

The Elkhorn Bugle



SPRING 2003

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ELKHORN CONSTRUCTION - ESOP EMPLOYEES RETIRE

Congratulations Jim Crunk, Chuck Davis, and Brent Smart!

By Joe Tucker, General Manager, Dynamic Services



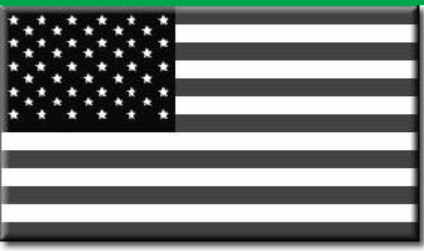
Jim Crunk, a long-time employee of Elkhorn Construction becomes one of the first employees to enjoy the benefits of Elkhorn Construction's Employee Stock Ownership Plan (ESOP). Jim retired late December of 2002 while he was on a project for Elkhorn in Kansas. To give Jim a fond farewell, Sean Sullivan flew from Denver to Liberal, Kansas February 26th to attend Jim's retirement dinner. At the dinner Sean presented Jim, (a vested employee owner), with the first of many ESOP checks and a sculpture of a bull elk coming down from the high country. The dinner guests consisted of employee owners from the Kansas District, as well as managers from Wyoming.

Jim started as a field safety representative with Intermountain Safety in 1980 and was on a project with R.L. Frailey, Inc., where he came to know Ken Savage and many of our long term employees. Jim continued to work for Intermountain Safety until January 1992, but then came

to work for Elkhorn Construction, Inc. As Jim reflects back on his time with Elkhorn, he feels that Ken's greatest accomplishment was to build the company and then sell it to the employees. With Sean Sullivan at the helm, Jim was very confident that he could plan his retirement. Although Jim felt comfortable about making preparations for his retirement, he never thought the day would come to retire. Now he is drawing his pension.



**OUR THOUGHTS AND PRAYERS
ARE WITH OUR SERVICE MEN
AND WOMEN WHO BRAVELY
SERVE OUR COUNTRY.**



When asked what he thinks of the ESOP and the culture that we are building at Elkhorn, here's what he had to say: "As supervisors, leaders, managers and employee owners we have to attract the best. We also have to fully explain the benefits of the ESOP and of Elkhorn Construction to the generation that will be running the company in the future."

Jim's attitude toward safety is the most positive that I have come across in our profession. Over the years all of us have come to enjoy and love having Jim around us and keep us on the path to a safer and healthier company. We wish you the best in retirement and we will continue to always look up to you Jim.

Jim would like to thank all of the people that have touched him over the years, all of the employees from Elkhorn Construction and many friends in the industry.

(Continued on Page 2)

RETIREMENT (Cont.)

A note of thanks to the Elkhorn employees who supported my surprise retirement party, and also worked with me and were my friends during my years at Elkhorn. Thanks again for the gifts and mementos I received at the party. I am looking forward to spending many hours with my custom fly rod, and the elk statue will be a proud reminder of the company I have worked for all these years.

Last but not least my ESOP retirement, I have no idea where a person could work and receive that much for no contribution other than good work.

I loved and enjoyed the people I have worked with and already miss the association I had with them.

Thank you for everything,

Brent Smart



Mitch Midcap presents Brent Smart his "Down from the High Country" Bull Elk sculpture.



Dear Elkhorn Family,

Thanks to all of you for the help and support you gave to me in planning and participating in Brent's retirement party. You've always been generous with your time to us over the years.

I'm grateful that Ken Savage started Elkhorn and the Employee Stock Ownership Plan. I'm also grateful for the many times that the staff and workers at Elkhorn have gone beyond the mark for us.

You are great people and this company will continue to grow because of how you all do your part.

Best wishes to you all for a Great 2003!

Sincerely,
Ruth Smart



Sean Sullivan presents Chuck Davis with his first of many ESOP checks.

Chuck Davis

On Wednesday, March 4th, the Four Corners District Crew along with Dynamic Services and HOAD personnel gathered in the Bloomfield shop for a celebration of retirement for Charles "Chuck" Davis. A BBQ luncheon was provided and Chuck was presented with his first ESOP retirement check and an elk sculpture by Sean Sullivan to remind Chuck of his days and friends at Elkhorn. Chuck is going to spend some time catching up with jobs around the house for wife Linda.

THOUGHT FOR THE DAY

The truth doesn't hurt
unless it ought to.

ELKHORN HOLDINGS EXECUTIVE APPOINTMENTS

Elkhorn Holdings, Inc. based in Evanston, Wyoming has elected Mitch Midcap, (right), Executive Vice President of Elkhorn Holdings, Inc. and President and COO of Elkhorn Construction, Inc.



Elected as CEO of Elkhorn Construction was Tom Williams, (left), who will be based in the Denver area. Mr. Williams was formerly Vice President, Sales and Marketing of Linde Process Plants, Inc. in Tulsa, Oklahoma.

Rounding out the executive team and remaining as President and CEO of Elkhorn Holdings, Inc is Sean Sullivan. Lisa Mclean will continue as Corporate Secretary / Controller. Elkhorn, a one-hundred percent employee owned company, provides heavy industrial construction services throughout the Intermountain West to the oil, gas, mineral, electrical generation, and petrochemical industries.

THE PRESIDENT'S COLUMN

By Sean Sullivan, President and CEO, Elkhorn Holdings, Inc.

