

STANDARD OIL COMPANY OF TEXAS ~~incorporation~~, COMPANY, and the undersigned
 CONTRACTOR, hereby mutually agree on May 15, 1961, that CONTRACTOR shall
 perform for COMPANY, at ~~El Paso~~ Company's El Paso Refinery
 County of El Paso State of Texas
 the work set forth in Specification No. EP-154-N, dated May 15, 1961
 and entitled Insulation of Heptene Facilities

**PLAINTIFF'S
EXHIBIT**

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as an improvement to real property leased or owned by COMPANY by affixing thereto whatever materials are involved therein so as to become an integral part of such real property, under the Terms and Conditions, pages 2 and 3 hereof, and in accordance with the above Specification, which Terms and Conditions and Specification, attached hereto, are part of this agreement.

COMPANY shall pay CONTRACTOR in accordance with statements prepared by contractor
 monthly a compensation of the amount set forth in attached
 specification EP-154-N.

The work shall be commenced on or about June 12, 1961
 diligently prosecuted, and completed July 17, 1961.

A payment and performance bond in terms and executed by a surety company satisfactory to COMPANY
 shall be furnished to COMPANY in the sum of
 (No bond required unless an amount is entered above.)

COMPANY STANDARD OIL COMPANY OF TEXAS

By _____

And _____

CONTRACTOR (See Note)
 WILLARD A. SELLE, INC.

By _____

And _____

Contractor's Address _____

Contractor's State License Number _____

(Contractor is required to be licensed in New Mexico)

Communications to COMPANY, ~~except as noted below,~~ should be directed to the attention of J. E. Bimler, P. O. Box 862

at El Paso, Texas. Communications pertaining

to actual construction and installation shall be directed to J. E. Hayden, Supt. Engrg. & Maint.

NOTE: - If CONTRACTOR is incorporated, execution shall be by an authorized officer of the corporation and corporate seal affixed and attested to by the Secretary. If CONTRACTOR is not incorporated, signatures should be witnessed by an employee of COMPANY, if practicable; if not, by a disinterested party.

Witness

TERMS AND CONDITIONS

1. PERFORMANCE OF THE WORK

- 1.1 Independent Contractor: CONTRACTOR shall be an independent contractor, maintaining complete control over CONTRACTOR'S men and operations.
- 1.2 Specifications and Standards: CONTRACTOR shall perform the work in accordance with (a) the specifications and exhibits (if any) attached hereto and such additional drawings and explanations as COMPANY shall furnish to CONTRACTOR to detail and illustrate the work to be done, and (b) the standards prescribed by law or by any body having the right to prescribe minimum standards.
- 1.3 Permits: Unless otherwise provided herein, CONTRACTOR shall, at CONTRACTOR'S sole cost and expense, secure all necessary permits, make all cash or other deposits, furnish all bonds and give all notices required by law.
- 1.4 Materials, Equipment, Labor: Unless otherwise provided herein, CONTRACTOR shall furnish all material, utilities, supplies, tools, and equipment and perform all labor.
- 1.5 Safety Measures: CONTRACTOR shall take all reasonable precautions to protect the work, workmen and the public; and shall provide, where reasonably necessary, barriers, guards, temporary bridges, lights, and watchmen. Where work is done on COMPANY'S premises all of COMPANY'S safety rules shall be strictly observed and smoking shall be limited to such locations and occasions as are specifically authorized by COMPANY. CONTRACTOR shall not without prior written consent of COMPANY perform or permit any work hereunder or in connection with this agreement while on the premises of COMPANY which involves a fire or explosion hazard, including welding, torch cutting and disposal of debris by burning.
- 1.6 Petroleum Products: CONTRACTOR shall use only such petroleum products as are manufactured or marketed by COMPANY or its designated corporate affiliates, in performing the work and in the operation of vehicles and other equipment operated by CONTRACTOR or his subcontractors in connection with the work.
- 1.7 Suppliers
 - 1.71 COMPANY may nominate bidders for the supply of certain items of material required for the work hereunder; CONTRACTOR shall request bids on these items from the nominees, and may obtain such other bids as CONTRACTOR may elect.
 - 1.72 CONTRACTOR shall purchase material offered by COMPANY or its designated corporate affiliates as bidders nominated under 1.71 above insofar as such material is suitable for the work and is competitively priced. Other material, except petroleum products referred to in Paragraph 1.6 hereof, may be purchased from whatever source CONTRACTOR may elect.
 - 1.73 Upon completion of the work, CONTRACTOR shall inform COMPANY as to the approximate dollar amount (within 10% more or less) purchased from each bidder recommended by COMPANY.
 - 1.74 CONTRACTOR shall, if so requested by COMPANY, identify COMPANY, in a form approved by COMPANY, on all requests for quotations and purchase orders used for the procurement of material to be incorporated into the work hereunder. However, unless otherwise provided herein, CONTRACTOR shall assume full responsibility for ordering, expediting, receiving, and safeguarding (subject to the provisions of Section 5.3 hereof) all such material, and for conducting all negotiations with the vendors thereof including paying for material and enforcing of warranties.
- 1.8 Labor
 - 1.81 CONTRACTOR shall employ labor from that available in the vicinity of the work, and in accordance with the terms of

