 own, or is it a computer-generated entry that is
12 produced as a result of the data that was input
13 previously?
14 A. This is -- this is produced by the
15 OptiCem software.

Page 65:17 to 67:12

00065:17 Now -- now, let -- let's move forward in
18 turn -- into your role as Sales Manager. Would
19 you have ever expected to have seen a Report such
20 as the April 18th Exhibit 2047? Would you have
21 expected it to have been sent to you?
22 A. No.
23 Q. Okay. Would you have expected a Report
24 of this kind to have been sent to the Technical
25 side of Hal -- Halliburton's hierarchy?
00066:01 A. The expectation is all in one, so, you
02 know, what the Technical de -- what the Technical
03 side of this decides where it needs to go is
04 entirely up to them.
05 So, to be honest with you, I wouldn't
06 know if they would expect that to go up the
07 Technical hierarchy. I'm sure it was discussed.
08 Q. Okay. All right. But in terms of your
09 own personal knowledge, you don't know?
10 A. I -- I don't know, no, sir.
11 Q. Okay. Did you ever go aboard the
12 DEEPWATER HORIZON?
13 A. No.
14 Q. Did you ever -- have you ever been aboard
15 a deepwater drilling vessel?
16 A. Twice.
17 Q. Okay. And that was back when you were
18 doing your work as a -- a Rep -- as an Account
19 Rep, or before that?
20 A. Before that.

21 Q. And that was when you were install --
22 installing computer software and hardware?
23 A. No.
24 Q. What was it for? Why did you go aboard a
25 deepwater vessel?
00067:01 A. A good part of -- the training process
02 for -- to be a Deepwater Engineer was to go out
03 on jobs, and I happened to be out on one foam job
04 to view the data on the computer.
05 Q. Okay.
06 A. And the only other time was whenever I
07 was in the field as a cementer to help another
08 cementer test blowout preventers and riser.
09 Q. Okay. How long ago?
10 A. Whew. Let's see. '99.
11 Q. Okay. A decade or more ago?
12 A. Oh, yeah. It's been a while.

Page 69:02 to 73:03

00069:02 Q. (By Mr. Palmintier) The change that
03 happened in early to mid-April, how has that
04 changed your job function?
05 A. Strictly -- it really hasn't changed that
06 much. I'm strictly Sales, business side of it.
07 Q. Okay.
08 A. I -- I do help the Account Reps on the
09 land, shelf, and inland water side of the things
10 with respect to slurry designs.
11 Q. Okay.
12 A. That's not that often.
13 Q. Understood. But as far as deepwater
14 slurry designs, you don't ever do that, correct?
15 A. Not ever.
16 Q. And you've never done that before the
17 explosion, correct?
18 A. No.
19 Q. That's correct?
20 A. That's correct.
21 Q. All right. Good.
22 So back in April of 2010, you were
23 probably pretty occupied with the, at least,
24 anticipation of the changes that were taking
25 place in the structure of Halliburton's work. Do
00070:01 you remember -- first of all, do you remember the
02 Macondo Well as -- just as a -- a general
03 recollection; in other words, its reputation, if
04 you will?
05 A. Vaguely, to be honest with you. I -- I
06 didn't even know the word "Macondo" until after
07 the accident.
08 Q. Okay. But you had some folks that were
09 working on that Project that -- that were your
10 either co-employees or -- or people who worked
11 under you, correct?

12 A. I did know that we had a unit on the BP
13 rig. I mean, I'm sorry, on the HORIZON rig
14 working for BP.

15 Q. Okay. All right. That general
16 understanding that you had of -- of the work that
17 was going on then in April, did -- for example,
18 there -- there have been a number of quotes, the
19 "well from hell," things like that, did -- did
20 you perceive -- did you have any perception one
21 way or the other of the way the Macondo was
22 proceeding as -- as a -- as a job?

23 A. I had no inclination as to which way, one
24 way or the other.

25 Q. Okay. When did you first learn about the
00071:01 explosion?

02 A. Probably the news the day of.

03 Q. And -- and you think it was in the news,
04 or a call from the -- the office, or how did you
05 find out about it?

06 A. I -- I want to say it was in the news.

07 Q. Okay. What did you do?

08 A. The first thing I really wanted to know
09 was anybody hurt.

10 Q. Yes.

11 A. Did everybody get off the rig.

12 Q. Okay. And then what?

13 A. Just stand back and -- and -- and
14 basically wait, I mean, because there's nothing I
15 can do.

16 Q. Were you involved in any way -- in --
17 on -- in the day of the accident and in the two
18 or three days following the accident, were you
19 involved in any way in trying to investigate the
20 whereabouts of employees of Halliburton aboard
21 the vessel?

22 A. I may have called Operations to check on
23 my Cementers. When I say "my Cementers," I'm
24 talking about Halliburton. I may have called
25 Operations, "Hey, did our guys get off?" And
00072:01 whenever they were accounted for, then that was
02 all I -- you know, I was just wanting to make
03 sure that our Cementers were off the rig.

04 Q. Okay. Once that had been made apparent
05 to you, did you get involved in anything else
06 such as the attempts to stop the flow of oil from
07 the blown out rig?

08 A. No, sir.

09 Q. Did -- since the time of the accident, in
10 April of 2010, have you been involved in -- from
11 a -- in your capacity as Sales Manager, in the
12 relief wells, for example, and -- and -- and
13 efforts that Halliburton may have been involved
14 with in the -- in the drilling of the relief
15 wells?

16 A. No, sir.

17 Q. Other than this litigation, then, has --
18 is it fair to say that you have had no
19 involvement since the time of the explosion and
20 fire, and other than that you've testified to, in
21 either the Investigation of the explosion and
22 fire, or the source control efforts, drilling of
23 relief wells, other efforts relative to that
24 explosion and -- and -- and blowout?

25 A. No, sir.

00073:01 Q. It is true that you have not had any
02 involvement?

03 A. I have not had any involvement.

Page 74:05 to 75:18

00074:05 Q. Just so that I'm clear on this, before
06 the split of the respons -- your supervisory
07 responsibilities with regard to Mr. Gagliano and
08 the other Representatives, what was the nature of
09 your supervision of Mr. Gagliano?

10 A. Mostly from the business side.

11 Q. Would you describe that res -- that
12 supervisory responsibility, please.

13 A. As is -- as his Manager from -- on --
14 from the sales side and the business side of it
15 is -- is making sure that there are -- number
16 one, that the business is being profitable with
17 respect to that we're not experiencing any
18 nonproductive time on the rig that would be the
19 fault of Halliburton or that we're not having to
20 give money with respect to a cost of poor
21 quality.

22 And if so, one of the things with respect
23 to Jesse being evaluated on the business side of
24 it is taking a look at that; you know, are we
25 having to give money to a particular customer,
00075:01 with any of my Account Reps, due to poor
02 performance.

03 Q. What would be an example of poor
04 performance that would require Halliburton to
05 give money to the customer?

06 A. Like I said, nonproductive time, customer
07 could ask for rig time. You know, if the rig is
08 shut down waiting on Halliburton for some reason,
09 then we could possibly have to pay them rig time.

10 Q. Okay. With regard to this composition of
11 the slurry, did you instruct Mr. Gagliano with --
12 in any way?

13 A. No, sir.

14 Q. Okay. After the split of responsibility
15 that occurred sometime in early or mid-April,
16 what contacts, if any, did you have with
17 Mr. Gagliano with regard to the Macondo Well?

18 A. Not hardly any at all.

Page 75:25 to 81:15

00075:25 Q. Does Exhibit 5914 relate to the Macondo
00076:01 Well or some other well?
02 A. Some other well.
03 Q. Okay. Who -- and who is Joshua
04 Linebarger, if you know?
05 A. I believe Joshua Linebarger is a Cementer
06 or a Service Supervisor.
07 Q. Let me just stop and ask -- I should have
08 asked before -- what well, if you know, does this
09 exhibit relate to?
10 A. I don't know what specific well it is.
11 Q. Was it a land well or was it a deepwater
12 well, or do you know?
13 A. Shelf, probably.
14 Q. Shelf?
15 A. (Nodding.)
16 Q. And I'm going to mispronounce his name,
17 I'm sure. Matt "Du-zat" or "Du-zi"?
18 A. Matt "Doe-zat."
19 Q. Dauzat? And who is Mr. Dauzat?
20 A. Service Coordinator in Lafayette.
21 Q. Okay. On Page 2 of Exhibit 5914, which
22 is marked by Bates No. HAL_0505450, at the very
23 bottom there is an E -- a copy of an E-mail from
24 Mr. Dauzat to Mr. Linebarger. Would you read
25 that?
00077:01 A. "He knows you can't run a Cement job
02 without a tool hand to run the tool? I hope he
03 doesn't want you to do both."
04 Q. All right. And then further up in the
05 center of the page, there is an E-mail from
06 Mr. Linebarger dated April 7th, 2010 to
07 Mr. Dauzat, and would you read that, please?
08 A. "Nope, he is planning on running the
09 sting in/sting out procedures on the rig floor
10 himself. They cannot get anyone out today due to
11 the weather, he was actually supposed to crew
12 change today and he is stuck out here due to
13 weather."
14 Q. Turning to the first page of 5914, which
15 is HAL_0505449, there is in the center of the
16 page an E-mail from Greg Rochel. Is that how you
17 pronounce that?
18 A. Yes, sir.
19 Q. And who is Mr. Rochel?
20 A. He was the Account Representative at the
21 time.
22 Q. Was he one of the people that you
23 supervised?
24 A. No.
25 Q. Okay. And Mr. Rochel indicates on 5914
00078:01 that he sent this to you, to Milton -- and to
02 Milton Morgan; is that correct?

03 A. That's correct.
04 Q. And who is Milton Morgan?
05 A. Milton Morgan is an Account Rep for our
06 Tool Department.
07 Q. Would you read the contents of that
08 E-mail?
09 A. "Not a good idea."
10 Q. Okay. And at the very top of 5914, there
11 is a representation that you replied to that; is
12 that correct?
13 A. That is correct.
14 Q. And you sent -- whom did you send that
15 E-mail to?
16 A. Greg Rochel and Milton Morgan.
17 Q. And copies were sent to whom?
18 A. Roman Victoriano, Gary Broussard, and
19 Richard Vargo.
20 Q. Who is Mr. Victoriano?
21 A. He would be a Tools Coordinator out of
22 the Lafayette, with Broussard.
23 Q. Okay. And Mis -- and Mr. Broussard is
24 also in Lafayette?
25 A. He's also a Tools Coordinator out of
00079:01 Broussard.
02 Q. And Richard Vargo, who is he?
03 A. He, at the time, was the Operations
04 Manager in Lafayette.
05 Q. Would you read the contents of your
06 E-mail to these people.
07 A. "Greg, Have you talked to Kalil? Send
08 him an email and ask his intentions. State in
09 your email to Kalil this is not a good idea."
10 Q. Who is Kalil?
11 A. Kalil Ackail. He the Drilling Manager,
12 Operations Manager for Arena Offshore.
13 Q. Okay. And what is that entity?
14 A. They are the Operator of the well that
15 this job was going to be performed on.
16 Q. Does that help refresh your memory what
17 well that might have been?
18 A. I don't know exactly what well it was. I
19 do know it is a shelf well for Arena.
20 Q. Okay. Would you explain what you meant
21 in that E-mail by stating that "this is not a
22 good idea"?
23 A. Sure. The Company Man on the rig was
24 going to be operating the squeeze tools that were
25 going to be downhole himself, as opposed to
00080:01 waiting on one of our tool hands or Tool
02 Operators to get to location so they could go
03 ahead and perform the squeeze job. And so we
04 were explaining to Kalil, or trying to convey to
05 Kalil, that it's not a good idea and that they
06 should wait. But weather would not allow, and
07 they did not want to wait.

08 Q. Why was that not a good idea, in your
09 opinion?

10 A. Because it was our tools that are
11 downhole, and we're responsible for what is down
12 in that hole.

13 Q. Okay.

14 A. It's our -- it's our responsibility to
15 inform the customer that, "Hey, it's better for
16 you to wait for our tool guy to get out there
17 than to just take it upon yourself. Even though
18 your Toolpusher or your Company Man may have 30
19 years and -- and could probably do this, our
20 recommendation is let us do our job."

21 Q. So would the presence of another
22 Halliburton person on the well help you to do
23 your job in a better fashion?

24 MR. BOWMAN: Objection, form.

25 A. Not necessarily saying that it would --
00081:01 it -- it's in their best interest to allow us to
02 operate our own equipment.

03 Q. (By Mr. Young) Okay. Would you -- how
04 would you characterize your advice with regard to
05 this in relation to your position as a
06 salesperson?

07 MR. BOWMAN: Objection to form.

08 A. My advice to the Account Rep in this
09 particular situation is spot on: We need to
10 convey to the customer that this is not in their
11 best interest.

12 Q. (By Mr. Young) Was your advice of a
13 technical nature, as opposed to a sales nature?

14 A. In this particular situation, it's
15 probably a combination of both.

Page 82:07 to 82:10

00082:07 Q. Good morning, Mr. Dugas. My name is
08 Henry Dart. I'm Special Counsel to the Louisiana
09 Attorney General's Office, and I represent the
10 State of Louisiana.

Page 82:18 to 82:20

00082:18 Q. All right. In -- or for cementing, who
19 sets those rates?

20 A. That would be me.

Page 82:24 to 91:07

00082:24 Q. (By Mr. Dart) And it's a -- it's an
25 E-mail string from -- beginning from the bottom
00083:01 E-mail, there's an E-mail from you dated November
02 2nd, 2009, to a number of people, including Jesse

03 Gagliano, and you say: "All, Can each Account
04 Rep with a rig running please send me the name of
05 the rig, day rate, and materials discount for
06 each rig? I appreciate the help."
07 Why did you write this E-mail?
08 A. The -- this was right after I became a
09 Sales Manager, and I'm trying to get some
10 indication of where we're at with respect to rig
11 rates contractually.
12 Q. Okay. And then above that is a response
13 from Jesse Gagliano to you, on the same date, and
14 he gives the rates for HORIZON and MARIANAS,
15 correct?
16 A. Yes, sir.
17 Q. And on the HORIZON rates he says
18 "\$1941.82 (includes one DSO)." What is a DSO?
19 A. Dual Service Operator.
20 Q. Okay. Then he says: "\$714.71 per day
21 for MSO - Always on rig." What is -- what does
22 that mean?
23 A. I think MSO is a Marine Service Operator.
24 Q. What's the difference from -- what's the
25 difference between an MSO and a DSO?
00084:01 A. Their training.
02 Q. Training as to what?
03 A. I believe the DSO -- one or the other can
04 also run tools.
05 Q. Okay. The next item for the HORIZON is
06 "\$225 per day for MCC." What is "MCC"?
07 A. To be honest with you, I think that -- I
08 don't know what the MCC actually is, but I want
09 to say it's a Mobile Command Center.
10 Q. Okay. And what is a Mobile Command
11 Center?
12 A. It's where data coming from the cementing
13 operations goes into where the Engineer would sit
14 and collect the data on their laptop.
15 Q. That's the little Control Room Pod
16 that -- for -- is on the rig?
17 A. That's my assumption. I've never been on
18 the HORIZON.
19 Q. Okay.
20 A. But that's what I would think that it
21 was.
22 Q. Okay. Then it -- then below that it
23 says: "Total Day Rate = \$2881.53 per day."
24 Correct?
25 A. That's right.
00085:01 Q. And then the next item below that is
02 "Marianas," and Mr. Gagliano writes: "\$2735.43
03 (includes one DSO)," and then he says: "\$714.71
04 per day MSO - Only on rig for BOP testing and big
05 jobs." Is that correct?
06 A. Yes, sir.
07 Q. And then below that, he says: "We don't

08 have a set discount for BP, we have our own
09 pricebook for BP."

10 Why did Halliburton have its own price
11 book for BP, as compared with other oil
12 companies?

13 A. That's BP SORAC. Their SORAC pricing.
14 It has to be in their SORAC, so it's negotiated
15 terms as far as the pricing for -- between BP and
16 Halliburton.

17 Q. Okay. Well, I -- I'm curious about the
18 MARIANAS rate and the HORIZON rate. Apparently,
19 the day rate for the MARIANAS, including one DSO,
20 was 2,735, and for the HORIZON for the same
21 service is 1,941, about \$800 a day less. Why was
22 the HORIZON less than the MARIANAS? Were you
23 giving less service?

24 A. No. That's a pricing structure that was
25 contractually agreed upon before I became an -- a
00086:01 Sales Manager.

02 Q. Okay. Well, since both of these rigs
03 were contracted to BP, do you know why, or is
04 there any explanation why the rates would be so
05 different?

06 A. No.

07 MS. HARDING: Object to form.

08 Q. (By Mr. Dart) Okay. Did you inquire into
09 that after you received this E-mail from
10 Mr. Gagliano?

11 A. I don't recall.

12 Q. All right. The next exhibit I'm going to
13 show you is Tab 4. I've marked it as No. 5916.
14 (Exhibit No. 5916 marked.)

15 Q. (By Mr. Dart) It's a string of E-mails.
16 And we'll start from the bottom. It's -- there's
17 an E-mail from Erick Cunningham. Do you know who
18 Erick Cunningham is or was?

19 A. I've heard the name, and he works for BP.

20 Q. Yes. On January 25th, 2010, he wrote an
21 E-mail to Durel Bernard, and that's the same
22 person you were talking about earlier this
23 morning who was the account -- what do you call
24 him?

25 A. Account Leader.

00087:01 Q. Account Leader for BP, right?

02 A. Yes.

03 Q. Okay. So Cunningham's writing to Durel,
04 and he says: "Durel, I heard today that Jesse
05 Gagliano is leaving the in-house support role at
06 BP. I would like to have an understanding for
07 Halliburton's succession plan for Jesse. This is
08 a key support role in 2010 as this person will
09 support some of the cementing activity on the BP
10 D&C critical wells list for Halliburton. Would
11 ask to have a chance exercise some management of
12 change here and to review the proposed

13 replacements qualifications to determine his
14 competency level with respect to BP
15 expectations."
16 Did I read that correctly?
17 A. Yes.
18 Q. Okay. And then the next E-mail up, Durel
19 Bernard apparently forwards this E-mail to you
20 and Grant Roscoe. Who is Grant Roscoe?
21 A. He was Technical Manager.
22 Q. For?
23 A. Halliburton. I'm sorry.
24 Q. Cementing or just a Technical?
25 A. Tech -- Technical Manager for
00088:01 Halliburton.
02 Q. Okay. And Wayne Stein, you had talked
03 about him earlier this morning, correct?
04 A. Yes, sir.
05 Q. Okay. And Durel writes: "Guys, Is there
06 something you want to tell me here since I'm
07 hearing from a BP guy that I'm losing one of my
08 team members?"
09 Why was Durel confused about one of his
10 Team Members leaving?
11 A. Not exactly sure why he was confused.
12 Q. Okay. Then the next E-mail up comes from
13 Grant Roscoe to Durel, with copies to you and
14 Wayne Stein, and Grant writes: "Durel, Jesse
15 along with others interviewed for the cementing
16 Technical Advisor's role. After second round
17 interviews Jesse was selected as the advisor.
18 Jesse will remain in the role until we have
19 established a clear transition strategy for BP
20 and Halliburton. Please let us know if you have
21 any additional questions."
22 What -- what was the Technical Advisor's
23 role that Jesse was interviewing for?
24 A. It was for the -- the description of the
25 Technical Advisor role is -- Jesse's position
00089:01 within BP, is the next promotion up, to the
02 Technical Advisor.
03 Q. Okay. And he and others were competing
04 for that job, right?
05 A. They all had applied.
06 Q. Okay. And apparently Jesse won the job?
07 A. Yes, sir.
08 Q. Okay. And what does the next sentence
09 mean, "He will remain in the role"? Was that in
10 the role as the in-house BP Cementing Consultant?
11 A. That's correct.
12 Q. Okay. So he was going to stay in that
13 role until you, or somebody at Halliburton, found
14 a suitable replacement?
15 A. And transition that replacement into this
16 role, to the -- a point of everyone's comfortable
17 with who was chosen to take Jesse's place.

18 Q. Okay. Did that process occur before
19 April 20th of 2010?

20 A. I'm not exactly sure what the date was.
21 Whenever they brought -- did we find a
22 replacement? I know Quang Nguyen went in there
23 to help out in this process. Now, I don't know
24 if he was the chosen replacement, but when that
25 took place, I'm not exactly sure. I don't

00090:01 remember when that date was.

02 Q. Okay. Were you involved in the selection
03 process?

04 A. No.

05 Q. Okay. Why were you being copied on these
06 E-mails?

07 A. Because at the time I was Jesse
08 Gagliano's Supervisor.

09 Q. Okay. Now, in the very top E-mail from
10 Wayne Stein, on January 26, to Grant, yourself,
11 and Durel, Wayne writes: "Roger and Grant,
12 Lesson learned - before any decisions are made
13 about personnel, the" account "leader has to be
14 engage with your recommendation and back fill
15 strategy so he can manage the change with the
16 customer." We looked -- "We look disjointed at
17 bp here."

18 What was Wayne talking about in that
19 E-mail, what was your understanding of that
20 anyway?

21 A. Well, I would say that Durel was not
22 informed that Jesse had applied for the TA
23 position, was offered the TA position, and so as
24 the liaison between BP and the Halliburton
25 Product Service Lines, Durel, you know, is like,
00091:01 "Hey, don't you know what's going on in your
02 organization," would be my interpretation of
03 this.

04 Q. Okay. So there was miscommunication
05 going on amongst Halliburton?

06 A. Between Durel, undoubtedly, and me and
07 Grant.

Page 91:11 to 93:19

00091:11 Q. (By Mr. Dart) And this is another E-mail
12 string. At the bottom of -- of the first page,
13 Halliburton 1233783, you write an E-mail on May
14 10th of 2010. This was after the Macondo
15 blowout, and you write: "I need anyone with a
16 rig running in the waters of the GoM to let me
17 know how much time is left on the current
18 wellbore. The MMS and...Department of the
19 Interior will not be allowing any new drilling
20 until the results of the Horizon investigation.
21 We need to know if any of the rigs will be
22 shutting down until it is business as usual after

23 the investigation. I just need an estimation.
24 Thank you, Roger W. Dugas."
25 Why did you write this E-mail?
00092:01 A. So we could plan our -- our revenue, see
02 what our revenue stream is going to do and how
03 long is it going to take for that revenue stream
04 to taper off, and what is it tapering off to.
05 Q. All right. Was this in anticipation of
06 the MMS imposing a moratorium on deepwater
07 drilling?
08 A. That's -- this is -- we're expecting MMS
09 basically to possibly shut down. What are we
10 hearing from the customer base.
11 Q. Okay. And you say: "...until it is
12 business as usual."
13 What -- what did you mean by "business as
14 usual"? Going back to the old ways?
15 A. Drilling ahead.
16 Q. Drilling ahead. Oh --
17 A. So to speak.
18 Q. Okay. And then Fred Hardy replies to
19 that E-mail, but I'm not interested in that. Go
20 to the second page, and Rick Goosen. Who is Rick
21 Goosen?
22 A. Rick Goosen is an --
23 Q. "Go-sen."
24 A. -- is a Technical Advisor currently for
25 Halliburton, Cementing.
00093:01 Q. Okay. And Rick writes back to you in
02 response to that same E-mail, and -- and -- and
03 Rick says: "I am in a Logan" -- what's a
04 "Logan"?
05 A. Logan is the asset name.
06 Q. Okay. "... (next well on... Discoverer
07 Americas) loadout meeting right now. Plans are
08 to continue all drilling plans until notified of
09 an official NTL sent out by MMS. I assume this
10 applies to the Maersk Developer too. Drill baby
11 drill."
12 What did Mr. Goosen mean by that comment,
13 "Drill baby drill"?
14 A. His customer is going to continue
15 drilling until they're told to shut down.
16 Q. Okay. All right. Next I'm going to show
17 you a packet of documents that I've marked as
18 Exhibit 5918.
19 (Exhibit No. 5918 marked.)

Page 94:01 to 99:03

00094:01 document and tell me what it is?
02 A. It looks like our Weekly Revenue Report.
03 Q. Okay. And at the top of the first page
04 it says: "GoM Totals" right?
05 A. Yes.

06 Q. And there are a number of columns. And
07 the first column says: "Week Ending," and it --
08 A. Yes.
09 Q. -- must be the weekly revenues for each
10 week, right, beginning in July 5th of '09?
11 A. Correct.
12 Q. All right. And I think it goes on to the
13 second page, ending 12/26/2010, right?
14 A. Yes.
15 Q. Okay. The last two columns, the
16 second-to-last column says: "IJR Incidents," and
17 the last column is headed: "IJR Settlement."
18 What does "IJR" stand for?
19 A. Irregular Job Report.
20 Q. And what does that mean? Why is that
21 important for revenue purposes?
22 A. An irregular job is -- it -- it could be
23 anything from something relatively simplistic to
24 something that's -- that's, you know, a little
25 more major, I guess you could say. So the I --
00095:01 anytime something happens that's out of the --
02 the norm, an Irregular Job Report is -- is -- is
03 generated.
04 Q. Okay. And would that cause Halliburton
05 to lose money?
06 A. Not every time, no.
07 Q. Okay. Let's look at the week of April
08 11th of 2010, on the -- on that first page. And
09 in the last two columns for that line, it shows
10 three irregular job incidents, and it's -- in the
11 last column, "Irregular Job Report Settlement,"
12 \$2,800,000.
13 Do you know why have a Report of
14 \$2,800,000 in that column?
15 A. There undoubtedly was a \$2.8 million IJR
16 Settlement.
17 Q. Okay. And that's -- that's a deduction
18 from Halliburton's profits, basically?
19 A. Right.
20 Q. Okay. Do you remember what that
21 involved?
22 A. It would have been an assumption on my
23 part. I have some idea, but I -- it would be an
24 assumption on my part without --
25 Q. Okay.
00096:01 A. -- having the --
02 Q. -- well --
03 A. -- data in front of me.
04 Q. Okay. Well, go to the -- the -- starting
05 on the third page, there are listings of the --
06 of each week again. And if you go to the second
07 page of the "GOM Deepwater," on the week of
08 4/11/2010, there are the -- it's the same
09 information as we saw on the first page, up to
10 the IJR Settlement column, correct?