We have delayed the publication of this edition of the Bugle in order to be able to share some exciting news. As I told a group of our managers assembled for the initial announcement, I have often heard it said recently that Elkhorn is at a crossroads. The changes discussed below reflect the path we intend to pursue.

- ♦ First, effective April 14th, Scott Chisum will join us as Construction Manager and Team Leader in Four Corners. Scott has spent his professional career since graduating from Oklahoma State University in May of 1990 with a BS in Mechanical Engineering in the Koch organization. He has worked in various capacities at the refinery in Corpus Christi, with a year stint in Wichita. He and his family have been living on a ranch near Pawnee, Texas. His energy, enthusiasm, and experience will be valuable to our future growth and success.
- ♦ Secondly, on Monday morning, the 24th of March our Board of Directors approved my resignation as President and Chief Executive Officer (CEO) of Elkhorn Construction and my recommendation to elect Mitch Midcap as an Executive Vice President of Elkhorn Holdings and as President of Elkhorn Construction. Mitch will remain as Chief Operating Officer (COO) of Elkhorn Construction and I will remain as President and CEO of Elkhorn Holdings and continue to be determined, dedicated and committed full time to making sure we succeed.
- ♦ And finally, the Board also approved my recommendation to elect and hire Tom Williams as CEO of Elkhorn Construction. Tom grew up on the family farm in Neosho, Missouri and graduated from the University of Missouri at Rolla with a BS in Mechanical Engineering, where he also played football. Tom started his career with the Tennessee Valley Authority in Knoxville in 1973 and moved to Tulsa, where he has lived since, in 1975 to work for Williams Brothers Engineering. He moved to Vinson Supply in 1978 and became a friend to virtually all of the Tulsa employees of R. L. Frailey and those in the field he met, while working his way up to the Vice President and Director level. After leaving Vinson, he had a one-year stint with Transok before going to work for Linde BOC Process Plants (formerly both the Pro-Quip Corporation and Linde Process Plants). His last position there was as Vice President Sales and Marketing Worldwide and he also served as President of Cryogenic Plants and Services. Tom is a people person and team player who will make everyone of us better, both individually and as a team. He doesn't know any strangers, just friends he hasn't yet met. He and his wife Kathy will be moving to the Denver area as Tom will work out of the Ft. Lupton office, as he can't seem to negotiate the streets of Evanston, especially after a small airplane flight!

All of the District Managers (Bill Claflin, Scott Chisum and Cole Deister) and Becky will report to Mitch. Don Dalke, Lisa McLean, Fred Moore, Mark Ogg, and Pete Straub will report to Tom. Mitch, Tom, Matt Goodrich, Joe Tucker, and Randy Erickson will report to me.

These changes were made to allow us to sharpen our focus on project execution, customer satisfaction, and growth and to further

develop our most important asset - our employee owners. Our consciously stated marketing philosophy is to invest in our employees. This is just such an investment.

This news is exciting and during a call on Monday the 24th I announced a challenging goal for all of us to strive to achieve, just as we did by paying off our original debt. Please get with your supervisors to discuss this goal if you haven't yet heard it.

While these changes are exciting, there were three other events that happened in March that are described elsewhere in this edition that were more satisfying than anything I have ever done while at work. I was able to hand ESOP Trust checks to our first three retirees: Jim Crunk, Brent Smart and Chuck Davis. Depending on how our share value changes for 2003 and 2004, over the three-year period of 2003, 2004, and 2005 these three retired employee owners should receive **\$200,000 to \$300,000 in total in ESOP benefits**. I can't describe how satisfying it is for Elkhorn to be able to do this now after only seven and a half years as a 100% employee owned company. I look forward to doing this again many more times.

Thanks again to Ken and Cindy Savage for giving us this opportunity and thanks to all of you for making it happen.

Will this kind of value be there for us when we are eligible to receive these benefits? That is up to us! The changes talked about earlier will help, but each of you makes many decisions each day that will answer this question.

Together, to ensure continued growth in the value of Elkhorn,

- ♦ First, do our work as safely as possible!
- ♦ Satisfy the customer!
- ♦ Take care of each other, work together!
- ♦ Take care of our equipment!
- ♦ Take care of the property of our customers and suppliers!
- ♦ Work efficiently!
- ♦ Find the least costly way to do things!
- ♦ Think!

Let's all pull together; for this is what it takes each day to reach our true potential. Please, keep up the good work.

Special Note:

Congratulations to Hoad, Inc.'s staff in Fort Lupton and Bloomfield for winning the Elkhorn Holding's Annual Safety Award for 2002. They achieved the best modified incident rate among all enterprise groups to achieve the best safety record. Honorable mention also goes out this year to Dynamic Services that achieved the best total recordable incident rate among the enterprises and to Corporate for achieving no reportable incidents for the year. Great work, everyone!

PROJECT MANAGEMENT COURSE

In the last few months we have had quite a few of our Dynamic Services Project Foremen complete the Project Management Training course offered by NCCER. We are extremely proud of our Project Foremen for their hard work in achieving their goals. The following employee-owners have stepped up to improve themselves and to add knowledge to our work force. Congratulations to all of you that have completed your goals, Javier Ceballos, Todd Kellner, Wayne Owens, Todd Davis, Alex Meastas and Randy Spiers. The photo shows all of our employee-owners that have completed their Project Managers Course.



(Back from left to right,) Butch Irick, Chris Irick, Sam Tillotson, Wally Jones, Forde Wakely, Merri Skillin, and Wayne Owens (Front) Javier Ceballos, Alex Maestas, and Todd Kellner

PROJECT NEWS



BP, Energen, & SG Interests:

Bloomfield Service technicians continue to provide fieldwork for these clients in the San Juan Basin.

