

WORKING AGREEMENT

Between


ConocoPhillips

**CONOCOPHILLIPS
BORGER REFINERY
AND NGL CENTER**

**OPERATING, MAINTENANCE,
AND CLERICAL**

and

**LOCAL 351
INTERNATIONAL UNION
OF OPERATING ENGINEERS
AFL - CIO**



2002-2006

EXHIBIT

A

WORKING AGREEMENT

BETWEEN

**CONOCOPHILLIPS
BORGER REFINERY
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MAY 1, 2002

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**WORKING AGREEMENT
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Borger Refinery and NGL Center
(Operating, Maintenance, and CLERICAL)
and
Local No. 351
INTERNATIONAL UNION OF
OPERATING ENGINEERS
AFL-CIO**

THIS **AGREEMENT**, made and entered into this 1st day of May 2002, by and between ConocoPhillips at its Borger Refinery and NGL Center, having operations in the Texas Panhandle Area, ("Company"), and Local 351, International Union of Operating Engineers, AFL-CIO, of Borger, Texas, ('Union').

RECOGNITION

The Company recognizes the Union as the exclusive bargaining agent concerning wages, hours and other conditions of employment for team members in the following appropriate collective bargaining unit:

INCLUDED: All operating, maintenance, and clerical team members of the Company's Borger Refinery and NGL Center.

EXCLUDED: Employees working in the Personnel Department, confidential employees; administrative team members, technical team members, professional team members, managerial and all supervisory team members within the meaning of the National Labor Relations Act, as amended.

The provisions of this Agreement shall apply to all team members in the bargaining unit as described. It is agreed that this instrument and the exhibits attached hereto and made a part hereof constitute

the entire Agreement between the parties. Changes in, or additions to, exhibits made a part hereof shall not be made, except by mutual agreement of the parties.

Article I

Term of Agreement

This Agreement shall remain in effect through April 30, 2006, and said Agreement shall automatically continue in effect thereafter unless or until either party shall give notice to the other in writing of its desire to terminate the Agreement.

The provisions of the Working Agreement may be made subject to negotiations by either party giving notice to the other in writing no earlier than January 29, 2006. If the parties are not in agreement within thirty (30) days following receipt of such notice, then on or after March 1, 2006, either party may give notice to the other in writing of its desire to terminate the Agreement in sixty (60) days. During this sixty (60) day period, the Company and the Union will meet, negotiate and attempt to reach a new Agreement before this Agreement terminates at the expiration of said sixty (60) day notice.

Article II

Team Member Duties and Responsibilities

1. Each team member will be assigned work by and be responsible to an appropriate team leader, and shall be responsible for proper performance of such work.
2. Each team member will observe prescribed safety rules and precautions, will fulfill the requirements of his job, and shall abide by prescribed disciplinary regulations. It is understood, in case of disciplinary action by the Company, that such action is considered proper subject for

grievance procedures.

3. Each team member shall arrive at his post of duty sufficiently in advance of starting time that he may prepare himself to assume his job responsibilities on time. After a team member's relief has acquainted himself with the operation and assumed responsibility for the job, the relieved team member may leave the plant, provided such relief is not more than thirty (30) minutes in advance of the starting time. No team member shall cease work until his relief begins work, where relief is regularly scheduled, or until he is released by his team leader. However, it is understood that in the event a team member does not desire overtime, the team leader will exhaust every reasonable means to furnish relief. Any team member upon ascertaining that he will be unable to report for work, shall promptly notify the Guard Gate or Shift Scheduler by messenger or phone and state the reason for such inability to report, and shall give such notice at least eight (8) hours in advance of reporting time, or shall furnish a satisfactory reason for failure to do so. Such notice does not constitute permission for excused leave or justification for payment of Unavoidable Absence Benefits.
4. Each team member will be expected to perform his job in accordance with prescribed standards and to the best of his ability. It is recognized that a requirement or adjunct of any job is the performance of that work which in incident, usual, and necessary for safety and efficiency and for cleanliness, orderliness, and running maintenance of assigned equipment and clean-up area. In addition to performing their other job duties, team members in all classifications shall, as directed by the appropriate team leader, direct the work of lower classified team members, and assist lower classified and/or less experienced team members within the

Bargaining Unit in acquiring job knowledge.

5. Team members shall report to work at such places as the Company may designate. Team members, other than shift workers, shall not cease work before the regular quitting time; however, where team members are required to return tools or other Company equipment at the end of a work day, they shall be allowed a reasonable time therefore before the scheduled end of such work day. During an emergency or under extraordinary circumstances and when requested by their team leaders, team members shall remain beyond regular quitting time and perform such emergency work.
6. In determining the reason for a team member's failure to perform or his improper performance of duties, inadequacy of the quantity or the quality of help, among other factors, shall be considered. No qualified operator shall be required to operate his own and another operator's equipment simultaneously except under extraordinary circumstances and then only until relief can be furnished.
7. Team members will be expected to cooperate to the extent of furnishing information pertinent to work related occurrences.
8. At the Company's request, team members will cooperate with, and assist the Company in formulating, establishing, maintaining and/or applying programs of job instruction, improved job methods, safety and training.
9. As nearly as practical, the work peculiar to any section, including duties outlined in the Task Duties List, shall be done by team members assigned to that section. It is understood that any team member may be required to temporarily perform work as situations arise. This work may not be part of the normal duties of the clas-

sification, which they occupy. This may be necessary to carry out the intention of both parties to effectively utilize available manpower in the safest, most economical, and most efficient manner possible.

The portion of work which is incidental to the completion of a job involving a classification shall be considered, though not exclusively, work of that classification, except for those duties outlined in the Task Duties List.

10. Team members in the Operator classification will be required to certify on two operator jobs in their area. Team members in the stillman classification who are assigned to a board position will be required to certify and maintain the corresponding field stillman position. Team members in the Laboratory Technician classification will be required to certify on 2 of the 4 certifications in the Lab.
11. It is agreed by both the Company and the Union that any team member within the Operations or Maintenance Divisions shall be required to perform any work that they have the skills, ability and can safely perform as directed by a team leader.

It is agreed that the first responsibility of an Operations team member is the safe and efficient operation of his unit.

It is not the intent of the Company to replace team members who have been assigned work out of their classification as a result of this provision with contract or other personnel. Team members in the Craftsman classifications will normally work in their respective field of endeavor.

Exhibit C is a listing of examples of flexibility under Article II, Number 11, which applies to all

classifications in the Operations and Maintenance Divisions, excluding the Lab Section. It is provided for clarification and understanding. Future additions to this list will be reviewed with the Union prior to their inclusion.

Article III

Hours of Work and Work Schedules

1. Regular base hours of work shall be eight (8) hours per day and forty (40) hours per week, except for certain Operations team members who will average forty-two (42) hours of work per week. The base workday, and/or base work-week may be changed by agreement between the parties.
2. A workday shall consist of a twenty-four (24) hour period, commencing at 12:01 a.m. for Maintenance team members and 6:00 a.m. for Operations team members. A work week shall consist of seven (7) consecutive days, commencing at 12:01 a.m. Sunday for Maintenance team members and 6:00 a.m. Monday for Operations team members. Operations team members shift schedule shall consist of:

Days - 6:00am to 6:00pm (first shift of the day)
Nights - 6:00pm to 6:00am (second shift of the day)

Operations team members shall relieve no earlier than 30 minutes prior to their shift start time and no later than 30 minutes after their shift start time. Exceptions to this must be approved by the appropriate Team Leader.

3. For the purpose of scheduling personnel, a Five-Two schedule will normally be followed in Maintenance and Clerical, with an unbroken time off interval, and in Operations, with the exception of certain other agreed upon schedules, a twelve-hour shift schedule will be followed. For

Maintenance and Clerical team members, all off-days shall be in one unbroken period, unless otherwise agreed, and insofar as efficient operations will permit, all off-days shall be scheduled on Saturday and Sunday. It is understood that work schedules will be rearranged from time to time because of the diversified operations.

4. Team members within the same classification may be allowed, where practicable, to exchange their respective shifts of work within a particular workweek provided the exchange does not require the payment of any overtime or premium payment, and further provided that approval of the team member's written request to make the exchange has been secured from their immediate team leader.
5. When work requirements in the Maintenance Division are such that they cannot, in the opinion of the Company, be satisfied by utilizing qualified team members available within the classification involved, that is, other than by requiring overtime work, then overtime work will be offered to qualified team members in the classification affected, taking into consideration the Overtime Policy. Such overtime shall not result in more than a twelve (12) hour continuous work period unless agreeable to the team member involved.

The following Overtime Policy, in so far as practical, shall apply to overtime situations occurring in Maintenance.

- If the need for overtime arises, the overtime may first be offered to the team members on the area team where the work is needed. The team member(s) working the job may be forced to work the overtime if the continuity of the job makes it inefficient to reassign the work.

- If additional team member(s) are needed, then the overtime will be offered to qualified team member(s) within the craft that have signed-up on the volunteer sign-up sheet, by lowest total overtime hours.
- If additional team member(s) are needed, then qualified team member(s) within the craft with the lowest total overtime hours will be forced to work the overtime.
- If additional team member(s) are needed, then the Company may fill their remaining overtime needs from any available source.

The determination of whether or not the overtime is required will be at the sole discretion of the Company.

Overtime hours will be updated once a week and total overtime hours will be zeroed annually after the last pay period in January of each year. Team members will maintain their relative positions on the overtime list at the time overtime hours are zeroed.

Team members desiring to work overtime will be required to sign-up on the appropriate overtime sheet no later than 2:40 p.m. on Wednesday for Friday-Thursday's overtime. A sheet for each day of the following workweek will contain a space to sign-up for each of the following types of overtime.

- a) Routine overtime (i.e., Immediately following the scheduled shift on workdays, dayshift work on weekends and holidays, and call-outs)
- b) Non-routine overtime (i.e., Other than routine overtime such as schedule changes, night shifts, etc.)

Sign-up sheet will be considered the "offer" for

overtime. The Company, at their discretion, may also canvass team members for overtime (after taking all signed-up team members).

Overtime hours worked will be tracked as total overtime hours. Overtime hours refused will not be tracked.

Priority jobs (job which would create an undue hardship on the Company to restaff), turnarounds and large projects may at the Company's discretion be staffed by work teams, or individual team members (using overtime policy). Priority jobs, turnarounds, and large projects will be staffed as a single event and destaffed in the most efficient manner as determined by the Company. Once assigned to a priority job or large project, the team member must work the job until completion, unless extenuating circumstances, approved in advance by the Company, prohibit the team member(s) from working. Team members unable to continue a priority job or large project to completion will not normally be assigned the work.

Team members may remove themselves from the volunteer overtime list by providing their team leader with notice by 12:30p.m. that day (the day of overtime). Team members, not exercising a notice by 12:30p.m. that day to remove themselves from the volunteer sign-up sheet, will be required to work the overtime (excluding extenuating circumstances as determined by the team leader).

When a team member is unavailable for a period of more than fourteen (14) consecutive calendar days due to upgrading to non-bargaining unit work, UAB, restricted duty, or special assignment, the total overtime hours will be adjusted to maintain relative position on the overtime sheet upon return.

Team members new to a classification will be assigned the average total overtime.

Call-outs will be administered in the same fashion as this overtime policy and will be considered "routine" overtime.

Team member(s) that respond to a call-out shall be required to work only the job that they were called out for, excluding extenuating circumstances (such as a plant emergency) as determined by the Shift Team Leader. Team members that are on a call-out will have first chance to work any additional overtime that comes up while that team member(s) is out.

Team members upgraded to non-bargaining unit work or on special assignment will not be eligible for bargaining unit overtime until all qualified team members that have volunteered are utilized.

6. When work requirements in the Operations Division is such that it cannot, in the opinion of the Company, be satisfied by utilizing qualified team members available, that is other than by requiring overtime work, then overtime work will be offered according to established overtime procedures. Such overtime shall not result in more than a sixteen (16) hour continuous work period unless agreeable to the team member involved.

It is further agreed that team members being held over twelve (12) hours is to be kept to as few occasions as possible.

Team members upgraded to non-bargaining unit work or on special assignment will not be eligible for bargaining unit overtime until all qualified team members that have volunteered are utilized.

7. The day shift of regularly scheduled rotating shift workers and of regularly scheduled daylight workers shall, though the hours do not exactly coincide, be considered the same shift as to team members reassigned on shift or rescheduled from one shift to the other.
8. Vacation shall be scheduled within a line of progression by plant seniority on a rotating basis. One choice is permitted each turn and multiple weeks chosen must be consecutive.

Article IV Compensation

1. Rates

Wage rates for the time worked in standard job classifications shall be those straight time hourly rates shown on the Exhibit 'A' attached hereto and made a part hereof. The 'regular rate' of a team member to be used in computing compensation for any work performed by him shall be that straight time hourly rate (plus the shift differential, when applicable) at which the particular work is performed by him.

2. Overtime

Weekly overtime is that time worked by a team member in excess of forty (40) hours per workweek; daily overtime is that time worked by a team member in excess of eight (8) hours during a workday in the workweek.

3. Compensation

Compensation will be paid as follows:

- A. The Compensation for the time worked by a team member during a workweek will be computed in the following three ways:

- (1) **STRAIGHT PAY** - Compute the pay for that time worked by the team member up to and including the first forty (40) hours

at his regular rate; then

WEEKLY OVERTIME - Compute the pay for the time worked by him in excess of forty (40) hours at a rate of one and one-half ($1 \frac{1}{2}$) times his regular rate;

- (2) **STRAIGHT TIME** - Compute the pay for that time worked by the team member up to and including the first eight (8) hours per workday at his regular rate; then

DAILY OVERTIME PAY - Compute the pay for the time worked by him in excess of eight (8) hours per workday at a rate of one and one-half ($1 \frac{1}{2}$) times his regular rate;

- (3) **STRAIGHT PAY** - Compute the pay for that time worked by the team member on his schedule at his regular rate, except that

SCHEDULE CHANGE PAY - FIRST SHIFT
- When the team member's schedule is changed and forty-eight (48) hours' notice prior to the time he is to report for work on the new schedule is not given, then in such case compute the pay for time worked on the first shift of the rearranged schedule at a rate of one and one-half ($1 \frac{1}{2}$) times his regular rate; this provision does not apply in cases of permanent promotion, demotion, resuming work after vacation, resuming a normal schedule after the change of schedule, or when schedule changes to suit the personal convenience of one or more team members are permitted; then

CALL-IN OR HOLDOVER PAY - Compute the pay for the time worked by him outside his schedule at the request of the

Company on a call-in or holdover at a rate of one and one-half (1 1/2) times his regular rate;

HOLIDAY - Except that, whenever a holiday occurs during the workweek, and he is required to work on said holiday, compute the pay for the time worked on the holiday up to and including the first eight (8) hours at a rate of one and one-half (1 1/2) times his regular rate, and the time worked on the holiday in excess of eight (8) hours at a rate of two and one-half (2 1/2) times his regular rate. (The holiday pay provided in Section 3-C-(1) below is not included in the computation hereunder.)

GRAVEYARD SHIFTS AND TIME WORKED ON SUNDAYS - Time worked on an 'graveyard' shift shall be paid in accordance with provisions listed in Article IV, Section 3 of the Working Agreement. The first eight hours worked on Sunday (when Sunday had been previously scheduled to be the first workday of the team member's workweek) will be paid at the team member's straight time hourly rate. In all other circumstances, time worked on Sunday will be paid at one and one-half (1 1/2) times the team member's hourly rate.

Written notification will be provided to team members prior to changing their work schedules.

B. Compensation for time worked by a team member during the workweek will be paid as follows:

(1) The team member will be paid the total amount computed under A(1) above,

except that if the total amount computed under A(2) above is greater, then he will be paid the amount computed under A(2) above.

(2) In addition, if the amount received by the team member under the foregoing provision is exceeded by the total amount computed under A(3) above, then the team member will receive the difference as extra pay.

C. Holiday

The team member will receive extra pay as hereinafter set forth. For the purpose of this Agreement, the following days are designed as holidays:

New Year's Day	Labor Day
President's Day	Thanksgiving Day
Good Friday	Friday After Thanksgiving Day
Memorial Day	Christmas Day
Independence Day	Special Holiday

When one of the foregoing calendar holidays falls on a Saturday or Sunday, then Friday instead of Saturday, and Monday instead of Sunday, respectively will be observed as the holiday under this Agreement. For rotating shift team members in the Operator and Technician lines of progression, the designated holiday will be observed on the calendar day on which it falls under this Agreement and the 'Special Holiday' will be Christmas Eve.

Special Holiday: Tuesday when Christmas falls on Monday or is observed on Monday, Thursday when Christmas falls on Friday or is observed on Friday, Monday when Christmas falls on Tuesday, Friday when Christmas falls on Thursday, and Tuesday, when Christmas falls on Wednesday. For those, outlined above, who observe the hol-

iday on the calendar day on which it falls, the Special Holiday will be observed on Monday when Christmas falls on Sunday, and Friday when Christmas falls on Saturday.

