

Deposition Testimony of:

Michael Beirne

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Page 11:09 to 11:11

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

Page 11:14 to 11:16

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

Page 12:05 to 12:15

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

Page 12:25 to 13:02

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

Page 14:14 to 14:20

00014:14 Q. Okay. By the way, which BP
15 entity were you -- were you and are you
16 employed by, if you know?
17 A. In the Gulf of Mexico I know
18 it's BP Exploration & Production Inc.
19 Whether that's my formal employer, I'm not
20 sure. I know that's the entity.

Page 15:18 to 16:03

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

02 A. And also with some regulatory
03 agencies to a certain extent as well.

Page 17:06 to 19:11

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

10 A. Yeah. It was -- Tom Lee was
11 the --

12 Q. Yeah.

13 A. -- land negotiator who
14 originally -- I don't know if he
15 originally -- but at the time before I took
16 it over, he was working -- working the
17 prospect. Tom was retiring from BP, and so I
18 was assigned that from Tom.

19 Q. Okay. Well, that was going to
20 be my next question; that is, why was there a
21 need to switch? And it was because Tom Lee
22 was retiring?

23 A. Yes, sir.

24 Q. Okay. All right. Now, what was
25 your job -- what were you asked to do? When
00018:01 you took over Tom Lee's job, what was the
02 goal of whatever it was that you were trying
03 to accomplish?

04 A. At the time my understanding
05 was -- I believe this was summer of 2009 --
06 we were in the process -- I say we -- BP was
07 in the process of marketing a percentage of
08 the interest in the Macondo prospect.

09 Q. Okay. Is your -- does your
10 group also have the responsibility on
11 deciding when to market percentages of a
12 particular well to other investors, or does
13 that happen at some other location or some
14 other -- you know, in the hierarchy of the
15 company?

16 A. It's my understanding it happens
17 at a different part of the company, a higher
18 level.

19 Q. Do you have any understanding as
20 to why BP decides to sell interest in a
21 particular prospect? What are the conditions
22 or circumstances that would suggest that be
23 done?

24 A. My understanding, it can be for
25 a number of reasons. Strategically there may
00019:01 be some other opportunities in other areas of
02 the Gulf of Mexico we may be interested in
03 having an ownership in. That -- a company
04 that owns that may want to have an interest
05 in our prospect we're marketing.

06 Or an example in the Macondo
 07 would be if we had a -- we thought we may tie
 08 it back to a certain platform, it would make
 09 sense maybe to have a -- the partner or
 10 co-owner in that platform. Things of that
 11 nature --

Page 19:14 to 19:18

00019:14 Q. Do you know where in the company
 15 the decision to sell interest in prospects
 16 are made?
 17 A. Not -- no, sir, not specifically
 18 the level.

Page 22:21 to 23:11

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

Page 23:22 to 24:11

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

Page 24:17 to 24:25

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

Page 25:02 to 25:03

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

Page 25:07 to 25:08

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

Page 25:10 to 25:12

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

Page 25:17 to 27:04

00025:17 Q. Okay. That's all right.
 18 Anybody else?
 19 A. I can't think of any others at
 20 the time right now.
 21 Q. Right. Now, who else is on your
 22 team, now that we've gotten the engineering
 23 or the geologists' side down?
 24 A. Just to clarify, it's not my
 25 team. I'm part of that team.
 00026:01 Q. The team. Forgive me.
 02 A. Yes, sir.
 03 Q. Who else is a part of the team?
 04 A. That's all I can think of now
 05 from a drilling side. They weren't always
 06 involved necessarily in the presentations,
 07 but Mark Hafle was the drilling engineer.
 08 Q. Was he involved in the
 09 presentation?
 10 A. I did not -- I was not involved
 11 in all the presentations. I -- without
 12 looking back at our attendee list, I don't
 13 recall whether he was or not.
 14 Q. Okay. What is his role?
 15 A. His role with BP is a drilling
 16 engineer.

17 Q. Okay. But what is his role with
18 regard to marketing this prospect?

19 A. If he was involved in the actual
20 marketing, he is the drilling engineer, so he
21 would be the contact for the drilling
22 engineer.

23 Q. All right. In other words, if
24 some of the potential investors had any
25 questions about how this well was going to be
00027:01 drilled, would he be the person to whom you
02 would go to get that information?

03 A. Yes, sir. He would be my first
04 person I would contact.

Page 27:09 to 27:15

00027:09 Q. So we have the geology group or
10 the reservoir, the scientists. We have the
11 drilling side. And then we have, I suppose,
12 folks in your group who would be the
13 marketers and the contract negotiators?
14 A. Yes, sir, that's a fair
15 characterization.

Page 28:25 to 29:01

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

Page 29:05 to 29:09

00029:05 A. I -- yeah, I don't know exactly
06 what "market" is, but my role would be to be
07 part of the team on -- if we decided we
08 wanted to market up part of the well, then I
09 would assist in that.

Page 30:17 to 30:21

00030:17 Q. All right. So let's see if we
18 can attack it from this angle. There was an
19 interest on the part of BP to locate
20 investors in this well, but only on their
21 terms; is that accurate?

Page 30:23 to 31:04

00030:23 A. No, I don't know entirely
24 accurate. I would think, like we do almost
25 on every prospect, we -- we look at possibly
00031:01 marketing it.

02 Q. (BY MR. BRUNO) Okay.

03 A. And under the right

04 circumstances, we would -- we may market it.

Page 31:08 to 31:11

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

Page 31:16 to 32:16

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

Page 32:18 to 33:09

00032:18 A. You know, I'm not sure exactly
19 all what -- all the responsibilities of the
20 operator. I -- from a very high level, BP
21 would be the operator, would file the
22 permits, bring a drilling well in the -- if
23 they were co-owners, the non-operators would,
24 you know, perform their duties under the
25 operating agreement.
00033:01 Q. (BY MR. BRUNO) Uh-huh. All
02 right. Well, are these operating agreements
03 standard in the industry, or do you -- you
04 know, can you negotiate the various
05 responsibilities between the co-owners and
06 the operator?

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

Page 33:22 to 34:06

00033:22 Q. (BY MR. BRUNO) And I meant
23 it -- I mean the question to be in a general
24 way, because obviously you can always have
25 terms that are different from contract to
00034:01 contract.
02 But overall, is it -- would it
03 be your view that the co-owners in a well
04 where BP is the operator have a general --
05 very general understanding of their various
06 responsibilities?

Page 34:09 to 34:14

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

Page 34:17 to 35:09

00034:17 A. I -- we do -- we did not. In
18 all the presentations I've been involved
19 with, that was not a --
20 Q. (BY MR. BRUNO) Okay.
21 A. -- a topic.
22 Q. Okay. All right. Now, I
23 neglected to ask this question. But with
24 regard to the amount or the percentage that
25 would be available to the co-owners, is that
00035:01 decision made in another part of the company,
02 or is that -- is that one of those things
03 that would be within your area of
04 responsibility to -- to assess whether or not
05 there was -- I think you described it --
06 something that the company would be
07 interested in pursuing?
08 A. No. That would come from a
09 higher level.

Page 36:18 to 37:10

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

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

Page 38:18 to 39:21

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

Page 40:06 to 40:14

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

12 That was -- you know, estimated potential
13 resources, I believe, would be how they were
14 described.

Page 42:20 to 42:25

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

Page 45:03 to 45:15

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

Page 45:17 to 45:20

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

Page 47:08 to 48:25

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

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

Page 49:25 to 50:07

00049:25 Q. All right. So to go back a
 00050:01 little bit, not only are you told by some
 02 other group that there is an interest in
 03 selling, and not only are you told what
 04 interest BP is interested in selling, but
 05 you're also told the amount of money or
 06 compensation that BP is looking for for this
 07 interest; is that true?

Page 50:09 to 50:19

00050:09 A. Not exactly being told. I think
 10 sometimes we have an idea of what type of
 11 deal or transaction we're looking at. For
 12 example, maybe a trade as opposed to a cash.
 13 Q. (BY MR. BRUNO) Well, let's
 14 just -- let's go through both of those
 15 potential scenarios. Okay.
 16 If they're looking for cash,
 17 does this other group in BP tell you that
 18 that's what they're interested in, a cash as
 19 opposed to a trade?

Page 50:21 to 52:25

00050:21 A. Those type decisions would come
22 down -- I would look to my boss for those --
23 Q. (BY MR. BRUNO) I hear that
24 part. But what I'm saying -- I'm trying to
25 understand is whether or not those decisions
00051:01 are made in your group, or they're made in
02 some other group at BP?
03 A. It would be my -- they're made
04 in another group.
05 Q. That's all I'm trying to
06 understand. All right.
07 So your group doesn't have the
08 opportunity to say, "Okay. We want cash as
09 opposed to a trade," or do you?
10 A. I would think we have
11 opportunity to have input.
12 Q. Okay. All right. So some other
13 group indicates to your group, well, we're
14 interested in cash primarily or trade
15 primarily or a mixture. In other words, you
16 have a sense of what BP wants in terms of
17 compensation for the particular interest that
18 you've then devised to go market. Is that
19 accurate?
20 A. I'd say yes, sir. A lot of it
21 depends on the point in time as well. Early
22 on, you know, we may have -- or we may have a
23 direction of a general kind of structure.
24 But once you get more into the detailed
25 negotiations, of course you would get more
00052:01 detail.
02 Q. All right. Now, in these
03 discussions about price, be it for cash or
04 trade, is there a discussion as to how much
05 it will cost to drill the well?
06 A. Yes, sir. The initial
07 exploratory well, yes, sir.
08 Q. All right. And I take it that
09 that's a number that BP comes up with?
10 A. Yes. We come up with the
11 estimated costs of the initial exploratory
12 well. That is a BP number, yes, sir.
13 Q. All right. Now, obviously there
14 are contingencies, particularly in an
15 exploratory well, which would make the cost
16 of drilling the well go higher than one would
17 expect; isn't that true?
18 A. Yes, sir. It's -- in the AFEs
19 there are estimates.
20 Q. All right. And what I'm trying
21 to understand is that once an investor
22 commits to become an investor, do they also
23 have an opportunity -- I'm sorry -- do they
24 also commit to pay these unforeseen

25 additional costs of drilling?