employment prevailing in that vicinity to the extent that it is practicable and consistent with the timely and efficient prosecution of the work hereunder.

- 1.82 CONTRACTOR shall use all reasonable efforts to avoid any disturbances in the existing labor situation which will adversely affect the business of the COMPANY or other contractors working in the area.

- 1.9 Carriers: In connection with transportation of purchased material and equipment, CONTRACTOR shall give consideration to, but shall not be limited to, use of carriers recommended by COMPANY.

2. COMPENSATION

- 2.1 Extra Work: COMPANY may make alterations in the work to be performed hereunder by adding to, omitting or deviating from the specifications; COMPANY and CONTRACTOR shall appraise such alterations and alter the above compensation accordingly. CONTRACTOR shall be entitled to payment for extra work performed only if such work shall have been previously authorized in writing by COMPANY.
- 2.2 Taxes: The compensation provided herein includes and CONTRACTOR shall pay all State and Federal payroll taxes, including contributions or taxes assessed against employees on wages earned, in connection with the work. CONTRACTOR agrees to indemnify COMPANY for all liability in connection therewith and to make all reports required thereunder. The compensation also includes an amount on account of all other taxes now or hereafter imposed by any governmental authority upon, measured by or incident to, the performance of this contract or the purchase, storage, use or consumption by the CONTRACTOR of material used in the performance of this contract, unless the applicable laws specifically provide that such tax be paid by COMPANY.
- 2.3 Acceptance of Work: Where provision is made by law for recording Notice of Completion, COMPANY may indicate its acceptance by recording such Notice; otherwise acceptance shall be on the date the work is completed to COMPANY'S satisfaction. No payment hereunder shall constitute an acceptance of defective work or improper materials.
- 2.4 Terms of Payment:
 - 2.41 At the end of each calendar month during the progress of the work, and upon completion of the entire work, CONTRACTOR shall be entitled to receive eighty-five per cent (85%) of the compensation provided herein for the work performed during that month. The balance shall be payable 35 days after Acceptance, provided there are no undischarged or unsecured liens, attachments, or claims in connection with the work. COMPANY may require, as a condition prerequisite to payment, that CONTRACTOR submit evidence, by receipted bills or otherwise, that all costs incurred for the work have been paid.
 - 2.42 When payments are due as provided above, COMPANY or CONTRACTOR (as specified on the first page hereof), shall prepare statements of amounts payable. Such statements shall show the total compensation for the work performed to date on the basis of the contract price and further itemized and in such form as COMPANY and CONTRACTOR may have agreed, less 15% (except in the statement of balance payable 35 days after Acceptance), and less any previous payments. COMPANY shall pay CONTRACTOR the amount so payable, subject to COMPANY'S audit of the statement, by check mailed within 10 days after the date payable or, when statement prepared by CONTRACTOR is received after the date payable, within 10 days of receiving CONTRACTOR'S statement.

