

Minutes from 1/31/11 Sequence VG Surveillance Panel Conference Call

Attendees:

Andrew Ritchie, Gordon Farnsworth, Mike McMillan, Doyle Boese – Infineum

Jo Martinez, Mark Sutherland – Chevron

Ron Romano – Ford

Bruce Matthews – GM

Raham Kirkwood, Bill Buscher – SwRI

Al Lopez – Intertek

Ed Altman, Todd Dvorak, Dave Glaenzer – Afton

Rich Grundza – TMC

Jerry Brys, Alison Rajakumar, George Szappanos – Lubrizol

Mark Overaker, Jim Carter – Haltermann

Timothy Caudill, Thom Smith – Ashland

Irwin Goldblatt - BP Castrol

Jason Bowden - OHT

Zack Bishop, Clayton Knight - TEI

- 1) The minutes from the January 27, 2011 and January 10, 2011 Conference Calls were approved without any additions or corrections.
- 2) Chairman Ritchie announced that he would like to convene weekly calls during the period in which attempts will be made to modify the fuel batch to increase sludge severity. The date and time for these weekly calls will be discussed later in this call.
- 3) Chairman Ritchie then asked the laboratories for updates on when they think the current batch of fuel on hand will be depleted. The responses were: Intertek – March 21, SwRI - April 30, Afton - sometime in April,

Lubrizol – March 31, Ashland – already out. These estimates depend somewhat on if/how the calibration periods are modified. Chairman Ritchie suggested that labs be allowed to run calibrated tests until they run out of the current batch of fuel. However, it was also pointed out that the VG test is effectively unavailable now, since essentially all remaining test capacity is already committed.

- 4) Rich Grundza commented that any extensions in calibration periods granted now will likely be compensated for by shortened calibration periods when the VG test becomes available again with the new fuel batch. Bill Buscher recommended that the requirement for having calibrated stands in advance of the start of the next approval matrix should be reviewed by TMC, since all stands will likely be out of calibration from a time standpoint by then. Rich indicated he wished to consult with Frank Farber before making a determination on this. There was an Action Item proposed for TMC to determine the current calibration status on a stand-by-stand basis for each of the labs. It was also noted that the independent labs need to contact TMC to request an extension of the calibration period, if they want one. It was further noted that some labs may be able to run for a longer period of time than estimated in item 3 above, due to the likelihood that clients may be very selective in how they make use of the remaining tests available to them.
- 5) Chairman Ritchie brought up the idea suggested during the previous conference call to form an Engineering Task Force to address the variability among laboratories found during the fuel approval matrix which just completed. He suggested that the Task Force participants include Ashland, Lubrizol, Afton, SwRI and Intertek, as well as the TMC. Chairman Ritchie asked George Szappanos from Lubrizol to chair the Task Force. George agreed to do so. Following further discussion of the makeup of the Task Force, it was agreed that more than one participant from each of the member companies is acceptable. The Task Force will convene as quickly as practicable, most likely in San Antonio.
- 6) Chairman Ritchie went through 3 slides he had prepared and distributed just prior to the call. This presentation is intended to be a way to communicate with the ASTM PCEOCP, and perhaps others, as to the status of the VG test as a result of the fuel shortage, and the steps that will be undertaken to rectify the situation. Several additions/modifications to the

slides were suggested as Andy went through them. The revised presentation is attached.

- 7) Dates for future weekly calls, as mentioned earlier in item 2, were discussed again. It was agreed that Tuesday at 2 EST is a good time for the calls. The first call will be next week, February 8, at 2:00 pm EST.
- 8) Haltermann was asked whether they have a plan in place for moving forward with attempting to create a more severe fuel. Mark Overaker replied that he has been talking with various labs about running tests on small batches of modified fuel, and that he would have further details for next week's call.

Sequence VG Surveillance Panel Report to ASTM on the status of the program to evaluate a new batch of VG fuel

Andrew J.D. Ritchie
Chairman, Sequence VG Surveillance Panel
February 3rd 2011

Background

- Sequence VG relies on a special fuel to generate sludge and varnish.
- Currently approved fuel batch is almost exhausted
- A new fuel batch YJ0621NX10 was evaluated in a 14 test matrix with 3 ASTM reference oils:
 - Oil 925-3: Failing oil
 - Oil 1009: Borderline oil
 - Oil 1006: Passing oil
- Sequence VG results run on these oils using the YJ0621NX10 fuel batch were mild on sludge and varnish and failed to show discrimination between the ASTM reference oils 925-3 and 1009.

