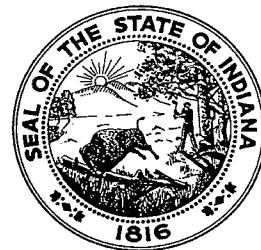


Indiana Department of Labor
Indiana Occupational Safety and Health Administration
402 West Washington Street
Room W195
Indianapolis, IN 46204-2751
Phone: 317/232-1979 Fax: 317/233-3790



certified mail # 1003 1010 0003 5731 1194 8-26-10 JAS

Safety Order and Notification of Penalty

| | | |
|---|----------------------------|-------------------------|
| To: | Inspection Number: | 311256333 |
| CBI Services Inc, and its successors 2103 Research Forest Dr. Attn: Brian Spraker The Woodlands, TX 77380 | Inspection Date(s): | 05/26/2010 - 08/12/2010 |
| | Issuance Date: | 08/26/2010 |

Inspection Site:

15424 E SR 358
Duke Edwardsport IGCC Project
Edwardsport, IN 47528

The violation(s) described in this Safety Order and Notification of Penalty is (are) alleged to have occurred on or about the day(s) the inspection was made unless otherwise indicated within the description given below.

An inspection of your place of employment has revealed conditions which we believe do not comply with the provisions of the Indiana Occupational Safety and Health Act (Indiana Code Chapter 22-8-1.1) or the standards or rules adopted thereunder. Accordingly, enclosed please find safety order(s) and notification(s) of penalty describing such violation(s) with references to applicable standards, rules, or provisions of the statute and stating the amount of any penalty(ies).

Informal Conference - Please be advised that it may be possible to informally settle any potential dispute without initiating the more elaborate proceedings brought on by a petition for review. Prior to filing a petition for review, you may request an informal conference concerning any of the results of the inspection (safety orders, penalties, abatement dates, etc.) by contacting the Indiana Department of Labor/IOSHA, preferably by telephone, in a prompt manner. Please be advised that a request for an informal conference cannot extend the fifteen working day period for filing a petition for review. Informal conferences frequently resolve any possible disputes, and therefore you are urged to take advantage of this opportunity. Because of the limited time period and in order to facilitate scheduling, any requests for an informal conference should be made promptly upon your receipt of the safety order(s) and notification(s) of penalty.

Right to Contest - You are hereby also notified that you are entitled to seek administrative review of the safety order(s), penalty(ies), or both by filing a written petition for review at the above address postmarked within

fifteen working days of your receipt of the safety order(s) and notification(s) of penalty. ("Working days" means Mondays through Fridays, but does not include Saturdays, Sundays, legal holidays under a state statute or days on which the Indiana Department of Labor's offices are closed during regular business hours). If you do not file such a petition for review (contest), the safety order(s) and penalty(ies) shall be deemed final orders of the Board of Safety Review and not subject to review by any court or agency. The issuance of a safety order does not constitute a finding that a violation has occurred unless no petition for review is filed, or if a petition for review (contest) is filed, it must contain a statement of its basis and should reference the above inspection number. Upon receipt of your petition for review, we will affirm, amend or dismiss the safety order(s) and notification(s) of penalty. If we affirm, your petition for review will be granted (unless it was not timely) and the dispute will be certified by the Board of Safety Review for further proceedings. The Board of Safety Review is an independent agency appointed by the governor with authority to conduct hearings and to issue decisions concerning disputed safety order(s) and notification(s) of penalty. If we amend the safety order(s) or notification(s) of penalty, your petition for review shall be deemed moot. However, you will then be given an opportunity to file a petition for review concerning the amended safety order(s) and notification(s) of penalty.

Please be advised that an employee or representative of employees may file a petition for review to contest the reasonableness of the time stated in the safety order(s) for the abatement of any violation.

Posting - Upon receipt of any safety order(s) you are required to post such safety order(s), or a copy thereof, unedited, at or near each place an alleged violation referred to in the safety order(s) occurred. However, if your operations are such that it is not practicable to post the safety order(s) at or near each place of alleged violation, such safety order(s) shall be posted, unedited, in a prominent place where it will be readily observable by all affected employees. For example, if you are engaged in activities which are physically dispersed, the safety order(s) may be posted at the location from which the employees operate to carry out their activities. You must take steps to ensure that the safety order is not altered, defaced, or covered by other material. Posting shall be until the violation is abated, or for three working days, whichever is longer.

