



2810 Washington Drive
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June 16, 2010

Church Energy Services Ltd. (Church Energy), a wholly owned subsidiary of Axon Pressure Products, Inc., is an established well control equipment manufacturer with multiple manufacturing facilities that provides engineering design, manufacturing, and aftermarket service of oilfield equipment. The United States Minerals Management Service (MMS) has recently revised guidelines for what will qualify a company as an independent third party capable of providing the verifications required for BOP compatibility and blind shear ram capability.

Church Energy will warrant and affirm, as of the date herein, that the following is correct and true:

1. Church Energy is licensed by the API for the design and manufacture of products from the following Specifications:
 - a. **API SPECIFICATION 16A/ISO 13533:** Petroleum and Natural Gas Industries: Drilling and Production Equipment: Drill-Through Equipment
 - b. **API SPECIFICATION 6A/ISO 10423:** Petroleum and Natural Gas Industries: Drilling and Production Equipment: Wellhead and Christmas Tree Equipment
 - c. **API SPECIFICATION 16C:** Specification for Choke and Kill Systems
 - d. **API SPECIFICATION 16D:** Specification for Control Systems for Drilling Well Control Equipment and Control Systems for Diverter Equipment
2. Church Energy is a sufficiently insured entity as shown by the attached Certificate of Insurance.
3. Church Energy has no knowledge of any record of violations of applicable law or ethical guidelines under penalty of perjury.
4. Church Energy will allow, upon request and reasonable notice, an official representative of the MMS access to applicable, related inspection and testing documents and to the location where inspections and tests take place to verify the information submitted in the application or to witness such inspections or tests.

AXON PRESSURE
PRODUCTS, INC.

Jeff Merecka
Chief Financial Officer
Axon Pressure Products, Inc.
Church Energy Services, Ltd.
Drilling Controls, Inc.

AXON PRESSURE
PRODUCTS, INC.

Dan Church
Vice President, Operations
Axon Pressure Products, Inc.
Church Energy Services, Ltd.
Drilling Controls, Inc.

AXON PRESSURE
PRODUCTS, INC.

Richard M. Church, Jr. P.E.
Vice President, Engineering
Axon Pressure Products, Inc.
Church Energy Services, Ltd.
Drilling Controls, Inc.

Client#: 23529

CHURENER

ACORD™ CERTIFICATE OF LIABILITY INSURANCE		DATE (MM/DD/YYYY) 06/17/2010
PRODUCER Dean & Draper Ins. Agcy., LP 3131 West Alabama 4th Floor Houston, TX 77098		THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.
INSURED Church Energy Services, Ltd 2810 Washington Dr Houston, TX 77038-3319		
		INSURERS AFFORDING COVERAGE
		INSURER A: Twin City Fire Insurance CO
		INSURER B: Hartford Ins Co of the Midwest
		INSURER C: Hartford UW Insurance Company
		INSURER D:
		INSURER E:
		NAIC #

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR	INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A		GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	61CCSOF3677	03/25/10	03/25/11	EACH OCCURRENCE	\$1,000,000
						DAMAGE TO RENTED PREMISES (Ea occurrence)	\$300,000
						MED EXP (Any one person)	\$10,000
						PERSONAL & ADV INJURY	\$1,000,000
						GENERAL AGGREGATE	\$2,000,000
						PRODUCTS - COM/OP AGG	\$2,000,000
C		AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	61UUNIT6071	03/25/10	03/25/11	COMBINED SINGLE LIMIT (Ea accident)	\$1,000,000
						BODILY INJURY (Per person)	\$
						BODILY INJURY (Per accident)	\$
						PROPERTY DAMAGE (Per accident)	\$
		GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT	\$
						OTHER THAN AUTO ONLY: EA ACC	\$
						AGG	\$
A		EXCESS/UMBRELLA LIABILITY <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input checked="" type="checkbox"/> RETENTION \$10,000	61HUSS3463	03/25/10	03/25/11	EACH OCCURRENCE	\$5,000,000
						AGGREGATE	\$5,000,000
							\$
							\$
							\$
B		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below OTHER	61WBIO7144	03/25/10	03/25/11	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER	
						E.L. EACH ACCIDENT	\$1,000,000
						E.L. DISEASE - EA EMPLOYEE	\$1,000,000
						E.L. DISEASE - POLICY LIMIT	\$1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

CERTIFICATE HOLDER

SAMPLE

CANCELLATION 10 Days for Non-Payment

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE



IMPORTANT

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

DISCLAIMER

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.



