

Deposition Testimony of:
Michael Robertson

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Page 12:01 to 12:04

00012:01 Q. Now, do you understand that you're here to
02 testify on behalf of BP Exploration & Production
03 Inc. today?
04 A. I do.

Page 13:04 to 13:12

00013:04 Q. So if we could turn to Volume 2. You've
05 got them all piled up. It's in Tab 185, and this
06 has been previously marked as Exhibit 11804. If
07 you could just take a look and see if you've seen
08 this before.
09 A. Yes, I have.
10 Q. And do you understand that you're here to
11 testify about Topic 7?
12 A. Yes, with the exception of Item E.

Page 13:20 to 13:20

00013:20 (Marked Exhibit No. 12630.)

Page 13:23 to 13:25

00013:23 And is this the order that you were
24 referring to? Yes?
25 A. Pardon?

Page 16:19 to 16:21

00016:19 Q. And here, you're described as the GCRO
20 Director of Finance and Performance Management?
21 A. That's my current title.

Page 16:24 to 17:08

00016:24 What are your job responsibilities as
25 the director of finance and performance management
00017:01 at GCRO?
02 A. My primary responsibility is the
03 accounting, reporting, and control for the Gulf
04 Coast Restoration Organization. I also have
05 recently assumed responsibilities for performance
06 management --
07 Q. What does --
08 A. -- for that organization.

Page 17:17 to 18:25

00017:17 Q. Who do you report to in your current
18 position?

19 A. I work for Randy Latta.
20 Q. And what's his position?
21 A. He is CFO for Gulf Coast Restoration
22 Organization.
23 Q. Do you hold any other positions in
24 addition to being the director of finance and
25 performance management for the GCRO?
00018:01 A. No.
02 Q. So, for example, do you have any positions
03 within BPXP?
04 A. No formal positions with BPXP.
05 Q. How about Mr. Latta, do you know if he
06 holds any other positions in addition to being the
07 CFO for the GCRO?
08 A. I -- I know he's a director on the BPX&P
09 board.
10 Q. Do you know if he holds any positions as
11 an officer, for example, of BPXP?
12 A. Don't believe he's actually got a title as
13 an officer, no. I'm not sure about that.
14 Q. When did you take the position of director
15 of finance and performance management at GCRO?
16 A. Well, my first role was -- title was
17 actually controller for Gulf Coast Restoration
18 Organization, and I assumed that role late 2010 or
19 June 2010. Several people within GCRO finance
20 have redeployed back into the business. I've
21 inherited recently a couple of other roles and
22 appropriate to change the title to encompass some
23 of the other activities I've -- I've assumed
24 responsibility for, and that occurred probably 8
25 to 12 months ago.

Page 19:04 to 20:17

00019:04 Q. Who is your current employer?
05 A. I'm paid by BP America Production Company.
06 Q. Now, do you hold any positions within the
07 Gulf of Mexico SPU?
08 A. No.
09 Q. With respect to the BPXP financial
10 statements that you reviewed in preparation for
11 your deposition, were any of those prepared by
12 you?
13 A. All of those were prepared by me.
14 Q. Is that true of both the Excel
15 spreadsheets that are -- accompanied the financial
16 reports?
17 A. Yes.
18 Q. And we were produced what's referred to as
19 a trial balance. Did you prepare the trial
20 balance?
21 A. I did prepare the trial balance.
22 Q. And do you maintain the trial balance as
23 part of your job responsibilities?

24 A. The trial balance is just a report that I
25 can run out of our existing financials and
00020:01 reporting systems, so I wouldn't say that I
02 necessarily maintain it. I -- I can report on it.
03 Q. Do you routinely run reports from that
04 system?
05 A. Yes.
06 Q. And for what purpose?
07 A. On behalf of Gulf Coast Restoration
08 Organization and to support the development of
09 those BPX&P financial reports.
10 Q. Do you know why you prepared the financial
11 statements for BPXP as opposed to someone who
12 holds a position within BPXP?
13 A. I -- I was requested by my boss Randy
14 Latta.
15 Q. Do you know why you were asked to prepare
16 them?
17 A. I don't recall.

Page 20:20 to 20:25

00020:20 Q. (BY MS. HANKEY) Did -- did he tell you
21 for what purpose he was asking you to prepare the
22 financial statements?
23 A. He just asked me to prepare those.
24 Q. Do you know if anyone within BPXP prepares
25 financial statements?

Page 21:02 to 21:02

00021:02 A. I'm not aware.

Page 23:14 to 24:03

00023:14 Q. Okay. Do you know who BPXP's parent is,
15 the parent company?
16 A. It's currently BP Company North America.
17 Q. Did that change at some point?
18 A. That was a recent change in end of 2013,
19 early 2014.
20 Q. Do you know why the parent company
21 changed?
22 A. No, I don't.
23 Q. Now, your -- your current employer is BP
24 America Production Company?
25 A. BP America Production Company pays my
00024:01 salary. That salary is charged into BPX&P.
02 Q. So who do you consider to be your
03 employer?

Page 24:05 to 24:08

00024:05 A. Well, again, BP -- BPAPC pays my salary,
06 but my charges are billed then to BPX&P.
07 Q. (BY MS. HANKEY) Do you -- do you consider
08 BPXP to be your employer?

Page 24:10 to 25:02

00024:10 A. Again, B -- BPAPC pays my salary, and I'm
11 charged then to BPX&P.
12 Q. (BY MS. HANKEY) Do you know what BP
13 America Production Company's operations include?
14 A. It includes the number of onshore
15 operating assets. There are several other
16 activities. I believe some gas and trading
17 activities resign on BPAPC.
18 Q. Do they own any offshore assets?
19 A. They do have some small ownership in some
20 offshore assets.
21 Q. Is that in the Gulf of Mexico?
22 A. Yes.
23 Q. Does -- do you know, is there an agreement
24 under which your -- your services are charged from
25 BP America Production Company to BPXP?
00025:01 A. There is an operating services agreement
02 between BPAPC and BPX&P.

Page 25:08 to 25:25

00025:08 Q. So are -- do you know if BPAPC provides
09 services to any other BP entities?
10 A. I can't say that for a fact, but I know
11 BPAPC is a payroll entity and people work on
12 different legal entities.
13 Q. When you say that they're a "payroll
14 entity," what are you re -- referring to?
15 A. B -- BP America has several payroll
16 entities, just really ease of use for employee --
17 managing employee costs. BPAPC is one of those
18 payroll companies. And we have automatic
19 processes to charge out payroll-related costs to
20 when people are working on different ownership and
21 different entities.
22 Q. Do you know who the other payroll entities
23 are?
24 A. BP Corp North America. That's the only
25 other one I know.

Page 26:16 to 26:22

00026:16 Q. Do you know for the assets that BPXP owns
17 in the Gulf of Mexico, do they own 100 percent of
18 those assets?
19 A. I don't know if they own 100 percent --
20 well, they don't own 100 percent of all the

21 assets. They may own a hundred -- I don't believe
22 they own 100 percent of any asset, but --

Page 26:25 to 27:03

00026:25 Q. Okay. And do the financial statements
00027:01 reflect when BP only owns a portion of an asset?
02 A. Yes. It would just reflect BPX&P's
03 proportionate share of those assets.

Page 27:08 to 27:22

00027:08 Q. Sure. When -- when looking -- when
09 looking at the financials, is there a way to
10 determine what portion BPXP owns in each of the
11 assets?
12 A. Not looking specifically at the financial
13 reports that I have generated.
14 Q. What about at the trial ledgers, in the
15 trial balance?
16 A. The trial balance wouldn't yield that
17 information either.
18 Q. Do you know where you would find that
19 information?
20 A. You would have to further dig down into
21 the -- our financial system. We also have
22 records, legal records which indicate ownership.

Page 28:01 to 30:02

00028:01 Q. And do you know -- does BP America have
02 any of its own operations?
03 A. I'm not familiar with the operations of BP
04 America.
05 Q. Do you know if they own any assets in the
06 Gulf of Mexico?
07 A. No, they don't.
08 Q. Directly?
09 A. No, not directly.
10 Q. The -- can you explain to me what the
11 "Gulf of Mexico SPU" is?
12 A. The Gulf of Mexico strategic business unit
13 is a -- an operating entity established to manage
14 the assets in the Gulf of Mexico.
15 Q. And do you know what percentage of the
16 Gulf of Mexico SPU, the assets are owned by BPXP?
17 A. As reported in the BPX&P financial
18 results, approximately 89 percent.
19 Q. And do you know who are the other entities
20 that own assets that are within the Gulf of Mexico
21 SPU?
22 A. BPAPC has a small ownership, and GoMH
23 holdings has a -- an interest as well.
24 Q. The -- the financial statements refer to a

25 set of UK entities that hold assets within the
00029:01 Gulf of Mexico?
02 A. Uh-huh.
03 Q. Do you know who those UK entities are?
04 A. Those UK entities were BP GoM Holdings
05 assumed that ownership sometime back, so that's
06 the current owner of those assets.
07 Q. And do you know when GoMH Holdings assumed
08 the assets of the B -- UK entities?
09 A. I don't recall.
10 Q. Is it recently?
11 A. I think it was probably a couple years
12 ago. I had referred to those as UK entities in
13 the GoM -- or the BPX&P financial reports, but was
14 advised that it was actually GoM Holdings -- GoMH
15 Holdings was the owner.
16 Q. When were you advised of this?
17 A. I believe in the last quarter.
18 Q. So is that -- is that reported in any of
19 the financial statements that were produced?
20 A. The one -- I know the one quarter BPX&P
21 financial statements correctly reflects that. The
22 ownership is the same. But I had just incorrectly
23 labeled those as UK entities in previous reports.
24 Q. And do you know what operations GoMH
25 Holdings has?
00030:01 A. Other than some ownership in some Gulf of
02 Mexico assets, that's all I'm familiar with.

Page 30:08 to 30:23

00030:08 Q. Do you know if they're -- can you
09 generally describe the assets that GoMH Holdings
10 owns?
11 A. Well, there are a number of assets in the
12 Gulf of Mexico, THUNDER HORSE, MARS. I -- I --
13 again, I couldn't tell you which -- I -- I can't
14 recall which ones GoMH Holdings has an ownership
15 in.
16 Q. But -- so -- so -- so do they, for
17 example, own a percentage of some of the
18 platforms?
19 A. They would have an ownership in -- in
20 those leases.
21 Q. Is it a partial ownership, or do they own
22 100 percent of any of the assets?
23 A. I believe it's a partial ownership.

Page 31:02 to 31:12

00031:02 (Marked Exhibit No. 12633.)
03 Q. (BY MS. HANKEY) If you could just review
04 the document to see if you're familiar it -- with
05 it.
06 A. I have seen this document.

07 Q. Okay. So do you know what this document
08 is?
09 A. It's a guarantee -- well, no. I'm sorry.
10 I have not seen this document. This is BP America
11 Production Company. I've seen a similar document
12 for BP Exploration & Production.

Page 31:15 to 31:25

00031:15 (Marked Exhibit No. 12634.)
16 Q. (BY MS. HANKEY) Okay. So what's this
17 document?
18 A. This document is a guarantee from BP Corp
19 North America to the ben -- of -- on behalf of BP
20 Exploration & Production related to the Oil
21 Pollution Act oil spill financial responsibility.
22 Q. And do you know why it was submitted by BP
23 Company North America --
24 A. Or I'm -- BP --
25 Q. -- Corporation North America?

Page 32:05 to 32:06

00032:05 Q. (BY MS. HANKEY) And do you know what
06 precisely this is guaranteeing --

Page 32:12 to 33:09

00032:12 A. I can't speak to the specific liabilities
13 that this would cover.
14 Q. (BY MS. HANKEY) Do you know who Randy
15 Latta reports to?
16 A. Randy Latta has a dual reporting
17 relationship. One is to John Mingi, and the other
18 is to Brian Gilvary.
19 Q. Gilvary?
20 A. Gilvary.
21 Q. Can you spell that?
22 A. G-I-L-V-A-R-Y.
23 Q. And John Mingi is -- he's the -- the
24 president and CEO of BP America, Inc.?
25 A. I believe that's his title.
00033:01 Q. And who is Brian Gilvary?
02 A. The Group CFO.
03 Q. And is that -- when you say "Group CFO,"
04 he's the CFO for the BP Group?
05 A. Correct.
06 Q. And when -- as -- when -- for the entire
07 period that you've been with the GCRO, have you
08 always reported to Randy Latta?
09 A. Yes.

Page 33:16 to 33:23

00033:16 Q. So prior to John Mingi, who was his
17 supervisor?
18 A. I believe he reported to Lamar McKay.
19 Q. And do you know during your time at the
20 GCRO, was it always Lamar McKay who was
21 Mr. Latta's supervisor?
22 A. Bob Dudley was the head of GCRO for a
23 short period of time in 2010.

Page 34:02 to 34:07

00034:02 Q. And do you know who does John Mingi report
03 to?
04 A. John Mingi reports to Lamar McKay.
05 Q. And what position does Lamar McKay now
06 hold?
07 A. Lamar McKay is the head of upstream.

Page 34:10 to 34:10

00034:10 previously marked as Exhibit 12314.

Page 34:25 to 35:24

00034:25 Q. So this -- this is dated in January 27th
00035:01 of 2011, and here, you're identified as the "Head
02 of Control"?
03 A. Correct.
04 Q. Is that an accurate description of your
05 position at that point?
06 A. Yes.
07 Q. And here, it has you reporting to Randy
08 Latta as CFO?
09 A. Yes.
10 Q. And that's correct as of January 2011?
11 A. That is correct.
12 Q. And that was -- was that -- was that true
13 also in July of 2010 when you took this position?
14 A. Yes.
15 Q. And if we could turn back to Page 2, on
16 the bottom here, it has Randy Latta identified as
17 the CFO reporting to Lamar McKay. Is that your
18 understanding of who he reported to in January of
19 2011?
20 A. That's what the chart would indicate, yes.
21 Q. And is that your understanding?
22 A. That would be my understanding.
23 Q. And then Lamar McKay is reporting to Bob
24 Dudley, Group Chief Executive?

Page 36:01 to 36:05

00036:01 A. That's what the chart says.

02 Q. (BY MS. HANKEY) And is that your
03 understanding of who Mr. McKay was reporting to in
04 January of 2011?
05 A. That is my understanding.

Page 37:20 to 38:10

00037:20 Q. (BY MS. HANKEY) Okay. Can you tell me
21 what the difference is between a "business unit"
22 and a "function"?
23 A. A "business unit" is typically delivering
24 revenue and has operations. A "function" is
25 generally more of a support service in support of
00038:01 those operating businesses.
02 Q. And so in your role with the GCRO, were
03 you part of a function?
04 A. I'm a function within an op -- embedded
05 within an operating business.
06 Q. And what's the operating business that
07 you're embedded with?
08 A. Gulf Coast Restoration Organization.
09 Q. And so is GCRO considered a business unit
10 within BP?

Page 38:12 to 38:25

00038:12 A. No -- well, I wouldn't call it necessarily
13 a business unit within the -- within BP.
14 Q. (BY MS. HANKEY) It -- it's not a legal
15 entity, correct?
16 A. GCRO is not specifically a legal entity.
17 Q. So if you wouldn't call it a business
18 unit, what would you call it?
19 A. It is a -- I would call -- well, it's an
20 operating unit responsible for specific activities
21 within a group.
22 Q. As an operating unit, did it reside with
23 any specific business unit?
24 A. It was outside the other business units
25 within BP.

Page 41:01 to 41:05

00041:01 Q. Now, prior to preparing financial
02 statements in 2011, do you know how BPXP was
03 incorporated into the statements at the parent
04 level?
05 A. No, I'm not familiar with that.

Page 41:13 to 41:20

00041:13 Q. So the annual report, for example, for BP
14 America, do you know how BPXP is incorporated into

15 that statement?

16 A. I couldn't speak to the exact process of
17 how that works.

18 Q. How about BP PLC?

19 A. Again, can't speak to exactly how -- how
20 that works.

Page 44:23 to 45:05

00044:23 Q. And when you were in the Canada business
24 unit, did you prepare a summary of the trial
25 balance as part of your responsibilities?

00045:01 A. I -- as part of my role within Canada, I
02 did submit a GAIT submission.

03 Q. And that would be on behalf of the
04 business unit?

05 A. In Canada at the time.

Page 46:02 to 46:16

00046:02 (Marked Exhibit No. 12638.)

03 Q. (BY MS. HANKEY) And this is a
04 presentation entitled "Response, Reaction &
05 Restoration" by Lamar McKay.

06 I'm going to ask you to turn to the
07 last page. Here, he's referring to the GCRO being
08 formed, the appropriate resources focused on
09 restoration, and he explains that GCRO is part of
10 BP America.

11 Do you see that?

12 A. I do see that in the document.

13 Q. And is that your understanding, that the
14 GCRO is part of BP America?

15 A. I've not seen this document, so I can't
16 really speak to the context of that.

Page 47:02 to 47:22

00047:02 Q. (BY MS. HANKEY) It -- do you understand
03 that statement to be inaccurate?

04 A. I can't speak to whether it's accurate or
05 inaccurate. Well, it's -- GCRO liabilities rest
06 with BPX&P. So I'm not sure what the -- the
07 context of this statement is.

08 Q. And here, he refers to the "GoM
09 Subcommittee of BP Board formed, Monitoring and
10 oversight."

11 Do you see that?

12 A. GoM -- I do see that.

13 Q. And is he referring to the GoM
14 subcommittee of the BP PLC board?

15 A. Again, I'm not quite sure what this is
16 referring to.

17 Q. Do you understand that the BP PLC board

18 formed a Gulf of Mexico sub -- subcommittee?
19 A. I do.
20 Q. And did the Gulf of Mexico subcommittee
21 exercise oversight over the GCRO?
22 A. They did exercise oversight.

Page 47:25 to 48:01

00047:25 mark this as Exhibit 12639.
00048:01 (Marked Exhibit No. 12639.)

Page 48:09 to 49:20

00048:09 Q. (BY MS. HANKEY) And this is a
10 presentation entitled "Leadership Forum,"
11 October 20th, 2010.
12 Do you know what the "Leadership
13 Forum" is?
14 A. I'm not familiar with this document, not
15 familiar with what the leadership forum they would
16 be referring to here.
17 Q. You're not familiar with the leadership
18 forum?
19 A. Not -- yeah. Not -- not this leadership
20 forum.
21 Q. Are you familiar with other leadership
22 forums?
23 A. There are a number of leadership forums in
24 BP. I have a leadership forum for my particular
25 staff. It's a generic term I would say.
00049:01 Q. And what does that term refer to?
02 A. What is leader -- "leadership forum"?
03 Q. Yeah, the gen -- you said it was a generic
04 term. What's it used to describe?
05 A. I -- again, that's -- could mean different
06 things. I -- I can't speak to what this
07 particular leadership forum is referencing.
08 Q. When you -- you hold -- you said that you
09 have a leadership forum within your group?
10 A. Yes. I have direct reports and people who
11 report to the -- those direct reports. So I have
12 my direct reports at a -- a meeting, and I would
13 consider that my leadership forum.
14 Q. Okay. So when you have a meeting with
15 your direct reports, you would consider that a
16 leadership forum?
17 A. You could call it a "leadership forum."
18 Q. Do you call it a "leadership forum"?
19 A. I don't necessarily call it a "leadership
20 forum," but it could be viewed in that manner.

