

# Change Order

## No. 6 (Six)

Date of Issuance: June 12, 2020 Effective Date: June 12, 2020

Project: Gillette Madison Pipeline Project – Production Wells	Owner: City of Gillette	Project No.: 07EN58 – Cont. #2A MMI Project No.: 4776,002
Contractor: Layne Christensen, Inc.		Date of Contract: November 13, 2015

**The Contract Documents are modified as follows upon execution of this Change Order:**

Description: Adjustments to test pumping equipment and adjustments for time extension and cost escalation of the project.

Attachments: (List documents supporting change): Change Order Summary, Contractor's E-Mail

**CHANGE IN CONTRACT PRICE:**

**CHANGE IN CONTRACT TIMES:**

Contract Price prior to this Change Order:

\$ 14,680,079.19

[Increase] [Decrease] of this Change Order:

\$ 472,644.87

Contract Price incorporating this Change Order:

\$ 15,152,724.06

Contract Times prior to this Change Order:

Substantial completion (days or date): 720 Days

Ready for final payment (days or date): 780 Days

[Increase] [Decrease] of this Change Order:

Substantial completion (days or date): 120 Days


Ready for final payment (days or date): 120 Days

Contract Times with all approved Change Orders:

Substantial completion (days or date): 840 Days

Ready for final payment (days or date): 900 Days

RECOMMENDED:

By:   
Engineer (Authorized Signature)

Date: July 1, 2020

ACCEPTED:

By: \_\_\_\_\_  
Owner (Authorized Signature)

Date: \_\_\_\_\_

ACCEPTED:

By:   
Contractor (Authorized Signature)

Date: 7-2-20

Approved by Funding Agency (if applicable): \_\_\_\_\_

Date: \_\_\_\_\_



## WYOMING WATER DEVELOPMENT OFFICE

6920 Yellowtail Road  
Cheyenne, WY 82002

Phone: (307) 777-7626  
wwdc.state.wy.us

Mark Gordon

Governor

Commissioners

Gerald E. Geis  
Clinton W. Glick  
Kellen K. Lancaster  
Sheridan Little  
Mike Purcell

Larry Suchor  
Rodney Wagner  
Bill Yankee

June 15, 2020

City of Gillette Utility Department  
Attention: Mr. Levi Jensen  
P.O. Box 3003  
Gillette, WY 82717

Dear Mr. Jensen:

This letter provides Wyoming Water Development Office concurrence to Change Order No. 6 to Layne's contract on the Gillette Madison Pipeline - Project 2a. Change Order No. 6 addresses adjusts the costs for a test pump and equipment necessary to pump test the M13, M14 and M15 wells. Change Order No. 6 increases Layne's contract price by \$472,644.87 (from \$14,680,079.19 to \$15,152,724.06). Please provide WWDO with a copy of the executed change order.

Please contact me if you have any questions.

Regards,

A handwritten signature in blue ink, appearing to read "Bryan Clerkin".

Bryan Clerkin  
WWDO Deputy Director of Construction

Enclosure: Draft Change Order No. 6  
cc: Project Files

### Change Order 6 Summary

This Change Order amends the contract to account for changes in test pumping equipment as well as adjustments for extension of time due to circumstances beyond the Contractor's control. A summary of each of the major categories of changes addressed in this change order is shown below.

#### Category 1 - Test Pumping Task Changes

The original contract provided for specified test pumping equipment to complete the final pump tests. Some of the specifications and equipment bid in the original contract has required changes due to:

- The Wyoming Department of Environmental Quality (WYDEQ) led groundwater investigation substantially impacted the timeline of the project. This consequently impacted the availability of the pumping equipment, which was originally planned to be rented by the Contractor. The intended supplier for this equipment has been bought out, and the purchasing agreements between the Contractor and Supplier have changed.
- The original contract specifications required a portable generator power source for the test pumping. The Owner has completed constructing the permanent electrical infrastructure to these sites, which can be used, with some accommodations, to power the test pump.
- The 8 5/8-inch diameter pump column was upsized to 10-inch to reduce headloss and increase flowrate during the test.
- The original contract specifications contemplated a surface discharge on site in accordance with a WDEQ discharge permit. Since the groundwater investigation, WDEQ has indicated they will not allow a surface discharge in this area. Accordingly, a new discharge plan utilizing the Madison transmission main to a discharge point just above Keyhole Reservoir is required. This plan and procedure are similar to that used on Contract 2B of GMPP.

#### Category 2 - Cost Escalation

The project schedule was extended due to reasons beyond the Contractor's control. Test pumping was not allowed to proceed due to the groundwater investigation by WYDEQ. A consequent escalation of prices from the original bid prices was requested by the Contractor based on the escalation of the US Department of Labor for the Producer Price Index from March 2017 to April of 2020.

#### Category 3 – Contract Time Extension

Due to the expiration of Contract Time, and the extended project schedule due to circumstances beyond the Contractor's control, an extension of Contract Time is included in this Change Order. This Contract Time will apply to the completion of all work remaining in the Contract, as amended by subsequent Change Orders. Contract time will be assessed on a working day basis.

