PRELIMINARY DESIGN

HUSKY OIL OPERATIONS LTD.

POLY-ACID INJECTION SYSTEM INSTALLATION PROJECT

CONSTRUCTION PACKAGE

APRIL 14, 2005

LOCATION: LLOYDMINSTER REFINERY

EWR NUMBER: AFE NUMBER:

OF. 04-58

RP-00398

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POLYPHOSPHORIC ACID INJECTION SYSTEM INSTALLATION PROJECT

Objective:

Install a vendor supplied polyphosphoric acid injection skid, process piping, measurement and control equipment, and other ancilliary equipment to incorporate polyphosphoric acid into the Lloydminster Refinery asphalt manufacturing process.

Project Background:

Husky Asphalt Marketing has successfully acquired a contract to supply performance grade asphalt this summer. To meet the asphalt performance specifications set out in the contract the Lloydminster Refinery must upgrade it's product quality.

Polyphosphoric acid will be incorporated into the asphalt manufacturing process to meet the required performance specifications.

Integra Energy Consulting Ltd has been retained by Husky to help design and construct the polyphosphoric acid injection system.

Project Summary:

The Poly-Acid Injection System Installation Project includes the following work.

- Dismantle existing metal storage shed to make room for new acid injection skid and building.
- Extend existing concrete slab to support new poly-acid injection skid. Fabricate and install new structural steel skid to support new safety shower unit.
- 3. Install and tie-in safety shower unit adjacent to poly-acid skid.
- Remove section of 6" blowdrum charge line. Fabricate, test and install replacement pipe spool section complete with stainless steel static mixer assembly.
- 5. Erect prefabricated insulated metal building to house poly-acid skid. Install "Ruffneck" heat exchanger unit heater and run steam supply lines. Install lighting and exhaust fan.
- 6. Set acid injection skid. Fabricate, test and install 2" stainless steel acid injection process piping and truck unload station piping. Install acid skid steam trace lines.
- Install micro-motion acid flow meter and air actuated process control equipment and miscellaneous control instruments.
- 8. Install ½" stainless steel lines to supply instrument air to air actuated valves.
- Upgrade existing 4" asphalt turbine flow meter in asphalt blowdrum charge line with new local readout c/w 4-20 mA output linked to Delta-V.

- Replace 4" valve on 6" asphalt blowdrum charge line with new 4" air actuated shut-down valve.
- 11. Install new Delta-V HMI workstation in MCC-7. Link process equipment to Delta-V panel.
- 12. Re-locate existing blowdrum charge/rail car loading pump control station to MCC-7.
- 13. Install new 3 Hp. variable frequency drive in MCC-7 for acid injection pump motor.
- 14. Install mineral insulated heat trace cable and metal clad calcium silicate insulation on process piping and safety shower water lines. Heat trace and insulate steam trace piping and safety shower water lines to prevent freezing when not in service.
- 15. Install thermocouples on the blowdrum burner exhaust stacks and link to Delta-V control system. Program Delta –V system to shut-off fuel gas supply to burners when exhaust stack temperatures reach critical levels (safety feature designed to shut blowdrum burners off when asphalt is drained from blowdrums).

Project Schedule:

Husky will expedite construction to the extent possible to meet an in-service target date of June 1, 2005.

