

# Deposition Testimony of:

## **Michael Beirne**

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Page 345:05 to 345:05

00345:05 (Exhibit 2862 was marked.)

Page 345:13 to 345:23

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

Page 346:01 to 346:08

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

Page 347:17 to 347:19

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

Page 347:25 to 350:18

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

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

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

Page 351:04 to 351:23

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

Page 351:25 to 352:16

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

Page 355:17 to 357:02

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

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

Page 357:04 to 357:25

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

Page 364:21 to 365:03

00364:21 Q. Okay. Now, were you supposed to  
22 have anything to do with the next event that  
23 the HORIZON was going to go to or the next  
24 well?  
25 A. I believe I may have -- I  
00365:01 believe we were talking about it was maybe  
02 going to go to the Nile well to do a plugging  
03 and abandonment.

Page 365:09 to 365:10

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

Page 366:20 to 367:09

00366:20 Q. Yeah. And if you read his  
21 e-mail to Mr. Morrison, he says: Thanks,  
22 Dale. Sooner we can find out, the better, as  
23 there are wheels turning for the Nile.  
24 Those are his words, right?  
25 A. That's what his e-mail says,  
00367:01 yes, sir.  
02 Q. And "wheels turning for the  
03 Nile," what do you think that means?  
04 A. I do not know.  
05 Q. Well, do you think it means he  
06 wants to get to the Nile as soon as possible?  
07 A. I don't know.  
08 Q. Is that not what you logically  
09 think it means?

Page 367:11 to 368:10

00367:11 A. I really -- I wasn't on the  
12 e-mail. I'm not -- I don't know what context  
13 Mr. Sims was -- was discussing.  
14 Q. (BY MR. BOWMAN) Okay. What was  
15 the Nile?  
16 A. It's a -- one well in the Viosca  
17 Knoll Block 914 that was -- the lease expired  
18 in July 2009.  
19 Q. The lease expired in July 2009.  
20 And so what was the HORIZON supposed to be  
21 doing for the Nile?  
22 A. I believe it was scheduled. I  
23 don't know when it was scheduled to go --  
24 perform the plugging and abandonment of the  
25 well.  
00368:01 Q. And was there some sort of

02 timing requirement on plugging and  
 03 abandonment?  
 04 A. It's my understanding that  
 05 absent an extension, you are to plug and  
 06 abandon a well within one year.  
 07 Q. Okay. And you said you had  
 08 something to do with the Nile?  
 09 A. I was the land negotiator that  
 10 worked that as well.

Page 380:07 to 380:22

00380:07 Q. Now, the form that was used for  
 08 the operating agreement between BP and MOEX,  
 09 which Anadarko later ratified and joined, was  
 10 actually one that had been prepared as a form  
 11 operating agreement by the American  
 12 Association of Professional Landmen; is that  
 13 right?  
 14 MR. BOLES: Object to the form.  
 15 A. If my -- I believe it was a --  
 16 it was based off a model form at the AAPL,  
 17 yes, ma'am.  
 18 Q. (BY MS. KUCHLER) And that's a  
 19 form of operating agreement that's typically  
 20 used in the industry. Is that how you  
 21 understand it?  
 22 A. Yes, ma'am.

Page 382:08 to 383:19

00382:08 Q. Now, the operating agreement  
 09 clearly defines BP as the operator for the  
 10 Macondo prospect, doesn't it?  
 11 A. Yes, ma'am.  
 12 Q. And under the operating  
 13 agreement, BP as the operator has the  
 14 exclusive right and duty to operate the well,  
 15 doesn't it?  
 16 A. I believe you're referring to a  
 17 certain provision, article?  
 18 Q. Sure. Paragraph 4.1 on Page 14.  
 19 A. Yes, ma'am. Can you repeat the  
 20 question.  
 21 Q. Yes. I said the operating  
 22 agreement clearly defines BP as the operator  
 23 with the exclusive right and duty to operate  
 24 the well?  
 25 A. Yes, ma'am. I -- I don't see  
 00383:01 the exact language, the exclusive duty to  
 02 operate.  
 03 Q. Okay.  
 04 A. But it's my understanding  
 05 that...  
 06 Q. Well, if we look, Section 4.1

07 says: BP Exploration & Production Inc. is  
 08 designated as the operator of the contract  
 09 area.  
 10 And then if we turn over to  
 11 Section 5.1 on Page 20, there's a whole  
 12 paragraph on the exclusive right to operate.  
 13 And there it says: Except as otherwise  
 14 provided, the operator has the exclusive  
 15 right and duty to conduct or cause to be  
 16 conducted all activities or operations under  
 17 this agreement.  
 18 Is that correct?  
 19 A. Yes, ma'am.

