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OFFICE OF THE UNDER SECRETARY OF DEFENSE
1100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1100

COMPTROLLER
(Program/Budget)

COVER BRIEF

TO: UNDER SECRETARY OF DEFENSE (COMPTROLLER)

THRU: PRINCIPAL DEPUTY AND DEPUTY UNDER SECRETARY OF DEFENSE FOR MANAGEMENT REFORM
DEPUTY COMPTROLLER (PROGRAM/BUDGET)
DEPUTY UNDER SECRETARY OF DEFENSE (FINANCIAL MANAGEMENT)

FROM: for DIRECTOR FOR OPERATIONS & PERSONNEL Cynthia K. Bogan ACTING July 14, 2003

SUBJECT: Project from the Office of Coalition Provisional Authority (OCPA)

PURPOSE: To obtain your approval and release of funding for the Restore Iraqi Oil (RIO) Infrastructure Plan

DISCUSSION:

Analysis of Request

- Attached is the **$961 million** OCPA request to fund RIO infrastructure (Tab A).
  - The request is based on the total RIO need of $1,398 million from a Rough Order of Magnitude (ROM) estimate minus $437 million (Tab B) broken down as follows:
    - $225 million for expenses related to the emergency import and distribution of benzene and liquid petroleum gasoline (LPG) through 09/30/03 to be funded by a separate project. One month's supply was funded from seized assets at a cost of $90 million on 06/13/03, and
    - $212 million paid from the Natural Resources Risk Remediation Fund (NRRRF) for obligation, contract, and unexploded ordinance costs through 06/06/03.
  - The ROM was prepared by the Iraqi Ministry of Oil, Kellogg Brown & Root (a subsidiary of Halliburton), and the U.S. Army Task Force (TF) RIO, and is summarized below (dollars in millions):

		($ in Millions)
ROM COST INPUTS	1. System Restoration	$817
	2. System Maintenance and Operating Equipment	17
	3. Vehicles and Heavy Equipment	54
	4. Security Safety and Environment	58
	5. Communications	36
	6. Other (including benzene and LPG)	416
	TOTAL RIO COSTS	$1,398
ROM ADJUSTMENTS	Subtract benzene and LPG	($225)
	Subtract obligations to date	(192)
	Subtract RIO contract costs to date	(10)
	Subtract unexplored ordinance costs to date	(10)
	TOTAL ESTIMATED AMOUNT REQUIRED	$961
Spend Plan, 07/03-09/03	(Details at Attachment 1)	$504
Spend Plan, FY 2004		$457

- TF RIO has provided a detailed explanatory spend plan for $504 million of the $961 million total request to fund major projects and purchases from 07/01/03 to 09/30/03 (Attachment 1).
- Ambassador Bremer has indicated a preference for funding RIO infrastructure with appropriated funds. The Program Review Board approved the request on 07/07/03 (Tab C).

Funding Sources – NRRRF, DFI, and IRRF

- $489 million was identified in the Act for transfer to the NRRRF from the Iraqi Freedom Fund (IFF). 1415-IR deposited $252 million from the IFF to the NRRRF, and subsequently to the Operation and Maintenance, Army account. The remainder in the NRRRF at the time of approval (estimated at $237 million) should be used for this requirement.
- We also believe the RIO infrastructure request satisfies the standards for use of Development Fund for Iraq (DFI) funds. United Nations Security Council Resolution 1438, Paragraph 14 allows the release of DFI funds "for the economic reconstruction and repair of Iraq's infrastructure."
- We think the RIO infrastructure request falls under foreign assistance rehabilitation and reconstruction activities and should qualify for Iraq Relief and Reconstruction Funds (IRRF).

Recommended Allocation of Funds

- Fund the RIO infrastructure request at **$961 million**.
- Option #1. $961 million in NRRRF and DFI Funding.
  - Apply the remaining balance in the NRRRF (estimated at $237 million) to finance the RIO infrastructure request.
  - Seek funding for the residual RIO infrastructure balance to equal $961 million (estimated at $724 million) from the DFI.
  - If Option 1 is unavailable or cannot be implemented within a reasonable time frame, pursue option 2.
- OCPA Preferred Option #2. $961 million in NRRRF and IRRF Funding.
  - Apply the remaining balance in the NRRRF to finance the RIO infrastructure request.
  - Seek funding for the residual RIO infrastructure balance to equal $961 million from the IRRF.

RECOMMENDATION: That you approve the above allocation of funding sources.

COORDINATION: USD(P)_____; ODGC(F)_____; TJS_____;
ARMY_____; CENTCOM_____

OPTION #1 Approve_____ Disapprove_____ Other_____
OPTION #2 Approve_____ Disapprove_____ Other_____