11 A. (Reviewing document.) Yes.

12 Q. Yes. And then there are two extra
13 columns on this page. The first says: "IJR
14 Explanation," and the second says: "Additional
15 Comments."

16 And under Additional Comments, for the
17 week of April 11th, when you showed a \$2.8
18 million IJR Settlement, there's a comment that
19 reads: "BP Horizon 7 inch foamed liner job.
20 Shipped Foam equipment Monday. ENI Marianas are"
21 plugging "and well" moves -- "move to new well.
22 Two flow stop jobs foam team is on stand by.
23 Accrued 2MM for APC Ensco 8500 incident. Will
24 support land foam job in next two weeks. Two
25 jobs from Marathon on the Monarch went very
00097:01 well."

02 Does that comment section that I've just
03 read refresh your recollection as to why there
04 was a \$2.8 million settlement that week?

05 A. Yes.

06 Q. And why was there such a settlement?

07 A. For undoubtedly, an Anadarko situation.

08 Q. All right.

09 A. That's what the "Accrued 2 million..."
10 Anadarko "Ensco 8500..."

11 And if you also read up -- up above that,
12 it gives you the explanation.

13 Q. Okay. Can you find that explanation and
14 read it?

15 A. "Anadarko Amos Runner inconsistent
16 density at" the "start of the job due to" the
17 "valve open allowing unnecessary water into the
18 mixing tub" for the "passenger side displacement
19 tank, correction made and job" successfully
20 completed.

21 That could have been it. Or the "IJR
22 for" the "Anadarko Amos Runner Pin," which is --
23 that's not for the 8500. So it's -- yeah, it
24 could be -- there's something with Anadarko. So
25 it could be in one of these explanations. What
00098:01 it actually pertains to, would be in this IJR
02 Explanation.

03 Q. Okay. What does the first sentence of
04 that comment mean, "BP Horizon 7 inch foamed
05 liner job"?

06 A. It has either been done or it's fixing to
07 come up.

08 Q. Okay.

09 A. This additional comment section, what it
10 is, is this is what we've got coming up, this is
11 what's been done. It's an additional comment for
12 last week, and what's coming up this next week.

13 Q. Okay. And does that sentence mean that
14 Halliburton was pumping foam cement for a
15 seven-inch liner?

16 A. That would be my impression, that
17 Halliburton is intending to pump a foam liner
18 job.

19 Q. Okay. Do you know if, in fact,
20 Halliburton pumped a seven-inch foamed liner job
21 on the HORIZON in that week or -- or anytime
22 afterwards?

23 A. No idea.

24 Q. Okay.

25 A. I mean, it -- I --

00099:01 Q. Okay.

02 A. -- I -- I mean, I don't have enough data
03 here to tell you "Yes" or "No."

Page 99:22 to 99:25

00099:22 Q. (By Mr. Dart) All right. Look at the
23 next exhibit, which is Tab 10. I've marked that
24 as 5919.

25 (Exhibit No. 5919 marked.)

Page 100:04 to 100:20

00100:04 Q. And this is through -- it's just a later
05 Report, through October 24th of 2010, right?

06 A. Yes.

07 Q. Okay. And if you look on the first page,
08 Halliburton 1233916, in that same week of April
09 11th, 2010, you look all the way to the right
10 under "IJR Settlement," the amount is \$904,000,
11 as compared with \$2.8 million a couple of months
12 earlier. Can you explain why the IJR Settlement
13 amount went down from 2.8 million to 904,000?

14 A. I sure can.

15 Q. Please do.

16 A. The 2.8 million was accrued, okay? We
17 accrued that. We put it to the side. The
18 settlement was for \$904,000.

19 Q. So that's what you actually paid out?

20 A. That's what we paid out.

Page 101:07 to 101:10

00101:07 Q. Good morning, Mr. Dugas. My name is
08 Barbara Harding. I'm with the firm Kirkland &
09 Ellis, and I -- my colleague and I, Dave
10 Mitchell, we both represent BP. I'm going to ask

Page 101:13 to 129:09

00101:13 I want to start with your selection by
14 Halliburton to become a Senior Sales Account
15 Representative. Is that right? Senior Sales

16 Manager?
17 What was the title in October of '09 when
18 you became -- when you switched from Account
19 Representative to your new ti -- to your new job?
20 A. Sales Manager.
21 Q. Sales Manager. Okay.
22 And at some point between October and
23 April, it went from Sales Manager to Senior Sales
24 Manager; is that right?
25 A. That's correct.
00102:01 Q. Okay. But it didn't -- but your duties
02 didn't really change, correct?
03 A. That's correct.
04 Q. Okay. Was there a -- a -- kind of a
05 selection process? Did you have to apply for
06 this new position?
07 A. No.
08 Q. You did not. Okay.
09 Did -- did you -- I mean, did you let
10 somebody know you wanted to get this promotion,
11 from the Account Representative to the Sales
12 Manager position?
13 A. I'm sorry. I -- are you referring from
14 Sales Manager to Senior Sales Manager?
15 Q. I'm sorry. I was unclear. I'll start
16 over.
17 Back in -- prior to October of '09, you
18 were an Account Representative at Halliburton; is
19 that right?
20 A. That's correct.
21 Q. Okay. At some point, you were -- you
22 received a promotion to become the Sales Manager,
23 correct?
24 A. Yes.
00103:01 Q. Okay. Was there a -- an application
02 process for becoming a Sales Manager?
03 A. That's correct.
04 Q. Okay. At -- around what time did you
05 apply to become the Sales Manager, if you recall?
06 A. Sometime before October 2009.
07 Q. Was the -- was -- was the process weeks
08 long or was it kind of months, when -- when you
09 were waiting to hear?
10 A. It -- it's -- it could be, you know, a
11 month, six weeks.
12 Q. Okay. Did you submit any paperwork to
13 become the Sales Manager?
14 A. Resumis.
15 Q. Okay. So you submitted your Resumi.
16 And who did -- who did you submit that
17 to?
18 A. That would be submitted to our HR
19 Department.
20 Q. To your HR Department.
21 So they -- did Halliburton kind of post,

21 "We've got this new position that's opening," and
22 invited people to apply?
23 A. Yes.
24 Q. Okay. Do you know who else applied for
25 that position? Do you know?
00104:01 A. Well, you're usually not privy to that
02 information.
03 Q. Okay. Did you become privy to any
04 information? Did you know of any of your
05 competitors, other people that wanted that
06 position?
07 A. Not right offhand, I -- I don't recall
08 ever hearing who my competitors were, so to
09 speak.
10 Q. Okay. Do you know whet -- whether any of
11 the other acc -- you know, your peer Account
12 Representatives at the time were also interested
13 in that position?
14 A. It's possible, yes.
15 Q. Okay. But you don't -- as you sit here
16 today, you have no knowledge about whether
17 anybody else was applying for that position?
18 A. I'm sure there were other applicants.
19 Q. Right. But as you sit here today, you
20 don't have any knowledge whatsoever about any --
21 any others who might have applied?
22 A. As far as a name?
23 Q. M-h'm.
24 A. Right off the top of my head, no, I don't
25 recall who else may have applied.
00105:01 Q. Okay. I'm not -- and I'm -- I'm -- I'm
02 not asking off the top of your head. I kind of
03 want you to think about it and think about
04 whether back at the time, you knew, you know, who
05 the other people, any of the other people, that
06 you believed had -- had applied?
07 A. I -- I -- I really honestly don't recall.
08 Q. Okay. Do you recall who you inter -- who
09 you interviewed with, you know, during that
10 process? Did you -- did you -- well, did you
11 interview with anyone at Halliburton to get that
12 position?
13 A. Yes.
14 Q. Okay. And who did you interview with?
15 A. Wayne Stein.
16 Q. Wayne Stein. Okay.
17 Only one person?
18 A. That I can recall, it was only Wayne
19 Stein --
20 Q. Okay.
21 A. -- the VP.
22 Q. All right. And where did that interview
23 take place?
24 A. Excuse me. At our Houston offices.
25 Q. Oh, I'm sorry, you said "the VP." I

00106:01 thought you said "BP." I thought -- I was
02 confused there.
03 So he was the Vice President of what at
04 the time?
05 A. Business Development Gulf of Mexico.
06 Q. Okay. And so you interviewed with Wayne.
07 Had you met Wayne before?
08 A. Yes.
09 Q. Okay. And do you know whether he was
10 interviewing other people on that same day or --
11 or not?
12 A. I don't know.
13 Q. Okay. And do you recall about when that
14 interview took place?
15 A. No.
16 Q. Okay. What kinds of questions did he ask
17 you during the interview?
18 A. It was two years ago, a lot of water
19 under the bridge, so to speak, so I -- I really
20 don't know exactly what questioning that he would
21 have had.
22 Q. Okay. Well, what -- what ex -- you know,
23 what qualifications was he looking for, did you
24 believe you needed to have in order to take this
25 position of Sales Manager?
00107:01 A. Good business sense with respect to, you
02 know, profitabilities, trended income statements,
03 direct costs, indirect costs, cost of goods,
04 so --
05 Q. Okay. So your --
06 A. Good -- good business sense.
07 Q. Good business sense.
08 Was that the -- were there any
09 discussions about your qualifications as a
10 Technical Advisor, as well? Would -- did they
11 want to know whether you would be able to be a
12 good Supervisor for the Technical issues that the
13 people you were supervising might encounter?
14 A. Not that I can recall, no.
15 Q. Okay. So even at the time that you were
16 interviewing, it was your understanding that the
17 job that you were about to take was not going to
18 encompass supervising the Technical aspects of
19 your -- the people you were managing's --
20 their -- their -- their work?
21 A. That -- that's correct.
22 Q. Okay. And I -- and from the questions
23 you were asked this morning and the answers you
24 gave, I -- my understanding of what you were
25 testifying to this morning was that it was your
00108:01 understanding and belief that your role as Sales
02 Manager at Halliburton would not encompass
03 supervising the Technical aspects of your
04 employees; is that right?
05 A. Yes.

06 Q. Okay. Do you have any -- are there any
07 documents that describe what your Sales Manager
08 job was supposed to be, that describes your roles
09 and responsibilities as a Sales Manager at
10 Halliburton, starting in October '09?

11 A. I don't have any. The -- the -- I'm sure
12 it's out there, but I do not have any.

13 Q. Okay. Do you -- do you recall, was
14 there -- when the position was listed or you
15 became aware that the position was going to be
16 open, was there any kind of an announcement or
17 description of what it would be?

18 A. No.

19 Q. No.

20 How did you hear that it was going to be
21 open?

22 A. Career Central.

23 Q. Career Central, do --

24 A. Career Central is a Halliburton -- it's
25 in our Halliburton network that allows you to see
00109:01 what positions are available. And if you see a
02 position -- a position that interests you, then
03 you can go on and apply for it.

04 Q. Okay. And when they, say, have a
05 position, do they just have the name, or do they
06 have the name and a description of what it is?

07 A. It has a description, but I don't have
08 that. I didn't print it out, so --

09 Q. Okay. All right. So you've seen the
10 description before, but you don't have a copy of
11 it?

12 A. Right.

13 Q. Okay. All right. How about with -- like
14 it -- it -- when do -- do you have a review
15 process or kind of where people review you and
16 give you kind of marks for a year and you'd talk
17 about whether you're going to get a promotion or
18 get a raise or a bonus or anything?

19 A. M-h'm.

20 Q. Okay. What's your cycle for that in your
21 Sales Manager job?

22 A. For my particular review from --

23 Q. Yes, for you.

24 A. -- for the review for me?

25 Q. M-h'm.

00110:01 A. I'm reviewed by my direct boss through
02 the PPR, People Performance Results.

03 Q. M-h'm.

04 A. And, you know, certain goals are set,
05 performance objectives, are the performance
06 objectives met.

07 Q. M-h'm.

08 A. I also have my own objectives. Is
09 Halliburton helping me meet my objectives.

10 Q. M-h'm. Okay.

11 A. So that's a -- that's the review process
12 that we have.

13 Q. Okay. And now who is your Direct
14 Supervisor?

15 A. Now is Richard Hutto.

16 Q. Richard -- that's right.

17 And I'm sorry, I think you said this
18 earlier. I apologize. I just didn't write it
19 down. Who was your Direct Supervisor from
20 October '09 through the end of April 2010?

21 A. Wayne Stein was my initial direct report,
22 my direct Manager.

23 Q. Okay. And did Mr. Stein's position of
24 Supervisor over -- over you end on April 16, when
25 this -- when change was made at Halliburton to --
00111:01 to go to this -- kind of the -- the reorg?

02 A. You know, Wayne's -- Wayne's no longer
03 the -- the Manager at BD, and I don't know when
04 that changed.

05 Q. Okay. All right. So don't know when his
06 position changed?

07 A. Right.

08 Q. Okay. In your -- when do you kind of --
09 do you submit a written review of yourself to
10 Halliburton?

11 A. No, I do not.

12 Q. Okay. Does somebody do a written review
13 of you at Halliburton?

14 A. Your direct boss, through the PPR
15 process.

16 Q. Okay. And have you ever -- do you get to
17 see that at the end of each year?

18 A. Yes.

19 Q. Okay. So when -- when was your first
20 review? You took this position in 2000 -- in
21 '09. When was your first review in -- as the --
22 as a Sales Manager, approximately?

23 A. It would -- if I took the job in October,
24 I would have to say the review would have to be
25 around the April time frame, somewhere in that
00112:01 particular time. Exact -- what the exact dates,
02 I don't know.

03 Q. M-h'm.

04 A. But a fledgling Sales Manager, of course,
05 just starting out, so around that April time
06 frame, I would guess, would be my first review
07 with Wayne.

08 Q. Okay. So around the April of 2010 time
09 period, you would have your first review with
10 Wayne?

11 A. And that's a pure guess on the April
12 part, but that -- I --

13 Q. Okay.

14 A. -- sometime in that first part of the
15 year.

16 Q. Approximately -- so using like a
17 six-month time period as their --
18 A. I -- that's -- like I said, that's about
19 the timeframe --
20 Q. Okay.
21 A. -- March, April.
22 Q. And does Halliburton have a -- kind of a
23 process where they, when somebody comes into a
24 new position, they review their work within kind
25 of six -- a shorter period of time then they
00113:01 would normally have, do you then go to an annual
02 review period, or do you do it more often than
03 that?
04 A. No. The -- excuse me. No. That review
05 that would have been done for the April time
06 frame --
07 Q. M-h'm.
08 A. -- would have been for the previous
09 position.
10 Q. Okay. So your -- the review you would
11 have had in April would have been your review as
12 an Account Representative?
13 A. As a Senior Account Rep.
14 Q. Okay. I see. And that would have come
15 in April of 2010, approximately?
16 A. Right.
17 Q. Okay. So when would you have had your
18 first review as a Sales Supervisor starting in
19 October '09, when was your first review as a
20 Sales Supervisor?
21 A. That would have been the following year,
22 around the April 2011 time frame.
23 Q. Okay. All right. And have you -- did
24 you have that review?
25 A. I did.
00114:01 Q. Okay. And who -- who provided that
02 review to you?
03 A. Charles Kendrick.
04 Q. Charles Kendrick. And did that -- did
05 you have a -- did he do a written review?
06 A. The PPR process. Not handwriting, but
07 it's electronic.
08 Q. Okay. So he input the information into
09 the system and then -- and then do you have to go
10 in and kind of agree with it or disagree with it?
11 A. Yes.
12 Q. Okay. All right. On that form that
13 talks about your performance in your new position
14 as Sales Supervisor, do you recall whether there
15 are any objectives there for you relating to
16 technical supervision of -- of the people that
17 you manage?
18 A. I don't recall.
19 Q. Don't recall.
20 A. No, ma'am.

21 Q. Okay. Do you recall any discussions
22 with -- would -- would your -- who -- who did
23 your review this last time again, Mister?
24 A. Kendrick.
25 Q. Mr. Kendrick. I'm sorry.
00115:01 A. That's okay.
02 Q. And Mr. Kendrick, do you recall any
03 discussions with Mr. Kendrick about the Macondo
04 incident during your review?
05 A. No.
06 Q. No. That didn't come up at all?
07 A. Not that I can recall.
08 Q. Okay. So Mr. Kendrick didn't talk with
09 you about whether or not you were responsible for
10 supervising Mr. Gagliano during his work on the
11 Macondo?
12 A. No.
13 Q. Okay. So from your -- from your
14 perspective and understanding, then, you believe
15 that Halliburton had no expectation from you at
16 the -- at -- from October to April -- or to the
17 end of April -- I'm going to start over again.
18 Sorry. It's a long question.
19 A. That's okay.
20 Q. Tell -- agree with me if I'm right and
21 tell me if I'm wrong, by my understanding is that
22 from your perspective you believe that from
23 October '09 to the end of April of 2010,
24 Halliburton had no expectation of you to be the
25 Supervisor of Mr. Gagliano's technical work on
00116:01 the Macondo Well; is that correct?
02 A. That would be correct.
03 Q. Okay.
04 A. That would be my interpretation of what
05 my job duties were.
06 Q. Right. From -- you didn't -- you did not
07 believe that you had a supervisory roll over
08 Mr. Gagliano with respect to his technical work
09 on the Macondo Well. Is that fair to say?
10 A. That's fair to say.
11 Q. Okay. All right. Since the incident,
12 has anyone at Halliburton told you otherwise?
13 A. No.
14 Q. Okay. Has any -- nobody from
15 Halliburt -- Halliburton has told you that, you
16 know, "Hey you were supposed to be watching his
17 technical work while he was on Macondo"?
18 A. No.
19 Q. Okay. And you haven't received any kind
20 of disciplinary action or any kind of -- any
21 suggestion whatsoever that you -- that you
22 personally did anything wrong with respect to
23 your supervision of Mr. Gagliano, right?
24 A. No.
25 Q. Okay. If we could go back in time to

00117:01 kind of prior to October '09, when with you are
02 an Account Representative, you applied for this
03 job as Sales Manager, and you got it. So you
04 obviously impressed Mr. Stein and others around
05 you.

06 How long had you been an Account
07 Representative?

08 A. Four years, five years.

09 Q. Okay. Four or five years?

10 A. (Nodding.)

11 Q. Okay. And -- and I think you said you
12 had numerous lists of clients that you worked
13 with; is that right?

14 A. Yes.

15 Q. Okay. And I just want to get a sense of
16 what you did as an Account Representative.

17 A. Okay.

18 Q. And if you could start, just tell me
19 about the -- kind of the interaction with the
20 customer. I mean, it sounds as if you kind of
21 developed good relationships. You said earlier
22 today you believed that kind of developing a good
23 customer relationship was important, right?

24 A. It's imperative.

25 Q. So how did you go about doing that?

00118:01 A. Just about like any relationship you'll
02 ever been involved with, introductions,
03 introductions and then just continuously
04 introduction from one customer to the next to
05 whatever the situation is.

06 But once you introduce yourself, just
07 continue to go to that customer's office, "Is
08 there anything you need?" "No," maybe bring
09 breakfast, maybe take them out to lunch, build
10 the relationship and build their trust. At -- at
11 some point when they see that you are a trusted
12 advisor, so to speak, with respect to the
13 Cementing Product Service Line, and then you --
14 you know, they'll continuously give you work.

15 Q. Okay.

16 A. You have to build that relationship.

17 Q. In terms of becoming kind of a trusted
18 advisor, was -- you know, how do you think -- how
19 did -- how do you think you went about building
20 the trust of your customers? And what was --
21 what were the kind of key components of building
22 trust with your customers?

23 A. Every customer's different, and it's one
24 step at a time.

25 Q. Okay. Fair enough. Fair enough.

00119:01 What -- what role did your kind of
02 technical advice, the actual performance of
03 cementing work for your customers have in
04 building that trust?

05 A. A lot. It -- it was a -- it's a lot.

06 Q. Okay. So do you think that in the four
07 years that -- or so that you were an Account
08 Representative, did you have a -- a good record
09 of kind of providing quality cement services to
10 your customers?

11 A. Absolutely.

12 Q. Okay. And so now I want to just talk
13 about what that meant to you when you were an
14 Account Representative, what -- you know, what
15 did you consider to be crucial to providing
16 quality cement services to your customers.

17 So if you start with -- did you do Basis
18 of Design for your customers? Is that something
19 that you were responsible for with your
20 customers?

21 A. As an independent -- as an Account Rep
22 for the independent accounts, the Basis of Design
23 at the time was through the data collection,
24 getting everything that you need. So crown to
25 the ground, so to speak, Point A to Point B --

00120:01 Q. M-h'm.

02 A. -- I was involved.

03 Q. Okay. And did you -- did -- did
04 Halliburton provide any guidance for how -- how
05 an Account Representative should -- should put
06 together a Basis of Design?

07 A. At the time it was -- it wasn't called a
08 Basis of Design.

09 Q. Okay.

10 A. Okay? So the Basis of Design is -- is
11 kind of a new thing with respect to what it's
12 called.

13 Q. Okay.

14 A. Okay? But as an Engineer within -- the
15 Cementing Engineer for land, shelf, inland water,
16 I was very familiar with what information I
17 needed to make the best suggestion to the
18 customers what he needed to do for his well.

19 Q. Okay. So you -- you had believed that it
20 was -- it was part of your job to try to come up
21 with the best recommendation to your customer for
22 the Basis of Design going forward?

23 A. It wasn't part of my job. It was my job.

24 Q. Okay. What -- wha -- what kind of
25 information would you seek from your customer in
00121:01 order to do that?

02 A. You need everything that you need
03 pertaining to the wellbore, okay, in the
04 particular hole section, you know. So without
05 going into it, you know, you're needing pipe
06 sizes, hole sizes, mud weights, temperatures,
07 pore pressures, frac gradients; you know, those
08 types of -- of datapoints.

09 Q. Okay. Did you -- did you learn that at
10 Halliburton? Did you learn what -- you know,

11 kind of how to do that and how to be good at that
12 at Halliburton?

13 A. I did.

14 Q. Okay. And did -- did Halliburton expect
15 you to be good at that?

16 A. They do.

17 Q. Okay. What about the -- kind of the
18 slurry designs, like designing cement slurries,
19 did you consider that to be one of your
20 responsibilities as an Account Representative?

21 A. For my particular area, yes.

22 Q. Okay. When you say "for" your
23 "particular area," what do you mean?

24 A. Land, shelf, inland water.

25 Q. Okay. Then are you aware that there were
00122:01 other places at Halliburton Cementing where
02 they -- where people didn't consider designing a
03 cement slurry to be one of their
04 responsibilities?

05 A. There -- there are probably other areas.
06 What they were, I'm not exactly sure. Are you
07 talking about as far as position?

08 Q. Well, I'm -- I'm talk -- I'm talking
09 about kind of if Halliburton is the cementing
10 contractor on a well --

11 A. M-h'm.

12 Q. -- and they're the -- you know, they're
13 providing the Account Representative, they're
14 providing the cementing services, they're kind
15 of -- they're in charge of the cement services.
16 Are you aware of -- of anyplace in Halliburton
17 where the cement slurry design isn't part of your
18 responsibility to -- to make a recommendation on
19 cement slurry design?

20 MR. BOWMAN: Objection, form.

21 A. As an Account Rep?

22 Q. (By Ms. Harding) (Nodding.)

23 A. Yeah. Yes, there are Account Reps that
24 think it's not their responsibility to design.

25 Q. Okay. And who -- who would they be, do
00123:01 you know?

02 A. Yeah. Non-Engineers, somebody that's got
03 20 years of operational experience but not
04 necessarily as an Engineer.

05 Q. Okay. And then would -- who would they
06 turn to to design a -- the cement, a cement -- a
07 Cement Engineer at Halliburton that did have the
08 experience?

09 A. Absolutely. The Technical Staff.

10 Q. Okay. So it's not that the -- it's not
11 that you're saying that -- that Halliburton if
12 they were the Cementer on a job wouldn't be
13 responsible for the cement slurry design. It's
14 just that the Account Representative might turn
15 to somebody with more expertise in that area?

16 A. As far as design, yes.
17 Q. Okay. I get it.
18 What about with respect to the products;
19 if it's a Halliburton cement slurry design and
20 you're using Halliburton products in the cement
21 slurry design, as the Account Representative, who
22 did you turn to within Halliburton to understand
23 how those products worked in a slurry?
24 A. That comes through your training.
25 Q. Okay. So the Account Representative
00124:01 would be -- well, were you -- did you know about
02 Halliburton's products and how they worked in
03 cement slurries?
04 A. Yes.
05 Q. Okay. Did you have training in that?
06 A. Yes.
07 Q. Okay. Did you ever have an occasion
08 where you didn't know how any -- a particular
09 ingredient was supposed to work in a slurry or
10 you were kind of lacking information or you felt
11 like you needed more information when you were
12 designing a slurry?
13 A. Yes.
14 Q. And who would you turn to at Halliburton
15 to get advise on -- on that issue?
16 A. The Senior Engineers.
17 Q. The Senior Engineers?
18 A. (Nodding.)
19 Q. Who would -- in your time as an Account
20 Representative, who were the Senior -- Senior
21 Engineers that you would turn to for advice on
22 cement slurries?
23 A. To name a few, I think at the time Leon
24 Harvin was still a -- an Engineer in Lafayette,
25 Cementing Engineer.
00125:01 Q. M-h'm.
02 A. You never don't become -- you know, you
03 never give up the Cementing Engineering thing,
04 but he was a resource. Joey Longlanai was a
05 resource, and also Mike Serio was a resource.
06 Q. Okay. Were those three resources still
07 available to Account Representatives in April of
08 2010?
09 A. Leon and Mike Serio. Joey Longlanai
10 nef -- left the company. I'm not sure exactly
11 wha -- when he left the company.
12 Q. Okay. Was there anybody else that had --
13 that had taken over a role as kind of a Senior
14 Cement Engineer that an Account Representative
15 to -- could to turn to if they had any issues or
16 concerns with a cement slurry?
17 A. At the -- you're talking about at the
18 time of the Macondo incident?
19 Q. Yes, I am. M-h'm.
20 A. Yeah.

21 Q. Or -- or before. And before, kind of in
22 the planning phase.

23 A. Because at some point, Ronnie Faul comes
24 in as the Tech Manager.

25 Q. Right, which -- which I think we'll go
00126:01 through later. I think it's around April 16th,
02 based on Mr. Vargo's E-mail.