Page 384:05 to 384:15

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

Page 384:17 to 385:14

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



Page 386:07 to 386:13

00386:07 Q. (BY MS. KUCHLER) And how about  
08 investors? Is the word "investors" defined  
09 in the operating agreement?  
10 A. I do not believe it is. I'll  
11 double-check.  
12 No, ma'am, it does not appear it  
13 is a defined term.

Page 391:05 to 391:17

00391:05 Q. (BY MS. KUCHLER) The original  
06 AFE for -- that set forth the design and  
07 initial plan for the well. When that was  
08 presented by BP to Anadarko, it was for the  
09 purpose of Anadarko funding its share of the  
10 cost s, right?  
11 MR. BOLES: Object to the form.  
12 A. No, ma'am. It was showed to  
13 them several times prior to them executing  
14 it. So I'm not sure exactly which instance  
15 you're referring to of when it was presented  
16 to them. They certainly had the ability to  
17 provide input.

Page 392:04 to 393:01

00392:04 Q. Question starting at Line 3 was:  
05 Let me just pose this to you since I can't  
06 remember exactly how you said it and you  
07 don't remember saying it. When BP had  
08 submitted, say, a supplemental AFE or even  
09 the final new AFE and had settled internally  
10 on a well plan, it wasn't asking for input  
11 from the NOPs about well design, was it?  
12 And what was your answer?  
13 A. My answer was: From my  
14 perspective, no, ma'am. It was to seek input  
15 on whether they would want to do another  
16 operation. That would be a higher priority  
17 in the operating agreement.  
18 Q. Do you stand by that answer  
19 today?  
20 A. I'm not sure. In -- in  
21 reviewing this, I think the context of it was  
22 a very specific question, based on what I'm  
23 seeing in my answer, of when we submitted the  
24 AFE for production casing. That's what I  
25 recall in -- in the context of what my answer  
00393:01 was.

Page 397:19 to 397:23

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

Page 397:25 to 399:09

00397:25 A. I'm not sure what you mean by  
 00398:01 "pressure." But I do recall an e-mail from  
 02 Anadarko stating they may be supportive of BP  
 03 drilling further.  
 04 Q. (BY MS. KUCHLER) Yeah. Let's  
 05 take a look at that. It's in the second  
 06 binder, Tab 60.  
 07 A. 60? 6-0?  
 08 Q. 6-0. We will label this as  
 09 Exhibit 2866.  
 10 It's an e-mail from Nick Huch to  
 11 you dated April 14th, 2010. And it says:  
 12 This e-mail will evidence Anadarko's approval  
 13 to conclude the drilling of the MC 252 No. 1  
 14 BP01 well (Macondo) at its current TD of  
 15 18,360 feet MD, even though the well has not  
 16 reached any of the "Objective Depth" criteria  
 17 defined in the Well Participation Agreement  
 18 between BP and Anadarko/Kerr-McGee and in  
 19 Well AFE attached as "Exhibit B" to said  
 20 agreement.  
 21 Would you please read the last  
 22 sentence of Nick Huch's e-mail to you.  
 23 A. (Reading) However, in the event  
 24 BP concludes that it is safe and prudent to  
 25 continue drilling to original Objective  
 00399:01 Depth, Anadarko would not be opposed to BP  
 02 doing so.  
 03 Q. And this is the e-mail that you  
 04 were just referencing; is that right?  
 05 A. Yes, ma'am. That was the e-mail  
 06 that I was -- came to my mind.  
 07 MS. KUCHLER: I'm being told this has  
 08 already been labeled Exhibit 1256, so let's  
 09 not use 2866 on it.