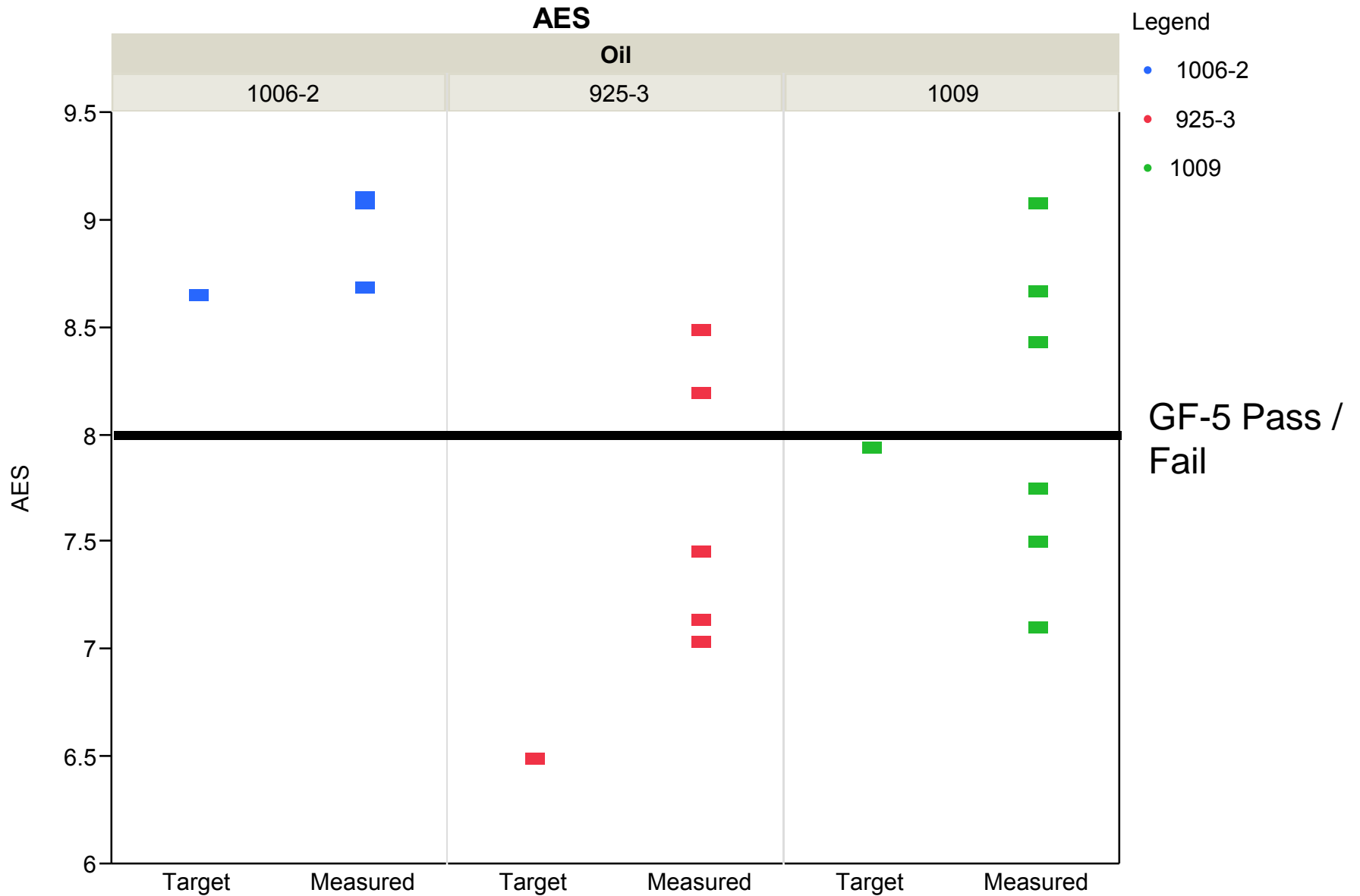
Status of YJ0621NX10 Fuel Batch Evaluation

- Sequence VG Surveillance Panel voted on January 27th 2011 to reject the YJ0621NX10 fuel batch.
- Fuel supplier Haltermann Solutions will run a crash program on further fuel samples from this batch aimed at increasing sludge severity.
 - Timeline and test program details will be reviewed by Surveillance Panel at next call on 2/8/2011.
- A Task force of laboratory engineers is also working to investigate the reasons for the wide variability found in the VG fuel matrix data.
- A new fuel batch of approved fuel will not be available before the current fuel batch is exhausted, and the Sequence VG test is thus likely to become unavailable before May 1st 2011 for an undetermined period of time.
 - Scheduling availability at the contract laboratories is already extremely limited, and the VG test may effectively become unavailable to most clients well before all the approved fuel is used up.
 - Where possible, TMC will try to extend stand calibration periods to allow laboratories to use up remaining VG fuel supplies running candidates.