Holiday pay shall be as follows: Whenever a holiday occurs during a workweek, either on a regularly scheduled workday or a regularly scheduled off-day, and the team member is excused from working or is not required to work on said holiday, then he shall receive holiday pay equal to eight (8) hours multiplied by his straight time hourly base rate. Provided, that whenever a team member is available to work, but does not work on a holiday where either (1) he is scheduled to work on the holiday and is excused from working that day, or (2) he is not scheduled to work on the holiday (a scheduled off-day), then nevertheless said team member will be eligible for holiday pay in the event, but only in the event, he reports for work either on his last regularly scheduled working day immediately preceding the holiday or on his first regularly scheduled working day immediately following the holiday.

Provided further, that whenever a holiday occurs during a workweek on his regularly scheduled off-day, and the team member is absent on, but receives benefit payments under the 'Unavoidable Absence' or the 'Jury Duty-Witness in Court Proceedings' Benefit Plans for, either his last regularly scheduled working day immediately preceding the holiday or his first regularly scheduled working day immediately following the holiday, he shall be eligible for holiday pay. Whenever a holiday occurs during a workweek, either on a scheduled workday or a scheduled off-day, and the team member is

required to work and does work on said holiday, he shall receive holiday pay equal to eight (8) hours multiplied by his straight time hourly base rate. (The holiday pay provided hereunder is not included in the computation under 3-A (3) above.)

D. CALL-IN MINIMUM TIME OR PAY -

Whenever the team member is called into work outside his schedule and the Company fails to provide him as much as two (2) hours and forty (40) minutes work, then for that time not provided but necessary to total two (2) hours and forty (40) minutes, the team member shall receive pay at one and one-half (1 1/2) times the straight time hourly rate. It is understood that this provision does not apply in cases where the team member is held over beyond his scheduled quitting time, or where he is called in and works through to his scheduled starting time.

E. Shift Differential

Effective May 1, 2002, to straight time hourly rates, when applicable, will be added a seventy five (75) cent per hour differential for the evening shift, and a dollar fifty (\$1.50) per hour differential for the morning shift. For those team members working a 12-hour rotating shift, when applicable, a dollar thirty two (\$1.32) will be added to straight time hourly rates. Shift workers, as referenced in this section, are team members who work a regularly scheduled rotating shift assignment.

This shift differential will be applied as follows:

- (1) The shift differential will apply only to work actually performed. For example, shift differential will not be paid during vacations, holidays not worked, unavoid-

able absence, or for other hours not actually worked.

- (2) Shift workers who are required to perform work at hours other than those of their regularly scheduled shift shall be paid the shift differential applicable to the shift in which the work is performed.
 - (3) Shift workers working a split shift falling into more than one of the designated shifts shall be paid for the entire shift on the basis of the shift in which the greater portion of the time is worked. However, where the time is divided equally, the team member shall be paid the applicable shift rate for the number of hours worked in each shift.
 - (4) When regularly scheduled daylight workers are required to work beyond the daylight shift, or are requested by the Company to perform work in their classification outside their regular schedule, they shall be paid daylight rates. However, when regularly scheduled daylight workers are required to perform work for a full eight-hour period during the evening or early morning shifts, they shall be paid the shift differential applicable to the hours worked.
 - (5) When regularly scheduled daylight workers temporarily replace shift workers, they shall be paid shift differential on the same basis as shift workers.
- F. If a team member, other than a Yardman assigned to help in a craft, is assigned by his team leader to perform work in a higher paid classification, he shall be paid the rate of the higher classification for the time worked in said classification, to the nearest half hour, except when such work assignment is for training purposes. Minimum period of any upgrade shall be four (4) hours or until the end of the shift if less than four (4) hours. After the team member is

qualified on a specific job, he will not be required to do this job for training purposes to a degree above that required to maintain proficiency.

- G. If a team member is assigned temporarily by his team leader to perform work in a lower paid classification, no reduction in rate shall be made.
- H. No team member shall lose any scheduled time or pay, exclusive of shift differential, by reason of shift changes made at the request of the Company.
- I. A team member promoted to a higher job classification shall be paid at the rate of that classification (subject to applicable notes listed in 'Notes to Exhibits A & B'), beginning with the first full day of work, or beginning with the date of appointment to the higher classification if such date is prior to the first full day's work in that classification.
- J. Payment of compensation shall be made bi-weekly.
- K. A regular team member who is laid off for lack of work after one (1) year's service, shall receive layoff pay computed at his regular straight-time hourly rate as follows: One (1) week's pay for each full year of recognized service to a maximum of ten (10) week's pay for ten (10) years or more of recognized service.

Any team member who received the above layoff pay and who is rehired will be eligible for the above schedule of layoff pay benefits after he has completed one (1) year of continuous service from date of rehire.

Article V Seniority

1. During the first one-hundred eighty (180) days of employment at the Borger Refinery and NGL Center, all team members shall be considered as being on probation insofar as continued employment with the Company is concerned. During such probationary period, termination of employment shall not be the subject of the grievance procedure. Team members hired for a period of less than six (6) months duration, and for specific work such as irregular or extraordinary maintenance, shall not have re-employment rights as provided in the Agreement.
2. In determining seniority for purposes of this Agreement, service of three (3) kinds shall be considered:
 - A. **Company Seniority** shall be the length of service with the Company (Computed on the same basis as Company service awards).
 - B. **Plant Seniority** shall be the total length of service accumulated by a team member in the Borger Refinery and NGL Center. Plant seniority of team member transferred into or hired into the Bargaining Unit after the effective date of this Agreement shall be computed from the effective date of such transfer or hire.
 - C. **Classification Seniority** shall be that length of service in a job classification at the Borger Refinery and NGL Center on a permanent basis, as shown in Exhibit 'A', with the exception of a cross-bid, in which case job seniority shall become effective upon the date of acceptance of the cross-bid. Team members in higher classifications shall continue to accumulate job seniority in lower classifications.

3. Team members who are hired on the same day will have their relative plant seniority position established by lot. In cases where team members are transferring into the bargaining unit, where classification seniority is equal, plant seniority shall prevail. In the event plant seniority is equal, the team member with the greater Company service award entry date shall be considered the senior team member. In the event the service award entry date so mentioned above is equal, the relative seniority shall be determined by lot.
4. Time spent on an approved Civil Leave of Absence, up to one (1) year, shall be included in computing seniority. That period of time in excess of one (1) year which a team member spends on an Approved Leave of Absence will not be included when computing seniority.
5. A layoff of ninety (90) days or less shall not constitute an interruption in seniority.
6. A layoff of more than ninety (90) days, but less than two (2) years, shall constitute an interruption equal to the period of layoff, but shall not affect seniority accumulated up to the date of layoff.
7. A layoff in excess of two (2) years shall automatically terminate all prior seniority.
8. Discharge for cause or resignation shall automatically terminate all prior seniority.
9. Seniority rosters showing all regular team members who have seniority under the provision of this Agreement shall be revised at six (6) month intervals and copies of the revised lists shall be posted on the bulletin boards. During a thirty (30) day period following posting, team members hired or transferred into the unit since the previous posting may request investigation and

correction of their seniority, but not thereafter. Provided, however, that if the relative seniority status of any team member is shown differently on supplementary seniority rosters furnished the Union, then said team member shall have thirty (30) days within which to submit a complaint after the revised roster is received by the Union and posted, but shall not have said right thereafter.

10. In selection of team members for newly created jobs, qualified team members in equal or immediately subordinate job classifications shall be given consideration in order of their seniority.
11. Seniority as defined above, has no relation to, and should not be confused with a team member's Company service under the Company's security and benefit programs. Such Company service shall be determined by the provisions of the various security and benefit policies.
12. All job classifications and groupings of related jobs shall be in accordance with progression and retrogression chart hereto attached and marked Exhibit 'B'. Changes in or additions to job classifications as shown on said chart shall not be made except by mutual agreement of the parties.

Article VI Promotions, Demotions, Layoffs and Re-Employment

1. Promotion

- A. Promotion Criteria - The following criteria shall become applicable for promotion into the P&E Mechanic, Machinist, Instrumentman, Electrician, Welder and Laboratory Technician classifications:

A technical certification in the affected field

of expertise shall be a requirement for entry into the following classifications:

- P & E Mechanic
- Machinist
- Instrumentman
- Electrician
- Welder
- Laboratory Technician

During and after the implementation of this certification training, the following provisions shall apply:

- The length of training needed to obtain certification will vary depending on the specific field of expertise, however, no certification training established in any field of expertise shall exceed two years in length. Team members will be expected to complete certification training during non-working hours.
- Team members who have successfully completed the certification training for a specific field of expertise, shall enter the classification at 36-48 Month Rate', and shall be required to remain at that step level progression for a minimum of twelve months before progressing.
- Until such certification training is established and functioning, any job opening in the specific fields of expertise mentioned above shall be filled in accordance with provisions listed in Article VI, Section 1C of the Working Agreement. However, any team member awarded a job in one of these fields of expertise during this interim period will be required to successfully complete the respective certification training at the first opportunity that such certification

training becomes available and within two years of beginning such training. Failure to do so, will result in the affected team member being immediately demoted to the Yardman classification in accordance with the provisions listed in Article VI, Section 2A of the Working Agreement.

- Once a certification training program for a specific field of expertise has been established and is functioning, the Company will determine its possible future manpower needs in that specific field of expertise and post an Expression of Interest bid. The senior team member signing the expression of interest bid, provided that he has successfully completed the said certification training, shall be awarded the job at the time the Company determines a need to either add to or replace existing staffing levels.
 - In the event that after certification training for a specific field of expertise has been established and has been functioning for a period long enough to enable interested team members to complete certification training and no qualified bidders exist for a job opening, the Company shall have the right to fill the subject opening from inside or outside the bargaining unit by requiring the equivalent certification training or job experience.
- B. The Company shall provide, insofar as is practical, equal opportunity for all team members of comparable standing with a given job classification to learn the duties and responsibilities of the next job for which they are to become qualified. All team members will insofar as practicable instruct and assist lower classified and/or less experi-

- enced workmen in acquiring job knowledge.
- C. Job openings to be filled on the basis of job or plant seniority as shown on Exhibit B known to be of thirty (30) days or longer in duration, and provided no Team Member has represented rights thereto, will be filled by electronic posting of such jobs for a period of five (5) days (exclusive of Saturdays, Sundays, and Holidays) to enable eligible team members to advise the Personnel Office, electronically, of their desire for the job. As soon as practical after the closing of bids, the job opening shall be filled based on seniority, performance, and ability. In the event there are no qualified bidders on a posted job opening, such vacancy may be filled by the Company from any other available source, which includes forcing the junior team member out of the Yardman Classification. If the junior team member out of the Yardman Classification is forced to fill a vacancy he will be required to stay in the job he was forced into for a period of twelve months. After this twelve month period, he will be afforded the same bidding rights as if he were still a yardman. Seniority of team members thus obtained shall begin as of the date they enter the unit and job except as hereinafter provided for in Article V, Seniority. Team members legitimately absent and out of town or on vacation and who desire to bid must sign an Absentee Bidding Form upon which they may indicate the particular job classification or job classifications into which they would wish to bid in case a job opening in such classification or classifications were posted for bid during their absence. If a job opening in a classification so indicated is posted during their absence, the Personnel Department will place their names on the bid sheet as directed by the Absentee Bidding Form.

- D. The company shall have the right to establish the qualifications for any job classification or job assignment and to determine in each case whether an employee meets those qualifications. This determination may include the administration of job related written tests, oral tests, performance tests, and/or assessment screens. This also includes testing for certification and re-certification as deemed necessary by the Company. In establishing qualifications and determining if an employee meets those qualifications the Company shall not act in an unreasonable or arbitrary manner. The Company will continue the practice of soliciting input from Bargaining Unit maintenance and operations subject matter experts in the development of training material.

In promotion from the Yardman classification, plant seniority shall be the seniority factor considered; in promotion from higher classifications, job seniority shall be the seniority factor considered.

Job vacancies created by temporary assignment of personnel manual writing, line or vessel stenciling, special projects, etc., and known to be greater than thirty (30) days or more in duration will not be filled by posting and bidding the job, provided the personnel temporarily assigned outside of their normal responsibilities are available for assignment to their regular duties on short notice.

Team Members who promote or successfully bid into a classification will be required to remain in that classification for a minimum period of twelve (12) months before demoting.

- E. Any operation or maintenance team member, as of May 1, 2002, who has never held

a crossbid shall be afforded one lifetime crossbid right.

- F. If job seniority is equal, then job seniority in the next lower job classification shall be considered, and so on, in successive lower job classifications and in each instance job seniority is equal, then seniority in the plant shall be considered. If plant seniority is equal, then Company seniority shall be considered.
- G. A team member may decline promotion without loss of seniority rights within the job where he is classified. It is understood that if a senior qualified team member in a classification declines a temporary upgrade, the junior qualified team member or team members may be required to upgrade. A team member may decline upgrade or promotion by submitting a completed 'No-Progress Slip' to the Personnel Office. At such time when the team member again wishes to be considered for upgrade or promotion, he must submit, again to the Personnel Office, a 'Notification of Desire to Progress' form. Said team member will then be considered eligible for upgrade or promotion six (6) months from the effective date of officially notifying the Company of his desire to promote. In any classification in the Maintenance Division, other than the Yard group, a team member who fails to show suitable progress within a reasonable time or declines an opportunity to promote to a higher classification in his line of progression will be regressed from his current classification and cannot, thereafter, re-enter that line of progression.
- H. When work volume justifies, a temporary job opening will exist and will be filled, when any regularly scheduled team member

in any classification, other than Sub-Standard, Yardman, or Relief Breakers or an extra team member not filling a regular job fails to report for duty on such schedule; however, it is understood that the work volume on that shift may be such that no job opening will exist. In such case, where no job opening exists by reason of decreased work volume, the work will not be so distributed among the team members on shift so as to result in their being overworked.

- I. Job openings to be filled on a temporary basis will be filled in one of the following ways, but not necessarily in the order listed:
 1. By a regularly designated relief team member who is qualified to fill the opening or indirectly provide relief for the opening.
 2. By an extra team member who is qualified and on shift (this includes but is not limited to breakshift team members with an extra shift).
 3. By upgrade of a senior qualified available team member, except as provided in Article VI, Section 2-B.
 4. By hold-over and call-out of a team member in the same classification, if available, but if not available, then any qualified team member.
- J. Training shall be afforded to both incumbent and new members of all lines of progression. The training process shall be ongoing.
- K. Seniority in line of progression shall be carried into each step of progression. It shall be understood that a junior team member could qualify for the next higher step within the line of progression before the senior team member has become qualified for the same advancement. In such instance, the

senior team member shall move up to his rightful seniority position upon qualifying and advancing at the later date.

2. Demotion

- A. A team member who demotes at his own request or is demoted for incompetence may be required to remain in the job classification to which he demotes for a period of one hundred and twenty (120) days, except that, a team member who demotes at his own request to the Yardman classification shall not be eligible to bid on another job opening for six (6) months from date of said demotion. The demoted team member shall lose that job seniority accumulated by him in the higher job classification from which demoted, but not in lower classifications.
- B. A team member who is demoted for any reason other than incompetence, or other than at their own request, shall carry back to the lower classification through which he progressed all seniority acquired in the higher classification and shall have first consideration for re-promotion to the job classification from which he was demoted, unless and until he promotes or moves into another classification. Except in the case where the team member being demoted used a cross-bid or a technical certificate to take the job from which he is being demoted, that team member shall be returned to the classification from which he bid without loss of his cross-bid right.
- C. Demotions due to forced reduction shall be made on the basis of classification seniority and in accordance with the lines of progression and retrogression shown on Exhibit 'B'. A team member who is displaced from a job classification as a direct or indirect result of a forced reduction shall displace the team

member having the least job classification seniority, providing he is senior, in the next preceding job classification in a line of progression (Any such line which includes the classification from which he is demoting) for which he is qualified, if his seniority and qualifications will not permit, then he will displace in the same manner in preceding job classifications in a line of progression (Any such line which includes the classification from which he is demoting). Except that in the event of a reduction in force in either the Refinery or ARDS line of progression, team members who were in the Refinery line of progression as of August 1, 1987, may exercise their classification and section seniority as it existed prior to August 1, 1987, to 'bump' the junior team member in the Refinery or ARDS lines of progression.

- D. Any team member who fails to pass a written or performance test at any level within a classification shall be retested at a later date. If the team member fails the written or performance test on a second attempt, he shall be demoted to the Yardman classification effective the next day except in the case of a crossbid where a team member fails the Go-No/Go test, he shall be returned to the classification from which he crossbid, without loss of his crossbid right.

Team members who bid into a classification which requires a Go-No/Go test will retain their present rate of pay and continue to accrue seniority in the old classification while they complete the Go-No/Go testing process.

- E. A team member who bids out of or is demoted (For any reason other than forced reduction) from any classification in the

Maintenance Division other than the Yard classification shall not be allowed to re-enter that line of progression. A team member who is demoted for incompetency from any classification in the Operations Division shall not be allowed to re-enter that line of progression.