Page 399:17 to 400:16

00399:17 Q. Let's turn back to Tab 5 in the  
 18 first binder, Exhibit 1243, Section 5.1,  
 19 Page 20.  
 20 BP alone had the authority to  
 21 decide which employees it used with respect  
 22 to well design and operations, didn't it?  
 23 A. Is there a specific part of 5.1  
 24 that you're referring to, ma'am?  
 25 Q. Towards the middle it says: The

00400:01 operator shall select and determine the  
 02 number of employees, Affiliates, contractors  
 03 and/or consultants used in conducting  
 04 activities or drilling operations under this  
 05 Agreement and the hours of labor and the  
 06 compensation for these employees, Affiliates,  
 07 contractors and/or consultants.  
 08 Doesn't it?  
 09 A. Yes, ma'am, that is an accurate  
 10 reading.  
 11 Q. So for example, Anadarko did not  
 12 have any input in the decision as to whether  
 13 Ronnie Sepulvado should leave the DEEPWATER  
 14 HORIZON to attend well control school for  
 15 recertification and be replaced by Bob  
 16 Kaluza; isn't that right?

Page 400:18 to 401:05

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

Page 402:17 to 402:20

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

Page 402:23 to 403:08

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

Page 404:11 to 404:14

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

Page 404:16 to 404:25

00404:16 A. Ma'am, I'm not sure that -- I  
17 don't know whether that happened -- or I'm  
18 not familiar with that.  
19 Q. (BY MS. KUCHLER) So you're not  
20 familiar with the change to the blowout  
21 preventer that was done in 2004 before  
22 Anadarko had anything to do with the Macondo  
23 prospect?  
24 A. No, ma'am, I'm not familiar with  
25 any aspect of the blowout preventer.

Page 405:13 to 405:25

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

Page 406:05 to 406:11

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

Page 406:13 to 407:08

00406:13 A. Yes, ma'am, I have that e-mail.  
14 Q. (BY MS. KUCHLER) And you did  
15 write to Kemper Howe saying: Kemper, would  
16 like to discuss whether we need/should  
17 provide a written explanation to the Macondo

18 co-owners of the reasoning we had to call  
 19 objective depth (i.e., HSSE, wellbore  
 20 stability issues from lost returns).  
 21 You did write that?  
 22 A. Yes, ma'am.  
 23 Q. And that indicates that BP  
 24 called final total depth and then notified  
 25 the nonoperating parties that it had been  
 00407:01 done; is that correct?  
 02 A. I believe I found -- that was on  
 03 Monday, the 12th. And I don't recall who  
 04 told me, but that we had called objective  
 05 depth. So I wasn't aware of -- of whether  
 06 that was the final total -- or the final  
 07 total depth, but I was made aware that we had  
 08 stopped drilling.

Page 408:23 to 408:23

00408:23 as Exhibit 2866.

Page 414:24 to 415:03

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

Page 415:05 to 416:23

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

03 time they discussed whether a cement bond log  
04 would be run?

05 MR. BOWMAN: Objection; form.

06 A. No, ma'am, I'm not aware of the  
07 phone call.

08 Q. (BY MS. KUCHLER) It was BP's  
09 decision alone to make -- to decide to use  
10 only six centralizers instead of the 21  
11 centralizers that Halliburton had  
12 recommended; is that true?

13 MR. BOLES: Object to the form.

14 A. I do not know, ma'am.

15 Q. (BY MS. KUCHLER) If you would  
16 take a look back at your testimony from the  
17 MBI at Tab 19, which we've marked as  
18 Exhibit 2865. Page 45, the question  
19 beginning at Line 23: And who would make the  
20 decision as between BP and the non-operators  
21 with regard to the type and number of  
22 centralizers?

23 And what was your answer?

Page 419:14 to 420:01

00419:14 Q. Okay. Well, if we could depart  
15 from the document. And now I'm really asking  
16 about your experience in dealing with the  
17 non-operators on the Macondo prospect.

18 Were you under the impression  
19 that you were not allowed to share with the  
20 non-operators technical work, such as  
21 detailed drilling and completion procedures?

22 A. No, ma'am, I was not under the  
23 impression.

24 Q. Were you under any guidelines as  
25 to what you could or could not turn over to  
00420:01 the non-operators?

Page 420:03 to 421:03

00420:03 A. No official guideline that I'm  
04 aware of.

05 Q. (BY MS. KUCHLER) Okay. What  
06 unofficial guidelines were you operating  
07 under?

08 A. You know, example would be if  
09 something was proprietary or contractually we  
10 weren't permitted to share, that that was --  
11 from a general standpoint, that was my  
12 understanding.

