



ConocoPhillips Company
San Francisco Refinery
1380 San Pablo Avenue
Rodeo, CA 94572

CONTRA COSTA
COUNTY

2010 MAY -5 P 3:40

May 5, 2010

ESDR-160-10
02-A-03

CERTIFIED MAIL – 7008 1830 0003 4894 7365

DEPARTMENT OF
CONSERVATION
& DEVELOPMENT

William R. Nelson, Senior Planner
Contra Costa County Department of Conservation & Development
Community Development Division
County Administration Building
651 Pine Street
North Wing, Fourth Floor
Martinez, California 94553-1229

Re: Notice to Comply
Land Use Permit for ConocoPhillips Clean Fuels Expansion Project
County File #LP05-2048

Dear Mr. Nelson:

This letter responds to your April 21, 2010 letter requesting information regarding several Land Use Permit conditions. ConocoPhillips has addressed each of those conditions below following the numbering scheme set forth on Page 5 of your letter.

- 1. Documentation from the BAAQMD verifying that the required emission reduction of 44.1 tons per year (242 pounds per day) of organic compounds has been achieved. (Condition 15).**

The BAAQMD's Permit-to-Construct and County Land Use Permit Condition 15 required ConocoPhillips to seal the DAF outlet channel and downstream sumps and route the DAF vents to a newly-constructed Thermal Oxidizer (TO) with a destruction efficiency of no less than 98%. ConocoPhillips completed this work and placed the revamped system into operation in April 2009, prior to start-up of the CFEP. This equipment ensured that the emissions from the DAF met the BAAQMD permit requirements and reductions from the 2005 baseline were achieved. This equipment has been in continuous operation since start-up of the CFEP.

To demonstrate compliance, ConocoPhillips was required to conduct testing after start-up (the BAAQMD permit allowed a one-year period) to verify the 2005 baseline. Testing in November 2009 confirmed that the TO met the 98% destruction efficiency. Technical information provided to the BAAQMD in March and April of 2010 allowed the Air District to verify that the 2005

emission baseline was valid and that ConocoPhillips achieved the required emission reductions. Please see the letter from the BAAQMD dated April 29, 2010, which is attached as Exhibit 1.

2. A detailed explanation of ConocoPhillips' position that the requirements of Part A of the AG Agreement have been satisfied. (Condition 45-a.)

ConocoPhillips surrendered the operating permit for the Santa Maria Refinery calcining plant prior to the December 31, 2007 deadline in Paragraph 1.a. of the Settlement Agreement and believes that it has complied with the requirements of that paragraph. The Attorney General's office, however, recently raised an issue involving interpretation of this paragraph and ConocoPhillips and the Attorney General's office request that it be allowed an additional two weeks to respond to the County's request (i.e., up to and including May 19, 2010). If the interpretation issue cannot be resolved by that time, ConocoPhillips will provide a detailed explanation of its position that the requirements of Paragraph 1.a. have been satisfied. This issue surrounding ERC's does not involve GHG credits.

3. A detailed explanation of ConocoPhillips' plans for compliance with Part H of the AG Agreement. (Condition 45-h.)

Pursuant to the AG Settlement, ConocoPhillips agreed to offset CO₂ emission from the Air Liquide Hydrogen Plant in excess of 500,000 Metric Tons CO₂ per year (50 MMSCFD of H₂) until the adoption of regulations for the implementation of AB 32 or Federal regulations. The offsets could include reduction in rates and/or shutdown of existing hydrogen plants and/or other operating equipment within the Rodeo Refinery. The Rodeo Refinery operates two Hydrogen Plants, Unit 110 and Unit 240 Plant 4. Prior to the Air Liquide startup, the baseline of hydrogen production from these two units was conservatively determined using a rolling 1-year average of hydrogen production. When the Refinery baseline rate is combined with the 50 MMSCFD increase in production from Air Liquide under the AG Settlement, a combined hydrogen production limit from all three hydrogen plants (Unit 110, Unit 240 Plant 4, and Air Liquide) is established.

Air Liquide commenced production on September 26, 2009. Since that time the average total hydrogen production between the three plants (U110, U240 Plant 4, and Air Liquide) has averaged 83% of the established limit described above (Refinery baseline plus 50 MMSCFD) and in the AG Settlement and is below the 500,000 Metric Tons CO₂ per year. As previously communicated in letters to the County, the total annual average hydrogen production rate cannot be determined until September 26, 2010, but is projected to be below the baseline. The total hydrogen production will be tracked on a continuous basis and the total 12-month annual average will be communicated after September 26, 2010.

Please note that the limit (Refinery baseline plus 50 MMSCFD) may be refined after further analysis of Hydrogen Plant GHG efficiency. Performing this evaluation could raise the combined limit because the Air Liquide plant produces both steam and electricity, which makes it more GHG-efficient than U110 and Unit 240 Plant 4. The limit that has been established is a conservatively low limit because it assumes that the Refinery Hydrogen plants (Unit 110 and Unit 240 Plant 4) are as efficient as Air Liquide. The reality is that a 1 MMSCFD increase in hydrogen production at Air Liquide requires less than 1 MMSCFD of hydrogen reduction at the Refinery Hydrogen plants to achieve the GHG offsets.

Due to business confidentiality, actual baseline and production limit rates have not been disclosed. The County can obtain numerical values upon request to ConocoPhillips under the expectation that the County will treat and protect this information in accordance with all laws, regulations, and policies applicable to the handling, management, and protection of confidential business information and/or trade secrets.

4. The particulate matter study required by Part 4 of the CWG Agreement or a plan to implement an equivalent alternative or substitute action. (Condition 46-4.)

Paragraph 4 of the CWG Agreement requires ConocoPhillips to fund approximately \$25,000 for a short-term (six-month) study by an independent, third-party consultant to evaluate PM emissions from the refinery. During the October 28, 2008 CWG meeting, presentations were made by two consultants on their proposal to conduct the short-term study. The CWG and ConocoPhillips provided questions and comments to both consultants during the meeting regarding the project's proposed design. Following the meeting, in November 2008, ConocoPhillips received revised proposals based on input from the CWG. These revised proposals were subsequently evaluated by the CWG and the Argos Scientific Incorporated project scope was chosen by the community without further change (although ConocoPhillips favored the alternate consultant proposal, it was willing to support the community's choice).

In July 2009, the Community Working Group requested that the study not go forward and, instead, requested that ConocoPhillips fund a different project in the amount of \$25,000. The parties have been working to identify and select such a project since that time. However, based on recent discussion with the County, ConocoPhillips is concerned that the projects tentatively identified may not meet the requirements of Paragraph 4 of the Agreement and, therefore, may not satisfy Condition No. 46 of the Land Use Agreement. Consequently, taking into account previous feedback and participation from the Community Working Group regarding both the design and consultant selection, ConocoPhillips has engaged Argos Scientific Incorporated to commence the PM Study. A purchase order (please see Exhibit 2) was issued to Argos Scientific Incorporated on April 28, 2010 and it is our expectation that the six-month PM study will commence as soon as reasonably possible. ConocoPhillips issued to the Community Working Group a letter during an April 28, 2010 Community Working

Group meeting in which this information was communicated (a copy of ConocoPhillips' submittal to the CWG is attached as Exhibit 3).

5. Correspondence from the BAAQMD verifying that it will not participate in Part 6 of the CWG Agreement. (Condition 46-9.)

As previously communicated to the County, the BAAQMD has elected to not participate in the air sampling program due to concerns that the sampling/testing process would be outside the immediate control of the District and deviate from their established sampling Policies and Procedures. Please see the e-mail from the BAAQMD dated August 18, 2009, which is attached as Exhibit 4.

ConocoPhillips believes that the BAAQMD's decision to not participate in a sampling program provides a basis for requesting the County to close paragraph 5 without further obligation by ConocoPhillips. Notwithstanding this belief, ConocoPhillips is voluntarily working with the community to implement an alternative air-testing program.

ConocoPhillips and the Community Working Group evaluated other methods to achieve this condition including soliciting proposals from outside contractors. The proposals were evaluated and Argos Scientific Incorporated was chosen by the Community Working Group to provide sample bottles and subcontract analytical services. ConocoPhillips has secured a Purchase Order with Argos Scientific Incorporated for \$5,000 to cover the first year of the five-year program. On April 28, 2010 training and rollout of the program to the Community Working Group began. Additional Community Working Group members that were not present on April 28, 2010 will be trained in subsequent training events. Please see training documentation in Exhibit 5.

6. A detailed explanation of the delay in completing the MOU required by Part 12 of the CWG Agreement, including the outstanding issues. (Condition 46-12.)

Part 12 of the CWG Agreement requires ConocoPhillips to replace the infrared analyzers in its existing fenceline monitoring system and upgrade the software for the ultra-violet analyzers by December 31, 2007. It also requires that a MOU be issued by August 1, 2007 "describing the equipment, QA/QC and monitoring changes for the fenceline monitoring system."

