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REPORT

"FB-54 Spud Barge"

OFFICIAL No. 565667

Valuation Survey

at Beaumont, Texas

10 June 2016

Date: 27 June 2016

Our Ref: Job No. LOCH/006472/LWA/R001

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LIST OF APPENDICES

1. INTRODUCTION & CONCLUSION

1.1 Instructions Received

1.1.1 On 6 June 2016, this office received instructions from Aline Smith, U.S. Maritime Administration, Division of Gulf Operations, to attend and conduct a Condition and Valuation Survey on the *"FB-54 SPUD BARGE."*

1.2 Attendance

1.2.1 On 10 June 2016, a survey was carried out at Beaumont, TX from the hours of 0830 to 1400.

1.3 Scope of Report

1.3.1 This report describes the unit in general terms and proceeds with detailed comment on the structural integrity and condition in those areas of the vessel accessible for inspection during our attendance. The report includes description and comment on the condition of the hull, engine room hold, paint, and deck fittings. The final section is a summary and conclusion, with an overall assessment and valuation of the unit.

2. GENERAL PARTICULARS

2.1 The Unit

2.1.1 Vessel description:

Item	Remarks
Name of vessel:	"*FB-54"*
Type of vessel:	Spud Barge
Principal special equipment:	None
Flag / Port of registry:	USA / Unknown
Official No.:	565667
Year/place of construction:	1975 / Unknown
Year/place conversion:	N/A
Registered owners:	U.S. Maritime Administration
Operators:	U.S. Maritime Administration
Dimensions:	L: 250.1' x 50.0' x 9.6'
Gross Tonnage:	1,111

2.2 Unit Arrangement

2.2.1 The vessel is arranged from forward to aft with what appears to be eighteen (18) ballast/void tanks and an engine room hold at the stern.

2.2.2 Double 10" roller fairleads are fitted at the port forward, starboard forward, port aft and starboard aft corners on the deck in recessed 5' x 3'3" x 12" sections.

2.2.3 Cleats 4' in length are fitted in various places around the deck including one (1) on the port bow, two (2) port midships, and one (1) on the port aft quarter.

2.2.4 Cleats 3' in length are fitted in various places around the deck including one (1) on the starboard forward corner, two (2) port midships, two (2) starboard midships, and one (1) on the stern.

2.2.5 Double bits 10" in diameter are fitted in various places around the deck including one (1) port forward quarter, one (1) starboard forward quarter, one (1) port aft quarter, and one (1) starboard aft quarter.

2.2.6 One (1) hoisting crane is fitted on the port side forward of midships. Crane is approximately 12' in height with a 10' beam and trolley. Capacity is unknown. Electric motor is fitted for winching.

2.2.7 Doubler plates typically 5'5" x 2' are fitted to the deck in various places including one (1) bow port side, one (1) bow starboard side, one (1) starboard forward quarter, two (2) starboard midships and two (2) staboard aft quarter.

2.2.8 Hand operated cable winches are located in various places on the deck including two (2) port bow, one (1) starboard bow, one (1) starboard aft quarter, and one (1) midships centreline.

2.2.9 Two (2) spuds of a square construction approximately 20" x 20" are located port side

2.2.10 Stairwell is located in a recessed section on the port side.

2.2.11 Slots typically 4" x 2' are built into the vessel on the starboard side. One (1) starboard forward, two (2) starboard midships, one (1) starboard aft quarter.

2.2.12 Eighteen (18) tank hatches are located in various places on the barge deck.

2.2.13 One (1) manually operated hatch is located starboard aft.

2.2.14 One (1) cargo hatch approximately 13'6" x 12'7" is located on the port stern quarter over the engine room hold. A second cargo hatch approximately 8'6" x 5'9" is located forward of the engine room hold access inboard of the as built stairs port side.

2.2.15 Two (2) recessed sections are located on the deck approximately 5' x 5' x 12" on the bow and stern centreline.

2.2.16 Two (2) fixed rollers 9" are located on the stern.

2.2.17 Ventilation trunk and engine room hold ladder way is fitted on the port stern quarter. The engine room hold has been gutted and is void of machinery.

2.3 Unit Construction

2.3.1 The unit is constructed of welded steel.

2.4 Certification and Documentation

2.4.1 No certification was sighted.

2.4.2 No documentation was sighted.

2.4.3 A paint analysis report was received dated 21 Dec 2015.

3. CONDITION OF UNIT

3.1 External Shell plating

3.1.1 External shell plating appears in poor condition. Coating is 95% broken down. Hull has numerous large indentations and heavy rust throughout. A suspected hole was observed on the port bow in way of rake 1' above water line.

3.2 Main decks, Forecastle and Poop Decks

3.2.1 The main deck was seen in poor condition. Heavy rust and corrosion was evident throughout. Multiple open penetrations noted through the main deck typically 1" to 2" in diameter.

3.3 Ballast Tanks

3.3.1 The ballast tank were unavailable for inspection. Ballast tank hatches appear in poor condition with heavy rust and corrosion.

3.4 Engine Room Hold

3.4.1 The ventilation trunk and ladderway to the engine room hold is in poor condition and found heavily corroded. Ladderway was seen completely rusted. The deck plating in the hold was also heavily corroded and not consistently installed throughout. Miscellaneous pipework and electrical wiring was found throughout the hold in poor condition. Bilge area were found dry, although the deck underneath was corroded with heavy rust build up.

3.5 Deck Piping

3.5.1 Piping installed on the barge is limited to scrap pipework left in the engine room hold after removal of machinery.

3.6 Deck Machinery/Fittings

3.6.1 The crane was found in poor condition with an apparent lack of maintenance. Electrical wiring was cut and worn. The pedestal was noted as bolted to the deck. Bolts appear to be intact however the pedestal was seen corroded.

3.6.2 Bits were found in satisfactory condition.

3.6.3 Cleats were found in satisfactory condition except the port bow 4' cleat was noted as bent.

3.6.4 Hand cable winches were found in poor condition and while most were operable by hand they were all in need of maintenance.

3.7 Thickness Measurement

3.7.1 No thickness reports were available.

4. CONCLUSIONS AND OPINIONS

4.1 Overall Assessment

4.1.1 Based on survey, documents and areas made available for inspection the *"FB-54 SPUD BARGE"* was found to be generally in poor physical condition.

4.2 Recommendations / Repairs for Unit

4.2.1 The unit should have thickness measurement taken on the hull.

4.2.2 Watertight integrity should be determined and the plating and hull should be sandblasted and re-coated.

4.2.3 Sideshell indentations should be thoroughly inspected and repaired where necessary.

4.2.4 Engine room hold should be sandblasted and re-coated with new deck plating installed.

4.2.5 All open through deck penetrations should be sealed.

4.2.6 All machinery on deck should be restored to safe and working order.

4.3 Valuation of Unit

4.3.1 The value of the unit is $120,000.00 or as per salvage/scrap value in 'as is – where is' condition.

4.4 Methodology of Valuation

4.4.1 The Spud Barge appears to be in poor condition as described and from a history of 30 years of serving as a landing platform and storage deck. Heavy rust and corrosion were apparent and the water tight integrity is in question with the equipment room gutted of engines and other operating equipment.

4.4.2 The above valuation reflects the experience and historical knowledge in today's market environment, and the general knowledge of similar valuations reflected in today's operating environment, and these valuations may change based on data

4.5 Statement by the Author of this Report

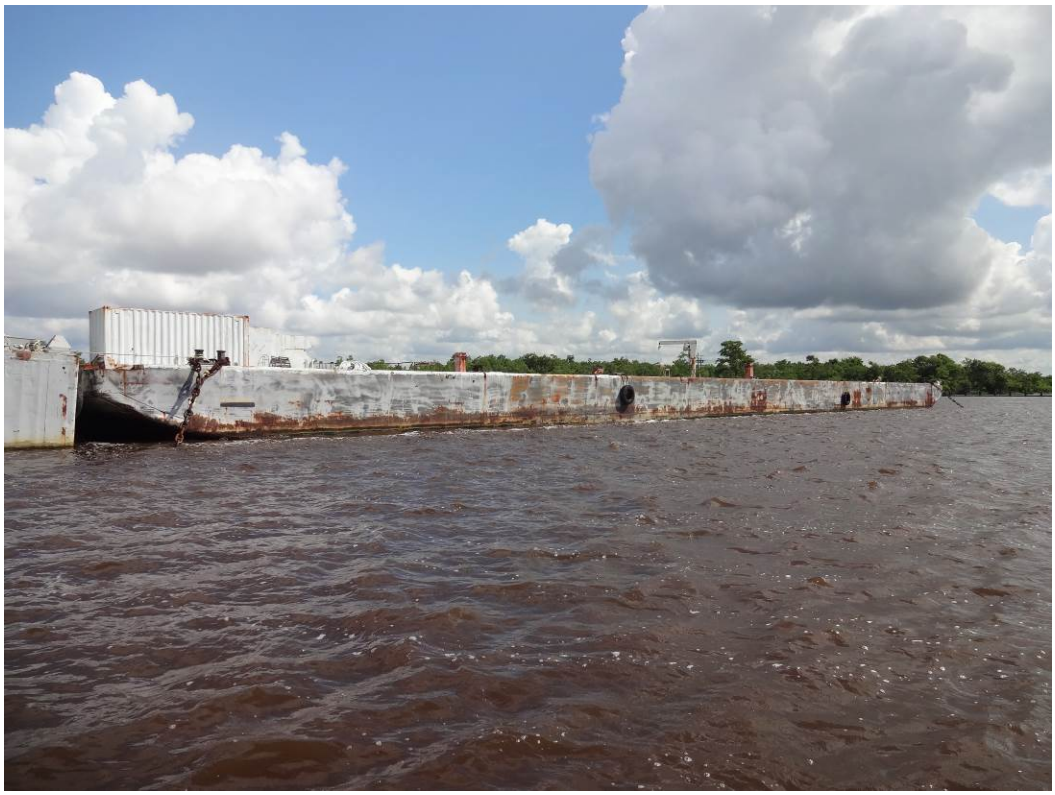
This report is based on surveys carried out, documentation submitted, and is prepared in good faith and without prejudice to any or all parties concerned.