SPECIFICATION NO. SP-154-N
INSULATION OF HEPTENE FACILITIES
EL PASO REFINERY

1.0 SCOPE

This specification covers the requirements for furnishing all labor, equipment and materials (except as noted herein) for installing insulation and weatherproofing on vessels, heat exchangers and lines in the Heptene Facilities at the Standard Oil Company of Texas Refinery in El Paso, Texas. The following drawings and general specification are a part of this specification:

Thermal Insulation for Hot Lines and Vessels	Spec. EQ-1351-C
Summary of Insulation for Hot Vessels	FB-21-18977-0
Summary of Insulation for Hot Lines	FB-21-18978-0
Standard Insulation for Hot Piping	GA-N-99783-0
Standard Insulation for Hot Vessels	GA-N-99785-3

This specification will govern where it differs from general specification EQ-1351-C and the attached drawings.

2.0 INSULATION

2.1 Piping

- 2.11 Piping shall be insulated and weatherproofed in accordance with Drawing FB-21-18978, summary of insulation for hot piping. Weathercoat per Schedule A of Drawing GA-N-99783-0, securing with 14 ga. copper wire. DO NOT use LAYKOLD weathercoat specified in Drawing FB-21-18978.
- 2.12 Insulated lines 1-1/2 in. and larger resting on stanchions or sleepers will be supported on "T" sections (installed by others), as shown in Detail "E", Drawing GA-N-99783. Lines 1-in. and smaller will rest directly on supports.
- 2.13 Valves and flanges on insulated hot lines are not insulated except where installed in steam or electrically traced lines.

2.2 Equipment

- 2.21 Vessels and exchangers shall be insulated and weatherproofed as specified on Drawing FB-21-18977, summary of insulation for hot vessels.
- 2.22 ~~Aluminum~~ weathercoating as described in Note 7 of Drawing GA-N-99785 is required for columns and vessels.

2.23 Fireproofing on the skirts of columns C-2101 and C-2102, as shown in Detail "F" Drawing GA-H-99785, will be done by others.

2.24 Columns C-2101 and C-2102 are to be insulated after they are erected.

3.0 SCHEDULE OF WORK

3.1 Work shall be prosecuted in accordance with COMPANY'S construction schedule which shall be agreed upon with COMPANY'S construction representative prior to commencement of work. It is anticipated that the work should start approximately June 12, 1961, and be completed by July 15, 1961.

3.2 Contractor shall conduct his work in such a manner that will minimize interference with other work in progress at the job site, particularly with respect to the use of work areas and job scheduling.

4.0 MATERIALS AND FACILITIES FURNISHED BY COMPANY

4.01 COMPANY will furnish at job site fresh water, air and electricity as required.

4.02 COMPANY will provide contractor with necessary working space at job site and a storage area within a reasonable distance from job site for materials, supplies, tools and equipment, but will not furnish means for protecting these from the elements.

4.03 COMPANY will furnish all staging for insulation of vessels and lines. Contractor may use such staging at his risk. Should suitable staging not be available to contractor when required, written agreement shall be reached in the field on the extra due contractor for furnishing his own staging. Work shall not proceed until this extra work has been authorized.

5.0 MATERIALS AND WORK FURNISHED BY CONTRACTOR

5.01 Contractor shall provide all labor, tools, special equipment and materials for a complete insulation job in every detail except those listed in Section 4.0 as being furnished by Company.

5.02 All flashing, anchorages, clips, supports, angles or reinforcements required for complete application of insulation shall be furnished by contractor, except as noted in 4.0 above.

5.03 Contractor shall remove all insulation, debris, tools, equipment and excess material immediately on completion of the job.

6.0 EXECUTION OF THE JOB

- 6.01 Work shall be performed in accordance with COMPANY'S time schedule, as stated generally in this specification and as specifically stated by COMPANY'S representative.
- 6.02 No substitution of materials specified herein will be permitted unless specifically approved in writing by COMPANY. Substitutions proposed by Contractor must, in his view, provide overall quality for the job equal to or better than that provided by specified materials.

