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Exhibit No. \_\_\_\_\_  
Worldwide Court  
Reporters, Inc.

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF LOUISIANA

IN RE: OIL SPILL by the OIL RIG )  
"DEEPWATER HORIZON" in the )  
GULF OF MEXICO, on )  
APRIL 20, 2010 )

MDL NO. 2179

SECTION: J

JUDGE BARBIER

MAG. JUDGE SHUSHAN

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**PENALTY PHASE**

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1 to find in any -- any large organization where  
2 early on in the year the regions or areas of  
3 the business will come up with their plans and  
4 estimates of what they would like to do in the  
5 coming year, the coming period.

6 And frequently, we'll do that  
7 process over a longer period of time. And  
8 those are then worked -- there's a field  
9 development plan in upstream, for example, at  
10 the field level. These then aggregated into a  
11 region plan.

12 The region plans are then sent  
13 to a segment team. And the segment team will  
14 look at those regional plans in the context of  
15 the globe. So they will have a point of view  
16 on the relative merits in investing in one  
17 place or another. And therefore there will be  
18 what we call overviews to -- to those regional  
19 plans because they're driven by decisions made  
20 at the segment level in the organization.

21 Those overviews may be driven  
22 by functional expertise where they want to  
23 correct what they think is -- either under- or  
24 overoptimistic view of the region or they'll  
25 be corrected because they want to reallocate

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1 resources between different activities because  
2 it's more profitable to do something in one  
3 place than another. So that planning process  
4 is a very important part of that allocation of  
5 resources and capital.

6 The next step from the segment  
7 is to then roll that through into the group.  
8 So the group would then bring all the segments  
9 together.

10 We may look at that. This is  
11 where treasury would become involved. We  
12 would calculate the funding requirements, the  
13 credit metrics, all the other aggregate  
14 metrics that are important for a company like  
15 ours.

16 And we may say, you know, that  
17 doesn't work from an -- from an aggregate  
18 perspective. We would give our perspective.  
19 And then there would be an iteration back to  
20 the segments, which may involve an iteration  
21 back to the regions as well.

22 Describing regions in upstream.  
23 There's a different terminology in downstream  
24 but it's exactly the same. In fact, one of  
25 the exhibits for the future projections we'll

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1       come to later, if you want, is -- is an  
2       example of a feed in that way.

3                       So then what happens, at the --  
4       you asked for allocation of resources.

5       BY MS. FLICKINGER:

6                       **Q.       Uh-huh.**

7                       A.       Then what happens at the group  
8       level is we then have a common understanding  
9       of what the group wants to do, which means  
10      that the subsidiary companies in each of the  
11      locations have got a context in which to  
12      work.

13                      Now, there's a -- there's a  
14      process called the corporate structure and  
15      financing process that is run by tax and  
16      treasury whereby we would take the group's  
17      view of what it would like to do and  
18      implement that in the context of the legal  
19      entity structures and the funding  
20      requirements that are required for those.

21                      So let's say, for example, one  
22      of the plans was to open up in a new area.  
23      Let's say the plan was to -- somewhere we had  
24      never worked before, we want to create a  
25      legal entity and we want to go and spend the

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1 money.

2 So the group would create a new  
3 company, if it needed to, for regulatory or  
4 tax or other reasons in that location. They  
5 would need permission from treasury and tax  
6 to do so.

7 Perhaps you would open a bank  
8 account because you need to have a physical  
9 bank account in a country in order to manage  
10 the operations. You may have other things  
11 that are required. You need to constitute a  
12 board, articles of association, everything  
13 else.

14 Q. Okay. So if I can --

15 A. Yeah.

16 Q. -- just try to summarize what  
17 you've been saying here, it sounds as if, in  
18 terms of evaluating the project you're going  
19 to go forward with, that it starts with the  
20 business unit or the SPU at the regional  
21 level and they devise their plan and then  
22 that goes up to the segment level and it's  
23 kind of harmonized with all the regions that  
24 are within that segment, correct?

25 A. Yeah.

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1 field-by-field basis or a well-by-well basis,  
2 correct?

3 So this -- this group plan  
4 template already is an aggregation of  
5 schedules and costs and projections from each  
6 of the hubs in the Gulf of Mexico and the  
7 other exploration projects, correct?

8 MR. BROCK: Object to the form.

9 THE WITNESS: So I'll tell you  
10 what I know --

11 BY MS. FLICKINGER:

12 Q. Okay.

13 A. -- from my personal knowledge,  
14 and it is that we have -- field development  
15 plans is the terminology. And you're right  
16 that they link to those hubs.

17 And, of course, they're  
18 unconstrained. They're what people want to  
19 do with those assets, which we then need to  
20 aggregate; say, as a region, this is what  
21 makes sense. And then as a segment, there  
22 will be an aggregation and a reallocation of  
23 resources, and then it would go to group as  
24 well.

25 Q. Okay. And do you know what, if

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1       **any, changes were made between this regional**  
2       **document and the final plan that is reflected**  
3       **here on slide 42?**

4           A.       So I know there were overviews  
5       made. I spoke to Ronnie Stott, who runs  
6       the -- as well as being the CFO of OB and C,  
7       he runs the team that -- the group planning  
8       team. So these are the people that take the  
9       segment feeds and pull it all together.

10           And he explained to me, one  
11       particular number in here for operating cash  
12       flow was stated as the number we'll come to,  
13       but it was overviewed down for the purposes  
14       of this presentation to 5.5 billion.

15           So the number for 2018 that  
16       sits behind this representation in this graph  
17       is 5.5 billion. When we come to look at the  
18       number in here, you'll see a number that's  
19       higher.

20           **Q.       Okay. And why was it moved**  
21       **down?**

22           A.       So I don't have the details of  
23       why it was moved down. I only know that it  
24       was moved down. I know that from a  
25       conversation with Ronnie.

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