Page 50:02 to 50:07

00050:02 Q. And here, again, the -- one -- the second

03 to the last bullet point says: "GCRO" is "part of
04 BP America; taking over from Unified Command in
05 fourth quarter; covering clean-up, economic
06 damages;" and "long-term research."
07 A. I see that statement.

Page 50:13 to 50:18

00050:13 Q. (BY MS. HANKEY) The -- is it your
14 understanding that the -- that some of the
15 operations for people within the un -- within the
16 GCRO were working within the Unified Command?
17 A. People within GCRO were working within the
18 Incident Command structure.

Page 51:17 to 51:17

00051:17 (Marked Exhibit No. 12640.)

Page 51:19 to 52:04

00051:19 Q. (BY MS. HANKEY) And this is the "Gulf of
20 Mexico Committee Charter"?
21 A. I can see that's what it says, yeah.
22 Q. And it says: "The GCE has established a
23 separate business organization, the Gulf Coast
24 Restoration Organization, to manage the group's
25 long-term response to the DEEPWATER HORIZON
00052:01 incident."
02 A. I see that there.
03 Q. And is that your understanding, the GCRO
04 was formed by the Gulf of Mexico Committee?

Page 52:06 to 52:14

00052:06 A. I couldn't speak to who actually formed
07 the Gulf Coast Restoration Organization.
08 Q. (BY MS. HANKEY) Okay. And then it says
09 under "Purpose and Role": "The purpose of this
10 Committee is to provide, in a non-executive role,
11 oversight of the GCRO and to support efforts" --
12 "efforts to rebuild trust in BP and BP's
13 reputation."
14 A. I see that.

Page 54:07 to 54:07

00054:07 (Marked Exhibit No. 12641.)

Page 54:09 to 55:01

00054:09 Q. (BY MS. HANKEY) And this is an agenda for

10 October 15, 2010 of -- for the Gulf of comm --
11 Mexico Committee meeting?
12 A. I see that.
13 Q. And do you see that as a guest
14 participant, Randy Latta is present as a for -- as
15 the CFO for GCRO?
16 A. I do see that, yes.
17 Q. As is Luke Keller. Do you know who Luke
18 Keller is?
19 A. I do know Luke Keller.
20 Q. Who is Luke Keller?
21 A. Currently I know him as a BPX&P board
22 member.
23 Q. Okay. And did he have a position within
24 the GCRO?
25 A. He did have a position within Gulf Coast
00055:01 Restoration Organization.

Page 55:04 to 55:13

00055:04 Q. And here, there's a -- at 8:20, they have
05 Mike Utsler giving a presentation on the
06 transition of UAC to GCRO?
07 A. I see that on the agenda.
08 Q. And do you know who Geir Robinson is?
09 A. I do know who Geir Robinson is.
10 Q. Who is Mr. Robinson?
11 A. Geir Robinson, at the time, was director
12 of claims within Gulf Coast Restoration
13 Organization.

Page 55:24 to 55:24

00055:24 (Marked Exhibit No. 12642.)

Page 56:07 to 56:18

00056:07 Q. Is that something that you would have
08 prepared?
09 A. I would have not have prepared this
10 particular slide. People who prepared this slide
11 probably would have received information from me
12 to prepare that slide.
13 Q. Okay. How about on the slides on Pages 3
14 and 4?
15 A. Again, I didn't prepare those slides.
16 Other people would have probably used some of my
17 information as potentially a data source for
18 those.

Page 57:12 to 57:12

00057:12 (Marked Exhibit No. 12643.)

Page 57:19 to 58:05

00057:19 Q. Yeah. So I wanted to ask you about this
20 sentence that says: BP America will continue to
21 manage Government and Public Affairs for" many --
22 "for BP's many U.S. businesses. BP America will
23 continue to establish and implement common HR
24 policies and programs for the 34,000 men and women
25 who work for BP in the U.S."
00058:01 A. I see that statement, yes.
02 Q. Okay. Did -- does BP America have a
03 Government and Public Affairs function?
04 A. BP America does have a public and
05 government amares -- affairs function, yeah.

Page 58:10 to 58:12

00058:10 Q. Do you know whether the Government and
11 Public Affairs function was providing services to
12 the GCRO?

Page 58:14 to 59:14

00058:14 A. At one point, Government and Public
15 Affairs was an organization within Gulf Coast
16 Restoration Organization.
17 Q. (BY MS. HANKEY) So there was an
18 organization within the GCRO that was called the
19 "Government and Public Affairs"?
20 A. Yes.
21 Q. And do -- do you know were the people who
22 were working within that organization employed by
23 BPAPC?
24 A. I couldn't tell you who their payroll
25 entity was. Those costs were charged into BPX&P
00059:01 in support of the incident.
02 Q. With respect to all of the employees in
03 the GCRO, did they all -- were they all -- did
04 they all have the same payroll entity?
05 A. Don't know that for sure.
06 Q. Is that something that would be included
07 in the trial balance?
08 A. What would be included in the trial
09 balance is anyone -- so, again, there are a couple
10 of different payroll entities that I'm aware of.
11 I believe predominantly most people in GCRO f
12 including myself, were BPAPC payrolled employees,
13 and those costs have been charged into BPX&P in
14 support of operations supporting the incident.

Page 59:21 to 63:02

00059:21 Q. On the -- on the trial balance, would it

22 identify charges related to emp -- employee costs
23 for the GCRO that were -- where the payroll entity
24 was BPAPC?

00060:01 25 A. No. The trial balance -- it wouldn't be
02 evident within the trial balance. Those costs
03 would be charged in -- so we have an automatic
04 charge process.
05 So our HR systems -- so if you're at
06 BPAPC payrolled employee and your working on a
07 BPX&P asset for instance, those charges
08 automatically get billed into BPX&P. And
09 they'll -- you'll see those evident in salaries,
10 which is a general ledger account on the trial
11 balance. And then there would be an offsetting
12 payable back to BPAPC on -- on BPX&P's books.

13 Q. Would the -- would the payable identify
14 that it was for employee costs?

15 A. Not specifically. The payable includes --
16 could include other transactions as well.

17 Q. And you said that it was automatic. Can
18 you explain that process to me?

19 A. We have a financial system, SAP, and we've
20 got an HR module within SAP. So they'll establish
21 an employee as a payrolled employee of BPAPC.
22 It's determined what asset and -- and entities
23 that that payroll employee is supporting. There's
24 a charge code that's attached to that employee.

00061:01 25 And then as payroll runs, it
02 actually -- it will pay the employee through the
03 employing agency and then automatically charge
04 that expense over to -- through our automated
05 systems into the BPX&P's books and, again, create
06 offsetting intercompany receivables and payables
07 between those two entities.

08 Q. Are there -- are there invoices that are
09 sent from BPAP to BPXP for those employee costs?

10 A. There are no invoices sent specifically
11 for those inv -- those charges.

12 Q. Are there invoices sent for other charges,
13 do you know?

14 A. Between --

15 Q. BPXP and BPAP?

16 A. BPAPC?

17 Q. (Counsel nods.)

18 A. I can't think of the other charges.
19 Sometimes we send invoices. Sometimes invoices
20 are not sent. So in the case of payroll, it's an
21 automated process.

22 Q. So you referred to the "SAP system." Can
23 you tell me what the "SAP system" is?

24 A. It's a global financial system that's used
25 by many corporations.

00062:01 26 Q. And is this system used by the BP Group?
02 A. It's used by different elements of the BP
03 Group.

04 Q. So are there any elements of the BP Group

03 that don't use the SAP system?

04 A. There are some foreign locations that have
05 not been migrated to SAP.

06 Q. And who manages the SAP system?

07 A. I can't tell you specifically who manages
08 it. It's very large system and many components to
09 it that are managed by probably different people.

10 Q. Is there any function -- specific function
11 within BP that's responsible for the operations of
12 the SAP system?

13 A. That would be finance is ultimately
14 responsible for the financial system.

15 Q. So finance is one of the functions in
16 the -- is it in the BP Group?

17 A. Finance is a function within the BP Group.

18 Q. And what does the finance function do?

19 A. The finance function has several roles and
20 accountabilities. One is accounting reporting
21 control, which is an area that I support
22 specifically.

23 They also do performance management.

24 They do business development, commercial
25 operations, and planning. I think those are

00063:01 several specific responsibilities within the
02 finance function I can recall.

Page 63:22 to 64:06

00063:22 So when you were the head of control

23 for the Canada business unit, were you considered
24 to be within the finance function?

25 A. Yes. Finance, again, is a function in

00064:01 support of many different businesses and entities
02 within BP.

03 Q. And your role within the finance function
04 at that point was specifically to support the
05 Canada business unit?

06 A. Yes.

Page 64:11 to 64:15

00064:11 Q. And when you were head of control for the
12 GCRO, were you still considered to be part of the
13 finance function pro -- and then -- then providing
14 support to the GCRO?

15 A. When --

Page 64:17 to 67:01

00064:17 A. When I went to GCRO, I was still part of
18 the finance function, but working -- supporting a
19 different set of assets.

20 Q. (BY MS. HANKEY) When you came to the
21 GCRO, did your payroll entity change?

22 A. Yes. I was paid by BP -- well, I'm not --
23 let me back up.
24 I'm not sure I -- I remember how I
25 was getting paid through Canada. I may have
00065:01 actually still been being paid by BPAPC and then
02 recharged back into BP Canada for my time up
03 there. But -- so I don't recall.
04 Q. Okay.
05 A. Yeah.
06 Q. How long have you worked for BP?
07 A. I originally started with Amoco. That was
08 back in 1985. In 1999, BP Amoco merged. I was
09 outsourced to PricewaterhouseCoopers, sold to IBM,
10 and reinsourced back to BP in 2005.
11 Was that more than you wanted to
12 know?
13 Q. That's quite complicated.
14 A. That's my story.
15 Q. So when you were outsourced to
16 PricewaterhouseCooper, were you still technically
17 working for BP?
18 A. PricewaterhouseCoopers was providing
19 accounting services for BP.
20 Q. Who was your paying -- who was your paying
21 entity at that point?
22 A. PricewaterhouseCoopers.
23 Q. Okay. And then when you were sold to IBM,
24 did they -- did IBM become your paying entity?
25 A. Yes.
00066:01 Q. Okay. And then at what point did you
02 leave IBM to work for BP directly?
03 A. I believe it was early 2005.
04 Q. And is it at that point that you took the
05 role of head of control in Canada?
06 A. No.
07 Q. Okay. So where did you go in 2005?
08 A. I was working -- well, I was working
09 several projects on behalf of the finance
10 function.
11 Q. So since 2005, you've been with the
12 finance function?
13 A. Within BP, yes.
14 Q. And then -- but who you were servicing may
15 have changed since that time?
16 A. That's correct.
17 So finance, again, is a global
18 function. It provides services to a number of BP
19 entities.
20 Q. And do you recall when you started
21 servicing the Can -- Canada business unit?
22 A. I believe it was 2007 maybe. It's been a
23 long time.
24 Q. Yeah. And were you actually in Canada at
25 that point?
00067:01 A. I did live in Canada for several years.

Page 67:12 to 67:12

00067:12 (Marked Exhibit No. 12644.)

Page 68:19 to 68:24

00068:19 Q. Okay. And is this the -- the finance
20 function that you had been describing just now?
21 A. Yes. I don't know the date of this
22 particular document, but --
23 Q. Yeah.
24 A. -- I would say generally that's correct.

Page 69:02 to 69:07

00069:02 Q. Are there functions within the finance
03 group that aren't listed here?
04 A. The definition of "finance" that I'm
05 familiar with is -- includes accounting reporting
06 and control, planning and performance management,
07 business development, and commercial operations.

Page 70:23 to 71:11

00070:23 Q. And how about procurement, is that a
24 function within BP -- the BP Group?
25 A. Procurement is a function within the BP
00071:01 Group.
02 Q. And do you know what the procurement
03 function does?
04 A. They're responsible for securing goods and
05 services on behalf of the business.
06 Q. So did somebody from the procurement
07 function, for example, provide services to the
08 GCRO?
09 A. We did have procurement organization
10 within the Gulf Coast organization being charged
11 into BPX&P.

Page 73:10 to 73:10

00073:10 (Marked Exhibit No. 12645.)

Page 73:20 to 74:15

00073:20 Q. What was the -- what are these codes used
21 for?
22 A. These are -- are -- I would characterize
23 these as our global chart of accounts. So each --
24 there are different financial systems across the
25 BP Group. SAP is a common one but not the
00074:01 exclusive one.

02 The Group has a -- a standard, group
03 reporting standard and -- which defines how --
04 through -- on a consolidated basis how we actually
05 report our financial results.

06 So these are the specific codes,
07 income statement, balance sheet, additional codes,
08 and supplementary codes that the Group requires
09 each entity within the BP organization to report
10 on.

11 Q. So are these codes that are reflected in
12 the trial balance?

13 A. These codes, if they're applicable to
14 BPX&P, they would be reflected in the trial
15 balance.

Page 76:17 to 76:25

00076:17 (Marked Exhibit No. 12646.)

18 Q. (BY MS. HANKEY) So this is what -- is
19 referred to as the trial balance, correct?

20 A. Yes.

21 Q. So for the record, this -- this is a --
22 this is not a complete version of the Excel
23 spreadsheet. I've consolidated some of the
24 columns so that it would print. So for --

25 A. That's all right.

Page 77:16 to 78:25

00077:16 Q. So if I understand your testimony earlier,
17 you created this Excel spreadsheet in order -- for
18 production purposes, correct?

19 A. Yes.

20 Q. So can you tell me how you created it?

21 A. Again, our financial system contains all
22 the financial records for every entity. There are
23 a number of code structures to allow you to slice
24 and dice that financial data so you can get BPX&P
25 as a legal entity. You can get Gulf Coast

00078:01 Restoration Organization as a slice as an
02 operating entity, operating on BPX&P.

03 We have a -- attached to our
04 financial reporting system is a Business
05 Warehouse, which is another SAP facility. And
06 through mappings that are maintained, general
07 ledge -- underlying SAP general ledger accounts
08 are mapped into what we consider to be the Group
09 Reporting Manual defined trial balance.

10 And so I can run a report out of that
11 reporting system identifying BPX&P as the entity
12 that I want to report on.

13 This particular report includes two
14 subsidiaries of BPX&P, Verano Holdings Company and
15 BP Offshore Response Company.

16 Q. You referred to the Group Reporting Manual

17 to find trial balance. Is that a -- is there a --
 18 a definition of -- of trial balance within the
 19 Group Reporting Manual?
 20 A. The -- the Group Reporting Manual provides
 21 instructions on how to map your individual
 22 essay -- yeah, ledger balances into a common
 23 format so that we have consistent reporting across
 24 the groups. That's what the Group reporting
 25 mainly does.

Page 79:09 to 80:14

00079:09 Q. (BY MS. HANKEY) Sure. So I'm just trying
 10 to determine this isn't something that already
 11 existed on your computer and you just hit
 12 "Print" --
 13 A. It -- it exists --
 14 Q. -- and produced it to us?
 15 A. It exists in the -- in the financial
 16 system. So it's -- it's available to run at any
 17 point in time.
 18 Q. And is this -- in terms of what's
 19 available to run at any time, is this a
 20 preexisting report or is it a report that you
 21 created at the time?
 22 A. This is a preexisting report that you can
 23 use different elements that you want to choose to
 24 report on.
 25 Q. Okay. So -- so, for example, if I were to
 00080:01 go into the SAP system and look for the GRM Trial
 02 Balance, that would be an existing report?
 03 A. Yes.
 04 Q. And do -- did it already exist in the
 05 system for BPXP and the subsidiaries?
 06 A. Does it already exist in the system?
 07 Q. (Counsel nods.)
 08 A. There -- the intent is not to really
 09 create a whole bunch of individual reports because
 10 there's a lot of people who use this reporting
 11 system. So what they'll do is provide a standard
 12 Group Reporting Manual or a GRM Trial Balance
 13 report, and then it's up to the user to select
 14 what entity that they want to choose.

Page 80:20 to 81:07

00080:20 Q. So you said that the GRM Trial Balax --
 21 Balance exists within the system, and then you can
 22 go in and pull out a subset for your specific
 23 legal entity.
 24 Did I understand that correctly?
 25 A. The GRM Trial Balance is just -- one of
 00081:01 the -- the common reports that you will find in
 02 the reporting system. And so when you bring up
 03 that report, you can select different entities

04 that you want to report on. So...
05 Q. And so when the tr -- GRM Trial Balance
06 that exists, does that -- is it specific -- is
07 it -- does that include the entire BP Group?

Page 81:09 to 81:12

00081:09 A. The -- the -- the tr -- the -- the
10 Business Warehouse that I have access to contains
11 entities that are supported with our specific SAP
12 system.

Page 81:19 to 81:25

00081:19 Q. Do you know whether there are any
20 operations within BP America that would not be
21 included in the system?
22 A. I -- well, there are several SAP systems
23 within the United States, and I don't believe all
24 of those map into this particular reporting
25 system. BPX&P does. BPAPC rolls into here.

Page 83:19 to 84:01

00083:19 Q. Yeah. Do you know whether all of the
20 upstream businesses within BP America are included
21 within this SAP system?
22 A. I couldn't tell you specifically if all
23 entities within upstream in the U.S. are all in
24 that instance.
25 Q. Okay.
00084:01 A. I couldn't say that for a fact.

Page 84:04 to 84:04

00084:04 A. I -- I -- I believe the vast majority do.

Page 84:13 to 88:05

00084:13 The trial balance, do you know
14 whether the trial balance is used for the purposes
15 of creating the Group reports?
16 A. Are you speaking about what's in the
17 annual report?
18 Q. Yeah.
19 A. The trial balances are rolled up through a
20 normal consolidation process and ultimately used
21 in the -- to support the annual reports.
22 Can I -- I -- I do want to clarify
23 one thing. You had asked about the trial balance
24 in this exhibit. I do -- I -- you can run these
25 out of the financial system. I did include the
00085:01 legal entity trading partners, so that was an

02 addition that I added. The trading partner is
03 defined through an extension on the GRM accounts,
04 and to help support the understanding, I did
05 include the legal entity trading partner
06 associated with those -- those accounts.

