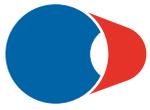


Panorama

CPC



CJSC Caspian
Pipeline
Consortium-R



JSC Caspian
Pipeline
Consortium-K

Caspian Pipeline Consortium Corporate Edition

№1(8) April 2015



In Focus:
*Expansion
Project*
p. 1-13

Contents:

William Simpson: "Always Think Safety First" • **p. 3** / The best people for the new sites! • **p. 7** /
No pain, no gain • **p. 14** / International cooperation in practice • **p. 26**

CONTENTS

EXPANSION PROJECT

Viktor Abmayev: "Focused on results"	1
William Simpson: "Always Think Safety First"	3
Igor Lisin: "The facilities we are building are modern and safe"	4
The best people for the new sites!	7
Compliance with the law is the most important factor in construction	10
CPC protects the birds	13



OPERATIONS



No pain, no gain	14
Air patrols	17
Skilful hands and golden hearts	18
A production house-warming	21

OIL QUALITY

The most reliable bank	22
------------------------	----

PROFESSIONALS

Masters of the sea	24
--------------------	----

THROUGH THE LENS OF HISTORY

International cooperation in practice	26
A message from eternity	28



THANKS TO CPC

The route of good deeds	29
-------------------------	----

ON THE 70TH ANNIVERSARY OF THE GREAT VICTORY

Lest we forget...	32
-------------------	----

TRADITIONS



Along the pipeline route	34
The tulip as symbol of the Kalmyk steppe	36
To each and every one	38
"Let your good deeds be known!"	42
At the forefront of events	42
Subject of scientific research	42
Getting feedback	43

OUR FUTURE

A distinguished chess player	44
"Goodies" from Bakhyt	45

HOBBY

Motifs of Vietnam	46
Team spirit	48
A guest from Africa	49



Focused on results

2015 SEES THE COMPLETION OF THE EXPANSION PROJECT APPROACHING. IT PLACES GREAT RESPONSIBILITY ON THE CPC TEAM ON BOTH SIDES OF THE RUSSIAN-KAZAKH BORDER. VIKTOR ABMAYEV, GENERAL MANAGER FOR FIELD OPERATIONS, SPEAKS WITH "CPC PANORAMA".

– Mr. Abmayev, how are working relationships developing between the Operations Department and the Expansion Project people? What collaborative tasks are they facing?

– I'll start by saying that the Operations Department and the Expansion Project teams have existed for a long time already. They comprise highly qualified specialists, which means they are capable of solving operational issues of any degree of complexity. I would say our

time possible. The most detailed coordination between the Expansion Project specialists, the building contractors and the Operations Department is of huge importance here. Their coordinated and competent joint efforts can guarantee that the facility commissioning will be ecologically safe and in full compliance with occupational

As part of the Expansion Project advanced technologies from the international pipeline industry are being introduced into the Consortium facilities

relationships are truly functional and result-oriented. We share the common goal of increasing the throughput capacity of the CPC pipeline system.

This year we must perform a great deal of work towards putting the new facilities into operation. In the Russian Federation these are PS-3, PS-4, PS-7, A-PS-4A, and three tanks in the Marine Terminal with a working capacity of 100,000 m³ each. In the Republic of Kazakhstan we have to complete work at PS Tengiz and PS Atyrau. It is worth noting that the facilities mentioned are at a high state of readiness, in the closing stages of construction, installation and start-up works. We are making every effort to start the final on-site equipment tests at the earliest

safety and fire-prevention requirements, which will determine the future accident-free operation of the CPC pipeline system.

For each facility there is a program determining the stages and period of execution for this or that type of works, and designating individuals responsible for each area in focus.

– Is the number of operations personnel increasing?

– We have already taken the decision to increase the manpower of the Operations Department by approximately 25%, which will be optimal for the time of commissioning and putting the Expansion Project facilities into service, as well as for future maintenance of the pipeline system. Part of the



Viktor Abmayev:
"The main thing – team spirit"

new staff is already employed and involved in the work process.

– After the completion of the Expansion Project the number of pump stations will triple, but the operations staff will only increase by a quarter.

– From the very beginning CPC set a policy of minimalizing the human factor in the operating process. As part of the Expansion Project CPC is introducing advanced technologies from the international pipeline industry into the Consortium facilities, and those technologies bring lower staffing levels. That means fewer staff are needed for equipment maintenance, but they should be highly skilled specialists.

– What can be said about the Expansion Project's environmental impact?

– Before project implementation started, there was a detailed State expert assessment concerning compliance with all existing standards including those on environmental impact. It resulted in a declaration from the experts that the project could be undertaken in the territo-



Viktor Abmayev and Sarsembay Murinov,
Eastern Region Manager of Operations

ries of the Russian Federation and the Republic of Kazakhstan with

– The Expansion Project has literally got the Operations Department spe-

If every employee spares no effort at his workplace, the whole Company will be well on the way to achieving the highest results

no risk of environmental damage. We are meeting every exact regulation valid in the territories of both states on all parameters.

cialists moving – their business trips to the sites increased many times. And you are off on another business trip to Kazakhstan later today...

– This time I have to resolve on site issues of launching equipment already installed at PS Atyrau and PS Tengiz.

There will be meetings with both construction contractors and regional specialists. We shall review the bottlenecks and settle issues of safe facility commissioning.

– What do you see as the cornerstone of the CPC team’s success at this stage?

– Both today and in the future the most important things are team spirit and setting specific targets. If every employee spares no effort at his workplace, the whole Company will be well on the way to achieving the highest results. The results to date are really impressive: increasing oil transportation by 8 mln t over a year – that’s a serious achievement! We have more serious challenges ahead of us, and the potential of CPC’s multinational team makes me confident that every mission will be accomplished.. ■

Interviewed by Ekaterina Suvorova



Workshop in Kazakhstan at the end of January 2015

Always Think Safety First

THE ANALYSIS OF HSE STATUS AS OF 2014 YEAR-END HAS DEMONSTRATED THERE'S NEED TO INTRODUCE A SET OF ACTIONS AIMED AT PREVENTION OF INCIDENTS AT EP SITES. SUCH PROGRAM WAS DEVELOPED WITHIN SHORTEST TIME FRAME. THE DETAILS OF THE PROGRAM AND CORRECTIVE MEASURES WERE COMMENTED BY MR. WILLIAM. SIMPSON, DEPUTY GD CPC, ENGINEERING AND PROJECTS.

– At the meeting of Safety Leaders Central Committee in Moscow, having discussed a new plan of work there was taken a decision to have an updating program contained following activities: to review present training modules of IIF Program for its better adjustment to Expansion Project; to finalize training campaigns; to handle “Safety Working Practices at Construction Facilities” workshops

– We worked out a procedure according to which there are monthly work stand-downs with involvement of CPC-R HSE staff and management, PMCs and contractor aimed at conducting a joint audit, risks assessment and any available violations mitigation. RF PS Team and RF PS coordinator Igor Lisin play a critical part in this work. Special focus is on Russian PS, where a fatal incident took place while working

Project has reconsidered approach to safety requirements, new procedures were developed and introduced, that are being tested at some facilities now

for construction contractors and PMCs' managers. It was prohibited to work at weekends and public holidays. In case of special need, works could be performed during these days, however only by my written approval and appropriate coordinator assuming additional safety requirements meeting. So, in general there was reconsidered an approach to safety requirements, developed and put in practice new procedures, which are being tested at some facilities now, developed a point-based system of HSE violations, formed independent teams dealing with Safety Requirements fulfilling at all Expansion Project facilities – and all these mentioned present only minor part of implemented activities, – pointed out William Simpson and listed a number of measures having the critical importance up to him:

at height at Pump Station 8. RF PS Team developed additional corrective actions and brought in new rules considering specific circumstances of work at height. As such, in accordance with new rules it is prohibited to use safety belts that only secure individual's waist. These were replaced by safety harnesses type D including fall prevention ropes. When working from ladders it is now a must to have assisting person at the ladder base. Works are stopped if there's no assistance. No ladders allowed to work at over 5 meter height. Working at height mandates that person wears safety helmet chin strapped. Safety tag-out system has been introduced (color coding) at scaffolds and manlifts. I.e. if scaffolds are not installed completely or correctly a red tag is posted, scaffolds checked and inspected by brigadier have green tag posted with brigadier signing



the inspection date. Such tactics already exist and workers get used to it now. General contractors' respective procedures have been revised and amended for works at height. In general we pay special attention to work at height'.

– I am confident all these measures will help avoid any incidents in the future at the EP construction sites and will ensure personal safety to our and contractors' staff. Life and health of our people is our main value in the Project, – emphasized William Simpson. ■

Recorded by Alexander Detkov



Igor Lisin: “The facilities we are building are modern and safe”

2015 IS GOING TO BE CRUCIAL FOR CPC EXPANSION – IT WILL SEE THE COMPLETION OF THE PAINSTAKING WORK PERFORMED BY THE TEAM IN RECENT YEARS. IN AN INTERVIEW WITH “CPC PANORAMA”, RF PS COORDINATOR IGOR LISIN COMMENTED ON WORK PROGRESS AT THE PROJECT’S NUMEROUS SITES.

– In 2015, the CPC pipeline system’s throughput capacity is expected to reach 45-50 mln t of oil per year. Which facilities of the Expansion Project are to be launched to achieve this target? Can you give any approximate target dates?

– The CPC Expansion Project is in full swing along the entire pipeline length – from Tengiz to Novorossiysk. All available means and resources have been mobilized: over 7,000 people are currently involved in the construction process, including management companies and business support contractors. Now we are in transition from Phase 2 to Phase 3: the contractors are completing Phase 2 facilities and moving on to Phase 3 sites. By the end of this year we must fulfil the important task set by the company’s leaders – to have all the Expansion Project facilities ready for operation. This means we have to complete the construction of 10 new pump stations, service power lines and power supply facilities and expand the Marine Terminal’s tankage capacity.

As regards the Marine Terminal’s Tank Farm, the Phase 1 scope of

work is nearing completion. Three 100,000 t tanks were completed back in 2014. Currently, power and pilot circuit cables are being laid and auxiliary facilities are under construction. The work is scheduled for completion in the second quarter of 2015, and after that the new tanks will be handed over to the CPC Operations Department.

Construction is entering its final stage at a number of

pump stations, including three in Russia. Their handover to the Operations Department is scheduled for the 1st-2nd quarter of this year. I would like to note that PS-3 is the most important pump station for achieving the throughput capacity target, as it will support the flow of crude through the lengthy interval between PS Komsomolskaya and PS Kropotkinskaya. The Russian PS-4 and PS-7 and the new capacities of PS Tengiz and PS Atyrau in Ka-



zakhstan are also at a high level of readiness. The formal documents, which are signed following inspection by the working commission, prompt corrective action by the contractor and acceptance by the operations service, are required to confirm facility's conformity with the design, and for its subsequent tax registration and entry in CPC inventory records.

In the meantime, CPC leadership decided to perform pre-start readiness review for PS oil-in. Pre-start Safety Review is a comprehensive procedure of verifying a facility's readiness for receiving and handling oil flow. A team of experts checks not only the equipment and the quality of the completed construction and installation work, but also the readiness of personnel and workplace conditions, the focus being on operational and personnel safety.

– How is the progress of setting up power supply and communications systems for the pump stations and SCADA connection of the new equipment going?

– The construction of external power supply facilities is going ahead at a good pace. A substation and power lines are under construction in the Astrakhan Region. In addition, a service power line is being laid between PS Kropotkinskaya and PS-5. It runs through two constituent entities of the Russian Federation – the Krasnodar and Stavropol Krai. As regards the Krasnodar Krai, all work had been completed by early 2015 and the relevant documents submitted to the supervisory authorities for

By the end of this year we must fulfil the important task set by the company's management – to have all the Expansion Project facilities ready for operation

obtaining permission to launch operations at that interval. In the Stavropol Krai, the laying of cables is completed, with only road and river crossings remaining to be built.

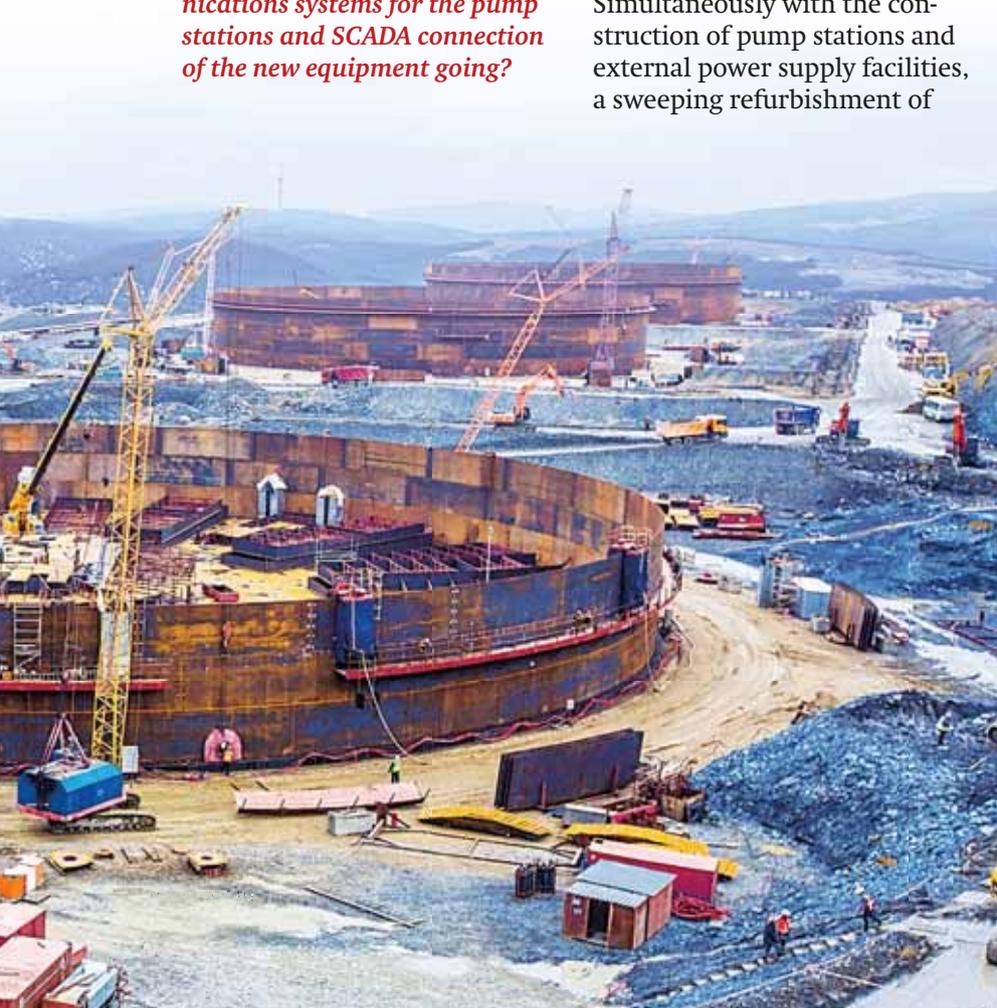
Simultaneously with the construction of pump stations and external power supply facilities, a sweeping refurbishment of

the communication and control systems is under way. That means the major project of revamping the Marine Terminal's Operations Control Center, which calls for the complete replacement of the control core, introduction of new software, modernization of all shelters along the entire pipeline length and many other objectives. This is a complex and challenging task, requiring both the connection of the new equipment and the reconnection of the old. At the moment we are still operating the

old SCADA, while the new one is undergoing testing and customization. Our colleagues, who are in charge of this project, are doing their best to ensure smooth migration to the new SCADA, which is no easy task given the aggressive schedule of oil transportation through the pipeline.

– What is the situation with the imported equipment? Has everything necessary for PS operation been delivered to Russia?

– As regards the equipment for which CPC is responsible, its delivery is 99.9% complete. For our contractors, the figure is 90%. There are indeed some problems with the delivery of imported equipment, but we are working to resolve them with the customs services and representative offices of our vendors in Russia and abroad. That notwithstanding, as things stand today, these delays are not causing any critical impact on the construction schedule, and we are assuming that all such issues will be resolved and that the equipment that has been ordered and paid for will eventually be



delivered. In a worst case scenario, we have already studied import substitution options.

– What additional measures are being taken to ensure workers' safety during construction and installation work?

– Of course, we have a comprehensive health & safety program for our employees. For example, during the commissioning period the equipment connected to electricity or filled with oil is transferred to the responsibility and

thoroughly inspect the site from the viewpoint of safety, including weather factors, to analyse the risks, formulate recommendations and propose risk mitigation measures.

Holding Safety Days has become a good tradition of the Expansion Project. On a Safety Day the best employees of the contractor organizations get together and have fun taking part in various competitions to demonstrate their knowledge of labor safety requirements set out in Russian law and

– Transneft is the world's largest pipeline company. For many years now, Transneft has been actively building new pipeline systems. My work with Transneft began with their Baltic Pipeline System-1 project (BPS-1). I took part in the refurbishment of PS Pes, Bykovo and Palkino and the construction of PS Sestroretskaya and 300 km of the BPS mainline. My role included working as the operator as well as the technical coordinator of construction (Project Management Center Stroineft). Of course, the experience I gained there proved to be



The CPC Expansion Project (Russian Federation) Safety Olympiad was held in the Stavropol Krai in late August 2014. Representatives from the contractor organizations competed in a comprehensive contest program and were given the opportunity to demonstrate their talents in amateur artistic activities. Such safety-related events have become a good tradition at CPC

control of the Operations Department, and all work is performed under work permits issued by the Operations Department.

As you know, while implementing the Expansion Project we devote a great deal of care to the health and safety of both CPC and contractor employees. We have made great progress in this direction and have fostered proper attitudes in our employees, with the awareness that safety is the highest value and the foundation of the whole business, not merely one of the customer's requirements. We have introduced a system of excluding potentially hazardous conditions: prior to proceeding with their work, workers are required to

CPC regulations. One such event, called the "Safety Olympiad", took place at PS-4 in the Stavropol Krai in 2014. Why an Olympiad? Well, we were certainly inspired by the fact that Russia had just hosted the Winter Olympics! And we supplemented the program of usual safety topics with exciting sporting contests.