Elkhorn Construction, Inc.

Williams Gas/ Encana: The Ft. Lupton shop completed fabrication of a dual 10" Senior

Measurement Station along with a Chromatograph-controls building. These were shipped on three truckloads to Rifle, Co. for field installation by Elkhorn crews.

Elkhorn Construction, Inc.-

Valero Refining: Fabrication and installation of 140 platform clips for Valero Refining's platform modifications during 2 shutdowns at the Commerce City Refinery.

Kinder Morgan, Inc.: Fabrication of a 8' x 9' RTU control building.

Kinder Morgan Power- Cogen Plant (Ft. Lupton, Co.):

The Ft. Lupton shop is currently providing fabrication and field service to the Ft. Lupton Cogen plant, including platform modifications, concrete curbing, and piping modifications in the turbine enclosures.

UE Compression: HOAD, recently completed the fabrication work for and assembly of 2 compression units for UE Compression. The first of the two units completed was



1100 HP Waukesha / Ariel Compressor Package fabricated at HOAD's Ft. Lupton Shop

a 3300 HP Compressor for Questar, which is currently being installed by Elkhorn Construction in Vernal Utah. The second unit is a 1100 HP Compressor, (see picture below), built for Western Gas Resources near Farmington, New Mexico.

Systems Measurement Services: The Bloomfield shop recently completed the fabrication of two prototype cyclonic separation units for System Measurement Services. These units have been put into operation for bp and Burlington Resources in the San Juan Basin.

Williams Gas/ Northwest

Pipeline - Evergreen Expansion Project/ State of Washington:

The Ft. Lupton shop along with the assistance of the Bloomfield shop finished fabricating six Unit Valve Skids, three Utility Fuel Gas Skids, and two odorant skids. This large project, which started in September and finished in February 2003.

Spectrum Energy/City Water and Light: We recently completed fabrication of 5 ASME Filters for City Water and Light in Jonesboro, Arkansas for their recent power plant expansion.

Williams Gas Pipeline (Northwest Pipeline System):

HOAD was recently awarded six unit valve skids and three fuel conditioning skids for the Evergreen Expansion in Idaho and Washington.

EMPLOYEE SPOTLIGHT

This quarter's employee spotlight is on the dynamic duo of Mike Gottfried and Shane Wall from the Wyoming district.

Mike Gottfried

Mike is a project foreman with a "can do" philosophy. He has been employed with Elkhorn since 1993. In his spare time, which is seldom, Mike enjoys spending time with his family as well as hunting and fishing. Keep up the great work and we appreciate all of your hard work and dedication.



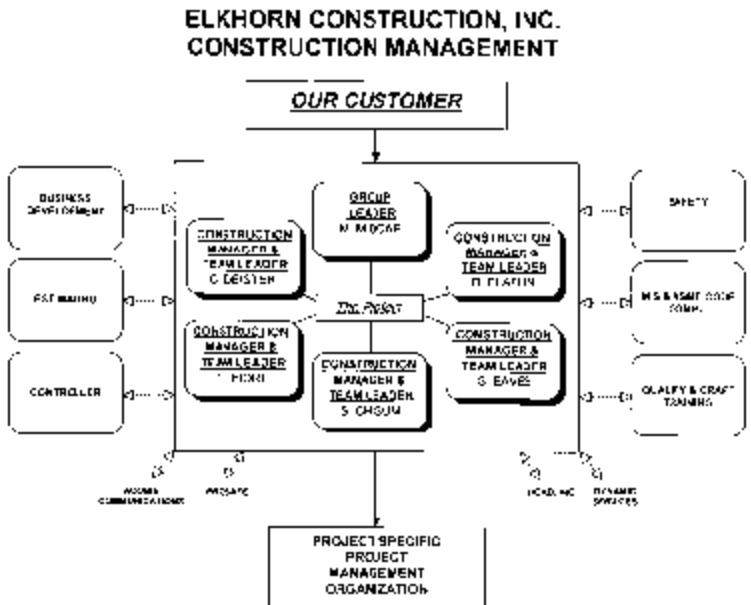
Shane Wall

Shane is our single hand rig welder in the Wyoming district, Shane goes by the motto of "turn and burn". Shane has been employed with Elkhorn since 1997. He is the father of three, two boys and a girl. When he finds the time he enjoys time at home as well as hunting and fishing. Hand Shane a rod and get out of the way, once again outstanding performance on a tough job!



ELKHORN CONSTRUCTION, INC. RESTRUCTURES IT'S ORGANIZATION

Beginning with a management summit held in Grand Junction in early February, the leadership of Elkhorn Construction, along with key Elkhorn Holdings enterprise leaders embarked upon a quest to organize our company to better pursue and respond to our clients, customers, and project opportunities. The driving force behind this task was to make Elkhorn faster, more responsive, flexible, and creative in responding to project opportunities and client needs. Truly, this was a task that paralleled Elkhorn's driving force behind our Mission, Vision, and Values, and that is the creation of a **customer focused ownership culture**. The "Future Focus" team, made up of key company managers, met several times before finally obtaining management approval in the creation of the **Elkhorn Construction Management Group**. This company wide team approach is designed to focus first upon our customers and their projects, and promoting safety as a core value not just a priority. It will also ensure the best fit of the right people and the right talents, and eliminate historical walls created by our former District organization. As this team evolves, we believe that both our customers and our employee-owners will note a difference that we have created in our ability to respond to new opportunities. Our aim is to create and maintain strong and successful relationships between our clients and Elkhorn's construction managers, and efficiently manage our projects from the proposal stage through completion.