### Change Order Item Specifics

#### **New Bid Items**

The following Bid Items will be added to the Contract:

New Discharge/SWPP Permit Application	1 LS	\$ 13,356.00	\$ 13,356.00
Discharge Line from Well to Existing Pipeline	3 EA	\$ 21,666.75	\$ 65,000.25
Provide 10" Pump Column	2000 LF	\$ 44.10	\$ 88,200.00
10" Pump Column Tools	50,000 UNITS	\$ 1.00	\$ 50,000.00
Provide Baker Hughes WN-1600 Test Pump	1 LS	\$321,438.08	\$321,438.08
Pump Technician Service Charge After Initial Setup	2 EA	\$ 15,750.00	\$ 31,500.00
Disinfection of Transmission Line Following Testing	1 EA	\$ 76,018.79	\$ 76,018.79

Re-Mobilization for Pump Testing	1 EA	\$ 83,985.00	\$ 83,985.00
Mobilization for Acid Frac	1 EA	\$ 83,985.00	\$ 83,985.00
Provide/Install/Remove Temp. Elec. Service	3 EA	\$ 23,415.00	\$ 70,245.00

Subtotal New Items \$883,728.12

#### Measurement and Payment for New Bid Items

*New Discharge/SWPP Permit Application* – This item will be paid on a lump sum basis, at 100% payment when the discharge permit is obtained. This item includes all costs to prepare and obtain a SWPPP and discharge permit are included, including applicable fees.

*Discharge Line from Well to Existing Pipeline* – This item will be paid on a per each basis for each well site. This item includes excavating existing line, laying the discharge line to the connection point, connecting the line, removal of the line once pump testing is done, including backfill and compaction.

*Provide 10" Pump Column* – This item will be paid on a lineal foot provided basis as necessary to set the pump for test pumping. Column will only be paid for once, even though it is anticipated to be used at all three well sites. Price includes procuring the pump column, assembly, installation, disinfection, handling, removing the pipe when complete and stacking it for storage at a location directed by the Owner near the project site when complete. The pipe material will be the property of the Owner when the project is complete, and will be stacked and otherwise secure for storage at the site of at an Owner requested location in Gillette, WY upon completion of the project.

*10" pump Column Tools* – This item will be measured and paid by a Unit basis, where one unit equals one dollar of costs. Documented costs related to providing 10" tooling including markup as allowed by the contract will be paid based on documented invoices for the tooling. Additional rig time will be paid for time in excess of the bid quantity for item 02680.147, up to a cap of 20 hours per well, at the unit price for Bid Item 02680.147.

*Provide Baker Hughes WN-1600 Test Pump* – This item will be paid on a lump sum basis. This item includes providing the test pump, and required accessories and parts for make a full installation for the purposes of test pumping the well. The pump and electrical cable will become the property of the Owner after test pumping is complete, and will be crated for transport and storage to a location directed by the Owner in Gillette, WY.

*Pump Technician Service Charge After Initial Setup* – This item shall be paid on a per each basis for each well after, but not including the first well installation. This item includes Baker Hughes technician time to install and uninstall the pumping equipment in the well.

*Disinfection of Transmission Line Following Testing* – This item shall be paid on a per each basis for disinfection the line and preparing it for a return to potable water service. This item includes dichlorination during draining of chlorinated water in the transmission mains, chlorination after testing is complete, and dichlorination and bacte testing. This includes all work necessary to complete these tests and obtain passing tests/samples. Payment will only be made once for this work -repayment will not be made for failed tests and all costs to retest and obtain a passing result will be the responsibility of the Contractor.

*Re-Mobilization (Pump Testing and Acid Frac)* – This item will be paid on a per each basis for one remobilization for acid fracturing, and one remobilization for pump testing. Item includes all necessary transport, setup, storage, and other preparatory or operational costs to get to the site, setup for work, tear down, a remove all equipment from site.

*Provide, Install, and Remove Electrical Service for Pump Tests* – This item will be paid on a per each

well basis. This item includes all necessary resources including labor, equipment, and materials to connect the test pumping equipment to the Owner supplied electrical system (Owner will supply power system up to and including the primary transformer) at the primary transformer.

### **Changed Bid Items**

The following Bid Items Prices/Scopes are changed by this Change Order:

#### *02680.146 Provide Test Pump Equipment, Appurtenances, and Instrumentation for Final Pump Test*

The per each (well) price for this item has been reduced to account for rental costs accounted for under this Item. Since the test pump is being provided as a stand-alone item, a credit of \$40,000.00 per well lump sum will be applied at 3 LS for a total credit of \$120,000.00.

#### *02680.148 Provide, Install, and Remove Generator for Final Pumping Tests*

This item will be removed from the Contract. Original Bid price was 3 TESTS at \$38,000/TEST for a total deduct of \$114,000.00.

#### *02680.149 Operate Generator and Test Pumping for Final Pumping Tests, as specified, including standby for recovery after pumping*

The original Bid Item included the provision and operation of a generator to provide the power for the final pump tests. Since permanent power is installed to the well sites, and will be connected to each site under the new Provide/Install/Remove Temp. Elec. Service item above, this change order deducts the costs of generation of \$600 per Hour resulting in a revised price of \$650 per Hour for this Bid Item. At an estimated bid quantity of 400 hours, this results in a deduct of (\$240,000) from the original Contract Price.

SubTotal Change in Price from Changed Bid Items = -\$474,000.00 (\$474,000 Deduct)

### **Price Escalation**

Due to the amount of time that has passed since the Contractor could have completed the project prior to the WDEQ investigation, the Contractor has requested an adjustment to the original Contract unit prices. The Contractor has requested an increase of 4.5% be applied to all original bid items paid from the execution date of this change order forward. The US Department of Labor for the Producer Price Index in April 2020 was 117.1, while the March 2017 index value was 112.1.  $(117.1 - 112.1) / 112.1 = 0.045$ . The total amount of original price bid item work is estimated at \$1,398,150.

