



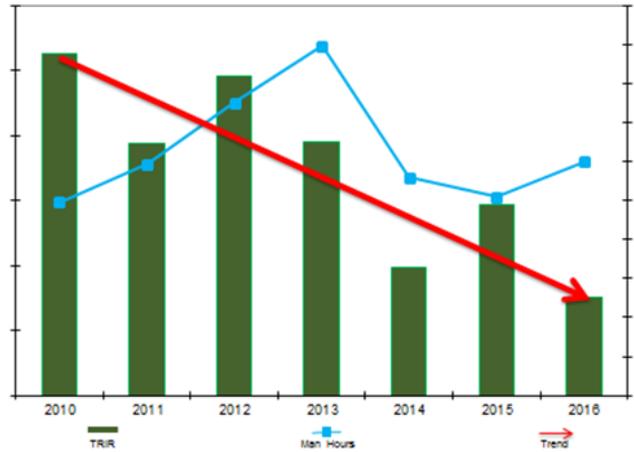
THE TREE LINE

News for Sunland Construction & Affiliates

Our Year in Review: 2016

For Sunland Construction, Inc. (SCI), 2016 was a record setting year. SCI's TRIR of 0.44 is the lowest recorded TRIR since injury rates were tracked. SCI's Journey to Safety Excellence started in 2008 and plateaued in 2013. At that time, we employed a Safety Consultant to help steer us on our Journey to Safety Excellence. Interviews were conducted, data was analyzed, programs were revised, and innovative training conducted. A stronger emphasis was placed on changing our behaviors at all levels of the organization. We implemented and beefed up our Safety Culture focused programs, i.e., H.E.L.P. Focus, Last Minute Risk Assessment (LMRA), Job Safety Analysis (JSA), Worksite Audits, Observation Cards, Management Audits, and A.C.E. Distracted Driving. This feat could not have been accomplished without the focus and efforts from our employees.

Since 2013, SCI's TRIR has been below 1.00 and headed downward in our Journey to Safety Excellence. Changing Safety Culture is not an easy process, nor is it quick. Safety must be embedded in daily management and it must become the fabric of every daily activity. We cannot become complacent with our recent safety record, we must all strive to make certain that each and every worker goes home safe and uninjured each and every day. It is one step or day at a time, and it is a long never ending journey.



If each Superintendent and Foremen would take just a minute to talk to each member of his/her crew about hand placement, not being distracted while doing a task or walking around the job site, not placing themselves in the line of fire, and using three points of contact when getting on and off equipment (this is the H.E.L.P. Focus) we can instill a Safety Culture change in our workers, especially our temporary workers. Temporary/seasonal workers account for over 75% of our medical treatment cases. It will take all of us working together to continue this safety journey.



Each worker should take a few seconds at the beginning of each task, no matter how minor, and ask:
How can I get hurt?
How could I hurt someone else?
How could they hurt me?
What can I do to ensure nobody gets hurt?
Is it safe to work now?
And, FINALLY, What am I missing?

For the second year in a row, our overall safety record is better than the general construction industry and the protection of our workers, our property, our equipment, and the environment must stay as a top priority for all of our workers. But there's still room for improvement!

Congratulations to the following Divisions for having achieved NO OSHA Recordables and NO Lost Time Injuries during Fiscal Year 2016:

- Sunland Construction, Inc. – Divisions 14, 15, 18, 23, 24, 35, 90, & 91
- Sunland Field Services – Division 60
- Sunland KORI – Division 27
- Buffalo Gap Instrumentation & Electrical – Division 41

Also, several of our Entities achieved over a million safe work hours and or several years since the Last Lost Time Injury during Fiscal Year 2016.

Let us all continue to focus on improving our Safety Culture and make our Journey to Safety Excellence a safe and productive journey, where everyone goes home injury free every day.

December 2016

IN THIS ISSUE:

Year in Review	1
In Memory of	4
Message from the President	5
Gotta Dig It	6
Pipeline People	25
Co-Worker Connection	28

Volume 18 – Number 2

Gulf Coast Division

The Gulf Coast Division has had another good year in 2016. We have successfully completed a wide range of projects for our valued customers. After undergoing a corporate restructuring, we have been able to add to our bench of key personnel, giving us additional resources to provide a quality product and services. These targeted projects include small to medium size projects with the capability of managing up to two large mainline projects per year.

The Gulf Coast Division also concentrates on a growing pipeline integrity market as a supplement to customary construction projects. With an increased emphasis in safety and quality, we have maintained our market share even with the downturn in the oil and gas industry. In addition to typical land construction projects, Sunland's Gulf Coast Division is considered by most of our clients as the premiere provider of marine construction. Both the Belle Chasse Group (Division 18) and Delcambre Group (Division 17) have the capability to successfully perform large marine projects simultaneously.

Although the marine projects have been sparse for the last few years, we are seeing an increase in budget activity for marine work. The expansion of Liquefied Natural Gas (LNG) export projects seems to be driving an expected upturn in marine project activity. Our ability to continue to provide our clients with quality work accompanied with financial success is a direct function of the talents and experience of our field personnel. FY2017 looks extremely promising with some project awards from several major clients. We hope the future brings continued success for the Gulf Coast Division and Sunland as a whole.

Belle Chasse Division

The Belle Chasse Division 18 finished fiscal year 2016 profitably and safely. Superintendents and crews worked on a variety of projects this year. A key client had our crews replacing five miles of 20 inch pipe in the marsh. A client requested a subsea replacement of a section of 16 inch pipeline and later utilized our Caisson to make repairs to their 12 and 20 inch pipelines. Another client requested the use of our jet barge to lower an 8 inch section of their pipeline. That client needed the Caisson to make a pipeline repair on a 21 degree angle in 39 feet of water. Finally, we finished off the year with a mat protection project for a key client and their 30 inch pipeline.

Sunland-Kori Services

Sunland-Kori Services manufactured thirteen (13) amphibious undercarriages for U.S. based contractors and equipment dealers in North America. Spare parts sales were very good and were distributed to meet U.S. demand as well as internationally to equipment dealers and contractors in North America, South America, Africa, and

Europe. Sunland-Kori employees should be commended for their safety focus, awareness, and going another year without an accident.

Station Division

Station Division had a very productive, safe, and successful year in 2016. For the third straight year, we exceeded our revenue goal. With regard to safety, we accumulated over 900K man-hours with a TRIR of almost half of our planned goal. Station division had a more diverse year in terms of client base than in previous years. We completed work with a new client in South Texas, as well as some of our established clients in Louisiana, Texas, Kentucky, Virginia and Maryland. Stations also started a couple of projects with a couple of clients that we haven't worked for in several years.

For 2017, Stations has a healthy backlog of projects. We have secured reversal work / cooler additions for a key client in Kentucky, Tennessee, and Alabama along with a compressor addition for another client. We have also secured a large grassroots compressor station project for a new Stations client in Texas.

At the end of this year, Mr. James Rutledge, Stations Superintendent will be retiring. We would like to thank Mr. James for the time spent with us. Mr. James stewarded several projects over the last 3 years that were successful, along with a remarkable safety record. Mr. James will be missed as he has been a valuable asset to Station Division and we wish him the best in his retirement. Thanks goes out to all of our Stations employees for all of the hard work, dedication, and attention to detail as we push into a productive, safe and successful 2017.

Directional Drilling

The year started very slow but we finished strong with several interdivisional projects in Loudon, Tennessee, Sulphur, Louisiana, and Houston, Texas. All three of these projects presented heavy challenges ranging from environmental to adverse subsurface conditions. In all three cases it was the great team effort working with our pipeline divisions that allowed us to achieve success.

DHB

Congratulations to all employees with DHB for another year of safety performance excellence.

Eastern Division

Fiscal year 2016 proved to be a challenging one for the Eastern Division. Slow economic growth and market volatility resulted in decreased opportunities. Nevertheless, we are better prepared to meet future challenges due to our growth in several key areas: Experience, knowledge, customer base, and organizational development.

First, we have more knowledgeable and experienced project managers. Our most senior project manager, Todd Ferry, just completed his third full year at Sunland. Two of our project managers, Lucian Newman and Brett Lansdell, have just completed their second year with Sunland. Additionally, we have begun training Nathan Dukes to become our fourth Project Manager. Nathan has experience working in the field, in operator qualifications, and in our safety department. All four have completed Sunland's Estimator Academy as well as the first phase of our Project Manager Academy.

Second, we have more knowledgeable and experienced superintendents. In 2016, Dennis Nichols completed his largest project to date since he has been with Sunland in finishing the Western Kentucky Lateral project.

In addition, Devin Bishop is completing his largest project, the Holmes Southwest 20" Line, while Lance and Marty McNease teamed up to complete their largest project to date while at Sunland, the Loudon, Tennessee expansion project. Jim Hebert, after completing his third full year as a superintendent with Sunland, has proven quite capable and is the client's preferred superintendent. Reeves Shackelford made the move from project manager to superintendent this year as well. When we add the experience of George Spratlin, David McGary, Lee McGlothlin, and Brian Ward to this group, we are very prepared for 2017.

The Eastern Division's customer base is now stronger than it was in 2015. As shown above, we completed large projects for quite a few customers. We continue to work with many major clients.

Our improvements in organizational development in 2016 will prove beneficial in 2017 as well. In 2016, we successfully rolled out "Work Day", our Human Resource Information System. Jesse Dukes, our division safety coordinator, has successfully worked to ensure that a mentality of "safety" is embraced on our jobsites. Additionally, we are utilizing Sunland's subcontractor management plan to not only safely manage subcontractors, but to ensure success for our clients and our projects as well.