For and on behalf of London Offshore Consultants, Inc.

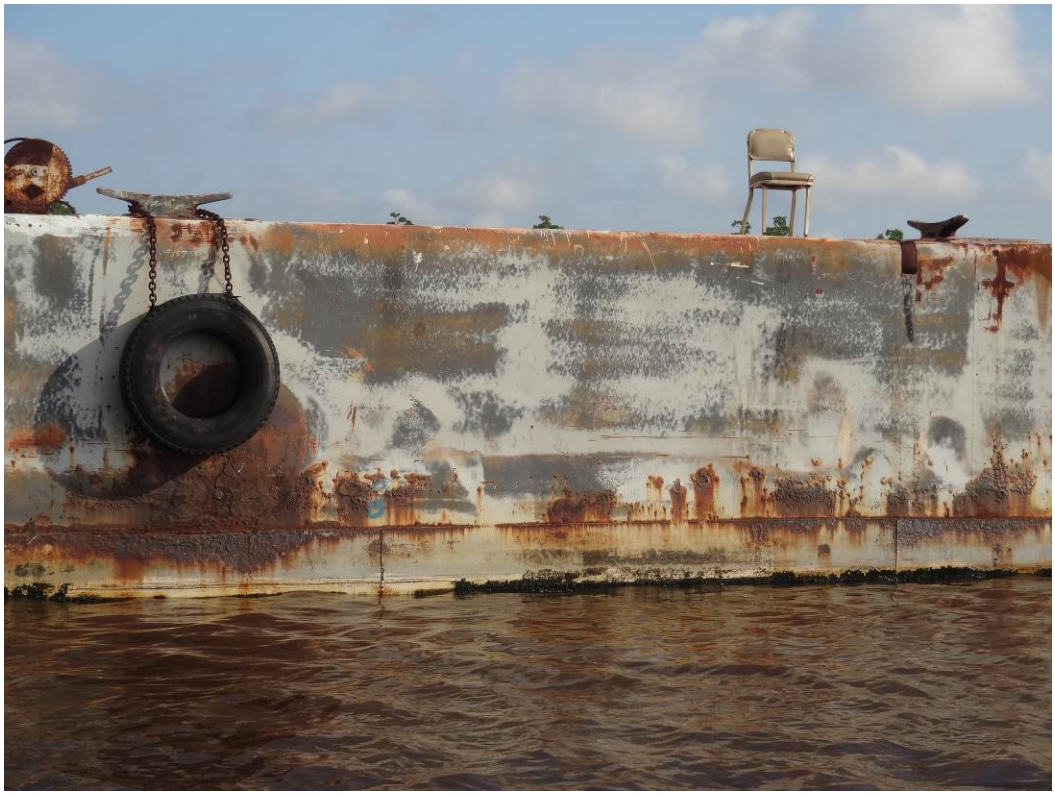
Attending Surveyor
Landon Applegate

APPENDIX A

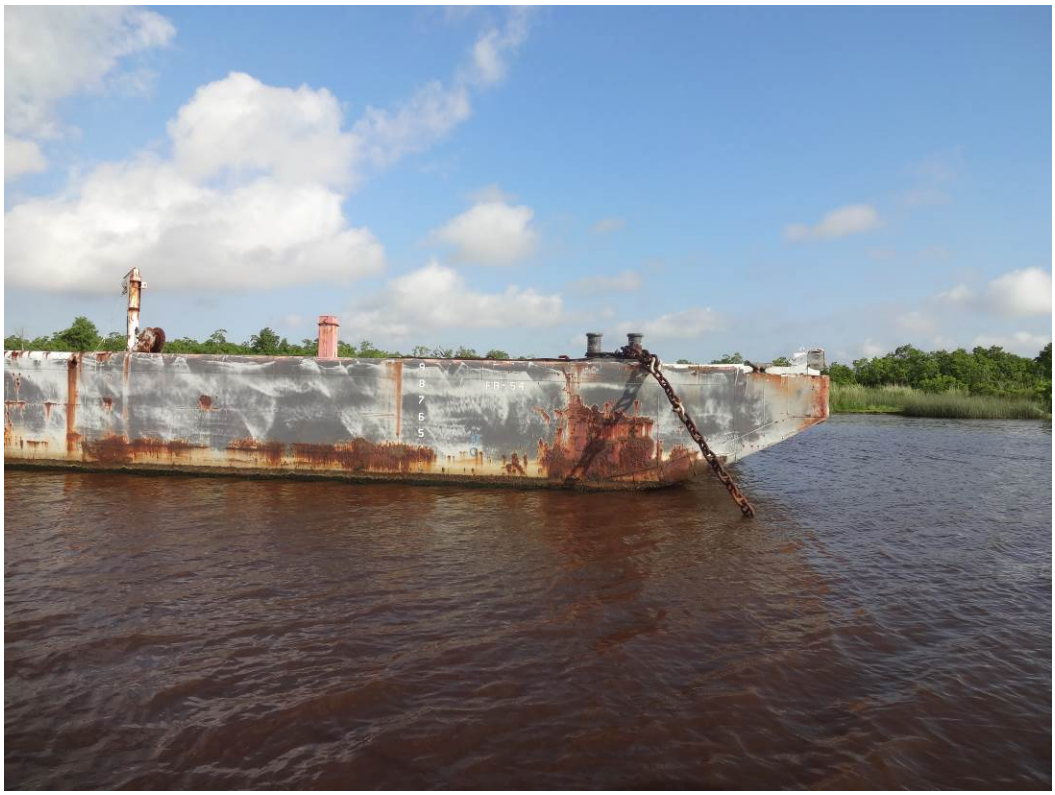
Photographs



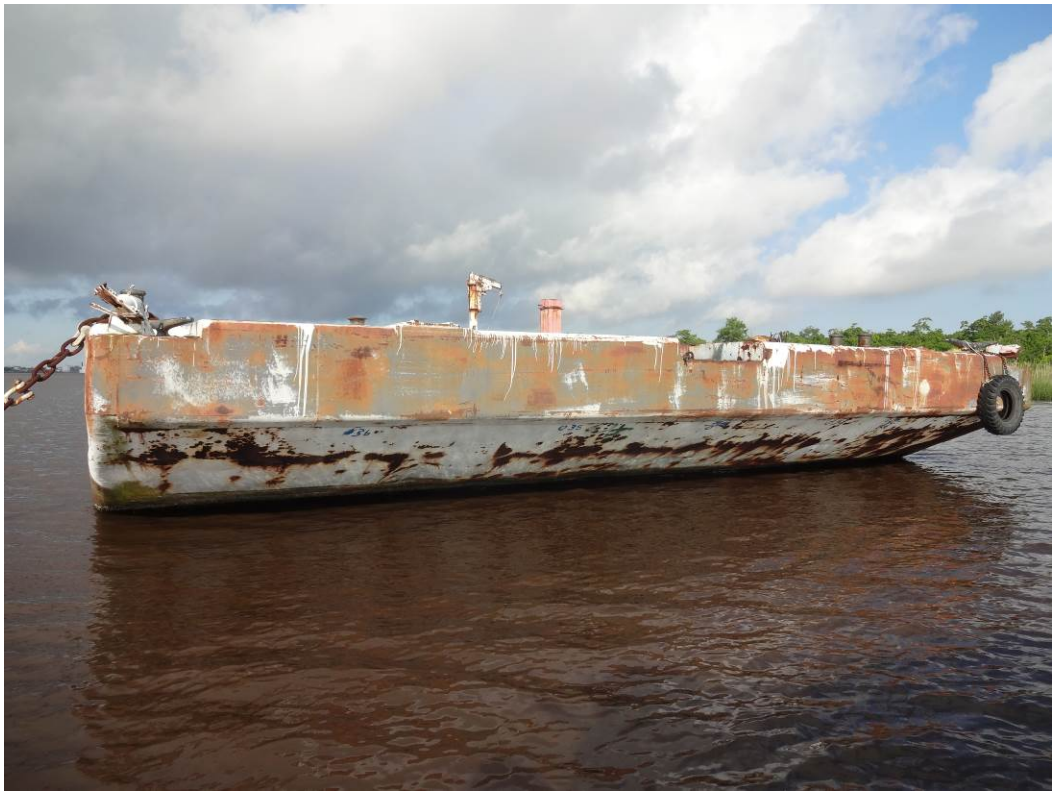
1. Starboard side