Shortly after issuance of the LUP, ConocoPhillips met with CWG members to plan the installation of the new equipment. During that time both ConocoPhillips and the CWG members agreed to move forward with installation of the new equipment ahead of the MOU. The new equipment and software upgrades were completed and installed in May 2008. ConocoPhillips and CWG members have been meeting on a regular basis

to discuss fenceline monitoring issues, which have included discussions regarding the infrared and the ultra-violet analyzers. Admittedly, since installation in May 2008, ConocoPhillips was slow to issue an MOU describing the equipment, QA/QC, and monitoring changes it made to the fenceline monitoring system. However, a draft MOU outline (including a draft QA/QC Plan) was provided to the CWG for comment at the April 24, 2009 meeting and comments were provided during both June 12, 2009 and July 17, 2009 CWG meetings.

On September 9, 2009, ConocoPhillips provided a proposed MOU to the CWG that describes the equipment, QA/QC, and monitoring changes for the fenceline system. However, at the CWG's request, the parties agreed to set aside that version of the MOU and work towards a more comprehensive MOU, which would describe those additional fenceline monitoring components and/or operational practices desired by the CWG that ConocoPhillips believed could be incorporated into the fenceline monitoring system. Since that time, discussions between ConocoPhillips and the CWG have focused on the additional equipment and operational changes that the various CWG members have requested and how those additions can be documented in a broader MOU.

In light of your April 21, 2010 letter, however, on April 28, 2010, ConocoPhillips issued to the CWG an MOU that describes the equipment, QA/QC, and monitoring changes for the fenceline monitoring system, which is what is required pursuant to Part 12 of the CWG Agreement (a copy of ConocoPhillips' submittal to the CWG is attached as Exhibit 3). It is substantively similar to the MOU that ConocoPhillips issued last year, but it incorporates comments received by a CWG member regarding the Signal-to-Noise Ratio Check and Selection of Clean Air References both pertaining to the UV QA/QC program that he requested be included in the MOU. In addition as specifically requested by the CWG, the MOU includes a QA/QC program for the six organic gas detectors. The six organic gas detectors are not new equipment or upgrades to existing equipment but are equipment that was listed in the original MOU dated November 4, 1996. ConocoPhillips requested that the MOU be counter-executed and returned to ConocoPhillips by May 4, 2010. We will forward to you the executed MOU once we receive it from the CWG.

Please do not hesitate to contact me at (510) 245-5825 if you have any questions.

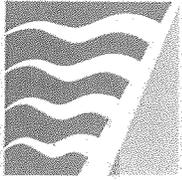
Sincerely,



Kevin Schmitt
Superintendent, Environmental Services

Exhibits

Exhibit 1



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT
SINCE 1955

April 29, 2010

Mr. William Nelson, Senior Planner
Department of Conservation & Development
Contra Costa County
651 Pine Street
North Wing, Fourth Floor
Martinez, CA 94553-1229

Re: Condition Compliance for Clean Fuels Expansion Project ("CFEP")
County File #LP05-2048

Dear Mr. Nelson:

The Bay Area Air Quality Management District has completed its review of the Dissolved Air Flootation (DAF) Unit Emission Reduction Technical Report submitted by ConocoPhillips. The District requested minor revisions to the POC Reduction Measures section of the Report and ConocoPhillips made those changes (revised Report attached). The District has verified that ConocoPhillips has achieved the required emission reduction of 44.1 tons per year (242 pounds per day) of organic compounds per Condition 15 (Mitigation Measure 4.2-2a) of the Land Use Permit for the CFEP, County File #LP05-2048.

If you have any questions regarding this letter, please contact me at (415) 749-4721 or byoung@baaqmd.gov.

Sincerely,

Barry G. Young
Air Quality Engineering Manager
Permit Evaluation Section
Engineering Division

Cc: Kevin Schmitt, ConocoPhillips
Janet Stromberg, BAAQMD
Sanjeev Kamboj, BAAQMD

Spare the Air

The Air District is a Certified Green Business

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Exhibit 2

FIELD SERVICE CONTRACT



SO number: 4513376600

Date: 04/29/2010

Contact person/Telephone

RDO/Handel Malone/510-245-4685

Telefax Number 510-799-1061

Contractor:

ARGOS SCIENTIFIC INC
416 NE 153RD AVE
VANCOUVER WA 98684

Valid from: 04/29/2010

Valid to: 10/29/2010

Effective date: 04/28/2010

Please deliver to:

CONOCOPHILLIPS COMPANY
RODEO REFINERY
1290 SAN PABLO AVENUE
RODEO CA 94572

Please Bill To:

ConocoPhillips
PO BOX 2200
BARTLESVILLE OK 74005

Payment Terms: Net 30 Days

Currency USD

I request that you sign and either fax this to 510-799-1061 or email this to handel.malone@ConocoPhillips.com. An executed copy will be faxed or emailed to you.

****SCOPE OF WORK****

ConocoPhillips COMPANY (hereinafter COMPANY)

ConocoPhillips Representative: Julia Johnson (hereinafter COMPANY Representative) (510) 245-4645

CONTRACTOR Name: Argos Scientific, Inc. (hereinafter CONTRACTOR)

CONTRACTOR Representative: Don Gamiles (404) 403-4709

Fax: (815) 572-0443

Effective Date: April 29, 2010

Completion Date: October 29, 2010

Location of Work: ConocoPhillips Company San Francisco Refinery, located at 1380 San Pablo Avenue, Rodeo, CA 94572 (hereinafter called Refinery)

1.0 AGREEMENT

CONTRACTOR shall furnish and deliver all items and perform all work described in this SOW and on any continuation pages hereto for the consideration shown in Section 3 of this SOW. The rights and obligations of the parties shall be governed by the terms and conditions of the SOW, and any such provisions, representations, certifications and specifications as are attached or incorporated by reference in this SOW.

FIELD SERVICE CONTRACT

Contractor:
ARGOS SCIENTIFIC INC
VANCOUVER WA 98684

SO number: 4513376600
Date: 04/29/2010

2.0 WORK DESCRIPTION

CONTRACTOR shall at its own risk and expense perform the work described below and shall furnish all supervision, labor, equipment, and materials required to perform work, except as noted below. CONTRACTOR shall commence performance hereof when directed to do so by COMPANY, and shall complete the work by the date specified above.

2.1 CONTRACTOR shall provide monitoring study will establish a baseline level of particulate matter in the ambient air at the ConocoPhillips COMPANY Rodeo Refinery, the study will include the use of two PM-10 air sampling systems that will be located at the North and South Fence line monitoring for a six month time period, the study will be broken down into three phases:

Phase #1 - Procurement and installation of equipment.
Phase #2 - 1 month calibration study.
Phase #3 - 5 month real-time deployment.

Phase #1 - During this portion of the study, the equipment will be purchased and installed at the North and South Fence line receiver stations, the systems will be integrated into the fence line monitoring network but the data will not be made public. In addition the North meteorological station will be upgraded to include temperature data. The existing refinery met station near the South fence line shelter will be used to develop calibration parameters for the South particulate monitor.

Phase #2 - In this phase of the study, filter samples will be collected daily for a two week period. These samples will be used to develop calibration settings for the optical samplers that are based on wind direction. Software will then be written that integrates real-time meteorological data with particle scattering data to present hourly data results.

Phase #3 - The final phase of the study will include reporting the data on an hourly average and integrating it with the ConocoPhillips fence line monitoring website. At this time, the data from the particulate samplers will be made public. In addition a final report will be generated that will summarize the results of the study.

2.2 Quality Assurance/Quality Control

CONTRACTOR shall inspect and be solely responsible for the inspection of all workmanship, materials, and equipment furnished by CONTRACTOR for the work, to ensure that they conform in each and every respect to the requirements of this Contract and its specifications, drawings, codes, attachments, and references, and to ensure that they are in accordance with good engineering, procurement, maintenance or construction practices.

3.0 COMPENSATION - FIRM FIXED PRICE

FIELD SERVICE CONTRACT

Contractor:
ARGOS SCIENTIFIC INC
VANCOUVER WA 98684

SO number: 4513376600
Date: 04/29/2010

The work performed under this SOW is on a Fixed Price basis with a price of \$24,000.00 (Twenty-four Thousand Dollars).

3.1 The price for the work performed under this SOW is firm. CONTRACTOR will not perform any work, and will not enter into any commitments, in excess of the not to exceed SOW price without prior written authorization from COMPANY.

3.2 Pricing:

Pricing include all payroll taxes, insurances, fringe benefits, small tools and consumables, home office overhead, Drug/Alcohol Health screening, RSO, and other regulatory training , PPE Safety supplies, and profit.

3.2.1 Fixed Price Breakdown

- 2 Real-Time PM10 Air Sampling Systems and Met upgrade, Met One / Argos \$14,000.00
- 2 Calibration Study (1 month) \$3,500.00
- Internet Integration and Final Report Argos \$ 6,500.00

4.0 CHANGES TO SCOPE, SCHEDULE OR COST

4.1 COMPANY may increase or decrease the scope of the work or the schedule at any time during the course of the work. All changes that affect cost or schedule of the work, as well as changes occasioned by revised or added specifications, drawings, data, or instructions will be clearly defined by COMPANY in writing. Any such written change, when received by CONTRACTOR, shall be deemed a Change Order to this SOW and CONTRACTOR shall comply promptly and fully.