13 Q. Was there any specific piece of  
14 information that you can recall as you sit  
15 here today that you were instructed by  
16 someone at BP that you could not share with  
17 the non-operators?

18 A. The only one that comes to mind  
 19 is the drilling contract for the HORIZON, and  
 20 I don't recall whether we had shared a  
 21 redacted version. I don't believe we did.  
 22 But that's what comes to mind as an example.  
 23 Q. All right. No other examples  
 24 come to mind?  
 25 A. None come to mind, no, ma'am.  
 00421:01 Q. Okay. You did not provide the  
 02 non-operators with any risk information on  
 03 the Macondo well, did you?

Page 421:05 to 421:09

00421:05 A. You know, I sent a lot of  
 06 documents over time, so I -- I don't know  
 07 whether -- some of it may have had risk  
 08 information in it. I don't -- I don't  
 09 recall.

Page 422:15 to 422:19

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

Page 422:22 to 423:02

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

Page 423:04 to 423:05

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

Page 423:19 to 423:24

00423:19 Q. (BY MS. KUCHLER) Okay. So you  
 20 don't know anything about the decision on  
 21 what kind of cement to use. Is that a fair  
 22 statement?  
 23 A. Yes, ma'am, that's a fair  
 24 statement.

Page 433:24 to 434:03

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

Page 437:23 to 438:03

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

Page 438:22 to 438:25

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

Page 439:02 to 439:03

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

Page 467:21 to 468:18

00467:21 turn over to Tab 13. This is previously  
22 marked Exhibit 1919, and it appears to be the  
23 version of the AFE that Anadarko's Stuart  
24 Strife signed on December 17th, 2009. Does  
25 that appear to be correct?  
00468:01 A. Yes, ma'am.  
02 Q. And how many attachments were  
03 there on the AFE that was provided to  
04 Anadarko for its signature on December 17th,  
05 '09?  
06 A. Well, it appears that this  
07 document -- there are three pages.  
08 Q. So the AFE is the first page,  
09 and then the wellbore schematic entitled  
10 Basis of Design is Page 2, correct?  
11 A. Yes, that's on Page 2, yes,  
12 ma'am.  
13 Q. And then there's the Macondo  
14 Well Evaluation Plan on Page 3; is that  
15 right?  
16 A. That's it -- that's what it's  
17 entitled. I'm not sure of everything on  
18 there.



Page 471:08 to 472:04

00471:08 Q. (BY MS. KUCHLER) Okay.  
09 Switching topics again. I'd like to discuss  
10 the role of Anadarko Exploration &  
11 Production. Can we call it AE&P, and we'll  
12 both know that that's the company that we're  
13 talking about? Is that okay with you?  
14 A. Yes, ma'am.  
15 Q. Okay. So was it your  
16 understanding that AE&P was only involved in  
17 this series of transactions because it was  
18 going to be a like kind exchange,  
19 transferring leaseholds that were held by  
20 AE&P?  
21 A. It was my understanding that we  
22 had -- the split between the two Anadarko  
23 entities, it was driven by -- for tax  
24 reasons. That was my understanding.  
25 Q. Okay. And so the intent was  
00472:01 always that Anadarko Petroleum Corporation  
02 would be the only entity to ultimately  
03 participate in Macondo. Is that how you  
04 understood it?

Page 472:06 to 472:22

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

Page 474:25 to 476:21

00474:25 Q. Did you understand that although  
00475:01 AE&P's signature was required for AFEs, that  
02 all AFE payments were going to come from  
03 Anadarko Petroleum Corporation?  
04 A. I believe I recall yesterday we  
05 had -- there was some testimony and  
06 discussion on -- I think it was either BP and