GILBERT EAVES TRANSFERS TO THE HOBBS, NM /WEST TEXAS AREA OFFICE TOM FIORE ASSUMES WESTERN SLOPE LEADERSHIP IN RIFLE, CO

Construction Manager/Team Leader Gilbert Eaves has relocated from the Rifle Area Office to lead Elkhorn in Southern New Mexico and West Texas from our Hobbs, NM office. Gilbert was critical to our success of projects for the last two years and the building of our reputation and business in Rifle, Colorado. Since his arrival in Hobbs, he has strengthened our reputation and capabilities with key clients and has brought his network of excellent superintendents, project foremen, and craftspeople.

Moving into the lead position in Western Colorado is Construction Manager/Team Leader Tom Fiore, who previously worked with Gilbert on recent plant construction and compressor station projects. Tom has developed excellent working relationships with many new and existing clients of Elkhorn.

Both Gilbert and Tom will play key roles in the new Elkhorn Construction Management Group, and will be available to match their strengths and capabilities with specific clients, projects, and opportunities throughout all Elkhorn operating areas.

BITS OF WISDOM:

ENJOY THE LITTLE THINGS, FOR ONE DAY
YOU MAY LOOK BACK AND REALIZE
THEY WERE THE BIG THINGS.
-- ROBERT BRAULT

SOME PEOPLE MAKE THINGS HAPPEN.
SOME PEOPLE WATCH THINGS HAPPEN.
SOME PEOPLE WONDER WHAT HAPPENED.

WHICH IS STRONGER: MY URGE TO GROW
OR MY RESISTANCE TO CHANGE?

ESTIMATING TEAM SCORES 100% COMPLETE ON PROJECT MANAGEMENT COURSE

As the IMPACT Process began in early 2002, the Estimating Department set a goal to have everyone in the department complete the Project Management Course by February 28, 2003. They made it with one day to spare!

Mark Ogg, the Director of Estimating, expressed his thanks for each team member's efforts in reaching this goal and the positive encouragement that each team member displayed to one another.

"With this goal conquered we need to start thinking about what will be our next challenge", said Mark.

- It is our choices that show what we truly are, far more than our abilities.
- Good judgment comes from experience, and a lot of that comes from bad judgment.
- Experience is a wonderful thing. It enables you to recognize a mistake when you make it again.
- Learn from the mistakes of others. You can't live long enough to make them all yourself.
- Defeat isn't bitter, as long as you don't swallow it.
- The aim of an argument or discussion should not be victory, but progress. -- Joseph Joubert
- It isn't difficult to make a mountain out of a molehill, just add a little dirt.

PROJECT NEWS

WYOMING



PacifiCorp

Jim Bridger Power Plant- Steve Garris currently has seventeen employees at Jim Bridger. We are bidding on several projects at this time and have been awarded a Blowoff

Tank Demolition Project. Lee Harvey will be supervising this project. This will increase our manpower to about twenty two. Steve Garris, Kenny McCormick, Myron Cripps, and Donna Lowe along with all crew members do an excellent job in keeping PacificCorp's needs met in all aspects of maintenance work from carpentry, welding, insulation, sheet metal, scaffolding, and abatement work to anything else that needs to be done. We have completed two of the impact training modules and are also working with the crew on these modules.

Williams Energy Services

Various Plants and Stations- We were awarded a stack fabrication project for EPA testing for Williams on their Rock Springs area compressor stations. We will first fabricate the stack and install it in April.

Questar Gas Management

Vermillion Plant- Rock Springs crews fabricated a filter modification for a compressor at the plant and we are waiting for a shut down to install it. We hope to hear about the bid on a small electrical and a metal building installation there.

Wonsit Compressor Station- Wes White and Elkhorn crews are removing one compressor and installing a new compressor package built by the new UE Compression / HOAD, Inc. joint venture.

Duke Energy Field Services

Patrick Draw Plant- Wes White and crew have finished doing pipe fabrication and installation at the plant. The Evanston shop just completed fabrication of two coded bottles, with Wes to install them soon. We have one employee, Darrell Seyersdahl, who is doing maintenance work at the plant.

Burlington Resources

Lost Cabin Gas Plant- Kim Bernard is supervising a crew of apprentices and electricians (three total) and she is taking care of their maintenance needs. The Lost Cabin crew is very happy with her work. A plant shutdown is scheduled in May, during which Elkhorn will supply ten electricians.

Questar Regulated Services

Clay Basin Storage Field- Dennis White and Kurt Swa recently completed a cable tray system at the Kastler plant.

ChevronTexaco

Carter Creek Gas Plant- Sam Jackson and crew continue to work on well hook-ups and road maintenance. We are also doing some fabrication projects in the plant.

Painter Field- We are providing electrical and mechanical people for operations and maintenance support.

LaBarge and Birch Creek Fields- We provide two crews for production enhancement in these fields.

KRGT

Kern River Pipeline- We are starting some cross over changes on the electrical. This work will continue into the late spring. Recently we were awarded a pipeline tie-in project at Muddy Creek.

Anadarko Petroleum (RME)

Brady Field- We started to hook up the electrical on new CBM wells within the Brady Field. We expect this to develop into a long term project.

County Line Area- Cecil Van Patten is installing electrical service in their compressor building in Gillette. He should be there for another three weeks.

Rock Springs Area- Dennis White is installing electrical service to the well sites they are drilling.