Oil Projects

Company	#	Project	Pre-War Product	Current Product	Phase 1 Oct 2003 Funding By 15 Aug 03 Est. Cost (mil) USD	Prod	Exec Resp	Phase 2 Dec 2003 Funding By 1 Nov 03 Est. Cost (mil) USD	Prod	Exec Resp	Phase 3 Mar 2004 Funding By 1 Jan 04 Est. Cost (mil) USD	Prod	Exec Resp	KBR Procure (mil) USD	MOO EPC & Local Procure (mil) USD	Total (mil) USD
SUMMARY																
PHASE 1																
	SOC	Southern Oil Company	2,311,180	279,000	$ 222.679			$ -			$ -			$ 146.800	$ 75.879	$ 222.679
	SGC	Southern Gas Company	0	0	$ 23.750			$ -			$ -			$ 18.150	$ 5.600	$ 23.750
	SRC	Southern Refining Company	0	0	$ 0.450			$ -			$ -			$ 0.350	$ 0.100	$ 0.450
	NOC	Northern Oil Company	349	81	$ 234.250			$ -			$ -			$ 211.875	$ 25.375	$ 234.250
	NGC	Northern Gas Company	0	0	$ 25.400			$ -			$ -			$ 25.100	$ 0.300	$ 25.400
	NRC	Northern Refining Company	0	0	$ 3.565			$ -			$ -			$ 2.800	$ 0.765	$ 3.565
	OEC	Oil Exploration Company	0	0	$ 28.226			$ -			$ -			$ 24.700	$ 3.526	$ 28.226
	OPC	Oil Pipeline Company	0	0	$ 31.420			$ -			$ -			$ 20.250	$ 11.170	$ 31.420
	OPDC	Oil Products Distribution Company	0	0	$ 13.500			$ -			$ -			$ 11.500	$ 2.000	$ 13.500
	GFC	Gas Filling Company	0	0	$ 7.400			$ -			$ -			$ 5.287	$ 2.113	$ 7.400
	IDC	Iraq Drilling Company	0	0	$ 15.360			$ -			$ -			$ 15.360	$ -	$ 15.360
	SCOP	State Company for Oil Projects	0	0	$ 41.500			$ -			$ -			$ 41.500	$ -	$ 41.500
	MRC		0	0	$ 18.733			$ -			$ -			$ 15.983	$ 2.750	$ 18.733
	MISC	Miscellaneous, Ministry of Oil	0	0	$ 50.000			$ -			$ -			$ 50.000	$ -	$ 50.000
		Subtotal Phase 1	2,311,529	279,081	$ 716.233			$ -			$ -			$ 589.655	$ 129.578	$ 716.233
PHASE 2																
	SOC	Southern Oil Company	0	0	$ -			$ 73.000			$ -			$ 44.600	$ 28.400	$ 73.000
	SGC	Southern Gas Company	0	0	$ -			$ -			$ -			$ -	$ -	$ -
	SRC	Southern Refining Company	0	0	$ -			$ 2.400			$ -			$ 2.205	$ 0.195	$ 2.400
	NOC	Northern Oil Company	0	0	$ -			$ 61.500			$ -			$ 45.900	$ 15.600	$ 61.500
	NGC	Northern Gas Company	0	0	$ -			$ 6.500			$ -			$ 6.500	$ -	$ 6.500
	NRC	Northern Refining Company	0	0	$ -			$ 4.550			$ -			$ 2.735	$ 1.815	$ 4.550
	OEC	Oil Exploration Company	0	0	$ -			$ 40.250			$ -			$ 40.250	$ -	$ 40.250
	OPC	Oil Pipeline Company	0	0	$ -			$ 13.670			$ -			$ 8.230	$ 5.440	$ 13.670
	OPDC	Oil Products Distribution Company	0	0	$ -			$ 9.330			$ -			$ 8.800	$ 0.530	$ 9.330
	GFC	Gas Filling Company	0	0	$ -			$ 11.267			$ -			$ 11.267	$ -	$ 11.267
	IDC	Iraq Drilling Company	0	0	$ -			$ 24.150			$ -			$ 24.150	$ -	$ 24.150
	SCOP	State Company for Oil Projects	0	0	$ -			$ 2.000			$ -			$ 2.000	$ -	$ 2.000
	MRC		0	0	$ -			$ 2.309			$ -			$ 1.809	$ 0.500	$ 2.309
	MISC	Miscellaneous, Ministry of Oil	0	0	$ -			$ -			$ -			$ -	$ -	$ -
		Subtotal Phase 2	0	0	$ -			$ 250.926			$ -			$ 198.446	$ 52.480	$ 250.926
PHASE 3																
	SOC	Southern Oil Company	165,000	0	$ -			$ -			$ 36.200			$ 31.000	$ 5.200	$ 36.200
	SGC	Southern Gas Company	0	0	$ -			$ -			$ -			$ -	$ -	$ -
	SRC	Southern Refining Company	0	0	$ -			$ -			$ 7.550			$ 6.400	$ 1.150	$ 7.550
	NOC	Northern Oil Company	0	0	$ -			$ -			$ 24.500			$ 17.450	$ 7.050	$ 24.500
	NGC	Northern Gas Company	0	0	$ -			$ -			$ -			$ -	$ -	$ -
	NRC	Northern Refining Company	0	0	$ -			$ -			$ -			$ -	$ -	$ -
	OEC	Oil Exploration Company	0	0	$ -			$ -			$ -			$ -	$ -	$ -
	OPC	Oil Pipeline Company	0	0	$ -			$ -			$ -			$ -	$ -	$ -
	OPDC	Oil Products Distributing Company	0	0	$ -			$ -			$ -			$ -	$ -	$ -
	GFC	Gas Filling Company	0	0	$ -			$ -			$ 2.266			$ 1.840	$ 0.426	$ 2.266
	IDC	Iraq Drilling Company	0	0	$ -			$ -			$ 92.500			$ 92.500	$ -	$ 92.500
	SCOP	State Company for Oil Projects	0	0	$ -			$ -			$ -			$ -	$ -	$ -
	MRC		0	0	$ -			$ -			$ 3.390			$ 2.990	$ 0.400	$ 3.390
	MISC	Miscellaneous, Ministry of Oil	0	0	$ -			$ -			$ 10.000			$ 10.000	$ -	$ 10.000