03 A. Okay.

04 Q. But -- but in the -- in the leading up
05 planning stages up to the Macondo Well, were
06 there any other individuals who you -- you would
07 consider to be kind of Senior Cement Engineers
08 that Account Representatives should turn to if
09 they have any concerns about a slurry?

10 A. Well -- and I -- Barbara -- your name's
11 Barbara?

12 Q. Yes. M-h'm.

13 A. Barbara, I'll be honest with you, we're
14 full of cementing folks, we're a cementing
15 company.

16 Q. Right.

17 A. Right. So to -- I mean, but just -- I'm
18 talking locally now within Lafayette --

19 Q. M-h'm.

20 A. -- is -- are -- are the ones that I named
21 some off. Anyone else is outside of -- of
22 the area to where you may have to go Duncan,
23 Oklahoma, or something to that effect.

24 Q. Okay. While you were an Account
25 Representative, did you, indeed, turn to the
00127:01 Senior Cement Engineers for advice on cement
02 slurries when you had any concerns or any
03 problems with the slurry?

04 A. If I had concerns pertaining to what the
05 customer was trying to accomplish versus what am
06 I trying to design.

07 Q. Okay. And did you -- did you ever kind
08 of design a slurry that you thought would work
09 and then it didn't -- when you tested it, it
10 didn't work?

11 A. No.

12 Q. No? Okay. Did you ever have a -- a
13 cement slurry that you designed and you sent it
14 to the lab to be tested, and it -- you were
15 looking for kind of stability, and it came back
16 and it was not -- and it wasn't stable?

17 A. No.

18 Q. No? Okay. All right. Did you design
19 any foam cement slurries when you were an Account
20 Representative?

21 A. No.

22 Q. No. Okay.

23 A. That's why I answered "No" to the
24 previous question.

25 Q. Got it.

00128:01 (Laughter.)
02 Q. (By Ms. Harding) That's what led me to
03 ask the question. So you don't have any
04 experience in designing foam cement slurries?
05 A. No.
06 Q. Okay. None of the wells that you've ever
07 been involved in involved foam cement?
08 A. No.
09 Q. Okay. Do you have any training in foam
10 cement?
11 A. Whew. A week or two. Maybe as a young
12 Engineer going into the deepwater, you know,
13 still learning, but I was -- that was not that
14 long.
15 Q. Okay. Okay. In terms of OptiCem, it
16 sounded like earlier this morning you did -- you
17 have experience working with OptiCem?
18 A. I do.
19 Q. Okay. Who did you turn to as a -- kind
20 of somebody to give you advice if you had any
21 concerns or problems with OptiCem?
22 A. Senior Engineers.
23 Q. Same people?
24 A. That's right.
25 Q. Okay. And just -- I don't -- I want to
00129:01 be -- go -- Mr. Serio is one?
02 A. Correct.
03 Q. Okay. And what was the name of the other
04 person?
05 A. Joey Longlanai.
06 Q. Joey Longlanai who left at some point?
07 A. Right.
08 Q. Okay.
09 A. Leon Harvin.

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00129:11 A. And then you could also have a peer
12 review, the -- you know, the other Engineers that
13 are -- you know, the same title, to have another
14 set of eyes outside looking in. If I'm missing
15 something here, you know, or whatever.
16 Q. Okay.
17 A. So others that are familiar.
18 Q. And the -- the peer-review process, I've
19 heard of that before, is there any document at
20 Halliburton that kind of sets out the -- you
21 know, when you should get a peer review, or how
22 you get a peer review, or, you know, why you
23 might want a peer review?
24 A. From a Technical aspect, I would have no
25 idea.
00130:01 Q. Okay. Did you ever have occasion to
02 utilize the peer-review process?
03 A. Usually, if I did, it's -- I can count on

04 that -- that number in fingers, to be honest with
05 you, to have anything peer-reviewed, because
06 land, shelf, inland water, you really don't --
07 you know, it's pretty simple stuff, if you -- if
08 you're a good Engineer.

09 Q. Okay. All right. In terms of testing
10 and test results, did you communicate -- is one
11 of the ways that you kind of developed a good
12 relationship with your customers is to
13 communicate the results of tests from cement to
14 your customers?

15 A. Yes.

16 Q. Okay. And how did you go about
17 communicating those results to your customer?
18 What would you do?

19 A. It could be anything from a phone call to
20 sending results via E-mail.

21 Q. Okay. So sometimes you'd send them via
22 E-mail and sometimes you would send them just by
23 calling and telling them what the results were?

24 A. Right.

25 Q. Okay. And if you had problems with
00131:01 tests, or if you saw concerns in tests, would you
02 communicate those with your customers?

03 A. It depended on the concern.

04 Q. Okay. So what -- what kind of concern
05 would lead you to communicate it to your
06 customer?

07 A. The thickening time's too short, or, you
08 know, something to that effect. Compressive
09 strengths may be a little lower than I -- my
10 anticipation.

11 Q. Okay. So something that you -- is it
12 fair to say that if you believed that the problem
13 that you saw in the test result was -- would be
14 important to the Operator to know, you would
15 communicate it to the Operator?

16 A. Absolutely, because the -- some of the
17 Operators have certain expectations with the
18 compressive strengths.

19 Q. Okay.

20 A. And so if you run the compressive
21 strengths and they're not exactly what you know
22 the customer's going to be asking for, because a
23 lot of them's mentality is "harder is better."
24 And so if the compressive strengths were on the
25 low side, I would convey that to them, as far as
00132:01 the results of the compressive strengths.

02 Q. Okay. And Halliburton has internal
03 guidance regarding compressive strength, correct?

04 A. Depends on your definition of guidance, I
05 guess.

06 Q. Well --

07 A. What are -- what are you trying to ask
08 here?

09 Q. I'm trying to -- I think I've -- I don't
10 have it with me today, but I believe I've seen in
11 the Best Practices Manual that there are
12 discussions about the -- kind of what Halliburton
13 is looking for for compressive strength, correct,
14 to determine whether a -- whether a -- a slurry
15 is going to have the strength that it needs to do
16 its job, once it sets, right?

17 MR. BOWMAN: Objection, form.

18 A. I would need to see the -- the Best
19 Practice you're referring to, because there are a
20 number of Best Practices out there that you're
21 referring -- you know, and I -- I would just like
22 to have clarification on what it is that
23 you're --

24 Q. (By Ms. Harding) Well, I'm just asking --
25 I'm asking you as an Account Representative for
00133:01 four years for Halliburton doing this kind of
02 testing --

03 A. Okay.

04 Q. -- what compressive strength did you look
05 for to determine whether or not a slurry that you
06 designed would be strong enough, once set, to do
07 the job it was intended to do?

08 A. Case dependent, well dependent. The
09 operations on the rig at the time after -- or
10 after the cementing job would be dependent upon
11 what compressive strengths I was looking for.
12 You know, how fast is a customer going to go from
13 Point A to Point B after the cementing job. You
14 know, so those are -- all that is taken into
15 consideration whenever I look at the compressive
16 strengths.

17 Q. Okay. So you would -- before you would
18 determine whether or not the compressive strength
19 was sufficient for that particular well, you
20 would look to see a number of things, so that you
21 would know what kind of compressive strength you
22 needed?

23 MR. BOWMAN: Objection, form.

24 Q. (By Ms. Harding) Is that fair? I'm
25 trying to summarize, but --

00134:01 A. Well, I'm going to tell you flat out.
02 Okay? Land, shelf, and inland water, unlike
03 deepwater, is very -- one thing right after the
04 other. And what I mean by that is, is you could
05 finish a cementing job, and they're setting bowl
06 slips, or whatever the case is, in six hours.

07 Q. M-h'm.

08 A. Well, if the compressive strengths, in my
09 opinion, in six hours are not adequate for them
10 to pull tension on the pipe, then I'm going to
11 convey that to that customer, so I ask them
12 "What's your intention as far as immediately
13 after the cementing job and how long is it going

14 to take?"

15 Q. Right.

16 A. But then I would convey that information
17 from the 500 psi mark going forward.

18 Q. Okay. And what's the significance of the
19 500 psi mark?

20 A. That's the -- that's the set time,
21 starting point at which the cement should be able
22 to hold its -- at the casing string, offer some
23 protection, you know, if it's uncontaminated.

24 Q. Okay. And then from the 500 psi, it
25 continues to gain if it's a -- if it's a good
00135:01 slurry, it continues to gain strength -- well, if
02 the -- if the -- let me start over again.

03 From the 500 psi mark, you then look to
04 see how quickly it continues to gain strength, is
05 that -- did I say that right?

06 A. That's fair to say.

07 Q. Okay. And is it fair to say that some
08 slurries, once they get to the 500 psi mark, some
09 slurries gain strength quickly and some gain
10 strength over longer periods of time; is that
11 fair?

12 A. That's fair.

13 Q. Okay. And then you go from the 500 psi
14 mark, and then you're -- is there another --
15 what's the -- is there a -- a next level of
16 strength that you -- that you're looking for when
17 you kind of -- over time, or is -- are you just
18 looking to see at 500 psi how quickly a thing
19 gets to its strength and then kind of levels out?

20 A. No. There's -- the 500 psi is the
21 starting point.

22 Q. M-h'm.

23 A. And then it's -- then it's in certain
24 increments, whatever you choose, over some length
25 of time.

00136:01 Q. Okay.

02 A. But to say what that number would be,
03 it's just to give you some idea of these points
04 of what the compressive strengths are doing.

05 Q. Okay. But it's -- it's fair enough to
06 say that -- that the slurries are -- are
07 different, you look at -- you can -- you can see
08 different rates of gaining strength with
09 different slurries; is that fair?

10 A. That's fair.

11 Q. Okay. All right. Why would you convey
12 that information to the customer?

13 A. Why would I convey what?

14 Q. Well, you said before, you would -- you
15 would look to see -- you would kind of understand
16 what their operation timeline is --

17 A. M-h'm.

18 Q. -- and then you would look at the

19 compressive strengths, and then you would convey
20 that information to the Operator. Why would you
21 do that?

22 A. For instance, as the time the 500 psi was
23 14 hours, okay? But the customer's going to be
24 pulling tension on his pipe in six hours. I
25 would convey to him that the time to 500 was
00137:01 14 hours, and I wouldn't feel comfortable in him
02 trying to pull -- trying to put pipe in stre --
03 in tension in less than that.

04 Q. Okay. Because you wanted the customer to
05 know that -- that --

06 A. That it could pull pipe up the hole. I
07 mean, it's not -- it hasn't developed a
08 compressive strength.

09 Q. Right. And so you would want to -- you
10 believe that it was part of your responsibility
11 to let the customer know that you didn't -- you
12 thought the customer was going to be going ahead
13 too soon?

14 MR. BOWMAN: Objection, form.

15 A. If -- if everything went according to the
16 timeline. Now, I'm not going to tell you that it
17 was every well, of course, on land, shelf, inland
18 water.

19 Q. (By Ms. Harding) No, no. I understand.
20 But I'm just trying to get a general sense of --
21 of kind of what you understood your -- your roles
22 to be, and one of them was that if you believe
23 that the customer was going to be moving ahead
24 too soon in operations, you would inform the
25 customer of that, right?

00138:01 MR. BOWMAN: Objection, form.

02 A. And this is -- and this is also customer
03 dependent, because most of them -- I would say 99
04 percent of our customers wanted 12, 24, to 48
05 hours, you know, with the occasional 96 hour for
06 salt saturations. I've -- I haven't had any
07 customers that I can recall that did anything
08 less than the 12-hour compressive strength time.
09 So whenever that was -- was -- you know, like I
10 said, their mentality is harder is better. So if
11 that compressive strength time at 12 hour -- or
12 that com -- compressive strength number at 12
13 hours was low, they would wait the 24 hours
14 because that's the next datapoint.

15 Q. Okay. Low meaning the -- what does low
16 mean?

17 A. Low psi compressive strength.

18 Q. Oh, below the 500, you mean?

19 A. No.

20 Q. Okay. What do you mean by that?

21 A. Above the 500, but below 3,000.

22 Q. I see.

23 A. I mean, some customers think 3,000 psi,

24 I've got to have 3,000 psi in my well.

Page 139:01 to 142:16

00139:01 though is: If you believed that your customer
02 was moving ahead sooner than the customer should,
03 based on the compressive strength, you -- it was
04 your practice to inform the customer of that,
05 correct?

06 A. Well, with my knowledge of -- of the
07 industry, as far as before Halliburton, you know,
08 knowing a little bit about rigs, you know,
09 knowing that a shallow well production to a salt
10 water disposal well is going to be quick and what
11 they're going to be doing, then yes, I would say
12 that. Deeper well, probably not so much. And
13 the reason that is, is because it's going to take
14 them longer to do certain things on a deep well
15 as opposed to something that's shallower.

16 MS. HARDING: Okay. I'm just going
17 to object to the form of the answer.

18 Q. (By Ms. Harding) Because I was just --
19 I'm just asking you a very narrow question with
20 respect to when you were an Account
21 Representative.

22 A. And -- and that's what I'm explaining
23 when I was an Account Representative.

24 Q. Right. And I want to -- I want to know,
25 because I think you said it already two times
00140:01 earlier -- I want to make sure I understand it,
02 that when -- when you were an Account
03 Representative, you believed that one of your
04 responsibilities was to inform your customer if
05 you believed that your customer was moving
06 forward in an operation before the cement was
07 ready for that operation, right?

08 MR. BOWMAN: Objection, form.

09 A. If he was going to move forward and I
10 would -- did not feel comfortable with the
11 comprehensive strengths of the cement --

12 Q. (By Ms. Harding) Right.

13 A. -- I would inform him not to move
14 forward.

15 Q. Okay. Thank you. You wouldn't -- I
16 mean, I think it's a basic question.

17 A. Same answer, shorter answer, same --

18 Q. My -- the -- in other words, if you knew
19 and had that information and believed that they
20 were going to be moving forward too soon before
21 the cement was ready to -- for the operation, you
22 wouldn't hold that information, you would provide
23 it to your customer, right?

24 MR. BOWMAN: Objection, form.

25 A. If I were given the information as far as
00141:01 what they were going to be doing moving forward.

02 Q. (By Ms. Harding) Right.

03 A. And the timeline.

04 Q. Right. But I think you also test --
05 testified earlier already that that was
06 information you sought out, you sought out from
07 your customer what their operations were going to
08 be so that you could evaluate the cement sent
09 time --

10 MR. BOWMAN: Objection, form.

11 Q. (By Ms. Harding) -- and --

12 MS. HARDING: I'm not done with the
13 question, Bruce.

14 MR. BOWMAN: Well, keep going, and
15 then I'll make my objection.

16 Q. (By Ms. Harding) As I understand your
17 previous testimony, you sought out from the
18 customer information about their operations
19 schedule so that when you reviewed the
20 compressive strength of the cement slurry, you
21 could advise the customer on your analysis on
22 what you believed was -- whether or not it was
23 appropriate to go forward or -- or whether they
24 should wait, right?

25 MR. BOWMAN: Objection, form.

00142:01 A. And there again, that is on a
02 case-by-case basis. Like I said, it's -- it's --
03 if I know it's a deep well, that may not
04 necessarily be something that I would ask. If --
05 if it's shallow well, then I know it's going to
06 be something that's relatively quick, and so I
07 did explain the 500 psi times associated with it,
08 and that, hey, you don't need to be moving your
09 pipe during this particular period of time.
10 Did I necessarily want an exact timeline
11 of when they were going to be doing something,
12 not necessarily. But I -- I was explaining the
13 testing to them because it's a shallow well.
14 You're going to be going step by step by step,
15 and, you know, and you may be a shorter time
16 frame in which to get something done.

Page 143:01 to 144:14

00143:01 Q. And I'm trying to -- to kind of get at a
02 kind of fundamental question in this litigation.
03 I'll just be completely honest, you know, there's
04 been a suggestion in this litigation that
05 Halliburton didn't have any role in informing BP
06 whether or not they thought that the cement was
07 going to be set in time before BP went forward
08 with their operations.
09 And I'm trying to get from you, somebody
10 who's been an Account Representative, worked for
11 Halliburton for a long time, whether or not you
12 agree with that. Do you think that Halliburton

13 has no role whatsoever in informing an
14 Operator --

15 MR. PALMINTIER: Objection, form.

16 Q. (By Ms. Harding) -- that they're about to
17 move forward with operations before the cement is
18 ready for it?

19 MR. BOWMAN: Objection, form.

20 MR. PALMINTIER: Join.

21 A. That would -- there again, I am -- I'm
22 not deepwater proficient, to be honest with you.
23 And so, you know, to -- deepwater being
24 deepwater, I don't know how long it would take
25 someone to do something versus the other versus
00144:01 the test results. So to give you an honest
02 answer to that, I -- I really could not, because
03 I'm not that familiar with deepwater.

04 In my particular situation, I've been
05 there, done that for a long time, everything from
06 working in the field, because I started in '91, I
07 did not get my degree until '02. The rest of
08 that time was spent in the field --

09 Q. (By Ms. Harding) M-h'm.

10 A. -- or going to college. So I know a lot
11 of the land and shelf. I know -- and inland
12 water stuff with respect to their timelines
13 because I've been in that environment.
14 Deepwater, not so much.

Page 144:23 to 151:14

00144:23 Q. As the cementing contractor, the -- the
24 person that is charged with the -- with the, you
25 know, the contract and the responsibility of
00145:01 cementing a hole, if you're managing an Account
02 Representative, and you're in charge of their
03 technical work, which I know you're not, but if
04 you were, would you agree with me that if one of
05 your Halliburton Account Managers has information
06 and understands that the cement is -- is -- is
07 not going to be set or strong enough to handle a
08 planned operation, that they should tell their
09 customer that, if they know it?

10 MR. BOWMAN: Objection, form.

11 A. If that Engineer knew beyond a shadow of
12 a doubt is what you're asking me?

13 Q. (By Ms. Harding) I'm not asking you if
14 know beyond a shadow of a doubt. I'm asking
15 you --

16 A. I --

17 Q. -- if people -- as the Expert, as the
18 Cement Expert, that's what he believed, based on
19 his review of the test results and his knowledge
20 of the operations, shouldn't he at least inform
21 the customer that that is his opinion?

22 A. I can only tell you what I would do.

23 Q. And what would you do?
24 A. If I knew the operations, I would inform
25 the customer if it were me.

00146:01 Q. Okay. Does Hall -- in your training with
02 Halliburton, do they -- do they give training on
03 customer -- communications with customers?
04 A. Not a formal class. I would assume --
05 I've never had a --
06 Q. Okay.
07 A. -- formal class.
08 Q. Okay. In your evaluation kind of -- of
09 others now in your role -- role as Sales Manager,
10 is one of the things you look at kind of the --
11 the -- your employees' ability to communicate
12 with customers?
13 A. Absolutely, yes.
14 Q. Okay. All right. A quick question about
15 nonproductive time: You talked about it earlier,
16 and I wanted to make sure I understood it.
17 The -- when you look at your employees
18 that you supervise now, one of the things that
19 you look at is the nonproductive time that
20 they -- that's kind of under their watch; is that
21 fair to say?
22 A. Yes.
23 Q. Okay. And how -- how do you quantify
24 that?
25 A. Through the IJR process that we talked
00147:01 about before.
02 Q. Okay. So how does the IJ -- how does
03 that -- how does that information about
04 nonproductive time get input into the system so
05 that it kind of spits out?
06 A. Well, the IJR process, it -- it will
07 show, you know, rig down for 10 hours waiting on
08 whatever.
09 Q. Okay. And who -- who decides -- is that
10 a Halliburton -- that's a Halliburton document?
11 A. Yes.
12 Q. Okay. And it says, "Rig waiting on," and
13 it lists what it's waiting on?
14 A. It -- it could very well possibly be, you
15 know, whatever it is waiting on, yes. It -- you
16 know, it could state that. It could not. It
17 could just say, "Rig down for 10 hours, waiting
18 on Halliburton."
19 Q. Waiting on Hall -- okay. So is there
20 kind of a decision made at the time that there's
21 a downtime, who's responsible for the
22 nonproductive time?
23 A. We will find out why the non -- the NPT
24 is taking place, you know, what the factors are
25 contributing to NPT.

00148:01 Q. Okay. And who makes that decision, like
02 what factors are contributing into NPT?

03 A. That's part of an investigation.

04 Q. Okay. So you'll have --

05 A. Yeah.

06 Q. So every time there's a -- any amount of
07 nonproductive time, or just a -- just a -- a
08 certain minimum amount of nonproductive time,
09 what -- what amount of nonproductive time
10 triggers an investigation into why it occurred?

11 A. I don't necessarily think that there is a
12 set minimum or -- of NPT. If we know that the
13 customer is shut down because of the cementing
14 product service line, we want to know why.

15 Q. I see. Okay. And who makes the
16 determination of -- of the -- that the
17 nonproductive -- that the rug -- the rig is
18 shutting down because of the cementing?

19 A. I would assume the Operator.

20 Q. Okay. So you hear from the Operator that
21 they're shutting down, and they believe it's from
22 the cementing?

23 A. We hear from wherever the rig is. It --
24 it gets back to Operations.

25 Q. Okay. I see. And then -- and then is
00149:01 that how -- is that where the -- the cost of that
02 then gets accrued? I just saw on that
03 spreadsheet we've got that kind of the -- the
04 cost -- this nonproductive time cost -- one of
05 the things you're -- you're looking to kind of
06 minimize as a Sales Supervisor is nonproductive
07 time costs, right?

08 A. Nonproductive time is accrued -- the cost
09 associated with the nonproductive time is accrued
10 through this process, yes, ma'am.

11 Q. Okay. And then you said you don't want
12 to give the customer money. So is -- is that
13 just a -- kind of a -- a way of saying, if -- if
14 you're going to get paid a certain amount for --
15 let's say you're going to get paid a million
16 dollars for a job, and nonproductive time costs a
17 hundred thousand dollars. That means you're only
18 going to get 900,000 for the job? Is that the
19 way that works? I'm -- I'm just trying to
20 understand how it works.

21 A. No. What I'm saying is that, you know,
22 if -- if we have an NPT --

23 Q. M-h'm.

24 A. -- okay, then -- and the customer asks
25 for X number of dollars back, well, that's --
00150:01 that's a -- that's directly off of our bottom
02 line.

03 Q. Got it. Okay. It comes directly off
04 your bottom line?

05 A. M-h'm.

06 Q. Okay. So what types of cementing issues
07 or problems lead to nonproductive time, generally

08 speaking? Are there kind of other -- what are
09 the -- what are the most common cementing issues
10 or problems that lead to nonproductive time on a
11 rig, or on a well?

12 A. That's well dependent, of course, and job
13 specific. I can't speak for deepwater, but, you
14 know, on the land side, just like I said, I was
15 involved with being deposed for a job where we
16 actually stuck pipe because of the cement coming
17 around --

18 Q. Okay.

19 A. -- the pipe.

20 Q. Right.

21 A. So, you know, cement is cement. They --
22 it could cause, you know, headache and heartache
23 with respect to what's going on downhole.

24 Q. Okay.

25 A. And a lot of that is also -- NPT to a
00151:01 customer may not necessarily be NPT to us.

02 Q. M-h'm. So the -- in terms of the Account
03 Representative on a job, the -- one of their --
04 one of the job responsibilities they have is to
05 minimize Halliburton's non -- you know,
06 nonproductive time caused by something that can
07 be -- said to be Halliburton's responsibility; is
08 that right?

09 A. That's correct.

10 Q. Okay. And if there is nonproductive time
11 caused by something that is Halliburton's
12 responsibility, then that comes out of
13 Halliburton's bottom line?

14 A. Yes.

Page 151:21 to 155:11

00151:21 Q. Okay. Are there other -- in terms of
22 pricing a job, do you -- if you -- let's say you
23 get -- I don't want to say like a -- some other
24 well. Let's say there's a -- a new well in
25 the -- in the -- in the Gulf when you first took

00152:01 over in December of '09. How does -- if
02 Halliburton gets the cementing work on that job,
03 how does Halliburton -- do -- do you have an
04 overall contract price, or do you have a -- a --
05 a list of kind of pricing and then, depending on
06 what is used, you kind of get paid that way?

07 A. Where is the well?

08 Q. Just depends on where the well is.

09 A. Where -- I'm asking.

10 Q. Okay. So let's say it's in -- in GoM --

11 A. Then --

12 Q. -- in Gulf of Mexico.

13 A. Okay. In Gulf of Mexico. Deepwater?

14 Shelf?

15 Q. Deepwater.

16 A. State waters? Deepwater?
17 Q. Yes.
18 A. Most of your deepwater rigs are under
19 contract with a particular customer. Most of the
20 deepwater customers already have a Pricing
21 Contract in place with Halliburton.
22 Q. Right. Okay. So you have a Pricing
23 Contract in place, and then the -- the -- the
24 pri -- the -- the -- the cost to the customer of
25 the actual cement services then depends on what
00153:01 actually occurs by way of cementing and what
02 services you provide over the course of time on
03 that -- on that well, right?
04 A. Yes.
05 Q. On that wig -- on that rig?
06 A. Usually, the -- the -- that's -- yeah,
07 the services. It's the pricing and how much
08 revenue we generate off the well is entirely
09 dependent upon what's listed in the contract.
10 Q. Okay. And what's list --
11 A. It could be any number of things.
12 Q. What's listed to do, but then the -- the
13 actual cement job can -- then you have a -- kind
14 of a price attached with each cement job,
15 correct?
16 A. Yes.
17 Q. Okay. All right. And do you -- so you
18 get paid kind of as the cement services are
19 provided, or you're paid under the original
20 contract?
21 A. You -- you are -- the -- the customer has
22 a Sales Order that will be invoiced every 14
23 days.
24 Q. Okay. That's -- that's what I was trying
25 to understand. So the Sa -- you have a Sales
00154:01 Order, which then kind of involves products and
02 people that you're actually providing to the rig?
03 A. Every 14 days, the Cementer -- or the
04 Service Supervisor offshore will turn in a Sales
05 Order.
06 Q. Okay. All right. And is there a --
07 within Halliburton, when somebody is reviewed, a
08 Cementer is reviewed, you know, because some --
09 an Account Representative gets their review, do
10 they get -- is there an amount of money that's
11 attached to the kind of Sales that they were in
12 charge of?
13 A. I wouldn't necessarily say a set amount.
14 We have expectations with respect to certain
15 customers, and how much revenue we really think
16 that they're going to generate based on run
17 rates.
18 Q. Right. And --
19 A. Historical.
20 Q. -- then you've got the target, right?