Penalties - Penalties are due within fifteen (15) working days of receipt of this notification unless contested. Abatement does not constitute payment of penalties.

Abatement - The conditions cited in the safety order(s) must be corrected (abated) on or before the date shown for each item on the safety order(s) and notification(s) of penalty unless:

(1) You file a petition for review concerning the violation, in which case the full abatement period shall commence from the issuance of a final decision by the Board of Safety Review or the courts which requires compliance with the safety order; or

(2) The abatement period is extended by the granting of a petition for modification of abatement date.

PMAs - The petition for modification of abatement date is a manner in which you may seek additional time to correct (abate) a violation without having to file a petition for review concerning the safety order, or after the expiration of the time period to file such a petition for review when it becomes apparent that you need extra time to abate the violation. A petition for modification of abatement date shall be in writing and shall include the

following information:

(1) All steps you have taken, and the dates of such actions, in an effort to achieve compliance during the prescribed abatement period.

(2) The specific additional abatement time necessary in order to achieve compliance.

(3) The reasons such additional time is necessary, including the unavailability of professional or technical personnel or of materials and equipment, or because necessary construction or alteration of facilities cannot be completed by the original abatement date.

(4) All available interim steps being taken to safeguard employees against the cited hazard during the abatement period.

(5) A certification that a copy of the petition has been posted, and if appropriate, served on the authorized representative of affected employees, and a certification of the date upon which such posting and service was made.

A petition for modification of abatement date shall be filed with the Indiana Department of Labor/IOSHA no later than the close of the next working day following the date on which abatement was originally required. A later-filed petition shall be accompanied by the employer's statement of exceptional circumstances explaining the delay. A copy of such petition shall be posted in a conspicuous place where all affected employees will have notice thereof or near such location where the violation occurred. The petition shall remain posted until the time period for the filing of a petition for review of the Commissioner's granting or denying the petition expires. Where affected employees are represented by an authorized representative, said representative shall be served a copy of such petition.

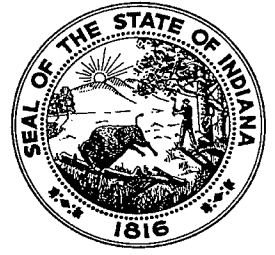
Notification of Corrective Action - Correction of the alleged violations which have an abatement period of thirty (30) days or less should be reported in writing to us promptly upon correction. A "Letter of Abatement" form and an "Abatement Photographs" worksheet are enclosed for your assistance in providing adequate documentation of abatement. Reports of corrections should show specific corrective action on each alleged violation and the date of such action. On alleged violations with abatement periods of more than thirty (30) days, a written progress report should be submitted, detailing what has been done, what remains to be done, and the time needed to fully abate each such violation. When the alleged violation is fully abated, we should be so advised. Timely correction of an alleged violation does not affect the initial proposed penalty.

Followup Inspections - Please be advised that a followup inspection may be made for the purpose of ascertaining that you have posted the safety order(s) and corrected the alleged violations. Failure to correct an alleged violation may result in additional penalties for each day that the violation has not been corrected.

Employer Discrimination Unlawful - The law prohibits discrimination by an employer against an employee for filing a complaint or for exercising any rights under this Act. An employee who believes that he/she has been discriminated against may file a complaint no later than 30 days after the discrimination occurred with the Indiana Department of Labor/IOSHA at the address shown above.

Notice to Employees - The law gives an employee or his/her representative the opportunity to object to any abatement date set for a violation if he/she believes the date to be unreasonable. The contest must be mailed to the Indiana Department of Labor/IOSHA at the address shown above within fifteen (15) working days (excluding weekends and State holidays) or receipt by the employer of this safety order and penalty.

If you wish additional information, you may direct such requests to us at the address or telephone number stated above.



NOTICE TO EMPLOYEES OF INFORMAL CONFERENCE

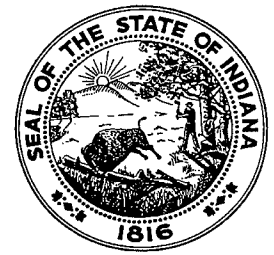
An informal conference has been scheduled with IOSHA to discuss the safety order(s) issued on 08/26/2010. The conference will be held at the IOSHA office located at 402 West Washington Street, Room W195, Indianapolis, IN 46204 on _____ at _____.

