



®

**American  
Petroleum  
Institute**



2009-044

## **Certificate of Authority to use the Official API Monogram**

**License Number: 5CT-0408**

**ORIGINAL**

The American Petroleum Institute hereby grants to

**U.S. STEEL TUBULAR PRODUCTS, INC.  
Tubular Threading and Inspection Services  
9518 East Mount Houston Road  
Houston, Texas**

the right to use the Official API Monogram® on manufactured products under the conditions in the official publications of the American Petroleum Institute entitled API Spec Q1® and **API Spec 5CT** and in accordance with the provisions of the License Agreement.

In all cases where the Official API Monogram is applied, the API Monogram should be used in conjunction with this certificate number: **5CT-0408**

The American Petroleum Institute reserves the right to revoke this authorization to use the Official API Monogram for any reason satisfactory to the Board of Directors of the American Petroleum Institute.

The scope of this license includes the following: Threader

QMS Exclusions: Section 7.3, Design and Development

**Effective Date: NOVEMBER 21, 2008  
Expiration Date: MAY 21, 2012**

**To verify the authenticity of this license, go to [www.api.org/compositelist](http://www.api.org/compositelist).**

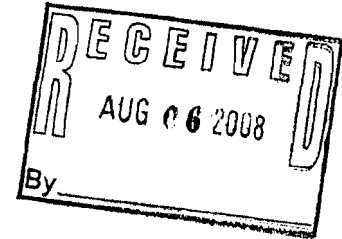
American Petroleum Institute

Director of Training and Certification Programs

#2690  
57932

API Monogram Licensing

**Licensing Information Form For API Spec 5CT**  
Casing and Tubing



Return To:

API Monogram Program  
1220 L Street, NW  
Washington, DC 20005-4070  
USA

Submitted By

Company: U. S. Steel Tubular Products  
Facility: Tubular Threading & Inspection Services (5CT-0408)  
Address: 9518 East Mount Houston Rd  
USA

Products (Indicate the appropriate PSL for each product/grade)**														
Group	1					2					3	4		
	H	J 55	K 55	N 80 (I)	N 80 (Q)	M 65	L 80	L 80 Cr9	L 80 Cr13	C 90	C 95	T 95	P 110	Q 125
Indicate PSL for each product/grade in the appropriate box														
Manufacturer of Casing or Tubing Plain End														
Manufacturer of Casing or Tubing Threaded and Coupled														
Manufacturer of Coupling Stock														
Manufacturer of Casing or Tubing Pup Joints														
Manufacturer of Casing or Tubing Couplings														
Manufacturer of Accessories														
Processor of Casing or Tubing Plain End*														
Processor of Casing or Tubing Threaded and Coupled*														
Threader (PSLs, Groups and Grades do not apply)	TTIS is an API Monogram Licensed Threader													

\*As per API definition, a processor performs special processes such as heat treating.

\*\* Indicate the appropriate Product Specification Level (PSL) for each product/grade. See example illustration below.  
For a box marked with a (✓) or (X), a PSL 1 will be assigned (default).

FOR ILLUSTRATION PURPOSES ONLY:

Products (Indicate the appropriate PSL for each product/grade)**														
Indicate PSL for each product/grade in the appropriate box	H	J 55	K 55	N 80 (I)	N 80 (Q)	M 65	L 80	L 80 Cr9	L 80 Cr13	C 90	C 95	T 95	P 110	Q 125
	Manufacturer of Casing or Tubing Plain End	1	1	2	1	1	1	1	NA	NA	3	2	NA	NA

*Handwritten signature/initials*

## Part 2: API Monogram License Agreement

Use of the Official API Monogram / License Number: 5CT - 0408

This Agreement dated 6/29/09  
 between the **American Petroleum Institute** (hereinafter  
 "API"), a corporation of the District of Columbia, having offices  
 at 1220 L Street, NW, Washington, DC 20005-4070, USA, and  
 United States Steel Tubular Products, Inc

(hereinafter "Licensee"), a corporation of  
 Delaware, USA

having its principal place of business at  
 15660 North Dallas Parkway

Dallas, TX

USA

**Whereas**, API is the owner of all rights to the certification  
 mark (hereinafter "the API Monogram") relating to  
 API's Monogram Program.

**Whereas**, Licensee desires a non-exclusive license from  
 API on or in connection with the marketing of goods made  
 in accordance with API standards and specifications.

