

ENVIRONMENTAL ASSESSSMENT REGISTRATION FORM

Hydril Canadian Company LP

Casing and Tubing Service Centre

127 Clyde Avenue, Unit A

Mount Pearl, NL

A1N 4R9



NAME OF UNDERTAKING: Casing and Tubing Service Centre

PROPONENT:

(i) Name of Corporate Body: Hydril Canadian Company LP (Tenaris Global Services Canada)

(ii) Address: 127 Clyde Avenue Unit A, Mount Pearl, NL., A1N 4R9

(iii) Chief Executive Officer:

Name: Guillermo Moreno
Official Title: Area Manager Canada

Address: 530 8 Ave SW, Suite 400, Calgary, AB., T2P 3S8

Telephone No: +1 403-767-0100

(iv) Principal Contact Person for purposes of environmental assessment:

Name: Stephen Kelly
Official Title: Account Manager

Address: 127 Clyde Avenue Unit A, Mount Pearl, NL., A1N 4R9

Telephone No: +1 709-728-4124

THE UNDERTAKING:

(i) Name of the Undertaking:

Casing and Tubing Service Centre

(ii) Purpose/Rationale/Need for the Undertaking:

Hydril Canadian Company LP (TGS Canada) has been providing Casing and Tubing products to the NL offshore oil and gas industry since 2002 through an NL-based distributor. Over the past 4 years, these products have included our Dopeless® product, a proprietary environmentally friendly dry coating that eliminates the need for thread compounds making rig sites cleaner and safer while significantly decreasing the operation's environmental footprint. A dry compound ensures there is no discharge of thread running compounds into the environment. The Dopeless® product is applied in our steel mills worldwide to newly manufactured casing and tubing products. When oil and gas operators have the need to apply this to casing and tubing accessories in NL the only option at present is to send the materials to the USA as a location does not exist in Canada to apply the Dopeless® coating. This causes the operator to incur significant transportation costs and operational inefficiencies. Hydril Canadian Company LP (TGS Canada) intends to install and operate a Dopeless® Self Contained Unit in Mount Pearl, NL to support oil and gas operator's requirements.

More information regarding the Dopeless® coating is available at: http://www.tenaris.com/en/Products/PremiumConnections/DopelessTechnology.aspx



The main benefits of this undertaking are as follows:

- Eliminate discharge of casing and tubing thread running compounds to the environment.
- Reduce costs and carbon footprint of transporting materials to and from the USA.
- Create employment for Newfoundland and Labrador residents to support the mission of the Atlantic Accord.
- As this is a proprietary coating and process, there is no comparable alternative that exists in the industry. All other thread running compounds result in a discharge to the environment.
- Canada will be one of 10 countries worldwide with a Dopeless® Self Contained Unit
- Only newly manufactured casing and tubing will be have the Dopeless® coating applied.



DESCRIPTION OF THE UNDERTAKING:

(i) Geographical Location:

The civic address of the proposed facility is 127 Clyde Avenue, Unit A, Mt Pearl, NL. This is a pre-existing structure. There will be no change to the exterior of the facility. The Dopeless® Self Contained Unit will installed on the interior of the building.