Employees and/or representatives of employees have a right to attend an informal conference.

Indiana Department of Labor

Indiana Occupational Safety and Health
Administration

Inspection Number: 311256333
Inspection Dates: 05/26/2010 -
08/12/2010
Issuance Date: 08/26/2010



Safety Order and Notification of Penalty

Company Name: CBI Services Inc
Inspection Site: 15424 E SR 358, Duke Edwardsport IGCC Project,
Edwardsport, IN 47528

Safety Order 1 Item 1 Type of Violation: **Serious**

IC 22-8-1.1 Section 2 : The employer did not furnish employment and a place of employment which were free from recognized hazards that were causing or likely to cause death or serious physical harm to employees:

Filtered water tank ----- On 05/26/10 and before, the 37 inch long I-beam placed on top of a 24 inch vent opening being used as a suspension anchorage for the approximately 33 foot long two point suspension scaffold, was not secured and fell through the opening causing one end of the scaffold to fall, a hazard which resulted in death. Among other methods, a couple of acceptable and feasible abatement methods would be to follow the Code of Safe Work Practices for Suspended Scaffolds developed by the Scaffold & Shoring Institute and the Scaffold Industry Association, section II. A. 4., which states that all overhead rigging must be secured from movement in all directions, or to follow Safway Suspended Scaffold Safety Guidelines, section B. 7., which states that all overhead rigging , counterweights, anchorages, and connections must be secured and adequately restrained from movement in any direction.

Date By Which Violation Must be Abated: **Corrected During Inspection**
Proposed Penalty: **\$4,500.00**

Indiana Department of Labor

Indiana Occupational Safety and Health
Administration

Inspection Number: 311256333
Inspection Dates: 05/26/2010 -
08/12/2010
Issuance Date: 08/26/2010



Safety Order and Notification of Penalty

Company Name: CBI Services Inc
Inspection Site: 15424 E SR 358, Duke Edwardsport IGCC Project,
Edwardsport, IN 47528

Safety Order 1 Item 2 Type of Violation: **Serious**

IC 22-8-1.1 Section 2 : The employer did not furnish employment and a place of employment which were free from recognized hazards that were causing or likely to cause death or serious physical harm to employees:

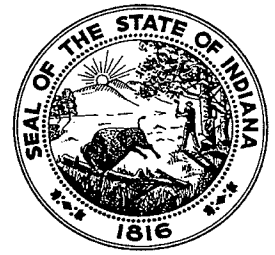
Filtered water tank ----- On 05/26/10 and before, the 5/16 inch suspension ropes of the approximately 33 foot long two point suspension scaffold were wrapped around a 37 inch long I-beam and a 1 inch steel bar, a hazard which could result in death or serious physical harm. Among other methods, a couple of acceptable and feasible abatement methods would be to follow Safway Suspended Scaffold Safety Guidelines, section B. 12., which states that connection of wire rope to the rigging must be made with proper fittings designed for the purpose and to never wrap wire ropes around overhead structures or to follow the Code of Safe Work Practices for Suspended Scaffolds developed by the Scaffold & Shoring Institute and the Scaffold Industry Association, section II. B.8., which states to use thimbles and shackles at all wire rope suspension terminations.

Date By Which Violation Must be Abated: **Corrected During Inspection**
Proposed Penalty: **\$2,250.00**

Indiana Department of Labor

Indiana Occupational Safety and Health
Administration

Inspection Number: 311256333
Inspection Dates: 05/26/2010 -
08/12/2010
Issuance Date: 08/26/2010



Safety Order and Notification of Penalty

Company Name: CBI Services Inc
Inspection Site: 15424 E SR 358, Duke Edwardsport IGCC Project,
Edwardsport, IN 47528

Safety Order 1 Item 3 Type of Violation: **Serious**

IC 22-8-1.1 Section 2 : The employer did not furnish employment and a place of employment which were free from recognized hazards that were causing or likely to cause death or serious physical harm to employees in that :

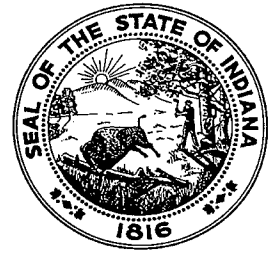
Filtered water tank ----- On 05/26/10 and before, the 5/16 inch suspension rope was not hanging plumb for its entirety when used with air hoist motors and the unsecured 37 inch long I-beam placed on top of the 24 inch vent opening was not designed to sustain additional loads imposed by side load, pull, or other forces put on the suspension device, a hazard which resulted in death. Among other methods, one acceptable and feasible means of abatement would be to follow ANSI A10.8-2001, Safety Requirements for Scaffolding, section 6.1.10 which states when supporting ropes are not hanging plumb for their entire length, supports shall be designed to sustain additional loads imposed by the lateral forces involved.