07 Q. So how -- how did you include the legal
08 entity trading partner?

09 A. Included that within the spreadsheet. So
10 the -- the extension codes on the GRM accounts
11 define the off -- the BP trading partner, and then
12 there's a reference guide that says this trading
13 partner equals this entity.

14 Q. So did this -- is that an addition you
15 were able to make within the SAP system or
16 something that you had to do separately?

17 A. I included that on the Excel spreadsheet.

18 Q. Okay. And you did -- did you actually
19 physically type it in?

20 A. No. It's just kind of a copy-and-paste
21 thing.

22 Q. Okay.

23 A. And I don't think we did all of them but
24 just the major ones.

25 Q. Did you -- you said that you -- you didn't
00086:01 include all of them, just the major ones for the
02 trading partners?

03 A. Yes. It was a manual process just to --
04 and, again, it was just trying to facilitate the
05 understanding, so...

06 Q. And did you -- was there a rule of thumb
07 that you used in terms of --

08 A. I believe all sales and purchases trading
09 partners were included and then on the receivables
10 and payables. I don't recall it was -- if it was
11 over a million dollars on average or something
12 like that.

13 Q. The -- do you know the reference guide
14 that identifies the legal entity trading partner?
15 Is that also something that was produced?

16 A. I -- I believe it was.

17 Q. Okay. Is there any one within the G --
18 GCRO who has the specific responsibility of
19 maintaining the trial balance?

20 A. Is there anyone specifically in GCRO
21 that's responsible for maintaining the trial
22 balance? The trial balance is generated through a
23 series of many different entries. The GCRO
24 portion of BPX&P, I'm responsible for reporting
25 off of that. The GoM business unit portion of
00087:01 BPX&P, for instance, they would be responsible for
02 reporting off of that.

03 Q. And do you know who within the business --
04 the GoM business unit is responsible?

05 A. That would be the -- their -- their
06 equivalent finance team.

07 Q. And how about for BPXP, is there somebody

08 who is responsible specifically for BPXP?

09 A. Each operating entity is responsible for
10 their portion of BPX&P, and then I produce a
11 consolidated finance report on behalf of the
12 board.

13 Q. So within BPX&P, what are the different
14 operating units that would be involved?

15 A. The two primary operating units that
16 operate on the BPX&P legal entity would include
17 Gulf Coast Restoration Organization and the Gulf
18 of Mexico business unit.

19 Q. Are there any other business units?

20 A. There is a small, I believe, integrated
21 supply and trading organization that operates on
22 BPX&P. I believe they ultimately market the gases
23 produced off the Gulf of Mexico.

24 Q. And with respect to any of the functions
25 that -- within the Group that are servicing BP or
00088:01 servicing the business unit, would they -- would
02 they have responsibility for any operations that
03 would fall? So for example, the Government and
04 Public Affairs function, would they have any
05 responsibility for the trial balance?

Page 88:07 to 88:24

00088:07 A. They -- they would incur charges on the
08 trial balance, just as any -- anyone who incurred
09 expenses.

10 Q. (BY MS. HANKEY) And do they have any
11 res -- responsibility for ensuring that those are
12 proper -- properly accounted for within the trial
13 balance?

14 A. I wouldn't say direct responsibility, but
15 everyone has a responsibility within BP to ensure
16 part of the code of conduct, just making sure that
17 people do the right thing.

18 Q. And the -- within the GoM business unit,
19 you said it was the finance function within the
20 GoM business unit that was responsible for the
21 trial balance?

22 A. The finance function that's embedded
23 within the Gulf of Mexico business unit is
24 responsible for reporting off the trial balance --

Page 90:15 to 90:20

00090:15 (Marked Exhibit No. 12647.)

16 MR. NOMELLINI: And, Rachel, I
17 believe that the -- that the produced version of
18 the legal entity codes is at Tab 4 of the binder
19 that you have.

20 MS. HANKEY: Oh, okay. Thank you.

Page 90:24 to 91:14

00090:24 Q. And what's this document?
25 A. This is what I would call a "provision
00091:01 continuity schedule" for BPX&P excluding legal
02 costs.
03 Q. And is that specific to costs related to
04 the spill?
05 A. This is an accumulation of cost for --
06 that are in BPX&P's books, excluding third-party
07 legal costs that are reported up as part of the
08 spill response.
09 Q. And is this something that you prepared?
10 A. I did prepare this.
11 Q. And is -- is the information in the
12 spreadsheet something that you can tie back to the
13 trial balance?
14 A. Yes.

Page 91:17 to 92:02

00091:17 Q. Okay.
18 A. The answer is not specifically because the
19 BPX&P trial balance includes not only the GCRO
20 portion of the BPX&P financials but also includes
21 the other entities, specifically GoM, as well as
22 IST and any -- any entities operating on BPX&P.
23 Q. And so looking at the trial balance, is --
24 is there a way in the trial balance to identify
25 specifically spill-related costs?
00092:01 A. No. Those are commingled with the rest of
02 the BPX&P operations.

Page 92:05 to 92:05

00092:05 to Exhibit 12646?

Page 94:01 to 95:02

00094:01 Q. And I was wondering if you could tell me
02 what Line 1375 represents?
03 A. 1375 is -- that is production and
04 manufacturing expense for other items. I can't --
05 I would have to refer back to the coding guide for
06 the specific description.
07 Q. And so do you know whether the -- whether
08 spill costs would have been included in -- in a
09 code like that?
10 A. Spill costs are included in that code.
11 Q. Spill costs among others?
12 A. Our spill costs are recorded specifically
13 in that code. GoM business or other businesses
14 could actually charge into that code, depending on
15 the circumstances.

16 Q. Okay. So on the trial balance, GCRO is
17 not segregated; is that correct?

18 A. Not on this trial balance GCRO is not
19 segregated.

20 Q. Okay. Do you know why it's not
21 segregated?

22 A. I was requested to provide a BPX&P trial
23 balance.

24 Q. Are there -- Column A is the "ECCS
25 Account." Are there ECCS accounts that are
00095:01 specific to GCRO?

02 A. No.

Page 95:10 to 100:13

00095:10 Q. So is this reflect -- reflecting a payable
11 in 2010 of 9.5 billion to BP Company North
12 America, Inc.?

13 A. That is BP Company North America. Yes, it
14 is reflecting a payable.

15 Q. Do you know what the payable is for?

16 A. BP Company North America, Inc., is the
17 paying agent on behalf of BPX&P. It's also a
18 paying agent for a number of BP entities as part
19 of our -- it's in compliance with our Group
20 standard on centralized cash and banking services.

21 So they will release a payment across
22 a number of -- or a lot of our invoices that BPX&P
23 incurs charges for, and then when they do that,
24 BPX&P then has to reimburse them for releasing a
25 fund. So BP Company North America has a
00096:01 receivable, offsetting receivable from BPX&P.

02 Q. Is there an agreement in place for that
03 arrangement?

04 A. Not that I'm aware of.

05 Q. Does BPXP pay interest?

06 A. BPX&P does not pay interest on that
07 working capital balance. Again, it's considered a
08 working capital balance. It's similar to other
09 working capital balances, and we don't pay
10 interest.

11 Q. You said it's not an agreement. Is it
12 formalized in any other way?

13 A. It -- it is an automated process. So,
14 again, the integrated SAP systems that we have
15 automatically generate a -- that receivable and
16 payable between the two.

17 Q. Now, I've also seen reference to an entity
18 referred to as "NAFCO."

19 A. Yes.

20 Q. What's "NAFCO"?

21 A. NAFCO stands for North American Funding
22 Company, and it represents -- it -- it holds the
23 internal funding account, acts as a cash account
24 on behalf of BPX&P.

25 Q. So can you explain the difference between
00097:01 NAFCO and BP Company North America in that regard?

02 A. BP Company North America, again, is -- is
03 a paying agent on behalf of BPX&P. NAFCO is what
04 I would consider to be a bank account on behalf of
05 BPX&P.

06 So NAFCO receives proceeds on behalf
07 of BPX&P. And when it receives proceeds, BPX&P
08 would have a receivable from NAFCO, NAFCO would
09 have a payable to BPX&P.

10 When BPX&P effects payment to other
11 BP entities, it -- NAFCO is a bank account to
12 transfer funds from BPX&P's internal funding
13 account to the other BP entities internal funding
14 account. So that's how NAFCO works.

15 Q. Why would NAFCO -- under what
16 circumstances would NAFCO pay receivables as
17 opposed to BP Company North America?

18 A. Could you repeat the question?

19 Q. Sure. Under what circumstances would
20 NAFCO be paying a receivable as opposed to BP
21 Company North America?

22 A. NAFCO doesn't pay receivables. They -- if
23 you're referring to what I had mentioned earlier
24 about a receivable, if -- when BPX&P produces oil
25 and gas and they sell that oil and gas to, say, BP
00098:01 Products North America, they'll have a receivable
02 from BP Products North America.

03 When BP Products North America pays
04 BP Exploration & Production, that's really just a
05 transfer between internal funding accounts which
06 are held on NAFCO's books. So NAFCO, in that
07 case, would have -- well, in that case, BPX&P
08 would have a receivable from NAFCO, NAFCO would
09 have a payable back to BPX&P.

10 Did I clarify that?

11 Q. Yes. And in terms of what's on the trial
12 balance when that -- when that type of transaction
13 occurs, does it reflect as a trans -- transaction
14 with NAFCO, or does it reflect as a transaction
15 with the -- I don't want to call them third party,
16 but the other BP entity involved in the
17 transaction?

18 A. Again, the -- the -- the initial
19 transaction between BPX&P and other party would --
20 would create a receivable or a payable with that
21 counterparty. When those receivables and payables
22 are settled, they're settled through NAFCO.

23 So, again, NAFCO ultimately ends
24 the -- the bank account for BPX&P. So they'll --
25 they'll receive funds on behalf of BPX&P or they
00099:01 will pay funds to other BP counterparties on
02 behalf of BPX&P.

03 Q. But on the trial balance, is that
04 reflected as a transaction with NAFCO or is that
05 reflected as a transaction with the legal entity

06 trading partner?
 07 A. NAFCO is the legal entity.
 08 Q. Okay. So if, for example, under an
 09 agreement for sale with BP Products North
 10 America --
 11 A. Uh-huh.
 12 Q. -- and BP Products North America is going
 13 to be making a payable to BPXP, under that
 14 agreement, that would be re -- that would actually
 15 show on trial balance as a payment to -- to NAFCO
 16 or a -- a receivable from NAFCO?
 17 A. The -- so, again, when BPX&P sells oil to
 18 BP Products North America, it will record a sale
 19 on the profit and loss statement. It will record
 20 an accounts receivable from BP Products North
 21 America.
 22 Q. Okay.
 23 A. When -- when BP products -- when that
 24 receivable gets settled, the way that financial
 25 entries occur is we will debit -- or, I'm sorry,
 00100:01 credit off the receivable from BP Products North
 02 America, and we will debit a receivable from
 03 NAFCO --
 04 Q. Okay.
 05 A. -- which basically indicates that we have
 06 cash on deposit with NAFCO because NAFCO is the
 07 funding agent that transfers the cash between
 08 those internal financing accounts between those
 09 two BP entities.
 10 Q. Okay. That makes sense.
 11 A. Okay.
 12 Q. Does BPXP have financing from any entities
 13 other than NAFCO or BP Company North America?

Page 100:15 to 101:15

00100:15 A. Could you define the term "financing"?
 16 Q. (BY MS. HANKEY) Do they owe debt for
 17 something other than services?
 18 A. BPX&P has a loan with NAFCO currently, and
 19 they also have a loan with BPAPC as well.
 20 Q. Do you know how much the loan with BPAPC
 21 is for?
 22 A. 300 million.
 23 Q. Do you -- when did that loan occur?
 24 A. I don't recall.
 25 Q. Okay.
 00101:01 A. Yeah.
 02 Q. In the last year or two?
 03 A. No.
 04 Q. Older than that?
 05 A. Yes.
 06 Q. But prior to 2010?
 07 A. Prior to 2010.
 08 Q. Okay. Is -- is 300 million the current

09 balance on that loan, or is that what the loan
10 originated at?
11 A. That's -- couldn't -- I -- it's the
12 current balance. I couldn't speak to that.
13 Q. Any -- is there -- you -- you mentioned
14 loans with NAFCO and BPAPC. Do they have loans
15 with anyone else?

Page 101:17 to 102:11

00101:17 Q. (BY MS. HANKEY) Any other BP entities?
18 A. Those are the two loans that I'm aware of.
19 Q. And what is "BP International"?
20 A. BP International is similar to NAFCO.
21 It's a -- a bank account that the BP Group uses.
22 Q. And how does it differ from NAFCO?
23 A. I can't really speak to a lot of the
24 specifics around that. BPX&P deals directly with
25 NAFCO, so I'm familiar with how that process
00102:01 works.
02 Q. Does BPXP have loans with any entities
03 external to BP?
04 A. Does BPX&P have any loans external?
05 Q. Uh-huh.
06 A. Not that I'm aware of.
07 Q. Are -- are the loans reflected on the
08 trial balance as -- as -- as specific transaction?
09 A. The loans are reflected. The BPAPC and
10 the BP -- or the NAFCO loans are reflected on the
11 trial balance.

Page 103:14 to 103:19

00103:14 Q. -- second-to-last page?
15 A. Exactly. Yeah, if you -- yeah, you can
16 see the 300 million and the 3.1 billion. Yep.
17 Q. So as of the first quarter of 2014, are
18 these the only two loans that BPXP has?
19 A. Yes.

Page 103:24 to 103:24

00103:24 (Marked Exhibit No. 12648.)

Page 104:23 to 105:01

00104:23 Q. So GCRO is still included within this
24 trial balance?
25 A. GCRO is still included within this trial
00105:01 balance.

Page 105:22 to 107:09

00105:22 Q. And how do they account for assets which
23 are partially owned by BPXP?

24 A. Well, it depends on whether we're the
25 operator or -- or not the operator. If -- if
00106:01 we're a non-operator, the operator basically
02 operates the platform. They're securing all the
03 goods and services to drill the well, and then we
04 get charged over our proportionate share. If
05 those costs are related to capital expenditures,
06 they would be cap -- captured here on this capital
07 report.

08 For -- where BPX&P is the operator,
09 again, we would secure the goods and services in
10 order to drill and develop and build out the
11 platforms. Our financial systems have BP
12 ownership interests that's embedded in that. We
13 have a common SAP deliver application to run what
14 we call "cut back."

15 So after costs are captured for a
16 given month, anything captured against a cost
17 object to -- that is defined -- a cost object
18 would define a particular asset or an element
19 within a particular asset. So -- and then there's
20 ownership assigned with those particular cost
21 objects.

22 So at the end of each month, all
23 costs captured on that particular cost object, the
24 system knows, say, BP only has had a 65 percent
25 working interest, it -- it actually creates a
00107:01 jour -- automatic journal entry to reduce the
02 physical expenses that are charged on our books
03 and offset with the receivable to the party -- to
04 the other party.

05 So that's fundamentally how that
06 accounting works.

07 Q. Do you know -- do -- does -- do P -- BPAPC
08 and BPXP own any assets in common?

09 A. I don't know that.

Page 107:23 to 108:09

00107:23 Q. (BY MS. HANKEY) And at the Line 2879, in
24 2010 there's a 5 billion-dollar entry for NAFCO.

25 A. That's a balance that existed as of the
00108:01 end of 2010.

02 Q. Is that a loan?

03 A. That would be the payable that's on the
04 books to NAFCO -- NAFCO. That's not defined as a
05 formal loan.

06 Q. What is it categorized as, as opposed to a
07 loan?

08 A. It's reflected on trial balance as a
09 working capital balance.

Page 108:15 to 109:22

00108:15 Q. And when you refer to "working capital,"
 16 does -- does that include Group payables?
 17 A. Does in Group -- Group payables would be
 18 included in working capital.
 19 Q. So does BPXP have its own bank account?
 20 A. NAFCO acts as BPXP's bank account.
 21 Q. But does -- and does NAFCO have a bank
 22 account?
 23 A. Bank of -- NAFCO has bank accounts.
 24 Q. Is the same true for GCRO?
 25 A. GCRO is an operating entity that operates
 00109:01 on BPX&P, so GCRO wouldn't have its own bank
 02 account. It -- it -- it's -- operates again under
 03 BPX&P and uses the NAFCO bank account.
 04 Q. So when you -- when -- when the GCRO has
 05 transactions with BP entities, that would be
 06 reflected as a transaction with BPXP?
 07 A. GCRO doesn't have transactions with BPX&P.
 08 GCRO operates all of its transactions are how --
 09 are -- are -- are on BPX&P.
 10 So GCRO may conduct business with
 11 other entities while operating on BPX&P. Again,
 12 when invoices are paid on behalf of GCRO, again,
 13 that's a BPX&P expense in order to create a
 14 payable to BP Company North America. So those
 15 would be reflected on the trial balance as well.
 16 Q. And is that the only bank account or I
 17 don't -- the -- the only -- all of -- all of
 18 BPXP's banking -- banking is done through NAFCO?
 19 A. BPX&P doesn't have any external bank
 20 accounts, so... and, again, that's specific to our
 21 cash and banking standard which calls for
 22 centralized cash and banking services.

Page 110:02 to 110:16

00110:02 Q. (BY MS. HANKEY) So -- so there was a
 03 trust set up by BPXP, correct?
 04 A. Yes.
 05 Q. And it contained about \$20 billion?
 06 A. Yes.
 07 Q. And it was -- the trust was set up for the
 08 purpose of paying spill costs?
 09 A. Certain spill-related costs.
 10 Q. So are any of the GCRO costs billed to
 11 that trust?
 12 A. The \$20 billion trust has been incurred by
 13 GCRO as part of reporting for the incident, and
 14 that's been -- and that -- that cost rests on
 15 BPX&P's books. Again, GCRO operates on BPX&P
 16 legal entity.

Page 110:22 to 110:23

00110:22 Q. (BY MS. HANKEY) Sure. Are any of GCRO --
23 GCRO's operational costs billed out of the trust?

Page 111:01 to 111:07

00111:01 A. BPX&P funded the \$20 billion trust. GCRO,
02 on behalf of BPX&P, request the trust to remit
03 payment for certain liabilities that are payable
04 from the trust.
05 Q. (BY MS. HANKEY) And are any of those
06 liabilities that are payable from the trust
07 operational costs of the GCRO?

Page 111:10 to 111:13

00111:10 A. How do you define "operational costs of
11 GCRO"?
12 Q. (BY MS. HANKEY) So GCRO hires
13 contractors, for example, correct?

Page 111:15 to 112:03

00111:15 A. Let me go back to the original question.
16 Items that are paid for the trust are only related
17 to approved items to be paid from the trust.
18 Q. (BY MS. HANKEY) So what -- what are the
19 approved items that can come from the trust?
20 A. Several that come to mind is items related
21 to Natural Resource Damage Assessment, Natural
22 Resource Damage claims which includes our early
23 restoration billion dollar commitment, individual
24 and business claims, state and local claims.
25 Those are several that come to mind.
00112:01 Q. So, for example, the GCRO is responsible
02 for some of the natural resource damages
03 assessments, correct?