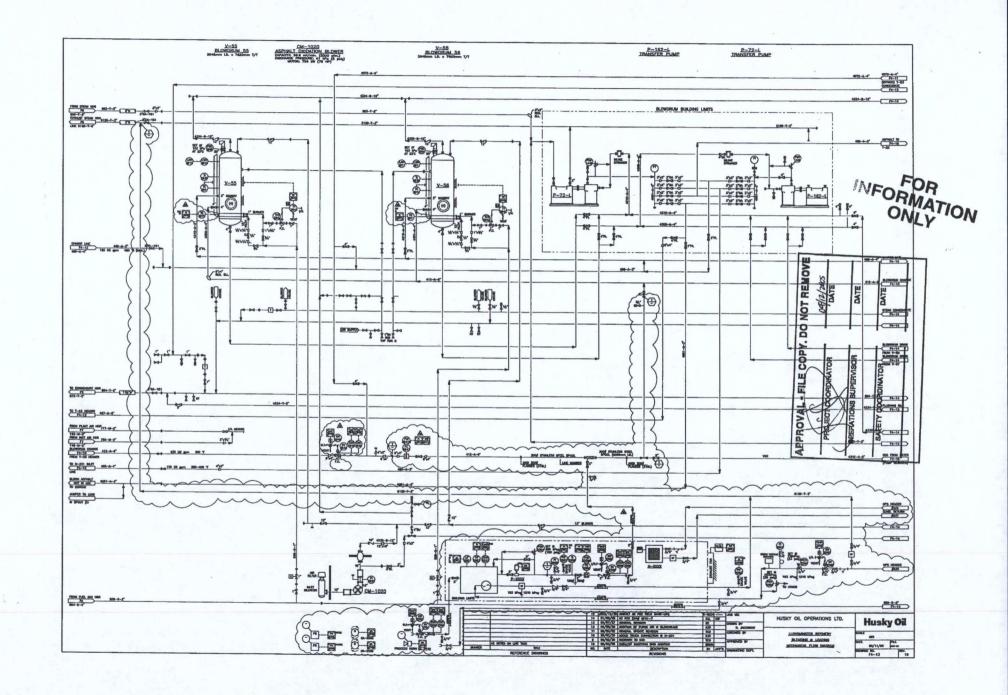
Husky may attempt to expedite this project by performing critical piping installation work during the scheduled April plant turnaround.

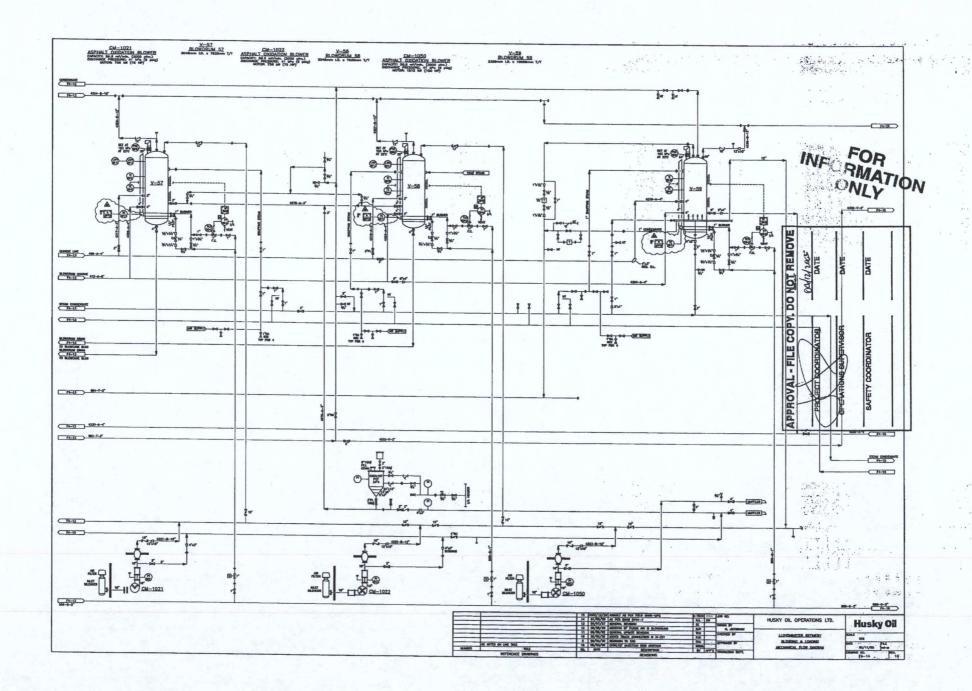
After the plant turnaround, work requiring process shutdown will be scheduled around critical processes to maximize productivity. Work that can be accomplished without shutting down process equipment will be performed as time and resources permit.