Page 53:03 to 53:06

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

Page 53:23 to 54:25

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

Page 55:02 to 55:13

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

Page 55:16 to 56:12

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

Page 56:15 to 57:03

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

Page 61:05 to 62:22

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

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

Page 63:24 to 64:13

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

Page 71:18 to 71:23

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

Page 72:03 to 72:20

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

Page 72:22 to 72:22

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

Page 72:24 to 73:08

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

Page 73:10 to 74:10

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

16 A. I'm not sure exactly. I had
17 begun to keep a list of the folks that we
18 had -- or the companies we had showed to, and
19 there was more than just MOEX and Anadarko.

20 Q. All right. Now, attached to
21 your e-mail, according to the verbiage of the
22 e-mail, are the slides from the BP Macondo
23 presentation, right?

24 A. I'm sorry. What was the
25 question?

00074:01 Q. I said attached to the e-mail
02 are the slides of the presentation?

03 A. I believe it's a --
04 representative of a short pack from the
05 presentation.

06 Q. What is a short pack?

07 A. Usually in the marketing
08 presentations they can -- there are 50 to a
09 hundred slides, and it contains a lot of
10 seismic data in there --

Page 74:12 to 74:15

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

Page 74:17 to 75:24

00074:17 A. -- that takes out that.

18 Q. All right. Is there -- on that
19 subject, is there any requirement by BP that
20 the folks who attend these presentations sign
21 confidentiality agreements?

22 A. Yes, sir, the company does. But
23 before we would show them the presentation,
24 they would be under -- the company would be
25 under a confidentiality agreement.

00075:01 Q. And so the -- tell what us what
02 the procedure is. How does that actually get
03 done?

04 A. From a general standpoint,
05 usually what we do is we send an executive
06 summary. This is the prospect we're
07 marketing. If you're interested, then let us
08 know and we'll send you a confidentiality
09 agreement to review.

10 Q. Okay. All right. And despite
11 that, BP still doesn't want to send out by
12 e-mail the entire presentation?

13 A. I would say it's more of we may
14 not be permitted to. A lot of seismic, for
15 example.

16 Q. Okay. Well, tell me why it

17 would be that seismic -- when you say, We are
 18 not permitted to, BP doesn't permit you? Who
 19 is the person not permitting you to send
 20 seismic material?

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

Page 78:09 to 78:12

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

Page 78:17 to 80:12

00078:17 Q. Well, the bottom line says:
 18 Overall chance of success is.
 19 What does CA dot refer to?
 20 A. I'm not certain what CA dot
 21 stands for.
 22 Q. But it says 67 percent?
 23 A. Yes, sir.
 24 Q. There is a pretty good
 25 likelihood that this well was going to
 00079:01 produce hydrocarbons, right?
 02 A. I don't know whether it was a
 03 good likelihood it would produce. I believe
 04 that was referring to the chance that they
 05 may find hydrocarbons.
 06 Q. All right. Well, how does that
 07 number relate to you in terms of your
 08 experience in being able to market interest
 09 in wells? Is this -- is this number a good
 10 number, a bad number, a medium number, or
 11 what -- what -- help us understand what this
 12 means in your world.
 13 A. In my world --
 14 Q. Yeah.
 15 A. -- from three years' experience
 16 in looking at and hearing about some
 17 prospects, they go anywhere from, I think,
 18 20 -- you know, could be 20 percent to
 19 67 percent. I don't know how they calculate
 20 those numbers.
 21 Q. All right. But based upon what
 22 you've just told me, does that mean that
 23 67 percent is on the high end of the
 24 potential for success scale?
 25 A. Against other ones I've seen and
 00080:01 heard about, that was -- this was a higher
 02 chance of success from an exploration
 03 standpoint.

04 Q. Right. Have you seen a
 05 percentage higher than 67 percent in your --
 06 in your experience?
 07 A. Not of chance of success, no.
 08 No, sir.
 09 Q. All right. So this -- then can
 10 I conclude that this well was on the top of
 11 the scale with regard to the chance of
 12 success to finding hydrocarbons?

Page 80:14 to 81:01

00080:14 A. It was my understanding in -- in
 15 sitting through the presentations, my view
 16 was it was a -- or from an exploration, it
 17 was a better chance of finding hydrocarbons
 18 than some other prospects I'd seen.
 19 Q. (BY MR. BRUNO) All right.
 20 Well, I understand that. But in fairness to
 21 me, you told me that the high end of the
 22 scale was about 67 percent.
 23 All I'm trying to find out is
 24 whether or not this well, with regard to its
 25 potential for success related to finding
 00081:01 hydrocarbon, is at the high end of the scale?

Page 81:03 to 81:05

00081:03 A. I don't know whether it's at the
 04 high end of the scale, but it's the highest
 05 that I have seen in my limited experience.

Page 81:11 to 83:03

00081:11 Q. All right. Next document is
 12 173697. It's entitled Well Plan, and it's
 13 one page. Is this what you had in your mind
 14 in -- when you were describing well plan in
 15 response to my previous questions this
 16 morning?
 17 A. Yes, sir. It was a version -- a
 18 version of -- I know that wellbore schematic
 19 on the right is one of the things that comes
 20 to mind.
 21 Q. Okay. All right. So we see on
 22 the left: Well plan is the same as Isabela.
 23 Did you have any knowledge about
 24 the well plan for Isabela so that you could,
 25 you know, answer questions about this
 00082:01 subject?
 02 A. No, sir.
 03 Q. All right. How about the seven
 04 casing strings? Would you have enough
 05 knowledge to answer questions about seven

06 casing strings?
 07 A. No, sir.
 08 Q. Okay. And then it says:
 09 Possibly eliminate the 11-3/4 string.
 10 Do you know what that means?
 11 A. No, sir.
 12 Q. Do you know if the diagram on
 13 the right is showing an 11-3/4-inch string?
 14 A. I do not know whether it is or
 15 it is not.
 16 Q. All right. And it says they're
 17 planning to run production casing. Do you
 18 know what that means?
 19 A. My understanding of it is in the
 20 success that we would run the production
 21 casing --
 22 Q. All right.
 23 A. -- while the rig was still
 24 there.
 25 Q. All right. So does it logically
 00083:01 follow, then, that part of the exploration
 02 costs would include the cost of running the
 03 production casing?

Page 83:05 to 83:09

00083:05 A. Internally it actually came
 06 up -- and I don't know if this answers your
 07 question -- but the cost of setting the
 08 production casing was actually charged in
 09 another group.

Page 86:16 to 86:16

00086:16 (Exhibit 2823 was marked.)

Page 92:13 to 92:22

00092:13 Q. What is the difference between a
 14 development well and an exploration well?
 15 A. Without the exact definition, I
 16 don't know the exact definitions off the top
 17 of my head. But an exploration well would be
 18 the first well drilled in the prospect.
 19 Q. Okay.
 20 A. A development well could be the
 21 second or it could be even further down the
 22 line.

Page 97:05 to 97:22

00097:05 Q. All right. The next page is --
 06 looks like another sign-in sheet for a

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

Page 98:14 to 100:09

00098:14 All right. Let's go to Tab 3.
 15 This is BP-HZN-2179MDL2319086, in seriatim,
 16 to 16 -- 116. 2319116. I'm going to mark
 17 this as Exhibit 2824.
 18 (Exhibit 2824 was marked.)
 19 Q. (BY MR. BRUNO) Do you know what
 20 this is, sir?
 21 A. Sir, this appears to be a lease
 22 exchange agreement between BP and two
 23 Anadarko entities.
 24 Q. This is a draft, I think, right?
 25 Look at the next document. I just want to
 00099:01 see if we can --
 02 A. Sir, this one appears to be
 03 executed on Page 13 of 13.
 04 Q. Okay. All right. Thank you.
 05 There is an attachment, Exhibit A-1, the
 06 assigned leases.
 07 A. Okay. I see it.
 08 Q. All right. Tell us what this
 09 is.
 10 A. This is a lease exchange
 11 agreement that sets out the exchange between
 12 BP and two Anadarko entities for their
 13 assignment of a portion of BP's interests in
 14 Macondo for an assignment of some other
 15 leases from the two Anadarko entities.
 16 Q. All right. What -- what
 17 ownership interest did Anadarko get as a
 18 result of the signing of this agreement?
 19 A. I believe -- I need to look at
 20 the exhibit to be certain.
 21 Q. Look at 2319101. Maybe I got it
 22 wrong.
 23 A. Yeah, it's that exhibit.
 24 Yes, sir. This agreement would

25 have BP, after BP had owned it at a -- I'm
00100:01 not sure if it was 90 percent at this point.
02 I believe it was 90 percent. It reflects
03 BP's after -- after-exchange interests of
04 65 percent, and then one of the Anadarko
05 entities with 22 and a half percent and the
06 other with 2.5 percent.
07 Q. Okay. So the -- so essentially
08 the Anadarko interests owned 25 percent after
09 this document was signed?

