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Rick Hale Interview

Interviewers: Jeffrey S. Heller, Stephanie C. Moore, and Rudy Blyweert  
Jasmine Room, St. James Square

I started in TXC 1975 -- computer tech -- degrees in math and chemistry. First 17 years at TXC in process control. Then assigned to engineering, did some oper. Superintendent roles and others. Went to Chicago planning in Refining central office. Then went to Whiting as Operations Manager, 3 years. Then did year 2000 program director. In that job at time of merger announcement. Met Manzoni--project manager of merger. We looked at various programs. Early 1999 went to Coryton as Production Manager. Wanted to cross pollinate management teams at different refineries. Then I did LPG job in Europe for two years. Then sent me to Castellon Refinery. Integrated well into refinery and community. Mike Hoffman—I told him not sure I am best for Castellon. Then got call from D. Parus--he was covering Refinery and five BU's as site director. I ultimately became the Refinery PUL at TXC.

- This was Fall of 2002. Innovene announcement came Spring 2004--this made my job disappear. Then I was moved to Coryton Refinery.
- Pat G. Role, regional, came into effect 2003
- When I came in, Star site was my biggest struggle. I had operational responsibility for Refinery and Chemicals. My operating accountability went to Parus; other functions reported to Don and not our central team; I didn't control. Don had to gain integration value. For me, TXC had other issues. His mandate was to build SHIS. His direct line was Hoffman, but had a strong line to Chemical BULs too. So SHIS Board--that Board provided an oversight. My commercial responsibility was for Refinery side only and that was to Mike. Met with him often. Lots of commercial issues. We were missing our commercial commitment every month--finally found some errors in the model.

And, center would do strategy write-ups--10 part shooter gap. Most refineries--put capital in and earned commensurate return. TXC had a much larger capital appetite at TXC -- Cogen facility built at TXC cost a lot. Some of it was environmental stuff. Some of it was catch up. Hoffman wanted us to look at commercial strategic study which of the 40 units make money for us. Compared to 39 other gulf coast refineries, we were now only middle of the pack. TXC made no investment in 90's to advance technology. TXC made bet on sour, heavy crude. We decided to shut down one of the CATs. Did you get a job description or reporting lines? It was far more awkward than I wanted Innovene to stop some of this.

When Gower came in, it helped. He spent more time on projects. I need more money for pipeline integrity and infrastructure integrity--Hoffman to be linked into these. Mike was very supportive. Hoffman made it clear I had responsibility to do the plan and ask for money to cover your basis needs. He challenged, had to improve--always got his support.

Difficulty in this structure was you cannot separate commercial from operational. Plans were discussed operationally first, then went to Mike for commercial support. I had good dialogues with Don. When Pat came in, officially, he felt total responsibility for entire Refinery. So, if Pat was there, both Don and I were. For most of any time, both Pat and I went to meetings. Eventually Don started going to most of the meetings.

There was a lot of overlap. Practically, Pat took over performance management. Pat came at least every quarter. In filling my role, I felt responsible for process safety but process safety was a function that reported to Don. Chemical side was thought to be weak on process safety and Refinery weak on personal safety. Seems ironic that ISOM would occur. TXC had a long list of issues--one was disconnection with first line supervisors. Lack of rigor around operating procedures. Don started supervisor meetings and 1,000 day goals. We started adjusting the role of shift superintendents. We also looked at adding shift supervisors (new job). After Innovene, it was clear that Don reported to Gower. HRO -- know the book \_\_\_\_\_.

Q: Was Pat a span breaker?

A: Not in my view. I put Willie in role of MDL. I was fond of him. Had Bob Smith in that role--Upstream background. Bright guy, but clear to me I needed more operational rigor. So, Don came to me; had another high flyer--I said someone who had operational experience. He stepped into role, he did some good things. Willie was in the middle of the pack when I reviewed my group with Don, I wrote both good and bad things about Willie. Rich had complex, and he selected Ray Hawkins when Risinger moved out.

Q: What about Bill R?

A: To me, he was always influential because I knew him. He thought he needed a more senior role, but he reported to Don Parus. Bill wanted to make sure processes on process safety were known. I said you have an open invitation to attend all staff meetings; he had some good input. I thought he had adequate exposure when Norine removed a level over him.

All fires were to be reported. In 1990, 129 fire calls. There were more fires. There were more fires. Everyone had to be fire trained. When I was there, we had very few fire calls--few incidents of size. I'd ask leadership team, are we getting better, spills were going \_\_\_\_\_. We got a lot better as time went on.

Q: What was response of TXC management about Ultra former fire?

A: Ultra former 4 was an incredible story. We had to shut down for a long time. Late in process, getting ready to finish when we found thin pipe. Fixed it. Then a week after we started up, we had a fire by outlet pipe. Investigation found more pipe below \_\_\_\_\_. This led to revamping of inspection department and my decision to dismiss the supervisor. Corrosion under insulation--had a program to revamp that--a west plant problem, so we had to reopen and re-rate--lower pressure--some of this piping haunting question--why the ISOM failures. Some gross negligence. This was a traumatic event for me. Mogford report--some of it used a bit of license. I think things were moving in right direction. Blow downs--he said could have replaced blow downs when we built NDU and did some relief valve replacement on ARUs. There were a lot of blow down stacks. And I had not heard about five vapor clouds from ISOM. The blow down releases must have been reported.

Mogford says staff training inadequate. I realized we had some training issues. This is a central function--Dennis Link concerned superintendents had them off doing other things. I told my

supervisors that they had to go 80% of their time to training. Still needed to work on training. Didn't consider stopping everything. Our leadership thought we were getting better. Ultra former 4 strongest indicator we should shut down—but other things said we are getting better. I think Don thinks we took action, but we had maybe not done enough.

Willie came to site with intent he would work transformation and then move to large operating unit. He was viewed as one of our high potentials, to be a Refinery manager. Mike Hoffman not as high on him. He can engage people; Union leadership liked him because he was consistent and open with them. BP people were high on him. Porter didn't think he even needed to demonstrate his competence in this new role. I thought differently.

First level leaders--thought Ken Mayhall sold them out to the Union--felt they weren't supported so they quit doing things--Union thought the opposite. I had some frank conversations with the Union. I fired 13 or 14 people, and they had not fired anyone.

Q: Was Don supportive of this?

A: A little less willing. The Relationship Committee--when I left, this Union Relationship Committee had just started. Union wanted membership. I thought the contraction/Union issue was eating at the plant.

Trailer--accountability is undeniable to an MDL in that instance. MOC process does it. We had just commissioned NDU. A whole a series of trailers were there. It didn't click to me, but there had been an MOC. Industry did not see the risk. 350 feet from battery limits, had to do MOC.

Rick Porter gHSSEr report – I was there for the presentation. He sympathized with me a lot. Star site didn't work. I told him we were making necessary improvements as fast as we could. People starting to think then we were seeing a way out of this mess.

Clean streams -- we were out of compliance on benzene. Found this out two weeks into it. I initiated this emergency project. Get us into compliance ASAP. The process was not great. The scope of project started to grow. Get benzene into process. We are trying to most cost effectively reduce benzene. In pipe still 3A, we did replace a blow down stack. They know I cancelled the ISOM portion. I mead team cut back to projects only necessary to get us into compliance.

- Project on ISOM was not the blow down. It was to put a drum in--and if drum had been in, same result here would have happened.