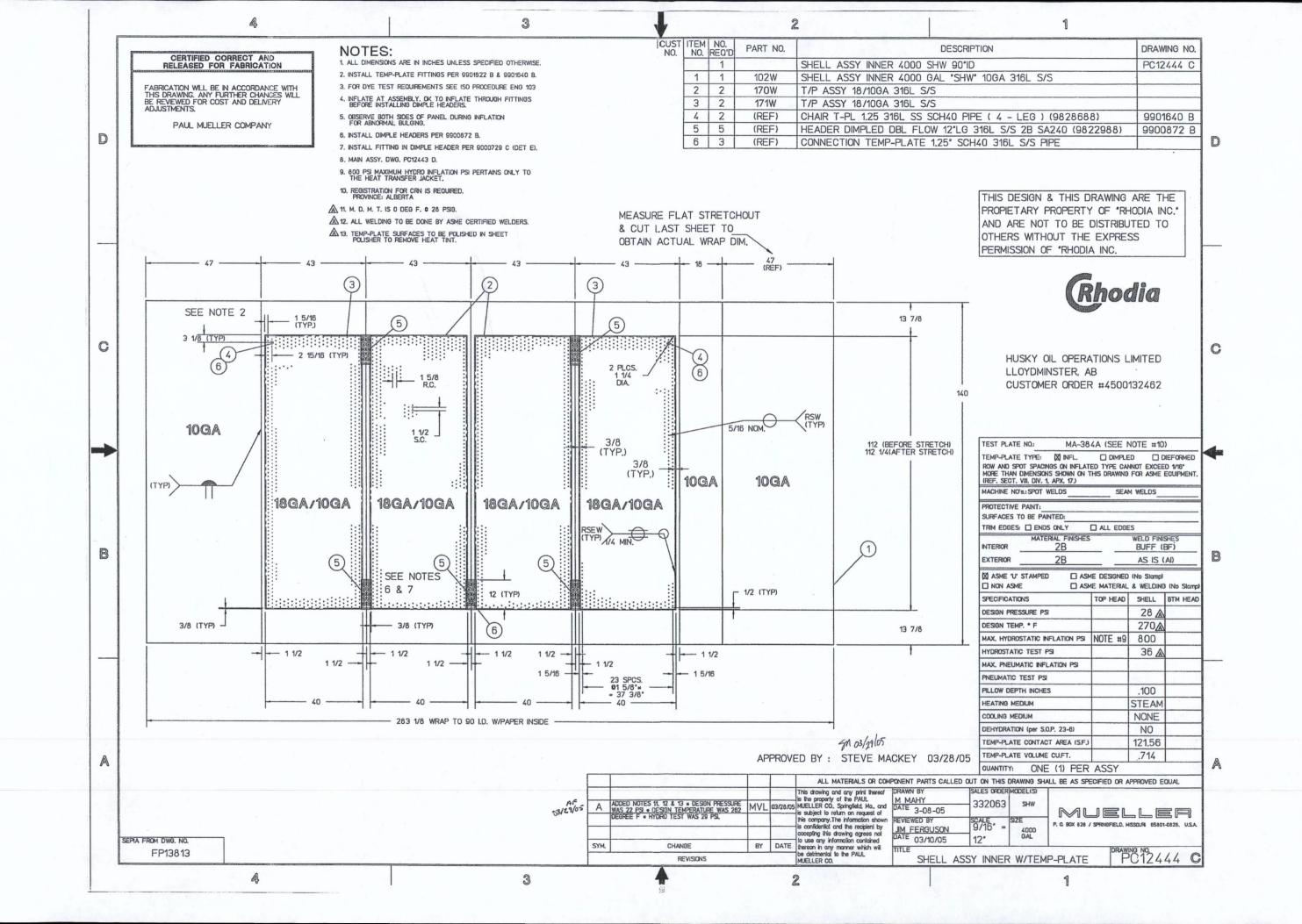
Husky expects to take delivery of the poly-acid skid during the last week of May. As a consequence, poly-acid skid placement and skid tie-in work scheduliung will remain tentative until the skid is delivered.

