

The Flow Informer

your resource to eliminate turbulence

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Rely on Us

ConocoPhillips Specialty Products Inc. (CSPI) works to optimize reliability metrics

Pipeline operators know the importance of vendor reliability. They consistently rely on electricity to turn on and be on when expected, and moreover, when needed. This same adage holds true for DRA vendors. When you need your DRA product to be injected and perform-

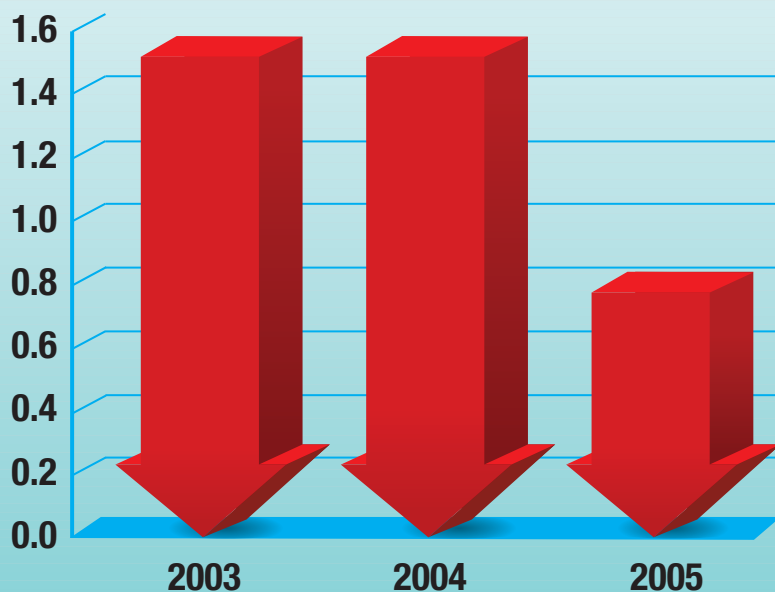
ing in your pipeline, you expect it to be doing just that: performing. CSPI is committed to ensuring the highest level of flow improver injection reliability.

In CSPI's most recent customer satisfaction assessment, 5 of the top 10 characteristics most important to

flow improver customers centered around system reliability. CSPI takes pride in our metrics on flow improver injection reliability. We understand that if your flow improver equipment is not injecting when you need it, you are not realizing the value of LiquidPower™ Flow Improvers.

In order to ensure optimum injection operation, CSPI has an expansive trouble reporting system, where every member of the CSPI team is responsible for entering any

See Rely on Us on page 3



 Average hours of downtime per skid, per quarter

In this issue ...

You Heard it Through the Pipeline	2
I Spy CSPI	5
Lookin' for Trouble	5
New Faces, New Places	6

You Heard it Through the Pipeline

Meet Yung Lee!



Birthplace:

Seoul, Korea

Education:

B.S., Chemical Engineering, Washington University; M.S., Chemical Engineering, Texas A&M University; Ph.D., Chemical Engineering, Oklahoma State University

Career Background:

Dr. Lee started his career with ConocoPhillips in 1988 in a research role supporting product development for CSPI. He then relocated to Houston in 2000 for his current role as Manager of Engineering.

In this issue of The Flow Informer, CSPI's Engineering and Quality Manager, Dr. Yung Lee, contributes to "You Heard it Through the Pipeline."

CSPI is committed to ensuring our customers are completely satisfied with our product and service offerings. Our goal is that your LiquidPower™ Flow Improver product, equipment, logistic service and technical support work cohesively to maximize your pipeline's performance, while increasing your profit potential. As the manager of both engineering and quality administration, I see the daily commitment of the CSPI team to make certain your LiquidPower™ Flow Improver products and services offering is safe, reliable and of superior quality.

With a group of professionals committed to the continuous improvement of injection equipment technology, our team uses multiple

fabricators and maintains equipment inventory for standard equipment turn-out time. Injection skid reliability is of utmost importance. Our uptime service record averages to 99.95 percent, equaling a mere 5 hours of downtime per skid, per year. This consistency record sets the market standard.

Most recently, CSPI is in the process of updating a critical component of our injection skids for optimum performance. Through our trouble reporting system, we were able to identify this area for development, and have since acted on it. (For more information on CSPI's trouble reporting system, turn to page 5.)

The engineering staff maintains technical knowledge with modeling and field testing capabilities. Both crude and refined products application predictions of how our product performs in your pipeline system are exceptionally accurate. CSPI's engineers help customers to optimize the complete pipeline system with or without the use of DRA, creating alternatives to maximize revenue and minimize costs.

Engineering expertise is just part of the entire formula. CSPI also has a

vision to deliver products and services of such superior quality that our customers are not only loyal, but are public champions of CSPI's flow improver solutions. Our quality system encompasses the entire business and is entirely customer-focused. CSPI is ISO 9001:2000 certified, covering design, manufacturing, marketing, distribution and service of our flow improver solutions.