– Before you joined the CPC Expansion Project you were involved in various construction projects for Transneft. Which parts of your previous organizational experience have proved useful at CPC, and what new skills have you acquired while working on the Expansion Project?

most valuable for my future career. As regards pump stations, they are usually standard sets of facilities, and in this sense my work with CPC is similar to that at Transneft.

In the design, construction and operation of its facilities, CPC strictly observes the requirements of not only its Russian shareholders, the biggest of which is Transneft, but also those of the consortium's foreign participants. The technical regulations adopted by the Russian and foreign participants complement each other very well, which is why our facilities are among the most modern and safest in the world. ■

Interviewed by Pavel Kretov



The best people for the new sites!

THE EXPANSION PROJECT IS ENTERING ITS FINAL STAGE, WHICH MEANS MORE STAFF WILL SOON BE NEEDED FOR THE NEW PIPELINE FACILITIES WHICH WILL BE COMING INTO SERVICE. ALEXANDER BARSUKOV, HR MANAGER, TOLD "CPC PANORAMA" WHAT THE COMPANY IS DOING TO FIND STAFF TO MEET THESE NEW DEMANDS



– Personnel selection and training is a lengthy process. When did CPC start working on supplying specialists for the new facilities?

– The basic principles of searching for, hiring and rotating staff to work at the new PS and other CPC facilities built under the Expansion Project were formed back in 2012 by the HR Department, the Operations Department, the Expansion Project Start-up & Commissioning Group and the Training Department. First they defined the requirements of general competence, necessary candidate experience, total hiring period and training time, and then started the active process of gathering CVs from candidates for operations personnel positions.

Last year we fully staffed the newly built PS-3 in the Central Region, PS-4 and PS-7 in the Western Region with operations personnel — more than 90 people in all!

At the moment this work continues in full compliance with the commissioning and start-up schedule of the Expansion Project facilities. I will take the liberty to express my confidence that this work will be accomplished just as successfully this year.

– Is there the prospect of rotating some of your Expansion

Project specialists into Operations?

– I am convinced that it would be a huge mistake to ignore the competence and experience of our colleagues from the Expansion Project group. Clearly, some functional aspects of this structure are more of a project nature, but nevertheless the knowledge of many specialists will be just as much in demand in Operations. Our CEO group and our Shareholders maintain a distinct attitude: the Expansion Project specialists who gained the necessary experience in the course of construction and commissioning are the first to be absorbed into the new facilities.

The Company has a skill pool made up of Expansion Project staff members who are to be reassigned to positions appearing at the newly commissioned sites. CPC Management and the HR Department carry out a great deal of work to ensure staff succession for the Expansion Project team.

– How is recruitment work in the regions structured?

– Information on the new positions is posted on the CPC website, something we are doing for the first time. We expand the search area for the best specialists by placing ads on HeadHunter, one of the leading employment

Alexander Barsukov:
“No staff shortages for CPC!”

databases. People call and send in their CVs, and sometimes even bring them to our regional offices personally. No application will be neglected by our HR staff and each is checked for the individual’s compliance with the competence requirements. Applications from the most skilled candidates are passed from the HR Department to the discipline managers who examine them closely and decide which of the candidates should be invited for interview. According to interview results, the most successful candidates get a chance to join the professional CPC team after training.

– Are there many local people who would like to work for CPC?

– There can be as many as 40 applicants per vacancy, so it is easy to see what a challenge it can be for our regional HR Department colleagues. Such an influx of candidates shows how attractive CPC is on the career market, even in com-



HR specialists of the Moscow office Anna Ustenko, Victoria Mitrofanova, Elena Kitina and Elena Zaitseva in the process of studying candidate applications for the Expansion Project facilities

parison with some other oil and gas sector companies. We have the best working environment and the most attractive social packages. In addition, every year CPC performs salary review and the recession year of 2015 is no exception, and we must give real thanks to our Management Team and Shareholders for that. After all, in many companies today we can observe the opposite process – staff revenue falls, social packages get reduced, and there are even redundancies. We, on the contrary, are hiring people: because of the new facilities commissioning we need to recruit 200 people this year alone.

– What are the preferences when recruiting local staff for the Company?

– For each position there is a very distinct job description that gives all the criteria including education requirements and work experience in particular fields. Advantage is given to experienced oil and gas professionals, since there are a number of field-specific com-

panies in the regions where CPC is present.

– You mean that these staff will leave those companies and join CPC?

– Yes, it is a fact that many highly professional oil and gas industry workers transfer to us. Besides, a number of specialists from the contractor businesses dream of working for CPC. It is only natu-



ral when a person prefers better working conditions and seeks to be a part of such a great work team as we have at CPC. A good team is the keystone for everything.

– Thus, no staff shortages for our Company are anticipated.

– Ensuring exactly that is our job.

– And what is the situation with staff recruitment and training in Kazakhstan?

– All CPC-P and CPC-K policies are “mirror-like”, so the situation in Kazakhstan is very similar. In the same manner they give preference to Expansion Project specialists when staffing new facilities. They also engage subject-matter specialists from among locals, and I go there to hold competitive selections. Thus, CPC-K staff size will also grow in proportion with increased pipeline system loading.

– So it turns out that you have no problems with staffing the new facilities?

– There is a solution to every problem. For example, in CPC we have some remote sites. The newly built PS-4 in the Ipatovsky district is about 400 km away from Krasnodar. We didn't manage to find any local subject-matter specialists for servicing the station, because there weren't any. At first we wanted to use the shift working method for PS-4, but with due regard to the local conditions the management decided to use the rotation system, and it saved the situation. Qualified specialists from other regions are very ready to agree to work on a rotation system. Particularly because the station is equipped with all the necessary infrastructure – there is a rotational camp with a canteen, sport centre, medical office and laundry service. In fact, the rotational system is to be used at several new remote stations.

– What educational institutions does CPC cooperate with in terms of specialist training?

– We have cooperation agreements with the most reputable

universities in the regions of CPC's presence. Those are the Astrakhan State Technical University, the Kalmyk State University in Elista, the North-Caucasus Federal University in Stavropol. We also have efficient working contacts with the Atyrau Institute of Oil and Gas, and the Kuban State Technological University in Krasnodar.

CPC has a history of close relationships with the Admiral Ushakov

– The professional specialist training is conducted in close cooperation between the HR Department, the Training Department and on-site management. The training begins six months prior to the facility commissioning. Once the newcomer has passed the theoretical training, the main emphasis is put on the greatest possible acquisition of practical skills and knowledge. For the first 12 shifts the trainee will study manufacturing docu-

Staff recruitment and training for CPC facilities are conducted in accordance with a competitive selection procedure and the training programs, with close cooperation between the heads of CPC regional divisions, HR specialists, heads of core-business departments (Operations Department, first of all), the training specialists, the security service and HSE

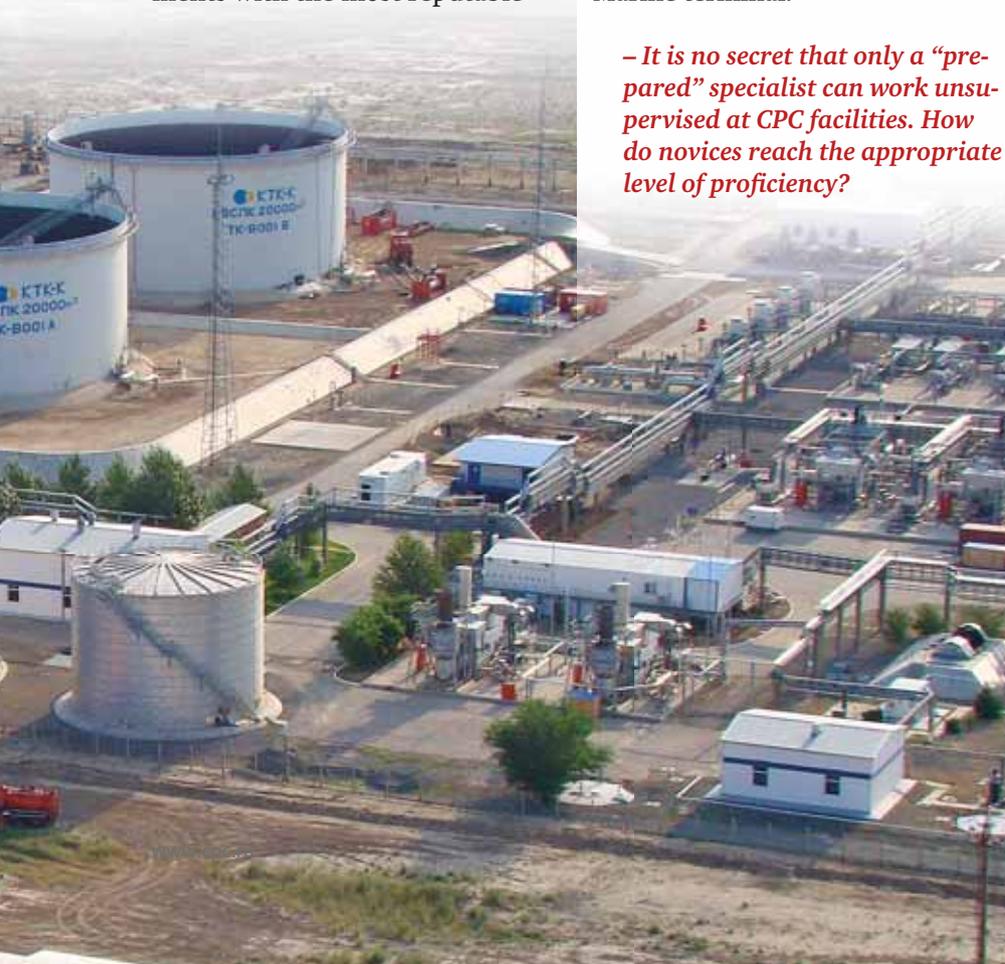
Maritime State University in Novorossiysk – a whole “cohort” of its highly qualified graduates are successfully working at the CPC Marine terminal.

– It is no secret that only a “prepared” specialist can work unsupervised at CPC facilities. How do novices reach the appropriate level of proficiency?

ments and equipment under the supervision of a mentor from among the experienced staff. Training in the HSE standards accepted at CPC is mandatory. The training takes place as much as possible at the production facilities themselves, at real working places, in the process of equipment commissioning.

In 2014 we had 30 new team members in all the regions who completed training and probation at CPC sites. I hope that they will make their working lives a part of the Caspian Pipeline Consortium for many years to come. I will repeat myself and highlight the fact that we have a unique company and a wonderful, stable team – all our employees (and some of them have been working here since the company was established) wish to work here until they moved into well-deserved retirement. ■

Interview by Ekaterina Suvorova



Compliance with the law is the most important factor in construction

CPC'S PIPELINE SYSTEM EXPANSION PROJECT HAS ENTERED ITS FINAL PHASE. AROUND 15 FACILITIES ARE SCHEDULED TO BE LAUNCHED IN 2015, INCLUDING OIL PUMP STATIONS, MARINE TERMINAL TANKS, POWER LINES, ACCESS ROADS AND RADIO TOWERS

THE JOINT WORK TO DELIVER RESULTS

Obtaining the permits for putting facilities into operation is a priority for the Consortium today. Most important for its success is the cooperation and teamwork of all those who are involved in the process.

The Regulatory Affairs Group (RF), which is in charge of coordinat-

participants of the facility commissioning process and takes part in the inspections performed by the government regulatory authorities. Their work helps to minimize CPC risks in the completion phase and ensures the timely launch of facilities. The RF PS Group interfaces with the JSC "Chernomortransneft" Directorate for CPC Project Management and CPC-R construction contractors, verifies their construction

representatives from all project teams, including Project Management Contractor, Construction Contractor, General Designer, Authorship Supervision Team, and the teams in charge of surveillance over the construction and installation work and control and communication systems. At the conclusion of their work the working groups and commissions confirm the readiness for system tests and facility acceptance for operation.

"Each and every one of us at his or her workplace is pursuing the common goal of meeting the targets set by the RF government and ensuring operational safety and reliability in conformity with all applicable legal and technical requirements"

– CPC management has succeeded in coordinating the entire process and orienting people to achieving a shared goal, CPC-R Regulatory

ing preparations for compliance checks by the government construction surveillance agencies, comprises

Vladimir Gladkikh, Ivan Demchenko, Alexander Remenyuk, Nikolay Petrov and Petr Sazhin, who organize cooperation with the government regulatory and executive authorities and perform compliance inspections of the design and acceptance documentation. Maintaining active relations with the government construction oversight authorities are government relations officers Petr Mamykin in the Astrakhan Region and Vitaly Iskanderov in the Stavropol Krai.

The Regulatory Affairs Group coordinates the work of all

and installation work (equipment, facilities) for compliance with the applicable requirements for quality, reliability and safety. It leads the work of putting the facilities into operation performed by the JSC "Chernomortransneft" Directorate for CPC Project Management and CPC-R construction contractors.

The Technical Group is in charge of interfacing with the design institutes, preparation and issuance of detailed design documentation, designer supervision and change control.

The bulk of preparatory work for putting facilities into operation is done by the working groups and working commissions comprising



Vladimir Gladkikh: "We perform systematic work to obtain construction permits"



Site improvement is a finishing stroke before putting a facility into operation

Affairs Group Manager Mikhail Kolesnikov said. – We contracted a designer team (which we had not done before), and site inspections now involve representatives of the design institutes, chief project engineers, legal counsels and financial experts. Legal support provided by Sergey Kladov allowed us to minimize and even on some stations to completely remove claims filed against CPC, including for administrative violations. The Financial Group and Project Finance Manager Georgy Martirosov are of great help. The legal counsels and financial experts now have a lot of work to do and a major responsibility rests on them. Each and every one of us at

his or her workplace is pursuing the common goal of meeting the targets set by the RF government and ensuring operational safety and reliability in conformity with all applicable legal and technical requirements.

THOROUGH PREPARATION FOR INSPECTIONS IS THE PASSPORT TO SUCCESS

The Federal Service for Environment, Technology and Nuclear Oversight (Rostekhnadzor) is the main government authority in charge of industrial construction oversight. Such oversight includes

both scheduled and impromptu inspections. Interfacing with Rostekhnadzor is of great importance for the Expansion Project. As things stand, the customer accepts a facility, confirms its readiness and notifies the oversight authority, which then performs a final inspection to verify compliance with design and technical regulations. A new procedure of interfacing with Rostekhnadzor has been developed and implemented. The procedure requires representatives of the Regulatory Affairs Group to take part in the inspection commission's work, perform consultation before and after inspections, and take part in investigating administrative viola-

tions. Such organization of work allowed us to uncover weak points in the preparatory phase or during inspections and take appropriate corrective action based on these findings. Commissioning Specialist Alexander Remenyuk (whose zone of responsibility includes the Astrakhan Region and the Republic of Kalmykia) told “CPC Panorama” about an incident, which graphically illustrates the work of the Regulatory Affairs Group.

– The inspection performed at A-PS-5A in November 2014 generated an action list based on the non-compliances discovered and two administrative violation cases were opened against CPC-R. CPC-R formally contested the results of the inspection, questioning its



Alexander Remenyuk promptly and professionally responds to enquiries from the regulatory authorities

that, one of the cases opened was dropped and in respect of the

“Intensive work is currently under way to prepare and approve a package of documents for putting PS-3, PS-7 and PS-4 into operation”

legality, but appropriate corrective action was taken for all the non-compliances discovered. After

other one CPC was charged with a minimum fine. This case created a precedent, which was later used



Ivan Demchenko supervises preparatory work for inspection at the Marine Terminal

by CPC-R, and helped minimize designer work of re-issuing design documentation. Rostekhnadzor performed an unscheduled inspection to verify action taken under the earlier given instruction. The inspection generated a positive statement of no complaints.

ON SCHEDULE

Head Specialist Vladimir Gladkikh told “CPC Panorama” which facilities are scheduled to be put into operation first.

– Intensive work is currently under way to prepare and approve document packages for putting into operation PS-3, PS-7 and PS-4. Working groups and acceptance commissions are formed and proceed to work as appropriate. The access road to PS-4 has passed the Rostekhnadzor final inspection. Thanks to the preparatory work properly performed by our specialist Nikolay Petrov, the inspection generated no complaints. In March this year we are expecting to receive a permit for putting the facility into operation. Permits for operation have been received for the following facilities: PS-7 access road, a radio tower at KP 1395 km and another radio tower at KP 1412 km. Systematic work is performed to obtain construction permits. Also, permits have been received for “Safety measures to ensure safe operation of access road to A-PS-4A” and “Safety measures to ensure safe operation of A-PS-4A”. These construction facilities are registered with the government construction supervision authority. Therefore, construction work can now be started. It all has been possible thanks to the coordinated and professional work of the whole CPC team, and of our site specialists in particular. ■

by Alexander Detkov

CPC protects the birds

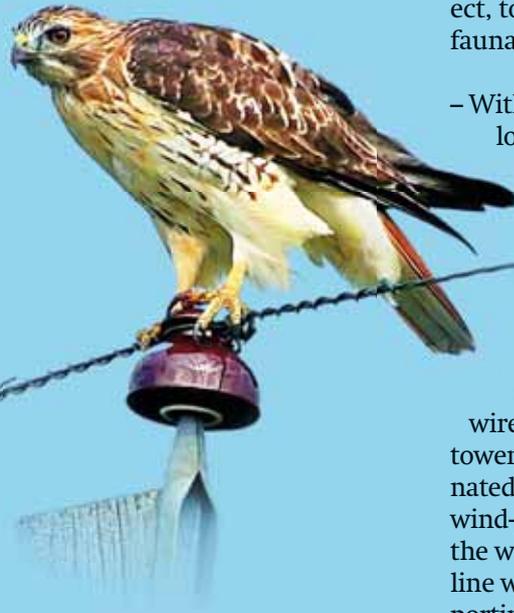
THE PRESERVATION OF NATURAL ECOSYSTEMS AND COMPLIANCE WITH INDUSTRIAL SAFETY REQUIREMENTS ARE AMONG CPC'S PRIORITIES

In 2013 the Consortium's Health and Safety Management System was successfully recertified according to the OHSAS 18001:2007 standard, and the effectiveness of incorporating the ISO 14001:2004 standard requirements in the field of eco-management was also confirmed. The key indicators of all operations that could possibly have an environmental impact have been regularly monitored for a number of years. CPC uses the most advanced and environmentally friendly technologies: crude oil storage tanks equipped with floating roofs that prevent the release of oil vapors into the atmosphere; the maximum safety method of tanker loading from single-point mooring facilities; and a unique system of automated tracing of all processes related to oil transportation and loading.