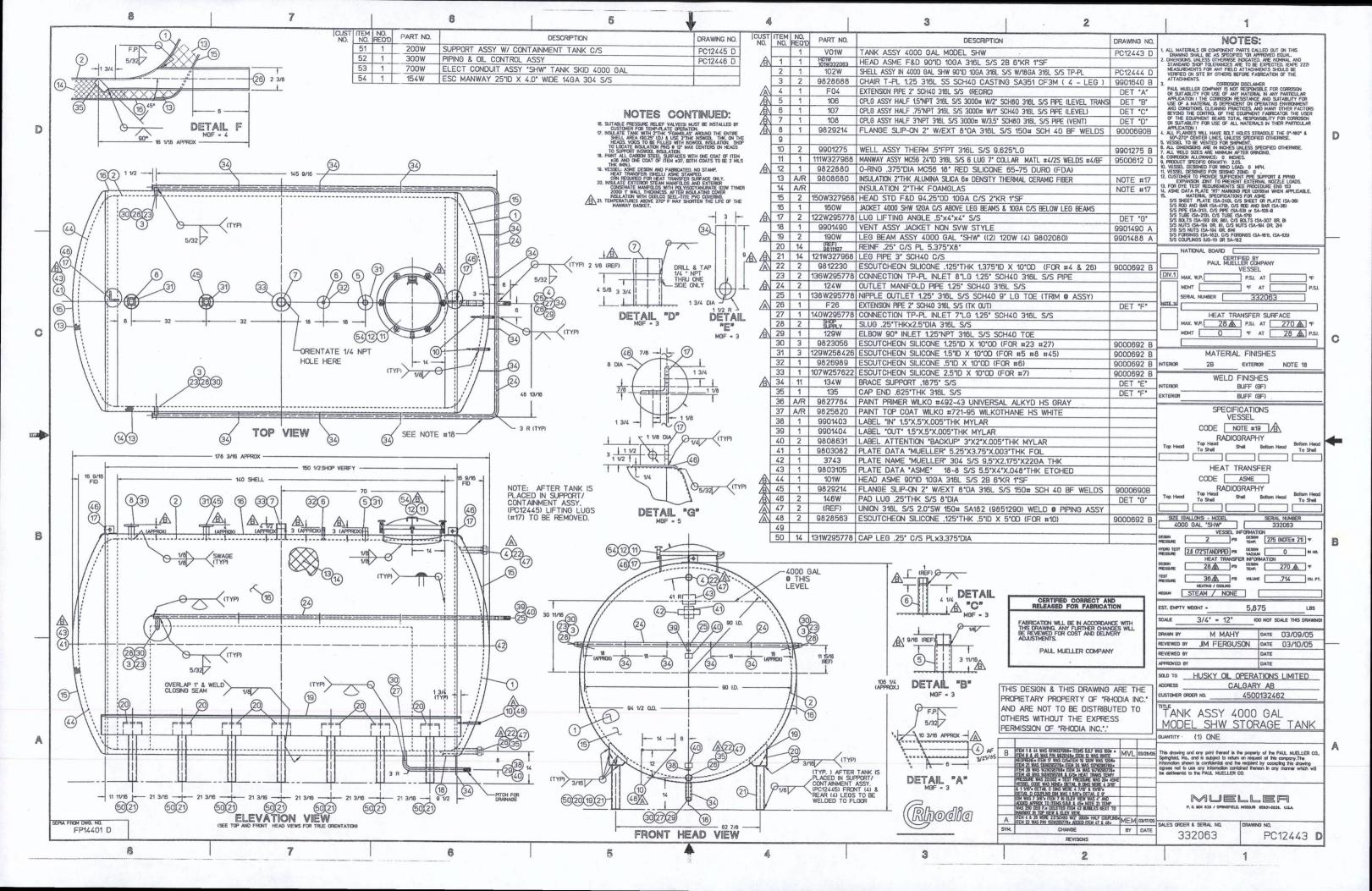
Attachments:

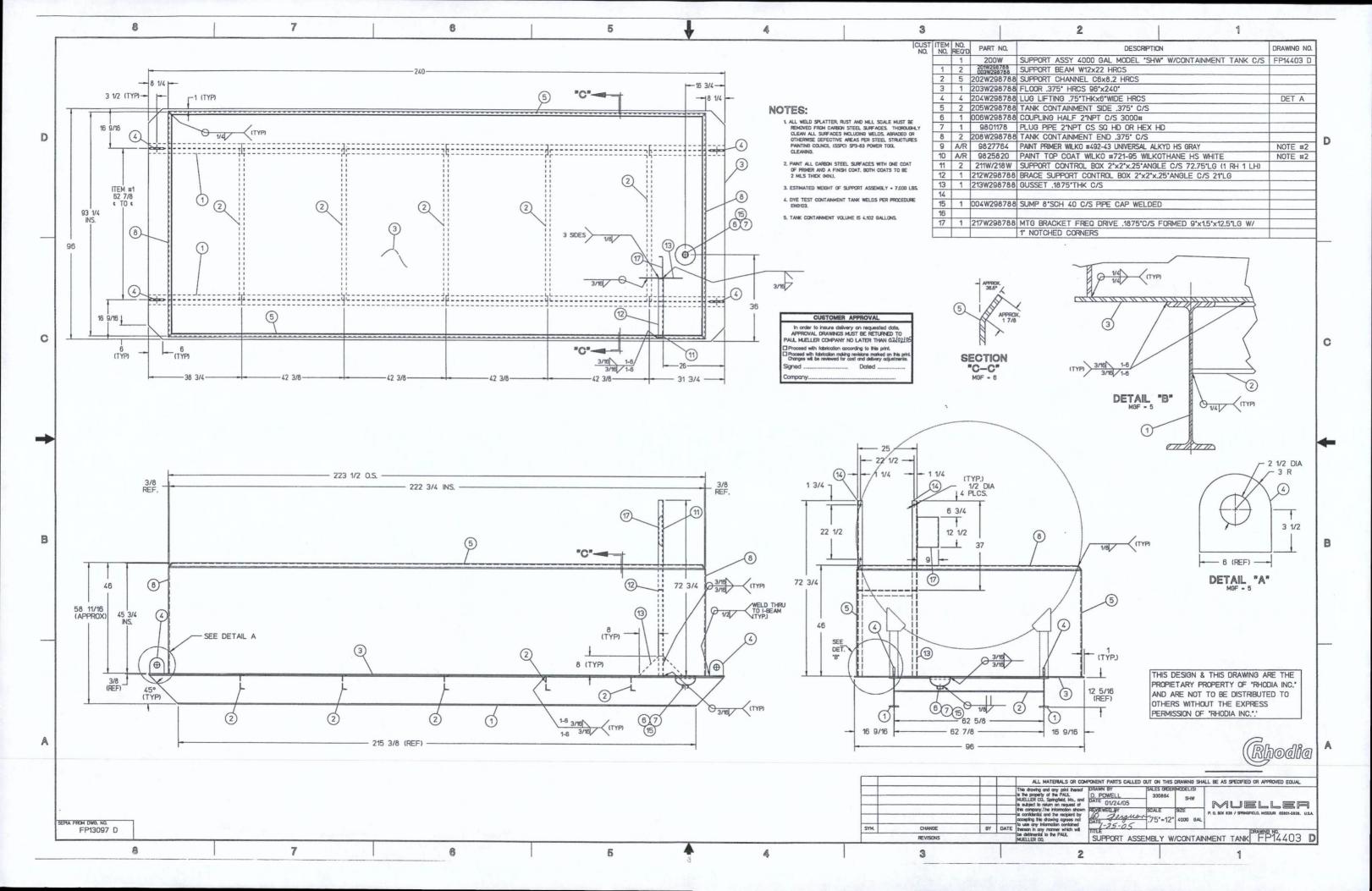
Drawing Package Equipment Order Summary Husky Piping Specifications ("A", "M", "T")