External quality audits conducted by BVQi, a leading ISO certification assessor, are administered every year, as are internal audits. Root-cause analyses and corrective actions are taken for elements not meeting expectations and preventative measures are completed to ensure our plans are implemented effectively.

Procedures and records are documented and controlled, covering all internal operations from design to post-delivery activities. Processes are defined for identifying and meeting customer requirements and receiving feedback, as well as for designing and validating new, innovative products, services and equipment.

We are always looking for ways to keep you, our customers, completely satisfied. If you have any questions, concerns or ideas, please feel free to contact me at Yung.N.Lee@ConocoPhillips.com.

- Yung Lee

We hope you enjoy this issue of *The Flow Informer*. If you would like to be added or removed from our distribution list, please contact Monica Silva at Monica.Silva@ConocoPhillips.com. Feel free to also contact Monica with story ideas, feedback or comments. All issues of *The Flow Informer* are available on our Web site, www.LiquidPower.com.

Rely on Us

continued from page 1

“We know that the ultimate value for your dollar is realized when LiquidPower™ Flow Improvers are being injected into your pipeline.”

and all issues of CSPI’s flow improver service offering. The system tracks each and every injection skid for downtime (the time when performing flow improver is not being injected into your pipeline when needed) and its causes, in an effort to continuously enhance our system. Each trouble report lists the reason for the downtime, such as product, equipment, logistics and other reasons such as customer-driven error, equipment start-up or training.

“Through our comprehensive trouble reporting system, we are able to track all process, product, logistic and injection system problems, in an effort to identify solutions across the board so that all of our customers benefit in the long run,” said Dung “Zoom” Nguyen, staff engineer for CSPI. “With the system, we are able to log and follow up on problems,

track potential trends and find proactive remedies. It allows for a more efficient way of information sharing and resource utilization.” (See Page 5 for more information on CSPI’s trouble reporting system.)

CSPI’s goal is to have less than one hour of downtime per skid, per quarter, overall. Throughout 2005, CSPI consistently met this objective. Although not every DRA provider may see the importance in tracking these metrics, CSPI views it differently.

“We know that the ultimate value for your dollar is realized when LiquidPower™ Flow Improvers are being injected into your pipeline,” said Mark Ewen, director, Market Development for CSPI. “We have done research to see what one day of downtime could potentially cost our customers, and it’s astonishing.”

Although CSPI has met and surpassed its goal of less than one hour per skid, per quarter of downtime, we are still looking for ways to improve this metric, so that our customers don’t have to experience unwanted downtime.

CSPI is in the process of meeting with its customers to review the specifics of their system’s downtime metrics, and what the organization is doing to address it.

“We’re committed to open com-

munication – we want to give our customers the data on their system, but we also want to hear back how we can improve, and on any issues they may be having with their injection system, product or delivery,” said Yung Lee, manager, Engineering & Quality. “If we don’t know about the problem, we can’t fix it. Beyond our routine maintenance visits, we rely on hearing from our customers. It’s a true team effort.”

CSPI can share customers’ individual system data for up to eight previous quarters. The reliability meetings are important to identify potential troubles and discuss a path forward, but also to make sure CSPI’s data matches with the customer’s data.

“It’s our number one goal to be your full-service flow improver provider, and we know this does not stop with the delivery of your product,” said Ann Oglesby, manager, CSPI. “We our very proud of our system reliability results, but this will not stop us from continuously looking forward to the next goal.”

If you are interested in seeing your pipeline system’s unique reliability metrics and downtime analysis, ask a member of your customer focus team. The team will gather your metrics and identify a path forward based on your results.

We've Got SPIRIT, Yes We Do!



On February 16, ConocoPhillips held its annual *SPIRIT of Performance Awards* ceremony, honoring teams within the company that best exemplify ConocoPhillips' highest standards of performance in conducting business and contributing to society. ConocoPhillips Specialty Products Inc. was honored with a SPIRIT of Performance Award for operational excellence. This award is presented to the business units or teams that have demonstrated an extraordinary ability to enhance the speed, efficiency or effectiveness of an operation. The entire CSPI team was thrilled with the prestigious recognition. Representing CSPI at the awards ceremony was (l to r): Thierry Descamps, Regional Account Manager, Moscow; Mark Ewen, Director, Market Development; John Powers, Manager, Marketing; Desire Murenzi, Regional Account Manager, Brussels and Cindy Bond, Manager, Americas Sales.



Skid Spot

For reliable injection, it is essential that the product and injection equipment are properly managed.

Product

- Ensure agitators are operating properly.
- Check to make sure air conditioners are cooling. Clean the filters and coils.

Contact your Customer Focus Team if you have any questions on your equipment operation.

Equipment

- Ensure proper oil levels.
- Check injection pump packing and adjust accordingly. Clean up drips to prevent product migration into the gear box.
- For a given injection rate, log the percent stroke reading or VFD setting.
- Monitor the discharge pressure and return line on the feed pumps.
- If you have an international skid, be sure to run the Kral recirculation pump according to CSPI's product handling procedures.