Price Escalation	MULT	4.5%	1,398,150	\$62,916.75
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### **Contract Time**

The following times are added to the Contract Time for the project:

Frac M-14 – 30 Days  
Final Pump Tests – 60 Days  
Site Restoration – 30 Days

Total Days Added by this Change Order = 120 Days

### **Total Changes to Contract Time and Price**

Net Change to Contract Price = Add \$472,644.87

Net Change to Contract Times = Add 120 Days

Attachments:        Layne April 3, 2020 Letter  
                         Layne April 30, 2020 Email  
                         Layne May 20, 2020 Email



Office  
5810 East 77<sup>th</sup> Avenue  
Commerce City, CO 80022

T (303-755-1281)  
graniteconstruction.com

03 April 2020

Morrison-Maierle  
315 North 25<sup>th</sup> Street, Suite 102  
Billings, MT 59101

Attn: Mr. Casey Hanson, PE, Director of Technical Services  
Mr. Pat Eller, PG, Geologist

Subj: City of Gillette, WY; Gillette Madison Pipeline-Madison Production Wells  
Project Restart Changes

Gentlemen:

Layne Christensen Company is pleased to present information related to restarting this project. Layne would offer the following information for your review:

**Discharge permit**

The existing discharge permit for this project is no longer valid and a new application is required. Attached is a proposal from SWPPP Managers, LLC for preparing the documents required to receive the new discharge permit.

**Discharge line from each well to transmission water main**

As the discharge requirements have changed for this project, Layne is required now to discharge into a water main transmission line. Hot Iron, Inc. has provided costs to complete this work. A copy of their proposal is attached.

Not applicable to CO #6. Resolved in later correspondence attached below.

**New Test Pumping Equipment**

Layne has attached the previously provided material on this item. We'll need to discuss the warranty on this equipment. A 5% mark up does not cover us in the event of a warranty issue. Our standard mark up for equipment where we provide a one-year warranty is 25-30%. If there is no flexibility in the mark up, then Layne would request the City purchasing this equipment directly.

**Electrical Connection from City provided transformer to our VFD trailer**

Layne would revise base bid line item 02680.148 from provide/install/remove generator to provide/install/remove electrical service from the City transformer for \$22,300.00 per well.



### **Operation of Test Pumping Equipment Bid Item 02680.149**

As a generator is no longer required to operate the test pumping equipment, Layne would use the labor rate of \$650.00 found in bid item 02680.147 for this work. Since we anticipate completing the test pumping operations in a separate mobilization, we would request the previously approved \$83,985.00 mob/demob.

Revised to updated date range in later correspondence attached below.

### **Price Escalation**

Layne would propose using the Producer Price Index (PPI) to adjust current pricing to the cost inflation encountered over the time period from project initiation in January of 2016. PPI data uses North American Industry Classification System (NAICS) codes. Water well drilling falls into the NAICS code 237110 Water and Sewer Line and Related Structures Construction. The PPI value for January of 2016 is 109.7. The PPI value for December of 2019 is 118.3. The price escalation for the project would therefore be  $(118.3-109.7)/109.7 = .0784$ . Layne would propose a price escalation of 7.84% on the existing contract rates for the balance of any work completed this year. In the event, not all of the work is completed this calendar year then a new price escalation value would be calculated for 2021.

### **Updated Fracking Costs**

Current fracking costs are in line with our original estimated costs. Since we anticipate completing the fracking in a separate mobilization, we would request the previously approved \$83,985.00 mob/demob.

### **Discharge Line Disinfection following test pumping activities**

This was a change requested as a result of the discharge permit changes. Hot Iron, Inc. would perform these required services. A copy of their proposal is attached.

A summary of these changes has been included. As some of these items may not be completed this year, Layne would provide actual invoices for all of these items once the work has been completed. The attached proposals should be considered estimates.

Layne would estimate 30 days to frac the last well. Layne would estimate 60 days to complete the final test pumping operations and 30 days to complete the final site restoration. It is our understanding that liquidated damages for the balance of the project would not be assessed.

If you have any questions regarding the enclosed information, please contact our office.

Sincerely,

**LAYNE CHRISTENSEN COMPANY**

Brian W Dellett, Senior Account Manager

**Gillette Wyoming**  
**Madison Test Wells Restart Cost Summary**

Costs, markup, etc. apportioned slightly differently than shown here. See CO #6 Summary above for more detail.

	<u>Unit of</u> <u>measure</u>	<u>Units</u>	<u>Unit Price</u>	<u>Subtotal</u>
New discharge permit costs	EA	1	\$12,720.00	\$12,720.00
Discharge line from each well to transmission line	EA	3	\$20,635.00	\$61,905.00
10" pipe	PF	2000	\$42.00	\$84,000.00
10" pipe handling tools	EA	1	\$50,000.00	\$50,000.00
Baker Hughes WN-1600 pump/motor and related equipment	EA	1	\$293,338.50	\$293,338.50
Additional service charge to install in other two wells	EA	2	\$15,000.00	\$30,000.00
Disinfection of water transmission line following testing	EA	1	\$72,398.85	\$72,398.85
Subtotal				\$529,737.35
Project mark up at 5%				\$556,224.22
Less previous equipment rental costs (Item No. 02680.146)	EA	3	-\$40,000.00	-\$120,000.00
Provide/install/remove electrical service (Item No. 02680.148)	EA		\$22,300.00	
Operate Generator and Test Pump (Item No. 02680.149)	PH		\$650.00	

**Notes:**

- Unit pricing for items is based on current values, final pricing subject to actual invoice quantities
- Installation/removal labor for pump work will increase due to larger pipe and use of double elevators
- Existing contract pricing line items subject to 7.84% price increase this calendar year per PPI



www.swpppmangersllc.com

7 February 2020

Layne  
Water, Mineral, Energy  
17800 E. 22nd Avenue,  
Aurora, CO 80011

Re: Gillette WY GMPP #2A - Discharge Permits, Gillette, Wyoming,  
SWPPP Planning and Permit Assistance.

Hello:

We herewith transmit our terms for development of a (SWPPP) Stormwater Pollution Prevention Plan, Permitting assistance with regard to the WDEQ/Environmental Protection Agency, Clean Water Act and Army Corp. of Engineers for the above referenced project.