Page 100:11 to 101:25

00100:11 A. Being the two -- the two
12 Anadarko entities combined --
13 Q. (BY MR. BRUNO) Yes.
14 A. -- owned 25 percent, yes, sir.
15 Q. All right. And do I gather,
16 then, that BP had previously sold 10 percent
17 to someone else?
18 A. Yes, sir. I believe at that
19 point we had assigned 10 percent to MOEX.
20 Q. All right. And this document
21 was signed on December the 17th of '09?
22 A. It appears. The date is
23 December 17th on Page 13, yes, sir.
24 Q. All right. And do you know if
25 Anadarko still had an obligation to fund the
00101:01 drilling costs or any portion thereof?
02 A. In signing this agreement?
03 Q. Yes.
04 A. Yes, sir, they did. They at the
05 same time signed another agreement that had
06 more detail --
07 Q. All right.
08 A. -- about that.
09 Q. Now, this document was signed
10 after the drilling had commenced, based upon
11 your previous testimony. Is that accurate?
12 A. Yes, sir.
13 Q. And in fact this document was
14 signed after drilling had ceased because of
15 the hurricane event. Isn't that true?
16 A. Yes, sir.
17 Q. All right. Is that customary in
18 the industry that you would execute a lease
19 agreement, even though you'd already started
20 the drilling?
21 A. I've had limited experience in
22 the three years, but it's certainly not
23 uncommon in the two ones I've done. It's
24 happened with a party after we began
25 drilling.

Page 102:25 to 105:15

00102:25 Q. All right. Let's go to the next
00103:01 document, which is 2319125, in seriatim, to
02 239137. I'm going to mark this as 2825.
03 (Exhibit 2825 was marked.)
04 Q. (BY MR. BRUNO) Do you know what
05 this is, sir?
06 A. This is the Macondo Prospect
07 Well Participation Agreement.
08 Q. All right. This is the document
09 which obligates Anadarko to pay a certain
10 portion of the drilling costs?
11 A. Yes, sir. I believe it has a
12 provision in there that they will pay a
13 disproportionate amount.
14 Q. All right. Do we know what that
15 disproportionate amount is? If we look at
16 Page 6 of 11.
17 A. Yes, sir. They were -- to
18 summarize, they were to pay 33.33 percent up
19 to, I believe, the earlier of objective depth
20 or 110 percent of the estimated costs in the
21 original AFE.
22 Q. All right. And the original AFE
23 is the document which is the last document in
24 this agreement, or last document in
25 Exhibit 2825. Is that accurate?
00104:01 A. 2825. This is entitled:
02 Exhibit B, Well Plan and AFE.
03 Q. So it's the last document in the
04 exhibit?
05 A. In this, it appears so.
06 Q. All right. So is that the
07 authorization -- is that the AFE?
08 A. This doesn't appear to be a
09 complete copy. I believe it has "Page 1
10 of 3" at the bottom.
11 Q. Okay.
12 A. But from what I recall, we took
13 the original -- the AFE with the estimated
14 cost and placed it as an exhibit to this
15 agreement.
16 Q. All right. And your
17 recollection was that it was a three-page
18 exhibit and not one?
19 A. That's my recollection, yes,
20 sir.
21 Q. And what was the amount of the
22 AFE?
23 A. On this exhibit the total
24 project cost was -- \$96,100,000, was the
25 estimated project cost.
00105:01 Q. All right. Explain to us: What
02 is an authorization for expenditure?
03 A. It's my understanding it is a

04 document that's generated under the joint
05 operating agreement that provides for the
06 funding of an operation or drilling of a
07 well.
08 Q. All right. Who is the person
09 giving the authorization?
10 A. In the Macondo well?
11 Q. Yes. This one right here.
12 A. The authorization was sent out
13 or provided for in these agreements where BP
14 would send it, and then it would go as an
15 election to the nonoperating parties.

Page 107:08 to 107:12

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

Page 113:05 to 113:09

00113:05 just finished looking at Exhibit 2826. And
06 now we're going to go to 75003 to 75005,
07 which I'm going to mark as 2827, which you
08 will see is connected to the same set of
09 e-mails. It's the next yellow page.

Page 114:02 to 114:20

00114:02 Now, so tell us what's going on
03 in this exchange.
04 A. From what I recall, I'd sent out
05 the copy of the AFE and well plan, or the
06 draft of it at that point. And Nick Huch
07 from Anadarko said, We need more detail on
08 how that 96.1 million is derived.
09 And so my -- I sent a note to
10 our drilling engineer, Mark Hafle, asking him
11 would he be available, or can you just
12 provide me the requested information.
13 Q. Okay. Now, Hafle responds by
14 saying: It's not customary to give them much
15 detail. Past exploration wells have had all
16 comms with partners go through the land
17 department.
18 Do you see that? It's in the
19 first page of the exhibit.
20 A. I do.

Page 117:20 to 119:01

00117:20 Q. Yeah. We're going to mark this
 21 as 2828.
 22 (Exhibit 2828 was marked.)
 23 Q. (BY MR. BRUNO) Do you see that?
 24 A. Yes, sir.
 25 Q. And this is from you. It says:
 00118:01 Gents, please let me know if the following
 02 definition of objective depth at Macondo is
 03 okay.
 04 And then you have in quotes:
 05 Objective depth shall be the first of the
 06 following to occur: 19,650 TBD, a depth
 07 sufficient to test benthic foraminifera
 08 Roblus L. interval as seen in BP's MC 562
 09 OCS-G19966#1 well; or, C, an onset of
 10 pressure beyond 18,650 TBD that requires a
 11 new casing string to continue -- and there is
 12 a blank there -- drilling.
 13 Did you write that, what's in
 14 bold?
 15 A. No, sir. That was provided by
 16 the subsurface group.
 17 Q. All right. Do you know what it
 18 means?
 19 A. I understand what 19,650 feet
 20 TBD is.
 21 Q. Right.
 22 A. Beyond that, I don't understand
 23 in detail, no, sir.
 24 Q. All right. Do you understand an
 25 onset of pressure beyond 18,650 feet TBD?
 00119:01 A. No, sir.

Page 121:16 to 122:15

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

11 expenditure. Is that accurate? And this one
12 we can read.
13 A. Yes, sir, this appears to be the
14 one that was attached to -- or it was part of
15 the MOEX one, yes, sir.

Page 122:24 to 123:19

00122:24 Q. Okay. Thank you. All right.
25 Would you look at the next document, which
00123:01 has been marked already in the Wardlaw
02 deposition as Exhibit 3013. We used the same
03 exhibit number.
04 A. Yes, sir.
05 Q. And if you look at it very
06 briefly, it's -- obviously, it's an
07 invitation to play golf. And I was just
08 curious about Mr. Wardlaw's sentiment:
09 Wouldn't invite someone from the team as they
10 might be asked questions they shouldn't
11 answer. Howe or Tate would be fine.
12 Do you see that? It's on the
13 first page.
14 A. On the first page?
15 Q. Yeah. It's from Wardlaw to you,
16 November 19th, 2:46 p.m.
17 A. Okay.
18 Q. Do you recall that?
19 A. Yes, sir.

Page 124:18 to 125:12

00124:18 Q. Okay. All right. Let's go to
19 Tab 6 after the first yellow piece of paper.
20 And it's a document number 97441. We're
21 going to mark it as 2831.
22 (Exhibit 2831 was marked.)
23 Q. (BY MR. BRUNO) It's an e-mail
24 from Mark Hafle to Nick Huch, copying you.
25 A. Yes, sir.
00125:01 Q. All right. Tell us what this
02 is.
03 A. Appears to be a note from our
04 drilling engineer, Mark Hafle, stating the
05 estimated costs of what was spent in 2009 on
06 the Macondo well and how much they expect to
07 be spending in 2010.
08 Q. All right. So am I gathering
09 from this e-mail that Hafle is the guy that
10 is knowledgeable about the costs of this
11 well?
12 A. Yes, sir.

Page 127:11 to 127:22

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

Page 130:07 to 131:10

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

Page 131:12 to 132:01

00131:12 A. I think it would be more
 13 accurate were Mr. Ishii asked, We received
 14 this type of drilling plan at Will K. Do you
 15 have one like this for Macondo?
 16 Q. (BY MR. BRUNO) Okay. And since
 17 you hadn't seen Will K., you say to yourself,
 18 I need to see what he's talking about, right?

19 A. Yes, sir.
 20 Q. That's why you asked him for a
 21 copy of the drill plan, right?
 22 A. Yes, sir.
 23 Q. Okay. Now, this next document
 24 is 99615, in seriatim, to 99619. I'm going
 25 to mark this as 2832.
 00132:01 (Exhibit 2832 was marked.)

Page 132:14 to 133:10

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

Page 148:07 to 150:02

00148:07 Q. All right. Thank you. Let's
 08 look at DWHMX 70243 and 44, which has already
 09 been marked as 1245. This is February 19
 10 where Mr. Ishii -- I'm sorry -- Mr. Naoki is
 11 asking again for a drill plan.
 12 A. I'm sorry. Exhibit 1245 at the
 13 bottom?
 14 Q. Yes.
 15 A. All right.
 16 Q. So this is yet another request
 17 by Mr. Naoki for the drilling plan, right?
 18 MR. BOLES: Object to the form.
 19 A. It appears from the e-mail he's
 20 asking what we had discussed previously, the
 21 Will K., or if we had a version of the
 22 Will K. drilling plan for Macondo.
 23 Q. (BY MR. BRUNO) Right. But this
 24 is post-lunch?
 25 A. It appears, yes.