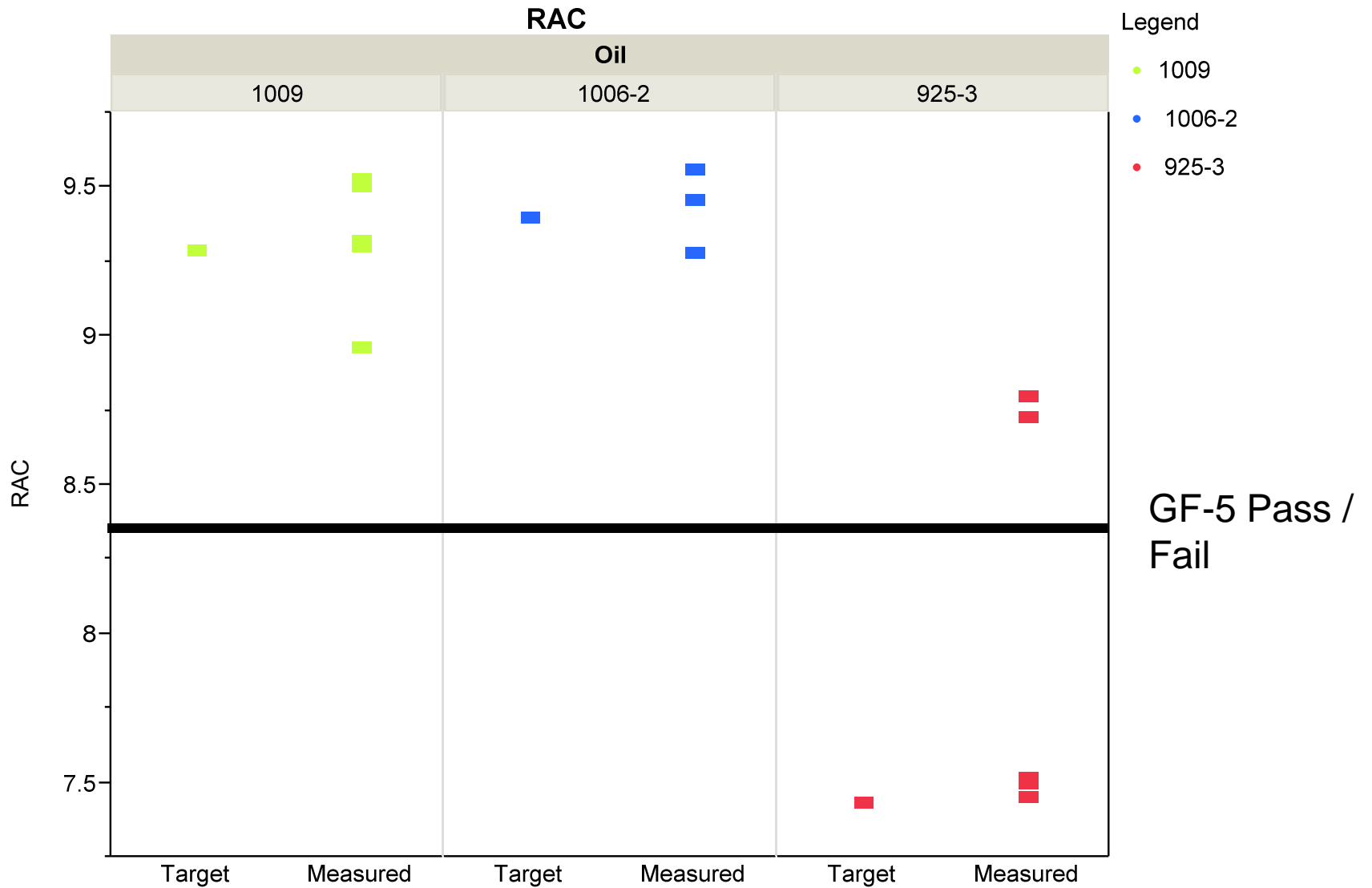
Next Steps

- Sequence VG Panel Chair informs ASTM PCEOCP Chair that the Sequence VG test is running out of fuel and will become completely unavailable around May 1st 2011.
- Sequence VG Surveillance Panel will conduct weekly calls to address the problem. Status reports to all affected stakeholders will be issued as significant milestones are reached.
- Haltermann plan of action and timeline for the crash program will be reviewed and updated by the VG Surveillance Panel during weekly calls.
- PCEOCP may need to agree that the VG test is temporarily unavailable for qualification testing and make a recommendation to ASTM D02 B0 for an immediate ballot to declare the VG test unavailable.
 - This may be well before all the remaining fuel from the currently approved batch is used up.
- Sequence VG panel advises the PCEOCP to work with API to consider product qualification options without the Sequence VG test, possibly for an extended period of time.

