

# OCTG Management Team

## OCTG LLP

David Siverling  
Partner, President & CEO



David Siverling is one of three founding partners of OCTG, L.L.P. Siverling, originally from the Pittsburgh, PA area, was hired into the industry in 1984 by Unaspect, Inc., as an Ultrasonic Inspections Manager. He spent 6 years there, and developed one of the first portable Ultrasonic Full-Body Tube Testing Systems (FLUT).

He subsequently opened his own company, Tubular Ultrasound, Inc. (TU), in 1985. TU provided simple, 4-channel ultrasonic testing of the weld seam on welded oilfield tubulars to domestic tube mills.

To improve its level of FLUT services, TU designed and assembled an improved Full-Body Test System, funded in part by a US Department of Energy grant under the Energy Related Inventions Program (ERIP), a federal government grant program in which only seven-tenths of one percent of all ERIP applications receive funding. The first improved TU system was then immediately contracted by the US Steel seamless tube mill in Fairfield, AL to replace the mill's \$4 Million Mitsubishi Test System, which at the time had failed to certify for most major oil companies. As a result, TU received an annual open purchase order from US Steel for FLUT inspection services, which continued for the following 10 years. As a testament to its technological innovation and proficiency, the original TU UTFL system is still in service and remains the primary Off-line UTFL system inspecting Fairfield mill production, now 26 years later.

Over the ensuing 18 months, TU opened three additional offices (US Steel - Lorain, Ohio, Houston, Texas, and Aberdeen, Scotland) The Ohio facility was the first ultrasonic test system installed at that US Steel mill facility, and the North Sea site was the first third-party ultrasonic system to serve the U.K. and European markets. TU eventually sold the Scottish facility to Sir Ian Wood, owner of Wood Group, Plc.

After approximately 10 years of operations, Siverling sold TU to ICO, Inc. (now VARCO International) in 1995. By that time, TU had annual sales of approximately \$5mm and 75 employees.

In 2000, led by Siverling the OCTG principals purchased A&A Tubular Services, a small inspection company with 15 employees. The company's office was located just off Sheldon Road in northeast Houston at the former US Steel - Houston yard, which included 78 acres of leased property, directly behind a 75 acre property on which a predecessor to Bethlehem Steel - Houston had operated a line pipe coating facility, located at the southeast corner of Sheldon Road and new Highway 90 in northeast Houston, Texas.

During this period Siverling continued to improve the design of the ultrasonic testing systems, and received a third DOE ERIP award and grant (\$500,000) for the improvements embodied in the new test system. Siverling was formally recognized in the US Senate as being the only individual to have received three such awards in the history of the program. Siverling was granted a patent on the design.

## OCTG Management Team

A&A was later folded into the business of OCTG, LLP. One of the new firms' first tube mill customers was Rocky Mountain Steel Mills (RMSM), located in Pueblo, CO. OCTG initially acquired an exclusive agreement to inspect RMSM oil country tubular goods located in Houston, then subsequently agreed to construct a new facility on the RMSM mill site in Pueblo, Colorado to inspect all tubulars production as they were being manufactured.

Under Siverling's leadership, in 2003 OCTG acquired the 75 acre Bethlehem Steel site on Sheldon Road while Bethlehem was in bankruptcy. This acquisition gave OCTG operational control over 150 continuous acres of pipe yard – the 75 acre Bethlehem site and the original 78 acres acquired in the A&A purchase in 2001.

In 2004 OCTG acquired its first threading equipment from RMSM: One high-speed PMC casing line, and one Mori Seiki CNC thread line. To date, no threading firm in the U.S. uses mill-speed threaders, owing to the significant equipment and maintenance costs. This equipment is manufactured by one firm, PMC (Pipe Machinery Corporation), one line costs approximately \$12 million, delivery is approximately two years, and replacement parts and post-sales service are difficult to obtain. PMC threaders have two significant advantages, however: they are very robust, and their cycle time is 17 seconds per length, compared to three minutes for a CNC type threader. All other U.S. third-party threading services companies in the oilfield tubular industry employ CNC threaders, which are lightly-built, cheaper (\$1M/pair), immediately available, and substantially slower.