Lookin' For Trouble

CSPI is always looking for ways to improve our service offering. As you read in "Rely on Us," (page 1), one of our main avenues to a continuously enhanced offering is through our trouble reporting system.

The system is a comprehensive method of tracking any and all system problems, delays or issues. Each member of the CSPI team is responsible for entering trouble reports into the system within seven days of the event. The program is intranet-based for easy accessibility for the global business.

Trouble reports are taken very seriously by the organization, and the task is listed in many of our employees' job descriptions as a primary responsibility. Although it would be nice to not have any trouble to enter in reports, we view the system realistically, understanding there is always work to be done.

Any employee first to discover a problem, or any employee first learning of a problem from a non-employee (i.e. customer correspondence, driver's notes on delivery form, etc.,) is accountable for ensuring a trouble report is entered.

CSPI's trouble reporting system ensures:

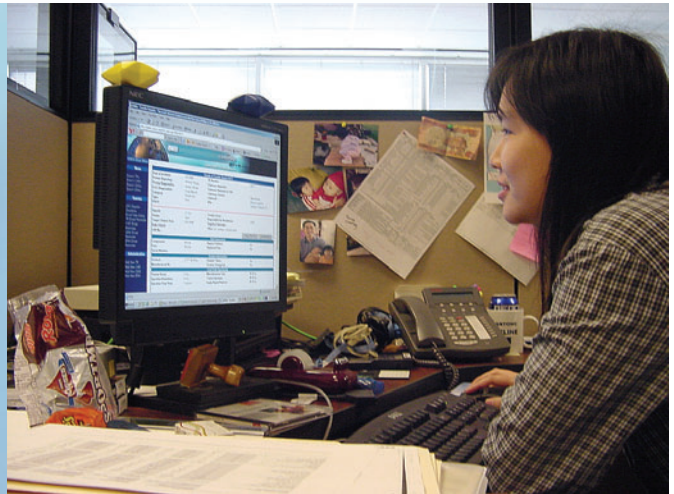
- The individual/group working in the area or anyone with the ability to correct the problem and prevent it from recurring is notified. In some circumstances, these individuals can contact other potentially affected areas and prevent the event from recurring, or take other preventative actions.
- Trouble report trends are evaluated to identify an emerging

problem before potentially becoming a crisis.

- The overall customer impact is understood. LiquidPower™ Flow Improver injection downtime is indicated and serves as a gauge of customer impact.

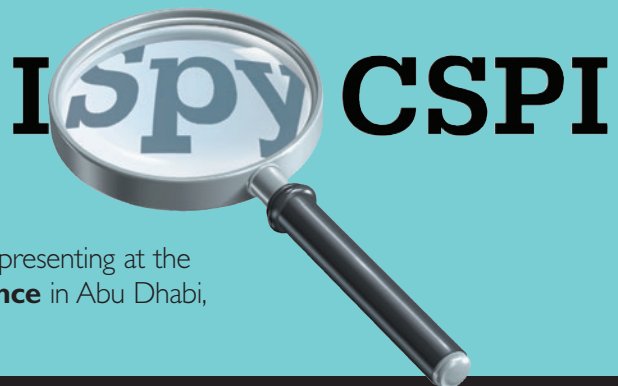
- Objectives, such as preventative measures, can be managed through the trouble reporting system as a potential issue is identified.

- CSPI can understand its quality performance while setting future targets and realizing successes.



Keep an eye out for the CSPI team at the following industry events...

- **2006 API Pipeline Conference and Cybernetics Symposium**, April 25 – 27, Fort Worth, Texas
- **2006 Annual Pipeline Energy Group Meeting**, April 27 – 28, Las Vegas, Nevada
- John Gillespie, Regional Account Manager, Brussels, will be presenting at the **6th Annual Oil & Gas in the Middle East Conference** in Abu Dhabi, United Arab Emirates on May 16



For more information on these events, visit our Web site (www.LiquidPower.com) for a direct link to the conference Web sites.



New Faces, New Places

New faces are walking the halls of CSPI:

■ Logan Warren joined CSPI in August of 2005 and is serving as a Design Engineer in Houston.

■ Anita Hendricks began her role with CSPI in February 2006. Anita is CSPI's new Director, Logistics (located in Houston).

■ Kerry Jones started his position as Consultant, Planning and Analysis in October, 2005, and is also located in Houston.

■ Olivier Van Coppenolle is a new Technical Service Engineer in

Brussels. Olivier began his position in August 2005.

And some people are sporting new roles. Here's a recap:

■ Martin Guillory, former Commercial and Technical Sales Lead, is now the Americas Sales Team Lead for crude applications.

■ Adam Seals, former Technical Service Representative for refined products applications is CSPI's new Commercial and



Warren

Hendricks

Jones

Van Coppenolle

Technical Sales Lead.

■ Ashley Nelsen, former Staff Engineer, is now the Technical Service Representative for Crude Applications.

And one colleague is in a new place:

■ Thierry Descamps, Regional Account Manager, Moscow, has now relocated to Moscow from Brussels to better serve his customer base.