Services shall include preparation of the SWPPP plan periodic plan update and permit preparation/filing assistance. Said services will be remunerated on a lump sum basis and due on delivery plus applicable taxes. All other services associated with development or monitoring portion of our services shall be considered additional services and will be remunerated at SWPPP Managers Standard Billing Rate.

SWPPP Development & Management:

WDEQ/NPDES Permitting Assistance & Basic Plan Development, L.S.	1,600.00
Periodic plan update and NPDES site monitoring, 8 Ea.	4,800.00

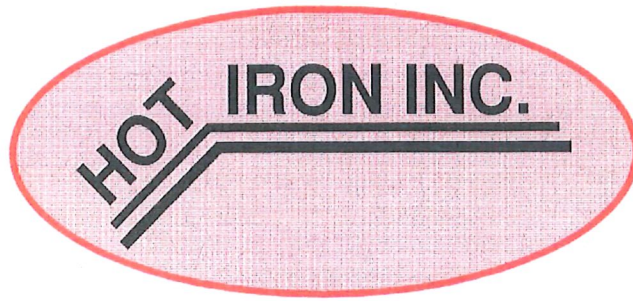
Discharge Permit Assistance:

National Permit 7 (NP7), Permitting Assistance, LS	1,840.00
WDEQ Discharge Permitting Assistance, LS	1,840.00
401/404 Permit Certification Assistance	1,840.00
Estimated Associated Permit filing fees	800.00
<b>Total</b>	<b>\$12,720.00</b>

Sincerely,

Raymond M. Lopez,  
SWPPP Managers, Principal

Xc: file



P.O. Box 1067  
Gillette, Wyoming 82717-1067

Office: (307) 682-8702  
Fax: (307) 682-0007

3/20/20

Mike Schanaman  
Layne  
5810 E. 77 Ave.  
Commerce City, Co. 80022

RE: 14" HDPE for well pumping

Mike,

Hot Iron Inc. is pleased to quote the installation of the 14" HDPE for the well sites.

14" HDPE per/ well site.                      \$20635.00

This price includes digging up existing line, running a new line to desired location (approximately 150 Ft./ea), stubbing up with a 10" flange for connecting, backfill, and cleanup. We will remove the line after completion. For each well site.

This price does not include bonding, staking, and soils testing. Dewatering is not expected, but it will be extra if needed. It does not include any seeding or final surfacing. The lead time on the 14" HDPE is 18 weeks. Any unforeseen conflicts will be assessed and my cost extra.

Thank You

Bryan Garland



# BAKER HUGHES EQUIPMENT INVESTMENT

Operating Company	Customer	Date	Estimate Number	Presented By	Exp. Date	Well Name & Number	Field
Layne Christensen	Mike Schanaman	9/12/2019	19-00178-1	Royce Raddatz	10/11/2019	Gillette Test	(Purchase)

BHT	Casing	Tubing	Tbg psi	Perforations	Intake	Net Lift	Surf. Volts	Surf. KVA	TDH	Production
100 Deg F	16"	8-5/8" 8RD					480			

Investment Summary								
Item	Qty	UOM	Material Number	Description	Length	Condition Type	Unit Price (USD)	Extended Price (USD)
10	1	EA	TBA	Pump, WN-1600, 20 Stage, AR, NSF	16.6'		79,368.00	79,368.00
20	1	EA	105150480-NSF01	Seal, HSB3DB SB/SB EHL NSF5	6.8'		15,278.00	15,278.00
30	1	EA	TBA	Motor, 1300 HP HMI, 4160/193, NSF	57'		105,182.00	105,182.00
40	1	EA	C78111-040-NSF01	MLE, 725 Series, #2 CEEF 2PC MNL, 40' PW			5,137.00	5,137.00
50	2200	FT	TBA	Cable, #1/O w/ground, 5KV, Galvanized, NSF			21.85	48,070.00
60	1	EA	10538484	Tariff Surcharge			25,303.50	25,303.50
70	1	EA	TBA	Estimated Service Charge to Install			15,000.00	15,000.00
80	1	EA						
90	1	EA						
100	1	EA						
110	1	EA						
120	1	EA						
130	1	EA						
Sales Sub Total:							\$293,338.50	
Discount & Trade-In:								
Well Test Rebate:								
Total Excluding Taxes, Duties & Delivery:							\$293,338.50	

## Comments :

F.O.B. Casper, WY

Revised. See later correspondence below for revised version.

THIS MATERIAL CONTAINS CONFIDENTIAL INFORMATION OF BAKER HUGHES, INCORPORATED. UNAUTHORIZED COPYING OR DISSEMINATION OF THIS CONFIDENTIAL INFORMATION IS PROHIBITED.

Note: This estimate is subject to Baker Hughes Standard Terms and Conditions.

**Dellett, Brian**

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**From:** Schanaman, Mike  
**Sent:** Wednesday, March 25, 2020 6:13 PM  
**To:** Dellett, Brian  
**Subject:** Fwd: REVISED Pricing for 10-3/4" J-55 STC—Mill Man Steel, Inc.

Begin forwarded message:

**From:** Kevin Early <[kevin@millmansteel.com](mailto:kevin@millmansteel.com)>  
**Date:** January 31, 2020 at 10:21:34 AM MST  
**To:** "Schanaman, Mike" <[Mike.Schanaman@gcinc.com](mailto:Mike.Schanaman@gcinc.com)>  
**Subject:** REVISED Pricing for 10-3/4" J-55 STC—Mill Man Steel, Inc.

