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## *Case Study*

*Client: Marathon Oil – Catlettsburg, KY*

### *Project Description*

In 2008, Marathon Oil elected to cease operations of its Lube Oil plant at its Catlettsburg Refinery in Kentucky. The Lube Oil plant consisted of an 18,000 BPD Furfural Unit and an 11,000 BPD Methyl Ethyl Ketone (MEK) Extraction Unit as well as related equipment, surrounding utilities and infrastructure. Phoenix Equipment contracted to perform the dismantlement and purchase of machinery, equipment and scrap. The Lube Oil plant is located within an active refinery, and therefore, required extensive planning, preparation and diligence in order to ensure a safe execution of the project without any interruptions to on-going site activities.

Phoenix was able to significantly reduce Marathon's demolition budget by executing a bulk sale of certain process equipment related to MEK dewaxing (rotary vacuum filters, vacuum pumps, etc). Phoenix then performed the match-marking, removal, cribbing for transport, loading and transport of all purchased machinery, including items retained for future sale. In conjunction with asset recovery services relating to equipment sales, Phoenix performed the complete dismantlement and demolition of the remaining plant. Phoenix shared the proceeds from the sale of carbon steel (HMS) with Marathon above a certain set price. Phoenix provided bi-monthly reports that included signed weight slips by a Phoenix and Marathon representative and a scanned copy of all checks Phoenix received from the sale of carbon steel (HMS). The scrap recovery on the project included approximately 5,000 tons of carbon steel (HMS) and 400,000 pounds of non-ferrous metals.

An agreement was reached in regards to the project in July 2009, and Phoenix began dismantlement work in late August 2009, completing the full scope, including concrete slab removal, in September 2010.

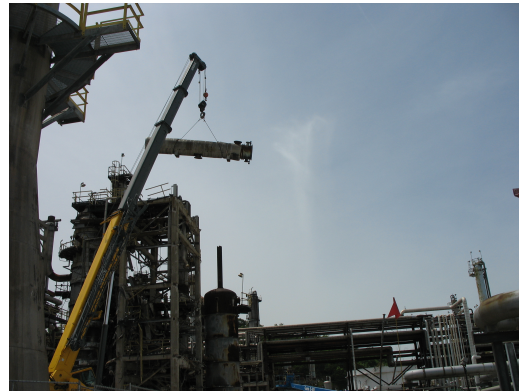
The project had approximately \$2,400,000 in revenue, total costs of \$1,900,000 and net value of \$500,000.

Continued (photos)...

Project Photos



Phoenix sold several 1000 Sq. Ft. Rotary Vacuum Drum Filters, each one weighing over 125,000 lbs for relocation.



Phoenix sold and saved for future re-sale several shell and tube heat exchangers.



Before picture of the Lube Oil Plant



After 1 year of incident free work by Phoenix