Page 112:05 to 112:24

00112:05 A. GCRO manages -- has employees that support
06 the Natural Resource Damage -- well, let me back
07 up.
08 GCRO is the organization that houses
09 the employees -- the operating business that
10 houses the employees that support the Natural
11 Resource Damage Assessment. And, again, those --
12 those employees are paid by the companies and
13 those costs were billed into BPX&P. So, again,
14 all those costs rest with BPX&P.
15 Q. (BY MS. HANKEY) So those employees, do
16 any -- are any of tho -- do any of those salaries

17 of those employees come from the trust?
18 A. For BP staff specifically? No.
19 Q. And how about for the contractors?
20 A. If -- if a contractor is working on
21 something that can be paid from the trust, certain
22 natural resource damage assessments, they would be
23 funded from the trust. And, again, those costs
24 are all captured on BPX&P's books as well.

Page 113:04 to 114:21

00113:04 Q. -- which is Exhibit 12647. So can we use
05 this spreadsheet to identify the categories of --
06 of activities that can be funded from the trust --
07 A. The items that are related to the trust
08 are highlighted in light purple.
09 Q. -- so looking at Line Item 26 as an
10 example, it's -- it's identified as "NRDA"?
11 A. Yes.
12 Q. And then Line Item 27, is identified as
13 "NRDA - Trust"?
14 A. Yes.
15 Q. And Line Item 26 is not highlighted
16 purple, but Line Item 27 is highlighted purple?
17 A. Yes.
18 Q. So what would be the cost that would be
19 included in Line Item 26?
20 A. 26, a good portion of that line item was
21 natural resource damage cost incurred prior to the
22 trust being established. So if you look at 2010,
23 I think there was approximately I want to say
24 like -- about 90 -- 90 million approximately was
25 paid pre -- pre the trust being established.
00114:01 After that, we -- BPX -- X&P, we work
02 with the technical working groups which are part
03 of the trustee counsel and try to develop
04 cooperative work plans. Sometimes BP might
05 propose a project. The trustees may not be
06 willing to -- to participate in that, but they
07 would still be wanting to -- to obtain the data,
08 and so those costs would be captured in that
09 bucket.
10 Q. So if BP performed a NRDA -- a study as
11 part of the NRD assessment, that was not
12 cooperative?
13 A. I wouldn't call it "not cooperative."
14 The --
15 Q. Well, it was -- it was not performed with
16 a working group.
17 A. The -- yeah. The -- but the trustees
18 ultimately would request that information.
19 Q. So that -- those types of studies would
20 have been included under Line Item 26?
21 A. Correct. As --

Page 114:23 to 114:24

00114:23 A. As -- as -- and, again, most of that was
24 pre-trust spend as well.

Page 115:04 to 115:08

00115:04 Q. (BY MS. HANKEY) Do you know, are there
05 any BP entities other than NAFCO that have their
06 own bank accounts?
07 A. Are there any BP entities other than NAFCO
08 that have their own bank account?

Page 115:10 to 115:10

00115:10 A. Not that I'm aware of.

Page 115:15 to 115:16

00115:15 A. I'm -- I'm sorry. I'm just at a loss
16 at -- trying to think through what there might be.

Page 116:06 to 116:22

00116:06 Q. (BY MS. HANKEY) And how do you estimate
07 the remaining liabilities?
08 A. That's done through our provisioning
09 process which is a quarterly exercise that we go
10 through.
11 Q. And how does the provisioning process take
12 place?
13 A. Well, refer back to International
14 Accounting Standards 37, IS 37, we look at whether
15 we've got a present obligation as a result of a
16 past event. We look at is it probable that an
17 outflow of economic resources would be required.
18 And thirdly, can we determine a reliable estimate
19 of that potential liability.
20 Q. So, for example, for the anti -- ticipated
21 payments under the settlement, how are those
22 calculated?

Page 116:25 to 117:07

00116:25 MS. HANKEY: So it would be Line
00117:01 Items 43 to 67.
02 A. Are you asking me how those are calcul --
03 the -- the -- the estimates are calculated?
04 Q. (BY MS. HANKEY) (Counsel nods.)
05 A. I believe that's privileged information.
06 Q. Is there a process in place?
07 A. There is a process in place, yes.

Page 117:12 to 117:23

00117:12 Q. Whose -- who specifically is undertaking
13 that process?
14 A. I facilitate that quarterly process.
15 Q. And who do you perform that with?
16 A. A number of different people.
17 Q. Can you -- can you be more specific?
18 A. People involved would be -- include people
19 within our claims organization, people within the
20 environmental restoration organization, BP legal,
21 people still supporting shoreline and cleanup
22 operations would be several examples of -- of
23 people that I work with.

Page 117:25 to 118:01

00117:25 mark this as 12649.
00118:01 (Marked Exhibit No. 12649.)

Page 118:17 to 118:25

00118:17 Q. And if you look at the -- I want to --
18 let's say it's the third-to-last paragraph on the
19 first page. It says: "BP hired Talisman through
20 a competitive bidding process to analyze the
21 future impact of claims related to the spill.
22 Talisman uses a model for their analysis and the
23 assumptions and results of their analysis is
24 reviewed by GCRO and used for calculation of
25 claims provision."

Page 119:02 to 119:05

00119:02 Q. "The provision is then approved and the
03 IBM General Accounting team is authorized to
04 record the provision."
05 A. Yep. I see that.

Page 120:01 to 120:04

00120:01 It -- so did -- is this -- is this
02 accurate, did Talisman, in fact -- did you
03 undertake this process to review the provisions
04 for claims?

Page 120:11 to 120:12

00120:11 A. This describes what I would say is the
12 general process.

Page 120:20 to 120:22

00120:20 Q. And so I was asking whether a similar
21 process was used for claims outside the Gulf Coast
22 Claims Facility?

Page 121:01 to 121:09

00121:01 A. A general process was used to est -- and
02 there's always a general process used to estimate
03 the potential liabilities.
04 Q. (BY MS. HANKEY) And how about for claims
05 related to the settlement?
06 A. Again, general process used to estimate
07 claims associated with the process --
08 Q. Okay.
09 A. -- when they can be estimated.

Page 121:17 to 121:20

00121:17 Q. (BY MS. HANKEY) So during the spill, can
18 you explain how costs was -- were accounted for?
19 Was there a general process that was followed?
20 A. A general --

Page 121:24 to 122:01

00121:24 A. A general process for how we account for
25 claims? Or, I'm sorry, for spill-related costs?
00122:01 Q. (BY MS. HANKEY) For spill-related costs.

Page 122:03 to 124:10

00122:03 A. The -- are you asking about the totality
04 of all the incident-related costs or any specific
05 cost?
06 Q. (BY MS. HANKEY) Well, we can be specific.
07 We can -- we can start, for example, with bills
08 from the Coast Guard.
09 A. Okay.
10 Q. Do you know who bills from the Coast Guard
11 were sent to?
12 A. The bills from the Coast Guard were sent
13 to BPX&P.
14 Q. Do you know who specifically?
15 A. I believe Mike Utsler received some. I
16 think if you looked at some of those, my name may
17 actually be on some of those. Those are --
18 Q. And --
19 A. Go ahead.
20 Those would be received, reviewed for
21 appropriateness. Once the appropriate approvals
22 would be obtained, based on a standing delegation

23 of authority that we're empowered through the
24 organization, they would be charged to the income
25 statement as an expense.

00123:01 We would establish a liability to the
02 U.S. Coast Guard. That liability would be
03 relieved. I think NAFCO probably -- we requested
04 NAFCO to pay those funds on behalf of BPX&P.

05 So when those funds were released by
06 NAFCO on behalf of BPX&P, NAFCO would create an
07 intercompany receivable from BPX&P, and BPX&P
08 would actually have an intercompany payable back
09 to NAFCO for that.

10 Q. Okay. So going back a little bit. Do you
11 know who would review the invoices for
12 appropriateness?

13 A. That could vary depending on the invoices.
14 Are you speaking specifically about the U.S. Coast
15 Guard invoice?

16 Q. Specifically about the Coast Guard.

17 A. I believe Mike -- I know he had reviewed
18 some of those. I can't tell you exactly on all --
19 every invoice who was the ultimate reviewer and
20 approver on those.

21 Q. And was there someone who -- who had the
22 delegation authority to approve payment for those
23 invoices?

24 A. Yes.

25 Q. And I'm assuming the person may have
00124:01 changed over time, but did that person have a
02 specific title?

03 A. The -- the -- the delegation of authority
04 for specific transactions are not al -- always
05 necessarily tied to a specific person with a
06 specific title. You could have several people
07 within the organization that could have
08 authorization, but it would be limited to that
09 business that was actually operating that --
10 that -- that activity.

Page 124:18 to 124:18

00124:18 (Marked Exhibit No. 12650.)

Page 124:21 to 125:07

00124:21 Q. (BY MS. HANKEY) Uh-huh.
22 A. Okay. And this is the "Agency Fedwire
23 Message Detail Report"?
24 Q. Yeah.
25 A. Okay.

00125:01 Q. And these are records of wire transfers to
02 the Coast Guard. And you see on Page 1 here, it
03 identifies the "Originator" as the "North America
04 Funding Co. - BP"?
05 A. I do see that, yes.

06 Q. And the "Beneficiary" is listed as "BP
07 America, Inc., OBO BP America Production COB"?

Page 125:09 to 125:09

00125:09 A. I do see that.

Page 125:23 to 126:03

00125:23 Q. (BY MS. HANKEY) And does that comport
24 with your understanding, that the money would have
25 been coming from NAFCO?

00126:01 A. NAFCO would have been the -- the agent
02 initially paying the funds. I don't recognize the
03 beneficiary.

Page 126:07 to 126:11

00126:07 Q. Yeah, Page 8, it has handwriting on the
08 top that says "BP N10036." It's not that one. It
09 must be the next one. And here, the "originator"
10 is listed as "Dhost Outgoing Wire Account."

11 A. I see that, yes.

Page 126:17 to 127:11

00126:17 Q. (BY MS. HANKEY) Do you know what account
18 that's referring to?

19 MR. NOMESELLINI: Form and foundation.

20 A. We -- certain -- U.S. Coast Guard bills us
21 not only for federal costs, but they also bill us
22 for certain state and local costs. We had defined
23 some of those as being payable from the trust. So
24 we did make some payments from the trust to the
25 Coast Guard in relation to state and local
00127:01 response costs.

02 Q. (BY MS. HANKEY) So you -- you believe
03 that this payment is coming directly from the
04 trust as opposed to from the NAFCO account?

05 MR. NOMESELLINI: For -- form and
06 foundation.

07 A. Yeah. I haven't seen this document, so I
08 can't answer that.

09 Q. (BY MS. HANKEY) Well, what about the name
10 "DHost" made you think the payments were coming
11 from the trust?

Page 127:13 to 127:16

00127:13 A. That's a common name for what we call the
14 "DWHost Trust Fund." But, again, those -- those
15 costs were borne by -- the cost of the trust was
16 borne by BPX&P as well.

Page 128:16 to 129:01

00128:16 Q. And under Line 11, it lists "Spill
17 Response, Federal" Coast Guard.
18 Do you see that?
19 A. I do see that, yes.
20 Q. And so are these all costs associated with
21 cost from the Unified Command?
22 A. Line --
23 Q. Line 11?
24 A. Line 11? Line 11 relates to the billings
25 from the U.S. Coast Guard or the -- actually the
00129:01 National Pollution Funds Center.

Page 129:05 to 129:10

00129:05 A. Yeah. I can't speak to the origin of
06 those costs, but those were billings from the
07 National Pollution Funds Center.
08 Q. (BY MS. HANKEY) And do you know the state
09 and local costs that you were referring to, are
10 those included in Line 11?

Page 129:12 to 129:14

00129:12 A. The costs that were reimbursed to the
13 National Pollution Funds Center related to those
14 billings are on Line 12.

Page 129:22 to 130:01

00129:22 Q. (BY MS. HANKEY) Yeah. So anything that
23 was a reimbursement to the Coast ba -- Coast Guard
24 but for claims for state and local governments
25 that were paid by the trust are included within
00130:01 Line 12?

Page 130:04 to 130:21

00130:04 A. I would say that Line 11 and 12 total the
05 costs incurred that we have defined that would be
06 billed through the U.S. Coast Guard through the
07 NPFC.
08 Line 12 would include what costs we
09 had reimbursed the NPFC related to some state and
10 local response costs associated with those
11 billings.
12 Q. (BY MS. HANKEY) Okay. And so, for
13 example, Line No. 17 is entitled "State" and
14 "Local Response"?
15 A. Correct.
16 Q. And so are -- those are costs that did not

17 go through the National -- the N -- the National
18 Pollution Funds Center; is that right?
19 A. Correct. Those are costs that were paid
20 directly to state and local agencies without going
21 through the NPFC process.

Page 131:06 to 131:10

00131:06 Q. (BY MS. HANKEY) Okay. Costs -- Lines 8,
07 9, and 10, are these all costs that were incurred
08 by BP?
09 A. Those are all costs that were incurred by
10 BPX&P.

Page 131:15 to 132:02

00131:15 Q. (BY MS. HANKEY) Sure. So those -- those
16 items, Line Items 8, 9 and 10, would not include
17 any costs for reimbursement to the Coast Guard?
18 A. The BPX&P incurred costs for
19 reimbursements back to the NPFC based on billings
20 from the Coast Guard would be -- related to spill
21 response would be included in Lines 11 and 12.
22 Q. Okay. And not in Lines 8, 9, and 10?
23 A. That is correct.
24 Q. Okay. And were these -- the costs
25 included in 8, 9, and 10, are these costs that
00132:01 were incurred by BP for actions within the Unified
02 Command?

Page 132:05 to 132:11

00132:05 A. These are costs incurred by BPXP, and I
06 can't say for a fact that all -- 100 percent of
07 those were under the -- the Unified Command.
08 Q. (BY MS. HANKEY) Okay. Are there any
09 costs that you're aware of that were not incurred
10 as part of activities within the Unified
11 Command --

Page 132:13 to 132:14

00132:13 Q. (BY MS. HANKEY) -- within Lines 8, 9, and
14 10?

Page 132:21 to 132:23

00132:21 A. Again, I'm -- I -- I -- I -- I'm not aware
22 that any costs were -- were not within the Unified
23 Command, but I can't say that for certain.

Page 133:08 to 133:08

00133:08 (Marked Exhibit No. 12651.)

Page 133:17 to 134:06

00133:17 Q. So this is a "BP Treasury eBANK Balance
18 and Transactions Details" for August 9, 2010.
19 A. Okay.
20 Q. And it -- it identifies the account as
21 being "NAFCO Debt and 3rd Party Payments."
22 A. All right.
23 Q. And if we could turn to Page 2, you can
24 see that number -- Item No. 2 there is an incoming
25 transfer from BP International for \$3 billion?
00134:01 A. To NAFCO?
02 Q. Yes.
03 A. Yeah, I see that.
04 Q. And then if we go to the last page, on
05 August 9th, 2010, it has an outgoing transfer to
06 the trust on behalf of BPEP; is that correct?

Page 134:09 to 134:12

00134:09 A. I'm just reading. It says: "At the
10 direction of BP Exploration Production
11 satisfaction of certain obligations pursuant to
12 the trust benefits." I do see that.

Page 134:20 to 134:20

00134:20 (Marked Exhibit No. 12652.)

Page 134:25 to 135:11

00134:25 Q. And a transfer, incoming transfer from BP
00135:01 International for \$2 billion?
02 A. I do see that, yes.
03 Q. And then if we go to the last page,
04 there's an outgoing transfer --
05 A. I do see that as well.
06 Q. -- for \$2 billion?
07 A. Uh-huh.
08 Q. On behalf of "and at the direction of BPEP
09 in satisfaction of certain obligations pursuant to
10 the trust"?
11 A. So the --

Page 135:22 to 135:22

00135:22 Q. (BY MS. HANKEY) Can you explain that?

Page 135:25 to 136:08

00135:25 A. The -- the outflow of resources on behalf
00136:01 of BP Exploration & Production was the initial
02 funding in 2010 of our obligations to fund the
03 trust. NAFCO did that on behalf of BPX&P. BPX&P
04 ended up with a payable to NAFCO, an obligation to
05 repay NAFCO for funding that on BPX&P's behalf.
06 Q. (BY MS. HANKEY) And do you know why
07 the -- the money is origi -- originated with BP
08 International?

Page 136:10 to 136:10

00136:10 A. Yeah. I don't know the answer to that.

Page 136:18 to 137:06

00136:18 (Marked Exhibit No. 12653.)
19 Q. (BY MS. HANKEY) And, again, if you turn
20 to Page 2, this is for February 15th of 2011.
21 There's an incoming transfer of \$1.25 billion.
22 And if we go to the last page, and
23 it's on the second-to-last page and carries over
24 to the last page, there's an outgoing money
25 transfer that is similar to the one we just looked
00137:01 at that is on behalf of "and at the direction of
02 BPEP in satisfaction of certain obligations
03 pursuant to the trust" for \$1.25 billion?
04 A. I do see that.
05 Q. The last line on the second-to-last page.
06 A. The --

Page 138:01 to 138:12

00138:01 (Marked Exhibit No. 12654.)
02 Q. (BY MS. HANKEY) And this is May 16th,
03 2011, and on the first page, there's a transfer
04 from BP International of \$1.25 billion.
05 Do you see that?
06 A. I do see that.
07 Q. And if we go to the last page, there's an
08 outgoing transfer on behalf of "and at the
09 direction of BPEP in satisfaction of certain
10 obligations pursuant to the trust" for \$1.25
11 billion?
12 A. I do see that, yes.

Page 138:21 to 139:05

00138:21 Q. (BY MS. HANKEY) And this is August 15th
22 of 2011. And on Page 2, on August 15th, 2011,
23 there's an incoming transfer from BP International
24 to 1.25 billion.
25 And then if we go to the last page,

00139:01 there's an August 15th, 2011, an outgoing money
02 transfer of 1.25 billion on -- on behalf of "and
03 at the direction of BPEP in satisfaction of
04 certain obligations pursuant to the trust."
05 Do you see that?

Page 139:07 to 139:07

00139:07 A. I do see that.

Page 139:10 to 139:10

00139:10 (Marked Exhibit No. 12656.)

Page 139:12 to 139:16

00139:12 November 15th, 2011, and on Page 2, there's an
13 incoming transfer of 1.25 billion from BP
14 International Limited.
15 Do you see that?
16 A. I do see that.