General Chemical

Granger Mine- Lee Nickerson, Mike Gottfried, and crews have recently completed the Shaft 6 piping project.

Powder River Coal

Phillip Stoppel and crews are just beginning the Silo repair project for this new customer.

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PROJECT NEWS

**DYNAMIC SERVICES
WYOMING DIVISION**

The WY district has been busy the last few months around the Great State of WY. Our crews have been working for assorted clients, on projects with Elkhorn Construction, Inc. and other general contractors.

Towards the end of 2002, General Chemical called upon our Asbestos Team to remove asbestos from two tank tops and re-insulated the roofs. Todd Kellner and crew completed the project. This was the second Asbestos project for the year with General Chemical. We're starting 2003 scheduled abatement in mid February. Randy Spiers, our asbestos Guru, and his team have assisted bp at their Overthrust facilities with abatement and O&M plans. Randy has also written O&M plans for clients' facilities throughout Western Wyoming.

Burlington Resources Lost Cabin Gas Plant in Lysite, WY

Alex Meastas and crew are working for Burlington Resources at their Lost Cabin Gas Plant in Lysite, WY. Our continuing working relationship with Burlington has proven to be a win-win situation for all involved. We assist the Lost Cabin Team in scaffold building, building install and repair, minor daily labor support, along with maintenance of insulation to help ensure that their processes are functioning at the utmost efficiency.

Sinclair Refinery in Sinclair, WY

Javier Ceballos and team completed an eight plus week maintenance tour at the Sinclair Refinery in Sinclair, WY. They aided the Sinclair team in improving their steam tracing on assorted processes throughout the facility. Insulation replacement and repair was done to insure that the refinery was prepared to operate through the Wyoming winter. We've been assisting the refinery for many years and look forward to assisting them in the future.

Wamsutter, WY

A couple of "Elkhorn Family" projects have kept our employee-owners busy recently. The first project was near Wamsutter, WY on the I-80 corridor. We provided building installation, insulation and painting to assist Elkhorn Construction, Inc. in completing the Amine Expansion for El Paso Energy (CIG). The second project was at Opal, WY along with the Elkhorn team, we completed and painted a building, housing a Meter Station for Williams/Kern River Gas. Along with painting on some of the above mentioned projects and others, Jimmy Skaggs and team of painters spruced up some well head locations in the Wamsutter area desert for El Paso Energy (CIG) and Duke Energy Field Services.

Rifle, CO

Our painters participated in the annual SF Phosphate turnaround this year. This is the first year we have been asked to join the team at SF. They utilized Merrill Skillin and team, which have been working in the Rifle, CO area. EnCana, Williams, and ExxonMobil have asked for our assistance at their facilities in that area. We have provided painting, insulation, and building crews to assist in the completion of new stations, along with maintenance work. Our Project Foremen in the Rifle area are; Terry Hand, Jimmy Skaggs, Jose Ceballos, Raudel Trejio, and Todd Davis. Craftsmen have taken the opportunities of these projects to work on some cross-training skills. They have been involved with not only their trade, but also learning and teaching others.

Patrick Draw

Wayne Owens and his crew have been providing maintenance support for the Duke Energy Field Services team at the Patrick Draw facility. They have helped make sure that the heat medium system is in proper working order. This work involved completion of painting, insulation repair along with an installation of a new compressor building to house some temporary compressors.

New Mexico

Our employee-owners in the Four Corners District have been busy working not only on "Elkhorn Family Projects" but also on projects with other general contractors.

We worked in conjunction with Elkhorn Construction on three main "Family" projects this past season for bp. Booster Station #3 was a success for all. We finished a building installation, insulation, and painting to complete this project with the "Family". The second project was Miera Station. We've finished the building work and are working on completing the insulation and painting to finalize this project. The third is the McCaw Station. We've started the building and will bring in the insulation and painting crews when Elkhorn Construction is finished with the mechanical work.

Evergreen's Cottontail Compressor building is slated for delivery at the end of February. We have been installing buildings for Evergreen over the past couple of years. This will be the largest building yet, at 210'x80'! We are excited for this one to get started.

Alex Alvada completed maintenance insulation work for Tom Brown at their Lisbon Valley Plant outside of Moab, UT. As with our other maintenance work, this has been a positive working relationship for both parties.

Harrison Tosie and his crew have started on a painting contract at the Navajo Refinery in the Artesia, NM area. This will be an eight-week project for them. The crew says that the weather in Artesia is perfect for painting this time of the year.

Gumaro Munoz and his crew are headed for Ulysses, KS to install four buildings for bp as part of their expansion in that area. The project will begin the middle of February and carry on into March. After the weather warms up, painters will be the next craft in to complete the project.

KANSAS EXPANSION

DYNAMIC SERVICES OPENS A FULLY STAFFED OFFICE IN LIBERAL, KANSAS

As part of our business plan for 2003 Dynamic Services is opening a fully staffed office in the Liberal Kansas area. Daniel Bordier, a vested employee-owner with Elkhorn Construction, Inc. will come over and be our Area Manager. Todd Kellner with Dynamic Services out of the Wyoming District will be assisting Daniel as Office Manager / Project Coordinator, in this new expansion for us. We have been busy making sales calls and visiting with clients in the area.

The "Elkhorn Family" has been very helpful and supportive in our efforts to open this office as everyone has come forward and offered

their help and suggestions as to who to talk to and which plants we have done work for in the past. We appreciate everyone's help and information. Without the support of our fellow employee-owners our work would have been strenuous.