07 Anadarko's intent that we would just have the  
08 billing to one company.  
09 Q. Which would be APC?  
10 A. I believe that's -- from what I  
11 remember, I believe that's correct.  
12 Q. And you mentioned several times  
13 that there were tax reasons for the inclusion  
14 of AE&P in the agreements. Those -- the  
15 inclusion of AE&P in the agreements for tax  
16 reasons was made at the behest of BP,  
17 correct?  
18 A. Can you clarify. When you say  
19 "behest," do you mean at BP? Can you  
20 clarify.  
21 Q. Meaning it was for BP's tax  
22 reasons that AE&P was involved in these  
23 agreements?  
24 A. Not understanding all the tax  
25 implications to both parties, I don't know  
00476:01 whether it was solely for BP's tax purposes.  
02 Q. Do you understand that -- then  
03 that it was primarily for BP's tax purposes?  
04 A. My understanding was it was so  
05 that the transaction would be a like kind  
06 exchange. And my understanding is that that  
07 has -- that affects both parties.  
08 Q. And it gave BP tax benefits to  
09 have that like kind exchange, correct?  
10 A. I don't know whether it's a  
11 benefit or not. I'm not a tax expert.  
12 Q. Wasn't it BP's tax department  
13 that requested the involvement of AE&P to  
14 effectuate the like kind exchange?  
15 A. I believe it was BP's  
16 suggestion, our tax department's suggestion.  
17 I believe that's the case.  
18 Q. Because Anadarko Petroleum  
19 Corporation had expressed an interest in  
20 being the sole participant in the operating  
21 agreement and the derivative AFEs, correct?

Page 476:23 to 478:04

00476:23 A. I don't -- that may be. I don't  
24 recall.  
25 Q. (BY MS. KUCHLER) Didn't  
00477:01 Anadarko Petroleum Corporation specifically  
02 exclude tangible personal property interests  
03 in the well from transferred property  
04 interests in the lease exchange agreement?  
05 A. Can you restate that or rephrase  
06 it, please.  
07 Q. Sure. Why was tangible personal  
08 property, such as the wellhead and tubulars,  
09 excluded from the description of BP property

10 to be transferred in the lease exchange  
11 agreement?

12 A. That was something, from what I  
13 recall, that our tax department had placed in  
14 there.

15 Q. Okay. And was it placed in  
16 there because there was an intention that  
17 only Anadarko Petroleum Corporation would  
18 hold an interest in the well?

19 A. I don't recall all the details  
20 on the intent around the taxes. I just don't  
21 recall. I don't remember.

22 Q. And was it intended that the  
23 transfer of AE&P's interest in the Macondo  
24 prospect to Anadarko Petroleum Corporation  
25 would occur contemporaneously with the  
00478:01 signing of the operating agreement?

02 A. I believe there is language in  
03 there that's similar to that in the lease  
04 exchange agreement, if I'm not mistaken.

Page 485:05 to 489:18

00485:05 Q. Good afternoon, Mr. Beirne. My  
06 name is Ed Flanders. I represent MOEX  
07 Offshore 2007, LLC and MOEX USA in these  
08 proceedings. And during the course of my  
09 questioning I may refer to them collectively  
10 as MOEX. Is that okay?

11 A. Yes, sir.

12 Q. I'm going to ask you just a  
13 couple of questions about -- there has been a  
14 lot of testimony about the detailed well plan  
15 that Mr. Ishii had asked for, and I just  
16 wanted to follow up with a couple of things.

17 If you could turn to Tab 49.

18 A. Yes, sir.

19 Q. And I believe that you've given  
20 some prior testimony about this particular  
21 exhibit, which is 1261. I wanted to just  
22 direct your attention to the e-mail in the  
23 middle of the page from you to Mr. Ishii  
24 dated April 1st, 2010, at 10:43 a.m. Do you  
25 see that?

00486:01 A. Yes, sir, the 10:43 a.m.

02 Q. And in the second sentence there  
03 you say, quote: I do not believe we have a  
04 more detailed well plan, but perhaps we may  
05 be able to provide specific detail, end  
06 quote.

