

CYANAMID

REQUEST AND AUTHORITY FOR CAPITAL  
EXPENDITURES / RETIREMENTS

REPORTING CLASSIFICATION

B-2

DATE APPROVED

4/2/79

JOB ORDER NO.

OC-4590

DIVISION OR COMPANY

Organic Chemicals Dept.

LOCATION

J.O. CONTROL POINT

Chicago Plant

097

JOB TITLE

Purchase Carbon Dioxide Vessel

## SUMMARY OF AMOUNTS

| DESCRIPTION                     | LOCAL CURRENCY | U.S. DOLLARS |
|---------------------------------|----------------|--------------|
| ESTIMATED PROJECT COST          |                | \$1800       |
| DISMANTLEMENT EXPENSE           |                |              |
| TRANSFER EQUIPMENT              |                |              |
| GROSS AMOUNT FOR APPROVAL       |                | \$1800       |
| LESS TRANSFER EQUIPMENT         |                |              |
| LESS SALVAGE OR TRADE-IN ALLOW. |                |              |
| NET CASH REQUIRED (GOF-3027)    |                | \$1800       |

| RETIREMENT DATA        |        | ECONOMIC JUSTIFICATION   |             | REVISION DETAIL (GROSS AMTS.) |      |        |                    |
|------------------------|--------|--------------------------|-------------|-------------------------------|------|--------|--------------------|
|                        | AMOUNT |                          | 6-YEAR AVG. | REV. #                        | DATE | AMOUNT | CUM. AUTHORIZATION |
| COST                   |        | NET SALES                |             | 1                             |      |        |                    |
| DISMANTLEMENT          |        | NET SAVINGS BEFORE TAXES | 48.2        | 2                             |      |        |                    |
| LESS SALVAGE           |        | NET AFTER TAXES          | 24.0        | 3                             |      |        |                    |
|                        |        | % ROI (ON TOTAL INVEST.) | 13.2%       | 4                             |      |        |                    |
|                        |        | PAYOUT YRS.              | 0.75 YR     | 5                             |      |        |                    |
| TOTAL - CHARGE RESERVE |        |                          |             | 6                             |      |        |                    |

DESCRIPTION AND REASONS REQUIRED

Funds of -----\$1800  
are requested to inspect and purchase the plant's leased  
liquid carbon dioxide storage vessel.

*Closed*  
*10/80*

|                                                                            |                          |                                                        |               |                 |       |
|----------------------------------------------------------------------------|--------------------------|--------------------------------------------------------|---------------|-----------------|-------|
| SUMMARY OF ESTIMATED COST - Details on GOF-3027                            |                          | ESTIMATE NO.                                           | STARTING DATE | COMPLETION DATE |       |
|                                                                            |                          |                                                        | 3/15/79       | 4/1/79          |       |
| ITEM NO.                                                                   | DESCRIPTION              | MATERIALS                                              | LABOR         | ENGINEERING     | TOTAL |
|                                                                            | See attached             | 1200                                                   | 400           | 200             | 1800  |
|                                                                            | NET CASH REQUIRED \$1800 | 1200                                                   | 400           | 200             | 1800  |
| ACCOUNTING TREATMENT                                                       |                          | RECOMMENDATIONS AND APPROVALS (CHECK BOX)              |               |                 |       |
| ITEM NO.                                                                   | DEPR. RATE               | NAME                                                   | REC. APPR.    | DATE            |       |
|                                                                            |                          | PROJECT SPONSOR                                        |               |                 |       |
|                                                                            |                          | <i>[Signature]</i>                                     | ✓             | 3/26/79         |       |
|                                                                            |                          | <i>GC Jeffery</i>                                      | ✓             | 3/21/79         |       |
|                                                                            |                          | <i>[Signature]</i>                                     | ✓             | 3/26/79         |       |
|                                                                            |                          | <i>[Signature]</i>                                     | ✓             | 4/3/79          |       |
| ACCOUNTING TREATMENT / ECONOMICS APPROVED BY DIV. CONTROLLER (CHECK BOXES) |                          | GENERAL MANAGER                                        |               |                 |       |
| <input type="checkbox"/> <i>[Signature]</i> DATE 4/2/79                    |                          | <input checked="" type="checkbox"/> <i>[Signature]</i> |               |                 |       |
| POST AUDIT PERIOD                                                          |                          | VICE-PRESIDENT                                         |               |                 |       |
| DISTRIBUTION                                                               |                          |                                                        |               |                 |       |

CYANAMID

DESCRIPTION AND REASONS REQUIRED

A. Proposed Work and Cost

Funds of -----\$1,800  
are requested to inspect and purchase the 25 ton  
liquid carbon dioxide storage tank which is now  
leased from the Liquid Carbonic Corporation.