CPC not only strictly follows such environmental safety standards itself, but also made it a requirement for its contractors. For instance, several times a year the Company's executives and employees practice rapid emergency response measures during oil spill clean-up drills.

The Company management constantly monitors both emergency operational control issues and problem resolution scenarios arising in the process of construction of new facilities, and in relation to the conservation of flora and fauna in the territories along the pipeline.

In accordance with amendment N° 33 to the contract N° KE001A dated 06.05.2006, corrective



action was taken for "CPC pipeline system. Expansion Project" design documentation with the addition of construction of external power supply. The objective of this amendment was to provide electric power supply along the pipeline route in the segment of 358-363 km, A-PS-3A, A-PS-4, PS Atyrau and Tengiz. But the construction of external power supply facilities may be a threat to the population of wild birds in the areas of the CPC construction sites.

The vast majority of 6-10 kV HV lines used are dangerous for birds and cause colossal annual damage to avifauna. Birds of prey, drawn to different HV lines, face the greatest threat. To prevent the risk of bird deaths during use of HV power lines the process of wind-power station construction includes bird-protecting measures, such as: the use of self-supporting

insulated wires (SIW), the replacement of pin insulators with suspended ones, the installation of bird-protecting devices (BPD) in the form of polymeric caps that fully cover the insulators and protective covers (tubes) that insulate the live wire near pier caps. Marat Yesengeldin, the Lead Engineer for power supply and CP of the project, told us more about all these fauna protection measures.

– With the objective to preserve local fauna the Consortium reviewed previous decisions on the construction of the 10 kV service power lines. We used the new type of HV line cross dikes that have the wires under-swung. Thus the possibility of a bird touching the wire and the metal parts of the tower at the same time was eliminated. Also, when constructing the wind-power station for PS Atyrau the whole of the double circuit HV line was composed using self-supporting insulated wires (SIW). Bird-protecting devices (BPD) were applied in the upgraded sections of the existing HV power lines. BPD allow to solve the problem of bird protection at the turning sections of the HV lines. All the other existing bird-protecting devices have one weak point – they cannot follow the curve of the power line. Such devices tend to fly off the insulator and have to be held in place by special bands. Those used by the Expansion Project are different from such known analogues because they fit the insulator perfectly and ideally follow the turns and curves of the power lines. The power line can turn at an angle of up to 90 degrees, with no bending load at the given BPD resulting. In this way the BPD help to solve the problem of birds being electrocuted on the Kazakhstan section of the Expansion Project. ■

by Alexander Detkov

No pain, no gain

WESTERN REGION MANAGER SERGEY POTRYASOV HAS HIS OWN SECRET OF SUCCESS. WHEN HE ENCOUNTERS A PROBLEM HE TRIES TO SEE EVERY ASPECT OF IT AND ACCEPT IT AS IT IS. THEN HE TAKES ALL THE NECESSARY MEASURES TO RESOLVE IT, RELYING ON HIS PROFESSIONAL AND EFFICIENT TEAM.



NO ROSE-TINTED GLASSES

Sergey Potryasov divides the tasks facing the Western Region's team into two categories: the routine operational tasks and those related to the Expansion Project.

— We spare no effort and work in all directions, — Potryasov told “CPC Panorama”. — We fulfilled

team isn't given to complaining, it's not afraid of difficulties and understands that the better the new equipment is installed, the easier it will be to operate it. The Western Region specialists are ready to leave their homes for long periods when they're far away on business trips.

— It was planned to launch PS-7 in 2014, but that didn't work out, because all the Expansion Project

part of the job. After that, you have to nurse it like a baby for many months to make it work in accordance with its design performance indicators.

IT'S ALL ABOUT PEOPLE

What has to be done to overcome such problems? Sergey Potryasov maintains that the same sort of problems are being encountered today by all the regional structures of CPC, and all these problems will eventually be resolved successfully. It couldn't be otherwise.

— We think together how to better arrange work at this crunch time, — he continues. — The current Krasnodar office manpower is obviously insufficient to cope with all the pump stations. Therefore, we are looking to hire more specialists who would be permanently assigned to remote sites for the period of commissioning and start-up. We need not just good and experienced specialists, we need true professionals! The relevant positions have been added to our payroll.

The selection and training of personnel is being addressed in earnest in the company. According to Potryasov, the number of Western Region employees was 137 as of late 2013, and increased by more than 50 by the end of 2014.

The “finishing line” of the Expansion Project is in sight. At the same time, the schedule of putting new facilities into operation is getting increasingly intensive, which is a headache not only for the construction teams, but for the operations teams too

all of the year tasks set for 2014 and transported 40 mln t of oil despite the unfavorable weather conditions and loading difficulties at the Marine Terminal.

The “finishing line” of the Expansion Project is in sight. At the same time, the schedule of putting new facilities into operation is getting increasingly intensive, which is a headache not only for the construction teams, but for the operations teams too. The Western Region team is firmly convinced that the whole process should be under the strict control of the operations specialists. But nobody has relieved them of their routine work. Potryasov noted that his

efforts were focused on other priority facilities, such as PS-3, PS Atyrau and PS Tengiz, — Potryasov explained. — Therefore, in 2015 we will have to carry out pre-launch preparations at PS-7 and PS-4 simultaneously. Both stations are due to be put into operation this summer. In addition, we have to carry out upgrades at PS Kropotkinskaya. The slippages in schedules lead to a snow-ball effect. Now, with a limited number of specialists, we have three facilities to complete, and they're located very far away from each other. PS-5 is next on the list and PS-8 is breathing down our necks... Work is piling up. Putting a station into operation is only



Business matters under discussion with CPC General Director Nikolay Brunich in the Western Region office

— Currently there are 189 employees on the payroll, and we plan to have 290 by the end of this year, virtually twice the number we had two years ago – he explains. — Before the scope of the team’s work was limited to PS Kropotkinskaya and the main-line, but after the completion of the Expansion Project the team will be in charge of five stations, which makes a huge difference.

With the Western Region so badly needing specialists, the HR people are complaining about the deteriorations in the vocational training system in the country. In former times, numerous vocational schools supplied plenty of well-trained blue collar specialists of various skill sets to the labor market. Nowadays, it’s far from easy to find one who would satisfy

all the requirements of a pipeline operator. After a painstaking selection process, the successful candidates are assigned to complete a six-month practical training at PS Kropotkinskaya. This does not make the station personnel happy. After all, in addition to their regular tasks they have to deal with the newcomers. But everybody here understands how important it is for novices to experience real work at a real facility, to see how it works. Want a good specialist? Raise one yourself!

NEW CAPACITIES

Some equipment at the new stations is new to Western Region specialists. For example, PS Kropotkinskaya is equipped with turbine-driven pumps, while new pump stations use electric-powered ones.

Are there any special features about them? How will they perform? These questions are asked by even quite experienced specialists, while they read the manuals and gain new practical skills.



At PS-8. October 2014



A work meeting at PS-4, May 13, 2014

— This is really powerful equipment, designed to move colossal volumes of oil. Just imagine: the pumps are as high as two-story buildings on huge monolithic foundations, with 8 MW electric motors! By comparison, the

Even though these are Siemens motors, and expensive ones at that. How will they cope with the full load?

— Did your specialists train at Siemens facilities?

expansion Project facilities watching the progress of work or interviewing candidates. This conversation took place at PS Kropotkinskaya.

— What are your main priorities during inspection trips to the facilities?

The “finishing line” of the Expansion Project is in sight. At the same time, the schedule of putting new facilities into operation is getting increasingly intensive, which is a headache not only for the construction teams, but for the operations teams too

pumps used by other pipeline operators have only 4-5 MW electric motors, — Sergey Potryasov proudly remarks.

— How did the new equipment prove itself during testing?

— No-load tests of the electric motors at PS-7 revealed several drawbacks, which were immediately remedied.

— Training is organized directly at the pump stations with the participation of Siemens specialists.

AND THE MOST IMPORTANT

During this crunch time there’s almost no chance of finding the regional manager in his office: he spends most of the time at the Ex-

Safety is the key factor. It is the cornerstone principle for CPC. We should think not only about pumps and other “hardware” and not only about oil transportation volumes and profits. We should care most of all about the people, their workplace conditions, and how they observe the established rules. And that means not only the operations personnel, but the personnel of our contractors too. Our facilities should be absolutely free from any risk to life and limb, and we will be merciless in respect of any violation, right up to ordering that work be stopped. After all, human life is priceless. ■

by Ekaterina Suvorova



Air patrols

OIL PIPELINES ARE CLASSIFIED AS HIGH RISK FACILITIES AND ARE SUBJECT TO MANDATORY AIR PATROLLING. SINCE THIS YEAR, THE HELICOPTERS PATROLLING THE CPC PIPELINE ARE MODERN EUROCOPTER EC 135S. "CPC PANORAMA" CORRESPONDENT PAVEL KRETOV WAS AMONG THE NEW HELICOPTER'S FIRST PASSENGERS.

The snow skis rise smoothly from the asphalt tarmac of the Pashkovsky airfield and the Eurocopter EC 135 ascends from the outskirts of Krasnodar and heads towards the Tengiz-Novorossiysk pipeline. Beneath the chopper's durable composite hull we see farmland, greenhouses, forests, radio masts and power line towers.

Compared to the MI-8, noise and vibration are so low that if it wasn't for the panoramic view from the height of 200 m, you could think you weren't flying in a helicopter, but driving in a car. It's no surprise that such helicopters are widely used around the world by paramedics, police and border guards.

With its large and comfortable leather seats even a long flight is a pleasure. Each passenger has personal lighting and air conditioning controls. And, of course, there is the "Fasten your seatbelts" sign.

There is a professional surveyor on board too, taking notes and photographs. Today, in addition to the regular task of general monitoring of the pipeline, he has orders from the Western Region Operations Department to take photographs of one of the mainline's shutoff valves. "CPC Panorama" wasted no time too and took bird's eye photos of PS-7 and PS Kropotkinskaya.

— The CPC facilities are impressive and a pleasure to look at from above, — helicopter captain Alexan-



Helicopter pilots Viktor Ivanov and Alexander Veber

der Veber said after landing. — And the pipeline itself with its identification marks is a perfect reference for checking your location.

— The Eurocopter EC 135 with all its power and avionics increases flight safety considerably during pipeline patrolling and passenger transportation, — Transportation Manager Alexei Bunarev said. — The helicopter has two engines, and even if one of them fails, it can maintain positive climb gradient even in the mountains. Of course, the new helicopters are equipped with warning systems indicating approach to the ground and other factors to avoid any chance of pilot error. ■

by Pavel Kretov

Skilful hands and golden hearts

PS-7 HAS STARTED OPERATING IN CPC'S WESTERN REGION THIS YEAR. "CPC PANORAMA" FOLLOWED THE NEW PUMP STATION'S FIRST WORKING DAYS.

Drastic changes have occurred at PS-7 since 2014, when "CPC Panorama" last visited the station. Construction fever is over and the contractors have gone, along with all their portacabins and mighty construction equipment. But those who visited the station while it was under construction will recall how the service and utility buildings were erected floor-by-floor, how power cables were laid, how process pipelines were welded together, and the construction of internal roads.

PS-7 construction was started back in March 2012. Construction contractor, LLC "Veslestroi", assembled nine modular buildings and built a helipad and an access road. During construction, the builders encountered shallow groundwater, a problem which required changing the vertical planning design and upgrading the foundations.

We recalled these events together with PS-7 Director Viktor Pilyushenko, who has been working in the pipeline industry for more than 30 years. He had arrived here long before the station was launched on pilot operational regime, and personally accepted the facilities from the construction team. At the same time he took part in interviews conducted by the HR team to select new staff.

There are currently 32 employees on the PS-7 payroll, including 25 operators.

- Our team is strong and experienced, they will not let us down, - Victor Pilyushenko is confident. - Quite a few of our specialists came from the Western Region's PS Kropotkinskaya, which is a recognized source of top notch personnel.

Shift Supervisor Vladimir Starcev, with whom we talked in the PS-7 control room, moved here from the Marine Terminal, where he operated the pump station feeding the oil from the pipeline into the tanks of the Tank Farm for subsequent loading into tankers. At PS-7, he is in charge of oil transportation through the mainline.

The role of PS-7 in the CPC pipeline system is receiving oil from PS Kropotkinskaya and pumping it forward to PS-8 and the Marine



Terminal's Tank Farm. It is not an easy segment: after the lowlands of the Astrakhan Region, Kalmykia, and the Stavropol and Krasnodar Regions, the pipeline here runs up the slopes of the Caucasus Mountains. The pump station's equipment is designed to cope with such challenges.



The shining metal pipes in the main pump hall look impressive, as do the massive motors resting on vibration damping frames, and the white plates of the pressure gauges.

– The main pump hall is the heart of the station, – PS-7 Deputy Director Vitaly Motrenko commented.
– It is furnished with cutting-edge equipment. The thing I like most about our pipeline business is its rapid progress and development of innovative technologies.

Vitaly Motrenko moved to CPC from Transneft's PS Novovelicikovskaya, which is located nearby. At Transneft, where he started work in 1997 after graduating as a mechanical engineer, he was in charge of main equipment operation.

After the facilities of the Expansion Project's phase 2 and 3 are put into operation, the capacity of PS-7 will reach 12,000 m3 of oil per hour. PS-7 will have three pump units in operation and one in reserve.

A 10 kV substation has been built nearby to supply electricity to the pump station. Viktor Pilyushenko remembered how the pump stations which came into operation 15 years ago as part of CPC's Phase 1 were powered by gas-turbine units.

– The transition to electricity will definitely help increase the reliability of the whole system and improve its environmental performance, – he remarked.

As a large and important oil transportation facility, PS-7 needs a reliable security system. It is provided by a highly professional team from the private security company "Neftegazokhrana". Its employees are specially trained, and many of them have lengthy



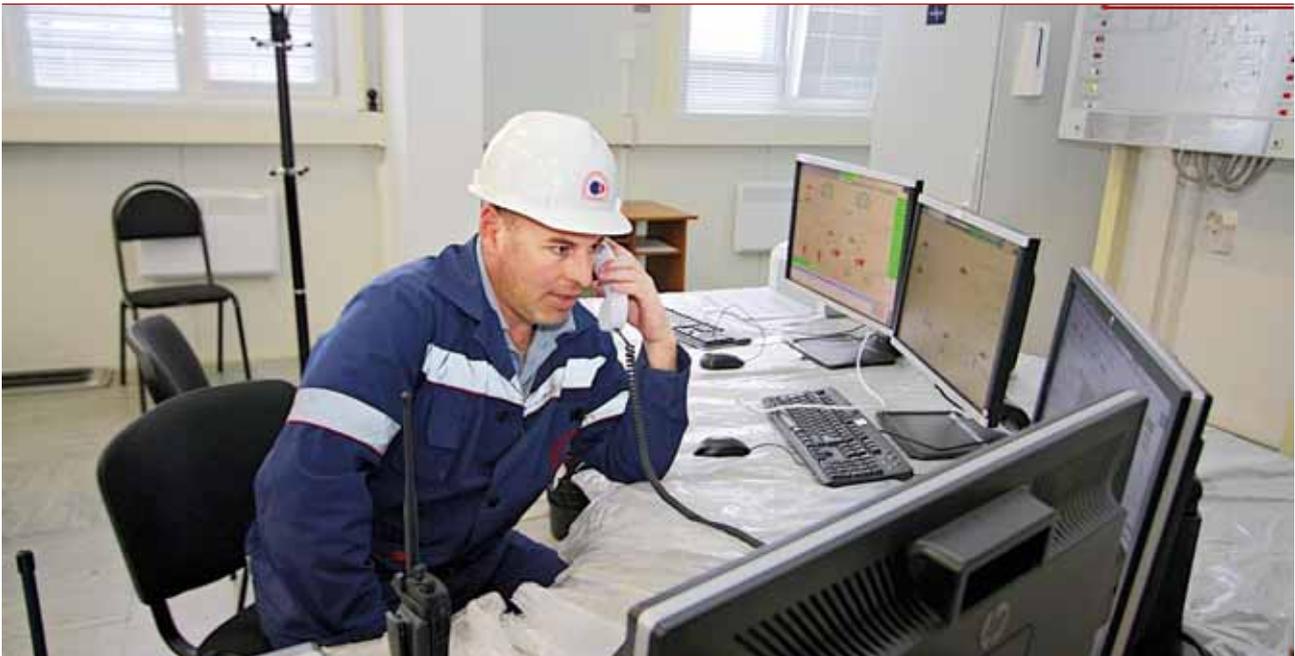
PS-7 Director Viktor Pilyushenko recalls the progress of PS-7 construction



PS-7 Deputy Director Vitaly Motrenko demonstrates equipment in the machinery and repair shop



In the gatehouse



Shift Supervisor Vladimir Starcev

records of service in the law-enforcement agencies. At PS-7, they are in charge of access control arrangements, and internal and perimeter patrolling.

– The facility is equipped with a modern integrated security system, including alarms and PTZ cameras, – Alexander Kamskov, internal security specialist from “Neftegazokhrana”, told “CPC Panorama”.