07 Do you see that?

08 A. Yes, sir.

09 Q. And then at the top of the page  
10 is Mr. Ishii's response to your e-mail. Do  
11 you see that?

12 A. Yes, sir.  
13 Q. And the third sentence of  
14 Mr. Ishii's e-mail states, quote: Attached  
15 is a copy of the drilling plan for Will K.  
16 Please try to collect information on the  
17 following for the Macondo.  
18 And then below that he's got  
19 No. 1: Well design details (refer to 4.3 in  
20 the attached).  
21 Do you see that?  
22 A. Yes, sir.  
23 Q. And then No. 2 is: Well plan  
24 (refer to 4.5 in the attached).  
25 Do you see that?  
00487:01 A. Yes, sir.  
02 Q. Mr. Beirne, did you ever provide  
03 this requested information to Mr. Ishii?  
04 MR. BOLES: Object to the form.  
05 A. I don't recall whether -- if I  
06 responded to this e-mail or provided  
07 information.  
08 Q. (BY MR. FLANDERS) Okay.  
09 A. I don't remember.  
10 Q. And as you sit here today,  
11 you're not able to point to any information  
12 that you may have provided to Mr. Ishii in  
13 response to his April 1 request?  
14 MR. BOLES: Object to the form.  
15 A. There is nothing, sitting here  
16 today, I can think of specifically. But it  
17 may -- there may be something in another --  
18 something else I sent, but I can't think of  
19 anything right now.  
20 Q. (BY MR. FLANDERS) Okay. Thank  
21 you. I'm going to ask you now, Mr. Beirne,  
22 to turn to Tab No. 5, please.  
23 A. The operating agreement?  
24 Q. Yes. Tab 5 is actually --  
25 starts with the Ratification and Joinder of  
00488:01 the Operating Agreement, but I'm going to  
02 just talk to you about the actual operating  
03 agreement itself. And in particular, if you  
04 could turn to Section 5.10.  
05 A. Yes, sir.  
06 Q. Ms. Harvey asked you some  
07 questions about Section 5.10. Do you recall  
08 those questions?  
09 A. At 5.1?  
10 Q. 5.10. I'm sorry.  
11 A. Okay. 5.1. Yes, sir, I  
12 remember the -- being asked some questions.  
13 I don't remember specifically the questions.  
14 Q. Sure. Let me just read to you  
15 the first part of that section which states,  
16 quote: With the goal of achieving safe and  
17 reliable activities in operations in

18 compliance with all applicable laws and  
 19 regulations, including avoiding significant  
 20 and unintended impact on (i) the health or  
 21 safety of people, (ii) property, or (iii) the  
 22 environment, the Operator shall, with the  
 23 support and cooperation of the Non-Operators,  
 24 while it conducts activities or operations  
 25 under this Agreement:

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

03 A. Yes, sir.

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

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

13 Q. Okay.

14 A. -- as it's provided there.

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

Page 489:20 to 491:12

00489:20 A. Without knowing all that's  
 21 entailed in 5.10, nothing I can think of at  
 22 this -- at this point.

23 Q. (BY MR. FLANDERS) Are you aware  
 24 of any instances where MOEX did not provide  
 25 such support or cooperation?

00490:01 A. With regard to this topic and my  
 02 understanding of it, I don't have any -- I  
 03 can't think of any instance where they did  
 04 not provide support.

05 Q. Okay. Thank you. We're done  
 06 with that binder.

07 Mr. Beirne, Mr. Pote asked you  
 08 some questions yesterday about whether MOEX  
 09 had individuals with the requisite technical  
 10 expertise to make sure of the realtime data  
 11 and to evaluate the AFEs. And I believe you  
 12 stated that you believe that MOEX had  
 13 individuals with such expertise.

14 Do you recall that?

15 A. That sounds -- sounds accurate,  
 16 from what I recall.

17 Q. Okay. You do not have a  
 18 technical background, correct?

19 A. No, sir, I do not.

20 Q. Okay. Do you know whether any

21 of these MOEX individuals that you were  
 22 referring to were drilling engineers or  
 23 whether any of them had deepwater drilling  
 24 expertise or experience?  
 25 A. I don't recall exactly the  
 00491:01 individuals I was referring to. What I  
 02 recall is when MOEX would have their -- some  
 03 of their folks come in from Tokyo, I recall  
 04 some of them being of an engineering  
 05 background, a drilling engineer or a -- I  
 06 think they had a reservoir engineer and then  
 07 some scientists. So that was what my  
 08 understanding -- as far as deepwater, I don't  
 09 know. I don't know their personal  
 10 qualifications.  
 11 Q. Okay. So you were speculating  
 12 when you answered that question?

