

Deposition Testimony of:

Jay Thorseth

Date: September 20, 2011

Created by:



www.indatacorp.com

Page 8:06 to 8:08

00008:06 JAY THORSETH,
07 having been first duly sworn, testified as
08 follows:

Page 8:13 to 12:22

00008:13 Q. Please tell us your name.
14 A. Jay Thorseth.
15 Q. What do you do for a living?
16 A. I'm the vice president for exploration and
17 appraisal for Angola, based in the London area.
18 Q. For BP?
19 A. For BP.
20 Q. How long have you held that capacity?
21 A. Since June 1st of 2011.
22 Q. Prior to that, what were you doing?
23 A. I was the exploration manager for the
24 deepwater Gulf of Mexico based out of Houston.
25 Q. How long did you have that position?
00009:01 A. Approximately four years.
02 Q. So what years would those be?
03 A. I think '07 to '11, approximately.
04 Beginning date, I'm -- I can't know for sure,
05 but...
06 Q. Did those responsibilities include the
07 Gulf of Mexico?
08 A. Deepwater Gulf of Mexico, yes.
09 Q. And prior to that, tell us what you did.
10 A. Yeah. So the preceding -- well, from --
11 so I was in Cairo, Egypt, from '92 to '97. And
12 then from '97 -- or, excuse me. Sorry. So from
13 '97 to 2003, I was in Cairo, Egypt. Sorry about
14 that.
15 Q. That's okay.
16 A. And then from 2003 to 2007, I was in the
17 Gulf of Mexico, and I was the team leader for the
18 Western Gulf of Mexico team for exploration
19 deepwater. So -- so for Gulf of Mexico, it was
20 kind of like '03 to '07. Then I switched jobs
21 into the exploration manager role from '07 to
22 2011.
23 Q. What was your role in Cairo?
24 A. I was -- I started the first -- I was
25 there for six and a half years. The first four
00010:01 years, I was a geophysicist; and then the last two
02 years, I was a team leader for the central and
03 southern Gulf of Suez exploration.
04 Q. Where did you obtain your degree?
05 A. University of Utah.
06 Q. In what area?
07 A. I got two degrees. I have a Bachelor of
08 Science in geophysicists and I have an M.B.A.?
09 Q. In what, business?

10 A. Business, yes.
11 Q. From -- also from Utah?
12 A. Yes.
13 Q. What years?
14 A. I was there from '82 to '88.
15 Q. And would your -- what I meant with
16 respect to a specialty in M.B.A., do you have a
17 subspecialty within --
18 A. Oh, I'm sorry. It was kind of a
19 concentration in finance.
20 Q. And once you graduated with your M.B.A.,
21 where did you work?
22 A. Right. So in '88, I started with Amoco in
23 Denver, Colorado. And so I was -- I was in Denver
24 with Amoco from '88 to '92. And then we moved to
25 Houston in '92, and I was in Houston from '92 to
00011:01 '97 before we went to Cairo.
02 Q. And during that time, Amoco and BP --
03 A. So when I was in Cairo, that was when the
04 merger occurred, 2000, yeah.
05 Q. Okay. And you stayed on?
06 A. Yes.
07 Q. Are you happy with BP?
08 A. Uh-huh.
09 Q. Working for BP, I mean.
10 A. Yes. Very much so.
11 Q. Currently you're working out of London?
12 A. Yeah. I work in the Sunbury office.
13 Q. Have your responsibilities changed, other
14 than the location that you're --
15 A. Yeah.
16 Q. -- focusing on?
17 A. Yeah, I mean a bit. My core job is still
18 very similar to -- to what I had in -- in the Gulf
19 of Mexico, but there's -- there's a bit more
20 responsibilities as -- as a vice president. But
21 it -- the core job, like I said, is -- is similar.
22 Q. When you were in the Gulf of Mexico, who
23 was your immediate supervisor?
24 A. Yeah. So I -- I had --
25 Q. The second time, when you were the manager
00012:01 for deepwater.
02 A. Yeah. So it was Larry Archibald, and then
03 it became Dave Rainey.
04 Q. What were their positions?
05 A. Larry Archibald -- well, the second
06 position, it was really Dave Rainey. Dave was the
07 vice president, and I was the ex- -- exploration
08 manager for deepwater reporting to him.
09 Q. And who was immediately underneath you?
10 A. Right. So I had three team leaders doing
11 exploration. So Brian Ritchie was working the
12 east, and Rob Satter, and kind of switched out.
13 So Steve Chappell and Rob Satter were working the
14 central, and then Jacek Jaminski -- Eric Dixon and

15 then Jacek Jaminski were working the western area.
16 And then up until kind of the end of
17 March 2011 -- or excuse me -- 2010, Pinky Vinson
18 reported to me as the Tiger team leader, so he was
19 under me. And then I had some individual
20 contributors who were advisors: Terry Fitzpatrick
21 and Walt Bozeman, and Bill Hart and Frederic
22 Billette.

Page 13:09 to 14:25

00013:09 Q. Sure. Now, tell us so we can all
10 understand what you do as exploration manager.
11 A. Yeah. Yeah. Very good. So I -- the way
12 I would summarize it is that I managed a portfolio
13 of -- of opportunities or prospects in -- in the
14 deepwater Gulf of Mexico at that time. And so the
15 teams would interpret seismic data and well
16 information and other geologic information and
17 mature prospects, from -- all the way from ideas
18 to -- to fully mature prospects that -- that I
19 would take to the exploration forum, which is a
20 worldwide body headed by Mike Daly, and recommend
21 those for -- for drilling, when -- when they are
22 mature and when they've gone through kind of
23 the -- the internal BP insur- -- assurance
24 process. And so that -- that was really my core
25 job, was managing that portfolio and then
00014:01 recommending wells.

02 The teams, when -- when a well was
03 drilling, they did do some subsurface support --
04 technical support for the wells organization or
05 the drilling -- the drilling organization. And
06 also, we would participate in lease sales twice a
07 year. And so I wasn't in charge of those lease
08 sales, but my teams were interpreting seismic
09 data -- or excuse me -- interpreting prospects to
10 say Hey, we like this lease or -- or not.

11 Furthermore, I think that -- you
12 know, several other things. We -- I was involved
13 in commercial -- commercial negotiations with
14 other oil companies on trading acreage or farming
15 into wells or prospects or farming -- or us
16 farming out. I was also -- a lot of my time spent
17 on people issues, on people development. And --
18 and then another big part of my time, the last
19 thing I would say would be technology, and so just
20 making sure that we were utilizing the last --
21 latest technology.

22 And really, the big focus on the
23 technology side of things was -- was really around
24 seismic imaging and -- and running a seismic
25 budget and making sure we have the right data.

Page 15:06 to 15:09

00015:06 Q. (BY MR. GONZALEZ) Yes, how did you make
07 determinations as to what sites would be
08 appropriate for drilling? And I'm referring to
09 the Gulf of Mexico.

Page 15:11 to 17:18

00015:11 A. Yes. So what -- what happens is -- is
12 working on prospects, as I -- as I mentioned.
13 That's kind of a core -- core aspect of -- of the
14 teams. And it -- it really -- it's an intensive
15 amount of work. It can take up to three, four
16 years to develop a prospect from concept to
17 maturation, meaning it's gone through all the
18 assurance.

19 So a typical prospect would be a team
20 would be working on it for maybe a year or two or
21 some period of time, and they would start to go
22 through peer assist within the Gulf of Mexico, so
23 they're -- they would ask to have peer meetings
24 to -- to check on the risk -- the risk evaluation
25 of a particular prospect, get views on the trap
00016:01 and -- and the seal and the reservoir and -- and
02 technical things like that, the things that build
03 up a prospect.

04 And then they would go through the --
05 kind of the robust assurance process, what we call
06 through exploration excellence within -- within
07 BP. And that's a real important pro -- process to
08 mature a prospect.

09 And exploration excellence is managed
10 by a manager, and they travel around the world
11 looking at different prospects in the BP
12 portfolio. And so then when a prospect is
13 starting -- becoming mature and kind of looking
14 from a portfolio standpoint of, Hmm, that's
15 looking pretty good -- it's a judgment call that,
16 Yeah, this looks to be a quality prospect, they
17 would be going through the assurance process. And
18 it could be multiple meetings with this -- what we
19 call "XX," for short, for exploration excellence.
20 So they would have multiple meetings with XX. And
21 it could be over a year, maybe longer, maybe
22 shorter timeframe of having these multiple
23 meetings.

24 So then once it -- once it kind of --
25 it looks good to me and -- and my team leaders and
00017:01 then if it -- if it's endorsed by exploration
02 excellence and ex- -- exploration excellence would
03 take a look at the prospect and assure what size
04 it is and what the risk description was.

05 So then once that -- once they're
06 endorsed it and everything looks like it's -- it's

07 a good fit in -- in the portfolio, then I would
 08 take it to the worldwide exploration forum and
 09 say, Here's a prospect that we recommend that --
 10 that BP drills at -- at some point. And it's this
 11 size, and we recommend drilling this prospect.
 12 And then we'd have a debate at the exploration
 13 forum, and Mike Daly would make the final decision
 14 whether we're going to put this on -- on the drill
 15 schedule to -- to drill a well.
 16 So kind of a long answer, but I think
 17 it's important to kind of go through that -- that
 18 process.

Page 17:21 to 17:25

00017:21 And who is Mr. Daly?
 22 A. So Mike Daly is -- is the -- the head of
 23 worldwide exploration and appraisal for BP.
 24 Q. Where is that based out of?
 25 A. He's based here in London at St. James.

Page 18:04 to 23:19

00018:04 Q. Okay. What factors are considered in
 05 determining whether a well like the Macondo Well
 06 252 should be drilled?
 07 A. Right. So -- so I think I need to first
 08 go over the technical factors, and I'll -- I'll do
 09 that.
 10 Q. And I'd please ask you to say it in terms
 11 that I can understand with a political science
 12 degree and no science background.
 13 A. Yeah. So what I'll do, then, I'll -- I'll
 14 summarize the technical aspect and then we can
 15 talk about --
 16 Q. Sure.
 17 A. -- the commercial side of things.
 18 Q. We're generally familiar with the topics,
 19 having been involved with the case. But I -- I
 20 would like it to be explained in people talk --
 21 A. Yeah.
 22 Q. -- rather than geophysics/scientist talk.
 23 A. Okay. Very good.
 24 MR. KEEGAN: Ervin, he's going to
 25 have to answer it as he answers it, but...
 00019:01 MR. GONZALEZ: Oh, I -- I understand.
 02 But just if he can make it a little easier so I
 03 can --
 04 MR. KEEGAN: I get it.
 05 MR. GONZALEZ: -- understand him a
 06 little better would help me.
 07 A. Yes. I -- I mean, I can go over -- I'll
 08 start on the technical. And there -- there's six
 09 aspects: And so that is, do you have a source?

10 So do you have a -- a layer of rock that generates
11 oil or gas. So that's No. 1.

12 And then it's a combination -- the
13 second thing is a combination of the migration
14 pathway and timing of those hydrocarbons emanating
15 from the source and then where those hydrocarbons
16 go. Yeah. So timing --

17 Q. (BY MR. GONZALEZ) Yes?

18 A. -- timing and access, that -- that's
19 No. 2.

20 Then you need to have a reservoir.

21 So we determine, do we have a reservoir?

22 And -- and then if we think we have a
23 reservoir, then the fourth thing is, do we have a
24 quality reservoir? What is the quality of that
25 reservoir? So that's the -- that's the fourth
00020:01 thing.

02 The fifth thing is then we have to
03 have trap. Okay. We have to have some type of
04 geometry that traps the hydrocarbons.

05 And then the sixth thing is, do we
06 have a seal? So it gets up into the reservoir.
07 You have some kind of structure that traps it, but
08 then it's got to stop right there, and that's the
09 seal.

10 So we evaluate those six basic
11 elements from a -- from a technical standpoint.
12 So then we assess a size, an estimate on a size,
13 and most likely then it has a P10 to a P90 range,
14 around that. So it's a range of potential size or
15 volumes associated with this prospect. And then
16 for each of those elements I -- those six
17 elements, we assign a risk to each one of those
18 six elements. And then we multiply out those
19 risks, and then we get a chance of success for the
20 overall prospect once we multiply out all those
21 risks.

22 And so, for example, I may have a
23 prospect for -- I think most likely it's 200
24 million barrels at a 1 in 3 chance of success.
25 Okay? So that's -- that's the technical aspect.

00021:01 And then, of course, we -- we have to
02 look at the commercial aspects. And so our
03 engineer would -- reservoir engineer would work
04 with the -- with the team and the commer- -- the
05 finance team and do an estimate on, okay, if -- if
06 we did drill this well and it worked as
07 progressed, what's it going to produce? What's
08 the most likely -- and then how would we develop
09 it in kind of a base case. And so we would come
10 up with a -- a concept on how we would develop
11 this particular prospect if it had oil or gas.
12 And then what -- what kind of production profile
13 would it generate. And then, of course, you can
14 put what the terms are, the commercial terms, and

15 put a -- a view on what your net present value is
16 and return on your -- your investment.

17 And so taking all those different
18 things in place and -- then the third thing then
19 is the overall strategy of the company. Does this
20 prospect -- from a technical basis and a
21 commercial basis, does it fit in with the
22 worldwide BP strategy and portfolio. And one of
23 the catch phrases that we have is -- at BP is
24 looking at a portfolio and exercising "quality
25 through choice."

00022:01 And so what we like to have is more
02 prospects in the hopper and drill the best things,
03 and then drill the things that are most strategic
04 for -- for the company. And then, of course,
05 we -- we hope they -- they make money, as well.
06 So that -- that kind of takes you through the --
07 the process to how we make a decision. For
08 example, that would have been how we -- how we did
09 Macondo.

10 Q. Understood.

11 With the assessment, I'm sure you're
12 using certain diagnostic tools to be able to get
13 the information you need to make the -- those risk
14 factors?

15 A. Yes. We use different tool programs,
16 hardware, software, and just obviously the skill
17 of interpreters, geologists and geophysicists,
18 yes.

19 Q. Can you please tell us what those
20 diagnostic tools are?

21 A. Yes. I think that, in -- in general, the
22 basics that the company uses is -- is the Landmark
23 suite of interpretation programs. And that's
24 for -- that's what we use for our seismic
25 interpretation. And -- and then various programs
00023:01 to -- to look at wells for -- Geolog is -- is one
02 of the ones we use for looking at well information
03 and -- and petrophysics. So -- but Landmark is
04 kind of the key -- the key interpretation
05 software.

06 Q. Now when you use the term, "risk
07 elements," does that mean a risk in terms of
08 potential hazards or risk in terms of potential
09 chance of failure in terms -- by "failure," I mean
10 it may not pan out to be a productive well or may
11 not be economically efficient for us to go
12 forward.

13 A. Yeah. So when I'm talking about those
14 different risk elements, it's all about the chance
15 of finding oil or gas in this prospect. That's
16 what it's focused on.

17 Q. Is there a difference between the factors
18 involved in looking at a deepwater well as opposed
19 to a -- an ultra deepwater well?

Page 23:21 to 24:13

00023:21 A. So regarding the prospect evaluation,
22 there's -- there's no difference. A prospect is a
23 prospect whether it's onshore, shallow water,
24 deepwater.
25 Q. (BY MR. GONZALEZ) How involved were you
00024:01 in making the decision to drill the Macondo Well
02 252?
03 A. The -- the decision to drill it? Yeah.
04 So my --
05 Q. How involved were you in that process?
06 A. So my main part -- my main participation
07 was I -- I rec- -- I took it to the exploration
08 forum and recommended the -- the well to the
09 forum. So that -- as far as the decision to
10 drill, that was kind of the main -- main aspect.
11 Q. And going through those six factors, did
12 it meet the criteria you were looking for to make
13 that recommendation that it should be drilled?

Page 24:15 to 24:25

00024:15 A. It -- it met the factors that it was a
16 high-quality prospect and -- and what we would
17 call our ILEX portfolio. And "ILEX" stands for
18 Infrastructure Led Exploration, and that means
19 it's a prospect close to -- close to
20 infrastructure. And so, yes, it -- it met the
21 criteria.
22 Q. (BY MR. GONZALEZ) Did it present any
23 challenges, as far as you were concerned at that
24 point, early on when you were analyzing the six
25 elements you discussed with us?

Page 25:03 to 25:10

00025:03 A. So specifically talking about the prospect
04 risk in the six elements, no. There -- there --
05 it was a -- what I would call a high-quality
06 prospect.
07 Q. (BY MR. GONZALEZ) What else did you do
08 with respect to -- if any, with respect to making
09 recommendations that the Macondo 252 was
10 appropriate for drilling?

Page 25:12 to 26:22

00025:12 A. What do you mean by "appropriate for
13 drilling"? What -- what do you...
14 Q. (BY MR. GONZALEZ) You recommended it to
15 the worldwide group --
16 A. Yeah.

17 Q. -- This is a prospect. It meets our
18 criteria. We should consider further exploring
19 it.
20 A. Yeah.
21 Q. Did you do --
22 A. So I would say --
23 Q. Did you do anything else?
24 A. I would say it -- that summed it up.
25 Q. Okay. Now, once the drilling begins, what
00026:01 role do you have?
02 A. Right. So once operations starts. So, in
03 my role -- my teams look after the -- the
04 subsurface aspect of a prospect. And it's a very
05 clear authority or -- or accountability, for the
06 actual operations and the drilling lie in the
07 drilling organization, the wells organization,
08 which is a different organization than -- than I
09 look after.
10 And so my subsurface team, for
11 example, on Macondo, would be supporting the --
12 from a subsurface standpoint, the geology and
13 geophysics of any -- any help the drillers
14 might -- might need.
15 Q. And what does that mean in actuality?
16 A. Well, they -- they help predict from
17 the -- the surface down to proposed total depth
18 what -- what the geology -- the geologic scenario
19 will be in a prog- -- prognosed sense and also
20 help with the -- the pore pressure prediction.
21 Q. How is that determined?
22 A. What?

Page 26:24 to 27:20

00026:24 A. What?
25 Q. (BY MR. GONZALEZ) The pressure
00027:01 prediction.
02 A. Well, I mean, it's a -- it's a complex --
03 we'd have to get into some -- some pretty major
04 geophysics and things. But in general terms, the
05 pore pressure prediction is used using nearby
06 wells. So offsetting well information to
07 understand what the geology is in the area. And
08 then it's a detailed look at the seismic data and
09 seismic interpretation. And so -- and then, the
10 third thing would be looking at the seismic
11 velocities that are used in the seismic processing
12 and also the -- kind of the geologic parameters of
13 each of the intervals that are predicted there.
14 And so when you take all of these
15 together, you put together what we would call a
16 "basin model" for -- for that area. And then --
17 then you can invert the data and come up with a
18 pore pressure prediction.
19 Q. Do wells in the Gulf of Mexico that are

20 deepwater wells have greater pore pressure?

Page 27:22 to 27:23

00027:22 Q. (BY MR. GONZALEZ) Than shallow wells, for
23 example?

Page 27:25 to 28:08

00027:25 A. It -- it really -- it really varies. You
00028:01 can have high pore pressure wells in the shallow
02 water. You can have very, very high pore pressure
03 wells onshore U.S. Oklahoma, Louisiana, Texas
04 have high pore pressure wells. All over the world
05 you can have it. So, no, it -- it can be in many
06 different scenarios.

07 Q. (BY MR. GONZALEZ) What challenges do high
08 pore pressure wells bring?

Page 28:10 to 28:11

00028:10 Q. (BY MR. GONZALEZ) To the drilling
11 operations?

Page 28:13 to 29:02

00028:13 A. Yeah. I mean, I'm -- I'm not an expert
14 in -- in the challenges for the operations side of
15 things, so...

16 Q. (BY MR. GONZALEZ) Do you generally know?

17 A. Do I generally know --

18 Q. The answer to the question.

19 A. For the pore pressure?

20 Q. Yes.

21 A. Yeah. I mean, you just -- it's just
22 something that you have to -- you have -- the
23 drilling organization has to be concerned about,
24 you know, where -- where the pore pressure
25 changes, where you're going to have increases in
00029:01 pore pressure and where you're going to have
02 reduction -- reductions in pore pressure.

Page 29:23 to 30:02

00029:23 Q. What considerations does a drilling team
24 take into account when working with predicted pore
25 pressure increases --

00030:01 A. Yeah.

02 Q. -- in drilling?

Page 30:04 to 30:13

00030:04 A. Yes. I -- I really have to say on that,
05 I'm -- I'm not involved in -- in the operations.
06 I'm more -- you know, I'm not involved in
07 day-to-day decisions on how they manage the pore
08 pressure, so I guess I'd have to say I -- I can't
09 really get into detail or specifics or even a
10 whole lot of generics on that.
11 Q. (BY MR. GONZALEZ) What determines pore
12 pressure?
13 A. Well --

Page 30:15 to 31:06

00030:15 A. -- there's -- there's lots of factors, and
16 I don't know if I could give you good technical
17 explanation for pore pressure in -- in general.
18 Q. (BY MR. GONZALEZ) What is "pore
19 pressure"?
20 A. Well, it's the pressure in -- in the pores
21 in a geologic unit.
22 Q. Okay. And your group makes reasonable
23 estimates of what those pore pressures are going
24 to be?
25 A. Not -- not -- not my group. So they --
00031:01 yeah, the -- well, the Tiger team makes those.
02 They -- they help the -- they support the
03 operations team on the pore pressure prediction.
04 Q. Right. And the Tiger team is part of the
05 team that you oversee --
06 A. Yeah.

Page 31:08 to 31:15

00031:08 Q. (BY MR. GONZALEZ) -- and you actually
09 mentioned Mr. Pinky?
10 A. Yeah. Pinky Vinson, yeah.
11 Q. Right. So the Tiger team is coming up
12 with pore pressures that the drilling team may be
13 able to experience so that they can prop- -- so
14 that the drilling team can properly plan for that,
15 correct?

Page 31:17 to 31:21

00031:17 A. The pore pressure is important in -- in
18 the planning for -- for well operations.
19 Q. (BY MR. GONZALEZ) And if there's a
20 greater -- greater pore pressure, then there has
21 to be greater safeguards involved, correct?

Page 31:23 to 32:19

00031:23 A. Not necessarily.

24 Q. (BY MR. GONZALEZ) Tell me what you mean
 25 by that. A low pore pressure well versus a high
 00032:01 press- -- pore pressure well, would it be treated
 02 exactly the same way?

03 A. It -- it's possible. I -- I don't know
 04 the exact answer because -- to that. It would
 05 depend on many different factors.

06 Q. Are you telling me you're -- you're not
 07 the person that would have the best answer for
 08 that and someone else would?

09 A. Yeah. Correct.

10 Q. And who would -- if I needed answers to
 11 those questions, who would I need to talk to?

12 A. Well, the petrophysicist or a -- or, you
 13 know, in BP it's Marty Albert or Pinky Vinson.
 14 They're experts in pore pressure prediction.

15 Q. Pinky Vinson. Is that his nickname,
 16 Pinky?

17 A. Graham.

18 Q. Graham --

19 A. Graham Vinson.

Page 32:22 to 32:25

00032:22 Q. Now, tell us, with respect to your job in
 23 your group, the type of subsea assistance that you
 24 provided for the Macondo Well 252 once drilling
 25 operations began.

Page 33:02 to 33:15

00033:02 A. So what the team did or I did?

03 Q. (BY MR. GONZALEZ) Including. And in your
 04 answer, you can tell me what you personally did
 05 versus what the team did.

06 A. So for myself specifically, again, as --
 07 as I mentioned, I'm not involved in the drilling
 08 of the well. So that -- that's me. And the team
 09 that was the subsurface team, geologists and
 10 geophysics -- geophysicists, they would -- they
 11 would be in on the -- the -- maybe a morning call
 12 or something for the operations. And -- so again,
 13 I don't -- I'm not in those wells -- or, excuse
 14 me, in those calls. So I don't really know for
 15 sure what -- what happens.

Page 34:12 to 35:12

00034:12 A. It was a good -- good -- but, yeah. My
 13 job is to, you know, one liner is to manage the
 14 portfolio and -- and recommend prospects for --
 15 for the portfolio for drilling.

16 Q. How do those properties get in the

17 portfolio, those leases --
 18 A. Yeah, that --
 19 Q. -- to begin with?
 20 A. Yeah. No, I -- I understand that, and
 21 that -- that's an important part of -- of the
 22 business. And there's really two major ways that
 23 would be good to summarize. I think the first one
 24 are through these federal lease sales, and they're
 25 in -- in deepwater. What I worked on, there
 00035:01 was -- there were two a year, March and August.
 02 And so that's No. 1.
 03 And No. 2 are through commercial
 04 deals or trades with other oil and gas companies.
 05 Q. And are you scoping them out from before
 06 they're put on -- I'm going to say the market,
 07 although it's technically not put on the market.
 08 But do you look at them, saying, These -- these
 09 are interesting pieces. We should consider
 10 leasing these when they go on or trading out with
 11 other companies or buying them from other
 12 companies?

Page 35:15 to 38:16

00035:15 A. So -- so just to -- to -- how -- how we do
 16 that, it -- usually in an ideal world, we like
 17 to -- like I -- I told you, I've got teams working
 18 all over the deepwater Gulf of Mexico.
 19 Q. (BY MR. GONZALEZ) Right.
 20 A. And they're looking at the seismic data
 21 and then building this prospect inventory that --
 22 that I manage. And -- and we look at the best
 23 prospects around or the things -- the new ideas,
 24 and then we look at what the acreage situ- --
 25 situation is for a particular area that we might
 00036:01 be interested in. And then it comes down to these
 02 two ways. So if -- if on a particular prospect
 03 that we like it's got open acreage on it, that
 04 means we have to wait for a lease sale to
 05 potentially bid on it in a competitive environment
 06 through the federal system, yeah. Or if another
 07 company might have that acreage, then we could
 08 potentially think about, Hey, can we -- is there
 09 something we could have to -- to trade to get in.
 10 So we go into their -- become a partner on -- on
 11 that block we like, and we give them something in
 12 return. Or we could farm in -- what we call a
 13 "farm-in," is another way of doing it, where we
 14 just would say, We -- are you interested in
 15 drilling this prospect? And if they are, maybe we
 16 could just do it from a financial standpoint, pay
 17 up -- promote -- what we call "promote" -- on a
 18 potential well.
 19 So there -- there are several
 20 different ways to -- to do that. But, yes, I

21 do -- we do like to -- we do like to map the data
22 beforehand.

23 Q. Macondo 252, that was a Federal -- that
24 was obtained through a Federal lease?

25 A. Yes.

00037:01 Q. And it -- was that through one of the
02 auctions?

03 A. It was through a lease sale.

04 Q. With the U.S. Government?

05 A. Yes.

06 Q. What made the Macondo 252 a good prospect?

07 A. As -- you know, as I -- as I mentioned
08 previously, it -- it had all of the -- the
09 elements, and it had a very good chance of
10 success, about a 2 in 3 chance of success, what --
11 in the oil industry, that would be considered a
12 very high-quality prospect. And so, yeah, that's
13 what -- that was the bottom line.

14 Q. Now, after the recommendation was made to
15 drill Macondo 252 and once the drilling operations
16 were under way, do you monitor the well in any
17 way, you personally?

18 A. Yeah, I -- I understand. So there's --
19 there's a couple of different ways. There's one
20 major way that I did. So I would get a -- I asked
21 for -- to get a one liner -- one-line summary
22 E-mail in -- in the morning from one of the
23 geologists on the team. And so he would send me
24 pretty much every day kind of a quick one liner so
25 I could take 30 seconds and know kind of what the
00038:01 basics -- what was happening, what the well --
02 what depth it was, etc...