As a first step, the CNC threader was installed in the large building (125' x 1000'), located on the Bethlehem tract of the OCTG property. During those initial phases, OCTG trained personnel, adopted required threading protocols and was certified by the American Petroleum Institute (API) as a licensed threader in 2002.

Within several years after the initial step, the RMSM PMC high-speed line (Range III) was renovated and installed at the OCTG Houston facility, and has since then been operated and maintained by OCTG. An additional Range III PMC thread line was added to the facility in 2007, and installation of a third PMC line (Range II tubing) has recently been completed at the facility. With these additions, the OCTG Houston facility currently (2009) boasts substantial middle-level threading capacity: two double-ended PMC casing threading lines (4 1/2" – 13 3/8" OD), one double ended PMC tubing threading line (2 3/8" – 5 1/2" OD), and one double-ended Mori Seki CNC casing thread line (4 1/2" – 13 5/8" OD)

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## OCTG LLP

Bill McWhorter  
Partner, VP & COO



Bill McWhorter, 59, is a Native Houstonian and father of two adult children, Che, and Nathan. He is a founding partner and COO of OCTG, L.L.P.

McWhorter volunteered for military service from March 17, 1969 to January 3, 1971. He served as a U.S. Army Sergeant E-5, and performed his duties in Vietnam from August 1969 through August 1970.

McWhorter received a BS degree in Economics and Industrial Engineering from the University of Houston in 1975.

He entered the Oilfield Tubular Industry in 1977 with Baker Oil Tools. In 1979, he was recognized as Employee of the year at Baker (3000 employees), where he functioned as Operations Manager for such clients as Exxon, Mobil, Shell and BP. From 1985 to 1994, McWhorter was Director of Finishing Operations at several large international tube mill locations: TAMSA Tube Mill in Vera Cruz, Mexico (300 employees), Siderca Tube Mill, Buenos Aires, Argentina, positions in Abu Dubai and elsewhere.

From 1994 to 2000 McWhorter was a highly sought-after tubular quality control and NDT testing consultant, working globally in mill facilities for Shell and Exxon/Mobil.

Along with Siverling and David Cragle, McWhorter founded OCTG, L.L.P. in 2000.

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## OCTG LLP

David R. Cragle  
Partner & General Counsel



Mr. Cragle is a founding partner of and serves as General Counsel to OCTG, and in early 2010 will celebrate 20 years representing OCTG, its predecessors and affiliates. Mr. Cragle is a member of the State Bar of Texas, and of the District of Columbia Bar. Mr. Cragle has been engaged in private law practice since 1990 in a wide range of commercial law areas, including oil and gas property acquisition and divestitures; international commercial transactions, including compliance with U.S. export and extant sanctions regulations; individual, corporate and partnership taxation (federal and state); general corporate and commercial transactions; mergers and acquisitions; reorganizations; closely-held business organizations structuring and taxation; acquisition, mezzanine and working capital lending and financings; negotiation and documentation of complex commercial contracts; private securities offerings; and employment matters. Mr. Cragle also provides project financial analysis and development, tax planning, choice of entity analysis, lending and capital structure analysis, analysis of private financing and securities offerings, business plan review and development, and tax compliance. During law school Mr. Cragle served two terms on the Rutgers Law Journal and has published numerous legal articles and papers, and frequently serves as a contributing author and seminar speaker on a variety of commercial and tax law areas of interest.

Azusa Pacific University (B.A. 1980); Rutgers University (J.D.-Tax Honors; MBA - Prof. Acctg, 1989).

# OCTG Management Team

## OCTG LLP

Gyorgy Fulop  
Executive Officer



Mr. Fulop has been with OCTG since 2006 and is primarily responsible for directing, analysis and streamlining finishing floor activities. Gyorgy is also the IT Director, charged with implementing the development and total replacement of the Tubular Sales, Inventory and Billing Software Functions.

Gyorgy's background spans 20+ years in the tubular manufacturing business. He was General Manager with Premiere Pipe and Tube Group, at its Acme Romac tube plant. His principle competences are managing, analyzing efficiencies, directing and coordinating manufacturing activities, obtaining optimum efficiency, economy of operations and maximizing profits, as well as installation, training, and supporting tube producing facilities.