4.2 In connection with any change to the scope of the work proposed by CONTRACTOR, CONTRACTOR shall without undue delay request a Change Order from the COMPANY Representative when CONTRACTOR finds that:

4.2.1 A specific part of the performance of the work lies outside the agreed scope of the work or any conditions associated therewith; or

4.2.2 An instruction from COMPANY, whether entailed in drawings or specifications issued by COMPANY or not, is not based on the agreed specifications, drawings or agreed scope of the work; or

4.2.3 Additional work or a change in CONTRACTOR#S work plan is caused by COMPANY#S default.

All changes that affect cost or schedule of the work, as well as changes occasioned by revised or added specifications, drawings, data, or instructions will be clearly defined by CONTRACTOR in writing and submitted to the COMPANY Representative for review.

FIELD SERVICE CONTRACT

Contractor:
ARGOS SCIENTIFIC INC
VANCOUVER WA 98684

SO number: 4513376600
Date: 04/29/2010

4.3 Adjustments to the price set forth in this SOW, when necessary, will be made subsequently by written agreement of the parties.

4.4 Any change in scope of the work shall not extend the completion date set out in this SOW unless it is first approved by COMPANY in writing.

4.5 Oral Changes: During the course of the work, certain changes in the work that do not increase the cost or delay the schedule of the work may be made following oral discussions between CONTRACTOR and the COMPANY Representative. However, CONTRACTOR shall not act upon any oral change if the change increases the cost or delays the schedule of the work.

5.0 PAYMENT ADMINISTRATION

5.1 Cash Discount Period

Any cash discount period offered by CONTRACTOR shall be computed from the date the work is completed and accepted by COMPANY, all required documents are received and accepted by COMPANY, and a correct invoice is received by COMPANY, whichever is later. The payment and cash discount periods shall be extended by the period of any delay caused by an error in the invoice requiring correction.

5.2 Progress Billings

CONTRACTOR shall submit a progress bill for all work performed or completed as of the last day of each month.

5.3 Holdback

If applicable, for progress billings, the cost of the work satisfactorily performed, less a holdback of ten percent (10%), is payable thirty calendar days after receipt of CONTRACTOR'S approved bill by COMPANY'S Accounts Payable office.

Final payment of the holdback will be due thirty calendar days after all work is complete as determined by COMPANY, all punch list items are complete, all tests and inspections are complete and meet specifications, the applicable state lien filing period has expired and CONTRACTOR has delivered to COMPANY an original and two copies of the COMPANY form entitled "Unconditional Waiver and Release Upon Final Payment" properly executed by CONTRACTOR. CONTRACTOR will invoice COMPANY to initiate payment of the holdback.

5.4 Overtime at COMPANY'S Election

COMPANY shall have the right to direct CONTRACTOR to work overtime by giving CONTRACTOR notice to that effect.

5.5 Overtime-Premium Labor Costs

FIELD SERVICE CONTRACT

Contractor:
ARGOS SCIENTIFIC INC
VANCOUVER WA 98684

SO number: 4513376600
Date: 04/29/2010

For any overtime requested by COMPANY according to 5.4 above, or approved by COMPANY according to 5.6 below, COMPANY shall only be charged the actual overtime wage differential for the individual(s) who work and are paid the overtime. COMPANY shall not be charged for overtime hours for personnel who do not received a wage differential for overtime, nor shall COMPANY be charged for profit, supervisory costs, professional service costs, administrative costs or other overhead costs for overtime.

5.6 Overtime at CONTRACTOR'S Election

Should CONTRACTOR wish to work overtime to meet its schedule requirements, CONTRACTOR shall apply in writing to the COMPANY Representative for overtime work permission. CONTRACTOR shall not work any overtime without prior written approval. The cost of all such overtime worked by CONTRACTOR at CONTRACTOR'S election is for CONTRACTOR'S account and is not chargeable to COMPANY.

5.7 Invoice Submittal:

Invoices may be submitted via:

5.7.1 COMPANY Web-Invoicing systems

5.7.2 Hardcopy invoice. All invoices shall be submitted to:

ConocoPhillips Company
Corporate Invoicing
P.O. Box 2200
Bartlesville, OK 74005

Any questions related to payment should be addressed to COMPANY Payment Hotline at (918) 661-5746 or information may be acquired at <https://vis.conocophillips.com>.

5.8 Invoice Submittal Format

In addition to the invoicing requirements set forth in Section II, Article 2.2 in the AGREEMENT, CONTRACTOR shall include on or with all invoices (i) the SOW number, (ii) if applicable, the project, work authorization and/or job number; and (iii) approved hourly time sheets and other charges, where applicable.

5.9 Invoice Support

5.9.1 Time Sheets

Unless otherwise agreed to by COMPANY Representative, CONTRACTOR shall submit daily time sheets in duplicate to the COMPANY Representative for approval. The time sheets must be submitted no later than the work day after the work is performed and must be signed by the COMPANY Representative daily. Time sheets must show (1) each employee's name and craft or classification, (2) the description and identification of all equipment, (3) the

FIELD SERVICE CONTRACT

Contractor:
ARGOS SCIENTIFIC INC
VANCOUVER WA 98684

SO number: 4513376600
Date: 04/29/2010

applicable rate of pay, (4) the hours worked, and (5) a brief description of the work performed. After approval, the COMPANY Representative will deliver two copies of each approved time sheet to CONTRACTOR. CONTRACTOR'S invoices must agree with these approved time sheets.

5.9.2 Support for Reimbursable Expenses

For CONTRACTOR to receive compensation for reimbursable expenses under this SOW, CONTRACTOR must provide COMPANY with copies of detailed expense reports and receipts to support any reimbursable expenses with the invoice; provided, however, receipts for reimbursable expenses that are less than \$100.00 need not be attached but Contractor shall retain them for the term of the audit period under the AGREEMENT.

5.9.3 CONTRACTOR must support all invoices with a copy of the required tabulations, time sheets, or invoices. COMPANY may withhold payment of invoices until the CONTRACTOR produces these tabulations, time sheets, and invoices.

5.10 Timely Invoicing

CONTRACTOR acknowledges that delays in the invoicing for the work performed under this SOW will create a hardship and burden for COMPANY. Therefore, CONTRACTOR expressly agrees that all invoices shall be submitted to COMPANY no later than ninety (90) days from the date of completion of the work to be performed pursuant to this SOW. CONTRACTOR further agrees that COMPANY shall not be responsible for any amounts not invoiced within such ninety (90) day period. CONTRACTOR'S final invoice shall be marked #FINAL INVOICE#.

6.0 WORK RULES

CONTRACTOR shall follow all of the rules stipulated on the CONTRACTOR WORK RULES, MANUAL SECTION 9-9, SAN FRANCISCO REFINERY POLICIES AND PROCEDURES MANUAL, Revision Dated 06/18/2009. (Previously provided and copy is available on site)

7.0 PRIOR WORK

Any work performed by CONTRACTOR pursuant to COMPANY'S authorization, but before the execution of this SOW shall be considered as having been performed subject to provisions of this SOW.

8.0 SUBCONTRACTORS

CONTRACTOR acknowledges and agrees that none of the work will be subcontracted. If CONTRACTOR, at a later date proposes to subcontract any additional portions of the work, CONTRACTOR must first obtain COMPANY'S approval (a) to subcontract the work, and (b) of the proposed subcontractor. All such approvals must be in writing before the work is subcontracted.

9.0 ORDER OF PRECEDENCE

FIELD SERVICE CONTRACT

Contractor:
ARGOS SCIENTIFIC INC
VANCOUVER WA 98684

SO number: 4513376600
Date: 04/29/2010

In the event of any conflict, variation, ambiguity or inconsistency within or between the provisions of the AGREEMENT and this SOW, it shall be resolved by reference to the documents in the following order of precedence, with the first taking priority over the second and so forth:

1. Main body of AGREEMENT
2. Exhibits to AGREEMENT
3. SOW

10.0 SIGNATURES

Whereas, COMPANY and CONTRACTOR agree that the rights and obligations of the parties shall be governed by the above referenced AGREEMENT and this SOW Agreement and such provisions, representations, certifications and specifications as are attached or incorporated by reference herein.

CONOCOPHILLIPS COMPANY (COMPANY)

Signature: _____

Name: Handel O. Malone Sr.

Title: Contract Specialist

Date: _____

ARGOS SCIENTIFIC, INC. (CONTRACTOR)

Signature: _____

Name: _____

Title: _____

Date: _____

END OF DOCUMENT

FIELD SERVICE CONTRACT

Contractor:
 ARGOS SCIENTIFIC INC
 VANCOUVER WA 98684

SO number: 4513376600
Date: 04/29/2010

Transportation Shipping Instructions:

All items weighing <150 pounds each with total shipping weight not to exceed 600 pounds - ship UPS.

UPS Instructions: Use ConocoPhillips account # 004VA2. If using Campus Ship or UPS.com, you must use Account #004VA2 with Billing Postal Code 79007. Place the ConocoPhillips PO# in 'Reference Number 1' field. Do not declare value on any package.