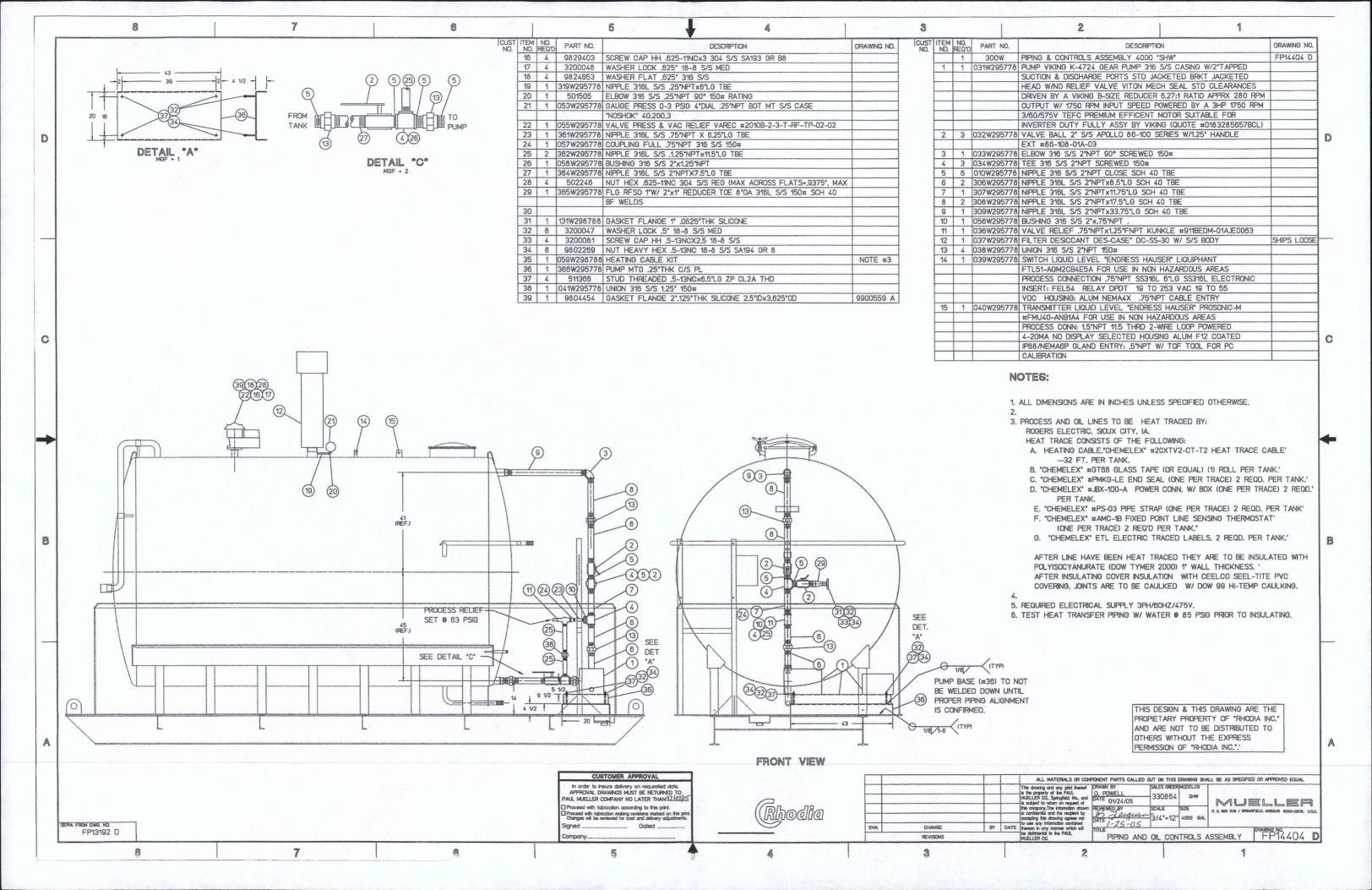












Polyphoshoric Acid Skid

June 8, 2005

Outline

- Project Objective
- Acid properties
- General Safety (from Supplier)
- MSDS Review
- Equipment Review
- Operation philosophy
- Truck Off-loading
- Skid/ Blowdrum controls
- Questions

Objective

- Polyphosphoric Acid improves the PG grading of the blown asphalt project
- Test Runs performed last year showed that 300/400 could be blown to PG 64-37 that can be blended to make PG 58-37, ect.
- Project implemented Poly-Acid while adding safeguards to existing system.

What is Poly Acid?

- Highly Viscous -difficult to pump below 70 °C
- Very Low pH acid careful
- Corrosive to carbon steel, aluminum and other metals. Stainless steel corrosiveness is low, but increases with prolonged exposure above 130 C
- Must be kept dry to prevent breakdown of long acid chains –becomes more corrosive to SS, effectiveness decreases

datasheet.pdf

Innophos

INNOVALT™ Safety and Handling

INNOVALT™ Nomenclature

■ Orthophosphoric Acid - Ranges from 1% to 95% by weight of H₃PO₄. Grades include Technical, FCC, NF, ACS, and High Purity.

■ INNOVALTTM - 105% to 118+% by weight of H_3PO_4 . Technical grade only.

INNOVALT™ Chemistry

1 to 95% Orthophosphoric Acid - n = 1

105 to 118% INNOVALT™ - n ranges from 4 to 15 ortho, pyro, tri, tetra, high poly constituents

INNOVALT™ Chemistry, continued

