



# The ELKHORN BUGLE

Spring 2007

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## SAFETY BY EXAMPLE

Safety is a core value, constant priority, and a proactive challenge from the upper management team to continuously improve our safety performance. Providing a safe working environment, addressing every known safety hazard, emphasizing routine and frequent safety training, developing safe work behaviors, and providing safe and modern construction equipment is a must. We are not a success if we are hurting people, damaging equipment, property, or harming the environment. We can and will work safely!

In 2007, Elkhorn's management team will continue to emphasize an increased priority on the acceptance of individual responsibility for their personal safety and that of their co-workers. As we continue to invest in our core workforce by utilizing specialized training seminars and in-house programs, we continue to increase the



MOMENTUM PLANT—COLORADO

knowledge and skills of our managers and supervisors for continual improvement of our safety culture, project safety focus, and to actively practice the industries' best work practices. From the Chairman through our short service employees working throughout our service areas, each individual employee's safety begins with a belief system that is embedded within the culture

of each project team promoted by each field and shop supervisor, prioritized by each manager, and demanded by our company leadership. The key to our success is this belief system and the culture that develops from our efforts. Our intention is to further improve every employee's belief that zero incidents is an attainable performance level, and that every incident is preventable.

## AND THE WINNER IS...

In an effort to keep our employee/owners attentive in evaluating and considering safety in every task that they perform each moment of every day, Elkhorn held an ATV give-away. The give-away was offered to all shop and field personnel, from laborer to project supervision, within each of the companies of Elkhorn Holdings. The period covered October 1, 2006 through December 31, 2006. To be eligible: (1) The employee-owner must have worked through this period, or have been given a Reduction-of-Force. If they voluntarily quit or were terminated with cause, they were not eligible. (2) They must have completed this time frame without a Recordable Incident. (3) They

must not have been involved in an Equipment Incident that was avoidable. (4) Their name was entered into the drawing each day they worked during this time frame. (5) The drawing was held at the end of the second week in 2007.

During the last three months of 2006, we worked in the field 86,268 man days. That's how many entries were in the drawing. The safe working Employee Owner that won the drawing was Terry Logsdon, currently working on our Tolar, TX Project. Terry is a Welder and Pipe Foreman on this project and has been an Employee Owner for two plus years.



TERRY LOGSDON

Congrats to Terry who felt the ATV might be dangerous and traded it in for a welding machine.



ELKHORN SNAPSHOTS



## CHAIRMAN'S MESSAGE

At the end of last year, I stated "adding value is a journey; Elkhorn's compass is our shared values. Our values are intact. We know the direction and the destination. Our challenge is to align all of the forces within Elkhorn to focus on the target so we can continue to maximize our velocity. We must sharpen our focus and mutual commitment."

I am continually amazed at the skill and work ethic of our employees at all levels in the organization. It is very gratifying to hear others at conferences we attend refer to all Elkhorn companies and divisions in favorable terms. We are respected throughout the industry. Thanks for your efforts in creating this success and for accepting the challenge to make us even better.

While 2006 was another amazing record setting year and we were able to do some of the above, there remains much work to be done. Once again, the market demand for our services has been so great that satisfying our customers in the short-term has dominated our attention, charmed our egos, added to our checkbook, but deflected our focus from the long-term.

If we are to become accident/incident free, more of our employees will have to find the knowledge, desire and courage

to utilize their Stop Work Authority cards as some at Eagle have recently done. You must join me in believing we can be accident/incident free because we already do it for periods of time. Management at each project must also believe and will have to realize and demonstrate through their actions that safety is the responsibility of everyone working on that site. Only by everyone working together, taking personal responsibility and holding each other accountable, can we prove it is possible.

We will have to learn to say, "no" and be more selective in deciding which projects we can staff and perform successfully. The shortage of supply we have been forecasting in the crafts we employ hit with a vengeance in 2006. Wages escalated dramatically and will probably rise again this year. Short-term considerations will challenge the attractiveness of our long-term compensation package and benefits. Each of us will have to recommit to making the magnet strong enough to attract and retain the best. We must internally sell long-term security and short-term parity. We have much to offer and should not talk ourselves into settling for less than the best. Our track record as an employee owned company and employer in this industry is both unprecedented and unparalleled.

It will remain easy to mistake a bull market for brains, but we know this market will not last forever. The habits we form now will determine if we can succeed when the market cools. While our performance on lump sum projects improved over past years and we completed our largest ever project on a lump sum basis with a small profit, we can and must do better in this arena where we will no doubt live for part of the future. We have the necessary tools in our project control tool kit. Let's be disciplined enough to use them. Thanks to all of you for your hard work and the success we have enjoyed in 2006 and for your commitment to strive to improve again in 2007.



*Sean Sullivan*  
Chairman, President, and CEO

## FOUR CORNERS' PROJECTS ...KATHY CRAWFORD

### BP America Iron Horse Project

Elkhorn has been awarded the civil and underground portion of a new grass roots compressor station for bp America. If all goes well, we will land the balance of mechanical and electrical work. This will be bp's largest compressor station in this area with the exception of their main Florida River Plant in Ignacio, CO, and as such, the spot light and hundreds of bp employee eyes are focused on this very important project for the local bp folks. We also have a couple of eagles that like the area where the new station is being constructed and when they land to observe all work must stop so as not to disturb them (the eagle's - not the hand's). One day they enjoyed watching us so much they perched in the tree for about 6 hours! This first part of the work consists of drilling 207 piers, the new compressor pads and pier caps, and 16" and 12" suction/discharge lines from the new pipeline (being constructed by others) coming into the new station.