For all other shipping needs (TL, LTL, air, ocean, etc.) or for questions, call ConocoPhillips Transportation at 1-800-685-7578 (Minimum of 48 hours prior to your requested pick-up date). If faced with short lead time, call ConocoPhillips Transportation upon PO receipt.

Note: ConocoPhillips will manage the transportation for this purchase and will reject the incurred freight charges from any PO material supplier, sourcing supplier, or supplier's carrier for failure to comply with these shipping instructions.

Item	Material Order qty.	Unit	Description	Price per unit	Net value
00001	1.000	Perf. unit	Perform Particulate Monitoring Study	24,000.00	24,000.00
	Cost Center: ZER0221				

The item contains the following services:

Expected value of unplanned services: 24,000.00

Total net value excl. tax USD 24,000.00

=====

Accepted by: _____ Acceptance date: _____

Purchaser: _____

TERMS AND CONDITIONS

Terms and Conditions OF FIELD SERVICE CONTRACT

In this Field Service Contract ("Agreement") Company and Contractor may individually be referred to as "Party" and collectively as "Parties".

1. INDEPENDENT CONTRACTOR

Contractor, its employees, agents and subcontractors, shall perform all work under this Agreement as an independent contractor. Neither Contractor, nor its employees, agents or subcontractors shall be deemed for any purpose to be the agent or employee of Company, to have any authority to represent Company, or to incur any obligation or debt on behalf of Company. Contractor shall be fully responsible for and shall have exclusive direction and control of its employees, agents and subcontractors and, except in the results to be obtained, Contractor shall control the manner and method of carrying out operations. Any contract laborers, leased employees or workers furnished to Contractor by a staff leasing agency or company shall be deemed to be employees, and not subcontractors, of Contractor for all purposes hereunder.

2. TERM OF AGREEMENT

This Agreement shall continue in effect duration as defined in scope of work of this Agreement unless earlier terminated as stated herein.

3. PROSECUTION OF WORK

Contractor shall, in a good and workmanlike manner and to the satisfaction of Company, furnish all supervision, labor, equipment, materials, tools, supplies, and incidentals, including all safety and health equipment and materials used in or required for performance of the work, except as specified by law or herein to be provided by Company, and do all things necessary to perform the work required herein when and as required by this Agreement. Before starting work, Contractor shall make a thorough inspection of the work site to determine the difficulties and hazards incident to the work. Contractor shall provide continuous adequate protection of the work, Company property and adjacent property, and take all necessary precautions for the safety of all persons at the work site. Contractor shall be responsible for the professional quality, timeliness, safety, coordination and completeness of the work, shall ensure the work site is kept free of waste and is left clean and orderly and that all tools, equipment, and materials associated with the work shall be placed and maintained as to permit unobstructed access to the work. All materials furnished by Contractor shall be new and of the quality and type specified, and no substitution may be made without specific prior written approval of Company.

4. INSPECTION AND RECORDS

Company may inspect the work to determine that all work is properly performed, and Contractor shall, upon request, furnish copies of any license, permit, bond, report, certificate or other document maintained, compiled, or required by governmental authority for performance of work hereunder. Any inspection or lack of inspection by Company shall not in any manner relieve Contractor of any of its obligations hereunder. Contractor shall maintain a true and correct set of records pertaining to all work performed hereunder, and Company shall have the right to inspect or audit such records at any reasonable time during the term of this Agreement and for a period of four years from and after the completion of the work. Contractor shall cooperate with Company during any such inspections or audits, and Company shall have the right to obtain statements from Contractor's personnel in the course of such inspections or audits.

5. TERMINATION

Company may terminate this Agreement at any time for any reason by giving notice to Contractor. Contractor shall stop all work so terminated when specified by Company. Company will pay Contractor only for work satisfactorily performed to the time of termination, and if the termination is not due to a breach of this Agreement by Contractor for the agreed actual and reasonable demobilization costs incurred by Contractor as a consequence of such termination, in no event shall Company be liable to pay any lost or unearned profit, bonus, damage or other claim for work terminated or not performed for any reason, and such termination shall be without prejudice to the other legal or equitable remedies which may be available to Company.

6. COMPENSATION

Contractor shall be compensated as set forth herein for work performed in accordance with this Agreement. Said compensation shall constitute payment in full for performance of all work hereunder, for all compensable loss or damage arising out of performance of the work, and for all risks of every description connected with the work, except as may be otherwise expressly provided in this Agreement.

7. INVOICING AND PAYMENT

Invoices shall be prepared in the form and manner requested by Company and shall be submitted monthly, unless otherwise directed by Company. All invoiced amounts shall be itemized in the detail required by Company and certified by Contractor as constituting allowable charges hereunder. Invoices for items to be reimbursed based on Contractor's actual costs shall be accompanied by original invoices verifying payment of such costs. Where Contractor's costs require the prior approval and/or subsequent verification by Company, evidence of such approval and/or verification shall be submitted by Contractor with its invoice. Conditioned upon satisfactory completion of work, Company will pay all amounts due within thirty (30) days after receipt of Contractor's invoice together with all required supporting documentation; provided, however, if Company disputes any amounts invoiced Company will so notify Contractor, will pay only the undisputed portion, and the Parties shall endeavor to settle and adjust such disputed amount forthwith. Company may set-off against payments due Contractor any amount due and owing Company by Contractor for any reason. Any payment made by Company shall not prevent Company from filing claims or prejudice its right to recover the amount of such claims however they may have arisen including, without limitation, any sums paid Contractor by mistake of law or of fact. Notwithstanding anything to the contrary herein, payment to Contractor shall not be construed as acceptance or evidence of approval of the work.

8. SAFETY

Contractor shall take all necessary precautions to maintain the work site free from hazards likely to cause injury, illness or death to persons or damage to property or the environment, and shall immediately report any safety or environmental incident to Company. Company reserves the right to stop or suspend the work, if in Company's opinion, it is not safe for the work to continue, and any work stoppage or suspension due to any noncompliance with this Article 8 or Article 14 below shall not be a basis for a claim by Contractor for extension of the work schedule, additional compensation, or other damages.

9. INSURANCE

Contractor shall carry and pay for insurance as legally required and as necessary to support Contractor's indemnity obligations owed to Company under this Agreement.

10. INDEMNITY FOR PERSONAL INJURY AND PROPERTY DAMAGE

(A) Company shall defend, indemnify, release, and hold contractor and its subcontractors harmless from and against any and all claims or causes of action for loss of or damage to company or its employees' property and equipment and for injury to or death of company's employees, and (B) contractor shall defend, indemnify, release, and hold company harmless from and against any and all claims or causes of action for loss of or damage to contractor, its subcontractors, or their respective employees' property and equipment and for injury to or death of contractor or its subcontractors' employees; regardless of the cause or reason thereof, even if caused by or resulting from the strict liability or the sole, joint, or concurrent negligence of the party indemnified and/or released. However, a party's obligation to indemnify, defend and release under this article 10 shall not apply to awards or assessments of punitive damages. For the purposes of the indemnification provided above, the indemnified party shall be defined to include Company or Contractor, and its respective parents, subsidiaries, affiliates, coventurers, and co-lessors, together with all of its and their directors, officers, employees, agents, shareholders, and insurers. Neither Party shall be liable to the other Party for special, indirect, or consequential damages resulting from or arising out of this Agreement including, without limitation, loss of profit or business interruptions, however same may be caused.

11. CONFLICT OF INTEREST AND ETHICS

Contractor shall not directly or indirectly, pay salaries, commissions or fees, or make payments or rebates to employees or officers of Company, nor favor employees or officers of Company, or designees of such employees or officers, with gifts or entertainment of significant cost or value, or with services or goods sold at less than full market value, nor enter into business arrangements with employees or officers of Company, unless such employees or officers are acting as representatives of Company.

12. LICENSES AND PERMITS

Prior to beginning work Contractor shall, at its sole expense, obtain and maintain thereafter licenses, permits, certificates, and other forms of documentation required of Contractor to perform the work. At Company's request, Contractor shall furnish copies of such documentation.

13. PATENTS, TRADE SECRETS AND CONFIDENTIAL INFORMATION AND RIGHTS TO USE SAME

Contractor agrees to indemnify, defend and hold Company, its parents, subsidiaries, affiliates and coventurers, harmless in any suit, claim or demand alleging infringement of any patent, copyright, and/or misappropriation of any confidential information or trade secrets in the United States, in the country of source and in the country of destination, based upon the performance of said work or manufacture, sale or use of goods, machinery or equipment supplied hereunder. Contractor agrees that nothing in paragraph 10 shall negate or diminish the indemnity provided in this paragraph 13 with respect to claims of third parties. Contractor does not convey nor does Company obtain any right in the methodologies, programs, systems, data or materials utilized or provided by Contractor in the ordinary course of business in the performance of this Agreement; provided that Company is hereby granted a paid-up and irrevocable right and license to use, in the conduct of Company's business for which they are provided, all goods, machinery or equipment that Contractor delivers to Company hereunder.