All in all, though 2016 proved to be a challenging year for us, the changes we have recently made, and having suffered less opportunities for work this past year, we have come out stronger and better equipped to service our customers according to Sunland's mission: "To be the premier provider for energy related construction services through a commitment to excellence in safety, production, and quality, with the resolve to overcome all challenges."

Rocky Mountain Division

Fiscal Year 2016 has been a busy and challenging year in the Rocky Mountain Division. Between the relocation of Dan Scott and the restructuring of western operations and leadership, there has not been a lot of time to reflect on where the division has come over the last twelve months.

Though there is still a lot work to be done and the fact that the market for our services is not necessarily in our favor, we feel like we are taking all the right steps toward becoming the premier contractor of choice for the company's clients in the western and mid-continental United States. With a renewed focus and positive outlook for Fiscal Year 2017, and in fulfilling our obligations that are laid out in our strategic plan, Divisions 13, 14, 15 and 20 are looking forward to a fruitful and prosperous FY17.

Foremost

Throughout the winter months earlier this year, Foremost was able to stay relatively busy. December was a little slow, but fortunately, as in recent previous years, we got really busy going into the spring and summer months, and this trend has remained into the fall as we head towards the upcoming winter. All of this work and stellar performance by our crews predictably resulted in new opportunities, and we were able to promote/hire new Foremen and add crews in several regions. Last year at this time, we had fifty (50) crews working in South Carolina and western North Carolina; now, we have sixty (60)! We certainly want to recognize the following regions for completing FY2016 with no recordable or lost-time incidents: Abbeville, Aiken, Charleston, Florence, Asheville/Hendersonville, and Upstate.

As we push forward to finish Calendar Year 2016 on a high note, work on the gas and electric blankets remains steady. Despite all the challenges inherent in the work (both usual and unusual, seen and unforeseen), we continued to work together as a team (and with our clients) and have persevered with the end result being an overall phenomenal year. We have a lot of work and potential new opportunities to pursue for the foreseeable future. For that, we are truly blessed and thankful. We are pushing forward in the hopes of a safe and prosperous 2017.

Buffalo Gap I&E

We started the first of the year 2016 with several safety incidents and had an uphill battle to maintain our expected Safety Excellence goals. This year we also recognized a decline in the steady volume of EPC projects which we experienced in years past due to the depressed oil and gas market. Our Industrial Division had to undergo a more aggressive mode in estimating bids in order for us to be able to get our market share.

We are beginning to land several capital projects and look for bid opportunities to continue to increase. It looks like the FY2017 will be a fairly steady year for both our commercial and our industrial divisions. One of our largest EPC projects will be getting underway in Pennsylvania. We also received several EPC cryogenic facilities that we will be undertaking in the Permian Basin. BGI&E will also be providing the I & E services on the Sunland Cheniere Sinton Compressor Station project in the upcoming months. All in all, our future looks very positive. We will be keeping a strong focus on safety and look forward to achieving our expectations of Safety Excellence. Thanks, Carlos Sanchez-Division Manager.

Sunland Field Services - Permian Basin

The year 2016 for Sunland Field Services Permian Basin has been full of opportunities. We have successfully maintained strong relationships with our current customers while working hard to deepen our roots in the Permian Basin by adding additional clientele. Our compressor station crews have worked for four different customers working on five projects throughout the year in Texas and New Mexico.

Our pipeline crew has worked for two customers on various small and a few larger projects in Texas. We will continue our efforts on expanding our business relying on the talented and experienced team that we have developed here in the Permian Basin.

Sunland Field Services - Texas

With the stabilization of the market, to some extent, SFS has been afforded multiple opportunities and our market share is growing. Division 50 has added new customers to our workload and we have a good amount of work under contract moving into FY17.

Sunland Field Services - Bakken

The Bakken Division faced challenges at the beginning of the year but we were able to address and overcome those challenges and finish strong. A perfect safety record and reputation for quality was a key factor in developing opportunities with new clients while maintaining good relationships with existing customers. The Bakken successfully entered into O&G projects this year with the award of several smaller pipeline projects and we are very excited about the upcoming opportunities in 2017.



In memory of Winston A. Johnson II

Winston served on the Board of Directors for Sunland Construction, Inc. and Affiliates from 2009 until his passing in early November, 2016. Sunland is losing a key advisor who provided great expertise to our industry and to our company. Craig Meier said of his passing, "We are losing more than a board member, but a personal friend with great integrity and someone who I valued greatly for guidance and words of encouragement." He will truly be missed by all of us in the Sunland and extended family.

Winston is survived by his wife of 52 years, Vivian, his brother Kenny & wife Kathy of El Paso, his sister-in-law Resa Johnson of El Paso, his father & mother in-law George & Daisy May, his 3 children and their spouses, Diana & Brett Seward of Las Cruces, Sheri & Keith Franzoy of Hatch, Vernon & LeAnne Johnson of Rio Rancho, his 8 grandchildren, Heath, Shelby, Fayth, Katrina, Garrett, Bryce, Blake, and Lacie, as well as numerous nieces and nephews.

Winston earned a Master's Degree from New Mexico State University (NMSU) in Mechanical Engineering. Throughout the years, he continued to give back to NMSU by serving on an engineering advisory board and establishing an endowment scholarship. He proudly served in the U.S. Army as a chief helicopter maintenance officer and served in Vietnam for a year. After Vietnam, he worked for El Paso Energy and retired after 32 years as their Vice President of Engineering. Anyone that knew Winston didn't expect him to stay "retired." He continued to provide years of valuable knowledge to many people in the industry. He was also very active in his grandkids endeavors providing them wisdom, knowledge, and any help that he could supply.

Over the years he was part of many organizations and received many awards. He was chairman of the Gas Machinery Research Council for 6 years, and received a distinguished service award in 2004. He also served as chairman of Pipeline Research Council International for 4 years.

He was a great wealth of knowledge for his family, for everyone in the natural gas industry, and for anyone that crossed his path. Our hearts and prayers go out to his family and friends.



MESSAGE FROM THE PRESIDENT

To: All Employees:

As we end 2016 and begin another year, it is important that we do not lose sight of what we have accomplished this past year. I would like to express our sincere appreciation on behalf of all the Management at Sunland Construction, Inc. and Affiliates to every employee for your dedication and hard work this past year! Most have worked long hours with little time off in order to respond to the needs of our customers and we recognize and appreciate your sacrifices.

Thank you all for your efforts!

The efforts over this year to right-size our truck and equipment fleet has been completed. We have seen a significant improvement on utilization. Several divisions were able to turn around divisional losses the first three quarters of the year into a profit during the fourth quarter of the year.

We completed several significant projects, as well as, increased our footprint and presences in several areas.

Below are highlights for 2016:

- Sunland and Affiliates overall safety and driving performance – saw improvements in most areas. We finished the year with a TRIR below 1.0 and an acceptable CSA (driver rating) in all categories.
- Sunland Construction, Inc. (Pipeline, Marine, Stations, Drilling and DHB Divisions) had a record year in safety with a TRIR of 0.44, while continuing the focus on H.E.L.P.
- Gulf Coast / Belle Chasse had a good year working in LA and TX and continued to show improved safety culture.
- Stations had a very good year performing projects in the Northeast and Southern parts of the US.
- Foremost finished the year strong by adding several new crews and continues to grow from within.
- Sunland-Kori and DHB both had a very good year.
- Buffalo Gap had a good year, but was impacted by the downturn in the later part of the year.
- Sunland Field Services – Permian saw a significant improvement in performance from last year.
- Several of the divisions spent a substantial amount of time and effort to right size their organization in light of the downturn in the geographical locations in which they work.
- The implementation of Workday (Human Resource and On-Boarding system) and Entrance (payroll time entry system) both have been successfully implemented. This could not have been accomplished without the hard work and dedication of the implementation team and folks in the field that supported it.
- Project Manager Academy was reenergized in 2016 with over 60 employees attending the first two modules (Estimating and PM 1). A third session is scheduled for January (PM 2).

The company and our reputation remain very strong. We continue to receive bid packages for work in 2017 and several divisions currently have a good backlog of work going into 2017.

Last year at this time we talked about being excellent in our work. I would ask you to reflect on that commitment and ask yourself did you do excellent in all aspects of your job. I know for myself personally, I would say in some areas I feel like I did achieve that, while other areas, I feel like I did not meet the expectation of being excellent. Specifically related to safety performance in some areas of the company, the development of talent/succession planning, and controls (I felt like I could have and should have done more in those areas).

I would challenge each one of you to continue to strive for excellence in your job and the support of the company in the New Year. That may be in Safety with added focus on H.E.L.P. and JSA participation, job/project execution, better subcontractor management, better equipment utilization, controls (better checks and balances in our processes) or many other things that you feel are important in your specific job area.

As we look forward to the New Year, Sunland and Affiliates strength has always been to employ extraordinarily talented and motivated people, that is **YOU**, in order **“To be the premier provider for energy related construction services through a commitment to EXCELLENCE in safety, production, and quality, with the resolve to overcome all challenges.”**

We wish you and your family a **Safe and Blessed 2017.** **Craig Meier, President and CEO**



gotta dig it

Your Hard Work in the Spotlight . Thanks to you for our hard work. There are a number of jobs currently underway. Your professionalism and workmanship have kept jobs in the pipeline. If you are between jobs and looking for a good opportunity, feel free to contact a Division Office to find out what work is available.