3. Layoff

- A. Layoffs for all team members shall be made on the basis of plant seniority, provided that a team member subject to layoff under this provision, who cannot be replaced by a qualified team member, will not be considered in applying this layoff provision.
- B. Eligibility for re-employment shall be determined on the same basis as for layoffs. For a period of two (2) years following layoff, said laid-off team members shall, in accordance with their seniority, be given preference in the matter of re-employment, provided they shall notify the Borger Complex Personnel Office in writing within ten (10) days after layoff and at least every ninety (90) days thereafter of their desire to be re-employed.
- C. In case of re-employment, such team member shall be notified in writing at their last known address in order of their seniority to report to work if able to pass a physical examination. In the event any team member so notified shall fail to report for work within ten (10) days of date of mailing such notice, such team member's seniority shall be terminated unless within ten (10) days he presents acceptable proof of inability to report.

No new team member shall permanently replace old team members laid-off until all team members so laid-off have been notified

and given opportunity to report for re-employment in accordance with the terms of this Agreement.

- D. Re-employment rights hereunder cease upon the laid-off team member's accepting employment (Other than on a temporary basis) with Phillips Petroleum Company or any of its subsidiaries.

4. Re-employment

- A. A team member who makes application for reinstatement from an approved Civil Leave of Absence of one (1) year or less will, if reinstated under the provisions of such plan, re-enter the same job which he was classified at the time of his leave of absence commenced, that is, provided that said job is still in existence at the time of his reinstatement and further provided that his seniority permits. If the same job does not exist or if his seniority does not permit him to re-enter the same job or remain in the same job classification, he will then demote or displace into the job classification to which his seniority entitles him. Said civil leave absentee shall be reinstated to employment (1) before new applicants are hired, that is, provided such absentee has complied with the provisions of the Civil Leave of Absence policy, and (2) subject to his satisfactorily passing a medical examination by the Company's physician. This section in no way prevents the Company's hiring new team members at any time before the team member's application for reinstatement is received by the Company.

If, under the provisions of the Civil Leave of Absence Plan, a team member is reinstated from an approved leave of absence which extends more than one (1) year, he will be reinstated in the entrance job classification,

that is, provided he had not made application within one year or less from date of commencement of such leave for immediate reinstatement in which event the foregoing paragraph would apply.

- B. The Company will provide the availability of family leave to all team members in the event of a birth or adoption of a child or the serious illness of a child, spouse or a parent. The leave will be without pay and will be granted for up to a maximum of twelve (12) weeks in a twelve (12) month period. A team member may request more than one family leave within a twelve (12) month period, but the total time on leave within that period may not exceed twelve (12) weeks. Credited service will accrue during the period covered by the family leave of absence. The leave will be granted with the understanding that the team member will be reinstated to the position held prior to the leave or to a comparable position. (In general, a team member who completes a period of leave will be returned either to the same position held prior to the leave or a position equivalent in pay and benefits).

In the event that family leave provisions as provided by corporate policy grant more than a maximum of twelve (12) weeks in a twelve (12) month period, the provisions of the corporate policy shall prevail.

Article VII

Settlement of Complaints and Grievances

Any complaint and/or difference of opinion which involves application or interpretation of terms of this Agreement shall be handled in the following manner:

1. The team member shall within five (5) days after

occurrence of the complaint, or within five (5) days after its occurrence became known to the team member, provided that the lack of such knowledge was due to no fault of the team member, present his complaint to his team leader. (For time limitation and procedure applicable to a discharge, disciplinary suspension, or layoff grievance, see Section 6 below). The team leader shall make his decision within five (5) days after presentation.

The team member may submit such complaint in writing, and in event he presents his complaint to his team leader in writing, signed by himself and the Chairman of the Workmen's Committee if available, or if not, by his steward, then the team leader will give his answer in writing.

2. Failing to reach a satisfactory understanding or adjustment with his team leader or appropriate team leader, he may within five (5) days thereafter, meet with the Administrative Manager or an alternate designated by the Company. The team member may be accompanied by his section steward or a member of the Workmen's Committee; however, it is understood that this procedure shall not interfere with the performance of work. Any team member requested to report to the office in connection with a complaint may be accompanied by a committeeman or steward, if he so desires. The Administrative Manager shall make his decision within five (5) days after presentation.
3. If the decision of the Administrative Manager or alternate is not acceptable to the team member, the team member may within five (5) days thereafter present the complaint to the Workmen's Committee. The Workmen's Committee, after receipt of such complaint, may present it to the Plant Manager at the next regular Workmen's Committee Meeting, or at a special called meeting, if in the opinion of the Company and the

Union the complaint is of such character to require earlier action.

4. The Plant Manager shall give his decision in writing within five (5) days after receipt of such complaint. The decision of the Complex Manager shall be final except that if the decision is not satisfactory and if the dispute involves the interpretation or application of this Agreement such dispute may be submitted to arbitration.
5. If the Union desires to take the matter to arbitration, it will so notify the Plant Manager within five (5) days from the date of his decision.

In such event, the parties will make a joint request to the Director of the Federal Mediation and Conciliation Service to furnish a list of five (5) arbitrators.

The Union and the Company will each, alternately strike a name from the list of arbitrators until the name of only one arbitrator remains on the list and he shall be the sole arbitrator to hear and decide the dispute. The arbitrator's decision shall be final and binding on the parties. The arbitrator may interpret the existing provisions of this Agreement and apply them to the specific facts of the dispute presented to him, but he shall, however, have no authority to add to, or subtract from, or modify the terms of this Agreement. Each party shall equally share the fees and expenses, if any, of the arbitrator.

6. A discharge or layoff grievance not presented in writing through the Workmen's Committee to the Plant Manager within seven (7) days after the discharge or layoff shall not be subject to consideration hereunder.
7. Lapsed time referenced in the text of all sections of this Article shall be exclusive of Saturdays, Sundays, and holidays.

8. Nothing in this Article shall prevent any team member from individually presenting complaints to the Management.

Article VIII

Security Plans and Benefits

1. All benefits arranged by the Company for its team members generally, shall be available to team members covered by this Agreement. The term 'Benefits' includes, among others:
 - A. Vacations
 - B. Comprehensive Medical Expense Plan
 - C. Unavoidable Absence and Jury Service Benefits
 - D. Group Life Insurance and Total Permanent Disability Benefits
 - E. Retirement Income Plan
 - F. Benefits under Military Absence Policy
 - G. Long Term Disability Insurance
 - H. Thrift Plan
 - I. Dental Assistance Plan
2. The Company shall make detailed information concerning the provisions of such benefits available to the team member through the Personnel Office and shall furnish the Union with one (1) copy of such benefit policies. The conditions, rules and regulations of such plans as may be established by the Company shall determine all questions arising thereunder.
3. Witness in Court Proceedings. A team member, who is required by court process to attend court proceedings in which he is not a principal nor has any financial interest involved, will be paid a benefit payment equal to the pay for the regular job classification, exclusive of shift differential, which he would have received for regularly scheduled hours had he not been required to appear as a witness.

Article IX Union Security

1. Upon proper authorization, the Company will deduct the Union dues and initiation fee of any team member covered by this Agreement from his wages and will remit to the proper officer of Local No. 351 such deducted dues. Proper authorization for this deduction shall be in the following form which states the conditions controlling this deduction:

Authorization for Deduction of Union Dues and Initiation Fee

I hereby authorize the ConocoPhillips, my employer _____ Department, to withhold two payroll deductions from my wages earned in each month the sum of which is equal to the regular monthly Union dues for the following month, and to remit this amount to the proper officer of the Local No. 351. This authorization shall continue in effect for the period of one year from the date hereof and for yearly periods thereafter until terminated by me by notice in writing to the Company at any time prior to any anniversary date hereof, such termination to be effective the first anniversary date hereof subsequent to the delivery of said notice. Provided further that I reserve the right to terminate this authorization, by notice in the aforementioned manner, at any time, with termination to be effective at the expiration of the then current existing agreement between the Union and the Company, or if no agreement is then in existence, then effective immediately upon delivery of said notices.

This authorization will not be null and void if I should be transferred from one unit to another unit represented by Local No. 351, but will be null and void if I am ever permanently assigned or transferred from my bargaining unit and not

to another bargaining unit represented by Local No. 351.

This authorization supersedes and cancels all previous authorizations for the deductions of Union dues from my wages.

Date of Authorization _____

Name _____

In addition to the advance monthly dues deduction above authorized, I also authorize for _____ interim month(s), double deduction of the regular monthly Union dues.

Date of Authorization _____

Name _____

It is understood that prior authorization of team members, to the extent permitted by the National Labor Relations Act (as amended) shall remain in effect in accordance with the term thereof.

The Company will cause to be posted, said posting to remain permanent for the duration of this Agreement, the following 'Notice to Team Members.'

NOTICE TO TEAM MEMBERS

It is the desire of the Management that all team members consider themselves co-workers and partners of Management in the mutual task of producing, that they bear in mind at all times the thought that their own welfare is closely associated to and dependent upon the welfare of the Company, that they strive with us for the ultimate in quantity and quality of production, that we mutually seek to eliminate all waste of energy and materials, and maintain the safest and best working conditions possible in this Complex.

The accomplishment of this end is depending on the fullest cooperation and understanding between Management and the team members. It is our desire that this cooperation and understanding exist at all times and that no misunderstanding or grievance, however small, go without consideration.

Management recognizes Local No. 351, International Union of Operating Engineers, as the exclusive Bargaining Agent for team members in matters of wages, hours, and conditions of employment.

The Union has pledged itself to adhere to the principles and strive for the goals set forth above. Management feels that the Union should have the cooperation and help of every team member in carrying out this program.

Therefore, it is the desire of Management that all team members lend their support and cooperation to the fullest accomplishment of this end. Membership in the Union will not bar nor hinder the progress of any team member.

COMPLEX MANAGER

Article X

Union Leave of Absence

If conditions permit, leaves of absence for the purpose of attending to Union business will be granted. Such leaves shall not exceed an accumulative total of more than sixty (60) days during any calendar year. Not more than a total of five (5) team members will be granted such leaves at any one time; provided that not more than one (1) team member shall be granted a leave from any one section at the same time. Such leaves of absence will be without pay, but shall not affect the status of team members with respect to seniority or service benefits.

Leave of Absence to Enter Employment of the Union

Upon thirty (30) days' notice and upon request of the President of Local 351, a leave of absence to enter employment of the Union shall be granted to a maximum of one (1) team member at any one time for a maximum period of one (1) year. This maximum period of one (1) year of leave may be extended with the Plant Manager's approval. Upon termination of employment with the Union, the team member shall be reinstated on the following conditions.

- A. The team member's physical qualifications shall not have appreciably decreased, as determined by a physical examination before and after the leave.
- B. (1) Seniority under Article V shall be accumulative during the leave of absence.
(2) Upon reinstatement under the provisions of this Article, the team member will re-enter the same job that he held at the time his leave of absence commenced, provided that job is still in existence at the time of his reinstatement, and further provided that his seniority permits. If the same job does not exist or if his seniority does not permit him to re-enter the same job, he will then enter the job to which his seniority would entitle him in the event he had been at work.
- C. With respect to Company service and benefits, said team members shall be awarded the same rights and privileges as are provided by a civil leave of absentee.
- D. Whether during or at the end of the leave of absence, team member must apply for reinstatement within five (5) days after termination of his employment with the Union, or he forfeits all rights under this Article.

Article XI

Negotiating and Workmen's Committee

1. Workmen's Committee

The Union shall create a Workmen's Committee composed of not more than eleven (11) total members. Membership shall be from various sections of the Complex and be distributed in such a manner so as to not interfere with the operations of the Complex during meetings.

The function of this committee shall include contract negotiations as well as meetings, discussing, and disposing of individual or mutual problems and questions under this Agreement.

Six (6) members of this Committee shall constitute a quorum and shall be empowered to transact business. Management shall be advised of the membership of the committee within thirty (30) days of the effective date of this Agreement. The Union shall promptly notify Management of any change in the Committee thereafter.

2. Management - Union Meetings

Representatives of Management shall meet with the Workmen's Committee at regular monthly intervals for discussion of individual or mutual problems and to dispose of questions arising under this Agreement. Controversies which do not involve the terms or application of this Agreement may be subject for discussion at any such meeting. The Company will compensate these members of the Workmen's Committee for regular scheduled hours from which they were excused to attend these meetings.

3. Union Stewards

The Company will recognize certain team members in all phases of operations in the Borger Refinery and NGL Center who shall be designated by the Union as Stewards whose duties as Steward shall be to represent the Union in mat-

ters pertaining to on-the-job relations between team members and Management. Such duties shall not interfere with the performance of work, unless approved by Management. The Union shall furnish to Management names of all team members designated as Stewards and shall notify Management of any change in such designation.

4. Conferences During Working Hours

Team members, with approval of the Plant Manager, may be permitted to confer during working hours with Management representatives or with representatives of the Union on matters relating to employer-employee relations without loss of scheduled time or pay. Time spent by team members in special Management requested conferences shall be considered as work performed.

5. Negotiations

When a meeting is arranged between the Union's and the Company's Negotiating Committees, the members of the Union's Negotiating Committee will, upon their request, be excused for all or a portion of their regular scheduled hours on the workday on which the meeting is held, in order to allow them to hold necessary conferences with their committee members and to attend the meeting. The Company will compensate these members of the Negotiating Committee for regular scheduled hours from which they were excused to attend these meetings.

Article XII
Miscellaneous and General

1. Non-Discrimination

Neither the Company nor the Union shall discriminate against any team member because of such team member's race, color, religion, age, sex, national origin, because he or she is disabled veteran of the Vietnam Era, or qualified

disabled individuals to the extent that those classes of persons are protected from discrimination by applicable law, nor against any team member because of membership or non-membership in a labor union.

Whenever the masculine gender is used in this Agreement and Exhibits, it also denotes the feminine gender.

2. Clothing

Team members required to perform work resulting in destruction of clothing by chemical action or other special cases shall be provided with suitable clothing.

3. Furnishing of Meals

A team member required to work more than two (2) hours past his regular quitting time will be supplied with a meal, and an additional meal will be supplied at six (6) hour intervals thereafter, as long as he is required to work continuously, or the team member has the option of taking \$7.00 in lieu of the meal. A team member called out to work four hours or more and who has not been given notice at least one (1) hour prior to the time he reports for work will be supplied with a meal within the first four-hour period he is required to work and at six-hour intervals thereafter as long as he is required to work. In the application of the above for four hours or more work on morning shift, a lunch will be supplied if notice of call-out has not been given prior to 9:30 p.m. A team member who works the early morning shift and who is held over to work the day shift (two consecutive shifts) will, at his request, be supplied with two meals during the day shift.

Where meals are supplied by the Company in situations outlined above, the team member shall be afforded an opportunity to eat the meal on Company time.

4. Union and Anti-Union Activity

Union and anti-Union activity which interferes with performance of job duties shall be subject to disciplinary action.

5. Team Members Leaving and Returning to Bargaining Unit

Any team member in a job classification within the Bargaining Unit, who is assigned to fill a temporary or permanent manpower requirement outside the Bargaining Unit, may return to his former job classification in the Bargaining Unit at any time within a one-year period from date of assignment, and be credited with all seniority as though he had remained in the unit.

The above referred to one-year limitation does not apply to a team member assigned from within the Bargaining Unit to a classification at a foreign project or to a team member who temporarily replaces a team member assigned to a foreign project (including Alaska, Hawaii and Puerto Rico). Such team member shall retain all rights outlined in the first paragraph of this Section 5 for the period of up to two (2) years from date of such assignment outside this Bargaining Unit with any extension subject to the approval of the Company and the Union.

6. Transfers for Reasons of Health

The Company agrees that where the health of any team member or the health of any member of his immediate family requires his removal from the place of his employment, it will give every consideration to his request for transfer, and attempt to arrange a suitable transfer.

7. Contract Work

The Company agrees that it will not contract normal routine maintenance work within Borger Refinery and NGL Center as long as Borger Refinery and NGL Center has the necessary equipment and men available to properly perform such work.

8. Additional Equipment

Any additional equipment, hereafter put into operation, which is to be operated by team members covered by this Bargaining Unit, shall be given definite organization status before selecting team members to fill jobs thus created. Before staffing the equipment, the Union will be notified of such organization status and should it have any objections, the Union and Management will meet and negotiate on wages, hours and other conditions of employment. Failure to resolve all such objections shall not preclude Management's placing the equipment in operation. In selection of team members for such newly created job classifications, qualified team members in equally or immediately subordinate job classifications shall be given preferential consideration in order of individual seniority.

In selecting team members from the operating areas, respectively, as a result of any newly created operating job requirements, by reason of a new unit, the following provisions will govern:

- (a) If the new unit, by its function, serves to replace equipment in an area (which equipment is to be shut down as a result thereof), or serves as an additional unit of similar type already in use in an area, or involves a type of operation peculiar to that of a particular area, then only the team members in that area will be considered in expanding the staffing in the applicable section to meet the additional job requirements.
- (b) In all other cases of units, the team members in the entire Borger Refinery and NGL Center, in the applicable sections, will be considered in expanding any necessary additional staffing.

9. Sub-Standard Classifications

A job classification has been established under

the nomenclature of 'Sub-Standard' at an hourly base rate equal to the top Yardman rate.