**CAUTION:** This email originated from outside of Granite

Mike,  
Mill Man Steel is pleased to offer the following:

2,000'—10-3/4" OD X .365 Wall 41.60# New Prime API5L-X52, STC 8R, R3 @ \$42.00/FT  
NOTE: Pipe is Domestic Line Pipe, X-52, but will have similar strengths to J-55

FOB: Delivered to Moorcroft, WY (Freight Included)  
Material is Domestic USA  
Approx 2 Weeks to Process + Transit Time  
Subject to Immediate Prior Sale and Industry Changes  
Terms Net 30  
Quote Validity is 1 Week

Mike, thank you very much for the opportunity to quote your steel requirements! Please contact me with any questions or concerns, I look forward to hearing from you.

Best Regards,  
Kevin Early

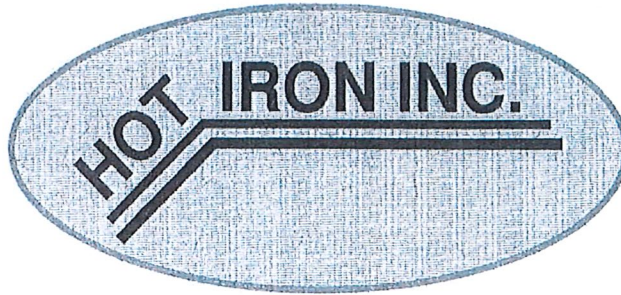
Mill Man Steel, Inc.  
"The Good Service People"  
1441 Wazee St, #104  
Denver, CO 80202  
(303) 885-9555

*A Native American Woman Owned Business Enterprise*

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**From:** Schanaman, Mike <[Mike.Schanaman@gcinc.com](mailto:Mike.Schanaman@gcinc.com)>  
**Sent:** Friday, January 31, 2020 7:59 AM  
**To:** Kevin Early <[kevin@millmansteel.com](mailto:kevin@millmansteel.com)>  
**Subject:** RE: Pricing for 10-3/4" J-55 STC—Mill Man Steel, Inc.

You can use A53B



P.O. Box 1067  
Gillette, Wyoming 82717-1067

Office: (307) 682-8702  
Fax: (307) 682-0007

4/2/20

Layne  
5810 E 77<sup>th</sup> Ave.  
Commerce City, Co. 80022

RE: Madison Watermain De-chlorination and Re-chlorination

Mike Schanaman,

Hot Iron Inc. will de-chlorinate existing line, Re-chlorinate to 50 ppm or above, and de-chlorinate back to drinkable level for the following amount.

Madison flushing                      \$72398.85

We will mob in with our equipment and set up for de-chlorination. We will de-chlorinate existing water in the line to get it ready for well testing, and de-mob. After the well testing is complete, we will mob back in and setup for re-chlorinating to 50 ppm or above. After that we will de-chlorinate and take a bacteria test.

This price includes all materials and labor to complete the above stated task. This price does not include obtaining the DEQ, BOR, Keyhole state park, or WDOT permits or performing the DEQ testing requirements for flushing. We will perform the chlorine testing during the de-chlorination process for calibrating our equipment only. This process is designed for around 2200 gpm. If more is need or required, it may affect the price. All the water required for this process will be supplied by the City of Gillette. Hot Iron Inc. will assist the City of Gillette in operating the valves and control building when performing the de-chlorination. Layne will have access to our flushing equipment for testing and flushing through their well testing process. If any items damaged or destroyed, they will be replaced or repaired. If the bacteria test fails and the line needs re-chlorinated additional charges will apply.

We are looking forward to working with you.

Sincerely,

Bryan Garland

**From:** [Dellett, Brian](#)  
**To:** [Casey Hanson](#)  
**Cc:** [Pat Eller](#); "[levij@gillettewy.gov](mailto:levij@gillettewy.gov)"  
**Subject:** RE: GMPP Pump Testing Questions  
**Date:** Thursday, April 30, 2020 10:58:50 AM  
**Attachments:** [image002.png](#)  
[image005.png](#)  
[image006.png](#)  
[image007.png](#)  
[image008.png](#)  
[image011.png](#)  
[image012.png](#)  
[image001.png](#)  
[Supporting Data for April 30 2020 Email.pdf](#)

\*\*\*This message originated from an **External Source**.\*\*\* Please use proper judgment and caution when opening attachments, clicking links, or responding to this email.

Casey, our reply is listed below in **red**. I've attached supporting data where it has been referenced below. Please contact me if there are any additional clarifications required.

## Brian Dellett

Senior Account Manager

5810 East 77<sup>th</sup> Avenue  
Commerce City, CO 80022

**Direct:** 303-755-1281 | **Cell:** 303-324-1357

**Email:** [brian.dellett@gcinc.com](mailto:brian.dellett@gcinc.com)

[www.graniteconstruction.com](http://www.graniteconstruction.com)



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**From:** Casey Hanson <[chanson@m-m.net](mailto:chanson@m-m.net)>  
**Sent:** Friday, April 17, 2020 2:27 PM  
**To:** Dellett, Brian <[Brian.Dellett@gcinc.com](mailto:Brian.Dellett@gcinc.com)>  
**Cc:** Pat Eller <[neller@m-m.net](mailto:neller@m-m.net)>; Levi Jensen <[levij@gillettewy.gov](mailto:levij@gillettewy.gov)>  
**Subject:** GMPP Pump Testing Questions

**CAUTION:** This email originated from outside of Granite

Brian,

We have reviewed your letter/proposal to finish the Contract 2A work on the GMPP – thank you for providing that. We have some questions and requests for information to complete

our review of the proposal.

#### Questions:

1) Your letter states that the pricing for the new test pumping equipment does not include a one year warranty. What warranty coverage is provided in the event that the pumping equipment fails during the test? **There would be a 1 year warranty on the new equipment.**

**Please disregard this item from our April 3<sup>rd</sup> letter.**

2) It is understood that the attached pumping equipment list from Baker Hughes is comprehensive of City equipment ownership at project completion, correct? **Correct.** Does pricing include re-crating/wrapping equipment and delivery to City of Gillette warehouse?