Gulf Coast Division
Delcambre, Louisiana
337/685-2167

Belvon Hebert and crew mobilized in October to begin construction of a valve replacement and piping upgrades project for a client in Baton Rouge, La. The project scope included installation of two stopples with a temporary bypass line to facilitate removal of existing below ground mainline pipe, valves, and conduit.



Removal of existing mainline pipe and valve.

The new valves were elevated above ground to facilitate inspection, maintenance, and repairs of the pipeline and associated valves at the facility. Due to the limited space and abundance of piping and conduit underground, approximately 90% of the excavation was performed by hydro-vac. This slowed our progress slightly, but Belvon and his crew were able to achieve the Client's desired In Service date. Construction is scheduled for completion by Mid-December 2016.



Welders working on final Golden Weld.

Rodney "Buck" Carlisle and crew mobilized in October to begin construction of a piping upgrades project for a client in Gibson & Napoleonville, LA. The project scope included fabrication and installation of two new pig traps and associated concrete foundations at two separate locations.



Installation of New Pig Trap.

One location was extremely limited on space, and the other location required coordination with another contractor who was working in the Station at the same time. Buck and his crew were able to maintain schedule and meet the Client's desired In Service date. Construction is scheduled for completion by Mid-December 2016.



Welder Foreman Joshua Alexander after completing tie-ins.

Kenneth White and crew mobilized in early November to begin construction of a 12” pipeline project for a client in Sulphur, La. The project scope includes installation of 9.11 miles of 12” pipeline, including multiple HDDs and bores, and a decent sized Cathodic Protection / AC Mitigation scope, all through areas that contain a high percentage of wetlands. Kenneth and his crew will also be installing a new meter site, and two new pig traps, all of which are associated with the pipeline, but will be performed under a different Client Project Number. Construction is scheduled for completion by March 2017.

Superintendent Randall Humphers, along with assistant superintendent Shorty Prater, with the help of foreman, Derek Prater, Chris Parnell, Spanky Cole, Juan Lopez, Aaron Lopez, David White, Roy Hogan, Aaron Guerra, Junior Hinojosa, Davein Guillory, Danny Blackburn & Leland Vallery and their crews have completed the 30-inch pipe sleeves replacement project for a client near Victoria, Texas. This project was completed well before the critical completion date, and under budget. This project had many obstacles that were overcome with solid planning and execution by the team assembled for this project. All should be commended for a job well done. Our relationship with this client has been greatly enhanced due to the success of this project and will most certainly contribute to more work for Sunland in the very near future.



Randal Humphers crew– final tie-ins on the 30” sleeves replacement project in Refugio, Tx.

Superintendent Teddy Pinson, along with crew members, Concepcion Vasquez, Jack Pinson, Servando Enriquez, Jr., Joel Gerardo, Gerardo Ramirez, Kelly & Jenny Ellis have completed many different projects for a client between Lake Charles, Geismar, Napoleonville & Houma, La. To give you an example of the diversity of this crews talents, the following type of projects were completed by this crew: 1.) New meter station construction, including civil and above grade piping, Westlake, La.; 2.) Replace 8-inch pipeline inside casing for highway 385 expansion south of Lake Charles, La.; 3.) Pig and

abandon 5 miles of 16” pipeline in Houma, La.; 4.) Construct a new meter site near Raceland, La.; 5.) Replace 2-16” lines in anticipation of a new railroad crossing, Westlake, La.; and 6.) Fabricate offsite piping in order to modify an existing metering regulating station located inside a plant in Geismar, La.



Geraldo Garcia, welder, installing tapping tee, Raceland, La. for a client new tap.

All of these projects had their particular challenges, but none of which we were unable to overcome. Teddy’s crew did all of these projects without incident. This is very impressive in that the work environments were all different and the logistics were difficult. They had their share of weather and other issues, with which they dealt with very successfully.



Teddy Pinson crew working in Raceland, La. installing tapping tee.

I would like to congratulate Gerardo “Gerry” Ramirez, a Sunland welder who worked for us for over a year, working mainly on projects for a major client. Gerry became qualified to perform in-service welding for our client and he also did assist with other tasks besides welding. He is a team worker. Thanks Gerry. - Kyle Vidrine.

I would also like to recognize Servando Enriquez Jr. for his abilities as a safety representative for our client projects while working with Teddy. Servando did an excellent job, he can relate to the workers in the field because he has field experience himself. He also has some expertise with drawings and as-builts. We had a gap between a portion of Teddy’s project and Servando was assigned to other superintendents. To my dismay, I could never get him back on any of my subsequent jobs because he suddenly became in such high demand after being exposed to others. Good job- Servando! – Kyle Vidrine

Superintendent Tony Perez and crew are on the final stages of completing the installation of 9.4 miles of 24 inch crude line for a joint venture between two major clients. Almost the entire project was on CenterPoint’s Row in the Houston area, and consisted of 11 drills and 25 bores which made up almost 50% of the pipeline, and (2) mainline valves.



Foreman- Tony Lucero and crew supporting the drillers installing a 1,500ft drill section on the West Canal .

The Houston weather was a major impediment on this project, but the crew was able to overcome it as well as many other unique challenges faced on a pipeline/power line corridor. The client had initial concerns over the welding, but at the end of the project, they gave high accolades for the .73% welding repair rate. Thanks to Tony and the crew for a job well done.



Ditch Foreman (Jorge Lucero) and Lower-in Foreman (Jorge Barrera) with respective crews work on installing a section of the 24 inch mainline.

Butch Drane and his crew of around 90 employees have completed installing a new 36” line for a client near Sulphur, La. The project started late March and completed in Mid-October. The entire crew worked diligently to complete items on time and I can speak for everyone by saying that we appreciate all the efforts you have been putting and continue to put forth. Thank you for all that you accomplished!

Pelie Calcote and his crew performed some recoating (approximately 6,500’ of 30” and 36” recoat) on a client right of way from August through mid-October. Things appeared to be progressing well until the heavy rain and flooding affected all of us in South Louisiana and the surrounding areas. The rain caused progress to fluctuate from a crawl to a complete shutdown. They were not only affected by the weather, but also by the requirements of the project as to how much they could do at one particular time.



Shown here are a few members of the crew, inspection, a handful of excavators, and one of the open sections of recoated pipe.

Even with these troubles, the crew hung in there, and once the weather cleared up, the project was completed. Everyone involved should be proud of the work they have done and we are very grateful for their efforts.

Doc and his crew have been chomping at the bit to get started on this 8" project located in Geismar, LA for a major client. The project has been overhauled a few times from the original bid, but the crew is coping with this very well. As of now, the project involves 2 – 2,000' 8" drills and the installation of a launcher and receiver fabrication piece on each end. We are currently running into issues with the design of the project, but we should be able to have all these corrected and the project completed by mid to late January. Thank you for all that you are doing and keep up the good work!

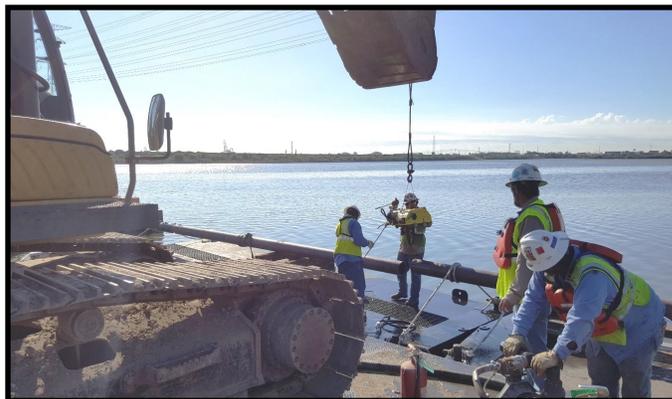
Belle Chasse

Pictured below, Ronnie Scott and Derrell Brunet probe the pipeline to verify its location before guiding the caisson in place for an anomaly repair in Bayou Rigolets, LA. Kudos to Ronnie Scott, Tarrence Queen, Derrell Brunet, Richard Brunet, Hunter Hewitt, William Ledet, Jared Zeigler, Norris Punch, Corey Allen, Amilcar Pineda, Soviet Pereira, and Josue Castillo for the safe completion of 7 repairs on a 20" pipeline followed by the 3 repairs on this 12" pipeline for the same client.



Pictured Left to Right: Ronnie Scott, Hunter Hewitt, William Ledet, Derrell Brunet and Corey Allen.

After cold-cutting through the 8" pipe, Tarrence Queen and Kenney Pellegrin signal Joshua Scott to set the hydraulic cutter down while prepping for the pipe section replacement in La Porte, TX. Kenneth Pellegrin, Darrell Pellegrin, Tarrence Queen, Justin LaCoste, Kenny Pellegrin, Anthony Morris, Joshua Scott, Norris Punch, Adrian Francis, Shawn Theriot, Ryan Solar, Amilcar Pineda, Daniel Reinhardt and Jorge Mendez-Castillo worked on day and night shifts to complete the removal and installation of 2 new sections on this pipeline. Upon project completion, the crew was recognized by the client for a job well done.



Pictured Left to Right: Tarrence Queen, Kenny Pellegrin, Kenneth Pellegrin and Adrian Francis.

Darrell Pellegrin and his crew lower the single point lite frame on top of the pre-rigged double mats to secure them before sending the mats to the diver via crane. The client thanked Darrell Pellegrin, Derrell Brunet, Eugene Theriot, Sidney Teal and Ryan Solar for maintaining constant communication throughout the Waskey mat installation project to ensure diver safety.