Physical State: Colorless to amber, viscous, hygroscopic liquid

Specific Gravity: 2.05 @ 20 Deg C

Density: 17.1 lbs./gallon @ 20 Deg C

Viscosity: 2600 @ 60 Deg C

(centipoise) 380 @ 100 Deg C (300/400 is around 950)

Flash point: None (theoretically boils at over 500 C)

Freeze point: Very viscous at ambient temperature, freezing is

difficult to attain; glassy consistency @ 52Deg C

Solubility: Completely miscible in asphalt

Hazards

- Can Burn Eyes and Skin (Thermal Burns)
- Corrosive and Irritating
- Mist may Damage Throat and Lungs
- Can React with Some Metals / Corrosive to Mild Steel, Cast Iron, Copper, Brass, Bronze
- Keep away from Sulfides / Sulfites, Strong Oxidizing / Reducing Agents

Recommended Personal Protective Equipment

- Chemical Safety Glasses / Goggles
- Face Shield
- Chemical Resistant Gloves / Boots and Apron
- Good Work Practices/ Personal Hygiene
- Safety Shower and Eye Wash Station

First Aid

- Eye Contact
 - Flush Eyes with Water for 15 minutes
 - Do not neutralize
 - Seek Medical Attention
- Skin Contact
 - Flush with Water
 - Remove Contaminated Clothing
 - Do Not Neutralize
 - Seek Medical Attention

First Aid, continued

Ingestion

- Dilute with Large Quantities of Water
- Do Not Induce Vomiting
- Seek Medical Attention

■ Inhalation

- Remove to Fresh Air
- If Breathing Stops-- Administer Artificial Respiration / CPR