**The cost for the crating has been added to the pumping equipment quote (copy attached).**

**Layne would deliver this to a City of Gillette yard following the completion of this work.**

**Layne would request a forklift at the storage facility from the City to facilitate off-loading.**

3) The Notice to Proceed date for this Contract was December 3, 2015, with a Substantial Completion Date of March 27, 2017 and a Final Completion date of May 26, 2017.

Contract times were adjusted via Change Orders 1-5, and contract prices for those items were negotiated at the time of their execution. Accordingly, the price escalation should only be applied to the remaining work with the exception of purchasing the test pump, correct?

**Correct.** And shouldn't the dates be from March 2017 through April 2020 for the PPI escalation calculation? **Agree. We'll need the flexibility to review this again prior to test pumping operations/final completion, as the expected delivery of the test pumping equipment is at the end of this year/beginning of next year and we anticipate a couple of months to execute the final portion of the project after we receive the equipment.**

4) Why is there a mobilization cost for the test pumping? The mobilization effort for this pump test is no different than the original scope of work and should have been included in the contract mobilization price. **We were not allowed to complete the work under our previous mobilization effort and have completely demobilized from the project site.**

5) There have been discussions about the options of renting or purchasing the 10" pipe for the pump test. Please indicate which is being proposed here. **This is the purchase price and the pipe would remain with the City after the work has been completed. We would move the pipe back to a City designated storage space.**

6) It was noted that there is an additional service charge for two pump setups. (Three if you include the one on the equipment list) This work was included in the original contract work as line item 2680.147 Install and Remove Test Pump Equipment for Final Pumping Tests, as specified, Including Standby for Recovery After Pumping. Please provide an explanation for this cost - are you proposing the per each costs in lieu of this item, or in addition to it? **In addition to it.** Is there a reason not to use the original bid item? **The service provider for this changed during the time delay and the technician is now an additional cost to us.**

Resolved  
below

#### Requests for Information

1) We could not duplicate the Producer Price Index numbers you reported. Can you please provide your source for this data? **This data is in the attachment. Data was provided by the US Department of Labor-Kansas City**

2) Please provide a quote or pricing data for 10" pipe handling tools, and estimated slowdown by going to the larger pipe. **This data is in the attachment. Based on our previous oilfield equipment rental experience, we would expect to be charged for normal wear after the rental. Our intent is to be reimbursed on this item at cost + basis. We are**

estimating an additional 10 hours for the install and 10 hours for the removal per well.

3) Are you planning on utilizing Bid Item 2680.146 Provide Test Pump Equipment, Appurtenances, and Instrumentation for Final Pumping Test with a credit for the original anticipated pump rental of \$120,000? **Correct.** If so, this leaves a cost of \$330,000 for this item across all three wells. Some work that would have been included in this item originally, such as the drop pipe and power cabling, is now being paid for under other change order items. Please provide explanation and justification of this cost under the revised plan. **We already had the 8" drop pipe under the original test pumping plan. The cable was bundled with the rental testing pumping equipment that is no longer available through our original service provider.**

Thanks,

Casey



**Casey Hanson, PE**

**Director of Technical Services, Morrison-Maierle**

☎ 406.237.1241 direct | 406.670.4254 mobile

📍 315 North 25th Street, Suite 102, Billings, MT 59101



# BAKER HUGHES EQUIPMENT INVESTMENT

Operating Company	Customer	Date	Estimate Number	Presented By	Exp. Date	Well Name & Number	Field
Layne Christensen	Mike Schanaman	9/12/2019	19-00178-1	Royce Raddatz	10/11/2019	Gillette Test	(Purchase)

BHT	Casing	Tubing	Tbg psi	Perforations	Intake	Net Lift	Surf. Volts	Surf. KVA	TDH	Production
100 Deg F	16"	8-5/8" 8RD					480			

Investment Summary								
Item	Qty	UOM	Material Number	Description	Length	Condition Type	Unit Price (USD)	Extended Price (USD)
10	1	EA	TBA	Pump, WN-1600, 20 Stage, AR, NSF	16.6'		79,368.00	79,368.00
20	1	EA	105150480-NSF01	Seal, HSB3DB SB/SB EHL NSF5	6.8'		15,278.00	15,278.00
30	1	EA	TBA	Motor, 1300 HP HMI, 4160/193, NSF	57'		105,182.00	105,182.00
40	1	EA	C78111-040-NSF01	MLE, 725 Series, #2 CEEF 2PC MNL, 40' PW			5,137.00	5,137.00
50	2200	FT	TBA	Cable, #1/O w/ground, 5KV, Galvanized, NSF			21.85	48,070.00
60	1	EA	10538484	Tariff Surcharge			25,303.50	25,303.50
70	1	EA	TBA	Estimated Service Charge to Install			15,000.00	15,000.00
80	2	EA	C39522	Box, Steel Shipping f/motor			3,004.00	6,008.00
90	1	EA	C34618	Box, Steel Shipping f/seal			2,085.00	2,085.00
100	1	EA	C39154	Box, Steel Shipping f/pump			3,500.00	3,500.00
110	1	EA		Reel, Cable, 78" Steel			1,200.00	1,200.00
120	1	EA						
130	1	EA						
Sales Sub Total:								\$306,131.50
Discount & Trade-In:								
Well Test Rebate:								
Total Excluding Taxes, Duties & Delivery:								\$306,131.50