Page 139:18 to 139:23

00139:18 Q. (BY MS. HANKEY) And if we turn to the
19 last page, on November 15th, 2011, there's an
20 outgoing transfer of 1.25 billion on behalf -- on
21 behalf of "and at the direction of BPEP in
22 satisfaction of certain obligations pursuant to
23 the trust"?

Page 139:25 to 140:14

00139:25 Q. (BY MS. HANKEY) Do you see that?
00140:01 A. I see that record.
02 Q. And Tab 18.
03 A. Okay.
04 Q. Well, you made a lot of trust payments.
05 And this is -- let's mark this as
06 Exhibit 12657.
07 (Marked Exhibit No. 12657.)
08 A. All right.
09 Q. (BY MS. HANKEY) And this is May 15th of
10 2012. And on the first page, you see there's a
11 1.25 billion incoming transfer from -- from BP
12 International.
13 Do you see that?
14 A. Yes.

Page 140:16 to 140:18

00140:16 Q. (BY MS. HANKEY) And if we turn to the

17 last page, on May 15th, 2012, there's an outgoing
18 money transfer of 1.25 billion --

Page 140:20 to 141:02

00140:20 Q. (BY MS. HANKEY) -- on -- on behalf of
21 "and at the direction of BPEP in satisfaction of
22 certain obligations pursuant to the trust."
23 Do you see that?
24 A. I do see that transaction.
25 Q. And I'm sorry. If you could turn to
00141:01 Tab 21.
02 A. All right. Are we almost there?

Page 141:10 to 142:16

00141:10 (Marked Exhibit No. 12658.)
11 Q. (BY MS. HANKEY) And this is August 15th
12 of 2012. And if we turn to Page 2, you see
13 there's an August -- a -- an incoming transfer
14 from BP International of 1.25 billion?
15 MR. NOME LLINI: Form and foundation.
16 A. I do see that transaction.
17 Q. (BY MS. HANKEY) And then on the -- it's
18 Page 14 of the report at the very bottom, there's
19 an outgoing transfer on behalf of "and at the
20 direction of BPEP in satisfaction of certain
21 obligations pursuant to the trust" for 1.25
22 billion.
23 A. And I see that transaction.
24 Q. And if we could turn to Tab 23, and let's
25 mark this as 12658.
00142:01 MR. NOME LLINI: 12659 I believe.
02 MS. HANKEY: Really? 12659.
03 (Marked Exhibit No. 12659.)
04 Q. (BY MS. HANKEY) And this is for
05 November 15th of 2012. And on Page 1, there's an
06 incoming transfer from BP International of \$860
07 million.
08 Do you see that?
09 MR. NOME LLINI: Form and foundation.
10 A. I see the transaction for 860 million.
11 Q. (BY MS. HANKEY) And then on -- at the
12 very last page, there's an outgoing money transfer
13 on behalf of "and at the direction of BPEP in
14 satisfaction of certain obligations pursuant to
15 the trust" of \$860 million?
16 A. I see a transaction for 860.

Page 142:22 to 142:22

00142:22 (Marked Exhibit No. 12660.)

Page 143:08 to 143:20

00143:08 Q. (BY MS. HANKEY) And do you know what an
09 "IFA account" is?
10 A. An internal funding account, and that's
11 what that stands for.
12 Q. And here, it's listing under "Statement,"
13 the "Gulf of Mexico Incident" and BPX&P?
14 A. The -- as I noted earlier, NAFCO basically
15 acts as a bank account of behalf of BPX&P. So
16 this would be a transaction or a balance with that
17 account.
18 Q. And so this is -- is this showing a
19 transaction debiting the amount for payment to the
20 es -- escrow account of 1.25 billion BPX&P?

Page 143:22 to 144:11

00143:22 A. This -- I'm not familiar with this
23 particular document.
24 Q. (BY MS. HANKEY) Okay. So you don't know
25 how the -- the -- the -- you hadn't seen how the
00144:01 accounting in the -- for the banking account for
02 NAFCO was performed with respect to escrow
03 payments?
04 A. The -- the accounting for the escrow
05 payments -- so, again, NAFCO would have funded
06 that on behalf of BPX&P, referred to as BPE&P in
07 these documents.
08 At that point in time, BPX&P would
09 have had a liability back to NAFCO, and NAFCO
10 would have had a receivable back to BPX&P, and
11 that's how that process would have worked.

Page 144:24 to 145:03

00144:24 (Marked Exhibit No. 12661.)
25 Q. (BY MS. HANKEY) And if turn to Page 2,
00145:01 there's an incoming transfer from BP International
02 for \$1.25 billion.
03 Do you see that?

Page 145:05 to 145:10

00145:05 A. I see a transaction for 1.25 billion.
06 Q. (BY MS. HANKEY) And if we turn to the
07 last page, there's an outgoing transfer on behalf
08 of "and at the direction of BPEP in satisfaction
09 of certain obligations pursuant to the trust."
10 A. I see transaction for 1.25 million --

Page 145:12 to 145:12

00145:12 A. -- here.

Page 145:14 to 145:19

00145:14 Do -- do you know whether the
15 transactions between BP International and NAFCO --
16 the incoming transfers from BP International into
17 the NAFCO account, do you know whether that would
18 have been reflected as a transaction between those
19 two companies?

Page 145:21 to 146:02

00145:21 A. Transfers between BP entities would be
22 recorded between those two entities with an
23 offsetting receivable and payable between those
24 entities.
25 Q. (BY MS. HANKEY) And would it be re --
00146:01 recorded as working capital?
02 A. I'm not sure.

Page 146:04 to 146:05

00146:04 A. I'm not sure how they would record that on
05 their books.

Page 146:17 to 146:17

00146:17 (Marked Exhibit No. 12662.)

Page 146:22 to 146:23

00146:22 Q. And have you seen this document before?
23 A. I have seen this document.

Page 147:05 to 147:20

00147:05 Q. (BY MS. HANKEY) So this is BP Corporation
06 North America providing indemnity on behalf of
07 BPXP; is that correct?
08 A. Yes.
09 Q. And the -- it's -- it's identified as:
10 "The performance and compliance by BP Exploration
11 & Production Inc., MMS Company Number 02481...with
12 the terms and conditions of the lease,
13 Right-of-Use and Easement, Right-of-Way and
14 governing Federal regulations for all leases,
15 RUEs," are -- "or ROWs in the Gulf of Mexico OCS
16 Region, for which MMS has at any point recognized
17 the indemnitee as a lease, RUE, or ROW interest or
18 operating rights owner."
19 And ask do you have any idea what

20 that means?

Page 147:22 to 147:22

00147:22 A. It's really not my area of expertise.

Page 149:12 to 153:09

00149:12 Could you explain the process for how
13 contractors were paid and then how that was
14 reflected in the financial statements, including
15 the trial balance?

16 A. The -- as you mentioned, a number of
17 contractors your were used. The -- we used
18 standard accounts payable processes. They're used
19 in other businesses and entities across the U.S.

20 You know, after the work was called
21 out, the work was performed. Vendors would
22 send -- well, we would provide the vendors with
23 specific instructions on where to send their
24 invoices and what information to include on those
25 invoices, which would identify those as

00150:01 incident-related costs.

02 Those invoices would be sent in to
03 our central scanning organization. At the time it
04 was in Tulsa, Oklahoma. It's subsequently moved
05 to San Antonio, Texas.

06 At that location -- and it wasn't
07 just incident costs, but many in -- invoices from
08 different entities would come into that central
09 scanning spot. They would scan the invoices.

10 We have accounts payable staff
11 outsourced to IBM at the time used to be a cent --
12 or now it's a center in India. They would
13 actually what we call index the invoices which
14 would capture certain key elements about the
15 invoice, the vendor number, the order number,
16 different elements about that invoice, and then
17 that was used to route the invoices to the
18 particular groups that would be responsible for
19 ultimately getting those approved and ultimately
20 paid.

21 So those invoices related to the
22 incident would come to the accounts payable shop
23 within the Gulf Coast Restoration Organization in
24 support of the incident. And that group reported
25 to me at the time -- well, after it was

00151:01 transitioned from the Gulf of Mexico business
02 unit.

03 We -- that accounts payable team is
04 responsible for obtaining appropriate approvals.
05 Once those approvals were obtained, they would
06 release that invoice into the financial system.

07 At that point, a debit to expense
08 would be charged to BPX&P, and a payable to that

09 vendor would be established on BPX&P's books as
10 well, okay. Assoc -- and so that was within our
11 SAP system.

12 Asso -- that payable would have a due
13 date associated with it. A payment program was
14 run every day through the SAP system. It would go
15 through all the list of payables and identify
16 which ones were due the following day. It would
17 pick those up, and then BP Company North America
18 would actually cut checks on behalf of BPX&P, or
19 they would, you know, they cut checks on behalf of
20 BPAPC and other companies as well, again, a
21 central paying agent in compliance with our
22 centralized cash and banking standard.

23 When that -- when that transaction --
24 that was an automated transaction, and an
25 automated entry was created between BPX&P and BP
00152:01 Company North America to recognize intercompany
02 receivable and intercompany payables.

03 So, again, the payable to the vendor
04 would be cleared on BPX&P books and would -- it
05 would be replaced with a payable to BP Company
06 North America.

07 Q. When BP Company North America makes a
08 payable on behalf of BPXP, is that always done in
09 an automated process?

10 A. When -- when BP Company North America
11 makes a payment on behalf of BPX&P, I believe so.
12 I can't think of any circumstances where it's not
13 an automated payment.

14 Q. What -- what is Fuego?

15 A. Fuego? Fuego is a -- it's an accounts
16 payable tool. It's -- you know, when I talked
17 about invoices getting scanned and indexed and
18 then routed to appropriate accounts payable
19 groups, Fuego is the application that sits outside
20 of SAP that contains information about order codes
21 and, you know, how to get things routed to the
22 appropriate people.

23 It also includes -- that's where you
24 would apply the accounting information, you know,
25 what type of expense, what -- what charge code to
00153:01 charge it to.

02 Q. Is the entry in Fuego then directly
03 entered into SAP?

04 A. Yeah. There's an automated interface.
05 So, again, once the accounts payable clerk has
06 obtained appropriate approvals, they click a final
07 button, and it's an automated entry into the SAP
08 financial system, again charging expense on
09 BPX&P's books and a payable to the vendor.

Page 154:15 to 155:03

00154:15 Q. Okay. Who made the decision to bill costs

16 to BPX&P?

17 A. Who made the decision to bill costs to
18 BPX&P?

19 Q. (Counsel nods.)

20 A. That decision was originally made by the
21 Gulf of Mexico business unit finance team which
22 was just an extension of continuing to charge the
23 owner of the leases and the responsible party

24 named -- responsible party named in the incident.

25 Q. And at the time that decision was made,
00155:01 who was in charge of the finance team in the Gulf
02 of Mexico?

03 A. Paul Kent was the controller at the time.

Page 155:15 to 155:23

00155:15 Q. Now, some of the spill-related costs were
16 not billed to BPXP; is that correct?

17 A. Some of the spill-related costs, yeah.
18 Incident-related costs were not billed to BPX&P.

19 Q. And do you know which costs those are?

20 A. I do.

21 Q. Okay. And what are those?

22 A. We have a bridge. Do we want to refer to
23 that, or I can just say it off the top of my head.

Page 156:15 to 156:15

00156:15 (Marked Exhibit No. 12663.)

Page 156:19 to 156:24

00156:19 Q. Okay. So what's this document?

20 A. This document represents the bridge
21 between the cost reflected on the BPX&P provision
22 continuity schedule, excluding legal, external
23 legal costs with what's reported in the stock
24 exchange announcement as of 1Q 2014.

Page 157:09 to 157:20

00157:09 Q. At the bottom it says "GCRO Totals"?

10 A. That's an acronym that I use to identify
11 the incident charges. So that would be made up of
12 the BPX&P incurred costs, as well as entities
13 other than BPX&P.

14 Q. And what -- what are you -- what does
15 "GCRO" stand for?

16 A. GCRO stands for Gulf Coast Restoration
17 Organization.

18 Q. Okay. So you're reflecting all of the
19 totals as GCRO totals even if they were incurred
20 by entities other than BPXP?

Page 157:22 to 162:11

00157:22 A. GCRO is an operating unit where
23 significant amount of its costs are incurred by
24 BPX&P. Other costs related to incident, as I --
25 you know, equivalent to speak of GCRO are incurred
00158:01 by other entities as detailed here. So...

02 Q. (BY MS. HANKEY) So one of the things that
03 the financial statements refers to as being
04 outside of BPXP is the fine paid to the S.E.C. and
05 so is -- is -- is that correct?

06 A. The S.E.C. fine that was incurred that is
07 reported is part of the total incident costs is
08 outside BPX&P.

09 Q. And is that -- are you including that on
10 this provision?

11 A. That cost is included in this schedule.

12 Q. Okay. And so BPAPC costs, do you know
13 what those costs are?

14 A. The BPAPC costs are predominantly for
15 employees of GCRO. When I had established books
16 to account for the incident, those -- since BPAPC
17 was the paying agent, I overlooked the process
18 that's standard within BP to move those costs to
19 the entity that should be incurring those costs.
20 That -- those costs have subsequently been moved
21 over to BPX&P.

22 Q. Okay. So it -- when you say that they
23 were "subsequently moved over" to BPXP, is it that
24 at -- there's a date at which the entity that was
25 being charged changed or are you actually moved
00159:01 the -- the -- the cost that had been previously
02 booked to BPAPC to BPXP?

03 A. Could -- question for clarification.
04 Originally BPAPC had been -- incurred the expense
05 and had incurred the liability. In 2Q 2014, we
06 reduced the expenses on an inception to date
07 incurred on BPAPC and charged those expenses over
08 to BPX&P. And as part of that transaction, BPX&P
09 has a resulting liability back to APC for those
10 charges.

11 Q. So these costs identified here, the -- as
12 BPAPC costs, and if I'm understanding correctly,
13 these costs are no longer attributed to BPAPC,
14 they now have been moved to BPXP?

15 A. Effective, yeah, 2Q 2014, these costs were
16 corrected and moved into BPX&P.

17 Q. Okay. So -- so when the second quarter
18 financial statements come out, would -- would --
19 that change will likely be reflected?

20 A. Yes. The 2Q costs will show zero cost
21 incurred by BPAPC.

22 Q. Okay. And other than those
23 employee-related costs, did BPAPC have any other
24 costs related to this bill?

25 A. There -- as part of that adjustment that I
00160:01 referred to, predominantly that was BP salary
02 people. There was probably a few contractors that
03 may have been billed in there as well --

04 Q. Okay.

05 A. -- contract labor I should say. Other
06 than that, I'm not aware of BPAPC incurring any --
07 any other -- or any costs related to the incident.

08 Q. And who -- who made the decision to move
09 the employee-related costs from BPAPC to BPXP?

10 A. That was a decision that -- that I made.

11 Q. Why?

12 A. I had become aware that -- that those
13 costs had not been being charged into BPX&P per
14 the standard process, and so I did consult with
15 other people and then ultimately made that
16 decision.

17 Q. Other than counsel, if you consulted with
18 counsel, did you consult with -- who did you
19 consult with?

20 A. I believe it was just counsel.

21 Q. Okay.

22 A. Yeah. Just to make sure there were no
23 issues.

24 Q. And -- okay. The -- moving on, the BPXP
25 change to UK, is that referring to the S.E.C.
00161:01 fine? No?

02 A. No, that's not referring to the S.E.C.
03 fine. The S.E.C. fine is contained in the UK
04 costs.

05 Q. So what does BPXP -- is that charge to UK?

06 A. That's what that stands for, BPXP charge
07 to the UK. Those were charges originally incurred
08 on BPX&P's books. Tax goes through a process each
09 year just to review charges to make sure that
10 charges are landed in the appropriate entity
11 that -- for taxing authorities. Certain charges
12 were deemed primarily legal that were really in
13 support of incident-related costs in support of
14 people outside the U.S.

15 So on an annual basis, we make -- we
16 identify those charges, and if there are any of
17 those charges, we move those back over to the
18 appropriate taxing locations.

19 Q. So what -- what -- what -- what are the
20 legal costs that would have been included in that
21 line item?

22 A. An example would be legal costs incurred
23 in order to support the board related to
24 incident-related activities would be an example of
25 legal cost incurred associated with the incident,
00162:01 originally charged into BPX&P, identified, and
02 then charged back over to the UK for where the
03 benefit was actually at.

04 Q. Do you know when those costs were moved?

05 A. Adjustments have been made. I think we

06 made one in 2011, one in 2012, and another one in
07 2013. So, again, it's -- it's an annual review
08 process that tax supports.
09 Q. So do all the -- do all the legal fees
10 related to the Macondo incident get charged to
11 BPXP as a starting point?

Page 162:13 to 163:05

00162:13 A. The -- the BPX& -- well, the legal fees
14 for third parties are charged to BPX&P. I'm not
15 aware of any charges other than what's listed on
16 this sheet that would relate to legal costs billed
17 outside of BPX&P other than what's identified on
18 this chart, related to the incident.
19 Q. (BY MS. HANKEY) So -- so, for example,
20 Mr. Nomellini sends you a bill. Does he send his
21 bill to BPXP?
22 A. Kirkland & Ellis bill for his work
23 supporting the incident is charged to BPX&P.
24 Q. And if, as part of their work, the --
25 the -- if -- is that true of all the law firms
00163:01 working on litigation related to this bill?
02 A. Are you asking me if the same process
03 works for legal from supporting the incident?
04 Q. So -- so, for example, Covington is
05 another law firm. Are -- are -- are all -- are

Page 163:08 to 163:20

00163:08 A. Anything that -- any costs related to the
09 incident from a legal standpoint I believe would
10 have been charged into BPX&P.
11 Q. (BY MS. HANKEY) How about litigation from
12 shareholders?
13 A. Are you asking about legal support related
14 to costs for litigation --
15 Q. Correct?
16 A. -- associated with shareholder lawsuits?
17 Q. Correct?
18 A. Again, any legal fees associated with
19 supporting the incident would have been likely
20 billed into BP -- or billed into BPX&P.

Page 164:02 to 164:15

00164:02 Q. (BY MS. HANKEY) Well, and so -- and that
03 was -- well, part of my question is: Are those
04 fees then at -- at some point -- are -- are any of
05 those fees, other than the ones that you described
06 earlier, take -- shifted from BPXP to another BP
07 entity?
08 A. Again, the tax -- and that's what this 160
09 million on the chart represents is accumulation of

10 charges that BPX&P had originally incurred that or
11 subsequently had been identified was in support of
12 the tax department to be billed to other entities.
13 Q. And does share -- litigation related to
14 shareholder lawsuits, is that included in that
15 category?

