

**INTERVIEW SUMMARY OF RICK PORTER
TAKEN ON JUNE 7, 2006
LANCASTER HOTEL IN HOUSTON, TEXAS**

On June 7, 2006, the Management Accountability Team interviewed Rick Porter, Cherry Point Refinery Manager. The participating team members were Bill Bonse, Rudy Blyweert, Stephanie Moore and Jeff Heller. Mr. Bonse was the primary interviewer. The interview lasted approximately two hours. Margene Westlund took minutes of the interview. Margene Westlund prepared this interview summary. Mr. Porter has not reviewed this summary.

Mr. Bonse gave the introduction that a special team was created to analyze the management accountability as it relates to the March 23 Texas City Refinery ("TXC") disaster and to recommend discipline.

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

Mr. Porter adds that he is trying to decide if he should leave the company because of the risk. If the DOJ goes after everyone, that is a red flag for him and people are collateral damage.

MR. PORTER SELECTED TO PREPARE gHSSEr REPORT

Don Parus asked Mr. Porter to prepare the gHSSEr report. The site chooses a peer level BUL every three years and Mr. Parus was looking for someone with different views. Mr. Porter was selected because he was a long term Sohio employee. Amoco's style was different. Amoco respected people with a lot of technical background, such as PhD's in Chemical Engineering. For example, Doug Ford and Al Kozinski were highly respected. Amoco was academic and authoritarian and did not listen to the people. Conversely, BP is a trading company culture and does not value manufacturing. If the big people that the company is dependent on are gone, then the company breaks down.

CORPORATE CULTURE—REFINERY

There are systemic issues relating to TXC. The problem with the big brain approach is that people can make decisions without knowledge. This happened at Grangemouth where BP did not maintain the people. The problem with BP is that it does not have strong leaders. However, the Amoco culture was worse because the employees were just used to following orders without thinking. Further, Amoco had the checkbook mentality that if they ran out of money, then they simply did not do the repairs. It was important to meet budgets. Mr. Porter worked with Mr. Ford and Mr. Kozinski when he was at Toledo and Cherry Point. Neither of them liked Mr. Porter. In fact, they wanted to fire Mr. Porter. Mr. Ford is not a well liked man.

gHSSEr REPORT

Mr. Porter was kind to Mr. Parus when he wrote the gHSSEr report. Mr. Porter read the Mogford report. Mr. Porter was trying to reduce the scope so that Mr. Parus could focus on the basics. There was no discussion on whether the refinery should be shut down. Mr. Porter states that the site should know the condition of the equipment. Mr. Porter thinks Mr. Parus perceived the report as kind. But, what Mr. Porter said to Mr. Parus and his team was much more direct. Mr. Porter told Mr. Parus that some things were not acceptable. Mr. Porter told Mr. Parus that he has to know his risks in order to manage them. TXC did not know its own risks. Most of the management team was there when Mr. Porter delivered this report. Mr. Porter was trying to give them a sense of urgency and focus on priorities. Mr. Parus was trying to do things differently than Tim Scruggs. Mr. Parus was attempting to improve the working relationships. They were in the same spot Grangemouth was six years ago. They had plans to fix things, but failed to fix the culture. The Amoco culture was less respectful of people. The operators in the field do not feel respected. Mr. Porter brought an operator with him to the audit to send a signal that the operators are capable of bringing something to the table.

CONTRACTOR/OPERATOR RELATIONSHIP

The contractor/operator relationship was terrible. It was an organization of silos and class structures. No one seemed to be running the site. There was no focus on the basic running of the plant and the people at TXC. There was constant pressure to cut costs. Contractors were the lowest on the totem pole. Mr. Porter believes that if you invest in the plant, you should invest in the people. BP does not send operators outside for training.

gHSSEr REPORT

Mr. Parus did not ask Mr. Porter for help and he probably would not have helped Mr. Parus because he did not have the time. Mr. Porter provided Mr. Parus with ideas that forced him to look at risks, people, etc. Mr. Porter was trying to help him prioritize. The list of things to do was overwhelming. Mr. Parus must prioritize, not senior management.

RELATIONSHIP BETWEEN PAT GOWER AND DON PARUS

The relationships were not clear at TXC. Mr. Parus did not recognize Mr. Gower as his boss, but rather as a coach. Mr. Porter sent the gHSEEr report to Mr. Gower, but never discussed the report with Mr. Gower or Mr. Hoffman. (It was pointed out to Mr. Porter that the document does not show distribution to anyone other than Mr. Parus and some IA and HSSE persons in R&M). Mr. Porter then stated that he thinks he sent the report to Mr. Hoffman, not Mr. Gower.

