

OR



- ALCO MACHINE WORKS
- ALCO CNC INDUSTRIES
- ALCO HYDRA OIL TOOL
- ALCO INDUSTRIAL EQUIPMENT
- ALCO FLOW CONTROL
- ALCO INDUSTRIAL

6925 - 104 Street
Edmonton, Alberta
Canada T6H 2L5

Phone: (780) 435-3502 • Fax: (780) 436-1858

July 02, 2008
Bitz Power Tongs
P.O Box 5270
Edson, Alberta
T7E 1T5

Equipment Certification

Rig No.: N/A
Equipment: BJ Slip Type Elevator
Model: YC 75 Ton (Body Only)
Serial No.: J3
Inspection Report No.: H-6633
Engineering File No.: 91145-E
APEGGA Permit to Practice No.: P07208

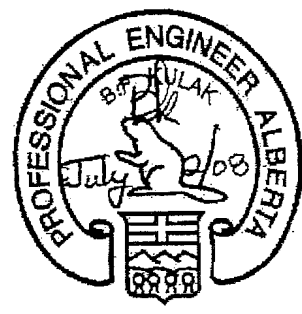
The above-mentioned elevator required a Level IV inspection (as per Canadian Association of Oilwell Drilling Contractors, R.P. 4.0), applicable repairs, and certification for service.

A magnetic particle (MT) inspection was conducted on May 02, 2008, 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 Inc.

Based on the final inspection on June 23, 2008, after load testing, it is our opinion that the elevator is a safe operating unit and may be returned to service within the manufacturer's original rating and specification.

This certification is valid for a period of 6 years, 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.



J3



ALCO Inc.

5830 - 92 Street, Edmonton, Alberta, T6E 3A6
Phone: (780) 442-3448 - Fax: (780) 436-6264



CERTIFICATE OF INSPECTION

Equipment Owner : **Bitz Power Tongs Ltd.**
P.O. Box 5270
Edson, Alberta
T7E 1T5

Date: **June 23, 2008**

Rig # :

Equipment Description: **YC - 75 Ton**
BJ Slip Type Elevator

Serial Number : **J3**

Inspection Report : **H - 6633**

Work Order : **91145**

The undersigned hereby certifies that an inspection has been carried out on the above mentioned equipment in accordance with the applicable standards:

CAODC R.P. 1.0, 1.0A, 2.0, 3.0, 4.0, 5.0

American Petroleum Institute Specification 8C

Inspection Method : ASTM E-709 *Standard Guide for Magnetic Particle Inspection*

Inspection Method : ASTM E-165 *Standard Guide for Liquid Penetrant Inspection*

Inspection Method: ASTM-110 *Standard Guide For Hardness Testing*

Inspection Performed In Accordance With ASME Sec. 8, Div. 1, App. 6

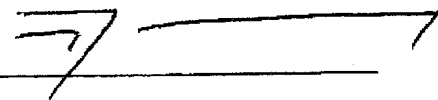
Acceptance Standard: ASTM E-125 *Reference Photographs For Magnetic Particle Indications*

Load Test #: **EDM 0608 11992 91145 LT**

**No Discontinuities Noted At Time Of Final Inspection
After Load Test**

Technician: L. Ponech / T. Ponech

C.G.S.B. 10873 / 5703

Signed: 

J3



ALCO Inc.

5830 - 92 Street, Edmonton, Alberta, T6E 3A6
Phone: (780) 442-3448 - Fax: (780) 436-6264



LOAD TEST CERTIFICATE

DATE: June 20, 2008

CUSTOMER: Bitz Power Tongs Ltd.

ADDRESS: P.O. Box 5270
Edson, AB
T7E 1T5

Serial # : J3

**THE FOLLOWING EQUIPMENT HAS RECEIVED A LOAD TEST TO 1.5 TIMES
ITS RATED CAPACITY.**

DESCRIPTION: YC - 75 Ton

MANUFACTURE : BJ Slip Type Elevator (Body Only)

LOAD TEST NUMBER: EDM 0608 11992 91145 LT

W.O. NUMBER: 91145

LOAD TESTED TO: 112.5 Ton

INSPECTION # : H - 6633

AUTHORIZED BY: 

Quality Assurance Department
Hydra Group Ltd. - Edmonton, AB

Authorized VARCO BJ Repair Center

J3