**Now therefore**, in consideration of the mutual covenants  
 hereinafter stated, the parties agree as follows:

1. API grants to Licensee a non-exclusive non-transferable license to use the API Monogram on the types of products set forth in the Certificate of Authority to Use the Official API Monogram which is made a part hereof provided that these products are made in accordance with the requirements set forth in the API Product Specification in effect at the time of manufacture associated with the above license number, API Spec Q1 (Specification for Quality Programs for the Petroleum, Petrochemical and Natural Gas Industry), and the API Monogram Program Requirements, including any amendments, modifications, substitutions or interpretations that hereafter are adopted (hereinafter "the API requirements" or the "requirements").

This Agreement is applicable only to Licensee's product(s) that are made at the Licensee's facility which is located at:

9518 East Mount Houston Rd

Houston, TX 77050 USA

(hereinafter "facility").

2. Licensee shall not use the API Monogram on letterheads, or in any advertising (including company-sponsored web sites) without an express statement of fact describing the scope of Licensee's authorization (license number and product specification), and further provided that Licensee shall not use the API Monogram or the name the AMERICAN PETROLEUM INSTITUTE or the description "API" in any advertising or otherwise to indicate API approval or endorsement of the Licensee's products.

3. Licensee agrees that use of the API Monogram on the products shall constitute a representation and warranty by Licensee to API and to the purchasers of the Licensee's products that the products conform to the applicable standards, specifications and requirements of API; and Licensee agrees to be solely responsible for, and to defend, indemnify, and hold API and API's affiliates, officers, directors, agents, and employees harmless against any and all claims, actions, suits, liabilities, demands, expenses (including reasonable attorneys' fees), losses, costs, or damages asserted against or incurred by API arising out of or in connection with (1) the failure of Licensee's products to conform to such standards, specifications, and requirements or (2) the breach of any obligations or warranties contained in this agreement; and Licensee further agrees to defend API, at Licensee's expense, against any and all such suits, claims or proceedings.

4. API shall be the sole judge of whether Licensee meets the appropriate qualifications to become and remain a Licensee and whether the Licensee and the Licensee's products meet the appropriate standards or specifications, or requirements.

5. Licensee agrees to implement and maintain at the facility a quality program conforming to API Specification Q1 at all times. A copy of the Organization's Quality Manual describing said program shall be issued to API for the duration of this agreement. Any proposed changes to the quality program to a degree requiring changes to the Quality Manual shall be submitted to API for acceptance prior to incorporation into the program.

6. Licensee agrees to use the API Monogram on products only as specified by API. The Licensee agrees that it will use the API Monogram only on Licensee's products that meet all of API's requirements and agrees to assume full and complete responsibility for use of the API Monogram on its products. Licensee agrees to use its License Number in conjunction with and only in conjunction with the marking of the Licensee's products.