The summer picnic for the Four Corners area is scheduled for July 21<sup>st</sup>. All are welcome.



CARTER CREEK COMPRESSOR STATION

## CHEVRON CARTER CREEK NORTH END BOOSTER...BILL JONES

Bill Jones, William Reeves, Sam Jackson and Dick Mohler were the Supervision Team over the North End Booster that will start up in the middle of March. The following are those that worked a substantial amount of time on this project: Justin Barlow, Julio Cancinos, Mitch Coburn, Luis De La Vega, Dustin Easton, Jose Flores, Randy Gomez, Leonard Gottfried, Jose Guerrero, Ricardo Heredia, George Jones, Kip Knight, Juan Antonio Loma, Sergio Loma, John Massimilla, Adan Mejia, Santamaria Najar, Salomon Ramirez, Jorge Rivera, Merrill Skillen, Kevin Sims, Rubeen Torres, Santos Varo, Antonio Flores, Esteban Villarreal and Shane Wall. Congratulations to this team for completing this project without a recordable accident on Elkhorn's portion of this project.

We installed two compressors, associated piping, tie points between the North End Compressor and North End Booster, a new inlet separator, new MCC and Control room, and new triplex pumps.

We Appreciate Working With Alex Saburov, Bob Periman, Paul Boroughs, Mike Campers, and Dennis Anderson as our main Chevron contact in helping us complete this project.

### ELKHORN SNAPSHOTS



# RIFLE, COLORADO...BY JOHN FORNI



We have had many exciting things happening in the Rifle District. We have purchased property for a new office, shop, and yard. We broke ground this year and are planning on being in our new facility by this July. We have added new supervision in the field and are looking at additional help as this area is booming with new projects.



John Dick has numerous projects he is managing. He completed phase 1 for Momentum and has kept a small crew busy through this winter on maintenance. He is working closely with Momentum for phase II that should be under way by this Spring.



In addition, John has a full time crew working for Williams Production installing compression in the field. His site superintendent, Preston Randolph, has kept a 10-12 man crew busy installing the units with at least another 18 units in front of him.

John completed some work in the Price, Utah area for Anadarko and is hoping to pick up more of their Anadarko work in the area.

John completed a project for Occidental consisting of installing a new compressor and piping.



Williams RMT has been keeping us very busy. We have a work force of 50-60 men working different projects for Williams. Ed Sprague has a crew of 20 installing new construction as well as assisting Williams on start up of their new processing plant and maintenance on the existing plants.

Elston Glaze has a crew of 10 men installing a thermo oxidizer skid at Williams Grand Valley site.

We have moved Dennis Flynn up from welding into a supervisor role and he is keeping a 4-5 man crew busy working on the Williams PC facilities.



Saul Orona has a 6-8 man crew working maintenance for Williams. Saul and his crew travel to all of Williams' sites doing various tasks.

Wayne Henderson and a crew of 6 are assisting Williams on the start up of PC III. We are around the clock on this work running crews day and night.

Jaime Montes has been moved from a supervisory position to an inspection position for a customer. Jaime is still employed for Elkhorn and does an outstanding job.

Tommy Belcher is still on the mountain with Exxon. Tommy has a crew of 30 installing well hook ups and doing maintenance. Tommy has set up Kris Stanko, Robert Nye, and Wes Davis as foremen with each working their crews at different well locations. We anticipate possibly by this summer to have as many as 60 men working for Exxon. Tommy and his crew have an outstanding safety record and good working relationship with the client.

We completed all the work Kerr McGee and WGPW had given us in the Vernal, Utah area but since have picked up work for Questar.

Ira Massey and Ken Heineke and a crew of 30 are installing a 3616 compressor, dehy skid, and tank farm at the Coyote Wash site 30 miles south of Vernal. Questar is talking to us about doing phase 4 and 5 at this site as well as a new processing plant in the area.

Jerry Thunell, Project Manager over E&I, has been an asset to our company keeping the E&I side of the company busy. Jerry has kept crews busy working for Williams, Momentum, Occidental and XTO.

Jerry has a 3-man crew working for XTO in the Price, Utah area. He has a small crew at Momentum on maintenance,

two crews working maintenance and new construction for Williams, a 2-man crew working at Occidental, and a 2-man crew at Questar in Vernal.

Jerry is also looking forward to the new expansion at Momentum this Spring.

Justin Booth has done an outstanding job seeing to the safety aspects of the company. Justin has established a good working relationship with the crews in the field as well with the clients. He makes a site visit to each crew every week, which keeps him very busy. Justin is always looking for ways to make safety better for everyone.

Rob Ziegler, Project Manager for Dynamic Services, has kept a 15-20 man crew busy in the area insulating and painting for Exxon, Williams, Occidental, and Tri-State. He also will oversee the building erection for Questar on the Coyote Wash project in Vernal, Utah. Rob has slowed down through the winter months but his workload will increase as Spring approaches.

We do want to mention our office personnel. Sherri Covert, Eric Hoagland, and Terrie Heineke have done an outstanding job in our office. We are saddened by our loss of Alex Torres but ever so happy for her. Alex has resigned her position so she can be the proud mother of a new baby daughter.