The company’s area of responsibility includes both CPC site facilities and the mainline. According to

security service are characterized by a considerably higher general level of security and lower crime

After the facilities of the Expansion Project’s phase 2 and 3 are put into operation, the capacity of PS-7 will reach 12,000 m³ of oil per hour

the local authorities, the areas under the control of the CPC

rate. The number of forest fires and thefts from local farmers has gone down.



Work is important, but lunch must be on time!

Hard workers never complain about losing their appetites. The canteen is no less important than the main pump hall. The menu is rich and the dishes are very tasty. In addition to their dietary choices, the cooks also respect the religious traditions of employees. Responding to our compliments, Natalia Deinega, a chef from “LLC Master-Service”, noted that her team members possessed all the qualities needed for their profession, the most important being skilful hands and golden hearts. And, of course, a full selection of up-to-date equipment at their disposal. The same can be said about any other facility at PS-7. ■

by Pavel Kretov

A production house-warming

THE PS KROPOTKINSKAYA LABORATORY NOW HAS A NEW HOME. COMPARED TO ITS FORMER MODEST PREMISES IT'S A REAL PALACE!

The PS Kropotkinskaya laboratory is an important facility of the CPC pipeline system. It performs acceptance tests of oil entering the CPC pipeline from Russian producers. Oil quality is checked by 12 parameters, including density, freezing point, the mass fractions of water, paraffin and sulfur, concentration of chlorides, etc.

The laboratory moved into its new building in August 2014. Moving an

– The Western Region's Procurement Group helped a lot with equipment transportation. Simultaneously with the move, intensive preparatory work for its scheduled accreditation was under way, – Laboratory Head Tatiana Gluschenko told "CPC Panorama". – We passed the accreditation successfully in September. We were pleased when the auditors from Rosaccreditation told us that they saw only a few laboratories in Russia where the personnel worked in such excellent conditions.

storerooms for chemical reagents and standard reference samples.

– Having a separate weighing room is certainly no luxury. Precise weighing requires draft-free conditions and controlled environment, quality engineer Sergey Pakhomov noted.

There is now a spacious changing room with individual lockers, a shower room and a comfortable recreation room for the laboratory personnel.



The laboratory's close-knit team



Tatiana Gluschenko and Sergey Pakhomov



Tatiana Senichkina

operating laboratory is no easy thing to do, and the team approached it in earnest. In order to avoid any interruption of work, a complete set of backup equipment was installed, launched and tested at the new location. The move did not begin until there were no doubts that routine work would not be interrupted.

Indeed, the new analysis room has five times the number of air extractors that the old one had, there is a separate space for washing chemical glassware and utensils, and separate rooms for chromatography analysis and weighing. In addition, there is a documentation archive room and

– Coming to the new laboratory to work is almost as pleasant as coming home, technician Tatiana Senichkina said. She has been in the profession for 30 years now. – All of us took part in making the laboratory a comfortable place to work. ■

by Pavel Kretov

The most reliable bank

DESPITE EXISTING LONG-STANDING TRADITIONS OF CREATING AND OPERATING LARGE SCALE PIPELINE TRANSPORTATION SYSTEMS, AN OIL QUALITY BANK IS A NEW INITIATIVE FOR RUSSIA. OVER THE YEARS OF OPERATING THE TENGIZ-NOVOROSSIYSK TRUNK OIL PIPELINE CPC HAS GAINED UNRIVALLED EXPERTISE IN MUTUAL SETTLEMENTS BETWEEN SHIPPERS.

EVERYTHING NEEDS TO BE CONSIDERED

When forming the unified system of crude oil transportation from different oil fields in the Soviet Union nobody ever thought of creating a compensatory payments mechanism for variations in oil blend quality. And why would they, indeed? At the time the oil industry of the country had only one master – the government!

It is a different matter when a number of owners, each with crude of different quality and market value, are using the same pipeline system to maintain their deliveries. How is it possible to accurately observe the commercial interests of all the project participants? This is where the CPC Oil Quality Bank comes to assistance.

– The crude oil loading from “Tengizchevroil” JV started in March

2001, and in December 2002 the lifting of the first oil batch of the second shipper, “Arman” JV, triggered the actual settlements in the first regional Oil Quality Bank, – says Zagid Saidov, CPC Deputy General Manager, Oil Transportation and Commerce.

The creation of the Oil Quality Bank in the Consortium was preceded by a great deal of meticulous work. CPC experts worked out the organizational framework and financial model of the Oil Quality Bank system functioning, used special techniques to conduct the technical approbation of mutual settlements, evaluated the metrological provision characteristics, developed and arranged the regulatory documentation and data support for the system management. The Oil Quality Bank financial concept was developed with the assistance of an independent international advisor with



Zagid Saidov: “OQB – the most important factor of CPC attractiveness”

considerable experience in the field.

Zagid Saidov: “The Oil Quality Bank is a very important factor in CPC’s appeal.”

TWO-PARAMETER SYSTEM

When introducing the Oil Quality Bank to CPC, international practices were studied extensively, especially those of Europe and America. The distillation model was discussed among others, but considering the difficulties of its

practical application the shareholders decided to base the project on the model suggested by Purvin & Gert, Inc.

What is its key point? With this model the oil cost estimate can be limited to only two main quality aspects, gravity and sulfur content. These are the aspects that most influence both the economic outcome of the raw material processing at the oil-processing plant, and market pricing. In this case one can ignore such specific quality indicators as the content of paraffin, highly potential fractions for producing oils and special fuels, etc.

– CPC did not just adopt the experience of others, but also developed a whole range of unique procedures and mechanisms securing the technical implementation of the Oil Quality Bank in the system with calculations in mass units, – notes Zagid Saidov.

The calculation of payment amounts in the Oil Quality Bank is based on comparative assessment of the quality indicators values of an oil batch when accepted at the beginning of the transportation route and when delivered to the recipient at the end of it.

A change in the quality indicators values (improvement or

worsening) receives its appreciation in monetary terms with consideration of special purpose-designed value coefficients. They take into account the oil blend price equivalents of marketable kinds in those markets that sell Russian and Kazakh oils. Given that CPC export blend is mainly delivered to oil-processing plants in the Mediterranean region, the market research is focused on the crude oils sold in this area.

Clearly it is equally important to develop clear and transparent rules of the game, and to ensure their mandatory implementation. When it comes to assistance in administration, the CPC Oil Quality Bank uses the services of independent experts. To perform the financial settlements between shippers CPC falls back upon the aid of an independent financial institution (IFI). Expert support in technical matters and conduct of independent oil pricing evaluation is received from the Quality bank technical advisor (QBTA).

THE APPEAL FACTOR

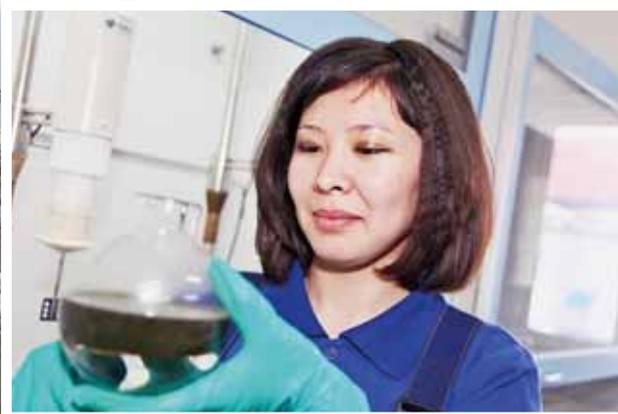
Formally, the Consortium Quality Bank is not one but two separate entities – an Oil Quality Bank at input and an Oil Quality Bank at output. The first one

provides fair pricing protection of all the flows pumped to the CPC system at the pipeline commissioning stations (PS “Tengiz”, PS “Atyrau”, PS “Kropotkinskaya”). The second one secures the fair value adjustment of all the flows leaving the CPC system at the loading station (the Marine Terminal).

There is a clear requirement to be followed: all the accounting operations between the deliverer and the recipient are to be performed only at the pump stations equipped with crude oil custody transfer metering systems that carry out the oil loading. All the outage gages and quality indicators values estimations of the delivered oil batch are performed in accordance with the actual values and written down in the certificate of completion and quality pass.

The possibility to receive compensatory payments for the quality of delivered oil is the main appeal factor for the CPC pipeline to be used by high-quality oils manufacturers, it is considered in the cost-effectiveness analysis of alternative export routes and it opens perspectives for new offshore oil extraction projects in the Caspian region. ■

by Pavel Kretov





Masters of the sea

PEOPLE OF MANY DIFFERENT PROFESSIONS ARE INVOLVED IN SERVICING THE CPC PIPELINE SYSTEM. THIS STORY IS ABOUT THE DIVERS FROM THE "LAMNALCO" COMPANY – THE CONSORTIUM'S CONTRACTOR IN CHARGE OF OPERATING THE MARINE TERMINAL FACILITIES.

Lamnalco divers work within a depth range of 58 meters and are in charge of servicing 15 km worth of subsea pipelines and 3 single point moorings (SPMs), including end manifolds, buoyancy tanks, anchors and anchor chains, underwater and floating hoses for loading oil directly into tankers, etc. All this equipment, both surface and subsea, requires permanent oversight and regular maintenance. SPM components and equipment need regular cleaning of seaweed and integrity checks, welded joints need to be inspected, thickness measurements taken, cathodic protection efficiency verified, and the underwater and floating hoses and some other SPM components and parts need regular replacement.

All this huge subsea infrastructure is under the careful eye of Superintendent Vadim Sergeyev. Incidentally, the word "superintendent" derives from the Latin "superintendere", meaning "maintaining watch over" which aptly describes his duties. When he came to work at the Marine Terminal in 2002,

Vadim Sergeyev was already an experienced and established specialist with a record of serving in the Navy and in the Marine Rescue Service of the Federal Agency for Sea and Inland Water Transport. He became a professional diver and gained relevant experience prior to coming to work with CPC, and here he performs an equally critical job, being responsible for the uninterrupted operation of SPM equipment at the Marine Terminal.

Diving operations at the Marine Terminal are performed in compliance with the requirements established by the Russian Diving Service and IMCA standards.

Our area of responsibility has its specific features, such as gales of more than 23 m/sec and sea swells over 3 m. The average water temperature on the sea bed is +7°C, while the range of vision is sometimes fairly good for the Black



Sea – 20-30 m, Vadim Sergeyev commented.

The diving team is fully furnished with specialized equipment. A fleet comprising 12 vessels is based in the neighborhood of the Marine Terminal to service the CPC offshore facilities. The flagship is the powerful tow-boat "Lamnalco Chaika" with a displacement of 1,020 t. The vessel, which was built specially for the Consortium, carries a unique diving station designed for short-term

dives to a depth of 60 m by two divers simultaneously. The diving station allows the performance of all kinds of diving and underwater engineering operations using hydraulic and pneumatic equipment, and decompression in the water or in a decompression chamber.

The diving station includes a decompression chamber, compressor, air-tanks, communication system, emergency generator and a diving bell hoist for safe diving. The activities of the divers and support personnel are monitored by the diving supervisor from the diving control station through CCTV and communications systems.

– There is also a rapid deployment diving station, which can support diving operations within a 30 m depth range, Vadim Sergeyev went on, – and two ROVs capable of performing surveys down to a depth of 300 m.

In February 2014, with the launch of its 3rd SPM, the CPC Marine Terminal became the only port

in the world with such a number of permanently operating SPMs. So it's no surprise that both the equipment and work processes at the CPC oil terminal in Novorossiysk are studied attentively by foreign specialists.

The fleet of 12 vessels is based in the neighborhood of the terminal to service the CPC offshore facilities

Vadim Sergeyev's team was actively involved in the SPM-3 commissioning performed as part of the Expansion Project.

– Thanks to our extensive experience in SPM servicing, we managed to reduce the expected schedule for SPM-3 commissioning. Modernizations of several SPM modules were also made on the basis of our proposals, Sergeyev remarked.

SPM-3 is furnished with a lot of additional equipment,

such as lubrication systems, water hammer protection systems and pump controls, which considerably enhances operational safety, but also increases the workload for the maintenance team of divers.

These “masters of the sea” have the opportunity to see for themselves how the accident-free and environment-friendly operation of the Marine Terminal is benefi-



cial for the sea life. During their diving sessions they see plenty of different fish species, such as mullet, horse mackerel, garfish, etc., swimming right near the underwater appliances and SPMs. There are lots of mussels too, which are known to be particularly sensitive to water quality. That must surely be the most convincing evidence of the high professionalism of the Consortium and its contractors! ■

by Pavel Kretov

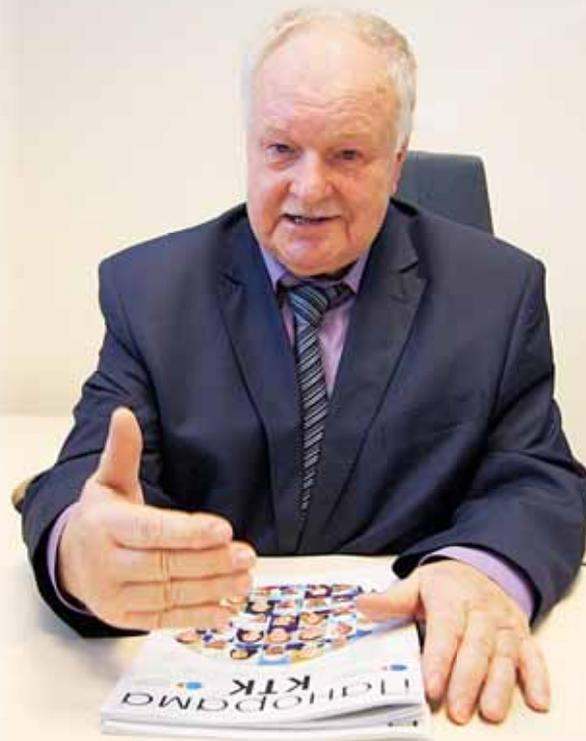
International cooperation in practice

ANATOLY SHATALOV HAS DEVOTED A CONSIDERABLE PART OF HIS LIFE TO THE CREATION AND DEVELOPMENT OF THE CASPIAN PIPELINE CONSORTIUM, INITIALLY AS RUSSIA'S FIRST DEPUTY MINISTER OF FUEL AND ENERGY, AND LATER AS CPC DEPUTY GENERAL DIRECTOR. HE SHARES HIS MEMORIES ABOUT THE DIFFICULT EARLY STAGES OF THE INTERNATIONAL COMPANY WITH "CPC PANORAMA".

The 1990s were tough years for Russia, remembered as the time of the painful demolition of the so-called "command-administrative" system, and for an endless chain of political and economic crises marked by a permanent lack of money, both for government institutions and ordinary citizens. Obviously, the situation was far from favorable for setting up large joint venture companies with foreign partners...

– Just imagine me, then first deputy minister of fuel and energy and the negotiating team head, sitting at a negotiating table in the ministerial office with representatives of leading Western companies, assuring them that Russia was about to become a flourishing and steadily developing country, while tanks were moving in and out of central Moscow and anti-government protests raged one after another – Anatoly Shatalov recalls.

Obviously, it required an outstanding knowledge of foreign economic relations and engineering to talk these foreign partners into making major investments on the post-Soviet space. Anatoly Shatalov had acquired such knowledge back when he worked as the chief engineer and deputy head of the Gas and Condensate Production Directorate under the USSR Ministry of Gas Industry, where he took part in a number of major production, transportation and processing projects with foreign investors. In the early 1980s, for example, he took part in the Urenгой-Pomary-Uzhgorod international



project of gas pipeline construction, and in other major ventures. That experience was particularly important since representatives of foreign companies felt more confident seeing someone they knew as a smart and experienced negotiator on major international projects.

THE APPLE OF AGREEMENT

Negotiations about CPC in the Russian government were preceded by painstaking preparatory work on other major oil and gas ventures – the Sakhalin projects. When Anatoly Shatalov was appointed head of the negotiating team, the talks had been going on for more than seven years, and it

was he who managed to break the impasse and get things moving. Over the two years that followed all disagreements were resolved.

– In summer 1995, I came to then Prime Minister Viktor Chernomyrdin to report the status of complete readiness for signing the last of the Sakhalin projects (Sakhalin-1), Anatoly Shatalov continued. – And immediately he gave me a new task, devoting myself completely to the CPC project. Chernomyrdin refused to listen to my objections to the effect that I did not know the subject. "Go and get the hang of things now!" he said. Then he sent for a lawyer who arrived with a three-page memo on Russia's entry into an agreement on setting up the

Caspian Pipeline Consortium. Of course, three pages seemed next to nothing compared to the hundreds of pages of documents signed to purchase equipment for the Sakhalin projects. Then again, it took Shatalov all his experience in foreign economic relations to untie the CPC “knot”. In the mid-1990s, when it became clear that the Consortium founder countries (Oman, Kazakhstan and Russia) were no longer able to provide adequate funding for the project,

Shatalov headed the negotiating team for restructuring CPC. The CPC restructuring plan called for transferring 50% of CPC shares to private oil production companies, which would undertake in their turn to fully finance the phase 1 construction effort. Russia and Kazakhstan, for their part, contributed to the restructured consortium the pipeline segment built back in the Soviet era (Tengiz-Astrakhan-Grozny), which was appraised at its current market value.

– All members of the negotiating team, which comprised 20 people, understood that it was necessary to attract the world’s largest oil companies, such as Chevron and ExxonMobil, to set an example for others to follow, Shatalov recount-

ed. – The talks, though difficult, were eventually successful. Importantly, as a result of this “reslicing of the pie”, Russia, in addition to its 34%, got another 20%, which went to the Russian oil companies Lukoil and Rosneft.