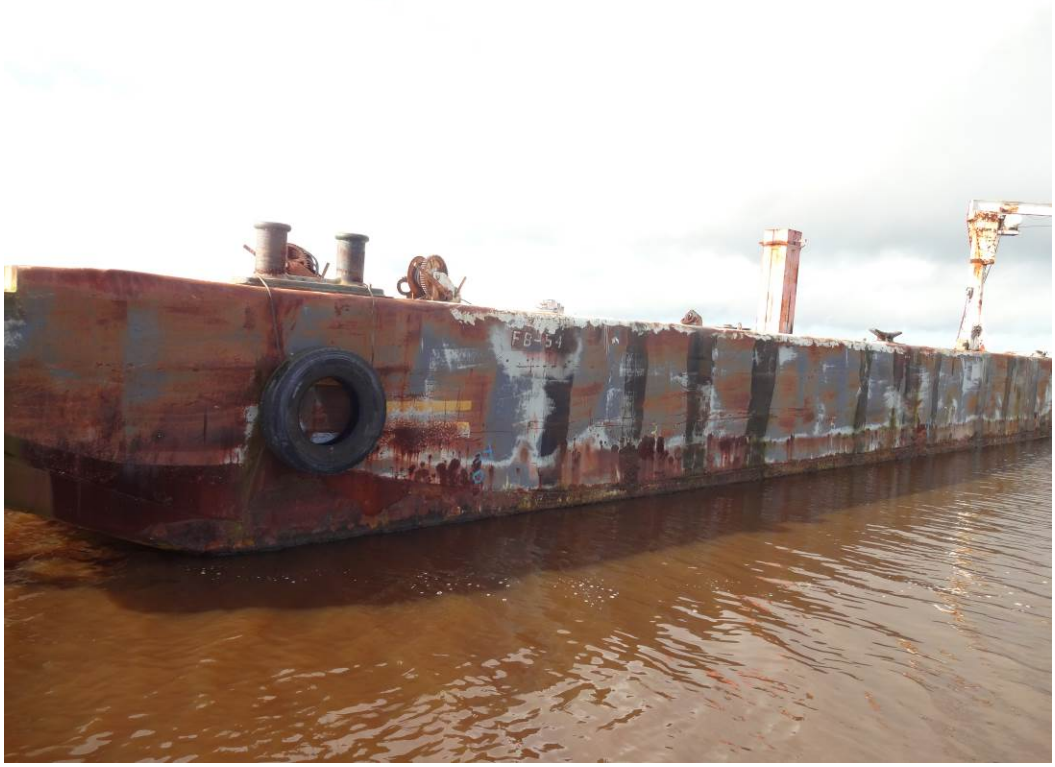
2. Side Shell - Typical



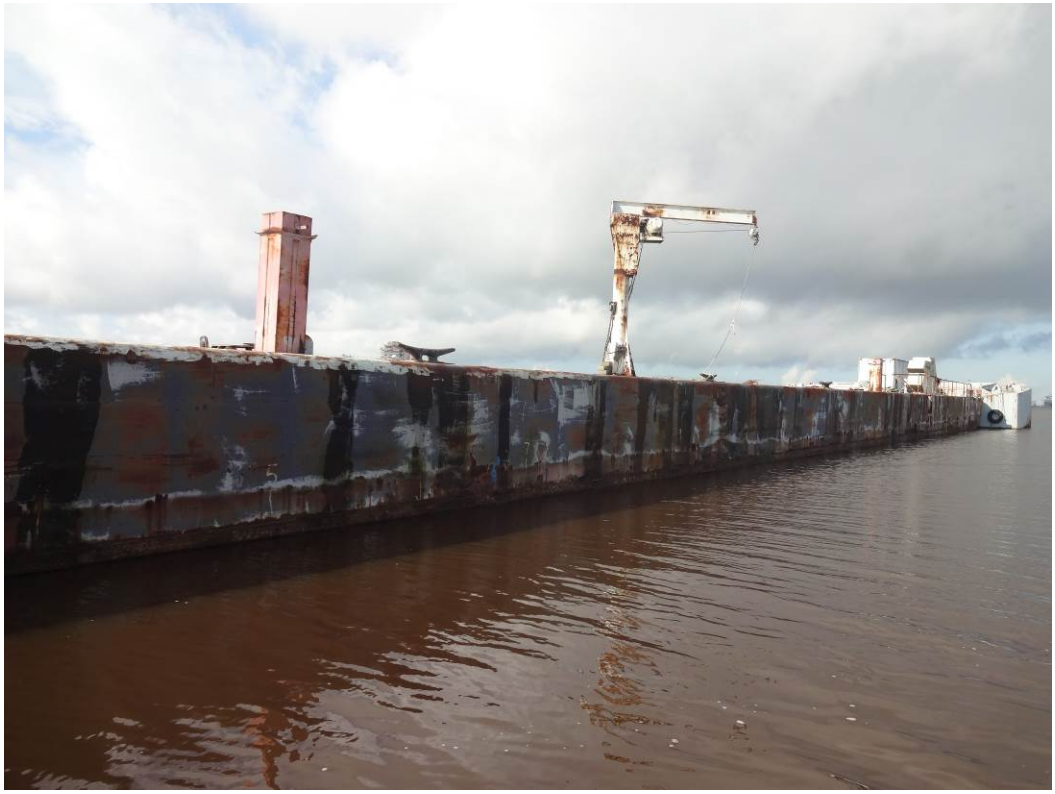
3. Port Bow Quarter



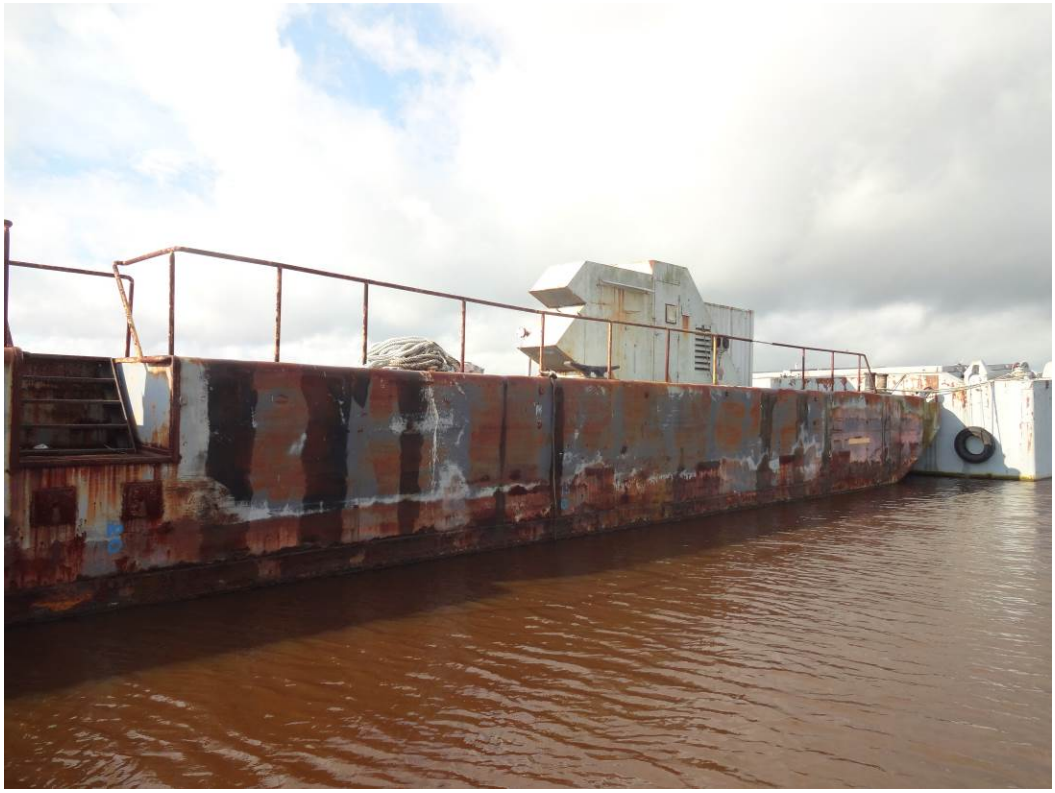
4. Bow



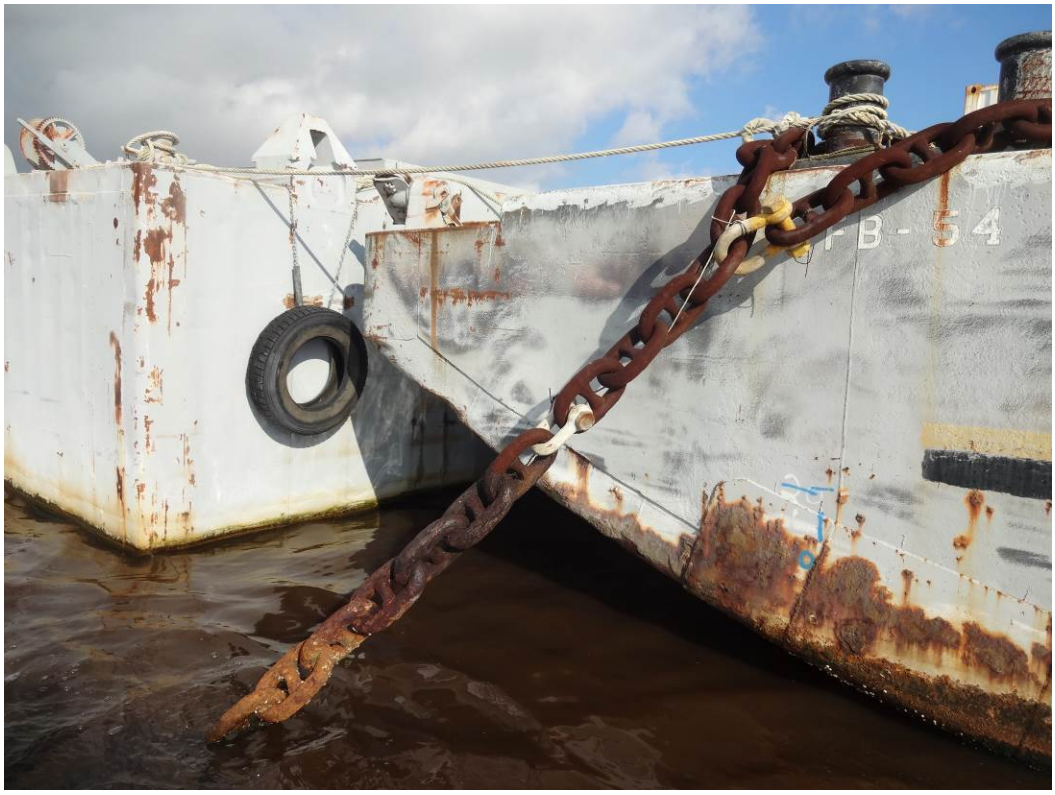
5. Port Forward Quarter