Contractor agrees to keep strictly confidential and not to disclose to others or to use in any way confidential business/technical information that Company may disclose in conjunction with this Agreement, or that Contractor may be exposed to as a result of entering Company property to perform work, deliver goods, machinery or equipment hereunder.

14. COMPLIANCE WITH LAWS, REGULATIONS AND COMPANY POLICIES

During the performance of work hereunder Contractor, its employees, agents and subcontractors, shall comply with all applicable provisions of federal, state or local laws, rules, regulations, orders, permits and authorizations, and with all applicable Company rules and policies including those covering health, safety, and environmental protection, and camp and work site rules and policies. Copies of applicable Company rules and policies will be provided to Contractor upon request. Contractor shall indemnify, defend and hold Company, its parents, subsidiaries, affiliates and coventurers, and their respective officers, directors, agents, and employees, harmless from and against any and all fines, penalties or liability, and for costs related thereto, including, without limitation, court costs and attorney's fees, resulting from Contractor's, its employees', agents' or subcontractors', failure to comply with this Article 14. Company shall have the right to join in the defense of any action in which it is made a defendant.

15. TAXES

Contractor shall defend, indemnify and hold Company, its affiliates and coventurers harmless from any and all claims, judgments, losses, expenses and any costs related thereto (including court costs and attorney's fees) and for all taxes as specified below which may be assessed or levied directly or indirectly against Company, its affiliates or coventurers, or Contractor by any taxing authorities claiming jurisdiction over the Agreement or any contract hereunder, including but not limited to:

- i) All income, excess profit or other taxes, charges and imposts assessed or levied on account of Contractor's earnings.
- ii) All taxes assessed or levied against or on account of salaries or other benefits paid by Contractor to Contractor's employees.
- iii) All taxes assessed or levied against or on account of any property of Contractor.
- iv) All applicable excise, sales or use taxes assessed or levied against or on account of the rates of compensation received by Contractor under the terms of this Agreement.

Contractor shall make all reports and take all necessary action required for such indemnification. Company, in the event it is required by law, will be entitled to withhold and pay to the proper tax authorities any tax levied or assessed on account of work performed hereunder. It is the intent of this Article that all taxes listed above which accrue as a result of performance by Contractor pursuant to this Agreement be the legal responsibility of Contractor. All such applicable taxes will be paid by Contractor to the proper taxing authority in the manner prescribed by law. Excise, sales, or use taxes, referred to in iv) above, if any, which accrue as a result of performance by Contractor pursuant to this Agreement may be passed through to Company by Contractor. It is, however, the responsibility of Contractor to make timely remittance of such excise, sales or use taxes to the proper taxing authority, and Contractor agrees to defend and indemnify Company, its affiliates and coventurers, from any fine, penalties, interest, costs (including attorney fees) or other assessments resulting from Contractor's failure to make such timely remittance of such taxes as set forth above, and reimburse Company and its coventurers for any and all such amounts, if any, paid by Company and its coventurers as a result thereof. If compensation to Contractor is other than lump sum, Contractor's invoices shall display the total amount of applicable sales, use and other excise taxes paid or billed by Contractor.

16. WARRANTY

Contractor warrants that all work shall be performed in a good and workman like manner in accordance with (i) any specifications or drawings provided by Company; (ii) any Company site requirements; (iii) generally accepted industry practices; (iv) all applicable laws, statutes, ordinances, regulations, rules, standards (government and industry), and codes (government and industry); and (v) this Agreement. If Contractor breaches the warranty specified herein, upon notice from Company, Contractor will promptly repair, replace or reperform the nonconforming work (including without limitation removal, reinstallation, access, shipping, and labor costs) at no cost to Company. Such repair, replacement or reperformance will be warranted for a period of 12 months from its acceptance by Company. Upon receiving such notice from Company, if Contractor fails to promptly proceed with and diligently complete the repair, reperformance, or replacement of the nonconforming work, Company may repair, reperform, or replace the work and charge all related costs (including labor and access costs) to Contractor without voiding the warranties herein, and

without Company waiving any other rights or remedies it may have under this Agreement. Such costs will be payable by Contractor upon demand.

17. US EXPORT CONTROL COMPLIANCE

Contractor agrees to comply with all export and reexport control laws and regulations, including the Export Administrations Regulations (EAR) maintained by the US Department of Commerce, trade and economic sanctions regulations maintained by Treasury Department's Office of Foreign Assets Control (OFAC), and the International Traffic in Arms Regulation (ITAR) maintained by the Department of State.

18. ACCESS TO COMPANY FACILITIES

Contractor, its employees, agents and subcontractors, shall not enter any area of Company's property other than the areas designated by Company, and Company, at its sole discretion, shall determine the extent to which Contractor, its employees, agents and subcontractors, shall be allowed unescorted movement in and around Company operations. Contractor agrees that entry onto Company's property is a revocable privilege and that Contractor shall promptly remove any of its employees, agents and subcontractors from the work site who, in Company's sole discretion, are objectionable or unacceptable; provided, however, Contractor retains the sole right to select and discharge its employees, agents and subcontractors.

19. GOVERNING LAW

THIS AGREEMENT AND THE RELATIONSHIP OF THE PARTIES HERETO SHALL BE GOVERNED BY AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, EXCEPT FOR ANY RULE OF LAW OF THE STATE OF TEXAS WHICH WOULD MAKE THE LAW OF ANY OTHER JURISDICTION APPLICABLE. Any legal action brought by either Party hereunder shall be brought in the Federal or State courts sitting in Houston, Texas.

20. NOTICES

Unless otherwise specifically provided, all notices provided for in this Agreement shall be in writing and shall be effective upon receipt. Such notices shall be given either: (i) by hand delivery to an authorized representative of the Party to whom directed, or (ii) by United States mail, postage prepaid, or (iii) by courier service guaranteeing delivery within two days or less, charges prepaid, or (iv) by facsimile, to the address of the other Party set forth on the face of this Agreement. Any notice delivered after normal business hours at the receiving Party's place of business shall not be deemed delivered until the receiving Party's following business day. Either Party may at any time change its address, facsimile number or attention recipient upon written notice to the other Party.

21. Assignment and Subcontracting

Contractor will not sell, assign, or transfer this Agreement, or any part hereof, or any money due hereunder, without the prior written consent of Company. Contractor agrees to obtain Company's written approval before subcontracting performance of any portion of this Agreement. Company's approval of any such subcontractor will not relieve Contractor from any obligations imposed by these terms.

22. MINORITY-OWNED AND WOMEN-OWNED SUPPLIERS

It is Company's policy to support the inclusion of minority-owned businesses ("MBE's") and women-owned businesses ("WBE's") in its procurement processes. Contractor's selection processes for procurement of third party goods, equipment and services utilized in connection with the Work shall therefore include consideration of qualified MBEs and WBEs where possible and Contractor shall maximize use of MBEs and WBEs, where commercially competitive, in performance of the Work.

An MBE is defined as a business enterprise that is at least 51% owned by a minority or group of minorities and has its management and daily business controlled by one or more such individuals. Minorities shall include, but are not limited to, Black Americans, Hispanic Americans, Native Americans, Asian-Pacific Americans, and Asian-Indian Americans. A WBE is defined as a business enterprise that is at least 51% owned by a woman or group of women and has its management and daily business controlled by one or more such individuals.

23. GENERAL PROVISIONS

Waiver of any breach of this Agreement shall not constitute a waiver of any subsequent breach, whether of a like or different character. If any provision of this Agreement is determined to be void or unenforceable, such provision shall be deemed modified to the minimum extent required to bring such provision into compliance with applicable statutory or case law. This Agreement shall be binding on and inure to the benefit of the Parties and their respective successors and permitted assigns.

24. ENTIRE AGREEMENT

Contractor and Company agree that this Agreement sets forth their entire agreement and there are no promises or understandings other than those stated herein. Any document prepared by Contractor containing any contrary or additional terms shall be void and not modify or add to the terms of this Agreement in any way, nor shall any such execution create a new contract. No subsequent alteration, amendment, change, modification or addition to this Agreement shall be binding upon the Parties unless reduced to writing and signed by authorized representatives of both Parties.

Exhibit 3



ConocoPhillips Company
San Francisco Refinery
1380 San Pablo Avenue
Rodeo, California 94572

April 28, 2010

ESDR-130-10
02-A-03

Jay Gunkelman
879 Redwood Court
Crockett, CA 94525
Email: qeegjay@sbcglobal.net

Janet Callaghan
914 Sandy Cove Dr.
Rodeo, CA 94572
Email: janetandpaul@comcast.net

**Subject: COA No. 46-12 Fenceline Monitoring System Replacements
COA No. 46-4 Particulate Monitoring Study
LUP 05-2048: Rodeo Refinery Clean Fuels Expansion Project**

Dear Jay and Janet:

Condition No. 46 of the Land Use Permit for the refinery's Clean Fuels Expansion Project ("CFEP") requires that ConocoPhillips "comply with all of the conditions cited in the Agreement between ConocoPhillips and the members of the Community Working Group, as agreed by ConocoPhillips, dated [sic] received at the County Planning Commission hearing on April 24, 2007." Condition 12 of that Agreement requires ConocoPhillips to replace the infrared analyzers in its existing fenceline monitoring system and upgrade the software for the ultra-violet analyzers, which it has done. It also requires that ConocoPhillips issue a Memorandum of Understanding ("MOU") "describing the equipment, QA/QC and monitoring changes for the fenceline monitoring system."