# HOAD

## DJ Basin Construction

**Anadarko Petroleum (Kerr McGee):** Scott Coppersmith and crew continue to install miles of 3, 4, and 6 inch pipeline in the gas fields throughout the DJ Basin for Anadarko Petroleum. The crews continually get called to take care of Anadarko's high profile work, which is a credit to everyone on the crew. We look forward to a very good relationship throughout 2007 with Anadarko in the DJ Basin.

**DCP Midstream:** As we moved into 2007 we are continuing to do work for DCP Midstream in the DJ Basin including both well connects, and plant service work. DCP, formerly Duke Energy Field Services, has always been a strong client of ours and we hope to continue the relationship that has been built over the years.

**Encana:** As we closed out 2006 and moved into 2007, our crews did several miles of HDPE pipe installation as well as a few meter sets. We also continue to supply administrative support to the local Encana offices as well as a couple of technicians at one of the local plants. HOAD also completed the cleaning, inspection, painting, re-certifying, and transporting of two large pressure vessels to the Rifle area from Fort Lupton.

**Suncor Energy USA:** We are currently in the midst of construction on the new wastewater treatment facility at the Suncor Refinery in Commerce City. Our crews have been in the refinery for a couple of years now and hope to stay for a long time to come.

**CIG El Paso:** The HOAD Industrial Services (HIS) group has completed several projects in the Denver area for El Paso and the Cheyenne Plains Gas Company, LLC. These projects include a major dirtwork project for their new cross country pipeline to plant tie-in, heat trace and insulation, a well pump building sealing project, and other miscellaneous scopes of work.

**Kinder Morgan Power** – HIS has assisted the folks at the Fort Lupton and Greeley Cogeneration facilities in their Fall and Spring outages. Work completed included changing out high pressure steam valves and piping, inspecting and repairing boiler heater tubes, and repairing liner plates inside of their boilers.

**TRIGEN:** Again this year, HIS has been involved in the boiler outage work on TRIGEN Colorado Energy Corporation located at the Coors Brewery in Golden, CO. This work included inspecting, cleaning, re-bagging, and repairing their baghouses. We also installed steam line expansion joints, replaced valves and repaired the structural steel on a dust collector that had been damaged due to excessive heat generated by the ash. Along with this outage work our vac truck crews continue to assist TRIGEN in maintenance activities and clean ups quite regularly.

**XCEL Energy:** Xcel Energy has contracted us to help on several projects this past year. One of the bigger projects was the Chalk Bluff Expansion Project. Gary Quick, Marvin Koger, and crew installed new large bore piping from the existing plant to another client's tie-in point located near Highway 85 in Northern Colorado. We will soon begin the HWY 93 VS Access Project located near Louisville, CO.

**Merrick & Company:** Merrick has an Ethanol Plant located at the Coors Brewery in Golden, CO. They take the waste beer and other by products from Coors and convert them to fuel grade Ethanol. HIS was successful in landing Merrick's 2006 Ethanol Turnaround Project. This project was completed incident and accident free and right on schedule for this client.

**Hanover:** HIS/Elkhorn assisted Hanover in completing the installation of pall rings in two amine contactors located at the Cheyenne Plains Station just South of Cheyenne, WY. Modifications to piping and other miscellaneous work was also completed incident and accident free.

## DJ Basin Fabrication Facility

**El Paso Natural Gas:** The Ft. Lupton shop continues fabrication of El Paso's Chromatograph / Instrument buildings for the Western United States which include Colorado, New Mexico, Texas, Wyoming, Arizona, Kansas, & Utah. At the present time we are in various stages of construction of 8 buildings.

**Canyon Gas Resources:** Fabrication of ten Whopper Stoppers at the Ft. Lupton shop. They are installed on meter station to catch liquids before entering the meter tubes.

**UE Compression:** The Ft. Lupton shop completed fabrication of 36 ASME Compressor bottles of various sizes & are starting 12 more for shipment to UE Compression's facility in Oklahoma City for installation on compressor units

**Kinder Morgan, Inc.- Big Hole Moffat Meter Station:** The Ft. Lupton shop is fabricating a Meter Station & Control Building for Kinder Morgan that will be installed Northwest of Craig, CO. when completed the end of April.

**Momentum Energy Group- Wyoming Gas Service, LLC:** The Ft. Lupton shop is fabricating a 16" launcher & receiver that will be installed in Douglas, WY. when completed.

**Kinder Morgan, Inc.- North Lansing Field Expansion Project:** Completion of 7 Well house Buildings for shipment to Longview, Texas. These building are used for methanol & corrosion inhibitor injection.

**Anadarko Petroleum (Kerr McGee):** Fabrication of 3 dual station truck loading skids & 3 fuel gas skids that will be installed in Utah when complete.

## ELIZABETH'S WILD ADVENTURE

Elizabeth Browning, age 90, seldom drove more than a mile or two away from her apartment in Idaho Falls, ID. However, on the afternoon of October 14th, Elizabeth drove herself over 150 miles away from her home. She gave various reports later regarding her destination, including going to the hairdresser, to the grocery store, to Denver to see her daughter, to visit her daughter-in-law in Alpine, WY, etc.