00149:01 Q. Okay.
 02 A. I don't remember the exact
 03 dates.
 04 Q. Well, he says -- and then you
 05 respond: I will check. I know the drilling
 06 folks are in possession of planning the P&A.
 07 What are you referring to there?
 08 A. It looks like I was -- thought
 09 he was talking about Will K. And Will K.
 10 was -- that they were -- we were at that time
 11 in the process of planning a plugging and
 12 abandonment of that well.
 13 Q. He says: No, you -- no, I'm
 14 talking about the Macondo, in response.
 15 And he says: Do you remember
 16 that we requested you to provide us with the
 17 Macondo drilling plan? Sorry for the
 18 confusion.
 19 Do you see that?
 20 A. Yes, sir.
 21 Q. All right. And then you say:
 22 Not a problem. I'll get back to you. Have a
 23 good weekend.
 24 Right?
 25 A. Yes, sir.
 00150:01 Q. So this is his second request
 02 for the drill plan?

Page 150:04 to 150:08

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

Page 150:10 to 150:11

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

Page 154:16 to 156:06

00154:16 writing to Kirk Wardlaw, and you're saying:
 17 Any thoughts on whether we should/need to
 18 provide the detailed drilling procedure?
 19 Thanks, Mike.
 20 Do you see that?
 21 A. Yes, sir.
 22 Q. Okay. So obviously they're
 23 still bugging you about that, right? That
 24 is, Ishii is?
 25 A. Sir, I wouldn't characterize it
 00155:01 as "bugging."

02 Q. Well, he still wants the
 03 information. How about that?
 04 MR. BOLES: Object to the form.
 05 A. The information he was
 06 requesting in the form of the Will K.
 07 Drilling Plan.
 08 Q. (BY MR. BRUNO) Correct. He
 09 still wants it?
 10 A. He's still asking if we have the
 11 Macondo information in the same form as the
 12 Will K.
 13 Q. And you don't have it?
 14 A. I personally don't have it, and
 15 I'd sent a note to Mark.
 16 Q. Because you're requesting it?
 17 A. That's right. I requested it
 18 from Mark.
 19 Q. And now you're asking Wardlaw to
 20 get involved, right?
 21 A. It appears I'm asking Kirk a
 22 question.
 23 Q. Right.
 24 A. Yes, sir.
 25 Q. Did he respond?
 00156:01 A. I do not know.
 02 Q. It's March by this time, right?
 03 A. Yes, sir.
 04 Q. The last request was in
 05 February, right?
 06 A. Yes, sir.

Page 156:10 to 156:14

00156:10 (Exhibit 2840 was marked.)
 11 A. Sir, can I clarify? I'm not
 12 sure when the last request was on the last
 13 part of that question, if it was February or
 14 not. I don't recall.

Page 156:19 to 157:08

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

08 to send it?

Page 157:10 to 157:19

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

Page 157:21 to 158:03

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

Page 158:05 to 158:15

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

Page 158:17 to 158:17

00158:17 A. I don't know.

Page 160:04 to 161:14

00160:04 Q. Okay. We have yet another
05 e-mail from Mr. Ishii Naoki, and he is still
06 looking for the well plan, apparently. Is
07 that accurate?
08 MR. BOLES: Objection; form.
09 A. It appears he's looking for --
10 I'm not sure what all is in the well plan,

11 but it appears he's still looking for the
12 form -- he's looking for something in that
13 Will K. form.

14 Q. (BY MR. BRUNO) Okay. And
15 again, to be very precise -- I say "again"
16 because if we look back at 2840, that e-mail
17 was dated March the 12th, and this e-mail is
18 dated March the 16th. So this is yet another
19 request for whatever it is he means by a well
20 plan. Is that accurate?

21 A. What was the other document you
22 referenced, sir?

23 Q. 2840, right before it, where you
24 say: MOEX called again.

25 A. And that's March 11th at
00161:01 9:55 a.m.?

02 Q. That's right. Okay. And then
03 your response. And then this is another one
04 that's dated March 15th, right?

05 A. Yes, sir. What was -- can you
06 repeat the question.

07 Q. Just to confirm that this is yet
08 another request for whatever he means to
09 refer to for a well plan.

10 A. It appears it's a request for
11 the same --

12 Q. Okay.

13 A. -- type of information.

14 Q. All right. Let's look at

Page 170:02 to 170:12

00170:02 Q. (BY MR. BRUNO) All right.
03 Well, who was the person who put into motion
04 the supplemental authorization for
05 expenditure in this instance?

06 A. We're back to this Exhibit 2379?

07 Q. Yes.

08 A. It appears Ms. Semina Sewani --

09 Q. Okay.

10 A. -- in her original e-mail.

11 Q. And she is responding to

12 Mr. Hafle's e-mail, right?

Page 170:14 to 171:19

00170:14 Q. (BY MR. BRUNO) We see Hafle, we
15 see Semina, and then we see you?

16 A. I was looking at the original
17 one. It looks like Semina created the
18 document on Wednesday, March 27th.

19 Q. Okay.

20 A. And then it appears Mark sent
21 some projected costs.

22 Q. Right. To her?

23 A. To her.
 24 Q. And she responded by drafting a
 25 supplemental authorization for expenditure?
 00171:01 A. It appears she's stating that
 02 she needed to do a supplemental FM prior to
 03 sending an AFE.
 04 Q. Okay. But again, that's not
 05 responsive to the question. She drafted the
 06 supplemental authorization for expenditure?
 07 A. I don't know for sure whether
 08 she drafted it.
 09 Q. Who drafted it?
 10 A. It likely came from the project
 11 services group with Mr. Hafle's input.
 12 Q. Okay. What is an FM?
 13 A. A financial memorandum.
 14 Q. And who issues the financial
 15 memorandum?
 16 A. It's an internal BP document.
 17 Q. So before you get approval from
 18 your partners, you have to get approval from
 19 within BP?

Page 171:21 to 172:02

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

Page 172:04 to 172:06

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

Page 172:19 to 174:04

00172:19 Q. March 23 at 8:15 in the morning
 20 she says: Mike, we need to first get a
 21 supplemental FM in place before we start
 22 circulating AFEs? I will keep you informed
 23 as soon as we get the FM ready.
 24 So my question to you is: Did
 25 you not know what she meant?
 00173:01 A. It appears she was asking me a
 02 question that -- of a BP internal policy
 03 question, perhaps, that I did not know the
 04 answer to.
 05 Q. Well, you respond. You say:
 06 Thanks. We need to be sure we get something

07 out ASAP so we are not exposed when the spend
 08 goes above 126 million.
 09 Right?
 10 A. Yes, sir.
 11 Q. You didn't write her back and
 12 say, I don't understand?
 13 A. What I was telling her is we
 14 need to send out -- we have the supplemental
 15 AFE up to --
 16 Q. Right.
 17 A. -- about 126 million, and we
 18 needed to do the external -- we needed to
 19 have an AFE out externally before that spend.
 20 Q. Agreed. I'm just trying to
 21 understand whether you do or you don't know
 22 anything about FMs?
 23 A. I don't -- I did not address
 24 her --
 25 Q. Okay.
 00174:01 A. -- question on that.
 02 Q. So you know nothing about it,
 03 right?
 04 A. About that policy.

Page 175:14 to 178:16

00175:14 Q. Yeah. It's in the same tab
 15 you're in, just moved in a little bit. This
 16 is 2319416, in seriatim, to 2319419. And
 17 this is -- it will be marked as 2846.
 18 (Exhibit 2846 was marked.)
 19 Q. (BY MR. BRUNO) This includes
 20 the second supplemental authorization for
 21 expenditure; is that correct? It's in front
 22 of the yellow. You've got your hands on it.
 23 A. Do I have it here?
 24 Q. Yeah, you've got it.
 25 A. The 9416 at the end?
 00176:01 Q. 9416 continuing to 9418.
 02 A. Yes, sir.
 03 Q. So this is in fact the second
 04 supplemental which brings the authorized
 05 expenditures to \$151 million, correct?
 06 A. I believe that the question was
 07 total project costs to 151 million?
 08 Q. That's right.
 09 A. All right. Yes, sir, this was
 10 the cover letter with the second
 11 supplemental, yes, sir.
 12 Q. Okay. And then at Exhibit 1921,
 13 which is the next exhibit, and it's three
 14 pages. 30687, 30688, 30689, 30690, we have
 15 Anadarko agreeing and signing the second
 16 supplemental authorization, correct?
 17 A. Yes, sir.

18 Q. All right. And let's -- just
 19 for completeness, 178328 and 178329 I'm going
 20 to mark as 2847, which is the MOEX approval
 21 of the same document. Is that correct? Is
 22 that accurate?
 23 (Exhibit 2847 was marked.)
 24 A. Just let me confirm. I just
 25 want to make sure. Yes, sir, the second
 00177:01 supplemental. That's correct.
 02 Q. (BY MR. BRUNO) Thank you. All
 03 right. Let's go to the next document, which
 04 is 1250. This is dated --
 05 MR. BRUNO: Is this more than one page?
 06 Q. (BY MR. BRUNO) Do you see it?
 07 A. It's 1250?
 08 Q. Yeah.
 09 A. That's right at Tab 9.
 10 Q. Right. Here we have March 15.
 11 This is the same -- this is yet another
 12 request for the well plan dated March the
 13 15th?
 14 A. Which well plan?
 15 Q. It's -- if you look on Monday,
 16 March the 15th: Mike, thank you for your
 17 time last Friday.
 18 Followup on the discussion:
 19 Macondo status & way forward.
 20 And then, 2, the: Macondo well
 21 plan.
 22 Is this -- maybe I'm mistaken.
 23 Is this the e-mail that resulted from the
 24 luncheon, or is this another request for a
 25 well plan?
 00178:01 A. I don't recall.
 02 Q. Okay. And then you write back
 03 and you say: Can you provide more detail on
 04 the information Kanoo-san requested (see the
 05 second bullet point below).
 06 Which is the well plan.
 07 And you say: I do not believe
 08 we have a more detailed well plan, but
 09 perhaps may be able to provide specific
 10 detail.
 11 Do you see that?
 12 A. Yes, sir.
 13 Q. All right. Now, in fact there
 14 is a more detailed well plan. You couldn't
 15 drill the well without a more detailed well
 16 plan; isn't that true?