21 A. Yeah, historically.
22 Q. Okay. And so an Account Representative,
23 at the each year review period, they get review,
24 and part of their review -- one part of their
25 review is: Did you meet the target for that
00155:01 customer this year?
02 A. Yeah.
03 Q. Right?
04 A. Yeah.
05 Q. Okay. And they either -- they -- they
06 can either meet it, exceed it, or they can come
07 short of it, right?
08 A. Yes.
09 Q. Okay. And that's one of the things that
10 they are evaluated on, correct?
11 A. It is one of the things, yes.

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00155:24 Q. No, no, no. I'm not -- I'm not -- I'm
25 just trying to understand kind of how the -- how
00156:01 the -- the figure is arrived at. Like what --
02 what -- what goes into it.
03 So it's the services and the products.
04 The services provided -- the cost of the services
05 provided and the cost of the products provided?
06 A. It's an estimation. It -- we get the
07 drilling schedule for the fi -- for next year.
08 Q. M-h'm.
09 A. Let's say Customer X --
10 Q. M-h'm.
11 A. -- gives a -- provides us a drilling
12 schedule. Here is their estimated number of
13 wells they're going to drill.
14 Q. Right.
15 A. And based on if their Well Plans haven't
16 changed dramatically --
17 Q. M-h'm.
18 A. -- based on that Well Plan, here's the
19 estimated revenue we think the customer will
20 spend.
21 Q. Right. And then you measure the -- the
22 performance of the Account Rep by simply adding
23 up the -- the costs of the services actually
24 provided, the costs of the products actually
25 provided, and then -- is that -- is that fair?
00157:01 A. Yeah, if -- if -- historically, if they
02 were -- if they're doing a million dollars a
03 well --
04 Q. M-h'm.
05 A. -- and they're drilling 12 wells --
06 Q. M-h'm.
07 A. -- next year, if they're going to drill
08 12 wells, and historically, for the blends that
09 they have historically been running --

10 Q. Right.

11 A. -- what would your expectations be the
12 next year? \$12 million.

13 Q. Right. And then in terms of whether --
14 when you're evaluating them in the next year --

15 A. Yeah.

16 Q. -- to see if they met their target, you
17 then add up the cost of the services provided and
18 the cost of the products provided; is that right?

19 A. Just total revenue.

20 Q. Total revenue.

21 A. Not necessarily products. It's all one
22 big, happy pie.

23 Q. Okay. What -- total revenue, and does
24 that include, then -- then that's where you would
25 take out like the cost for nonproductive time or
00158:01 something like that?

02 A. That would be addressed. That's a
03 different entity, revenue versus COPQ NPT.

04 Q. Okay. Okay. So -- but then they get --
05 but that gets assessed, as well?

06 A. That's correct.

Page 159:13 to 159:21

00159:13 Q. -- in other words, there's not a -- in
14 other words, there's not a -- the -- the --
15 the -- on -- the customer doesn't get a bill for
16 the lab tests, right?

17 A. Not separate.

18 Q. Right. It's just -- it's -- it's priced
19 into your cost of services and your cost of your
20 products, right?

21 A. Yes.

Page 163:11 to 165:15

00163:11 Q. (By Ms. Harding) Could you explain the
12 COPQ measure of performance? What is that
13 measuring?

14 A. Cost of Poor Quality.

15 Q. Cost of --

16 A. Poor quality.

17 Q. Okay. So Cost of Poor Quality. That's a
18 measurement that, when you're an Account
19 Representative, that your Supervisors look to to
20 see how you're performing; is that correct?

21 A. That's correct.

22 Q. Okay. So it's a -- COPQ is a performance
23 measure?

24 A. It -- it is a performance measure, as far
25 as I am concerned.

00164:01 Q. Okay. And what does COPQ -- what are you
02 looking for when you're trying to -- to assess

03 somebody's performance in the CO -- in COPQ?
04 A. Let's see. Cost of poor quality, target,
05 zero. You want no COPQ.
06 Q. Okay. You want no COPQ.
07 And how do you get COPQ?
08 A. That's -- NPT at some point could re --
09 you know come into a COPQ, you know, once -- you
10 know -- NPT doesn't necessarily mean it's going
11 to cost Halliburton money, because it's
12 Nonproductive Time.
13 But if the customer says, "Hey,
14 Halliburton, you're going to pay us X number of
15 dollars because of the NPT," then that becomes
16 COPQ possibly.
17 So a COPQ is -- once a customer says,
18 "Hey, you know, we need to be paid X number of
19 dollars." But, you know the \$2.8 million that
20 was -- I was asked about earlier, that was
21 accrued because we were expecting COPQ.
22 Q. Okay.
23 A. The 900,000 was the actual COPQ.
24 Q. Okay. So you eval -- you evaluate
25 Nonproductive Time even before you're asked to
00165:01 provide the company a -- some kind of a -- a
02 dollar value for the NPT; is that right?
03 A. Right. That's why we have the IJR
04 process. If something happens, we want to
05 immediately know about it, so it can start
06 being -- we can start figuring out what happened.
07 Q. Okay. And your -- and your employee --
08 your employees, the people that you supervise,
09 Account Representatives, know that one of the --
10 the measures of their performance will be whether
11 they have Nonproductive Time attributed to their
12 Operations. And then -- and then secondly,
13 whether or not the client asks for money back as
14 a result of it; is that fair?
15 A. COPQ.

Page 166:04 to 168:18

00166:04 Just a couple of more questions about the
05 compressive strength issue. I just want to make
06 sure I understand it.
07 The -- do you know what API 65 is?
08 A. I've heard of API 65.
09 Q. Okay. Do you -- in your role as Account
10 Representative, did you make it part of your job
11 to understand the cementing recommendations of
12 the API?
13 A. I would say "No."
14 Q. Okay. Tell me if you agree with this:
15 API 65 says: "Pressure testing in casing" the
16 drill -- "and drilling out the shoe should be
17 delayed until the cement at the shoe has reached

18 500 psi compressive strength."
19 Have you heard that before, and do you
20 agree with it?
21 A. I have not heard it before. Do I agree
22 with it? Yes.
23 Q. Okay. It also says: "Wait on cement
24 until the tail cement has sufficient time to
25 develop 500 psi and the lead cement has time to
00167:01 develop 100 psi across the potential shallow
02 water flow zone."
03 Do you agree with that statement, as
04 well, from API?
05 MR. BOWMAN: Objection, form.
06 A. I would agree if it's API, if that's --
07 if -- if that's what it is --
08 Q. (By Ms. Harding) Okay.
09 A. -- their statement.
10 Q. Their -- have you ever looked at the
11 Cementing Requirements in 30 CFR 250.420?
12 A. No.
13 Q. No. It -- I'm going to just read you a
14 statement, and you just tell me if you agree with
15 it or not: "You must design and conduct your
16 cementing job so that cement composition
17 placement techniques and waiting times ensure
18 that the cement placed behind the bottom 500 feet
19 of casing contains a minimum compressive strength
20 of 500 psi before drilling out of the casing or
21 before commencing completion operations."
22 Do you agree with that statement?
23 MR. BOWMAN: Objection, form.
24 A. I would agree with the statement.
25 Q. (By Ms. Harding) Are you aware of any
00168:01 Halliburton Recommended Practice to its customers
02 that says that an Operator should not perform any
03 operations or actions, even running a drill pipe
04 out of a hole, for at least 24 hours after the
05 cement's pumped?
06 A. Not familiar.
07 Q. Okay. You would expect to know that,
08 wouldn't you, if that was Halliburton's
09 Recommended Practices to its customers?
10 MR. BOWMAN: Objection, form.
11 A. It entirely depends on where you're at in
12 your position, you know, but I would say "Yes."
13 Q. (By Ms. Harding) Okay. Does Halliburton
14 have a -- a Best Practice for how long its
15 customers should wait before -- before performing
16 operations after the cement job has been pumped?
17 A. To be honest with you, I -- I really
18 don't know.

Page 169:04 to 169:22

00169:04 Q. (By Ms. Harding) Sure. I -- if

05 Halliburton as a company, cementing company with
 06 expertise in cementing -- you would agree with me
 07 with that, right?

08 A. Yes.

09 Q. You would agree with me that Halliburton
 10 markets itself as, if not the leader, one of the
 11 leaders in cementing around the world, correct?

12 A. Yes.

13 Q. And particular in the GoM?

14 A. Yes.

15 Q. Okay. If Halliburton, as a company, had
 16 research or believed that the Best Practice for a
 17 customer would be to wait 24, 48 hours before
 18 performing operations after cement had been
 19 pumped, do you -- don't you agree that
 20 Halliburton should inform its customers of that?

21 MR. BOWMAN: Objection, form.

22 A. I would agree.

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00170:20 Q. (By Ms. Harding) Okay. I understand it's
 21 not the only thing. But do you agree with me
 22 that one of the key things that Halliburton looks
 23 for for itself and for its customers on a
 24 compressive strength is 500 psi?

25 A. 500 is documented.

00171:01 Q. And why is it documented?

02 A. Undoubtedly for API.

03 Q. Okay. And -- and in order to determine
 04 what, though? What are they looking for when
 05 they're looking at 500 psi?

06 A. The length of time to get to 500 psi.

07 Q. Okay. And what does 500 psi indicate in
 08 the industry?

09 A. According to API, when you can --

10 MR. BOWMAN: Objection to form.

11 A. -- drill out, I mean, according to the
 12 API Statement that you read earlier.

Page 171:24 to 172:02

00171:24 Q. Okay. I'd like to just show you a
 25 document that's prev -- previously been marked as
 00172:01 Exhibit 3113. If you don't mind taking a look at
 02 that.

Page 172:20 to 177:01

00172:20 Q. (By Ms. Harding) It's from Mr. Vargo, and
 21 it says: "Announcement of Changes to Cementing
 22 Org Structure-GOM Cementing." And it sates --
 23 states at the first paragraph: "We are pleased

24 to announce that Ronnie Faul has accepted the
25 position of Sr. Technical Professional Manager
00173:01 for the GOM Cementing PSL effective April 16."
02 Do you see that?
03 A. Yes.
04 Q. Okay. Does that refresh your
05 recollection as to when Mr. Faul became the
06 Senior Technical Professional Manager for GoM
07 Cementing?
08 A. Yes.
09 Q. Okay. So do you agree with me it was
10 April 16th, 2010?
11 A. Yes.
12 Q. Okay. Prior to April 16th, 2010, did
13 anybody else hold that position?
14 A. I don't know. I -- I don't know
15 if the -- if -- if that position was -- I don't
16 know if anybody was in that position, no, I don't
17 know.
18 Q. Okay. Between October 9th, two thousand
19 and -- or October 2009 and April 15th, 2010, you
20 were one of Mr. Gagliano's Supervisors, correct?
21 A. Yes.
22 Q. Okay. And who were his other Supervisors
23 during that time frame -- period, A -- October of
24 2009 to April 15, 2010?
25 A. He directed to me.
00174:01 Q. Okay. His only report was to you; is
02 that correct?
03 A. That's correct.
04 Q. Okay. But you've told us earlier that
05 you were not responsible and -- well, you were
06 not responsible for supervision of the technical
07 aspects of his work from October of 2009 to April
08 15th, 2010, correct?
09 A. Correct.
10 Q. Okay. So is it fair to say that between
11 October 2009 and April 15th, 2010, Mr. Gagliano
12 did not have a Supervisor in charge of his
13 technical work on the Macondo Well, that you're
14 aware of?
15 A. That I'm aware of.
16 Q. Okay. Is it also true just as a -- as
17 matter of fact, based on what you know, that
18 between October 2009 to April 15th, 2010,
19 Mr. Gagliano did not have someone at Halliburton
20 that was supervising his technical work on the
21 Macondo Well?
22 A. Not that I'm aware.
23 Q. Okay. And nothing that you've learned
24 since the incident leads you to believe that
25 there was anybody that was supervising his
00175:01 technical work from October of 2009 till April
02 15th, 2010?
03 A. Not to my knowledge.

04 Q. Okay. It's fair to say that from October
05 2009 to April 15th, 2010, there was a -- a gap of
06 supervision over Mr. Gagliano with respect to his
07 technical work on the Macondo Well?

08 A. I can't --

09 MR. BOWMAN: Objection, form.

10 A. I -- I can't say that there was a gap. I
11 don't know if there was someone that was actually
12 supervising his work or is not from a technical
13 aspect.

14 Q. (By Ms. Harding) Okay. But you were his
15 primary Supervisor, correct?

16 A. That's correct.

17 Q. Okay. And if there were somebody else
18 that were supervising his work, you would have
19 known, correct?

20 A. Not necessarily with respect to his
21 supervision? You know, he could have had -- you
22 could have Senior Techs peer review your work as
23 a Technical -- as a Cementing Engineer.

24 Q. Okay. And are you aware of any peer
25 reviews that occurred with respect to
00176:01 Mr. Gagliano's work between October 2009 and
02 April 15th, 2010?

03 A. I -- I -- not that I'm aware of. I don't
04 know.

05 Q. Okay. Who else could have possibly been
06 the Supervisor of Mr. Gagliano's technical work
07 on the Macondo Well from 2009 to April 15th,
08 2010, based on Halliburton's structure and
09 organization during that time?

10 A. I -- I wouldn't -- I wouldn't know. I
11 don't know how the technology chain was set up.

12 Q. Well, you had to provide him his review,
13 correct?

14 A. Based on the business side of the
15 aspects, not on the technology side of the
16 aspects.

17 Q. Well, in -- in January 2010, didn't you
18 provide Mr. Gagliano a review of his previous
19 year's work, which included both the business and
20 the technical aspects of his work?

21 A. The business side.

22 Q. But that review included technical
23 aspects, as well, correct?

24 A. I would have to see the document. I
25 don't recall having anything technical in his
00177:01 review.

Page 177:24 to 187:05

00177:24 Q. (By Ms. Harding) Could you put that on
25 that -- top of that -- that front page there,
00178:01 1230242, please.

02 A. The top?

03 Q. At the bottom, please. Thank you.
04 (Exhibit No. 5920 marked.)
05 Q. (By Ms. Harding) Okay. So could you take
06 a look at this and tell me if this is the review
07 that you provided to Mr. Gagliano on or about
08 January 19th, 2010?
09 A. Yes.
10 Q. Okay. And Mr. Gagliano participated in
11 that review, as well?
12 A. Yes.
13 Q. Okay. Is that something that you did
14 with him via the computer, or were you in a room
15 together?
16 A. Room together.
17 Q. Okay. Where did that take place?
18 A. At -- in Houston.
19 Q. In Houston. Okay. And if you would
20 down, "Performance Objectives," do you see that?
21 A. Yes, ma'am.
22 Q. You've got "Ethical Standards," and over
23 to the right, a rating that says, "Met
24 expectations." Do you see that?
25 A. Correct.
00179:01 Q. And it's got "Operational Excellence."
02 Do you see that?
03 A. Yes.
04 Q. And it's got "Exceeded expectations"?
05 A. Yes.
06 Q. Okay. And in that section it has,
07 Demonstrates "to our customers Halliburton's
08 differentiation and" captures the "value,"
09 resolves "Irregular Jobs," reviews "Service
10 Quality PII plan for GOM." Is that what that is,
11 P --
12 A. PII.
13 Q. "PII plan for GOM, Performance Measure,
14 Decrease COPQ...Target ZERO dollars," introduces
15 and implements "new CD metrics, Perform" and
16 "participate in service quality reviews...Manage
17 invoice dispute database."
18 Would you consider the op -- "Operational
19 Excellence" category where Mr. Gagliano is rated
20 "Exceeded expectations" to be a -- a review of
21 his technical work for the previous year?
22 A. No.
23 Q. That's all -- that's all related to his
24 business service objectives?
25 A. That's correct.
00180:01 Q. Okay. How about "Health, Safety and
02 Environment," do you see that?
03 A. Yes.
04 Q. So all of the -- all of the things that
05 are in those boxes are -- again, you would
06 consider those to be business service objectives
07 and -- and performance measures?

08 A. Those are for Health, Safety and
09 Environment.
10 Q. Okay. But do you -- are you -- are you
11 the person that provided his review that says
12 "Met expectations" under "Health, Safety and
13 Environment"?
14 A. Yes.
15 Q. You are?
16 A. (Nodding.)
17 Q. Okay. And did you -- and you believed
18 that you had the -- the supervision --
19 supervis -- supervision and responsibility for
20 supervision over Mr. Gagliano for Health, Safety
21 and Environment?
22 A. Yes.
23 Q. As well as operational excellence?
24 A. Yes.
25 Q. Financial accountability, I -- you -- you
00181:01 would agree that you had supervisory
02 responsibility over Mr. Gagliano for that?
03 A. Right.
04 Q. Okay. "Other - Best in Class GOM
05 Organization," you believe that that is -- it
06 says, "Maintain Halliburton integrity." Do you
07 see that?
08 A. Yes.
09 Q. What does that mean?
10 A. With respect to Code of Business Conduct.
11 Q. Okay. "Push 5" -- I don't know what that
12 says. Do you know what that says?
13 A. "5 S."
14 Q. "5 S." So what are the 5 S's?
15 A. To -- to be honest with you, I don't
16 recall what the 5 S's are.
17 Q. Did you have to abide by the 5 S's when
18 you were Account Representative?
19 A. If I -- if I remembered what the 5 S's
20 were. If you notice across the others,
21 there's -- it's -- I -- I don't recall what the 5
22 S's are.
23 Q. Okay. "Live the 'Red Rules.'" Do you
24 know what the Red Rules are?
25 A. Yes.
00182:01 Q. Okay. Did you carry a copy of the Red
02 Rules in your pocket when you were Account
03 Representative?
04 A. It's still in my wallet.
05 Q. It's still in your wallet. Okay. And
06 can we take it out, and could you read them to
07 me, please?
08 A. Sure.
09 Q. Because I don't have a copy with me. I
10 wasn't trying to test whether you had it in your
11 wallet. I was more just wanting to remember what
12 they say on it.

13 A. (Indicating.)

14 Q. Okay.

15 A. "Know what is expected of you, understand
16 the job, the procedures and objectives, make sure
17 you have the tools you need, check your
18 equipment" tools and make -- "equipment/tools,
19 make sure that you are confident, they will work
20 as expected, confirm the job procedures and
21 objectives with the customer, understand the
22 customer's expectations, know when and who to
23 call for help, and have their phone number ready
24 and available."

25 Q. Okay. Did you believe in January of 2010
00183:01 that you had supervise -- supervisory
02 responsibility over Mr. Gagliano to ensure that
03 he abided by those Rules?

04 A. Yes.

05 Q. Okay. And then did you believe going
06 forward in 2010, between January of 2010 and
07 April 15th of 2010, that it was your
08 responsibility to have -- supervise -- to
09 supervise Mr. Gagliano in his adherence to the
10 Red Rules that you just read?

11 A. His adherence to the Red Rules, the --
12 the performance measure was to carry a copy of
13 the -- of the Red Rules, okay? So the
14 performance measure was -- was he carrying a copy
15 of the Red Rules? So I was responsible to ensure
16 that he had the Red Rules.

17 Q. Okay. Well, it says, "What I Will Do and
18 Support Required," and the first column says:
19 "Live the 'Red Rules,'" and so the performance
20 measure you're saying is just simply to carry the
21 copy of the Red Rules?

22 A. This was as stated in this PPR.

23 Q. Okay. So it's Halliburton's Policy that
24 the -- when they say that what their Account
25 Representative is supposed to do, which is to
00184:01 "Live the 'Red Rules,'" that the only performance
02 measure for whether or not they're actually
03 living the Red Rules is to -- to be able to
04 demonstrate that they carry a copy of the Red
05 Rules in their pocket?

06 MR. BOWMAN: Objection, form.

07 A. No, I can't say that.

08 Q. (By Ms. Harding) Okay. Because that --
09 that would not be correct, right?

10 A. No.

11 Q. Okay. You're -- the -- the Red Rules are
12 designed to ensure that the Halliburton employees
13 live by them, correct, and -- and -- and abide by
14 them and -- and adhere to them at all times,
15 correct?

16 A. Yes.

17 Q. Okay. So in January -- from October --

18 I'm sorry, start all over.

19 From October 2009 to April 15th, 2010,
20 was it part of your job responsibility to
21 supervise Mr. Gagliano's adherence to the Red
22 Rules?

23 A. Yes.

24 Q. Okay. If you were not supervising him
25 with respect to his technical aspects of his work
00185:01 on the Macondo Well, how did -- how -- how were
02 you exercising your responsibility to make sure
03 that he was adhering to those Rules?

04 A. Asking him during the PPR process -- pull
05 out the Red Rules, ask him, "Are you doing this?"
06 "Yes."

07 So he would tell me whether or not he was
08 following the Red Rules. I had no indication to
09 believe that it not to be true that he was not
10 doing it.

11 Q. Okay. Between January of 2010 and
12 April 15th, 2010, there are no communications
13 between you and Mr. Gagliano relating to
14 technical -- any of the technical work that he
15 did on the Macondo Well, his slurry designs,
16 OptiCem designs, any issues or problems he's
17 having with his work on the Macondo Well, would
18 you agree with me there's -- there's no
19 communications in that regard, right?

20 A. Not that I can recall.

21 Q. Okay. Would you have expected
22 Mr. Gagliano to contact you, as his Supervisor,
23 if he encountered any problems with any of the
24 actual work -- cement work he was doing on the
25 Macondo Well, as his Supervisor?

00186:01 A. No.

02 Q. No?

03 A. No.

04 Q. If he experienced any problems in his
05 work, if he had problems with the customer, if he
06 had problems with his design work, if he had any
07 problems at all -- at all with -- whatsoever,
08 with respect to the -- the -- the technical
09 cementing work that he was performing, who would
10 you -- who at Halliburton have expected him to
11 contact, as his Supervisor, during that time
12 period, from October 2009 to April 15th, 2010?

13 A. My expectations as his Manager would have
14 been for him to contact Senior Engineering staff
15 if he were having an issue.

16 Q. Okay. And the Senior -- Senior
17 Engineering staff, just to be clear -- I want to
18 make sure we're talking about the same thing --
19 would be who at this time, from October 2009 to
20 April 15th, 2010?

21 A. Like I said, the Jesse Gagli -- I'm
22 sorry. Joe Longlanai or Mike Serio, Leon Harvin

23 could also help him, someone familiar with the
24 deepwater environment that has tenure -- even
25 more tenure at Halliburton than he does, than
00187:01 Jesse did.
02 Q. Okay? You would agree with me that
03 none -- that none of those three people had any
04 supervisory role over Mr. Gagliano, correct?
05 A. I would --

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00187:07 A. I would agree.

Page 187:11 to 187:19

00187:11 Q. (By Ms. Harding) So you would agree with
12 me that between October 2009 and April 15th,
13 2010, you were the only Halliburton employee who
14 had supervisory role over Mr. Gagliano in
15 connection with his work on the Macondo Well,
16 then?
17 MR. PALMINTIER: Same objection.
18 MR. BOWMAN: Objection, form.
19 A. Yes.

Page 188:14 to 190:22

00188:14 Q. (By Ms. Harding) So looking at 5921, now,
15 which is the January 19th, 2010 Performance
16 Review, is this something that -- is this a
17 document that you and Mr. Gagliano created
18 together?
19 A. (Reviewing document.) I don't know if I
20 created this document, to be honest with you.
21 Q. Okay. So how -- in -- in the normal
22 process at Halliburton, how did the performance
23 expectations get set? Who sets them, the
24 employee, the Supervisor, or both?
25 A. A company employee and Supervisor.
00189:01 The -- the company and a Supervisor set the
02 Performance Objectives with respect to the
03 company.
04 Q. Okay. So the "Performance Objectives" is
05 in the first column; is that right?
06 A. Yes.
07 Q. Okay. So you and who else at Halliburton
08 would have set the Performance Objectives?
09 A. Whoever Jesse's Supervisor was at the
10 time. Or these could also be passed down from
11 the Executive Committee, with -- not necessarily
12 Executive Committee, but Upper Management as far
13 as the Performance Objectives based for the
14 company itself.

15 Q. Okay. Well, this was two-thousand -- it
16 says January 19th, 2010. So you were now his
17 Supervisor, correct?

18 A. Yes.

19 Q. Okay. So would -- and this is -- and so
20 would you have set these Performance Objectives
21 or had a role in setting them?

22 A. These Performance Objectives are probably
23 the initial template that came down.

24 Q. From some -- from somewhere else?

25 A. Yes.

00190:01 Q. Okay. And can you -- and -- and it's
02 a -- a Committee that sets them?

03 A. That would be my understanding.

04 Q. Okay. "What I Will Do and Support
05 Required" on this document, was that something
06 that you would have set out for Jesse that --
07 that he should do?

08 A. (Reviewing document.) No. Honestly,
09 I -- I -- I don't recall setting the What I Would
10 Do and the Support Required. This -- excuse me.
11 The What I Will Do and the Support Required, I
12 would assume would be -- or I would say the -- if
13 I'm not mistaken, this is where the employee says
14 what I'm going to do for the -- to obtain the
15 Performance Objectives.

16 Q. Okay. So "Develop Best Practices." Do
17 you see that?

18 A. Yes.

19 Q. What is that? What was -- what -- were
20 Account Representatives like Jesse supposed to
21 develop Best Practices?

22 A. Or at least have a hand in it.

Page 191:09 to 197:08

00191:09 Q. Okay. What are Playbooks at Halliburton?

10 A. Playbooks are, for the lack of a better
11 terminology, kind of like a flow chart of --
12 of -- of a strategy to either gain or maintain
13 business, or some other objective, I guess you
14 could say.

15 Q. Okay. If you could take a quick look at
16 twenty -- I think it's Tab 26.

17 MS. HARDING: Is that right?

18 MR. MITCHELL: After the -- yeah.

19 MS. HARDING: Tab 26.

20 Q. (By Ms. Harding) Just -- just flip down
21 to 26. There's something called "Tuned
22 Solutions™ Deepwater Riserless Cementing." Do
23 you see that?

