

**INTERVIEW SUMMARY OF RICHARD PELTIER
TAKEN ON JUNE 7, 2006
LANCASTER HOTEL IN HOUSTON, TEXAS**

On June 7, 2006, the Management Accountability Team interviewed Richard Peltier, Project Office Manager, Refining Technology Group. The participating team members were Bill Bonse, Rudy Blyweert, Stephanie Moore and Jeff Heller. Mr. Bonse was the primary interviewer. The interview lasted approximately one and a half hours. Margene Westlund took minutes of the interview. Margene Westlund prepared this interview summary. Mr. Peltier has not reviewed this summary.

Mr. Bonse introduced the team and advised Mr. Peltier that this interview was centered on helping management in London decide disciplinary action and accountability to help improve the BP culture in the future.

Mr. Heller advised Mr. Peltier that while this interview is confidential, it is not protected under the attorney/client privilege doctrine.

BACKGROUND

Mr. Peltier has a chemical engineering degree from Texas A&M. He was hired in January 1982 at TXC Chemicals and left as a superintendent. He transferred to Chicago for six years in the business management side of A&A in chemicals. Mr. Peltier then did some venture development work for approximately 1-2 years. When World Wide Engineering and Construction ("WE&C") was created in 1994-1995, he went to Houston to set up the Capital Value Process ("CVP"). He then went to Texas City and worked on shared services between TXC and Chocolate Bayou. He then moved to London in May 2000 as Refining PPM lead doing performance management and capital planning. In late 2002, Mr. Peltier went back to TXC as a MDL (4 units in refining and chemical plant--aromatic manufacturing area included ISOM/AR2, etc. This was the SHIS. Mr. Peltier originally reported to George Carter and then to Rick Hale. In 2004, he started working on the Innovene separation, setting up contracts, etc. In August 2005, he moved to Canadian heavy oil projects.

CLEAN STREAMS PROJECT ("CSP")

Mr. Peltier was the gatekeeper on projects. The chemical plant already had its hydrocarbons in a closed system. Mr. Peltier was the SPA for the CSP. On ISOM, they were looking at getting hydrocarbons out of sewer systems. It started as a 5 million dollar project and grew to approximately 90 million. They wanted to focus on getting the benzene out first and ISOM did not have a lot of benzene compared to some other areas.

The CSP was environmentally focused. In advance of TARs, they tried to focus on no oils to the sewers. The focus was also on the benzene rich streams. Mr. Peltier was not aware of any intent to get rid of the blowdown stacks. The issue was always with benzene and the environmental side.

ISOM UNIT

The ISOM superintendent was Mark Risinger. Mr. Risinger was in that role when Mr. Peltier came to the site. Mr. Risinger left the summer of 2003 to become TAR superintendent and Ray Hawkins took over. Mr. Peltier was involved in Mr. Hawkins' selection. Mr. Hawkins was in Hydrocarbon Loss for a couple of years and had operations background.

TRAINING

The training coordinator was Charlie Logan. His role was to do gun drills and make sure that on the operations side they knew what they had to do. Mr. Peltier also did some PSM type matters. As a MDL, Mr. Peltier would link in with his superintendent and Mr. Logan. There was not a lot of discussion around training. There was a lot of discussion on preparing for TARs. The superintendent is the SPA on a TAR, but the front line supervisors, like David Breedlove, would get involved.

ISOM TAR

There was an ISOM TAR in early 2003. Mr. Peltier thought they could have been further along in the planning. An inspection found some corrosion in the ISOM tower—a lot of scale. Some parts of the tower were paper thin. Accordingly, the tower was kept down for about one month. They spent over 100 million to refurbish the tower up to an acceptable level. That tipped them off to look at other similar aging vessels. The relief valve was revised. The tower was fixed, but does not recall that the relief valves were re-rated.

COMPETENT PERSONNEL

Mr. Peltier did not see any glaring issues around the lack of skill with the operators. Mr. Peltier was disappointed in the quality of the board. He knew Warren Briggs, but did not know his capabilities. People seemed caring and would do the right thing.

TRAINING

Mr. Logan reported to the superintendent. He would schedule 2-4 hour training sessions on shift changes, gun drills, etc. There was specific training for things like the new NDU unit. In 2004, there was training around the modification of the AU2 to expand capacity and how the operation changed.

ACCIDENTS

There were no accidents in ISOM. On May 25, 2004, there was a fatality on the AU2 unit. A contractor fell in the tower. That was an expansion TAR. Mr. Peltier was not aware of any ISOM incidents. There were no issues with start-ups. The only issue was

the HIPRO report they wrote regarding a runaway reactor. There were corrosion issues in the ARU towers and the rest of the refinery. Being on the gulf coast promotes more corrosion. TXC took a 38 million dollar loss as a result of shutting down the ARU for 2-3 months. Handover is not that great.

MOC

Mr. Peltier did a MOC with Norine Stein. Mr. Willis did not need much information. Mr. Hawkins was good with questions.

CLEAN STREAMS (“CSP”)

This was a large project in refining—getting the crude out of the sewers when there was a TAR in those areas of heavy benzene concentration. Mr. Peltier put the CSP on hold until the Tier 1 units were finished. ISOM was not at the top of the list. Not sure when ISOM would have fit in because it was low in benzene. However, many people started adding projects on to this project and it expanded from 6 million to 90 million. In Mr. Peltier’s area it was put on hold because there is not a lot of benzene. Mr. Peltier did some tie ins on a TAR for future change in a vent stack. Mr. Peltier felt he had responsibility for areas around his unit. In 2002, they started conditioning people to keep the oil out of the sewers.

TRAILERS

There was no plot plan or boundaries around the units. If in the boundaries of the unit, it was Mr. Peltier’s responsibility. Mr. Peltier does not remember the details of the trailers during the 2003 ISOM shut down.

REPORTING RELATIONSHIP

Mr. Peltier reported to Rick Hale, who reported to Don Parus, who reported to Mike Hoffman. Mr. Peltier also had some accountability to the chemicals business

MOCs

Mr. Peltier was not involved in selecting Willie Willis. The handover with Mr. Willis was not good. Mr. Willis did not want any help. Mr. Willis claimed he had it under control. Mr. Peltier did a lot of transition with Norine Stein who took over his chemical asset. Mr. Peltier then started his role reporting to Mr. Parus.

MARCH 23 INCIDENT

Mr. Peltier thought this was terrible. He was on the Palmer Hwy. He went to the command center and it was a horrible experience. When he read the Mogford Report, he wondered how BP could let so many things happen. A lot of things went wrong on March 23. Mr. Peltier is not clear who was accountable, but thinks the SPA would be

held accountable. Someone should have been assigned to the shut down. Mr. Peltier was surprised because Mr. Briggs, Mr. Tenhaaf and Mr. Adams were all considered good operators. They all knew that asset. Mr. Briggs maybe was not as strong as the rest of the operators. But, this was a simple shut down.

START UP DECISIONS

The economics department within commercial will typically tell the MDL and superintendent to start up a unit. The MDL and superintendent in turn tell the shift supervisors. Mr. Peltier saw on the report that Mr. Logan did not update the start up procedures.

BIGGEST CHANGES SINCE MARCH 23

Colin Maclean is a great leader and will get things done. There are good people at TXC. There are also a lot of issues around union relations.

INTERVIEW CONCLUDED