Date By Which Violation Must be Abated: **Corrected During Inspection**
Proposed Penalty: **\$4,500.00**

Indiana Department of Labor

Indiana Occupational Safety and Health
Administration

Inspection Number: 311256333
Inspection Dates: 05/26/2010 -
08/12/2010
Issuance Date: 08/26/2010



Safety Order and Notification of Penalty

Company Name: CBI Services Inc
Inspection Site: 15424 E SR 358, Duke Edwardsport IGCC Project,
Edwardsport, IN 47528

Safety Order 1 Item 4 Type of Violation: **Serious**

IC 22-8-1.1 Section 2 : The employer did not furnish employment and a place of employment which were free from recognized hazards that were causing or likely to cause death or serious physical harm to employees:

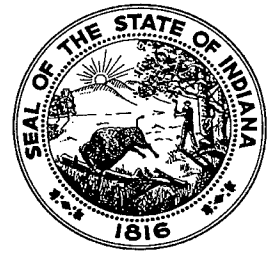
Filtered water tank ----- On 05/26/10 and before, the air hoist motors used with the approximately 33 foot long two point suspension scaffold were not used on the same centerline as the suspension points of the scaffold, a hazard which resulted in death. Among other methods, a couple of acceptable and feasible abatement methods would be to follow Safway Suspended Scaffold Safety Guidelines, section B. 12., which states that hoisting machines must be located on the same centerline as the rigging or Safway Operating manuals for the hoists and platforms which state to insure the anchor points are directly above the hoists or ensure the distance of suspension points is equal to the distance of platform stirrups. Another would be to follow the Code of Safe Work Practices for Suspended Scaffolds developed by the Scaffold & Shoring Institute and the Scaffold Industry Association, section II. A. 9., which states to rig and use hoisting machines directly under their suspension points.

Date By Which Violation Must be Abated: **Corrected During Inspection**
Proposed Penalty: **\$4,500.00**

Indiana Department of Labor

Indiana Occupational Safety and Health
Administration

Inspection Number: 311256333
Inspection Dates: 05/26/2010 - 08/12/2010
Issuance Date: 08/26/2010



Safety Order and Notification of Penalty

Company Name: CBI Services Inc
Inspection Site: 15424 E SR 358, Duke Edwardsport IGCC Project,
Edwardsport, IN 47528

The alleged violations below have been grouped because they involve similar or related hazards that may increase the potential for illness or injury resulting from an accident.

Safety Order 1 Item 5a Type of Violation: **Serious**

29 CFR 1926.451(a)(6) : Scaffolds were not designed by a qualified person and constructed and loaded in accordance with the design :

Filtered water tank ----- On 05/26/10 and before, the approximately 33 foot long two point suspension scaffold and its associated rigging, suspended from a 37 inch long I-beam placed on top of a 24 inch vent opening at one end and suspended from a 1 inch steel bar at the other end, being used with air hoists to paint the inside of the tank, was not designed by qualified person and rigged/erected properly.

Date By Which Violation Must be Abated: **Corrected During Inspection**
Proposed Penalty: **\$4,500.00**

Safety Order 1 Item 5b Type of Violation: **Serious**

29 CFR 1926.451(f)(3) : Scaffold and scaffold components were not inspected for visible defects by a competent person before each work shift :

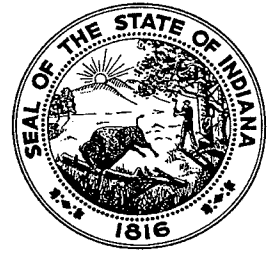
Filtered water tank ----- On 05/26/10 and before, the approximately 33 foot long two point suspension scaffold suspended from unsecured support devices, suspension rope just wrapped around the support devices, eyes in suspension ropes not fabricated with thimbles, lifelines not protected from damage, and other hazards was not inspected for defects by a competent person designated by the employer and/or the competent person failed to identify defects of scaffolds and/or take necessary measures to correct such defects.

