

SJS Caspian Room 4-53

May 8, 2006 Interview: John Mogford

Attending: Bill Bonse, Jeff Heller
Stephanie Moore & Rudy Blyweert

Introduction by Bill Bonse.

JSH - gives statement, lack of privilege to this process, etc. (Similar to prior statements given to other interviewees).

Bonse: Q: Governance structure. Legal structure has Pillari in charge, then the rest of the structure effectively has Hoffman/Parus/Gower running things. Can you comment on this?

A: My understanding was that Hoffman held performance contract and Gower had a coaching role. Ross does not know what was going on in segment. In the organization between Parus and Hoffman, it was not clear what was Gower's role.

Bonse: Q: Do you know why it was done this way?

A: I don't know. I eventually discussed with Manzoni and CJ that it had to change. With BPFM, and considering this could be a span breaker type role, I am still not sure this organization model fits here.

Rudy: Q: TXC was a Star Site until late 2004. Rick Hale had the refinery reporting to Gower when Gower's role was created. Eventually Parus' role changed but not sure Hoffman made it clear to Parus what his role and reporting relationship was vis-à-vis Gower. This was not clear.

A: I was led to believe that JAM wanted it this way. He didn't want someone between ref. managers and Hoffman.

SCM: Q: Was it clear below Parus (accountabilities)?

A: It was messy with Star Site concept. I was there when we did Grangemouth – things weren't real clear there.

Bonse: Q: Because of unclear interface between Gower/Hoffman/Parus, and Don as head of the Star Site, but Hale reporting to Gower – did he take direction from Parus or from the segment?

A: I don't think the Star Site helped. Lot of differences between Refinery Chemical plants - for thought Chemical plants were better run. This was building up a long time at Star Site. Innovene forced us to take away Star Site but we really didn't clean up the issues.

Bonse: Q: What do you really think?

A: Basics in refining were sorely lacking in general, and it required much more intervention by management. What would I have done? With 12 refineries, Texas City would have been on my list to watch. Pat had a narrower span of control, and he was closer to the issues. Without knowing the conversation, it is hard to say why he did not do more. Bottom line is that TXC should have had a performance improvement plan.

Bonse: Tell us about Parus.

A: In his defense, the work force believed he was committed to safety. And Hoffman had increased the level of spend, to play catch-up. No one today still really understands how far out of line they were. They did lots of good stuff, but didn't get close to the real problem.

At Texas City, their day-to-day plant management meeting had become a commercial meeting. They are deeply competent engineers but they are not focused on training or the like. Lots of technical discussions, less concern about people. The relationship with the Union was bad.

Bonse: Q: Can you change this?

A: Colin does it in his own way. Training his team. Whiting is a lot better than Texas City. In BP, operations experts at high levels don't have refining background. Someone in central HSSE Peter Elliott (name?) – discussed number of incidents. Look at all of the incidents they had. (Rudy is going to contact him.)

Bonse: Can you comment about gHSSEr Reports?

A: In our system, we don't focus on these. Clearly our incident reporting didn't reveal the true state of issues. But if you walked around the refinery, you saw the state of decay.

Bonse: Q: Who gave order to start up?

A: It appears to have been a routine order, delegated down to the crew to decide when to do the start up. Informal, no written instructions. Not a model to follow.

Bonse: Q: Can you comment about Willie Willis, anything you concluded about him?

A: Clearly, in his area of accountability, he did not have a lot of coverage or competent help at the superintendent level and there was a huge turn-around going on at the time of the accident, so he was focused on that. You come away with views. I was not impressed with Willie. Not aggressive in managing real

issues, not a lot of wisdom, rather an angry man. He could be terse with people. Not sure his leadership style is a model, but others thought differently, apparently. George Carter had set the tone for the place. Reisinger someone they were targeting. I think it was a lot different working for Rick Porter at Cherry Point.

Bonse: Q: What would I look at?

A: Both individuals and corporate practices. First reaction --Parus -- how could he be a ref. Manager – windshield washer management--a caring guy, but superficial and could go up or down depending on the issue and the moment.

Bonse: 2004 gHSSEr – culture of non-compliance not evident. Over reliance {?}

A: I told Browne we don't really drive the right behaviors in the workforce. Some managers are afraid of being with hourly workers. Tells story of another production field where it was like TXC--maintenance not done, people not following procedures. Managers get tired because don't want abuse. People in supervisory levels not supported by upper management. So then management quits.

Rudy: Q: Can you tell us about Ray Hawkins and your impressions?

A: I didn't interview him. But impression I got was that he was ineffectual. Role of training --in year before the training superintendent only trained 5% of the time. In addition, the Line became powerful and the functions and activities like training had a hard time getting in.

Rudy: Q: What about Bill Ralph?

A: Bill Ralph's behaviors were appalling. He was jumping all over the CSB people about restarting the refinery. He was very narrowly focused on his own world.