Pictured Left to Right: Derrell Brunet, Ryan Solar, Sidney Teal and Darrell Pellegrin.

Sunland-Kori

Sunland-Kori Services currently has seven (7) amphibious undercarriages manufactured and/or being manufactured for shipments to U.S./International based contractors and equipment dealers in North America and/or anywhere in the world. Spare parts sales have been very good and have been distributed to meet U.S. demand as well as internationally to equipment dealers and contractors in North and South America, and Europe.

Sunland-Kori employees should be proud of themselves for going another year without an accident. Keep up the safety focus and awareness and be very proud of what we have achieved as a Company.



Jared Frey and Alvin Kidder (SKS Foreman) after installing a unit in Newport Beach, California.

Guy Richard and his team received excellent feedback from their client. From day one until completion Guy and his technicians were very professional and they met every deadline that the client imposed. Another happy customer. Great job Sunland-Kori!



Marsh Buggy assembly.

All of the work is being completed with a minimal impact to the operation of the existing facility and includes a large amount of excavation near existing utilities. The mechanical completion deadline is December 10th, 2016 and Doug's crew is currently scheduled for an on-time completion.

The crew's excellent coordination efforts and hard work have resulted in another successful project. The project includes coordination with the Operations Group and the assistance of the Instrumentation & Electrical Subcontractor.



Welding Foreman, Chance Estis, and his welding team completed the final tie-ins for the 3rd outage, while Civil Foreman, Miguel Lopez, and his team complete the installation of pipe support foundations.

Near Selma, Alabama, Superintendent James Shumaker and his crew of approximately 60 are making substantial progress on upgrades to the existing Compressor Station. The project began on August 25th, 2016, and includes the addition of a Mars 100 Compressor, extension of the existing compressor building, installation of an additional Scrubber, and the installation of all associated piping and appurtenances. The piping and valves range from 2" to 48".

All of the work is being completed with a minimal impact to the operation of the existing facility and includes excavation near active utility services. The mechanical completion deadline is April 1st, 2017, but James' crew is anticipating a 45 day early completion of February 15th, 2017. The crew's fast pace, excellent safety record, hard work, and coordination are generating positive results. The project includes coordination with the Operations Group, and numerous vendors and subcontractors, including the Rocky Mountain Division's Insulation Group.

Stations
Eunice, Louisiana
337/546-0241

In Bastrop, Louisiana, Superintendent Doug James and his crew of approximately 30 are nearing the completion of the Bastrop Compressor Station Reversal Project. The project began on September 6th, 2016, and includes the fabrication and installation of piping and valves to convert the facility to a bi-directional compressor station. The piping and valves range from 26" to 36" and the scope involves the coordination of 4 separate outages.



Welding Foreman, Ivan Cisneros, and his team complete the installation of fabricated pipe in preparation for hydrostatic testing and tie-ins while Civil Foreman, Jose Martinez, and his team complete pipe support foundations and assist with hydrostatic testing preparation.

Elvis LaBuff and a crew of approximately 50 are nearing completion of the Pineville Compressor Station – Gas Cooler and Compressor addition project. The Project began on June 2nd and includes the demolition of an existing Turbine Compressor, building & auxiliary equipment and installation of one Solar Taurus 70 Turbine-Compressor package, new compressor building, auxiliary building modifications, emergency backup generator and four new gas cooler bays.



New gas coolers.

The project is on track for an on time completion and crews are currently assisting with commissioning and startup activities. Elvis and crew have and continue to overcome many challenges and added scope of work while maintaining schedule. The project is scheduled for completion in early January 2017.



New compressor installation.

Kevin Lemaire is finishing up on the Holbrook Compressor Station and the tie-ins have been completed last month. And all major construction activities have been completed. Kevin and crew have demobilized from the site with only a small crew remaining finishing punchlist items. Final completion date is 12/3/16.



Welders working on the final tie-in spool at Holbrook Compressor Station.

Joe Sotelo - Meter Stations tie-ins have been completed last month and all major construction activities have been completed. A small paint crew is left onsite working on extra work requested by the client. Expected final demobilization is 12/7/16.



Crew and third-party crane subcontractor setting meter skid at a Meter Station.

Site tie-ins have been completed this month. Backfilling/site work, misc. instrument foundations, and painting remain. Estimated final completion is 12/20/16.



Panoramic shot of Meter Station.

Clint Roy - Meter Station construction is 100% complete and we have demobilized from the site. Despite heavy rains this summer, the job was completed on-schedule with a pleased client.

Kendall Ward and a crew of approximately 34 completed a new process facility for a client consisting of ultrasonic metering with canopy, pressure control runs, instrument building, and associated piping. The project kicked off on April 29th and was completed by the end of September meeting all major project milestones.



Process facility.

Loudon Expansion Project- Gary Hardy and Juan Perez Jr. took crews to Loudon, TN to perform three 12” drills in hard rock. In addition to a drill rig breaking down, the Tennessee river crossing subsurface conditions revealed some “junk in the hole” and a twist off. However, quick solutions and hard work allowed us to finish the drill in reasonable time. Two other drills provided challenges as well but again the interdivisional effort led by Eastern Division’s Lance and Marty McNease enabled successful completions.



Aerial view of HDD spread at the Tennessee River Crossing.

Jimmy Miller’s gang performed two 24” drills on a project for Channelview’s Tony Perez. The drills went well and we received great feedback from the client. The main challenge here was installing the pilot hole with only a 1-foot tolerance to centerline.

Directional Drilling
Eunice, Louisiana
337/546-0241

Jimmy Miller’s crew performed two 36” HDD crossings near Sulphur, La with Butch Drane and company. FERC oversight and inspections required extra attention to environmental concerns. Butch’s guys were a pleasure to work with.

DHB SERVICES
Eunice, Louisiana
337/550-2129



Tennessee River crossing.

DHB services has had another year of safety performance. Congratulations to all DHB employees.



End seal installation near Houston TX.

Holmes Southwest 20” Gas Trunk near Steubenville, OH. This project consisted of 4 miles of 20” pipeline in the rolling hills of Ohio. Devin Bishop and crew of 120 folks consisting of Foremen Kelly Boyett, Marshall Hanks, and Ronnie Casillas have been working to install the 20” pipeline. The crew has faced difficult terrain, adverse weather conditions and hard tie-in date for our client.



Marshall Hanks crew preparing to lower in a PI Section.

The crews have persevered and maintained a safe, productive, on schedule project thus far. We are currently working on final tie-ins then will begin cleaning, filling and testing the line. Clean-up is essentially at 50% and this project “in service date” should be completed on schedule. However, if winter conditions prevent us from completing the remaining portion of cleanup, we will have to return in the spring to complete the remaining final cleanup.



Marshall Hanks crew bringing in a creek section for tie-in.

Superintendent Devin Bishop and tie-in Forman Ronnie Casillas are completing a difficult tie-in in St. Claresville, Ohio. The tie-in took a long time and Devin and Ronnie made sure to have more than adequate light plants positioned, fueled and ready for challenge.



Devin Bishop and crew.

Below, Ronnie Casillas’ crew is getting a creek crossing ready for tie-in. This is a typical tie-in for minor creeks in Ohio. Most of the time, we strip back each side of the creek, hammer the rock, relay and separate the rock piles from the good backfill. The wet and saturated conditions make this process challenging to say the least.



Ronnie Casillas crew is getting a creek crossing ready for tie-in.



Devin Bishop and Ronnie Casillas' crew getting a section ready in the rolling hills of Ohio.

On the Turkey Point Meter Station in Homestead, FL, the crew is getting the site prepared after the pre-job meeting. Jim Hebert and his crew have now successfully installed a stopple on the mainline and abandoned the existing launcher and meter station inside the facility in Homestead, FL (Dade County).

Although the T-Rex (pictured below) statue couldn't gain clearance into the facility, he did provide moral support and motivation in the parking lot.



Gregory Dorsey, Bonnie Villagomez, T-Rex, and Crew.

This was a recent job for located in Virginia. The project consisted of a changing out a filter separator onto to existing piers and pouring new concrete for stairs to be set for insertion and removal of filters.



Superintendent George Spratlin, Foremen Jason Claypool & Luis Hernandez, Welder Forman Chris Reid, Operator Chris Phillips and Laborer Chad Corn successfully set the filter separator onto the piers.

George "Bubba" Spratlin and crew of 12 employees have completed installing a new Filter/Separator in Freeman, Virginia. George, Jason and crew did an exceptional job completing the task ahead of schedule.



Foreman Jason Claypool as he is a very vital component of George Spratlin's team.

On another project located in Greenville, KY – Dennis Nichols and punchlist crew, Foreman Justin York, Operator Scott Rumrill, ENV Foremen Reno Hartman and James Allen are completing the reworking ROW on this 22.4 miles of 24" Pipeline.

The job was initially plagued with rain which caused washouts, then drought conditions which resulted in dying vegetation after initial germination. The crew is currently demobilizing from the project with all current punchlist items completed. We will have to revisit the site in the spring to remove ECD's and repair any outstanding items.



Dennis Nichols and crew.



ROW of a rock hill in El Paso.

Foreman James Allen and crew are reseeded a hill that was reworked after sparse vegetation caused washes to occur. The area was reworked with a dozer then reseeded, fertilized, limed and curlex then rolled out and pinned to ensure stability through the winter.



Scott Rumrill , Justin York , Reno Hartman and James Allen and crew reworking ROW.