24 A. Yes.

25 Q. And it's got a date of "Created:
00192:01 10/19/07," "Edited: 6/25/08." And when you turn
02 the page, it's got at the top, "Deepwater

03 Riserless Cementing Playbook."
04 Do you see that?
05 A. Yes.
06 Q. Okay. So it looks to me like this is
07 coming out of some kind of a larger Playbook.
08 A. This is a different Playbook.
09 Q. Okay.
10 A. From a Tech -- this is a Technical
11 Playbook.
12 Q. Okay. So what are -- what is a
13 "Technical Playbook"?
14 A. No idea. I don't deal with the tip --
15 Technical Playbooks. My Playbook is a Business
16 Playbook. That's why I said the -- the statement
17 I made earlier about gaining business,
18 maintaining business.
19 Q. Okay. When you were an Account
20 Representative, did you have any role in either
21 creating or reviewing and understanding Technical
22 Playbooks?
23 A. Only if necessary. Only if it was --
24 only if it pertained.
00193:01 Q. Okay. And what -- what -- where are
02 Technical Playbooks housed at BP? I mean,
03 what -- what -- what -- where -- well, where are
04 they? Where do you find them -- I mean at
05 Halliburton, I'm sorry?
06 A. The Technical Playbooks are on a server.
07 Q. Okay. And who creates them?
08 A. Creates --
09 Q. Who --
10 A. -- what?
11 Q. -- creates Technical Playbooks? Who's
12 the -- who's -- is it the Techni -- is it within
13 the Technical function at Duncan or --
14 A. Somebody in -- in Technical, David
15 Kulakofsky, you know, in this particular, was the
16 author of this one. So it would have to be a
17 Cementing Expert.
18 Q. Okay. And then what is their purpose?
19 To provide a strategy for -- for certain
20 Cementing Solutions or Operations?
21 A. I suppose.
22 Q. Okay. And do you know if they have a --
23 a Playbook for deepwater foam cementing?
24 A. I don't have any idea.
25 Q. Don't know. Okay. All right. So the --
00194:01 What I Will Do and Support Required and
02 Performance Measures that are in this document,
03 you believe that Mr. Gagliano would have written
04 in these himself?
05 A. Yes.
06 Q. Okay. And these would have been what he
07 believed to be what he was supposed to do, and
08 how it will be measured in es -- well, I'm sorry;

08 is that right?
09 A. I'm sorry?
10 Q. Is that correct? That -- that this
11 document would have embodied, in January of 2010,
12 what Mr. Gagliano believed were Halliburton's
13 expectations of him, and how he would be -- how
14 his performance would be measured?
15 A. Yes, it would -- it would be a joint --
16 you know, he's going to put down what he doing,
17 and the Performance Measure would probably be
18 joint --
19 Q. Okay.
20 A. -- between he and I.
21 Q. You and he would have developed the
22 Performance Measure?
23 A. Well, we would have at least reviewed it.
24 Q. Would have reviewed it together?
25 A. Yes.
00195:01 Q. Okay. So you would agree with me that,
02 with respect to this exhibit, which is 5921, that
03 you would have -- you and Mr. Gagliano would have
04 agreed to it as his kind of Performance
05 Expectations for 2010?
06 A. No.
07 Q. "No"?
08 A. No. Because if I would have agreed to
09 it, the check down here would have had my name on
10 it that I agreed to it.
11 Q. Okay. So then, in January 2010,
12 Mr. Gagliano agreed to it?
13 A. That's correct, because it -- that's
14 correct.
15 Q. But nobody from Hal -- nobody -- none --
16 none -- nobody from -- no Supervisor at
17 Halliburton agreed to it?
18 MR. BOWMAN: Objection, form.
19 A. There's no other name at the bottom
20 showing that it's been agreed to other than
21 Jesse's.
22 Q. (By Ms. Harding) Okay. And your ordinary
23 business course of action would be to have agreed
24 to it, if you had reviewed it and agreed to it;
25 is that right?
00196:01 A. That's right.
02 Q. Okay. And if any other Hal --
03 Halliburton Supervisor had reviewed it, and
04 agreed to it, then that Supervisor would have
05 agreed to it in the system, correct?
06 A. If they had access to it.
07 Q. Okay. So they -- only the Supervisor has
08 access to it, correct?
09 A. Correct.
10 Q. And so because you were the only
11 Supervisor of Mr. Gagliano between October of
12 2009 and April 15th, 2010, then you did not

13 review and agree to his Performance Expectation
14 document in -- for 2010; is that correct?

15 MR. BOWMAN: Objection, form.

16 A. It doesn't show that I'd -- I did agree
17 to it.

18 Q. (By Ms. Harding) Okay. And do you know
19 why you didn't agree to it?

20 A. Probably hadn't had the opportunity to
21 review it.

22 Q. Okay. Are you sup -- are you -- is there
23 a time frame under which you're supposed to
24 review it and agree to it?

25 A. I think up -- I -- I'm not exactly sure
00197:01 what the definitive timeline is. Could have been
02 April, May, somewhere around that vicinity in
03 which to get these reviewed and agreed to.

04 Q. Okay. To your knowledge -- did you at
05 any time ever agree to review and agree to
06 Mr. Gagliano's 2010 Performance Expectations
07 Program?

08 A. No.

Page 198:10 to 202:12

00198:10 Q. (By Ms. Harding) Previously marked. Yes,
11 I'm sorry. 3038.

12 I just -- I'm going to read you this --
13 this statement here, and I want to ask you a
14 question about it. "We have a 11 7/8" inch
15 "Liner contingency that is up in the air and plan
16 on foaming the 9 7/8" inch "Production Casing if
17 the well is a find. When we get onto the Macondo
18 well we will have to drill out the 18" inch "shoe
19 and do a LOT."

20 So you'd agree with me that as of January
21 28th, 2010, Mr. Gagliano is saying that he plans
22 to do a foam cement operation on the nine and
23 seven-eighths inch production casing. Do you see
24 that, the very first line?

25 A. (Reviewing document.) Yeah, that
00199:01 they're -- they're planning on foaming the nine
02 and seven-eighths production.

03 Q. Right. Okay. As of January 28th, 2010?

04 A. (Nodding.)

05 Q. Okay. "There is a slim possibility we
06 will have to squeeze. Go ahead and order the
07 cement for the next two strings (about 1300
08 usable sacks) and inventory the spacer and
09 chemical you need. We want to try and get the
10 revenue from this load out on the books before
11 the end of the month."

12 Do you see that?

13 A. Yes.

14 Q. Okay. What incentive does Mr. Gagliano
15 have for wanting to get this on the books by the

16 end of the month? What's the -- what's the kind
17 of -- what's his reason, as a Halliburton
18 employee, for wanting to do that?

19 A. He has no incentive.

20 Q. He's got no incentive?

21 A. No.

22 Q. Okay. So he -- so why would -- so you
23 can't think of any possible reason why he would
24 want to get the -- the revenue from this load out
25 on the books before the end of the month?

00200:01 A. Only the fact that it's the end of the
02 month.

03 Q. Okay. So when he gets the revenue by the
04 end of the month, what happens? Does that go
05 into a total revenue for that month?

06 A. That's correct.

07 Q. Okay. So it -- it -- it -- it appears on
08 some internal Halliburton documents under the
09 total revenue from a job that he's responsible
10 for, correct?

11 A. Yes.

12 Q. All right. And then it says: "I know we
13 will have some cement left over from the Kodiak
14 well, but go ahead and order 1300 sacks anyway."

15 Do you see that?

16 A. Yes.

17 Q. "Whatever is left over after the Macondo
18 well" we -- "well can be used on the Nile P&A."

19 Do you see that?

20 A. Yes.

21 Q. Okay. As an Account Representative
22 formerly, what would your responsibility be in a
23 situation where you were utilizing cement from
24 one place to another place?

25 MR. BOWMAN: Objection, form.

00201:01 Q. (By Ms. Harding) Would you -- would you
02 test the cement if you were going to use it in
03 another operation to make sure that it was going
04 to work?

05 A. That usually doesn't happen. When --
06 whenever I was an Account Rep, it wouldn't happen
07 with me.

08 Q. Okay. How come?

09 A. Because it's land, shelf, inland water.

10 Q. Okay. Just doesn't occur?

11 A. Usually doesn't occur.

12 Q. Okay. All right. Fair enough. Are you
13 aware of any Halliburton guidance that allows an
14 Account Representative to utilize a particular
15 slurry design in one operation that's previously
16 been used on another operation without testing it
17 for the current operation?

18 A. Cement from -- from another well can be
19 used on the next well, if that's what you're
20 asking.

21 Q. Okay. And so they can -- they can go to
22 the next so it can be used, but does Halliburton
23 require its Account Representatives and Cementing
24 Engineers to perform tests before using that
25 slurry on the next well or not?
00202:01 A. Yes.
02 Q. They do?
03 A. Yes.
04 Q. Okay. And why -- why is that?
05 A. Change in parameters. Every well's
06 different.
07 Q. Okay. And that's something as a
08 Cementing Engineer at Halliburton you would know,
09 correct?
10 A. In -- in my arena --
11 Q. Yes.
12 A. -- so to speak.

Page 203:16 to 204:10

00203:16 Q. You never had any conversations with
17 Mr. Gagliano about it?
18 A. No.
19 Q. So you've never talked to him at all
20 about the cementing operation on the Macondo
21 Well?
22 A. No.
23 Q. Any other person at Halliburton that was
24 involved in the cementing operation, have you had
25 any discussions with -- with anyone that was
00204:01 involved?
02 A. No.
03 Q. Have you had any discussions with
04 Mr. Roth about the -- the Macondo cementing
05 operation?
06 A. No.
07 Q. Have you had any discussions with
08 Dr. Ravi about the Macondo production interval
09 cementing operation?
10 A. No.

Page 205:22 to 209:05

00205:22 Shouldn't -- if Mr. Gagliano knew that BP
23 was utilizing six centralizers instead of
24 twenty-one centralizers, is that something that
25 Mr. Gagliano should have brought to the attention
00206:01 of one of his Supervisors?
02 A. I -- I was his Supervisor, and I say
03 "No."
04 Q. Okay. So that was not something he
05 needed to bring to your attention; is that
06 correct?
07 A. Let me back up. I was a Supervisor up to

08 the 16th. Entirely depends on when Jesse
09 realized that he needed more centralizers. Does
10 he bring it up to Ronnie? I don't know if he
11 does or not, but he -- to me, no.

12 Q. He did not bring it to you?

13 A. Not to me.

14 Q. And you're -- and you believe he should
15 have brought it up to you if he believed it was
16 any type of a -- a safety issue?

17 A. That would have been from a Technical
18 aspect.

19 Q. Right.

20 A. And so I -- there, again, I -- I say
21 "No."

22 Q. Okay. So you would -- you wouldn't think
23 it would be an irregular job if he had -- if he
24 had recommended twenty-one and BP went with six?

25 A. I can't answer that, because technically,
00207:01 I don't know if it falls under the realm of a
02 regular job, that's on the Technology side, with
03 respect to the Cementers, the Cementing
04 Engineers.

05 Q. As an Account -- as a former Account
06 Representative, would you have considered that in
07 a regular job to have an Operator choose to run
08 less centralizers than that -- than -- than what
09 the cementing contractor had recommended?

10 A. No. I mean -- no.

11 Q. Okay. Would you that -- would you have
12 considered that to be an unusual customer
13 request?

14 A. With respect to my realm --

15 Q. M-h'm.

16 A. -- no.

17 Q. Okay. With -- as an Account
18 Representative, would you ex -- would you have --
19 would you have believed that the request by BP to
20 utilize six centralizers instead of twenty-one
21 centralizers was an unusual customer request?

22 MR. BOWMAN: Objection, form.

23 A. There again, land, shelf, inland water,
24 as a previous Account Rep with land, shelf,
25 inland water experience, it's not an unusual
00208:01 request.

02 Q. (By Ms. Harding) Okay. Would it be --
03 would it have been considered a controversial
04 request?

05 A. Not with my knowledge of my particular
06 area.

07 Q. Okay. And as -- when you became
08 Supervisor in October 2009, you were supervising
09 not just land and shelf, correct, you were sup --
10 supervising deepwater, as well?

11 A. The personnel.

12 Q. The personnel. Well, you -- I mean,

13 you've told me today several times there's nobody
14 else supervising Mr. Gagliano from October 2009
15 to April 15th, 2010, right?

16 A. Not that I'm aware of.

17 Q. Okay. And so you would agree with me
18 that as far as you were concerned as his
19 Supervisor, you had no knowledge that the request
20 of a customer to utilize six centralizers instead
21 of twenty-one centralizers was not considered
22 irregular, unusual, or controversial, correct?

23 MR. BOWMAN: Objection, form.

24 Q. (By Ms. Harding) Based on your knowledge
25 as his Supervisor during that time period.

00209:01 MR. BOWMAN: Objection, form.

02 A. I had no knowledge of it.

03 Q. (By Ms. Harding) No knowledge of it being
04 irregular, unusual, or controversial, correct?

05 A. No.

Page 209:09 to 209:24

00209:09 Q. (By Ms. Harding) What about the -- there
10 was a -- there's been criticism of BP's decision
11 not to do a full bottoms-up before the cementing
12 operation. Have you heard that, as well?

13 A. I've heard that.

14 Q. Okay. And as Mr. Gagliano's Supervisor
15 between October 2009 and April 15th, 2010, would
16 you have considered BP's decision not to do a
17 full bottoms-up to be irregular, unusual, or
18 controversial?

19 A. Not part of Halliburton's Best Practice,
20 so, yes, it would be irregular.

21 Q. Okay.

22 A. If you want to use that terminology,
23 because we do the same thing in land, shelf, and
24 inland water. That's our recommendation.

Page 210:05 to 216:09

00210:05 Q. Okay. Are you aware of the Red Flag/
06 Yellow Flag Rules in those?

07 A. Yes, I'm familiar with Red Flag/Yellow
08 Flag.

09 Q. Okay. And that was something that, as an
10 Account Representative, you were expected to be
11 familiar with, correct?

12 A. If it fit the criteria.

13 Q. If it fit the criteria. Right. And so
14 if there are any decisions that are considered to
15 be controversial or a customer request that's
16 controversial, then what is an Account
17 Representative supposed to do if they believe
18 that?

19 A. I assume notifications need to go out.
20 Q. Okay. Under the -- under the red -- Red
21 Flag/Yellow Flag Rules, correct?
22 A. It's been a while since I've read the Red
23 Flag/Yellow Flag.
24 Q. Okay. But you abided by the Red
25 Flag/Yellow Flag when you were an Account
00211:01 Representative, correct?
02 A. There again, I would -- I would have to
03 say -- I would have to revisit the Red
04 Flag/Yellow Flag. It's been a while.
05 Q. Okay. But you -- you -- you understood
06 you were expected to abide by those rules,
07 correct, as an Account Representative?
08 A. I -- I -- yes, I guess so.
09 Q. Okay. If you could look at Tab 6, and
10 that's previously been marked Exhibit 2133. It's
11 got the title "US Land-Offshore Cementing Work
12 Methods." And I've just pulled the page from it,
13 which is HAL_0116891, with the title "GOM
14 Critical Cementing Action Process."
15 Do you see that?
16 A. Yes.
17 Q. Okay. And so is this GOM Critical
18 Cementing Action Process, is this specific to the
19 Gulf of Mexico?
20 A. Yes.
21 Q. "Yes"?
22 A. Only -- only because it says that at the
23 top.
24 Q. Okay. And is it for what part of the
25 Gulf of Mexico? The entire Gulf of Mexico?
00212:01 A. That would be Gulf of Mexico, yes.
02 Q. Okay. So if you were working deepwater,
03 shallow water, wherever in the Gulf of Mexico,
04 these were the rules that were in place, correct?
05 A. Yes.
06 Q. Okay. In April of 2010?
07 A. Yes.
08 Q. Okay. If you look under Red Flags, it
09 says: "Jobs involving these items require
10 immediate notification of all parties..." And
11 then it states: "...Region Manager, Operations
12 Manager, Technical Advisor, Account
13 Representative, and Tech Team Representative..."
14 Do you see that?
15 A. Yes.
16 Q. Okay. So the Region Manager for GoM at
17 this time that Mr. Gagliano would have been
18 required to notify if something met the -- the
19 requirements of this particular action process,
20 who -- the Region Manager, would that have been
21 Mr. Vargo?
22 A. No.
23 Q. Who would that have been?

24 A. May -- may have been Mr. Tony Angelle at
25 the time.

00213:01 Q. Okay. Where would -- where would that --
02 actually, let me show -- why don't you point
03 to -- well, what was his title at that time in
04 April of 2010?

05 A. Who?

06 Q. Mr. Angelle.

07 A. I think he was the Region Manager, Gulf
08 of Mexico Region Manager.

09 Q. Okay. And when did his title change?

10 A. Mr. Angelle's?

11 Q. Yes.

12 A. He's still the Region Manager.

13 Q. He's still the Region Manager.

14 So he's been -- at the whole -- at -- at
15 all times during this?

16 A. As far as I know.

17 Q. Okay. And who would have been the
18 Operations Manager?

19 A. Richard Vargo.

20 Q. Okay. And the Technical Advisor?

21 A. David Bolado or George Fuller.

22 Q. Okay. Account Representative would have
23 been Mr. Gagliano?

24 A. That's correct.

25 Q. And the Tech Team Representative, who
00214:01 would that have been?

02 A. That would probably be -- I -- I would
03 assume that this is the Engineers that are in
04 Lafayette, in the Deepwater area of Lafayette.

05 Q. Okay. And so under the Red Flag Rules,
06 if any of the conditions that are under the
07 Red -- with the Red Flags next to them existed,
08 he was suppo -- Mr. Gagliano was supposed to
09 notify all of the people that are -- that we've
10 just discussed, correct?

11 A. According to the "Red Flag Items."

12 Q. Okay. And one of the Red Flags is
13 "Irregular Jobs."

14 Do you see that?

15 A. Yes, I do.

16 Q. Okay. And do you know -- is that
17 something that's kind of subjective in the -- in
18 the Engineer's mind, or is there a definition of
19 "irregular jobs"?

20 A. "Irregular jobs," in this particular
21 situation, it may be post job.

22 Q. Okay. Maybe post job.

23 A. Maybe post job, something that happened
24 post job.

25 Q. Okay. Would it also in -- so if they saw
00215:01 something in the -- in the actual execution and
02 then reviewing the data, then they ought to raise
03 it as a Red Flag to any of the peo -- to the

04 people we just discussed -- to all of the people
05 we just discussed?
06 A. No, you don't know if it's irregular job
07 till post job.
08 Q. Right. So after post job, you have the
09 data?
10 A. Oh, I gotcha. I'm sorry.
11 Q. Right. And you're reviewing the data,
12 and you create a Post Job Report?
13 A. Yes.
14 Q. Okay. So if, during that process, you
15 recognize something as being irregular, then you
16 should notify immediately, it says, the -- one,
17 two, three -- four -- in this case, the four
18 people. Mr. Gagliano should have notified the
19 four people that are set out here, correct?
20 A. If it's considered an irregular job, yes.
21 Q. Okay. The unusual -- same for
22 "Unusual/Controversial Customer Request,"
23 correct?
24 A. Yes.
25 Q. Okay. So if there were an unusual or
00216:01 controversial customer request, then Mr. Gagliano
02 should have immediately notified the Region
03 Manager, Operations Manager, Technical Advisor,
04 and Tech Team Representative, correct?
05 A. According to this, yes.
06 Q. Okay. And you agree with me that this
07 was in place in April of 2010, right?
08 A. That's what the date is at the top of the
09 paper.

Page 216:18 to 217:03

00216:18 Q. Okay. I'm sorry. So you're familiar
19 with the terminology.
20 So a slurry where they were going to
21 include WellLife is a -- is -- if they're going
22 to use it, then they're supposed to immediately
23 notify the Region Manager, Operations Manager,
24 Tech Advisor, and Tech Team Representative,
25 correct?
00217:01 MR. BOWMAN: Objection, form.
02 A. That's part of the Red Flag. That's one
03 of the Red Flag bullets, yes.

Page 217:08 to 219:10

00217:08 Q. Okay. All right, sir. And under "Yellow
09 Flag..."
10 Do you see that?
11 A. Yes.
12 Q. It says: "These items require the
13 notification of the appropriate personnel a

14 minimum of 10 days prior to the job. At a
15 minimum, one operational support person
16 (consisting of local technical support and/or
17 service coordinator) will be notified to review
18 all job parameters, fluids and lab data, and the
19 OptiCem simulation."
20 Do you see that?
21 A. Yes.
22 Q. Okay. And so "Gas Flow Potential..."
23 greater than "8."
24 Do you see that?
25 A. M-h'm, yes, ma'am.
00218:01 Q. Okay. Have you ever had occasion to have
02 to use the Yellow Flag because of a gas flow
03 potential greater than eight?
04 A. Not in -- not in my particular cert --
05 scope of work --
06 Q. Okay.
07 A. -- as an Account -- you're talking about
08 as an Account Rep?
09 Q. Yes, as an Account Rep.
10 A. No.
11 Q. Okay. Have you seen that occur outside
12 of that context, where that has occurred, and
13 then the Tech -- Technical Advisor or the Account
14 Representative has notified people within
15 Halliburton that there's a gas flow potential
16 greater than eight?
17 A. I have seen a gas flow -- I have heard of
18 gas flow potentials greater than eight. Whether
19 or not these processes were followed, I don't
20 know.
21 Q. Okay. Did you understand that these
22 processes were supposed to be followed?
23 A. Yes, I am familiar with the Yellow and
24 Red -- Red Flag.
25 Q. Right. And you had seen these?
00219:01 A. I had seen this, yes.
02 Q. Yes. You had seen this prior to April of
03 2010 when you were an Account Representative,
04 right?
05 A. Yes.
06 Q. Okay. And if you had encountered a gas
07 flow potential greater than eight, then you would
08 have followed the Yellow Flag procedures,
09 correct?
10 A. Right.

Page 219:23 to 222:18

00219:23 Q. Okay. But you understand that, based on
24 the Yellow Flag action process, if an Account
25 Representative is going to use "Zoneseal/Foam
00220:01 Cementing" process, they're supposed to follow
02 the yellow fag -- lell -- Yellow Flag process,

03 and at a minimum, they're supposed to notify an
04 operational support person, correct?

05 A. Yes.

06 Q. Okay. And who would that be in April of
07 2010 for Mr. Gagliano? Who would he have --
08 who -- who should he have contacted if he had --
09 if he had an issue under the Yellow Flag?

10 A. Well, it says: "...local technical
11 support and...the service coordinator" --
12 "and/or."

13 Q. And do -- but who would have those people
14 been at -- in April of 2010? Would they have
15 been housed -- where would they have been
16 located? Onshore?

17 A. Well, the coordinators are in Lafayette.
18 The -- it's all in the definition of "local
19 technical support." If they're talking about the
20 TAs, the TAs are in Houston.

21 Q. Okay. All right. And then at the very
22 bottom, it says: "If any of the above situations
23 are encountered, the following personnel should
24 be notified by e-mail and voice contact of the
25 upcoming operation. This procedure can be
00221:01 invoked by anyone involved in the Cementing
02 process."

03 And then it's -- it lists: "Region
04 Manager, Technical Advisors, Technical
05 Professionals, GOM Lab Manager, Operations
06 Manager, service coordinators, Account
07 Representatives," and "PDC's."

08 What is "PDC's"?

09 A. Personnel Development Coordinator.

10 Q. Okay. So as Mr. Gagliano's Supervisor,
11 in April of 2010, at least up through April 15th,
12 who -- I want to just make sure I understand who
13 the people were.

14 A. (Nodding.)

15 Q. The Region Manager, I believe you said --
16 what -- what was his name again? I'm sorry, I
17 don't know.

18 A. Tony Angelle.

19 Q. Okay. Technical Advisor would have been
20 who?

21 A. David Bolado or George Fuller.

22 Q. Technical Professional would have been?

23 A. The Deepwater Team in Lafayette.

24 Q. Okay. The GOM Lab Manager?

25 A. Probably be Tim Quirk.

00222:01 Q. Okay. Operations Manager?

02 A. Richard Vargo.

03 Q. Service coordinators?

04 A. I think it would have been Danny Mooney,
05 Mike Stidham, Mike Stidham, S-t-i-d-h-a-m.

06 Q. Okay. Account Representatives was -- was
07 that -- that was Mr. Gagliano?

08 A. That's correct.
09 Q. And the PDCs?
10 A. I can't recall who the PDC was at the
11 time.
12 Q. Okay. Are you -- has any -- have -- have
13 you -- do you know whether or not Mr. Gagliano
14 made any -- had any communications with any of
15 those people relating to any issues on -- that
16 are set out on this page?
17 A. I have no knowledge of it.
18 Q. Okay.

Page 222:20 to 223:01

00222:20 Q. (By Ms. Harding) As his Supervisor, if he
21 had encountered any of the issues that are under
22 the Red Flag or the Yellow Flag, you would have
23 expected him to contact by E-mail and voice
24 contact all of the people at the bottom this
25 page, correct, that we just discussed?
00223:01 A. Yes.

Page 223:22 to 227:13

00223:22 Q. (By Ms. Harding) Mr. Dugas, just to make
23 sure the record's clear, the Red Flag/Yellow Flag
24 GoM Critical Cementing Action Process we were
25 just talking about was that HAL_0116891, which
00224:01 was at Tab 6, which is in Exhibit 2133; is that
02 correct?
03 A. Yes.
04 Q. Okay. Is it fair to say that as an
05 Account Representative, you were expected to have
06 expertise in cementing, correct?
07 A. Yes.
08 Q. Okay. As the Supervisor of Mr. Gagliano
09 from October '09 till April 15th, October -- I'm
10 sorry -- April 15th, 2010, did you expect
11 Mr. Gagliano to have expertise in the design of
12 cement slurries for the Macondo Well?
13 A. Yes.
14 Q. Did you expect him to -- as his
15 Supervisor during that time, did you expect him
16 to have expertise in the design of the Cement
17 Program for the -- for the -- for the -- for
18 the -- for all strings of the well that he was
19 responsible for?
20 A. Yes.
21 Q. All right. Did you -- as his Supervisor,
22 did you expect him to have expertise in ordering
23 and -- strike that.
24 Did you expect Mr. Gagliano to have
25 expertise in the testing of the slurry --
00225:01 slurries that he recommended for the well?