**Applicant Initial Here:** 

## Part 2: API Monogram License Agreement

### Use of the Official API Monogram

- |   |   |
|---|---|
| <p><b>7.</b> Licensee agrees that any auditing, sampling, inspections or tests conducted by API are designed only to verify conformance with API requirements and do not relieve the Licensee of its responsibility to ensure the quality of its products in the marketplace or ensure that all of its products meet API requirements.</p> <p><b>8.</b> If API's requirements are modified during the term of this Agreement, API shall determine the date by which the new requirements become effective and shall notify the Licensee of such date. Licensee agrees to comply with the modified requirements and to use the API Monogram after the effective date only on products that meet the new or revised requirements.</p> <p><b>9.</b> Licensee agrees to pay API the annual license fee specified in the Fee Schedule, within the timeframe specified by API. This annual fee may be revised at any time if deemed necessary by API to cover the costs of administration and enforcement of the program. All fees are payable in U.S. Dollars. Licensee agrees to pay any audit fees related to the program within the time frame specified by API.</p> <p><b>10.</b> Licensee understands and agrees that:</p> <p><b>(a)</b> Licensee's facility may be audited periodically during the term of this license to determine whether or not Licensee may continue to qualify for the authorization to use the API Monogram. The frequency of the periodic audits will be at the discretion of API. Licensee agrees to permit API, or any approved API auditor to conduct such audits. Periodic audits shall be at API's expense.</p> <p><b>(b)</b> Every third year, a renewal audit shall be at Licensee's expense. For-cause and verification re-audits, if warranted, shall be at the expense of the Licensee. Any audits of Licensee's primary contractors that are deemed necessary by API to ensure compliance with API's requirements shall be at the expense of the Licensee.</p> <p><b>(c)</b> API's representatives shall, after giving reasonable notice, have the access to the facilities covered by this Agreement in order to perform audits. The Licensee understands and agrees that the provisions of this paragraph shall be applicable to the facilities of the Licensee's primary contractors if API determines that an audit of these facilities is needed in order to ensure conformance with the applicable specification(s). The Licensee agrees to supply API with the required contractor information</p> | <p>and/or facilitate contractor contacts in order for API to perform an audit of these facilities, if deemed necessary by API.</p> <p><b>(d)</b> The right of API's representative to obtain free access to the Licensee's facilities or the facilities of any primary contractor shall not be conditioned upon the execution by him or API of any agreement, waiver or release which in any way purports to affect his legal rights or the rights or obligations of API. Any such document executed in contravention of this provision shall be without force or effect. However, API shall direct its representative to exercise due care in complying with any plant safety regulations which may be generally applicable to the manufacturer's plant personnel.</p> <p><b>(e)</b> Licensee understands and agrees that API may terminate Licensee's authorization to use the API Monogram if Licensee or Licensee's contractors fail to provide access to the facilities within the time frame specified by API.</p> <p><b>11.</b> Licensee agrees to pay all sales, use, property, excise, and other taxes now or hereafter imposed by any government body or authority based on or in any way measured by this Agreement.</p> <p><b>12.</b> Licensee agrees to notify API in a timely manner if it has evidence or information which indicates that its products displaying the API Monogram do not conform to API's requirements and agrees to take action immediately in order to bring the product into full compliance. If Licensee's products in the marketplace do not comply with API's requirement, Licensee agrees to take whatever corrective action (including product recall) that is deemed necessary by API to protect consumers or API in a time frame specified by API.</p> <p><b>13.</b> The Licensee agrees that API may notify vendors, governmental authorities, potential users, and others of an improper or unauthorized use of the mark when in judgment of API such notifications are necessary to protect consumers, the public, or for API's own protection.</p> |
|---|---|

Applicant Initial Here: \_\_\_\_\_



## Part 2: API Monogram License Agreement

### Use of the Official API Monogram

- 14.** This Agreement may be terminated by API at any time and for any reason satisfactory to API after providing notice to the Licensee. However, if the Licensee defaults in any of its obligations under this Agreement, API may immediately terminate or suspend the rights or authority conferred by this Agreement without prejudice to any other rights which API may have. Termination, suspension, or expiration of this Agreement shall not affect any liability of the parties existing as of the date of such action, shall not relieve the Licensee of its obligation of indemnity as to products manufactured or distributed prior thereto, and shall not excuse Licensee from paying any fees or other charges owing to API. Upon termination or suspension, with or without cause, of any rights or authority conferred by this Agreement, or upon expiration of this Agreement, the Licensee agrees to immediately discontinue the use of the API Monogram on any product which is the subject of such termination, suspension or expiration. If this Agreement is terminated for cause by API or at the request of the Licensee, the Licensee agrees that API shall not be obligated to refund any fees or payments made by Licensee. Licensee agrees that under no circumstances shall API be liable for loss of profits, loss of income, loss of business opportunity, economic loss or other consequential loss or damages as a result of the termination of this agreement.
- 15.** Licensee agrees not to alter, adjust, amend, vary, revise, or otherwise modify the Certificate of Authority to Use the Official API Monogram or any copies thereof.
- 16.** The Licensee agrees that the manufacture, sale, delivery, shipment, distribution or promotion of any product utilizing the API Monogram would mislead the public if such product does not comply with the requirements of API as herein provided and agrees that any breach of this contract in this respect could not adequately be compensated for in money damages. For these and other reasons, the Licensee agrees that, in the event of the violation of any of the terms and conditions of this Agreement, a temporary injunction may be issued at the instance of API restraining the Licensee from further use of the API Monogram in any manner whatsoever, and from any further sale or offering for sale, delivery or distribution of said products bearing the API Monogram, and any other relief which may be deemed appropriate. The granting or issuance of such temporary injunction shall not affect the right of API to compensatory and punitive damages for the misuse of the API Monogram or its name, abbreviations, or symbols, and shall be in addition to, and not in lieu of, any other rights and remedies provided by this Agreement.
- 17.** Licensee agrees not to make any intentional representations or statements related to the Monogram Program to potential customers or API that are false, misleading, or inconsistent with the terms of this License Agreement or the API Monogram Program.
- 18.** API has the right, but not the obligation, to register at its own cost, any or all of the API Monogram worldwide. Furthermore, API does not represent or warrant, express or implied, that the API Monogram does not infringe or otherwise violate the rights of third parties. API, however, represents and warrants that it has no actual knowledge that the API Monogram infringes or otherwise violates any valid right of any third party in whole or part that would preclude Licensee from using the API Monogram as provided for in this Agreement.
- 19.** Licensee agrees that API is the sole owner of the API Monogram and agrees not to take any actions which are inconsistent with API's ownership rights including, but not limited to, challenging API's ownership rights, challenging the validity of the API Monogram or any registrations and applications thereof, and/or attempting to register the API Monogram or other API mark in any country, state, or other jurisdiction.
- 20.** The Licensee shall promptly notify API of any assertion that the use of the mark in the promotion or sale of licensed products hereunder infringes or violates the rights of any third party and will consult with API to determine the course of action to be followed in response to said assertion. API shall have the right to terminate this Agreement, in whole or in part, in response to said assertion. API does not undertake and shall have no obligation, but nevertheless shall be entitled, if it so desires to defend any action brought for infringement or other violations of trademarks, patents, industrial and artistic designs or copy rights owned by a third party or unfair competition with a third party when the basis of the claim is related to the Licensee's use of the API Monogram. If API does not defend any such action, it shall have no obligation to reimburse or indemnify the Licensee, its agents, sub-agents, customers, or any other persons for the cost of defending such suit or for damages or costs incurred as a result of such actions.