Division 14 (Local and Minor Projects) – Under Clay Reed continues to work for several local clients as well as one of their newest clients. Clay assumed the position of Operations Manager after Dan Turner retired. Division 14 is also bidding work for two major clients as well.

Division 15 (Specialty Services) under Ed Abeyta has remained busy with some of their local client base which includes several major companies. Division 15 has also been awarded projects from the Sunland Stations Division in Alabama and Texas.

Division 20 (SFS – Piceance) under Shawn Moody has managed to slowly but continually improve the division’s situation in a very tough market. Through cost management and quality work the division is starting to turn a corner. With the addition of Dustin Snow (BD) to the team, Division 20 has begun to add new clients to their portfolio in terms of bidding and capturing work. Division 20 has begun to roll into the Rocky Mountain Division with some new strategic focuses, additional operating area and expanded services to include technical services led by Mike Munch.

Rocky Mountain Division
Aztec, New Mexico
505/334-4350

DIVISION 13 (Major Projects) – under Paul Brown completed a project in El Paso, TX (35 miles of 30”). Thanks to the work of the Superintendent Shane Tullis, along with the support of the Rocky Mountain team, we overcame a monumental challenge and successfully completed the project. The client is satisfied and we have opened the door to more opportunities. Superintendent Kelly Gourdon also successfully constructed a portion of that project in Pecos, Texas.

Our project in Montana under Kraig Ogden (Superintendent) and Michael Herlihy (PM) is still ongoing and is expected to be complete by the end of November.

Foremost
Gaston, South Carolina
803/939-4832

For the second half of 2016, it has been the great story for our gas crews in the Asheville/Hendersonville, Aiken/Abbeville, Columbia, Charleston, Florence, and Greenville regions: heavy workload, but things are going well despite the inevitable challenges. Overall, our Foremen and crews in all regions have worked exceptionally hard towards client satisfaction, and we thank them for their efforts.

Foremost's electric crews have also stayed busy with both services and maintenance. In addition, we recently completed a noteworthy, high-profile duct bank job on Bluff Road near Williams-Brice Stadium in Columbia, SC. We are confident that we will continue to get opportunities for this type of work in the future.



James Smiling monitors the completion of flowable fill operations above duct bank construction/installation for out client. This is on Bluff Rd in Columbia, SC directly in front of Williams Brice Stadium, home of the South Carolina Gamecocks.

Thanks to the market conditions, our performance and reputation, and many other factors, we have been fortunate enough to start several new crews over multiple regions, thereby expanding our footprint and market share. As such, we would like to congratulate and/or welcome our newest Foremen: Gavin Antoniak, Johnny Basinger, Tyrone Bennett, Tony Bush, Charles Cox, Timothy Crout Jr., Justin Hall, Pat Lee, Tyler McCormick, Kimothy Mickens, Hector Morales, Jose Natarén, Vincent Stocke, Frankie Taylor, Ricky Todd, Ricky Todd Jr., and Brandon Yount.



Tyler McCormick, Seth Schwarz, Bryant Brown, and Fernando Cruz complete a gas service installation to an existing home in West Columbia, SC.

Foremost would like to congratulate John "Reb" Sohnemann on his retirement after 19 years of dedicated service. He was typically the first employee to be at the Florence office/yard and was often the first volunteer to work in any situation. His honesty and good nature made him a favorite of his peers and management alike. Until his last day, he was known for putting everything into the task at-hand and safely getting the job done in a timely manner. He will be missed, but we certainly wish him all the best.



Florence Region's John "Reb" Sohnemann retired after 19 years of loyal, dedicated service.

In October, many of our employees, clients, and fellow citizens were heavily impacted by Hurricane Matthew throughout both South Carolina and North Carolina. Foremost crews (both gas and electric) were instrumental in critical and immediate recovery efforts in Florence and Beaufort, two heavily impacted areas of South Carolina.



Todd Wingard, James Lucas, and Terry Gantt repair a damaged transformer during Hurricane Matthew restoration efforts in Beaufort, SC.

Foremost employees who were directly involved in Hurricane Matthew restoration/recovery efforts are as follows: (in Beaufort/Hilton Head – Electric) Mike Adams, Justin Callahan, Lonnie Corbett Jr., Randy Creech Jr., Tony Gabbard, Terry Gantt, Darrell Hendrix, James Johnson, Jesse G. Jones, James Lucas, Trey Martin, Timothy Nichols, Travis Rogers, Ryan Smith, Josh Strickland, Geoffrey Williams, Todd Wingard, and Charles Wright; (in Florence – Gas) Chris Bass, Kenneth Beavers, Moshea Bishop, Jed Daniels, Kevin Dorsey, David Gandy, Erico Hickmon, Steve Locklear, Marlon Myers, Kimothy Mickens, Lee Scipio, John Sohnemann, Mike Stowers, Marcus Williams, and Wyley Williamson. The professionalism and “can do” spirit of our personnel was on full display as a testament to who we are and our culture.



Foremost’s Ponciano Sandoval-Rios, Bonifacio Oviedo, and Luis Reta fuse and install a 4” gas feeder main in Gaston, Sc.



Justin Callahan and Jesse G. Jones perform repairs during Hurricane Matthew restoration efforts in Beaufort, SC.

We often get positive feedback on our Foremen and crews from client management and field inspectors, local business owners, and the general public. In the past several months, specifically, our office received direct positive feedback on the following personnel and crews, in no particular order: Darron Ginn, Matthew Watford, James Floyd, Chris Eleazer, D’Michael Cooper, Tyrone Simons, Rony Gonzalez, Christian McCormick, Mark Hughes, Thomas Hoeffler, Fernando Cruz, Ponciano Sandoval-Rios, Tramayne Kennedy, Bonifacio Oviedo, Luis Reta, Mike Adams, Jesse G. Jones, Ben Hughes, Tim Haechten, Brandon Yount, Julis Hampton, Pablo Celestino, Kenny Blewer, Ricardo Mendoza, Donavin Louviere, Brandon Boxberger, Steve Crosby, and Doug Campbell.

Since the last publishing of *The Tree Line*, we have received many comments from Client Managers and Inspectors, customers of our clients, other contractors, and the general public regarding our Superintendents, Foremen, and Crews. Feedback came from an industrial customer who had a feeder main and service run by a Foremost Crew in Columbia: ***“Thanks so much for helping pull off what appeared to many as impossible. We have gas!”*** One comment, in particular, stood out for our electric crews as it came from a lady in St. Helena, SC, which was heavily impacted by Hurricane Matthew: ***“Thank you for all you did to restore power back in our neighborhood. The men were very courteous and helpful! Again, thank you!”***

As always, we certainly appreciate such feedback, and thank everyone for their exemplary efforts. Our crews continue to perform day-in/day-out and accomplish a multitude of difficult tasks that all too often goes unnoticed, often in the harshest of conditions.

Moving forward, Foremost continues to place a heavy emphasis on the Last Minute Risk Assessment (LMRA) both on and off the actual job site and the **responsibility** of any employee to **stop work** if there are potentially unsafe conditions or a situation that needs to be addressed or discussed prior to proceeding. Also, a continued emphasis has been made for **H.E.L.P.**, focusing on protecting our hands, eyes, avoiding the line of fire, and attention to foot placement and position. In addition, we continue to focus on our training and awareness regarding trenching and excavation safety, along with distracted driver training. We continue to do our best to keep a heightened focus on the safety and health of all employees. ***As always, safety and health remain paramount as our employees are, and always will be our most valuable assets.*** All in all, our future outlook for work opportunities and volume continues to look favorable. We hope that with continued focus, dedication, and hard work, we will complete yet another successful year and do as well or better in 2017.



Steve Thornton and Bobby Thayer continue to work on the ACU Football Stadium - Due for completion in 2017.



Abilene Christian University Football Stadium.

In the last issue, we were just breaking ground. We are now beginning to erect the stands. Still a ways to go but able to see the outline of what's to come.



Picture of completed stadium.

We are currently working on 2 projects for in the Cadiz, OH area - 3 meter stations. We are also working on various projects consisting of heat trace repairs, grounding repairs and M&R sites. We have seen an increase in bids for upcoming 2017 projects in this area. We look forward to next year in the Ohio area.



Back Row: Kenny Rollin, Josh Damron, Cody See, Mike McDermott, Jason Curnutt Front: Rodney Curnutt Sr, Rodney Curnutt Jr, Joshua Kauffman, Spencer Thrumman, Santos Pineda-Vivas, Rene Casteneda, Nelson Pineda-Vivas.

ISTI Plant (Sunray Liquid Handling) - Jerry, Reita and crew are working in Sunray, Texas on the Sunray liquids Handling Project installation in an existing facility. The project started in October and the plan is to finish the first week of February.



Top left to right: Jerry Coleman-Superintendent, Russell Fontenot-Foreman, Reita Coleman-Field Office Assistant. Bottom left to right: Howard Montoya-Apprentice, Hector Villarreal-Journeyman, and Joel Lopez, Journeyman.

2016 was a year of learning opportunities and change. BGIE Safety team went through some transitions which paved the way to implement new training programs designed to assist BGIE employees with better understanding of how safety applies to work related task and job skills.



BGIE Regional Safety Coordinator Mike Mellard aka "The Hazard Hunter" addressing hundreds of various industry professionals and business owners on the importance of communication in the field of safety.

We look forward to 2017 being a year of personal and company growth investing in a foundation of valuable knowledge employees can use for a lifetime in the energy industry.



Javier Mendez, Regional Safety Coordinator and BGIE Safety Coach Troy Bonar at the 2016 communication and trainer's boot camp.