					Phase 1 Oct 2003			Phase 2 Dec 2003			Phase 3 Mar 2004					
					Funding By 15 Aug 03			Funding By 1 Nov 03			Funding By 1 Jan 04					
Company	#	Project	Pre-War Product	Current Product	Est. Cost (mil) USD	Prod	Exec Resp	Est. Cost (mil) USD	Prod	Exec Resp	Est. Cost (mil) USD	Prod	Exec Resp	KBR Procure (mil) USD	MOO EPC & Local Procure (mil) USD	Total (mil) USD
Subtotal Phase 3			105,000	0	$ -			$ -			$ 176.406			$ 162.180	$ 14.226	$ 176.406
TOTAL FNDING			2,416,529	279,081	$ 716.233			$ 250.926			$ 352.812			$ 950.281	$ 196.284	$ 1,143.565
BY COMPANY																
	SOC	Southern Oil Company	2,416,180	279,000	$ 222.679			$ 73.000			$ 36.200			$ 222.400	$ 109.479	$ 331.879
	SGC	Southern Gas Company	0	0	$ 23.750			$ -			$ -			$ 18.150	$ 5.600	$ 23.750
	SRC	Southern Refining Company	0	0	$ 0.450			$ 2.400			$ 7.550			$ 8.955	$ 1.445	$ 10.400
	NOC	Northern Oil Company	349	81	$ 234.250			$ 61.500			$ 24.500			$ 275.225	$ 48.025	$ 329.250
	NGC	Northern Gas Company	0	0	$ 25.400			$ 6.500			$ -			$ 31.600	$ 0.300	$ 31.900
	NRC	Northern Refining Company	0	0	$ 3.565			$ 4.550			$ -			$ 5.535	$ 2.580	$ 8.115
	OEC	Oil Exploration Company	0	0	$ 28.226			$ 40.250			$ -			$ 64.950	$ 3.526	$ 68.476
	OPC	Oil Pipeline Company	0	0	$ 31.420			$ 13.670			$ -			$ 28.480	$ 16.610	$ 45.090
	OPPC	Oil Products Distributing Company	0	0	$ 13.500			$ 9.330			$ -			$ 20.300	$ 2.530	$ 22.830
	GFC	Gas Filling Company	0	0	$ 7.400			$ 11.267			$ 2.266			$ 18.394	$ 2.539	$ 20.933
	IDC	Iraqi Drilling Company	0	0	$ 15.360			$ 24.150			$ 92.500			$ 132.010	$ -	$ 132.010
	SCOP	State Company for Oil Projects	0	0	$ 41.500			$ 2.000			$ -			$ 43.500	$ -	$ 43.500
	MRC		0	0	$ 18.733			$ 2.309			$ 3.390			$ 20.782	$ 3.650	$ 24.432
	MISC	Miscellaneous, Ministry of Oil	0	0	$ 50.000			$ -			$ 10.000			$ 60.000	$ -	$ 60.000
TOTAL BY COMPANY			2,416,529	279,081	$ 716.233			$ 250.926			$ 176.406			$ 950.281	$ 196.284	$ 1,143.565
PHASE 1 FUNDING																
SOC	18	Shaniya 2S CS	150		$ 2.000		SOC							$ 1.200	$ 0.800	$ 2.000
SOC	21	Central 3R CS	180		$ 3.000		SOC							$ 1.800	$ 1.200	$ 3.000
SOC	19	Janubia 4J CS	150		$ 2.000		SOC							$ 1.200	$ 0.800	$ 2.000
SOC	20	Qurainat 1Q CS	100		$ 2.000		SOC							$ 1.200	$ 0.800	$ 2.000
SOC	27	Work over of 5 burnt wells			$ 11.000		KBR							$ 6.600	$ 4.400	$ 11.000
SOC	4	Qurainat 1Q	160,000	0	$ 3.000		SOC							$ 1.800	$ 1.200	$ 3.000
SOC	2	Shaniya 2S	220,000	60,000	$ 3.000		SOC							$ 1.800	$ 1.200	$ 3.000
SOC	1	South Rumaila Central 3R	300,000	180,000	$ 3.000		SOC							$ 1.800	$ 1.200	$ 3.000
SOC	3	Janubia 4J	200,000	0	$ 3.500		SOC							$ 2.100	$ 1.400	$ 3.500
SOC	26	Ratqa E	30,000		$ 4.000		SOC							$ 2.400	$ 1.600	$ 4.000
SOC	14	CPS-6	226,800		See Above		KBR									
SOC	13	CPS-8	151,200		See Above		KBR									
SOC	10	Hammar (mJ)	40,000	0	$ 3.500		SOC							$ 2.100	$ 1.400	$ 3.500
SOC	9	Zubair Central DS	50,000	15,000	$ 2.000		SOC							$ 1.200	$ 0.800	$ 2.000
SOC	11	Garmet Ali Water Filtration Plant (3/4)			$ 75.679		KBR							$ 45.400	$ 30.279	$ 75.679
SOC	22	CS-1, CS-2, CS-3, CS-4	200		$ 7.500		SOC							$ 4.500	$ 3.000	$ 7.500
SOC	7	DS-2 &SIDS	140,000	3,000	$ 2.500		SOC							$ 1.500	$ 1.000	$ 2.500
SOC	6	DS-3	70,000	0	$ 2.000		SOC							$ 1.200	$ 0.800	$ 2.000
SOC	8	DS-4 & NDS	165,000	2,000	$ 3.500		SOC							$ 2.100	$ 1.400	$ 3.500
SOC	5	DS-1	45,000	16,000	$ 2.000		SOC							$ 1.200	$ 0.800	$ 2.000
SOC	16	CPS-2	151,200		See Above		KBR									
SOC	15	CPS-1	151,200		See Above		KBR									
SOC	23	West Qurna No. 6	50,000		$ 2.000		SOC							$ 1.200	$ 0.800	$ 2.000
SOC	24	West Qurna No. 7	150,000		$ 4.000		SCOP							$ 2.400	$ 1.600	$ 4.000
SOC	28	Bin Umr DS	10,000	3,000	$ 2.000		SOC							$ 1.200	$ 0.800	$ 2.000
SOC	12	Water Pipeline Repairs (inj. & Process)			$ 5.000		SOC							$ 3.000	$ 2.000	$ 5.000
SOC	17	Strategic Oil Pipeline PS3			$ 5.000		SCOP							$ 3.000	$ 2.000	$ 5.000
SOC	34	Mina Al Bakr & Al Faw			$ 14.000		KBR							$ 8.400	$ 5.600	$ 14.000
SOC	25	Communications System			$ 30.000		KBR							$ 21.000	$ 9.000	$ 30.000
SOC	30	Reservoir Computer Center			$ 2.000		KBR							$ 2.000		$ 2.000
SOC	31	Equipment for Field Measurements			$ 7.000		SOC							$ 7.000		$ 7.000
SOC	29	Construction/ Transportation Vehicles			$ 15.000		SOC							$ 15.000		$ 15.000
SOC	32	SOC Mobile Chemical Lab			$ 0.500		SOC							$ 0.500		$ 0.500
SOC	33	Engineering Equipment			$ 1.000		SOC							$ 1.000		$ 1.000
Subtotal SOC			2,311,180	279,000	$ 222.679			$ -			$ -			$ 146.800	$ 75.879	$ 222.679
SGC	4	SGC Admin Restoration			$ 1.000		SGC							$ 0.600	$ 0.400	$ 1.000