03 And then there's morning reports that
04 I had access to. And I would say on an infrequent
05 basis, I would -- I would just check in on the
06 morning report and -- and see the basics of -- of
07 what the op- -- current operation was.

08 Q. What's the purpose of your monitoring the
09 well?

10 A. Just for my own benefit, really. But then
11 also in case upper management asks, Hey, what's
12 going on with the -- the Macondo Well? Then I
13 would be ready for, Hey, they're at 10,000 feet
14 and they're doing such-and-such.

15 Q. But you're looking at it for a specific
16 purpose and a specific role that you have, right?

Page 38:18 to 38:23

00038:18 A. I'm looking at that data to just see where
19 the well is for my own benefit. And then also
20 potentially, if I -- if I was asked where the well
21 was, I would be able to say, Well, the well is at
22 10,000 feet. That -- that's -- that's why I did
23 that.

Page 40:01 to 40:01

00040:01 Q. What causes a kick?

Page 40:03 to 40:13

00040:03 A. The -- my understanding is -- is if your
04 pore pressure is greater than -- than the -- the
05 mud weight. That's my basic --

06 Q. (BY MR. GONZALEZ) And are you familiar
07 with how to manage a kick?

08 A. I don't know the details of -- of -- it's
09 a complex operation, and I'm -- I don't know the
10 details.

11 Q. What defense does the drilling team have
12 to handle kicks in terms of equipment available?

13 A. I don't know.

Page 40:15 to 40:22

00040:15 Q. (BY MR. GONZALEZ) Not your area?

16 A. Correct.

17 Q. Were you involved in all -- at all in well
18 control planning for the Macondo 252?

19 A. No.

20 Q. Were you consulted about well control,
21 other than giving a pore pressure analysis through
22 your team -- through Tiger?

Page 40:24 to 41:08

00040:24 A. Yes, I -- yeah. I didn't give that
25 analysis. The Tiger team certainly helped out,
00041:01 supported the -- the drilling team. So, no. No,
02 I wasn't consulted on it, on a technical basis for
03 sure.

04 Q. (BY MR. GONZALEZ) Are you responsible for
05 Tiger?

06 A. At the -- yeah. It would be good to --
07 the Tiger team?

08 Q. Yeah.

Page 41:18 to 42:02

00041:18 A. Pinky worked for -- the Tiger team
19 reported up to me to kind of April 1st of 2010,
20 and then they reported at that point to -- I think
21 it was April 1st, but to Dave Rainey. So Pinky
22 Vinson, Graham Vinson, reported to Dave Rainey
23 in -- in April of 2010.

24 Q. Were you informed of the kicks the well

25 had? You're -- you're aware of two kicks, so
00042:01 let's talk about those two kicks. Were you
02 informed of the kicks?

Page 42:04 to 42:12

00042:04 A. I -- I don't recall specifically. They
05 could have been in the -- the one liner.
06 Q. (BY MR. GONZALEZ) Right. That's what I
07 mean, in those daily E-mails.
08 A. Yeah. Yeah, I -- I believe so, but I
09 don't recall for sure.
10 Q. And when you -- when you see something
11 that's telling you there was a kick, what do you
12 do?

Page 42:14 to 42:24

00042:14 A. So basically I -- I let the operations
15 guys handle it. Bottom line.
16 Q. (BY MR. GONZALEZ) Are you in a position
17 to tell someone what to do with respect to a kick?
18 A. No.
19 Q. Who was the operations guy at that time?
20 A. What do you mean by "the operations guy"?
21 Q. For BP that would be in charge of having
22 the responsibility of making sure that the
23 appropriate actions were taken with respect to
24 kicks.

Page 43:01 to 43:05

00043:01 A. Yeah. I -- that would be -- because it
02 was -- it was a team of -- of engineers. And so I
03 really don't have an answer on who specifically
04 would -- would have had the -- the responsibility
05 for that. It was -- it was a -- it was a team.

Page 43:19 to 44:02

00043:19 Q. (BY MR. GONZALEZ) All right. With
20 respect to the daily -- daily drilling reports,
21 you said you had access to them, meaning if you
22 needed to look at -- look at it, no one would
23 prevent you from looking at it. But was it your
24 responsibility to read the daily drilling reports
25 and comment on them or assess them or in any way
00044:01 do anything with respect to what you read in the
02 daily drilling reports?

Page 44:04 to 44:20

00044:04 A. No. It was not my responsibility.
05 Q. (BY MR. GONZALEZ) When would you access
06 the daily drilling reports, if at all?
07 A. That's what I mean. There wasn't any
08 consistent time that I would. It was, I would
09 say, rather infrequent, and I would look at it
10 every now and then. But it wasn't something that
11 I consulted because I had -- I had my one liner.
12 Q. Did anything ever give you a concern about
13 the Macondo 252 prior to April 20th, 2010?
14 A. Did anything give me a concern? Not
15 really. I would say that -- yeah, not -- not
16 really.
17 Q. Based on the information you were given by
18 the company, it looked like it was an uneventful
19 drilling?
20 A. Well --

Page 44:22 to 45:04

00044:22 A. -- yeah. So --
23 Q. (BY MR. GONZALEZ) That's -- that's a
24 question.
25 A. Yeah. So, you know, obviously there
00045:01 were -- there were kicks and there were losses.
02 But in general, that wasn't, you know, my -- my
03 area. And the operations folks were -- were
04 working it.

Page 46:11 to 46:24

00046:11 Q. Okay. So you were aware of the two kicks
12 you talked to us about, and you were aware of the
13 mud loss. And what, if anything, did that tell
14 you about the well?
15 A. You know, it told me that this is similar
16 to drilling other wells in the deepwater Gulf of
17 Mexico, in the Gulf of Mexico. In other wells
18 that, you know, I was involved in, we have -- you
19 have kicks. You may have to sidetrack. You have
20 losses. And so this was -- you know, that's
21 what -- yeah, that -- that's what it told me; that
22 this was kind of the -- the way it is in -- that's
23 what BP operated wells or other ones that other
24 companies have drilled.

Page 47:14 to 47:16

00047:14 Q. Are you consulted with respect to the type
15 of well control devices and procedures that should
16 be used?

Page 47:18 to 47:21

00047:18 A. Like I mentioned before, I'm not consulted
 19 on -- on those tools or how to do it or what to
 20 do. It's clearly, clearly in the -- the realm of
 21 operations and the engineers, drilling engineers.

Page 49:16 to 49:21

00049:16 Q. Do you know what tools are available to
 17 handle kicks and blowouts?
 18 A. No, I -- I don't. Like I mentioned, I --
 19 I don't know -- I do not know the tools that --
 20 that the drillers use in -- in detail on -- on
 21 that.

Page 50:04 to 50:21

00050:04 Q. Other than a BOP, do you know of any other
 05 well control equipment onboard the drilling rig,
 06 which in this case was the DEEPWATER HORIZON?
 07 A. Yeah. So, what -- what I would say -- two
 08 things: You've got mud. And -- and then you
 09 have, you know, things like LCM to -- to clog up
 10 the -- to put down the -- the wellbore to -- to
 11 clog up the pore space in case of -- of losses.
 12 So I guess those were kind of what you were
 13 talking about, tools.
 14 Q. Yes, sir.
 15 A. Then -- then -- then I guess that's what I
 16 would -- I would reference. But, you know, the
 17 operations and how the decisions are made and how
 18 that all happens, I'm -- I'm not sure.
 19 Q. If there's a blowout and the blowout
 20 preventer fails to contain the blowout, what's the
 21 next option?

Page 50:23 to 51:05

00050:23 A. I don't know what the next option is after
 24 that, specifically.
 25 Q. (BY MR. GONZALEZ) I just want to make
 00051:01 sure I understand your answer. You don't know
 02 because it's not your area of expertise, or it is
 03 your area of expertise generally and you don't
 04 know of anything else that you had?
 05 A. Oh, yeah.

Page 51:07 to 51:10

00051:07 A. It's definitely not my area of ex- --
 08 expertise, what would be the procedure to -- to
 09 follow up something like that. I do not know what
 10 the next step is because it's outside my area.

Page 52:11 to 53:10

00052:11 Q. Did you have a role at that point to play
 12 for the company?
 13 A. Okay. So -- so my role at that point
 14 was -- so right at that point? Yeah. So it
 15 was -- so I got with Dave Rainey, who is the
 16 exploration vice president, and -- and basically
 17 asked him what he needed. And I put together
 18 what -- he said he wanted a one-page fact sheet.
 19 And I said, "Well, what do you mean by a fact
 20 sheet?"
 21 And he said, "Well, just, you know,
 22 where is" -- "what's the location and what was" --
 23 "what was the depth and exploratory well." Just
 24 kind of some basic par- -- kind of parameters
 25 on -- on the well. Very, very basic. Location,
 00053:01 things like that.
 02 Q. Location, depth, what else?
 03 A. Name -- you know what was the name of the
 04 well, but then also the -- the OCS block name,
 05 things like that.
 06 Q. Macondo Well 252?
 07 A. Yeah. I think -- yeah. And then
 08 there's a -- yeah, pretty much. And then there
 09 was some other information, but I -- I can't
 10 remember what it was.

Page 54:13 to 55:18

00054:13 Q. What else did you do, if anything?
 14 A. So, shortly thereafter, I -- within the
 15 next day or two, then Dave Rainey went off to
 16 Robert, Louisiana, to be on the -- in the command
 17 center there. And so then for about three days or
 18 so, I sat in for him on the leadership team on the
 19 BS team, the business strategy team. And so for
 20 those kind of -- I think it was three days, might
 21 have been four -- I'm not sure of the length of
 22 time -- I was on -- on that team, and we were kind
 23 of given specific duties. And -- and my main duty
 24 was to keep the partners, Anadarko and Mitsui kind
 25 of up to date on what -- what was happening to the
 00055:01 best of our knowledge and what BP was -- was
 02 doing. So that's kind of the role I played for
 03 those three days.
 04 Q. Like liaison?
 05 A. Yeah. Kind of -- kind of a calling -- you
 06 know, I'd get with -- from Anadarko. I -- I
 07 called Anadarko. I can't remember the gentleman's
 08 name. I think he was the VP for operations or
 09 production. I think he's since retired from
 10 Anadarko.

11 Q. Uh-huh.

12 A. And so I talked to him on a daily basis
13 for those few days. And then I worked with Kirk
14 Wardlaw within BP, who owned the Mitsui
15 relationship, and so I -- we -- we had a daily
16 phone call to Mitsui as well, to just update them
17 on basic information as -- as the days -- for
18 those few days.

Page 56:23 to 57:08

00056:23 Q. How did you make a determination on a
24 daily basis of what to told Anadarko and MOEX?

25 A. Yeah. It was -- it was more finding out
00057:01 what they wanted to know. So it was getting
02 information, then Hey -- we would give them
03 updates the best we could. There was no defined
04 process at that point in time. And -- and then if
05 they had questions, I would try to get information
06 to answer those questions best -- best I could.
07 But it was -- I would have to say it was pretty
08 general and basic information at the time.

Page 57:22 to 59:03

00057:22 Q. Did your role change after that?

23 A. Yeah. So --

24 Q. How?

25 A. At that time, then, had a -- a meeting.
00058:01 And I -- I recall that Dave might have been back.
02 He came back from New Orleans to get a change of
03 clothes.

04 Q. Dave Rainey?

05 A. Dave Rainey, yeah. And I believe it was a
06 face-to-face. So Dave, myself, and Cindy
07 Yeilding. So Cindy and I were peers reporting
08 to -- to Dave. And so we met and kind of said,
09 All right. How -- Dave's in Robert, and how are
10 we going to run our organization, the exploration
11 organization. And then, so that -- that time, we
12 made the determination that Cindy would sit in
13 for -- for Dave as the vice president, so she
14 would be his delegate as vice president for the
15 Gulf of Mexico exploration teams.

16 And then since she would focus on
17 that, and then also the response. And then -- and
18 then I would focus on working with people who
19 aren't explorers -- I would focus on explorers who
20 were not on the response, kind of doing their --
21 their normal -- their -- their normal business as
22 best they could, and then being safe and staying
23 focused on whatever -- whatever they were doing.

24 So that's how we decided to kind of
25 split things out. And so Cindy was then going to

00059:01 take -- take on the relief wells and -- and the
 02 response, and -- and I was -- I was looking after
 03 other business.

Page 59:14 to 59:16

00059:14 Q. (BY MR. GONZALEZ) Do you know the
 15 estimated time for a relief well to effectively
 16 shut off the Macondo Well?

Page 59:18 to 59:19

00059:18 A. I -- I don't know the -- the details on
 19 that, or the estimated time.

Page 60:24 to 61:20

00060:24 Q. (BY MR. GONZALEZ) After your -- you said
 25 you went back to your regular business after a few
 00061:01 days or weeks after the blowout. Did you go back
 02 to working on any response issues on the blowout
 03 matter?
 04 A. So again, I'm -- I'm on Macondo response?
 05 Q. Yeah.
 06 A. You know, I was called in every now and
 07 then to -- to meetings when they were meeting with
 08 the subsurface team and wanted information
 09 about -- about the prospect and the subsurface
 10 interpretation. And -- and then also, I was
 11 involved in -- involved in some meetings and
 12 conversations about once -- once confidential --
 13 once information was going to be provided to
 14 different parts -- aspects of the government or
 15 whoever -- I was consulted on, Hey, is this
 16 seismic data, is this interpretation information
 17 confidential? Or is this -- this map in
 18 confidential -- confidential document for BP. And
 19 so I was -- I was involved in that over the --
 20 over the months of the -- of the summer.

Page 62:03 to 62:19

00062:03 Q. For the response after the blowout.
 04 A. But you mean the -- I'm sorry. Just to --
 05 just to -- clarify something. The response was
 06 incredibly complex.
 07 Q. It was --
 08 A. So I'm just trying to -- what do you --
 09 Q. The field -- I'm sorry. You finish?
 10 A. No, I'm just thinking what decision-making
 11 responsibilities I had for -- for the response,
 12 and I can't really think of anything specifically
 13 in that the things that I told you about on, Hey,

14 this is confidential or not. I guess -- I guess
 15 that was my advise or -- or my view. And then it
 16 went into legal and then also some of the response
 17 team. So they took my advi- -- I guess, my
 18 suggestion, whether -- I guess I wouldn't call
 19 that decision-making responsibilities.

Page 64:12 to 64:14

00064:12 Were you involved at all with the
 13 decision as to where the -- how far the cementing
 14 should go for the Macondo Well 252?

Page 64:16 to 65:17

00064:16 A. So I was not involved in -- in deciding
 17 the cement or where it should go or how far it
 18 should go.
 19 Q. (BY MR. GONZALEZ) Were you involved at
 20 all in establishing or making recommendations
 21 regarding where the casing and cementing --
 22 regarding what the casing and cementing
 23 requirements for the Macondo Well 252 should be?
 24 A. No.
 25 Q. Are you familiar with a CFR section -- 30
 00065:01 CFR section 250421, and I'll quote it. It says,
 02 "In the production, you have to use enough cement
 03 to cover or isolate all hydrocarbon-bearing zones
 04 above the shoe. As a minimum, you must cement the
 05 annular space at least 500 feet above the casing
 06 shoe and 500 feet above the upper most
 07 hydrocarbon-bearing zone."
 08 Are you familiar with that
 09 regulation?
 10 A. I am not familiar with the specifics of
 11 that regulation. I don't think I've ever read it.
 12 Q. And I take it, then, it was not your
 13 responsibility to determine whether it was
 14 followed or not?
 15 A. That's correct.
 16 Q. And who -- whose responsibility would that
 17 be at BP, as it relates to the Macondo Well 252?

Page 65:19 to 65:20

00065:19 A. Yeah, I don't know specifically who was
 20 responsible for following that regulation.

Page 72:03 to 72:06

00072:03 Q. No, it's not. My question is this: Do
 04 you agree with me that a company should have --
 05 should have a reasonable plan to deal with

06 foreseeable problems?

Page 72:08 to 72:13

00072:08 A. Yeah. I -- I think the company needs to
09 have, you know -- know the regulations and follow
10 the regulations.
11 Q. (BY MR. GONZALEZ) And have a good plan to
12 follow them?
13 A. And have a plan in place for regulations.

Page 72:15 to 72:16

00072:15 Q. (BY MR. GONZALEZ) Which takes into
16 consideration foreseeable risks, right?

Page 72:18 to 72:22

00072:18 A. Well, takes into account risks, yeah.
19 Q. (BY MR. GONZALEZ) I mean, even using your
20 job, you wouldn't recommend drilling an oil well
21 where there would be little chance of success,
22 would you?

Page 72:24 to 73:11

00072:24 A. It depends, actually, on that.
25 Q. (BY MR. GONZALEZ) Well, you have to go
00073:01 through your six-point analysis --
02 A. I do.
03 Q. -- right?
04 A. But in some areas, we may be able to take
05 a whole lot of risk on a prospect if it has a
06 large upside. That's all I'm trying to say it.
07 It depends. I can go with a low chance of
08 success -- and some cases, we have -- if -- for
09 that to fit into the portfolio. That's what I
10 mean. There's just a broad range of -- of, you
11 know, outcomes and how -- how we would do that.

Page 75:02 to 75:05

00075:02 Q. (BY MR. GONZALEZ) You think it's a good
03 idea to follow regulations?
04 A. Yeah. I think -- I think that's
05 important.

Page 75:11 to 75:14

00075:11 Q. (BY MR. GONZALEZ) Do you think it's a
12 good idea to follow safety regulations?
13 A. It's important to follow safety

14 regulations, yeah.

Page 77:16 to 78:15

00077:16 Q. Who was your supervisor in England for BP?
 17 A. Currently?
 18 Q. No, then; when you were in the Gulf of
 19 Mexico.
 20 A. I reported to Dave Rainey. So I didn't
 21 have a supervisor in London. Dave was in Houston.
 22 Q. And when you said you made your -- your
 23 presentations to the -- the world group --
 24 A. The forum?
 25 Q. Yeah, the world forum.
 00078:01 -- would that be through Mr. Rainey?
 02 Or would that be directed to BP's offices in
 03 England?
 04 A. Yes. So a little bit of background on
 05 that. So four times a year, the exploration forum
 06 gets together and -- and meets around the world.
 07 And exploration -- all the vice-presidents from
 08 each of the different countries come to that
 09 meeting. And so, four times a year, we -- we
 10 would -- we would meet.
 11 Q. You personally would be there?
 12 A. Yes. And Dave would be there and --
 13 from -- Cindy would usually be there as well.
 14 Q. How long were the other managers in the
 15 respective areas in the world?

Page 78:17 to 79:09

00078:17 A. That -- there would be other
 18 vice-presidents and explorations managers. Mostly
 19 vice-presidents at the meeting --
 20 Q. (BY MR. GONZALEZ) When did --
 21 A. -- representing their different countries
 22 or....
 23 Q. When did you reach the title of
 24 vice-president with BP?
 25 A. June 1st of this year.
 00079:01 Q. Are there different levels of VPs?
 02 A. Yeah. I mean, I think there's VP and then
 03 there's executive vice-president. I'm not sure of
 04 the details on that.
 05 Q. Is there more than one executive BP?
 06 A. Yeah. I believe -- I believe there are
 07 but I don't know for sure. I -- for example, Mike
 08 Daly, I think he's an executive VP, but I'm not
 09 totally sure -- and he has peers.

Page 79:17 to 80:13

00079:17 Q. (BY MR. GONZALEZ) This is
 18 BP-HZN-2179MDL01974038. It is a supplemental
 19 financial memorandum, BP Exploration and
 20 Production, Inc., Gulf of Mexico Exploration,
 21 Macondo Exploration Well. And it is two pages
 22 long. A second page has a signature line for you,
 23 "Jay Thorseth, Exploration Manager DWX, Project
 24 SPA." Can you tell us what "DWX" means?
 25 A. Deepwater exploration.

00080:01 Q. And what does "Project SPA" mean?
 02 A. Yeah. So I'm -- on this, it's kind of the
 03 financial SPA. So I'm kind of tracking the cost
 04 and -- and if there was need for more money, then
 05 I would go back to give the technical case for
 06 why -- why we would need more funds.
 07 Q. Did you prepare this document?
 08 A. The -- no, I would have edited, you know,
 09 helped with this, but the major folks who would
 10 have put it together would have been in the
 11 finance team, headed by Xuemei Liu.
 12 Q. The date on this is March 24, 2010?
 13 A. Uh-huh.

Page 80:19 to 82:12

00080:19 Q. This is an authority requested to commit
 20 an additional \$17 million net of additional NTE
 21 capital to complete the Macondo exploration well,
 22 correct?
 23 A. Yes.

24 Q. So they were asked -- you were asking for
 25 more money to complete the well, right?

00081:01 A. To -- to finish up, that's correct.
 02 Q. Was the project over budget at this point?
 03 A. Yeah, this is a supplemental FM, and so,
 04 yes, therefore, we -- we had to go back to ask
 05 for -- for additional funds. Correct.
 06 Q. And who made the determination to ask for
 07 an additional 17 million?
 08 A. Yeah, I would -- that would -- probably a
 09 combination of -- I don't recall specifically -- a
 10 combination of myself and Dave Rainey.
 11 Q. Got it.
 12 If you can go to the third bullet
 13 point, please.
 14 A. Yeah.

15 Q. It states, "The DEEPWATER HORIZON rig was
 16 mobilized on January 31, 2010, to complete well.
 17 Currently, the Macondo Well is drilling at 15,114
 18 MD in the 12-and-a-quarter times 14-and-a-half
 19 inch open hole and preparing to run 11
 20 seven-eighth inch liner. The actual spent to date
 21 is about 118 million gross, including the
 22 hurricane impact. Lost circulation and well
 23 control events have resulted in earlier than

24 planned setting of the 18-inch, 16-inch, and
 25 13-and-five-eighths inch casing strengths. The
 00082:01 well now requires 11 seven-eighths inch and nine
 02 seven-eighth inch contingency liners to reach the
 03 planned TD."
 04 Now, can you tell us what your
 05 understanding was of the loss circulation and well
 06 control events that are referenced herein?
 07 A. Yeah. It's -- it's -- it's just what we
 08 talked about previously. There were -- there were
 09 a couple of kicks and -- and some -- some mud
 10 losses in loss -- loss -- loss zones.
 11 Q. Why was the project over budget
 12 \$17 million at this point?

Page 82:14 to 82:22

00082:14 A. Well, the -- due to -- as it says here,
 15 the total cost of the well was dependent on, for
 16 sure, the hurricane that took out the Marianas
 17 rig. And so that -- that cost a lot of money.
 18 And then, for one of the kick events, we had to
 19 side track. And those were the two major things
 20 was the side track and the hurricane. So that --
 21 those are really the two main reasons why it was
 22 over -- over budget.

Page 83:10 to 83:11

00083:10 Q. Was the \$17 million the first request to
 11 go over budget?

Page 83:13 to 83:14

00083:13 Q. (BY MR. GONZALEZ) Or had there been
 14 others?

Page 83:16 to 85:01

00083:16 A. So just to -- just -- just to clarify
 17 asking for more funds, I think -- I think we had
 18 the original FM. We had one supplement and this
 19 was the second and -- second supplement. So I
 20 think there was one previously.
 21 Q. (BY MR. GONZALEZ) Do you know what the
 22 first request for additional funds was?
 23 A. I don't remember.
 24 Q. You have no idea? Or can you give me a
 25 range, somewhere between X and X?
 00084:01 A. Maybe between 20 and 50.
 02 Q. Million?
 03 A. Yeah, but I'm -- I'm not sure of that
 04 number.

05 Q. And did any requests come after the
06 \$17 million financial memorandum for additional
07 funds?

08 A. Yeah, no, I understand. I don't recall.
09 I think this was the last supplemental FM but --
10 that -- that's my belief, but I -- I don't know
11 for absolute sure.

12 Q. Were you required to sign off on the
13 request for additional funds?

14 A. Yeah. I mean, just -- just like here, I
15 would have -- I would have signed off on -- on
16 those finances, saying that's my recommendation.
17 And then Mike would have been checked into and
18 would have said Mike is -- does he support or not.
19 And then Dave -- Dave would have approved it
20 because the 17 million would have been in his
21 authority.

22 Q. Were you also consulted on the first
23 financial -- request for additional funds?

24 A. Yeah. Yeah. Absolutely.

25 Q. Did you approve it on both occasions?

00085:01 A. Yes.

Page 85:06 to 87:04

00085:06 Q. And if there had been a third one, would
07 you have also been consulted?

08 A. It -- it -- it depends on -- it depends on
09 the reasons. And so we -- we talk about the
10 technical reasons and -- and what needs to be
11 done. And so, it -- it -- it would depend.

12 Q. What reasons would require your approval?

13 A. So it's -- you know, there's two -- two
14 key things. One is safety, and so talk with
15 the -- the drilling engineers and -- and can the
16 well be continued -- or whatever the funds are
17 going to be used for for an operation, is -- is it
18 safe? And are they onboard, from -- from a safety
19 and drilling planning standpoint? And then --
20 also, then, the technical reason for the need for
21 the new funds. So we -- for -- so for example, we
22 haven't tested the objective yet. And -- and that
23 would be a major -- major technical consideration
24 that, you know, we hadn't got down to the
25 prospective horizons.

00086:01 Q. Are you involved in the safety
02 consideration?

03 A. The -- so that comes from the drilling
04 engineers.

05 Q. Not you?

06 A. No. It's -- it's from the drilling --
07 because it's operational. What I'm referring to
08 there is the operational safety. So, for example,
09 if the technical case is, Hey, we need to get down
10 to -- to this level to test the sands, then it

11 would be into the operations team to say, This is
 12 what we -- we need to do. We need funds to do
 13 this. Can -- can we do it safely? That's what
 14 I'm referring to.

15 Q. Do you have to sign off on that one
 16 though?

17 A. Not specifically. There isn't anything
 18 specifically that I -- I know about.

19 Q. So if the request for additional capital
 20 was related to safety issues, would you have to
 21 sign off on a financial memorandum like that?

22 A. I -- yeah, I'm -- I'm not sure. It
 23 would -- I would have to see what the case would
 24 be, because it's all considered. It's all in one.
 25 So in -- in signing off here, you -- you are
 00087:01 looking at what the funds are, what the objective
 02 is, and can it be done safely. So I mean, I
 03 guess -- that's what would be going into the
 04 consideration.

Page 87:12 to 87:22

00087:12 Do you have to sign off on every
 13 memorandum -- financial memorandum requesting more
 14 funds for the Macondo Well?

15 A. For FMs, yes.

16 Q. Okay. Irrespective of the reason?

17 A. Yeah -- yeah -- if there's an FM for
 18 expenditure on the exploration portion, yeah, I --
 19 I would need to be involved in that.

20 Q. Okay. And then the -- the memorandum must
 21 include the reasons why the additional funds are
 22 necessary?

Page 87:24 to 88:01

00087:24 A. Typically -- typically, there is a
 25 description of that in -- in the FM of why the
 00088:01 funds are being needed. Absolutely.

Page 88:05 to 88:12

00088:05 Q. Was there any indication here with this
 06 statement loss circulation and well control events
 07 to make people concerned about safety issues? And
 08 I mean BP people.

09 A. Not that I can recall. You know,
 10 everything, the discussion was that, no, we can
 11 get down to test this zone, the M56 sands, and --
 12 and -- and do it in a safe manner.

Page 89:13 to 89:16

00089:13 Q. You did not have the data at that time?
14 Or you did not have -- you personally had not been
15 given that information, as opposed to others may
16 have been?