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STATEMENT OF PERFORMANCE FOR RAM BLOWOUT PREVENTER SHEAR RAM CAPABILITIES

1 May 2010

Church Energy Services Ltd. (CES) manufactures shearing rams used in the Type 50 (U) Blowout Preventer (BOP).

The ability of Shearing Rams to shear and seal onto drill pipe or tubing is dependent on the size, grade, bonnet configuration, and type of shear rams being used. Many factors contribute to a wide range of shearing forces required to shear drill pipe and wellbore tubulars. These may include the pipe material strength, toughness and dimensional differences used in the pipe manufacture. Other factors that can affect shearing performance include the BOP's internal dimensions, which include wear, corrosion and drill bit/tool damage to the ram cavities. The presence of wellbore pressure at the time of the shear directly affects the shear forces applied by the BOP operating system and must be accounted for in the shearing calculation.

The operating pressure calculations provided are based on the maximum expected shear force required to shear the drill pipe or wellbore tubular.

CES is licensed by the American Petroleum Institute (API) for the manufacture of annular and ram BOP assemblies, ram blocks, and associated packers, sealing elements, etc.

APPLICABLE SPECIFICATIONS

1. API SPECIFICATION 16A/ISO 13533: Petroleum and Natural Gas Industries: Drilling and Production Equipment: Drill-Through Equipment, (3rd Edition)
2. API SPECIFICATION 6A/ISO 10423: Petroleum and Natural Gas Industries: Drilling and Production Equipment: Wellhead and Christmas Tree Equipment, (19th Edition)

CES provides calculations predicting the expected minimum operating pressure required to shear drill pipe and wellbore tubulars. The calculations are based on the following references:

REFERENCES

1. SHEAR RAM CAPABILITIES STUDY: For U.S. Minerals Management Service, West Engineering Services, September 2004
2. PD220-01: Type 50 (U) Blowout Preventer Shear Ram Capabilities, CES (latest edition)
3. EB 702 D: Shearing Capabilities of Cameron Shear Rams, Cameron, August 2007

CES has also performed actual shearing of drill pipe and wellbore tubulars for validation of the shear calculations.

It is recommended that a user of the shearing ram BOP perform actual shearing test on any drill pipe which has high toughness exhibited by high Charpy impact values of the pipe material or geometry and material variations from standard drill pipe sizes in use.

Richard M. Church, Jr., P.E.

Vice President of Engineering and Quality



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TUBULAR SIZE AFFECTING SHEAR RAM OPERATING PRESSURES

24 June 2010

Shear tests were performed at Church Energy Services Facilities on 17 June 2010 and results reported in engineering report ER112. A 13-5/8" 10000 psi W.P. Type U Cameron BOP equipped with Large Bore shear bonnets and boosters (LBT) and type ISR shear rams sheared 5" 19.5 ppf S-135 drill pipe and 5" 19.5 ppf G-105 drill pipe. The actual shear pressures were 45% and 47% of the calculated shear respectively.

The following drill pipe and tubing were reviewed:

3-1/2" S-135 13.3 ppf drill pipe
2-7/8" 13CR-95 6.4 ppf tubing
2-7/8" P110 6.5 ppf tubing

Calculations were compared to the shear pressure required for the 5" S-135 19.5 ppf drill pipe and the results were:

The 3-1/2" S-135 was calculated to shear at approximately 32% below the calculated shear pressure of the 5" S-135 drill pipe.

The 2-7/8" 13CR-95 was calculated to shear at approximately 70% below the calculated shear pressure of the 5" S-135 drill pipe.