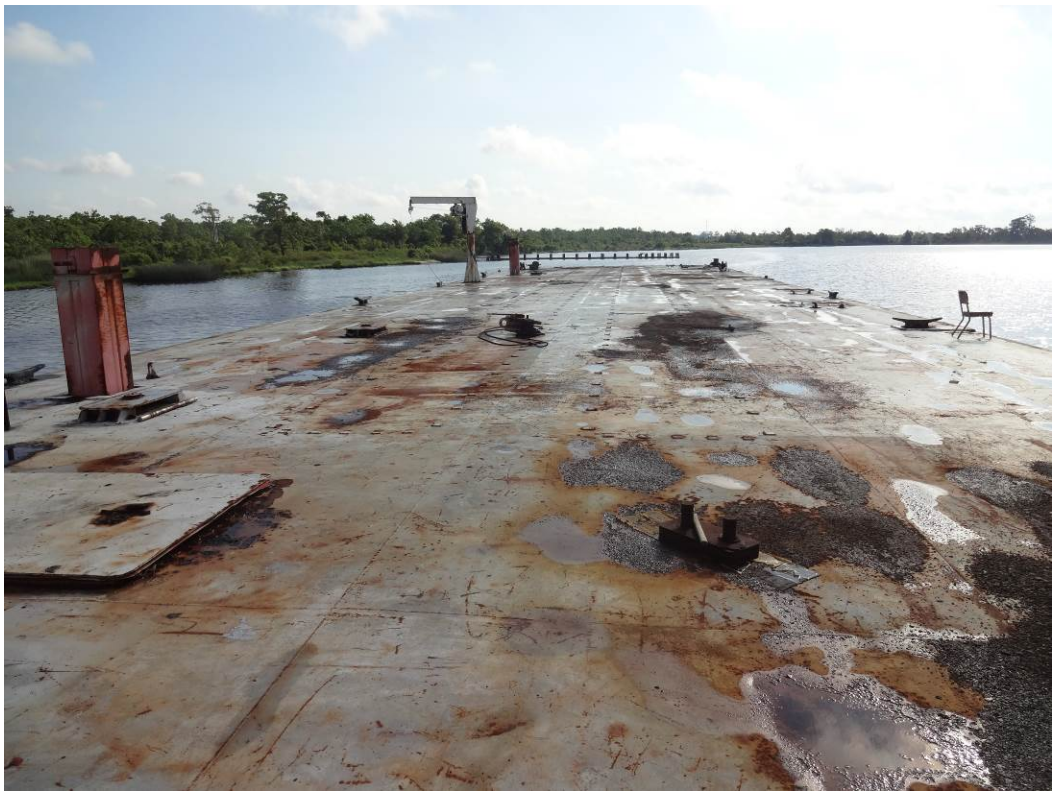
6. Port



7. Port Aft

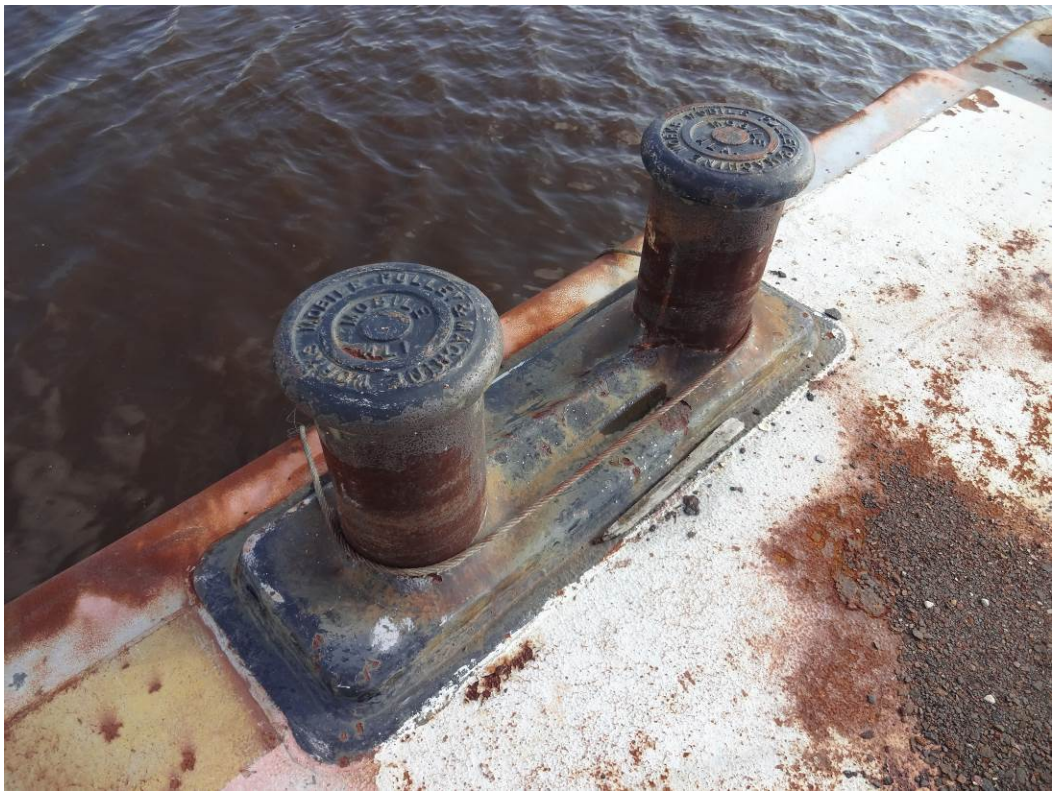


8. Indentations/Rust - Typical

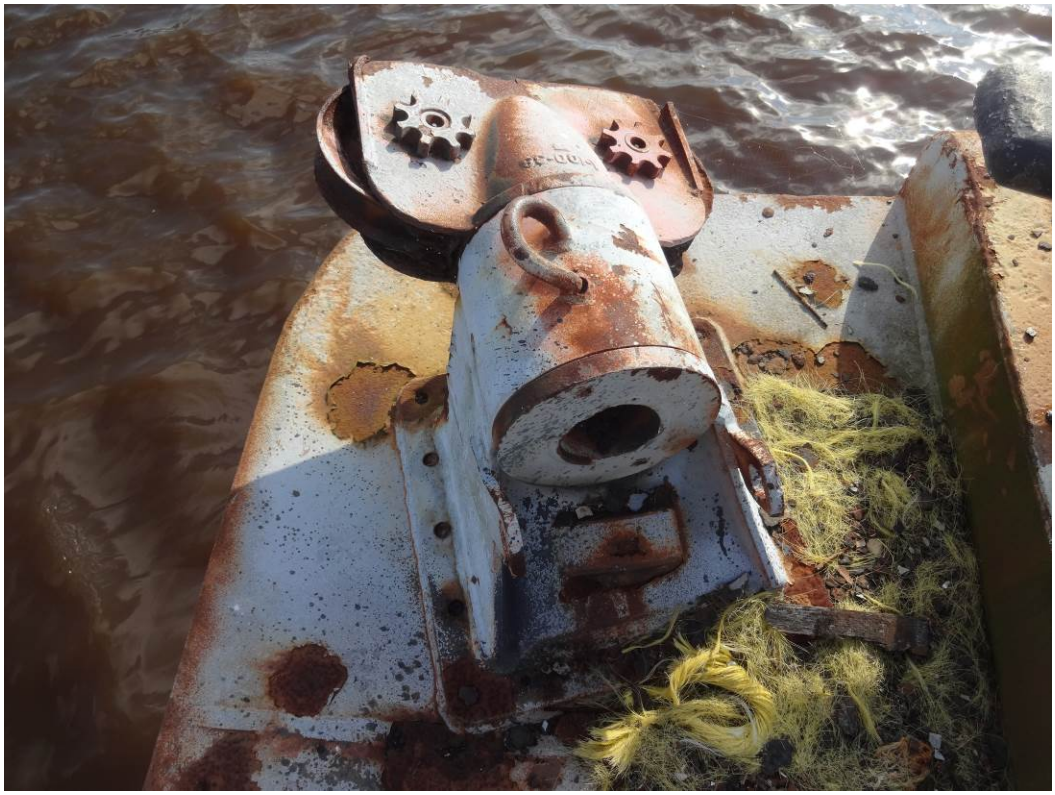


9. Deck looking Forward

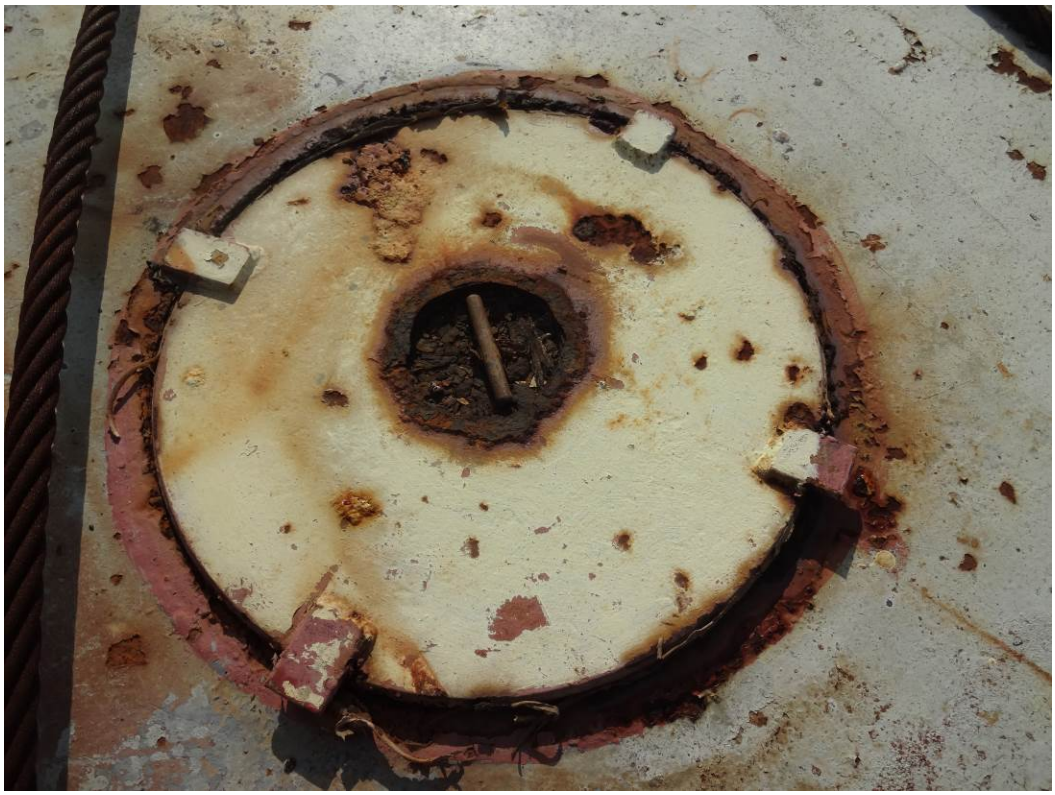
10. Deck looking Aft