Page 164:17 to 166:19

00164:17 A. I can't speak to the details made up of
18 that 160.
19 Q. (BY MS. HANKEY) Okay. And so between
20 that line item and the line item "BPXP Legal
21 Costs," is that the total legal fees associated
22 with the incident?
23 A. The "BPXP Legal Costs" are the third-party
24 legal costs incurred by BPX&P associated with the
25 incident.
00165:01 Q. And so that line item in addition to BPXP
02 charge to UK?
03 A. The line BPXP charge to the UK is
04 predominantly legal. I believe there's some early
05 media costs that may have been charged into BPX&P
06 that were subsequently charged over to -- to the
07 UK.
08 Q. And how about the line item "UK Costs,"
09 what does that include?
10 A. The "UK Costs" line includes the S.E.C.
11 fine, which was 525 million plus an amount for
12 administration of that fund. So we have a
13 provision established for that.
14 And then there is a small charge
15 related to administrative support on UK entities
16 over -- in that entity as well.
17 Q. And what is the "Jupiter Insurance"?
18 A. So Jupiter is an entity that supports our
19 self-insurance program. So BPX&P had been paying
20 premiums for insurance. In 2010, they were --
21 Jupiter end up making a payment to BPX&P for that
22 insurance payout.
23 So BPX&P incurred -- well, received a
24 recovery for insurance proceeds, and those are
25 reflected on the BPX&P financial statements.
00166:01 The -- and then Jupiter, which is a UK company,
02 actually incurred the charge. And so from a
03 consolidation standpoint, those were eliminated
04 out.
05 And I do want to point out any time
06 charges are moved from one entity to another, we
07 create a -- a receivable and a resulting liability
08 that are ultimately settled.
09 Q. If we could turn to Tab 52, which is in
10 your Volume No. 1. So we're back to the trial
11 balance. I wanted to ask you about the -- the
12 page labeled "Employment Costs." So this is

13 Exhibit 12646. So under -- on Line Item 2, it
14 says the "Business Area" is "2200 GoM Incident
15 Response."

16 A. That -- so this report represents the
17 employee costs for BP Exploration & Production
18 excluding any incident-related costs. So that was
19 the request I had had.

Page 168:09 to 168:14

00168:09 Q. Do you know, with respect to the costs
10 included on this page, does this include employees
11 outside the Gulf of Mexico business unit?

12 A. So you -- you asked me does this report
13 include people outside of the Gulf of Mexico
14 business unit?

Page 168:16 to 168:23

00168:16 A. This report would include any staff
17 supporting a BPX&P entity other than
18 incident-related. As I noted before, we do have a
19 couple of small operating entities, like IST,
20 Integrated Supply & Trading, that has some
21 activity on BPX&P. So if there was any employees
22 related to that organization, they would be
23 charged into BPX&P as well.

Page 169:02 to 169:07

00169:02 Q. Would this include costs, for example, of
03 someone from finance providing support to the Gulf
04 of Mexico business unit?

05 A. There are finance function people that
06 were part of the Gulf of Mexico business unit.
07 Their costs would be charged to BPX&P.

Page 170:06 to 170:23

00170:06 (Marked Exhibit No. 12664.)

07 Q. (BY MS. HANKEY) So which are the
08 documents that look fam -- familiar to you?

09 A. I believe I've seen versions of the second
10 document, which is the "D&C Forecast," versions of
11 the next document, which is the "Accrual
12 Template," versions of the next document, which
13 are the costs.

14 I don't recall seeing the schedule
15 that's titled "Dispersants Detail."

16 The next document is a -- looks like
17 an SAP project report, and I'm familiar with the
18 structure, but not necessarily this particular
19 report. Again, the next page -- again, looks like

20 a standard SAP report but not familiar with --
21 particularly with that particular report.
22 I can't read the next page, and I'm
23 not sure -- it doesn't look familiar.

Page 172:20 to 172:20

00172:20 (Marked Exhibit No. 12665.)

Page 173:03 to 173:06

00173:03 Q. On pages -- it says -- it's Pages 5 and 6.
04 It describes the "Invoice Validation
05 Requirements."
06 A. I see that.

Page 174:01 to 174:01

00174:01 Exhibit 12647.

Page 174:03 to 177:16

00174:03 Q. Yeah. This is the provision continuity
04 schedule for BPXP excluding legal costs related to
05 the incident. So you don't necessarily have to
06 put it up. I -- I first wanted to just ask you:
07 How did you create the spreadsheet?
08 A. This particular spreadsheet was requested
09 by counsel, but I do prepare a spreadsheet on
10 behalf of all incident-related costs on a
11 quarterly basis. The -- it was a way to track,
12 with appropriate level of information, the
13 components of our spend.
14 The -- the structure was initially
15 established based on categories of provisions that
16 are defined in our -- how we externally report.
17 See -- see "Spill Response," "Environmental,"
18 "Legal/Claims," "Other," and then we have
19 functional costs in there. The -- some of the
20 initial subcategories within those categories were
21 what was being tracked at the early part before I
22 arrived so we continued to track those. A good
23 example would be "Relief Well," "Source Control,"
24 a number of other items.
25 So then each quarter, we -- I -- I
00175:01 run reports out of SAP, and that's evolved over
02 time as we've progressed or improved our -- our
03 cost capture for these subelement categories.
04 And then I fill out this chart for
05 what would be considered a period cost, so those
06 were early costs before we actually started
07 provisioning specifically in 2Q. It includes
08 costs that we don't provision, so our ongoing

09 functional costs supporting the incident.

10 Also look at the amounts utilized,
11 and that would actually be expenses incurred,
12 which are recorded in our SAP system and part of
13 the trial balance.

14 We also identify any amounts provided
15 for new pro -- changes -- new provisions, changes
16 to existing provisions. That's also reflected in
17 BPX&P trial balance, and those are included on
18 here as well. And it's really just a rolling -- a
19 rolling schedule to make sure that it's my control
20 mechanism to make sure that we're appropriately
21 accounting for costs.

22 Q. So I'm going to ask you to backtrack just
23 a little. So -- so you go into SAP and you run a
24 report from SAP, and what specifically -- are --
25 are you running a report using specific cost
00176:01 codes?

02 A. Yes. So the way our financial systems are
03 structured, legal entity is the primary basis. So
04 we have BPX&P. There's -- the organization has
05 other legal entities. And then we have code
06 structures that identify operating activities, be
07 it GoM or be it Gulf Coast Restoration
08 Organization that may operate on BPX&P.

09 So for instance, we would establish
10 code structures for specific activities and
11 identify those as incident-related cost capture
12 codes. And then those get rolled up from a --
13 through a hierarchal reporting structure.

14 So within SAP, you know, whether it's
15 the core financial system or through the Business
16 Warehouse, you can pick the specific codes that
17 identify incident-related costs and then those
18 will be produced on a report, and that's what's
19 used to help generate these -- these -- these --
20 this -- this file.

21 Q. And you -- you run -- you said you -- that
22 you run a report regularly. Are you doing that
23 quarterly?

24 A. I run that quarterly to complete this
25 worksheet.

00177:01 Q. And is the only difference between this
02 worksheet -- worksheet and the one that you
03 typically run, that it excludes the legal costs?

04 A. It excludes the legal -- the cost excludes
05 the costs that were associated with that bridge
06 that we reviewed earlier.

07 Q. So does the report that you typically run
08 include all of those costs?

09 A. The report I typically run includes our
10 local reporting systems wouldn't have the Jupiter
11 charge or wouldn't have the S.E.C. charge. But I
12 get a report from those entities that identify
13 those charges. Those are very small and -- well,
14 they're discrete charges. So -- and then I use

15 those to help support completing the schedule as
16 well.

Page 178:05 to 178:09

00178:05 Q. (BY MS. HANKEY) So do you know how the --
06 the way that the numbers are compiled for the
07 quarterly annual -- annual reports, how was that
08 distinct from the way that you've run this report?
09 A. The --

Page 178:12 to 178:21

00178:12 A. These are just, I guess, one -- one cost
13 for the BP PLC. But if you look at Note 2, which
14 is -- identifies our incident-related costs, those
15 are produced through the trial balance feeds split
16 between -- you know, so for instance, BPX&P, the
17 GCRO portion, you know, the GCRO activities that
18 are -- that are incurred on BPX&P, as well as
19 those other bridge reports are fed up to London,
20 and they use that for the -- for the official
21 publications.

Page 179:01 to 179:01

00179:01 Exhibit 11964.

Page 179:03 to 179:22

00179:03 Q. This is the "General Services Agreement"
04 between BP Exploration & Production Inc. and BP
05 America Production Company.
06 Have you seen this document before?
07 A. I have seen this document. I have not
08 read through it.
09 Q. Okay. Do you know on the trial balance,
10 is it possible to identify any costs that are
11 being provided -- expensed under this agreement?
12 A. It's not particularly evident. You won't
13 see a -- what you -- what you will see is payables
14 and receivables being generated on the BPX&P trial
15 balances to BPAPC.
16 The -- any BPAPC salaried employee is
17 being charged into BPAPC, that would -- you would
18 see that as part of a salary charge which would be
19 a subelement beneath those ECCS codes. So if --
20 if those -- and if a BPX&P staff member was being
21 paid by BPAPC and it was subsequently charged into
22 BPX&P, you would see that charge there.

Page 180:09 to 180:19

00180:09 Q. (BY MS. HANKEY) If we go to the last
10 page -- the second-to-last page, really, under
11 Section 15.2, which is "Addresses," it lists
12 addresses for BP America Production Company and
13 addresses for BP Exploration & Production Inc.,
14 and they -- they both have the same address and to
15 the "Attention" of the "Legal Group."
16 Do you see that?
17 A. I do see that.
18 Q. Is there a function within BP -- the BP
19 Group that is a legal function?

Page 181:06 to 181:16

00181:06 A. So if your question is to ask me, does BP
07 have a legal function, the answer is yes.
08 Q. (BY MS. HANKEY) And so are -- do
09 people -- do people working within that function
10 service the Gulf of Mexico business unit?
11 A. People within the legal function would
12 service the Gulf of Mexico business unit.
13 Q. And do you know whether the same people
14 would have serviced BP America Production Company
15 and BP Exploration & Production Inc. within the
16 Gulf of Mexico?

Page 181:19 to 181:24

00181:19 A. Yeah. I -- I don't know the exact answer
20 to that. If a -- if a -- if a functional person
21 was supporting the Gulf of Mexico assets, those
22 charges would go into BPX&P. If legal people were
23 supporting BPAPC, those charges would go to BPAPC
24 for that direct support.

Page 182:19 to 182:19

00182:19 (Marked Exhibit No. 12666.)

Page 182:25 to 183:06

00182:25 Q. So this is part of the "Regional Oil Spill
00183:01 Response Plan" for the Gulf of Mexico, and it's
02 submitting contractual agreements under the plan.
03 And if we could turn to Page 2 --
04 boy, is that going to be hard to read -- it
05 appears to be referring to BP Shipping also known
06 as BP Products North America, Inc.?

Page 183:13 to 183:25

00183:13 Q. Yeah. So just under the date, and
14 actually on the second page, you can see the --

15 the membership certificate for Clean Caribbean
16 Corporation is issued to "BP Shipping U.S.A., a
17 division of BP Americas, Inc."?

18 A. I do see "BP Shipping U.S.A." on that
19 document.

20 Q. And then on the next page, it has the --
21 it's -- so that's the certificate of membership
22 for BP Shipping --

23 A. BP Shipping --

24 Q. -- to Clean Caribbean Corporation.

25 And if we turn to Page 4, it has the

Page 185:09 to 185:14

00185:09 Q. And then on the next page is BPAPC and The
10 O'Brien's Group?

11 A. Yeah, I do see that on that document.

12 Q. And would you agree with me that none of
13 these agreements are with BP Exploration &
14 Production Inc.?

Page 185:17 to 185:22

00185:17 A. I can't speak to these documents. I've
18 not seen these documents. So I'm not sure what --
19 what's covered underneath them.

20 Q. (BY MS. HANKEY) Did -- did you see any
21 agreement entered with BP Exploration & Production
22 Inc.?

Page 186:01 to 186:01

00186:01 A. I don't see BPX&P on these documents.

Page 186:05 to 186:08

00186:05 (Marked Exhibit No. 12667.)

06 Q. (BY MS. HANKEY) And this is the "Service
07 Agreement" between Marine Spill Response
08 Corporation and BP America, Inc.?

Page 186:12 to 187:02

00186:12 Q. (BY MS. HANKEY) I -- as -- as -- as part
13 of your work as controller, did you ever review
14 contracts -- the contracts under which some of the
15 spill response costs were incurred?

16 A. I did not review these contracts.

17 Q. Did you ever review contracts?

18 A. I did review certain contracts.

19 Q. And have you ever reviewed any contracts
20 with the Marine Spill Response Corporation?

21 A. I don't recall reviewing any contracts

22 specifically with the Marine Spill Response
23 Corporation.
24 Q. And do you know whether -- what -- do you
25 know whether the Marine Spill Response Corporation
00187:01 incurred costs as a -- as part of the spill
02 response?

Page 187:04 to 187:08

00187:04 A. BPX&P incurred costs as a result of the
05 incident, and Marine Spill Response Corporation
06 was a contractor used for that response.
07 Q. (BY MS. HANKEY) It -- it was one of the
08 larger contractors, correct?

Page 187:11 to 187:11

00187:11 A. BPX&P incurred a large cost with MSRC.

Page 187:14 to 188:02

00187:14 (Marked Exhibit No. 12668.)
15 Q. (BY MS. HANKEY) And this is a "Fire Boom
16 Replacement Agreement" between BP America, Inc.,
17 and Marine Spill Response Corporation, dated
18 September -- signed September 21st, '10, by Thomas
19 Cleveland for BP America, Inc.?
20 A. I can see that.
21 Q. And do -- do you see that this agreement
22 is for fire boom use during the DEEPWATER HORIZON
23 spill?
24 A. Per the second sentence, I do see fire
25 boom used in the DEEPWATER HORIZON spill.
00188:01 Q. So do you know why BP America had in place
02 the contract for spill response --

Page 188:05 to 188:07

00188:05 Q. (BY MS. HANKEY) -- as opposed to BPX&P?
06 A. That's really not within my scope of
07 responsibility, so I can't speak to that.

Page 188:13 to 188:17

00188:13 Q. Sure. I just wanted to know -- I just
14 want to know whether there was any formal process
15 in place by which expenses incurred under the
16 contract with BP America were then expensed to
17 BPXP?

Page 188:20 to 189:04

00188:20 A. Costs incurred by the incident were called
21 out by BPX&P related to the BPX&P property that
22 incurred the incident. And then these costs
23 were -- any MSRC costs were directly charged into
24 BPX&P.

00189:01 Q. (BY MS. HANKEY) Was there a formal
02 agreement in place between BP America and BPXP
03 with respect to how those costs would be
04 transmitted?

04 A. I don't know that.

Page 189:06 to 189:06

00189:06 A. I don't know the answer to that.

Page 189:13 to 189:24

00189:13 (Marked Exhibit No. 12669.)
14 Q. (BY MS. HANKEY) And this is a work
15 release for -- for costs related to the incident;
16 is that correct?
17 A. Appears to be.
18 Q. And the -- at the top, it says that:
19 "This Work Release...is subject to the terms and
20 conditions of Specialty Consulting Master Service
21 Agreement RM-2010-011, effective 28 August by and
22 between BP America Inc. and Entrix,
23 Inc.,...collectively referred to herein as
24 parties"?

Page 190:04 to 190:14

00190:04 A. It says: "This Work Release...subject to
05 the terms and conditions of Specialty Consulting
06 Master Services Agreement RM-2010-11 effective 28
07 August by and between BP America Inc. and Entrix,
08 Inc. (Contract), collectively referred herein as
09 parties."
10 That's what it says.

11 Q. And on that third page, the -- the --
12 it -- the work -- the release is actually signed
13 by someone on behalf of BP America, Inc.?

14 A. That's what the document indicates.

Page 190:22 to 191:01

00190:22 Q. (BY MS. HANKEY) Sure. Do you know
23 whether there was any agreement in place between
24 BP America, Inc. and BPXP, Inc., whereby costs
25 incurred under this contract between BP America
00191:01 and Entrix would be expensed to BPXP?

Page 191:04 to 191:07

00191:04 A. I'm not aware of any specific contract
05 between those entities. I do see that BP
06 Exploration Production was named as where the --
07 the billings were to go.

Page 191:23 to 191:23

00191:23 (Marked Exhibit No. 12670.)

Page 191:25 to 192:07

00191:25 Q. (BY MS. HANKEY) This is an E-mail chain
00192:01 from November 4th, 2010, attaching a list of
02 vendors, a key vendor listing that was prepared
03 for Bob Dudley; is that correct?
04 A. It has been awhile since I've seen this.
05 Can you point to me where it was in preparation
06 for Bob Dud -- oh, that's the actual title of
07 the --

Page 192:13 to 192:23

00192:13 Q. Yeah. And -- and attached is a list of
14 vendors and how much has been paid to those
15 vendors; is that correct?
16 A. That looks like a familiar list of vendors
17 that incurred costs related to the incident.
18 Q. And number one is the Marine Spill
19 Response Corporation?
20 A. That was the number one supplier at the
21 time.
22 Q. And down there at number 29 is Entrix?
23 A. I see that as well.

Page 193:07 to 193:18

00193:07 Q. (BY MS. HANKEY) So do you -- were the --
08 I mean, there are ads, for example, where Iris
09 Cross, who -- who was one of the community
10 outreach folks, is in the commercial.
11 A. Uh-huh.
12 Q. Do you remember that?
13 A. I do remember that, yes.
14 Q. And Mr. Utsler --
15 A. I saw Mr. Utsler.
16 Q. -- was in several commercials.
17 And do you know whether those
18 commercials were paid with -- paid for by BPXP?

Page 193:20 to 194:06

00193:20 A. I don't believe those commercials were

21 paid for by BPX&P.

22 Q. (BY MS. HANKEY) The -- the GCRO, as part
23 of their outreach efforts, also did some
24 sponsorships or local events and things like that;
25 is that right?

00194:01 A. GCRO, as an organization, did have a
02 Public and Government Affairs as -- early on in
03 the related incident, and they were doing some
04 element of sponsoring.

05 Q. And do you know if those costs were paid
06 for by BPXP?

Page 194:08 to 194:22

00194:08 A. I'd have to look at specific costs.

09 Q. (BY MS. HANKEY) How would you?

10 A. How would I look at specific costs? There
11 was a lot of activities going on. I can't tell
12 you for sure which ones may or may not have been
13 charged into BPX&P.

14 Q. So, for example, B -- they sponsored Jazz
15 Fest one year.

16 Do you remember that?

17 A. I do remember that. But I can't recall
18 where that charge ultimately ended up.

19 Q. Do you know whether any events that
20 were -- that were organized by the Government and
21 Public Affairs people working within the GCRO,
22 were any of those costs not expensed to BPXP?