Page 89:18 to 89:21

00089:18 A. Okay. So just based on my knowledge that
19 there is -- there's no data that I knew of or know
20 of that would have predicted anything at M57 B or,
21 you know, in that -- in that particular area.

Page 90:03 to 90:10

00090:03 Q. (BY MR. GONZALEZ) Had you spoken to -- I
04 don't know if I have the name right.
05 A. Galena?
06 Q. Galena Skripnikova.
07 A. Yeah.
08 Q. Had you spoken to her about her diagnostic
09 examinations relating to the existence of gas or
10 nonexistence of gas at the different levels?

Page 90:14 to 91:10

00090:14 A. At this FM?
15 Q. (BY MR. GONZALEZ) Yeah.
16 A. No. No.
17 Q. Did that -- did you have that discussion
18 with her at any point later?
19 A. You know, I'm -- you mean just sometime
20 later?
21 Q. Yeah.
22 A. Yeah, I mean, in general, possibly talked
23 with -- talked with Galena.
24 Q. When?
25 A. I don't remember.
00091:01 Q. What did you talk to Galena about?
02 A. I don't -- I don't recall specifically
03 but, you know, just there was -- there was debate
04 on -- on some of the intervals and so talking in
05 general terms about -- about that.
06 Q. Was there -- did she discuss M57 B with
07 you?
08 A. Possibly.
09 Q. What did she say, to your recollection?
10 A. I don't remember specifically.

Page 91:16 to 91:18

00091:16 Q. (BY MR. GONZALEZ) -- of hydrocarbons.
17 Did that discussion occur?
18 A. Okay. So specifically --

Page 91:20 to 91:22

00091:20 A. So I -- I can't recall specifically
21 talking about not -- I -- I know that Galena feels
22 that -- her interpretation was that it is water.

Page 93:09 to 93:15

00093:09 Q. Do you work with her?
10 A. Galena works on one of the teams -- Bryan
11 Ritchie's team that reported to me. So I didn't
12 work with Galena on a day-to-day basis.
13 Q. Were you aware that the -- there had been
14 a determination that, at M57 B at 17,467, there
15 was a 2-foot patch of gas?

Page 93:17 to 94:21

00093:17 A. I am -- I'm aware that there's a 2-foot
18 zone there that is -- that's tight and I feel that
19 it's water. It's wet.
20 Q. (BY MR. GONZALEZ) What do you base that
21 on?
22 A. Just information that I've -- I've read in
23 the team's report.
24 Q. What information did you read?
25 A. I'd need to review the report. But we can
00094:01 go -- we can go over the report.
02 Q. Did you look at it in a professional
03 capacity?
04 A. Yes.
05 Q. Or a casual capacity?
06 A. No. It would have been in my -- in my
07 role. Because it was sent to Kate Baker,
08 specifically, but they also sent it to me, and I
09 did look at the report, yes.
10 Q. When?
11 A. I looked at it during -- during those
12 months, I think, kind of May, June, July.
13 Q. Of what year?
14 A. I'm sorry, of 2010.
15 Q. Oh, after the blowout?
16 A. Yes.
17 Q. Not before?
18 A. The report was written after the -- after
19 the incident.
20 Q. But the data was available prior to the
21 incident?

Page 94:23 to 95:02

00094:23 A. It was -- what data were you -- were you

24 referring to?
 25 Q. (BY MR. GONZALEZ) The data that indicates
 00095:01 that patch at 14 -- 17,467 was available before
 02 April 20th.

Page 95:04 to 95:11

00095:04 A. Well, there's -- there's quite a bit of
 05 data, and some was before and -- my
 06 understanding -- and then there was some after --
 07 processed data afterwards as well. It is my
 08 understanding, but I don't know for sure.
 09 Q. (BY MR. GONZALEZ) Well, the "after" part
 10 comes in trying to figure out what happened and
 11 what, if anything, was missed, correct?

Page 95:13 to 95:23

00095:13 A. Well, what I'm -- what I'm referring to is
 14 processing of logs continues on for some time.
 15 Q. (BY MR. GONZALEZ) Correct. What I'm more
 16 interested in right now is the information that
 17 was available prior to April 20, 2010, regarding
 18 that 17,467 spot referenced as M57 B?
 19 A. Yeah. So my answer to that is: I don't
 20 know specifically what was available prior to that
 21 date.
 22 Q. And it wasn't your role to make that
 23 determination for this project, correct?

Page 95:25 to 96:11

00095:25 A. Make what determination?
 00096:01 Q. (BY MR. GONZALEZ) What the status of the
 02 substance was at 17,467 M57 B?
 03 A. Yeah. It was not my specific role,
 04 correct.
 05 Q. And whose role would that be?
 06 A. The team's, the subsurface team working
 07 together.
 08 Q. And would that be Galena's role?
 09 A. She had -- she was on that team.
 10 Q. And if she thought there was gas there, it
 11 would be her responsibility to report it, correct?

Page 96:13 to 96:13

00096:13 A. Yeah. Report it to?

Page 97:05 to 100:05

00097:05 Q. What's the name of that team?

06 A. Just the -- the drilling operations team
07 and the -- and the subsurface team.
08 Q. And Galena works for which one?
09 A. The eastern team.
10 Q. And the eastern team is part of the
11 technical team?
12 A. Yes. The subsurface team that reports
13 to -- to me.
14 Q. When was the first time you heard about
15 the possibility of there being gas at M57 B 17,467
16 feet, the first time?
17 A. Yeah. I don't -- I don't recall
18 specifically. Probably in the -- yeah, I don't
19 recall specifically.
20 Q. Do you --
21 A. May timeframe probably.
22 Q. May 2010?
23 A. Yeah.
24 Q. But in any event, it was certainly after
25 the blowout?
00098:01 A. Yes.
02 Q. What did you do when you heard about it?
03 A. I don't recall. I don't -- I didn't have
04 any action.
05 Q. Well, at some point, you asked for the
06 data?
07 A. I didn't ask for any -- I didn't ask for
08 the data because the data was in -- in the report
09 that I read. So I didn't have any specific
10 actions.
11 Q. Did there come a point in time when you
12 reviewed the data?
13 A. Yes.
14 Q. When was that?
15 A. May to July timeframe. When the -- when
16 the report was being written.
17 Q. Why did you review the data?
18 A. Because it was sent to me.
19 Q. By whom?
20 A. The -- the team. So I -- Bryan Ritchie
21 and him -- his team sent it to me.
22 Q. Were there requests that you review?
23 A. Yeah. To -- they assumed. I don't
24 think -- yeah, I don't remember what the kind of
25 lead E-mail was, whether please review or
00099:01 whatever, but it was sent with the understanding,
02 I think, of reviewing it.
03 Q. For what purpose?
04 A. As a -- kind of a technical input from a
05 subsurface standpoint.
06 Q. So they wanted your technical input from a
07 subsurface standpoint?
08 A. To -- to have a look at the -- have a look
09 at the report, yeah.
10 Q. And tell them whether it was gas or water

11 or something else?

12 A. No. I mean, that wasn't -- that wasn't --
13 it was a long report and there was no specific
14 request to look at this, this, or that. It was
15 just the report and it was a draft report. Came
16 to me, and I actually didn't look at it
17 immediately. And then I think it was a little
18 bit -- while, maybe later in May, when I -- when I
19 first took a look at it then. So there was no
20 specific request to say, Jay, I need to you look
21 at this. It was just the report showed up and
22 they expected me to have a look at the whole
23 report.

24 Q. Did you prepare a response?

25 A. I -- I don't think that -- I don't recall
00100:01 editing and -- and sending a response back. I --
02 I may have had verbal communication to say, you
03 know, suggestions. But I don't -- I don't
04 remember E-mailing it or sending it back in
05 writing.

Page 100:25 to 101:14

00100:25 Q. What data did you consider in reaching
00101:01 your opinion that it's water?

02 A. Just the -- the data that's in the report
03 and then -- and then some understanding of the
04 relief well efforts as well.

05 Q. Did you actually go to the raw data
06 yourself? Or did you rely on the report?

07 A. Just the report. I may have looked at
08 a -- a printout of a -- of a log that the team
09 had, but I didn't go to the raw -- the raw data,
10 the actual digits or anything like that.

11 Q. As a geophysicist, if you were told that
12 there was gas -- hydrocarbons at -- a 2-foot patch
13 of hydrocarbons at 17,467, what is your
14 recommendation?

Page 101:16 to 101:25

00101:16 A. What do you mean "my recommendation"?

17 Q. (BY MR. GONZALEZ) Yeah, what do you tell
18 the team to do, the drilling team?

19 A. So -- I'm sorry, so can -- can you repeat
20 the question?

21 Q. You look at the data. You say, Oh, 17,467
22 feet, you're going to find a 2-foot patch of
23 hydrocarbons, probably gas. Here's the
24 information.

25 A. Yeah, so I --

Page 102:02 to 102:12

00102:02 A. That's not part of my -- part of my role.
 03 I don't -- I don't work with the drilling
 04 department in that capacity at all. Interpreting
 05 logs, number one, and number two, saying what to
 06 do with it. That is the team's decision and --
 07 and the drilling team's decision at the end of the
 08 day.
 09 Q. When you were a geophysicist for BP --
 10 A. Yeah.
 11 Q. -- prior to becoming more of a team leader
 12 and an executive, did you do that kind of work?

Page 102:14 to 102:22

00102:14 A. Regarding well log interpretation?
 15 Q. (BY MR. GONZALEZ) Yes, sir.
 16 A. No.
 17 Q. Do you know how to do it?
 18 A. No.
 19 Q. Are you an expert in that?
 20 A. No.
 21 Q. So you would have to defer to someone that
 22 is an expert in an area, right?

Page 102:24 to 103:01

00102:24 A. I know -- I know general -- general
 25 concepts and -- but I would -- I would definitely
 00103:01 defer to petrophysicists and -- and experts.

Page 103:03 to 104:02

00103:03 MR. GONZALEZ: Yeah, we're going to
 04 mark the last exhibit, the financial memorandum,
 05 Bates Stamp number 197038 as Exhibit 6331.
 06 (Marked Exhibit No. 6331.)
 07 Q. (BY MR. GONZALEZ) And if you can please
 08 turn to Tab 15, please. This is
 09 BP-HZN-2179MDL00310063. It is from JC Thorseth,
 10 dated April -- Tuesday, April 13, 2010, to Gregory
 11 Walz. It states, "Greg, could you rethink a bit
 12 on Maui prespud intangibles regarding shirts,
 13 activities, miscellaneous gifts, team building
 14 costs 30- to 40,000. Does not look too good in an
 15 'Every Dollar Matters' environment and the belt
 16 tightening we have been doing here."
 17 What was the purpose of your E-mail?
 18 A. Yeah. So I was -- I was telling Greg that
 19 I thought those were bad costs and they weren't --
 20 they weren't required.
 21 Q. Okay. Does this include the Macondo Well?
 22 A. It's Maui. It's for the work that's been
 23 doing on -- they're doing on Maui, which is a

24 prospect that hadn't been drilled yet, and it was
 25 some planning work that they were doing.
 00104:01 Q. So you felt that spending \$30- to \$40,000
 02 on these types of things was a waste of money?

Page 104:04 to 104:05

00104:04 A. Correct. Yeah, I didn't like the shirts
 05 and -- and all this business.

Page 105:06 to 106:09

00105:06 Let's go ahead and mark that one for
 07 clarity, 6332.
 08 (Marked Exhibit No. 6332.)
 09 Q. (BY MR. GONZALEZ) If you can turn to the
 10 next tab, please, No. 16. This is
 11 BP-HZN-2179MDL0008835. At the very top, there is
 12 an E-mail from Bryan Ritchie dated April 14, 2010,
 13 at 20:59 to you, Mr. Thorseth. It says, "FYI,"
 14 for your information, and it attaches an E-mail
 15 underneath from Michael Beirne or Burn,
 16 B-E-I-R-N-E, dated April 14, 2010. And the E-mail
 17 that is being forwarded states, "This E-mail will
 18 evidence Anadarko's approval to conclude the
 19 drilling of the MC 252 No. 1 BP 01 well, Macondo,
 20 at its current TD of 81,360 MD, even though the
 21 well has not reached any of the objective depth
 22 criteria defined in the well participation
 23 agreement."
 24 And then attached to it -- or
 25 actually, the next page at 8836, includes the
 00106:01 following from an E-mail from Michael Beirne,
 02 April 13th, 2010. It states. "Gentlemen, due to
 03 safety concerns and wellbore integrity issues, BP,
 04 as operator, has deemed the Macondo exploratory
 05 well as achieving objective depth at 18,360 feet
 06 MD. Having both loss zones and comparatively over
 07 pressured sands in the open hole provided for
 08 little to no margin to continue drilling."
 09 Do you remember receiving this?

Page 106:12 to 107:23

00106:12 Q. (BY MR. GONZALEZ) Question is: Do you
 13 remember receiving this?
 14 A. Yeah, I don't specifically recall
 15 receiving this, but I -- I'm not denying that
 16 it -- it -- didn't come to my E-mail. I just
 17 don't recall it.
 18 Q. Now, the target depth initially had been
 19 what for this well?
 20 A. The target depth or the total depth?

21 Q. Bottom line -- the bottom depth?
22 A. The -- the -- I -- I believe that it was
23 deeper than the 18,360.
24 Q. Yeah. That's my question: Do you know
25 what it was?
00107:01 A. I don't remember specifically. I'd have
02 to....
03 Q. And the decision was made to stop at
04 18,360 due to safety concerns and wellbore
05 integrity issues, according to this E-mail, right?
06 A. According to this E-mail, that was Mike
07 Beirne's view of it, it looks like. But I don't
08 know. I didn't write the E-mail. I didn't help
09 him write it. He wrote the E-mail, and so I don't
10 know what he was for sure thinking.
11 Q. You know what "wellbore integrity issues"
12 mean, right?
13 A. In general, yes.
14 Q. What does it mean to you?
15 A. Well, that the wellbore doesn't have the
16 integrity to potentially move on, to drill ahead.
17 But again, I -- I don't make -- you know, I don't
18 describe wellbore integrity issues and I don't
19 know the details of that.
20 Q. You're generally familiar what "safety
21 concerns" mean?
22 A. Yeah.
23 Q. What do they include?

Page 107:25 to 108:22

00107:25 A. Well, I mean, it's a broad topic
00108:01 obviously. So we would have to -- it's, in
02 general, can a well get down to a TD in a safe
03 manner.
04 Q. Without blowing out?
05 A. Does the drilling -- does the drilling --
06 do the drilling engineers feel there's a good,
07 safe plan to get down to TD.
08 Q. And "safety" would include making sure
09 that a well doesn't blow up?
10 A. Absolutely.
11 Q. And lives aren't lost?
12 A. Absolutely.
13 Q. And the environment isn't destroyed with
14 blowouts?
15 A. Absolutely.
16 Q. We should always try to prevent that,
17 right?
18 A. Absolutely.
19 Q. If there's a doubt, you have to go with
20 safety, correct?
21 A. Safety is most important thing. It trumps
22 everything.

Page 109:23 to 110:01

00109:23 Q. When you read something that says that
24 there's safety concerns and wellbore integrity
25 issues, do you go any further in figuring out what
00110:01 those problems are?

Page 110:03 to 110:22

00110:03 A. So on this particular decision, for me, it
04 was -- it was already a -- a moot point because it
05 was a technical decision that there was nothing
06 deeper in this well that was worth going for. So
07 anything -- everything that Mike put in here --
08 Mike Beirne that is, put in here, I -- you know,
09 it is what it is. I had already recommended to TD
10 the well for technical reasons. So I don't know
11 anything about the -- the comments on the safety
12 and everything. I have no idea where that came
13 from or why they keep bringing it up. I had made
14 a decision from a technical basis to -- to TD the
15 well.
16 Q. Right --
17 A. That was my -- I'm sorry, that was my
18 recommendation and that was approved by upper
19 management.
20 Q. (BY MR. GONZALEZ) Would you normally go
21 into figuring out what the safety concerns and
22 wellbore integrity issues are?

Page 110:24 to 112:07

00110:24 A. So I -- that's not my job, okay. So I
25 would think that the team school that's job --
00111:01 that's their job, they would have done that.
02 Absolutely. If -- if we would have said, We want
03 to drill further, then this would have been a
04 detailed team work on, Can we do this safely or
05 not?
06 Q. (BY MR. GONZALEZ) But not from you?
07 A. Absolutely. So then I'm not involved in
08 that work. They go do that work, and then they --
09 if they come to a -- so we're kind of "what if"
10 here. They would come to a decision and say,
11 Yeah, we can -- we can do it and then move forward
12 safely, and we could have decided, Yeah, to move
13 forward or not for whatever reason.
14 Q. And for -- and for other reasons, you had
15 decided to TD the well at 18,360?
16 A. I'm not sure if that's -- yeah. I think
17 so. Yeah, 18,360 as he requires -- as he writes
18 here. Yeah, I -- I had already recommended to
19 stop there for technical reasons because there --

20 I felt there was prospectivity down deeper. So no
21 reason to go deeper from a technical basis.

22 Q. So you thought you were in the pay zone of
23 18,360?

24 A. Below the pay zone and that there was no
25 other prospective zones below so I recommended,
00112:01 and like I said, upper management agreed with me
02 to say, Stop, we'll stop here.

03 Q. And when we say "pay zone," we're talking
04 about the -- the area where the hydrocarbons would
05 be sufficient to allow the drilling team to have a
06 good production well?

07 A. Yeah.

Page 112:09 to 113:10

00112:09 A. What I'm talking about is prospective
10 exploration targets below this -- below this zone.

11 Q. (BY MR. GONZALEZ) Right. Meaning you
12 felt there was no reason to go any deeper because
13 you were already in a good area where the
14 production team would be able to have a successful
15 well?

16 A. No, I wouldn't -- I wouldn't say it that
17 way.

18 Q. How would you say it?

19 A. So like I said, I'm saying that, It is
20 what it is, what we found to date at 18,360, yeah.
21 And then, so what I'm -- what I'm saying --
22 referring to is, then, anything deeper between
23 18,360 and, say, 20,000 feet, whatever, kind of,
24 the recorded initial total depth was --

25 Q. Uh-huh.

00113:01 A. -- I said there's no reason to go from
02 18,360 deeper to any other depths because the
03 prospectivity is -- is not good enough to go down
04 there.

05 Q. Was the prospectivity good enough at
06 18,360?

07 A. To -- to date, it -- it was fine. It came
08 in fine. And then there was -- and it wasn't good
09 enough to -- to -- to go deeper -- to spend any
10 money to go deeper.

Page 114:20 to 115:11

00114:20 Q. Thank you. And underneath that, there's
21 an E-mail from Mr. Mark Hafle to you,
22 Mr. Thorseth: Drilling days approximate. And it
23 says "Pmean - 70 days." Is that an estimate of
24 the number of days it will take to have the relief
25 well completed?

00115:01 A. Relief well, Pmean -- yeah. It looks as
02 though it's kind of a most likely that -- that

03 they had calculated for that.
 04 Q. And if you go down to the E-mail beneath
 05 that, it's an E-mail from you to, again, Mark
 06 Hafle dated April 22nd, 2010; and it says: "Mark,
 07 Yvonne is doing some scenario planning and needs a
 08 ballpark total days for drilling a relief well."
 09 And I guess the answer to that is
 10 70 days?
 11 A. Yes.

Page 115:13 to 115:19

00115:13 A. It -- what Mark is saying here is that for
 14 planning purposes from Yvonne, I guess -- yeah,
 15 Yvonne asked me a question, and I said, Well,
 16 okay. I can help out on that.
 17 And then, so, the quick estimate
 18 of -- of how much it would -- how long it would
 19 take for a relief well, Mark says "70 days."

Page 117:14 to 119:03

00117:14 (Marked Exhibit No. 6334.)
 15 Q. (BY MR. GONZALEZ) And now we're going to
 16 go to Tab 22, please. This is Bates Stamp
 17 No. BP-HZN-2179MDL03722613, and it's titled
 18 "Approved Determination of Exploration Well
 19 (ADEW)." And the proposal includes your name for
 20 signature, "Jay Thorseth, GoM CoreX Manager."
 21 Can you tell us what this is?
 22 A. This is the determination of an
 23 exploration well, an ADEW, as we call it, for
 24 Macondo.
 25 Q. Now, it indicates Horizon Incident date,
 00118:01 April 20th, 2010.
 02 A. Yes.
 03 Q. And Spud date, October 6th, 2009.
 04 Estimated well cost, 151 million.
 05 Can you tell us what the purpose of
 06 this is?
 07 A. Yeah. For wells that we drill, it's a
 08 required document for any exploration well that we
 09 drill and where you say whether it's a dry hole,
 10 or it's a discovery and then if it's discovery, do
 11 you say is it -- do you feel, at least at this
 12 point, is it a commercial or a noncommercial
 13 discovery.
 14 Q. When was this prepared?
 15 A. I don't -- I don't know the date on it. I
 16 don't know the exact date.
 17 Q. What's -- based on the "Forward plan for
 18 well," it seems that it was prepared after the
 19 blowout, right?
 20 A. Yes.

21 Q. And the floor -- "Forward Plan For Well"
22 states: "The response continues on the Macondo
23 incident. The main focus is on stopping the
24 uncontrolled flow from the blow-out preventer, and
25 the ultimate solution hinges on the relief wells
00119:01 currently being drilled."
02 Did I read that accurately?
03 A. Yes.

Page 119:19 to 120:04

00119:19 Q. Your **statement** is: "The main focus is on
20 stopping the uncontrolled flow from the blow-out
21 preventer, and the ultimate solution hinges on the
22 relief wells currently being drilled."
23 A. Yeah. The -- the -- and I'll -- I'll --
24 that's being said there is that the ultimate
25 solution -- hopefully things can happen before
00120:01 then, but the ultimate solution is to get that
02 wellbore intersected and get some cement down that
03 wellbore. And that's all that last phrase is
04 referring to. It's pretty straightforward.

Page 120:20 to 121:23

00120:20 Q. (BY MR. GONZALEZ) Tell me what this
21 means?
22 A. No. Yeah. This is standard language for
23 describing our process after we drill a well. If
24 we have a discovery, then the process is we put
25 together a discovery review board to determine
00121:01 what are the volumes of the discovery and what is
02 the size of the -- well, size, volume, same
03 thing -- what is the quality and then what should
04 be done next and should it stay within exploration
05 for an appraisal well, if needed, or should there
06 be a hand-over to the Pompano team, which is an
07 asset. It's a field nearby for them to think
08 about appraisal or development.
09 Q. Of the same well?
10 A. No, of the field. It's not of the well.
11 This is not talking about that wellbore. This is
12 talking about Macondo prospect/field.
13 Q. Not Macondo 252?
14 A. Not that wellbore but the -- but the --
15 Q. The area?
16 A. The area, the field itself.
17 Q. Somewhere else?
18 A. So to -- would we want to develop it in
19 what timeframe. That's what this would be about.
20 Q. Okay. So, not necess- -- not using the
21 actual well that blew, but somewhere else where
22 you could tap into the same well field?
23 A. Some --

Page 121:25 to 122:04

00121:25 A. Yeah, sometime down the road, to -- if --
00122:01 if BP or someone else decided to develop the
02 field -- and you're exactly right -- would require
03 drilling other wells in -- into the field to be
04 developed and produced.

Page 122:11 to 123:15

00122:11 Q. Was it done?
12 A. No.
13 Q. Why not?
14 A. Yeah. So none of this work was done.
15 This was never signed. It just sat on my
16 computer, didn't do -- didn't do anything with it
17 just because of the -- we just didn't feel it was
18 appropriate now, and it still sits there. We
19 still do not have an ADEW on it. We just feel
20 it's not appropriate at this time.
21 Q. Under this draft, though, it was written
22 that "It is recommended that Macondo - 1 be
23 classified a commercial discovery," right?
24 A. Yeah. And -- I think that would -- that
25 it's important to kind of clarify as well, is
00123:01 that, you know, taking everything else aside, it
02 is what it is and the well came in on prognosis
03 from a subsurface standpoint. It is an oil field
04 in the United States and so all -- all we're
05 saying here, which did not go any further, never
06 got signed or we didn't do anything with it. But
07 just in this one document, it would -- you know,
08 it -- it's possible that it could be deemed a
09 commercial discovery within BP. But, again, that
10 would be open to debate and levels of review and
11 approval on this and what to do. This is just a
12 document that really didn't go any further. We --
13 we -- we -- I just stopped it, and we stopped it.
14 Q. Due to sensitivity issues involving the
15 tragic losses?

Page 123:17 to 123:20

00123:17 A. It's just -- it's just not appropriate to
18 continue on this work at this time.
19 Q. (BY MR. GONZALEZ) Because of the
20 sensitivity issues involving the losses?

Page 123:22 to 124:02

00123:22 Q. (BY MR. GONZALEZ) Damage to the
23 environment, the lost lives?

24 A. Yeah. I mean, it's -- it's uncertain as
 25 to, you know, what's to be done with -- with
 00124:01 Macondo, yeah, and so, we -- we didn't move it any
 02 further.

Page 129:04 to 129:06

00129:04 Q. But my question is: Why were you involved
 05 in the discussion of a 20,000 K stack of BOP?
 06 A. Oh, okay.

Page 129:08 to 129:09

00129:08 Q. (BY MR. GONZALEZ) Specifically, the
 09 blowout preventer with the 20,000 K stack.

Page 129:11 to 129:13

00129:11 A. Yeah. So --
 12 Q. (BY MR. GONZALEZ) That's the second
 13 paragraph, third sentence.

Page 129:15 to 130:04

00129:15 A. But I don't see anything about the --
 16 yeah, so the 20K stack?
 17 Q. (BY MR. GONZALEZ) Right.
 18 A. So all the background on -- on that is --
 19 is simply that there is going to require a change
 20 in technology for some deepwater worldwide
 21 drilling that requires 20K technology, and so all
 22 we've done within BP is looked at the portfolio
 23 and said, Hey, how many of the prospects are
 24 affected by this? And so, it's an important issue
 25 for the industry and also BP to have that
 00130:01 technology.
 02 And so he's just saying, Can you
 03 organize something on that specifically? And we
 04 had a short little section on that.

Page 131:05 to 131:08

00131:05 (Marked Exhibit No. 6337.)
 06 MR. GONZALEZ: Now, we're going to
 07 turn to Tab 34, which will be 6338 and we are also
 08 going to talk about Tab 35, which will be 6339.