Elizabeth apparently was driving on Highway 191 in northern Wyoming when she encountered "heavy traffic" so she made a detour onto a small road west of Big Piney, WY. This road became a goat path and eventually led to a river bank, 30 miles away from Highway 191 and about 60 miles north of Big Piney. After dodging trees and boulders, her car went no further.

Elizabeth was as lucky as she could be when two brothers, both hunters, were scouting for a site to set up their camp. They saw her car acting strangely but didn't think much about it until their return about an hour or two later. Who are the two brothers you ask? They are Elkhorn's own Lyn and Sam Jackson of Evanston, WY.

The time was about 6:30 pm when the brothers returned and found Elizabeth lying on the ground near her car by the river where the road ended. Lyn and Sam were on horseback. So one of the brothers stayed with Elizabeth while the other took the horses back to their pickup truck and then drove back to the site of Elizabeth. The brothers wrapped her up in a sleeping bag and put the thermal packs they had in their saddlebags on her feet to help warm her up. One of the brothers even massaged her feet and hands to warm them up while the other drove to the emergency center in Pinedale.

Sgt. Kevin Koessel, of the Sublette County Sheriff's Department, interviewed Elizabeth inquiring about her age. Elizabeth responded, "I would need a calculator to figure that out." The Pinedale medical center determined that Elizabeth was in need of greater emergency care than what they could provide her. They air-transported her to Idaho Falls, ID. In Idaho Falls, Elizabeth was treated and stabilized until her daughter Jan and husband, Fred, could come pick her up and move her to the Denver area with them. Elizabeth told the brothers that she prayed for an angel, and sure enough, they rode up to her on horses. Her family and all the Elkhorn family want to thank the Jackson brothers for their care and help of Elizabeth.

## HOAD..... CONTINUED

### San Juan Basin Fabrication Facility

**Chevron:** We continue to fabricate numerous coalescing filters and separators along with 2 - 18MMSCFD Gas Dehydration units as well as a large 72" OD x 20' LG inlet filter.

**Giant:** At the beginning of the first quarter we completed numerous large launchers and receivers to be installed on Giant's pipeline system South of Bloomfield, which were installed by Elkhorn Construction Field Crews.

**Momentum Energy Group:** As 2006 came to a close, our Bloomfield facility completed numerous projects for Momentum Energy Group including numerous 60" Diameter 30' long slug receivers and several coalescing filters to name a few of the items fabricated.

**San Juan Compression:** Our relationship continues to grow with San Juan Compression as our crews are turning out four inlet compressor scrubbers per week. We look forward to the ongoing relationship developed with the group at San Juan Compression.

**DCP:** We have recently been awarded the fabrication of a large valving skid for controlling 5 Mole Sieve Dehydration Beds. Fabrication of the steel is well under way and the piping is soon to follow.

**Resolute Natural Resources:** We have recently picked up the fabrication of four VFD Control buildings to be fabricated out of our Bloomfield Facility and will be working with Donovan Maynes, of Elkhorn, to get the electrical portion of these buildings installed and shipped to the field for Resolute.

**Field Services:** Our field services group has been very busy throughout the winter troubleshooting separators, dehydrators, and lighting pilots for numerous clients throughout the San Juan Basin: Energen, bp, Elledge Resources, Chevron, Samson Resources just to name a few.



MOMENTUM PLANT—COLORADO

# ESOP

“Ten years ago I became a member of the Elkhorn family. Elkhorn Construction helped me provide for my family from 1996 to 2005, until I retired. I take this opportunity to thank Elkhorn Holdings, Inc. and you personally, because on the 1st of each month, you are still helping me provide for my family. 100% employee owned is a fact.” Frank J. Roybal, Jr.

Frank is just one of many Elkhorn Holdings, Inc. employee-owners that have been vested into the Employee Stock Ownership Plan. The primary purpose of ESOP is to enable participating employees of Elkhorn companies to share in the growth and prosperity of the Elkhorn companies and to provide them with an opportunity to accumulate capital for their retirement needs. The success of the company depends on the teamwork and positive attitudes of all employees. At every level of job responsibility, the efforts and devotion of many individuals have created the success thus far achieved and will help guarantee that the company remains successful.

The 401K plan provides the opportunity for you to make before-tax contributions, which may be matched by the company in cash or Elkhorn stock. The employer may also make additional contributions in Elkhorn stock or in cash to the ESOP. For more information on either the 401K or ESOP, contact your benefits coordinator, Darinda Wardell at (307) 783-5033 or [dwardell@elkhornconstruction.com](mailto:dwardell@elkhornconstruction.com)

## ELKHORN'S BENEFITS

### Mandated and Wage Based:

- Federal and State Unemployment Tax (based on government limits)
- Workers Compensation
- Federal Insurance Contribution Act (FICA) – Employer and Employee each pay 6.2% Social Security to a government set limit and 1.45% for Medicare with no limit

**Insurance** (Employer subsidized) Eligibility requires 180 days of continued employment.

- Medical
- Prescription Card
- Vision
- Dental
- Life Insurance (\$15,000)

**Insurance** (Available at Employee Expense)

- Life Insurance
- Short Term Disability
- Accidental Death and Dismemberment
- Personal Cancer Protector Plan
- Personal Hospital Intensive Care
- Personal Accident Expense Plus
- Personal Recovery Plus
- Voluntary Indemnity