Another serious problem hampering the CPC talks was the imperfection of Russian legislation. In the fever of demolishing the Soviet system, Russia hurried to abolish quite a few legal acts, including those guaranteeing immunity for foreign investments. Because of that, a good number of CPC organizational decisions were adopted at the top level, namely in the form of RF government decrees. This also made the CPC project truly unique! Twelve government decrees and over 300 approvals from the relevant ministries and agencies were issued while negotiations on the creation of CPC were under way.

– Of course, things would have been much more difficult for us if the Russian government had not been consistent in its policy of attracting foreign investment. Twice a week I reported progress to Chernomyrdin in person, and in the event of any unreasonable delay he would immediately pick up the telephone and demand expla-

nations from whoever was responsible. Chernomyrdin personally called and chaired a number of meetings to expedite the creation of CPC, Shatalov went on.

AN EXAMPLE FOR MAJOR INVESTORS

The task of enlisting the support of regional governors was tackled simultaneously. That was no easy task. The pipeline runs across large rivers, arable lands and near federal health resorts. At a meeting chaired by Chernomyrdin it was decided to send the governors on a tour of the Trans-Alaska Pipeline System. Getting acquainted with the modern technologies helped to foster positive attitudes on the part of the governors. After the trip, they came to understand that the projected CPC pipeline would not harm the environment, but would rather become an exemplary project in Russia in terms of its industrial and environmental safety. A team of independent environmental engineers reached a similar conclusion. In 1998, the CPC project received positive final statements from all four major auditing agencies: The State Environmental Review Board, the Main State Expert Review Board, the State Inspectorate for Mining and Industrial Safety, and the RF Ministry of Emergency Situations.

These developments opened the way for the construction of the CPC pipeline system, which was started in May 1999. Already in October 2001 the first tanker was loaded at the CPC Marine Terminal in Yuzhaya Ozerovka.

– The success of CPC set a graphic example of international cooperation, which catalysed many other joint ventures with foreign capital in Russia, Anatoly Shatalov concluded. ■

by Pavel Kretov



Construction of CPC IPC facilities, year 2000

A message from eternity

THE CPC OIL PIPELINE BEGINS IN ONE OF THE MOST BEAUTIFUL COUNTRIES IN EURASIA. KAZAKHSTAN IS FAMOUS FOR ITS VAST STEPPES, BLUE LAKES, HIGH MOUNTAINS AND FOREST NATURE RESERVES. IT IS ALSO ONE OF THE CRADLES OF HUMAN CIVILIZATION: LIKE IN RUSSIA, SPAIN, ITALY AND FRANCE, SCIENTISTS HAVE DISCOVERED PETROGLYPHS HERE – WELL-PRESERVED CAVE DRAWINGS BY THE MOST ANCIENT PEOPLES.



Alexander, a friend from Almaty, told me about the remarkable wildlife sanctuary of Tamgaly. It is just a two-hour drive from the “Southern capital” of Kazakhstan. The important thing is to have an experienced guide, whose commentary will help to explain what animal is depicted, or what a human being is doing in the drawing. When you look at the cave surfaces with such attention, you can indeed recognize a dog, some camels or people in masks.

ested in space: they followed the movement of the Sun and could perhaps even distinguish the seven days of the week. Some drawings may be of particular interest to ufologists, as they show figures who look very much like aliens or people in modern space helmets.

can be alone with his or her own thoughts, sense the atmosphere of the historical site, and touch eternity... ■

Olga Belozerova, Head of the Payroll department in CPC's Moscow office.

Photos by the author

Visiting this unique sanctuary left us with the most vivid impressions. And the fact that there were no noisy tourist crowds was great. It means that the visitor

As reflected in the petroglyphs, these ancient peoples were inter-



The route of good deeds

SERGEY ZHILENKO, HEAD OF THE DINSKOY DISTRICT IN THE KRASNODAR REGION, IS ALWAYS ON THE MOVE: DEVELOPING MUNICIPALITIES REQUIRES CONSTANT ATTENTION TO EACH AND EVERY DETAIL.

VISIBLE FROM A DISTANCE

Mr Zhilenko has a tight schedule, planned down to the last minute – he'll either be visiting an industrial plant, or monitoring the construction of some socially important facility, or meeting with agriculture scientists; one moment he's at the bread factory, the next at the chicken farm. Nevertheless the district head found the time to meet with "CPC Panorama".

– Our district is very lucky to have CPC's PS-7 in its territory. It's a beautiful state-of-the-art facility with a high level of operational

not just for the district but for the whole region.

More than that, CPC fixed the village roads and made them even safer to drive by conducting a campaign among schoolchildren, the "CPC for road traffic safety" program. For example, in the Staromyshastovskaya village you can still see children near schools wearing the yellow reflective safety jackets that make them visible from a distance.

Mr Zhilenko noted that the district sees CPC as much more than just another taxpayer, an enterprise where people earn high and stable salaries. The Caspian



Sergey Zhilenko, Head of the Dinskoy district

ten, at a cost of 60 mln rub, in the Staromyshastovskaya village. That is an important and necessary deed. Dinskoy district is one of the top areas in the Krasnodar Region in terms of its birth-rate, – Mr Zhilenko says. – Five years ago we had 800 families with more than one child, now there are almost 1,200 of them! There are more than 300 children in the immediate line for kindergarten places, together with around 3,000 toddlers aged under three.

The Caspian Pipeline Consortium carries out ambitious charitable programs in all the regions along the pipeline, helps hospitals, schools and sports facilities, and supports veterans

culture, – Mr Zhilenko says. – The access road is of showcase standard, it could serve as a model

Pipeline Consortium carries out ambitious charitable programs, helps hospitals, schools and sports facilities, and supports veterans.

– The largest charitable project is the construction of a kindergar-

AESTHETICS OF ARCHITECTURE

Village head Svetlana Gritsenko greeted the "CPC Panorama" journalists at Staromyshastovskaya. She is a dynamic leader whose dream is to turn the village into a "second Rublyovka".

Novoaleksandrovsky community center – a significant center of culture, not only the district, and Stavropol Territory

– We have everything for it, – she is confident. – We have hard-working people, strong Cossack traditions and a good location: the capital of Kuban is right nearby, there are two main roads (the Yeysk and Rostov motorways), the railway and the river. In short, it’s a promising place for investment.

We are always happy to welcome guests, even though sometimes our innate Cossack caution shows – the local people have been guardians of Russia’s Southern borders for centuries. That’s why at first the inhabitants of the settlement were cautious about the foreign contractors at the PS-7 construction site, and they took a close look at these new people.

– The Serbs left very fond memories behind them, they are remembered for their diligence and politeness, – Ms Gritsenko remembers as we walk to the kindergarten. – And they were even more respected after they took part in the construction of the Peter and Fevronia Church in their spare time.



Galina Kornienko, Deputy Principal of the Rashevatskaya secondary school № 9: “We are grateful for the superb equipment – the kind that other schools can only dream about!”



Sergey Volochek and Raisa Derkach in the auditorium of the Novoalexandrovsky Community Center

And here is the kindergarten. A beautiful two-story brick building is located in the park area right in the village center.

– In the opinion of the chief architect of the district, the kindergarten will become the aesthetic center of the whole village, – Ms Gritsenko comments. – Our immediate plans are to fix up the park, and that will be a start to improving the whole village.

The construction of the kindergarten for 80 children with an events hall and a gym started at the end of June 2014. By February the contractors had completed 80% of the work, connected the utilities and focused on the final details. In accordance with the contract with CPC, they will fully equip the kindergarten with furniture, a kitchen, laundry and ironing equipment, toys and playground accessories, making it completely ready for use.

The parents of small children display a keen interest in the con-

struction process. They often come up and ask about the completion date. “It’ll be ready by May,” – the builders assure them.

CULTURAL CENTER

From the Staromyshastovskaya village the “CPC Panorama” journalists continued towards Stavropol. The first district past the civil boundary is Novoalexandrovsky. Here too many kind words about the Caspian Pipeline Consortium can be heard. What could CPC do for this acknowledged center of the region’s cultural life, this district where there are many artistic groups that have been honoured with State Folk titles and have won local, national and international competitions? Renovate the local community center, of course!

– The Novoalexandrovsky Community Center was built 35 years ago and has long been in need of repair, – Sergey Volochek, Deputy district head, explains. – It

was done several years ago at the expense of the district and the region, but that didn't solve the problem of the old and worn-out auditorium chairs.

CPC allocated almost 2,5 mln rub to install new chairs. We couldn't deny ourselves the pleasure of sitting down in them: attractive and comfortable, they're ideal, even for hours-long performances. The look of the chairs now fully complements the most festive occasions – important holidays, anniversaries, and ceremonies honoring veterans. Every day almost 2,000 viewers attend the community center's two afternoon performances for children, and

EVERY SCHOOL'S DREAM

The town of Novoalexandrovsk is crossed by the Raschevatka river. We proceeded further to the settlement of the same name. Ataman Repnikov School № 9 has been a feature of Raschevatka for over 110 years. The moment you enter the school grounds you can't help noticing how much the children and the local administration care about every historical period of the village's history. In front of the main entrance stands a well looked-after monument to Vladimir Lenin, while there is much about the strong regional Cossack traditions to be found both in the interiors and in the school museum, which is itself



Svetlana Gritsenko – the Staromyshastovskaya village head



The construction of the kindergarten for 80 children with an events hall and a gym started at the Staromyshastovskaya settlement at the end of June 2014



The computer classroom at the Raschevatskaya secondary school № 9

an evening one. About 700 more children take classes in various creative groups.

– We never had so many children coming to our community center before. It can only make us happy because of the direct connection – the more children who are kept busy, the fewer teenagers who get into trouble, – Raisa Derkach, culture division chief with the Novoalexandrovsky Administration, member of the youth affairs commission, emphasizes.

famous far beyond the district.

At the end of last year the school became one of the regional leaders in infrastructure terms thanks to the modern computer equipment purchased by CPC.

– This is outstanding equipment – the kind that other schools can only dream about! – Deputy principal Galina Kornienko can't hide her emotions. – It didn't stay unpacked for a single day, we put everything together and connected it up to the Internet right away.

The schoolchildren use the new computers to study programming languages and develop their logical thinking skills.

The cooperation with CPC is not a one-off deal. Every year delegates from the Consortium present the children with school bags filled with school supplies sets as part of the "CPC for first-graders" program. Similar charitable projects are carried out regularly in all the regions along the CPC pipeline. ■

by Pavel Kretov

Lest we forget...

ON MAY 9 THE WHOLE OF RUSSIA WILL CELEBRATE THE 70TH ANNIVERSARY OF THE GREAT VICTORY. IN KUBAN THE COMMEMORATIVE CEREMONIES HAVE ALREADY STARTED AT THE END OF JANUARY – IT WAS EXACTLY IN THAT WINTER MONTH IN 1943 WHEN THE RED ARMY STARTED ITS KRASNODAR OFFENSIVE OPERATION DURING WHICH THE ENEMY ABANDONED THE MAJOR CITIES OF THE REGION.



ON TRUE PATRIOTISM

At the beginning of February an exhibition with the searing title “Catastrophe of Human Fates” opened in the Kropotkin Museum of Local History. It is dedicated to the pre-war years and the occupation by the troops of Fascist Germany – the terrible time that has forever split the city’s history into “before” and “after” periods. The showcases are filled with exhibits – authentic pre-war household items, archive photos, Soviet and German weapons, military uniform, army maps, soldiers’ envelope-letters, and finds from the battlefields.

Over the six months when the invaders occupied the town, they killed thousands of people, demolished a huge number of houses and destroyed every single industrial facility.

– Our mothers wept at night, trembling for the lives of those who was fighting at the front. At dawn they dried their tears, looking at the hungry children, – Lydia Reznichenko remembered at the exhibition opening.

At the time of these events she was 16, and she remembers absolutely every detail of the disaster that descended on the town’s civilians. Even now Lydia Ivanovna cannot keep calm when talking about the earth moving in the ditches of the

Kazan mountain, where the Nazis held mass executions.

This horror came to an end in the late afternoon of January 29, 1943. The first column of Red Army soldiers marched into Kropotkin. And again there were tears. But this time they were tears of joy.

The further story of Lydia Reznichenko is a clear illustration of what it means to be a true patriot of your homeland – in deed and not only in name. Being under-age did not stop her from doing military service. She sneaked into a troop train going to the front, and by the time the commanders found her already somewhere in Western Ukraine, they had no other choice but to enlist the tenacious girl as a soldier. Having liberated half of Europe together with her fellow soldiers, Lydia Ivanovna finished the war in Dresden.

NO-ONE IS FORGOTTEN, NOTHING IS FORGOTTEN

Representatives of the Caspian Pipeline Consortium took part in opening the Kropotkin Museum exhibition as co-organizers together with the town and regional administration. The local authorities helped the museum with repairs of its second floor, and CPC purchased some modern exhibition equipment.



Lydia Reznichenko



Anna Sopilnyak

– Goebbels, one of the Nazi ideologists, claimed: “Take history away from a nation – and in a generation it will turn into a crowd; and another generation later it can be handled like a herd”. And today, after decades have passed, we will not let the dream of this Hitler associate come true, – said CPC Western Region manager Sergey Potryasov in his speech. – The Caspian Pipeline Consortium team cares about history and treats historical and cultural monuments with great respect. This is already the second exhibition we are open-



The opening of the exhibition on the Great Patriotic War at Kropotkin Museum of Local History

ing in Kuban in less than a year. The display titled “The Culture of Cooperation: Diggings of Ancient Memorials in the CPC Construction Zone” was a great success at the memorial estate of Y.D. Felitzyn in Krasnodar in May-June 2014. Along the entire length of the pipeline the Consortium invests significant resources into charitable programs, including those connected with history and culture.

The major contribution of the Consortium team to the historical memory of the Kuban people was appreciated by the Deputy Head of the Caucasian Region Svetlana Filatova and the Mayor of Kropotkin Vladimir Eliseev, while the museum director Irina Alekseeva added that the exhibition equipment purchased by CPC allowed visitors to see almost a third more of the archive that had previously been kept in storage.

WISHES FROM A VETERAN OF LABOR

The Consortium tries to use every possible means, and not just on museum premises, to arrange meetings with the veterans who committed their immortal act of courage for the sake of future generations. They receive every efficient targeted aid possible. The veterans especially appreciate the grocery baskets and

memorable gifts on such holiday occasions.

“We are not personally acquainted with you, but I can feel your attention, support and care about us, the veterans,” – reads a letter to CPC General Director Nikolay Brunich from Anna Sopilnyak, a home-front veteran who lives in Staromyshastovsky village in the Krasnodar Region.

“CPC Panorama” paid a visit to Anna Illarionovna. This lively cheerful woman was not broken either by the toils of war or by illness – alas, senior age does not do much for health. After all, she became an adult at the age of 13, as head of the family after her father and brother had gone off to war. She had to quit school and start working at the collective farm from dawn to dusk.

– We starved, but the front received what was needed – milk, meat, eggs, peanuts, sesame and soy – Anna Sopilnyak said.

The period from the end of 1942 till early 1943 was the hardest of all – it was then that the war reached Staromyshastovsky village. The liberation of the village involved many intense battles.

– The front line was very close, right behind the railway line, where the station is.

For three days there was a never-ending flow of vehicles with the wounded, – Anna Sopilnyak continues. – Their medical operations were performed right here, there was screaming and groaning. Because of the lack of space many wounded soldiers were billeted in ordinary homes. We nursed them, changed their dressings, and washed their clothes and bandages.

After the war Anna worked at her collective farm for almost another half century. She was a squad head for over 30 years. She was much respected by the farm chiefs and foremen for her hard work and many labor-saving innovations. She was awarded the “Order of Honor” and the “Order of the Red Banner of Labor”.

As a labour veteran, Anna Illarionovna wished dynamic development, working success, stability and confidence in the future to the whole CPC team. ■

by Pavel Kretov



ALONG THE PIPELINE ROUTE

CONTINUING THE TOPIC FROM THE LAST ISSUE ON THE GEOGRAPHICAL NAMES OF THE DISTRICTS ALONG THE TENGIZ-NOVOROSSIYSK PIPELINE ON THE TERRITORY OF THE REPUBLIC OF KAZAKHSTAN

EARLY OIL FIELDS, ANCIENT NAMES

In the toponymy of the Atyrau Region the word “sor” (saline, salt lake) is very common, and quite assimilated into the Russian language as is evident from the frequent use of the word “intersor” (intersor scours) in documents. Sors are found in all regions of the country but are most frequent in the Makat district.