7.0 SCHEDULE OF COMPENSATION

- 7.01 Contractor will be compensated for insulation and weatherproofing in accordance with the following schedule:

Vessels and Exchangers

C-2101	\$ 2,199.00 lump sum
C-2102	1,420.00 " "
D-2023	756.00 " "
E-2102	175.00 " "
Z-2104	146.00 " "
Z-2105	152.00 " "

Piping

3/4"	\$ 0.89 per linear foot
1"	0.93 " " "
1-1/2"	1.05 " " "
2"	1.10 " " "
3"	1.26 " " "
4"	1.47 " " "
6"	1.83 " " "

- 7.011 Compensation for insulation and weatherproofing of valves and fittings shall be made on the basis of the following multiplication factors for one linear foot of same size pipe insulation as quoted under paragraph 7.01.

Multiplication Factor

<u>Item</u>	<u>Screwed</u>	<u>Flanged</u>	<u>Remarks</u>
Bends, Elbows	1.0	6.0	Changes in direction less than 45 degrees to be considered as straight pipe.

Branch
Connections

(Not counted for fitting compensation per
Section 11.0215 of Spec. EE-1381-C)

Multiplication Factor (Contd.)

<u>Item</u>	<u>Bored</u>	<u>Flanged</u>	<u>Remarks</u>
Caps or Closures	1.6	-	
Crosses	1.5	12.0	
Flanges (Pair)	-	3.0	
Reducers	1.0	5.0	Based on size of large end.
Strainers	1.5	7.0	
Y's	1.5	7.0	Based on branch line size.
Valves (with pressure seal, scrd. or union bonnet)	1.5	6.0	
Valves (with bolted bonnet)	3.5	8.0	Includes bonnet flange insulation.

7.012 No allowance will be made for interferences at clamps, brackets, anchors, shoes, etc.

SPECIFICATION EG-1381-C

THERMAL INSULATION FOR HOT LINES AND VESSELS

SCOPE

This specification covers the requirements for the insulation for the facilities as described in the attached list sheets and drawings. In cases of conflict between this specification and the list sheets, the list sheets shall govern. This specification shall control if there is a variance between it and EF Forms 429 and 492 and Drawings GA-N-99783 and GA-N-99785.

2.01 HOT PIPING INSULATION

2.01a Piping shall be insulated as per COMPANY Form EF-492 and Drawing GA-N-99783. Thickness of insulation called for does not include

2.02 Emulsion-type weather coating shall not be applied when atmospheric conditions are such that the finished surface may be wetted within 24 hours from the time of application.

2.03a Traced lines shall be insulated by one of the below outlined methods: 28-gage sheet metal tracer shields shall be installed by the CONTRACTOR as shown on Detail D, Drawing GA-N-99783 in all cases. Bidder shall indicate his proposed method of insulating in his bid.

2.03b Oversized rigid pipe covering, calcium silicate of an approved make. Covering sections shall all be of the same ID with the legs trimmed to bring the maximum clearance between the tracer-pipe combination and insulation to within less than 1/4 in. Deviations from this technique must be approved in writing by COMPANY'S Representative.

Materials and insulating techniques used shall be as shown on Drawing GA-N-99783.

2.032 The use of preformed "Defendex" or asbestos sponge felt or equal is acceptable.

2.04a Insulation shall be tied with galvanized wire as specified on Drawing GA-N-99783.

2.05 Weather coating shall be installed and secured with copper

wire or stainless steel bands as specified in Weather Coating Schedule A on Drawing GA-N-99783.

3.0 VESSELS, COLUMNS, HEAT EXCHANGERS

3.01 Block insulation shall be applied in accordance with COMPANY Form EF-429 and Drawing GA-N-99785 attached. Thickness of insulation called for does not include weatherproofing.

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- 4.04 Aluminum weathercoating, 0.019-in. or 0.024-in. thick with vapor barrier may be used on specific approval in the inquiry or purchase order. CONTRACTOR is to furnish details of proposed method of installing and securing aluminum weathercoat for approval by COMPANY.
- 4.05 Insulation shall be fitted around nozzles, manways and other appurtenances so as to allow room for bolt removal around all flanges. These appurtenances shall not be insulated. Insulation around manways, nozzles and other appurtenances shall be completely sealed with weatherproof material to prevent leakage into the insulation. Insulation around structural members supporting stairs, etc. shall be suitably weatherproofed and flashed.
- 4.06 CONTRACTOR shall submit details of his proposed construction with his quotation showing size and spacing of bands, type of insulation and weatherproofing to be used, spacing of Nelson studs, details of expansion joints, details of weatherproofing around tank connections, details of roof flashing, and roof insulation and weatherproofing details.
- 4.07 Where weather coating is to be painted; asbestos cement sheets, if used, shall be steam-cured to remove free alkali and shall be primed on back and edges with a vinyl sealer of Amercoat 33 prior to application over the insulation.

