



Executive Summary

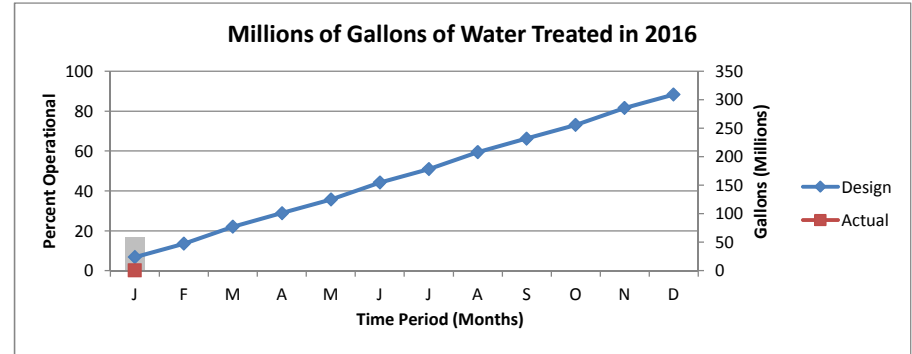
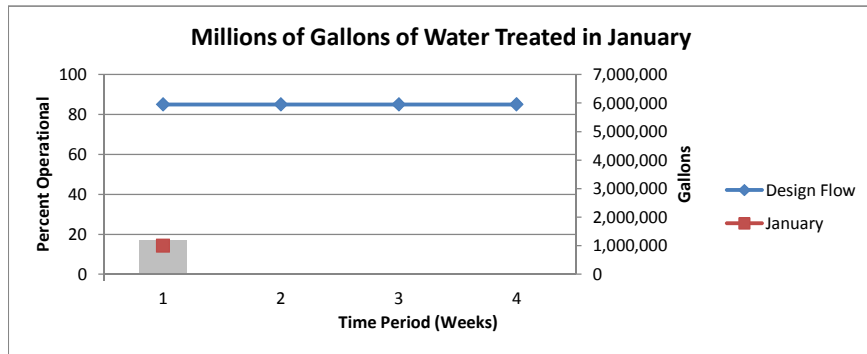
The Deep Zone plant was off Saturday 1/3 through Friday 1/8/16 due to the inspection of the carbon vessel V-312, the repair of pump P-212, and the removal of carbon from tank V-312. Following successful inspection of the vessel V-314 the plant was restarted Friday January 8, 2016 using one carbon vessel V-314. Axis will be checking for carbon in the post-treatment bag-filters to monitor for carbon migrating from vessel V-314 during this time.

Ongoing Activities

Activities Completed This Week	Activities Planned (Anticipated Completion Date)
Removal of Carbon from tank V-312 and inspection of carbon header. Repair of Pump P-212 Removal of Carbon from Effluent Tank	Repair of Carbon header in V-312 (Jan 24) Removal of Carbon from V-314 and inspection (Jan 30) Replacement of Flowmeter in EW-006 (Jan 22) Repair of Injection Pump P-402 (Jan 21) Replace Shaft Seal on West Compressor 1st Quarter Water Levels (Jan 25-26) Sampling of 13 Specific Well Points (Jan 27-29)

Plant Operation Status

Wells	Weekly Average Rate - gpm	Design Rate - gpm	Total Flow - gallons	Design Flow - gallons	Percent Operational
EW-003R	-	250	0	2,520,000	0%
EW-004	31	140	310,984	1,411,200	22%
EW-005	38	100	386,291	1,008,000	38%
EW-006	30	100	299,700	1,008,000	30%
Total Flow	99	590	996,975	5,947,200	17%



Plant Summary

The plant is processing 447 gpm and is operating with wells EW-004, EW-005, and EW-006. EW-003R remains off while one carbon vessel (V-314) is in service to prevent an over-pressure alarm on V-314. EW-003R will resume when both carbon vessels are in use.

Year to Date:

	Monthly (1 week)	Yearly (1 week)
Design Flow (gallons) :	5,947,200	5,947,200
Actual Flow (gallons):	996,975	996,975
Percent of Design Flow:	17%	17%
Days Down:	5	5

Plant Repair Details:

Carbon Vessel V-312 Repair	<p>Vessel is currently not operating awaiting repairs. Repairs include: Remove and replace the header end support with gusset plates on the new end support; Add a secondary jack support under the header that will act as backup to the header end support; Repaint / recoat welded areas and areas showing corrosion in the vessel lining.</p> <p>Axis has obtained one quotation from a welder who was highly recommended for confined space welding. Axis is researching other welder options. In addition we are researching a firm to do the repaint / recoat on the weld and corrosion areas in V-312.</p> <p>To conduct the welding, we will need to rent the 40-foot articulating lift in order to remove the top man-way and to be ready for emergency personnel extraction. We will also need to ensure there is adequate fresh air supplied to the vessel during welding and coating.</p> <p>SEE EMAIL DATED 1/8/16</p>
Carbon Vessel V-314 Inspection and Repair	<p>Evoqua will remobilize to assist in checking vessel components and restarting V-312 and V-314 when V-312 repairs are complete. See the email dated January 8 to Evoqua for a more complete description.</p>
EW-006 Flowmeter	<p>We currently have one flow meter that has failed on EW-006 (failed this last Friday during restart). This flow meter was moved from EW-002 to EW-006 and is the older turbine-style flow meter. We will replace that meter with the current electro-magnetic style flow meter to improve long term reliability as there are no moving parts in the electro-magnetic style meter. Meter readings for EW-006 are currently being estimated until a new meter is installed.</p>

Sampling and Reporting:

6 year budget estimate	Prepared the Draft 6-year budget estimate and letter for review and will send that down separately.
Semi Annual Report	Preparing the Draft Semi-Annual Report for review and will send that down separately.

Security:	Safety
No Security Issues	No Safety Incidents No Near Misses