Date By Which Violation Must be Abated: **Corrected During Inspection**
Proposed Penalty: **\$0.00**

Indiana Department of Labor

Indiana Occupational Safety and Health
Administration

Inspection Number: 311256333
Inspection Dates: 05/26/2010 - 08/12/2010
Issuance Date: 08/26/2010



Safety Order and Notification of Penalty

Company Name: CBI Services Inc
Inspection Site: 15424 E SR 358, Duke Edwardsport IGCC Project,
Edwardsport, IN 47528

Safety Order 1 Item 5c Type of Violation: **Serious**

29 CFR 1926.451(f)(7) : Scaffolds were not erected, moved, dismantled, or altered under the supervision and direction of a competent person qualified in such and were not erected, moved, dismantled or altered by experienced and trained employees selected for such work by the competent person :

Filtered water tank ----- On 05/26/10 and before, the approximately 33 foot long two point suspension scaffold and related rigging, suspended from an unsecured 37 inch long I-beam resting on top of a vent opening and 1 inch steel bars, with the suspension rope just wrapped around the support devices, eyes in the ropes not fabricated with thimbles, and other hazards was not erected and altered under the direction of a competent and qualified person able to recognize and correct such hazards.

Date By Which Violation Must be Abated: **Corrected During Inspection**
Proposed Penalty: **\$0.00**

Safety Order 1 Item 6 Type of Violation: **Serious**

29 CFR 1926.451(d)(5)(iii) : Suspension scaffold support devices were not secured against movement by tiebacks :

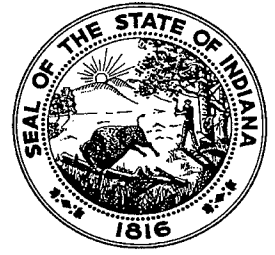
Filtered water tank ----- On 05/26/10 and before, the 37 inch long I-beam placed on top of the 24 inch diameter vent opening and the 1 inch steel bars placed over the 2 inch coupling holes on top of the water tank, both used as suspension points for the approximately 33 foot long two point suspension scaffold, were not secured against movement by tiebacks or by other means.

Date By Which Violation Must be Abated: **Corrected During Inspection**
Proposed Penalty: **\$4,500.00**

Indiana Department of Labor

Indiana Occupational Safety and Health
Administration

Inspection Number: 311256333
Inspection Dates: 05/26/2010 - 08/12/2010
Issuance Date: 08/26/2010



Safety Order and Notification of Penalty

Company Name: CBI Services Inc
Inspection Site: 15424 E SR 358, Duke Edwardsport IGCC Project,
Edwardsport, IN 47528

Safety Order 1 Item 7 Type of Violation: **Serious**

29 CFR 1926.451(d)(9) : The load end of wire suspension ropes were not equipped with proper size thimbles:

Filtered water tank ----- On 05/26/10 and before, eyes formed in the load ends of the 5/16 inch wire suspension ropes of the approximately 33 foot long two point suspension scaffold were wrapped around overhead support devices and formed with wire rope clips without the use of thimbles.

Date By Which Violation Must be Abated: **Corrected During Inspection**
Proposed Penalty: **\$2,250.00**

The alleged violations below have been grouped because they involve similar or related hazards that may increase the potential for illness or injury resulting from an accident.

Safety Order 1 Item 8a Type of Violation: **Serious**

29 CFR 1926.451(g)(3)(i) : Vertical lifelines used with suspension scaffolds were not fastened to a safe point of anchorage, independent of the scaffold, and were not protected from sharp edges and abrasion :

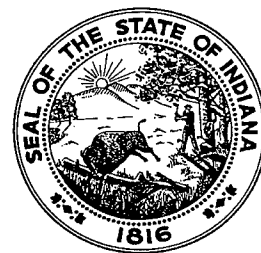
Filtered water tank ----- On 05/26/10 and before, the 5/8 inch lifelines used with the approximately 33 foot long two point suspension scaffold were run down through vent openings where they contacted the edge of the openings and were attached to the top rail of the guardrail system surrounding the 40 foot high water tank, and were not protected from sharp edges or abrasion nor attached to a safe points of anchorage.