The 2-7/8" P110 was calculated to shear at approximately 69% below the calculated shear pressure of the 5" S-135 drill pipe.

Based on this information it is recommended that the test results and calculations for the 5" S-135 19.5 ppf drill pipe show that the shear rams will shear the listed pipe and tubing below the pressure required for the 5" S-135 drill pipe

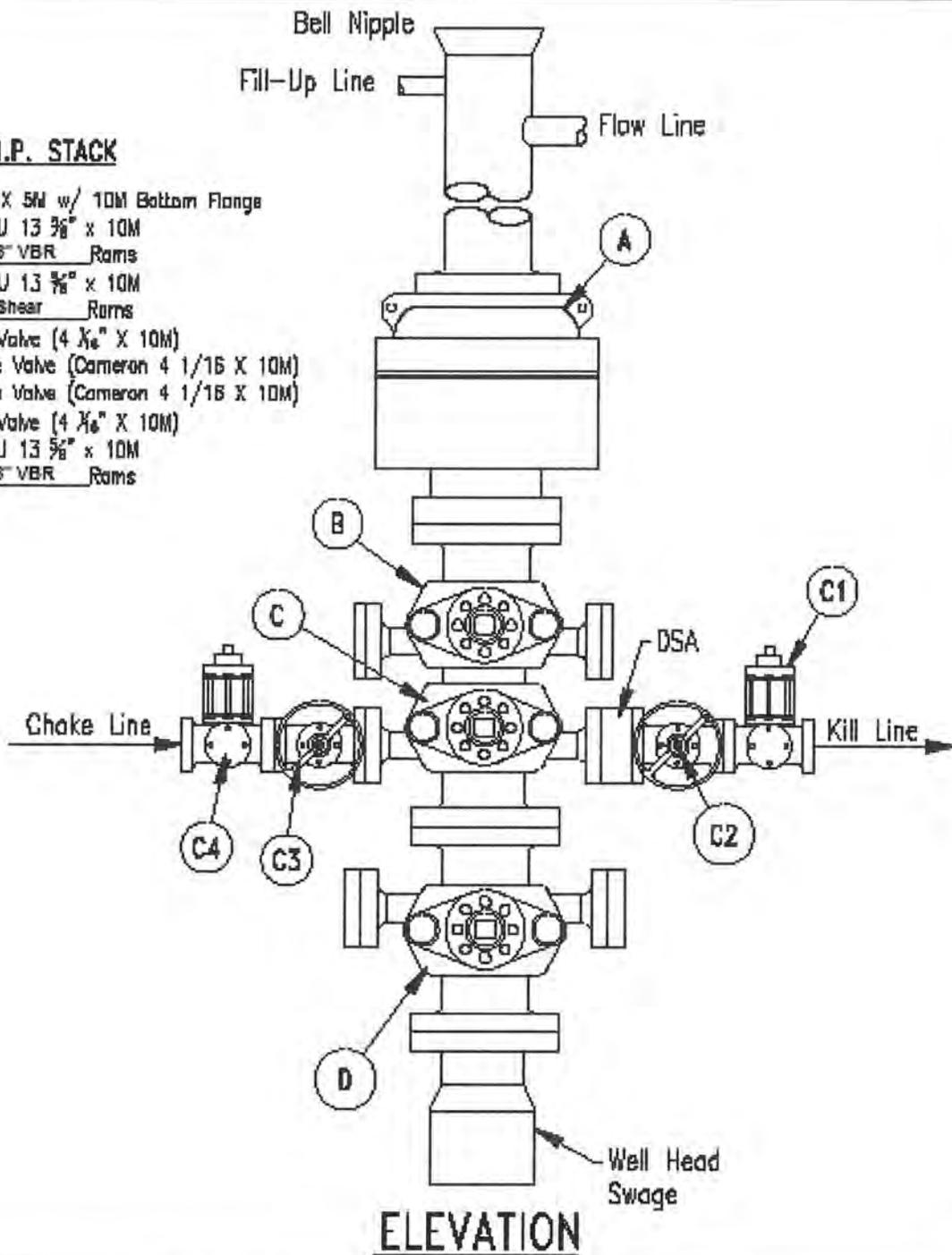
A handwritten signature in blue ink that reads "R. M. Church, Jr.".