### Safety

- Prescription Safety Glasses allowance
- Protective shoes allowance
- Incentives
- \$50 Wal-Mart card (every 2 months) – Must work 300 hours in a 2-month period and have no safety incidents, and make the Corporate Scorecard Safety gate
- Safety and productivity incentives (benchmark and other selected projects)

### Vacation

- 1 week minimum with 1800 hours the previous calendar year
- Increase vacation benefit, 1 additional week after 5 continuous years of service

### Retirement Benefits

- Employee Stock Ownership Plan (ESOP)
- ESOP contribution (Employer funded after 1000 hours in a year, based on time and wage rate)
- 401k
- Employer will match 100% of the first 3% directed by the employee to the 401k and .5% of the next 2% for a total 4% possible match
- 100% Vested immediately

### Craft Training

- Craft Training incentives (Student)
- Craft Training incentives (Instructor)

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## KENNEDALE, TX: OFFICES BY DAY, SCHOOL AT NIGHT...BY ROBERT LAMONT

In February 2006, Eagle Pipeline Construction, Inc. entered into a working relationship with Bridging the Gap in order to provide an innovative approach to enhancing the lives of its employees. Mike Smith, general manager, recognized that their employees were in need of improving their English in order to enhance their own quality of life and to be eligible for promotion to more responsible positions.

Many of the men were very loyal, long term employees, who possessed excellent job knowledge and skills, however, they communicated in a language other than English and that was an obstacle to their future success. Mike also felt very strongly that he wanted to do something personally meaningful to broaden their world by helping them to learn English, the tool that would allow them to access far more opportunities available in this wonderful country.

Mike Smith and Robert Lamont (of Bridging the Gap) developed a strategy to teach employees English. "Big Mike," a former college football player and long time supervisor at the Kennedale site, stays every Tuesday and Thursday evening to insure that everything runs smoothly. He even goes out to get pizza for everyone so that they can relax and concentrate on school and not on being hungry after working hard all day. His same total commitment to Eagle and this program is evident at every session. He'll jump right in to help out if he sees one of his guys struggling with a particularly difficult assignment. Mike maintains regular contact with Mr. Lamont so that everyone stays on the same page. They value their employees and the men have told us that they appreciate this very much.



The offices, foyer, lunch room, etc. have all become classrooms at 6:00 pm and the men clean up afterwards, even vacuum the entire area to make sure that they will be welcomed back next time. All teachers are highly skilled in ESL techniques and hold Masters Degrees in their fields. Classes are divided into six week sessions and students can progress from the very basic entry level on up to grammar and sentence construction in both oral and written form. Such basics as following directions and naming of tools are also covered as well as emergency situations, like how to notify others in case of an accident or heat related problem.



Recently, Mike asked the men to write a note to him telling him what their goals are for their future with the company. Many of them have expressed a strong interest in working toward learning new skills and eventually to becoming a supervisor. Some are about ready to make that jump and they may be able to vastly improve the lives of their families as a result of one man's dream to both help his fellow man and his company to continue to grow with a solid, experienced work force. Another student, who came into the program with almost a zero level in English, has begun helping his elderly neighbor do yard work and provide a positive effect on his neighborhood in his new world of English after only three months of English classes. At Eagle Pipeline Construction we are changing our employee's view of their environment one construction worker at a time. Presently, we have three classes studying at the same time.

### **Comments from students in the classes:**

"My name is Manuel Colmenero. I have two years working for this company and I'm very excited for the Ingles classes. I'm operator and I will like to be a bilingual operator and a foreman in the next years."

"Thank you for these English classes. I am dedicated more to be a better worker. I want to improve myself and be a supervisor some day. Thank you for this job and these classes: Agustin Flores"

"Thank you for giving me the opportunity to learn English in my classes and for giving me the strength to better myself. I would like to understand more in my speaking to go forward in my position with this company. I want to be an operator in the future. Thank you: Jose Maldonado"

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## SHAPING TOMORROW'S PROJECTS...BY TERRY LOGSDON

Within the walls of Elkhorn Construction lies one of the best-kept secrets in the construction industry. As so many of us have spent our lives in or around various types of industrial construction, it has become all too clear, that there are some key elements involved in the safety and success of any project. One of the most crucial elements, in my opinion, is the standard of morale within the company, not just on the project and not just in the hands. It is my belief that upper management sets the pace for the project and ultimately controls the outcome of our safety record and our success as a company. Not to take credit away from the field hands, they too share in the responsibilities of safety and success, however, when you're on a project and everyone from the company CEO to the job superintendent takes an active roll in the morale of the jobsite and the company, it makes a dramatic difference.

Way out here in Tolar, Texas, we have such things going on. We have a leader that honestly cares about the welfare of his employees and wants to see every one of us succeed both on and off the project. I have witnessed first hand the care and concern of our corporate leaders and watched as they got personally involved with the nature of the project. Doug Johnson has instituted a very caring, but no-nonsense, attitude towards the success and safe completion of this project. This attitude has been echoed from Scott Chisum to Sean Sullivan.

We have had our share of difficulties and our "oh, ohs", but through it all we have always felt the hand slap on our backs that says, "WELL DONE". Because you care, we do too.



# THE CRAFT TRAINING PROGRAM

## What is Craft Training?

Craft training is the combining of craft course material and OJT, all of which is documented. Electrical, Carpentry, Pipefitter, Instrumentation, Insulation, Millwright, Sheet Metal, Welding, Heavy Equipment, and Mobile Crane Operator course material is available through Elkhorn's Craft Training Program. Additional training courses can be arranged as appropriate.