Page 131:10 to 133:24

00131:10 MR. GONZALEZ: Tab 34,
 11 BP-HZN-2179MDL00335102 titled "Technical
 12 Memorandum." On the top, it says "Gulf of Mexico

13 SPU." It's to you, Mr. Thorseth, along with Cindy
14 Yeilding and others dated May 25, 2010.
15 A. Yeah.
16 Q. And if you can look at Bates stamp
17 numbered page --
18 A. If I could just add one thing for the
19 record.
20 Q. Yeah.
21 A. That it's labeled "Draft."
22 Q. Okay.
23 A. That's important just because -- just
24 because it's not a final document.
25 Q. Mine doesn't say "Draft."
00132:01 A. It says "Draft" in gray across there.
02 Q. Of course.
03 A. It's so big, you looked right by it.
04 Q. Turn to Page 30, please, or Bates Stamp
05 No. 335131.
06 A. Right.
07 Q. And under "Fluid Typing," there's a little
08 graph. Right above the graph, it says: "M57B
09 sand is approximately 2 feet thick and likely to
10 be below log resolution for accurate fluid
11 determination, but based on its position above the
12 thermogenic front it is likely to be gas." You
13 see the word "gas"?
14 A. Yes.
15 Q. The drawing indicates "M57B," and it says
16 "Gas above thermogenic front." You see that?
17 A. Yes, I do.
18 Q. You didn't prepare this, did you?
19 A. No, I did not.
20 Q. Did you receive it?
21 A. I did.
22 Q. And the graph says what it says?
23 A. Yes.
24 Q. Is this the -- one of the reports that you
25 reviewed prior to your deposition?
00133:01 A. This -- well, I looked at this report, you
02 know, back in May or May/June timeframe, and it's
03 not -- it's not -- it's Version 1, and there's
04 versions that -- that are subsequent to this.
05 Q. Okay. And this was prepared by the
06 post well -- I'm sorry -- was prepared by BP
07 employees -- correct? -- Marty Albertin, Chuck
08 Bondurant, Kelley McAughan, Binh van Nguyen, Bryan
09 Ritchie, Greg Scherschel, and Galina Skripnikova.
10 A. They are BP employees.
11 Q. And they work for what team?
12 A. They work for Bryan -- Bryan Ritchie,
13 lead -- well, Chuck, Kelly, Binh, and Galina are
14 on Bryan's team; and Craig and Marty are on Graham
15 Vinson's team.
16 Q. If you turn to Page 33, please, of the
17 same document, BP-HZN, Page 335134, and you look

18 at the bottom graph underneath "Net Pay Summary,"
19 if you go to 17,467 and you track that over, it
20 indicates the fluid content to be gas, correct?
21 A. It does.
22 Q. If we can go to Tab 35, please, which --
23 MR. KEEGAN: I think you were on Tab
24 36.

Page 134:03 to 134:05

00134:03 MR. GONZALEZ: This will be
04 Exhibit 6339. It's my Tab 35.
05 MR. KEEGAN: It is Tab 35, sorry.

Page 134:07 to 134:08

00134:07 Q. (BY MR. GONZALEZ) And I'm looking at
08 Bates Stamp No. 2 -- BP-HZN-2179MDL609318.

Page 134:19 to 135:03

00134:19 Q. If we go to Bates Stamp No. -- Page 609318
20 and we track down the "Reservoir Properties" graph
21 and we look at 17,467 feet and run it over to the
22 fluid content, it also states gas, correct?
23 A. It's hard to read on here, but it looks
24 like it tracks over to gas, yes.
25 Q. And if you go further, like, to the third
00135:01 column after that one, it indicates 2 feet,
02 correct?
03 A. Yes.

Page 135:19 to 136:19

00135:19 I'd like to turn a little to your
20 educational background and training. You have a
21 degree in geophysics?
22 A. Correct.
23 Q. Okay. And your first job out of -- out of
24 school, what were -- what was that job, and what
25 were your responsibilities?
00136:01 A. I was a geophysicist, and I focused mostly
02 on processing and acquiring seismic data,
03 reflection seismic data.
04 Q. Okay. And how long have you -- let me ask
05 that again.
06 How long did you work in that job?
07 A. I had that job for the first two or three
08 years -- three years.
09 Q. Okay.
10 A. In Denver, Colorado.
11 Q. And subsequent to that, have you been
12 involved in interpreting seismic data?

13 A. Yes. So after the first three years moved
14 from a big concentration in -- in acquisition and
15 processing to more interpretation. Now, it kind
16 of started in the fourth year and continued on.

17 Q. Okay. Are you aware of BP acquiring any
18 seismic data relating to the M56 reservoir beneath
19 MC252 since the blowout?

Page 136:21 to 137:13

00136:21 A. So, post-incident, yeah? Just kind of
22 on -- an outsider, I believe we acquired a couple
23 of 2D seismic lines, but, again, I'm not sure.
24 I'm vague on that, but I believe there was some --
25 some acquisition that occurred post-incident.

00137:01 Q. Was that acquisition relating to shallow
02 hazards and seeps in the vicinity of the wellbore?

03 A. Yeah. The -- the objective of the
04 acquisition, I'm not totally sure. I never saw it
05 written down. This is of the -- objective of that
06 acquisition program because I wasn't involved, but
07 it could have included what you -- what you say.

08 Q. Okay. And you just said there you're not
09 involved and in your previous answer, you said as
10 an outsider. You're saying because this was
11 related to the response effort of which you were
12 primarily not a part. Is that accurate?

13 A. That is accurate.

Page 137:21 to 138:01

00137:21 Q. (BY MR. CHAKERES) Okay. Was any
22 seismic acquired to cover any -- aside from the 2D
23 seismic that was acquired during those talks, are
24 you aware of any seismic that's been acquired
25 relating to the M56 reservoir since the incident?

00138:01 A. Yeah. Not that I can recall.

Page 140:04 to 140:11

00140:04 Q. It seemed to me from the agreement -- and
05 again, we'll be able to look at it later on --
06 that you were acquiring data in SEG-Y format.

07 A. Yes.

08 Q. Is that --

09 A. Possibly. I'd have to check.

10 Q. Fair enough. Is that typically the format
11 in which you acquire seismic data?

Page 140:13 to 140:14

00140:13 A. It's one -- it is one of the formats that
14 seismic data comes in, SEG-Y.

Page 140:19 to 141:03

00140:19 Q. What other formats does BP require seismic
20 data in in the Gulf of Mexico?
21 A. Yeah. A lot of times it's SEG-Y, and then
22 it's also Landmark format, so a format that can be
23 loaded directly onto the workstation. That's kind
24 of my naive information on that subject.
25 Q. Okay. Well, you said your naive
00141:01 understanding. Is that not the -- within your
02 realm of expertise, then?
03 A. Yeah. I'm sorry.

Page 142:06 to 142:14

00142:06 Q. And I want to see if I can accurately
07 summarize your testimony, and if I don't, I'll
08 leave that to you to correct me.
09 I believe you stated that you gave a
10 recommendation that the technical information you
11 had did not support spending extra money to go
12 down to the M54 SEMs, and, thus, you gave a
13 recommendation to -- to -- before proceeding down
14 to those ends?

Page 142:16 to 144:13

00142:16 A. The recommendation was based on some
17 recent seismic interpretation that the team had
18 done in between when the well was recommended
19 because when I recommended the well to the
20 exploration forum, we talked about a secondary
21 target at the M -- at the M54 level.
22 So, Mike Daly, as head of the forum,
23 would remember that and maybe some of the other
24 members of the forum would remember that.
25 Indeed, after the 56, the secondary
00143:01 target 54, and then going deeper. Okay?
02 In between that time and then to --
03 and the date that we called the final TD, there
04 was some further work that the team had done and
05 so that -- that work and that interpretation
06 deemed the M54 to be not very prospective
07 whatsoever to have potentially mass transport
08 complexes that are shelly nonreservoir-type rock.
09 And so, therefore, after reviewing
10 that work and talking about do we want to drill
11 further or not, after reviewing the new technical
12 work, it was my recommendation to say it is not
13 worth to go down and test those intervals in the
14 M54 series and we should call TD right here.
15 So I made that recommendation to my

16 boss, Dave Rainey, and eventually Mike Daly, and
 17 they both agreed with my recommendation. So we
 18 stopped the well.
 19 Q. Whose decision was it to stop the well?
 20 A. Yeah, it's combination. It's probably --
 21 well, it's Dave -- Dave Rainey's decision and --
 22 but Mike was consulted. Obviously, Mike, being
 23 the head of Worldwide Exploration, can veto that
 24 but -- because he has that authority, obviously,
 25 but he -- he agreed with this assessment. And so,
 00144:01 we -- we called him.
 02 So I recommended to Dave, Let's TD
 03 the well, and Dave agreed.
 04 Q. So it wouldn't be James Dupree's decision?
 05 A. No.
 06 Q. It would be primarily Dave Rainey's?
 07 A. Yes.
 08 Q. And your recommendation to Dave Rainey, as
 09 you just stated, was don't continue drilling?
 10 A. That's correct.
 11 Q. And the basis for that recommendation was
 12 the technical interpretation suggested that it was
 13 not financially worthwhile to keep drilling?

Page 144:15 to 145:02

00144:15 A. I need to clarify that point because it's
 16 important. It -- you know, the money is one
 17 aspect of it, yeah, but the overriding principle
 18 here is that it was not prospective from an
 19 exploration point of view, meaning it was just the
 20 chance of success of finding hydrocarbons in
 21 commercial quantities M54 were so low that we
 22 said, We don't want to drill further. So...
 23 Q. (BY MR. CHAKERES) Okay. I'm trying to
 24 summarize. So the basis for Dave Rainey's
 25 decision was that there was a low chance of
 00145:01 finding a potential reservoir in the M54 sand
 02 based on late acquired technical interpretations?

Page 145:05 to 145:06

00145:05 A. All I can say is I described my
 06 recommendation.

Page 145:12 to 146:20

00145:12 Q. (BY MR. CHAKERES) I'll start my question
 13 over. Earlier today you described something
 14 called XX or exploration excellence?
 15 A. Yes.
 16 Q. And then Worldwide Exploration forum?
 17 A. Correct.

18 Q. And I am curious to know, there's some
19 technical assurance memoranda that correspond to
20 this well.

21 Were those memoranda produced for the
22 purpose of -- of the XX process or for the World
23 Exploration forum or neither? Just -- I'm just
24 trying to figure out where those memoranda fit
25 into this process.

00146:01 A. So you're speaking of the TAM, Technical
02 Assurance Memorandum?

03 Q. Yes.

04 A. So the TAM is a standard document that is
05 put together for the subsurface -- from the
06 subsurface team for all of the prospects that we
07 bring forward to the exploration forum, and it is
08 basically a document that summarizes the
09 description and the work to date. And so it is
10 posted on a website for the exploration forum to
11 look at and refer to in -- in the days leading up
12 to the recommendation for the prospect.

13 And so, yeah, it's -- it's just --
14 it's -- it's a document that's used for multiple
15 parties to reference. It's also used for us to
16 document historically where we were at in the
17 prospect, and then we can go back to that after
18 the drilling to compare how the prospect came in.
19 So, it's a -- it's an important technical
20 document.

Page 147:04 to 147:08

00147:04 Q. Okay. I'd like now to shift over to the
05 response, and I think first if you could flip to
06 Tab 24. This document was previously marked as --
07 as Exhibit 5241. This should be at top an E-mail
08 from Kelly McAughan to you dated April 2nd, 2010.

Page 147:14 to 147:20

00147:14 Q. Okay. And then I'd like to focus first on
15 the E-mail from you to Ms. McAughan and Walt
16 Bozeman on the bottom half of that page where you
17 state: "Kelly, we need to have a flow rate which
18 you-all have calculated but also production and
19 pressure profiles in case this goes on for a
20 while. Thanks, Jay."

Page 148:09 to 151:06

00148:09 Q. (BY MR. CHAKERES) All my question was
10 whether you asked Ms. MacCon: "We need to have a
11 flow rate, which you-all have calculated, but also
12 production and pressure profiles in case this goes

13 on for a while. Thanks, Jay."

14 A. Yes, I did ask her that.

15 Q. Who was the "we" that you refer to there?

16 A. Yeah. So -- good question. So this was
17 April 22nd, and -- as I have mentioned previously
18 in those first three, four days, I was on the BST.
19 So the -- sitting in for Dave Rainey on the GoM
20 leadership team for the response so, again, three,
21 four days.

22 And a gentleman on that leadership
23 team, Pramod Singh, who is the vice president of
24 resource, asked me if we had done calculations
25 for -- for the production profile at Macondo, if
00149:01 it were to be -- you know, if it was a discovery
02 and if it was, you know, developed, the previous
03 work.

04 And I said, yes, we've done that.
05 And so, then I went back down to my office and
06 sent an E-mail to Kelly and Walter Kelly who had
07 done that work, the production profile, and said,
08 Hey, we -- and I was referring to myself and
09 Pramod. I didn't specifically name Pramod here or
10 ask him for this information, and she went out and
11 gathered them.

12 So it was previous work. It was
13 previous work done before even the spudding of the
14 well.

15 Q. What would the production profile have
16 told the group?

17 A. So all I can say is that Pramod asked me
18 for this information because he knew that my teams
19 worked on the prospect. I went and got the
20 information, and what he was going to use it for,
21 he didn't tell me. And I never discussed it again
22 with him after that. So I don't know what he used
23 it for.

24 Q. And Pramod also asked for a flow rate? We
25 need to have a flow rate that was transmitting a
00150:01 request from the BST?

02 A. Yeah, flow rate that you can get from the
03 production profiles and from -- from the prework.
04 That's the way I interpreted the discussion.

05 And I gave him our development
06 scenario and production profiles and he took it
07 and I assume he was satisfied because I didn't
08 hear about it again.

09 Q. And you never remembered hearing anything
10 about what was going to be done with that number
11 you provided?

12 A. That's correct.

13 Q. And the flow rate that was requested, this
14 was a worse-case discharge number that would have
15 been calculated prior to blowout?

16 A. That's not the way I interpreted Pramod's
17 question.

18 Q. Okay.

19 A. So something different than the worst-case
20 discharge. And so the way I interpreted the
21 question was go get as I stated and -- just
22 previously is that, go get the production curves
23 from the development scenario for what would be as
24 to how -- what would be the flow rate in the
25 production profile under the development scenario
00151:01 that we did pre-spud for the prospect.
02 And like I said -- you know, I'm just
03 repeating myself. I gave him that information,
04 and he took it. But it was not the worst-case
05 discharge was my interpretation, and I assume
06 I'm -- I was right on that.

Page 151:22 to 151:24

00151:22 Q. Okay. Were you involved in any other
23 requests for subsurface data relating to the
24 Macondo Well?

Page 152:01 to 152:17

00152:01 A. What do you mean by "subsurface data"?
02 Q. (BY MR. CHAKERES) Reservoir properties,
03 fluid properties.
04 A. Okay. So I may have been -- I may have
05 been involved in tracking down or going to Walter
06 Kelly for fluid information.
07 I do know that I was -- I was
08 asked -- as I testified earlier, I was asked about
09 confidentiality of seismic data and
10 interpretations of seismic data and also
11 interpretations that led to maps, contour maps,
12 were these proprietary or not. So I was asked
13 about that and gave my opinion to -- to the
14 response team.
15 Q. Did you -- strike that.
16 Do you remember who asked you for the
17 information that you sought from Walter Kelly?

Page 152:19 to 152:23

00152:19 A. So -- oh. You -- meaning. Yeah. I don't
20 remember. It -- I don't remember specifically
21 who -- who asked for that, if it happened. I
22 did -- I'm not sure of any timing or who might
23 have asked for it.

Page 153:08 to 154:09

00153:08 Q. And were you ever involved at any time in
09 calculating the rate of flow of oil out of the

10 well?
11 A. Post -- post-incident?
12 Q. Yes.
13 A. No. I -- yeah. So there was very early
14 on in the response when they were -- there were --
15 there was a group of folks that were just being
16 put together to start thinking about what the flow
17 right -- flow rate could be, and I was in on maybe
18 the first one or two meetings. This -- this was
19 early on.
20 And then I quickly realized that this
21 is not -- you know, I was asked to be in the
22 meeting. So I went to the meetings and quickly
23 realized that this is not what I'm working on and
24 so I -- I didn't attend any more meetings, and
25 then these -- the teams kind of went on for quite
00154:01 some time after that through the summer.
02 Q. Do you remember who else was in those
03 meetings?
04 A. Yeah. I know that Cindy was there and,
05 you know, all the -- the other folks were
06 engineers that I didn't know and possibly -- I
07 could be wrong on this, but possibly Bob Merrill
08 was in the meeting and the other engineers, I
09 didn't know them.

Page 155:01 to 155:10

00155:01 MR. CHAKERES: And we're going to
02 mark this as Exhibit 6341.
03 (Marked Exhibit No. 6341.)
04 Q. (BY MR. CHAKERES) And the top E-mail
05 should be a forward from Bryan Ritchie to yourself
06 sent Monday, November 8th, 2010?
07 A. Uh-huh.
08 Q. And the Bates number on the bottom, the
09 last four digits are 3723?
10 A. Uh-huh.

Page 155:20 to 156:23

00155:20 A. Right. So -- yeah. I -- I don't recall
21 specifically reading -- receiving the E-mail, but
22 I'm sure I must have, it come across my desk. So
23 I'm not denying that. I don't specifically
24 remember this E-mail, though.
25 Q. Okay. And you see this is a forward of an
00156:01 E-mail that Cindy Yeilding sent to Bryan Ritchie
02 on Sunday, November 7th?
03 A. That's right.
04 Q. And the first sentence says: "Hi, Bryan,
05 The flow rate team is meeting with an expert panel
06 on Tuesday, November 9th."
07 A. Yes.

08 Q. Did I read that correctly?
 09 A. Correct.
 10 Q. You were not part of whatever flow rate
 11 team is referenced there?
 12 A. That is correct.
 13 Q. Okay. And you don't know anything more
 14 about what the flow rate team may or may not have
 15 been doing?
 16 A. That is correct.
 17 Q. Okay.
 18 A. Bryan would have forwarded this to me
 19 because he was my direct report and Bryan had two
 20 reports. He reported to Cindy for the response
 21 and the relief wells, and then he reported to me
 22 on other business. So that's why he's FYI'ing me,
 23 it looks like.

Page 157:23 to 158:12

00157:23 Q. Okay. I'd like to go back to the
 24 subsurface technical report that I think you
 25 already looked at today. We're going to look at
 00158:01 this again. Let's go to Tab 26.
 02 And this document has already been
 03 marked as 4697. It should be an E-mail from Bryan
 04 Ritchie to Kate Baker, Cindy Yeilding, yourself,
 05 and Peter Carragher.
 06 A. Yes.
 07 Q. And it says: "Kate, please find attached
 08 the technical memorandum that you requested
 09 regarding the postwell-subsurface description of
 10 the Macondo Well."
 11 Did I read that correctly?
 12 A. Yes. I think so.

Page 158:19 to 159:25

00158:19 Q. Okay. Do you know who Kate Baker is?
 20 A. I know Kate, yes.
 21 Q. What is her role at BP?
 22 A. Well, I'm not sure. I -- I thought Kate
 23 had potentially retired, was my recollection. And
 24 she may have come back to -- to help with the
 25 response. And what her specific role was, I'm not
 00159:01 sure what -- what her role was in this. I think
 02 she's got an engineering geoscience background,
 03 though.
 04 Q. Do you know what she did before retiring?
 05 A. She was a -- a senior advisor for the
 06 company, maybe a distinguished advisor for the
 07 company on any kind of engineering, petroleum
 08 engineering, reservoir engineering.
 09 Q. Kind of a hot topic, petroleum
 10 engineering, reservoir engineering?

11 A. That's what I mean, I don't know
12 specifically what she did because she did many
13 different things. She had a broad background that
14 I know of. She can dabble in geology and
15 geophysics, reservoir engineering and petroleum
16 engineering.

17 My recollection is is that her core
18 competency is more on the reservoir or petroleum
19 engineering, but I don't know for sure.

20 Q. Do you know if she's still advising BP?

21 A. I don't know.

22 Q. Okay. And were you aware, prior to
23 receiving this E-mail, that she had requested this
24 technical memorandum?

25 A. Yeah, I don't know.

Page 160:02 to 160:09

00160:02 A. I'm not sure on the date of when I -- when
03 I learned of Kate's request for the memorandum or
04 not. Whether it was before this date or after,
05 I -- I don't recall.

06 Q. (BY MR. CHAKERES) Let me be clear: Is it
07 your understanding that Kate requested the
08 technical memorandum be prepared?

09 A. It is my understanding, yes.

Page 160:25 to 161:19

00160:25 Q. Are you aware of any normal practices in
00161:01 the Gulf of Mexico regarding the drafting of
02 subsurface technical memos after the completion of
03 exploration wells?

04 A. Yeah. So there would be a couple of
05 different things. On a -- there would be a
06 post-well review report that would be a lot longer
07 than the several pages that you talked about. And
08 so it would be quite detailed on lots of different
09 aspects of the well and what was found.

10 And then, as we talked about earlier,
11 I think in one of the submitted documents it was
12 mentioned about the RROS and the RAM document
13 and -- so that document is really important for
14 when you have a discovery, and you're talking
15 about volumes in a discovery. And so that would
16 be a very lengthy report as well.

17 So there's a couple different
18 documents out there that -- that -- that would --
19 that we would do.

Page 163:10 to 164:10

00163:10 Q. And are you aware of any other subsurface

11 memorandum that has been drafted aside from the
 12 memorandum, one draft of which you have seen
 13 today?

14 A. Yeah. Not that I know of. I mean, that's
 15 the -- there have been lots of PowerPoints and
 16 things like that but not put into kind of a report
 17 format. This is -- this was -- this was different
 18 than those kinds of two things that I talked
 19 about, yeah, because it was a special request from
 20 Kate, I believe.

21 But, yeah, nothing else has been done
 22 that -- that I can recall.

23 Q. How is this different from those other
 24 reports?

25 A. Well, it was done early on and quickly;
 00164:01 and I think we'd have to -- you know, Kate had
 02 some -- some reason why she requested, which I'm
 03 not quite -- I'm not totally sure on why she
 04 requested it.

05 And it was not the report that's
 06 either one of those, yeah, because that -- that
 07 report -- those reports take some time and they're
 08 more wider ranging and more encompassing, and then
 09 we would finalize them. This is not -- this is
 10 not finalized as a draft.

Page 169:02 to 170:11

00169:02 (Marked Exhibit No. 6344.)

03 Q. (BY MR. CHAKERES) And you should have in
 04 front of you an E-mail from John Guide to yourself
 05 sent Monday, April 26th, 2010.

06 A. Yes.

07 Q. Is that what you have there?

08 A. Yes.

09 Q. Okay. The Subject line saying "Recap - DW
 10 Horizon." Is that the E-mail?

11 A. "Recap DW Horizon," yes.

12 Q. Okay. Thanks. Do you recall requesting a
 13 recap from John Guide about events on the HORIZON?

14 A. Yes.

15 Q. Okay. What did you request from
 16 Mr. Guide?

17 A. I requested a summary of -- of what
 18 happened from him.

19 Q. What happened in terms of rig operations
 20 prior to the blowout?

21 A. So the -- what this was for is that I was
 22 going to the exploration forum, and I was
 23 traveling to the exploration forum here in London.
 24 And so I needed to kind of give the exploration
 25 forum an update on kind of what was happening,
 00170:01 because Dave Rainey and Cindy Yeilding were not
 02 going to that forum. I was.

03 So I needed to give the exploration

04 forum an update of what possibly happened and --
05 and what was going on.
06 And so this is what John provided me
07 with and then so I -- I kind of, in general,
08 highlighted, using some of these points to the
09 exploration forum to let them know, because
10 everyone was obviously -- you know, this was the
11 26th, and, you know, it was when it happened.

Page 171:06 to 171:08

00171:06 Q. Okay. And a few follow-up questions here.
07 What -- what is the time frame within BP to
08 conduct the RAM/RROS process?

Page 171:10 to 172:16

00171:10 A. Yeah. So that RAM process, that -- that
11 goes on for quite some time when -- so, you know,
12 this is a months-to-a-year type process to -- when
13 you have a discovery.
14 Q. (BY MR. CHAKERES) And it's your
15 understanding that that process has not begun?
16 A. Yeah. It never got followed through to
17 the best of my knowledge.
18 Q. And you're not aware of any plans to begin
19 the process?
20 A. I don't know of any plans.
21 Q. Is BP -- do you know if BP is required to
22 account for all of its proven oil reserves?
23 A. Worldwide?
24 Q. Yes.
25 A. Yes. It -- I -- I do know that; and,
00172:01 again, BP does have to report proven reserves.
02 Q. Would -- if you know, would the reservoir
03 discovered under the MC 252 block be a proven
04 reserve?
05 A. I don't know, and I don't think it's been
06 reported. There's no further work that's been
07 done on it for it -- for that RAM/RROS process
08 would really need to be done and in place to -- to
09 put it, you know, I think, to report it. But, you
10 know, I'm not an expert on the reporting so I
11 don't know for sure how that's taken into account.
12 Q. Do you take -- do you or have you ever
13 participated in the RAM/RROS process?
14 A. Yeah, definitely.
15 Q. So you are somewhat familiar with the
16 process?

Page 172:18 to 172:23

00172:18 Q. (BY MR. CHAKERES) And during that process,

19 the size of a discovery is assessed?
20 A. Yes.
21 Q. And that sort of process would be in place
22 for BP to be able to accurately determine the size
23 of its reserves?

Page 172:25 to 173:10

00172:25 A. If it's world -- are you talking about
00173:01 discoveries around the world, or whatever? Yeah,
02 that type of process is important to have in
03 place.
04 Q. (BY MR. CHAKERES) Okay. And are you
05 aware of any plans regarding development of this
06 reservoir?
07 A. No, I'm not.
08 Q. You -- either way?
09 A. I am not aware of any plans to develop it
10 or what the next -- what's next.

Page 174:09 to 174:11

00174:09 MR. CHAKERES: We're going to mark
10 that as Exhibit 6345.
11 (Marked Exhibit No. 6345.)

Page 174:16 to 174:17

00174:16 Q. Do you remember receiving this E-mail?
17 A. Yes.

Page 175:07 to 175:21

00175:07 Q. Okay. And you see at the bottom, Vincent
08 Marrot works for, it appears, AquaTerra Adjusters?
09 A. Yeah. So, it -- yeah.
10 Q. Okay. And I'll just ask you the -- in the
11 first two sentences, this E-mail says: "Refer to
12 our television" -- excuse me. Strike that.
13 He says: "I refer to our telephone
14 conversation yesterday regarding the potential
15 redrill of the Macondo MC 252 well. I order -- in
16 order to ascertain whether or not the well is
17 likely to be redrilled, I would contact BP's
18 reservoir engineering division to obtain their
19 point of view on this subject."
20 Did I read that correctly?
21 A. Yes.

Page 175:25 to 177:11

00175:25 Q. The first line of Ms. Robbins' E-mail is:

00176:01 "Xuemei & Claudia, We had asked Vincent to send
 02 this note so we could have the specific request in
 03 writing and in his own words."
 04 And then that E-mail -- the response
 05 to that E-mail appears to have you as a cc?
 06 A. Uh-huh.
 07 Q. Does that refresh your recollection of the
 08 subject matter of this correspondence?
 09 A. Yes. So like I said, I don't know how
 10 this emanated from Vincent and other folks. I do
 11 know Xuemei, though. Xuemei is commercial in
 12 finance, and it does look to do -- something to do
 13 with insurance, which I'm not sure of any of the
 14 details. I wasn't involved in that whatsoever.
 15 And then this paragraph came through
 16 and I was asked to have a look at it and so, I did
 17 from a technical point of view and Kelly as well.
 18 Kelly is a GoM reservoir engineer, and so she
 19 looked at it as a technical review.
 20 And as I remember, I looked at it,
 21 not sure if I made any edits or not. Maybe I
 22 said, This looks fine, and then I said, You need
 23 to send this over to legal. And that was the last
 24 I ever heard of this particular subject.
 25 Q. And the technical input that you gave was
 00177:01 regarding the quality of the reservoir?
 02 A. No, no, no. It was more on this paragraph
 03 that's up here, about finding hydrocarbons deemed
 04 viable based on well data, and it was just
 05 providing -- this was the -- this sentence -- or
 06 this paragraph came to me and said this is fine.
 07 I said, Well, from a technical point of view,
 08 it's -- it looks fine but check with legal.
 09 Q. And are you in a position to comment on
 10 why BP's insurer was asking about whether the
 11 reservoir could be developed?

Page 177:13 to 177:15

00177:13 A. Yeah. I'm not -- I don't know. Yeah, I'm
 14 not in a position to know what this came from.
 15 I'm not sure.