“Dossor” is one of the names that has always been found in depictions of the history of the development of oil fields in the Caspian Sea region, and in Kazakhstan in general. This oil field was the first to be put into commercial exploitation in Kazakhstan. Its name is often linked to the male name Dos which, in turn, is based on the word “dos”, meaning “friend”. Not far away from the oil field there is an old cemetery, Dosmola (“the grave of Dos”). After the first discovery of oil in 1911, the Dossor oil-extracting enterprise gradually became the center of oil development in the Ural-Emba basin. As recalled by M. Balgimbaev in his book “Emba Oil. A Century-Old Chronicle” (2001), back in the 1970s the “Dossor-oil” oil-and-gas production department combined the fields of Dossor, Baychunas, Altykol’, Karsak, Iskene, Beck-Beeke, Botakhan, Saghyz, Koshkar,

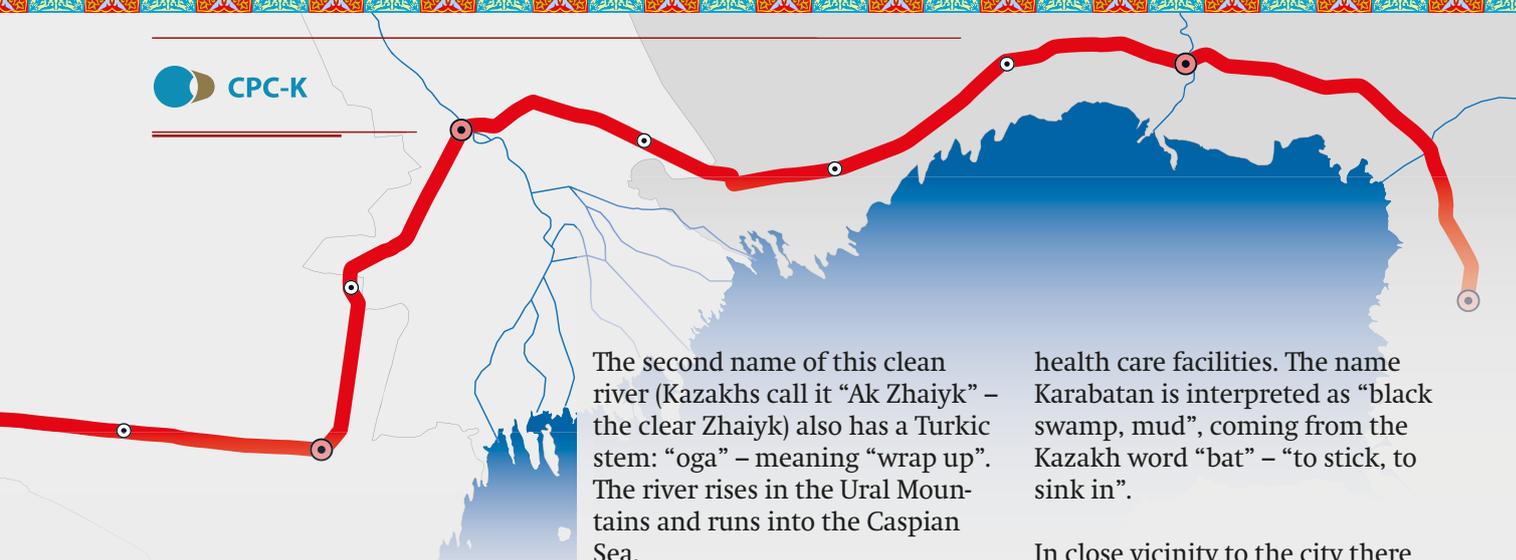
Komsomolsky, and the areas of Tanatar and Ten-teksor – a total of 12 oil fields.

The name Altykol’ consists of two parts: the numeral “alty” (six) and the word “kol” (lake) – “six lakes”; the toponym Baychunas (Bayshonas in Kazakh) is described in academic literature as a name with a Kalmyk root “chonos” (wolf). Beck-Beeke – the oil field, the railway junction and the residential area of the same name – is spelt in several different ways in local publications; the main Kazakh version is Beckbeeke, connected to a woman named Beckbeeke who once lived and was buried in the neighborhood. There is an archaeological site in the area, and the working tools and ornament fragments found at its diggings are dated from 2,000-3,000 BC. Archaeologists have reached the conclusion that the housekeeping methods and the culture of the local people was similar to the ancient culture centers in Mangyshlak, Ustyurt and the Volga-Ural interfluvium.

Botakhan, Koshkar and Tanatar are oil field names given according to the traditional Kazakh naming method known in toponymy as metonymic transfer. The absolute majority of local Kazakh names are based on anthroponyms (personal names) that were once

used to refer to this or that area. The people whose names were given to such places could have been those living a nomad life in the area, they could have had a well or a winter hut nearby, or could have been buried there. The long-standing Kazakh tradition of using elements of everyday life and housekeeping in name-giving can also be traced in the anthroponyms themselves: “bota” (a colt), “koshkar” (a sheep). The male name Tanatar consists of “tan” (morning) and “atar” (will come) parts: the name used to be given to boys born before dawn, thus registering the symbolic value of hope of renewal into it.

The most mysterious name in the region is Yeskene (its variations are Yeskine, Iskene, Iski-ne). It is also present in other regions of Kazakhstan as a geographical name and Argyns use it as a “ru” – a patronymic; thus, it is a male name, after all. Saghyz is an oil source in the Makat district and a large railway station in the Kyzylkuginsky district, both named after the small local river, the Saghyz, that falls into the salt-water lake of Tenteksor without ever reaching the Caspian Sea. The name of the river itself very likely came from the name of a perennial rubber-bearing plant, the known Kazakhstan species of which are tau-saghyz and kok-saghyz, while



in everyday use “saghyz” simply means chewing gum.

The name of Tenteksor has two stems: “tentek” (romp, prankish) and “sor”. The word “tentek” is often used as a toponym in different parts of Kazakhstan.

FROM THE YAIK – TO THE URAL

Further on the Tengiz-Novorossiysk pipeline reaches the city of Atyrau. PS “Atyrau” is named after the city. “Atyrau” translates from Kazakh as “river delta, land covered by estuary flow channels” – a geographical term that combines to make up several names in Kazakhstan. Until 1992 the city was called Guryev, after the surname of a fishery manager who established a stone-built town on the site of a small fishermen’s village, Uyshik (“small house”). The city of Atyrau is located on the banks of a river that has both a Russian and a Kazakh name, both of which are in use. In Kazakh the original name Zhaiyk (Жайық) is used, and is often found in works by explorers. The name Zhaiyk has an Old Turkic stem “jaj+yk” (to overflow far and wide). It was mentioned by Herodotus, and in Ptolemy’s maps is marked as the “Dayks”. Historical records in Russian generally used the variant “Yaik” – but in 1775 that was dropped following a decree of Catherine the Great and the river was renamed the Ural. This name is used widely by local people when speaking Russian.

The second name of this clean river (Kazakhs call it “Ak Zhaiyk” – the clear Zhaiyk) also has a Turkic stem: “oga” – meaning “wrap up”. The river rises in the Ural Mountains and runs into the Caspian Sea.

Today the villages of Balykshy and Zhumysker form a part of Atyrau city, but used to be independent areas that joined fishing collective farms. Their names reflect the professions that were most popular in the past: “balykshy” translates from Kazakh as “fisherman”, while “zhumysker” means “worker” – in this particular case meaning someone working at the repair station that provided supplies and maintenance support for fishing vessels.

The area bordering the city has plenty of creeks and shallow channels, the largest of them are the Black River, called Saryezek by the Kazakhs (“sary” – “yellow”, with the toponymic meaning of “big, wide-spreading”, and “ezek” – “creek”), Sokolok, Old Sokol and New Sokol, and the Gogolsky channel.

SALT OF THE EARTH

The small settlement of Karabatan is 30 km away from the city, and a large gas chemical facility is being built there. Local historians write that Yeskene, Karabatan and Karabaspak are salt-water lakes that used to provide salt to local people right up to the 1920s. Now salt extraction takes place at the unique salt-water lake of Inder that is situated, naturally, in the Inder district of Atyrau Region. The common feature for all these lakes is their richness of sulfurated mud that is used in Atyrau

health care facilities. The name Karabatan is interpreted as “black swamp, mud”, coming from the Kazakh word “bat” – “to stick, to sink in”.

In close vicinity to the city there are the settlements of Geolog, Tomarly, Talkayran, Tendik. The name Geolog needs no explanation, but the other toponyms contain some very special information. The name Tomarly has the root of the tomar water plants and riverside bushes in its stem, and the “-ly” suffix indicates the abundance of something in this or that area: it is the most commonly used element in making up geographical names. According to local historians, this settlement was founded on the bottom of a lost sea, which explains the presence of the large amount of water plants and bank vegetation roots in this area.

The name Talkayran consists of two words – “tal” (willow) and “kayran” (shallow waters, river reach): the settlement stands at the river bend, with sandy shores and plenty of willow trees. Tendik is a name with an extra ideological accent that came from Soviet times: it is based on the notion of “tendik” – “equality”. A short distance away from Tendik is the Aktobe-Laeti hillfort, an archaeological monument from the times of the Golden Horde. It was mentioned way back in the records of the medieval Genovese. Judging from its archaeological remains, this 12th-14th century settlement was a kind of a relay point between Saray-J k, Central Asia and the Volga region. ■

*by Marzhan Diarova,
CPC-K Senior translator,
Atyrau office*

The Tulip as Symbol of the Kalmyk Steppe

WARM WEATHER HAS ARRIVED. AND THE SENSITIVE FLOWERS OF THE STEPPE HAVE EMERGED FROM THE DEPTHS OF THE EARTH. THEIR NAMES ARE NICE AND SIMPLE: WHEN YOU SAY THEM, YOUR SOUL IS INSPIRED. AND ALL THE LAND IS SUDDENLY AFLAME WITH COLOR AND SCENTED FOR A THOUSAND MILES AROUND.

DAVID KUGULTINOV

"STARS OF THE STEPPE"

In spring the Kalmyk steppe wakes up and preens its feathers – the soft green grass, sweet-scented artemisia and an endless carpet of multicolored tulips bring joy to the steppe-dwellers after the severe winter. For the people of the Kalmyk Republic, the arrival of long-awaited spring, nature waking-up and the bloom of tulips are closely linked. Ask any local inhabitant about his favorite month of the year, and he or she will definitely answer: April – the beautiful time of the charming bloom of the “star of the steppe”, the tulip.

This wonderful flower has inspired our poets, musicians have dedicated their songs to it, and it is mentioned in fairy tales and proverbs. Experts think that the tulip as a special symbol in Kalmyk culture is so infused with different meanings, that its name is used to describe all that is dear and close to the heart of the steppe-dweller. Above all, the tulip is a symbol of his native land for every Kalmyk.



TO SAVE AND TO KEEP

In Russia, tulips grow mainly in the southern part of the country, in the regions adjacent to Kalmykia – the Stavropol, Rostov and Astrakhan Regions. There are three types of wild tulip that grow in the Kalmyk Republic. The first to bloom is the white two-leaved *Tulipa biflora*, which is traditionally called a “snow-drop”. A bit later the yellow Bieberstein tulip appears, imme-

diately followed by the prettiest of them all, *Tulipa gesneriana*, with a bud in the form of a turban on a thin stem.

Tulipa gesneriana, which is included in Russia’s Red Book of protected species, flowers in a wide variety of colors – white, yellow, pink, crimson, red, lilac, violet, and multi-colored. Amazingly, tulips grow and bloom easily in the dry climate of Kalmykia. Like other bulbous plants, the tulip is known for its short growth cycle, requires open spaces and prefers the alkaline soil of the steppe.

Over the last 40 years, human development activity has resulted in a significant reduction in the growing area of *Tulipa gesneriana*. The flowers are getting smaller, because for decades the largest and most beautiful ones were ruthlessly picked by “flower poachers”. Only a few years back people used to pick whole armfuls of tulips just for fun, knowing that the wild flowers would fade in only a few hours.





Today, despite the fact that the number of people who want to look at the tulips blooming is growing every year, you will rarely encounter anyone carrying such huge bunches of these flowers any more. It's good that the attitude of both local people and tourists is changing, as people gradually start to understand that the careless picking of tulips in bloom does irreparable harm to their population. The regional authorities have done much to stimulate such positive changes.

REASON FOR CELEBRATION

In October 2012 the Government Committee for Tourism Development of the Republic of Kalmykia decided to start preparation for the Tulip Festival in Kalmykia to be held in the spring of 2013,

which helped to restore the lost tradition of an event called "Hymn to a Tulip". The Tulip Festival aims to promote a custodial approach to the natural resources of Kalmykia, to facilitate the growth of external and local environmental tourism, and to increase supervision of the preservation of rare plants.

Kalmykia is the only region where the tulip grows on wild lands on the spacious steppe. The largest of the remaining populations of *Tulipa gesneriana* is found on the islands of Lake Manych-Gudilo. There, in the Oktyabrsky municipality of the Priyutnensky district of the Republic of Kalmykia, the first environmental tulip festival was held in April 2013. The festival organisers developed rules of behavior for those visiting the event: they could walk in the tulip fields and take photos of the flowers.

However, it was strictly forbidden to pick tulips, dig up bulbs, or take a car into the fields.

During the festival, guests could feast their eyes on the steppe in bloom, visit picturesque carts (traditional nomad yurts on wheels), try Kalmyk national cuisine, and watch the Kalmyk folklore groups performing. The first festival attracted considerable attention and brought positive feedback, and in 2014 the island of the unique flower of the steppes in the Priyutnensky district was visited by a few thousand people from different parts of Russia.

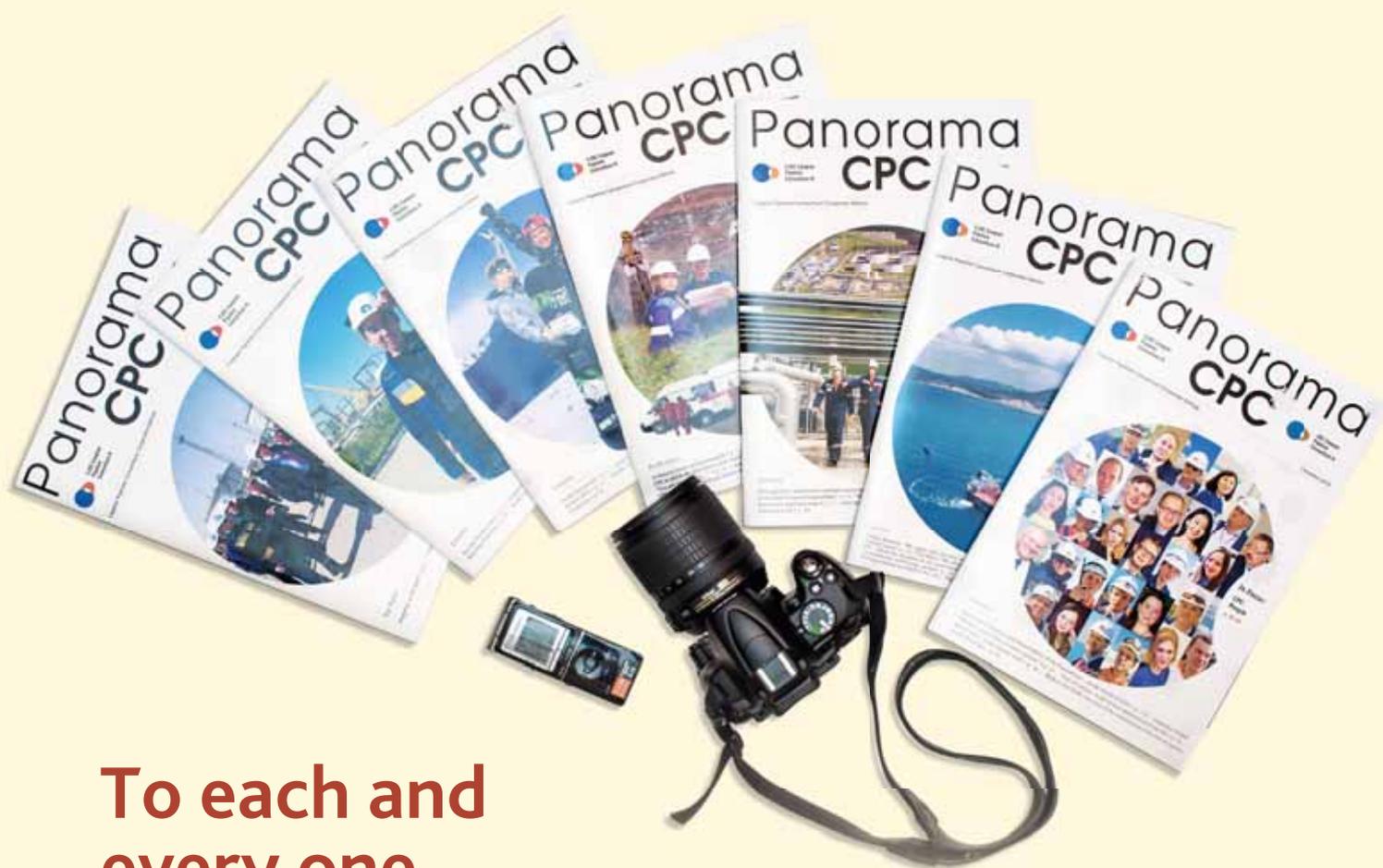
The festival is an important event which helps us to educate the younger generation to show their love for their native land and respect its nature. The local press often compares the approach to preservation of the unique tulip population in Kalmykia with the sakura blossom in Japan. Let's hope that this wonderful tradition will take root in the region and develop further.

The people of Kalmykia, especially children, always look forward to the middle of April to be able to go to the boundless steppe, breathe in the fresh air and admire the ancient beauty of the wild tulips. We recommend to guests visiting the Republic to take at least one trip to the festival of a million blooming tulips in sunny Kalmykia. ■

Baychha Mantyeva, Secretary of the Department for Communications with the RF Government, Elista Office.

Photo: Garya Lidzieva





To each and every one

"CPC PANORAMA" WAS CREATED IN 2013 AS A QUARTERLY CORPORATE MAGAZINE WITH THE INTENT OF IMPROVING THE CONSORTIUM'S COMMUNICATIONS POLICY. IT IS DISTRIBUTED AT THE COMPANY'S MOSCOW AND REGIONAL OFFICES AS WELL AS AMONG SHAREHOLDERS, CONTRACTORS, CPC'S BUSINESS PARTNERS AND PUBLIC OFFICIALS AT VARIOUS LEVELS.

WE DID IT OURSELVES!..

The CPC Press Service started operations in 2013. Having its own press office allowed the Company to move away from external press agents when collecting materials for the quarterly "CPC News" corporate newspaper. At this transitional phase it was decided to publish the edition in a more convenient magazine format and with a new title. The new "CPC Panorama" title was chosen by voting at the intranet site and was meant to

reflect its presentation of the wide range of the Company's activities and all aspects of the life of its cosmopolitan team. That is how the magazine sections reflecting production, corporate life, labor protection, environmental safety provision and the Consortium's social responsibility programs came into being.

The first bilingual English-Russian issue of "CPC Panorama" went to print in early May 2013 and created a positive reaction among

readers. The Press Service started getting calls with suggestions for topics for future issues.

To tell the truth, at the stage of discussions on the future printed edition format some thought that there would not be enough material concerning the Company to create a proper magazine. But life itself put such fears to rest. While the proposed edition was for 28 pages, not including the cover, there already was a shortage of space for all the scheduled publi-

cations when working on the second issue dedicated to the Eastern Region. Page length was increased to 44 and even the inside cover pages were given over to material.