Team members will be placed in this classification by agreement between the Union and the Company and shall perform work within their limited capabilities. This classification is to be used for team members who become incapacitated permanently or temporarily and as a result are unable to handle their regular job, but are capable of performing the duties required of team members in the Sub-standard classification. In general, rules and requirements governing this classification are:

- A. The base rate of pay of the team member at time of entering this classification must be the equivalent to the top Yardman rate or more.
- B. He will accumulate seniority in his former job classification (and lower job classification) on the same basis and to the same extent as he would have if he had not been incapacitated.
- C. When he recovers from his disability, he must return to his former job or any lower job to which he may have been displaced, had he not been incapacitated. Provided that when he is returned from the Sub-standard classification, he will in no event displace a team member with greater job seniority.
- D. It is understood that the number of team members in these jobs and the duration of these jobs are dependent upon the work that can be allocated by agreement.
- E. Application to be reclassified into the Sub-standard classification must be made in writing on forms which may be obtained from the Personnel Office.

The Company and Union realize that the above requirements are not all inclusive and that additions and changes may be necessary due to peculiarities of certain cases.

10. Medical Arbitration

In the event of a dispute as to the physical or mental fitness of a team member to return to work at his regular job assignment or to continue to work at his regular job assignment, he may present the matter through the Workmen's Committee to the Complex Manager or his designated alternate. A board of two (2) accredited Doctors of Medicine shall be selected, one (1) by the employer, one (1) by the team member or the Union. In the event the two (2) accredited Doctors of Medicine so selected cannot reach agreement, then said two (2) accredited Doctors of Medicine shall select a third accredited Doctor of Medicine to serve on the board.

The decision of the majority of the board shall be final. The Company shall bear the expense of the accredited Doctor of Medicine of its choice and one-half (1/2) of the expense of accredited Doctor of Medicine chosen by the first two. The Union shall bear the expense of the team member's choice of accredited Doctor of Medicine and one-half (1/2) of the expense of the accredited Doctor of Medicine chosen by the first two.

11. Validity

If any provision of this Agreement shall be held invalid by any Governmental authority, such actions shall not invalidate the other provisions hereof.

12. Strikes and Lockouts

There shall be no work stoppages, slow-down or sit-down by the members of the Union or lockouts by the Management during the term of

this Agreement; provided, however, that if either party shall refuse to abide by a decision of the Arbitrator as provided in Article VII, this Section shall not be binding on the other party.

13. Payment of Moving and Transfer Expense

In all cases of transfers made at the request of the Company, the Company will arrange and pay the cost of transporting team member's household goods, and traveling expenses of himself and members of his immediate family; also, any team members being transferred shall be paid as though he had worked his regular schedule.

14. Technical Team Members

It is understood that, in using technical men for purposes of training, such practice shall not result in displacing or retarding any team member subject to this Agreement.

15. Team Leaders Doing Work

Team leaders shall not be permitted to perform work on any hourly rated job in the Bargaining Unit, except in the following types of situations:

- A. In emergencies
- B. In the instruction of team members
- C. In the performance of necessary work when production difficulties are encountered on the job.

16. Management Functions

The Union recognizes that managerial functions inherent in the conduct of business by an employer are retained by the Company subject to the terms of this agreement.

17. Bulletin Boards

The Union shall have the exclusive use of bulletin boards designated by the Company, and said boards shall be kept locked at all times and the keys retained by the Union.

The boards will be available for posting notices or bulletins pertaining to Union business of the team members, provided such notices and bul-

letins before posting shall be approved by the signature of the Chairman of the Workmen's Committee.

- 18. Providing Union With Information on Team Members Separated From the Bargaining Unit**
Each month the Company will furnish the Union a list of names of team members separated from the Bargaining Unit during the preceding month.

**Article XIII
Notices**

Notice herein provided may be given by depositing the same in the United States mail in a sealed envelope, registered, with return receipt requested, and postage paid and addressed by one party to the other as follows, or delivered personally one party to the other:

Local No. 351
International Union of Operating Engineers
AFL-CIO
111 East Coolidge
Borger, Texas 79007

ConocoPhillips
Borger Refinery and NGL Center
Box 271
Borger, Texas 79008-0271

IN WITNESS WHEREOF, the parties have executed this instrument this the 1st day of May, 2002.
CONOCOPHILLIPS

s/ J. N. Demos
s/ T. J. Rogers

LOCAL 351
INTERNATIONAL UNION OF
OPERATING ENGINEERS

s/ R. G. Griffin
s/ M. L. McKinney
s/ T. A. Overton

CLERICAL DIVISION

The following articles apply only to clerical team members of the Company's Borger Refinery and NGL Center.

Article XIV Hours of Work

1. No employee shall be required to take time off on his regular schedule to prevent working time in excess of eight (8) hours per day or forty (40) hours per week.
2. An employee, at his request, may be permitted to make up, at the discretion of Management, at his regular rate, on his days off within the established workweek, time lost on account of sickness or other reasons for which he has received no pay.

Article XV Compensation

UPGRADE

1. Temporary vacancies anticipated to be of three (3) or more days duration shall be filled by upgrade from qualified applicants in lower job groups not later than the second day of vacancy where work requirements demand; and the employee filling vacancy shall be paid the rate of the group in which the vacancy exists. This shall only apply to jobs normally filled by promotion. Temporary vacancies of indeterminate duration shall be filled by upgrade after second day of such vacancy where work requirements demand. If vacancy becomes of three (3) or more days duration, employees filling vacancy shall be paid, from first day worked in job, the rate of the group in which vacancy exists.

Additional Hours of Work

2. Additional hours of work shall be divided as

equally as possible among qualified employees within a work team. Overtime distribution that has been practiced in the past will continue to be applied in the future.

Article XVI Seniority

1. In computing the seniority of employees covered by this Agreement, service of two (2) kinds shall be considered:
 - A. Length of service with Company (Computed on the same basis as Company service awards) herein referred to as Company seniority.
 - B. Clerical seniority shall be the accumulated time spent in the Clerical Bargaining Unit.
2. ESTABLISHING SENIORITIES:
 - A. If clerical seniority is equal, the Company service shall prevail (SAED).
 - B. Employees who are hired on the same day will have their relative Company seniority position established by lot.
 - C. Transferees will have their relative seniority position established as provided in Article XVI, Sections 1 and 2.
3. A layoff of one (1) year or less shall not constitute an interruption in seniority.
4. A layoff of more than one (1) year, but less than two (2) years shall constitute an interruption equal to the period of layoff, but shall not affect seniority accumulated up to the date of layoff.
5. Layoffs in excess of two (2) years shall automatically terminate all prior seniority.
6. The Company, in administering the Vacation Policy, Article VIII, and in scheduling vacations thereunder, will consider the choice of the employees in the various sections of the Clerical Bargaining Unit in the order of their clerical seniority.

Article XVII
PROGRESSIONS, REPROGRESSIONS,
DEMOTIONS, LAYOFF AND RE-EMPLOYMENT

1. There will be one line of progression in the Clerical Bargaining Unit. Clerical classification seniority will be based solely on time spent in the Clerical Bargaining Unit.
2. The Clerical Bargaining Unit will be sub-divided into work teams that make up the Clerical Bargaining Unit line of progression.

CLERICAL WORK TEAMS

WAREHOUSE TEAM:

B.K. Alexander
J.D. Wood
M.T. Falcon

ENGINEERING & CRAFT TEAM:

C.R. Jones
M.D. Barton
A.S. Byrd

PRODUCTION/OIL ACCOUNTING TEAM:

L.A. Hutton
R.A. Walden
T.A. Overton
C.D. Williams
D.M. Brines

PLANNING TEAM:

M.R. Burks
M.S. Smith
C.L. Whittington
Y.G. Powell
A.D. Dennis

SHIPPING TEAM:

C.A. Baker
L.J. Gaskill

SOLVENTS TEAM:

C.L. Carpenter

S.R. Storm

3. All Team Members within a Work Team are eligible to perform any and all Bargaining Unit work that is a part of that Work Team's business process and will be assigned said work solely as determined by Management. Management agrees that it will not contract normal routine clerical work within the Borger Refinery as long as the Borger Refinery has the necessary equipment and clerical team members available to properly perform such work.
4. Management intends to utilize employees in the Clerical Bargaining Unit to the fullest of their abilities. Applicable job training will be offered to Clerical Bargaining Unit employees in order to promote the success of each employee and their work teams. The training process shall be ongoing.
5. Management will canvass for expression of interest when a vacancy exists in the Clerical Bargaining Unit and will take this into consideration when filling jobs, however Management retains the right of assignment when filling jobs. An employee not chosen to fill a vacancy after expressing an interest to do so shall be provided the basis for the decision. This will provide the employee the opportunity to acquire and/or improve the skills necessary for future opportunities. A Team Member shall be moved from one work team to another work team only if agreeable to both the work team member and management, except in the case of discontinuance of a job or force reduction as spelled out in item 8 below.
6. If it is necessary, by reason of discontinuance of a job or force reduction to reduce the number of employees in the Clerical Bargaining Unit, the following provisions shall apply:

- A. If a job opening exists, this vacancy shall be filled by the displaced employee. If more than one employee is displaced, the senior employee will fill the new job.
 - B. If no job opening exists, layoffs shall be made on the basis of clerical seniority beginning with the least senior employee in the Clerical Bargaining Unit line of progression.
7. Management may canvas for expression of interest when a need for additional clerical support on a particular team exists due to a temporary workload situation or for additional vacation relief. Management will take this expression of interest into consideration when choosing additional clerical support, however management retains the right of assignment when choosing this additional clerical support. An employee not chosen to provide additional clerical support after expressing an interest to do so shall be provided the basis for the decision. This will provide the employee the opportunity to acquire and/or improve the skills necessary for future opportunities. An employee will be selected to provide additional clerical support for a team other than his/her own only if agreeable to both the Work Team Member and Management.
8. **NEW CLASSIFICATIONS.** Any new job classifications created either as a result of additional work or by consolidation of existing jobs and which are to be filled by employees covered by this Bargaining Unit shall be given definite organization status before selecting employees to fill jobs thus created. Before filling such jobs, the Union will be notified of such organization status and should it have any objections, the Union and Management will meet and negotiate on wages, hours and other conditions of employment. Failure to resolve such objections shall not preclude the Company's filling the jobs. Selection of employees to fill such newly created job classifications shall be in accordance with the applicable provisions for filling job vacancies.

EXHIBIT "A" WAGE RATES

Adjusted Base Rate (ABR): Base Rate x .878 = ABR

OPERATIONS DIVISION

Progression	HOURLY RATE			
	2002 BR	2003 BR	2004 BR	2005BR
Stillman				
Over 12 Months	25.43	26.32	27.29	28.38
0 - 12 Months	25.09	25.97	26.93	28.01
Operator				
Over 36 Months	23.70	24.53	25.44	26.46
24 - 36 Months	23.02	23.83	24.71	25.70
12 - 24 Months	20.78	21.51	22.31	23.20
0 - 12 Months	18.51	19.16	19.87	20.67
Steam Generator Operator				
Over 12 Months	25.43	26.32	27.29	28.38
0 - 12 Months	25.09	25.97	26.93	28.01
Boiler Fireman				
Over 36 Months	23.70	24.53	25.44	26.46
24 - 36 Months	23.02	23.83	24.71	25.70
12 - 24 Months	20.78	21.51	22.31	23.20
0 - 12 Months	18.51	19.16	19.87	20.67
Stock & Blending Operator				
Over 12 Months	25.43	26.32	27.29	28.38
0 - 12 Months	25.09	25.97	26.93	28.01
Gauger Switcher				
Over 12 Months	23.70	24.53	25.44	26.46
0 - 12 Months	22.99	23.79	24.67	25.66
Waste Treater Operator				
Over 12 Months	22.68	23.47	24.34	25.31
6 - 12 Months	20.58	21.30	22.09	22.97
0 - 6 Months	18.51	19.16	19.87	20.66
Shipping Dispatcher				
Over 12 Months	24.91	25.78	26.73	27.80
0 - 12 Months	24.24	25.09	26.02	27.06
Shipper				
Over 48 Months	23.70	24.53	25.44	26.46
36 - 48 Months	22.68	23.47	24.34	25.31
24 - 36 Months (8 Mos & Qual.)	22.05	22.82	23.67	24.62
12 - 24 Months (8 mos & Qual.)	20.58	21.30	22.09	22.97
0 - 12 Months (8 mos & Qual.)	18.51	19.16	19.87	20.67
Laboratory Technician				
Over 48 Months	24.00	24.84	25.76	26.79
36 - 48 Months	22.62	23.41	24.28	25.25
24 - 36 Months	21.24	21.98	22.79	23.70
12 - 24 Months	19.86	20.56	21.32	22.17
0 - 12 Months	18.51	19.16	19.87	20.67
Tester Helper				
Over 24 Months	21.19	21.93	22.74	23.65
12 - 24 Months	20.09	20.79	21.56	22.42
0 - 12 Months	18.51	19.16	19.87	20.66

MAINTENANCE DIVISION

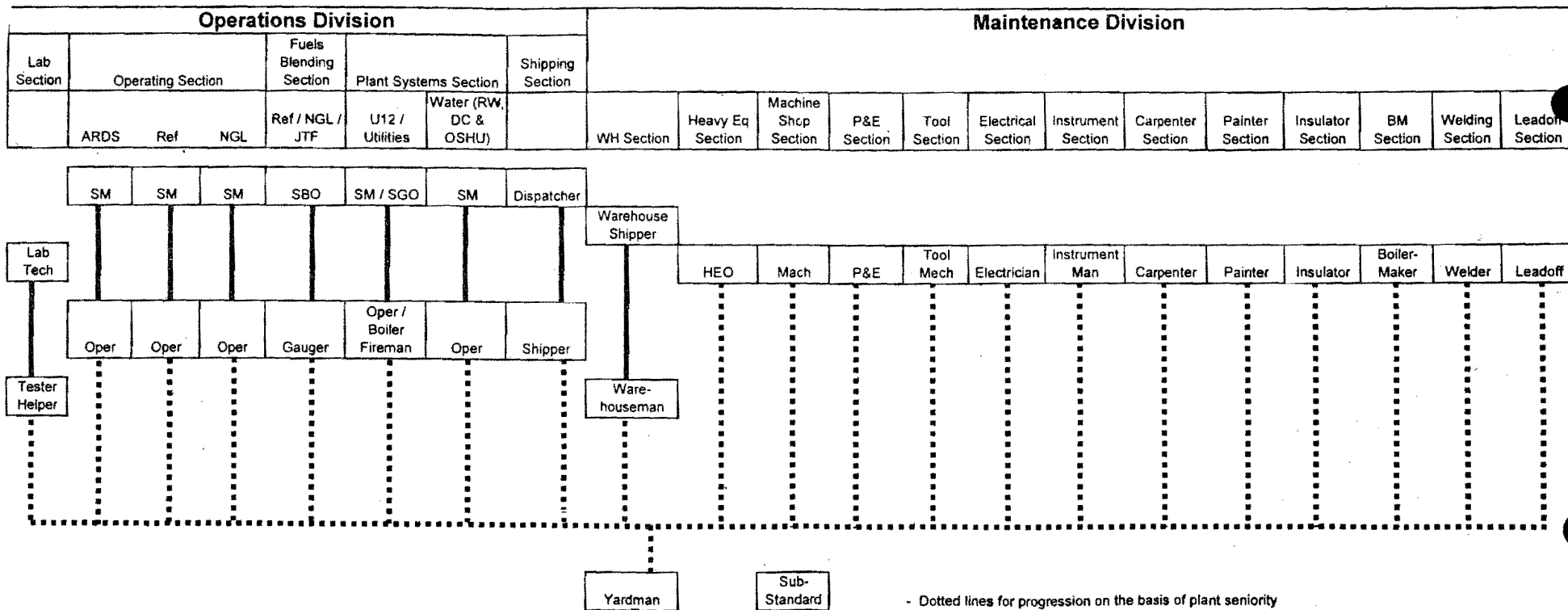
Machinist, Mechanics, Electricians, Welders, Instrumentmen, Boilermakers, Carpenters,
Insulators, Painters, Heavy Equipment Operators and Leadoffs

Progression	HOURLY RATE			
	2002 BR	2003 BR	2004 BR	2005BR
Over 48 Months	24.74	25.61	26.56	27.62
36 - 48 Months	23.70	24.53	25.44	26.46
(8 Mos. & Qualify) 24 - 36 Months ...	23.36	24.18	25.08	26.08
(8 Mos. & Qualify) 12 - 24 Months ...	20.67	21.39	22.18	23.07
(8 Mos. & Qualify) 0 - 12 Months	18.51	19.16	19.87	20.67
Warehouseman Shipper	24.91	25.78	26.73	27.80
Warehouseman				
Over 48 Months	23.25	24.06	24.95	25.95
36 - 48 Months	22.68	23.47	24.34	25.31
(8 Mos. & Qualify) 24 - 36 Months ...	22.05	22.82	23.66	24.61
(8 Mos. & Qualify) 12 - 24 Months ...	20.58	21.30	22.09	22.97
0 - 12 Months	18.51	19.16	19.87	20.67
Yardman				
Over 18 Months	16.76	17.35	17.99	18.71
9 - 18 Months	15.31	15.85	16.44	17.10
0 - 9 Months	13.22	13.68	14.19	14.76

CLERICAL DIVISION

Clerks				
Over 120 Months	23.31	24.13	25.02	26.02
96-120 Months	19.73	20.42	21.18	22.03
72-96 Months	18.27	18.91	19.61	20.39
48-72 Months	16.90	17.49	18.14	18.87
24-48 Months	15.16	15.69	16.27	16.92
0-24 Months	13.44	13.91	14.42	15.00

Exhibit 'B'
Borger Refinery and NGL Center
Job Classification Progression and Regression Chart
Effective May 1, 2002



- Dotted lines for progression on the basis of plant seniority
- Solid lines for progression on basis of classification seniority
- See "Notes to Exhibits A & B" for further details regarding progression and regression

Exhibit 'C'

In order to facilitate the performance of these tasks, the Company has the right to establish, add, or change shifts or schedules of work and assign employees in accordance with work requirements. In making changes in schedules, shifts, and assignments the Company shall not act in an unreasonable or arbitrary manner.