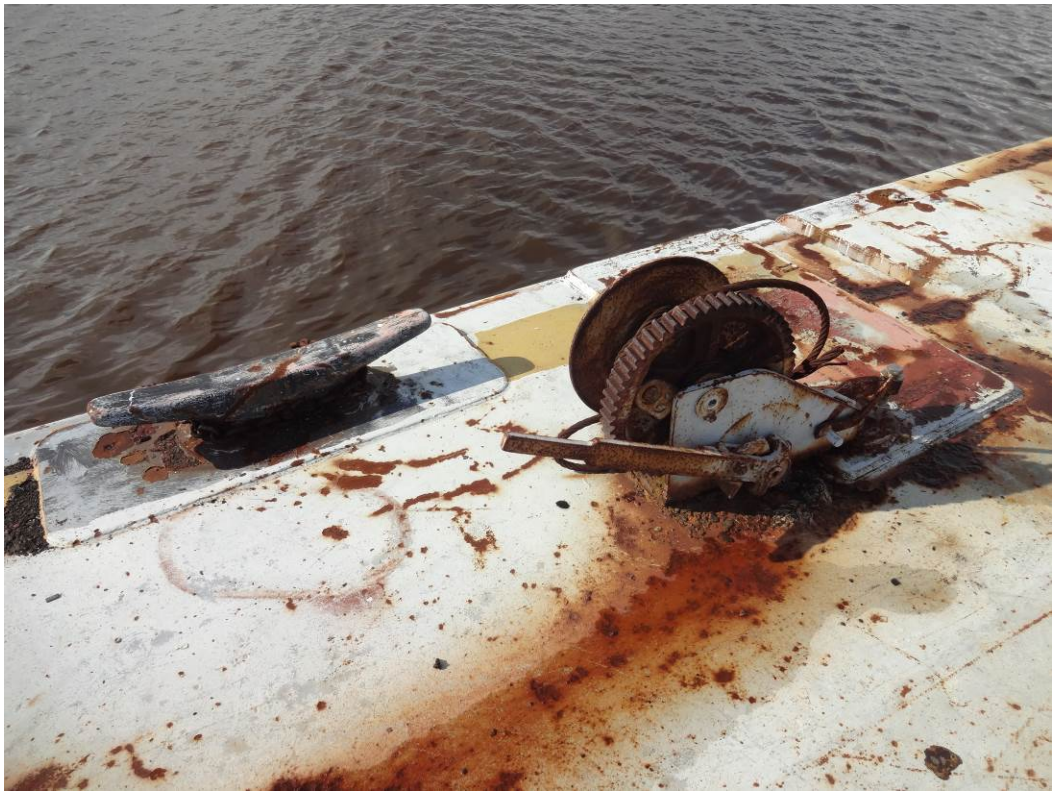
11. Bit Condition - Typical



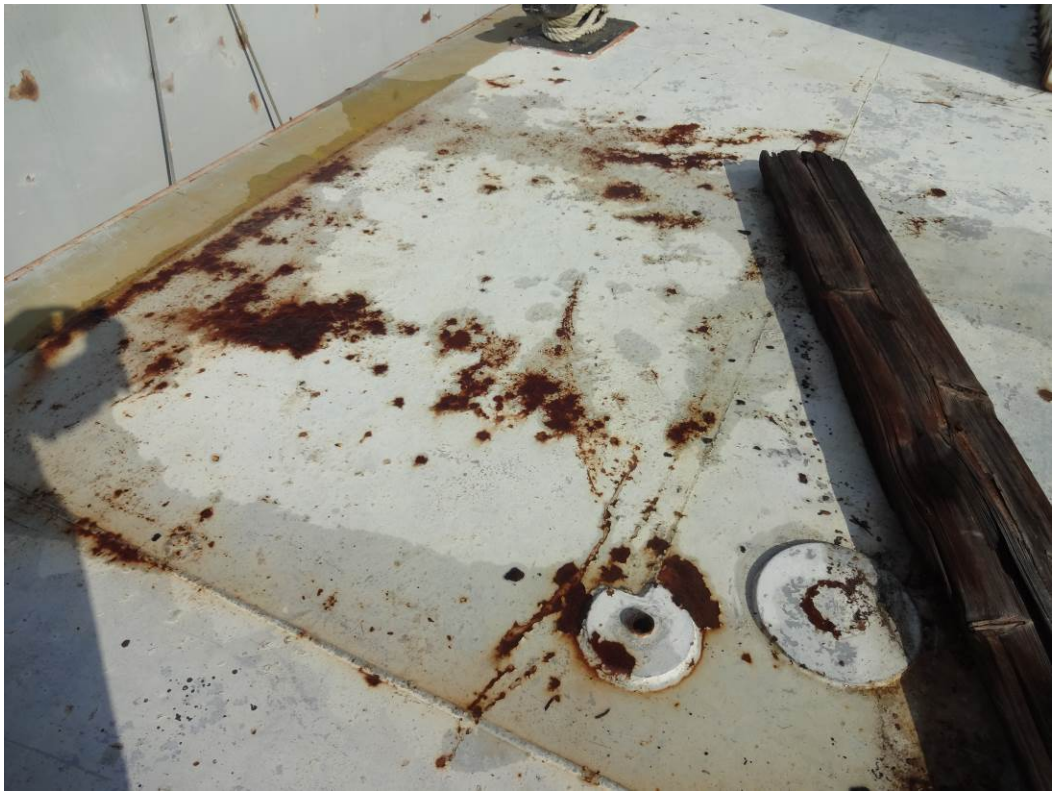
12. Rotating Wire Sheave Condition – Frozen, Typical



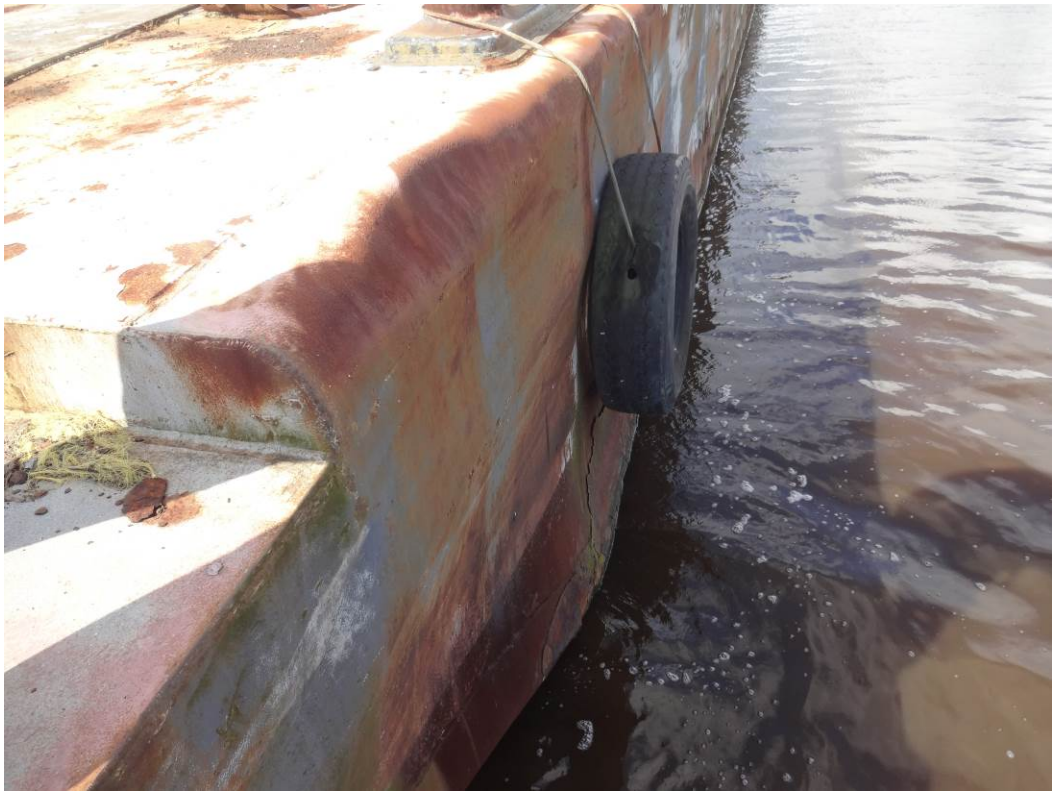
13. Tank Hatch Cover Condition - Typical