On September 9, 2009, ConocoPhillips previously provided to you and other Community Working Group members a proposed MOU that describes the equipment, QA/QC, and monitoring changes for the fenceline system. However, at the Community Working Group's request, the parties agreed to set aside that version of the MOU and work towards a more comprehensive MOU, which would describe those additional fenceline monitoring components and/or operational practices desired by the community that the Company believed could be incorporated into the fenceline monitoring system.

As you are aware, the County recently issued a letter to ConocoPhillips requesting additional information to document compliance with several CFEP Land Use Permit conditions, one of which involves the MOU. ConocoPhillips is now compelled to issue the enclosed MOU that describes the equipment, QA/QC, and monitoring changes for the fenceline monitoring system. As you will see, it is substantively similar to the MOU that ConocoPhillips issued last year, but it incorporates comments received by Jay Gunkelman regarding the Signal-to-Noise Ratio Check and Selection of Clean Air References pertaining to the UV QA/QC program. In addition, as specifically requested by the CWG, the MOU includes QA/QC for the six organic gas detectors.

As you know, the six organic gas detectors are not new equipment or upgrades to existing equipment but are equipment that was listed in the original MOU dated November 4, 1996.

The Company has signed two originals of the MOU. Please execute both originals and return one to the refinery by May 4, 2010 and retain one original for the Community Working Group's files. ConocoPhillips remains committed to working with the Community Working Group to evaluate Community Working Group requests regarding additional fenceline monitoring components and operational practices, but we are now required to work these issues outside of the MOU described in Paragraph 12 of the Agreement.

Lastly, Paragraph 4 of the Agreement requires ConocoPhillips to fund approximately \$25,000 for a short-term (6-month) study by an independent, third-party consultant to evaluate PM emissions from the refinery. In November 2008, ConocoPhillips solicited and obtained two proposals for the study. The proposals were subsequently evaluated by the CWG and the Argos Scientific Incorporated proposal was found to be favored by the group. In July, 2009, the Community Working Group requested that the study not go forward and, instead, requested that ConocoPhillips fund a different project in the amount of \$25,000. The parties have been working to identify and select such a project since that time. However, based in part on information obtained from County officials, ConocoPhillips is concerned that implementation of the projects tentatively identified in lieu of the PM emissions study may not meet the requirements of Paragraph 4 of the Agreement and, therefore, may not satisfy Condition No. 46 of the Land Use Agreement. Consequently, taking into account previous feedback from the Community Working Group regarding consultant selection, ConocoPhillips will engage Argos Scientific Incorporated to commence the PM Study as soon as reasonably possible.

Please do not hesitate to contact me at (510) 245-5825 and/or Don Landeck at (510) 245-4618 if you have any questions.

Sincerely,



Kevin Schmitt
Superintendent, Environmental Services

Attachment

cc: Will Nelson, Contra Costa County

MEMORANDUM OF UNDERSTANDING

ENHANCEMENTS TO FENCELINE MONITORING AT RODEO REFINERY

This Memorandum of Understanding ("MOU") is entered into this 4th day of May 2010 between ConocoPhillips Company ("ConocoPhillips") and the interested citizens of Crockett, Rodeo, and Tormey (referred to herein as the "Community Working Group").

WHEREAS, ConocoPhillips operates a petroleum refinery in Rodeo, California ("the refinery");

WHEREAS, ConocoPhillips operates and maintains a fence line monitoring system at the refinery;

WHEREAS, ConocoPhillips obtained a Land Use Permit from Contra Costa County effective September 25, 2007 to construct and operate equipment and processes associated with its Clean Fuels Expansion Project ("Land Use Permit");

WHEREAS, the Community Working Group submitted comments during the public comment period for the Land Use Permit and otherwise engaged ConocoPhillips regarding its concerns with the Clean Fuels Expansion Project;

WHEREAS, ConocoPhillips and the Community Working Group reached an agreement that satisfactorily addressed the Community Working Group's concerns and memorialized that agreement via a letter provided by ConocoPhillips and submitted to the Contra Costa County Planning Commission on May 9, 2007;

WHEREAS, Paragraph 12 of the letter agreement states that ConocoPhillips "will replace the infrared analyzers in its existing fence line monitoring system and upgrade the software for the ultra-violet analyzers"; and

WHEREAS, Paragraph 12 of the letter agreement further states that a Memorandum of Understanding will be issued "describing the equipment, QA/QC and monitoring changes for the fence line monitoring system";

NOW, THEREFORE, this MOU satisfies the requirements of Paragraph 12 of the letter agreement in describing the equipment, monitoring, and QA/QC changes for the fence line monitoring system as already performed or scheduled to be performed as follows, as well as provides additional detail regarding the fence line monitoring system equipment, QA/QC, and monitoring:

I. EQUIPMENT

The following components are described in this section. Additional details regarding the equipment are provided in Attachment A.

1. Open-Path Fourier Transform Infrared Spectroscopy (FTIR) Air Monitoring Systems - There are two FTIR systems. One is located as part of the 930 meter open path North Fenceline Monitoring System (N. FLM) and one is located as part of the 820 meter open path South Fenceline Monitoring System (S. FLM). As depicted in Attachment A, the N. FLM building is located east of Tank 288 and the infrared light source is located north of Tank 209. The S. FLM building is located southeast of the SF1 MET Station and the infrared light source is located south of Tank 108.
2. Open-Path UV Air Monitoring Systems - There are two UV systems. These are collocated with the FTIRs at the N. FLM and S. FLM as described above.
3. Organic Gas Detectors - Six catalytic organic gas detectors are located along the eastern and western ends of the refinery as depicted in Attachment A:
 - a. AT-1 located along T Street in Seasonal Storage near Tank 1010;
 - b. AT-2 located along the Main Road in Seasonal Storage near Tank 1004;
 - c. AT-3 located at the N. FLM building;
 - d. AT-4 located near the E-003 Outfall;
 - e. AT-5 located near the Saltwater Pumphouse; and
 - f. AT-6 located outside the Unit 40 Control Room.

The open-path monitoring systems used as part of the Fenceline Monitoring (FLM) at the refinery are based on the optical principle that when exposed to light, numerous chemicals will absorb various wavelengths of the light at levels that are proportional to amount of gas in the light beam. The FLM monitors use both infrared (IR) and ultraviolet (UV) light to detect gases that cross the fenceline. The fundamental operation of the IR and UV systems are as follows:

- a. a lamp produces a beam of light;
- b. specially-designed optics focus the beam and project it through the air;
- c. at the opposing end a receiver collects the light and focuses it into a spectrometer;
- d. the spectrometer analyzes the wavelengths and magnitudes of received light and determines the presence and concentration of interfering gases; and
- e. data from the systems are then fed to a real-time Internet website where it is reported on a continual basis.

A. OPEN-PATH FOURIER TRANSFORM INFRARED SPECTROSCOPY (FTIR) AIR MONITORING SYSTEMS

The MIDAC Corporation Open-path Fourier Transform Infrared Spectroscopy (FTIR) air monitoring system is a long-path air survey instrument designed for real-time detection of

organic compounds using an IR transmitter and high-resolution spectrometer that collects light and saves the raw spectra. Compounds present in the beam path that are absorbent between 750 and 4200 wavenumbers will be detected and quantified at concentrations proportional to the amount of gas present. The IR system is connected to a computer that displays gas concentrations in parts-per-billion by volume (ppbv) on a real-time basis using Midac AutoQuant™ software. Data from the spectrometer is stored in five-minute averages in a Microsoft Excel™ (summary.csv) data file.

B. OPEN-PATH UV AIR MONITORING SYSTEMS

The Argos Scientific Incorporated UV air monitor is a portable, fenceline air survey tool designed for real-time detection of organic and inorganic compounds using a UV transmitter (Xenon lamp) and high-resolution spectrometer that collects light and saves the raw spectra. The light beam is transmitted through the ambient air to a receiver. Compounds present in the beam path that are absorbent between 240 and 330 nanometers absorb light at particular wavelengths at levels proportional to the amount of gas present. The UV air monitor is connected to a laptop computer via Universal Serial Bus (USB) cable to display gas concentrations in parts-per-billion by volume (ppbv) on a real-time basis using Argos UVS Quant software. Data from the spectrometer is stored in five-minute averages in a Microsoft Excel™ (summary.csv) data file that provides the capability to re-analyze the data for the presence of other compounds of interest.

C. ORGANIC GAS DETECTORS

The SEC 2000 is a digital gas detector designed to detect explosive gases in the ambient air, display the concentration, and provide an alarm when gas concentrations reach preset levels.