Page 194:24 to 195:03

00194:24 A. Again, I -- I -- I don't know the answer
25 to that. I was trying -- I'm trying to think of a
00195:01 line item -- specific line item on our schedule
02 that might remind me of, you know, what those
03 costs might have been. Yeah.

Page 195:12 to 195:14

00195:12 Q. (BY MS. HANKEY) So does that refresh your
13 recollection at all as to whether any of the costs
14 were paid by BPXP?

Page 195:16 to 195:18

00195:16 A. Nothing -- well, I can't say whether --
17 for a fact whether these charges were or were not
18 charged into BPX&P as part of the incident.

Page 195:20 to 195:21

00195:20 A. None of these just jump out as an obvious

21 fact.

Page 196:15 to 197:15

00196:15 (Marked Exhibit No. 12671.)
 16 Q. (BY MS. HANKEY) And this is the BP
 17 America annual report for 2010, correct?
 18 A. It looks like that, yes.
 19 Q. And I'm going to ask you to turn to
 20 Page 20 of that report, and this has charges
 21 related to the Gulf of Mexico oil spill?
 22 A. It does.
 23 Q. So I wanted to ask you, if you look at
 24 the -- the spreadsheet, Exhibit 12647, if I'm
 25 understanding this correctly, at the end of 2010,
 00197:01 there's a pre-tax loss of 39.3 billion
 02 approximately.
 03 A. 38.9?
 04 Q. Where is the 38.9?
 05 A. Oh, I'm sorry. Are you -- you're looking
 06 at the provision continuity schedule? I'm sorry.
 07 Q. I was looking at the end of 2010.
 08 A. Oh, the end of 2010. I'm sorry.
 09 Q. Sorry.
 10 A. 39.3 billion.
 11 Q. And on the BP America report, it reflects
 12 a loss of 32.5 billion?
 13 A. Correct.
 14 Q. Is -- can that be explained?
 15 A. I know --

Page 197:17 to 197:22

00197:17 A. I know a -- these BP America, Inc.,
 18 reports are on a U.S. GAAP basis. This particular
 19 schedule is IFRS basis, and do we have IFRS to
 20 U.S. GAAP differences.
 21 Q. (BY MS. HANKEY) And do you know what the
 22 differences are?

Page 197:24 to 198:25

00197:24 A. We have three primary differences and
 25 they're related to discounting of liabilities.
 00198:01 The one most impacting the difference would be on
 02 how we account for the trust for IFRS versus U.S.
 03 GAAP.
 04 Q. (BY MS. HANKEY) And so what would be the
 05 difference?
 06 A. For IFRS, we -- we've referenced IFRIC 5,
 07 International Financial Reporting Interpretation
 08 Committee. It's a -- a standard that allows
 09 whenever you establish a separate asset for the
 10 support of environmental restoration,

11 decommissioning, and that asset is outside of the
12 direct control of the corporation, you can expense
13 that asset. So at that point, we expensed the 20
14 billion discounted.

15 And then as we identify liabilities
16 against that asset, we have a right to
17 reimbursement from that asset, and so that's how
18 we were accounting for that within IFRS.

19 For U.S. GAAP, they don't recognize
20 that standard. Therefore, what's expensed on U.S.
21 GAAP purposes would have been just the liabilities
22 payable from the trust that had been identified to
23 date and not the full amount of the -- the trust
24 amount.

25 Did that make sense?

Page 199:06 to 200:05

00199:06 Q. (BY MS. HANKEY) Yeah. I can try.

07 So if 2010, if I'm understanding what
08 the difference in 2010, there was money in the
09 trust for which no liabilities had yet been
10 provisioned, and therefore it could not be
11 accounted under GAAP?

12 A. That's not correct. U.S. GAAP -- so U.S.
13 GAAP recognizes the -- the costs identified in --
14 in the provisions that were identified to be
15 payable from the trust. At the end of 2010, we
16 had identified 12.6 billion --

17 Q. Uh-huh.

18 A. -- of costs to be paid from the trust.

19 Q. Uh-huh.

20 A. So that's what got expensed for U.S. GAAP
21 purposes.

22 For IFRS purposes, using IFRIC 5, we
23 were able to -- we -- we were -- we expensed the
24 entire \$20 billion discounted for the time value
25 of money at that point in time.

00200:01 So that would be approximately a \$7
02 billion difference in the reporting number which
03 is about the difference that we're seeing right
04 here.

05 Q. Okay. That explains it.

Page 203:24 to 204:06

00203:24 Okay. If we could turn to Tab 190,

25 which should be in the same binder, and this is
00204:01 the three quarter 2011 financial statement for
02 BPXP Inc.?

03 A. Yes.

04 Q. And so what -- what sort of financial
05 statements existed prior to this time or financial
06 information, I should say, for BPXP?

Page 204:08 to 205:06

00204:08 A. The -- well, the trial balances existed.
09 I'm not aware of a particular management
10 information reports specific.
11 Q. (BY MS. HANKEY) Did they -- do you know
12 if they prepare financial statements on the SPU
13 level?
14 MR. NOMESELLINI: Form and foundation.
15 A. I would -- I wouldn't necessarily call
16 those financial statements. Each operating
17 business does report their results.
18 Q. (BY MS. HANKEY) I'm sorry. Did you say
19 quarterly results?
20 MR. NOMESELLINI: No.
21 MS. HANKEY: He didn't?
22 MR. NOMESELLINI: No.
23 Q. (BY MS. HANKEY) Oh, so each operating
24 business reports results. What -- what's the
25 format that they report their results in?
00205:01 A. The standard report would be similar to
02 the GAIT file. That would be the common format.
03 Businesses may have variations on how they want to
04 report, depending on how their particular
05 operating unit might want to see those -- those --
06 those numbers.

Page 205:19 to 205:21

00205:19 Q. In -- in -- in -- how are the tax returns
20 for BP America prepared with respect to BPXP prior
21 to the existence of the financial statements?

Page 205:23 to 207:21

00205:23 A. The -- the -- the -- the consolidation --
24 the consolidated tax returns that are filed by BP
25 tax have always relied on the trial balances by
00206:01 each legal entity. Again, a -- a -- a report does
02 not necessarily need to be generated for them to
03 get that information. They have access to that
04 information sim -- in a similar format to what I
05 had provided on the BPX&P trial balances.
06 Tax will look at each legal entity,
07 determine the taxable income associated with that
08 legal entity. They, of course, deduct out fines,
09 penalties, certain things, timing of -- of costs,
10 come up with a taxable income, apply a tax rate.
11 And then each one of those legal entities, for
12 instance BPX&P, would be recorded its share of tax
13 expense or tax credits, depending on whether it
14 had an income for the period or a loss for the
15 period.
16 Those taxes would be split between

17 current tax and deferred tax. Current tax would
 18 be what we would send in as for deductions on a
 19 consolidated return, and that's based on incurred
 20 revenues and incurred expenses.

21 BPX&P would, for instance, have a
 22 current tax receivable or a current tax payable at
 23 the end of each quarter. And then through the
 24 consolidation process, that receivable or payable
 25 is cleared up through BP America for consolidation
 00207:01 in -- in -- in the -- in the tax filings.

02 Of course as that receivable or
 03 payable moves up, then there's a -- a debit, a
 04 withdrawal, or a -- a deposit with NAFCO on behalf
 05 of BPX&P and an offset to BP America.

06 We also -- tax also calculates
 07 deferred tax. So all the things that we've
 08 expensed on our profit and loss statement that we
 09 have not yet incurred, so all of our provisions,
 10 we do calculate a tax expense on that.

11 We have an offsetting deferred tax
 12 asset on the balance sheet. And as those expenses
 13 are incurred, those taxes are classified from
 14 deferred to current, and then that unwinds the
 15 deferred tax asset and runs through the -- the
 16 balance sheet similar to what -- how I explained
 17 the current taxes.

18 Q. (BY MS. HANKEY) Do you know if they used
 19 your -- these financial statements to prepare
 20 the -- the tax returns once -- now that they
 21 exist?

Page 207:24 to 208:06

00207:24 A. No. Tax did not use these forms. They
 25 continue to use the process they've used for many
 00208:01 years, which is, again, the trial balance for
 02 BPX&P.

03 Q. (BY MS. HANKEY) And who made the decision
 04 to start preparing stand-alone statements for
 05 BPXP?

06 A. Who made the decision?

Page 208:08 to 208:09

00208:08 A. I don't know who made the decision. I was
 09 requested by Randy Latta.

Page 208:14 to 208:14

00208:14 (Marked Exhibit No. 12673.)

Page 208:20 to 209:04

00208:20 Can these costs here be tied into the
21 spreadsheet, the Tab 58 spreadsheet which is
22 Exhibit 12647?
23 A. The provision continuity schedule I had
24 collapsed, in the normal course of my business,
25 2010 and 2011. So you won't see individual
00209:01 quarters for those years on this schedule.
02 Q. Okay. Does this -- this balance sheet
03 reflect GCRO? Does it include GCRO costs?
04 A. This -- these fin --

Page 209:11 to 211:16

00209:11 A. These financial results here are for
12 BPX&P, which do include incident-related costs of
13 which GCRO was organized to help manage.
14 Q. (BY MS. HANKEY) Under "Current
15 Liabilities," it -- on the last sentence in that
16 paragraph, it says: "The increase in Group
17 payables reflect the incremental Trust funding of
18 1.25 funding that NAFCO performed on behalf of
19 BPEP, partially offset with overall net cash
20 funding back to BP Corporation."
21 And can you explain what that means?
22 A. Well, the Group payable would have
23 increased, therefore BPX&P would have incurred a
24 Group payable to NAFCO because if NAFCO makes a
25 payment on behalf of BPX&P, BPX&P owes a liability
00210:01 back to NAFCO reimburse them for that.
02 The "net cash funding back to BP
03 Corporation," if I recall, that's in reference
04 to -- that's "BP Corporation" is used as a generic
05 term and it probably should have been NAFCO, but
06 it's basically the proceeds that BPX&P earns are
07 deposited back to NAFCO.
08 Q. And the -- the payment here by NAFCO of
09 the 1.25 billion, was that done under any formal
10 agreement?
11 MR. NOMELLINI: Form and foundation.
12 A. The -- I don't know if there's a formal
13 agreement in place. It's a standard process that
14 BPX&P, as well as other BP entities, use with
15 NAFCO.
16 Q. (BY MS. HANKEY) Under expense, the last
17 sentence is -- say: "Purchases reflected in the
18 BEP [sic] consolidated results are primarily from
19 BP GoM UK entities operating in the Gulf and third
20 party royalty purchases."
21 A. Correct. That's what that says.
22 Q. What -- what is the -- what's -- what is
23 the transaction referring to here between BPEP and
24 the GoM UK entities?
25 A. We -- we had discussed earlier about, you
00211:01 know, I had defined those companies as UK
02 companies. It's actually GoMH Holdings.

03 Q. Okay.

04 A. So BPX&P buys net of royalties the oil
05 from those entities. So that would effect -- on a
06 BPX&P's books, it effects a purchase and then a
07 corresponding payable back to those entities.
08 Those entities would reflect the sale and a
09 corresponding receivable back from BPX&P.

10 Q. And do they -- does -- do you know who
11 BPXP sells that oil to?

12 A. I believe most of the oil is sold to BP
13 Products North America. And when they sell that
14 oil, again, they will generate a sale, reflect the
15 sale, and it will have an intercompany receivable
16 from BP Products North America.

Page 211:19 to 212:25

00211:19 (Marked Exhibit No. 12674.)

20 Q. (BY MS. HANKEY) And under group [sic]
21 assets, the second-to-last sentence says: "The
22 remaining downward movement in the Group
23 receivables is reclassification of the NAFCO
24 funding into group payables (to create a net
25 overall position) partially offset with a nearly
00212:01 900 million receivable for the monetization of
02 deferred tax losses."

03 What is this reclassification of
04 NAFCO funding that it's referring to?

05 A. NAFCO -- so on our -- on our balance
06 sheet, the balances we had with NAFCO should be
07 netted. So in some cases, you have a deposit with
08 NAFCO which would create a receivable on BPX&P's
09 books. When you withdraw from NAFCO, you create a
10 payable.

11 This particular item in 3Q, I believe
12 we had a receivable and a payable both reflected
13 with NAFCO. And then basically what we did was we
14 classified those back to -- it was a net overall
15 payable, so we just collapsed those two working
16 capital balances.

17 Generally, on our -- on our working
18 capital, you will -- it's not uncommon that you
19 may have receivables and payables with the
20 company. And we generally report net -- the net
21 position, and that's what that refers to.

22 Q. And do you owe -- is there interest paid
23 on the payables to NAFCO?

24 A. There is interest paid on the amounts
25 payable to NAFCO.

Page 213:04 to 213:23

00213:04 Q. Is that in an -- an agreement?

05 A. There is an agreement between BPX&P and
06 NAFCO.

07 Q. On the -- on the left-hand side under
08 "GCRO Other," there's an expense of 3.5 billion.
09 Do you see that?
10 A. At the very bottom of the page referenced
11 695?
12 Q. Yes.
13 A. Yep.
14 Q. And do you know what that expense is for?
15 A. That's an outstanding provision for the
16 Clean Water Act fine.
17 Q. Do you know how the Clean Water Act fine
18 was calculated?
19 A. That's described in our annual report.
20 Q. And -- and do -- does BXP have a plan in
21 place to pay that 3.5 billion?
22 A. I don't know the answer to that. That's
23 not within the scope of my responsibilities.

Page 214:06 to 214:10

00214:06 Q. When you said -- you said that the -- how
07 the 3.5 billion was calculated is explained "in
08 our annual report," are you referring to the BP
09 PLC?
10 A. The BP PLC annual report, yes.

Page 214:13 to 214:13

00214:13 (Marked Exhibit No. 12675.)

Page 214:18 to 215:05

00214:18 Under "Current Assets," it says:
19 "Current receivables are down offsetting the
20 increase in non-current receivables due to the
21 shift of Trust related claims to be pushed out
22 over the longer term. Current Group Receivable is
23 up 2.9 billion but should be viewed with a change
24 in Current Group Payable decrease 10.1 billion.
25 This total net asset improvement of 13 billion is
00215:01 largely driven by the one quarter 12 Capital
02 Contribution by parent company BP America
03 Production Company."
04 Did I read that right?
05 A. It looks like you did, yes.

Page 215:07 to 215:08

00215:07 Was -- do you know if the entire
08 capital injection was used to pay off Group debt?

Page 215:10 to 216:03

00215:10 A. The capital contribution is just one
11 source of cash. There are many sources of cash
12 within BPX&P. It's hard to say if that
13 specific -- those specific dollars were -- what
14 they were particularly used for. Again, a source
15 of cash, many uses of the cash.
16 Q. (BY MS. HANKEY) So if we -- if we look on
17 the left-hand column under "Current Group
18 Payables," the -- the -- it -- it's gone down
19 about \$10 billion; is that correct?
20 A. "Current Group Payables" has gone down
21 approximately 10 billion.
22 Q. Do you know whether that in -- that \$13
23 billion injection was used for GCRO expenses?
24 A. I -- again, I can't speak to what
25 specifically that was used for. The capital
00216:01 injection is just one of many sources of cash in
02 BPX&P. Cash is fungible and used for many
03 different sources.

Page 216:06 to 217:13

00216:06 (Marked Exhibit No. 12676.)
07 Q. (BY MS. HANKEY) So this is the second
08 quarter of 2012, the -- and the format has changed
09 a bit from the -- the last two that we looked at,
10 right?
11 A. Yes.
12 Q. Why -- why did it change?
13 A. That was me just continuing to evolve
14 the -- the report.
15 Q. Who were you providing this report to?
16 A. This report went to the company secretary
17 and on to the BPX&P board.
18 Q. Who is the company secretary?
19 A. The company secretary I work with is Jane
20 Stricker.
21 Q. Jane?
22 A. Jane.
23 Q. Did -- did anybody else review these
24 reports that you're aware of?
25 A. Randy Latta may have reviewed some of
00217:01 these prior to me sending them to Jane, and Randy
02 is on the BPXP board.
03 Q. Under "Current Assets" and "Current
04 Liabilities," the last sentence says: "This was
05 largely driven by the reduced liabilities from
06 Current" pay -- "Payables related to the quarterly
07 funding (by Group) of the 1.3 billion Trust
08 contribution which fundamentally shifts the
09 liability from the Trust to NAFCO when NAFCO funds
10 the Trust on BPXP's behalf."
11 Could you explain the last part of
12 that sentence, with the fundamental shift of the
13 liability from the Trust to NAFCO?

Page 217:15 to 218:02

00217:15 A. We -- so on our balance sheet, we had --
16 you know, we had expensed the \$20 billion for IFRS
17 purposes discounted for the time value of money.
18 We had a corresponding payable established on our
19 books.
20 When NAFCO makes those funding on
21 behalf of BPX&P, the way the accounting work
22 is the payable to the trust would obviously
23 decrease because we owe them less money. BPX&P
24 would owe them less money. But we now owe NAFCO
25 for funding that on our behalf. So BPX&P has an
00218:01 obligation not to the trust any more, but now to
02 NAFCO.

Page 218:24 to 221:17

00218:24 Q. And why did you decide to break GCRO out
25 at this point?
00219:01 A. That was a decision I made just to show
02 the impact of the incident on BPX&P's books.
03 Q. Did anybody ask you to --
04 A. I --
05 Q. -- perform --
06 A. I don't believe -- don't recall anyone
07 specifically asking me.
08 Q. And that first paragraph after the
09 chart -- the last sentence says: "BPXP Other is
10 predominantly is GoM RBU which shows positive net
11 assets of 15 billion."
12 What other -- is the "GoM RBU"
13 referring to the Gulf of Mexico --
14 A. Regional business unit.
15 Q. -- reg -- regional business unit?
16 So what other business units would
17 have been included in "BPXP Other"?
18 A. As I mentioned earlier, there are a couple
19 small other operating units. One that I -- comes
20 to mind is the Integrated Supply and Trading
21 organization, a small organization that operates
22 on -- as BPX&P entity.
23 Their primary responsibility is to
24 market the gas that sold off on behalf of -- for
25 BPX&P that are produced off the Gulf.
00220:01 Q. And then on the next page here, it -- it
02 talks about: "The schedule below provides a
03 forward view of BPXP..."
04 Do you see that?
05 A. Yes.
06 Q. And here, it actually attempts to go out
07 into four quarter '13?
08 A. Yes.
09 Q. And why was this forward view included?

10 A. That was a request, I believe, from Niloy
11 Shah who is on BPX&P board.

12 Q. Did he tell you why he was asking?

13 A. No.

14 Q. Do you know whether any of these financial
15 statements were provided to anyone outside of the
16 BP Group?

17 A. Not that I'm aware of.

18 Q. And it -- below the chart here, it --
19 the -- the next sentence says: "The GoM RBU SMOG
20 information from year 2011 would indicate that,
21 post 2013, discounted cash flows (10 percent)
22 would contribute another 24.1 billion to the
23 ultimate equity position."