					Phase 1 Oct 2003			Phase 2 Dec 2003			Phase 3 Mar 2004					
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Company	#	Project	Pre-War Product	Current Product	Est. Cost (mil) USD	Prod	Exec Resp	Est. Cost (mil) USD	Prod	Exec Resp	Est. Cost (mil) USD	Prod	Exec Resp	KBR Procure (mil) USD	MOO EPC & Local Procure (mil) USD	Total (mil) USD
SGC	8	NGL-LPG Khor Al Zubair			$ 4.000		SGC							$ 2.400	$ 1.600	$ 4.000
SGC	7	N. Rumaila NGL			$ 5.000		SGC							$ 3.000	$ 2.000	$ 5.000
SGC	6	LPG Umm Qasr Bulk Storage/terminal			$ 4.000		SGC							$ 2.400	$ 1.600	$ 4.000
SGC	3	SGC Lab Communications			$ 0.500		SGC							$ 0.500		$ 0.500
SGC	1	SGC Heavy Equipment/Transportation			$ 4.000		SGC							$ 4.000		$ 4.000
SGC	2	SGC Tools/Equipment			$ 5.000		SGC							$ 5.000		$ 5.000
SGC	5	SGC Lab Equipment			$ 0.100		SGC							$ 0.100		$ 0.100
SGC	9	SGC Work shop			$ 0.150		SGC							$ 0.150		$ 0.150
Subtotal SGC			0	0	$ 23.750			$ -			$ -			$ 18.150	$ 5.600	$ 23.750
SRC	1	Lube Oil Cooling Tower Repair			$ 0.250		SRC							$ 0.150	$ 0.100	$ 0.250
SRC	9	Air Conditioner Replacement			$ 0.200		SRC							$ 0.200		$ 0.200
Subtotal SRC			0	0	$ 0.450			$ -			$ -			$ 0.350	$ 0.100	$ 0.450
NOC	28	AB7 Compress Station			$ 4.000		NOC+vdr					compl	NOC+vdr	$ 1.000	$ 3.000	$ 4.000
NOC	27	AB2 Compress Station			$ 15.000		NOC+vdr					compl	NOC+vdr	$ 10.500	$ 4.500	$ 15.000
NOC	29	AB8 Compress Station			$ 0.200		NOC+vdr		compl	NOC				$ 0.140	$ 0.060	$ 0.200
NOC	34	AB11 Compress Sta			$ 0.500		NOC+vdr								$ 0.500	$ 0.500
NOC	1	Janaibar Degassing Station	55	0	$ 2.200	40	NOC			NOC		55	NOC	$ 1.540	$ 0.660	$ 2.200
NOC	5	NW Avanah Degassing Station	0	0	$ 2.000		NOC		35	NOC				$ 1.400	$ 0.600	$ 2.000
NOC	33	K1 Tank Farm			$ 0.100		NOC							$ 0.070	$ 0.030	$ 0.100
NOC	4	Batsa Wet Crude Project	0	0	$ 7.000	maint	SCOP		maintain	SCOP				$ 4.900	$ 2.100	$ 7.000
NOC	6	Saraiu Wet Crude Plant	90	0	$ 0.300	20	NOC		20			20		$ 0.210	$ 0.090	$ 0.300
NOC	11	Bai Hassan, N & S, Wet Crude Plants	70	70	$ 0.750		SCOP		maintain	SCOP				$ 0.525	$ 0.225	$ 0.750
NOC	2	Jambur North Degassing Station	80	0	$ 4.000	80	NOC					80	NOC	$ 2.600	$ 1.400	$ 4.000
NOC	13	Jambur South Service Water			$ 1.000		NOC							$ 0.700	$ 0.300	$ 1.000
NOC	9	East Baghdad Rehab	8	3	$ 1.000		NOC		17	NOC				$ 0.700	$ 0.300	$ 1.000
NOC	8	Ain Zala Wet Crude Plant	7	0	$ 2.000		SCOP		9	SCOP				$ 1.400	$ 0.600	$ 2.000
NOC	31	Ajeel Dome Gas			$ 0.500		NOC							$ 0.350	$ 0.150	$ 0.500
NOC	10	Ajeel Oil Field	30	0	$ 8.000		NOC					30	NOC	$ 5.600	$ 2.400	$ 8.000
NOC	3	Khurmala Prod Manifold	0	0	$ 0.100	35	SCOP							$ 0.070	$ 0.030	$ 0.100
NOC	7	Naft Khanah Rehab	9	8	$ 1.000		NOC		12	NOC				$ 0.700	$ 0.300	$ 1.000
NOC	39	Buildings (NOC)			$ 1.200		NOC							$ 0.840	$ 0.360	$ 1.200
NOC	16	Replace 50km of Pipeline for 40" IT P/L			$ 0.200					SCOP				$ 0.200	$ -	$ 0.200
NOC	21	Assess 46" P/L at Tigris/MS			$ 0.500		KBR							$ 0.500		$ 0.500
NOC	22	Intel Pigging 40 & 32 P/L			$ 5.000		NOC							$ 5.000		$ 5.000
NOC	24	Cathodic Protect Export			$ 0.500		KBR	$ -		KBR	$ -		NOC	$ 0.500	$ 3.000	$ 0.500
NOC	20	TP Manifold			$ 1.000		NOC							$ 0.700	$ 0.300	$ 1.000
NOC	26	ITP Telecom			$ 3.000		NOC							$ 2.500	$ 0.500	$ 3.000
NOC	23	Al Fathah Pipe Crossing			$ 29.800		KBR							$ 29.800		$ 29.800
NOC	43	Sewage Plant Rehab			$ 0.200		NOC							$ 0.140	$ 0.060	$ 0.200
NOC	32	LPG Underground Storage			$ 1.200		NOC							$ 0.840	$ 0.360	$ 1.200
NOC	12	Industrial Water Rehab			$ 1.500		NOC							$ 1.050	$ 0.450	$ 1.500
NOC	14	Emergency Water Supply			$ 2.000		NOC							$ 1.400	$ 0.600	$ 2.000
NOC	42	K1 Hospital for Emergency Care			$ 5.000		NOC		compl					$ 5.000		$ 5.000
NOC	25	Telecom General			$ 12.000		NOC							$ 10.000	$ 2.000	$ 12.000
NOC	41	Office Appliances			$ 5.000		NOC		compl					$ 5.000		$ 5.000
NOC	38	Chemicals (NOC)			$ 1.000		NOC			KBR				$ 1.000		$ 1.000
NOC	48	Stores Equipment Reqd for Production			$ 4.000		NOC	$ -			$ -			$ 4.000		$ 4.000
NOC	35	Lab Equipment (NOC)			$ 5.000		NOC		compl					$ 5.000		$ 5.000
NOC	37	Trans Vehicle & Hvy Equip			$ 85.000		NOC					compl		$ 85.000		$ 85.000
NOC	40	Fire Trucks			$ 15.000		NOC		compl					$ 15.000		$ 15.000
NOC	44	Tools			$ 1.500		NOC		compl					$ 1.500		$ 1.500
NOC	45	Safety Equipment			$ 1.000		NOC							$ 1.000		$ 1.000
NOC	46	Cementing Units (3)			$ 3.000		NOC							$ 2.500	$ 0.500	$ 3.000
NOC	47	Wireline Truck Double Drums			$ 1.000		NOC							$ 1.000		$ 1.000
Subtotal NOC			349	81	$ 234.250			$ -			$ -			$ 211.875	$ 25.375	$ 234.250
NGC	6	Rehabilitation of Reboilers			$ 1.000		NGC							$ 0.700	$ 0.300	$ 1.000
NGC	7	New Boiler Transportation			$ 0.500		NGC							$ 0.500		$ 0.500
NGC	3	Office Appliances			$ 1.000		NGC							$ 1.000		$ 1.000
NGC	2	Chemicals			$ 0.100		NGC	0.000						$ 0.100		$ 0.100
NGC	1	Laboratories Equipment			$ 1.800		NGC	0.000						$ 1.800		$ 1.800