Applicant Initial Here: 

## Part 2: API Monogram License Agreement

### Use of the Official API Monogram

- 21.** With respect to all claims, actions and suits to enforce API's rights in the marks, including suits in which the Licensee is joined as a party, API shall have the sole right to employ counsel of its choosing and to direct the handling of the litigation and any settlement thereof. API shall be entitled to receive and retain all settlement proceeds and all amounts awarded as damages, profits or otherwise in connection with such suits.
- 22.** The Licensee agrees to assist API in the enforcement of any rights of API in the API Monogram. Licensee agrees that it will not perform any acts which directly or indirectly assist a third-party in using the API Monogram without authorization.
- 23.** The Licensee agrees to notify API in writing of any infringements or imitations by third parties of the API Monogram which may come to the Licensee's attention. API shall have the sole right to determine whether or not any action shall be taken, at its sole expense, on account of any such infringement or imitation. API, if it so desires, may commence or prosecute any claims, actions or suits in its own name or in the name of the Licensee or join the Licensee as a party thereto.
- 24.** The Licensee agrees that this Agreement does not relieve the Licensee of its obligations concerning products marketed or distributed pursuant to previous License Agreements between Licensee and API and any amendments or renewals thereof. Licensee agrees that API may utilize the rights and remedies specified in this Agreement to ensure that products in the marketplace which were licensed to use the API Monogram pursuant to previous agreements are in full compliance with the API requirements applicable at the time the product was marketed or distributed.
- 25.** If any action or proceeding is brought by API to enforce, protect or establish any right or remedy with respect to this Agreement (including but not limited to the failure of the Licensee to pay applicable fees or audit costs) or with respect to the subject matter of this Agreement, API shall be entitled to recover reasonable attorney's fees and costs provided that it is the prevailing party.
- 26.** The Licensee agrees to cooperate fully with API in any effort which API may deem advisable in order to record the Licensee as a registered user of the marks, including the providing of information and execution of documents in connection therewith. Expenses associated with such recording shall be borne by API.
- 27.** This license shall not be assignable or transferrable by Licensee in any manner nor shall Licensee have the right to grant sublicenses.
- 28.** This Agreement shall be interpreted and governed by the law of the District of Columbia, United States of America.
- 29.** In the event of any litigation between the parties arising under this Agreement the parties agree that the only proper venue for such litigation shall be the District of Columbia, United States of America.
- 30.** This instrument contains the entire and only Agreement between the parties with respect to the subject matter hereof. No oral statements or representations not here in contained shall have any force and effect.
- 31.** It is expressly understood between the parties hereto that no association, agency, apparent agency, employer/employee relationship, partnership, or joint venture of any kind has been created.
- 32.** API is a nonprofit corporation exempt from United States federal income tax under section 501(c)(6) of the Internal Revenue Code of 1986 as amended. No provision of this Agreement shall obligate API to take any action that is inconsistent with or that could jeopardize its tax-exempt status.
- 33.** This Agreement shall terminate immediately without notice if Licensee files a petition in bankruptcy or is adjudicated a bankrupt or insolvent, or makes an assignment for the benefit of creditors, or an arrangement pursuant to any bankruptcy law, or if Licensee discontinues its business or a receiver is appointed for Licensee or for Licensee's business and such receiver is not discharged within thirty (30) days.
- 34.** All payments due hereunder shall be made in U.S. Dollars and are exclusive of any sales, use or other taxes, fees or duties arising out of this Agreement.
- 35.** The terms and conditions of this Agreement are severable. If any condition of this Agreement is deemed to be illegal or unenforceable under any rule of law, all other terms shall remain in force.