02 A. No.
03 Q. Did you expect him to know what tests
04 needed to be run for the slurries that he
05 recommended?
06 A. Yes.
07 Q. Okay. And did you expect him to run
08 whatever tests needed to be run for the slurries?
09 A. Yes.
10 Q. And does Halliburton have internal
11 guidance on what tests need to be run for
12 particular types of slurries?
13 A. I don't know.
14 Q. When you were an Account Representative,
15 how did you decide what tests needed to be run
16 for a particular slurry that you were
17 recommending to a client?
18 A. Mine was ba -- my -- the testing that I
19 requested as an Account Rep --
20 Q. M-h'm.
21 A. -- were -- were based on, you know,
22 the -- the circumstances given to me at the time
23 as far as the customer's wellbore and what's --
24 Q. I'm sorry. As far as the customer's
25 wellbore?
00226:01 A. Yes, right. And -- and with respect to
02 the cement that I was -- that I designed to pump.
03 Q. Okay. But you would consider the cement
04 that you were recommending and the wellbore
05 conditions, and then you would decide what tests
06 you thought were appropriate?
07 A. Yes.
08 Q. Okay. And then you would communicate
09 that to the lab, and they would do the tests; is
10 that right?
11 A. I would -- to the -- to the Engineer in
12 Lafayette that's going to probably set up the
13 test.
14 Q. Okay. So you would -- to the -- to the
15 Eng -- to the -- is it a Lab Technical Engineer
16 or a Cementing Engineer?
17 A. Cementing Engineer.
18 Q. In -- in Lafayette?
19 A. (Nodding.)
20 Q. Okay. And did the -- did Mr. Gagliano
21 have a Cement Engineer in Lafayette that would
22 be -- that he would be communicating with for
23 testing on the Macondo Well?
24 A. He had them available.
25 Q. Okay. He did. Do you know whether he
00227:01 utilized them or not?
02 A. I don't know.
03 Q. Okay. Who -- who are the individuals,
04 who are the Cementing Engineers that would be
05 available for that?
06 A. I wouldn't know their names.

07 Q. You wouldn't know their names? Okay.
08 A. No.
09 Q. But their titles would be -- what would
10 their titles be?
11 A. Tech Professionals.
12 Q. Tech Professionals?
13 A. Yes.

Page 227:21 to 228:15

00227:21 Q. Let me ask -- let me ask a more simple --
22 I think a more simple question. If he had
23 knowledge that his test results were -- were
24 showing that the slurry that he had designed was
25 not working as intended, would you expect him to
00228:01 communicate that to his customer?
02 MR. BOWMAN: Objection, form.
03 A. Not necessarily.
04 Q. (By Ms. Harding) Would you expect him,
05 then, to redesign the slurry?
06 A. That's what I'd hope he'd do. I mean,
07 but that's the technical aspect. You know, where
08 they went from there is entirely up to them.
09 Q. No, no. I un -- I understand that. I'm
10 just trying to understand -- in other words, what
11 you're saying is: If he tested it and he found
12 out it wasn't working as intended, then you would
13 expect him to redesign it and get it right, so it
14 was working, correct?
15 A. Yes.

Page 230:21 to 236:08

00230:21 Q. So as a Supervisor, you're saying that
22 it -- it's -- and as a Supervisor today at
23 Halliburton --
24 A. M-h'm.
25 Q. -- that if an Account Representative has
00231:01 a -- is -- is working on a foam cement slurry for
02 a customer, and 24 hours before the slurry is --
03 is to be pumped into the well, they -- they've
04 still got only failed foam stability tests, it is
05 okay with Halliburton that the Account
06 Representative not inform the customer of that
07 fact?
08 MR. BOWMAN: Objection, form.
09 A. I'm not saying it's okay not to inform --
10 I'm not saying it's okay with Halliburton. But
11 was Jesse still in the process of testing for
12 stable slurry? So he may not have informed the
13 customer because they were still in the process
14 of the testing --
15 Q. (By Ms. Harding) Right.
16 A. -- is what I'm saying. So I don't know

17 what the timeline or what Jesse was doing at the
18 time.

19 Q. No. I understand you don't know that.
20 I'm really more getting at a pros -- you know,
21 kind of a Halliburton expectation point. I'm
22 trying to get an understanding of what
23 Halliburton's as -- you know, expectations are,
24 and as -- you, as a Supervisor of people that are
25 Account Representatives that might be engaged in
00232:01 foam operations. Is it Halliburton's position
02 that it is acceptable for their Account
03 Representatives to -- to not inform the Operator
04 that they are experiencing tests on the slurry
05 that are showing that the slurry is -- is not a
06 stable slurry?

07 MR. BOWMAN: Objection, form.

08 A. I'm not saying it's Halliburton's stance
09 is not to inform the customer. Halliburton is --
10 if Jesse, at this time -- like I say, I don't
11 know what's going on, but would I assume 24 hours
12 before the Macondo, he's still testing for a foam
13 slurry.

14 It's not the failures of the foam slurry
15 that is important; it's the success of a stable
16 foam slurry that he was trying to achieve. At
17 that time he could have informed the customer,
18 "Here's the design."

19 That's from my perspective in my little
20 realm of the Gulf of Mexico.

21 Q. Okay. So -- so then you're saying that
22 as a Supervisor, it was acceptable for him to --
23 to continue to test -- to continue to --
24 essentially, to have had instable results up
25 until 24 hours before the slurry was pumped down
00233:01 the well and to have not informed the customer of
02 that?

03 A. As a -- a -- as his Supervisor, I don't
04 think I would have had any issue with it if -- if
05 they would have asked me.

06 Q. Okay. What about on -- on the morning,
07 so 12 more hours later, on the morning before the
08 cement is to be pumped down to the hole -- down
09 into the well, if he still doesn't have any any
10 information to -- to tell him that he's got a
11 stable foam cement slurry?

12 MR. BOWMAN: Objection, form.

13 A. There again, I'd -- I would say it --
14 it's -- I don't find it to be that critical.

15 Q. (By Ms. Harding) Okay. So prior to it
16 being pumped down the hole, would you agree with
17 me that if he did not have a stable foam slurry,
18 he should not have pumped the -- allowed the
19 cement to be pumped down into the hole?

20 MR. BOWMAN: Objection, form.

21 Q. (By Ms. Harding) Would you agree with

22 that?

23 A. I think -- I think if Jesse Gagliano had
24 an unfoamed slurry, he wouldn't have pumped it
25 down the hole.

00234:01 Q. If he had -- if he -- you're saying you
02 believe that if he had a -- if he believed he had
03 an unstable slurry, he would not have allowed it
04 to be pumped down the hole? Is that what you're
05 saying?

06 A. Yeah, that -- honestly, I -- I -- I don't
07 think that Jesse would have pumped an unstable
08 foam.

09 Q. A -- a foam that he believed to be
10 unstable?

11 A. A -- a -- if he had test results showing
12 an unfoamed slurry, I don't think Jesse would
13 have pumped it. He'd have continued to test it,
14 trying to come up with a foam -- a stable foam
15 slurry.

16 Q. Before he allowed it to be pumped down
17 the hole?

18 A. That would be -- that would be my best
19 guess on Jesse's demeanor, as far as his
20 character.

21 Q. Okay. But I guess the question I was
22 trying to ask you is: Do you agree that, you
23 know, before he allowed it -- the operation to go
24 forward, that he -- he should have made
25 himself -- that he should have ensured that he
00235:01 did have a foble -- a -- a stable foam slurry
02 before allowing it to be pumped down the hole?

03 A. He should have a -- a stable slurry.
04 I -- I -- I'm assuming that, you know.

05 Q. Okay.

06 A. Because I -- like I said, I don't know a
07 whole lot about that, but I would -- I would
08 assume that the foam slurry needed to be stable.

09 Q. Okay. And -- and I guess what you're
10 saying is: As long as -- with respect to foam
11 stability, as long as, at the time that the
12 slurry was pumped down the hole, it -- it was
13 stable, then it was okay to not have informed the
14 customer of the instability problems before that?

15 A. That's correct.

16 Q. Okay. Have you -- in the -- as an
17 Account Representative, have you ever utilized --
18 now, you haven't used foam cements before, right?

19 A. Correct.

20 Q. Okay. But did you ever use, in any way,
21 in your kind of creation of foam -- of cement
22 slurries, the D-Air products?

23 A. Yes.

24 Q. Okay. And what did you use them for?

25 A. To help break out air entrainment during
00236:01 the surface mixing process.

02 Q. Okay. So correct me if -- if -- I think
03 I -- I think I understand what you said, but I
04 want to make sure I understand. The D-Air
05 product, you used a nonfoam slurry to essentially
06 take out the foam that sometimes gets created in
07 the mixing process. Is that right?
08 A. Yes.

Page 236:19 to 238:10

00236:19 Q. Okay. Who was in charge of the BP
20 accounts for you when you took over in October of
21 '09 through April of 2010?
22 A. With respect to what, when you say who
23 were -- was in charge of the BP account?
24 Q. Well, I guess I'm -- I guess I -- I don't
25 know. In other words, are there more -- is there
00237:01 more than one person that you would consider to
02 be in charge of the B -- BP accounts during that
03 time frame?
04 A. Yeah.
05 Q. Okay. So Mister -- would -- would
06 Mr. Gagliano be one of them, as the Account
07 Representative?
08 A. Yes.
09 Q. Okay. And who would the -- who would the
10 others be?
11 A. You've got had other Product Service
12 Lines represented in BP. So to name those names,
13 I really wouldn't know what those names are,
14 because there are other Product Service Lines.
15 Q. So other Product Service Lines other than
16 cement?
17 A. Yes, if they're being utilized.
18 Q. If they're being utilized? Okay.
19 A. Yeah.
20 Q. And so -- and they would be under your
21 supervision, as well?
22 A. No.
23 Q. Oh, okay. So on -- so I was trying to
24 understand for you, in your role, who did you
25 consider to be the -- the people that were in
00238:01 charge of the BP accounts for you? Was that just
02 Jesse?
03 A. Just Jesse and I think Joe Edwards was in
04 there for a little while, as well.
05 Q. Okay.
06 A. (Nodding.)
07 Q. All right. And Mr. Edwards worked on a
08 well other than Macondo; is that right?
09 A. Joe did mostly -- mostly the land stuff,
10 I think, for BP.

Page 238:15 to 239:05

00238:15 (Exhibit No. 5922 marked.)
16 Q. (By Ms. Harding) Exhibit 5922. And it's
17 an E-mail from Mr. Bernard to Mr. Gagliano dated
18 March 22nd, 2010. Do you see that?
19 A. Yes.
20 Q. Okay. And it says: "Jesse, Look in the
21 sections I mentioned below. Thanks, Du." And
22 below that, it's got -- it's an E-mail from
23 Mr. Bernard to you, "BP Onshore Engineer
24 Competency." Do you see that?
25 A. Yes.
00239:01 Q. Okay. And Mr. Bernard sends you:
02 "Section 3 Scope of Work, Appendix 5 Description
03 of the Work, Part A, Cementing."
04 Do you see that?
05 A. Yes.

Page 239:11 to 242:23

00239:11 Q. Okay. Did you -- as the Supervisor of
12 the BP account in GoM for cementing from October
13 '09 through April 2001, did you expect your
14 service -- I'm sorry -- your Account
15 Representatives to be familiar with the contract
16 requirements of their customers?
17 A. Not really, no.
18 Q. No?
19 A. No, not really.
20 Q. Okay. Were you -- was one of your
21 responsibilities to ensure that the Halliburton
22 employees who are under your supervision complied
23 with the -- the -- the contract between BP and
24 Halliburton?
25 A. Yeah, I would say that that would be
00240:01 true.
02 Q. Okay. How would you -- if you don't --
03 if you personally don't know about the
04 contractual provisions, how would you -- how did
05 you go about ensuring that your employees were
06 aware and were complying with the contractual
07 provisions?
08 A. I'm -- I'm -- be honest with you, I don't
09 understand the que -- you know, could you --
10 Q. That's --
11 A. -- could you -- tell -- tell me again.
12 Q. Absolutely. If you don't understand,
13 just ask me to rephrase it.
14 Did you -- did you instruct Mr. Bernard
15 to send the contractual provisions to
16 Mr. Gagliano so that he would be familiar with
17 them and would abide by them?
18 A. Not in this particular case, I don't
19 think so.
20 Q. Okay. So if you didn't do that, how did

21 you -- how did you go about ensuring that your
22 employees were familiar with the contractual
23 provisions and -- and complied with them?
24 A. With respect to Jesse, I -- I don't think
25 I did.

00241:01 Q. Okay.
02 A. I didn't convey that to him.
03 Q. Do you expect -- did you expect that
04 somebody else would be doing that?
05 A. Well, Du -- Durel Bernard and I, we'll --
06 you know, if we have any conversation -- or any
07 issues or any question pertaining to the
08 contract, Durel, the Account Leader, and I will
09 get together on it and then convey what he and I
10 talked about, because Durel's usually on top of
11 the contracts.
12 Q. Okay. You just de -- described
13 Mr. Bernard as the Account Leader?
14 A. That's correct.
15 Q. Okay. And was he -- were you -- did you
16 supervise him, did he supervise you, or were you
17 peers?
18 A. Peers, for the lack of better
19 terminology.
20 Q. Okay.
21 A. Because we didn't supervise each other.
22 Q. You did not supervise each other?
23 A. No.
24 Q. Okay. And was it his -- was one of his
25 roles to ensure that the employees that were
00242:01 working on an account were familiar with the
02 contractual provisions and -- and that they
03 complied with them?
04 A. No, not the employees. It -- he and I
05 conversed with respect to anything pertaining to
06 the contract that may arise.
07 Q. Okay. And then -- and then it was
08 your -- it was your responsibility, then, to
09 ensure that the employees complied?
10 A. I assume it would be, yes.
11 Q. Okay. But in this particular case, you
12 don't recall -- or you did not communicate the
13 contractual requirements to Jesse and ensure
14 that he was compliant with them?
15 A. I don't think -- no, I've never -- I've
16 never sat Jesse down with the BP contract and
17 went over the BP contract with him.
18 Q. Okay. And you didn't have anybody else
19 do that, either?
20 A. No.
21 Q. Okay. And you're not aware of anybody
22 else that was responsible for doing that, right?
23 A. No.

00243:12 Q. And if you look -- if you look at the
13 next page, 47945, Mr. Vargo is asking Mr. Miller
14 to look at his revised version of the GoM
15 Cementing Playbook and processes for tracking in
16 the GoM. Do you see that?
17 A. M-h'm.
18 Q. Did you have any role in creating the --
19 this -- the -- this Playbook?
20 A. Is the Playbook in here?
21 Q. Well, if you could look at the next -- if
22 you go -- yeah, if you keep going, there's some
23 documents that are attached that look like -- I
24 can't tell. They don't look like a Playbook to
25 me, so -- but at the bottom, it says
00244:01 "Tab=Playbook for GOM Cementing." And it looks
02 like it's some kind of an Excel spreadsheet for
03 maybe updating or -- or revising some kind of
04 process. But that's just -- you know, I'm -- I'm
05 really asking you about what your familiarity is
06 with -- with the -- with the Cementing Playbook
07 and these documents that were attached to that
08 E-mail.
09 A. This -- I was -- this came from
10 Operations.
11 Q. These came from Operations?
12 A. Yes, this playbook is an Operational
13 Playbook.
14 Q. Okay. So it's an opera -- it's a
15 Cementing Operational Playbook for the GoM?
16 A. That would be my impression of this --
17 Q. Okay. And the --
18 A. -- of this particular playbook.
19 Q. And they're talking -- this is -- this is
20 a spreadsheet, then, looking at how -- 0047946-1,
21 which was attached to the Exhibit 977, looks like
22 some type of "Action Item" related to the -- to
23 the Cementing Playbook?
24 A. (Reviewing document.)
25 Yeah. Excuse me.
00245:01 Q. Is that -- is that right?
02 A. Yeah, Playbook for GoM Cementing.
03 Q. Okay. And have you seen the Playbook on
04 Cementing?
05 A. I -- I probably have reviewed this.
06 Q. Okay.
07 A. This particular document?
08 Q. Not -- well, this doc -- this document,
09 but is there -- is there an actual, then,
10 Playbook that -- like a document that this
11 relates to?
12 A. This is the Playbook.
13 Q. This is the Playbook?
14 A. As far as I know, it --
15 Q. Okay. Got it. So Playbook for GoM
16 Cementing January to June 2010.

17 So when -- it says: "Service Quality
18 Establish work processes for working with APC in
19 DW and expand to GOM Sales Group and operations
20 for how we will work in DW for the future."
21 Do you see that?
22 A. Yes.
23 Q. Okay. When it says "working with APC in
24 DW," is that Anadarko?
25 A. Yes.
00246:01 Q. Okay. "Assure Technical recommendations
02 on slurry designs. All designs must have check
03 off from Technical (either Technical Advisor,
04 Account Rep or Technical Professional)."
05 Do you see that?
06 A. Yes.
07 Q. Okay. And then below: "Establish new
08 successful job criteria," ex -- "execute the job
09 as designed."
10 Do you see that?
11 A. Yes.
12 Q. Okay. Are these all Action Items that
13 you agreed to for this period, January to June
14 2010?
15 A. These are Action Items that were, I would
16 say, developed by Operations --
17 Q. M-h'm.
18 A. -- to discuss, you know, with me and HES,
19 so to speak, as -- as, you know, something where
20 it could be conveyed between BD and Operations.
21 Q. Okay. And who in Operations put these
22 together and then communicated with you about
23 them?
24 A. It shows the person responsible, which
25 would probably -- I would venture to say Richard
00247:01 Vargo, that had -- in unison with, you know, the
02 people who are down here in Operations, which
03 would be Gouner, Vargo, possibly Serio. But
04 Richard Vargo, I think, would have ownership of
05 this document.
06 Q. Okay. And would -- it says: "Expected
07 date of completion." Would -- these are the
08 dates, March 10 and then June 10, June 10,
09 April 10, are those -- these are the dates when
10 it was -- these tasks were expected to be
11 completed?
12 A. That -- those were the expectations, yes.

Page 247:15 to 251:03

00247:15 Q. You don't know. Okay.
16 In connection with the vari -- the
17 strategy, "Establish new successful job criteria,
18 execute the job as designed" -- do you see that?
19 A. I'm sorry?
20 Q. Very bottom --

21 A. Yes.
22 Q. -- under "Strategy."
23 A. Yes, I do.
24 Q. -- is that something that -- do you
25 recall discussing that with Mr. Vargo?
00248:01 A. No.
02 Q. Because it's got your name next to it.
03 Do you see that as --
04 A. I do.
05 Q. Okay. What were you supposed to do
06 with -- with -- as being responsible for this?
07 What was your role in making sure this -- this
08 got done?
09 A. (Reviewing document.) Do you mind if I
10 read the "Comments" here --
11 Q. M-h'm. No. Go --
12 A. -- let me read the "Comments"?
13 Q. -- ahead.
14 A. (Reviewing document.) I'm not exactly
15 sure where I fit into this particular strategy.
16 Q. Okay. So you don't recall?
17 A. No.
18 Q. Do you know what led to -- what -- what
19 was -- what caused this to become an Action Item?
20 Was there -- was there something that happened
21 or -- or an ac -- an incident or an occurrence
22 that caused this to be added as an Action Item?
23 A. I don't know why Richard has it on here.
24 If Richard put this on here, I don't know why
25 it's an Action Item.
00249:01 Q. Okay. What is the "Density requirements
02 met" plus or minus 0.3 pounds per gallon? What
03 does that mean to you?
04 A. If it's designed for a certain density,
05 it needs to fall within the range of three-tenths
06 heavy, three-tenths light.
07 Q. Right. So if the target density is 14.0,
08 then the actual density needs to be either
09 between four point -- 14.3 and 13.7; is that
10 right?
11 A. Correct.
12 Q. Okay. And what's the -- what's the
13 reason for that? Why is the target density --
14 why is it important to be within three-tenths of
15 the target density?
16 A. That -- that's something you would have
17 to ask the Technology Group, why that number
18 is -- was chosen.
19 Q. Okay. But do you recall, as an Account
20 Representative, when you were designing slurries
21 and then testing them and pumping them down the
22 hole, the importance of having the actual density
23 be as close to possible to the target density?
24 A. Right.
25 MR. BOWMAN: Objection, form.

00250:01 Q. (By Ms. Harding) What's the reason for
02 that, if you recall?
03 A. That's what it's designed for. That's --
04 you know, as an Account Rep and Engineer
05 designing slurries, we design it for that
06 particular weight. So we want it as close to
07 that weight as we possibly can get it.
08 Q. Okay. And the -- the -- the target
09 density is often a function of the conditions of
10 the well, correct?
11 MR. BOWMAN: Objection, form.
12 A. No.
13 Q. (By Ms. Harding) The -- the pore
14 pressure --
15 A. I'm sorry.
16 Q. The pore pressure --
17 A. Right.
18 Q. -- the frac gradient, the --
19 A. Yes. The target density, the density
20 that I'm designing for is a function of the
21 parameters of the wellbore, yes.
22 Q. Okay. And so the -- the parameters of
23 the wellbore are what make the -- or what kind of
24 dictate your target?
25 A. Not -- not necessarily in every case.
00251:01 Q. Okay. That's at least some of the
02 factors that are considered?
03 A. Right. It's taken into consideration.

Page 251:07 to 253:16

00251:07 Q. Okay. "Opportunities (How we track our
08 opportunities to make money)."
09 That -- I -- as I understand it, looking
10 at some other spreadsheets later on, that's
11 looking for opportunities where you might get a
12 new -- a new job to do or a -- a new service to
13 provide; is that right?
14 A. Basically, a lead.
15 Q. Okay. Under "Threats," is this related
16 to nonproductive time?
17 A. No.
18 Q. This is related to losing business to a
19 competitor?
20 A. Correct.
21 Q. Okay. And then "Proactive Service
22 Quality," that's related to nonproductive time
23 and QOPC; is that right?
24 A. COPQ.
25 Q. COPQ. Sorry.
00252:01 A. That's correct.
02 Q. Okay. You mentioned earlier this morning
03 a nonproductive time incident that related --
04 that ended up costing approximately \$900,000 in
05 nonproductive time, money you had to give back to

06 Anadarko; is that right?

07 A. Yes.

08 Q. Okay. And so the nonproductive time --
09 kind of the cost of nonproductive time, is that
10 something that is kind of a threat with respect
11 to all of the Operators that you do work for?

12 MR. BOWMAN: Objection, form.

13 A. Not a threat, no.

14 Q. (By Ms. Harding) Maybe a "threat" isn't
15 the right word. But in other words, the -- the
16 possibility of having to for -- to give money
17 back to an Operator due to Halliburton's causing
18 nonproductive time, that's an issue that you deal
19 with with every Operator that you're -- that you
20 work with?

21 A. There's -- there's always the possibility
22 of something going wrong. I mean, we've got
23 equipment out there, personnel. So it's
24 something we try to -- we try to avoid.

25 Q. Okay. But the -- having to kind of give
00253:01 money back to a customer because of nonproductive
02 time is something that's not unique to Anadarko?

03 A. No.

04 Q. Okay. So there are other cust -- other
05 customers where that's in play, as well?

06 A. That's every customer.

07 Q. Okay. All right. When -- for instance,
08 on the Anadarko matter, when you had -- when you
09 had to -- ended up having to pay back the nine
10 hundred -- approximately 900,000, is that
11 nonproductive time that then gets -- that the
12 Account Representative, the person at Halliburton
13 that was in kind of charge or accountable for
14 that, has to kind of deal with in their review at
15 the end of the year?

16 A. Yes.

Page 253:21 to 257:04

00253:21 (Exhibit No. 5923 marked.)

22 Q. (By Ms. Harding) It's an E-mail from you
23 to -- I'm sorry -- from Mr. Vargo to you, dated
24 October 27th, 2010. Do you see that?

25 A. Yes.

00254:01 Q. "Core" pros -- "Core Process Tracking"?

02 A. Yes.

03 Q. If you look on the second page of the
04 spreadsheet, so it's the top -- it's got
05 "Comments." Do you see that?

06 A. M-h'm.

07 Q. It says: "We will use what we learned
08 in...APC investigation and translate that into
09 our Deepwater Processes for working in Deepwater
10 in the GOM"?

11 A. (Reviewing document.)

12 Q. Do you know what -- what learnings came
13 from that Investigation?

14 A. Not right off the top of my head.

15 Q. Okay. Underneath "Comments," "We will
16 define in a short statement what the term
17 'Successful Job' means."

18 Do you see that?

19 A. Yes.

20 Q. Do you know what caused you to want to
21 define what a "Successful Job means"? Was that
22 something that came up before or after the
23 Macondo Well?

24 A. I want to say before.

25 Q. Okay.

00255:01 A. Before Macondo.

02 Q. And had you -- had you come up with the
03 proper way to -- to -- or -- or the -- the --
04 kind of a new process for defining successful job
05 by the time of the Macondo Well?

06 A. I don't recall whatever -- whatever
07 process had come up. This was -- every
08 customer's definition of a successful job is
09 different.

10 Q. M-h'm.

11 A. And so we were trying to document that,
12 what -- what each customer says is a successful
13 job.

14 Q. Okay. And were you do -- trying to make
15 it customer-specific, or were you trying to make
16 it one -- one definition for Halliburton that you
17 could provide to a customer?

18 A. Trying to find out what -- what the --
19 what the customer base -- you know, what -- what
20 their definition of a successful job is --

21 Q. Okay.

22 A. -- overall.

23 Q. And I guess that's because it's -- you
24 wanted to be communicating in a way that the
25 customer and you were on the same page when you
00256:01 said "successful job." Is that fair?

02 A. I would assume so.

03 Q. Okay. I mean, we -- we -- we talked
04 earlier about the -- one of the responsibilities
05 of the Account Representative with respect to
06 communicating about the -- the job and in the
07 job -- Post-Job Report, about the success of the
08 job.

09 So is that something that you deemed to
10 be important, an important role and
11 responsibility of the Account Representative with
12 respect to the customer?

13 A. Is the definition of the customer's
14 successful job --

15 Q. Yeah.

16 A. -- what his definition is?

17 Q. M-h'm.

18 A. I think it's important.

19 Q. Okay. And it was -- do you agree that
20 it's important for the Account Representative to
21 communicate to the Operator about the -- the
22 parameters that the -- that the Operator is
23 looking for to determine whether or not the job
24 was a success or not?