Page 178:05 to 178:06

00178:05 Q. Has BP ever appraised how much oil it has
 06 in the reservoir underneath MC 252?

Page 178:08 to 178:11

00178:08 A. What do you mean, "appraised"?
 09 Q. (BY MR. CHAKERES) Has BP attempted to
 10 quantify post blowout how much oil is in the

11 reservoir underneath MC 252?

Page 178:13 to 178:17

00178:13 A. Not that I was under the direction of that
14 I know about.
15 Q. (BY MR. CHAKERES) Are you aware if BP
16 ever attempted to quantify how much oil has been
17 lost as a result of the blowout --

Page 178:19 to 178:19

00178:19 Q. (BY MR. CHAKERES) -- from the reservoir?

Page 178:21 to 178:21

00178:21 A. I -- I don't know.

Page 186:11 to 187:11

00186:11 Q. You testified this morning about having
12 signed documents related to the Macondo Well. In
13 your capacity as SPA. Do you recall that?
14 A. Yes.
15 Q. What does the acronym "SPA" stand for?
16 A. Single Point Accountability.
17 Q. And were you, in fact, the SPA or single
18 point accountability within BP for the Macondo
19 Well?
20 A. I was the single point accountability
21 for -- within the financial memorandum. And the
22 financial memorandum outlines the amount spent
23 that we are authorized to do. And so that's what
24 my SPA was for, was to keep track of -- of the
25 cost in a general nature. And then if we needed
00187:01 to go back to the company for more money, then
02 I would -- I would need to bring that
03 recommendation forward. So that -- that's what
04 the SPA stands for in that case.
05 Q. Was there more than one SPA or single
06 point accountability within BP for the Macondo
07 Well?
08 A. So then you have operational
09 accountability for -- for the well.
10 Q. And who would have been the SPA for
11 operational accountability for the well?

Page 187:13 to 188:18

00187:13 A. Yeah. I'm not -- I'm not sure it would be
14 in the drilling organization, and I'm not totally
15 sure on how they did their accountability for

16 delivering the well. But it would clearly be in
17 the wells organization.

18 Q. (BY MS. LAWRENCE) What aspects of the
19 drilling process, if any, required your approval?

20 A. The -- so early on when we go through our
21 stage gate process in planning the well, my
22 approval was needed for the early stages in -- in
23 the planning to make sure the subsurface technical
24 description is okay. And -- and in the like, it's
25 kind of what we go through, appraise to select.
00188:01 And then that accountability then changes over to
02 the drilling organization when we do our define,
03 execute and operate stages. It's what we call
04 our -- beyond the best process. So then it
05 switches over. So I -- I do need to be -- I'm
06 accountable for that early on planning and then it
07 switches over.

08 Q. Okay. And I think you also just testified
09 as to the financial memorandum of that has to be
10 visited or additional funds need to be
11 appropriated. That's also something you have to
12 approve?

13 A. That's correct.

14 Q. Okay. Anything else that you can think
15 of?

16 A. If there's a -- if there's a major change
17 of scope in -- in the program, then I would need
18 to be advised of it, as well.

Page 188:23 to 189:13

00188:23 (Marked Exhibit No. 6348.)

24 Q. (BY MS. LAWRENCE) And I just want to
25 read -- it's Bates No. BP-HZN-2179MDL00015260.

00189:01 And I just want to read you the top paragraph.

02 It's an E-mail from David Rainey to
03 Mike Daly, dated April 16th of 2010. It begins:
04 "One other thing - I misspoke when I said that Jay
05 and Cindy had agreed that Cindy would chair the
06 Macondo Discovery Review Board. In fact, they had
07 agreed that Jay would chair as he drilled the well
08 and the most likely outcome is immediate handover
09 to CDO."

10 Do you have an understanding of what
11 Mr. Rainey means when he says Jay drilled the
12 well, in the common vernacular used within your
13 company?

Page 189:15 to 190:20

00189:15 A. Yeah. He's -- he's referring to that
16 between Cindy and I, Cindy had absolutely nothing
17 to do with the drilling of the well, Macondo,
18 subsurface description, nothing whatsoever. I was

19 the one who had the teams under that were in
 20 charge of developing the prospect and then, from a
 21 subsurface standpoint, supporting the pore
 22 pressure prediction and that. So that's what --
 23 that's what he's referring to there. And so
 24 instead of Jay and Cindy, why would it be Cindy?
 25 Jay has been involved with Macondo, and so Jay
 00190:01 should be in charge of -- or chairing the
 02 Discovery Review Board.
 03 Q. (BY MS. LAWRENCE) Okay. And how would
 04 you describe the accountability you had for the
 05 Macondo Well within BP?
 06 A. Right. So the -- again, the financial
 07 aspects, the FM clearly states me as the
 08 accountable person to track the finances and go
 09 back to the company, as I mentioned. And then, I
 10 was also a part of, you know, the team that's --
 11 like I said, the -- Bryan Ritchie's team that
 12 helped the subsurface interpretation in support of
 13 the drilling. They reported to me. Bryan's team
 14 reported -- Bryan reported to me. And so,
 15 therefore, I was -- I was a part of -- of that
 16 chain of command on the subsurface description.
 17 Q. Okay. The discovery -- the Macondo
 18 Discovery Review Board that's referred to in this
 19 E-mail, was it ever convened?
 20 A. No, it was not.

Page 192:19 to 192:23

00192:19 Q. (BY MS. LAWRENCE) Do you recall any
 20 discussion prior to reaching TD about abandoning
 21 the Macondo Well prior to reaching any of the
 22 objectives?
 23 A. Discussions with --

Page 192:25 to 193:03

00192:25 A. -- among who and --
 00193:01 Q. (BY MS. LAWRENCE) Anyone. Any discussion
 02 at all. That you were a part of, that you
 03 overheard, anything.

Page 193:05 to 193:08

00193:05 A. Not that I can remember.
 06 Q. (BY MS. LAWRENCE) Okay. And can you
 07 please turn to Tab 32. This has previously been
 08 admitted as Exhibit 1090.

Page 193:12 to 194:01

00193:12 Q. (BY MS. LAWRENCE) It's an E-mail from

13 Robert Bodek dated March 29th, 2010, to a number
 14 of other individuals. Are you familiar who Robert
 15 Bodek is?
 16 A. Yes.
 17 Q. Who is Robert Bodek?
 18 A. He is the operations geologist in that
 19 Tiger team.
 20 Q. And you indicated that the Tiger team was
 21 headed by Mr. Pinky Vinson?
 22 A. Correct.
 23 Q. And Mr. Vinson reported to you up until
 24 August -- April 1st of 2010?
 25 A. Yeah, April 1st or 15 -- somewhere in
 00194:01 there. But, yes, that is correct.

Page 194:09 to 194:18

00194:09 Q. -- and then "Mar 29 model."
 10 And the first sentence says: "If we
 11 really believe that sand PP at 17,200 feet could
 12 be as high as 14.4 ppg, then we need to start
 13 having some serious discussions about pulling the
 14 plug early." End of sentence.
 15 Did I read that correctly?
 16 A. Yes.
 17 Q. Okay. Do you recall hearing anything
 18 about this?

Page 194:20 to 195:10

00194:20 A. Not that I can recall.
 21 Q. (BY MS. LAWRENCE) And if you can turn,
 22 please, to Tab 33, which has previously been
 23 marked as Exhibit No. 1087. It's an E-mail, also
 24 from Robert Bodek. The date is March 27, 2010, to
 25 Pinky Vinson. And the title is "Subject RE: Kira
 00195:01 Tushman - Macondo ops visit." And the sen- -- the
 02 first sentence of the E-mail reads: "If they want
 03 to push this next hole-section to TD, it'll all be
 04 in God's hands."
 05 Have you seen this E-mail prior to
 06 today?
 07 A. No.
 08 Q. Did Mr. Vinson ever mention to you any
 09 discussions of this nature, concerns about
 10 continuing on drilling the well --

Page 195:12 to 195:13

00195:12 Q. (BY MS. LAWRENCE) -- before reaching the
 13 objective depth?

Page 195:15 to 196:07

00195:15 A. I don't recall any discussions about that.
 16 Q. (BY MS. LAWRENCE) Okay. Are you aware of
 17 any other wells that BP abandoned prior to
 18 reaching any of their objective depths?
 19 A. Yes, I -- I do.
 20 Q. What -- what wells?
 21 A. I believe the Diamondback Well in Alameda
 22 Canyon, we stopped with still objectives yet to
 23 go.
 24 Q. And in that well, had -- had BP achieved
 25 any of the objectives?
 00196:01 A. It -- we had -- we had hit some of the top
 02 objectives.
 03 Q. And do you recall any wells in which BP
 04 abandoned the -- the well drilling effort
 05 altogether without achieving any objective?
 06 A. I don't -- I don't recall either way on
 07 that, either.

Page 197:06 to 197:21

00197:06 (Marked Exhibit No. 6349.)
 07 Q. (BY MS. LAWRENCE) This is an E-mail from
 08 yourself, dated November 24, 2009, to a number of
 09 individuals, entitled "Macondo update and budget."
 10 And Paragraph No. 2 -- I'm sorry. The Bates
 11 number is BP-HZN-2179MDL00266805. And I just want
 12 to read the first two sentences of the second
 13 paragraph.
 14 You write: "We have spent about
 15 47.5M to date. New projected total cost for the
 16 well is \$131M, (AFE \$96M)."
 17 Did I read that correctly?
 18 A. Yes.
 19 Q. Okay. Does this indicate that you had --
 20 as of that date BP had expended approximately 47.5
 21 million on the Macondo?

Page 197:23 to 198:07

00197:23 A. Yes.
 24 Q. (BY MS. LAWRENCE) And does it indicate
 25 that the -- as of that date, the projected total
 00198:01 cost for the well was 131 million?
 02 A. Yeah. The new projection was 131-.
 03 Q. So if it is a new projection, does that
 04 indicate there had been a prior projection?
 05 A. Yeah. Now that I see this, I would say
 06 that the AFE of 96 million was the prior
 07 predic- -- projection, so that --

Page 199:07 to 199:09

00199:07 Q. Okay. Can you turn, please, to Tab 35,
08 which is an E-mail that has not been previously
09 marked, so we will label that Exhibit 6350.

Page 199:11 to 201:08

00199:11 Q. (BY MS. LAWRENCE) It's an E-mail from
12 Samina Sewani. The date is March 17, 2010. It's
13 to Mark Hafle, Bryan Ritchie and David Sims, and
14 carbon copied or cc'd to yourself. The subject is
15 "Macondo Spend." The Bates number is
16 BP-HZN-MBI00111839. And the first sentence of the
17 E-mail reads: "Our current spend on the Macondo
18 Well is approximately 108M, against an FM of 96.1M
19 performance target and 139.5M NTE."
20 Did I read that correctly?
21 A. Yes.
22 Q. Okay. Does this -- is this an indication
23 that the current amount spent on the Macondo Well
24 as of that date, March 17th, 2010, was
25 approximately 108 million?
00200:01 A. Yes.
02 Q. Okay. And when it says "against an FM of
03 96.1 million," what does that mean?
04 A. The 96.1 in the FM refers to the
05 performance target that was in the FM.
06 Q. Okay. And the number 139.5 million NTE,
07 what does that refer to?
08 A. So the 139.5 refers to the "not to exceed"
09 number in the financial memorandum.
10 Q. And what does the "not to exceed" number
11 mean? What it sounds like?
12 A. Not to --
13 Q. This is the number --
14 A. Not to exceed.
15 Q. -- we don't want to exceed?
16 A. So, as the SPA --
17 Q. Yes.
18 A. -- I'm -- I -- that's where I've got to
19 say, you know, if this is projecting greater than
20 that, we need to start thinking about a
21 supplemental FM.
22 Q. And the last line of the E-mail text: "If
23 such is the case we need to put together a
24 supplement FM pretty soon as this FM needs to be
25 approved by Andy Inglis."
00201:01 Did I read that correctly?
02 A. Yes.
03 Q. Who is Andy Inglis?
04 A. He was the CEO at the time for exploration
05 and production.
06 Q. And why would, as of March 17th, 2010, a
07 supplemental FM for the Macondo Well need to be
08 approved by Andy Inglis?

Page 201:10 to 201:19

00201:10 A. Yeah. The -- so Samina is -- is checking
 11 on -- Hey, we need to start potentially -- do we
 12 need to fart -- start thinking about a
 13 supplemental FM? And based on the numbers, she's
 14 saying Andy will have to sign it because of the
 15 authorization amount. That's -- that's what I
 16 believe here. I -- I don't -- I should add I
 17 don't know for sure what Andy's authorization
 18 amount is or what triggers it having to go to Andy
 19 but --

Page 202:02 to 202:17

00202:02 (Marked Exhibit No. 6351.)
 03 Q. (BY MS. LAWRENCE) The Bates number is
 04 BP-HZN-2179MDL03074183. This is an E-mail from
 05 Mark Hafle. The date is March 22nd, 2010, to a
 06 number of individuals.
 07 It begins -- the first line is:
 08 "All, current spend to date (all spend from
 09 MARIANAS and HORIZON, including MOB, Mooring, lost
 10 tools, etc.) is," a little squiggly line, "116MM."
 11 What does that indicate to you?
 12 A. Current spend is about 116 million.
 13 Q. Okay. The next line reads: "Projection
 14 to finish the drilling portion of this well now
 15 stands at ~ 38 days and \$35MM."
 16 Did I read that correctly?
 17 A. Yes.

Page 202:25 to 203:07

00202:25 Q. Okay. And then the last line of that
 00203:01 E-mail reads: "Total well cost approximately
 02 \$151MM, and running through end of April."
 03 Is that an indication that as of the
 04 day of this E-mail, March 22nd, 2010, the
 05 projected total well cost is now up to 151
 06 million?
 07 A. Yes.

Page 204:23 to 204:25

00204:23 Q. Okay. Did contributions of capital from
 24 Mitsui and Anadarko assist with the drilling of
 25 the Macondo Well?

Page 205:06 to 205:12

00205:06 A. They're -- they were both paying partners

07 in the well with BP.

08 Q. (BY MS. LAWRENCE) And the -- the
09 contributions of capital that came as a result of
10 their being paying partners in the Macondo Well,
11 did they assist with --

12 A. Yeah, they were --

Page 205:14 to 205:22

00205:14 Q. (BY MS. LAWRENCE) -- the drilling of the
15 well?

16 A. Yes. They were -- they were paying
17 partners under contract for -- for -- for the
18 well.

19 Q. Do you think that the well would have been
20 drilled at the time that it was drilled without --
21 had BP not had the benefit of capital
22 contributions from its partners?

Page 205:25 to 205:25

00205:25 A. I don't know.

Page 206:05 to 206:08

00206:05 Q. Did the AFE that Samina Sewani refers to
06 in her E-mail need to be approved by the partners,
07 Anadarko and Mitsui?

08 A. Yes.

Page 206:14 to 207:17

00206:14 Q. (BY MS. LAWRENCE) The Bates number is
15 BP-HZN-MBI00114413, and the date is March 24 of
16 2010 at the top, although it is an E-mail chain,
17 containing several E-mails on different dates.
18 The second E-mail down in the chain
19 is an E-mail from yourself, dated March 23rd,
20 2010, to Gene Walton and Samina Sewani. And I
21 just want to read the text of the E-mail. It
22 says: "Gene, we need to keep the NTE (not to
23 exceed) at or below 165M. Going above this would
24 need SET approval. Don't want to do that.
25 Thanks, Jay."

00207:01 Did I read that accurately?

02 A. Yes.

03 Q. Okay. Is this an indication that as of
04 March 23rd, 2010, you wanted the NTE amount to
05 stay at or below 165 million?

06 A. Yes.

07 Q. When you say, "Going above this would need
08 SET approval," what does that mean?

09 A. The -- the SET is the Senior Executive

10 Team, and so -- what I'm referring to here is that
 11 it goes through a whole long chain and it just
 12 takes a lot longer to -- to get the FM and the AFE
 13 through. And if -- if people agree that 160- is
 14 -- 165- is fine for an NTA, that's what -- and
 15 NTE, that's what I would prefer it.
 16 Q. Okay. And why -- when you write, "Don't
 17 want to do that," why didn't you want to do that?

Page 207:19 to 208:12

00207:19 A. Yeah. Just -- just because of the timing.
 20 That -- that's all.
 21 Q. (BY MS. LAWRENCE) Okay.
 22 A. It just takes a long process to -- because
 23 they only meet at certain times, and I don't know
 24 how we -- it would have been difficult to get it
 25 through in a timely fashion and because we were in
 00208:01 drilling at the time.
 02 Q. (BY MS. LAWRENCE) Okay. The top of the
 03 E-mail -- the top of the E-mail chain is an E-mail
 04 forwarding the E-mail you've written. Gene Walton
 05 forwards the E-mail you've written to Mark Hafle
 06 on March 24th of 2010 and asks in one line of
 07 text: "Is the 1" -- "the \$165M" -- 165 million --
 08 "NTE OK?"
 09 Did I read that accurately?
 10 A. Yes.
 11 Q. Why would Gene Walton ask Mark Hafle if
 12 the 165 million NTE number was okay?

Page 208:14 to 208:15

00208:14 A. Mark is the drilling engineer and is
 15 following the costs.

Page 208:19 to 209:04

00208:19 Q. (BY MS. LAWRENCE) The Bates number is
 20 BP-HZN-MBI00114433. It's not previously been
 21 marked, so we've labeled it Exhibit 6354. This is
 22 basically a continuation of the E-mail chain you
 23 saw in Tab 39. And we see one, two, three, four
 24 E-mails down, Gene Walton's E-mail of March 24th
 25 to Mark Hafle, asking: "Is the 165M NTE OK?"
 00209:01 The next E-mail above it is one from
 02 Mark Hafle to Gene Walton on March 24th, 2010,
 03 apparently containing his answer. Can you tell
 04 us, please, what he says?

Page 209:06 to 209:12

00209:06 A. So which one? I'm sorry.

07 Q. (BY MS. LAWRENCE) The -- Mark Hafle's
 08 response on -- also on March 24th, 2010, to Gene
 09 Walton, in response to Gene Walton's question, "Is
 10 the 165 million NTE OK?"
 11 A. He says, "I guess it will have to be
 12 okay."

Page 210:14 to 211:19

00210:14 (Marked Exhibit No. 6355.)
 15 Q. (BY MS. LAWRENCE) Are you familiar with
 16 this document? Do you recognize it?
 17 A. Yes.
 18 Q. What is it, generally speaking?
 19 A. Well, it's the authorization for
 20 expenditure of -- of -- basically, it says:
 21 "...includes additional funds to finish the
 22 drilling, evaluation, and abandonment of the
 23 Macondo exploration well as provided in the
 24 Original AFE and supplemental." So it's asking
 25 for authorization to expend more money to finish
 00211:01 the well.
 02 Q. Okay. In the top left-hand portion of the
 03 document, does it indicate the date it was
 04 prepared?
 05 A. Yes.
 06 Q. What's that date?
 07 A. It looks like March 22nd, 2010.
 08 Q. Okay. In the Project Description/
 09 Comments, I want to read the second -- two
 10 sentences: "The first Supplemental AFE was
 11 exceeded due to unexpected lost circulation and
 12 well control events resulting in earlier than
 13 planned setting of the 16 inch and 3 and
 14 five-eighths inch casing strings."
 15 MR. KEEGAN: 13.
 16 Q. (BY MS. LAWRENCE) 13 and five-eighths
 17 casing string.
 18 Did I read that accurately?
 19 A. With the correction, yes.

Page 212:06 to 213:06

00212:06 Q. The next sentence reads: "The well will
 07 now require both the risked contingency liner
 08 (11-7/8 inch) and one additional contingency liner
 09 (9-7/8 inch) to reach planned TD."
 10 Did I read that accurately?
 11 A. Yes.
 12 Q. Okay. And again, did you have any reason
 13 to disagree with that description included in this
 14 document?
 15 A. No.
 16 Q. Okay. Maybe 2 inches below that language

17 in the document, there's another section of the
 18 document where it says "Partner Approval" and has
 19 a check for "Yes" or "No." Do you see that line?
 20 A. Yes.
 21 Q. And is it checked "Yes" or "No"?
 22 A. It's checked "Yes."
 23 Q. Thank you.
 24 And it says "Company
 25 Name/Nonoperator, MOEX Offshore 2007 LLC."
 00213:01 Do you know what that's a reference
 02 to?
 03 A. Mitsui.
 04 Q. Okay. And what was your understanding of
 05 the connection between MOEX Offshore 2007 LLC and
 06 Mitsui?

Page 213:08 to 213:13

00213:08 A. I don't even -- I don't know the details
 09 of that business relationship or entity.
 10 Q. (BY MS. LAWRENCE) But --
 11 A. I don't know the details.
 12 Q. But you understood them to be essentially
 13 well affiliated with Mitsui?

Page 213:15 to 213:18

00213:15 A. Yeah. Again, I do not know the business
 16 relationship between those entities and -- and how
 17 they're -- how they're put together. My feeling
 18 is they are signing for that partnership, though.

Page 214:07 to 214:07

00214:07 (Marked Exhibit No. 6356.)

Page 214:09 to 214:22

00214:09 BP-HZN-MBI00123277. It's an E-mail from Mark
 10 Hafle to yourself, dated April 9th, 2010. And
 11 I'll read the first line of text. It says:
 12 "Through 4/8, the well has spent 130.9MM, of which
 13 63MM was in 2010."
 14 Does that refresh your recollection
 15 as to what the total spend was on the Macondo Well
 16 as of April 9th, 2010?
 17 A. Yeah. I mean, based on Mark's estimation
 18 it does refresh my recollection.
 19 Q. And how much?
 20 A. It looks like about 130.9 million.
 21 Q. Okay. And does it indicate what the total
 22 well cost expected is now as of April 9th, 2010?

Page 214:24 to 215:11

00214:24 A. It says here the total well cost expected
25 is 146 million.
00215:01 Q. (BY MS. LAWRENCE) Okay. On the next line
02 of text below that, it reads: "These costs assume
03 we TD today without further losses and we finish
04 logging around April 17. There are four
05 additional days for TA work, including stack pull.
06 Completion specific work will be on Pompano's
07 AFE."
08 In a sense, "These costs assume we TD
09 today without further losses and we finish logging
10 around April 17," what does TD refer to?
11 A. That means total depth.

Page 216:03 to 216:05

00216:03 Q. (BY MS. LAWRENCE) When he says,
04 "Completion specific work will be on Pompano's
05 AFE," what does that mean?

Page 216:07 to 216:17

00216:07 A. That means that this well was -- was
08 designed to be a keeper well. And if there's any
09 work on -- I did -- don't know what the plan was,
10 but if there was any completion work com- --
11 completing through the production casing to -- to
12 produce the well, in a development case,
13 Pompano -- the Pompano asset, which is a field
14 within BP, as we talked about earlier today, they
15 would be -- the finances would be under Pompano
16 and they would do the AFE's and the FM's and all
17 of that.

Page 217:09 to 217:10

00217:09 marked as an exhibit this morning and numbered
10 6332. So I won't mark it again, but I did want to

Page 217:14 to 218:25

00217:14 Q. The date of the E-mail appears to be April
15 13th of 2010; is that correct?
16 A. Yes.
17 Q. You write: -- it's an E-mail from
18 yourself to Greg Walz. "Greg" -- you write:
19 "Greg, could you rethink again on the Maui
20 pre-spud intangibles regarding shirts, activities,
21 misc" -- miscellaneous -- "gifts, team building
22 costs of 30-40K. Does not look too good in an

23 'Every Dollar Matters' environment and the belt
 24 tightening we have been doing here."
 25 Did I read that accurately?
 00218:01 A. Yes.
 02 Q. Okay. What were you referring to when you
 03 said in "Every Dollar Matters environment"?
 04 A. Yeah. That was a -- that was a term that
 05 was used in the Gulf of Mexico leadership up from
 06 Neal Shaw, who was -- who was looking after --
 07 well, I need to check. I'm not sure Neal was
 08 still there on April 13th. But, anyway, it was --
 09 it was a phrase that was being used to watch --
 10 watch our spend and make sure that we had good
 11 cost management in -- in the Gulf of Mexico.
 12 Q. Okay. And then you refer to "the belt
 13 tightening we have been doing here"?
 14 A. Yeah.
 15 Q. What belt tightening had been going on
 16 that you're referring to there?
 17 A. Yeah. That's -- that's really about
 18 making sure that we don't have any silly costs and
 19 bad costs, you know. Because there are some costs
 20 that are really good for your business that --
 21 that you need to do and -- and spend wisely. And
 22 then there's some costs that are just not good.
 23 And we need to drive those out of our business and
 24 to -- to get -- to help maximize value for our
 25 shareholders.

Page 219:16 to 220:11

00219:16 Could you turn please to Tab 44,
 17 which has been previously marked as Exhibit 3227.
 18 Also an E-mail chain. The bottom E-mail is one
 19 from yourself to David Rainey on -- dated
 20 Wednesday, April 7th, 2010. The subject is
 21 "Macondo plan forward." And the first paragraph,
 22 you write: "Dave, our recommendation is to drill
 23 another 100 to 135 feet than TD, log and run
 24 7-inch production casing. We are not interested
 25 in deepening to the secondary M54 target for the
 00220:01 following reasons," which you proceed to list.
 02 A. Yeah.
 03 Q. Above that E-mail is a reply E-mail from
 04 David Rainey to yourself, also dated Wednesday,
 05 April 7th, 2010. Same subject, "RE: Macondo plan
 06 forward." It states -- has one line of text,
 07 which states: "Jay - you will need to be up front
 08 and clear with this at ops meeting tomorrow,
 09 Dave."
 10 Did I read that correctly?
 11 A. Yes.

Page 220:23 to 221:01

00220:23 Q. (BY MS. LAWRENCE) Did you understand why
24 David Rainey advised you you would need to be up
25 front and clear with this opinion at the ops
00221:01 meeting tomorrow?

Page 221:03 to 221:09

00221:03 A. I -- I can't remember explicitly what Dave
04 was referring to in -- in that one liner there.
05 Q. (BY MS. LAWRENCE) What is the -- do you
06 know what the ops meeting is a reference to?
07 A. Yeah. I believe it's the -- the Gulf of
08 Mexico operations meeting that meets weekly. I
09 believe, it's weekly.

Page 222:02 to 222:05

00222:02 I want to ask you: Did you agree
03 with Mr. Rainey that you needed to be upfront and
04 clear with regard to your opinion on that at the
05 ops meeting the next day?

Page 222:08 to 222:13

00222:08 A. Yeah, I -- I just don't remember, you
09 know, the context of his one-liner there or what I
10 was thinking at the time.
11 Q. (MS. LAWRENCE) So you don't recall why it
12 would have been necessary for you to be upfront
13 and clear with this particular opinion?

Page 222:15 to 222:15

00222:15 A. I -- I'm just not sure.

Page 222:24 to 223:09

00222:24 Q. Can you turn to Tab 45, also an E-mail I
25 don't believe was previously marked so we will
00223:01 label it as Exhibit 6357. The Bates number is
02 BP-HZN-2179MDL00014402. It's an E-mail from
03 yourself to David Rainey, dated April 14, 2010.
04 The subject is "Macondo Deepening Recommendation,"
05 and I just want to read the first line of the
06 E-mail. You write, "Dave, I do not recommend
07 deepening the Macondo Well for the M54 package or
08 090."
09 (Marked Exhibit No. 6357.)