Applicant Initial Here: \_\_\_\_\_



# Part 2: API Monogram License Agreement

## Use of the Official API Monogram

- 36. Any and all notices, reports, correspondence, amendments, requests, responses, and other communication associated with this agreement shall be in the English language, and the controlling version of this agreement shall be in the English language.
- 37. This Agreement shall not and is not intended to benefit nor to grant any right or remedy to any person or entity that is not a party to this Agreement.
- 38. Licensee represents and warrants that Licensee is not located in, or under the control of, a national or resident of any U.S. embargoed country
- 39. The undersigned individuals represent and warrant that they are expressly and duly authorized by their respective entities or agencies to execute this Agreement and to legally bind their respective entities or agencies as set forth in this Agreement.
- 40. Paragraphs 3, 4, 9, 11, 12, 13, 14, 15, 16, 17, 19, 24, 25, 28, and 29 survive termination, suspension or expiration of this Agreement.
- 41. This Agreement shall be effective on the date that it is executed by API. The Agreement will expire three years from the date it was executed by API, or upon the expiration date noted below, whichever is earlier.
- 42. Notices required to be given by this Agreement shall be in writing and shall be effective as of the date on which such notice is delivered to:

(a) Director of Certification Programs  
 API  
 1220 L Street, NW  
 Washington, DC 20005-4070  
 USA

(b) The Licensee at:  
 9518 East Mount Houston Rd  
 Houston, TX 77050 USA

### Applicant Use Only

#### Applicant Agreement Authorization

##### Name of Applicant Organization

United States Steel Tubular Products, Inc

##### Name of Authorized Officer

James R Massimino

##### Signature of Authorized Officer

##### Title of Authorized Officer

General Manager Metallurgy & Quality Assurance

##### Date

8/5/08



### API Use Only

#### API Agreement Authorization

##### Manager of API Monogram Program

##### Effective Date

6/29/09

##### Expiration Date

5/21/12

## Part 1: Licensee Renewal Information

### Facility Details

**1. Facility Name** (as it should appear on the certificate):

U. S. Steel Tubular Products

Tubular Threading & Inspection Services (5CT-0408)

If more than one facility is applying, a separate Renewal Application is required for each location.

**2. Actual Physical Location of Licensed Facility:**

**Street Address** (P.O. Box Numbers are *not* acceptable)

9518 East Mount Houston Rd

**City**

Houston

**State/Province**

TX

**Zip/Postal Code**

77050

**Country**

USA

**Facility Telephone Number**

281 436-2229

**Facility Email Address**

KEThomas@uss.com

**Website** (Optional)

www.usstubular.com

**3. Primary Correspondence** for this Renewal Application and other API Legal Documents:

**Name**

James R Massimino

**Title/Position**

General Manager Metallurgy & Quality Assurance

**Street Address**

600 Grant St. Rm2001

**City**

Pittsburgh

**State/Province**

Pennsylvania

**Zip/Postal Code**

15219

**Country**

USA

**Telephone Number** (for calls from the United States)

412-433-2176

**Fax Number** (for calls from the United States)

412 433-3854

**Email Address** (for Contact)

JRMassimino@USS.com

## Part 1: Licensee Renewal Information

**4. Facility Contact Person** (Contact Person at the facility to be licensed, if different from the Correspondence Contact identified in item 3):

**Name**

Kenny Thomas

**Title/Position**

Quality Manager - USSTP- TTIS

**Telephone Number** (for calls from the United States)

281 436-2229

**Fax Number** (for calls from the United States)

281-458-9951

**Email Address** (for Facility Contact)

KEMThomas@uss.com

**Sales Telephone Number** (Optional)

972-770-6338

**Sales Email Address** (Optional)

SARobertson@uss.com

**5. Third Party/Consultant Correspondence** (If your Organization utilizes a third party or consultant for your quality management system and you wish to have copies of correspondence sent to them also, list the information here):