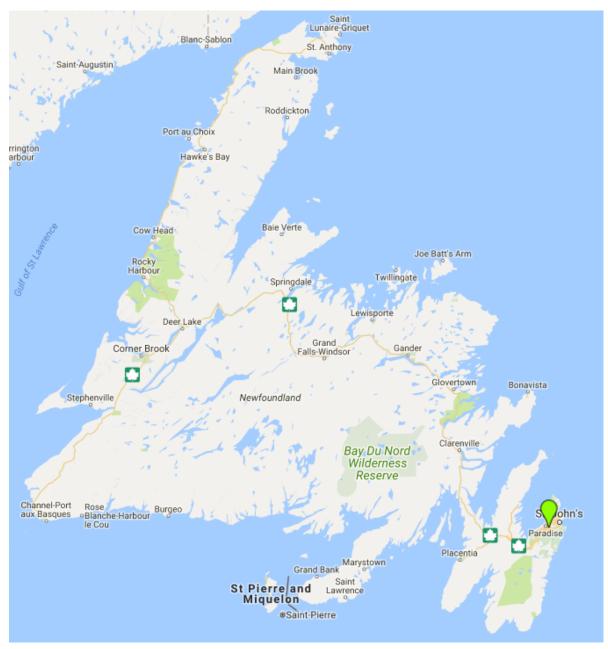


Figure 1 - Location of Undertaking Provincial View



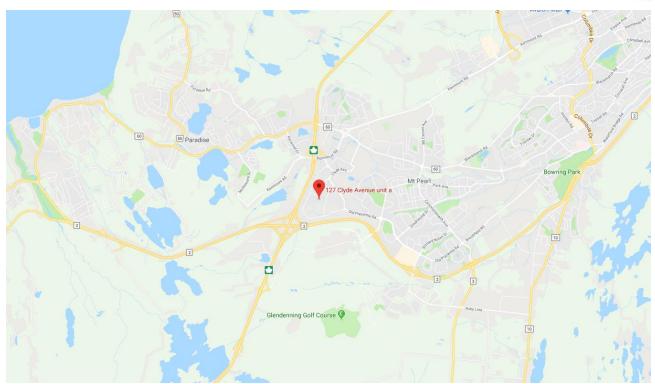


Figure 2 – Location of Undertaking Regional View



Figure 3 – Location of Undertaking Photo of Facility – 127 Clyde Avenue Unit A



The 127 Clyde Avenue building contains 4 other units which are all separated as per National Building Code of Canada. The list of tenants are as follows: Tenant B – Ocean Choice International (storage for fishing vessel equipment), Tenant C – Source Energy Atlantic (electrical and energy product distributor), Tenant D – CrossFit Islander (gym and exercise facility), and Tenant E – Vacant. The adjacent property at 123 Clyde Avenue is Praxair, a supplier of industrial gases, supplies, and equipment.

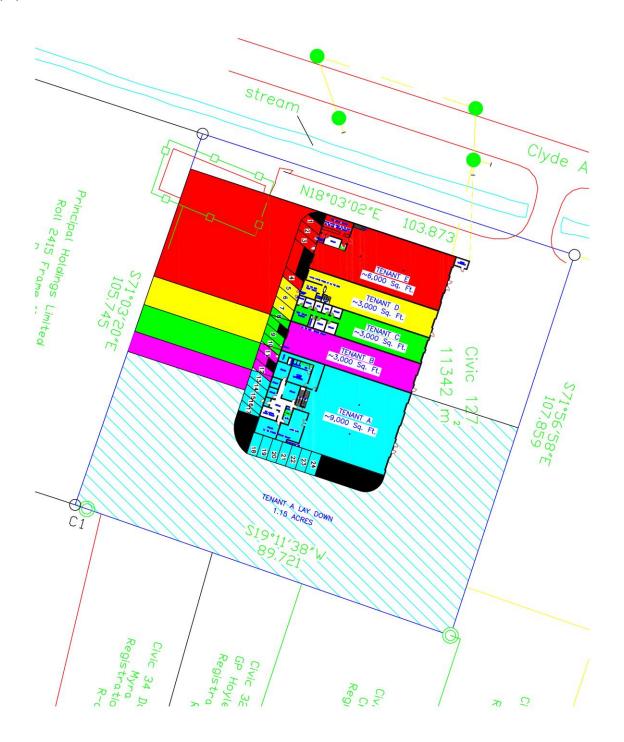


Figure 4 – 127 Clyde Avenue Building Layout Tenant A – Hydril Canadian Company LP



(ii) Physical Features:

The physical features of the existing building at 127 Clyde Avenue will remain unchanged. The square footage of the interior space to be used is for the undertaking is 9000 sq ft.

(iii) Construction:

While there will not be any exterior construction, the installation of the equipment in the building interior will take approximately 4-6 weeks and will begin once the required permits and approvals are obtained. There will be no sources of pollutants during the installation of the unit.

The equipment layout can be found in Appendix A – Equipment Layout.

The exhaust points and air take can be found in Appendix B – HVAC System Details.

(iv) Operation:

The casing and tubing service center will operate on an 8-hour work day (9am-5pm, 1-hour lunch) serving as both an office and workshop. We estimate that we will perform 200 Dopeless® applications per year, each application takes 2 hours, thus an operation of approximately 400 hours. Only new casing and tubing products will be subject to the process.

Prior to the Dopeless® application the casing or tubing will be sandblasted with steel shot (no silica) with the dust collected by a unit designed for this process. A dust collector collects all dust from this process and is emptied via a sump at the bottom of the collector. A third party will dispose of this waste.