Rudy: Q: What do you know about clean streams?

A: On clean streams – old Amoco – standard sand stacks would eliminated--then later we said “where major modifications” were made close by, we would replace them. So they missed the boat here. It became a purely optional activity. On the ISOM, it was too late when they finally saw it.

--We couldn't find anyone who killed it, but it was too late to get it into the project.

Rudy: Q: Warren Briggs?

A: The crew--Warren Briggs fixing the TV antenna one hour before the incident. Guy in the satellite room watched him and thought of him as a "dumb ass" but did nothing.

Rudy: Can you comment about Joe Barnes: Where PSM fit in refining?

A: Bill R. technically had knowledge on PSM. It had been beaten down, for R&M segment, probably came under Maglin technology shop. Joe was pretty useless. Bill Ralph said there were 800 MOCs and one guy to do it. Probably 20 were critical and 50 were important. But he became preachy and shrill. So he was isolated.

Bill: Q: Do you see accountability for Joe on ISOM?

A: He should have been aware of things, yes, but blames the guy who put him there. And Bill Ralph--may have been left there too long. Sometimes the way we talk about process safety--we get in our own way--it is a core part of operations, it is not another job or function.

Bill: Reads a question from the depo about process safety.

A: If someone said who is responsible for HR? I'd say line managers handle day-to-day HR issues, can't say high level person who is responsible, but somewhere, policy is developed and so forth. So in my role, I said I will simplify--HSSE compliance should be in my group as should integrity management. It is part of operations to deliver these things. It is not clearly defined within BP--who was to monitor, who was responsible for process safety. But the expectations of process safety were pretty clear. So it was about delivery of an imbedded activity that was lacking here, they were treated like a function of TXC.

Compare E&P--more coherent view of functionality for process safety. In Refining this is not real clear. BP Group--started looking at technical integrity issues back in 2004.

Gower should have known about some of the issues at TXC and had an improvement plan. Hoffman and Manzoni both should have been aware of these. Manzoni set wrong target--said they can't have more money for integrity for example--wrong answer.

Discussion about the 2004 incidents and JAM meeting with Parus. They didn't get to the root cause of the problem in these conversations. Just culture not the solution by itself.

Bill: Q: Is money an issue?

A: Money had been made available the last year or two. The technicians and maintenance guy--they want to say that. People didn't think about high level/alarms and shut downs. I am not convinced that money was not going to be made available when justified.

Bill: Q: Any comparisons you want to make with other companies?

A: Spent a lot of time looking at this--Exxon, others. TXC developed 64 recommendations and they created many more expectations. Sometimes we raise things up too high to Group level, then it is not connected to the refinery because

it is up too high. We should create common process, and the rest is site specific. Exxon also has a different approach--safety fits right within operations.

Rudy: Q: Trailer positions, what can you tell us about who made these decisions?

A: MOCs were very confusing, and this is one reason we made a change from our initial report to final report. One of the MOCs was _____. MOCs did have a bunch of check the box stuff. Young engineer was sent out to talk to Bill Ralph! Bill was asked he said it is temporary that it was o.k. to put them there. And there were things in the MOC not done. (So Bill Ralph didn't really closely consider the possibility of this scenario and the location of the trailers near West Plant).

Bill: Q: What can you tell us about Lucas?

A: Well, she wasn't there, had been away, how much had changed in 10 years, lots of continuous plant changes. She told me things were missing when she got back. I think she is a light weight for this job. Don't think you can run this refinery with Parus and Kathleen and a few MDLs. And, there was a lack of independence in Don's organization.

Q: About span of control--was it too big here?

John tells a story where he or someone had a big span of control but it was limited and for a turn-around situation. He is not sure that was the same issue here with Willis or Parus or others. The span of control was big. There was a big TAR on-going. But Willis and others should have been able to manage this along with other things.

Discussion: Don's relationship with the Union was bizarre. He gave them the keys.

Rudy: Q: Briggs was incompetent. Would have expected his management to know that. Checking capabilities or competencies. Is that a responsibility of management?

A: It was really informal at TXC, training was informal. It was very hard to clean up the work force. And, people got pushed to jobs like a Board Operator, oddballs, guys outdoors didn't want him. We didn't cycle Board Operators outside. Hi Pro put people into the board. So our model helped to create people like Briggs.

Rudy: Q: I'm looking for a link between HR training organization and the line where training needs were identified.

A: This is the same lack of link we had from R&M and John Browne. All the power is vested in the line. So you have big lumps of blue collar workers but with no independent functional input or oversight on matters like training.

Bill: Q: Willie says Logan was responsible for training. [Part of the training disconnect].

A: I would have terminated Yerrell and Briggs. Adams, Schultz, Logan-- same discipline. Tenhaaf → seems Kathleen saw that one differently due to her meeting with him.