Mr. Porter reports to Mr. Gower, but he seldom sees or talks to him. Mr. Porter states that people do not discuss their performance contracts much any more. He thinks that R&M is in disarray.

HOW TXC IS GOVERNED

Mr. Gower was in Toledo at the time that Mr. Porter did the gHSSEr report. TXC is a star site and did not participate with all of the refinery programs. TXC was always considered special. As soon as TXC became a star site, Doug Ford and Al Kozinski cut the staff. TXC had many issues. Mr. Porter thought it was the right decision for TXC not to attend the regional refinery meetings because they had so much to do in running the plant. Mr. Hoffman probably went to TXC more than the other sites.

REACTION TO gHSSEr REPORT

Mr. Porter tried to impact Mr. Parus with his presentation. However, the response was quiet. Mr. Parus had a hard time seeing the concept of class structure as wrong. Mr. Parus was trying to increase communication in recognition of those issues. Mr. Parus thanked Mr. Porter for his efforts. There was recognition that TXC was broken and that they had a long way to fix the problems. Mr. Parus was going to use the report to help him focus. The contractors were treated poorly at TXC. Mr. Porter cannot unequivocally say that Mr. Parus was following his advice. But, Mr. Porter tried to convince Mr. Parus to focus on a few things. Mr. Parus seemed to think it was better to take on a number of initiatives. But, Mr. Parus recognized that communication and relationships needed improvement. However, Mr. Porter is not sure that Mr. Parus saw or understood the risks at TXC.

TXC had so many problems. TXC was told to achieve numbers, but could not achieve KPIs due to be under financed. Mr. Parus' dilemma was that his expectation was to meet too many requirements. TXC was under financial pressure, but needed money to fix things. All of the sites were under financial pressure. To some extent, from 1985-2000, Amoco harvested TXC and Whiting. Then in 2000, TXC needed improvement and a lot of money to improve the site and the company did not want to give the site the money for improvements.

PERSONAL SAFETY

Mr. Parus focused on personal safety which is an Amoco culture and not process safety. BP uses personal safety statistics for bonus and ratings. Mr. Porter pushed back on this with Mr. Kozinski. Mr. Porter claims that Mr. Parus was ambitious and therefore he would not have pushed back. Process safety was not managed as closely as personal safety. Process safety requires you to spend money to maintain the equipment, safety equipment, etc.

CHANGES IN R&M

R&M is evolving. The Global Refining Leadership ("GRL") group was created by Mike Hoffman, but is led by Mr. Gower. The span breaker was also created. The GRL started looking at things like overdue inspections. However, the issue is whether they are doing

the right inspections; it is not just the number of overdue inspections. Managing the right inspections is important. Behaviors at TXC are starting to change. Judgment is required to manage process safety.

AFTER gHSSEr REPORT—MAJOR INCIDENTS

After Mr. Porter prepared the gHSSEr report, three major incidents occurred. The March 2004 contractor death, the July 2004 Ultraformer fire, and the September 2004 steam leak. Mr. Porter said that TXC had to improve on a much more hurried basis. There have been many incidents at TXC.

TRAILERS/RISKS

Mr. Porter would not put trailers or people near a vent stack. Mr. Parus and Mr. Hoffman knew the risks at TXC. The meetings focused on finances and commercial rather than safety issues. Mr. Porter thinks that the dilemma in TXC seems to be that they were trying to do everything, but the leadership was clueless. Mr. Porter believes that the company is going backwards because things are always changing rather than focusing on getting things right, such as the fundamentals of maintaining a plant and the people.

CHANGES SINCE MARCH 23, 2005 INCIDENT

Since March 23, TXC created minimum expectations on a number of things, including process safety. The goal is to accelerate initiatives in response to March 23. HRO was created (Colin Reid) to look at the culture at TXC. It is a view to create behavior attributes. If you have capable people, then they perform well. Mr. Porter did not see the AT Kearney Report.

PLACEMENT OF MR. PARUS

Mr. Parus probably was not the right person for the job because he had not made any improvements. Mr. Porter would have done things differently. This is a systemic issue throughout BP. There was the same issue at Grangemouth, but no one was killed. Mr. Porter is not sure anyone could have managed the star site in a way to avoid these issues. The site could not operate because the BULs were at war with everything. The refinery site was worse than the chemical site. There was constant pressure to meet KPIs and keep costs down without looking at the overall impact.

BP CULTURE

There were common people in operating roles. The recent BULs do not have operating experience. The mindset is that operations is not important. If you do not have operations knowledge, then you certainly cannot recognize process safety. Operations knowledge needs to be imbedded in line management. BP cannot see that it does not have operations. The general view is that anyone can run a refinery.

INTERVIEW CONCLUDED