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					Funding By 15 Aug 03			Funding By 1 Nov 03			Funding By 1 Jan 04					
Company	#	Project	Pre-War Product	Current Product	Est. Cost (mil) USD	Prod	Exec Resp	Est. Cost (mil) USD	Prod	Exec Resp	Est. Cost (mil) USD	Prod	Exec Resp	KBR Procure (mil) USD	MOO EPC & Local Procure (mil) USD	Total (mil) USD
NGC	4	Vehicles and Heavy Equipment			$ 15.000		NGC							$ 15.000		$ 15.000
NGC	5	Stored Materials and Spares			$ 6.000		NGC	0.000						$ 6.000		$ 6.000
Subtotal NGC			0	0	$ 25.400			$ -			$ -			$ 25.100	$ 0.300	$ 25.400
NRC	1	North Refinery, Reformer & Flare			$ 1.400		NRC							$ 0.840	$ 0.560	$ 1.400
NRC	2	Electrical Cables			$ 0.515		NRC							$ 0.310	$ 0.205	$ 0.515
NRC	3	Northern Refineries Chemicals			$ 1.650		NRC							$ 1.650		$ 1.650
Subtotal NRC			0	0	$ 3.565			$ -			$ -			$ 2.800	$ 0.765	$ 3.565
OEC	1	Geophysical & Geological processing-interpretation/evaluation system			$ 4.000		OEC							$ 4.000		$ 4.000
OEC	2	Data Bank			$ 2.000		OEC							$ 2.000		$ 2.000
OEC	3	Seismic Party (and furniture)			$ 12.500		OEC							$ 12.000	$ 0.500	$ 12.500
OEC	4	Field Ops Center (Bldg and furniture)			$ 1.000		OEC								$ 1.000	$ 1.000
OEC	5	Laboratories (Bldg and furniture)			$ 6.050		OEC							$ 5.500	$ 0.550	$ 6.050
OEC	6	Core Library			$ 0.300		OEC								$ 0.300	$ 0.300
OEC	7	Material (DEPT) Bldg and furniture			$ 0.226		OEC							$ 0.150	$ 0.076	$ 0.226
OEC	8	Stores Bldg and furniture			$ 0.850		OEC							$ 0.050	$ 0.800	$ 0.850
OEC	9	Workshop Bldg and Furniture			$ 1.300		OEC							$ 1.000	$ 0.300	$ 1.300
Subtotal OEC			0	0	$ 28.226			$ -			$ -			$ 24.700	$ 3.526	$ 28.226
OPC	8	Building and service utilities			$ 0.670		OPC								$ 0.670	$ 0.670
OPC	3	Restore Dry Gas P/L System 42" (200km) and 24" (134km)			$ 10.000		SCOP							$ 6.000	$ 4.000	$ 10.000
OPC	1	Repair 14" lpg KA2 to Diawanya (490km)			$ 9.000		SCOP							$ 5.400	$ 3.600	$ 9.000
OPC	9	Al Fatah Bridge P/L crossing			$ 0.500		OPC								$ 0.500	$ 0.500
OPC	4	Repair 16" Products Pipeline (360km)			$ 6.000		SCOP							$ 3.600	$ 2.400	$ 6.000
OPC	6	Telecommunications			$ 0.250		OPC							$ 0.250		$ 0.250
OPC	5	Replace Tools and equipment			$ 2.000		OPC							$ 2.000		$ 2.000
OPC	7	Transport Vehicles and Heavy Equipment (Safety #1) (General #2)			$ 3.000		OPC							$ 3.000		$ 3.000
Subtotal OPC			0	0	$ 31.420			$ -			$ -			$ 20.250	$ 11.170	$ 31.420
OPDC	1	Service Station Fuel Dispensers			$ 5.000		OPDC							$ 3.000	$ 2.000	$ 5.000
OPDC	4	Replace Forklift and Tankers for LPG & Gasoline w/spare parts			$ 7.500		OPDC							$ 7.500		$ 7.500
OPDC	5	Replace Safety and Firefighting Equipment			$ 1.000		OPDC							$ 1.000		$ 1.000
Subtotal OPDC			0	0	$ 13.500			$ -			$ -			$ 11.500	$ 2.000	$ 13.500
GFC	1	LPG Spherical Tank repair			$ 1.527		SCOP							$ 0.917	$ 0.610	$ 1.527
GFC	7	Replace 4 electronic filling plants			$ 2.200		GFC							$ 1.320	$ 0.880	$ 2.200
GFC	3	Communication Systems			$ 0.130		GFC							$ 0.130		$ 0.130
GFC	6	Replace Building and Civil Works			$ 0.210		GFC								$ 0.210	$ 0.210
GFC	2	Replace Generator Sets			$ 1.033		GFC							$ 0.620	$ 0.413	$ 1.033
GFC	4	Replace Mechanical Equipment			$ 2.170		GFC							$ 2.170		$ 2.170
GFC	9	Replace Firefighting Equipment			$ 0.130		GFC							$ 0.130		$ 0.130
Subtotal GFC			0	0	$ 7.400			$ -			$ -			$ 5.287	$ 2.113	$ 7.400
IDC	3	Office Repairs			$ 0.400		IDC							$ 0.400		$ 0.400
IDC	4	Rig Camps (2)			$ 1.500		IDC							$ 1.500		$ 1.500
IDC	5	Rig Camps Repaired (3)			$ 0.500		IDC							$ 0.500		$ 0.500
IDC	1	3 Workover Rigs (South) Repair			$ 3.000		IDC							$ 3.000		$ 3.000
IDC	2	3 workover Rigs (North) Repair			$ 3.500		IDC							$ 3.500		$ 3.500
IDC		Expendable Spare Parts			$ 0.810		IDC							$ 0.810		$ 0.810
IDC	6	Workshop for repairs (and mobile)			$ 5.650		IDC							$ 5.650		$ 5.650
IDC	7	Vehicles			$ -		IDC							$ -		$ -
IDC	8	Spare Parts for Repair Vehicles			$ -		IDC							$ -		$ -
Subtotal IDC			0	0	$ 15.360			$ -			$ -			$ 15.360	$ -	$ 15.360
SCOP	1	Transport and Field Vehicles & Equipment			$ 20.000		SCOP							$ 20.000		$ 20.000
SCOP	3	Restore Camp and Mobil Construction facilities			$ 20.000		SCOP							$ 20.000		$ 20.000
SCOP	4	Replace Office Appliances incl. computers and related communications			$ 1.500		SCOP							$ 1.500		$ 1.500
Subtotal SCOP			0	0	$ 41.500			$ -			$ -			$ 41.500	$ -	$ 41.500
MRC	1	Replace Buildings and Warehouses			$ 2.700		MRC								$ 2.700	$ 2.700
MRC	2	Replace Looted Chemicals			$ 15.943		MRC							$ 15.943		$ 15.943
MRC	5	Laboratory Apparatus and Chemicals for Tests			$ 0.040		MRC							$ 0.040		$ 0.040