SFS Permian Basin
Odessa, Texas
432/385-0104

Today is a good day for a good day at Sunland Field Services - Permian Basin. During the last half of the year 2016, our office and field crews have stayed consistently busy. Our Superintendents are hard at work producing quality work in a timely manner to maintain relationships with our current customers. Our team of project managers, business development reps, and estimators are consistently finding and sending out bids to current and future customers.



Ector County Compressor Station which we installed in 2016.

In an effort to continue our growing safety culture and increase awareness across the division, Permian Basin Division is gearing up for a variety of safety training events. In addition to the Corporate Annual Training in January, Division 70 will be conducting 3 annual safety trainings in December and January. The main focus of the trainings will be the Sunland safety core principles of H.E.L.P., Last Minute Risk Assessment, and 7 Common Causes of Accidents.

Juan Munoz with a crew of 64 are busy installing a compressor and turbine in Sheridan TX. The job began in September 2016 and is expected to finish in March of 2017.

Alex Velasquez along with Paz Velasquez and crew completed installing three compressors in the Goldsmith, TX area at the beginning of November. Along with working on the compressors, Alex and Paz have completed a small project which included pouring a concrete slab for a VRU unit. We plan on returning to the site for additional work on the same project starting in January.

Rene Ortega with a crew of 16 employees continues to work on the Midland Tank Farm. We began working on the Midland Tank Farm in April of 2015 and have had a consistent flow of work since conception. Mainly due to the relationship we have been able to develop with the customer, we anticipate additional work and larger crews after the 1st of the year. Currently Rene is working on installing a fire system for the storage tank and pipe modifications for the manifolds.



Obed Nieto and Valentine Vasquez are bolting up 24" bypass piping to tank 5657 in Midland, TX.

Jay Willey and crew continue to find consistent small pipeline jobs while continually searching for and sending out bids for additional pipeline work. We have recently been awarded a 25 mile pipeline project near Pyote, TX which will commence at the beginning of December.



Manuel Rodriguez, Alberto Figueroa, Santos Montoya, Jose Perez, are pouring a source control building in Speaks, TX.

Work remains steady, but requires a lot of management time due to issues with awards, start dates, delays due to permitting and consistent changes in OQ requirements by our clients. With these issues come the continued challenges of maintaining a steady work force for shorter duration projects.



Charles Rhodes – Superintendent -The panoramic picture is the dual 3600' 8" drill under the Colorado river in Bay city, TX as it is being pulled in place.

Business development continues to do a great job with providing opportunities for Division 50. On multiple occasions, SFS 50 has been given a project due to our BDs relationship with the client and our division's strong ability in the field.



Welding 4" mainline on a 20,000' 4 project in Riesel, TX.

Our safety continues to be the single most important focus within our division. Our safety stats improved in FY16 from the previous year. The safety department continues to show their dedication to safety, not only in the field but in their day to day lives as well. Our Safety department continues to implement the BBS program in the field and our customers have recognized our efforts. Safety Excellence is an everyday task and our crews have done a great job practicing this.

Our PMs continue to battle with a very competitive market and the challenges that come with it. There were a

few setbacks with regard to a few projects in FY16 but the setback was used as a learning process to apply to future situations. The project management group continues to work efficiently in their roles and with their hard work have set SFS 50 up in a positive position.



Alex Flinchum, Luis Ochoa and crew is jeeping 8" drill section as the section is being pulled back in Hillsboro, TX.

Our dig crews have continued to service multiple clients, as have our new construction crews completing numerous projects safety and on time with total client satisfaction. This will help bring in additional contracts.



Dual 8" 3600' drill sections strung out in Bay City, TX.

The management team of SFS 50 would like to take this opportunity to thank each and every person that has had a hand in our day to day operations. This division continues to trend in the right direction and if we continue to pay attention to the details and strive every day to improve on our practices and responsibilities, then the rest will take care of itself.

Sunland Field Services
Bakken Operations
Stanley, North Dakota
701-628-3047

With the winter months approaching, the Bakken Group has been able to align themselves with the current market which has been moving from the historic T&M driven to that of a lump sum and cost estimate type of climate. There has been somewhat of a learning curve for the group. They have been able to not only maintain their field services work, but also develop the skills to successfully bid and execute project opportunities.

Led by Carl Karg, Operations Manager, the Williston group continues to provide a quality service to its customers and maintain relationships. The services provided include setting tank batteries, facility construction, and maintenance. Gabe Karg and his outstanding battery crew, have been assured continued projects for the remainder of 2016 and on into 2017, due to their superior craftsmanship at a competitive price. Williston has seen significant growth in its preventative maintenance work due mostly to newer EPA and state regulations. The next few months seem hopeful as the producers estimate projected growth into the beginning of 2017.

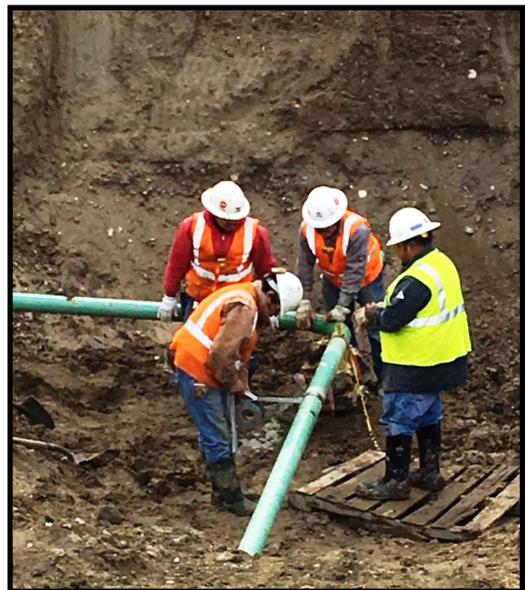


Mike Fugli, Aaron Hoffert and Hector Moreno making a hot Tie-in.

Mike Parameter, Operations Manager, continues to lead an experienced team in the Stanley Area as they remain working with existing as well as new clients. They provide services such as installing oil pumps, gas meters, lact units and Launcher/Receivers under PM Heriberto Aguilar. With the increase in workload and new clients, Leo Wagner has accepted the position of Field Superintendent which will allow the group to continue to service

their clients in the area. Leo Wagner has been with Sunland since 2011 and brings a level of expertise to the group that will help the Stanley Operation continue to grow.

The Bakken Projects Operations led by Mike Knudsen, has branched out from providing insulation and painting services into larger turnkey projects. These projects include opportunities such as pipeline construction, facility builds, and reclamation work for existing as well as new clients. Superintendent Chris Babcock a veteran at Sunland Construction since 2006 transferred to the Bakken Division from Rocky Mountain to help facilitate these projects and help the Bakken Division continue to develop their base of services. Along with Chris the Projects Group has promoted Morgan Axelson to a Project Manager, he has been with Sunland since 2014 and will be assisting with project controls as well as estimating. These projects are providing the Bakken group the opportunity to learn and expand as a leading contractor in the area.



Gerardo Cruz, Narcisisco Seguro, Jose Aguilar and Jose Rosas Sr. coating a weld on a redirected 4" line

Over the last few months the I&E group has been able to gain a solid foundation of clients and quality reputation. Marcus Van Vleck heads up the I&E group which serves the Bakken with instrumentation and electrical services expanding to a variety of clients within the region. The I&E group has opened many doors and created several opportunities for the construction group.

The Bakken welcomes two new clerks to Rene Aguilar's administrative team: Maria Torres in the Stanley Office and Jennifer Tanner in the Williston Office. These are additions to the current team of Marlem Aguilar, Nancy Phillips, and Megan Clark. The support staff in the office are key members of the Bakken's success.

Quality Management Department

“The Year in Review”

ISSUES EXPERIENCED IN 2016 - This past year, we experienced a few quality issues in three areas:

- **Anomalies** – Dents and Ovality in rocky terrain;
- **Coating and DCVG Defects** in rocky terrain
- **Weld Repair Rates** – Cracks and Arc Burns.

Anomalies

Anomalies are detected using a “caliper pig” or ILI (in line inspection) tool to verify that the pipe has been installed correctly with no dents or ovality issues outside of DOT regulations or company specifications that could affect the life cycle or operations the pipeline was engineered to perform.

Taking care during excavation to ensure that the ditch bottom is free and clear of debris, high spots, or rocks that could cause a dent once the pipe is set in the ditch line and backfilled is essential in eliminating dents and ovality. Install rock shield, sand bags, and trench breakers as specified can also help prevent dents. Backfilling with material free of large rocks will also help prevent dents during backfilling operations. If damage is caused by equipment or seen prior to backfill let someone know so that the damage can be inspected and repaired or replaced if necessary. Repairing dents prior to backfilling is much less costly than having to excavate anomalies after crews have demobilized.

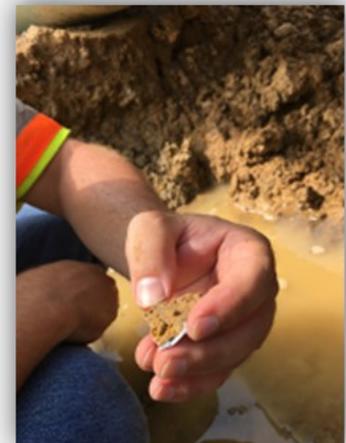


As the number of dents and ovality spots increases, so does our cost and time for excavating, inspecting, and repairing the areas identified by the caliper pig. Having to mobilize equipment, mats, bridges, and crews back to the anomaly locations also adds to the cost of a project.