Date By Which Violation Must be Abated: **Corrected During Inspection**
Proposed Penalty: **\$4,500.00**

Indiana Department of Labor

Indiana Occupational Safety and Health
Administration

Inspection Number: 311256333
Inspection Dates: 05/26/2010 - 08/12/2010
Issuance Date: 08/26/2010



Safety Order and Notification of Penalty

Company Name: CBI Services Inc
Inspection Site: 15424 E SR 358, Duke Edwardsport IGCC Project,
Edwardsport, IN 47528

Safety Order 1 Item 8b Type of Violation: **Serious**

29 CFR 1926.502(d)(11) : Lifelines were not protected from being cut or abraded :

Filtered water tank ----- On 05/26/10 and before, the 5/8 inch lifelines used with the approximately 33 foot long two point suspension scaffold inside the water tank were run through vent and coupling openings at the top of the tank where they contacted the edges of the openings and they were not protected from being cut or abraded.

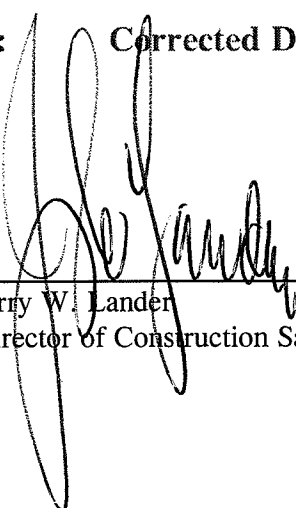
Date By Which Violation Must be Abated: **Corrected During Inspection**
Proposed Penalty: **\$0.00**

Safety Order 1 Item 8c Type of Violation: **Serious**

29 CFR 1926.502(d)(15) : Anchorages used for attachment of personal fall arrest equipment were not capable of supporting 5000 pounds :

Filtered water tank ----- On 05/26/10 and before, the 5/8 inch lifelines used with the approximately 33 foot long two point suspension scaffold were attached to the top rail of the guardrail system surrounding the 40 foot high water tank and this top rail anchorage point was not capable of supporting 5000 pounds.

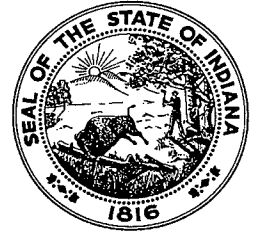
Date By Which Violation Must be Abated: **Corrected During Inspection**
Proposed Penalty: **\$0.00**



Jerry W. Lander
Director of Construction Safety Compliance

Indiana Department of Labor

Indiana Occupational Safety and Health Administration
402 West Washington Street
Room W195
Indianapolis, IN 46204-2751
Phone: (317) 232-1979 FAX: (317) 233-3790



INVOICE/DEBT COLLECTION NOTICE

Company Name: CBI Services Inc
Inspection Site: 15424 E SR 358, Duke Edwardsport IGCC Project, Edwardsport, IN 47528
Issuance Date: 08/26/2010

Summary of Penalties for Inspection Number 311256333

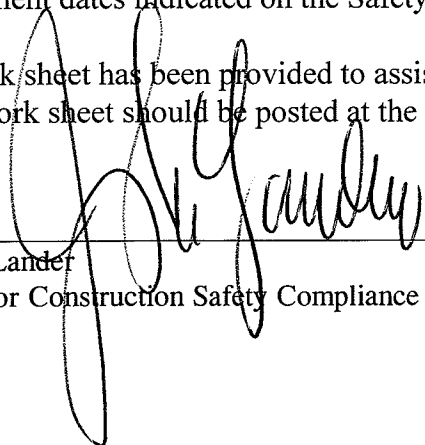
| | | |
|---------------------------------|---|-------------|
| Safety Order 01, Serious | = | \$31,500.00 |
| Total Proposed Penalties | | \$31,500.00 |

Penalties are due within fifteen (15) working days of receipt of this notification unless contested. Make your check or money order payable to: "Indiana DOL/IOSHA". Please indicate IOSHA's Inspection Number (indicated above) on the remittance.

IOSHA does not agree to any restrictions or conditions or endorsements put on any check or money order for less than full amount due, and will cash the check or money order as if these restrictions, conditions, or endorsements do not exist.

Corrective action, taken by you for each alleged violation should be submitted to this office on or about the abatement dates indicated on the Safety Order and Notification of Penalty.

A work sheet has been provided to assist in providing the required abatement information. A completed copy of this work sheet should be posted at the worksite with the safety order(s).



Jerry Lander
Director Construction Safety Compliance

Date 8/26/2010