Richard M. Church, Jr., P.E.

Vice President of Engineering and Quality

B.O.P. STACK

- A) Shaffer 13 5/8" X 5M w/ 10M Bottom Flange
- B) Cameron Type U 13 5/8" x 10M
w/ 3 1/2" X 2 3/8" VBR Rams
- C) Cameron Type U 13 5/8" x 10M
w/ 1SR Blind / Shear Rams
- C1) HCR Gate Valve (4 1/2" X 10M)
- C2) B.O.P. Gate Valve (Cameron 4 1/16 X 10M)
- C3) B.O.P. Gate Valve (Cameron 4 1/16 X 10M)
- C4) HCR Gate Valve (4 1/2" X 10M)
- D) Cameron Type U 13 5/8" x 10M
w/ 3 1/2" X 2 3/8" VBR Rams



ELEVATION

Seahawk 2602 (Formerly Pride Missouri)
13 5/8" Blow Out Preventer
Diagram

DRAWN BY: R. Jones	DATE: 6/13/09	CHK'D BY:	DATE:
SCALE: N.T.S.	ACAD: 2010	APPR'D BY:	DATE:
DWG. NO. 2602-E-21.25-BOP	SHEET: 1 of 1	REV: A	



SEAHAWK
DRILLING



Certificate of Compliance

THIS IS TO CERTIFY THAT THE EQUIPMENT MENTIONED BELOW HAS SUCCESSFULLY PASSED INSPECTION AND TESTING CRITERIA AS REFERENCED BELOW

CES 13 5/8 10M Cameron Style ISR Shear Rams

Customer	:	US Shallow Water Coalition
Refurbishing Company	:	N/A
Customer Reference	:	Unknown
Manufacturer	:	Church Energy Services
Equipment / Item Description	:	CES Cameron Type 13 5/8, 10M ISR Shear Rams, New
Equipment / Item Type No. (Serial No.)	:	CES Upper SR Body P/N 81542-01-01, S/N WO 0720007-000-1, Lower SR Body, P/N 81542-02-01 S/N WO 0720008-000-1
Inspection Place	:	Church Energy Services, Houston, TX
Inspection Date	:	17 June 2010
Certification Number	:	US2230.1 - 0610 ISR
Certification Due Date	:	N/A

References of applicable specifications/Codes/Standards/Legislation:

API-16A

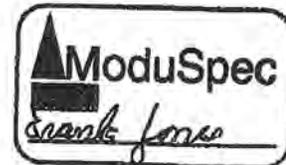
Comments:

Rams verified to cut and seal to full working pressure on both 5", 19.5 ppf, S135 and G105 drill pipe in a Cameron style 13 5/8, 10M BOP with tandem booster pistons fitted and acceptable for any tubing or drill pipe of lesser sizes. Max of 1000 psi was required to shear pipe with this BOP configuration. It is not applicable for drill collars or hevi-wate drill pipe.

Certificate is valid ONLY for this specific pair of rams and not generic for this series/ model of ram.

Signature ModuSpec Manager:

Stamp:



Liability and Indemnity:

This Certificate is evidence of compliance with one or more of the codes, standards, legislation or other criteria of ModuSpec and is issued solely for the use of ModuSpec, its committees, its customers or other authorised entities. This Certificate is a representation only that the above-mentioned structure, item of material, equipment, machinery or any other item covered by this Certificate has met one or more of the codes, standards, legislation or other criteria as referred to on this certificate as from the date of issue. The validity, applicability and interpretation of this Certificate are governed by the Rules and standards of ModuSpec who shall remain the sole judge thereof. Nothing contained in this Certificate or in any notation made in contemplation of this Certificate shall be deemed to relieve any designer, builder, owner, manufacturer, seller, supplier, repairer, operator or other entity of any warranty express or implied.