**Name**

\_\_\_\_\_

**Title/Position**

\_\_\_\_\_

**Street Address**

\_\_\_\_\_

\_\_\_\_\_

**City**

\_\_\_\_\_

**State/Province**

\_\_\_\_\_

**Zip/Postal Code**

\_\_\_\_\_

**Country**

\_\_\_\_\_

**Telephone Number** (for calls from the United States)

\_\_\_\_\_

**Fax Number** (for calls from the United States)

\_\_\_\_\_

**Email Address** (for Third Party/Consultant Contact)

\_\_\_\_\_

**6. Is your facility currently registered to ISO 9001?**

Yes

No

**(a)** If "Yes," please identify your registrar (if other than APIQR) and provide a copy of your current registration certificate:

**Registrar**

\_\_\_\_\_

**Part 1: Licensee Renewal Information**

7. (a) What is the date of the last Internal Audit performed on your quality management system?

Month/Year

06/08

(b) The Internal Audit of your quality management system was performed against the requirements of (check off all that apply):

- ISO 9001                       API Spec Q1
- ISO/TS 29001             Other (Identify):

8. (a) What is the date of the last Management Review performed on your quality management system?

Month/Year

03/08

(b) The Management Review of your quality management system included a review of the requirements of (check off all that apply):

- ISO 9001                       API Spec Q1
- ISO/TS 29001             Other (Identify):

9. Are you currently applying the API Monogram to your product(s)?

- Yes                       No

(a) State the length of time you have supplied this/these product(s) to the oil and natural gas industry (years and months):

5 yrs , 2 months

(b) If you are **not** now applying the API Monogram to your product(s), when was the last time you did?

(c) State the approximate percentage of product(s) that carry the API Monogram in relation to this facility's total output:

30% %

10. What is the total square footage of this facility?

132900

11. What is the approximate square footage at this facility needed to manufacture product(s) under the scope of your API Monogram License(s)?

62750

12. How many total full-time employees are needed at this facility to manufacture product(s) or provide the service(s) under the scope of your API Monogram License(s)?

50

13. How many work shifts are utilized at your facility?

2

14. If more than one shift, please identify the number of employees on each shift:

(A) 30 6AM- 430PM

(B) 20 430PM - 3AM

## Part 1: Licensee Renewal Information

15. Do you have an In-house product design group?

Yes       No

(a) Percentage of design work done in-house:

\_\_\_\_\_ N/A \_\_\_\_\_ %

(b) If you do not perform 100% in-house product design, indicate on a separate sheet of paper who controls your designs; furnish a mailing address; and indicate if they are an API Monogram Licensee.

**16. Quality Management System Exclusions.**

API Spec Q1 limits the sections of the standard applicable for exclusion (refer to Section 1.2.1). For eligibility of these exclusions, the Applicant or Licensed Organization shall provide a written justification for the exclusion(s), identifying the exclusion(s) in your Quality Manual.

Even if the activities of the proposed excluded sections are performed through outsourcing (refer to Section 4.1), the Applicant or Licensed Organization must ensure that appropriate controls are being maintained both in the outsourced organization's management system and in their own management system for periodic verification of the controls being outsourced. With this, such activities are not eligible for exclusion.

**Note:** The Applicant or Licensed Organization shall be required to provide evidence (during audits) that controls are adequately implemented and maintained for any activity that may be outsourced.

**Examples.** If no customer-supplied property (either finished product, raw material, or intellectual documentation) is allowed within the manufacturing/ servicing process of the Applicant or Licensed Organization, then API Spec Q1, Section 7.5.4, may be declared as an applicable exclusion. However, if this Organization provides threading, heat treatment or inspection services of finished product of its clients, Section 7.5.4 is not eligible for exclusion. Similarly, if this Organization receives proprietary designs of products for manufacturing, Section 7.5.4 is not eligible for exclusion.

If processes that require validation as prescribed by the respective product specification(s) are not applicable (e.g., welding), then API Spec Q1, Section 7.5.2.1 may be declared as an applicable exclusion. However, if an Organization is required to perform such processes and chooses to outsource them, Sections 7.5.2 and 7.5.2.1 are not eligible for exclusion.