The application of the Dopeless® compound occurs in a contained spray booth using a robot arm through a proprietary process using proprietary chemicals. The ventilation system for the robotic spray system will be equipped with a filtration system to prevent over spray from being exhausted into the environment. The paint system itself using very small quantities per pipe thread. The filter system will come with a differential pressure switch to determine when the filter requires replacement.

The filtering system will contain both a pre and post filter designed to contain paint overspray.

- The prefilter is a Flanders Model 325 Polyester Dry Panel Filter
- Final Filter is a Flanders Model PSF-2 synthetic pad in a holding frame



The dual filtering system will remove approximately 99% of particulates from the process. The remaining waste from the Dopeless® application process will be solids from the enclosed paint booth collected in a dedicated bin for disposal. A third party will dispose of solid waste from this process.

The exhaust will vented through the roof, and is not located near any unprotected openings such as doorways or windows. Further information on exhaust and air intake points the air/exhaust layout is contained in Appendix B – HVAC System Details.

The space where the painting operation takes place does not contain any drainage in the floor, and none of the paint/solvents have a path to the buildings sanitary system. A certified third party will dispose all waste properly. The space will have a minimum supply of paint/solvents/chemicals on site at any given time. Bulk chemical storage is provided by a third party and only chemicals for one day will be on site as required.

(v) Occupations:

This facility will employ at capacity 4 employees. The employees will be 3 painters/blasters and one labourer. The identifiers are NOC 9496-C for the painters/blasters and NOC 9612 for the labourer. These positions will be direct hired. Hydril Canadian Company LP (TGS Canada) is an equal opportunity employer and has active diversity and gender diversity committees to ensure equitable employment opportunities.

(vi) Project Related Documents:

Documents have been added to the end of this document.

APPROVAL OF THE UNDERTAKING:

The following are required in order to move forward with this undertaking:

- Occupancy and Building Permits from the City of Mount Pearl.
- Approval from the Environmental Division of NL Government.
- Electrical and Mechanical Permits from Service NL.
- Approval from Environmental Assessment Division
- Approval from Pollution Prevention Division
- Approval from Water Resources Management Division

SCHEDULE:



The installation of the equipment will commence within a week of all approvals being secured. The installation will take 4-6 weeks.

FUNDING

The capital investment of \$200,000 will be funded by Hydril Canadian Company LP (TGS Canada).

Date

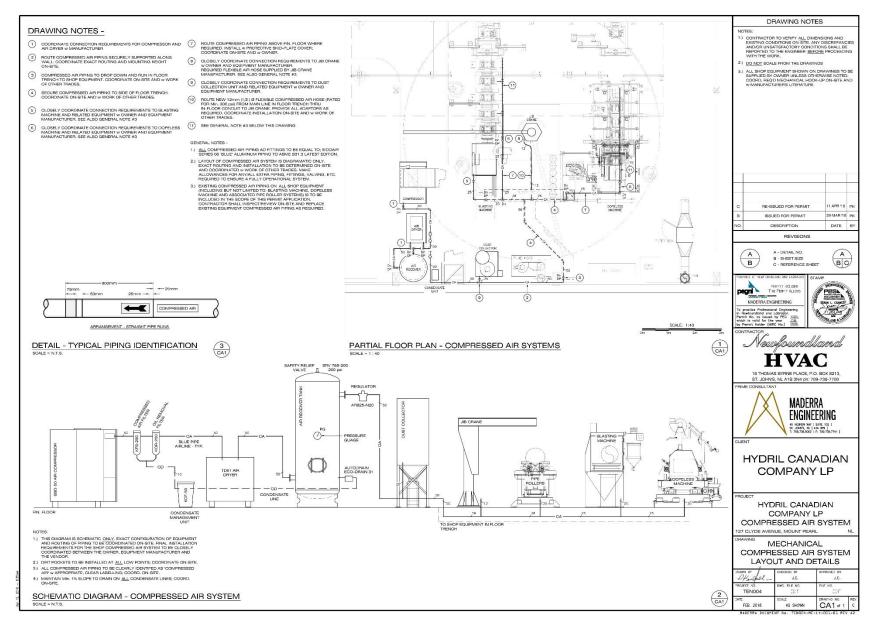
June 7, 2018

Signature of Chief Executive Officer



Appendix A – Equipment Layout







Appendix B – HVAC System Details