Page 491:14 to 492:17

00491:14 A. I don't believe I was  
 15 speculating. I was providing my  
 16 understanding of what I believed their  
 17 expertise to be.  
 18 Q. (BY MR. FLANDERS) Okay. But  
 19 you do not know for a fact whether any of  
 20 them were drilling engineers with deepwater  
 21 drilling experience?  
 22 A. I do recall at least one  
 23 individual being a drilling engineer. I  
 24 don't know what the -- I don't know his or --  
 25 his experience -- experiences.  
 00492:01 Q. You don't know whether that was  
 02 land-based or deepwater?  
 03 A. No, sir, I do not know one way  
 04 or the other.  
 05 Q. Okay. Mr. Beirne, Ms. Kuchler  
 06 asked you a number of questions about whether  
 07 BP shared certain drilling information, such  
 08 as BP's temporary abandonment plan, with  
 09 Anadarko. Do you recall those questions?  
 10 A. Generally, yes, sir.  
 11 Q. And I'm not going to try to  
 12 characterize your answers to those questions.  
 13 There were a lot of them.  
 14 But given that MOEX was also a  
 15 non-operating party like Anadarko, would your  
 16 answers be the same for MOEX as far as  
 17 information that was shared with Anadarko?

Page 492:19 to 493:16

00492:19 A. Without knowing -- I just recall  
 20 the topic. Without knowing the specific  
 21 topics, it's hard to answer. I can

22 provide -- as a non-operator under the  
23 operating agreement, MOEX and Anadarko were  
24 both non-operators, both the same under the  
25 operating agreement, in my understanding.  
00493:01 Q. (BY MR. FLANDERS) And I believe  
02 that in your marine board testimony you  
03 didn't differentiate between Anadarko or MOEX  
04 insofar as their involvement; is that  
05 correct?  
06 A. I don't believe so. A lot of  
07 that may have -- had to have been with -- the  
08 counsel rep was representing both companies,  
09 so a lot of -- I believe they were referred  
10 to collectively in a lot of things.  
11 Q. Let me try it this way: Would  
12 it be fair to say that if you testified that  
13 BP did not share certain information with  
14 Anadarko, then that -- it would be -- the  
15 same would be true that it did not share such  
16 information with MOEX?

Page 493:18 to 494:18

00493:18 A. What I can say -- I don't know  
19 what information may not have been shared.  
20 But what I can say as far as sharing of  
21 information from my -- my level, my  
22 understanding, they would be treated the  
23 same.  
24 Q. (BY MR. FLANDERS) Okay.  
25 Ms. Kuchler also asked you a number of  
00494:01 questions about whether BP as the operator  
02 solely made drilling decisions, such as the  
03 number and type of centralizers to be used,  
04 or whether a cement bond log would be  
05 performed, or the decision to set the  
06 lockdown sleeve. Do you recall those  
07 questions?  
08 A. Yes, sir.  
09 Q. And she also asked you whether  
10 Anadarko was involved in those decisions or  
11 provided input with respect to those  
12 decisions. Do you recall those questions?  
13 A. Yes, sir.  
14 Q. And again, you gave answers, and  
15 I won't try to characterize them here. But  
16 would the answers be the same as to whether  
17 MOEX was involved or provided input with  
18 respect to those decisions?

Page 494:20 to 495:05

00494:20 A. Yeah. Without citing the exact  
21 questions again or just recall the topic,  
22 it's hard to answer. But under the operating

23 agreement, from my view, it -- it would  
 24 not -- there would not be -- they're both  
 25 non-operators.  
 00495:01 Q. (BY MR. FLANDERS) So would it  
 02 be fair to say that if you testified that  
 03 Anadarko was not involved in those decisions  
 04 or didn't provide input, then the same would  
 05 be true for MOEX?