## Why do we provide Craft Training?

A career in construction is rewarding and lucrative. Since the beginning of civilization, construction has been the foundation of progress. Everyone needs something built, fabricated, or constructed. There is a great demand in our industry and company for highly skilled, knowledgeable, and experienced craftspeople. Our industry is in the middle of a shortage of qualified workers. As more and more qualified workers retire, the shortage continues to worsen. Additionally, without standardized craft training, sometimes craftspeople work for several years without receiving the full spectrum of experience and training for their craft. Our Craft Training Program gives our employee-owners a chance for a long, rewarding, and professional career, helps fill the demand for qualified workers, and insures each trainee receives the same standard training, OJT and TASK for a given craft. A properly trained work team is able to meet our customers needs better and as employee-owners, meeting our customers needs is what keeps us employed and creates share value.

## How does the Craft Training Program work?

Our Craft Training Program is basically an Individual Instruction / Independent Study Program. After 90 days of employment with Elkhorn and upon recommendations from your supervisor, you may enroll in craft training in the craft of your choice using the Request for Training Form. You will be assigned a Certified Craft Instructor who is committed to working with you in your studies and OJT.

You are responsible to study the course material and record and turn in your monthly OJT on the Monthly OJT Record Form. Each level requires approximately one year to complete and is made up of several modules, which are similar to chapters in a book. When you, your supervisor, and your instructor determine you are ready, you are given a written test and a performance test on each module. When you complete 2000 hours of OJT and all of the modules in a craft level, you will be promoted to the next level and the process continues until you have completed all levels in the craft course.

Your progress information (passing written and performance test for each module) is documented and reported to the Craft Training Manager, who processes this to the National Center for Construction Education and Research (NCCER). The NCCER issues an Official Transcript of your level completion and places your name on the National Registry for your craft. The NCCER also issues a Wall Certificate and a Wallet Card in your name with your level of completion recorded on them.

## How do I enroll in training?

After 90 days of employment with Elkhorn and upon recommendations from your supervisor, you may enroll in craft training in the craft of your choice using the Request for Training Form. Your training materials will arrive in about two weeks and you can then begin to study and train.

## What are my responsibilities as a trainee?

Your responsibilities as a trainee are to work safe, hard and smart, be on time, be responsible, do a quality job, and make the Elkhorn Corporate Philosophy your way of doing things. You are expected to study the course material, test (written and performance), and document your OJT on the Monthly OJT Record Form. You are expected to progress as scheduled and by doing so will receive incentives and pay rate increases as scheduled.

## What incentives are available to me for completing a level of training?

We have set up an incentive for those who are striving to be a Journeyman and complete 1000 hours of On-Job-Training (OJT) and ½ of the modules in a craft level. The incentive is \$400.00. (Modules are like chapters of a book and a craft level is all the modules included for a year of experience/study). Each level can easily be completed in a one-year period. This means \$800 is available a year to be awarded to those individuals who accomplish their training as scheduled. It is up to you to track your progress and communicate your eligibility for this incentive. (Craft Training has records of all training submitted.) The Certified Craft Instructor receives \$100.00 per trainee, per half of training level for those trainees they instruct and test. That's \$200.00 available per trainee per level for the instructor.

## How can I get a raise?

From Laborer/Helper to Journeyman your actions control if, when, and for how much you receive a raise. Of course you have to work safe, hard and smart, be on time, be responsible, do a quality job, and make the Elkhorn Corporate Philosophy (can be found in the Tool Trailer, Lunchroom, or Service District Office) your way of doing things. When you have accomplished these actions, having your supervisor recommend you as a candidate to enroll in our Craft Training Program will be your reward. Once you are enrolled and complete 1000 hours of OJT and ½ of the modules in a craft level, you will be paid approximately 60% of the Journeyman's pay rate. Your pay will increase approximately 5% of the Journeyman's pay rate for each 1000 hours of OJT and ½ of the modules you complete in a craft level until you reach Journeyman status and receive 100% of Journeyman pay. It is up to you to track your progress and communicate your eligibility for this raise. (Craft Training has records of all training submitted.)

## How can I get promoted?

From Laborer/Helper to Journeyman your actions control if and when you get a promotion. Of course you have to work safe, hard and smart, be on time, be responsible, do a quality job, and make the Elkhorn Corporate Philosophy your way of doing things and you will be rewarded by having your supervisor recommend you as a candidate to enroll in our Craft Training Program. As a new employee, once you are enrolled and complete 2000 hours of OJT and all of the modules in a craft level you will be promoted to the next level. (Examples: Helper 1 to Helper 2 to 3rd Class Craftsperson to 2<sup>nd</sup> Class Craftsperson to 1<sup>st</sup> Class Journeyman). Positions from Working Foreman to President require cross supervision, management, and specialized training courses. Contact supervision and/or management for specific requirements. It is up to you to track your progress and communicate your eligibility for promotion. (Craft Training has records of all training submitted.)