## Comments :

F.O.B. Casper, WY

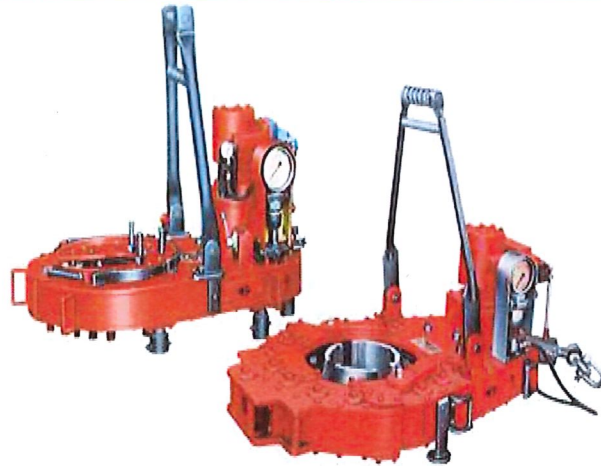
THIS MATERIAL CONTAINS CONFIDENTIAL INFORMATION OF BAKER HUGHES, INCORPORATED. UNAUTHORIZED COPYING OR DISSEMINATION OF THIS CONFIDENTIAL INFORMATION IS PROHIBITED.

Note: This estimate is subject to Baker Hughes Standard Terms and Conditions.

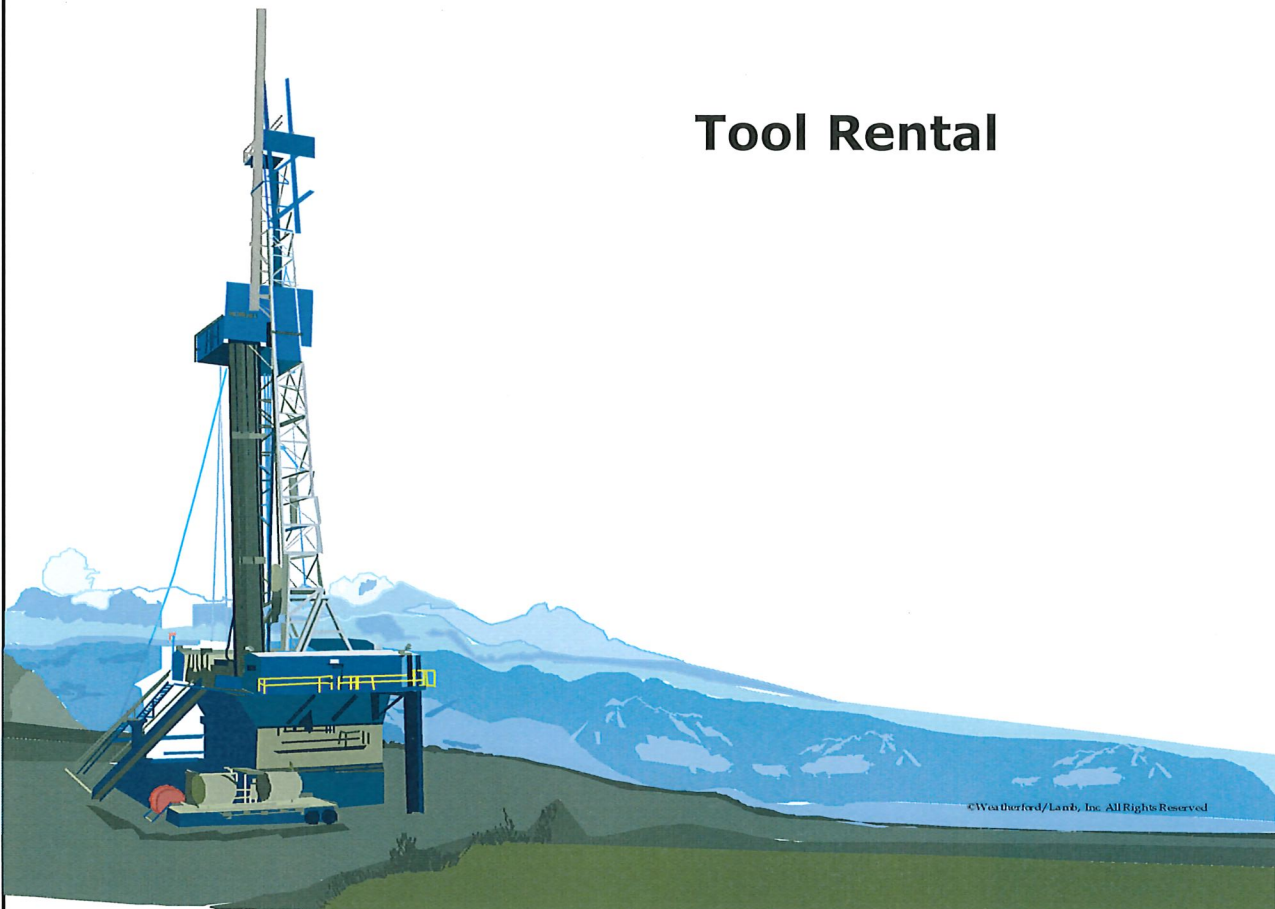


**Weatherford**

**Layne**



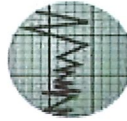
**Tool Rental**



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# Weatherford



Date: 4/22/2020

Attention: Mike Schanaman

RE: Job type, Well name & number

Weatherford Pricing Proposal:

Customer Rep

Thank you for giving Weatherford TRS the opportunity to assist you in planning your upcoming casing operations for the **well name and number**. We believe you will find our prices very competitive and our equipment and services of the highest quality. If you should require any additional information or have any questions concerning either equipment, procedures or pricing please feel free to contact me.