FAT REPORT

ModuSpec USA, Inc., 17171 Park Row, Suite 120, Houston, Texas 77084

Project No.	: US2230.1	Date	: 17 June 2010
Owner	:	Rig name	: N/A
Equipment	: CES Type ISR Shear Rams, 13 5/8, 10M, New	Location	: Church Energy, Houston
Client	: Seahawk Drilling	Manufacturer	: Church Energy Services
Contact person	:	Contact person	:
Tel.	:	Tel.	:
Fax	:	Fax	:
E-mail	:	E-mail	:

Surveyor	: Frank Jones <i>Frank Jones</i>		
Travel time to job	: 1 hr	Travel time from job	: 1 hr
Inspection	: 17 June 2010	Meeting date	:
Attendants:			
Distribution:			

The information in this report is confidential and intended only for the individuals named above.

Purpose of visit:
 Witness shearing of 5" S135 and G105 drillpipe with new CES ISR rams and pressure test after each shear operation. BOP was supplied by a CES 13 5/8" 10k PSI CIW Double U copy with tandem booster on lower rams for shearing test.

Equipment tag plate:

Upper Shear Ram Body Mfgr: CES P/N 81542-01-01 HN 217K686 WO 0720007-000-1	Lower Shear Ram Body Mfgr: CES P/N 81542-02-01 HN 217K686 WO 720008-000-1
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Chart recorder #1, Barton, 1,000 psi max, S/N 242E-4965, cal ID CES-510-01, cal 15 Feb 10, due 15 Aug 10
 Chart recorder #2, Barton, 6,000 psi max, S/N 242E-72328-17, cal ID CES-511-01, cal 15 Feb 10, due 15 Aug 10
 Chart recorder #3, Barton, 30,000 psi max, S/N 242E-3874, cal ID CES-509-01, cal 15 Feb 10, due 15 Aug 10

Test results:
 5 inch 19.5 ppf S135 sheared @ 1,000 psi operating pressure. BOP pressure tested 280 psi low and 10,500 psi high for 10 minutes, zero drop. Test OK

Opened ram and inspected bodies. No visual damage and like new.

Closed rams and torqued bonnets.

J. Jones



5 inch 19.5 ppf G105 sheared @ 950 psi operating pressure. BOP pressure tested 280 psi low and 10,500 psi high for 10 minutes, zero drop. Test OK

Opened ram and removed shear ram bodies. Steam cleaned for inspection.

MPI blades on both rams, crack free and excellent.

Very minor burr on one blade, could not photograph, easily dressed and rams excellent. After shear tests, both ram bodies in like new condition.

Rams accepted as per API 16A and good for use on pipe sizes and grades up to 5" and S135.

Tubing and smaller pipes can be used with these rams.