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Company	#	Project	Pre-War Product	Current Product	Est. Cost (mil) USD	Prod	Exec Resp	Est. Cost (mil) USD	Prod	Exec Resp	Est. Cost (mil) USD	Prod	Exec Resp	KBR Procure (mil) USD	MOO EPC & Local Procure (mil) USD	Total (mil) USD
MRC	9	Furniture and Future Replacement			$ 0.050		MRC								$ 0.050	$ 0.050
Subtotal MRC			0	0	$ 18.733			$ -			$ -			$ 15.983	$ 2.750	$ 18.733
Misc	12	Emergency Power at Critical Operating Co. sites			$ 50.000									$ 50.000		$ 50.000
Subtotal Misc			0	0	$ 50.000			$ -			$ -			$ 50.000	$ -	$ 50.000
		TOTAL PHASE 1 FUNDING	2,311,529	279,081	$ 716.233			$ -			$ -			$ 589.655	$ 126.578	$ 716.233
		PHASE 2 FUNDING														
SOC	42	Tuba Tank Farm						$ 4.000		SCOP				$ 2.400	$ 1.600	$ 4.000
SOC	45	CPS-6, CPS-7, CPS-10						$ 14.000		SOC				$ 8.400	$ 5.600	$ 14.000
SOC	39	Hammar (ZSC) Degas & Water Injection	65,000	0				$ 6.000		SOC				$ 3.600	$ 2.400	$ 6.000
SOC	37	Zubair Mishf (ZSC) Degas Station & Water Inj	75,000	0				$ 7.000		SOC				$ 4.200	$ 2.800	$ 7.000
SOC	38	Rafidya (ZS4) & Salwands	40,000	0				$ 7.000		SOC				$ 4.200	$ 2.800	$ 7.000
SOC	35	DS-5	140,000	0				$ 2.000		SCOP				$ 1.200	$ 0.800	$ 2.000
SOC	44	Potable Water in N Rumaila						$ 2.000		SOC				$ 1.200	$ 0.800	$ 2.000
SOC	40	CPS-3, CPS-4, CPS-5						$ 12.000		SOC				$ 7.200	$ 4.800	$ 12.000
SOC	36	West Qurna No. 8	150,000	0				$ 4.000		SCOP				$ 2.400	$ 1.600	$ 4.000
SOC	41	9 EA DS Stations-Missan	140,000	0				$ 13.000		SOC				$ 7.800	$ 5.200	$ 13.000
SOC	43	Central Lab Equipment						$ 2.000		SOC				$ 2.000		$ 2.000
Subtotal SOC				0	$ -			$ 73.000			$ -			$ 44.600	$ 28.400	$ 73.000
SRC	4	Replace Looted Generators						$ 0.750		SRC				$ 0.600	$ 0.150	$ 0.750
SRC	5	Lube Oil Dryer						$ 0.150		SRC				$ 0.105	$ 0.045	$ 0.150
SRC	10	Replace Looted Cars & Busses						$ 1.500		SRC				$ 1.500		$ 1.500
Subtotal SRC				0	$ -			$ 2.400			$ -			$ 2.205	$ 0.195	$ 2.400
NOC	35	Cold Stripping Shura & Hangara						$ 2.000		NOC				$ 1.400	$ 0.600	$ 2.000
NOC	38	Chemicals (NOC)			$ -		NOC	$ 1.000		KBR				$ 1.000		$ 1.000
NOC	48	Stores Equipment Reqd for Production			$ -		NOC	$ 8.000			$ -			$ 8.000		$ 8.000
NOC	24	Cathodic Protect Expan			$ -		KBR	$ 0.500		KBR	$ -		NOC	$ 0.500	$ -	$ 0.500
NOC	18	K2W PST Rehab						$ 2.000		NOC				$ 1.400	$ 0.600	$ 2.000
NOC	19	T2 PST Rehab						$ 3.000		SCOP				$ 2.100	$ 0.900	$ 3.000
NOC	17	K3 PST Rebuild for Strag Flow						$ 45.000		SCOP				$ 31.500	$ 13.500	$ 45.000
Subtotal NOC				0	$ -			$ 61.500			$ -			$ 45.900	$ 15.600	$ 61.500
NGC	2	Chemicals			$ -		NGC	0.500						$ 0.500		$ 0.500
NGC	5	Stored Materials and Spares			$ -		NGC	5.000						$ 5.000		$ 5.000
NGC	1	Laboratories Equipment			$ -		NGC	1.000						$ 1.000		$ 1.000
Subtotal NOC				0	$ -			$ 6.500			$ -			$ 6.500	$ -	$ 6.500
NRC	4	Package Refinery Injection Pumps						$ 0.200		NRC				$ 0.120	$ 0.080	$ 0.200
NRC	5	Package Refineries						$ 4.350		NRC				$ 2.615	$ 1.735	$ 4.350
Subtotal NRC				0	$ -			$ 4.550			$ -			$ 2.735	$ 1.815	$ 4.550
OEC	1	3-D Multi-source seismic parties						$ 40.000		OEC				$ 40.000		$ 40.000
OEC	2	WVS party to conduct velocity survey						$ 0.250		OEC				$ 0.250		$ 0.250
Subtotal OEC				0	$ -			$ 40.250			$ -			$ 40.250	$ -	$ 40.250
OPC	2	Replace Nassiriya PST (LPG & Products)						$ 13.670		SCOP				$ 8.230	$ 5.440	$ 13.670
Subtotal OPC				0	$ -			$ 13.670			$ -			$ 8.230	$ 5.440	$ 13.670
OPDC	2	Replace Tires & Spare Parts for Trucks, Forklifts, & other						$ 4.000		OPDC				$ 4.000		$ 4.000
OPDC	3	Replace Equipment for Service Stations & offices						$ 4.030		OPDC				$ 3.500	$ 0.530	$ 4.030
OPDC	6	Replace Standby Diesel Generator Sites						$ 0.300		OPDC				$ 0.300		$ 0.300
OPDC	7	Replace minivans & pickuphs w/spare parts						$ 1.000		OPDC				$ 1.000		$ 1.000
Subtotal OPDC				0	$ -			$ 9.330			$ -			$ 8.800	$ 0.530	$ 9.330
GFC	10	Purchase Utility Equipment & Vehicles						$ 1.000		GFC				$ 1.000		$ 1.000
GFC	11	Purchase Equipment & Material for Cylinder Repair & Replacement						$ 10.267		GFC				$ 10.267		$ 10.267
Subtotal OEC				0	$ -			$ 11.267			$ -			$ 11.267	$ -	$ 11.267
IDC	4	Rig Camps (4)						$ 3.000		IDC				$ 3.000		$ 3.000