Thus, it was natural that the magazine would "grow" to 48 pages in response to management and team demands. With every issue we are trying to broaden the themes of published materials, while simultaneously introducing new design elements. Incidentally, "Arabesque. Communications Group" Ltd., our media-contractor that designs and prints the magazine, is part of the "CommWorld" European communications and marketing agencies network, in which it was recognized as Best Agency 2014. The "Arabesque" specialists respond to all our creative impulses and implement them taking into account their knowledge of advanced trends in the European communications market.

SUPPORT AND ASSISTANCE

The magazine could never have succeeded without the support and good will of CPC executives. Despite his busy schedule, General Director Nikolay Brunich personally approves the editorial calendar and evaluates the lay-out of each issue before it goes to print. However, Mr Brunich only comments on revision of facts and figures, and gives absolute freedom for creativity and the expression of various opinions on the pages of the magazine.

It is impossible to imagine the development of the magazine without Aleksandr Baboshkin, the Head of the Press Service and Protocol Department. He knows very well the special nature of printed media, editorial "internal processes" and the essence of a journalist's



MARZHAN DIAROVA:

With the help of "CPC Panorama", both our employees scattered over vast distances of two countries and our shareholders get to know each other a little better and become acquainted with some special factors of the cultures represented by the Company's team members. All this has a very positive effect on the general atmosphere of our very big team. It is a pity that here in Kazakhstan we can only see the on-line version of the magazine – this is something that needs to be changed! »



BAYCHHA MANTYEVA:

"CPC Panorama" has become an integral part of the Consortium's corporate culture, and at the same time it contributes to sustaining the positive image of the Company in the outside world. It covers the regional welfare-focused activities of the Consortium and reflects the opinions of local authorities about them. It is no secret that our magazine is always welcomed in the regional administrations when brought there by CPC representatives. »



EVGENIYA PODUGOLNIKOVA:

The great thing is that any CPC team member can write an article for the magazine. It is through such people, professionals in their fields, that 'CPC Panorama' covers both operational processes and corporate life. Your name and a photo in the magazine – that's something special! I am sure that many issues of 'CPC Panorama' have become family heirlooms by now. »



ALEXANDER BARKOV:

Of course it's interesting to read about your Company and its staff in the magazine. But all of us need to have a hand in providing future new subjects and covering CPC life in all its diversity. It's as easy as dropping by, or just calling the Press Service to share your ideas and thoughts! It's only through such feedback from readers that a magazine can be really useful and true-to-life. »



work, so his remarks are always spot on and all his recommendations become guidelines to follow.

Our colleagues from the Protocol department are always there for us – and together we are a real team. In this collaborative atmosphere our small Press Service feels like a full-scale editorial office when we’re working on the magazine!

You can be smart as anything, but if you don’t have the appropriate “detail” (information coming from experts on their subjects), it’s impossible to come up with worthwhile material. CPC executives and specialists always find time for the Press Service: whenever we come to the regions to gather material, they do their best to create the most comfortable working conditions – they take us to sites, help to create the best opportunities for photographs, give explanations and comments, and advise us when we’re writing articles and reports.

A CONSORTIUM OF TALENTS

Creating the magazine today just wouldn’t be possible without the active involvement of our volunteer assistants – the CPC-R and CPC-K employees who act as freelance writers; each of them contributes ideas and a unique style. In such a way the theme of the Expansion Project has been covered repeatedly by Aleksandr Detkov, a regular writer for the magazine, who is the Public Relations and Media consultant from the Expansion Project Regulatory Affairs Group. His areas are construction, ecology and social aspects.

Ekaterina Krapivko, the mass media relations senior specialist of the Government Relations Department, provides materials on a wide range of topics.

She is known for being fastidious when it comes to gathering information – the author thoroughly investigates all the technical aspects and never forgets the most important thing, the people who are the true “drivers” of any process. Ekaterina even mastered the subtleties of reportage and portrait photography to be able to provide photos for her publications.

A colleague from the same Department, Elista office secretary Baychha Manteyeva is always willing to help when invited to contribute material to the corporate magazine. Baychha is very creative when she’s working with her texts and she is very emotionally involved in the final result. In order to illustrate her article about the famous Kalmyk tea she even agreed to be photographed wearing national costume – and she ended up on the cover of the magazine.

In the Atyrau office I met Marzhan Diarova, Senior translator for the Administrative department of the Eastern Region, and we flew to Tengiz together. She introduced me to some very interesting people who later became the main characters in the publications. As an expert in Kazakh history and traditions, Marzhan started the “Traditions” column which has gained enormous popularity with readers. Her materials always feature a scientific approach to the topic – Marzhan is a famous PhD philologist in Kazakhstan.

Our authors never fail to amaze us! For example, Marine Terminal Coordinator Julia Starodubets proved to be a perfect interview coordinator for CPC’s foreign project participants. She is a very communicative person and all doors are open for her! Julia’s efficiency and sense of responsibility are phenomenal: materials will arrive from her by e-mail either at 9 pm



EKATERINA KRAPIVKO:

“CPC Panorama” gives me a chance to perfect my professional journalist skills, be at the centre of events and get familiar with the production process. But what’s more important, the magazine gives me the possibility to communicate with people and get to know my colleagues better – including those from other regions. Such communication for me is a never-ending source of great discoveries, and one of them is knowing just what fantastic people work at CPC!”



NADEZHDA CHEREDNIKOVA:

It’s good to have a magazine that can give such a broad view of industry events and tell fascinating stories about the people who work for the Company, their personal interests and professional achievements. In addition, every employee has a chance to share his or her impressions and emotions which, in turn, allows them to get to know each other better and contributes to well-coordinated team work.


JULIA STARODUBETS:

« While working on materials for the magazine my CPC circle of acquaintances has expanded greatly, now including even the Consortium shareholders. Every experience is useful, and journalist experience in particular. You begin to look at familiar things not just from a narrow-focused specialist perspective, but you realize that now you have one more tool at your disposal, and you can use it to make a difference for the Company. »


ALEXANDER DETKOV:

« The Expansion Project is not just another construction site. It is geopolitics, just like the oil industry itself. It's so exciting to get to "touch" history itself, and a project that is being talked about now, and will be talked about for a very long time. It is the invaluable experience of communication in a multinational and multi-mentality team. Thousands of completely different people are brought together by common goals and the desire to move forward and see the result. You can feel it every day when working on the project. »

or at 5 am ... Julia's undeniable journalistic talent is unfolding right before our eyes. But, while the issue was being put together, Julia left CPC for a new job. We appreciate her cooperation and wish her the best of luck!

"CPC Panorama" discovers new talents as the platform for creative self-expression of employees. Last summer our colleague from the Protocol service, Nadezhda Cherednikova, turned out to be one such discovery. When we were short of people to cover all the planned topics she volunteered to go to the Security Olympics of the CPC Expansion Project in Stavropol and write an article. It was her first journalist experience, but Nadezhda showed real grit: she photographed the event all day long in 40-degree heat, and wrote the text very quickly upon returning to Moscow. Nadezhda also interviewed one of her colleagues for the New Year issue of "CPC Panorama".

I met Evgeniya Podugolnikova (the Administrative Assistant for Operations OCC, Marine Terminal) on a business trip, when we were preparing a special issue of the magazine on the Novorossiysk region. She turned out to be a good conversationalist who can express her observations in wonderful Russian, so we invited her to work with us. The new author soon made her assured debut with the article "Dreams Come True!" in the New Year issue of "CPC Panorama".

FROM HEART TO HEART

The true revelation of the New Year issue was the publication "ABOUT LOVE – In the Female Voice", where our Expansion Project colleagues Julia Voroshilova and Irina Nikulina shared their personal stories of female happi-

ness – they both met their soul mates... at work. You can't help but be struck by the talent and the sophisticated presentation style of these heroines.

And we do mean Heroines in this case! Not everyone will have the courage to speak about themselves so openly in a magazine and let their story be judged by so many readers. But sincerity brings the same in response, and we hope that their personal stories will help us create the most genuine and humane corporate magazine in the world!

When choosing such "human" topics for magazine publication, the Press Service receives great help from the Regulatory Affairs Group specialist Aleksander Barkov, who knows CPC's people very well, including their talents and hobbies. He himself is a very creative person: he once even made a bilingual Russian-English crossword puzzle on the topic of oil for our magazine.

THANK YOU!

Unfortunately, one article is not enough to speak about everybody who makes this magazine a real page-turner, those who offer fresh ideas, suggest interesting topics, share their photos, dedicate their precious free time to working on an article or responding to a publication... But over the course of time we will definitely tell you about all these people. But for the moment please accept our sincere gratitude for your kindheartedness and your altruistic cooperation with the corporate magazine.

"CPC Panorama" is awaiting its new authors! ■

*Ekaterina Suvorova,
CPC Press Service Senior specialist*

“Let your good deeds be known!”



The Caspian Pipeline Consortium can set an example for how a company operating in a particular region should establish relationships with the local authorities. Our municipality highly appreciates the fact that we are cooperating with CPC-R directly rather than through the regional entities. The Consortium does a great deal for the people of Novorossiysk, and we would like to express our deep gratitude to its management and the team. As a corporate magazine, it is your duty to write about the good deeds of your very own company. For instance, think about the kindergarten at the Gle-

bovskoye village that was built at the expense of CPC – it was an individual project, a kindergarten like no other! People should know about such things, but how do you get their attention? Only with the help of mass media information reports. That is the purpose of “CPC Panorama”, which is distributed in every town along the pipeline route. It is very important for journalists to communicate with the local people to be able to show them the real state of affairs. So – God be with you!

Vladimir Sinyagovsky,
Head of the Hero-City of Novorossiysk



At the forefront of events

“CPC Panorama” is a full-scale corporate magazine that reflects all the aspects of the Company’s operations and the life of its multinational team. Its publications are intended both for managers and everyday personnel, as well as for the general reader, and will be of interest to all. Our shareholders read the magazine and often appear in its pages with interviews and articles on topical subjects. We always read with profound interest the contributions by Nikolay Tokarev,

Kairgeldy Kabyldin, Andrew McGrahan and other senior executives to “CPC Panorama”. It’s a rare corporate magazine that can boast such a unique range of contributors, and we want to tell the founders of “CPC Panorama”: keep it up! Let our magazine always be in the forefront of important events and find more great new writers!

Nikolay Brunich,
CPC General Director

Subject of scientific research



As a person with experience in journalism, I must confess to having doubts whether “CPC Panorama” would be able to maintain the highly ambitious goals that were promised in its very first issue. The two years that have passed have rid me of my scepticism: eight issues of the magazine have appeared, containing a lot of material in full color and with good photographs.

The editors are managing to hold the bar that was set high from the very beginning, thanks largely to the people who are directly involved in the magazine. Several times we had the chance to work together while preparing the next issue at the stage of collecting material and writing articles, and I saw for myself what top professionals my colleagues from the Press Service are. One can sense

that other employees from the Operations Department and the Expansion Project also see the magazine as their brainchild – they bring materials and photographs, write articles, and provide assistance in the preparation of new issues.

I personally take particular interest in published pieces about the people who work at our Company, and not just in the context of how they execute their official duties; I'm curious about their hobbies, travel, and the accomplishments of their children.

It still feels, of course, that the magazine is in its formative stage. There isn't yet a fully formed vision – let's say it's in the process of formation. That is a totally natural process – time will pass and "CPC Panorama" will reach the same level as magazines of other large companies that have a long history of corporate publications, and much greater experience in the field.

I passed several issues of the magazine to my former colleagues from the Kuban State Technological University (PR Department and Department of Journalism) and from the Kuban State University (Department of Political Sciences). Our magazine aroused great professional

interest, and right away the academic staff became new regular readers. Now all these people with their academic ranks and degrees (including PhDs) get their students to study "CPC Panorama". Thus, our magazine has become the subject of scientific research and in a couple of years we may hope to see a graduation thesis on "CPC Panorama".

Administrative employees on different levels also look forward to new issues of the magazine, and not just because it writes about them. They are interested in the materials about CPC's cooperation with other administrations in the neighboring regions outside the Stavropol and Krasnodar Regions – in the Republic of Kalmykia and the Astrakhan Region. In other words, the Company's employees are not the only readers of "CPC Panorama".

My wish for the corporate magazine is never to slow down its pace of development, to pass the stage of "adolescence" and become an adult. You are almost there.

Viktor Volgin,
Chief Representative of CPC-R for Communications with
Regional Authorities, Western Region

Getting feedback

As is clear from the title of our corporate magazine, "CPC Panorama" covers all significant issues relevant to the Company's operations. That includes "first-hand" information, extended on-the-spot reports, and also accurate reviews on achievements in the primary areas of business and in the process of the Expansion Project implementation. In my opinion, the magazine is right to pay considerable attention to the issues of labor safety and safe accident-free pipeline operation, the role of CPC in preserving the biodiversity in the regions of its presence and, of course, the Company's social and environmental policies.

In this context and with regard to possible future "CPC Panorama" topics I would like to offer my assistance in arranging meetings and interviews with the Republic's profile ministers, administration heads and ordinary people living in the regions along the pipeline in order to get some kind of feedback on CPC's business conduct culture not only in the context of the charitable programs we run, but the Company's operation in the territory of Kalmykia as a whole.

Ulyumdzi Tchidzhiev,
CPC-R Representative for Communications
with the Government of the Republic of Kalmykia



Ulyumdzi Tchidzhiev (right) and Igor Zotov, Chairman of the Government of the Republic of Kalmykia

A Distinguished Chess Player



A PHOTO FROM "CHESS MAGAZINE" TAKEN AT THE "MOSCOW OPEN" INTERNATIONAL TOURNAMENT IS THE FAVOURITE OF 12-YEAR-OLD LENYA KRETOV'S RELATIVES

The photo shows the sport's true drama, emotions and intensity. The players may be young but this doesn't diminish the seriousness of the tournament, and the opponent's Kyrgyz flag shows that the tournament attracts contenders from many countries. Lenya is bent over the board, preparing an

attack; his eyes are closed as he analyzes for the last time all the possible consequences of his maneuver before moving his piece.

At the next table sits a sad boy wearing glasses. Earlier he'd made a wrong move that got him into a bad place in his game against a

very dangerous opponent. But later he'll get himself back together and psyche up for an enduring, hard battle which he'll ultimately win – in games for the mind a strong character is just as important as in any other sport.

"All of a sudden, this year we became the parents of a 'distinguished chess player'," says Pavel Kretov, the CPC PR specialist. "Of course, we'd seen many awards before, but those came from ordinary tournaments organized by sport schools and art centers." "Leonid enjoyed receiving and collecting awards like that but they became something of a routine and he already didn't really think of them as achievements."

Now the time has come to win at more prestigious tournaments. First, our colleague's son won seven out of seven games and took the Moscow Region Cup. A few months later, up against even more dangerous opponents, the young player scored a whole point over his nearest competitors and won the Moscow Cup. Also, Lenya Kretov became the best Moscow blitz-player in the U-17 age group based on the results of the "Chess Boulevard" blitz tournament that continued throughout the last summer. Such progress has certainly boosted his enthusiasm for chess and spurred his interest in this ancient game. ■

by Ekaterina Suvorova

INTERESTING FACTS

"CHECK" AND "MATE"

The game of chess is believed to have its roots in "chaturanga", an Indian game dating back to the 1st-2nd centuries A.D.

Unlike modern chess, chaturanga was played by four people and so there were twice as much pieces on each side. In chaturanga, two players on one side played with red and yellow pieces while their opponents had black and green ones.

In the 7th century A.D. the Persians adopted the game and changed its name to "shahtranj" (or "shahtrang"). The Russian word that we use for the game originates from the Persian phrase that can be translated as "the king is dead". In the 9th century, the game gained popularity in Western Europe and Scandinavia, and from there it spread to Russia.



Hippocrates and Galen, the famous ancient physicians, believed that the game of chess had a curative effect on the human body. In the Middle Ages the Church banned the game, proclaiming it "diabolical". An English poet of the late 12th-early 13th century recommended not taunting a weak opponent when playing chess (because he might turn out to be an expert fencer): "Just checkmate him and go on your own way."

“Goodies” from Bakhyt

BAKHYT, THE DAUGHTER OF CPC-K EMPLOYEES MARAT UTEULIYEV AND NAZGUL' KHBASHEVA, IS ONLY 11 YEARS OLD. BUT THIS TALENTED GIRL IS ALREADY WORKING PROFESSIONALLY WITH POLYMER CLAY.

Bakhyt's nimble fingers make many wonderful pieces – earrings, rings, pendants, trinkets for cell phones ... This is a pair of earrings in the shape of miniature apples that are undistinguishable from the real thing. Doughnuts covered with multicolored icing are literally asking to be eaten – but these little “goodies” are also pieces of bijouterie to delight both their owner and everybody else. A miniature cone with bright fruit ice-cream makes a “yummy” decoration for a young fashion lover on a hot summer day. And actually it was exactly with ice-cream that Bakhyt's new hobby started last summer!

The girl used to like baking and making desserts. With lots of free time on her summer holidays, Bakhyt wanted to treat her family to something really special. She started surfing the Internet for a recipe and saw a photo of a cone-shaped delicacy that looked very delicious but turned out to be a totally inedible piece of art made from polymer clay. But it looked so beautiful and real!.. Being curious, Bakhyt got interested in how this little miracle was made, and found many other examples of such hand-made “yummies” on the Internet. She discovered some video tutorials with detailed instructions for making things from this magical material, polymer clay, including how to bake the finished pieces in the oven.

– One day Bakhyt asked me to get her some polymer clay along with the special tools and accessories for working with it, – says Nazgul'. – I wasn't sure about indulging her, thinking that the occupation was

way too difficult and she would soon abandon it, leaving the unwanted “box of tricks” lying about the house. But Bakhyt showed such brilliant theoretical preparation that the seriousness of her



intentions was absolutely clear. So I started looking around for some polymer clay. I didn't manage to find any in our town, so I had to order some from Kazan and from Moscow with the help of my colleagues. It's a pity I could only get everything she wanted by the end of the summer holidays. And then Bakhyt plunged into her creation!