Outstanding issues:
NONE

Recommendations: NONE

Item	Date	Description	Date completed	Accepted by

Punchlist items:
NONE

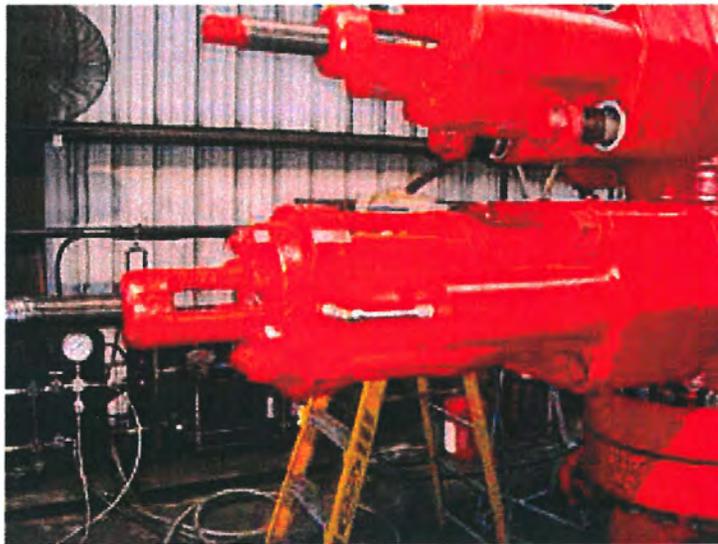
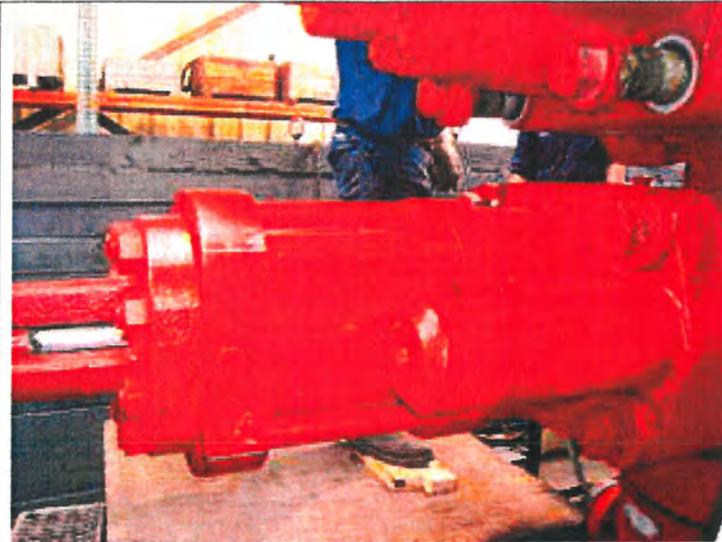
Appendices:
Pictures below