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## OCTG LLP

Bill Hudson  
General Manager



In 2008 Bill joined OCTG, L.L.P. as its General Manager over its Inspection Services Facility at Rocky Mountain Steel Mill. Presently, Bill serves as the General Manager of OCTG, L.L.P. and oversees all threading, inspection, yard, and other services.

# OCTG Management Team

## OCTG LLP

Steve Hawley  
Engineering and Maintenance Manager



Mr. Hawley serves as the head of the OCTG, L.L.P. facilities engineering and maintenance department. With over 35 years of experience in oil field tubular processing equipment, Mr. Hawley provides industry leading innovation and technological expertise to the OCTG team. His experience includes PMC Threading, CNC Threading, Gas and Induction Heat Treating, Hydrotesting, Forging and Inspection.

Mr. Hawley joined OCTG in 2004, after serving 15 years as Head of Maintenance for Delta Tubular. Previously he was with Hughes Tool Company for 9 years.

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## OCTG LLP

Bill Sargent  
Finishing Floor Manager



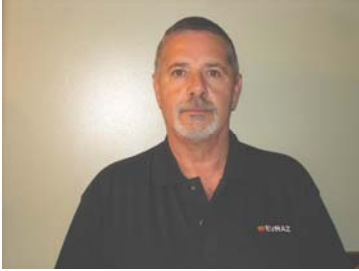
Bill Sargent joined OCTG in 2009, as our Finishing Floor Manager.

Prior to coming on with OCTG, Mr. Sargent worked at U. S. Steel for 40 years, retiring from the Fairfield Pipe Mill as its Senior Process Engineer-Finishing. He graduated Penn State University with an Associate Degree in Electronic Technology and Point Park College with Bachelors Degree in Electronic Technology. Before joining U.S. Steel in Fairfield in 1983, he was the manager of the couplings firm that supplied couplings to the McKeesport and Lorain Pipe Mills. Mr. Sargent is the owner of four United States Patents and is a published author. Bill has been actively involved with the API for 22 years and presently serves as Co-Chairman of the API Committee on Threading, Gauging and Compounds.

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## OCTG LLP

Ernest Rouse  
Upsetting & Threading Specialist



Prior to coming to OCTG Mr. Rouse has been employed in the pipe industry for the past 30 years, the last 27 years employed by IPSCO Steel Inc at the Calgary Works, retiring from his position as General Supervisor of Casing Finishing, Tubing Finishing and Upsetting plant operations. Ernie was responsible for process development, PMC Threading, National and Ajax upsetting equipment, beveling training manuals and the courses that accompany these manuals. IPSCO has adopted these courses and manuals in all their facilities in Canada and the United States. During his employment he has developed an upsetting process that eliminates the unwanted hoods and fins that are produced during forging. This procedure eliminates the necessity of the removal of the unwanted material.

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## OCTG LLP

Jimmy Clayton  
Metallurgist & Quality Assurance



Mr. Clayton has recently joined the OCTG team after completing 35 years of service in Quality Assurance with the U.S. Steel Fairfield tube mill (since its commissioning in 1983). The mill has an annual capacity of 600,000 tons. During his employment with US Steel he was also responsible for the Quench and Temper heat treating facility at Fairfield. In 1990, Jimmy was charged with managing the metallurgical and physical laboratories at the site. In 1992, he was promoted to Manager, Pipe Mill Quality Assurance Department, and served in that capacity until 2009. Mr. Clayton received his B.S. Degree in Ferrous Metallurgy from the University of Alabama.

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## OCTG LLP

Lawrence Hebert  
VP Sales & Marketing



Mr. Hebert has recently joined The OCTG Team after 32 years of service with Paterson Tubular Services as their Sales & Marketing Manager. Lawrence Hebert is a significant asset to OCTG's mission in providing our Customers with the premium services and production quality they have come to expect from our facility. As we evolve into the ever growing industry of service and technology installation, Lawrence will function as a Primary Contact in ensuring that we are able to diligently meet those needs of our existing and prospective clientele (customers) in all aspects of our business.