

From: Dio, Susan W

Sent: 8/27/2004 10:00 AM

To: Schilling, Dave M.

Cc:

Bcc:

Attachments:

Subject: RE: Capex session prep

I guess it helps to really know Stephen - he does have this bad habit on e-mails. I have already called him - and discussed. Texas City is well positioned for Monday; Just to vent - I also told him he was an asshole.

-----Original Message-----

From: Schilling, Dave M.

Sent: Friday, August 27, 2004 9:58 AM

To: Dio, Susan W

Subject: RE: Capex session prep

Susan, armed with the little knowledge I have, I hope you responded to this note to Stephen. It hacked me off. For some guy to tell me I'm not a team player because he came to the table with a 100% increase in his capital appetite and I wouldn't give up my well prepared position...perhaps Carosn should do a better job of planning and we wouldn't be in this mess to begin with!!!!!! Someone needs to publicly highlight that!!! I couldn't believe the audacity of the note.

Dave M. Schilling

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BP South Houston

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-----Original Message-----

From: Dio, Susan W

Sent: Friday, August 27, 2004 9:16 AM

To: Wundrow, Walt; Wilk, Tim; Parus, Donald L; Schilling, Dave M.; Morris, Brad A

Subject: FW: Capex session prep

FYI - Context from my colleagues. I'll really need to be prepared.

Susan

-----Original Message-----

From: Ginyard-Jones, Cheryl A

Sent: Thursday, August 26, 2004 11:15 PM

To: Bartlett, Stephen (Carson); Crewson, Scott N; Dio, Susan W; Elgin, Mike; Pearl, Jared S

Cc: Porter, Donald W; Querzoli, Adrian (LON); Lutz, Mark; Boslett, Thomas E; Wundrow, Walt; Winters, Mark A; McKinney, Cheryl A; Bays, Dennis R; Cole, Ken A; Sievering, Christoph (WG)
Subject: RE: Capex session prep

I definitely agree.

-----Original Message-----

From: Bartlett, Stephen (Carson)
Sent: Thursday, August 26, 2004 7:31 PM
To: Crewson, Scott N; Dio, Susan W; Elgin, Mike; Pearl, Jared S
Cc: Porter, Donald W; Querzoli, Adrian (LON); Lutz, Mark; Boslett, Thomas E; Ginyard-Jones, Cheryl A; Wundrow, Walt; Winters, Mark A; McKinney, Cheryl A; Bays, Dennis R; Cole, Ken A; Sievering, Christoph (WG)
Subject: RE: Capex session prep

Jared, Mike, Susan, Scott,

Well this is good federal behaviour, isn't it!!!

Which bit of 25% don't you understand???

We are going to be wasting our time on Monday discussing this topic unless you come prepared to commit to a 25% cut.

I have much more interesting things to do with my time than getting up at 3 am to travel to Chicago for a non-productive meeting!!

Steve

-----Original Message-----

From: Querzoli, Adrian (LON)
Sent: Thursday, August 26, 2004 11:41 AM
To: G MOR Oil Refin CM's US
Cc: Porter, Donald W; Wundrow, Walt; Winters, Mark A; McKinney, Cheryl A; Bays, Dennis R; Cole, Ken A
Subject: Capex session prep
Importance: High

US CM's,

Capex submittals & aggregation

First up thanks to all who were involved in providing the capex submissions. Don & I appreciate this is a very difficult exercise, especially the capex challenge piece.

Meanwhile, I have compiled some summary info as a pre-read for Monday. This starts off with the SPU picture, and then some regional summaries, before specifically getting into the US sites:

<< File: Refining capex 05 - US.ppt (Compressed) >>

In particular, Fig's 7 & 8 give a comparison between -

- * This year's SPM (Current case)
- * BU project list submitted this week
- * Capex challenge target (25% on this year's SPM)
- * BU response to capex challenge target

Some immediate observations on this: Carson & Whiting have provided 'reduced options' that meet the capex

challenge (25%); Toledo's is close (21.3%); and then Pipelines (14.1%), TxC (12.4%) and ChP (10.8%) have offered lower levels of spend reduction. Fig's 7 & 8 also indicate from which capex categories the projects have been deferred. Tables 1 & 2 give the numbers behind these charts.

Clearly the discussion on Monday will need to get beneath this level of detail and into specific projects. I need more time to prepare this supporting info, but for now what I have is a worksheet ('US list') with filters that will enable you to sort the projects by refinery, capex category, CVP stage, etc.

<< File: Refining Capex 2005-7 - US.xls (Compressed) >>

Agenda item for Monday

I've had discussions today with Christoph and Cheryl, and would like to firstly clarify the deliverable from the US region:

- * A prioritized list of projects, including the list of deferred projects and clear business impacts - i.e., clear RCOP impact or clear statement of additional business risk being assumed. This is important not only from the SPU prioritization effort, but also to feed upward to the Segment and to be clear on the impacts to Refining.
- * Capital spend reductions that at least achieve the regional target - a list of deferred projects which, when subtracted from the BU requests, total the US region challenge target of \$725m.

And secondly here are some suggestions on what we need from each CM on Monday -

- * Bridge from 03 SPM to 04 SPM per Pat's request. I have already Toledo, TxC and Pipelines in the attached spreadsheet. Could the other sites please forward by Friday cob.
- * Familiarise yourself with your own project list, especially the business impacts of deferral (direct RCOP loss plus increased risk exposure).
- * Also, please be aware of any projects where it is not possible to defer the entire 05 spend, e.g. if we don't do the Growth project, we will still need some Sustaining spend as a minimum.
- * Go through the pre-read and scan the refinery lists and be prepared to review/challenge/prioritise (if possible, seek input from your TM and HSSN/AvN rep's prior to Monday).

Request

We don't have much time before we meet, so I'd appreciate it you could please take a look at the attached files today and provide your feedback. In particular, what else do we need for an effective session on Monday ? If you'd like to discuss, I can be reached on my mobile for another 2-3 hours. Thanks in advance.

Regards, Adrian