25 A. I think that's important to know.

00257:01 Q. Okay. Because the Operator often makes
02 decisions based on an understanding of whether
03 the job was a success or not, correct?

04 A. Yes.

Page 257:15 to 258:22

00257:15 Q. (By Ms. Harding) Do you agr -- do you
16 know what a CBL is?

17 A. Absolutely.

18 Q. Okay. Do they use them in the -- in
19 the -- in -- when you were an Account
20 Representative, they use them on land and -- all
21 the time?

22 A. Yes.

23 Q. Okay. Do -- in your kind of realm of
24 cementing that you did, do Operators sometimes
25 conduct CBLs after a cement job?

00258:01 A. Yes.

02 Q. Okay. Do they sometimes conduct --
03 conduct CBLs before a completion phase?

04 A. Yes.

05 Q. Okay. And do they sometimes look -- do
06 they sometimes decide to -- I don't know how it
07 works in the -- on the -- on the land. Do
08 they -- do they complete a well and then wait --
09 I mean, do they -- do they drill a well, abandon
10 it, and come back and complete it, or do they do
11 the drilling and completion all at once?

12 A. Drilling and completion usually all at
13 once.

14 Q. Okay. All right. Did you -- how did you
15 communicate -- when you were an Account
16 Representative, how did you communicate about the
17 success of a cement job to your customer?

18 A. The -- the customer usually informed me
19 whether or not a job was a success. So, you
20 know, reviewing his -- his Bond Log together --

21 Q. M-h'm.

22 A. -- you know, is one way we communicated.

Page 260:09 to 261:15

00260:09 Q. (By Ms. Harding) -- when you were an
10 Account Representative, you did not put together

11 Post-Job Reports for your clients?
12 A. I usually did not. The Engineers.
13 Q. Your -- you -- cementing -- Halliburton
14 Cementing Engineers --
15 A. That's --
16 Q. -- did that?
17 A. -- that's correct.
18 Q. Okay. The ones that actually did the
19 job.
20 A. The ones that actually ran the OptiCems.
21 Q. Yeah, ran the OptiCems.
22 A. (Nodding.)
23 Q. Okay. And did -- did -- when you were an
24 Account Representative, did Halliburton monitor
25 returns during cement jobs and report to the
00261:01 Operator or anybody else that was there about the
02 returns during a cement job?
03 A. Monitor in what shape, form, or fashion?
04 Q. Monitoring whether or not you had losses
05 and whether or not you had -- what you expected
06 in terms of mud coming back.
07 A. Visually, you know, would have someone up
08 on the -- on the shale shaker visually, you know,
09 to -- to monitor.
10 Q. Okay. So do you have any knowledge
11 whatsoever as to how that operation was conducted
12 on the Macondo Well, in terms of monitoring the
13 cement job and reporting back to BP as to whether
14 or not the job had been a success or not?
15 A. No.

Page 262:01 to 265:03

00262:01 it, it says: "Attached is the GOM Market Share
02 Rig Report from Mary" Du -- "Dupuis for week
03 ending 10/30/2009."
04 Do you see that?
05 A. Yes.
06 Q. Okay. And was this a document that you
07 were required, along with others, to compile in
08 the regular course of your -- of your job
09 responsibilities at Halliburton?
10 A. As far as BD, it's a Market Share Report.
11 Q. Right. It's a Market Share Report, and
12 it was something that you were required, as -- in
13 your role as Sales Supervisor, to compile --
14 A. That --
15 Q. -- correct?
16 A. Yes.
17 Q. Okay. And it -- you were required to
18 make it as accurate as possible, correct?
19 A. Yes.
20 Q. And you were required to do this every
21 two weeks, correct?
22 A. I think it was every two weeks, yes, if

23 not every week.

24 Q. Okay. So it was something you did in the
25 regular course of your business as a -- a Sales
00263:01 Supervisor?

02 A. Yes.

03 Q. Okay. If you could turn to -- one quick
04 question, the -- if you look at the attachment to
05 5924, it's a Spreadsheet, and it has "OPERATOR,"
06 correct?

07 A. Yes.

08 Q. And then the -- the numbers -- the
09 dollars that appear under "Cement Dollars" --

10 A. Wait, wait, wait. You said 5924? What
11 did you say?

12 Q. The exhibit is 5924, and the attachment,
13 if you keep -- right, keep going.

14 A. Yeah.

15 Q. There you go.

16 A. I just want to make sure I'm on the right
17 page.

18 Q. You're on the right one, yep.

19 A. Okay.

20 Q. The attachment's got the blue and yellow.

21 A. Okay.

22 Q. Okay.

23 A. I'm sorry.

24 Q. And the dollar amounts that come under
25 "Cement Dollars," do you see those?

00264:01 A. Yes.

02 Q. Okay. Where the -- where Halliburton is
03 the cement contractor, those -- the dollar
04 amounts there come from Halliburton's own
05 records, correct?

06 A. No.

07 Q. No? Where do they come from?

08 A. WAGS. They're just guesses by the -- by
09 the -- you know, like, Edwards and Gagliano.
10 They're just guesses of estimated revenue
11 generation for the month.

12 Q. Okay. But if it's for Halliburton, I
13 think there's an instruction to put the --
14 "Filter" in "your name in column B," "Fill in
15 columns C & D..."

16 Do you see that, in the very front of the
17 E-mail?

18 A. Yes.

19 Q. Okay. And it says: "If column C is a
20 competitor you do not have to fill in Revenue\$
21 unless you know it."

22 Do you see that?

23 A. (Reviewing document.) Yes.

24 Q. Okay. So -- so you're only putting
25 your -- the competitor's revenue unless you --
00265:01 unless you have a good basis for doing it,
02 correct?

03 A. Right.

Page 265:19 to 267:08

00265:19 Q. (By Ms. Harding) It's from Mr. Bernard to
20 you. Do you see that? And it's got "CURRENT
21 ACTIVITIES" and "UPCOMING ACTIVITIES." Do you
22 see those? Do you see the document? It's Bates
23 labeled 1233609 --

24 A. I do.

25 Q. -- to 611.

00266:01 A. I do.

02 Q. Okay. "Headlines - BP SAM Team -
03 'February' 2010 Houston."

04 Would this have been the -- the current
05 and upcoming activities as reported by the
06 Account Representatives for BP to you and others?

07 A. This -- this is -- this doesn't look like
08 a -- a document that I would be familiar with as
09 far as -- this may come -- this may be internal
10 to Halliburton and BP, as far as Durel's means in
11 which to track or report certain data.

12 Q. Okay. So is that what it is?

13 A. That -- that would be my understanding of
14 what this is.

15 Q. Okay. And why were you receiving it?

16 A. (Reviewing document.) The upcoming
17 activities allow you the ability in which to see
18 what the DD II, the DD III is going to do, both
19 of which were on that particular rig --

20 Q. M-h'm.

21 A. -- so I can estimate and forecast
22 revenue.

23 Q. Okay. And how often would you receive
24 documents -- a documents like this?

25 A. Documents to help us track revenue and
00267:01 the LTF related forecast, you know, I -- I would
02 get, you know, pretty often --

03 Q. Prob --

04 A. It may be in different formats, though.

05 Q. And every two -- about every two weeks?

06 A. No, probably about every three weeks or
07 so, because it was a monthly -- you know, we
08 tried to do it monthly.

Page 267:13 to 267:13

00267:13 (Exhibit No. 5926 marked.)

Page 267:18 to 269:05

00267:18 Q. It's sent to you and a number of other
19 people, Siffert, Vargo, Serio, Dugas, Calhoun,

20 Faul. Do you see that?
21 A. Yes.
22 Q. And a number of other people are cc'd.
23 It says, "I need your interpolation... 'cementing
24 designs must be certified by a Professional
25 Engineer.' Is this certification by PE required
00268:01 in our shop, or in the Operators shop...?"
02 What -- why was this E-mail sent by
03 Ms. Steele to you? Why were you included in this
04 group?
05 A. Kerry Steele sent it to me just to
06 keep -- probably keep me informed.
07 Q. Okay. If you turn to the front of the
08 page, there were some E-mails from Mr. Bolado to
09 Mr. Gagliano, Mr. Edwards, some other people, and
10 he's forwarding these -- this chain of E-mails,
11 and then there was an E-mail from Mr. Gagliano to
12 Mr. Osborne and Mr. Fuller. Do you see that?
13 A. Yes, I do.
14 Q. And it says: "Some info for our little
15 project." Do you see that?
16 A. Yes.
17 Q. Okay. What is Mr. Gagliano referring to
18 there?
19 A. No idea.
20 Q. Do you know if Mr. Osborne or Mr. Fuller
21 are attorneys?
22 A. They are not.
23 Q. Who are they?
24 A. Paul Osborne is a Technical Advisor at
25 Halliburton, and George Fuller was a Technical
00269:01 Advisor for cementing at Halliburton.
02 Q. Okay. And are you aware of any -- do you
03 know anything about the project that Mr. Gagliano
04 is referring to in this E-mail?
05 A. I do not.

Page 270:14 to 274:15

00270:14 Q. (By Ms. Harding) And it's an E-mail from
15 Myrna Savoie dated April 7th, 2010, and it's sent
16 to a number of people, including you. Do you see
17 that? Your name is in the first line of the
18 "To's."
19 A. Yes.
20 Q. Okay. And the -- it says: "Subject: GC
21 Cementing Contract - Quote Log April 7, 2010,"
22 "Importance: Normal." "Attachments: APRIL
23 7.xls." Do you see that?
24 A. Yes.
25 Q. Okay. What is the -- what is this
00271:01 document that was attached to this E-mail?
02 A. This is a day rate and discount for the
03 rigs that have Halliburton performing cementing
04 work on them.

05 Q. Okay. And who puts this document
06 together?
07 A. Myrna Savoie.
08 Q. Okay. And what information does she use
09 to compile it, to your knowledge?
10 A. I mean, it's all the information you see
11 here across the top.
12 Q. Okay. And does -- did you regularly
13 receive this in the course of your -- your work
14 at Halliburton as the Sales Supervisor?
15 A. Yes.
16 Q. Okay. Under "D/R," what does "D/R" stand
17 for across the top there?
18 A. Day rate.
19 Q. Day rate. And then the "Discount," do
20 you see that?
21 A. Yes.
22 Q. Okay. What's the "Discount" mean?
23 A. It means --
24 Q. Service, materials?
25 A. Yes.
00272:01 Q. Okay. And is -- is -- so is the -- is
02 the rate then discounted by the amount percentage
03 set there, or is that just -- is the rate
04 actually what is listed under day rate, and
05 it's -- and the -- and the discount is just
06 reflecting what the discount was?
07 A. The day rate is the day rate, no dis --
08 Q. Okay.
09 A. -- no discount.
10 Q. That's the actual amount charged?
11 A. For the day rate.
12 Q. For the day rate?
13 A. Yes.
14 Q. Okay. And the discount, when you say
15 "discount," that's just reflecting what discount
16 was applied to get to that day rate?
17 A. No.
18 Q. Okay. That's -- that's what I'm trying
19 to get at. So do you then apply the discount?
20 A. No.
21 Q. Okay.
22 A. To the day rate?
23 Q. Yeah. "No"?
24 A. No.
25 Q. Okay. So if I wanted to know for the
00273:01 top, "ADTI, Atwood Richmond, Quote Number," and
02 it's got the number there, and it's got day rate,
03 "1200." Do you see that?
04 A. Yes.
05 Q. "Discount, 46," Service, Materials, "46."
06 Do you see that?
07 A. Yes.
08 Q. What is the day rate for Atwood Richmond?
09 A. \$1200.

10 Q. \$1200?
11 A. (Nodding.)
12 Q. Okay. And what's the significance of the
13 discount?
14 A. That's the discount applied to the
15 services and materials.
16 Q. And it's already been applied?
17 A. No, not to the day rate.
18 Q. Okay. So then the day rate would
19 actually be 46 percent less? No?
20 A. No.
21 Q. What would it be?
22 A. \$1200.
23 Q. All right. You're going to have to
24 explain it to me, then. How much would -- how
25 much would Halliburton receive from Atwood
00274:01 Richmond for a day on this rig?
02 A. \$1200.
03 Q. Okay. So the -- the -- the discount has
04 no meaning at all?
05 A. No. It does.
06 Q. What's the meaning of the discount?
07 A. Any additional services are at 46
08 percent.
09 Q. Okay.
10 A. Off of our price book.
11 Q. Okay. I got it. So the -- the day rate
12 is the 1200, and then the additional services,
13 whatever they are, they're discounted by 46
14 percent?
15 A. If they're services.

Page 275:13 to 278:21

00275:13 Q. Okay. When you were using OptiCem for
14 the work that you did as an Account
15 Representative, did you utilize the -- the -- the
16 function of OptiCem that allows you to input a
17 standoff percentage and then allow the model to
18 calculate it, or would you input centralizers and
19 then -- and then calculate centralization?
20 A. I've done both.
21 Q. You've done both?
22 A. (Nodding.)
23 Q. Okay. When you -- if you look down to
24 the "Eccentricity Enhanced Calculations" and the
25 "Erodibility Enhanced Calculations," do you
00276:01 see --
02 A. M-h'm.
03 Q. -- that?
04 A. Yes.
05 Q. And it's got "No" and "Yes"?
06 A. Okay.
07 Q. Is -- "Eccentricity Enhanced
08 Calculations," what is that -- what is that

09 parameter in OptiCem, and how did you use it?
10 A. That is -- and I don't quite -- it's been
11 a long time since I've run OptiCem.
12 Q. M-h'm.
13 A. Okay? But if I'm not mistaken, the
14 "Eccentricity Enhanced Calculations," you can
15 either input the data or you just do 70 percent
16 standoff like you just asked me.
17 Q. M-h'm.
18 A. So I think if you're just doing the 70
19 percent standoff -- and don't quote me on this --
20 Q. M-h'm.
21 A. -- because I'm not familiar -- it's been
22 so long, because now I've been going to ICEM
23 especially, but the Eccentricity Enhanced
24 Calculations, were they used? No.
25 Q. That means that --
00277:01 A. So that's --
02 Q. -- they weren't used here?
03 A. So I'm -- I'm wondering -- I -- I don't
04 know. I hate to -- I hate to --
05 Q. Well I can --
06 A. -- guess here --
07 Q. I -- I -- I can --
08 A. -- to be honest with you.
09 Q. I can get a more -- Mr. Nguyen last week
10 explained that if you are inputting a standoff at
11 like, say, 70 percent, then you would turn off
12 the -- both eccentricity and erodibility. Is
13 that your understanding, as well?
14 A. Eccentricity, yes; erodibility, maybe
15 not. You can -- you can use the erodibility.
16 Q. And what would it do?
17 A. It would tell you how well your fluids
18 are cleaning the wellbore -- or, I mean, it --
19 eroding.
20 Q. Okay. The erodibility function is the
21 one that allows you to -- to know how much of the
22 mud is getting -- or predicts how much of the mud
23 is getting displaced; is that right?
24 A. Yes.
25 Q. Okay. And then what does eccentricity
00278:01 do?
02 A. Mea -- that's the measurement of
03 centralization of the pipe.
04 Q. Okay. So the eccentricity measures the
05 centralization of the pipe, and the erodibility
06 measures the effect -- how -- the effectiveness
07 of your displacement; is that right?
08 A. Right. From what little I know about the
09 eccentricity and erodibility.
10 Q. Okay. But was it your understanding that
11 if you were inputting the centrali --
12 centralizers into the model and actually using
13 the centralizers in the placement, how -- what

14 would you -- would you turn the eccentricity and
15 erodibility functions on or off, if you recall?
16 MR. PALMINTIER: Object to form.
17 A. There again, I would -- I would say "on."
18 I mean, that's --
19 Q. (By Ms. Harding) Okay.
20 A. Yeah. I'd have to brush up on my OptiCem
21 terminology, but I would say "on."

Page 279:22 to 280:08

00279:22 (Exhibit No. 5928 marked.)
23 Q. (By Ms. Harding) And I just really have a
24 process question or two about timesheets. Who --
25 what -- who at Halliburton is required to fill
00280:01 out timesheets, what type of employees?
02 A. HR would have a better -- a better answer
03 for that, but I would assume that it would be the
04 hourly employees.
05 Q. Okay. So an hour -- so somebody who is
06 an hourly employee?
07 A. As -- on this particular, Gary Paul
08 Anderson. He is an hourly employee.

Page 281:22 to 286:07

00281:22 Q. -- understand the range. Okay. Let me
23 ask you: Do -- do Account Representatives also
24 get bonuses at the end of the year, or at any
25 time during the year?
00282:01 A. Not anytime during the year. Usually a
02 one-time a year bonus at ExCom's discretion, if
03 plans are met.
04 Q. And what is the -- what -- what are the
05 factors that go into a bonus that an Account
06 Representative can -- can achieve?
07 A. There are a number of factors that go
08 into whether or not we get the bonus, or a
09 percentage of a bonus, Health, Safety and
10 Environment, you know, performance measures.
11 Now, I don't have that directly in front of me,
12 but there are -- there are several factors that
13 go into it, and they're weighted.
14 Q. Okay. And is it -- is it a -- kind of a
15 quantitative function like you put in, you -- you
16 have certain factors, and you put in whether they
17 hit them or not, and then you -- you calculate a
18 number that it spits out?
19 A. The Upper Management does that.
20 Q. The Upper Management does that. And who
21 fills out the forms that determine whether or not
22 an Account Representative get -- you know, gets a
23 bonus or not? The info -- who -- who provides
24 the information that allows people to calculate

25 what the bonus will be?
00283:01 A. The Upper Management already has the
02 percentages, and they -- they do the calculations
03 based on the numbers that are provided to them
04 through the system, whether it's Revenue or
05 Safety, HSE incidents, or whatever the case is.
06 Q. Okay. So as the Sales Supervisor, you
07 don't have any role in determining what the bonus
08 will be?
09 A. No.
10 Q. Okay. Do you have any role into the --
11 the factors that go into the bonus?
12 A. No.
13 Q. Do you know what the factors are?
14 A. I mean, I do. It's -- it's a given.
15 Q. Okay. Because you -- I mean, you -- they
16 used them for you when you were an Account
17 Representative, correct?
18 A. That's right. It -- it's a given, but I
19 don't make up the percentages or how much we have
20 to get from Point A to Point B.
21 Q. Okay. And is the -- if you look back at
22 Tab 4, are they -- are the factors for the bonus
23 different than the -- than the performance
24 objectives set out on these documents?
25 A. Yes.
00284:01 Q. Okay. So that it would be -- it won't be
02 the same Ethical Standards, Operational
03 Excellence, Health, Safety, Environment, it won't
04 be those factors?
05 A. No -- I mean, like Health, Safety and
06 Environment, that's going to be one of factors.
07 Q. M-h'm.
08 A. But some of these -- some of these
09 Performance -- see, the Health, Safety,
10 Environment, some of this stuff it may be
11 included --
12 Q. Okay. And --
13 A. -- but not every one of these.
14 Q. Okay. And what's the -- what kind of
15 document is that set out in? It's a different
16 document than this, obviously. It's a different
17 performance evaluation?
18 A. It's called a CVA.
19 Q. A CVA. Okay. All right. And, for
20 instance, is -- are there any profit or loss, or
21 factors related to -- to those kinds of issues,
22 in that perform -- in the -- in this calculation?
23 A. Revenue is part of the CVA.
24 Q. Okay. So whether you achieved your
25 target rev -- revenue, fell below it, or exceeded
00285:01 it?
02 A. The company.
03 Q. The company?
04 A. North America.

05 Q. For -- for -- oh, for the whole North
06 America?

07 A. That's correct.

08 Q. Okay. So not you, individually?

09 A. That's right.

10 Q. Okay. And what about nonproductive time,
11 is that factored in?

12 A. Well, for the Region, actually, I think.
13 Maybe it's the Region. I'm sorry. What -- what
14 was --

15 Q. Nonproductive time --

16 A. -- the second question?

17 Q. -- and costs associated with
18 nonproductive time, is that factored into the
19 bonus calculation?

20 A. No.

21 Q. It's not?

22 A. No.

23 Q. Okay. Any other quantitative numbers
24 that go into that calculation?

25 A. Like I said, it's the revenue, Health,
00286:01 Safety, Environment, with respect to the -- some
02 of the stuff that's on here, you know, incident
03 rates, you know, are they low enough?

04 Q. Okay. And then what about performance,
05 like job performance, is that -- is there a
06 rating for job performance?

07 A. No.

Page 290:02 to 291:09

00290:02 Q. Had you alerted anybody at Halliburton to
03 the fact that you believed that -- that you were
04 technically Mr. Gagliano's Supervisor, but you
05 weren't supervising his Technical work, and that
06 there needed to be somebody that was supervising
07 his Technical work?

08 A. No.

09 Q. Was there any discussion with you, prior
10 to the change in organization, that gave -- where
11 somebody explained to you why they were making
12 the change?

13 A. Richard Vargo and myself probably had
14 some conversation about it.

15 Q. And what did -- what did you discuss?

16 A. Basically, the reason for it is
17 separating Technical from the Sales was the
18 ultimate goal.

19 Q. Okay. And at the time -- that was before
20 the Macondo incident, that that discussion
21 occurred?

22 A. Yes.

23 Q. And before the actual change to Mr. Faul
24 taking over the Technical role?

25 A. It was probably during the process in

00291:01 which Mr. Faul was taking on the role.
02 Q. So right around the 16th of April?
03 A. Somewhere around that general vicinity,
04 yes.
05 Q. Okay. And did you agree with the change,
06 in light of the fact that you hadn't really been
07 supervising him with respect to Technical work?
08 A. I thought it was in the best interest of
09 the company.

Page 291:16 to 293:22

00291:16 Q. Okay. And it's dated July 25th, 2010.
17 I'm going to read the E-mail to you and then ask
18 you a question about it: "Anthony good point.
19 Spacer volume was sufficient to sweep entire
20 annulus volume. As such, spacer was sufficient
21 to sweep channel. Subsequent testing with 3D
22 confirms statement that" -- that "spacer was
23 sufficient...Tommy."
24 The first thing I -- I just want to ask
25 you about is "Subsequent testing with 3D..."
00292:01 What is that? Is that a new Halliburton
02 technology?
03 A. I'm assuming that Tommy is referring to
04 our Displace 3D software.
05 Q. Right. Is that a new -- that's a new
06 technology that's a -- that you're selling now?
07 A. Not selling. It's not new. I mean, it's
08 -- it's been in existence. How long, I don't
09 know, but I mean, we're not talking years here,
10 but it's not -- new to me, last week.
11 Q. Okay. That's fair enough. You're --
12 okay. So as of July 2010, was it a software that
13 Halliburton was now marketing to clients, do you
14 think, as of last Summer?
15 A. Marketing is -- is -- I say "No," if you
16 say "marketing."
17 Q. Okay. Selling?
18 A. No. We're not selling it. It was
19 software used just like OptiCem.
20 Q. Okay. So software that Halliburton used
21 to -- to -- to model a job?
22 A. Right.
23 Q. Okay. And did you -- did you use it on
24 all jobs, or just on some jobs?
25 A. I don't know how often the Techni -- the
00293:01 Technical staff used it.
02 Q. Okay. Is it software that you utilized
03 when you were an Account Representative? Was it
04 available to you, as an Account Representative?
05 A. No.
06 Q. Okay. And was it software that any
07 Account Representative is capable of -- of
08 running and using, or is it -- really, is it

09 something that you're more -- that's kind of
10 a -- more sophisticated Technical people use?

11 A. I'm trying to think about my last answer.
12 Displace 3D was available whenever I was an
13 Account Rep. I did not use it very often.

14 As a matter of fact, I never used it.
15 If, in the event that I needed it, the Engineers
16 would run it for me.

17 Q. Okay. So it was not something that you
18 utilized. Did it require special training or
19 special knowledge in order to run it?

20 A. Yeah, at the time, the TAs ran it --

21 Q. Okay.

22 A. -- the Senior Engineers.

Page 294:07 to 296:03

00294:07 Q. So, just to go back, there's a --
08 Mr. Badamen -- Badalamenti is saying to
09 Mr. Turton and Mr. Roth: One of the things that
10 we need to address is the following question that
11 we could be asked, essentially, "Halliburton your
12 computer simulator indicated channeling, which
13 led to mud and cement intermixing. However, you
14 still recommended foam cement."

15 And then Mr. Roth responds: "Anthony
16 good point. Spacer volume was sufficient to
17 sweep entire annulus volume. As such, spacer was
18 sufficient to sweep channel. Subsequent testing
19 with 3D confirms statement that spacer was
20 sufficient."

21 So what did -- from your former role as
22 an Account Representative, and somebody who
23 worked with displacement models and displacement,
24 and understands its significance, what did --
25 what does it mean when he says "Spacer volume was
00295:01 sufficient to sweep entire annulus volume"?

02 MR. BOWMAN: Objection, form.

03 A. The spacer volume that was modeled in the
04 3D --

05 Q. (By Ms. Harding) M-h'm.

06 A. -- was of suf -- sufficient volume enough
07 in which to clean out any channeling opt --
08 possibilities, which undoubtedly someone down
09 here that Anthony was talking about is --

10 Q. Had raised?

11 A. -- is quoting, so to speak.

12 Q. Right. So somebody had raised the
13 possibility of channeling, and Mr. Roth is
14 responding: That's a good point. We have to
15 address that, because if there had been -- well,
16 we'll get away from that. We'll come back to
17 that.

18 But he's saying that's not an issue
19 because we tested it and the "Spacer volume was

20 sufficient to sweep the entire annulus volume,"
21 right?
22 MR. BOWMAN: Objection, form.
23 A. That -- that -- that would be my
24 interpretation of the E-mail.
25 Q. (By Ms. Harding) And that's -- when he
00296:01 says: "As such, spacer was sufficient to sweep
02 channel," that's just saying the same thing?
03 A. Yeah. That would be my interpretation.