Page 178:18 to 178:25

00178:18 A. I don't know whether there is.
 19 The well plan can include a lot of things.
 20 Q. (BY MR. BRUNO) Sure. But

21 you're saying you didn't have a more detailed
22 well plan. You didn't mean to suggest that
23 BP didn't have a detailed well plan because
24 you need a well plan to drill the well; isn't
25 that true?

Page 179:02 to 179:20

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

Page 179:22 to 179:25

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

Page 180:07 to 183:09

00180:07 (Exhibit 2848 was marked.)
08 Q. (BY MR. BRUNO) And you write to
09 Mark: MOEX is pushing to get the requested
10 information in bullet points 2 and 3.
11 Regarding bullet point 2, I sent him a note
12 telling him that we do not have a more
13 detailed well plan, but perhaps may be able
14 to answer some specific questions, and you
15 can see their reply. If we do not have
16 anything, let me know and I will tell them
17 just that.
18 And you're writing this to Mark
19 Hafle, correct?
20 A. Yes, sir.
21 Q. Did you have any understanding
22 as to what Mark Hafle thought Mr. Naoki
23 wanted?

24 A. I believe in looking at these,
25 this is back to they wanted a well plan in
00181:01 the format of the Will K. well. It was a
02 format they were looking for.
03 Q. Well, did you have a discussion
04 with Mark Hafle about this on the phone?
05 A. I don't recall.
06 Q. All right. Well, if they were
07 looking for a format, why did you suggest
08 that he simply answer some questions? That's
09 not a format.
10 A. I'm not sure I understand your
11 question. Can you repeat or rephrase it.
12 Q. You've told us repeatedly that
13 what Mr. Naoki wanted was a form or format
14 which contained certain information. And
15 you've said repeatedly and you responded in
16 e-mail: We don't have it.
17 And in this e-mail you say:
18 Well, maybe we can give him answers to some
19 questions.
20 And clearly, to me, an answer to
21 a question is not a form or a format. It's
22 information.
23 A. What I believe I was concluding
24 at that point is we didn't have the format of
25 what they wanted, but I didn't know whether
00182:01 that information -- they already had it
02 through other channels --
03 Q. Right.
04 A. -- or we were just trying to
05 provide them -- I was trying to go another
06 avenue.
07 Q. Sure. And what you concluded
08 was: Well, maybe we can give him some
09 information which might satisfy him.
10 Isn't that accurate?
11 A. Again, not knowing what
12 information exactly he wanted, I didn't
13 know -- I was trying to get us -- ask Mark if
14 maybe he would be available to answer --
15 Q. Okay.
16 A. -- a specific question.
17 Q. All right. If you look at
18 the -- would you look at the e-mail from
19 Hafle to Morel above. It says: Brian, here
20 is something I've been hoping would go
21 away... It hasn't.
22 Do you see that?
23 A. Yes, sir.
24 Q. Did you have any indication from
25 Mr. Hafle that he was hoping that this
00183:01 request by Mr. Naoki would simply go away?
02 A. No, sir. I was not on that
03 e-mail.
04 Q. Understood. That's why I asked

05 the question the way I did.
 06 A. No, sir.
 07 Q. Okay. So you had no knowledge
 08 of Hafle's views as expressed in this e-mail.
 09 Is that accurate?

Page 183:11 to 183:11

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

Page 186:08 to 186:08

00186:08 (Exhibit 2850 was marked.)

Page 186:16 to 187:12

00186:16 Q. All right. Now, this is not
 17 colorized. Is it fair to conclude that the
 18 indented sections in a different typeface are
 19 the ones that were in red?
 20 If we look at the e-mail from
 21 Mr. Shinjiro Naito, there's a variety of
 22 paragraphs, 1 and 2. And then there's below
 23 that what appears to be a smaller typeface
 24 below each.
 25 A. Yes, sir.
 00187:01 Q. Okay. Is that the response?
 02 A. I believe your question is: Is
 03 that representative of what the comments
 04 were?
 05 Q. Yes.
 06 A. I think it's -- it probably is.
 07 It -- I recall seeing the red, but it looks
 08 like it's a different size font, but --
 09 Q. But you had nothing to do with
 10 the -- with preparing the answers; is that
 11 accurate?
 12 A. No, sir.

Page 190:24 to 191:14

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

11 as of that date, right?
12 A. Yes. It appears that I'm
13 sending a note to MOEX indicating that the
14 total gross spend was 136.1 million.

Page 191:25 to 192:01

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

Page 192:03 to 192:18

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

Page 195:15 to 195:23

00195:15 Q. Let's start with the joint
16 operating agreement. You mentioned earlier
17 that part of your job responsibility was to
18 negotiate joint operating agreements with
19 co-owners that you were entering into
20 agreements with; is that correct?
21 A. Yes, ma'am. I was involved on a
22 team of folks that would do that, among other
23 things.

Page 196:03 to 197:05

00196:03 Q. The base agreement ultimately
04 that was used kind of as the starting point
05 for the negotiation, was that -- am I correct
06 in thinking that that was based on the
07 agreement for the Gouda prospect?
08 A. Yes, ma'am, I believe you are
09 correct.
10 Q. And is it your understanding
11 that the Gouda prospect is another agreement
12 between BP and Anadarko and MOEX?

13 A. Yes, ma'am, I believe that is
14 correct.

15 Q. Okay. And then that was used,
16 then, to negotiate -- as the basis for
17 negotiation of the Macondo joint operating
18 agreement?

19 A. Yes, ma'am.

20 Q. Great. To your knowledge, after
21 you submitted the base agreement to MOEX, I
22 believe, do you know if there was anything
23 that they suggested in their response that
24 concerned the rights or duties of the
25 co-owners?

00197:01 A. I don't recall everything. The
02 one thing that comes to mind I know that they
03 were wanting to -- wanting to put in the
04 agreement was the preferential right to
05 purchase.

Page 197:20 to 198:24

00197:20 Q. Let's actually turn to the
21 document, the joint operating agreement,
22 which is Tab 1. It's previously marked in
23 other depositions as Exhibit 1243. There is
24 also an attachment to that at the very last
25 page, 1243A.

00198:01 Let's start with Article 5,
02 which, I believe, are the rights and duties
03 of the operator; is that correct?

04 A. Yes, ma'am. On Page 20 --

05 Q. Yes.

06 A. -- of the operating agreement?

07 Q. Uh-huh.

08 A. Yes, ma'am.

09 Q. Actually, let's start with 5.2.

10 And you can read it to familiarize yourself
11 with that provision.

12 A. Yes, ma'am.

13 Q. Great. And under this
14 provision, it requires the operator to
15 consult with the nonoperating parties, in
16 this case the co-owners, Anadarko and MOEX,
17 to consult with them and keep them informed
18 of important matters; is that correct?

19 A. Yes, ma'am.

20 Q. Unless as otherwise provided in
21 the agreement.

22 What do you understand BP's
23 responsibilities were to consult with
24 Anadarko and MOEX and to keep them informed?

Page 199:01 to 199:04

00199:01 Q. (BY MS. HARVEY) What sorts of

02 matters would you say that BP would be
03 required to consult with Anadarko and MOEX
04 on?

Page 199:06 to 200:07

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

Page 200:18 to 200:20

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

Page 200:22 to 200:24

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

Page 202:10 to 203:08

00202:10 Q. And are you aware whether, with
11 respect to the Macondo prospect, the
12 application for permit to drill and
13 amendments were provided to the parties?
14 A. I did not -- I did not provide

15 it. I don't know whether it was. I know I
 16 was not requested to provide it. I don't
 17 know whether it was or not.
 18 Q. Okay. If it wasn't provided,
 19 would a party -- could they come to you and
 20 ask you for that kind of information?
 21 A. Yes, ma'am, they certainly
 22 could.
 23 Q. Okay. One of the types of
 24 information that appears that the operator is
 25 to provide is, quote, realtime information;
 00203:01 is that correct?
 02 A. Yes, ma'am. I believe it -- if
 03 it's available, that we -- we are to provide
 04 it.
 05 Q. Do you know if this provision
 06 that discusses the provision of realtime
 07 data, whether that's a common provision in an
 08 operating agreement?

Page 203:10 to 203:14

00203:10 A. Yes, I believe it is. I believe
 11 it is in the 2007 AAPL model form.
 12 Q. (BY MS. HARVEY) And do you know
 13 why that type of information would be
 14 provided to participating parties?

Page 203:16 to 203:24

00203:16 A. No, I don't know exactly why.
 17 Keep them informed would be my assumption.
 18 Q. (BY MS. HARVEY) And if a party
 19 was granted access -- if the data was
 20 available in realtime and the party was
 21 granted access to that, if they had a
 22 question about the -- the data, they could
 23 come to BP, right?
 24 A. Yes, ma'am.