B. Present Situation

Carbon dioxide is required for the manufacture of all  
Cyastab® lead carbonate heat stabilizers, as well  
as for supplying an inert atmosphere during grinding  
of the dibasic lead phosphite stabilizers. Carbon  
dioxide is also piped throughout the plant for  
emergency use in fire control. Annual usage of carbon  
dioxide is 552,000 pounds. The liquid carbon dioxide is  
pumped into and stored in a leased twenty-five (25) ton  
storage tank mounted on the roof of building 19. The  
current monthly rental is \$165.00, but if the tank is  
not purchased at the expiration of the lease (April 1,  
1979), the monthly rental would be \$400.

C. Justification

The plant is budgeted to produce 3,835,000 pounds of  
lead carbonates and 414,000 pounds of lead phosphites  
in 1979.

In order to produce the above stabilizers, carbon  
dioxide is required. Purchasing the vessel will save  
\$4,800 per year in rental costs.

D. Commercial Factors

This order supports a plant budget as follows:

| <u>Year 1978 actual</u> |                      |                        |
|-------------------------|----------------------|------------------------|
| <u>Sales-Pounds</u>     | <u>Sales-Dollars</u> | <u>Profit on Sales</u> |
| 9,582,000               | \$4,921,000          | 1,331,000 (27%)        |
| <u>Budget for 1979</u>  |                      |                        |
| <u>Sales-Pounds</u>     | <u>Sales-Dollars</u> | <u>Profit on Sales</u> |
| 8,650,000               | \$4,512,000          | 1,548,000 (34%)        |

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E. Details of Proposal

The carbon dioxide tank will be purchased per the lease agreement after inspection by the Hartford Inspection and Insurance Company. All safety equipment will also be tested.

F. Production Factors

This proposal will not alter product quality or production rates.

G. Contingent Future Commitments

This proposal will not require additional funds to complete.

H. Alternatives Considered

It is more economical to purchase the leased equipment now, than to continue leasing.

I. Risks

No operating risks are involved.

J. Concise Summary

Purchase of the leased carbon dioxide vessel is the most economical way for the continued production of the carbonate and phosphite heat stabilizers.

## DETAIL SHEET

|                                      |                                |                              |                     |                       |       |
|--------------------------------------|--------------------------------|------------------------------|---------------------|-----------------------|-------|
| SHEET NO.                            |                                | JOB ORDER NO.                |                     | DATE                  |       |
|                                      |                                |                              |                     | 2/28/79               |       |
| COMPANY<br>American Cyanamid Company |                                |                              | LOCATION<br>Chicago |                       |       |
| ITEM<br>OR<br>CODE<br>NO.            | DESCRIPTION                    | EQUIPMENT<br>OR<br>MATERIALS | LABOR               | ENG.<br>MECH.<br>SVC. | TOTAL |
| 1.                                   | Purchase carbon dioxide vessel | 850                          |                     | 200                   | 1050  |
| 2.                                   | Inspection and testing costs   | 300                          | 400                 |                       | 700   |
| 3.                                   | Illinois Use and Sales Tax     | 50                           |                     |                       | 50    |
|                                      |                                | 1200                         | 400                 | 200                   | 1800  |

# LIQUID CARBONIC CORPORATION

527 SOUTH JEFFERSON STREET • CHICAGO, ILLINOIS 60607



AREA CODE 312 3-11-11

## ADDENDUM "A"

The term of this lease shall be five (5) years commencing on the date of installation of the Storage Equipment

The rental for the full term of this lease shall be \$230.00 per month payable net ten (10) days from the date of LESSOR'S invoice. LESSEE shall pay to LESSOR in addition to the rental provided herein all charges which may be imposed by any governmental authority for sales or use taxes or any other similar tax upon the lease of the Storage Equipment hereunder.

LESSEE is granted the option to renew this lease for an additional three (3) year term at a rental of \$165.00 per month. If LESSEE shall exercise this option, the LESSEE is granted the further option to purchase the Storage Equipment from LESSOR upon the expiration of the three (3) year term for the sum of \$850.00 together with all charges which may be imposed by any governmental authority for sales or use taxes or any other similar tax upon the sale of the Storage Equipment hereunder. Such sale shall be without warranties of condition or fitness for use and the Storage Equipment shall be sold as is and where is. LESSEE shall exercise its option to renew this lease by written notice to LESSOR at the address shown above forwarded by certified mail not later than ninety (90) days prior to expiration of the five (5) year term; and LESSEE shall exercise its option to purchase the Storage Equipment by written notice to LESSOR at the address shown above forwarded by certified mail not later than ninety (90) days prior to expiration of the three (3) year term.

Signed at Chicago, Illinois

On March 15 19 71

MacGregor Lead Company

(Lessee's Name)

By [Signature]

Title President

Accepted at Chicago, Illinois

on 3-15 19 71

LIQUID CARBONIC CORPORATION

By [Signature]

Title Manager of Sales Administration