Page 495:15 to 495:19

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

Page 495:21 to 498:24

00495:21 A. I'm not sure all what technical  
 22 input would be. What I do recall is when we  
 23 sent the draft, I believe, of the production  
 24 casing AFE, we received several questions  
 25 from, I believe, the Tokyo office. I do  
 00496:01 recall that.  
 02 Q. (BY MR. FLANDERS) Okay. But  
 03 did MOEX recommend that BP use any different  
 04 type of production casing or do anything  
 05 different than what BP was planning to do?  
 06 A. I don't recall whether they  
 07 recommended. I recall them maybe asking some  
 08 questions if that was -- I don't know if it  
 09 was -- they were asking if it was considered  
 10 or -- I just remember them asking questions  
 11 if we were going to do certain type of  
 12 things. I don't recall exactly what they  
 13 were.  
 14 Q. Okay. Do you recall whether  
 15 MOEX or any of its representatives provided  
 16 any technical input related to the type of --  
 17 or the number of centralizers to be used?  
 18 A. No, sir, I do not know one way  
 19 or the other.  
 20 Q. To your knowledge, did MOEX or  
 21 any of its representatives provide any  
 22 technical input related to the determination  
 23 that the float collar had converted on the  
 24 Macondo well?  
 25 A. No, sir, I'm not aware of any  
 00497:01 information. I was not aware of information  
 02 on the float collar.  
 03 Q. Okay. To your knowledge, did  
 04 MOEX or any of its representatives provide  
 05 any technical input relating to decisions  
 06 about the cement job?



07 A. I do not know one way or the  
08 other.  
09 Q. Okay. To your knowledge, did  
10 MOEX or any of its representatives provide  
11 any technical input related to the decision  
12 to accept the results of the negative  
13 pressure test?  
14 A. I was not involved in any  
15 information on the pressure test that I can  
16 recall.  
17 Q. To your knowledge, did MOEX or  
18 any of its representatives provide any  
19 technical input related to the temporary  
20 abandonment procedure to be used?  
21 A. Again, I -- from -- I don't know  
22 what all would be entailed in the temporary  
23 abandonment procedure. So without -- not  
24 knowing -- understanding the details of that,  
25 I don't know.  
00498:01 Q. But you're not aware of any such  
02 instances where MOEX provided such technical  
03 input, correct?  
04 A. From the information I was on or  
05 the e-mails or phone calls I was on, I recall  
06 technical questions, but I don't know whether  
07 there was input or not. I just recall  
08 questions.  
09 Q. And those -- I'm sorry.  
10 A. No, go ahead. That was -- I'm  
11 finished.  
12 Q. And those questions were  
13 reflected in the e-mail exchanges that you  
14 had with MOEX, correct?  
15 A. Yes, sir. I'm trying to think  
16 if there would be any other communication.  
17 There may have been phone calls, but it  
18 would -- wouldn't be -- wouldn't have been  
19 technical questions to me in a phone call.  
20 Q. So to the extent that MOEX was  
21 providing any input, those would be reflected  
22 in those questions that were sent by e-mail,  
23 correct?  
24 A. Not necessarily --

Page 499:02 to 499:09

00499:02 A. Not necessarily to me. Very  
03 likely their questions based on -- in the  
04 past would have come through e-mail. Whether  
05 they would have come to me or not, it -- I'm  
06 not sure. It could have.  
07 Q. (BY MR. FLANDERS) But they  
08 would have at least been copied to you. Is  
09 that your understanding?

Page 499:11 to 499:14

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

Page 499:16 to 499:23

00499:16 A. I -- I was, I would say, the  
 17 primary contact, yes, sir.  
 18 Q. (BY MR. FLANDERS) To your  
 19 knowledge, did anyone from MOEX ever visit  
 20 the DEEPWATER HORIZON rig at any time?  
 21 A. No, sir, not to my knowledge.  
 22 MR. FLANDERS: I have no further  
 23 questions.

Page 500:08 to 500:24

00500:08 Q. Mr. Beirne, would you do me the  
 09 favor of, in your own words, characterizing  
 10 what you believe your role was with regard to  
 11 the relationship between BP and the  
 12 non-operating interests with regard to the  
 13 communication of information first.  
 14 A. My interpretation or my  
 15 understanding was mostly on higher level  
 16 general information, such as points of  
 17 operating, you know, when we were going to  
 18 start drilling the well, when an AFE would be  
 19 coming; a lot of things that are provided for  
 20 in the JOA. Those are just two examples.  
 21 Not -- not -- my role would not  
 22 be necessarily being responsible for  
 23 providing every piece of information or very  
 24 detailed technical information.

Page 505:12 to 505:16

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

Page 505:18 to 505:25

00505:18 A. My understanding of -- I believe  
 19 you're talking about that Will K.?  
 20 Q. (BY MR. BRUNO) (Nods.)  
 21 A. As I testified before, I believe  
 22 Mr. Hafle was saying that there was -- that

23 we did not have that information in that  
24 format, whether that information was provided  
25 or not.