## PERSONNEL COORDINATOR COMES ABOARD - CAROL MARX



Carol A. Marx began her role as Personnel Coordinator for Elkhorn Construction in December 2006. Carol and her husband Ron moved to Evanston from Port St. John, Florida where she spent the last seventeen years. Carol sees that as Elkhorn Construction and all of their subsidiaries continue to grow, the need for more dedicated workers will increase. Elkhorn Holdings, Inc. has an excellent mix of work crews. The crews have created a synergy that has allowed Elkhorn Holdings to jump ahead of schedule in many of our projects and maintain a safe work environment. Carol will be working with all projects throughout Elkhorn to create one of the strongest workforces. Carol has received her Ph.D/ABD in Industrial/Organization Psychology from Capella University. Her concentration is employment, ergonomics, and overall employee relations. Carol is available to help all employee-owners retain a steady workforce even when the project they were working on has finished. Carol will be available to all project managers to staff new projects and will also help our current employees transition to new jobs sites with ease. Carol can be reached at (307) 783-5024 or email at [cmarx@elkhornconstruction.com](mailto:cmarx@elkhornconstruction.com)

## ELKHORN WELCOMES MICHAEL BAILEY

Michael Bailey came to Elkhorn Construction as the Quality Assurance/Quality Control Manager in February 2007. In 1994, Michael left Evanston to join the US Navy. After two years in the Navy he decided to change occupations from being a carpenter to become a Deep Sea Diver. In 1997 he graduated from the Naval Diving and Salvage Training Center in Panama City, Florida. From there he spent four years in Connecticut working on nuclear submarines, returned to Panama City for advanced diver training and then spent three years in Virginia with Seal Teams 2, 4, 8, and 10 where he deployed to Iraq in 2004. From there he transferred to San Diego, CA where he was the manager of the Navy's only Underwater Weld Team deploying throughout the US and various worldwide stations performing welding and Non-Destructive Testing for the Navy and Coast Guard. He comes to the company with ideas of enthusiasm, looking forward to helping Elkhorn grow, and become one step ahead of the competition. He brings with him his wife, Darby and son, Aaydyn.



## RICK LUNSFORD JOINS ELKHORN



Rick Lunsford has joined Elkhorn Holdings as the new Director of Marketing and Business Development. Rick is an Evanston, Wyoming native who joins the Elkhorn Holdings' team after nearly twenty years with the City of Evanston. While there, he served the citizens well in various capacities including water distribution and collection installations, customer service training and more recently in roles as the Safety Training Coordinator, Olympic Coordinator, Customer Relations and Marketing Coordinator, and Director of Economic Development, where we noticed his success, work ethic, intelligence and ability to listen – all qualities we value.

His duties at Elkhorn Holdings include Marketing and Business Development for all Elkhorn entities including Elkhorn Construction, Inc., Dynamic Services, HOAD, Inc., HOAD Industrial Services, Eagle Pipeline Construction, Inc., and ProSafe.

Rick can be reached in the Elkhorn Holdings corporate office here in Evanston, at the physical address shown below. He can be reached by phone at (307) 789-1595 ex. 5023 or his direct number is (307)-783-

5023 and his cell is (307) 679-1651. His e-mail address is [rlunsford@elkhornconstruction.com](mailto:rlunsford@elkhornconstruction.com). Rick's attributes show why he will strengthen the Elkhorn team and our ability to provide services. He is a quick study with whom you will enjoy working. Please join us in welcoming Rick as part of the Elkhorn team.

## ELKHORN FINDING INNOVATIVE WAYS TO OVERCOME WORKFORCE SHORTAGE

With the Energy industry booming and what seems to be more work to go around than workers to do the work, the most pressing issue facing companies today is finding capable workers to fill the void. The shortage of available workforce not only affects companies involved with the energy industry, it affects every company that relies on workforce to keep the doors open. It is most certainly a two edged sword. While the abundance of "Self Sustaining" high paying jobs in our industry has created a wonderful job market for the job seeker, it has also put a tremendous strain on smaller retail and service oriented businesses that cannot afford to compete with the higher wages being offered.

Another major concern is combating the ever-increasing difficulty of employee retention. It seems that no matter the industry, there is a constant battle in hiring and retaining the best workers. Again, this is good for the worker, (at least in the short term,) but bad for the company that spends time and money getting workers up to speed and productive only to see them take a job next door for an extra dollar. This alarming trend of worker tunnel vision, seeing only the dollar, is not a new one but possibly more prevalent now than ever.

Elkhorn Construction, Inc. is a wholly owned subsidiary of Elkhorn Holdings, Inc., a Wyoming Corporation that is engaged principally in the development and ownership of industrial construction and fabrication businesses. Elkhorn Holdings' principal holding is Elkhorn Construction, Inc., headquartered in Evanston, Wyoming. Elkhorn Holdings, Inc. features two other wholly owned subsidiaries; HOAD, Inc., based in Fort Lupton, Colorado and Eagle Pipeline Construction, Inc. located in Kennedale, Texas. Operating divisions within Elkhorn Construction, Inc. include Dynamic Services and ProSafe. The operating division within HOAD, Inc. is HOAD Industrial Services.

Elkhorn Holdings is committed to finding innovative ways to achieve workforce recruitment and retention. Elkhorn believes that by finding and hiring the best and by creating long-term career and employment opportunities, they will attract the rest of the best. Elkhorn has grown 16 times in twelve years since becoming 100% employee owned and is among Wyoming's largest private-sector employers generally hovering between 1200 and 1400 employee-owners throughout the company. Ken Savage and Mike Jackson founded Elkhorn in 1984 and the employee-owners will be forever grateful to Ken Savage for giving them the opportunity that employee ownership has provided.