INNOVALT™ Spills

- Dike or Contain Material
- Reclaim Material to Suitable Container(s)
- Neutralize Spill with Soda Ash or Sodium Bicarbonate (dilute)
- Exercise Caution during Neutralization
- **■** Emergency Response Numbers
 - Canutec 613-996-6666
 - Innophos ECT-615-386-7816

Additional Product Information

■ More information on INNOVALT[™] can be found at our website at: http://www.innophos.com REMEMBER: SAFETY IS FIRST

MSDS

msds-115percent.pdf

Poly-Acid Skid

- Skid consists of the following:
 - a Viking gear pump controlled by a VFD,
 - an insulated, steam traced 4000 gallon tank with an LIT and a high level switch
 - electrical tracing on the piping and the pump
 - A desiccant /filtration system keeps the air coming in dry to prevent making orthophosphoric acid
 - Block valves for the pump and tank
 - Installed Micromotion flow meter and actuated block valve on acid line.
 - Secondary containment that holds contents of tank

Skid Heating

- Low pressure steam will keep the skid at 100°C for acid pumpability
 - High pressure steam is reduced to 190 kpa to keep the temperature near 130 C.
 - The low pressure condensate ties into the 100 kpa steam to the lime pond from the steamers. A new Pressure Transmitter, PIT-2562 and a new positioner at the valve at the Lime Pond to allow accurate control.
 - TI in acid sends signal to DeltaV, which opens and closes valve on steam line to control at setpoint

Operating Philosophy

- Blowdrum charge valve and the charge pumps will be operated from MCC7 Work Station
- Operator will indicate it is a polyacid blow and specify the batch size (depending on blowdrum)
- Open asphalt charge valve (now in DeltaV)
- Turn on required pump (start/stop station now in MCC7)

Operating Philosophy, continued

- DeltaV will control the poly acid start up and shut down.
 - After a preset amount of asphalt enters the drum, the acid will begin injecting (5 usgpm) before a stainless steel inline mixer overhead. After mixing, the mixture is no longer corrosive
 - Once the required amount of acid is injected,
 the acid pump shuts off and the valve closes.

Operating philosophy

- Operator will shut-down the charge pump and charge valve (DeltaV) from MCC 7 when the charge is complete.
- Blow will likely utilize an existing recipe

Operation Checks

- The air filter/dryer has a sight glass to see if the silica gel is spent.
- Check the tank and pump routinely for leaks.
- The flow rate and RPM should be checked occasionally to see if they balance. (expected relationship to be developed)

Truck off-loading

- Truck unloading station at the south east corner of blower building
- Trucks carry about 2500 USGal
- Bond-rite clamp shows proper bonding
- 2 inch camlock connection to truck
- Trucks can be off-loaded with air or with pump. We've requested a pump
- May need to hook steam hose to truck coils

Truck Off-loading continued

- Shower is near Poly Acid skid building
- Have catch tray and solution of lime at unloading site
- Wear chemical resistant clothing, gloves and face shield
- Controls are in place to prevent overfilling of tank

- PolyAcid Off-loading
 - LIT-2551 has high and low level alarms.
 When loading tank, an alarm horn and red light will go on at the loading station. One minute later, the valve will automatically close
 - Back-up high level switch shuts down the pump if alarm fails

PolyAcid Injection

- PIT-2557 measures acid pressure line. If cool acid is in the line, it will slow the VFDequipped pump down (stop if required) to keep the pressure below the PSV setting.
- If pump speed is less than 50% of normal, there will be an alarm in DeltaV.

■ Blowdrums

 Thermocouples will be installed in the blowdrum stacks. These will shut-down the heaters when the stack temperature raises sharply, as would happen if the heaters were still on when the level went below the fire tubes.

Steam System

High pressure alarm on condensate line

High and Low temperature alarms on the acid

Additional Safegaurds

Discussion of additional requirements

Questions & Comments