d. fano



BOP Double U used for cutting and pressure testing

S. Jones



HP Booster Bonnets

8 Jan 12

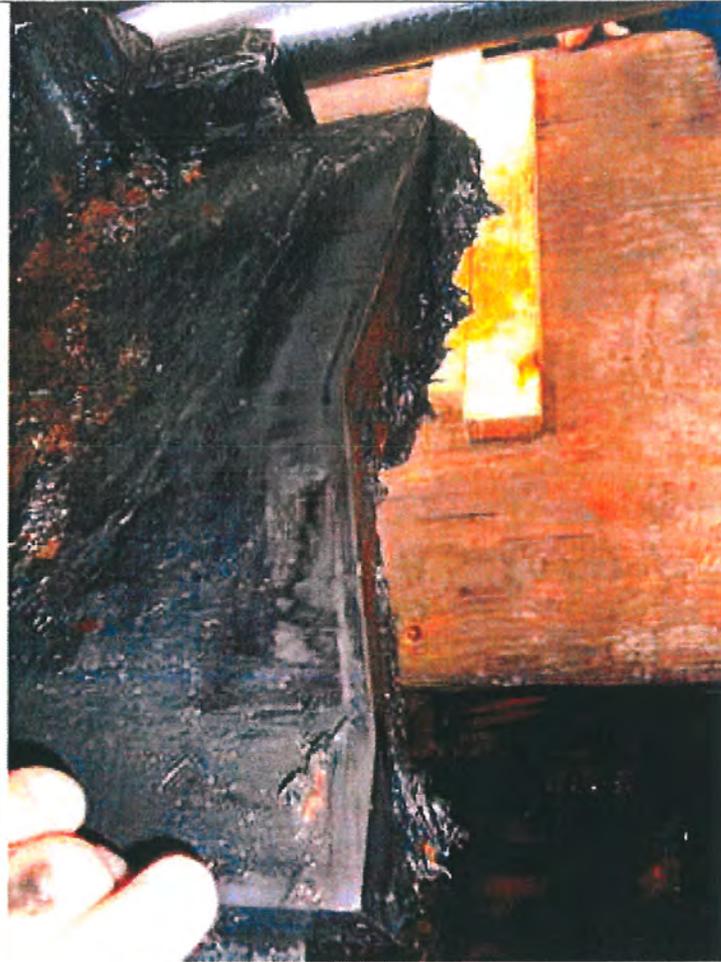


Lower Ram Numbers



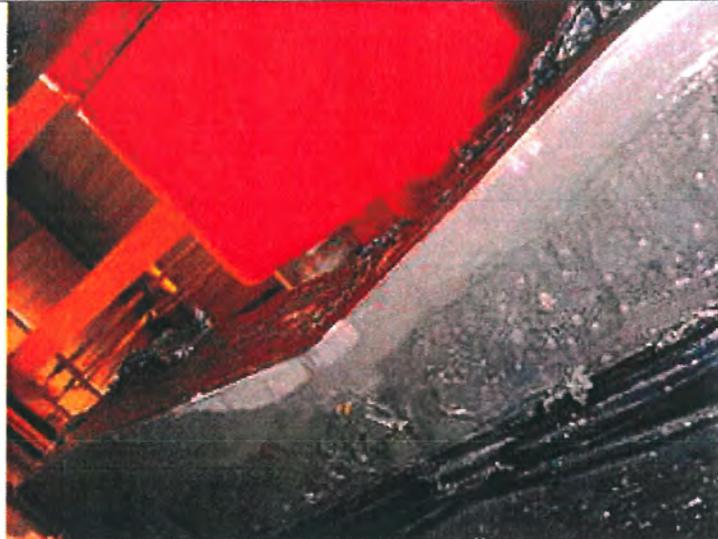
Upper Ram Numbers

d. Jones



Blade after cutting S 135 pipe

d. Jones



Underside of USR after cutting S135

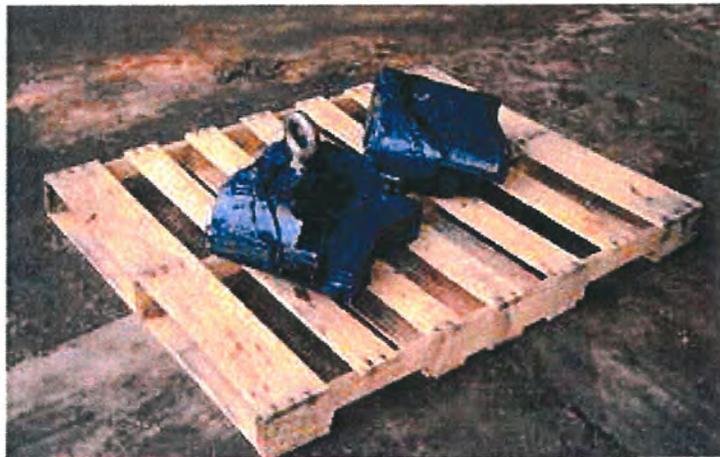


S135 Cut Pipe

d. jones



G105 Cut Pipe



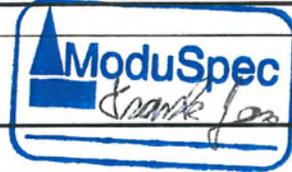
Blocks removed for cleaning and inspection

2 bags



Crack Check ram blades OK

Report run on: 18 June 2010	Report made by: Frank Jones Signature:
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FACTORS AFFECTING SHEAR RAM OPERATING PRESSURES

19 June 2010

The results of shear ram testing at CES facility on 17 June 2010 and reported on Church Energy Engineering Report ER112A show that the shearing pressure was 45% and 47% below calculated values.

Many factors contribute to a wide range of shearing forces required to shear drill pipe and wellbore tubulars. These may include the pipe material strength, toughness and dimensional differences used in the pipe manufacture. Other factors that can affect shearing performance include the BOP's internal dimensions, which include wear, corrosion and drill bit/tool damage to the ram cavities.

The shear calculations are based on actual shear data which provided the maximum shear pressures required to shear the desired pipe. Actual shear tests would be expected to be lower than the calculated shear pressure in almost all cases.

The low shear pressure could also be attributed to using a new ram cavity and new shear rams. The tighter and closer fitting conditions on new equipment means the shear blades are sharper and the clearance between the blades at the time of the shear is less. The ductility or toughness of the pipe will also increase the shearing pressure.

Hardness tests of the pipe tested was consistent with the values expected for S-135 and G-105 drill pipe.

A handwritten signature in blue ink that reads "R. M. Church, Jr." with a stylized flourish at the end.

Richard M. Church, Jr., P.E.

Vice President of Engineering and Quality