If no **product** design is performed by nature of the defined activities within the management system (e.g., threading, servicing, machining), then API Spec Q1, Section 7.3 may be declared as an applicable exclusion. However, if an Organization must satisfy specific product design requirements from applicable standards or if the design is outsourced to 3rd party designers or to other divisions within the Organization (e.g., a corporate design center), Section 7.3 is not eligible for exclusion, and **all elements of this part of the standard must be addressed within the quality management system.**

Furthermore, the Organization must develop and maintain Design Package(s) (applicable documentation) to demonstrate compliance with design and development requirements.

**Design Packages.** The API Monogram Licensing Program requires the selection of a design package for review during initial renewal audits. To determine what qualifies as a design package, please follow these guidelines:

**Design** – a detailed plan for product.

**Package (per Webster's)** – a collection of related items to be considered as or acted on together.

**Design Package (therefore is)** – a detailed plan for a product which includes all the background documents, applicable API standards, and the instructions, procedures, specifications, drawings, routings, travelers, checklists, process sheets and changes to these documents necessary to produce that product at the manufacturing location. Such documentation shall include, but not be limited to, design plans, input elements, output elements, evidence of review/verification and evidence of validation.

Since the purpose of the API Monogram Program is to consistently, objectively, and reliably identify organizations who are capable of producing products that comply with API specifications, the organization shall have a complete design package, as well as procedures that provide instructions and requirements on how to develop a design, unless eligible for design exclusion.

## Part 1: Licensee Renewal Information

API, in conjunction with objective evidence provided from the audit, shall have the final decision as to whether an Applicant or Licensed Organization is eligible for the requested exclusion(s). If exclusion(s) is (are) granted and later deemed ineligible, the Applicant or Licensed Organization shall be required to revise the affected Quality Manual and ensure that such control features are maintained within the quality management system as verified by an audit. Please contact API for further guidance on applicable exclusions to your quality management system.

### 17. API Product Specifications - Documentation Requirements.

The licensed or applicant organization is required to maintain at least one copy of the most current edition of the English language version of the API Product Specification(s) under which it is licensed or seeking licensure. The product specification(s) must be the version of the document that is published by API and distributed by API or an authorized distributor. Translated versions of the specifications are not acceptable alternatives to this requirement. It is the organization's responsibility to ensure the accuracy of any non-sanctioned translations of the API Product Specifications. Technical requirements identified in the **current English language version** of the document shall be the only acceptable manufacturing criteria to be used by the licensee or applicant organization.

### 18. API Advisories.

The API Certifications Department regularly publishes Program Advisories on its webpage ([www.api.org/certifications/advisories](http://www.api.org/certifications/advisories)). These advisories are intended to notify licensed/registered organizations of program policies and interpretations that have industry wide application. These advisories are part of the Program Requirements and compliance with them is compulsory. It is the responsibility of the licensed/registered organization to periodically check the site to ensure that the licensed/registered organization is in compliance with all of the advisories.

### API Monogram Program

#### Important note on manufacturing capability.

API may suspend current licensing under the API Monogram Program based on a facility's level of manufacturing capability. During the facility audit, an auditor may indicate that some of the manufacturing and in-process inspection and testing of all products under a specification are to be subcontracted by the facility. Even though subcontracting is permitted, the API Monogram Program is designed to identify companies that have demonstrated the ability to manufacture equipment that conforms to API specifications. If through auditing activities and information provided by the facility, API determines the degree of subcontracted work is substantial, API may perform additional audits (at the licensee's expense) of any primary subcontractors to ensure their conformance with applicable specifications. The following questions are designed to help API identify your current level of on-site and contracted manufacturing activity:

19. Does your facility have in-house machining equipment?

Yes  No

(a) What is the approximate percentage of machining work subcontracted or done outside this facility?

100 %

20. Does your facility have in-house inspection/test equipment?

Yes  No

(a) What is the approximate percentage of inspection/testing done outside this facility?

0 %

## Part 1: Licensee Renewal Information

**21.** Does your product and/or service require processes that require validation (API *minimally* includes the following as such processes: Welding, NDE and Heat Treatment)?

Yes  No

(a) If "Yes," please identify those process(es) that require validation (use additional sheets of paper if necessary):

Nondestructive testing (UT, EMI, & Mag Particle)

(b) What is the approximate percentage of processes that require validation performed outside this facility?

0 %

**22.** Have you utilized outside assistance in preparation of your quality manual, other quality management system documentation and/or the implementation of your overall quality management system?