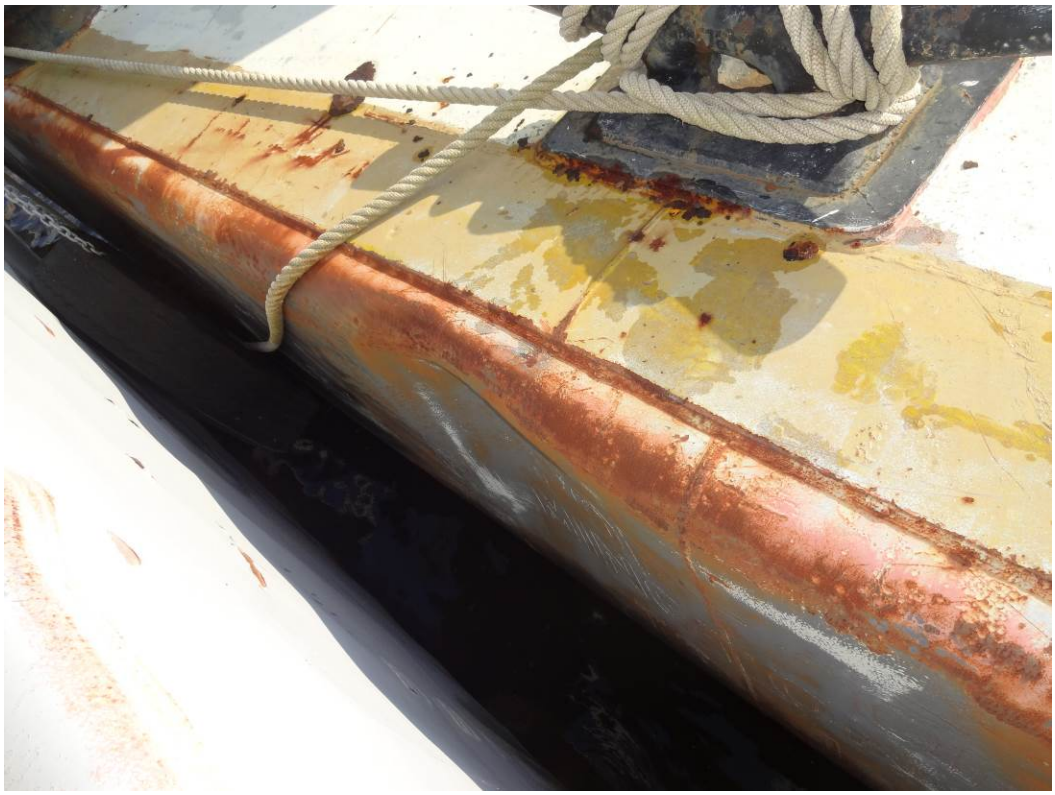
14. Deck Fittings, Typical



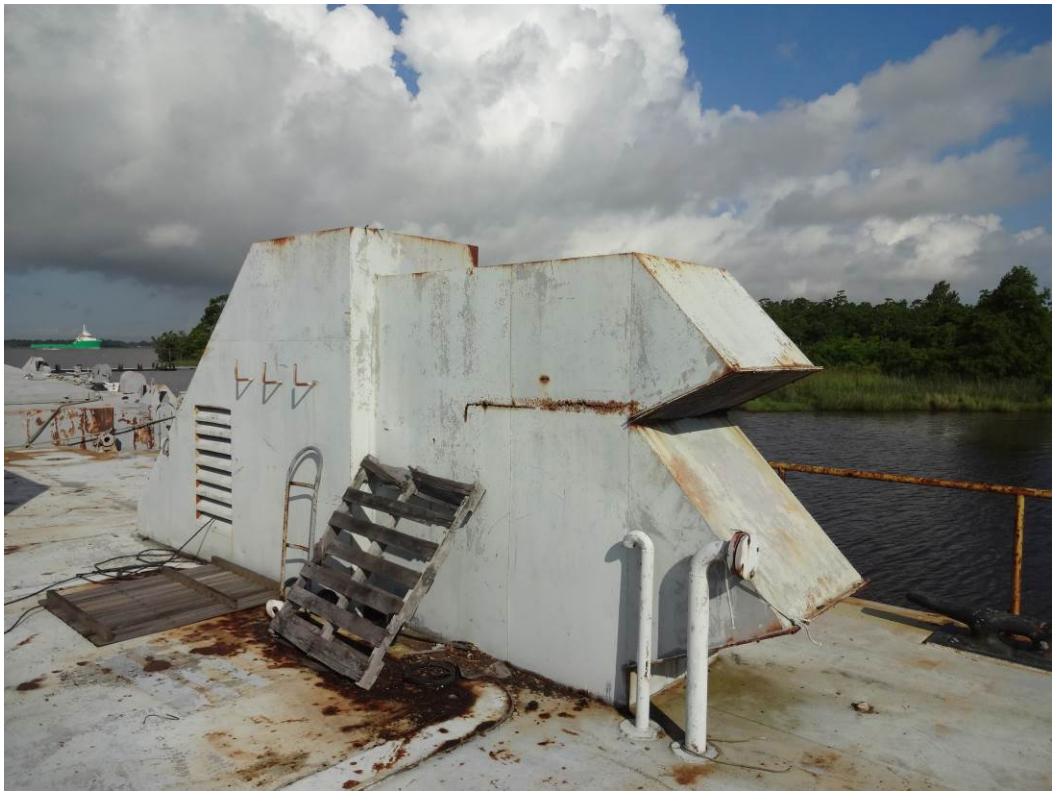
15. Deck Condition, Typical, with Open Penetration