Coating and DCVG Defects

Issues experienced with coating on our projects this year have generally been preventable.

- All coating should be mixed per the manufacturer’s applications sheet.
 - ◇ This must be checked and verified before coating starts on every project.
 - ◇ Do not alter or change the application procedure at the direction of an inspector.
 - ◇ If an inspector requests that we deviate from an application procedure, our crew should stop and verify the deviation with a supervisor. To document the change, we should also receive written authorization from the client directing us to deviate from the manufacturer’s procedure.
- Proper surface preparation.
 - ◇ Not only should we be sure we are blasting the pipe to the correct anchor profile required by the specification, but also that the pipe is cleaned, dry, and we do not coat over any dirt or mud. We should take the time to visually inspect the entire circumference of the weld prior to coating the weld.



Mud found under coating from the bottom of pipe.

- Holiday detection (“jeeping” the pipe)
 - ◊ It is NACE standard and a generally accepted rule of thumb that FBE pipe coating is inspected with a high voltage holiday detector at 125 volts per mil of coating. Clients are holding us to that standard more than ever. Some clients are even requiring we jeep the field joints (which has thicker coating) at a higher voltage to meet the 125 volts / mil than the pipeline coating (which has thinner coating) .
 - It may be necessary to start having the client clarify this during the bidding process as it could affect the time it takes to jeep the pipe.
 - Again if you feel that the inspector or client representative is asking us to deviate from a procedure or specifications we should stop and get clarification in writing for the project file.

Welding Issues

This year we have had a few projects with repair rates higher than normal. We would like to see our projects have a 3% or less repair rate and a couple of projects have seen repair rates as high as 10 to 15%. When diving into the repair rates to try and better understand what was happening, it was found that a large percentage of the welding defects were various types of slag inclusions, porosity, arc burns, and cracks.

- **Cracks** – We need to make sure we have enough of the bead pass in before removing the clamps, 50 -100% is common. After the clamps are removed we will need to limit pipe movement until enough of the hot pass and fills are deposited in the weld to prevent cracks as well.
- **Porosity** – If welding tents or shelters are needed to protect the weld from wind and other weather conditions that could adversely affect the weld we need to be proactive in getting them in place as soon as we think they could cause an issue with the welds.
- **Slag inclusions / Arc burns** – These defects tend to be the result of workmanship. Welders need to be sure to weld per the parameters of the project WPS and insure that the welds are being cleaned properly between passes. Also, to prevent arc burns take their time moving around the pipe and when grounding the pipe.

While the cost of poor quality and its effect on the bottom line of a project is concerning, the most damaging consequence is the effect these issues have on our reputation with our clients or put another way “customer satisfaction.”

“We are only as good as our last job” - customer satisfaction determines how good we were at that job and customer satisfaction often is dependent on the quality of work. That is why it is essential we do everything we can to prevent quality issues and perform in all phases of the project with safety and quality as priorities.

QMS (QUALITY MANAGEMENT SYSTEM) DEVELOPMENT

A large undertaking this year was the development of an official QMS for Sunland Construction and Affiliates. This has been a project in the making for some time now. Given the complexities of our work and the ever changing requirements we couldn’t just pick an “off the shelf” QMS, therefore we are customizing one specific to our needs.

Quality Management System: Is a collection of business processes focused on achieving quality policy and quality objectives to meet customer requirements.

Before we could dive into development we had to decide the direction of the QMS and what areas or operations we wanted to cover. We did not want to start with a system that was too large to manage or execute. In other words, we wanted to set Sunland up for success. We feel we have developed a QMS that will do that and has the capability to expand and grow with us. The project is scheduled to be completed by the end of the year and we will begin implementing in 2017.



Scope: “Corporate office functions for the provision of pipeline associated construction within regulatory guideline and per client’s design parameters and requirements.”

Objectives:

1. Construct high quality pipelines and facilities that meet our customers' requirements and specifications. Provide complete records necessary to support our customer's regulatory obligations.
2. Construct in a manner that increases efficiency, quality and reliability of delivered pipelines to enhance the company's profit.
3. Construct pipelines, facilities, and other projects that are fully compliant with regulatory requirements and have long life-cycles.

Database / Tracking:

A cloud based database has been created to capture weld repairs, coating defects, anomalies, customer satisfaction surveys, and subcontractor/vendor evaluations, and quality audits. It will also be able to capture corrective action reports and logs. The database will be a very valuable data mining component of the QMS. It will however, only be as good as the data and information we are given from the field. With good data from the field we will be able to begin tracking metrics, trends, and cost of the quality on our projects. The information will be tracked per project and division. This will allow us to report out to the divisions on their quality statistics throughout the year.

A QMS does not guarantee a flawless product or service without defect, but provides a framework for maximizing the delivery of a product or service. There are many benefits to having the QMS in place including: Increased efficiency, Continual Improvement, Process improvement and a factual approach to decision making, Improved stakeholder satisfaction, and many more.

GOING FORWARD...

We ask that everyone continue to implement current quality management efforts including the use of:

- **Foreman Reports** – Revised forms are legal size and can be printed in three copy foreman books. There is a report for each phase with a quality checklist applicable to each phase.
- **Welding Parameter Logs and Field Joint Coating Reports** - We are continuing to ask that two of each be completed per day on each project.
- We will begin to implement aspects of our QMS and will be asking for your assistance in these efforts in order to get those efforts off and running in the right direction. We are looking forward to the possibilities we will have with the QMS in place and to really start collecting valuable data. With the data collected we will be able to improve our quality, efficiency, and customer satisfaction.

Thank you to everyone for your efforts and support in raising the quality awareness throughout our projects and divisions. It is greatly appreciated and will only help us solidify Sunland Construction, Inc. and Affiliates as the premier provider for energy related construction services. As always we are here to assist and help in any way that can we can.

Quality: *We take Pride in our craftsmanship and accomplishments – “it is what we do”*



“Project Manager Academy”

After a brief hiatus, the Sunland Project Manager Academy once again kicked off its training sessions in 2016. Thanks to Corey Stone and Tanner Patterson, a new delivery format was developed, with the goal of streamlining the process as well as incorporating the added benefit of increased Executive level presence during the sessions.

The Project Management Academy for the Pipeline Divisions held its first session (Estimating Module) on 8/25 and 8/26 in Lafayette. This was the first iteration of the Academy where twenty (20) participants from divisions across the company came together for the 2-day session. Buffalo Gap I&E hosted a separate session for their project managers at their facility in Buffalo Gap, TX during the same two days. Paul Brown, Hardy Lee, Kyle Vidrine, Mike Oubre, and Tanner Patterson were the trainers and facilitators for the Pipeline session, while Larry Jean and Kevin Bounds facilitated and trained at the BGI&E session.

The second session of the Academy (PM Module 1), was held on 10/19 and 10/20 in Lafayette. This session was attended by forty (40) PM’s from across Sunland and Affiliates, and was again facilitated by the (7) aforementioned facilitators. In addition, Joe Cimbak was introduced to the group. Joe will play an integral role in the further development and implementation of the Academy and, in particular, how to integrate financial training for non financial managers with the PM Academy. Currently, the third session of the Academy (PM Module 2) is scheduled for late January in Lafayette.



“Delcambre Yard Crew”

We would like to recognize the guys in Delcambre that help keep the wheels turning in Division 17!



Pictured from left to right: Greg Bradley, Wallace Linden, Shayne Boudreaux, Chad Lasseigne, Nicholas Boudreaux, Bubba Latiolais, Clyde Kennison, Shawn Dunn & Charles Dozier. Not Pictured: Ramsey Harrison

THANK YOU



Happy Retirement



Diane M. Salyers

Field Office Assistant
2008-2016

Diane is starting a new phase – the retirement phase. We are going to miss her and continue to try to talk her out of it. Diane joined our group along with her wonderful late husband John back in 2008. John had been with us since 2004 and after her first retirement we were delighted to have her on-board. She was a marvelous addition to our BGI&E family. We wish her a happy retirement with many adventures awaiting. Enjoy writing the next chapter of your life. We still want to be in it. Good Luck – God Bless. “Enjoy Holland”





Buffalo Gap 2016 Toys for Tots



We would like to thank the Employees, Vendors, Friends and Family for their generosity. We did not believe for a minute that the response this year could come close to matching the contributions of last year but it did, and then some. Thank you for your immeasurable contribution of the lives of the children that will benefit from your open hearts.

Giving a toy may not seem to be an act of greatness - but to a child it can be a tiny ripple of hope. Because of your generosity there will be children enjoying the magical moment of opening a toy this Christmas. "Thank you" doesn't seem like enough, so we will say instead. May you and yours have a very Merry Christmas and "God Bless you Everyone"



Top: Peggy Strickland, Annette Mills, Cynthia Garcia, Jana Howell, Maricela Romero. Bottom: Brianne Pruitt, Teresa Wyatt, Debra Parks and a multitude of unnamed big hearted contributors.



**423 Toys
12 Bicycles**

In memory of our co-worker and friend



Markus Chase Guillory 10/6/89 - 11/24/16

The Gulf Coast Division suffered a great loss this year with the passing of Chase Guillory, one of our Project Managers. Chase was only with Sunland a couple of years but his time here was valuable on both a personal and professional level. He was a graduate of University of Louisiana with a Bachelor's Degree in Industrial Technology. Chase loved life, the outdoors, hunting, fishing, and spending time with his family and friends. He had a smile for everyone and a heart of gold. Chase will be sadly missed by all who knew and loved him. Our hearts and prayers go out to his family and friends. He will be sorely missed.