Our office will offer all the services we offer to our clients in Wyoming and New Mexico. Insulation, painting, pre engineered metal building installation. Along with our Asbestos Abatement and O&M plans, we feel that Dynamic Services and the Liberal, Kansas area will be a great fit.

Our Grand Opening was the 26th of February, at the office in Liberal, KS. This is the same office that Elkhorn Construction, Inc. has been working out of for years. We had an open house luncheon from 11:00 am to 2:00 pm. Some of our vendors joined in on the celebration including, ICI Devoe Coatings, International Technifab and local suppliers. We look forward to working in the Liberal, Kansas area.

PROJECT NEWS (CONT.)



Ref-Chem in Artesia, NM

Our building crew worked with Mr. Tom Johnston, Project Manager for Ref-Chem, on a Duke Energy Field Services expansion in the Artesia, New Mexico area.

WE LOOK FORWARD TO
WORKING WITH THE
REF-CHEM TEAM IN THE
FUTURE.



A great job by: Gumaro Munoz, Carlos Ortega, Ruby Ortega, Juan Barrientos.

Harrison Tosie and the painting team applied coatings to finish the project. Duke Energy Field Services and Ref-Chem are pleased with the expansion and we look forward to working with the Ref-Chem team in the future.



PRICE, UT ConocoPhillips

Roger Urness, Mechanical Supt., Cecil Leeper, Civil Supt., and crew have been working on the A5 Amine - completion the end of February. Darby McLean and crew have been working on various projects in the area.

ChevronTexaco

Jim Greenhow, Dee Christensen, and crews are putting on the finishing touches and assisting with the start up of the Huntington Amine. They also have been working on a few other miscellaneous projects.

Bill Barrett Corporation -9 Mile Canyon - Price, UT

Roger Urness and crew are working on several small projects. We are starting a compressor installation there as well.

Bill Barrett Corporation -Cave Gulch - Waltman, WY

Nolan Johnson and crew are working on compression projects, doing well hook ups, and other various projects.

"At this time I would like to thank everyone that made our safety record for the Price area as good as it was - even though we expanded into many new fields. This past year we only had one recordable incident. The rest were minimal first aid, equipment, and vehicle incidents. Thank you to all of the supervisors and hands for your effort and thanks to the safety department for all of your training and support.

I would also like to thank all of our clients for the work and the relationships that developed last year. We look forward to working with you in the future, while developing a stronger partnership. To our new clients, we are looking forward to expanding and allowing our group the opportunity to assist you in any way we can.

To Sarge, Les, Brett, Denny, Kim, Tara, Lisa, Darinda, Rusty, Don, Mary, and everyone else behind the scenes in the office, Thank You,"

Wayne Kunz

CONGRATULATIONS ON SAFE COMPLETION!

bp America, Inc. Florida River Plant Booster 3 Completion Celebration in Durango, CO



Congratulations to the crew in Durango, CO for a safe completion of the bp Booster 3 project. Doug Mitchell and Jonna Watts (above) are presiding over the cooking. The celebration was rounded off with a special cake depicting the project and the companies involved in the safe completion.

PROJECT NEWS (CONT.)

COLORADO

Kerr McGee RM Weld County Gathering System:

Marvin Koger and crew are doing various gathering system pipeline modifications and small well connects throughout the Kerr McGee's gathering system. Fredrick Station and Fort Lupton Plant: Ray Hayden and crew doing various small projects.

Duke Energy Field Services Spindle Plant: Larry Little and crew are doing minor electrical projects. Roggen Plant: Blake Hilliam, Richard Pickering and crew are doing platform work and air compressors. Greeley Fractionator: Elkhorn crews are installing break-away valves in the loading facility.

Kinder Morgan Power Lorne Roy and crew are working on providing long term storage protection for a \$125,000,000 gas fired power plant that our client is putting in long term storage.

EnCana Gas Gathering (USA), Inc. Pumba Compressor Station and Hunter Mesa Station are in the final stages of finish work. Lonnie Little, Ed Sprague and crews completed these major field gathering compressor stations.

Williams Production RMT Tracy Denman, Sam Frenchman and crews have just completed the Williams/EnCana innerconnect project.

ExxonMobil Billy Morgan and crew are finishing up small projects at Love Ranch and Piceance Creek Unit.

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Kern River Gas entrusted Elkhorn Construction, Inc. to modify the existing Opal Meter Station. In a pre-job meeting, the safety expectations were spelled out. The work was then started and is now complete.

It is because of your teamwork and your safety awareness that this project has been completed with out any incidents. Not only did you not have any incidents, but you were asked to mitigate an environmental incident caused by another contractor.

You started the project not just believing that it could be completed safely, but each of you knew it could be completed safely. The crew completing this project and setting a safety example consisted of:

- | | |
|-------------------|-------------------|
| Pat Coburn | George Hartman |
| Chuck Hayes | Nathan Hutchinson |
| Mike Gottfried | Gene Sharp |
| Rigiberto Herrera | Mike Sons |
| Alex Valerio | Shane Wall |
| Russell Long | Juan Medina |
| Paul Coburn | Travis Morphew |
| Lee Harvey | Manuel Escobedo |
| Ricardo Escobedo | Mario Salquero |
| Ezekiel Rivers | Joel Watson |
| Dustin Easton | |

Thank You From,

Sean Sullivan, Mitch Midcap, Bill Claflin, Lee Nickerson, Lance Warren, and Randy Erickson

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FOUR CORNERS

City Of Aztec, NM Llano Lift Station Project:

Elkhorn was awarded the contract to construct a new lift station and associated forced and gravity feed piping for the City of Aztec. This project consists of approx. 4,000

ft. of underground piping ranging from 12" ductile Iron to 15" & 18" PVC, as well as the construction of a lift station.