16. Side shell Indentation - Typical



17. Side shell Indentation - Typical

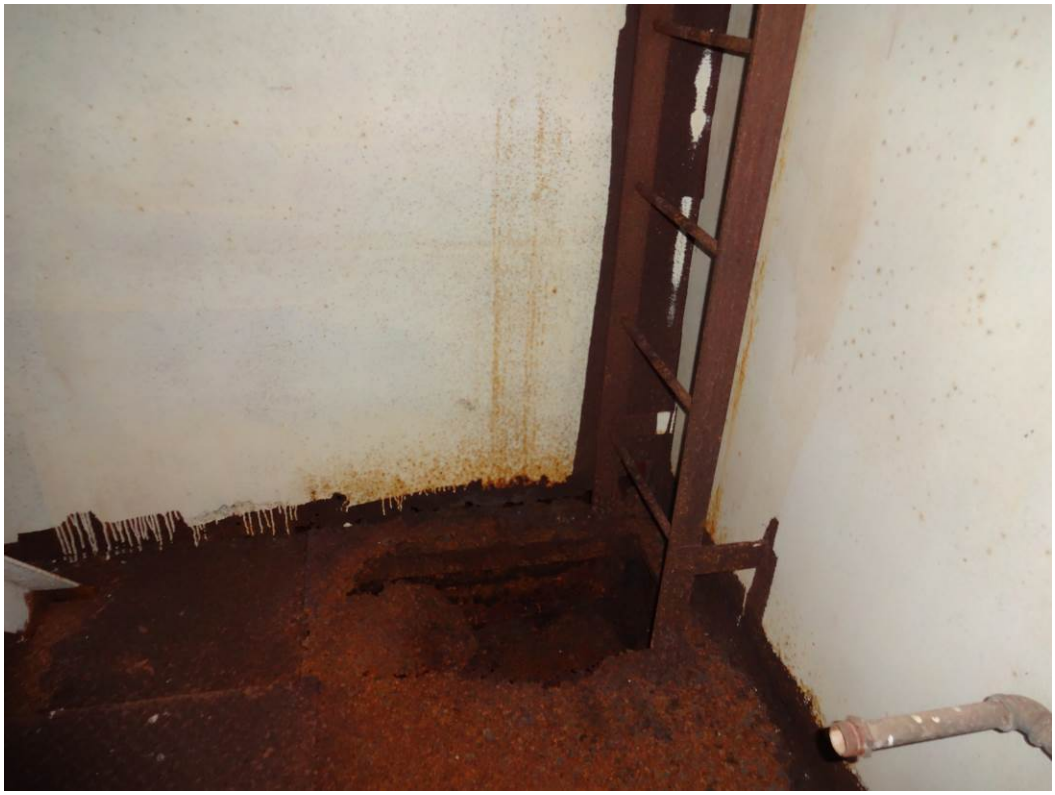


18. Engine Room Access / Ventilation

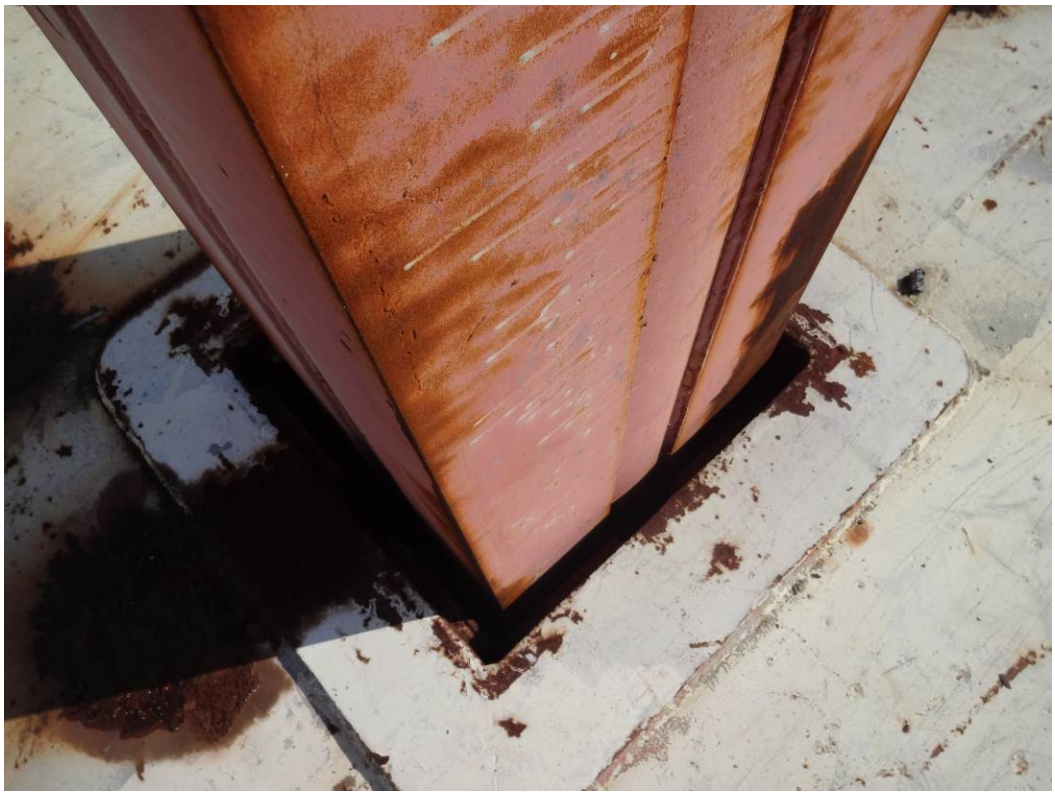
19. Engine Room Condition - Typical

20. Engine Room, Machinery Removed

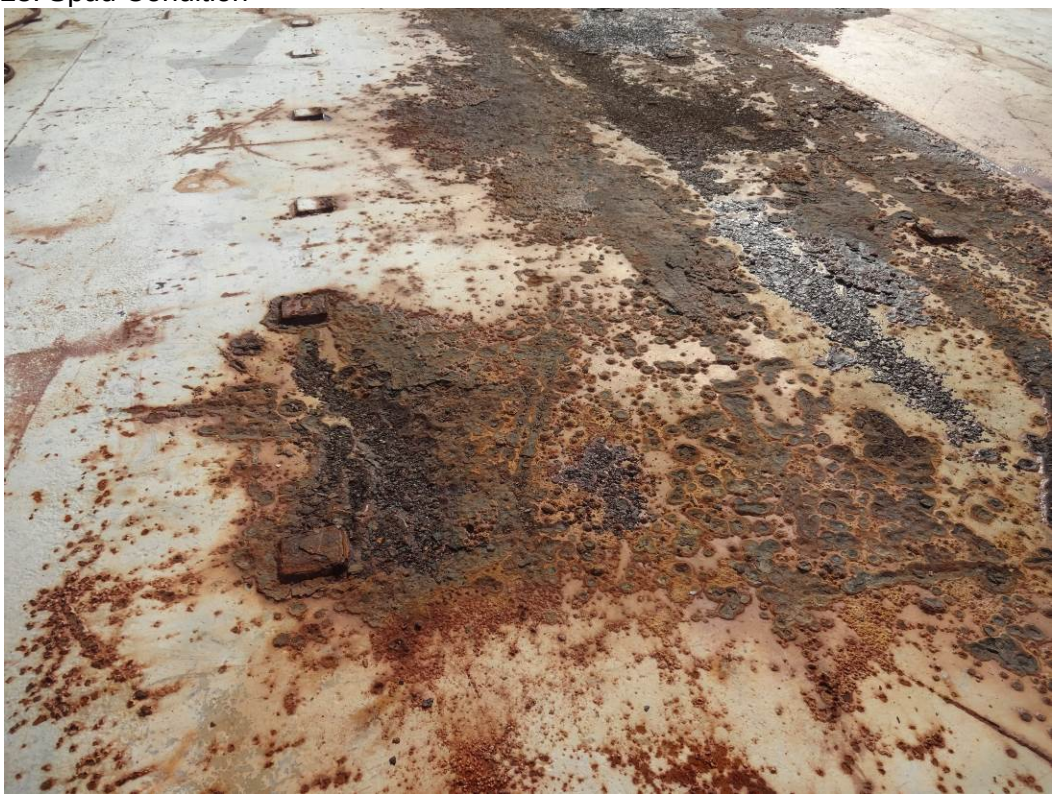
21. Engine Room Deck plating and tank top - Typical



22. Engine Room

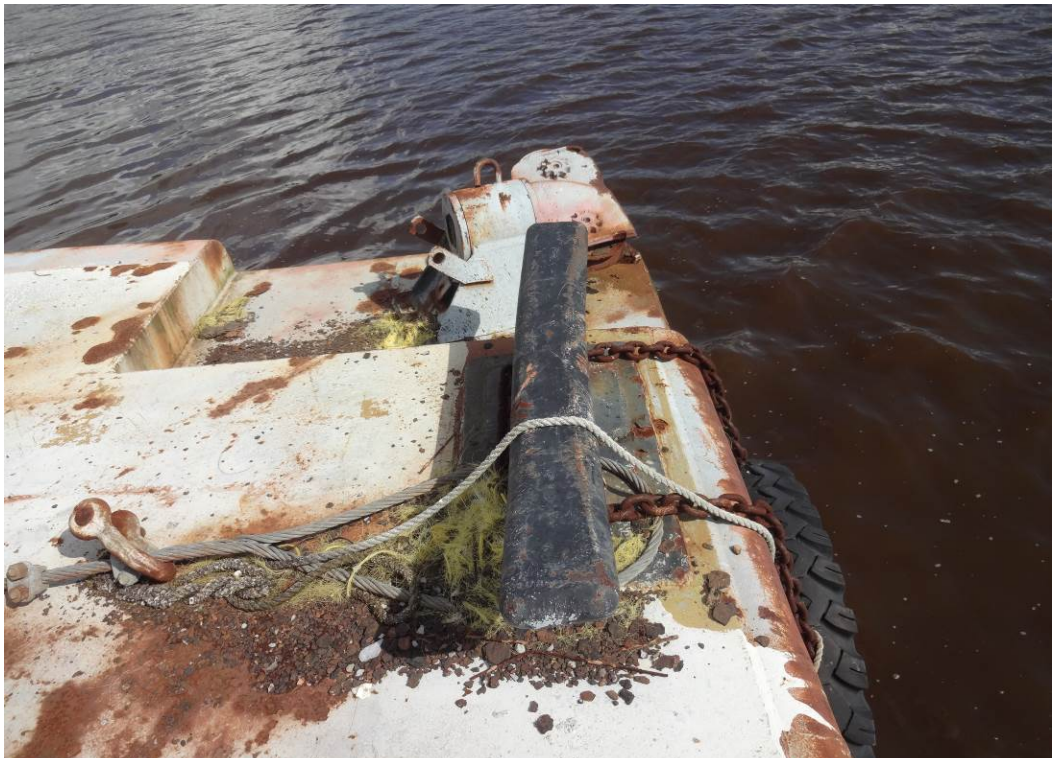


23. Spud Condition



24. Deck Corrosion

25. Heavy Rust Buildup



26. Bent Cleat

APPENDIX B

Paint Analysis Report

CHEMTEX

3082 25th Street, Port Arthur, TX 77642
Phone: (409) 983-4575, Fax: (409) 982-1522
E-mail: chemtexpa@sbcglobal.net

CHAIN OF CUSTODY RECORD
ENVIRONMENTAL

ANALYTICAL SERVICES REQUEST

CLIENT: Beaumont Reserve Fleet **ATTN: Mr. Michael Pattison**	**ADDRESS: 2600 Amco Road** **Beaumont, TX 77705**	**Phone #: 409-722-3433** **E-Mail: Michael.pattison@dot.gov**

BILLING CONTACT/ADDRESS: (If different from above)	**P. O. #:**	**PROJECT NO:**	**PROJECT:**	**SITE/LOCATION:**

SAMPLE(S) COLLECTED BY (PRINT NAME): Client

Expected Turnaround Time
2-4 hr Rush____ 24 hr Rush____ 48 hr Rush____ 3-5 day Rush ____
5-7 days X 7-14days___

REQUESTED ANALYSES

Sample Matrix Codes: Drinking Water: **DW;** Groundwater: **GW**; Liquid Waste: **LW;** Oil(s): **O;** Paint Chips: **PC;** Sand: **Sn;** Sludge: **Sl**; Soil/Solid: **S;** Solid Waste: **SW;** Trip Blank: **TB;** Water: **W;** Wipes: **WP;** Wastewater: **WW**

CHEMTEX #	Sample Identification	Collection Date	Collection Time	Sample Matrix	Composite/ Grab	Chemical Preservative	Sample Containers No.	Sample Containers Size (oz.)	Sample Containers Type (Glass/ Plastic)	PCBs	Metals (Cd,Cr,Cu,Pb, ni&Zn)					
P151200 93	FB-54 Sample #1	12/09/15	N/A	Paint Chips	Grab	None	1	Ziplock	P	X	X					
P151200 94	FB-54 Sample #2	12/09/15	N/A	Paint Chips	Grab	None	1	Ziplock	P	X	X					
P151200 95	FB-54 Sample #3	12/09/15	N/A	Paint Chips	Grab	None	1	Ziplock	P	X	X					
P151200 96	FB-54 Sample #4	12/09/15	N/A	Paint Chips	Grab	None	1	Ziplock	P	X	X					

Remarks: Samples must be preserved on ice after sample collection and transported in ice chest. ☐ **Regulatory** X **Non-Regulatory**

Relinquished By: Mike Pattison	Date/Time: 12-11-15 1324	Received By: Angela McCall	Date/Time: 12-11-15 1:25pm
Relinquished By:	Date/Time:	Received By:	Date/Time:

Facilities also available at: 5544 Leopard St., Corpus Christi, TX 78408; (361)299-9900 cc@chemtexas.com and 138 S. Cities Service Hwy., Sulphur, **LA** 70663 (337) 626-2121 lc@chemtexas.com

CHEMTEX
Environmental & Industrial Hygiene Services

3082 25th Street, Port Arthur, Texas 77642 (409) 983-4575 FAX (409) 982-1622
5544 Leopard Street, Corpus Christi, Texas 78408 (361) 299-9900 FAX (361) 299-1155
138 S. Cities Service Hwy., Sulphur, Louisiana 70663 (337) 626-2121 FAX (337) 626-2126
401 N. 11th Street, La Porte, Texas 77571 (281) 867-9900 FAX (281) 867-1155

Client: Beaumont Reserve Fleet
2600 Amco Road
Beaumont, TX 77705

Attn: Mr. Michael Pattison
Phone: 722-3433; Fax: 720-5240
E-Mail: michael.pattison@dot.gov

Reporting Date: 12/21/15
Sample Matrix: Paint Chips
Date Collected: 12/09/15
Time Collected: N/A
Collected by: Client
Date Received: 12/11/15
Time Received: 1:25pm
CHEMTEX File #: P15120093