II. MONITORING

A. OPEN-PATH FOURIER TRANSFORM INFRARED SPECTROSCOPY (FTIR) AIR MONITORING SYSTEMS

The Detection Limits for the Open-path FTIR systems are depicted in the following table:

Fugitive Chemical	Detection Limits (ppbv)
1,3 Butadiene	4.5
Carbonyl Sulfide	2.25
Carbon Monoxide	45
Ethanol	11.25
Ethylene	4.5
Total Hydrocarbons (as Hexane)	4.5
Mercaptan	11.25
MTBE	2.5
Ammonia (NH3)	15.75

Ambient methane and nitrous oxide (N₂O) will be included as part of the real-time quantification as a real-time quality assurance (QA) check.

B. OPEN-PATH UV AIR MONITORING SYSTEMS

The Detection Limits for the Open-path UV systems are depicted in the following table:

Fugitive Chemical	Detection Limits (ppbv)
Benzene	5.0
Carbon Disulfide	5.0
Sulfur Dioxide	5.0
Toluene (including m- and o- Xylene)	5.0
p-Xylene	5.0

Ambient ozone will be included as part of the real-time quantification as a method of real-time QA check.

C. ORGANIC GAS DETECTORS

For the combustible gas version of the SEC 2000, the concentration of combustible gas is displayed in terms of a percentage of the lower explosive limit (LEL). 100% LEL represents the minimum concentration of combustible gas in air that will cause an explosion. The sensor has an analog output between 0-20 milliamps (mA). The following table lists the gas concentration scale.

Signal Output (mA)	Percent of LEL
4.0	0
5.6	10
8.0	25
12	50
16	75
20	100
>20	Out of Range

III. QUALITY ASSURANCE/QUALITY CONTROL

A. OPEN-PATH FOURIER TRANSFORM INFRARED SPECTROSCOPY (FTIR) AIR MONITORING SYSTEMS

This section presents the QA protocol used for the measurement of broad spectrum Op-FTIR spectra according to the guidelines given by the U.S. Environmental Protection Agency (EPA) and other agencies that certify the calibration, operation, and maintenance of broadband spectroscopy related to the sampling of the atmosphere. The QA document is based on the EPA's Compendium Method TO-16 "Long-Path Open-Path Fourier

Transform Infrared Monitoring of Atmospheric Gases.” It should be noted TO-16 is a generic document that covers the operation of Op-FTIRs and is not instrument specific. Therefore, the refinery's protocol is based on the key elements of TO-16 as they are applied to the MIDAC Corporation Op-FTIR monitoring system and the application of a long-term fence-line monitoring system at the Rodeo Refinery. The following Data Quality Indicators (DQI) will be used to evaluate the performance of the Op-FTIR:

1. detection limits for chemicals of interest;
2. detection of ambient levels of methane and N₂O;
3. measurement signal strength of Infrared beam; and
4. monthly challenge of the system with a QA/QC gas.

For many of the issues identified by these QC checks, it is possible to take corrective action to improve instrument performance in the field. Some examples of correctable problems include re-alignment of the instrument mirrors to improve signal strength, or changing the IR source. Some of the problems identified will not affect data quality, but instead will indicate a potential long-term problem with the instrument that will be corrected by an instrument specialist once a problem has been identified. An example of this would be a major degradation of signal strength that could be corrected by realigning the internal optics of the instrument. The results of the OP-FTIR DQI tests will be documented in the project field notebook and reported as part of a monthly QA Report. Further reference information is included in Appendix A, which contains the EPA TO-16 Reference Method and the MIDAC Corporation Guide to Operations.

1. DQI No. 1 - Detection limits for chemicals of interest

At the end of each month, the real-time data will be reviewed to determine if the system is quantifying the chemicals of interest (i.e., fugitive emission gases) at or below the level specified when the systems were purchased. To pass this test, the detection limits need to be at or below the detection limits listed below:

Fugitive Chemical	Detection Limits (ppbv)
1,3 Butadiene	4.5
Carbonyl Sulfide	2.25
Carbon Monoxide	45
Ethanol	11.25
Ethylene	4.5
Total Hydrocarbons (as Hexane)	4.5
Mercaptan	11.25
MTBE	2.5
Ammonia (NH ₃)	15.75

The following procedure will be used to determine whether the data meets these data quality objectives (DQOs):

- 16 continuous samples will be selected when no fugitive gases are present in the spectra.
- The real-time results will be used to determine an average value and standard deviation.
- The limit for each chemical listed above should be greater than 3 standard deviations of the average value.

If the chemicals fail this QA test then corrective actions for the Op-FTIR air monitoring system will be taken.

2. DQI No. 2 - Concentration Checks for Ambient Gases

The Open-path FTIR air monitoring systems are currently setup to detect the following ambient gases:

Chemical	QA Limit
Methane	Greater than 1.72 ppm
Nitrous oxide	Between 280-320 ppb

At the end of the month the continuous monitoring data will be analyzed to determine if the data is within these limits. If more than 10% of the data points are outside the limits, corrective actions for the Op-FTIR air monitoring system will be taken.

3. DQI No. 3 - Signal Strength of Infrared beam

At the end each month's maintenance activity the signal strength of the IR Beam will be measured at three different wavenumbers:

- 950 cm-1 < 14,000 counts;
- 2,750 cm-1 < 1,000 counts; and
- 4,100 cm-1 < 200 counts.

If the signal strength drops below the above stated values, ConocoPhillips will perform the following tasks to improve the signal strength:

- clean all optical components of the system;
- perform a realignment of both the source and receiver unit; and
- if necessary, replace the IR source.

4. DQI No. 4 - Challenge of System with Gas

During the monthly maintenance check, ConocoPhillips will challenge the system by introducing a gas in the beam and then check the quantitative result for accuracy.

B. OPEN-PATH UV AIR MONITORING SYSTEMS

This section addresses QA and QC for the new UV equipment.

1. Method Summary

The Argos UV air monitor is a portable, single-point air survey tool designed for realtime detection of organic and inorganic compounds using a UV transmitter (Xenon lamp) and high-resolution spectrometer that collects light and saves the raw spectra. The light beam is transmitted through the ambient air to a receiver. Compounds present in the beam path that are absorbent between 240 and 330 nanometers absorb light at particular wavelengths at levels proportional to the amount of gas present. The UV system is connected to a laptop computer via USB cable to display gas concentrations in parts-per-billion by volume (ppbv) on a real-time basis using Argos UVS Quant software. Data from the spectrometer is stored in five-minute averages in a Microsoft Excel™ (summary.csv) data file that provides the capability to re-analyze the data for the presence other compounds of interest.

2. Quality Assurance Checks

The QA procedure for the Open-path UV air monitors is an automated process that uses a sealed sample cell (the lollipop) containing benzene and sulfur dioxide. The QA check will occur on a monthly basis or whenever a UV source is changed. The field check is used to detect compounds across the low, middle, and high areas of the UV absorbance spectrum. This check takes approximately five minutes. Detailed operational methods for the QA/QC check for the UV system are described in the ConocoPhillips, Rodeo Fenceline Monitoring Program, and Quality Assurance Plan Document # 032009a.

During the monthly maintenance on the system ConocoPhillips will re-align the system and measure the signal strength of the UV beam. If the system cannot achieve a signal strength of 3000 counts (max) at a sample integration time of 750 milliseconds, ConocoPhillips will perform the following tasks:

- Clean the optical components of the system
- Realign the source and receiver units
- If necessary, replace the UV light source

3. Signal-to-Noise Ratio Check

A check of the Signal-to-Noise ratio for the Open-path UV air monitors will occur as follows:

- Two back-to-back spectra will be subtracted from each other to create an absorbance spectra.
- The peak-to-peak noise absorbance spectra will be examined in the region of 252.00 to 255.00 nanometers.

- The systems will be within operational specifications if the peak-to-peak noise is less than 0.003 absorbance units (AU) units.
- If the noise level is greater than 0.003 absorbance units, additional actions including aligning the source optics and replacing the light sources will be conducted.

When the additional maintenance items are complete, the systems will be retested to ensure they are back within specification.

4. Selection of Clean Air References

The Argos UVQuant data collection software has a built in algorithm to minimize the baseline drift by automatically updating the background whenever a gas is determined to not be present in the light beam. However, if during the process of data collection it is determined that the light signal has insufficient intensity (such as periods of heavy fog, rain or other times when the beam is partially blocked), then the automatic background update function is disabled until a time when the signal is of sufficient strength to allow optimal data quantification. If the automatic update function is disabled, the contractor will verify that a clean background reference is currently being used for data quantification.

C. ORGANIC GAS DETECTORS

The SEC 2000 will be calibrated on a monthly basis using known gas samples, representative of the gas being detected. The combustible gas monitor must also be calibrated following exposure to any of the following poisoning agents:

- Silicone
- Silicane
- Halogenated Hydrocarbons
- Antiknock compounds found in gasoline

Calibration consists of exposing the SEC 2000 sensor to the known quantity of methane gas and adjusting the electronic circuitry to generate a reading equal to the concentration of the calibration gas.