Page 223:17 to 224:01

00223:17 Q. (BY MS. LAWRENCE) "I do not recommend
18 deepening the Macondo Well for the M54 package or
19 the O90."
20 Did I read that accurately?
21 A. Yes.
22 Q. Do you recall why, on April 14, seven days
23 after the date of your last E-mail to Dave Rainey
24 on this topic, you are still arguing to him your
25 opinion that you do not recommend deepening the
00224:01 Macondo Well for the M54?

Page 224:03 to 226:09

00224:03 A. Yeah. There was -- there was a lot of,
04 still, questions out there as to the reason to --
05 to stop drilling. And as testified or talked
06 about earlier, when I recommended the well at the
07 exploration forum, we had talked about this M54 or
08 down to the O90 level about TD past M54, maybe
09 into the O90. So it -- from what I remember is
10 it -- there were some questions came up and people
11 were asked, Hey, why don't you have a peer assist?
12 Why don't you have XX take a look -- Exploration
13 Excellence take a look at it. And so I think
14 over -- I believe over those days that you're
15 talking about there was -- people came in and had
16 a look, to have an independent view to kind of
17 say, Hey, is this the right thing to do?
18 And so, indeed, that -- that's what
19 happened. There's XX's summary there. Terry
20 Fitzpatrick is a senior explorer. Mick Casey is
21 another senior explorer. So they came in and did
22 a peer assist -- what we call a peer assist, look
23 at it from a technical standpoint. And they --
24 they basically are saying, Yeah, you know, it
25 doesn't look like the right thing to do from a
00225:01 subsurface technical basis to continue this well
02 on down.
03 Q. (BY MS. LAWRENCE) And can you turn to
04 Tab 47, please, which was marked this morning as
05 Exhibit 6333, so I will not mark it again. But I
06 want to ask you a couple of additional questions
07 about it. I want to direct your attention to the
08 E-mail three E-mails down in the chain. So just
09 below -- just beyond halfway down the page. The
10 text -- it's an E-mail from Nick Huch, whose
11 E-mail address is nick.huch@anadarko.com. Do you
12 know who he was -- is?
13 A. I believe he's a land person for Anadarko.
14 Q. It's also cc'd to Naoki Ishii. Do you
15 know who he is?
16 A. He's the Mitsui representative in -- in
17 Houston.
18 Q. The text reads: "This E-mail will
19 evidence Anadarko's approval to conclude the

20 drilling of the MC 252 No. 1 BP 01 well (Macondo)
 21 at its current TD of 18,360 feet MD, even though
 22 the well has not reached any of the 'objective
 23 depth' criteria defined in the well participation
 24 agreement between BP and Anadarko/Kerr McGee and
 25 in Well AFE, attached as Exhibit 'B' to said
 00226:01 agreement. However, in the event BP concludes
 02 that it is safe and prudent to continue drilling
 03 to original objective depth, Anadarko would not
 04 oppose to BP doing so."
 05 Did I read that correctly?
 06 A. Yes. Yes.
 07 Q. Was it your impression that Anadarko would
 08 have preferred for BP to continue drilling to a
 09 greater depth?

Page 226:11 to 226:11

00226:11 A. I -- I don't know.

Page 226:18 to 226:20

00226:18 Q. (BY MS. LAWRENCE) Did any representatives
 19 from Anadarko or Mitsui discuss this topic with
 20 you?

Page 226:22 to 227:05

00226:22 A. Not that I can recall.
 23 Q. (BY MS. LAWRENCE) How -- when this E-mail
 24 was ultimately forwarded to you, how did you
 25 interpret this passage, if at all?
 00227:01 A. From -- from Nick Huch?
 02 Q. Yes.
 03 A. That they agreed to TD the well and saying
 04 that, you know, if we wanted to, they -- they
 05 potentially would support drilling deeper.

Page 232:19 to 233:03

00232:19 Q. (BY MR. KRAUS) Do you recall the
 20 approximate date that you called -- that you
 21 recommended that TD be called? It was in April of
 22 2010?
 23 A. Yeah. Yeah, it was in April. I don't
 24 know the exact date.
 25 Q. And you -- did you -- were you -- did you
 00233:01 have the ultimate decision-making authority in
 02 that regard to call total depth?
 03 A. I was a rec- --

Page 233:05 to 233:20

00233:05 A. I was a recommender.
 06 Q. (BY MR. KRAUS) Okay. And you recommended
 07 to who?
 08 A. To Dave Rainey.
 09 Q. And Dave Rainey recommended to Mike Daly;
 10 is that right?
 11 A. Well, I think Dave alerted Mike Daly, and
 12 then Mike Daly came back with a response saying,
 13 Let's check out some more work potentially.
 14 But Dave -- Dave -- I recommended to
 15 Dave.
 16 Q. Okay. And I think you kind of went to
 17 where I want to go. Did -- did Mr. Daly
 18 originally agree with your recommendation to call
 19 total depth when you first recommended it? Or did
 20 he ask that more work go into that decision?

Page 233:22 to 233:25

00233:22 A. Yeah, see, I don't recall because Dave had
 23 the conversation with Mike, which I don't think I
 24 was a part of. So I don't -- I'm not sure how
 25 that interaction -- interaction went.

Page 238:18 to 238:20

00238:18 Q. Okay. Have you read the Bly report?
 19 A. I -- I have gone over the Bly report.
 20 Yeah.

Page 238:25 to 239:06

00238:25 Q. (BY MR. KRAUS) Okay. Do you agree with
 00239:01 all of its findings?
 02 A. I -- I think it's a very robust report.
 03 Q. Do you agree with all of it's findings?
 04 A. I think -- yeah, I think -- yeah, I --
 05 I -- I agree with its findings. It's a good
 06 report.

Page 242:19 to 243:09

00242:19 and you correct me if I'm wrong. At the time of
 20 the blowout, you were Exploration manager for the
 21 Deepwater GoM; is that correct?
 22 A. That is correct.
 23 Q. Okay. And during the drilling of the
 24 well, the Macondo Well, did you receive daily --
 25 daily updates about the well, including pore
 00243:01 pressure determinations?
 02 A. I don't know specifically. I got daily
 03 updates --

04 Q. Okay.
 05 A. -- on these one-liners.
 06 Q. All right.
 07 A. And whether sometimes those included pore
 08 pressure updates, it's possible, but I don't
 09 remember.

Page 243:17 to 244:09

00243:17 Q. (BY MR. GODWIN) Do you remember at any
 18 time prior to the blowout while you served as the
 19 Exploration manager for the Deepwater GoM
 20 receiving any reports from anyone at BP that
 21 included reports that contained information about
 22 pore pressure and the Macondo Well?
 23 A. It's possible.
 24 Q. Okay, sir. And -- and I believe you
 25 testified earlier that you were aware that there
 00244:01 were two kicks there on the well prior to the
 02 blowout, correct?
 03 A. Correct.
 04 Q. Okay. And I understood you to say that
 05 while you didn't know exactly how many barrels of
 06 mud had been lost, you knew there were losses of
 07 mud there in the well during the drilling of the
 08 well. Did I understand that correctly?
 09 A. That is correct.

Page 246:21 to 247:24

00246:21 Q. Who sent those E-mails to you?
 22 A. That was Chuck Bondurant.
 23 Q. And -- B-O-N-D-U-R-A-N-T, Bondurant?
 24 A. I think so, Chuck Bondurant.
 25 Q. Okay.
 00247:01 A. Charles Bondurant.
 02 Q. All right. And what -- did he report to
 03 you?
 04 A. He reported to Bryan Ritchie.
 05 Q. And Mr. Ritchie reported to you?
 06 A. That is correct.
 07 Q. Okay. What was the purpose of your
 08 receiving on a daily basis the one liner regarding
 09 the Macondo Well?
 10 A. Yeah. As I think I had testified early --
 11 earlier today, is that it was nice having that
 12 30-second summary. I could -- I could look at it
 13 and have a quick view of what -- what the status
 14 of the well was, for example, what depth it was
 15 at, and then the basics of -- excuse me -- what
 16 operations might be occurring if it was in the
 17 E-mail.
 18 And then if I were asked by
 19 superiors, Dave Rainey or -- or Mike Daly or

20 whatever, say, Hey, what -- what -- what's the
21 latest depth on Macondo, then I would have
22 something very quick to go back to. I'd have -- I
23 would have a depth recollection, and I could say,
24 Well, they're at 10.1.

Page 250:16 to 251:02

00250:16 Q. (BY MR. GODWIN) Did you also agree with
17 all the findings of the Bly report?
18 A. Well, it was -- it was a long report, and
19 I'm -- you know, I should say I'm not qualified as
20 an engineer. I didn't do the investigation and --
21 and I'm not qualified to agree or disagree with
22 the Bly report, all of the aspects of it. For me,
23 the Bly report was more of a learning of -- of
24 what -- what happened.
25 Q. Did you read any part of the Bly report,
00251:01 and did you disagree with anything you read in
02 that report?

Page 251:04 to 252:04

00251:04 A. Not that I can recall.
05 Q. (BY MR. GODWIN) Thank you, sir. Other
06 than what you read in the Bly report -- to the
07 extent you did -- about the cement job my client
08 performed there, Halliburton, did you have any
09 knowledge about the design of the foam cement
10 slurry there on the Macondo Well?
11 A. No.
12 Q. Did you have any -- any knowledge about
13 the execution by Halliburton of the foam cement
14 slurry there on the Macondo Well?
15 A. No.
16 Q. Did you have any knowledge of the mud
17 logging services provided by Halliburton-Sperry on
18 the Macondo Well other than what you read on the
19 Bly report?
20 A. It just described the services.
21 Q. The mud logging services.
22 A. Right, but what about them?
23 Q. Yeah. In other words, did you know
24 anything about the mud logging services my client
25 was providing there on the Macondo Well other than
00252:01 what you read in the Bly report?
02 A. Or knowing that, yeah, Halliburton was out
03 there doing the mud logging, yeah. So, other than
04 that, no.

Page 252:14 to 253:11

00252:14 Q. Did you, after the blowout, discuss with

15 anyone with BP whether or not one or both of the
 16 negative tests that were performed prior to the
 17 blowout were, in fact, a good test?

18 A. So -- yeah, I -- I don't --

19 Q. After the -- after the blowout.

20 A. Yeah. Yeah. About whether they were good
 21 or -- or not, yeah.

22 Q. Right. You understand the question?

23 A. Yes. So I did -- before I went to the
 24 exploration forum, I did have a conversation with
 25 Mr. Hafle.

00253:01 Q. Mark Hafle?

02 A. Mark -- Mark Hafle. And I believe he was
 03 just kind of going over what -- what was -- you
 04 know, what the -- what the operations were on --
 05 on the rig and then he may have talked about that,
 06 but I can't remember specifically your -- you
 07 know, whether it was right or wrong, or whatever.
 08 I just -- I'm just trying to be, you
 09 know, clear on what I'm recalling. I did have a
 10 conversation with Mark, but I can't remember the
 11 details of it.

Page 254:11 to 254:16

00254:11 Q. (BY MR. GODWIN) Sir, do you have an
 12 understanding, as you sit here today, from
 13 whatever source as to whether or not the negative
 14 test was misinterpreted there on the Macondo Well
 15 prior to the blowout?

16 A. Yeah, so --

Page 254:18 to 255:07

00254:18 A. Yeah. So, again, like I said, I do not
 19 have the expertise to -- to describe, get into a
 20 conversation on the negative test, whether it was
 21 correctly called or not. I just don't have that
 22 depth of expertise.

23 Q. (BY MR. GODWIN) And I'm not asking you
 24 about the details or the mechanics. I'm going to
 25 ask you this: Has anyone at BP said in your
 00255:01 presence -- either to you or others, but in your
 02 presence -- since the blowout that the negative
 03 test was misinterpreted there on the Macondo Well?

04 A. I don't -- I don't remember.

05 Q. Okay, sir. Have you ever been involved
 06 with the performance of a negative test?

07 A. No.

Page 256:09 to 256:14

00256:09 Q. Have you ever spoken with anyone at

10 Halliburton prior to the blowout regarding any of
11 the services that Halliburton was going to perform
12 there on the Macondo Well in the final days before
13 the blowout?

14 A. Not that I can recall.

Page 258:20 to 258:24

00258:20 Q. Okay, sir. And have you, since the
21 blowout, visited with Greg Walz in any respect
22 regarding the Macondo Well?

23 A. Possibly because -- I mean possibly I
24 talked with Greg about the Macondo.

Page 259:03 to 259:10

00259:03 Q. Okay. Thank you.

04 Did Greg Walz -- in any of those
05 possible conversations you had with him
06 post-blowout, did he tell you that on April the
07 19th of 2010, he had met with Jesse Gagliano at
08 Mr. Gagliano's request to discuss the issues
09 concerning the number of centralizers to be used
10 there on the casing stream?

Page 259:13 to 259:17

00259:13 A. Not -- not that I can recall.

14 Q. Did he tell you of any -- after the
15 blowout, has he said anything to you about any
16 meeting he had with Jesse Gagliano to discuss gas
17 flow potential there on the Macondo Well?

Page 259:20 to 259:20

00259:20 A. Not that I recall.

Page 260:01 to 260:05

00260:01 Q. Okay. All right. You -- you, as the
02 Exploration manager for the deepwater GoM, you had
03 a level of responsibility for the Macondo Well in
04 connection with your job, did you not, prior to
05 the blowout?

Page 260:07 to 260:09

00260:07 A. Yeah. As I testified several times, it
08 was focused more on the financial aspect within
09 the FM.

Page 261:07 to 261:10

00261:07 Q. (BY MR. GODWIN) Did you consider -- the
08 Tiger team members that reported to you, did you
09 consider them to be very well-qualified for the
10 work they were performing?

Page 261:12 to 261:12

00261:12 A. Yes. They're -- they're good.

Page 263:11 to 263:20

00263:11 Q. And you gave your background earlier
12 today. I believe you said you have a master's in
13 business?
14 A. That is correct.
15 Q. An M.B.A. And do you hold any engineering
16 degrees?
17 A. I do not.
18 Q. From any college or education, institution
19 of higher learning?
20 A. I do not.

Page 264:03 to 264:05

00264:03 Q. Okay. Would you say that you were
04 qualified to understand the mechanics of drilling
05 a deepwater well in the Gulf of Mexico?

Page 264:07 to 264:10

00264:07 A. What do you mean by "mechanics," just --
08 Q. (BY MR. GODWIN) Understand the drilling
09 aspects, if you will, of drilling a well in the
10 deepwater -- in the Gulf of Mexico?

Page 264:12 to 265:01

00264:12 A. I understand the -- the basic issues; but
13 the details and the real operations, yeah, no, I
14 need to -- I rely on experts.
15 Q. (BY MR. GODWIN) And those would be
16 members of the Tiger team when they reported to
17 you?
18 A. Uh-huh.
19 Q. Correct?
20 A. Some of them would have -- would have more
21 understanding of operations than -- than others.
22 Q. And you would rely upon people like Greg
23 Walz and other drilling engineers there within the
24 Gulf of Mexico?

25 A. The drilling engineers working Macondo,
00265:01 absolutely.

Page 266:15 to 266:22

00266:15 Q. (BY MR. GODWIN) Again, my question, sir,
16 is: Have you learned at any time, as we sit here
17 today, through any source other than a lawyer --
18 I'm not asking about a privileged communication,
19 but have you heard from any source that any member
20 of the Tiger team said that he believed that the
21 Macondo Well was being drilled too quickly at too
22 fast a pace? Have you heard that?

Page 266:24 to 266:24

00266:24 A. Yeah. Not that I can recall.

Page 267:15 to 267:24

00267:15 Q. (BY MR. GODWIN) Yes, sir. I want to know
16 if you have heard, up to and including today, from
17 any source -- except lawyers, of course -- if
18 anyone reported to you that a member of the Tiger
19 team said that the Macondo Well was being drilled
20 like a "bat out of hell"?
21 Have you heard that statement?
22 A. Not that I can recall.
23 Q. Or words to that effect?
24 A. Not that I can recall.

Page 268:03 to 269:10

00268:03 (Marked Exhibit No. 6358.)
04 Q. (BY MR. GODWIN) Sir, I'm going to hand
05 you what we have marked as Exhibit 6358. You have
06 a copy there.
07 This is an E-mail from Cindy
08 Yeilding, is it not?
09 A. Yes.
10 Q. And the date of it is what date, sir?
11 A. Friday, May 21st.
12 Q. And what year?
13 A. 2010.
14 Q. And it was sent to a number of people,
15 which included Ms. Yeilding sending it to herself
16 again: David Rainey, Jay Thorseth, Greg Walz,
17 Doug -- Doug K. -- Doug Chester and James Grant
18 and Peter Zwart, was it not?
19 A. Correct.
20 Q. And with a number of carbon copies there
21 that -- I'm not going to read all the cc's; but
22 one of which was Mr. Pinky Graham, one of the many

23 recipients of the copy of the E-mail, correct?
 24 A. Correct.
 25 Q. And the subject was what, sir?
 00269:01 A. Subject.
 02 Q. Is it "objectives"?
 03 A. Oh, there it is. "INFO: Objectives and
 04 Delivery, MC 252 (Macondo), May 18th [to the]
 05 21st, 2010."
 06 Q. And it -- if you will, I'd like for you
 07 to -- and it shows as an attachment,
 08 "110518_Macondo_M56_sands," does it not, as well
 09 as other matters there which were attached?
 10 A. Yes.

Page 271:24 to 272:04

00271:24 Q. Okay. Thank you. All right. Turn over
 25 if you -- and turn over, if you will, please,
 00272:01 again, to the "Macondo Sand Identification" page,
 02 which is -- Bates No. 5733 being the last four
 03 digits.
 04 A. Uh-huh.

Page 272:07 to 272:14

00272:07 Q. Do you recall receiving this attachment to
 08 the E-mail of May 21, 2010?
 09 A. No.
 10 Q. It shows here that -- it shows that it
 11 is -- when you look at the pages, the first page
 12 ends with 5730, 5731, 5732; and then this is 5733.
 13 Those are in sequence, are they not, those
 14 numbers -- those Bates numbers?

Page 272:17 to 273:07

00272:17 A. It appears to be, yes.
 18 Q. All right. You said earlier that your
 19 understanding was the M57 B zone was a -- was a
 20 water -- water zone or a contained water-bearing
 21 sand, did you not?
 22 A. My -- my opinion is is that it -- it very
 23 well could be wet.
 24 Q. Very well could be wet.
 25 Are you leaving the possibility that
 00273:01 it could be something other than wet?
 02 A. Yeah. I -- I don't know for sure.
 03 Q. You just don't know for sure.
 04 Well, it says here, out to the left
 05 of the identification of the zone, as being a gas
 06 sand, does it not?
 07 A. It does indeed.

Page 274:06 to 274:10

00274:06 Q. All right. Prior to me showing you this
 07 exhibit, with this attachment here, this Macondo
 08 sand identification page, have you seen any form
 09 of writing at BP which show that the M57 B zone or
 10 sand was, in fact, considered to be a gas sand?

Page 274:12 to 275:06

00274:12 A. The -- there is a technical memorandum --
 13 Q. (BY MR. GODWIN) Yes, sir.
 14 A. -- that Kate Baker wanted team to put
 15 together and I do recall seeing -- seeing that in
 16 that report.
 17 Q. Okay. That it was considered to be a gas
 18 sand?
 19 A. Well, I'm not sure what the -- what --
 20 what the phrase was because there was also
 21 "probable gas" and other types of descriptions.
 22 So I'm not.
 23 Q. We'll go over that in an a little bit.
 24 A. Okay.
 25 Q. But my question to you is -- and I believe
 00275:01 you've answered it. I just want to make sure I
 02 understand it correctly -- that you do recall
 03 seeing in some form, at some time after the
 04 blowout, a writing at BP which showed that the
 05 M57 B zone did, in fact, contain gas. Is that
 06 your testimony?

Page 275:08 to 275:17

00275:08 A. Yeah. It's -- we'll -- we'll have to look
 09 at the report that I'm talking about because
 10 it's -- it's very uncertain as it's written in the
 11 form.
 12 Q. (BY MR. GODWIN) Okay.
 13 A. In the -- in the memo.
 14 Q. My question again, sir, is: At any time
 15 after the blowout, have you seen any writing at BP
 16 wherein it is shown that the M57 B zone was
 17 characterized as a gas sand or containing gas?

Page 275:19 to 276:09

00275:19 A. Possible gas.
 20 Q. (BY MR. GODWIN) Okay. Possible gas?
 21 A. Possible gas.
 22 Q. All right. When you look here at Bates
 23 Page No. 5733, Macondo sand identification, it
 24 doesn't say anything about "possible" there before
 25 the word "gas," does it?

00276:01 A. That's correct.
 02 Q. It says "gas" --
 03 A. That's correct.
 04 Q. -- as identifying the M57 B zone, does it
 05 not?
 06 A. That -- that's correct. It says gas.
 07 Q. And when I refer to it as "the M57 B
 08 zone," is that the proper way to refer to it? Or
 09 would you refer to it as an M57 B zo- -- sand?

Page 276:11 to 276:14

00276:11 Q. (BY MR. GODWIN) Would you refer to it as
 12 a "zone" or a "sand"? Or are they both correct?
 13 A. Well, you don't know if it's a sand or
 14 not. So "zone" would probably be more accurate.

Page 277:11 to 277:14

00277:11 Q. (BY MR. GODWIN) My question was:
 12 Whenever you saw any writing at BP, which showed
 13 that the M57 B zone contained gas, did you discuss
 14 that with anybody at BP?

Page 277:16 to 278:10

00277:16 Q. (BY MR. GODWIN) Go ahead, sir.
 17 MR. KEEGAN: Objection to the form.
 18 A. So, you know, I don't know what the
 19 context is, but I did have conversations with
 20 people -- people at BP about whether there's gas
 21 in there or not. So I don't -- I'm not sure
 22 about, you know, the stipulations you got on your
 23 question, but my -- my testimony is is that I did
 24 have conversations with people at BP whether there
 25 was gas or whether this was wet. I did have those
 00278:01 kind of conversations.
 02 Q. (BY MR. GODWIN) Did you talk with Galina
 03 Skripnikova at any time?
 04 A. Possibly. I -- I didn't have a lot of
 05 conversations with -- with Galina. I -- I may
 06 have discussed it with her, but I don't recall.
 07 Q. Do -- who -- who were the people -- who
 08 was the person or persons at BP with whom you
 09 spoke that said, he or she also -- he or she
 10 thought that the M57 B zone contained gas?

Page 278:13 to 278:15

00278:13 Q. (BY MR. GODWIN) You said that possibly.
 14 You talked with some folks there at BP that said
 15 that.

Page 278:17 to 279:04

00278:17 A. No. No. So I need to clarify: I didn't
 18 talk to anyone at BP who said definitively that
 19 this was gas. Just to clarify my --
 20 Q. You said possibly.
 21 A. Yeah. It's possible or the word could be
 22 probable. You need to go back and check the
 23 language. Could be "probable" as well or
 24 "possible." I think it may be "probable."
 25 So no one at BP that I talked to said
 00279:01 it's gas.
 02 Q. Okay. Well, who at BP did you talk with
 03 that told you that he or she thought that it was
 04 probable gas in the M57 B zone? Name or --

Page 279:06 to 279:07

00279:06 Q. (BY MR. GODWIN) Give me the name or
 07 names, please.

Page 279:09 to 280:01

00279:09 A. Yeah. So I -- I did -- I did talk to a
 10 petrophysicist, Pinky.
 11 Q. Okay.
 12 A. Talked to Pinky and Bruce Wagner.
 13 Q. Okay. And did Pinky tell you that he
 14 thought there was gas or probable gas there in
 15 the -- in the M57 B zone?
 16 A. I don't remember the exact word that he
 17 used but he said it's -- I'm not sure. Because
 18 he -- we talked about -- that I can't remember
 19 what word he used to -- to describe it. Whether
 20 it was possible or probable or most -- some other
 21 word, I don't know.
 22 Q. When you learned of the M57 B zone
 23 possibly or probable, as you've said, containing
 24 gas, did you ask anyone at BP if he -- he, she, or
 25 they knew about that zone containing gas prior to
 00280:01 April 20, 2010?

Page 280:03 to 280:21

00280:03 A. Yeah, I don't -- I don't recall that
 04 discussion.
 05 Q. (BY MR. GODWIN) Okay. Let me ask it
 06 so -- I want to make sure you understand the
 07 question very specifically.
 08 When you learned that there was, as
 09 you said, probable gas, at least shown on a
 10 document --
 11 A. I -- yeah, I don't agree with that.

12 Q. Wait a minute. I'm not asking whether or
13 not you agreed?

14 A. Just what I've seen in a document.

15 Q. When you saw a document at BP prepared by
16 BP that showed that there was probable gas there
17 in the M57 B zone, did you undertake to ask anyone
18 at BP if he, she, or they, knew about that
19 probable gas zone prior to April 20, 2010? Did
20 you do so, sir?

21 A. Not -- not that I can recall.

Page 284:20 to 285:14

00284:20 This was previously marked as

21 Exhibit 6344, and I'm -- I'm not going to ask you
22 about the details of the E-mail from John Guide to
23 you dated April 26. You've already testified
24 about that.

25 A. Uh-huh.

00285:01 Q. "Call if you need anything else. Thanks."
02 And signed "John Guide."

03 Following your receipt of the E-mail
04 from John Guide on or about April 26, did you call
05 him to seek clarification or more information than
06 what he had included in this E-mail?

07 A. Not -- not that I -- not that I can
08 recall. I don't think so, but I'm not sure.

09 Q. Did you at any time -- at any time after
10 the day of -- or the night of the blowout, did you
11 visit with John Guide concerning the negative test
12 in any respect as to whether or not there had been
13 one performed or two or more?

14 A. Not that I can recall.

Page 285:24 to 286:04

00285:24 Q. And as you sit here today, you're telling
25 the Court -- that is, the person there who was the
00286:01 manager of the deepwater GoM, that after the
02 blowout, you never asked anybody how many negative
03 tests were performed there on the Macondo Well
04 prior to the blowout?

Page 286:09 to 286:09

00286:09 A. I don't remember.

Page 286:12 to 286:20

00286:12 materials. This was previously marked as Exhibit
13 4697. 4697.

14 And this is a document prepared by --
15 or at least an E-mail prepared by Mr. Bryan

16 Ritchie, is it not?
17 A. Correct.
18 Q. And you said earlier Mr. Ritchie reported
19 to you up until the time that you started
20 reporting to Mr. Dave Rainey?

Page 286:22 to 287:07

00286:22 A. Well, what I testified earlier is that --
23 I believe, that Bryan -- Mr. Ritchie, Bryan had
24 kind of dual -- he had dual reporting. He
25 reported to me after the incident.
00287:01 Q. (BY MR. GODWIN) Yes, sir.
02 A. Or reported to me for kind of non Macondo
03 issues.
04 Q. Okay.
05 A. And then he was reporting to Cindy for,
06 kind of, the response and the relief wells. So
07 just to clarify that.

Page 288:03 to 289:01

00288:03 Q. Okay. And this shows that the subject --
04 it was a draft MC 252 subsurface technical memo
05 and a P v. 1. Does that indicate to you version
06 1, the v. 1?
07 A. PV? Yeah, the version, v. 1 for
08 version 1.
09 Q. Okay, sir.
10 And it goes on and says, "Kate,
11 please find attached the technical memorandum that
12 you requested regarding the post well subsurface
13 description of the Macondo Well."
14 Did I read that correctly?
15 A. Yes.
16 Q. And it has several other lines there and
17 then it's, "Many thanks, Bryan."
18 A. Yeah.
19 Q. And it shows Bryan as being an exploration
20 team leader, eastern GoM, does it not --
21 A. Yes.
22 Q. -- describing his title.
23 Turn over to the next page, if you
24 will, please, in Exhibit 4697, and the Bates
25 numbers end with 5102, the last four digits. And
00289:01 it's entitled Technical --

Page 289:08 to 290:08

00289:08 Q. Okay. It's entitled, is it not,
09 "Technical Memorandum"?
10 A. Yes.
11 Q. And it's titled "Post Well Subsurface

12 Description of Macondo Well," and it's sent to
 13 Kate Baker, Cindy Yeilding, Jay Thorseth, and
 14 Peter Carragher, correct?