Page 204:01 to 205:06

00204:01 Q. (BY MS. HARVEY) And if you
 02 didn't know the answer, if they came directly
 03 to you, you could refer them to somebody in
 04 your technical group?
 05 A. Yes, ma'am. And I did do that
 06 on numerous occasions.
 07 Q. Can you recall a time when they
 08 came -- when one of the nonoperating parties
 09 came and asked you a question based on
 10 something that they had -- some kind of data
 11 that they had been provided?
 12 A. One of the e-mails that comes to

13 mind is -- came from MOEX, where they asked
14 some detailed drilling questions, and I had
15 forwarded it to our drilling engineer.

16 Q. And to your knowledge, did the
17 drilling engineer provide responses to those
18 questions?

19 A. Yes, ma'am, to my knowledge,
20 they did.

21 Q. Was that Mr. Hafle that they
22 then asked the questions to in that e-mail
23 you're discussing?

24 A. Yes, ma'am. The one that I have
25 in mind was sent to Mr. Hafle, yes, ma'am.

00205:01 Q. And if one of the drilling
02 partners came to you with a request for
03 information that hasn't been provided to
04 them, you would do your best to try to
05 determine first whether -- or determine
06 whether you could provide that information?

Page 205:09 to 205:11

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

Page 206:17 to 207:03

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

22 A. Yes, ma'am.

23 Q. Do you recall sending this
24 e-mail?

25 A. Yes, ma'am.

00207:01 Q. And are you attaching certain
02 safety documents to this e-mail?

03 A. Yes, ma'am, it appears so.

Page 207:07 to 207:15

00207:07 Q. Okay. And when it says under
08 the attachments the EPA general permit, do
09 you know what that is?

10 A. I believe it would be
11 Environmental Protection Agency general
12 permit.

13 Q. Okay. And the EP public?

14 A. I think that may be the
15 exploration plan.

Page 207:19 to 208:06

00207:19 Q. Okay. So this was some
 20 information that you were -- this is some
 21 information related to health, safety and the
 22 environment that you were providing to
 23 Mr. Ishii?
 24 A. Yes, ma'am, it appears that
 25 that's what it is, yes.
 00208:01 Q. Do you recall whether Anadarko
 02 asked for similar information?
 03 A. I don't recall whether they did
 04 or not.
 05 Q. Okay. Let's turn back to the
 06 operating agreement, Article 6.

Page 208:08 to 208:12

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

Page 208:14 to 209:23

00208:14 A. In summary, in just not reading
 15 through the whole part, I believe Article 6,
 16 what -- it mainly goes through what the --
 17 when AFEs may be required and detailing, for
 18 instance, when a supplemental may be
 19 required.
 20 Q. (BY MS. HARVEY) Okay. For
 21 example, when a activity or operation exceeds
 22 \$500,000 or more, an AFE -- under this
 23 agreement, an AFE will be prepared?
 24 A. Yes, ma'am.
 25 Q. So when you're preparing -- or
 00209:01 when the AFE is prepared, it's broken down --
 02 each participating party contributes its --
 03 its share of -- for the proposed operation;
 04 is that correct?
 05 A. Yes, ma'am. The shares can vary
 06 depending on the operation.
 07 Q. Right. And in this case, at
 08 least with respect to the initial AFE,
 09 Anadarko was paying for 33 percent of those
 10 costs; is that correct?
 11 A. Yes, ma'am. With certain
 12 limitations in their -- in the well
 13 participation agreement, it provides that
 14 they'll pay, I believe -- I'm summarizing
 15 from what I remember -- 33.33 percent, up to
 16 a limit of 110 percent of the AFE or
 17 objective depth -- reaching objective depth,

18 the earlier of the two.
 19 Q. That's for operations with
 20 respect to that initial exploratory well,
 21 correct?
 22 A. Operate at the initial
 23 exploratory AFE.

Page 210:01 to 211:23

00210:01 Q. And so they are billed for the
 02 costs pursuant to the terms of the -- of
 03 their contribution levels?
 04 A. Yes, ma'am.
 05 Q. Okay. And taking as an example
 06 that first AFE -- we can -- we can turn to
 07 it, if you want. It's -- we'll look at Tab
 08 No. -- that's the supplemental -- Tab No. 5.
 09 And this is previously introduced
 10 Exhibit 1919.
 11 A. Yes, ma'am.
 12 Q. So this is the AFE for the --
 13 the drilling of the initial well, correct?
 14 A. Yes, ma'am. This appears to be
 15 the initial AFE that was provided to
 16 Anadarko.
 17 Q. And it details certain costs of
 18 this -- of this operation; is that correct?
 19 A. Yes, ma'am.
 20 Q. So there is included both
 21 intangible costs and tangible costs; is that
 22 correct?
 23 A. Yes, ma'am.
 24 Q. Do you have an understanding
 25 after the tangible costs what that is
 00211:01 specifying?
 02 A. I have a general understanding
 03 that tangible would be some hard equipment,
 04 such as a wellhead cost. But I don't
 05 understand the details of it.
 06 Q. And -- okay. Do you understand
 07 what the tubular -- a tubular -- under the
 08 tangible costs, what that means?
 09 A. No, ma'am, I do not.
 10 Q. Okay. But it's your
 11 understanding that it is some sort of
 12 equipment that is associated with the well?
 13 A. That's -- that's my
 14 understanding, yes, ma'am.
 15 Q. And Anadarko is, under this AFE,
 16 being asked to authorized -- authorize
 17 expenditure for that equipment; is that
 18 correct?
 19 A. My understanding under this
 20 agreement, that they're authorizing the
 21 spending within the scope of that AFE. To

22 the extent of a specific detailed, every
23 piece of equipment, I don't know.

Page 212:08 to 212:22

00212:08 Q. (BY MS. HARVEY) Under the joint
09 operating agreement, parties are billed for
10 certain costs; is that correct?
11 A. Yes, ma'am.
12 Q. When they are billed for those
13 costs, is something additional other than
14 this AFE provided to them?
15 A. Yes, ma'am. I believe they get
16 a joint interest bill. I don't know if it's
17 monthly or -- I believe monthly, but they get
18 a -- I believe they get a joint interest
19 bill.
20 Q. And are you involved at all in
21 the putting together of that bill?
22 A. No, ma'am.

Page 213:07 to 213:12

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

Page 213:14 to 213:23

00213:14 A. I may be. Not necessarily. So
15 I'm not sure who keeps the accounts, payments
16 and who they communicate with.
17 Q. (BY MS. HARVEY) To your
18 knowledge from when Anadarko and MOEX signed
19 on to this agreement until April 20th, had
20 you heard anything about them -- let's first
21 start with Anadarko -- had you heard that
22 Anadarko had not paid any of its bills?
23 A. No, ma'am.

Page 213:25 to 214:12

00213:25 A. No, ma'am, I had not heard that.
00214:01 Q. (BY MS. HARVEY) With respect to
02 MOEX, the same time period from when they
03 signed on to the agreement in November to the
04 incident on April 20th, had you heard whether
05 or not -- had you heard that they had not
06 been paying their bills?
07 A. I don't recall hearing anything

08 of that nature.
09 Q. Let's go back to the operating
10 agreement, Article 7, so Exhibit 1243. Let's
11 go to Page 36 at the bottom of the page.
12 7.3, Access to Lease and Rig.

Page 214:15 to 214:16

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

Page 214:18 to 215:08

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

Page 216:06 to 216:20

00216:06 Q. (BY MS. HARVEY) The -- if you
07 read the last full sentence in the provision:
08 Except as otherwise provide in Article 6.3(b)
09 (Default) and in Exhibit "F," each party
10 shall have access to all drilling rigs,
11 production systems and facilities to observe
12 and expect -- inspect operations in wells in
13 which it participates (and the pertinent
14 records and other data).
15 Did I read that correctly?
16 A. Yes, ma'am, you did. I see it
17 now.
18 Q. So they could have also asked
19 for records concerning the drilling rig; is
20 that correct?

Page 216:23 to 216:23

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

Page 218:05 to 218:08

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

Page 218:10 to 218:17

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

Page 218:20 to 218:23

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

Page 219:08 to 219:16

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

Page 219:18 to 219:21

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

Page 221:12 to 222:11

00221:12 Q. Right. And here at Macondo,
13 were -- when the decision was made to call
14 total depth, had the criteria set forth in
15 the AFE regarding objective depth -- to your
16 knowledge, had those been met?
17 A. No, ma'am, not to my knowledge.
18 Q. And so why was it that BP called
19 total depth at that time?

20 A. I was not involved in the
 21 decision, but it was communicated to me.
 22 From my understanding, there was a wellbore
 23 stability issue.
 24 Q. And that's what Mr. Bodek
 25 communicated to you in the e-mail that was
 00222:01 discussed in the previous portion of the
 02 deposition?
 03 A. Yes, ma'am.
 04 Q. This article also allows parties
 05 to propose subsequent operations that may
 06 occur after total depth is called, is that
 07 correct, at Article 10.2?
 08 A. Yes, ma'am, it does.
 09 Q. Do you know examples of what
 10 kinds of activities the co-owners could
 11 propose?

Page 222:15 to 223:01

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

Page 223:04 to 223:04

00223:04 (Exhibit 2855 was marked.)