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IDC	5	Rig Camps Repaired (2)						$ 0.500		IDC				$ 0.500		$ 0.500
IDC	1	2 Workover Rigs (South) Repair						$ 4.000		IDC				$ 4.000		$ 4.000
IDC		Expendable Spare Parts						$ 2.000		IDC				$ 2.000		$ 2.000
IDC	6	Workshop for repairs (and mobile)						$ 5.650		IDC				$ 5.650		$ 5.650
IDC	7	Vehicles						$ -		IDC				$ -		$ -
IDC	8	Spare Parts for Repair Vehicles						$ 1.000		IDC				$ 1.000		$ 1.000
IDC	2	2 Drilling Rigs (South) Repair						$ 5.000		IDC				$ 5.000		$ 5.000
IDC	3	3 Drilling Rigs (North) Repair						$ 3.000		IDC				$ 3.000		$ 3.000
Subtotal OPC				0	$ -			$ 24.150			$ -			$ 24.150	$ -	$ 24.150
SCOP	2	Replace Tools & Test Equipment						$ 2.000		SCOP				$ 2.000		$ 2.000
Subtotal SCOP			0	0	$ -			$ 2.000			$ -			$ 2.000	$ -	$ 2.000
MRC	7	Replace Emergency Generators						$ 0.615		MRC				$ 0.615		$ 0.615
MRC	8	Repair or Replace Buildings						$ 0.500		MRC					$ 0.500	$ 0.500
MRC	10	Tools and Supply Replacement						$ 0.500		MRC				$ 0.500		$ 0.500
MRC	12	Replace Firefighting Equip						$ 0.694		MRC				$ 0.694		$ 0.694
Subtotal MRC			0	0	$ -			$ 2.309			$ -			$ 1.809	$ 0.500	$ 2.309
		TOTAL PHASE 2 FUNDING		0	$ -			$ 250.926			$ -			$ 198.446	$ 52.480	$ 250.926
		PHASE 3 FUNDING														
SOC	54	ZR-2									$ 3.000		SOC	$ 1.800	$ 1.200	$ 3.000
SOC	51	ZR-1									$ 3.000		SOC	$ 1.800	$ 1.200	$ 3.000
SOC	52	PST-1									$ 2.000		SOC	$ 1.200	$ 0.800	$ 2.000
SOC	47	Luhais DS	50,000	0							$ 2.000		SCOP	$ 1.200	$ 0.800	$ 2.000
SOC	46	Majnoon DS	55,000	0							$ 2.000		SOC	$ 1.200	$ 0.800	$ 2.000
SOC	56	SOC Admin Restoration									$ 1.000		SOC	$ 0.600	$ 0.400	$ 1.000
SOC	53	PST-2									$ -		SOC			$ -
SOC	57	SOC Chemicals									$ 2.000		SOC	$ 2.000		$ 2.000
SOC	48	Special Equipment for Field Operations (75%)									$ 10.000		SOC	$ 10.000		$ 10.000
SOC	49	Geological & Const Labs Equipment									$ 2.200		SOC	$ 2.200		$ 2.200
SOC	50	SOC Equipment & Tools for Drilling									$ 4.000		SOC	$ 4.000		$ 4.000
SOC	55	Oil Spill Containment (50%)									$ 5.000		SOC	$ 5.000		$ 5.000
Subtotal SOC			105,000	0	$ -			$ -			$ 36.200			$ 31.000	$ 5.200	$ 36.200
SRC	2	Reformers Main Compressors Repair									$ 1.600		SRC	$ 0.960	$ 0.640	$ 1.600
SRC	3	Spare Parts for Compressors									$ 2.000		SRC	$ 2.000		$ 2.000
SRC	6	Asphalt Plant Restoration									$ 0.300		SRC	$ 0.210	$ 0.090	$ 0.300
SRC	7	Reverse Osmosis Unit									$ 0.750		SRC	$ 0.450	$ 0.300	$ 0.750
SRC	8	Maintenance Equipment									$ 1.500		SRC	$ 1.500		$ 1.500
SRC	11	Raw Water Pretreatment Unit									$ 0.400		SRC	$ 0.280	$ 0.120	$ 0.400
SRC	12	Replace Looted Machinery									$ 1.000		SRC	$ 1.000		$ 1.000
Subtotal SRC			0	0	$ -			$ -			$ 7.550			$ 6.400	$ 1.150	$ 7.550
NOC	30	Ayl Compress Station									$ 10.000		NOC+vdr	$ 7.000	$ 3.000	$ 10.000
NOC	49	Stores Equipment Reqd for Production			$ -		NOC	$ -			$ 8.000			$ 8.000		$ 8.000
NOC	24	Cathodic Protect Export			$ -		KBR	$ -		KBR	$ 3.000		NOC	$ -	$ 3.000	$ 3.000
NOC	15	Industrial Water 2nd Phase									$ 3.500		NOC	$ 2.450	$ 1.050	$ 3.500
Subtotal NOC			0	0	$ -			$ -			$ 24.500			$ 17.450	$ 7.050	$ 24.500
GFC	5	Replace Spare Parts									$ 1.200		GFC	$ 1.200		$ 1.200
GFC	8	Replace Material for Manufacturing of 5 Horizontal Tanks									$ 1.066		GFC	$ 0.640	$ 0.426	$ 1.066
Subtotal GFC			0	0	$ -			$ -			$ 2.266			$ 1.840	$ 0.426	$ 2.266
IDC	4	Rig Camps (6)									$ 5.000		IDC	$ 5.000		$ 5.000
IDC	5	Rig Camps Repaired (2)									$ 0.500		IDC	$ 0.500		$ 0.500
IDC	1	5 Workover Rigs (South) Repair									$ 7.500		IDC	$ 7.500		$ 7.500
IDC	6	Expendable Spare Parts									$ 6.250		IDC	$ 6.250		$ 6.250
IDC	7	Workshop for repairs (and mobile)									$ 5.500		IDC	$ 5.500		$ 5.500
IDC	8	Vehicles									$ 5.000		IDC	$ 5.000		$ 5.000
IDC	9	Spare Parts for Repair Vehicles									$ -		IDC	$ -		$ -
IDC	2	5 Drilling Rigs (South) Repair									$ 12.750		IDC	$ 12.750		$ 12.750
IDC	3	5 Drilling Rigs (North) Repair									$ 10.000		IDC	$ 10.000		$ 10.000