24 What's "SMOG"?

25 A. "SMOG" is -- stands for "standard measure
00221:01 of oil and gas." It's a Financial Accounting
02 Standards Board, FASB, disclosure requirement for
03 oil and gas companies. It's a -- one -- it's --
04 their prescribed calculation to value the proven
05 oil and gas reserves, less development costs,
06 income taxes, associated exploration costs,
07 discounted at 10 percent.

08 I would point to, in our annual
09 report, that we actually do have SMOG disclosed in
10 our annual report. Again, it's a required
11 disclosure. BP does caution about relying on that
12 estimate as it does contain a number of arbitrary
13 assumptions and lack of comparability to
14 historical costs.

15 Q. When you say "our report," are you
16 referring to the BP PLC annual report?

17 A. The BP PLC annual report.

Page 222:09 to 223:01

00222:09 Q. (BY MS. HANKEY) Some of the assumptions
10 were arbitrary. Do you know which of the
11 assumptions are arbitrary?

12 A. My -- the things like the price that we're
13 required to use is basically an average of the
14 previous 12 months. That may or may not be
15 realistic. The development costs are based on a
16 continuation situation of existing economic
17 conditions into the future. General
18 administrative costs are not included in this
19 calculation.

20 I know the discount rate factor of 10
21 percent is applied universally, regardless of the
22 risk factors on an asset by asset of developing
23 those proved reserves.

24 Q. So does int -- when BP does internal
25 analysis, do they -- do they use something other
00223:01 than "proven"?

Page 223:04 to 223:05

00223:04 A. Yeah. I'm -- I'm not within my scope of
05 responsibilities, so I can't answer that.

Page 223:17 to 223:22

00223:17 Then -- and this is the first time
18 that we saw the "Legal Structure" included. Do --
19 do you know why that was included?
20 A. Again, I believe that was just a decision
21 on my part to continue to enhance the -- the
22 report.

Page 224:04 to 224:07

00224:04 Q. Yeah. I asked specifically about the
05 parent in terms of the legal structure for the
06 parent of BPXP. Parents of BPXP, did that change
07 between 2010 and the time of this report?

Page 224:13 to 224:19

00224:13 A. So you're asking me if B -- if BPAPC has
14 been the parent from the end of 2010 through --
15 Q. (BY MS. HANKEY) And I actually mean the
16 entire chain.
17 A. Oh, the entire chain, all the way up to BP
18 PLC?
19 Q. Exactly.

Page 224:21 to 225:02

00224:21 A. Yeah. I don't know the answer to that.
22 Q. (BY MS. HANKEY) And how about the
23 subsidiaries listed there, has that changed at all
24 since year-end 2010?
25 A. To today?
00225:01 Q. No. I'm sorry. Year-end 2010 to the
02 timing of this report?

Page 225:04 to 225:06

00225:04 A. Verano I know was established subsequent
05 to 2010. And I'm not sure when BP Offshore
06 Response Company was established.

Page 225:13 to 225:24

00225:13 Q. And what about BP Offshore Response
14 Company?
15 A. I know currently that's the BP affiliate

16 that's -- participates in the marine well
17 containment company. So that was the industry
18 Group that was established, and we contributed a
19 capping stack to that -- that organization.

20 Q. And how about Verano?

21 A. Verano was established to hold the pledged
22 assets in the Gulf of Mexico as required -- I
23 believe it was required in part -- as part of the
24 trust agreement.

Page 226:12 to 226:25

00226:12 Q. Do you know what the value of the assets
13 in Verano was?

14 MR. NOME LLINI: Form and foundation.

15 A. No.

16 Q. (BY MS. HANKEY) Is -- does -- is Verano
17 still a subsidiary to BPXP?

18 A. Per this -- per the -- our legal system,
19 yes. Verano is still there.

20 Q. Do you know as of -- what the -- we're in
21 the second quarter of 2014, right? Does -- does
22 Verano still hold assets?

23 A. Verano -- I do know in 2Q, they're --
24 they're looking to close up Verano, yep, because
25 the trust has been fully funded.

Page 227:13 to 228:21

00227:13 Q. But to your understanding, has the
14 operation -- are the operations that sit within
15 the RBU the same as what sat within the SPU?

16 MR. NOME LLINI: Form and foundation.

17 A. Yeah. I can't speak to that.

18 MR. NOME LLINI: Be careful when
19 you're -- when you're answering -- strike that.

20 Q. (BY MS. HANKEY) So it says here in the
21 middle of the page: "There is approximately 11
22 percent of GoM RBU activity held within Gulf UK
23 entities."

24 So that should be GoMH Holdings?

25 A. Correct.

00228:01 Q. But -- so my question was going to be: Do
02 you know how the 11 percent was calculated?

03 A. Yes, I do.

04 Q. Can you tell me how, please?

05 A. The -- I looked at the Gulf of Mexico
06 business using those SAP Business Warehouse
07 reports. And you can look at a split by a legal
08 entity, and so I could see how much of the
09 activity was incurred and supported by BPX&P and
10 how much was on other entities. And I looked at
11 things like revenue, net income, fixed assets, net
12 assets, and 11 percent appeared to be a pretty
13 good proxy.

14 Q. When did you calculate the 11 percent?

15 A. It would have been in -- well, it would
16 have been for the 2Q '12 report if that's the
17 first time that I had reported that.

18 Q. And have you recalculated it since that
19 time?

20 A. I believe there was a recalculation at the
21 end of 2012.

Page 228:24 to 228:24

00228:24 (Marked Exhibit No. 12677.)

Page 229:12 to 229:21

00229:12 Q. Sure. "Key balance sheet movements
13 include an increase in Exploration Assets from the
14 recent new acreage obtained in the Gulf and the
15 use of approximately 1.4 billion in deferred tax"
16 ass -- "assets, which will not be reflected
17 through cash flow until 4Q."

18 A. Okay.

19 Q. Do you know what the new acreage that was
20 obtained was?

21 A. I don't -- don't recall that.

Page 230:02 to 230:14

00230:02 (Marked Exhibit No. 12678.)

03 Q. (BY MS. HANKEY) And if you could turn to
04 Page 3, under "Income Statement," it says: "This
05 was partially offset with the transfer of 500
06 million S.E.C. settlement from BPXP, which was
07 previously expensed in the second quarter 2012 to
08 BP PLC to reflect proper ownership of the
09 agreement."

10 Do you know who decide -- who made
11 the decision to move this expense?

12 A. I don't recall the specific person who
13 made the decision, but I do recall the
14 consultation that I was part of.

Page 230:21 to 231:09

00230:21 Q. (BY MS. HANKEY) Do you remember any of
22 them?

23 A. I think the BP America reporting team,
24 likely someone from Group accounts in London.
25 This was -- BP PLC was party to the agreement, and

00231:01 we had incorrectly charged that to BPX&P so we
02 needed to get that moved over to the party who
03 actually had signed that agreement.

04 Q. So BPXP had, am I correct, it's an IFA in

05 place with NAFCO?
06 A. BPXP has an IFA in place with NAFCO.
07 Q. And do you know what the amount of that
08 IFA is?
09 A. The limit is \$5 billion.

Page 232:14 to 232:18

00232:14 Q. Yeah. And here, in the fourth quarter of
15 2011, the "Group Payables" is listed as 21
16 billion, correct?
17 A. Oh, "Group Payables." I think you had had
18 mentioned "Group Receivables."

Page 232:25 to 233:01

00232:25 Q. Yes. Was there ever an IFA in place that
00233:01 covered the total amount owed in "Group Payables"?

Page 233:03 to 233:05

00233:03 A. The IFA is a funding balance with NAFCO.
04 Other balances are considered working capital
05 balances.

Page 234:04 to 234:04

00234:04 (Marked Exhibit No. 12679.)

Page 234:11 to 234:20

00234:11 Q. On Page 4, I believe it's Page 4 under
12 "Balance Sheet," in the middle of the paragraph,
13 it says: "The GCRO negative net asset position is
14 a result of prior year and current year post tax
15 losses of 29,562 million, partially offset with a
16 2012 BPAPC capital contribution of 13,916
17 million."
18 Does that reflect that the capital
19 contribution went to GCRO -- was -- was used to
20 fund the GCRO expenses?

Page 234:22 to 235:15

00234:22 A. Not necessarily. That's -- GCRO and --
23 is -- it's all BPX&P because the capital
24 contribution was directed at GCRO doesn't
25 necessarily mean that that was used specifically
00235:01 for incident-related costs.
02 Q. (BY MS. HANKEY) But what -- what costs --
03 if -- if it -- what cost did the GCRO have that
04 are not incident-related?

05 A. Well, a capital contribution is not a -- a
06 cost. That's part of equity.

07 Q. And what -- when -- so you -- in -- in
08 per -- doing this balance sheet, you've segregated
09 out GCRO, correct?

10 A. As defined in the -- in the trial balance,
11 the -- the capital injection was recorded on a
12 split, which included GCRO.

13 Q. And do you know how much of the capital
14 contribution was portioned on the balance sheet to
15 GCRO?

Page 235:17 to 235:25

00235:17 A. Again, the GCRO is BPX&P, and so it was
18 recorded on the GCRO portion of BPX&P.

19 Q. (BY MS. HANKEY) And is that true for the
20 entire capital contribution?

21 A. The entire capital contribution of 13.9
22 billion was on the GCRO portion of the BPX&P's
23 books. And, again, that -- the capital
24 contribution is not an expense, just exactly what
25 it is, is just a capital contribution into equity.

Page 236:03 to 236:21

00236:03 (Marked Exhibit No. 12680.)

04 Q. (BY MS. HANKEY) And on the -- I guess
05 it's the third page towards the top of the
06 paragraph, in the -- in the first paragraph, the
07 last sentence, it says: "The Horn" mat --
08 "Mountain asset, in which BP held 33 percent
09 interest, was ultimately allocated a large portion
10 of the total proceeds which were then subsequently
11 applied to BPAPC in a proportionate share of their
12 asset position in that asset."

13 A. Let me see. "Horn Mountain asset," okay.
14 I see that.

15 Q. Do you know if B -- what other assets
16 BPAPC owns a percentage interest in?

17 A. I don't know the specific assets.

18 Q. Do you know whether Horn Mountain had been
19 included in the SMOG?

20 A. Prior to the sale, it would have been
21 included in the SMOG.

Page 237:03 to 238:07

00237:03 (Marked Exhibit No. 12681.)

04 Q. (BY MS. HANKEY) It says under -- it's
05 third page under "Income Statement": "Third
06 quarter 2013 was negatively impacted by
07 impairments and exploration write-offs."

08 Can you explain that statement?

09 A. I'm sorry. Could you --

10 Q. Yeah, under "Income Statement."

11 A. Oh, "Income Statement." Okay. Yes.

12 Q. It's the second-to-last sentence in the
13 first paragraph. The "Third" -- "Third quarter
14 2013 was negatively impacted by impairments and
15 exploration write-offs."

16 A. Oh, I see. "Third quarter 2013 was
17 negatively impacted by impairments and exploration
18 write-offs."

19 Gulf of Mexico had impairments d
20 exploration write-offs.

21 Q. So can you explain -- what does that mean
22 that it -- what does an "impairment" and what's an
23 "exploration write-off"?

24 A. "Exploration write-off" could be a result
25 of a dry hole. "Impairments" are generally the
00238:01 assessed value of an asset is lower than its book
02 value.

03 Q. And generally, how are exploration assets
04 incorporated into the financial statements?

05 A. How are exploration assets incorporated
06 into the -- it would be reflected as part of our
07 fixed assets on the balance sheet.

Page 238:11 to 238:13

00238:11 Q. (BY MS. HANKEY) So are proven reserves,
12 for example, included on the balance sheet?

13 A. Are proven reserves --

Page 238:15 to 239:03

00238:15 A. Proven reserves are not specifically
16 valued on the balance sheet. Book value of the
17 fixed assets is a -- a -- one type of valuation of
18 those -- of -- of those reserves.

19 Q. (BY MS. HANKEY) The -- the book value of
20 the fixed asset, does that include the value of
21 hydro -- hydrocarbons that are --

22 A. The book value of the fixed assets is the
23 cost incurred to date to get reserves to a certain
24 position, could be proved, non-proved.

25 Q. Do you know whether any of the lower
00239:01 tertiary is included in the proved reserves?

02 A. I don't know the answer to that.

03 Q. On page ending in 74, it's part of that

Page 241:03 to 241:05

00241:03 Q. (BY MS. HANKEY) Okay. Do you know if
04 BPXP divested any assets in order to pay for some
05 of the spill costs?

Page 241:07 to 241:10

00241:07 A. BPXP has divested assets over the last
08 several years. Whether those were to pay
09 specifically for incident-related costs, I can't
10 answer that.

Page 241:17 to 241:17

00241:17 (Marked Exhibit No. 12682.)

Page 241:23 to 242:05

00241:23 Q. In the first quarter of 2014, BP
24 receive -- BPXP received a loan from NAFCO; is
25 that right?
00242:01 A. In the first quarter, yeah, 2014, BPXP did
02 secure a loan from NAFCO.
03 Q. And that loan was turning receivables
04 between BP Company North America and BPXP into a
05 loan with NAFCO; is that correct?

Page 242:08 to 242:11

00242:08 A. Again, the -- the loan is a -- a one
09 source of cash, plenty of sources of cash within
10 BPX&P. The settlement with BP Company North
11 America would be use of cash.

Page 242:15 to 242:17

00242:15 Just above the chart, it says: "GoM
16 Region capital expenditures are expected to exceed
17 cash from operations."

Page 242:24 to 243:01

00242:24 Q. Do you know how BPXP expected to pay for
25 these capital expenditures?
00243:01 A. Again --

Page 243:03 to 243:06

00243:03 A. -- the capital expenditures are a use of
04 cash, and there's various forms of -- of sources
05 of cash. So -- and I -- I don't know specifically
06 how they -- how that was to be funded.

Page 243:21 to 244:25

00243:21 Q. Excluding third-party legal costs,

22 approximately how much liability relating to the
23 DEEPWATER HORIZON incident has BP -- did BPXP
24 incur as of Q1 2014?

25 A. Approximately \$39 billion.

00244:01 Q. Is the provision continuity schedule that
02 was previously marked Exhibit 12647 a schedule of
03 the liabilities incurred by BPXP in connection
04 with the DEEPWATER HORIZON incident as of 1Q 2014?

05 A. Yes, excluding legal costs.

06 Q. How was Exhibit 12647, the schedule of
07 BPXP liabilities, prepared?

08 A. In the normal course of my
09 accountabilities, I had been preparing quarterly
10 reports -- well, that -- that schedule on a
11 quarterly basis on behalf of total incident
12 charges. I was requested I believe by the DOJ
13 through counsel to produce a BPX&P schedule
14 excluding legal costs.

15 Q. Where does the information in
16 Exhibit 12647, the schedule of 39 billion in BPXP
17 liabilities, come from?

18 A. Those numbers are sourced from our
19 underlying financial system, SAP, and I go through
20 a control process to make sure that they tie back
21 to the ledger.

22 Q. What is your understanding of why these
23 liabilities -- approximately \$39 billion in
24 DEEPWATER HORIZON liabilities in Exhibit 12647
25 were charged to BPXP?

Page 245:02 to 246:09

00245:02 A. BPXP was the BP owner in the Macondo
03 lease. BPXP is named as a responsible party
04 related to the incident.

05 Q. (BY MR. NOMELLINI) Are there any
06 DEEPWATER HORIZON liabilities that were charged to
07 entities in BP other than BPXP?

08 A. There are three general categories of
09 costs that were incurred by entities other than
10 BPX&P related to the incident.

11 Q. What are those three categories, and what
12 is the overall approximate amount?

13 A. The three categories are basically costs
14 related to the S.E.C. fine where BP PLC was party
15 to that settlement, that agreement.

16 The second one is costs incurred by a
17 UK entity, Jupiter, which is a self-insurance
18 facility within B -- BP. BPX&P had been paying
19 insurance premiums, and Jupiter paid out on an
20 insurance policy, so Jupiter incurred those costs.
21 The proceeds received by BPX&P are reflected as a
22 recovery as part of the BPX&P financial
23 statements.

24 And then the third piece is some

25 legal costs and early media costs that Tax had
00246:01 determined were really for the benefit of people
02 associated -- working on the incident outside of
03 the U.S., so those costs were transferred over to
04 UK entities at the request of Tax.

05 Q. What is the approximate total amount of
06 those three categories of DEEPWATER HORIZON
07 liabilities charged to BP entities other than
08 BPXP?

09 A. It's about 1.5 billion.

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

IN RE: OIL SPILL) MDL NO. 2179
BY THE OIL RIG)
"DEEPWATER HORIZON" IN) SECTION "J"
THE GULF OF MEXICO, ON)
APRIL 20, 2010) JUDGE BARBIER
) MAG. JUDGE SHUSHAN

VOLUME 1

Deposition of MICHAEL T. ROBERTSON, taken at
Pan-American Building, 601 Poydras Street,
11th Floor, New Orleans, Louisiana, 70130, on the
10th day of July, 2014.

A P P E A R A N C E S

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1 THE STATE OF TEXAS)
2 COUNTY OF HARRIS)

3
4 I, Donna L. Garza, Certified Shorthand
5 Reporter in and for the State of Texas, do hereby
6 certify that the above and foregoing contains a
7 true and correct transcription of all portions of
8 evidence and other proceedings in the above-styled
9 and numbered cause, all of which occurred and were
10 reported by me.

11 I further certify that I am neither
12 counsel for, related to, nor employed by any of
13 the parties or attorneys in the action in which
14 this proceeding was taken, and further that I am
15 not financially or otherwise interested in the
16 outcome of the action.

17 GIVEN UNDER MY HAND AND SEAL OF OFFICE,
18 on this, the 15th day of July, 2014.



19 *Donna L. Garza*
20 _____
21 DONNA L. GARZA
22 TEXAS CSR NO. 4785
23 Expiration Date:
24 12-31-15

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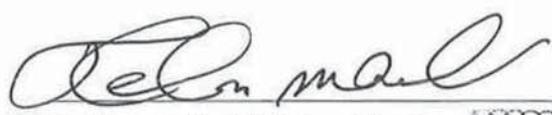
I, MICHAEL T. ROBERTSON, have read the foregoing deposition and hereby affix my signature that same is true and correct, except as noted above.


MICHAEL T. ROBERTSON

STATE OF Texas *
COUNTY OF Harris *

Before me, Helen Marout, on this day personally appeared MICHAEL T. ROBERTSON, known to me, or proved to me under oath or through Texas DL (description of identity card or other document), to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office on this, the 28 day of August, 2014.



Notary Public, State of

My Commission Expires: 7/24/2014