This project is unique due to the scope of work for the pipe installations. The most exciting is the 12" DI line, which will cross the Animas River, and continue through the city park and recreation facility. Nearly as exciting is the installation of the 15" PVC, which will pass between two privately owned ponds containing an array of exotic fish.

Johnny Donaldson has been selected as the project superintendent, due to his expertise in this area and the quality of his work. As of February 27th, the installation of the pipe under the Animas River is complete and is being continued on both sides as the river crossing was about in the middle of the 12" DI install. To perform the river crossing, half of the pipe was installed. The river was then rerouted to install the remaining half.

We are looking for a completion date toward the end of May.

US Department of the Interior Bureau of Reclamation

Navajo Dam 6'x 13' Valve Hydraulic System: Elkhorn is in the submittal stage of a project awarded by the Bureau of Reclamation for the replacement of the existing hydraulic unit with a new unit utilizing the latest in technological equipment.

The hydraulic unit controls the main valve which releases water from the Navajo Reservoir feeding the San Juan River (one of the best fly fishing rivers in the world) which finds its way into Lake Powell.

The system has to be able to open the valve that is 6 ft x 13 ft x 6" weighing about 28 tons on the end of a 300 ft valve stem.

This is the second project that Elkhorn has performed, upgrading a hydraulic system for the BOR at the Navajo Facility. We are looking to go to the field in early April with a completion the beginning of May.

Holly Corporation Navajo Refinery (Artesia, NM): After winning a job to install a large piping rack, Project Superintendents Jake St. Clair and Greg Humphries have also been awarded a piping project for the same rack.

Amerada Hess Seminole Plant (Seminole, TX): Working on a major expansion of this facility, Project Manager Jeff Adamson, Project Superintendent John Woolf and crews have also been awarded the mechanical and electrical portions of the Train III NGL upgrade.

PROJECT NEWS



Hobbs, NM - Pat Metcalf and Ken Mitchell are assisting Hobbs, NM area personnel in safely completing the work at the Amerada Hess gas plant in Seminole, Texas.

Rifle, CO - Gerald Callison is providing safety guidance to personnel in the Rifle Area for various clients.

Bloomfield, NM - Doug Mitchell is providing safety service to Elkhorn, Dynamic Services, and bp on the McCaw injection project in Durango as well as supporting projects in the Bloomfield office.

Durango, CO - Verl Garner is working on bp field projects in Durango for the bp Construction Team.

Commerce City, CO - Conoco Refinery has Steve Rushing on a longterm safety consulting contract.

Artesia, NM - John Bannon is at the Navajo Refinery.

Being Prepared for the Unexpected

By Keith Wakefield, Project Manager, Ft. Lupton, CO

Lorne Roy, Project Superintendent, was heading home from a days work when he noticed a man waving his hands in a frantic manner. Lorne pulled over as quickly as he could in front of the gentleman. While he was stopping, he noticed the cab of the truck was on fire. The man ran over and asked for a cell phone. Lorne gave him his cell and told him to call 911.

Lorne quickly grabbed his fire extinguisher from his truck and ran over to the burning truck. The windows were only down about ¼ of the way, but was able to point the extinguisher through the window enough at the fire and put it out.

Lorne then stayed with the truck until emergency personnel arrived so he could give witness information. No personal injury occurred. The only loss or damage was a pickup truck.

Moral of the story: As we go about our daily lives, we never think that a situation could arise where being prepared can and will save lives, property, and the environment. Luckily for this man, Elkhorn Construction requires fire extinguishers in all pickups, which in turn gives testimony, that we (Elkhorn Construction) are prepared for the unexpected.

5 LESSONS TO MAKE YOU THINK HOW WE TREAT PEOPLE

LESSON NUMBER 1

CLEANING LADY

During my second month of college, our professor gave us a pop quiz. I was a conscientious student and had breezed through the questions, until I read the last one: "What is the first name of the woman who cleans the school?" Surely this was some kind of joke. I had seen the cleaning woman several times. She was tall, dark-haired and in her 50s, but how would I know her name? I handed in my paper, leaving the last question blank. Just before class ended, one student asked if the last question would count toward our quiz grade. "Absolutely," said the professor. "In your careers, you will meet many people. All are significant. They deserve your attention and care, even if all you do is smile and say 'hello'. I've never forgotten that lesson. I also learned her name was Dorothy.

LESSON NUMBER 2

PICKUP IN THE RAIN ONE NIGHT

At 11.30 p.m., an older African American woman was standing on the side of an Alabama highway trying to endure a lashing rainstorm. Her car had broken down and she desperately needed a ride. Soaking wet, she decided to flag down the next car. A young white man stopped to help her, generally unheard of in those conflict-filled 1960s. The man took her to safety, helped her get assistance and put her into a taxicab. She seemed to be in a big hurry, but wrote down his address and thanked him. Seven days went by and a knock came on the man's door. To his surprise, a giant console color TV was delivered to his home. A special note was attached. It read: "Thank you so much for assisting me on the highway the other night. The rain drenched not only my clothes, but also my spirits. Then you came along. Because of you, I was able to make it to my dying husband's bedside just before he passed away. God bless you for helping me and unselfishly serving others." Sincerely, Mrs. Nat King Cole.