Page 223:08 to 224:13

00223:08 Q. So it appears from this e-mail
 09 that you are setting forth certain
 10 obligations under the JOA that are triggered
 11 at this point in time, which is after BP has
 12 called total depth; is that correct?
 13 A. Yes, ma'am.
 14 Q. And can you summarize the first
 15 bullet that you have there. What -- what was
 16 your understanding of BP's obligations at
 17 this time?
 18 A. Yeah. I'm saying this to make
 19 sure that all the drilling folks were aware
 20 of our obligations, as you stated. And in
 21 the first one it says: Complete the
 22 evaluation program as outlined in the

23 original AFE.
 24 It's part of the original AFE.
 25 It's to drill to objective depth and then
 00224:01 evaluate. And then once that's completed and
 02 all the results are distributed, then at that
 03 point the operator is provided the
 04 opportunity to propose a subsequent operation
 05 under objective depth.
 06 Q. And here did BP propose a
 07 subsequent operation?
 08 A. Not in this e-mail, but --
 09 Q. No, no, no. To your knowledge.
 10 A. Yes, ma'am. It -- and we had
 11 been in communications with -- excuse me --
 12 our co-owners that at this point our
 13 recommendation was to set production casing.

Page 224:15 to 225:05

00224:15 Q. (BY MS. HARVEY) And you say,
 16 quote: We need to be sure we have co-owner
 17 approval prior to initiating this operation,
 18 end quote.
 19 And that's with reference to the
 20 production casing AFE; is that correct?
 21 A. Yes, ma'am. The context on that
 22 was we needed to be sure we had approval so
 23 that in the instance that another co-owner
 24 may want to do an operation that has a higher
 25 priority under that article in the operating
 00225:01 agreement.
 02 Q. So the co-owner could propose
 03 prior to setting of the production casing
 04 doing another one of the operations that you
 05 described in Article 10.2; is that correct?

Page 225:08 to 225:23

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

Page 226:01 to 226:15

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

Page 226:17 to 227:07

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

Page 227:10 to 227:19

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

Page 227:22 to 228:10

00227:22 A. Yes, ma'am. Or they could have

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

Page 228:14 to 228:19

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

Page 228:24 to 229:13

00228:24 Q. And just to close the loop on
 25 this, ultimately Anadarko did provide its
 00229:01 approval to TA the well; is that correct?
 02 A. Yes, ma'am.
 03 Q. And do you recall when they
 04 provided that approval?
 05 A. I believe it was on April 19th
 06 or 20th. I don't recall the exact date, but
 07 I believe it was one of those two dates.
 08 Q. If you'd turn to Tab 58. This
 09 is previously introduced Exhibit 1931.
 10 A. Yes, ma'am. I can -- it was the
 11 Anadarko -- the two Anadarko entities in the
 12 document I'm provided approved the temporary
 13 abandonment on April 20th.

Page 229:17 to 229:17

00229:17 (Exhibit 2856 was marked.)

Page 229:21 to 230:02

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

02 A. -- to the e-mail.

Page 230:07 to 230:23

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

Page 232:09 to 232:15

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

Page 233:09 to 233:23

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

Page 234:07 to 235:22

00234:07 Q. Okay. And I'll turn your

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

Page 235:24 to 236:05

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

Page 236:08 to 236:21

00236:08 A. At my level, I don't -- they
 09 weren't necessarily -- they were approving

10 the drilling of the well based on those
 11 estimated costs. In the documents the AFE
 12 provided, it doesn't, from what I've seen,
 13 get down to every -- you know, how many
 14 pieces of pipe or material they're going to
 15 buy.

16 So I'm not sure that answers
 17 your question, but that's my understanding.

18 Q. (BY MS. HARVEY) But you also
 19 said that there was a procedure by which
 20 parties were billed for operations at the
 21 well; is that correct?

Page 236:24 to 237:15

00236:24 Q. (BY MS. HARVEY) Through the
 25 joint billing procedure?

00237:01 A. Yes, ma'am. I'm not sure what
 02 the procedure is, but in my understanding
 03 we -- as costs are incurred in drilling,
 04 joint interest bills are issued.

05 Q. Okay. If you could actually
 06 turn to one of those bills at Tab 13. And I
 07 just want to make sure I get the -- starting
 08 with Bates No. ANA-MDL 000031079.

09 Is this an example of an invoice
 10 that was sent to Anadarko providing billing
 11 that party for costs associated with the
 12 Macondo well?

13 A. I don't receive these. It
 14 appears that, but I'm not familiar with these
 15 documents.

Page 237:17 to 237:25

00237:17 A. It does appear be an invoice.

18 Q. That was sent to Anadarko?

19 A. Yes, ma'am.

20 Q. And if you'd turn to the Bates
 21 number ending 31084.

22 A. 31 -- okay. Yes, ma'am.

23 Q. Does that appear to itemize
 24 certain tangible equipment for the Macondo
 25 well?

Page 238:03 to 238:11

00238:03 A. In my understanding of tangible,
 04 a casing line pipe conductor, that would be
 05 considered tangible. It does itemize that.
 06 Quite a few casing -- or CSG, which is -- my
 07 understanding is casing.

08 Q. (BY MS. HARVEY) And it also
 09 appears that in addition to the casings,

10 there is an item labeled Wellhead on the next
11 page; is that correct?

Page 238:13 to 238:18

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

Page 238:20 to 238:23

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

Page 239:07 to 239:15

00239:07 Q. (BY MS. HARVEY) It's come to my
08 attention that we did not mark for the record
09 a previous exhibit with the subject Macondo
10 Safety Information that was dated
11 November 4th, Bates numbered
12 BP-HZN-MBI00174135. And that is an e-mail
13 which says that it's attaching certain safety
14 documents to Naoki Ishii; is that correct?
15 A. Yes, ma'am.

Page 239:20 to 239:24

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

Page 241:07 to 241:21

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

19 would then assign its interest to Anadarko
20 Petroleum Corporation under the terms of the
21 lease exchange agreement?

Page 241:23 to 242:19

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

Page 242:21 to 243:09

00242:21 A. Yes, ma'am.
22 Q. (BY MS. HARVEY) And was it
23 your -- after this lease exchange agreement
24 was -- was signed and AE&P and APC each
25 received their percentage of the record title
00243:01 interest in the lease, do you recall when AEP
02 then assigned its percentage of APC?
03 A. I don't recall the exact dates,
04 but I believe it was in April, around the
05 beginning of April 2010.
06 Q. Do you recall why that
07 assignment didn't happen immediately as
08 contemplated under Section 2.2 of the lease
09 exchange agreement?

Page 243:11 to 243:20

00243:11 A. No, ma'am, I'm not aware of why
12 it -- it did not happen immediately.
13 Q. (BY MS. HARVEY) Did you have
14 any discussions with your counterparts at
15 Anadarko about why the assignment did not
16 occur immediately?

17 A. I may have. I don't
18 specifically recall an instance, but I may
19 have sent a note asking them for an update on
20 it.

Page 243:23 to 244:01

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

Page 244:03 to 244:06

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

Page 245:09 to 246:02

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

Page 247:02 to 247:09

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

Page 247:11 to 247:14

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

Page 247:20 to 247:23

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

Page 248:02 to 249:04

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

Page 249:07 to 249:15

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

15 this agreement?

Page 249:17 to 249:23

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

Page 250:08 to 251:17

00250:08 Q. And is the initial exploratory
09 well later defined in the agreement?
10 A. Yes, ma'am, I believe it is.
11 Yes, ma'am, it is a defined term.
12 Q. If you could read the definition
13 of Initial Exploratory Well.
14 A. Initial Exploratory Well means
15 the well currently being drilled by
16 Operator -- which is a defined term -- on the
17 Macondo Prospect Area in which APC will
18 participate under the terms of this
19 Agreement. IEW and Initial Exploratory Well
20 include Substitute Well(s), as defined in the
21 Macondo Operating Agreement, for the IEW.
22 The interest in the IEW assigned to APC
23 consists of all tangible personal property in
24 the well, including the tubular and wellhead
25 costs as set forth in the AFE.
00251:01 Q. Now, this is the -- the final
02 definition of Initial Exploratory Well,
03 correct?
04 A. Yes, ma'am.
05 Q. You indicated earlier that
06 you -- sorry. You did not. We were talking
07 about the lease exchange.
08 Was this the initial draft that
09 was sent to Anadarko? Were there any changes
10 made from when you initially sent Anadarko a
11 draft and the final agreement, which is
12 Exhibit 1943?
13 A. "This" being 1943?
14 Q. Yes.
15 A. Okay. Yes, ma'am. From what I
16 recall, there were several rounds of comments
17 between both parties, Anadarko and BP.

Page 252:06 to 252:15

00252:06 Q. If you could turn to Tab 22,
07 please. This is an e-mail beginning with

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

Page 253:04 to 253:23

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

Page 254:03 to 254:06

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

Page 254:14 to 254:21

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

Page 254:23 to 255:14

00254:23 A. My understanding is the

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

Page 255:16 to 255:24

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

Page 257:02 to 257:13

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

Page 257:15 to 257:20

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

Page 257:22 to 258:08

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

Page 258:13 to 258:16

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

Page 258:18 to 260:09

00258:18 A. Yes, ma'am.
 19 Q. (BY MS. HARVEY) Let's look at
 20 Tab 51 -- oh, sorry. Sorry. It's not 51.
 21 Sorry. Did I say Tab 41 before or 51?
 22 It's 41.
 23 A. Tab 41.
 24 Q. Sorry. This is also previously
 25 introduced in your earlier testimony as
 00259:01 Exhibit 2836.
 02 And this is an e-mail from Bobby
 03 Bodek -- or Mr. Bodek discussing realtime
 04 access -- realtime data access for persons at
 05 MOEX; is that correct?
 06 Let's start with -- let's start
 07 with the e-mail in the middle of the page
 08 that's dated February 1st with the subject:
 09 Macondo realtime data access.
 10 A. Yes, ma'am.
 11 Q. Okay. And is that an e-mail in
 12 which Mr. Ishii from MOEX is specifying the
 13 persons from MOEX who will be accessing --
 14 who MOEX would -- wants to arrange for them
 15 to have access to the realtime data
 16 transmission; is that correct?
 17 A. Yes, ma'am, that appears to
 18 be --
 19 Q. And --
 20 A. -- the case.
 21 Q. -- there are five individuals
 22 listed; is that correct?
 23 A. Yes, ma'am.