Employees will not be required to perform a task list duty until they have received training on the task duty. Task Duties List for all Classifications in the Operations and Maintenance Divisions Excluding the Lab Section.

- | | |
|---------------------------------------|---|
| • Basic Rigging | Perform basic rigging |
| • Blinding | Install / remove blinds (within the limitations of basic rigging practices) (larger than 8" requires formal pre-job planning) |
| • Exchangers | Blind / un-head and head-up / test exchangers (within the limitations of basic rigging practices) (larger than 8" requires formal pre-job planning) |
| • Filters | Replace filters |
| • Flanges, Gaskets & | BoltingPart / make-up flanges (within the limitations of basic rigging practices) (larger than 8" requires formal pre-job planning) |
| • Fresh Air | Change out air bottles |
| • Bottle Station | Clean / repair / replace gauge glasses per procedures |
| • Gauge Glasses | Remove / install gear boxes |
| • Gear Reducers | Assist lead workers on any task |
| • Helping hands to anyone on any task | Repair / remove / install pre-formed insulation and associated pre-formed sheet metal on lines of 12" diameter or less |
| • Insulation | Change out light bulbs, reflectors, damaged and/or missing globes and guards on lights |
| • Lighting | Lubricate equipment |
| • Lubrication | Paint |
| • Painting | Remove / install /or repair piping |
| • Piping & Fittings | |

- | | |
|---------------------------------------|--|
| | and fittings (within the limitations of basic rigging practices) (larger than 8" requires formal pre-job planning) |
| • Powered Industrial Mobile Equipment | Operate JLG / Drott / Forklift |
| • Pumps | Remove / install Pumps (couple & uncouple / mechanics & electricians perform alignment / install & remove volute blinds / remove & reinstall probes - within the limitations of basic rigging practices) |
| • Safety Valves / Rupture Disks | Remove / install safety valves and rupture disks 2" or smaller |
| • Scaffold | Inspect or dismantle scaffolding (dismantling restricted to one tier or 6' in height) |
| • Steam Tracing | Install / remove / repair steam tracing |
| • Steam Trap | Test / install / remove / repair steam traps |
| • TRM Inspections / Repairs | Perform TRM Inspections / repairs per checklist/s |
| • Tubing | Remove / repair / install tubing and tubing fittings |
| • UPS | PM / Troubleshoot |
| • Valves | Pull & install valves / replace bushings / replace wheel / replace wheel nut (within the limitations of basic rigging practices) |

NOTES TO EXHIBITS A AND B FOR BORGER REFINERY & NGL CBA

1. Time spent in the plant, up to a maximum of 18 months will be credited toward meeting the time progression requirements in the Operator and Boilerfireman classification.
2. Time spent in the plant, up to a maximum of eighteen months will be credited toward meeting time progression requirements in the Waste Treater Operator classification.

3. All regression will be in accordance with the lines of progression shown on Exhibit "B", except that team members in the Operations Division may, in the event of a forced reduction, regress back through the classifications from which they have progressed, however:

- Team members who are forced from the Yard into the Tester Helper classification shall be eligible, as long as they remain in the Tester Helper classification, to bid directly into the ARDS, Refinery, or NGL lines of progression. However, team members progressing into one of these lines of progression from the Tester Helper classification shall not be able to regress, in the event of a forced reduction, etc., back through the Tester Helper classification.
- Team members in the Tester Helper classification prior to August 15, 1993 shall, as long as they remain in the Tester Helper classification, have a right to bid directly into the ARDS, Refinery, or NGL lines of progression. However, these employees shall not be able to regress, in the event of a forced reduction, etc., back through the Tester Helper classification.
- Team members in the Fuels Blending Section line of progression, who are affected by a reduction in force, may only regress back down the side from which they progressed within that line of progression (Refinery or NGL).

4. It is understood that certain non-routine tasks shall be performed by both Chemists and bargaining unit technicians, however, in no instance shall the performance of those tasks by non-bargaining unit personnel directly result in the elimination of a bargaining unit job.

5. Job classifications within the Fuels Blending line of progression may be assigned work in either the Refinery or NGL side. Job vacancies that occur on the NGL side in this line of progression will be bid separately from the Refinery side and vice versa and will be filled by the senior qualified bidder.
6. Pantex Water System Operator vacancies shall be considered preferential jobs and will be filled from the Plant Systems Water line of progression.
7. Time spent in the Yard up to a maximum of 12 months will be credited toward meeting the time progression requirements in the Leadoff classification.
8. Qualifications as a Crane Operator must be successfully completed prior to progressing beyond the 24-36 month step progression level in the Heavy Equipment Operator classification.
9. Craftsmen will be assigned work they can capably perform unless the assignment is for training purposes.
10. Wage rate progression within a classification is based upon time spent in that classification unless otherwise noted. Written and/or performance tests, where designated, shall be required in addition to time for progression within a classification.
11. A team member bidding into a Craftsman, Heavy Equipment Operator, Warehouse, or Shipper classification will be required to pass a Go-No/Go test at the end of the first two weeks and will later be required to pass a written or performance test before entering the 12-24 months, 24-36 months or 36-48 months progression level. A team member who bids into the Tester Helper Classification will be required to pass a Go-No/Go test at the end of the first two weeks.

12. Upon successfully completing the 36-48 month qualification test in a Craftsman, Heavy Equipment Operator, Warehouseman, or Shipper classification, the team member must remain at this level for twelve (12) months before progressing to the Over 48 month rate.
13. The option of when a team member elects to qualify for the next step level of progression shall be the team member's when practical, as long as the timing is within the maximum of the particular level, however, the team member must remain at a specific step level the minimum time period specified before progressing to the next level.
14. Utilization of the Yardman-Student classification shall be limited to one hundred twenty (120) calendar days per year.
15. C. A. Baker will continue at current wage rate and will receive all future applicable contractual increases.

Entered into this 1st day of May, 2002.

Local 351
International Union of Operating
Engineers, AFL-CIO

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

ConocoPhillips
Borger Refinery & NGL Center

Supplement to Agreement of Stipulation Job Security

Under date of January 13, 1967, the parties entered into a stipulation regarding job security. Said stipulation was initially effective only during the term of the then current Working Agreement dated January 13, 1967, but has since been continued in effect from its original effective date by supplements providing its effectiveness during the terms of each new Working Agreement that the parties have negotiated since January 13, 1967.

The latest Working Agreement between the parties dated May 1, 1996, is effective through April 30, 1999.

It is the desire of the parties to provide for the continued effectiveness of said stipulation during the term of the new Working Agreement. Accordingly, through execution of this instrument, said stipulation as specified below will be continued from its initial effective date until termination of the Working Agreement dated this date:

THIS STIPULATION made and entered into this 13th day of January 1967, by and between Phillips Petroleum Company (Hereinafter called the 'Company') and International Union of Operating Engineers, Local No. 351, AFL-CIO of Borger, Texas (Hereinafter called the 'Union') shall be effective during the term of the Working Agreement executed by the parties hereto on the 13th day of January, 1967, covering all Operations and Maintenance team members at the Company's Borger Refinery and NGL Process Center as described in the Working Agreement.

WITNESSETH:

Stability of employment is a common aim of the Company, the Union and of team members. The Company agrees to work toward increased job security through manpower planning, transfer of surplus manpower, early retirements and such other means as may be practical under the circumstances existing at the time a problem occurs. The Company assures you that it

desires to accomplish future technological improvements and new installations without layoff of present personnel of the bargaining unit.

The Union hereby agrees that, in order to enable the Company to make every effort to provide maximum employment consistent with the needs of the enterprise, and within the meaning of this stipulation, it will cooperate in eliminating inefficient work practices to the extent that the Company may more efficiently and economically utilize the work forces.

The parties hereto are parties to a Working Agreement dated January 13, 1967. If, during the term of said Working Agreement, the Company determines it is necessary, despite the joint efforts of the parties, to reduce forces by a layoff of any team member in the bargaining unit described therein, because of lack of work (Except where the team members to be laid off are seasonal, temporary or where such layoff is occasioned by disaster such as fires, floods, earthquakes, hurricanes, tornadoes, and atomic attacks), the Company will notify the Union as far as practicable in advance but not less than sixty (60) days of the impending layoff and of the reason for the lay-off.

If, after full consideration of all factors involved, the Union is not in agreement with the necessity for the layoff and if the parties are unable to arrive at a satisfactory alternate course of action, the Union may serve a sixty (60) day written notice of its desire to terminate the Working Agreement, but this must be done not later than thirty (30) days after the date of any layoff. Said Working Agreement will terminate at the expiration of the sixty (60) day period unless the Union withdraws its notice prior thereto.

IN WITNESSETH WHEREOF the parties have executed the continuation of this Stipulation May 1, 1996.

PHILLIPS PETROLEUM COMPANY

s/ D. K. Walsh

s/ P. C. Stynes

LOCAL 351, INTERNATIONAL UNION OF
OPERATING ENGINEERS, AFL-CIO

s/ J. N. Hopkins
s/ K. W. Savage

s/ G. P. Cantrell
s/ R. D. Holland

The Company and Union agree for the duration of the Agreement with Local 351, International Union of Operating Engineers, no employee represented by the union will be subject to involuntary layoff, except for decreases in the level of operation caused by a sale of operating units, complete or partial plant closure, a merger or joint venture resulting in a change of managerial control or an act of God.

Entered into this 1st day of May, 2002

CONOCOPHILLIPS

s/ J. N. Demos
s/ T. J. Rogers

LOCAL 351, INTERNATIONAL UNION OF
OPERATING ENGINEERS, AFL-CIO

s/ R. G. Griffin
s/ M. L. McKinney
s/ T. A. Overton

Supplement to Agreement of Stipulation Wage Retention

This stipulation made and entered into this 1st day of May, 1993, by and between Phillips Petroleum Company, Borger SBU/Complex, hereafter referred to as 'Company' and Local 351, International Union of Operating Engineers, hereafter referred to as 'Union' will remain in effect through April 30, 2006.

WITNESSETH:

For the term of this Working Agreement, the wage rate of a regular, full-time team member who, through no fault of his own, is demoted to a lower paid classification than the one to which he has been assigned for a period of one hundred twenty (120) consecutive calendar days or more will, while in the lower paid classification, continue to receive the wage rate of the higher paid classification for a period of eighteen (18) consecutive weeks from the date of displacement.

A team member with fifteen (15) or more years of seniority in this bargaining unit will receive the higher rate for eighteen (18) weeks plus an additional one (1) week for each completed year beyond fifteen years of seniority in this bargaining unit subject to the following provisions:

1. A team member being so demoted must demote to the highest job classification in his line of regression to retain the rate. If there is no line of regression, the team member must demote to the highest paid job classification available, for which he is qualified, to retain the rate.
2. Retention of rates will not apply to a team member demoted as a result of his own request or demotion for incompetency.
3. The Company shall have the right to temporarily assign a team member on rate retention to any job for which he is qualified irrespective of the provisions of the Working Agreement so long as this does not disturb or violate the seniority

rights of a regular team member above the entry classification.

4. The foregoing provisions do not apply to a team member whose services are terminated for any reason, including among others, layoff for lack of work or being on leave.
5. The foregoing provisions do not apply to a team member who is demoted due to return of a senior team member from Military Leave of Absence, Union Leave of Absence, Civil Leave, Family Leave or Inactive Employee Status.
6. Said 'wage rate retention' shall cease if the team member declines an opportunity to upgrade or promote to a job in the line of progression in which he was displaced which pays a rate equal to, or greater than, the rate he is then being paid.

IN WITNESS WHEREOF, the parties have affixed their signatures to this Stipulation the day and year first above written.

PHILLIPS PETROLEUM COMPANY

s/ D. K. Walsh

s/ P. C. Stynes

LOCAL 351, INTERNATIONAL UNION OF
OPERATING ENGINEERS

s/ J. N. Hopkins

s/ G. P. Cantrell

s/ K. W. Savage

s/ R. D. Holland

Entered into this 1st day of May, 2002

CONOCOPHILLIPS

s/ J. N. Demos

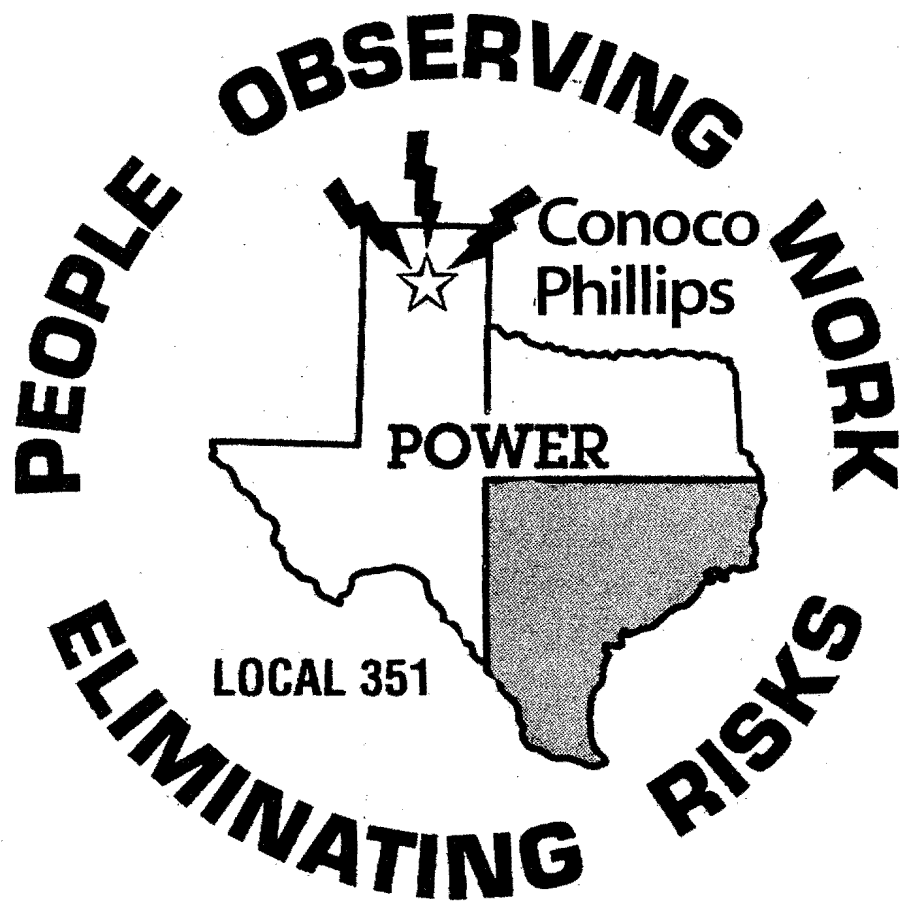
s/ T. J. Rogers

LOCAL 351, INTERNATIONAL UNION OF
OPERATING ENGINEERS

s/ R. G. Griffin

s/ M. L. McKinney

s/ T. A. Overton



12 Hour Schedule

Introduction

In order to provide direction for the achievement of the objective, an eight part **Statement of Requirements for the 12-Hour Shift** was adopted by the Committee, as follows:

1. Must include provisions to ensure effective staffing of vacancies, both scheduled and unscheduled (such as short term UAB and emergency vacancies with short notice). Such staffing shall not require increased administrative time to implement.
2. Must include provisions to ensure effective staffing for shutdowns, start up and other critical periods without requiring employees to work without adequate time-off intervals.
3. Must include provisions to ensure accomplishment of all training objectives without requiring an increase in the Complex's overall staffing level or payroll expenses.
4. Must NOT cause an increase or decrease in overall payroll expense, including, but not limited to, regular wages, overtime costs, benefits costs or vacation expense. The system will be designed to maintain payroll expenses at the current level. That is, shift workers annual incomes will not increase or decrease as a direct result of the shift change. Future wage increase will be based on the current Base Wage Rate (see definitions on page 3).
5. Must NOT cause an increase or decrease in overall manpower. The system will be designed to maintain manpower staffing at the current level. That is, shift worker

staffing will not increase or decrease as a direct result of the shift change.

