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□ ALCO MACHINE WORKS
□ ALCO FLOW CONTROL
□ ALCO PRODUCTION MACHINE SHOP

July 24, 2003

Gilliss Power Tongs Ltd. PO Box 516 Lampman, Saskatchewan S0C 1N0

Equipment Certification

Equipment: BJ Casing Elevator Model: 5-1/2" x 90°, RA 175-Ton

Serial No.: 11510

Hydra Inspection Report No.: H-11510 Alco Machine Works W.O.: 54646 Engineering File No.: 54646-E

The above-mentioned elevator required a Level IV inspection (as per Canadian Association of Oilwell Drilling Contractors, R.P. 2.0), applicable repairs, and certification for service.

Hydra Group Ltd. conducted a magnetic particle (MT) inspection on May 8, 2003, after the elevator was completely disassembled and sandblasted.

Repair procedures were developed based on the MT inspection report as well as a thorough visual examination performed by qualified personnel with Alco Machine Works.

Based on the final inspection on July 24, 2003, after load testing, it is our opinion that the elevator is a safe operating unit and may be returned to service within the manufacturers original rating and specification.

This certification is valid for a period of 500 operating days, as per the recommendations provided by the Canadian Association of Oilwell Drilling Contractors, or until the elevator has been damaged either as a result of operation, transportation or handling.