RESULTS OF ANALYSIS

CHEMTEX ID	Sample ID	Parameter	Units	Results	RL
P15120093	FB-54 Sample #1	**Polychlorinated Biphenyls**			
		Aroclor 1016	mg/kg or ppm	<0.33	0.33
		Aroclor 1221	mg/kg or ppm	<0.33	0.33
		Aroclor 1232	mg/kg or ppm	<0.33	0.33
		Aroclor 1242	mg/kg or ppm	<0.33	0.33
		Aroclor 1248	mg/kg or ppm	<0.33	0.33
		Aroclor 1254	mg/kg or ppm	<0.33	0.33
		Aroclor 1260	mg/kg or ppm	<0.33	0.33
		Metals			
		Total Cadmium	mg/kg or ppm	4.78	2.5
		Total Chromium	mg/kg or ppm	27.68	2.5
		Total Copper	mg/kg or ppm	62.46	2.5
		Total Lead	mg/kg or ppm	23447	2.5
		Total Nickel	mg/kg or ppm	22.77	2.5
		Total Zinc	mg/kg or ppm	781	2.5
P15120094	FB-54 Sample #2	**Polychlorinated Biphenyls**			
		Aroclor 1016	mg/kg or ppm	<0.33	0.33
		Aroclor 1221	mg/kg or ppm	<0.33	0.33
		Aroclor 1232	mg/kg or ppm	<0.33	0.33
		Aroclor 1242	mg/kg or ppm	<0.33	0.33
		Aroclor 1248	mg/kg or ppm	<0.33	0.33
		Aroclor 1254	mg/kg or ppm	<0.33	0.33
		Aroclor 1260	mg/kg or ppm	<0.33	0.33
		Metals			
		Total Cadmium	mg/kg or ppm	29.42	2.5
		Total Chromium	mg/kg or ppm	27.15	2.5
		Total Copper	mg/kg or ppm	35.48	2.5
		Total Lead	mg/kg or ppm	397	2.5
		Total Nickel	mg/kg or ppm	15.81	2.5
		Total Zinc	mg/kg or ppm	94685	2.5

CHEMTEX
Environmental & Industrial Hygiene Services

3082 25th Street, Port Arthur, Texas 77642 (409) 983-4578 FAX (409) 982-1522
5544 Leopard Street, Corpus Christi, Texas 78408 (361) 299-9900 FAX (361) 299-1155
138 S. Cities Service Hwy., Sulphur, Louisiana 70663 (337) 626-2121 FAX (337) 626-2126
401 N. 11th Street, La Porte, Texas 77571 (281) 867-9900 FAX (281) 867-1155

Client: Beaumont Reserve Fleet
2600 Amco Road
Beaumont, TX 77705

Attn: Mr. Michael Pattison
Phone: 722-3433; Fax: 720-5240
E-Mail: michael.pattison@dot.gov

Reporting Date: 12/21/15
Sample Matrix: Paint Chips
Date Collected: 12/09/15
Time Collected: N/A
Collected by: Client
Date Received: 12/11/15
Time Received: 1:25pm
CHEMTEX File #: P15120093

RESULTS OF ANALYSIS

CHEMTEX ID	Sample ID	Parameter	Units	Results	RL
P15120095	FB-54 Sample #3	**Polychlorinated Biphenyls**			
		Aroclor 1016	mg/kg or ppm	<0.33	0.33
		Aroclor 1221	mg/kg or ppm	<0.33	0.33
		Aroclor 1232	mg/kg or ppm	<0.33	0.33
		Aroclor 1242	mg/kg or ppm	<0.33	0.33
		Aroclor 1248	mg/kg or ppm	<0.33	0.33
		Aroclor 1254	mg/kg or ppm	<0.33	0.33
		Aroclor 1260	mg/kg or ppm	<0.33	0.33
		Metals			
		Total Cadmium	mg/kg or ppm	22.83	2.5
		Total Chromium	mg/kg or ppm	49.98	2.5
		Total Copper	mg/kg or ppm	101.34	2.5
		Total Lead	mg/kg or ppm	312	2.5
		Total Nickel	mg/kg or ppm	23.71	2.5
		Total Zinc	mg/kg or ppm	90530	2.5
P15120096	FB-54 Sample #4	**Polychlorinated Biphenyls**			
		Aroclor 1016	mg/kg or ppm	<0.33	0.33
		Aroclor 1221	mg/kg or ppm	<0.33	0.33
		Aroclor 1232	mg/kg or ppm	<0.33	0.33
		Aroclor 1242	mg/kg or ppm	<0.33	0.33
		Aroclor 1248	mg/kg or ppm	<0.33	0.33
		Aroclor 1254	mg/kg or ppm	<0.33	0.33
		Aroclor 1260	mg/kg or ppm	<0.33	0.33
		Metals			
		Total Cadmium	mg/kg or ppm	1.68	2.5
		Total Chromium	mg/kg or ppm	61.63	2.5
		Total Copper	mg/kg or ppm	72.44	2.5
		Total Lead	mg/kg or ppm	25	2.5
		Total Nickel	mg/kg or ppm	76.02	2.5
		Total Zinc	mg/kg or ppm	324	2.5

CHEMTEX
Environmental & Industrial Hygiene Services

3082 25th Street, Port Arthur, Texas 77642 (409) 983-4575 FAX (409) 982-1522
5544 Leopard Street, Corpus Christi, Texas 78408 (361) 299-9900 FAX (361) 299-1155
138 S. Cities Service Hwy., Sulphur, Louisiana 70663 (337) 626-2121 FAX (337) 626-2126
401 N. 11th Street, La Porte, Texas 77571 (281) 867-9900 FAX (281) 867-1155

Client: Beaumont Reserve Fleet
2600 Amco Road
Beaumont, TX 77705
Phoenix, AZ 85005-6457

Reporting Date: 12/21/15
CHEMTEX File #: P15120093

Parameter	Method Reference	Date Analyzed/Analyst
Polychlorinated Biphenyls(PCBs)	EPA 8082	12/16/15 AJ
Metals (Cd,Cr,Cu,Pb,Ni&Zn)	EPA 6010B	12/18/15 PSL

Dr. C. N. Reddy, Ph.D, CIH, ASP
Laboratory Director

amd/CNR

APPENDIX C

Certifications of Report Preparer

NAME: **Landon Applegate, AFNI - DP Chief Engineer**

EDUCTION: United States Merchant Marine Academy
Kings Point, New York

QUALIFICATIONS: USCG Chief Engineer Unlimited
Lieutenant – United States Navy Reserve
Marine Engineering, Bachelor of Science
US Security Clearance – Secret
Vessel Security Officer

PRINCIPAL COURSES Kongsberg – DP Maintenance
Applied Marine Electrical Systems Course – US Navy
Basic and Advanced HVAC
CAT 3500 Operation and Maintenance
GE MV7000/3000 VFD Operation and Maintenance
MAN B&W 2-Stroke Theoretical and Practical Course
IADC Well Control – Drilling/Completion/Workover
Ship Security Training – US Navy

MEMBERSHIPS: Associate Fellow, Nautical Institute
Marine Technology Society
SNAME – Society of Naval Architects and Marine Engineers
ASNE – American Society of Naval Engineers

PRESENT POSITION: Marine Engineer, Consultant - DP & Marine Assurance Services

EMPLOYMENT HISTORY:

2015 to Present	London Offshore Consultants Inc. Consultant Marine Assurance Services
2011 to 2014	Noble Drilling Chief Engineer
2007 to 2011	Seacor Marine Engineer

PROFESSIONAL EXPERIENCE

2015 to Present: London Offshore Consultants, Inc.

Chief Engineer Unlimited with a great depth of experience in Offshore operations including Anchor Handling and Drillships.

Dynamic Positioning – Writing DP Annual Trials as well as conducting both DP Annual Trials and FMEA Proving Trials on various offshore vessels.

CMID – Conducted Common Marine Inspection Document inspections onboard offshore construction vessels.

Suitability Surveys – Conducted numerous Suitability Surveys on Offshore Supply Vessels, Offshore Construction Vessels, Cable Laying Vessels, Inland Tugs and Barges.

Mission Critical Equipment Surveys – Conducted on various platforms including Vessel Cranes, ROV's, Cable Laying equipment, and Towing equipment.

Marine Warranty Surveys – Performed numerous inspections and issuance of Loadout / Sailaway CoA's for loadouts on platforms ranging from offshore construction vessels to ocean going tug and barge operations.

On/Off-Hire Surveys – Conducted on various Barges and Offshore Construction/Supply Vessels.

2011-2014: Noble Drilling:

Held positions from 2nd Assistant Engineer to Chief Engineer onboard Drillships in operations worldwide.

Management of engineering personnel, maintenance, and budget during dry docking periods, drilling operations, and vessel transits.

Completed multiple major shipyard periods including Chief Engineer during complete re-powering of vessels. Extensive work with Caterpillar and MAN B&W engines and control systems.

In depth experience with numerous regulatory bodies regarding regulations concerning USCG, IMO-MARPOL, Class Societies, and Arctic Drilling EPA NPDES Permits.

2007-2011: Seacor Marine:

Engineer on DP Anchor Handling/Towing/Supply Vessels.

Performed various duties as Assistant Engineer from Bulk Cargo Transfer, Liquid Cargo Transfer, Stability calculations, Anchor Handling operations, and Towing worldwide. Completed numerous rig moves as well as various shipyard repair/conversion periods.

Military Experience

2007 to Present: Lieutenant, United States Navy

Completed tasking worldwide onboard vessels, forward deployed maintenance stations, command postings and dry docking shipyards while serving as a Strategic Sealift Officer:

- COMSEALOGPAC – MSC Small Arms Training / Assigned to USNS Mercy - March 2009
- GMATS/USMMA – Applied Marine Electrical Systems Course (80 hour) - July 2009
- MARAD RRF ROS – Assigned to M/V Cape Douglas, Charleston, SC - April/May 2010
- MARAD RRF ROS – Assigned to M/V Cape Orlando, San Francisco, CA - March 2011
- MSCEU – Marine Transportation Specialist (Loadout Supervisor) – Naples, Italy September 2012
- MSCFE – Marine Engineer Advisor - SSU (Ship Support Unit) – Singapore - March 2013
- MARAD RRF ROS – Assigned to SS Gem State, Alameda, CA - July 2014
- NAVSEA FDRMC Rota – Operational Support Engineer – Destroyer Squadron - Feb/March 2015
- PHNSY & IMF – Safety of Ship Officer – Submarine Dry-dockings - Sep/Oct 2015