6. Must maintain, or improve, our current effectiveness of job related communications between departments (i.e. between Operations, Maintenance, Produce Control and others), employees and supervisors, across shifts, etc. Effective continuity of operations must be safely maintained.
7. Must maintain, or improve, our current levels of equipment monitoring and preventative maintenance (i.e. cannot decrease number of Operators "rounds" or other preventative duties).
8. Once the Committee finalizes a system that satisfies the above requirements, that system will be recommended to the Refinery Manager for approval. Once approved, the system may be implemented for the remainder of the 1993 scheduling year and will be on a trial basis. The system will be evaluated at the end of 1993, and assuming there are no safety or vacancy filling problems, the trial period will continue from January 1, 1994 through December 31, 1994. A bargaining unit vote will be conducted in September, 1994 to determine if shift workers will continue the 12-hour shift beyond the 1994 calendar year. The Workmen's Committee will notify Management of the results of this vote. Please note that the trial period may be terminated at any time if serious problems arise. Failure of the system to meet the stated requirements may result in modifications to the system or reversion to an eight (8) hour (7-7-6) shift system.

PAY PRACTICES

Hours

The proposed twelve (12) hour shift schedule includes adjusting the hourly wage rate of the employees working the twelve (12) hour shift schedule. The hourly wage rates are adjusted so that we can maintain each employee's gross annual compensation on the twelve (12) hour shift schedule as nearly as possible to that of the eight (8) hour shift schedule.

In order to adjust the wages, we must first calculate the total work hours per day for each employee under both schedules.

On the twelve hour shift, an employee on a four week cycled works 2 four day weeks and 2 three day weeks. Each day consists of 8 straight time hours and 4 overtime hours. For the 4 week cycled, an employee will work 168 hours and be paid the equivalent of 196 straight time hours.

$$\begin{aligned} &\{2 (4 \text{ day/weeks}) + 2 (3 \text{ day/weeks})\} \times 8 \text{ straight time} \\ &\quad = 112 \\ &\{2 (4 \text{ day/weeks}) + 2 (3 \text{ day/weeks})\} \times 4 \text{ overtime} \\ &\text{hours} \times 1.5 \quad = 84 \\ &\text{Total hours (straight time)} \\ &\quad = 196 \end{aligned}$$

On the old 8 hour shift, an employee on a 4 week cycle works 40 hours a week with 2 hours overtime. This is a total of 168 hours worked during the four week cycle and the employee will be paid the equivalent of 172 straight time hours.

$$\begin{aligned} 40 \text{ straight time hours} \times 4 \text{ weeks} &= 160 \\ 8 \text{ overtime hours} \times 1.5 &= 12 \\ \text{Total hours (straight time)} &= 172 \end{aligned}$$

Therefore, we get 172 straight time hours on the 8 hour shift divided by 196 straight time hours on the

12 hour shift, which equals .878. This .878 figure then becomes an important multiplier we can use to help maintain current rates of pay once a 12 hour shift is implemented.

The Adjusted Base Rate (ABR) is calculated as follows:

Base Wage Rate (BWR) x .878 = Adjusted Base Rate (ABR)

About the "ABR":

The adjusted base rate (ABR) will be applied as a method to prevent a significant increase in overall payroll expensed due to conversion to a 12 hour shift system. The ABR is not intended to reduce future wage increase or benefits status applicable to ConocoPhillips employees. It is also not intended to reduce rate of pay for unscheduled overtime worked.

Any future wage adjustment will be applied to the 8 hour Base Wage Rate (BWR). Following any applicable wage increase, the newly calculated BWR's will be adjusted by the .878 multiplier to determine a new Adjusted Base Rate (ABR).

Definitions:

1. **BASE WAGE RATE (BWR):** Rate paid under the eight hour shift schedule. All future wage adjustments will be calculated at this rate.
2. **ADJUSTED BASE RATE (ABR):** Rate paid under the 12 hour shift schedule (.878 of the present BWR). The adjusted base rate is the rate paid for regularly scheduled work hours on the 12 hours schedule.
3. **REGULAR DAYS PAY:** A regular day's pay under the 12 hours shift concept is equivalent to 14 straight time hours times the ABR. The first eight hours are at 8 x ABR plus applicable shift differential. Four

hours are at $4 \times 1.5 \times \text{ABR}$ plus applicable shift differential.

4. **SCHEDULED OVERTIME:** Overtime hours worked on your regular schedule. Under the 12 hour shift schedule, 8 hours of each day are straight time and 4 hour are overtime. The 4 hours of overtime will be paid at 1.5 times ABR plus applicable shift differential. This overtime is termed Scheduled Overtime.

Example of a day on the 12 Hour Shift:

Straight Time

$8 \text{ hours} \times \text{ABR} = 8 \text{ hours straight pay}$

Scheduled Overtime

$4 \text{ hours} \times \text{ABR} \times 1.5 = 4 \text{ hours scheduled overtime pay}$

The total of these two figures add up to a days pay on the 12 hour shift.

5. **Unscheduled Overtime:** Under the 12 hour shift schedule those hours actually worked in excess of twelve hours in any workday or in excess of the hours in an employee's regular scheduled work week are considered Unscheduled Overtime. Unscheduled Overtime will be paid at the rate of $1.71 \times \text{ABR}$ plus applicable shift differential.

Example of Unscheduled Overtime Pay

Calculation:

8 Hour Shift

$12 \text{ Hours} \times 1.5 \times \text{BWR} =$

12 Hour Shift

$12 \text{ Hours} \times 1.71 \times \text{ABR} =$

6. **Shift Schedule:**

Days: 6:00AM to 6:00PM (first shift of the day)

Nights: 6:00PM to 6:00AM (second shift of the day)

7. **Workday:**

6:00AM Monday to 6:00AM Tuesday.

8. **Work Week:**

6:00AM Monday to 6:00AM the following Monday.

9. **Shift Differential:**

On the 12-hour schedule a shift differential of \$1.50 per hour is paid for all hours worked from 6:00PM to 6:00AM.

Example of Shift Differential Calculations:

4 Wk Period	Shift Differential	Days on Shift	Hours Spent on the Shift	Equivalent Straight Time Hours	Total Shift Differential
6:00AM-6:00PM	\$0.00	7	56 Straight Time/28 Overtime	56/42	\$0.00
6:00PM-6:00AM	\$1.50	7	56 Straight Time/28 Overtime	56/42	\$84.00/\$63.00
Total		14	168	196	\$147.00

The following chart shows the four week repeating 12 hour shift schedule:

Week	Mon	Tues	Wed	Thur	Fri	Sat	Sun	Hours
1	D	D	D	D	Off	Off	Off	48
2	Off	Off	Off	Off	N	N	N	36
3	N	Off	Off	Off	D	D	D	48
4	Off	N	N	N	Off	Off	Off	36

Other rules relevant to the 12-Hour Schedule:

Voting on Election Days

A regular rotating shift employee working the day shift (6:00AM to 6:00PM) on election days may wish to arrange to vote by absentee ballot. Time off will not be approved for voting.

Holdovers

Since there will be an attempt to keep holdovers to a minimum, required training and other meeting may be scheduled on prorated days. There will be some cases where employees may be required to holdover beyond 12 hours, such as when arranging

reflect.

Overtime Meals

A meal allowance will not be provided to regular rotating shift workers or to workers "On Reserve" who are called out during the time they are obligated to be available for call out unless they are required to work more than fourteen (14) continuous hours. All other overtime call-outs will be provided a meal allowance according the current working agreement.

Jury Duty

In the event an absence occurs the day rate of pay will apply. To calculate payment for one day the following formula will apply.

$ABR \times 1.14 = \text{Rate of pay while on jury duty}$

This multiplier is necessary to prevent a loss of income due to the fact that Jury Duty hours are not paid at an overtime rate.

An employee scheduled for Night shift and who has received notice to report for Jury Duty the next day will not be required to work that Night and will receive Jury Duty pay for the missed shift.

When an employee's last day of Jury Duty ends on or before noon and he/she is scheduled to work the Night shift, he/she should report to work at the normal, scheduled time.

Employees must give notification as soon as possible when required to serve Jury Duty and such service will cause him/her to miss scheduled work time. This notification will be required on a day-to-day basis.

Attendance

There will be no change in the UAB policy as it relates to the time allowed for UAB per years of service. However, when applying for payment for absences under the UAB policy, a doctor's signature will be required after missing 36 consecutive work

hours. Employee missing more the 40 consecutive work hours must have a doctor's release to be eligible to return to work. Absences will be charged on the basis of hours; that is, twelve (12) hours of UAB will be paid for a shift not worked due to an illness that qualifies for payment under the UAB policy. Pay will be calculated at $ABR \times 1.14 \times \text{hours eligible}$ per the UAB policy.

Notification of absences is required as soon as possible to allow Scheduling and Supervision time to make arrangement to staff the shift.

Routine doctor's appointments, dental appointments and other personal business must be scheduled on employee's days off. Except for emergencies, personal business leaves may not be approved

Employees on Reserve

To help insure that coverage will be available in case of unexpected absences (UAB, vacations, leaves, etc.) it is necessary that an "On Reserve" system be established. The On Reserve scheduling will be completed on Saturday prior to the workweek based on volunteers and the assignment of employees with low overtime. Low overtime will be computed through the pay period preceding the completion of the On Reserve list.

Volunteering for Overtime

Each unit, as defined by departmental supervision, will provide an "On Reserve" volunteer roster prior to the beginning of each workweek. The roster will enable qualified employees to volunteer for any overtime that may come up during that workweek. Those volunteering may be assigned to work any job for which they are qualified.

Adequate Coverage Ratios

Prorating employees, excluding those on the seven (7) day long change, will be placed on the "On Reserve" list in the following manner. Those employees on odd and even numbered schedules will alternate being "On Reserve" during the 28 day

cycle. Those employees on odd numbered schedules will be "On Reserve" during the first 28 day cycle; those on even numbered schedules will be "On Reserve" during the next 28 day period and so on.

Calling Out

Employees who are "On Reserve" are required to be available to report to work during the period from one hour prior to the beginning of the scheduled shift to 30 minutes following the beginning of the scheduled shift. If the employee is not contacted during this period, he/she is released from the obligation to be available for call out. It is each employee's responsibility to insure appropriate plant personnel have his/her current contact phone number

Staffing Priority

It is recognized that temporary vacancies will be staffed with employees who are available to work without overtime (i.e., vacation breakers and other available employees) prior to implementing the "On Reserve" system.

When the "On Reserve" system is implemented, the following procedure will be utilized to fill vacancies with qualified personnel.

1. Volunteer – on line (person working that job) lowest year-to-date overtime.
 - (a) A vacation breaker is considered "on line" on a specific job during the week (Monday through Sunday) when the breaker is running a vacation on that job.
1. Volunteer – on line within classification by lowest year-to-date overtime.
2. Any available qualified source.
3. Force from those required to be "On Reserve" by lowest year-to-date overtime.

UAB Pay Practices

In the event an absence occurs the day rate of pay will apply. To calculate UAB payment for one day the following formula will apply:

$$\text{ABR} \times 1.14 \times 12 \text{ hours} = \text{UAB pay at day rate of pay}$$

The 1.14 multiplier is necessary to prevent a loss of income due to the fact that UAB hours are not paid at an overtime rate.

Vacation Pay

Under the old eight (8) hour shift schedule, a two week vacation is ten regularly scheduled work days or eighty (80) hours plus 5% for the 42 hour work week or eighty four (84) hours, and is paid at the Base Wage Rate. Under the twelve hour shift, vacation time is no longer referred to in terms of days but rather in terms of hours.

Years of Service	Weeks	Days	Off	Hours
1-4 Years	2	7	84	84
5-9 Years	3	10.5	126	126
10-19 Years	4	14	168	168
20-29 Years	5	17.5	210	210
30 Years	6	21	252	252

Employees with 5-9 or 20-29 years will receive 6 hours of pay in lieu of vacation at the base wage rate at the end of the year or may take 6 hours vacation plus 6 hours without pay for one day.

As can be seen, earnings remain approximately the same for vacations even though the number of vacation days decrease under the 12-hour schedule.

Vacation Picking

Vacations will be selected by the workweek, Monday through Sunday; however, the employee's vacation may extend into the following week if the days are available. If the selecting employee has three (3) vacation days remaining, consecutive workdays must be selected.

Vacation Breakers

Vacation Breakers will be assigned to a shift in those areas agreed to by Management. Where an extra Vacation Breaker exists, the extra breaker will be assigned by Management to work on units to help balance the workload.

Vacation Breakers will be paid at the unscheduled overtime rate for all hours in excess of 84 hours during a two week pay period.

All Vacation Breakers on the 12-hour schedule will be paid the unscheduled overtime rate for the first twelve hours of a schedule change without forty-eight (48) hours notice.

Holiday Pay

Under the old eight (8) hour schedule, a holiday premium of eight (8) hours pay is paid for each of the ten (10) holidays throughout the work year, whether or not the employee works on the holiday. Hours worked on a holiday are paid at one and one-half (1.5) times the regular rate of pay. Under the twelve (12) hour schedule, a holiday premium of 9.1 hours pay is at the Adjusted Base Rate (ABR) for each of the ten (10) holidays. Hours worked on a regular work day and on the shifts designated as the holiday will be paid at $1.71 \times \text{ABR}$ and with shift differential for Nights worked. Employees not scheduled to work on the designated holiday will receive 9.1 hours pay at the ABR.

Holiday Pay:

$1.71 \times 12 \text{ hours} \times \text{ABR} = \text{Holiday Worked}$

$9.1 \times \text{ABR} = \text{Holiday Not Worked}$

Unscheduled Overtime (Holiday)

A multiplier of $1.71 \times \text{ABR}$ will be applied to unscheduled overtime. In the event an employee works in excess of twelve (12) hours on a holiday, a multiplier of $2.85 \times \text{ABR}$ will be applied to those excess hours.

Footnotes:

1. Wage increases will be applied to the Base Wage Rate (BWR). Adjusted Base Rates ABR) will be calculated using the .878 multiplier.
2. In the event the 12-hour schedule is canceled and employees return to an 8-hour 7-7-6 schedule, payroll rules will revert to the Base Wage Rate (BWR) applicable prior to the implementation of the 12-hour schedule.
3. Any Company benefits which are calculated on benefits base rates will be calculated on the BWR. Benefits on gross pay will continue to be calculated on gross pay.

MEMORANDUM OF UNDERSTANDING

Forced Reduction

It is agreed between Phillips Petroleum Company, Borger Complex and Local 351, International Union of Operating Engineers, AFL-CIO, that in the event of a force reduction affected employees will be allowed, after the Union has been officially notified by the Company of the planned reduction, to bid as "eligible bidders" on posted job openings as opposed to waiting until the actual force reduction occurs before becoming eligible to bid on posted job openings. Affected employees who have cross-bid rights will not forfeit their right when bidding under these circumstances.

Entered into this 17th day of December, 1996.

Local 351 International Union of
Operating Engineers, AFL-CIO

/s/James L. Logan
/s/Jerry L. Winegar
/s/John A. Stark
/s/Gary D. Blakely
/s/Randy Griffin
/s/K.W. Savage
/s/J.N. Hopkins
/s/D.T. Phelps
/s/Kurt Overton
/s/W.C. Prock
/s/Johnny Gayton
/s/Mark L. McKinney
/s/Roger Holland

Phillips Petroleum Company
Borger Complex
/s/D.K. Walsh
/s/W.M. Turk

MEMORANDUM OF UNDERSTANDING 10 HOUR SHIFT/SHIPPING

It is agreed between Phillips Petroleum Company, Borger Refinery/NGL Center and Local 351, International Union of Operating Engineers, AFL-CIO to amend the Working Agreement as follows:

- Two 10-hr shift schedules will be created, 7:00 a.m to 5 00 p m and 10:00 a m. to 8:00 p m. - Monday through Thursday Employees working the 10:00 a.m. to 8:00 p.m. schedule will receive evening shift differential for all hours worked. Hours worked outside established work schedule or in excess of ten hours per day will be paid at 1.65 X ABR.
- Employees working either of these two 10-hr schedules will be paid the following adjusted base rate and will be eligible for all contractual wage increases:

Over 48 Months	\$18.76
36 - 48 Months.....	\$17.92
24 - 36 Months.....	\$17.40
12 - 24 Months.....	\$16.20
0- 12 Months.....	\$14.49
- Holiday Pay - Under the eight (8) hour schedule, a holiday premium of eight (8) hours pay is paid for each of the ten (10) holidays throughout the work year, whether or not the employee works on the holiday. Hours worked on a holiday are paid at one and one-half (1.5) times the regular rate of pay. Under the ten (10) hour schedule a holiday premium of 8.8 hours pay is at the

Adjusted Base Rate for each of the ten (10) holidays Hours worked on a regular work day and on the shifts designated as the holiday will be paid at 1.65 X ABR Employees not scheduled to work on the designated holiday will receive 8.8 hours pay at the ABR. In the event an employee works in excess of 10 hours on a holiday, a multiplier of 2.75 X ABR will be applied to those excess hours.

- Employees working either of these two 10-hr schedules will be eligible for an overtime meal after working more than twelve continuous hours.
- This Memorandum of Understanding replaces the temporary Memorandum of Understanding altering Shippers work hours dated July 22, 1997.