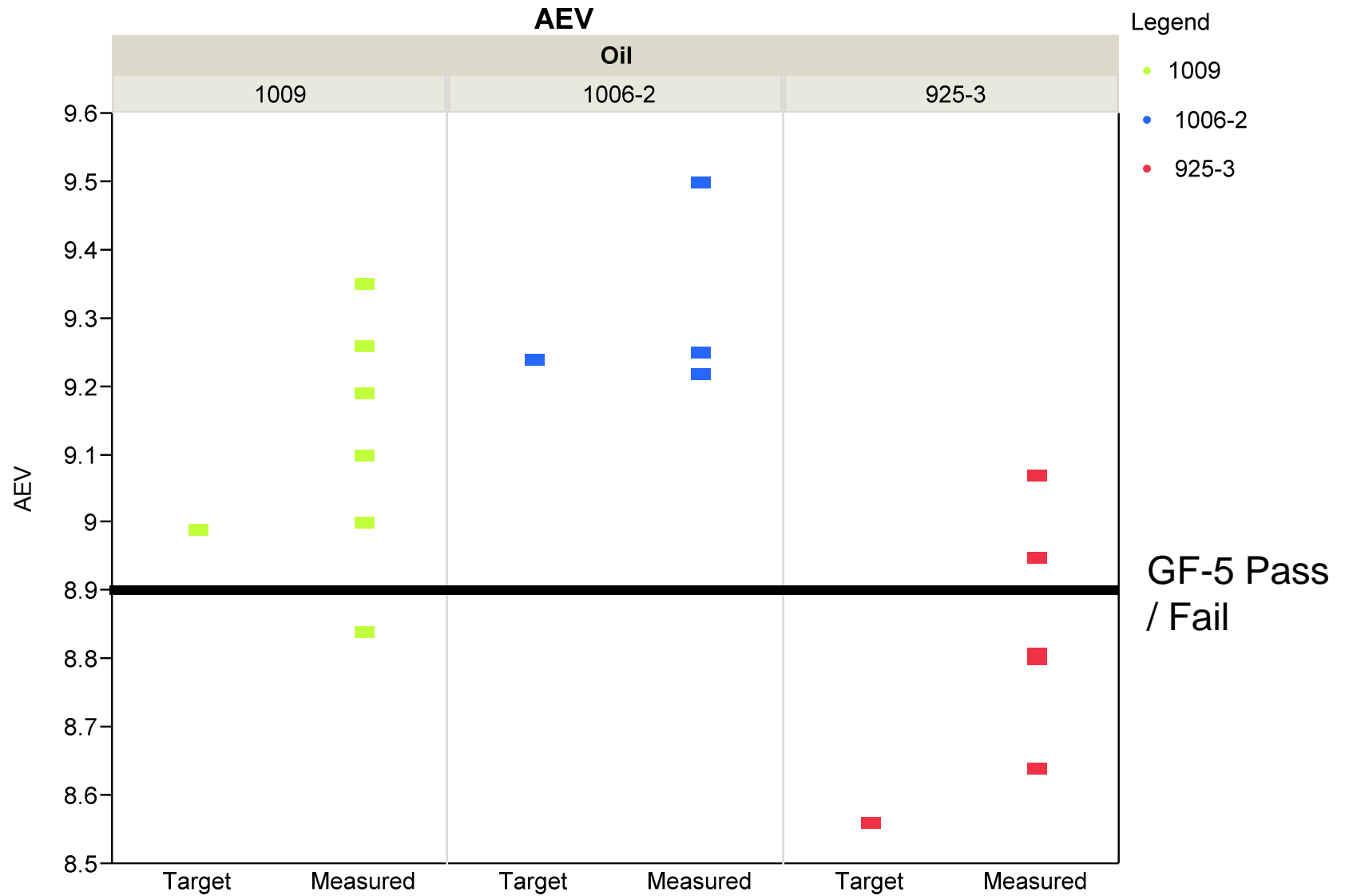
Matrix Oil AES Results



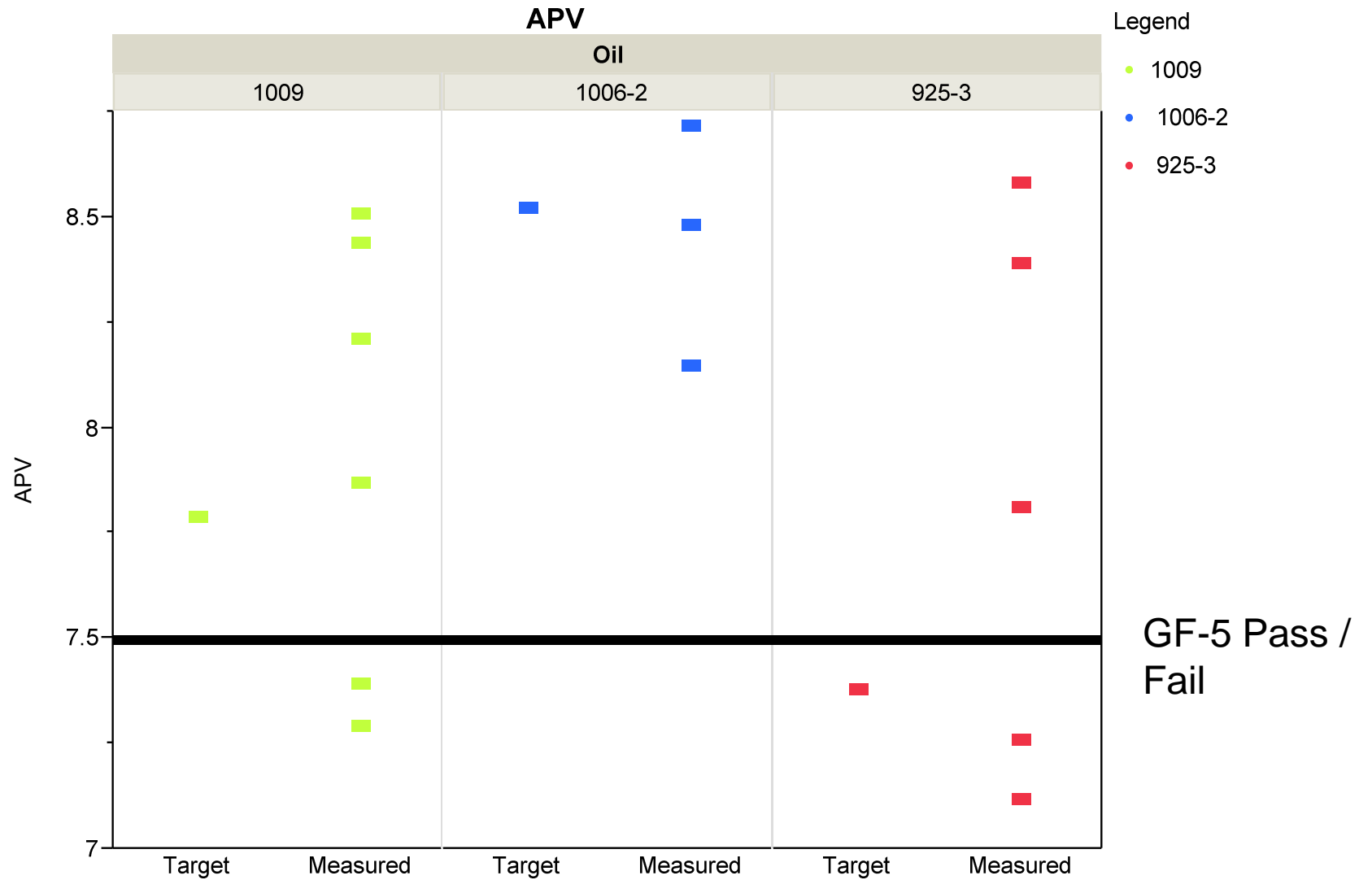
Matrix Oil RAC Results



Matrix Oil AEV Results



Matrix Oil APV Results



Matrix Oil OSCR Results