15 A. Correct.

16 Q. And it was written by a number of people,
 17 one of whom was Galina Skripnikova, correct?

18 A. Correct.

19 Q. And also written -- coauthored by Chuck
 20 Bondurant as well as Marty Albertin and others,
 21 correct?

22 A. Correct.

23 Q. And the date of the technical memorandum
 24 was what, sir?

25 A. May 25th, 2010.

00290:01 Q. Okay. Do you know why you were -- you
 02 received a copy of this technical memorandum?

03 A. I'm -- I'm not -- well, I'm not totally
 04 sure. They -- they were writing it on, I believe,
 05 Kate Baker's request. But since I was involved in
 06 the Macondo prospect and Bryan had that dual
 07 reporting relationship, I think he -- he wanted me
 08 to be included as well. That's my understanding.

Page 292:03 to 292:19

00292:03 Q. And -- and whether or not you have the
 04 technical expertise or not, I just want to know:
 05 Has anybody at BP ever said to you or in your
 06 presence as to how many feet the top of cement
 07 must be, according to the MMS, from the highest
 08 hydrocarbon zone? Has anybody ever said that in
 09 your presence?

10 A. Yeah. I mean, they -- they have mentioned
 11 500 feet.

12 Q. Okay, sir. Thank you.

13 And if the M57 B zone was at 17,467
 14 feet --

15 A. Are you -- are you looking at the --

16 Q. Yeah, I'm look back over here to exhibit.

17 If the M57 B zone was 17,467, that
 18 would mean that the top of cement would have to be
 19 at 16,967 feet, would it not?

Page 292:22 to 292:22

00292:22 A. I don't know.

Page 294:08 to 294:12

00294:08 Has anybody said in your presence
 09 that the M57 B zone was not -- was not a zone that
 10 was covered -- well, by cement there in the
 11 Macondo Well? Meaning there was no zonal -- no

12 zonal isolation of that zone?

Page 294:15 to 294:25

00294:15 A. Not that I can recall. That there was no
16 cement whatsoever over that zone?
17 Q. (BY MR. GODWIN) Over the M57 B zone.
18 Have you heard that there was no
19 cement over that zone?
20 A. I -- yeah, I don't know and I don't recall
21 having that conversation.
22 Q. If, in fact, it was a, quote -- as one or
23 more documents at BP says -- a "probable gas
24 zone," you would expect it to be covered by
25 cement, would you not?

Page 295:03 to 295:05

00295:03 A. Yeah, I -- I -- I can't answer that
04 because of the regu- -- lack of knowledge of the
05 specific regulation -- regulations.

Page 295:07 to 295:23

00295:07 And if you will, please, let's turn
08 over now to Bates No. 5105 of Exhibit 4697 you
09 have there. And it shows there the M57 B zone,
10 does it not?
11 A. It does, yes.
12 Q. And this was on the technical memorandum
13 dated May 25, 2010. That's the date of the
14 document over here, sir?
15 A. Yeah. Draft and version 1.
16 Q. Yeah. Right.
17 And it shows there that it was -- at
18 least on the face of the document -- a gas zone,
19 does it not?
20 A. It says "gas" there.
21 Q. Okay, sir.
22 Out to the left of the M57 B zone?
23 A. Yes.

Page 296:03 to 297:24

00296:03 You have Exhibit -- what was
04 previously marked as Exhibit 3533 in front of you?
05 A. Yes.
06 Q. Okay. And this is a document entitled
07 "Technical Memorandum," is it not?
08 A. Yes.
09 Q. The title was "Post Well Subsurface
10 Description of Macondo Well," and it's to Kate
11 Baker, Cindy Yeilding, Jay Thorseth, and Peter

12 Carragher, correct?
13 A. Correct.
14 Q. And the date of it -- and it's several
15 people there, including Galina Skripnikova as well
16 as Chuck Bondurant and Marty Albertin who
17 received -- or who wrote this report here. They
18 co-wrote it, according to the report, correct?
19 A. Correct.
20 Q. I show that it's dated July 26, 2010?
21 A. Yes.
22 Q. This is about two months later than the
23 one we just discussed, which was the technical
24 memorandum which was attached to Mr. Ritchie --
25 Bryan Ritchie's E-mail to you dated May 26,
00297:01 correct?
02 A. Correct.
03 Q. Okay. And if you will -- do you know why
04 you received a copy of the report dated July 26,
05 2010?
06 A. As I said before, that I reported -- or
07 Bryan Ritchie had a dual reporting relationship,
08 one to Cindy Yeilding for the response and the
09 relief well, and to me for any other business. So
10 I felt he -- he -- he probably felt to just keep
11 me -- to send it to me because I was involved with
12 the prospect of Macondo.
13 Q. Okay. And when you received this -- this
14 document, Exhibit 3533, which was in the form of
15 a -- what appears to be an E-mail from -- or
16 report -- technical memorandum from Marty Albertin
17 and Galina Skripnikova and others, did you call or
18 ask any of them any questions about the document,
19 any of the authors?
20 A. About this specific document?
21 Q. Yes, sir. The technical memorandum dated
22 July 26, 2010.
23 A. Yeah. I -- I had conversations with Bryan
24 Ritchie.

Page 298:06 to 298:22

00298:06 Q. Okay. Turn over, if you will, please,
07 to -- it's about the fourth page in, the Bates
08 number at the bottom is 2877 being the last four
09 digits of the long Bates number.
10 A. Yes.
11 Q. Do you have it?
12 A. Yes.
13 Q. Okay. This shows here a number of
14 different zones there within the well, does it
15 not?
16 A. Yes.
17 Q. And one of the zones up near the top is
18 the M57 B zone, is it not?
19 A. Correct.

20 Q. And how does BP characterize this M57 B
21 zone and this technical memorandum dated July 26,
22 2010?

Page 298:25 to 299:02

00298:25 A. Yeah, so I don't -- you said BP.
00299:01 Q. BP -- all these writers work for BP, don't
02 they?

Page 299:05 to 299:12

00299:05 A. I think it's really important to say that
06 it's not BP as a company, and that it is indeed --
07 I just want to clarify that it is indeed that this
08 draft document written on the 26th of July, 2010,
09 by this team, they did, in fact -- they did, in
10 fact, on this draft document use the language
11 "probable gas" for M57 B. That's what I would
12 like to clarify.

Page 300:04 to 300:15

00300:04 Q. (BY MR. GODWIN) Go ahead, sir.
05 A. I'm saying this is in a draft document
06 that's not final, that hasn't been finalized. It
07 is their opinion, at this particular time with
08 more information that's still could come.
09 Q. How do you know -- I'm sorry, sir. Go
10 ahead.
11 A. So -- so their interpretation possibly
12 could change, since it's still in draft format.
13 Q. Well, do you know whether it changed or
14 not?
15 A. And so -- I don't know.

Page 300:18 to 302:02

00300:18 Q. So you don't know whether or not
19 Exhibit 3533, which was written by Marty Albertin,
20 Galina Skripnikova, and the others, you don't know
21 whether any single word was ever changed, do you,
22 sir?
23 A. What do you mean, in -- in the document?
24 Q. Yes, sir. In the technical memorandum,
25 you don't know that it was ever changed in any
00301:01 respect, do you? From the way you received it on
02 July 26th, 2010?
03 A. I don't recall if -- if there was a
04 further draft after the one you're showing right
05 here or not with -- with some edits or not.
06 Because I am a bit concerned -- I am a bit concern
07 how it says "v. 3" up top but it still says

08 "Version 1" down here at the bottom. If you go
 09 back to the beginning of the document --
 10 Q. Yes, sir.
 11 A. -- see how it says v. 1, Version 1, down
 12 at the bottom and "v. 3" at the top?
 13 Q. Yes, sir.
 14 A. And I -- I just don't recall that being
 15 like that, this being kind of their -- their
 16 latest version of the draft.
 17 So in answer to your question, then,
 18 do I recall any language being changed subsequent
 19 to this particular draft, V 3 but Version 1 down
 20 at the bottom, it's possible --
 21 Q. You don't know?
 22 A. -- and I just don't know.
 23 Q. Did you ever see a document, after you
 24 received this document on July 26th, which
 25 referred to the M57 B zone as anything other than
 00302:01 containing probable gas?
 02 A. I don't know.

Page 302:16 to 303:16

00302:16 Earlier, I believe you testified that
 17 you visited the DEEPWATER HORIZON. Did you spend
 18 the night on the rig when you were there?
 19 A. I believe -- I believe I spent the -- I
 20 think I did spend the night on the HORIZON once.
 21 Q. And you realize that BP employees and BP
 22 subcontractors' employees not only work on the
 23 rig, but they actually live on the rig, as well,
 24 when they're on a hitch, correct?
 25 A. Yes.
 00303:01 Q. When you arrived on the rig, did you
 02 receive a safety orientation?
 03 A. Yes.
 04 Q. Did you find the safety orientation to be
 05 comprehensive?
 06 A. I thought it was a good overview.
 07 Q. It included evacuation processes and
 08 procedures, correct?
 09 A. Yes.
 10 Q. Are you aware that the DEEPWATER HORIZON
 11 achieved seven years with no lost time incidents?
 12 A. Yes.
 13 Q. Are you aware that in September 2009, the
 14 DEEPWATER HORIZON contract was extended for a
 15 period of three years to commence in 2010?
 16 A. Yes.

Page 304:10 to 304:16

00304:10 Q. (BY MS. LeGRAND) At any time that -- that
 11 you were either onboard the rig or that the -- the

12 rig was on contract to BP. Any intentional and
 13 willful misconduct on the part of TransOcean crew
 14 members that would have affected human safety and
 15 the environment?
 16 A. No.

Page 306:06 to 306:14

00306:06 Q. (BY MS. LeGRAND) And you may have already
 07 addressed this, but just -- just for the sake of
 08 being clear on the record, have you heard that or
 09 are you aware, based on your experience, that the
 10 safe drilling margin is typically a half pound per
 11 gallon or .5 ppg?
 12 A. Yes.
 13 Q. Do you know whether the drilling margin at
 14 Macondo fell below .5 ppg at any point?

Page 306:16 to 306:20

00306:16 A. Yeah. I -- I -- I do think there -- there
 17 was a -- yes. I -- I do -- I do remember that.
 18 Q. (BY MS. LeGRAND) Do you know if the MMS
 19 was notified when the drilling margin fell below
 20 .5 ppg?

Page 306:22 to 307:07

00306:22 A. I don't know for a fact, but I -- I
 23 believe so, yes.
 24 Q. (BY MS. LeGRAND) Did you personally
 25 instruct anyone to notify the MMS when it fell
 00307:01 below .5 ppg?
 02 MR. KEEGAN: Objection to the form.
 03 A. Yeah. Just based on my previous work
 04 as -- I did not do that because I -- I'm not
 05 work -- in charge of the operations. And no, I --
 06 I didn't -- I wasn't the one who directed that
 07 or -- or made the call.

Page 308:12 to 308:14

00308:12 Q. -- is it accurate to say that your
 13 recommendation not to drill deeper at Macondo was
 14 based on the low -- low prospectivity level?

Page 308:16 to 309:01

00308:16 A. Yeah. That -- that's correct. I didn't
 17 get to the costs or can we go deeper. I -- I
 18 stopped it at there's no even reason to go any
 19 further because of the prospectivity; that is

20 correct.
 21 Q. (BY MS. LeGRAND) And does that correlate
 22 to a financial incentive for BP if the prospect --
 23 well, quality -- does the --
 24 A. So what's the question?
 25 Q. Does the prospectivity level correlate to
 00309:01 a financial incentive for BP?

Page 309:03 to 309:10

00309:03 A. Absolutely not. It was -- it was --
 04 Q. (BY MS. LeGRAND) So --
 05 A. The decision was absolutely based on
 06 technical and lack of prospectivity deeper. That
 07 was the only consideration. That's why I made the
 08 recommendation to -- to stop the well there.
 09 Q. So would a low prospectivity well yield a
 10 significant financial return to BP?

Page 309:12 to 310:06

00309:12 A. All -- all I'm saying is that I have to
 13 base the decisions on probability of -- of
 14 success, of finding the prospect. I mean, that's
 15 my job.
 16 Q. (BY MS. LeGRAND) Right.
 17 A. And so, therefore, if -- if -- yeah, if
 18 you've got a prospect that is -- I'm just going to
 19 make a number up, not referring to this.
 20 Q. Sure.
 21 A. But it's a 1 in 10 chance of success. 10
 22 percent chance of success of finding hydrocarbons
 23 down there. That would be a very low chance of
 24 success, and I would say -- no matter where it is,
 25 I would say I probably wouldn't recommend going
 00310:01 further --
 02 Q. And that's because with a low --
 03 A. -- in most cases.
 04 Q. And that's because with a low chance of
 05 success, there's a low chance of financial return
 06 for BP, correct?

Page 310:08 to 310:15

00310:08 A. There -- there is a -- with -- with a low
 09 chance of pros -- chance -- there -- there is a --
 10 I lost my train of thought now.
 11 So when -- when there's a low -- when
 12 there's a low chance of success on that, then --
 13 yeah, then there -- it also translates into a low
 14 chance of having a commercial -- a commercial
 15 find.

Page 312:13 to 313:03

00312:13 Q. Was any single person assigned to perform
14 their evaluation for Macondo from the XX team?
15 A. The XX team reviews prospects all over the
16 world. And there's -- for something like Macondo
17 or other prospects within BP, they have multiple
18 technical meetings through the life of the
19 prospect. And on -- it's -- it's a lot dependent
20 on who's available a lot, at a -- at a particular
21 time and then what may be the subject matter that
22 is being presented.
23 So, for example, if it was a major
24 seismic issue and imaging issue, then Gerchard
25 Pfau would need to be there. So on whose -- how
00313:01 that works, it does change on availability and
02 what the subject matter might be. So it -- it
03 kind of varies.

Page 313:16 to 313:22

00313:16 (Marked Exhibit No. 6359.)
17 Q. (BY MS. LeGRAND) I'd like to draw your
18 attention to the second page of the E-mail, where
19 we have the E-mail from yourself to David Rainey.
20 And you've copied several people, some of whom
21 you've just mentioned -- Mr. Pfau, Mr. O'Leary and
22 Mr. Hill.

Page 314:03 to 314:05

00314:03 Q. This is the E-mail where you're making the
04 recommendation to Mr. Rainey not to drill deeper;
05 is that correct?

Page 314:07 to 314:18

00314:07 A. Yeah. I'm -- I'm giving him -- I'm giving
08 him background as to -- and -- and what my
09 recommendation is.
10 Q. (BY MS. LeGRAND) And the date that you
11 submitted this recommendation is April the 14th;
12 is that correct?
13 A. Yes. My -- my note to Dave is Wednesday,
14 April 14, 2010.
15 Q. Okay. And in the first paragraph, you
16 outline, as you said, the reasons that you would
17 not recommend proceeding, correct?
18 A. Yes.

Page 314:20 to 316:24

00314:20 Q. (BY MS. LeGRAND) And that's again largely

21 because of low prospectivity. In sum, is that an
22 accurate statement?

23 A. Yeah. It's -- it's really important about
24 some of the -- the work that they've done, yeah.
25 Some recent work, yeah.

00315:01 Q. And in particular, the phrase, perhaps the
02 second line towards the end, where they do not see
03 any evidence for significant reservoir development
04 or hydrocarbons at this M54 location; is that
05 accurate?

06 A. Based on the -- based on the seismic data,
07 that is correct.

08 Q. In the second paragraph, if you would read
09 that second paragraph for us, actually, that would
10 be great.

11 A. "From a drilling perspective, the Macondo
12 Well could be deepened based on the" pore pressure
13 prediction work -- "PPP work completed by the
14 Tiger team. We need to make the decision very
15 quickly as drill pipe would need to be ordered,
16 planning completed and MMS contacted."

17 Q. Okay. Does that paragraph reflect a
18 concern for stopping drilling as a result of
19 safety concerns?

20 A. Actually, no. What I'm saying here is
21 that my recommendation from a technical point of
22 view, as I stated many times, was not to go
23 further. What I'm saying here is that if you --
24 if you do decide to go further, then this decision
25 needs to happen now because my conversation with
00316:01 the drilling engineers is that drill pipe needs to
02 be ordered, planning would need to get underway,
03 and we need to get with the MMS. So it's -- it's
04 more about if yes to drill further, then we need
05 to get after this quickly is what the -- what the
06 drillers told me.

07 Q. Did any members of the Tiger team, as you
08 reference here, indicate to you that it was unsafe
09 to drill the Macondo Well deeper?

10 A. Not that I can recall.

11 Q. Okay. If we look down kind of -- it -- it
12 appears that you've kind of summarized some of the
13 findings of various people you've spoken with or
14 various teams you've spoken with in making your
15 recommendation.

16 A. Yes.

17 Q. If we just take a look at those, "Bryan
18 and Team" is Bryan, Bryan Ritchie?

19 A. Yes.

20 Q. And he says again, "There's little chance
21 of finding economic resource in the M54 in O90
22 zones, and we do not recommend deepening."

23 That does not express a concern for
24 safety, does it?

Page 317:01 to 318:22

00317:01 A. It is focused on -- on the technical
02 case -- the subsurface technical case of
03 prospectivity.
04 Q. (BY MS. LeGRAND) And then if we look at
05 the next paragraph, which is the XX Team summary,
06 the first bullet point reveals that: "The review
07 team agrees that the most likely result of
08 deepening Macondo is that we will find several
09 discontinuous 10-15 foot thick pay zones."
10 Again does this reflect a concern for
11 safety?
12 A. No.
13 Q. If we look at Terry Fitzpatrick, whose
14 comments are next, who I believe you testified was
15 a senior explorer?
16 A. Yes.
17 Q. He concurs "with the team's recommendation
18 that there is very little top down support to
19 deepen the Macondo Well. A deeper M54 to O90
20 section exists just to the west of the wellbore.
21 Seismic" -- and I is it --
22 A. Facies.
23 Q. -- "fascies in this isopach thick is
24 chaotic suggesting a sand poor interval with
25 possibly thin discontinuous sand."
00318:01 Does this reflect a concern for
02 safety?
03 A. No.
04 Q. If we move on to Mick Casey, who I believe
05 you also said was a senior explorer?
06 A. Yes.
07 Q. If we look at the first sentence: "After
08 sitting down and reviewing the Macondo data with
09 Chuck and Binn, I would have to conclude that
10 there is very little chance for good Miocene sand
11 development below the current TD of the well.
12 What I see are three stacked chaotic zones which
13 likely represent muddy mass transport complexes
14 (MTCs) similar to the M54 'Brown Chaotic Zone' of
15 Thunder Horse field, which corresponds to a thick
16 shaley zone overlying the main reservoir."
17 Is this reflecting a concern for
18 safety?
19 A. No.
20 Q. At any point in time, did anyone convey a
21 concern for safety associated with drilling the
22 Macondo Well deeper --

Page 318:24 to 318:24

00318:24 Q. (BY MS. LeGRAND) -- to you?

Page 319:03 to 319:09

00319:03 A. Not that -- not that I can recall. Only
 04 in those E-mails from Michael Boerne that -- that
 05 went out saying -- regarding safety concerns.
 06 Q. (BY MS. LeGRAND) Because safety concern
 07 was the basis relayed to the co-owners of the
 08 well, correct?
 09 A. In his --

Page 319:12 to 319:13

00319:12 A. In his E-mail, he talked about safety
 13 concerns.

Page 320:17 to 320:23

00320:17 Q. (BY MS. LeGRAND) Are you eligible to
 18 receive bonuses from BP?
 19 A. Am I personally?
 20 Q. Yes.
 21 A. Yes, I am -- I am eligible.
 22 Q. All right. Is any portion of your bonus
 23 tied to success of a given prospect or prospects?

Page 321:01 to 321:07

00321:01 A. Not -- I mean, I would say, in general,
 02 not specifically tied to -- you know, if -- if a
 03 well came in -- a discovery, I -- I could
 04 sometimes get a -- what's called a "spot award"
 05 for that. But the overall kind of bonus package,
 06 that annual review, it's not specifically tied to
 07 what you refer -- reference.

Page 321:13 to 322:04

00321:13 Q. And just revisiting kind of the safety
 14 discussions we had, it sounds like the Tiger team
 15 did not convey safety concerns to you, the people
 16 that were noted in the --
 17 A. Not -- not that I can --
 18 Q. Not that you recall.
 19 A. Not that I can recall.
 20 Q. The people that were cited in your E-mail
 21 did not relay safety concerns in those excerpts?
 22 A. In -- in the --
 23 Q. In that --
 24 A. In that recommendation E-mail?
 25 Q. Right.
 00322:01 A. Correct.
 02 Q. Who at BP is ultimately responsible for
 03 the "Is it safe" -- answering the "is it safe to

04 drill" question?

Page 322:06 to 322:07

00322:06 A. It's -- it's pretty much in the -- the
07 drilling organization, the operations team.

Page 328:12 to 328:13

00328:12 Do you consider pore pressure
13 prediction to be a safety critical task?

Page 328:15 to 328:23

00328:15 A. I -- I consider pore pressure prediction
16 as -- as an important consideration when -- when
17 drilling wells.
18 Q. (BY MR. FITCH) Okay. For what reasons?
19 A. To -- to help with the -- with the
20 drilling prediction and -- and making plans to --
21 to drill the well on casing positions and -- and
22 putting together the plan. It's -- it's -- it's
23 important.

Page 334:16 to 334:24

00334:16 Q. And you also were involved in the process
17 of submitting AFEs to Anadarko, correct?
18 A. So regarding the process, no, I -- I look
19 over the AFE, and I'd -- I would sign the AFE, but
20 as far as the process to submitting it to
21 Anadarko, no, I'm -- I'm not involved in that.
22 That -- that goes into the land department
23 regarding the process of actually getting it in --
24 in -- in Anadarko's hands to the right person.

Page 346:07 to 347:24

00346:07 (Marked Exhibit No. 6363.)
08 A. Okay.
09 Q. (BY MR. FITCH) This is a -- this E-mail
10 string includes at the bottom of the Bates page
11 ending in 1518 an E-mail from Mr. Garner to a
12 number of people in- -- including you, correct?
13 A. Yes.
14 Q. And then above that, there's a -- a
15 response from you to at least Mr. Little and
16 Mr. Sims, correct?
17 A. Correct.
18 Q. Okay. And in Mr. Gar -- who's Mr. Garner,
19 incidentally?
20 A. Stan Garner worked in the HSSE team.

21 Q. I just didn't hear you.
 22 A. Yeah. Sorry my voice is going. The --
 23 I'm getting a little frog there. But --
 24 Q. He worked within the what team?
 25 A. I believe he's in the HSSE health and
 00347:01 safety team.
 02 Q. Oh, okay. Okay. And he's got a section
 03 in here in his E-mail called "GoM SPU Safety Pulse
 04 Check Process," correct?
 05 A. Yes.
 06 Q. And he wrote: "The GoM SPU Safety Pulse
 07 Check process is now ready for implementation
 08 within your operating entity per the Safety
 09 Improvement Plan. The pulse check process will be
 10 conducted on all offshore assets, rigs, marine
 11 installation vessels, and at the PMF facility."
 12 Did I read that correctly?
 13 A. Yes.
 14 Q. Do you recall the implementation and
 15 application of the safety pulse check process?
 16 A. I recall vaguely about the program, the
 17 safety pulse check program.
 18 Q. Okay. And do you recall receiving or
 19 participating in this E-mail exchange?
 20 A. I do recall, yes.
 21 Q. And do you recall that -- that since
 22 the -- the process was basically conducted on all
 23 offshore assets, including rigs, was the process
 24 implemented on the DEEPWATER HORIZON?

Page 348:01 to 348:10

00348:01 A. I -- I don't know. It looks as though --
 02 as I -- as I recall, Ian -- Ian was talking with
 03 TransOcean specifically on -- on safety pulse
 04 checks, maybe under TransOcean leadership. And so
 05 this kind of shows Ian is in -- is in -- you know,
 06 in charge of the operations. He's kind of my
 07 equivalent here, and he's saying, you know, hold
 08 off. We've basically got that under control.
 09 We're going to work with TransOcean on checking --
 10 checking the safety pulse check.

Page 348:16 to 351:01

00348:16 Q. And we need to mark this one as Exhibit
 17 6364.
 18 (Marked Exhibit No. 6364.)
 19 A. Okay.
 20 Q. (BY MR. FITCH) Do you -- do you see that
 21 in this E-mail stream that the first one
 22 chronological at the bottom of the page is -- is
 23 from Mr. Jackson of HSSE --
 24 A. Yeah.

25 Q. -- to a number of individuals, including
00349:01 you, correct?
02 A. Correct.
03 Q. And then there's a -- an E-mail above that
04 that you sent to Mr. Little and Mr. Sims, correct?
05 A. Correct.
06 Q. Okay. And do you recall that --
07 participating in this E-mail exchange as reflected
08 in this document?
09 A. Yeah. I don't -- I don't recall
10 specifically, but it -- it looks as though
11 obviously I -- I did.
12 Q. Okay. Do you see in Mr. Sims' E-mail
13 to -- that Mr. Sims sent you an E-mail with a copy
14 to Mr. Little on March 17, 2008?
15 A. Yeah.
16 Q. You see that at the top?
17 A. Yeah.
18 Q. And you see he wrote: "Horizon:
19 Questionnaires have been filled out and a set of
20 more pointed questions/topics has been developed."
21 We're "going" -- "We are going to be conducting
22 interviews and small group discussions on the rig
23 on Wednesday and Thursday of this week. Next
24 week, Ian Little, John Guide, Jake Skelton, Dave
25 Rainey?, et al, will be going to the rig on March
00350:01 27-28 to deliver the findings and rollout actions
02 based on all the feedback"?
03 Did I read that correctly?
04 A. Yes.
05 Q. Okay. And you see there is a specific
06 reference, of course, there to HORIZON, correct?
07 A. Yes.
08 Q. Okay. Do you recall that -- that there
09 was a safety pulse check process implemented on
10 and with respect to the DEEPWATER HORIZON?
11 A. Yeah. Based on that previous E-mail, I
12 kind of recall. I wasn't -- I wasn't remembering
13 this specifically, but it looks as though this is
14 right in line with that; and that, in fact, David
15 and Ian are getting after it and working with
16 TransOcean and doing a safety pulse check on the
17 rig, and they're going to be talking about the
18 findings and having a chat with the different
19 crews.
20 Q. Do you know to whom the -- the results of
21 the safety pulse check would have been
22 distributed? Would they have come to you, for
23 example, since you're involved in all this?
24 A. I -- I may have seen them, but I -- I
25 don't know the full distribution list on -- on the
00351:01 findings.

00354:01 Q. Information, knowledge, or observations
 02 among other people about the way he handled
 03 himself, the way he discharged his
 04 responsibilities, his ability to get the job done,
 05 his ability to work with other people. All the
 06 kinds of things that people normally talk about
 07 other people in an organization when you're trying
 08 to evaluate them or just see how things are going.