Entered into this 23rd day of June, 1998.

Local 351 International Union
of Operating Engineers, AFL-CIO

/s/James L. Logan

/s/John A. Stark

/s/D. T. Phelps

/s/Lake Ellis, Jr.

/s/J. R. Frick

/s/Jerry N. Demos

/s/Gary D. Blakely

/s/Randy Griffin

/s/Roger Holland

Phillips Petroleum Company
Borger Refinery/NGL Center

/s/M. Turk

MEMORANDUM OF UNDERSTANDING Blender Classification Change

It is agreed between Phillips Petroleum Company, Borger Refinery/NGL Center and Local 351 International Union of Operating Engineers, AFL-CIO that the following memorandum of understanding shall amend the Working Agreement in the following manner

1. The Blender Classification in the Stock and Blending Section will be combined with the Stock 8 Blending Operator Classification in the Stock and Blending Section. The Blender Classification will no longer exist. Staffing levels in the Stock and Blending Section will not be affected as a result of this memorandum.
2. Team members currently in the Blender Classification will enter the bottom of the Stock & Blending Operator Classification below the current Stock 8 Blending Operators and their seniority will be based on their current classification seniority.
3. For pay purposes, G. B. Diamond, D. T. Phelps, M. D. Brittain, D. C. Richardson, D. K. Willis, R. G. Woods, and W. D. Cole will enter the Stock & Blending Operator Classification at the over 12 month rate. These pay increases go into effect on 6-22-98. For pay purposes, W. M. Chowins, G. R. Holt and J. C. Ray will enter the Stock & Blending Operator Classification at the 0-12 month rate and will receive the over 12 month rate on the one year anniversary date of their Blender classification seniority.

ty date. J. A Cunningham will receive the over 12 month SBO rate effective the day this memorandum is signed.

4. Management retains the right of assignment within the Stock & Blending Operator Classification.

Entered into this 23rd day of June, 1998

Local 351 International Union
of Operating Engineers, AFL-CIO
/s/James L. Logan
/s/D.T. Phelps
/s/J.R. Frick
/s/Gary D. Blakely
/s/Randy Griffin
/s/John A. Stark
/s/Roger Holland

Phillips Petroleum Company
Borger Refinery/NGL Center
/s/W.M. Turk
/s/Lake Ellis
/s/Jerry N. Demos

MEMORANDUM OF UNDERSTANDING

Accounts Payable Clerical Work Agreement

It is agreed between Phillips Petroleum Company, Borger Refinery/NGL Center and Local 351, International Union of Operating Engineers, AFL-CIO that the following memorandum of understanding shall be followed with respect to the Accounts Payable Clerical Bargaining Unit Work.

1. The following functions were moved to Bartlesville effective October 1, 1999.
 - Invoice payment
 - With reference to purchase order
 - Without reference to purchase order
 - Payments to contractors
 - Vendor set-ups in SAP
 - Handle vendor inquiries
 - The function to audit contractor invoices, setting up service orders, and service order receipts in SAP will remain in Borger. This work will remain with the Clerical Bargaining Unit.
2. If any of the above mentioned work is ever returned to the Borger Refinery, the work will be assigned to the Clerical Bargaining Unit.
3. No Clerical Bargaining Unit employee will suffer a negative impact on wages and there will be no further reduction in jobs as a direct result of this memorandum of understanding.

Entered into this 10th day of February, 2000

Local 351 International Union
of Operating Engineers, AFL-CIO

/s/Londa Deen

/s/Marie T. Falcon

/s/Donna Hunter

/s/Terri Overton

/s/Randy Griffin

Phillips Petroleum Company
Borger Refinery/NGL Center

/s/T.G. Zeni

/s/M.L. Commons

**MEMORANDUM OF
UNDERSTANDING AND AGREEMENT
O&M & Clerical Merge**

Following good faith negotiations, Phillips Petroleum Company, Borger Refinery/NGL Center ("Phillips") and Local 351, International Union of Operating Engineers, AFL-CIO ("Union") understand and agree as follows:

1. The Operating and Maintenance (O & M) collective bargaining unit and the Clerical collective bargaining unit, both represented by Union, shall be combined into one collective bargaining unit to be known as the Operating, Maintenance, and Clerical collective bargaining Unit.
2. The Union shall create an Operating, Maintenance, and Clerical Workers Committee ("Workers Committee") composed of not more than eleven (11) total members. The Committee shall consist of ten (10) members of the current O & M Committee and one member from the current Clerical Committee.
3. The functions of the Worker, Committee shall include contract negotiating as well as meeting, discussing, and resolving individual or mutual problems and questions under the O & M Working Agreement and the Clerical Working Agreement.
4. The current O & M Working Agreement, Clerical Working Agreement, and any existing O & M or Clerical Memorandums of Understanding will continue in effect until

expiration or replacement by successor agreement(s).

5. The Clerical representative on the Workers Committee or any Union designated Clerical stewards will conduct business with respect to existing or future clerical grievances or complaints.
6. The O & M representatives on the Workers Committee or any Union designated O & M stewards will conduct business with respect to existing or future O & M grievances or complaints.
7. Existing Lines of Progression in both the O & M and Clerical Working Agreements will remain in effect No crossing of Lines of Progression between O & M team members and Clerical team members will be allowed.
8. No employee in the O & M or Clerical bargaining unit will suffer a negative impact on wages and there will be no reduction in jobs as a direct result of this combination of bargaining units

Agreed to this 19th day of December, 2000

Local 351 International Union
of Operating Engineers, AFL-CIO
/s/Randy Griffin
/s/John A. Stark
/s/Kurt Overton
/s/Walter C. Prock
/s/J.R. Frick
/s/Brent Herbolsheimer
/s/Terri Overton
/s/Mark W. Briscoe

/s/Bob Pogue

Phillips Petroleum Company

Borger Refinery/NGL Center

/s/Frankie Wood-Black

/s/William H. Mills

/s/Jerry N. Demos

/s/Thomas G. Zeni

/s/Jay Hawley

/s/Ken L. Kemtke

MEMORANDUM OF UNDERSTANDING

Lab Technician Vacancies

It is agreed between Phillips Petroleum Company, 8Borger Refinery/NGL Center (Company) and Local 351, International Union of Operating Engineers, AFL-CIO (Union) that the following guidelines shall be utilized in filling Technician vacancies in the laboratory.

1. Technician vacancies in the laboratory will be filled by allowing technicians currently in the laboratory to indicate their interest in moving from their current assignment to fill the vacancy. End opening vacancies will be filled per the CBA.
2. Technicians will indicate their desire to move to a different job in the lab by signing up, in advance, on a sign-up sheet. In order to be considered for a particular vacancy, the technician's name must already be on the sign-up sheet. Once a vacancy is declared, a lab technician's name must be on the sign-up sheet to be considered.
3. Filling of vacancies in this manner will be done by seniority. When a technician position becomes vacant, the Company will use the sign-up sheet to identify the most senior technician who has expressed the desire for the position. The Company will contact the technician to make sure the technician is still interested. The technician will then sign an acceptance form. If the most senior technician is no longer interested, he/she will not be required to take the job. In this case, the Company will go

to the next most senior technician who has indicated an interest in the particular job position.

4. Once a technician has signed a job acceptance form for a vacancy, the above mentioned technician is not eligible for any other vacancy for a twelve month period beginning the day the technician signs the job acceptance form, except if the vacancy the technician is interested in moving to is a preferred job.
5. Effective the day this memorandum is signed by both parties, an additional member will be added to the Workmen's Committee bringing the total number of members to eleven (11).

Agreed to this 21st day of August, 2001

Local 351 International Union
of Operating Engineers, AFL-CIO
/s/Mark McKinney
/s/Londa Deen
/s/J.R. Frick
/s/John A. Stark
/s/James L. Logan, Sr.
/s/Randy Griffin
/s/Kurt Overton
/s/Brent Helbolsheimer
/s/A.C. Sanchez
/s/Bob Pogue
/s/Mark W. Br

Phillips Petrol
Dorger Refiner
/s/Jo Ann Was
Jerry N. Demo:

**MEMORANDUM OF UNDERSTANDING
AND AGREEMENT**

Successor Letter of Understanding

Following good faith negotiations, Phillips Petroleum Company, Borger Refinery/NGL Center ("Phillips") and Local 351, International Union Of Operating Engineers, AFL-CIO ("Union") understand and agree to the following:

The Successor Letter of Understanding at facilities where it is now applicable and as agreed to by the parties in December of 1997 will continue in effect for the term of this contract effective May 1, 2002. This Successorship Letter of Understanding is clarified as follows:

This Successor Letter of Understanding would be applicable to the sale of a refinery where the seller retained (1) terminal operations such as tank farms or loading racks and wharf facilities, (2) lubricants base oil manufacturing or packaging and blending operations, (3) co-generation plants, (4) wastewater treatment facilities, (5) coke handling facilities, or other stand-alone assets of a similar nature and scope. However, this understanding does not create a separate successorship obligation with respect to facilities retained or sold separately to another entity, or the sale of such auxiliary facilities where there is no sale of a refinery

Agreed to this 30th day of April, 2002.

Local 351 International Union
of Operating Engineers, AFL-CIO
/s/Mark McKinney
/s/Kurt Overton

/s/Bob Pogue
/s/J.R. Frick
/s/A.C. Sanchez
/s/Brent Herbolsheimer
/s/James L. Logan, Sr.
/s/John A. Stark
/s/Walter Prock
/s/Mark W. Briscoe
/s/Terri Overton
/s/Randy Griffin

Phillips Petroleum Company
Borger Refinery/NGL Center
/s/Jerry N. Demos
/s/Jay Hawley
/s/Terrie Rogers
/s/W.H. Mills
/s/Tom Zeni
/s/Chris Lehecka
/s/Craig Letz
/s/Phil G. Williams
/s/Tedie West

**Memorandum of Understanding and Agreement
Merger Phillips & Conoco – Successorship**

Following good faith negotiations, Phillips Petroleum Company, Borger Refinery/NGL Center ("Phillips") and Local 351, International Union of Operating Engineers, AFL-CIO ("Union") understand and agree to the following:

Based upon the present facts and circumstances surrounding the announced merger of Phillips and Conoco, the Company and the Union agree that the terms and conditions of the Successorship Letter of Understanding, including provisions relating to benefits, shall be applicable upon the close of the merger.

Agreed to this 30th day of April, 2002.

Local 351 International Union
of Operating Engineers, AFL-CIO
/s/Mark McKinney
/s/Kurt Overton
/s/Bob Pogue
/s/J.R. Frick
/s/A.C. Sanchez
/s/Brent Herbolsheimer
/s/James L. Logan, Sr.
/s/John A. Stark
/s/Walter Prock
/s/Mark W. Briscoe
/s/Terri Overton
/s/Randy Griffin

Phillips Petroleum Company
Borger Refinery/NGL Center
/s/Jerry N. Demos

/s/Jay Hawley
/s/Terrie Rogers
/s/W.H. Mills
/s/Tom Zeni
/s/Chris Lehecka
/s/Craig Letz
/s/Phil G. Williams
/s/Tedie West

Memorandum of Understanding and Agreement Personal Incentive Program (PIP)

Following good faith negotiations, Phillips Petroleum Company, Borger Refinery/NGL Center ("Phillips") and Local 351, International Union of Operating Engineers, AFL-CIO ("Union") understand and agree to the following:

The Company has exercised its discretion to permit the employees in the bargaining unit represented by Local 351, International Union of Operating Engineers, AFL-CIO, to participate in the Company's Performance Incentive Program (also known as PIP).

1. The Union acknowledges that the represented employees shall participate in the PIP, subject to the terms of the Program. Payout eligibility under the PIP Plan shall begin with awards earned in 2002. Bargaining Unit employees shall not participate in the Individual Performance Pool and shall not be eligible for awards thereunder.
2. In consideration of and as a condition of participation in PIP, the Union agrees that the annual award under PIP shall be reduced in each of the next three years as follows:

If actual PIP Payout is 0 - 5% Reduction	No
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If actual PIP Payout is 6 - 9% Reduction	1%
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If actual PIP Payout is equal to or greater
than 10% 2%
Reduction

3. Under no circumstances will the reduction for bargaining unit employees exceed 4% over a three-year period.
4. The Union agrees that the Bargaining Unit employees' participation in, and the awards granted under PIP are within the sole discretion of the Company and that Bargaining Unit employees shall participate or not in the PIP in accordance with the provisions of the Program (excluding the individual performance pool), as determined by the Company. The Company may unilaterally terminate, suspend, change or amend the PIP and any such action shall not constitute a mandatory subject of bargaining or trigger a bargaining obligation on the part of the Company.

The Union hereby expressly waives any right that it may have to require the Company to bargain collectively over any aspect of PIP, including but not limited to, its design, implementation, administration, amendment or termination. All conditions, rules and regulations of PIP, as unilaterally established by the Company shall determine all questions and claims arising thereunder and such questions or claims are not subject to grievance or arbitration. The Program is subject to such governmental approval, financial arrangements and description, in Program texts, as the Company deems necessary or desirable.

5. In the event PIP is eliminated by the Company during the term of the Agreement, the Company shall confer upon the Bargaining Unit employees any term or condition that is conferred upon non-exempt, nonrepresented employees (excluding any individual performance award) as a direct result of the termination of PIP.

Agreed to this 30th day of April, 2002.

Local 351 International Union
of Operating Engineers, AFL-CIO

/s/Mark McKinney
/s/Kurt Overton
/s/Bob Pogue
/s/J.R. Frick
/s/A.C. Sanchez
/s/Brent Herbolsheimer
/s/James L. Logan, Sr.
/s/John A. Stark
/s/Walter Prock
/s/Mark W. Briscoe
/s/Terri Overton
/s/Randy Griffin

Phillips Petroleum Company
Borger Refinery/NGL Center

/s/Jerry N. Demos
/s/Jay Hawley
/s/Terrie Rogers
/s/W.H. Mills
/s/Tom Zeni
/s/Chris Lehecka
/s/Craig Letz
/s/Phil G. Williams
/s/Tedie West

Memorandum of Understanding and Agreement Substance Abuse Policy

Following good faith negotiations, Phillips Petroleum Company, Borger Refinery/NGL Center ("Phillips") and Local 351, International Union of Operating Engineers, AFL-CIO ("Union") understand and agree to the following:

1. Phillips and the Union agree to replace the current Policy Relating to Alcohol, Drugs, Chemicals and Substances in The Workforce and Workplace dated May 1, 1990 with the Substance Abuse Policy dated April 1, 2002.
2. All team members represented by Local 351, International Union of Operating Engineers at the Borger Refinery and NGL Center will be subject to post-rehabilitation testing without prior notice for a three-year period after returning to work under the one-time "return to work" option following participation in an approved substance rehabilitation program.

If at any time during or after the post-rehabilitation testing period an employee is substance tested for any reason and the test is positive, employment will be terminated.

Agreed to this 30th day of April, 2002.

Local 351 International Union
of Operating Engineers, AFL-CIO
/s/Mark McKinney

/s/Kurt Overton
/s/Bob Pogue
/s/J.R. Frick
/s/A.C. Sanchez
/s/Brent Herbolsheimer
/s/James L. Logan, Sr.
/s/John A. Stark
/s/Walter Prock
/s/Mark W. Briscoe
/s/Terri Overton
/s/Randy Griffin

Phillips Petroleum Company
Borger Refinery/NGL Center
/s/Jerry N. Demos
/s/Jay Hawley
/s/Terrie Rogers
/s/W.H. Mills
/s/Tom Zeni
/s/Chris Lehecka
/s/Craig Letz
/s/Phil G. Williams
/s/Tedie West

Memorandum of Understanding and Agreement Warehouseman/Shipper

Following good faith negotiations, Phillips Petroleum Company, Borger Refinery/NGL Center ("Phillips") and Local 351, International Union of Operating Engineers, AFL-CIO ("Union") understand and agree to the following:

1. A new classification shall be created in the Warehouse Section of the Maintenance Division. The new classification of Warehouseman/Shipper shall be paid at same hourly rate as the Shipping Dispatcher. This new classification shall receive all contractual wage increases.
2. The Warehouseman/Shipper's duties shall include, but not be limited to, all hazardous shipping functions that occur in the warehouse and all other Warehouseman duties. A Warehouseman's duties shall include, but not be limited to, non-hazardous shipping functions and all other Warehouseman duties.
3. This new classification shall be filled by the senior qualified bidder in the warehouse LOP.
4. When the Warehouseman/Shipper is on vacation or on UAB, the job shall be filled by the next qualified senior person. That person shall receive Warehouseman/Shipper wages when covering a vacation or UAB for the regular Warehouseman/Shipper.

5. Overtime to be worked in the warehouse for hazardous shipping duties shall be first offered to the regular Warehouseman/Shipper, then offered to the backup qualified Warehouseman/shippers by low overtime worked. If no one volunteers to work the overtime, the regular Warehouseman/Shipper or his replacement shall be forced to work the overtime.
6. The Warehouseman/shipper shall be eligible for all other overtime in the warehouse.
7. The qualified Warehouseman/Shippers shall be given all required Federally mandated training and any other training necessary to safely and properly perform the Warehouseman/Shippers duties.