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IDC	10	4 Drilling Rigs									$ 40.000		IDC	$ 40.000		$ 40.000	
Subtotal IDC			0	0	$ -			$ -			$ 92.500			$ 92.500	$ -	$ 92.500	
MRC	3	Replacement Tank									$ 1.000		MRC	$ 0.600	$ 0.400	$ 1.000	
MRC	4	Industrial Fleet									$ 1.707		MRC	$ 1.707		$ 1.707	
MRC	6	Replace Tools									$ 0.500		MRC	$ 0.500		$ 0.500	
MRC	11	Five (5) Forklifts									$ 0.183		MRC	$ 0.183		$ 0.183	
Subtotal MRC			0	0	$ -			$ -			$ 3.390			$ 2.990	$ 0.400	$ 3.390	
Misc	13	Oil training and R&D center and MOO HQ									$ 10.000			$ 10.000		$ 10.000	
Subtotal MISC			0	0	$ -			$ -			$ 10.000			$ 10.000	$ -	$ 10.000	
		TOTAL PHASE 3 FUNDING	105,000	0	$ -			$ -			$ 176.406			$ 162.180	$ 14.226	$ 176.406	
		TOTAL FUNDING BY PHASE	2,416,529	279,081	$ 716.233			$ 250.926			$ 176.406			$ 950.281	$ 196.284	$ 1,143.565	