Page 354:10 to 354:25

00354:10 A. Yeah. I don't -- I don't recall any
 11 specific conversations. But the one specifically
 12 I do recall is that, you know, when he was coming
 13 into the team with -- with David, I did ask
 14 David -- because I didn't know -- didn't know
 15 John.
 16 Q. (BY MR. FITCH) Okay.
 17 A. And I think he was coming maybe from Mad
 18 Dog or somewhere else in -- in the Gulf of Mexico,
 19 and I asked David specifically, "Has John worked
 20 the GoM? And how is he?"
 21 And -- and David said, "Yeah,
 22 he's" -- it's my recollection and it could --
 23 could be incorrect, but I -- I recall the
 24 conversation going that John has experience and --
 25 and he's good, and he'll get the job done.

Page 356:03 to 357:01

00356:03 Q. Mr. Thorseth, my name is Jack Reynolds.
 04 I'm from the firm of Pillsbury, Winthrop, Shaw,
 05 Pittman. We represent MOEX Offshore and related
 06 MOEX entities.
 07 For the purposes of my questions
 08 today, I'll refer to them collectively as "MOEX."
 09 Do you understand that?
 10 A. Yes.
 11 Q. Okay. You understand that there was a
 12 joint operating agreement, a JOA, governing the
 13 relationship among BP, Anadarko and MOEX Offshore,
 14 correct?
 15 A. Yes.
 16 Q. Okay. You understand that under that JOA,
 17 BP was designated as the operator of the Macondo
 18 Well, correct?
 19 A. Correct.
 20 Q. You also understand that MOEX Offshore was
 21 designated as a non-operating party, correct?
 22 A. Correct.
 23 Q. As a operator, you understood that BP had
 24 the exclusive right and duty to conduct or cause
 25 to be conducted all activities or operations under
 00357:01 the JOA, correct?

Page 358:15 to 363:05

00358:15 Did you have any personal contact or
16 communications with MOEX or any of its
17 representatives in connection with the Macondo
18 Well?
19 A. I did.
20 Q. Okay. Can you tell me who, where, when,
21 what?
22 A. Yeah. The -- right. So the -- the names,
23 not sure. Did have post incident, Kirk -- as I
24 mentioned earlier, Kirk Wardlaw -- Kirk Wardlaw
25 and I called Mr. Ishii like two or three times to
00359:01 update him post -- post the incident, post April
02 the 20th. And so I had -- had contact with him.
03 Had a business meeting with MOEX at
04 the Houstonian Country Club restaurant one time,
05 as well. I do not remember who was there. But,
06 quite frankly, I'm not sure if -- if that was --
07 if that even had to do with Macondo. It might
08 have been just the business relationship in
09 general.
10 Also had contact with them, a dinner
11 meeting at Lynn's Steakhouse, if I remember right,
12 and I'm not -- again, Macondo or -- or at the time
13 not the drilling, but just the Macondo prospect,
14 might have been -- might have been discussed, but
15 I'm not sure.
16 And then I know we -- we met with
17 MOEX representatives in Westlake 4, BP's office,
18 and, again, the context of that conversation with
19 whether Macondo getting into that prospect was
20 discussed, I can't recall. But those are the --
21 kind of the key meetings that I remember talking
22 with MOEX representatives.
23 Q. Okay. Now, these business meetings, if
24 I'm counting correctly, you listed three of them.
25 Were those -- those were prior to the incident?
00360:01 A. Yes.
02 Q. Okay.
03 A. Yes.
04 Q. But the other conversations that you told
05 me about were post incident?
06 A. They were phone calls to -- to kind of
07 update after -- yeah, post incident.
08 Q. And if I'm understanding you correct,
09 these three pre-incident ones may or may not have
10 discussed Macondo, may or may not have been
11 general business relationship meetings; is that
12 correct?
13 A. That's correct. That's correct.
14 Q. Any other communications with MOEX or any
15 of its representatives pertaining to Macondo?
16 A. Pertaining to Macondo, not that I recall.

17 There could have been E-mails that I was on, cc'd,
18 or whatever. But not -- not that I can think of
19 at the moment.

20 Q. Okay. Did you have any discussions with
21 MOEX or its representatives in connection with any
22 technical matters related to the Macondo Well?

23 A. So regarding the -- for Macondo
24 considering coming into the prospect and in
25 looking at the prospect description or the -- the
00361:01 drilling of the well?

02 Q. The drilling of the well.

03 A. Okay. So regarding the drilling of the
04 well, I don't believe so, but I don't know for
05 sure.

06 Q. Okay. Did -- did you provide any
07 technical information to -- to MOEX in connection
08 with the Macondo Well?

09 A. The drilling of the well?

10 Q. Yes.

11 A. Again, not -- not that I can remember
12 right now.

13 Q. To your knowledge, did BP as the operator
14 ever consult with MOEX or its representatives with
15 respect to any health, safety or environmental
16 obligations of the operator?

17 A. I don't know.

18 Q. To your knowledge, did MOEX or its reps
19 provide any technical input related to the
20 production casing that was used for the Macondo
21 Well?

22 A. I don't know.

23 Q. To your knowledge, did MOEX or its
24 representatives provide any technical input
25 related to the type or number of centralizers used
00362:01 for the Macondo Well?

02 A. I don't know.

03 Q. To your knowledge, did MOEX or its reps
04 provide any technical input related to the
05 determination that the float collar had converted
06 on the Macondo Well?

07 A. I don't know.

08 Q. To your knowledge, did MOEX or its
09 representatives provide any technical input
10 related to decisions about the cement job for the
11 Macondo Well?

12 A. I don't know.

13 Q. To your knowledge, did MOEX or its
14 representatives provide any technical input
15 related to the decision to accept the results of
16 the negative pressure test in the Macondo Well?

17 A. I don't know.

18 Q. To your knowledge, did MOEX or its
19 representatives provide any technical input
20 related to the Temporary Abandonment Procedure for
21 the Macondo Well?

22 A. The procedure?
 23 Q. Yes.
 24 A. I don't know.
 25 Q. To your knowledge, did MOEX or its
 00363:01 representatives provide any technical input
 02 related to the use of heavy spacer material in
 03 connection with the displacement process in the
 04 temporary abandonment process in the Macondo Well?
 05 A. I don't know.

Page 363:11 to 363:15

00363:11 Q. Sure. To your -- to your knowledge, did
 12 anyone from MOEX ever visit the DEEPWATER HORIZON
 13 in connection with the drilling or the attempt to
 14 temporarily abandon the Macondo Well?
 15 A. I don't believe so.

Page 364:01 to 367:15

00364:01 Q. Good afternoon, Mr. Thorseth. My name is
 02 Joel Lowenthal. I represent Weatherford. I only
 03 have a few very brief questions for you.
 04 First, were you involved in the
 05 selection of the float collar used on the
 06 long-string on the Macondo Well?
 07 A. No.
 08 Q. Do you have any expertise, training,
 09 experience or personal knowledge regarding the
 10 design, manufacture or use of float collars?
 11 A. No.
 12 Q. Do you have any personal knowledge
 13 regarding the conversion of the float collar on
 14 the Macondo Well?
 15 A. No.
 16 Q. Have you discussed or overheard anyone at
 17 BP talking about the conversion of the float
 18 collar on the Macondo Well?
 19 A. Yeah. I -- I might have been into some
 20 kind of informal -- or, you know, conversations or
 21 overheard conversations regarding the float collar
 22 and -- and whether it converted or -- or not, yes.
 23 So I --
 24 Q. Was this pre-April 20th or
 25 post-April 20th?
 00365:01 A. Post-April 20th.
 02 Q. Okay. What type of discussion or meeting
 03 or group? Was this a -- a -- something in the
 04 hallway or a more formal meeting?
 05 A. It was more -- it was a more informal
 06 meeting.
 07 Q. Do you recall who was present?
 08 A. I'm trying to think. It was -- you know,
 09 who -- who the conversations were. It could have

10 been with Mike Zangi or David Sims.

11 Q. Okay.

12 A. You know, drilling engineers.

13 Q. Did you ask them any questions or were you
14 simply listening to a conversation they were
15 having?

16 MR. KEEGAN: Objection to the form.

17 A. I might have asked them -- you know,
18 because I don't -- as you previously found out, I
19 don't have any expertise in this area. So it was
20 more they were giving me some information. I
21 might have asked clarifying questions about how
22 does this work or how -- what could have happened,
23 but -- but that would have been it.

24 Q. (BY MR. LOWENTHAL) What do you recall
25 their description or testimony or information
00366:01 provided to you to be?

02 A. Yeah. The -- all I recall is that -- that
03 something happened for the -- for the flow to have
04 gone up the -- up the casing; that something broke
05 down in -- in that region of the float collar
06 and -- and some...

07 Q. Did they suggest or imply or state to any
08 degree of certainty whether or not the float
09 collar had malfunctioned or didn't perform the way
10 it was supposed to perform in connection with the
11 Macondo Well?

12 MR. KEEGAN: Objection to form.

13 A. Yeah. I don't -- I don't -- I'm not sure
14 if they said, "Hey, there was a malfunction," or
15 not. It was -- it was more of, "Hey,
16 something" -- "something happened" and, you know,
17 that -- that we had flow up through -- up through
18 the collar into the -- into the casing.

19 Q. (BY MR. LOWENTHAL) Okay. But did they
20 suggest in any way, shape or form that the float
21 collar failed to perform the function for which it
22 was designed and manufactured?

23 A. No, not -- not that I can recall.

24 And then -- and then the only other
25 thing that I -- I learned about the float collar
00367:01 was through the Bly report.

02 Q. Okay. Would it be fair to say that you
03 have not heard since the explosion anyone at BP --
04 and I'm putting aside the Bly Report -- but anyone
05 at BP where you have been in a conversation or
06 seen -- been in a meeting where anyone has
07 criticized or testified or -- or -- or addressed
08 the issue of the float collar's performance on the
09 Macondo Well prior to April 20th, 2010?

10 MR. KEEGAN: Objection to form.

11 A. Correct. Yeah, I haven't been involved in
12 that.

13 MR. LOWENTHAL: Okay. That's all the
14 questions I have. Thank you.

15 THE WITNESS: Okay.

Page 368:04 to 370:10

00368:04 In your position as executive -- I'm
05 sorry.
06 A. Exploration manager.
07 Q. -- exploration manager of Gulf --
08 Deepwater Gulf of Mexico, what do you mean by
09 "exploration" in that position, that title?
10 A. Good question. Not development, not
11 appraisal, but, no. So what we mean by
12 exploration is looking for new fields, new --
13 new oil and gas fields in -- in the Deepwater Gulf
14 of Mexico.
15 Q. Not appraisal, not development. How are
16 those different?
17 A. Yeah. So exploration is something new.
18 And -- and so in -- in my capacity as that, it was
19 exploration and appraisal. And so what we mean by
20 exploration is to try to find new fields never
21 found before and to -- to establish those as
22 discoveries. That -- that's our main objective.
23 And then I'm also a part of -- to do the resource
24 appraisal, which is early appraisal after you have
25 made a discovery of the first well or two to kind
00369:01 of start to see how big it might be and what
02 the -- what the limits of the field might be.
03 Q. Once the prospect is identified --
04 A. Uh-huh.
05 Q. -- by you guys and evaluated by your team,
06 is it then handed off to the drilling group to go
07 and do the operations side of that exploration?
08 A. So what happens is it is -- it -- it does
09 work in the team kind of all the way through, but
10 it is -- it is a handover from kind of the
11 exploration to the operations to kind of leading
12 the -- the op -- the well drilling, right. But I
13 should say that the subsurface staff stays as a
14 support team and individuals to help the -- the
15 drillers in the operations. So it turns from kind
16 of a lead into a support role during -- during the
17 operations.
18 Q. And I've heard you use the term "drilling
19 group" or "wells group."
20 A. Yeah.
21 Q. Are they one in the same?
22 A. Same thing. Yeah. I'm sorry. I -- I
23 have interchanged those. Before at BP they were
24 called D&C Drilling and Completions Group. In
25 today's -- in today's vernacular, they're called
00370:01 the wells organization. So I'm sorry if I've
02 mixed those, but they are -- I do mean to -- mean
03 them for being the same thing.
04 Q. And that group's expertise is the drilling

05 side of the business, correct?
 06 A. The wells organization is absolutely the
 07 experts in -- in the drilling of the well.
 08 Q. Your side is the identification and
 09 evaluation of the prospect?
 10 A. That's correct.

Page 372:01 to 372:09

00372:01 Q. Have you worked on the operations side, or
 02 have you always been the exploration evaluation
 03 side?
 04 A. I'm -- I'm -- I'm an explorer almost in my
 05 entire career.
 06 Q. You don't have any expertise in the
 07 drilling side of the business?
 08 A. That is not my expertise.
 09 Q. Okay. I asked about this before we got

Page 374:14 to 375:22

00374:14 Q. Sure. You were not involved in the
 15 day-to-day operations and maintenance of the
 16 DEEPWATER HORIZON, correct?
 17 A. Definitely not.
 18 Q. And, likewise, you weren't involved in the
 19 day-to-day operations and maintenance and testing
 20 and inspection of the blowout preventer that was
 21 on the HORIZON?
 22 A. That's correct.
 23 Q. You weren't involved in the specifications
 24 for what blowout preventer was going to be used on
 25 the HORIZON or the particular components of the
 00375:01 blowout preventer used on the HORIZON, correct?
 02 A. That is correct.
 03 Q. Are you involved in deciding which rig
 04 will be used on which prospect?
 05 A. So, yeah, I'm in- -- I'm involved in
 06 giving input into the rig schedule decision. So,
 07 the rig schedule is owned by the well's
 08 organization, the drilling organization. They
 09 lead it. They do own it, but I am in on some
 10 meetings that provides input into their scheduling
 11 decisions.
 12 And so, therefore, I may say, Hey,
 13 Prospect A, B, and C, potentially, could be ready
 14 on these particular dates and they need -- they'll
 15 need this planning time so they could spud,
 16 potentially, in this range. And so, I'm providing
 17 that input to them; but the actual decision on
 18 which rig, it -- it more stands with the well's
 19 organization.
 20 Q. And who is it that makes the final
 21 decision as to which rig would be used on which

22 well?

Page 375:24 to 375:25

00375:24 A. Yeah, I -- I'm not sure on -- on the final
25 decision-maker on that.

Page 376:08 to 377:03

00376:08 Q. Back to the -- the blowout preventer. If
09 I were going to ask questions about the operation
10 of the blowout preventer, its capabilities, its
11 design, its performance, you would defer those
12 questions to others?
13 A. I would absolutely defer those questions
14 to others.
15 Q. And any questions about the performance of
16 the blowout preventer on April 20th -- or after
17 April 20th, you have no personal knowledge,
18 correct?
19 A. Other than, say, the Bly report and kind
20 of --
21 Q. What you've read?
22 A. Yeah.
23 Q. Okay. Otherwise, as to what -- the
24 operation of the BOP on or -- on or at April 20th
25 or thereafter, again, you would defer to others?
00377:01 A. Yes.
02 Q. Have you been to well control school?
03 A. I have not.

Page 379:11 to 381:09

00379:11 Do you know when the DEEPWATER
12 HORIZON drilled to total depth on the MC 252 No. 1
13 well?
14 A. I don't recall the specific date.
15 Q. Can you take a look at Exhibit 3540?
16 A. (Witness complies.)
17 Q. What's the logging date for this wire line
18 log run?
19 A. April -- April 10th.
20 Q. And what's the drilling depth identified
21 on that document?
22 A. 18,360.
23 Q. In looking at that, do you know whether
24 the DEEPWATER HORIZON rig had drilled to a depth
25 of 18,360 prior to April 10th, 2010?
00380:01 A. Yes.
02 Q. Okay. Can you take a look at
03 Exhibit 6359, please?
04 A. (Witness complies.)
05 Q. Do you recall prior -- your prior

06 testimony about that exhibit?

07 A. Yes.

08 Q. And what's the date of the E-mails in that
09 exhibit?

10 A. The top one is April 14th. Next one is
11 April 14th -- April 14th. And the next one is --
12 all April 14th.

13 Q. As of April 14th, had the DEEPWATER
14 HORIZON rig safely drilled to a total depth of
15 18,360 feet?

16 A. Yes.

17 Q. And as of April 14th, what was your
18 recommendation about deepening the Macondo Well?

19 A. For technical reasons and lack of
20 prospectivity, that we should not deepen.

21 Q. And was there any actual deepening of the
22 Macondo Well after April 14th, 2010?

23 A. Not that I know of.

24 Q. If there had been a decision or
25 recommendation from you to deepen the MC 252 No. 1
00381:01 well, would there have been a discussion about
02 safety?

03 A. Absolutely.

04 Q. Earlier today, I noticed that you have a
05 tendency to answer questions with a "yeah" and
06 then give your answer.

07 A. Sorry about that.

08 Q. Do you intend that "yeah" to be an
09 affirmative response to the question that's asked?

Page 381:11 to 381:19

00381:11 A. No, not the -- not the final answer to the
12 question.

13 Q. (BY MR. KEEGAN) What do you intend by
14 those "yeahs"?

15 A. That I'm understanding the question as
16 it's coming along.

17 Q. Mr. Thorseth, can you take a look at
18 Exhibit 3533, which is the July 26th, 2010,
19 technical memorandum.

Page 381:25 to 382:15

00381:25 Q. (BY MR. KEEGAN) Can you read that
00382:01 paragraph at the top of Page 32 in the --

02 A. "During the initial analysis at the well
03 site, the M 57 B sand was not interpreted as
04 gas-bearing. The interpretation was based on logs
05 field print presented in Figure 30, where the M 57
06 B lacks the pronounced neutron density crossover
07 as observed in the gas-bearing M 56 A sand. In
08 addition, there was no mud gas response over
09 M 57 B."

10 Q. As you sit here today on September 19th --
11 September 20th, 2011, do you have any reason to
12 believe that anyone at BP thought that the M 57 B
13 was anything other than water prior to the blowout
14 on April 20, 2010?
15 A. Not that I know of.

Page 382:25 to 384:18

00382:25 Q. I just want to clarify a few things
00383:01 regarding some of the questions that had been
02 asked so far. And one of them relates to the
03 technical memorandum, which is Exhibit No. 3533.
04 And that's the one that refers to, at Page 31, as
05 there being "probable gas at M 57 B."
06 Are you with me?
07 A. Page 31, yes.
08 Q. Okay. That section does not say that this
09 is a draft, correct?
10 A. Yeah, I -- I don't see -- I see
11 "Version 1" on here.
12 Q. Right. But the words --
13 A. I don't see "draft."
14 Q. Right. The words "draft" are nowhere to
15 be found on this?
16 A. Not that I can see.
17 Q. And with respect to that statement,
18 "probable gas," you have not seen any version that
19 contradicts that in a similar report?
20 A. "Probable gas" on Page 31?
21 Q. Yes.
22 A. Okay. So, let me just make sure we
23 clarify here. So, you're talking about where it
24 said "probable gas" in that particular figure --
25 Q. Yes.
00384:01 A. -- or about the words up above it? Or....
02 Q. Well, that figure says: "M 57 B, probable
03 gas."
04 A. It does. But the words up above it say
05 quite a bit more.
06 Q. I understand. But we're looking at the
07 graph.
08 A. Yes.
09 Q. It says: "M 57 B, probable gas."
10 Right?
11 A. It says: "Probable gas above the
12 thermogenic front." I think that's important
13 language to be included.
14 Q. That's fine.
15 And that -- you said this is
16 Version 1, and you have not seen any other
17 version -- Version 2, 3, 4, 5, or 6 -- that says
18 anything different than that graph?

Page 384:20 to 385:03

00384:20 A. Yeah, I -- I -- I don't recall.
21 Q. (BY MR. GONZALEZ) Okay. You don't recall
22 seeing anything that contradicts that, right?
23 A. I -- yeah, I -- I don't remember one way
24 or the other.
25 Q. All right. As far as you know, that
00385:01 language -- "probable gas above thermogenic
02 front" -- was written by somebody interpreting
03 this graph, right?

Page 385:05 to 385:10

00385:05 A. Yeah. I'm -- I'm not sure who wrote --
06 who wrote those words.
07 Q. (BY MR. GONZALEZ) This memorandum was
08 prepared by the BP team responsible for preparing
09 such technical memorandas, right?
10 A. Yes. Yes.

Page 385:12 to 385:13

00385:12 Q. (BY MR. GONZALEZ) And the word "probable"
13 means "more likely than not," correct?

Page 385:15 to 385:24

00385:15 A. We'd need to -- we'd need to ask the team
16 what they meant by "probable gas above thermogenic
17 front." Also, with all the language that is above
18 that says it's approximately 2 feet thick below
19 log resolution; and then if hydrocarbons were
20 present, based on that, it was above the
21 thermogenic front.
22 So, that -- that -- that's what --
23 it's important language to understand what they
24 were trying to say.

Page 386:06 to 386:09

00386:06 Q. (BY MR. GONZALEZ) Well, you agree with me
07 that the word "probable" means "more likely than
08 not," correct? Just in its general, everyday
09 language, its meaning.

Page 386:12 to 386:20

00386:12 A. Yeah, I -- I don't know what, for sure,
13 they were meaning by that.
14 Q. (BY MR. GONZALEZ) But you agree --
15 A. Because in -- in the context --

16 Q. Well, here's my question --
17 A. -- in the context of the entire document
18 of what I know, also, that comes on pages after
19 this, I'm not sure what they mean by "probable gas
20 above the thermogenic front" for sure.

Page 386:24 to 387:04

00386:24 Q. The word "probable," do you know what it
25 means in English?
00387:01 A. Correct. I -- I do -- I mean, I have a
02 general feel for what "probable" means.
03 Q. Okay. And it means "more likely than
04 not," right?

Page 387:06 to 387:12

00387:06 Q. (BY MR. GONZALEZ) Just the word.
07 A. Yeah, I -- I mean, I think we would have
08 to -- we should get a dictionary out and look it
09 up but --
10 Q. All right. Well, will you agree with me
11 that the dictionary's definition of "probable" is
12 the appropriate definition?

Page 387:14 to 387:14

00387:14 A. I -- I don't know.

Page 388:01 to 388:07

00388:01 A. I -- I just -- I mean, just to repeat
02 myself, I don't know what the team is -- is saying
03 for -- what they mean by it. You would have to
04 ask them.
05 Q. (BY MR. GONZALEZ) Oh, I understand that;
06 but I'm asking you what your understanding of the
07 word "probable" means in the English language.

Page 388:09 to 388:10

00388:09 A. It could be meaning different things. I
10 don't know.

Page 391:04 to 391:11

00391:04 Q. Okay. We were talking about
05 Ms. Skripnikova and her deposition testimony. You
06 did not read it, correct?
07 A. Her -- that is correct.
08 Q. Were you aware that she said on Pages 210,
09 211 and 212 and 213 that the finding at 17,467

10 feet known as the section we're talking about
 11 here, M57B was probably gas?

Page 391:16 to 392:11

00391:16 A. I don't -- I don't know what she
 17 testified.
 18 Q. (BY MR. GONZALEZ) What she said was --
 19 and I'll start on Page 210, the E-mail of
 20 April 13, Line 16, is:
 21 "When I answered Mr. Bodek about the
 22 shallowest hydrocarbon bearing sand, 17,807 is
 23 where I interpreted them from, printed out. I had
 24 them that week.
 25 "So, when I came back to the office,
 00392:01 there was more information available and we put
 02 the logs in zone and into those to fit a sand and
 03 we had several engineers looking at this because
 04 of the challenge issue."
 05 Question: "Sure."
 06 Answer: "Such a tiny small zone. We
 07 decided to highlight it as a probable gas."
 08 Were you aware that she had said
 09 that?
 10 A. No.
 11 Q. She's an expert in this area, isn't she?

Page 392:13 to 392:15

00392:13 A. She's a petrophysicist.
 14 Q. (BY MR. GONZALEZ) And an expert in that
 15 area?

Page 392:17 to 393:12

00392:17 A. She is -- she is an experienced
 18 petrophysicist in interpreting logs.
 19 Q. (BY MR. GONZALEZ) Then later on,
 20 Page 212, Line 4, she was asked the following
 21 question and she gave the following answer, still
 22 speaking about Ms. Skripnikova.
 23 Question: "So, here's my question:
 24 When -- when was -- when was this more data
 25 available such that this analysis which caused
 00393:01 you-all to highlight as probable hydrocarbon zone,
 02 the one at 14,467, that -- the analysis --
 03 Answer: "The analysis was done on
 04 the day of the incident."
 05 Question: "The day of the incident?"
 06 Answer: "Yes."
 07 Question: "After the cement job was
 08 done?"
 09 Answer: "Yes."

10 Were you aware that that was her
11 position?
12 A. No.

Page 396:08 to 396:15

00396:08 Q. (BY MR. GONZALEZ) Gas is -- is a
09 hydrocarbon, right?
10 A. Gas is a hydrocarbon.
11 Q. And if gas is found at 17,467 feet, then
12 if we were to say 500 feet over that, you would
13 agree with me just on plain math, that that's
14 17,260 feet, right?
15 A. Yeah --

Page 400:18 to 400:20

00400:18 MR. KEISER: 6366.
19 Q. (BY MR. GONZALEZ) This will be 6366, and
20 it's BP-HZN-MB-100170548.

Page 402:04 to 402:06

00402:04 Q. (BY MR. GONZALEZ) Is it typical to have
05 a -- an incentive program like this where
06 individuals get a bonus for working fast?

Page 402:09 to 402:19

00402:09 A. I wouldn't -- I wouldn't --
10 MR. FITCH: Tab 11.
11 A. I wouldn't term it the way -- the way you
12 did. The -- I disagree with the form of your
13 question.
14 Q. (BY MR. GONZALEZ) Okay. So, you can
15 answer it.
16 A. The -- it is -- there are performance
17 incentives for -- for the rig for safety and --
18 and performance. That -- that does -- that --
19 that is pretty typical.

Page 403:07 to 403:09

00403:07 Q. -- then it's -- the incentive award is
08 4,525 to \$500, right?
09 A. Yeah --

Page 403:12 to 403:14

00403:12 A. I think it's -- it's important to look at
13 the whole -- the whole E-mail and how it's tied to
14 safety. Safety trumps everything.

Page 405:15 to 405:17

00405:15 Q. (BY MR. GONZALEZ) Let me phrase the
16 question. Above 75, each employee gets zero,
17 right?

Page 405:20 to 406:02

00405:20 A. Yeah. I'm not -- I'm not sure of the
21 details of the program, who -- who gets what. It
22 does say in the box above 75 to zero, but I'm not
23 sure exactly how -- how the awards -- if there
24 would be any awards.

25 Q. (BY MR. GONZALEZ) And if it's -- and if
00406:01 it's between 52 to 75 days, then there's an award
02 of 4,400 -- \$525 to \$500, right?

Page 406:05 to 406:09

00406:05 A. In the box, it says 52 to 75 or -- and
06 then 4525 to 500. Yeah, I -- I agree with that.

07 Q. (BY MR. GONZALEZ) All right, sir.
08 And -- and you've actually signed off
09 on that agreement, right?

Page 406:11 to 406:25

00406:11 A. So, on the agreement --
12 Q. (BY MR. GONZALEZ) You signed it?
13 A. Yeah. So, I signed it here and just --
14 just to make sure that we're all on the same page,
15 that there is a significant safety override
16 that -- that is -- that is the most important
17 thing here that comes next. And so, the
18 things are -- the two things are very, very tied
19 together. If the crew performs in a safe manner,
20 then -- the whole idea behind this, if the crew
21 performs in a safe manner, then they're eligible
22 to get a performance award with -- with good
23 drilling performance. That is the bottom line of
24 this type of program that's used at BP in the --
25 in the industry.