The following procedure describes the calibration of the SEC 2000 using the CRD switch:

1. If the SEC 2000 has just been powered up allow the sensor to stabilize for three hours before calibrating the unit.
2. Connect the regulator/flow meter to the cylinder of calibration gas. Connect the flexible tubing to the regulator and to the calibration adapter.
3. Press the CRD switch five times. The SEC 2000 will alternately display:
CAL GAS

XX (XX = Value of cal. gas in SEC 2000 memory)

XXX (XXX = Gas unit in SEC 2000 memory)

NOTE: The switch must be pressed so that the internal mechanism contacts the enclosure body and then is released fully. Consecutive push-button actions must be no more than one second apart.

NOTE: While in the calibration mode, all four (4) tricolor LED indicators will flash green to red, the analog output will drop to 1.5 milliamps, and the relays will be inactive.

NOTE: The calibration mode may be exited at any time by pressing the CRD switch five times. This will cause the SEC 2000 to momentarily display: CNCL, and return to the normal monitoring display.

4. The SEC 2000 will begin to toggle between ACAL and a voltage. This feature allows the display to function as a voltmeter showing the analog voltage from the sensor. To proceed with a standard calibration, push the CRD switch twice.
5. The SEC 2000 will then flash ZERO, alternating with the current gas concentration.
6. With the SEC 2000 sensor in a known gas-free environment, press the CRD switch two times to lock in the zero gas value.

NOTE: If the atmosphere surrounding the SEC 2000 sensor is uncertain, apply zero air to the sensor using the calibration adapter.
7. The SEC 2000 will then assign this new value to zero and will display ZERO for one second.
8. The SEC 2000 will then change the display to flash SPAn, alternating with the current gas concentration.
9. Open the valve on the calibration gas bottle. If using a flow meter, adjust until the flow meter reads 1 liter per minute.
10. Attach the calibration adapter to the SEC 2000 sensor.
11. The display on the SEC 2000 will indicate the concentration of calibration gas being applied to the sensor. Allow at least one minute for the display reading to stabilize.
12. Press the CRD switch two times to lock in the span gas value
13. The SEC 2000 will then display SPAN solidly for one second. Remove the calibration adapter and close the cylinder valve.
14. The SEC 2000 will then flash YEAR, alternating with the year of last calibration currently entered into the detector's memory. (Example 98). If the year displayed is not the current year, press and hold the CRD switch. The displayed year will then begin to ascend (Example: 96, 97, 98 ...). When the current year is displayed by the SEC 2000 release the CRD switch.

NOTE: If the current year is "missed," continue to hold down the CRD switch. When the display reaches 99, it will advance to 0 and begin counting up again.
15. With the current year displayed, press the CRD switch two times to lock in this number. The SEC 2000 will then flash MNTH, alternating with the month (1-12) of last calibration currently entered into the detector's memory. If the month displayed is not the current month, press and hold the CRD switch. The displayed month will begin to ascend.
16. When the current month is displayed by the SEC 2000, release the CRD switch.

NOTE: If the current month is "missed," continue to hold down the CRD switch. When the display reaches 12, it will advance to 0 and begin counting up again.
17. With the current month displayed, press the CRD switch two times to lock in this number. The SEC 2000 will then flash DAY, alternating with the day (1-31) of last calibration

currently entered into the detector's memory. If the day displayed is not the current day, press and hold the CRD switch. The displayed day will then begin to ascend.

18. When the current day is displayed by the SEC 2000, release the CRD switch.

NOTE: If the current day is "missed," continue to hold down the CRD switch. When the display reaches 31, it will advance to 0 and begin counting up again.

19. With the current day displayed, press the CRD switch two times to lock in this number. The SEC 2000 will then flash DONE.

20. To end the calibration sequence, press the CRD switch two times. The display will indicate DONE solidly for one second and then begin a five (5) minute timer to allow the sensor to clear out any remaining calibration gas. During the five (5) minute time out period the tricolor LEDs will flash green to red and display the gas concentration. The analog voltage will remain at 1.5mA and the relays will be inactive. If there were any fault codes being displayed prior to calibrating the SEC 2000, the fault codes will continue to be displayed until the five (5) minute time out is completed. The SEC 2000 will return to its basic monitoring mode after five (5) minutes. The four tricolor LEDs will go solid green and the display will indicate the current gas concentration.

NOTE: At any point during the calibration sequence, if the SEC 2000 is left unattended for more than five (5) minutes, it will automatically return to the normal operating mode.

Acknowledged by ConocoPhillips and the Community Working Group by the signatories of their respective representatives and the dates indicated below.

By: *Rand H. Swenson* 4/28/10
Rand H. Swenson Date
San Francisco Refinery Manager
ConocoPhillips Company

By: _____
Jay Gunkelman Date
Crockett/Tormey
Community Working Group Member

By: _____
Janet Callaghan Date
Rodeo
Community Working Group Member

ATTACHMENT A



Exhibit 4

Landeck, Don R

From: Kevin Vo [KVo@baaqmd.gov]
Sent: Tuesday, August 18, 2009 4:35 PM
To: Landeck, Don R
Cc: Simon Winer
Subject: RE: Canceled: Summa Canister Program

Hi Don,

As per our conversation today regarding the decline of tomorrow's scheduled meeting to discuss the summa canister program. The District's position has not changed on its role per the ConocoPhillips SFR / Community Working Group Agreement - Item No. 6: Odor Testing because the sampling/testing process would be outside the immediate control of the District and deviate from the established sampling Policies and Procedures. Additionally, an approval for the District to act as a designated party to the agreement was never obtained.

I have researched several laboratories that conduct summa canister analysis which I believe would be able to service the Community Groups' needs. In fact these Labs will supply the appropriate sampling equipment (i.e. Summa Canister, tedlar bag, etc.) and tailor the sample analysis to suit the objectives of the Community. Please feel free to share the list and other Laboratories you might have with the Community Working Group. Thanks.

Kevin Vo| Air Quality Inspector|Compliance & Enforcement Division
The Bay Area Air Quality Management District| 939 Ellis Street| San Francisco, CA 94109
Tel: 415.749.4753| Fax: 415.928.0338| Complaints: 1.800.334.ODOR|
kvo <mailto:kvo@baaqmd.gov> @baaqmd.gov| www.baaqmd.gov
<<https://norman.baaqmd.gov/exchweb/bin/redirect.asp?URL=http://www.baaqmd.gov>>

From: Landeck, Don R [mailto:Don.R.Landeck@conocophillips.com]
Sent: Tue 8/18/2009 2:16 PM
To: Schmitt, Kevin J.; Howard Adams; Jay Gunkelman; Simon Winer; Kevin Vo
Cc: Stern, Philip
Subject: Canceled: Summa Canister Program

When: Wednesday, August 19, 2009 11:00 AM-12:00 PM (GMT-08:00) Pacific Time (US & Canada).
Where: Room, RDO RM101 (autobook)

Simon and Kevin have graciously agreed to meet with us to discuss the summa canister program. Hope this date and time will work for everyone.

Jay and Howard, feel free and forward this meeting notice along to others on the CWG.

See you all on the 19th. And to let you know, I will be on vacation from 8/12 - 8/17 and back on 8/18.

Thanks,
Don
Donald R. Landeck, P.E.
Environmental Engineer
Environmental Services Department
ConocoPhillips Company
San Francisco Refinery
1380 San Pablo Avenue
Rodeo, California 94572-1299
510-245-4618 (Direct)

Exhibit 5

**ConocoPhillips
EMPLOYEES**

RODEO REFINERY TRAINING DOCUMENTATION

Class Date: 4/28/10 7PM Class Hours: _____
 Class Subject(s): Community Working Group Ambient Air
Odor Sampling Program Course ID #: _____
 Instructor(s): D. Gamales - Argos Scientific
 Signature(s): _____

Written Test is: Required Not Required

This is: Safety Meeting Initial Monthly
 Training Refresher Quarterly
 Skills Regulatory Annual
 Other LUP 4G-6 3 Year

	Employee Name (Print)	Employee Signature	Department	Badge/ID #
1	Don Landeck	<i>[Signature]</i>	ESD	
2	KEVIN SCHMITT	<i>[Signature]</i>	ESD	
3	Phil Stern	<i>[Signature]</i>	HSE	
4	Janet Callaghan	<i>[Signature]</i>		
5	Bill Concanon	<i>[Signature]</i>	Contract	
6	CHRISTINE GUNN	<i>[Signature]</i>	ARGOS	
7	Axel Abellard	<i>[Signature]</i>	ARGOS	
8	Pen Grantham	<i>[Signature]</i>	ARGOS	
9	Tara Halliday	<i>[Signature]</i>	RODEO	
10	Danielle Fugere	<i>[Signature]</i>		
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Instructor's Distribution Instructions:

- Documentation of training is a PSM requirement.
- Send completed form with a copy of training course materials, tests, and answer key to appropriate coordinators.
 - For Maintenance Training send to: Tim Neville, Operations Training Coordinator
 - For Operations / Others send to: Tim Neville, Operations Training Coordinator
 - For Health, ER or Safety Training send to: Chris DeMott, H&S Specialist/Training