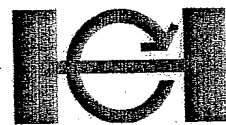




**ALCO Inc.**

5830 - 92 Street, Edmonton, Alberta, T6E 3A6  
Phone: (780) 442-3437 - Fax: (780) 436-6264



**CERTIFICATE OF INSPECTION**

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

Date: **May 30, 2007**

Rig # :

Equipment Description: **YC - 75 Ton**  
**M&W Slip Type Elevator**

Serial Number :

Inspection Report : **H - 9265**

Work Order : **84529**

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 #: **Body - EDM 0507 10939 84529 LT**

Load Test #: **Slips - EDM 0507 10940 84529 LT**

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

Technician: L. Ponech / T. Ponech

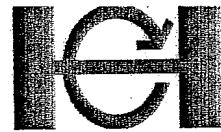
C.G.S.B. 10873 / 5703

Signed: 



**ALCO Inc.**

5830 - 92 Street, Edmonton, Alberta, T6E 3A6  
Phone: (780) 442-3437 - Fax: (780) 436-6264



**LOAD TEST CERTIFICATE**

**DATE:** May 29, 2007

**CUSTOMER:** Bitz Power Tongs Ltd.

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

**Serial # :**

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

**DESCRIPTION:** YC - 75 Ton

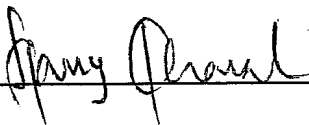
**MANUFACTURE :** M&W Slip Type Elevator ( Body Only )

**LOAD TEST NUMBER:** EDM 0507 10939 84529 LT

**W.O. NUMBER:** 84529

**LOAD TESTED TO:** 112.5 Ton

**INSPECTION # :** H - 9265

**AUTHORIZED BY :** 

**Quality Assurance Department  
Hydra Group Ltd. - Edmonton, AB**

**Authorized VARCO BJ Repair Center**

May 30, 2007

Bitz Power Tongs Ltd  
P.O Box 5270  
Edson, Alberta  
T7E 1T5

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### Equipment Certification

<b>Rig:</b>	<b>N/A</b>
<b>Equipment:</b>	<b>M&amp;W Slip Type Elevator</b>
<b>Model:</b>	<b>YC 75 Ton</b>
<b>Serial No.:</b>	<b>N/A</b>
<b>Inspection Report No.:</b>	<b>H-9265</b>
<b>Engineering File No.:</b>	<b>84529-E</b>
<b>APEGGA permit to practice no.:</b>	<b>P07208</b>

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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 April 18, 2007 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 May 30, 2007 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.