**ESOP:** Elkhorn is an ESOP company, ( Employee Stock Ownership Plan) and is 100% employee owned. This ESOP structure greatly enhances value to long-term employees. Employee-owners are vested after three years of service and are rewarded accordingly with company stocks as time goes on. This combined with an excellent employee benefit package such as 401K, medical, dental, vision, and an employee bonus plan based on company performance and safety, make Elkhorn very attractive for employees looking for a long-term career.

**Safety:** It doesn't take long to realize after working for Elkhorn that "Safety is a Core Value". Employee-owners are taught the safety culture and are fully expected to embrace it. There are no corners cut here. Employees can be assured that in terms of training, equipment, and commitment, Elkhorn is doing everything possible to keep them free from injury and get them home safely to their families when the day's work is done or the job is complete. Employee-owners are rewarded with several safety incentive programs such as ATV give-a-ways and shopping cards.

**English as a Second Language:** In February 2006 one of Elkhorn's Texas offices started a pilot program to provide a modern approach in enhancing the lives of its Spanish-speaking employee-owners. Many of the men and women were very loyal, long-term employees who possessed excellent job knowledge and skills yet struggled with a language barrier that was an obstacle to their future success. The English as a Second Language program is proving to be very successful and will likely be incorporated into Elkhorn's other locations.

While Elkhorn's innovative approach towards attracting and retaining the best has not solved the problem of workforce shortage for the company, it has certainly helped. Elkhorn is committed to creating and sustaining lifetime career opportunities and value that our devoted employee owners can look forward to and rely on until retirement and after.

*Rick Lunsford – Director of Marketing and Business Development  
Elkhorn Holdings, Inc.*



*Record attendance  
for the Texas area  
Christmas party at  
just over 300!*

A Publication of Elkhorn Holdings, Inc.

Wholly Owned  
Subsidiaries and Divisions

Elkhorn Construction, Inc.  
P.O. Box 809  
Evanston, Wyoming 82930  
Phone: 307-789-1595  
<http://www.elkhornconstruction.com>

Dynamic Services (A Division of  
Elkhorn Construction, Inc.)  
<http://www.dynamicservices.com>

ProSafe (A Division of Elkhorn  
Construction, Inc.)

Eagle Pipeline Construction, Inc.  
P.O. Box 170606  
Arlington, Texas 76003  
<http://www.eaglepipeline.com>

HOAD, Inc.  
P.O. Box 168  
Ft. Lupton, Colorado 80621  
Phone: 303-857-0956  
<http://www.hoadinc.com>

HOAD Industrial Services  
(A Division of HOAD, Inc.)



#### Upcoming Events

- Elkhorn Construction  
Employee Picnic: June 30,  
2007
- Dynamic's Golf Tournament:  
June 16, 2007
- The next 401K enrollment  
period for eligible employees is  
July 1, 2007
- Four Corners Picnic: July 21,  
2007
- Eagle Pipeline Golf  
Tournament: TBA

The Elkhorn Bugle is a quarterly publication for our employee-owners, retirees, 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 the folks in each of our service districts and subsidiaries. Your articles and photos are greatly appreciated!

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## ROCK SPRINGS, WY AREA

#### PacifiCorp-Jim Bridger Outage

Our annual work at PacifiCorp's Jim Bridger Power Plant started March 12th. 26 people came in for training to start work with the normal crew of 14 people and an additional 10-15 will come in at the end of March. They will work approximately 10 straight weeks 12-14 hour days to complete planned outages. Mini-outages for Unit 1 and 2 boilers are under way. Unit 3 Outage will start at the end of March for its 4-year service. Special thanks goes to Steve Garris, Donna Lowe, Charlie Beagle, Kirt Bascom, Sergio Loma, and Fito Anchondo as they lead the crews. Keep up the safe work.

#### Anadarko Petroleum

##### Monell Main Battery

Phase 3 is almost complete for the compressor and piping. Startup and commissioning are scheduled for around the end March. Anadarko representatives complimented our supervisor and project manager for very smooth management of this project. Thanks to Dennis White and John Partain for leading this successful project. Also work continues on surrounding wellhead hook-ups.

##### Brady and Table Rock Plants

Maintenance and small projects have been on going this past year. A special word of thanks should go to Chuck Warner. We received compliments from Anadarko's representative for these sites for the great work Chuck performed, and special appreciation for his willingness to be there when needed.

##### ConocoPhillips - Lost Cabin Gas Plant

Elkhorn Construction is still setting a priority on meeting our client's needs. Cecil Van Patten is doing a great job at meeting this customer's needs. At ConocoPhillips request Cecil has added a lab technician and a warehouseman to his already busy crew. ConocoPhillips supervisors readily gave compliments recently for the competent work Cecil and his crew performs.

##### Pearl Development Corporation – Devon Compressor Site

North of Baggs, Wyoming, Elkhorn Construction came in to help finish a new compressor station. As work was on going for 3 months, our crew met the continual challenges of our customer's requests. Special thanks goes to Carlos Bordier for seeing this project through to the end.

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**B**elieve we can  
**E**nsure Safety and respect for the environment  
**L**oyalty and Teamwork  
**I**mprovement with Integrity  
**E**xperience enhanced with Education  
**V**igor, Vitality, and Virtue  
**E**mployee Ownership