Entered into this 30th day of April, 2002

Local 351 International Union
of Operating Engineers, AFL-CIO

/s/Mark McKinney

/s/Kurt Overton

/s/Bob Pogue

/s/J.R. Frick

/s/A.C. Sanchez

/s/Brent Herbolsheimer

/s/James L. Logan, Sr.

/s/John A. Stark

/s/Walter Prock

/s/Mark W. Briscoe

/s/Terri Overton

/s/Randy Griffin

Phillips Petroleum Company
Borger Refinery/NGL Center

/s/Jerry N. Demos
/s/Jay Hawley
/s/Terrie Rogers
/s/W.H. Mills
/s/Tom Zeni
/s/Chris Lehecka
/s/Craig Letz
/s/Phil G. Williams
/s/Tedie West

Memorandum of Understanding and Agreement Clerical Team Reorganization

Following good faith negotiations, Phillips Petroleum Company, Borger Refinery/NGL Center ("Phillips") and Local 351, International Union of Operating Engineers, AFL-CIO ("Union") understand and agree to the following:

1. Change the Planning Team and the Engineering & Craft Team to reflect the following new teams:

- Resource Team --M. R. Burks
C. L. Whittington
Y. G. Powell
M. S. Smith
A. D. Dennis
M. D. Barton
A. S. Byrd
- Engineering Team --C. R. Jones

2. Add the following duties to the Resource Team:

- SAP data entry -- Confirming hours from orders
Notification completion when requested

Entered into this 26th day of August, 2002

Local 351 International Union
of Operating Engineers, AFL-CIO
/s/Terri Overton
/s/Mark McKinney
/s/Randy Griffin

Phillips Petroleum Company
Borger Refinery/NGL Center
/s/Jerry N. Demos
/s/Terrie Rogers

MEMORANDUM OF UNDERSTANDING

OSHA VOLUNTARY PROTECTION PROGRAM INITIATIVE

- I. This agreement is entered into by ConocoPhillips and Local 351, International Union of Operating Engineers, AFL-CIO (hereinafter "Union") at the Borger Refinery and NGL Center.
- II. ConocoPhillips and the Union enter into this Agreement in order to further enhance a strong safety and health program for employees at the Refinery & NGL Center. ConocoPhillips and the Union enter this agreement as part of efforts to eliminate injuries and illnesses to employees through management commitment and employee involvement. ConocoPhillips and the Union acknowledge that voluntary cooperation is an effective means of achieving successful safety and health excellence through effective safety and health programs and compliance with all OSHA safety and health standards. ConocoPhillips recognizes that it is the employer's responsibility to provide a workplace free from recognized hazards and comply with occupational safety and health standards promulgated under the OSH Act.
- III. ConocoPhillips will make a good faith effort to meet all of the VPP Star program requirements and will commit to the program for at least five (5) years from the effective date of this agree-

ment. More specifically, ConocoPhillips and the Union will each issue appropriate statements of commitment to achieving VPP Star status.

- IV. The Borgers VPP program is a cooperative effort between OSHA, Management and the Union and will further promote employee involvement and leadership in our safety process. The Union will select and appoint participants to the V program. ConocoPhillips will appoint management participants to the V program. Local Union business agents may participate in VPP training, conferences and activities to stay abreast of VPP issues and progress towards VPP Star status. ConocoPhillips will reassign hourly positions that become vacant as a result of hourly participation in the V program according to the Collective Bargaining Agreement.
- V. The VPP committees will establish safety and health benchmarking analysis, determine deficiencies and establish action plans and time tables.
- VI. The established VPP committees will determine and solicit formal mentoring assistance through the VPP (Voluntary Protection Plan Participant Association) or informally through other VPP Star facilities. Mentors will assist the application process and in meeting VPP Star program criteria.
- VII. ConocoPhillips will furnish the necessary

sary professional expertise and allocate appropriate and sufficient resources for training and program development in order to meet the requirements of the VPP Star Program. ConocoPhillips will be responsible for all associated VPP program expenses.

Entered into this 19th day of November, 2002

Local 351 International Union
of Operating Engineers, AFL-CIO
/s/Mark McKinney
/s/Kurt Overton
/s/A.C. Sanchez
/s/Brent Herbolsheimer
/s/Bob Pogue
/s/J.R. Frick
/s/Terri Overton
/s/Mark W. Briscoe
/s/Walter Prock

Phillips Petroleum Company
Borger Refinery/NGL Center
/s/Terrie Rogers
/s/Jerry N. Demos
/s/Tedie West

**MEMORANDUM OF
UNDERSTANDING AND AGREEMENT
SSI – Strategic Sourcing Initiative**

Following good faith negotiations, ConocoPhillips, Borger Refinery/NGL Center ("Company") and Local 351, International Union of Operating Engineers, AFL-CIO ("Union") understand and agree as follows:

As part of the Company's global Strategic Sourcing Initiative ("SSI"), suppliers Redman, Briggs Weaver, and Dealers Electric shall each provide one on-site representative to the P&MC group.

Generally, the CSR's responsibilities will include:

- Technical and sales support
- Maintaining zone store inventories at appropriate levels
- Searching for substitution opportunities to capture savings
- Handling and expediting of Redman, Briggs Weaver, and Dealers Electric orders .
- Turnaround support

The Company agrees not to reduce any of the three clerical bargaining unit positions in the warehouse or any other clerical bargaining unit position as a direct result of the SSI addition of supplier on-site representatives.

In the event the SSI concept is discontinued, the Company and the Union agree to negotiate in good faith the bargaining unit work that was given to the SSI representatives being returned to the bargaining unit.

The Company agrees to assign the handling and expediting of all 001 Warehouse Stock Orders that cannot be processed automatically using SAP functionality to the clerical bargaining unit employees.

The Company agrees to assign the processing of orders for the following commodities to the clerical bargaining unit employees.

- Repairs and returns outside of SSI commodities
- Filters, bags, and ceramic balls
- Northwest Insulation
- Chemicals

The Union agrees that this Memorandum of Understanding and Agreement resolves internal grievances 04-98, 05-98, 32-01, 45-01 and NLRB Charge 16-CA-19542 and additionally agrees to close the referenced grievances and withdraw the referenced charge.

Agreed to this 22nd day of November, 2002

Local 351 International Union
of Operating Engineers, AFL-CIO
/s/Randy Griffin
/s/Terri A. Overton
/s/Kurt Overton
/s/Mark McKinney
/s/Brent Herbolzheimer
/s/J.R. Frick
/s/John A. Stark
/s/Bob Pogue

Phillips Petroleum Company
Borger Refinery/NGL Center
/s/Stam R. Phipps
/s/J.L. Earnhart

**MEMORANDUM OF UNDERSTANDING
Variable Cash Incentive Program (VCIP)**

This agreement is made the 17th day of December, 2002, by and between ConocoPhillips Company located at Borger, Texas and the Local 351, International Union of Operating Engineers, AFL-CIO and shall remain in existence for the life of the Agreement unless terminated sooner in accordance with this Agreement.

This agreement modifies Memorandum of Understanding and Agreement between Phillips Petroleum Company and Local 351, International Union of Operating Engineers, executed on April 30, 2002 pertaining to the Performance Incentive Program.

Effective immediately upon completion of this agreement, Paragraphs 2 and 3 or the original Memorandum of Understanding and Agreement are no longer in force. The annual award, beginning with awards issued in 2003, for represented employees shall be the same as the award for non-represented nonexempt employees. However, the Union acknowledges that the represented employees shall not participate in the Individual Performance Pool and shall not be eligible for awards thereunder.

In accordance with the terms of Paragraph 5 of the referenced agreement, effective January 1, 2003, the Performance Incentive Program is terminated and replaced by the Variable Cash Incentive Program (VCIP). All references to the Performance Incentive

Program or PIP (other than Paragraphs 2 and 3) in the original Memorandum of Understanding and Agreement will continue in effect with regard to VCIP.

All other terms of the agreement remain in effect.

Local 351, International Union of
Operating Engineers, AFL-CIO

/s/J. R. Frick

/s/W. C. Prock

/s/Brent Herbolsheimer

/s/John A. Stark

/s/Kurt E. Overton

/s/Bob Pogue

/s/Andrew C. Sanchez

/s/Mark McKinney

/s/Mark W. Briscoe

ConocoPhillips Company

/s/Jerry N. Demos

/s/Tedie West

/s/Terrie Rogers



Borger Refinery
Spur 119 North
Borger, Texas 79007

**Addendum to Memo of Understanding,
"3 Year Contract Extension - May 1, 2006 to May 1, 2009"**

In accordance with the "3 Year Contract Extension - May 1, 2006 to May 1, 2009", ConocoPhillips agrees to the following specific details associated with the section entitled, "2006 Oil Industry Bargaining Settlement".

Effective May 1, 2006, all hourly wage rates will be increased by 3.5% rounded to the nearest cent.

Effective May 1, 2007, all hourly wage rates will be increased by 3.5% rounded to the nearest cent.

Effective May 1, 2008, all hourly wage rates will be increased by 3.7% rounded to the nearest cent

Extension Payment

As soon as practical following the date of the Union's signature to this letter, all represented, full time, active employees in the IUOE Local 351 represented bargaining unit on the payroll as of the date of the Union's signature, will receive a one time lump sum payment of \$1,500.

The extension payment is non-benefits bearing, meaning that it will not be included in the definition of earnings in calculating any employee benefit under any Company benefit plan, policy or payroll practice.

The extension payment will not be included in wages for purposes of calculating vacation pay, holiday pay, sickness and disability pay, occupational illness and injury pay, overtime pay, workers compensation premiums, or any other types of premium or special payment.

The extension payment will be subject to all deductions required by law, such as applicable withholding for federal, state and local taxes.

Agreed to this 16 day of May, 2005

Local 351, International Union Of
Operating Engineers, AFL - CIO

ConocoPhillips Borger Refinery

John Smith
J. R. Ficks
Sam Squires
Brent M
KD Shaw
Bob Pogue

Mark W. Brinn
William C. Pook
John A. Stank

Henry H. News
Kevin Rogers
Mike Fagnant
Archie West
Jimma

**Extension To Collective Bargaining Agreement Between
ConocoPhillips Borger Refinery and
Local 351, International Union of Operating Engineers, AFL - CIO**

ConocoPhillips and Local 351, International Union of Operating Engineers, AFL – CIO, mutually agree to extend all of the terms, conditions and provisions of their current collective bargaining agreement from an expiration date of May 1, 2006 to an expiration date of May 1, 2009, subject only to the following conditions:

2006 Oil Industry Bargaining Settlement:

Effective May 1, 2006, the Company shall adjust rates of pay, medical and/or dental subsidies and other benefits as needed to reflect the industry pattern as agreed to at other ConocoPhillips refineries pursuant to the 2006 PACE National Oil Bargaining Policy. Any other agreements reached in pattern bargaining applicable to other ConocoPhillips refineries shall also be implemented at the Borger Refinery.

Substance Abuse Policy:

The Union and the Company agree to the following:

That all disputes and claims between the parties with respect to the April 1, 2004, implementation of the Company's Substance Abuse Policy are settled. This includes the unfair labor charge Case 16-CA-23599, and all grievances, including all grievances associated with this charge that have been or might be deferred to the grievance and arbitration provisions of the CBA, and the Union will withdraw said charge and all such grievances.

That a confirmed positive test under the Company's Substance Abuse Policy for any employee shall be cause for immediate termination and such termination shall not be subject to the grievance and arbitration provisions of the CBA. However, relative to such discharge the Union continues to maintain the right to grieve and arbitrate the integrity of the chain of custody process of this Policy.

Bidding:

Once a job bid posting has been closed, the bid is binding on all employees who exercised their option to bid on it and they may not withdraw their bid or refuse to take the job, without company approval.

The length of time which a job bid will be posted will be changed from 5 working days to 10 working days. If an employee removes their bid anytime within the 10 day posting period the bid will not be considered binding upon them.

The company will make a reasonable attempt, before the 10 day posting period is expired, to contact any employee who has placed an absentee bid for a job. The employee may then direct the company to either keep their bid or remove it. If an employee cannot be contacted by reasonable attempts, upon return from their absence, the company will consider requests to remove their name from the bidding list. Extenuating circumstances will be considered and efforts will be made to fulfill the intent of this memo, which is stated in the first paragraph of this section.

If an employee is absent when a bid is posted, and the absence is likely to extend past the closing date for a bid, the company will make a reasonable attempt to contact the employee to determine if they wish to be added to the bidder list. If an employee cannot be contacted by a reasonable attempt, by the closing date of the bid, they will not be eligible to bid on the job.

Extension To Collective Bargaining Agreement Between
ConocoPhillips Borger Refinery and
Local 351, International Union of Operating Engineers, AFL - CIO

Backfilling of operations vacancies:

The time frame for filling operations vacancies will be changed from 30 days to 90 days. As soon as the company knows that an operations vacancy will be at least 90 more days, a bid will be posted.

This contract extension and all of its provisions become effective February 8, 2005.

Agreed to this 25 day of January, 2005

Local 351, International Union Of
Operating Engineers, AFL - CIO

J. R. GARR
K.D. Blum
H. H. H. H.
M. W. Brice
Randy Griffin
Walter Pack
W. B. B.
A. C. Sandy
Bob Pogue
Mary Barton
Sammy Deen

ConocoPhillips Borger Refinery

J. J. J.
Sammy H. Deen
W. B. B.
Jedie West

MEMORANDUM OF UNDERSTANDING
Maintenance Overtime Policy

It is agreed between, ConocoPhillips, Borger Refinery and Local 351, International Union of Operating Engineers, AFL-CIO that the following memorandum of understanding shall amend the Working Agreement in the following manner:

The Maintenance Department overtime policy shall be amended as follows:

The following Overtime Policy, in so far as practical, shall apply to overtime situations occurring in all crafts. This policy supercedes all maintenance overtime policies including the separate agreement for the Pump and Engine mechanic craft dated August 20, 2003. However, anything not changed by this memo will be governed by the language within the collective bargaining agreement negotiated in 2002.

1. **Job Continuity**

If the need for overtime arises, the team member(s) working the job may be forced to work the overtime if the continuity of the job makes it inefficient to reassign the work.

2. **Volunteer**

If it is not inefficient to reassign the work and/or additional team member(s) are needed, then the overtime will be offered to qualified team member(s) within the entire craft that have signed-up on the volunteer sign-up sheet, by lowest total overtime hours.

3. **Force**

If additional team member(s) are needed, then qualified team member(s) within the entire craft with the lowest total overtime hours will be forced to work the overtime.

4. **Any Available Source**

If additional team member(s) are needed, then the Company may fill their remaining overtime needs from any available source.

The Company may, at its sole discretion, canvas team members who have not volunteered in order to fill the overtime without using the "any available source option". In such cases, the company will, in so far as is practical, use the overtime list starting with lowest overtime hours.

Priority jobs (job which would create an undue hardship on the Company to re-staff), turnarounds and large projects may at the Company's discretion be staffed by work teams, or individual team members (using the overtime policy). A separate sign-up sheet will be provided and used to staff priority job(s). Priority jobs, turnarounds, and large projects will be staffed as a single event and de-staffed in the most efficient manner as determined by the Company. In so far as is practical, de-staffing will be done using the overtime list. When forcing for a priority job, the night shift will be staffed first.

Once assigned to a priority job or large project, the team member(s) must work the job until completion, unless extenuating circumstances, approved in advance by the Company, prohibit the team member(s) from working. Team members unable to continue a priority job or large project to completion will not normally be assigned the work.

The determination of whether or not overtime is required will be at the sole discretion of the Company.

Entered into this 31 day of December, 2004

Local 351
International Union of Operating
Engineers, AFL-CIO

ConocoPhillips
Borger Refinery

J. L. Mack
Mark W. Binner
Mary Barton
John H. Bink
Shay Collins
K. D. Blum
A. C. Sanchez
W. C. Proctor
Brent Neuholdshamer
B. C. Pogue
K. T. G. Ott
Randy Griffin

Derry M. Demos
F. Combs
Adie West
Phillips

Memorandum of Understanding and Agreement Clerical Team Reorganization

Following good faith negotiations, Phillips Petroleum Company, Borger Refinery/NGL Center ("Phillips") and Local 351, International Union of Operating Engineers, AFL-CIO ("Union") understand and agree to the following:

1. Change the Planning Team and the Engineering & Craft Team to reflect the following new teams:

- Resource Team --M. R. Burks
C. L. Whittington
Y. G. Powell
M. S. Smith
A. D. Dennis
M. D. Barton
A. S. Byrd
- Engineering Team --C. R. Jones

2. Add the following duties to the Resource Team:

- SAP data entry -- Confirming hours from orders
Notification completion when requested

Entered into this 26th day of August, 2002

Local 351 International Union
of Operating Engineers, AFL-CIO
/s/Terri Overton
/s/Mark McKinney
/s/Randy Griffin

Phillips Petroleum Company
Borger Refinery/NGL Center
/s/Jerry N. Demos
/s/Terrie Rogers