Page 297:24 to 304:15

00297:24 (Exhibit No. 5929 marked.)
25 Q. (By Ms. Harding) Do you recognize this
00298:01 organizational chart? Have you seen this before?
02 A. It's a typical organization chart.
03 Whether or not I've seen this particular one, I'm
04 not exactly sure if I've seen this exact one.
05 Q. Is this an organizational chart that was
06 in place -- that was put in place prior to
07 April 16th, 2010, or after April 16th, 2010?
08 A. I have no idea when this organizational
09 chart was developed.
10 Q. Okay. Well, if you look at -- if you
11 look at -- is there anything on it that would
12 allow you to determine -- so, for instance, I
13 don't see -- so I do see Mr. Faul's name. Do you
14 see that on the next page?
15 A. Okay. Stop. Hang on just a minute.
16 Q. M-h'm.
17 A. This organizational chart was prior to
18 April 16th, 2010.
19 Q. It was prior?
20 A. Yes.
21 Q. Okay. And the reas -- well, the reason I
22 ask is because Mister --
23 A. Jesse is directed to me.
24 Q. Well, if you look under Mr. Var -- on the
25 next, Mr. Vargo --
00299:01 A. Yes.
02 Q. -- Richard Vargo Cement Region Manager,
03 you've got Mike Gouner, District Manager, and
04 then Ronnie Faul, Technology Manager?
05 A. That's correct.
06 Q. I thought Mr. Faul didn't take that
07 position until April 16th --
08 A. And that's --
09 Q. -- 2010.
10 A. And that's why I say I think this was the
11 organizational chart prior to April the 16th,
12 2010, and this is how the organizational chart
13 would look after April the 16th, 2010.
14 Q. So the first page of Exhibit 5929, which
15 has, across the top, Mr. Vargo, Mr. Dugas, and
16 Mr. Roscoe, you believe that this organization

17 was prior to April 16th, 2010?

18 A. That's correct.

19 Q. And you believe that the second page,
20 with Mr. Vargo at the top as Cement Region
21 Manager, with Mr. Gouner and Mr. Faul below him,
22 and Mr. Faul is the Technology Manager, was the
23 Organizational chart after April 16th, 2010?

24 A. That's correct.

25 Q. Okay. If you look past -- do you see the
00300:01 "Cementing Gates"?

02 A. Yes.

03 Q. And then do you believe those were
04 before -- those were created before or after
05 April 16th, 2010?

06 A. I think the "Cementing Gates" were being
07 developed before April the 16th -- I mean, were
08 in the process of being developed during April
09 16th, 2010.

10 Q. Okay. If you could turn to Tab 3,
11 please.

12 A. Tab 3?

13 Q. M-h'm.

14 A. Okay.

15 Q. It's another organizational chart, and
16 it's previously been marked as Exhibit 970.

17 Is this an organizational chart that
18 was in -- created for the organization before
19 April 16th, 2010, or on or after April 16th,
20 2010? If you turn to Page 4, you'll see Senior
21 Technical Professional Manager, GOM Cementing,
22 Ronnie Faul.

23 A. The org chart, if Ronnie Faul is the
24 Professional Manag -- Tech Professional Manager,
25 it would be after April 16th, 2010.

00301:01 Q. Okay. Did you ever see these
02 organizational charts before today?

03 A. Maybe. I don't recall. You know, I may
04 have seen them, but just kind of in passing.

05 Q. Okay. So is it -- I just want to make
06 sure, if we go back to Tab No. 2, your testimony
07 is that the chart that has Richard Vargo Cement
08 Region Manager -- to the second page in, not the
09 first one, the second one.

10 A. Okay.

11 Q. -- that that chart reflects the -- the
12 organizational structure that would have been in
13 place with respect to Mr. Gagliano after -- on
14 and after April 16th, 2010?

15 A. Yeah. This is after Ronnie Faul would
16 take the position as Tech Manager with all the
17 Deepwater individuals and including the -- some
18 of the TAs and Tim Quirk reporting to him.

19 Q. Okay. And then the chart before --
20 before that, which has Richard Vargo, Roger
21 Dugas, and Grant Roscoe, you believe that this

22 chart was the chart that was in place for
23 Mr. Gagliano's supervision, in terms of where he
24 fell in the supervisory chain at Halliburton,
25 during your tenure from October '09 to April
00302:01 15th, 2010?
02 A. That -- that would -- I would say "Yes."
03 Q. Okay. And so then there would be no
04 other individual that would be responsible for
05 Mr. Gagliano's work, other than you, from
06 October '09 to April 15th -- through April 15th,
07 2010?
08 A. Jesse reported to me.
09 Q. Okay. Did you raise any concerns with
10 anyone after the incident that -- well, did you
11 come to learn that Mr. Gagliano was being
12 criticized for some of his decisions with respect
13 to the Macondo cementing operation?
14 A. I'm sure, later on, I -- I heard some
15 criticisms -- that he was being criticized, not
16 hearing criticisms, but I heard that he was being
17 criticized.
18 Q. Okay.
19 A. Not immediately after.
20 Q. And did you become concerned because you
21 were his Direct Supervisor during that time?
22 A. No.
23 Q. No? Okay. And is the reas -- and the
24 reason you weren't concerned is because you
25 didn't believe that you had -- why -- why were
00303:01 you not concerned?
02 A. Because he's a good Engineer.
03 Q. Okay. But you haven't -- have you
04 reviewed the Engineering decisions he made in
05 connection with this incident?
06 A. No.
07 Q. Okay. Have you reviewed the slurry
08 design that he recommended?
09 A. No.
10 Q. Have you reviewed the OptiCem Report that
11 he put forward?
12 A. No.
13 Q. Okay. Do you know anything at all about
14 what decisions he made prior to recommending to
15 BP that they pump the slurry on April 19th?
16 A. No.
17 Q. Okay. And did you have any
18 communications with him, or anyone else, about
19 any of those decisions, prior to the incident?
20 A. No.
21 Q. Okay. So the basis of your statement is
22 based upon your knowing Mr. Gagliano; is that
23 right?
24 A. Working with Mr. Gagliano.
25 Q. Working with Mr. Gagliano?
00304:01 A. Yes.

02 Q. Okay. Did you come to learn that
03 Mr. Gagliano had not tested -- had not run four
04 critical tests on the actual slurry that was
05 pumped in the hole?

06 A. No.

07 Q. Did you come to learn that he did not
08 inform any of his colleagues of that fact
09 until -- even in discussions where the issues
10 were discussed?

11 A. No.

12 Q. Okay. So you've not been made aware by
13 anyone at Halliburton of any of the concerns
14 raised by Mr. Gagliano's performance?

15 A. No.

Page 306:23 to 306:25

00306:23 Q. Hi, Mr. Dugas. My name's Kate
24 Easterling, and I, along with Amy Jaasma, we
25 represent Transocean. We're going to have 15

Page 307:03 to 309:21

00307:03 First, I'd like to turn your attention to
04 Exhibit 5916, and that's the E-mail from
05 Mr. Cunningham to Mr. Der -- Mr. Bernard; is that
06 right?

07 A. That's correct.

08 Q. Okay. And that E-mail was dated January
09 25th, 2010; is that correct?

10 A. The original --

11 Q. The original?

12 A. Yes.

13 Q. Okay. And Mr. Bernard, when he received
14 that correspondence from Mr. Cunningham, he
15 forwarded that E-mail about Mr. Gagliano to you;
16 is that right?

17 A. Yes.

18 Q. And he forwarded it to you because you
19 were Mr. Gagliano's Supervisor at that time,
20 correct?

21 A. Yes.

22 Q. If Mr. Bernard received communications
23 from BP about one of the Halliburton employees
24 that directly reported to you, you would expect
25 that he would pass along that communication to

00308:01 you; is that right?

02 A. The BP guy?

03 Q. Mr. Bernard, the Halliburton.

04 A. Yes.

05 Q. Okay. So you would expect that if
06 there's communications about one of your Direct
07 Reports, concerning their job and how they're
08 performing their job, you would expect that

09 Mr. Bernard would pass that information to you?

10 A. I would think that he -- I would hope
11 that he would.

12 Q. And you never received any communications
13 from Mr. Bernard indicating that BP was unhappy
14 with Mr. Gagliano's work; is that right?

15 A. That's correct.

16 Q. Did Mr. Cunningham or anyone at BP ever
17 contact you directly to tell you that they were
18 having problems with Mr. Gagliano or concerns
19 about Mr. Gagliano?

20 A. No.

21 Q. You mentioned that you had heard about
22 criticisms of Mr. Gagliano. Do you remember
23 saying that a few minutes ago?

24 A. Yes.

00309:01 Q. Who told you about the criticisms of
Mr. Gagliano?

02 A. There's no telling. I mean, this is --
03 this was after the Macondo incident, and I passed
04 it off as rumors.

05 Q. Okay. Do you remember if they were
06 employees of Halliburton, just people on the
07 street, do you remember -- you don't have any
08 recollection of who might have told you about
09 these criticisms?

10 A. No. There's -- there was a ton of rumors
11 going around, whether it was one or the other. I
12 don't have any recollection as to who it was I
13 was hearing it from.

14 Q. But when you heard about these criticisms
15 of Mr. Gagliano, you heard about those after the
16 Macondo incident; is that right?

17 A. Yes.

18 Q. Okay. And did you under -- have any
19 understanding or any indication as to who was
20 criticizing his performance?

21 A. No.

Page 310:03 to 312:10

00310:03 Q. Oh, I'm sorry. "Halliburton People
04 Performance Results"?

05 A. Yes.

06 Q. Okay. And is it correct that your
07 understanding of that Performance Review is that
08 it is a review of Mr. Gagliano's Sales
09 performance?

10 A. Not this particular review.

11 Q. Okay. Exhibit 5920, is that a review of
12 Mr. Gagliano Sales performance?

13 A. Yes.

14 Q. Okay. And why is Exhibit 5921, which is
15 titled "Halliburton People Performance Results,"
16 why is that not a review of his Sales performance

17 also?
18 A. Hasn't been assessed.
19 Q. Okay. And that's my next question: Why
20 wasn't his performance assessed in Exhibit 5921?
21 A. I don't know.
22 Q. Well, at the time of that document, which
23 is dated January 2010, is it not, on the first
24 page?
25 A. Yes.
00311:01 Q. You were Mr. Gagliano's Supervisor,
02 correct?
03 A. That's when -- I was his Supervisor when
04 this was prepared, yes.
05 Q. Okay. And you can't explain why you did
06 not assess his performance, even though you were
07 his Supervisor at the time?
08 A. One explanation, the -- I cannot
09 assess -- two explanations. No. 1, when the
10 assessment -- I did not assess him because I may
11 or may not have been his Manager at the time of
12 the assessment, if it did or did not take place.
13 No. 2, I cannot make an assessment until after
14 it's agreed upon.
15 Q. Okay. And whose agreement do you require
16 to conduct an assessment?
17 A. Both the employee and the Manager.
18 Q. Okay. And in January of 2010, you were
19 the Manager; is that right?
20 A. The employee has to agree upon the
21 performance objectives.
22 Q. Okay.
23 A. Okay? He did not agree upon the
24 performance objectives until April 27th.
25 Q. Of 2010?
00312:01 A. Of 2010.
02 Q. And on April 27th, 2010, you were no
03 longer his Supervisor; is that right?
04 A. That's -- that is correct.
05 Q. Okay. And Mr. Faul was his Supervisor at
06 the time of April 27th, 2010?
07 A. That is correct.
08 Q. Is Mr. Faul's approval or agreement on
09 that Exhibit No. 52 -- 5921?
10 A. There's no Ronnie Faul on here, so, no.

Page 312:16 to 313:05

00312:16 Q. Okay. So are you aware of any
17 performance reviews that assess the Technical
18 aspects of Mr. Gagliano's job?
19 A. Not done by me.
20 Q. Okay. Are you aware of performance
21 reviews that assess the Technical aspect of
22 Mr. Gagliano's job done by someone other than
23 you?

24 A. No idea.
25 Q. So you have no knowledge of a Performance
00313:01 Review which assesses Mr. Gagliano's Technical
02 aspects of his job; is that correct?
03 A. Not done by me, or -- I don't know.
04 Q. Okay.
05 A. Honestly.

Page 315:03 to 316:14

00315:03 Q. Okay. And in April 2010, is it correct
04 that your testimony is that there was a
05 separation of those two roles? There's a Sales
06 role, and there's a Technical role. Is that
07 right?
08 A. That's basically what it is, with Ronnie
09 Faul becoming the Manager of the In-House
10 Engineers.
11 Q. Okay. And it sounded like you were
12 saying that the Deepwater Account Representatives
13 or Deepwater Engineers were being treated somehow
14 differently than all the other Account
15 Representatives; is that correct?
16 A. No.
17 Q. Okay. So it's no different, the fact
18 that Mr. Gagliano was Deepwater, and the fact
19 that the Account Representatives under you were
20 not Deepwater. I -- I -- I'm trying to
21 understand what the difference was. Why were you
22 in charge of some Account Representatives who
23 also have Technical aspects to their job, but not
24 in charge of Mr. Gagliano?
25 A. Mr. Gagliano was a Deepwater Engineer.
00316:01 Q. Right.
02 A. The individuals that I managed are not
03 Engineers.
04 Q. Okay. It's the Engineering title that's
05 the difference?
06 A. Or the Engineering function.
07 Q. Okay.
08 A. Yeah. Sales. Engineering.
09 Q. So as it relates to Mr. Gagliano, isn't
10 it true that this separation of Sales and
11 Technical roles, in April of 2010, was really an
12 addition of a Technical Supervisor for
13 Mr. Gagliano?
14 A. According to the Org Chart, yes.

Page 317:11 to 317:12

00317:11 Q. Mr. Dugas, my name is Robert Guidry, and
12 I represent Anadarko Petroleum Corporation. I

Page 317:15 to 321:04

00317:15 Prior to the Macondo blowout, had you
16 ever communicated with anyone from Anadarko
17 regarding any -- the cement desi -- design or
18 process for the Macondo Well?
19 A. No.
20 Q. Are you aware of anyone else within
21 Halliburton having communicated with anyone from
22 Anadarko about the design testing or pumping of
23 the Macondo primary cement job prior to the
24 blowout?
25 A. No.

00318:01 Q. If you wouldn't mind turning to Exhibit
02 5918. It should be in front of you.
03 (Indicating.)
04 A. This here you're referring to?
05 Q. Yes, sir.
06 And I believe this to be the irreg --
07 Irregular Job Report that you referenced earlier;
08 is that correct?
09 A. Yes.
10 Q. You didn't prepare this document,
11 correct?
12 A. Well, let's back up. This is an
13 irregular -- this is a weekly report that we get
14 that has an Irregular Job Report explanation.
15 This is not the Irregular Job Report itself.
16 Q. Okay. So did you prepare this
17 document --
18 A. No.
19 Q. -- or any entries in this document?
20 A. No.
21 Q. So earlier when you testified that the
22 entry which relates to the week of April 11th,
23 2010 that this was undoubtedly an Anadarko
24 situation, you don't know one way or the other
25 whether that is actually the \$2.8 million entry
00319:01 relates to a nonproductive time issue with an
02 Anadarko job, do you?
03 A. Yes.

04 MS. HARDING: Object to form.
05 Q. (By Mr. Guidry) You do? And can you
06 explain to me how you know that.
07 A. Because this \$2.8 million was accrued for
08 a job that Halliburton was on that had some --
09 some issues, and so we accrued that while we had
10 discussed with Anadarko what problems were --
11 were pertaining to this particular IJR.
12 Q. Were you involved in those discussions?
13 A. No.
14 Q. When it shows the entry of 2.8 million on
15 the week of 4/11, does that mean it was accrued
16 on that -- during that week?
17 A. That -- that would be my guess, because

18 Operations puts this in there, the Ops Manager,
19 Richard Vargo.

20 Q. Does it mean that an Agreement was
21 reached for that number, or does that mean that a
22 check was cut and sent to someone who had an NPT
23 issue?

24 A. No. It was just accrued. It -- it was
25 put over here in a little safe area, so to speak,
00320:01 to -- until the settlement was reached.

02 Q. And at what point in time after an
03 incident would the 2.8 million, for example,
04 would have accrued?

05 A. I'm not exactly sure what the timeline is
06 between from -- that's an operational call. You
07 know, the Ops Manager decides, "Okay. Here's the
08 IJR. Here's where I'm accruing the money."

09 Q. So is there -- is there a possibility
10 that that 2.8 million accrues from a different
11 incident or situation that's listed earlier and
12 not one that's listed in the row directly above
13 it?

14 A. Hold on just a second.

15 (Reviewing document.)

16 Like I said, there -- there again,
17 according to the "Explanation" up at the top
18 here, over off to the side, it said "Accrued 2
19 million for APC ENSCO 8500 incident." My
20 assumption would be that this IJR accrual is
21 for -- a means in which for Operations to know
22 what it is in reference to.

23 Q. And that's my point, it's your
24 assumption --

25 A. Yes.

00321:01 Q. -- you don't know one way or the other,
02 correct?

03 A. This is an operational document. This
04 Ops Manager fills this out.

Page 322:19 to 325:12

00322:19 Q. Okay. Are you familiar with
20 Halliburton's Product and Services as the Senior
21 Sales Manager for cementing in the Gulf of
22 Mexico?

23 A. I am familiar with most of them, yes.

24 Q. Are you familiar with the ZoneSeal
25 Isolation Process?

00323:01 A. I am familiar with the name of the
02 ZoneSeal Isolation Process.

03 Q. But you don't know what the process is or
04 what it does?

05 A. No.

06 Q. Okay. Is ZoneSeal Isolation Process
07 considered a product or a service, do you know
08 that?

09 A. It's a process.
10 Q. I understand that. Is it a product or a
11 service?
12 A. It's a combination of the two, I would --
13 it would be my assumption here. The Technical
14 Group could definitely answer that question for
15 you.
16 Q. Okay. But you don't know one way or the
17 other?
18 A. No.
19 Q. Okay. So in your capacity as a Senior
20 Sales Manager, is this the type of service or
21 product that you all pitch to your customers?
22 A. It is -- it is definitely something we
23 would let our customers know about, yes.
24 Q. Okay. But you personally have not
25 marketed this particular product or service,
00324:01 whatever it may be, to one of your --
02 Halliburton's customers, have you?
03 A. Me personally, no.
04 Q. Okay. Do you know if anyone on your Team
05 has?
06 A. The Engineering Staff would take
07 ownership of this, if -- if they were trying to
08 utilize it for a customer's well.
09 Q. Okay. If you turn to the second page, it
10 says: "Foam cementing can offer a truckload of
11 benefits." Is that a pitch that you all have
12 ever used in describing your foam ce -- cementing
13 process for the customers?
14 A. "A truckload"?
15 Q. (Nodding.)
16 A. I'd say "No."
17 Q. Okay. And if you wouldn't mind turn to
18 the last page of that document. It says: "Why
19 risk anything less for the life of your well?"
20 Do you see that? Do you not have it?
21 A. No. It's the next-to-the-last page of
22 the document.
23 Q. Oh, it is? It's empty, isn't it?
24 (Laughter.)
25 A. Go ahead.
00325:01 Q. (By Mr. Guidry) Anyway, the
02 next-to-the-last page.
03 A. Okay.
04 Q. It says: "Why risk anything less to the
05 life of your well? Take advantage of the most
06 cost-effective insurance for well life that you
07 can buy. Count on the ZoneSeal Process. And
08 expect the best."
09 Does this indicate to you that this is a
10 product that Halliburton has a lot of confidence
11 in?
12 A. That would be my indication.

Page 325:25 to 327:19

00325:25 Q. Have you used it in your marketing for
00326:01 customers and foam cement jobs?
02 A. I have not.
03 Q. Do you know if anyone on your Team has?
04 A. This is probably used by our Engineering
05 Staff.
06 Q. And, again, we see "Foam cementing offers
07 a truckload of benefits." Have you ever heard
08 that phrase before used at Halliburton?
09 A. (Reviewing document.)
10 Q. Is it not exactly the same?
11 A. Oh, no, they're exactly the same. I was
12 just checking. So it's like a copy and paste.
13 Okay. I have not ever heard anybody say,
14 "Foam cementing offers a truckload of benefits."
15 Q. Okay. Then it says: "Advantages," "The
16 compressed gas bubbles in foam cement shrink or
17 expand, but they don't move around or coalesce."
18 Then it says: "Virtually no gas migration into
19 cement, ever - while cement is being placed or
20 while it sets."
21 Have you ever heard of this particular
22 benefit of using the -- this product?
23 A. That's one of the benefits of foam
24 cement.
25 Q. And do you consider foam cement a product
00327:01 or a service? I asked you the same question
02 about the zone -- Zonolite -- or ZoneSeal?
03 A. ZoneSeal.
04 Q. Is voam -- foam cementing a product or a
05 service that Halliburton provides to its
06 customers?
07 A. I guess it's all in one's definition. I
08 view it, from a Sales perspective, as a product.
09 Q. Okay. And if you -- draw your attention
10 back down to it says: "Virtually no gas
11 migration into cement, ever - while cement is
12 being placed or while it sets."
13 Now, what does that leave out? It says:
14 "Virtually no gas migration into cement, ever."
15 And then it also qualifies, "while cement is
16 being placed or while it sets."
17 When would gas migration occur in cement
18 other than those two times? Any idea?
19 A. No.

Page 328:09 to 330:18

00328:09 Q. Is this the document that you use for
10 marketing purposes?
11 A. I don't think so.
12 Q. This says: "Deepwater Primary Cementing
13 Beyond The Shallow Water Flows." And the title

14 reads more like a novel or a literary work than
15 it does a Technical document.

16 A. I -- I don't think this is a Sales
17 document. Usually, our Sales documents don't
18 have the caveats that this is -- "publication is
19 confidential and proprietary property of
20 Halliburton Energy Services" on the front, and
21 that "reproduction" needs use.

22 Q. Or --

23 A. Usually our Marketing documentation does
24 not have that caveat.

00329:01 Q. Which I recognize as a trademark --
A. Right.

02 Q. -- type statement?

03 A. (Nodding.)

04 Q. But it also doesn't say anything about
05 trade secrets, does it?

06 A. No, I guess not.

07 Q. Okay. So if you turn back to Page 2-8,
08 I'd appreciate it.

09 A. Okay.

10 Q. I'll try to catch up with you. It says:
11 "Foam cement is especially effective when lost
12 circulation or fallback is a problem and/or low
13 slurry weights are needed to maintain the
14 equivalent circulating density (ECD) below the
15 fracture gradient."

16 Is this one of the benefits, in your
17 experience, of using foam cement?

18 A. I've never used foam cement.

19 Q. Yes, you did say that earlier, didn't
20 you?

21 A. Yes.

22 Q. Do you -- do you recognize this as one of
23 the benefits of using foam cement from the one-
24 to two-week training that you had?

00330:01 A. Yes, it's in our Sales document, as you
called it.

02 Q. Do you not agree that it's a Sales
03 document?

04 A. I don't agree this is a Sales document.

05 Q. Do you think this is only used for
06 internal purposes?

07 A. I think so.

08 Q. Do you -- are -- are documents like this
09 ever provided to customers before a contract is
10 executed?

11 A. I -- you know, honestly, I -- I have not,
12 in the two years that I've been the Sales
13 Manager, have -- we have other Technical
14 Bulletins that would be incorporated other than
15 this right here. It's -- it's a -- different.
16 I'm not saying that it won't be, but I don't
17 recall seeing this particular document in the
18 contract.

Page 334:14 to 335:13

00334:14 Q. Okay. Good. In the very back, it says:
15 "Foam cementing, whether utilizing the ZoneSeal
16 Isolation Process or not, is a red flag and
17 should have an engineer involved from the onset,
18 throughout the entire process."
19 Do you see that statement?
20 A. No.
21 Q. That's Bates stamp ending 78 -- 86 under
22 "Comments." It says: "Foam cementing, whether
23 utilizing the ZoneSeal Isolation Process or not,
24 is a red flag and should have an engineer
25 involved from the onset, throughout the entire
00335:01 process."
02 Do you see that now?
03 A. I do.
04 Q. The Engineer discussed in the sentence,
05 would that be the Engineer who would be Account
06 Rep for a particular job?
07 A. Could be.
08 Q. When you said "Could be," it's whether
09 that person was actually an Engineer or not?
10 A. That's correct.
11 Q. Oh. And for the Macondo, that person
12 would be Mr. Gagliano, correct?
13 A. That's correct.

Page 336:03 to 338:01

00336:03 Q. We saw something earlier in your
04 deposition about Mr. Gagliano being promoted in,
05 I guess, the Spring of 2010. Remember that?
06 A. Yes.
07 Q. And he was being promoted to something
08 called a what?
09 A. Technical Advisor.
10 Q. Now, what is a Technical Advisor?
11 A. Technical Advisor is a promotion from
12 a -- to -- for the lack of better terminology and
13 without the full descriptor, he is a Senior
14 Eng -- Engineer trusted with his engineering
15 skills and -- and his ability to -- to -- how
16 would you say -- anything from the design -- or
17 his -- basically his Engineering skills has
18 promoted him up to that position.
19 Q. Okay. And what does a Technical Advisor
20 do?
21 A. He's advising anything from the customer
22 base to the Engineers that are sitting in-house,
23 and he -- and currently now the Technical
24 Advisor -- Advisors are over a customer or two
25 customers and a group of Engineers, as the senior
00337:01 man.

02 Q. Okay. I've heard them called like kind
03 of a Help Desk for Engineers. Would that be
04 accurate, so to speak?

05 A. That --

06 MS. HARDING: Objection, form.

07 Q. (By Mr. Bowman) Or how -- how would you
08 categorize them?

09 A. I would categorize them as the -- as the
10 expert in their particular field.

11 Q. Okay. And were there Technical Advisors
12 in 2009, 2010 at Halliburton?

13 A. Yes.

14 Q. And so if a Cement Engineer like
15 Mr. Gagliano, before he was promoted to Technical
16 Advisor, had had any questions, could he have
17 contacted them?

18 A. Yes.

19 Q. And what were the names of the Technical
20 Advisors that Mr. Gagliano could contact in, say,
21 the Spring of 2010?

22 A. There in Houston it was George Fuller and
23 David Bolado.

24 Q. And do you know if Mr. Gagliano made any
25 contact with Mr. Fuller or Mr. Bolado?

00338:01 A. I don't recall.

Page 338:07 to 338:11

00338:07 Q. Okay. Do you have any idea, based on
08 your experience, how long you're supposed to wait
09 on cement in a deepwater well before you displace
10 it?

11 A. No.