LESSON NUMBER 3

ALWAYS REMEMBER THOSE WHO SERVE

In the days when an ice cream sundae cost much less, a 10-year-old boy entered a hotel coffee shop and sat at a table. A waitress put a glass of water in front of him. "How much is an ice cream sundae?" he asked. "Fifty cents," replied the waitress. The little boy pulled his hand out of his pocket and studied the coins in it. "Well how much is a plain dish of ice cream?" he inquired. By now more people were waiting for a table and the waitress was growing impatient. "Thirty-five cents," she brusquely replied. The little boy again counted his coins. "I'll have the plain ice cream," he said. The waitress brought

the ice cream, put the bill on the table and walked away. The boy finished the ice cream, paid the cashier and left. When the waitress came back, she began to cry as she wiped down the table. There, placed neatly beside the empty dish, were two nickels and five pennies. You see, he couldn't have the sundae, because he had to have enough left to leave her a tip.

LESSON NUMBER 4

THE OBSTACLE IN OUR PATH

In ancient times, a King had a boulder placed on a roadway. Then he hid himself and watched to see if anyone would remove the huge rock. Some of the king's wealthiest merchants and courtiers came by and simply walked around it. Many loudly blamed the King for not keeping the roads clear, but none did anything about getting the stone out of the way. Then a peasant came along carrying a load of vegetables. Upon approaching the boulder, the peasant laid down his burden and tried to move the stone to the side of the road. After much pushing and straining, he finally succeeded. After the peasant picked up his load of vegetables, he noticed a purse lying in the road where the Boulder had been. The purse contained many gold coins and a note from the King indicating that the gold was for the person who removed the boulder from the roadway. The peasant learned what many of us never understand! Every obstacle presents an opportunity to improve our condition.

LESSON NUMBER 5

GIVING WHEN IT COUNTS

Many years ago, when I worked as a volunteer at a hospital, I got to know a little girl named Liz who was suffering from a rare and serious disease. Her only chance of recovery appeared to be a blood transfusion from her 5-year old brother, who had miraculously survived the same disease and had developed the antibodies needed to combat the illness. The doctor explained the situation to her little brother, and asked the little boy if he would be willing to give his blood to his sister. I saw him hesitate for only a moment before taking a deep breath and saying, "Yes I'll do it if it will save her." As the transfusion progressed, he lay in bed next to his sister and smiled, as we all did, seeing the color returning to her cheek. Then his face grew pale and his smile faded. He looked up at the doctor and asked with a trembling voice, "Will I start to die right away". Being young the little boy had misunderstood the doctor; he thought he was going to have to give his sister all of his blood in order to save her.

(The Authors of These Five Lessons are Unknown)

EMPLOYEE NEWS

I would like to send a Thank-You to everyone for all the flowers, cards and prayers during the passing of my grandmother. I sincerely appreciate it.

Lisa McLean

Sean and Gerri Sullivan's son, Cory, has returned to the city where he was born and first played baseball as a kid. Cory was promoted this season to the Double A farm team for the Colorado Rockies, the Tulsa, Oklahoma Drillers, (<http://www.tulsadrillers.com>) in late March as their center fielder and lead-off slugger. Proud dad and mom will keep us posted on his progress.

Label Area



The Elkhorn Bugle Elkhorn Holdings, Inc.

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Rifle, CO 81650
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The Elkhorn Bugle is a quarterly publication for our employee owners, retirees, and their families, as well as our friends and customers. Corporate staff edits and coordinates this publication, although it would not be possible without the help of other folks in each of our service districts and subsidiaries. Your Articles Are Greatly Appreciated!

PC Leaks from the PC Geeks

By Mary Becker, PC Guru and Geek

Viruses - Are You Protected?

Last year alone we had a measurable loss of at least \$6,000.00 in work time, repair time, and shipping costs due to computers getting infected with viruses. This does not include the cost of anti-virus software and update time. To some of you that may not seem like much but to others, due to budget cuts, it means 6 less new computers in the field. To those of you suffering with an older, slower model, this affects you the most.

Viruses come in many forms and the people who create them are some very sharp cookies. They use all kinds of means to entice you into getting infected. Almost all viruses come as an attachment to an e-mail. Some attachments say 'Sexy Virgins' others say 'Joke'. Some viruses come disguised as links to the Internet. Some viruses get into the Microsoft address book and send themselves to everyone in your address book without you even knowing you are sending these virus attachments. These viruses all have one thing in common, you the user, must open them to get infected.

There are 2 ways of opening attachments, by either clicking on them directly or by using Microsoft Outlook or Outlook Express with the preview pane open.

To prevent virus infection, keep your anti-virus software up to date, turn off the preview pane in Microsoft products, and never click on an unknown attachment. As company policy, we use McAfee anti-virus software. You can get your McAfee updates at <http://www.nai.com>.

You don't need to become attachment paranoid, just be smart. Pictures are safe to view - file extensions - .bmp, .jpg, .gif, .pcx. Internet links ending in .htm or .html are also safe. Music, shockwave flash and video files are safe. Microsoft Office documents (Power Point, Excel, Word, Access) should only be opened if you know who sent them or even better, if you are expecting them. The Internet can be an enjoyable place and a great means of communication. Don't let a nasty ol' virus get you down.

An Invitation

We would like to hear from you! If you have a question or thought that would benefit the company, please write us (anonymously if you like). Letters to the editor are also welcome. We would also like to hear about the many good things going on such as births, graduations and the like. You can simply give the details to your Service District Receptionist or to your supervisor.