Yes  No

(a) If "Yes," please identify:

**Company/Individual Name**

\_\_\_\_\_

**Street Address**

\_\_\_\_\_

**City**

\_\_\_\_\_

**State/Province**

\_\_\_\_\_

**Zip/Postal Code**

\_\_\_\_\_

**Country**

\_\_\_\_\_

### API Use Only

#### API

**1.** Are the client's requirements for Licensing renewal clearly *defined, documented, and understood*?

Yes  No

**2.** Have *differences*, if any, in the understanding between API and the client been *resolved*?

Yes  No

**3.** Does API have the capability to offer the desired license with respect to:

- *The scope* of the registration sought;
- *The location* of the client's operations; and
- *Any special requirements* of the client?

Yes  No

**Name**

\_\_\_\_\_ *KMBowles*

**Date**

\_\_\_\_\_ *6/25/09*

# Part 3: API Monogram Program License Renewal Application Agreement

TRACKING NUMBER:

2690

The **Renewing Applicant** agrees to the following as a condition of their application being accepted by API.

1. The Applicant must submit the quality data requested and agree to fully comply with all of the requirements specified in the Renewal Application Package and in the Program Requirements.
2. The Applicant will participate in and pay the cost of the required API Audit, whether or not the Applicant is granted rights to continue using the API Monogram mark or certificate(s).

**Audit Costs.** The Applicant/Licensee pays the audit costs based on the contract rate of API's auditor(s) and any related auditor(s) expenses, including travel time, airfare, taxi, rental car, or private car, plus accommodations, meals, parking, telephone, etc. API expends every effort to use a local qualified auditor(s) in an effort to keep audit costs as low as possible.

**Audit Cancellation Fee.** Where the Applicant/Licensee cancels or postpones the date of on-site audit after it has been agreed to, a fee is payable under the policy set out below.

- (a) **Audit Cancelled by Applicant/Licensee within 8 to 30 calendar-days of scheduled audit date.** 25% of projected auditor day rate total, in addition to 100% of associated non-refundable auditor expenses (e.g., airfare).
- (b) **Audit Cancelled by Applicant/Licensee within 1 to 7 calendar-days of scheduled audit date.** 50% of projected auditor day rate total, in addition to 100% of associated non-refundable auditor expenses (e.g., airfare).

*Note: Cancellation fees do not apply when the audit is canceled due to acts of nature or as jointly agreed on between API and the client.*

All fees payable to API shall be in U.S. Dollars and shall include all bank handling charges.

3. API shall be the sole judge of whether or not an Applicant meets the appropriate qualification to continue to be a licensee.
4. If the Applicant fails to pay the audit fee within the time frame specified, API may bring an action or a proceeding to recover these costs. API shall be entitled to recover reasonable attorney's fees and costs.
5. The Applicant agrees that the venue and applicable law for such action and any action related to this Agreement shall be the District of Columbia, United States of America.

6. The Applicant will not be granted any rights to continue using the API Monogram mark or certificate(s) until all steps in the process have been completed to the satisfaction of API, applicable fees have been paid, and the Applicant has agreed to comply with all of the terms and conditions of the License Agreement.
7. The undersigned individual represents and warrants that they are expressly and duly authorized by their entities or agencies to execute the Agreement and to legally bind their entities or agency as set forth herein.
8. All program fees payable to API shall be in U.S. dollars and shall be **non-refundable**.
9. The Applicant understands and agrees that API's representative(s) shall have access to the Applicant's facility and records to the extent necessary to process the application and perform audits. API agrees to take all reasonable steps to maintain the confidentiality of any proprietary information obtained, but accepts no liability. Applicant may require API's representative(s) to comply with all of the Applicant's work place safety procedures. However, Applicant shall not require API's representative to sign any contract or agreement that attempts to limit the Applicant's legal liability or impose additional liability on API or API's representative(s). Any such release or document shall be null and void unless API or API's representative(s) would have been liable for damages under U.S. law in the absence of the contract or agreement.
10. API shall not be responsible for any delay or failure in performance resulting from acts beyond its control.
11. This Agreement shall not and is not intended to benefit nor to grant any rights or remedy to any person or entity that is not a party to this Agreement.

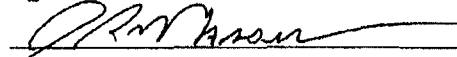
## Applicant Use Only

### Applicant Agreement Authorization

**Name of Organization, Company, or Authorized Officer**

United States Steel Tubular Products, Inc

**Signature of Authorized Officer**



**Title of Authorized Officer**

General Manager Metallurgy & Quality Assurance

**Date**

8/15/08