24 Q. Shinjiro Naito, Hiroto Kanno,
 25 Kyoko Yamamoto, Yutaka Tsuji and Naoki Ishii.
 00260:01 Do you know whether all of those individuals
 02 are employed by MOEX 2007?
 03 A. No, ma'am. I know Mr. Ishii is
 04 employed in Houston and -- but I'm not sure
 05 exactly who the others are.
 06 Q. Is it your understanding that
 07 Mr. Ishii would communicate with persons at
 08 the parent company about operations at
 09 Macondo well?

Page 260:11 to 260:20

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

Page 260:23 to 261:07

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

Page 261:09 to 262:01

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

23 would get some notes from somebody in Tokyo
 24 that may say -- you know, introduce
 25 themselves, that they're with Moiko, and then
 00262:01 ask some questions.

Page 262:11 to 262:21

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

Page 262:24 to 264:07

00262:24 A. Yes, ma'am. The -- one of the
 25 reasons the second supplemental was required
 00263:01 is under the operating agreement, it was
 02 going to exceed the approved expenditure
 03 limit.
 04 And can you rephrase -- can you
 05 ask that question -- I think you had a little
 06 bit more detail in it.
 07 Q. (BY MS. HARVEY) I'll read a
 08 portion of the description, and we can then
 09 discuss it.
 10 The second sentence under
 11 project description and comments says: The
 12 first supplemental AFE was exceeded due to an
 13 unexpected loss circulation and well control
 14 events resulting in earlier than planned
 15 setting of the 16-inch and 13-5/8-inch casing
 16 strings.
 17 Is that correct?
 18 A. Yes, ma'am.
 19 Q. Do you know what is meant by the
 20 well -- or do you have an understanding of
 21 the well control events that were at least
 22 partially responsible for the necessity of
 23 the second supplemental AFE?
 24 A. No, ma'am, I do not.
 25 Q. Were you aware of a well control
 00264:01 event in early March of 2010?
 02 A. I'm not exactly sure what would
 03 define well control. Not -- not being
 04 involved in the daily drilling or being on
 05 the rig, I -- I wasn't following it minute by
 06 minute. I don't recall hearing any --
 07 anything.

Page 265:02 to 265:14

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

Page 265:16 to 266:07

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

Page 266:15 to 266:17

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

Page 266:22 to 266:24

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

Page 267:01 to 267:04

00267:01 A. Yes, ma'am. His letter is a
 02 cover letter sending the Anadarko entities

03 their collective 25 percent approval of the
04 production casing AFE.

Page 267:11 to 267:16

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

Page 267:18 to 267:22

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

Page 267:24 to 268:07

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

Page 268:09 to 268:13

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

Page 268:15 to 268:19

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

Page 268:21 to 269:05

00268:21 A. I believe at the time we had not
22 received the approved assignments into the

23 Anadarko -- the combined 25 percent into
24 Anadarko Petroleum Corporation, so that was
25 why the AFE was drafted in that manner.
00269:01 Q. (BY MS. HARVEY) So as of
02 April 15th, 2010, Anadarko Exploration &
03 Production Company was still -- still had an
04 interest in the Macondo lease; is that
05 correct?

Page 269:07 to 270:05

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

Page 270:12 to 270:24

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

Page 271:01 to 271:01

00271:01 A. When we received it.

Page 274:09 to 274:11

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

Page 274:13 to 275:13

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

Page 275:16 to 275:16

00275:16 A. Yes, sir.

Page 277:02 to 278:17

00277:02 Q. Okay. And do you recall, I
03 believe you may have testified in this regard
04 at the MBI testimony, that there was a
05 standalone AFE submitted with respect to the
06 9-by-7 inch -- 9-7/8 by 7-inch casing design
07 that was put on the well? Do you recall
08 that?
09 A. Yes, sir.
10 Q. Okay. What exactly is the
11 difference between a standalone and

12 supplemental AFE? What's the significance
13 there?

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

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

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

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

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

Page 278:20 to 279:04

00278:20 A. Yes, sir.

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

Page 279:07 to 279:14

00279:07 A. Yes, sir, I recall reading
08 through that AFE.

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

Page 279:17 to 279:21

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

Page 280:07 to 280:12

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

Page 280:14 to 280:19

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

Page 280:21 to 281:01

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

Page 281:04 to 281:10

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

Page 281:12 to 281:12

00281:12 A. No, sir.

Page 281:14 to 281:18

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

Page 281:21 to 282:01

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

Page 282:04 to 282:04

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

Page 283:06 to 283:22

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

Page 304:15 to 304:25

00304:15 And what's the purpose of a
 16 financial memorandum?
 17 A. My understanding, internally --
 18 that is the internal approval to fund the
 19 well.
 20 Q. Someone puts it together from
 21 drilling, I guess, or exploration or which
 22 one here? Do you know?
 23 A. Not certain in this instance,
 24 but usually somebody within the finance
 25 group.

Page 307:24 to 308:19

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

Page 311:15 to 312:09

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

Page 315:25 to 316:24

00315:25 Q. Okay. What engineers, if any,
00316:01 did you have any dealings with that were
02 Anadarko drilling engineers?
03 A. I don't believe I had any
04 one-on-one dealings. The only one I can

05 recall maybe on a conference call was the --
 06 maybe Dawn Payton. That's the only thing,
 07 and I believe it -- I'm not even sure she was
 08 an engineer.

09 Q. Okay. I've seen some references
 10 to Robert Quitzau or somebody like that,
 11 Q-u-i-t-z-a-u or something like that, in some
 12 of y'all's papers.

13 If there is a drilling engineer
 14 from Anadarko and you didn't have
 15 particularly drilling -- any dealings with
 16 him, who would?

17 A. I do recall seeing some e-mails
 18 from Robert Quitzau. I don't know if they
 19 were addressed to me, but I have seen them.
 20 They were, I believe, addressed to Mr. Bodek
 21 asking detailed questions.

22 Q. And do you know if Mr. Bodek
 23 answered them?

24 A. Yes, sir, I believe he did.

Page 317:09 to 317:12

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

Page 317:14 to 317:20

00317:14 A. In my understanding I was not
 15 aware of any budget. It was over the initial
 16 estimate.

17 Q. (BY MR. BOWMAN) Okay. And it
 18 was over the initial estimate by, what, \$40-
 19 \$50 million, something like that?

20 A. I believe if -- that's accurate.

Page 317:22 to 319:18

00317:22 A. Approximate number, probably. I
 23 can't be certain.

24 Q. Believe me, there is plenty of
 25 paper that will show an exact number here.

00318:01 Now, while you were monitoring,
 02 you were seeing that they were having to get
 03 new AFEs and that it was over the initial
 04 estimated budget, or whatever you want to
 05 say. Did you ask anyone how come?

06 A. Yes, sir. When we would put
 07 together an AFE, I would ask them to put a --
 08 a short description of the reasons for why
 09 we're issuing a supplemental AFE.

10 Q. Sure. And what do you remember

11 being told?
12 A. I believe on the first one,
13 the -- a lot of the -- a lot of it had to do
14 with MARIANAS rig damage.
15 Q. Okay. And so you had to bring
16 in the HORIZON. And the HORIZON started
17 drilling January-February 2010, something
18 like that?
19 A. I think it was February 2010, I
20 believe.
21 Q. And that took longer than
22 expected, did it not?
23 A. What took longer?
24 Q. Yes, sir. The drilling. Once
25 the HORIZON started drilling, before it got
00319:01 to the TD, that took longer than expected,
02 did it not?
03 A. Yeah. I believe when you look
04 back at the time the HORIZON came, we had the
05 first supplemental AFE, and it had a -- an
06 expected date. And I believe we had to -- we
07 did supplement it again, so --
08 Q. Right. So in that situation,
09 what were you told was the reason it took
10 longer than expected?
11 A. I just recall in my testimony
12 today about what I read in that -- those
13 comments, well control events.
14 Q. Okay. So you remember that by
15 reading today, but do you have a memory of
16 being told there were -- were well control
17 events?
18 A. No, sir, I don't recall.

Page 325:22 to 327:02

00325:22 Okay. Have you ever spoken with
23 anyone at Halliburton?
24 A. I don't believe so.
25 Q. Okay. So you've never spoken to
00326:01 anyone at Halliburton about the blowout?
02 A. No, sir.
03 Q. Okay. And sitting here today,
04 you don't -- I think I heard earlier you
05 don't have any opinions about the cause of
06 the blowout, correct?
07 A. Yes, sir, I do not have any
08 opinions.
09 Q. Okay. And carrying it one step
10 further, do you have an opinion one way or
11 the other about the cement job that was done
12 on the Macondo well?
13 A. No, sir, I do not.
14 Q. Now, then during the -- say, the
15 last week before the 20th, did anyone mention

16 to you one way or the other about the use or
17 nonuse of centralizers on the well?
18 A. April 20th, I assume you're --
19 Q. Yes, sir.
20 A. -- referring to?
21 Q. 2010.
22 A. Yes. Nobody mentioned anything
23 to me.
24 Q. Okay. Do you know anything
25 about a negative test? Did anyone mention
00327:01 anything like that to you?
02 A. Before April 20th, no, sir.

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