CELEBRATING YEARS WITH SUNLAND & AFFILIATES

5 YEARS

5

Christopher Babcock - SFS
Mary Bouknight - Foremost
Cleatus Campbell - SCI
Megan Clark - SFS
Michael Crosby - Foremost
Orlando Cuevas - SCI
Heith David - SCI
Jesse Dukes - SCI
Abel Espinoza - SFS
Brian Farr - Foremost
Darrell Gray - SFS
Gene Grossnicklaus - SFS
Garret Guidry - SCI
Randy Herriman - Buffalo Gap
Elliot Karg - SFS
William Lahaye - SCI
Kimberly Mcdaniel - SCI
Jose Munoz - SFS
Deborah O'rear - Buffalo Gap
Phillip O'rear - Buffalo Gap
Louise Ory—SCI
Kevin Purington - Corporate
Paul Sene - Foremost
Scott Shackelford II - SCI
James Shumaker - SCI
Ryan Stewart - SFS
Jose Ruiz - SCI
Kizzy Shelvin - Corporate

10 YEARS

10

Michael Brown - Corporate
Orlando Arreola - Buffalo Gap
Troy Bonar - Buffalo Gap
Jerry Coleman - Buffalo Gap
Dustin Dutton - SFS
Annette Francois - Stations
Fernando Gomez - Foremost
Ramsey Harrison - SCI
Christopher Johnson - Kori
Wallace Linden - SCI
James Lucas - Foremost
Susan Mayeaux - Corporate
Kelly Meaux - Equipment
Jeffrey Montgomery - SCI
Katherine Moore - Buffalo Gap
Steven Price - Foremost
Eugene Ridgell - Foremost

Bo Weaver - SCI
Charles Sloan - Foremost
Roger Tindal - Foremost
Cody Weaver - SFS
Todd Wingard - Foremost
James Yarbrough - Foremost

15 YEARS

15

John Malveaux - Kori
Jody Monceaux - Equipment
Ronald Robbins - SCI
James Shaw - Buffalo Gap
Sidney Teal - Kori
Brian Ward - SCI
Michelle Segura - Belle Chasse
Shirley Williams - Foremost

25 YEARS

25

Duane Kyzer - Foremost

30 YEARS

30

David Soileau - SCI

35 YEARS

35

Fran Fontenot - Sunland
Division Office Manager



Congratulations!





Co-worker

Michelle Segura

Office Manager
Belle Chasse Marine Division
Division 18

Which company do you work for and how many years of service? *I work for Sunland Construction's Belle Chasse Marine Division since 2001. Prior to Sunland, I worked for HBH, Inc. at this same location with the same great group of guys since 1994.*

Are you married, spouse's name, kid's names and ages? *I am married to Victor Segura going on 9 years. I have a son named Logan who is 15 and stepson Christian who is 20 (living at home but going to college) and I can't forget Sammie our 6 year old Shitzu.*

What do you enjoy doing in your spare time? *In my spare time I love Cooking, Camping with the Family and I always have some kind of Art Project I am working on.*

What do you like most about your job? *I never know what the next day is going to bring, it is always a challenge.*

Where do you see yourself (career-wise) in 10 years? *I hope to still be here working at the Belle Chasse, LA office as an Office Manager.*

This year, what has been your biggest work-related challenge? *Workday!!! I think most employees feel the same. I see the benefits of Workday and I feel like it has gotten better, I am starting to like it now. It just takes time to get adjusted to a big change.*

This year, what has been your biggest work-related achievement? *Having a good customer/vendor relationship! Communications with our Customer's project managers on their requested daily/weekly project estimates all the way through to actual billing. It is a good feeling when they believe in you to get them the correct information timely and accurately, whether it is good or bad. It makes my job much more pleasant.*

In your eyes, what sets the company you work for apart from the competition? *Sunland is an honest company, and has a dedication to safety and a great number of combined experience amongst its employees!*

If you could change one thing about the company you work for, what would it be and why? *Having Mardi Gras as a Holiday, because Mardi Gras is a Holiday along the Gulf Coast or possibly having a Floating Holiday would be nice.*

If you could have dinner with anyone, past or present, who would it be and why? *My Husband's Mom, unfortunately she passed away many years ago but I heard she was an excellent cook (Authentic Costa Rican Food) and I was told we would have had a lot in common. She sounded like a great lady to have known and spend time with.*

Kevin Purington
Corporate Safety Manager
Sunland Construction
Division 95



Which company do you work for and how many years of service? *Sunland Construction and Field Services – 5 years*

Are you married, spouse's name, kid's names and ages? *I've been married for almost 25 years to my wife Jessie. We have a son Zachary, 25, in Lafayette, daughter Courtney, 23, son-in-law David and granddaughters Harley and Ava who live in ND.*

What do you enjoy doing in your spare time? *I'm a Sports Junkie, love all sports but especially football. Now-a-days it's more about watching rather than playing.*

What do you like most about your job? *No two days are ever the same. With so much happening throughout all the Divisions across all the states there is always some sort of challenge to be met. I also love training. In this industry we get people from all walks of life and it's interesting to learn about their past experiences as well as differences in work and safety cultures from former jobs compared to where they are now.*

Where do you see yourself (career-wise) in 10 years? *I'm really excited about my new position and my number one goal is to do the best job I can at this role. I see myself happily employed with Sunland for many more years.*

This year, what has been your biggest work-related challenge? *One thing I realized when I moved into the Western Region Safety Manager position a few years back was all the differences throughout the Divisions. The past two years challenge has been to try and get these divisions to talk and cross borders to help each other. Sharing lessons learned from incidents and asking for assistance and using our own internal wealth of knowledge and experience to educate, train and assist on each other's jobs. The team of Division Safety Coordinators we had in the Old West all brought so many different experiences and knowledge to the table. We all realized collectively that each Division has its own identity and may not be able to operate in the same manner as others, but keeping our employees safe in the workplace is no different from one job to the next. It may be a little more complicated and challenging and you may have to be a little more understanding and creative, but in the end we are charged with overseeing the health and welfare of our employees. We found ways to stop saying we can't and we did. We're going to keep improving, we have a first class Safety Team in this company that genuinely cares about the safety and welfare of our employees.*

This year, what has been your biggest work-related achievement? *Being asked to move into the Corporate Safety Manager Position.*

In your eyes, what sets the company you work for apart from the competition? *There is a true sense of family and comradery throughout most of our company. I've worked for three different Divisions throughout Sunland with my last assignment covering six Divisions with a very diverse group of workers. I have seen many leave our company for a bit more money only to show back up a short time later telling us "the grass really wasn't greener". This isn't just a cliché, it is the truth.*

If you could change one thing about the company you work for, what would it be and why? *I would like to see a process in place to improve identification of major hazards, and assess and manage such risks to cut down on the repeat incidents that we keep seeing. Through all of the root cause analysis investigations that I have facilitated or participated in over the last 5 years I would say the majority of the time there was a failure to simply follow OUR OWN Policies and Procedures. I know there are inherent risks in the jobs that we do throughout this company, but we could cut down on a tremendous amount of incidents just by abiding by our own policies and procedures and looking out for each other.*

If you could have dinner with anyone, past or present, who would it be and why? *My Grandpa Pius was a WWII Army Veteran who fought in many battles including the Battle of the Bulge which was the last major German offensive campaign of WWII. He passed away when I was a junior in high school and prior to me joining the Army. I never had a chance to share my experiences with my Grandpa or to hear and compare the now and then of two Soldiers in much different times. Having one last burger with my Grandpa would be my choice.*



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Sunland Construction, Inc.
P.O. Box 1087
Eunice, LA 70535

THE TREE LINE

A Newsletter for the Employees
of Sunland Construction & Affiliates

Editor/Layout: Kizzy Shelvin

Contributors:

Craig Meier, President, CEO
Sean Renfro, Sr. Vice President
Dan Schwarzenbach, Corporate Division
Melody Guidry, Corporate Division
Alva West, Corporate Division
Joey Artigue, Station Division
Shannon Jett, Eastern Division
Fran Fontenot, Station Division
Corey Stone, Station Division
Ben Aton, Foremost Pipeline
Guy Richard, Sunland-Kori Services
Randy Maturin, Gulf Coast Division
Luke Bender, Directional Drilling
Louis Ledet-Eastern Operations
Garret Guidry, Gulf Coast Division
Joshua Tankersley, Bakken Division
David Clavier, DHB Division
Dan Scott- Rocky Mountain Division
Kyle Vidrine, Gulf Coast Division
Cameron Belfour, Station Division
Tammy Fendley, Eastern Division
Kevin Kamata, Gulf Coast Division
Michael Oubre, Station Division
Deedra Cashat, Gulf Coast Division
Bill Strickland, Western Operations
Jeffrey Fletcher, Gulf Coast Division

Bridger Durham, Gulf Coast Division
Andrew Thom, Gulf Coast Division
Lauren Ross, Sunland Field Services
Kevin Jenkins, Eastern Division
Jason Leger, Corporate Division
Peggy Strickland, BGI&E
Jason Kaylor, Gulf Coast Division
Wesley Brown, Station Division

Talk to us

Questions? Comments?

Want to submit an article?

Got pictures or story ideas?

The Tree Line
Attn: Human Resources
Sunland Construction, Inc.
P.O. Box 1087
Eunice, LA 70535
1-800-299-6295 toll free
1-337-546-0245 fax
www.sunlandconstruction.com

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