Her artworks bring joy to her family and friends. Some of her contemporaries wouldn't have minded copying Bakhyt's skill. But

when their parents found out how expensive this hobby was and how difficult it was to get the materials, they decided against it. The complexity of the process itself is quite daunting too.



But Bakhyt is diligent and hard-working: her creativity grows as she learns to produce pieces that are more and more complicated. The family pet, a cat called Sanchous, is a great “help” and inspiration. His odd name is a derivative from the simple name San'ka given to the red fellow by his previous owner. Sanchous is a full member of this close-knit family. Every New Year the children (Bakhyt has two brothers and a sister) ask Santa Claus for presents not only for themselves, but for the cat too. And – what else could he do? – the kind old man gets him a can of fish.

– Actually, I'm not a great cat-lover. But my husband and the children just love them, so I had to agree to pets in the house. These are the things you do to bring joy to your loved ones! – Nazgul' said. ■

by Ekaterina Suvorova

Motifs of Vietnam

DISCUSSING NEW YEAR PLANS WITH MY FRIENDS, I HEARD THEM SAY THAT VIETNAM AND NEW YEAR JUST WEREN'T COMPATIBLE. AND I ADMIT TO HAVING MY OWN DOUBTS, TOO. BUT THE ECONOMIC ARGUMENT GOT THE UPPER HAND: IT'S THE CRISIS, LADIES AND GENTLEMEN!

I love travelling. In 2014 I went to Spain, Germany, Holland, France and Lithuania. But those were short trips. And this time it was a full-scale three week vacation, including the New Year holidays! I can assure you: "wintering in Asia" lived up to my very highest expectations. Incidentally, as a Russian citizen I wouldn't even have needed a visa if my stay had lasted less than 14 days.

I prepare my own trip itinerary. I buy tickets and book hotels myself. Working without a travel agent saves some money but, most importantly, gives you a feeling of freedom: you can always change your route or stay a little longer at a place you especially like. I started preparing my Asian trip about three months in advance. I watched some videos, and talked to people who had been there.

Once you get to Vietnam, you'll feel like a millionaire! The best solution is to bring dollars that you can later exchange into local currency, the dong. \$100 equals about 2,135 ths dong.

As a rule, hotels offer their own taxi services, but you can get a cheaper deal right at the airport. It's OK to negotiate in Vietnam! To be able to see the whole country, I started this holiday of a lifetime from the North of Vietnam, then stopped in the central part and finished it on the Southern coast.

If you're planning a visit to the country, I recommend you stay near the Ho Hoan Kiem lake (meaning "The Lake of the Returned Sword") in the capital, Hanoi. Nearby there's an old district with a unique south-eastern flavor and lots of small shops with exotic goods. Halong Bay is 170 km away from Hanoi – this "Seventh Wonder of the World" is well worth visiting. There are rocks, cliffs, caves and over 3,000 islands. It's unbelievably beautiful, and everyone should see it with their own eyes!

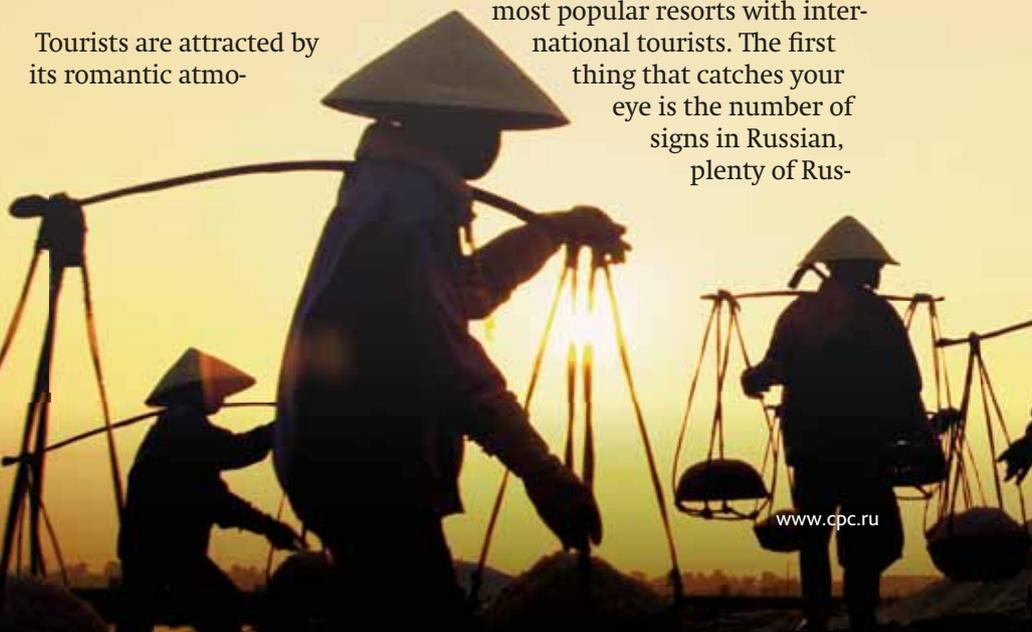
The two pearls of Vietnam, Da Nang and Hoi An, are situated on the South China Sea coast. It's only an hour's flight from Hanoi to Da Nang, which is a fast growing city with broad roads, high buildings and beautiful bridges. Da Nang, with lots of trade centres and night life, will also suit the taste of those who prefer active leisure. Hoi An is the direct opposite. UNESCO has declared this city a World Heritage Site as a model of a Southeast Asian trading town of the 15th-19th centuries.

Tourists are attracted by its romantic atmo-



sphere and many sights. You can walk the old city streets along the Thu Bon river, buy some handi-craft souvenirs, order some tailor-made clothes or genuine leather shoes – and you'll be pleasantly surprised by the prices! Hoi An is a city of artists, craftsmen and chefs, where you have the chance to take cooking classes and learn a bit about Vietnamese cuisine.

Now it's time for some beach holiday and some exciting excursions! Nha Trang is one of the most popular resorts with international tourists. The first thing that catches your eye is the number of signs in Russian, plenty of Rus-



sian-speaking tourist firms and lots of our fellow countrymen. I highly recommend a trip to the islands where the water is turquoise blue and the sand pure white. Nha Trang beach may not be as pure and perfect, but it is free and wide. You can jog here in the morning and in the evening enjoy the sunset by the sea. There are many places in the city that are a must-see: the Long Son pagoda with a giant Buddha statue on the hill behind it; the Po Nagar Cham towers of the 13th century is another historical landmark, along with the functioning Catholic Cathedral and the Hon Chong rock-garden with its unique atmosphere where in fine weather you can take fantastic photos.

And you shouldn't miss the Cho Dam central market, where, among many other things, you

springs are about seven km away from the city, and tourist firms can arrange inexpensive group transfers.

But the most amazing thing is the trip from Nha Trang to the Vinpearl island by the longest over-water cable car in the world. You'll find an oceanarium, dolphinarium, a water park with roller coasters, and a singing fountain show there. Another choice would be to have a beer and chips on the comfortable beach.

The town of Da Lat is about 1,475 metres above sea level, a hill resort surrounded by evergreen forests, blue lakes and picturesque valleys... It owes its existence to the French colonists who were seeking refuge in the mountains from the Vietnamese summer heat. "City of Love", "the Paris

godas and the Crazy House hotel.

Ho Chi Minh is the largest city in Vietnam. You'll find many museums and theatres, the oldest zoo in the world, beautiful pagodas and the famous Ku Chi tunnels there. You should pay special attention to the Saigon Notre-Dame Cathedral, the Cho Ben Thanh market and the War Museum. Walking the streets of Ho Chi Minh, you're plunged into its hectic life. It's a real pleasure to sit down with a cup of Vietnamese coffee (condensed milk, coffee and ice) after a hot and humid day. One of the best central spots in the city is the Barbecue Garden Restaurant where visitors cook their dishes themselves over a flame in the middle of the table. I liked the prawn brochettes in coconut milk, the warm banana dessert and the unusual lotus salad. And on that subject... On the roof of the 25-storey New World hotel is the Chill Sky Bar that commands a night stunning city view. The fabulous design of the place, its wonderful atmosphere, top-level service and great cocktails are really impressive.

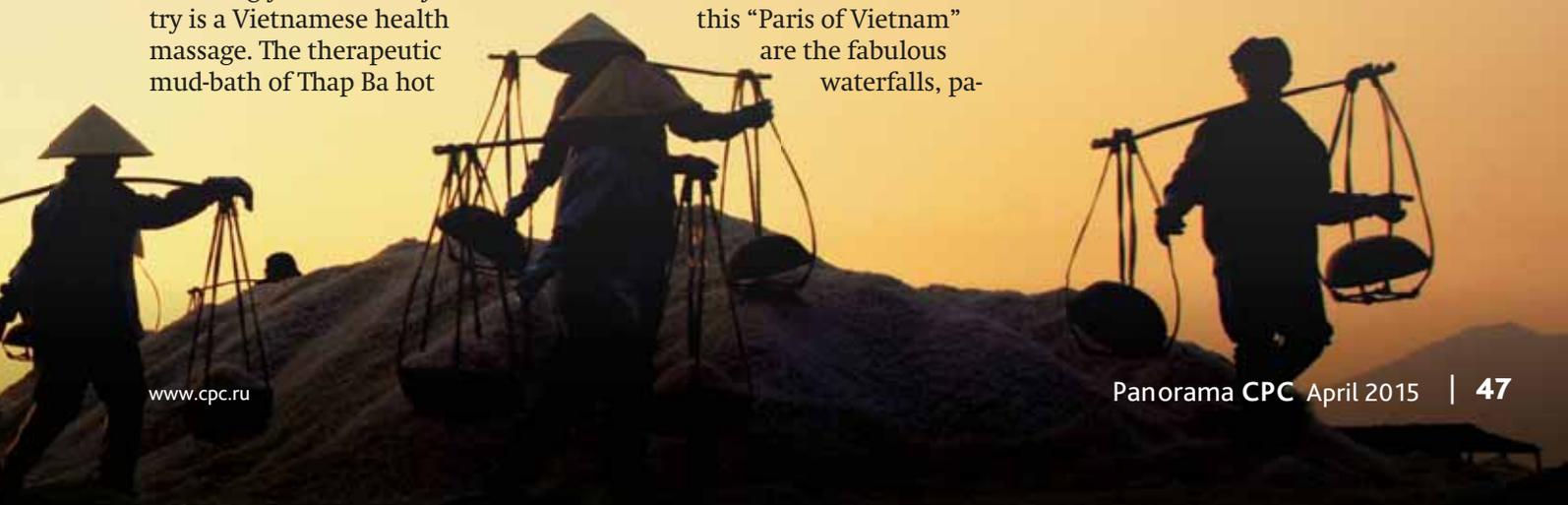
Vietnam is a very picturesque country indeed! It has a rich history and kind hospitable people who, incidentally, treat Russians with particular affection. If you ever decide to visit this part of the world, you certainly won't regret it! ■

by Nadezhda Cherednikova

can find fresh fruit. The Oceanological Museum at the Institute of the same name was built by the French and is also interesting. The one thing you absolutely must try is a Vietnamese health massage. The therapeutic mud-bath of Thap Ba hot

of Vietnam", "City of Eternal Spring" – that's what this place is all about.

What I'll remember about this "Paris of Vietnam" are the fabulous waterfalls, pa-





Team Spirit

SOCCKER IS A TEAM GAME AND THE FAVORITE SPORT OF THE CPC MARINE TERMINAL EMPLOYEES .

It's 6 p.m. The southerly sun is slowly going down, and the sky is almost clear. The shadows are creeping lazily down the hills, moving towards Glebovskoye village. Nature is breathing after a hot day, and the birds seem to have lost their strength even to chirp.

But, down there at the village, the school stadium is bustling with life. With a style that's more like ice-hockey than soccer, the teams sweep over the field like waves, and nearly each attack results in a goal scored from a well-placed shot. Well, Mr. Kerzhakov could learn much from here!

There's a good choice of substitutes, which helps the players keep up the pace. The substituted players get their breath back on the sideline and talk to "CPC Panorama". When they've rested up, they return to the game.

"We don't play soccer to achieve great results, we do it for fun, to



enjoy ourselves," says Igor Florovskiy, the deputy regional manager for marine operations. "The

game helps us to relax after a busy day, to stay in shape and, at the same time, to boost team spirit".

"When we play after work, there are no winners or losers," adds



Alexey Sitnik, the marine facilities technical support manager. "And it's not only because we try to balance up the teams, taking

turns to play for each of them, but also because the game itself brings us so much joy."

As for Valery Shevek, a navigation safety manager and "Lam-nalko" team representative, he



starts every day with soccer practice. At 7 a.m. Shevek, a real soccer fan, practices the game at the Marine Academy

in Novorossiysk. He says that he can play any position but his favorite is goalie.

The school stadium at Glebovskoye village, which the local kids love so much, was built with a donation from CPC. At the stadium, FIFA-certified artificial turf has been laid on the soccer field. Today, the stadium is used for practice by the children's indoor soccer team and various tournaments for schoolchildren are held there. Also, with the school administration's permission, CPC employees and their colleagues employed by subcontractors that operate the CPC Marine Terminal play at the stadium after work. ■

by Pavel Kretov

A guest from Africa

TATIANA GLUSCHENKO, HEAD OF THE PS KROPOTKINSKAYA LABORATORY, LIVED FOR MANY YEARS IN THE FAR NORTH. WHEN FOR MOST OF THE TIME THERE'S A FREEZING WIND BLOWING OUTSIDE YOUR WINDOW, WHEN THE DRIFTS ARE AS TALL AS A HUMAN BEING, AND IT CAN SNOW EVEN IN MID-SUMMER, YOU JUST WISH FOR PEACE AND WARMTH AT HOME – IT MAY BE A SMALL PLACE, BUT LET IT BE LIKE THE TROPICS!



And when it's crawling on your hand you can feel that every little bit of her body is moving, – Tatiana shares her impressions.

The Kalutara snail (*Achatina fulica*) is more often known as Ulia the snail in Tatiana's family. She eats cucumber and loves grain, sweet peppers and even bread crumbs soaked in milk. You can sense the intelligence in her little horned head: she clearly senses danger and feels confident only on her mistress's hand. It's been scientifically proved that African snails have long-term memory – they remember their food sources and can return to them to find more.

No doubt that this was what started Tatiana's long-standing passion for indoor plants, aquarium fish, turtles and parrots which have come to Russia from faraway hot lands.

– The turtles grew and didn't fit in the aquarium any longer, so I gave them away to my friends and relatives. A couple of years ago my granddaughter Dasha persuaded me into buying an African snail in a pet shop. To tell the truth, I couldn't help falling in love with it too from the moment I saw it – it's so small and unpretentious, and it stretches the neck so funnily beneath a trickle of warm water.



Ulia isn't offended when her mistress can't look after her. She just hides from the outside world in her little home and waits to be woken up – by pouring a trickle of warm water on her shell.

– I guess the main reason I love my snail is the fact that she's the complete opposite of me. I'm always living at a fast pace, and sometimes it can be difficult to stop. But when I look at her after a long and tiring day, I get all calm again, – Tatiana finishes her story. ■

Visitors from warm countries feel themselves comfortable

by Pavel Kretov

Caspian Pipeline Consortium: a time-tested international project



CPC-R, MOSCOW OFFICE

Business Complex "Legion",
4th floor, B. Ordynka Str., 40, building 4,
Moscow, 119017, Russia
tel: +7 (495) 745-87-70
fax: +7 (495) 745-87-72
e-mail: Moscow.reception@cpcpipe.ru

CPC-K, ASTANA

Hotel "Beijing Palace",
Level 11, Esil district,
Syganak Str., 27,
Astana, 010000, Kazakhstan
tel: (7172) 799-271
fax: (7172) 799-272
e-mail: Astana.reception@cpcpipe.ru

CPC-K, EAST REGION

Business center "Seven Stars",
Satpaeva Str., 34A,
Atyrau,
060011, Kazakhstan
tel: (7122) 76-15-00, 76-15-35, 76-15-99
fax: (7122) 76-15-91
e-mail: Atyrau.reception@cpcpipe.ru

CPC-R, CENTRAL REGION

Kirova/Krasnogo znameniy Str., 24A/10,
Astrakhan,
414000, Russia
tel: +7 (8512) 31-14-00, 31-14-99
fax: +7 (8512) 31-14-91
e-mail: Astrakhan.reception@cpcpipe.ru

CPC-R, REPUBLIC OF KALMYKIYA

Suite 608, V.I. Lenina Str., 255A,
Elista, 358000, Russia
Tel: +7(84722) 4-13-89
e-mail: Elista.reception@cpcpipe.ru

CPC-R, WEST REGION

Budennogo Str., 117/2,
Krasnodar,
350000, Russia
tel: +7 (861) 216-60-00
fax: +7 (861) 210-35-51
e-mail: Krasnodar.Reception@cpcpipe.ru

CPC-R MARINE TERMINAL

Marine Terminal, Primorskiy okrug,
Novorossiysk, 353900, Russia
tel: +7 (8617) 64-25-52
fax: +7 (8617) 64-25-51
e-mail: MarineTerminal.reception@cpcpipe.ru

CPC-R, NOVOROSSIYSK

Vidova Str., 1A, Novorossiysk,
Krasnodar Krai,
353900, Russia
tel: +7 (8617) 61-15-64
fax: +7 (8617) 61-26-90
e-mail: Novorossiysk.reception@cpcpipe.ru

CPC-R, STAVROPOL TERRITORY

Suite 208, Ryleeva Str., 7,
Stavropol, 355000, Russia
e-mail: Moscow.reception@cpcpipe.ru



At the Expansion Project sites: The Marine Terminal's Tank Farm and PS-8 March 2015