Respectfully yours,

Lyle Kennington  
District Manager  
Weatherford Inc.  
1-435-781-0324  
1-435-781-0325  
1-435-828-7391  
1-435-781-0326  
[walter.kennington@weatherford.com](mailto:walter.kennington@weatherford.com)



**Rocky Mountain Division**  
**Vernal, Ut**

Date: 4/22/2020

[illegible]

Weatherford (such term shall include any subsidiary, division or affiliate of Weatherford International, Inc.) will provide the requested equipment, materials or services to its customer. Such provision shall be governed by the terms and conditions of the current applicable master service agreement between the parties. In the event that there is no such master service agreement, Weatherford's standard terms and conditions, a copy of which can be found at [www.weatherford.com/t&c](http://www.weatherford.com/t&c) shall be applicable to the provision of such equipment, materials or services. [A paper copy of these standard terms and conditions will be provided to you upon your written request.]

## PPI Commodity Data

Series Id: WPUFD4

Not Seasonally Adjusted

Series Title: PPI Commodity data for Final demand, not seasonally adjusted

Group: Final demand

Item: Final demand

Base Date: 200911

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2009											100.0	99.9
2010	101.0	100.9	101.2	101.6	101.8	101.6	101.7	101.9	102.0	102.5	102.6	102.7
2011	103.4	104.2	105.2	105.9	106.1	106.0	106.3	106.4	106.6	106.3	106.4	106.0
2012	106.6	107.1	107.7	108.0	107.8	107.4	107.4	107.7	108.2	108.3	108.2	108.0
2013	108.3	108.8	109.1	109.0	108.8	109.2	109.5	109.5	109.4	109.7	109.4	109.3
2014	109.7	110.1	110.8	111.0	111.1	111.2	111.6	111.6	111.1	111.4	110.8	110.3
2015	109.7	109.5	109.8	109.8	110.2	110.6	110.8	110.5	109.9	109.8	109.4	109.1
2016	109.7	109.6	109.7	110.0	110.2	110.8	110.8	110.5	110.6	111.0	110.8	111.0
2017	111.6	111.8	112.1	112.7	112.7	112.9	113.0	113.2	113.5	114.1	114.1	113.8
2018	114.5	114.9	115.4	115.7	116.2	116.6	116.8	116.6	116.6	117.6	117.1	116.8
2019	116.7	117.1	117.7	118.5	118.6	118.5	118.7	118.8	118.2(P)	118.9(P)	118.4(P)	118.3(P)

P : Preliminary. All indexes are subject to revision four months after original publication.

**From:** [Dellett, Brian](#)  
**To:** [Pat Eller](#)  
**Cc:** [Casey Hanson](#); [Levi Jensen \(LeviJ@gillettewy.gov\)](#)  
**Subject:** Price Escalator  
**Date:** Wednesday, May 20, 2020 8:17:21 AM  
**Attachments:** [image001.png](#)  
[image002.png](#)  
[image003.png](#)  
[image004.png](#)  
[image005.png](#)  
[US Dept Labor PPI 2020 Data.pdf](#)

\*\*\*This message originated from an **External Source.**\*\*\* Please use proper judgment and caution when opening attachments, clicking links, or responding to this email.

Pat,

Attached is recent data from the US Department of Labor for the Producer Price Index. Layne would propose the following:

$117.1 \text{ (April 2020)} - 112.1 \text{ (March 2017)} / 112.1 \text{ (March 2017)} = .0446 \text{ rounded to } .045$

**Used methodology of Original Price + 4.5%**

Layne would propose dividing the original contract pricing by .955 to arrive at the adjusted price. Layne is willing to keep this pricing through the balance of the contract. As the dynamics within the oil/gas industry are very fragile currently, Layne would request expediting us getting back in the field to frac the last well. There currently is a subcontractor in Gillette capable of performing this work and we would like to proceed as soon as possible so we do not lose our ability to perform this work with a local firm. Please contact me with any questions.

## Brian Dellett

Senior Account Manager

5810 East 77<sup>th</sup> Avenue  
Commerce City, CO 80022

**Direct:** 303-755-1281 | **Cell:** 303-324-1357

**Email:** [brian.dellett@gcinc.com](mailto:brian.dellett@gcinc.com)

[www.graniteconstruction.com](http://www.graniteconstruction.com)



**Series Id:** WPUFD4  
 Not Seasonally Adjusted  
**Series Title:** PPI Commodity data for Final demand, not seasonally adjusted  
**Group:** Final demand  
**Item:** Final demand  
**Base Date:** 200911

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2010	101.0	100.9	101.2	101.6	101.8	101.6	101.7	101.9	102.0	102.5	102.6	102.7
2011	103.4	104.2	105.2	105.9	106.1	106.0	106.3	106.4	106.6	106.3	106.4	106.0
2012	106.6	107.1	107.7	108.0	107.8	107.4	107.4	107.7	108.2	108.3	108.2	108.0
2013	108.3	108.8	109.1	109.0	108.8	109.2	109.5	109.5	109.4	109.7	109.4	109.3
2014	109.7	110.1	110.8	111.0	111.1	111.2	111.6	111.6	111.1	111.4	110.8	110.3
2015	109.7	109.5	109.8	109.8	110.2	110.6	110.8	110.5	109.9	109.8	109.4	109.1
2016	109.7	109.6	109.7	110.0	110.2	110.8	110.8	110.5	110.6	111.0	110.8	111.0
2017	111.6	111.8	112.1	112.7	112.7	112.9	113.0	113.2	113.5	114.1	114.1	113.8
2018	114.5	114.9	115.4	115.7	116.2	116.6	116.8	116.6	116.6	117.6	117.1	116.8
2019	116.7	117.1	117.7	118.5	118.6	118.5	118.7	118.8	118.3	118.8	118.3	118.4
2020	119.1(P)	118.6(P)	118.5(P)	117.1(P)								

P : Preliminary. All indexes are subject to revision four months after original publication.