5.0 MISCELLANEOUS EQUIPMENT

- Pumps, turbines, and other miscellaneous equipment shall be insulated with block insulation or a combination of block and plastic insulation. Block insulation material selection and application for miscellaneous equipment shall be in accordance with Drawing GA-N-99785.
- Block insulation shall be used on all large flat or curved surfaces and any other surface which does not necessitate complicated fitting of blocks. Care shall be taken to leave access to pump and turbine glands and other points requiring periodic maintenance.
- 5.01 Johns-Manville #450 or equal plastic insulation shall be used on any surface which is not suited to block insulation but its use shall be kept to a minimum. Insulation shall be applied on clean surface to recommended coat thicknesses. If a second layer is required, plastic insulation shall be allowed to set and 1" x 20-ga. galvanized hexagonal mesh applied over the entire plastic insulation surface with butted joints laced together with #18 gage galvanized iron wire and secured to the insulation with 1-1/2-in. copper vine staples, placed to hold mesh snugly against the insulation. The insulation, when dry, shall be covered with weathercoating similar to that used over vessels and exchangers having the same type of insulation.

THE '661013' COMPANY will furnish near the job site all of the following

6.02: COMPANY will furnish at job site fresh water, air, and electricity as stated in the contract or purchase order.

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6.05 COMPANY will provide CONTRACTOR with necessary working space at job site and a storage area within a reasonable distance from job site for materials, supplies, tools and equipment, but will not furnish means for protecting these from the elements. COMPANY will provide right of way making these areas accessible to

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CONTRACTOR shall provide all labor, tools, special equipment and materials for complete insulation job in every detail, except those listed in Section 6.0 as being furnished by COMPANY.

7.03 CONTRACTOR will furnish all staging required for tanks, and vessels. Staging must meet local requirements for safety. Staging for each piece of equipment shall be quoted separately and shall be deductible from the contract price when CONTRACTOR is able to

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- 11.0211 Insulated straight piping shall be measured as such, from end to end of insulation.
- 11.0212 Where uninsulated fittings such as valves, flanges, etc., occur in the straight run of piping, they shall be excluded from measurement.
- 11.0213 Where a miter occurs in the piping, the straight run of piping shall be measured on the center of the miter along the axis of the pipe.
- 11.0214 Where a bend or welding elbow occurs in the piping, the run of piping shall be measured through the bend on the centerline of the pipe, including the actual length of the bend along the centerline as part of the run.
- 11.0215 Where an insulated stub-in, tee, or Y-connection occurs in the straight piping, the branch line shall be measured to the first point of contact of bare metal on the straight run of piping. The straight run of piping shall be measured through the tee or Y, including the length of the tee as part of the run. Stub-in tees or butt welding tees shall not be counted as a separate fitting when computing compensation due CONTRACTOR.
- 11.0216 Measurements of insulated lines containing insulated valves, flanges, reducers, strainers, unions, and caps shall be made through these fittings, including the length of the fitting as part of the run.
- 11.0217 The number of fittings including bends shall be determined by actual field count.
- 11.0218 No allowance will be made for interference at clamps, brackets, anchors, hangers, shoes, etc.
- 11.03 Miscellaneous repairing and patching of existing lines and equipment may be requested by COMPANY'S representatives. Prior to performances of such work, authorization must be made by COMPANY'S representative and a basis for payment made by mutual agreement.
- 11.04 In special cases where no factor for payment has been specified, or where the above rules do not apply, CONTRACTOR shall obtain COMPANY'S written approval as to payment before starting work or suffer the loss of any rights to claim payment.