



Thank you for all those employees who have served BELL
all the long years! This Quarter we recognized the
following individuals' work anniversaries:

JULY

John Jacobs, 25 years
Richard Diaz, 9 years
Casey Heath, 10 years
Joshua Erhardt, 6 years
James Cerutti, 2 years
Charles Largent, 7 years

AUGUST

Vivian Santiago, 3 years
Eric Mckinstry, 3 years
Stephen Manser, 11 years
James Wylie, 2 years

SEPTEMBER

Kristyn Draper, 5 years
Anthony Holloway, 3 years
Kyle Barnhart, 2 years
Alvin Hymes, 2 years
Bryan Sappington, 2 years



Employee SPOTLIGHT

Behind the BELL logo, name, and work.

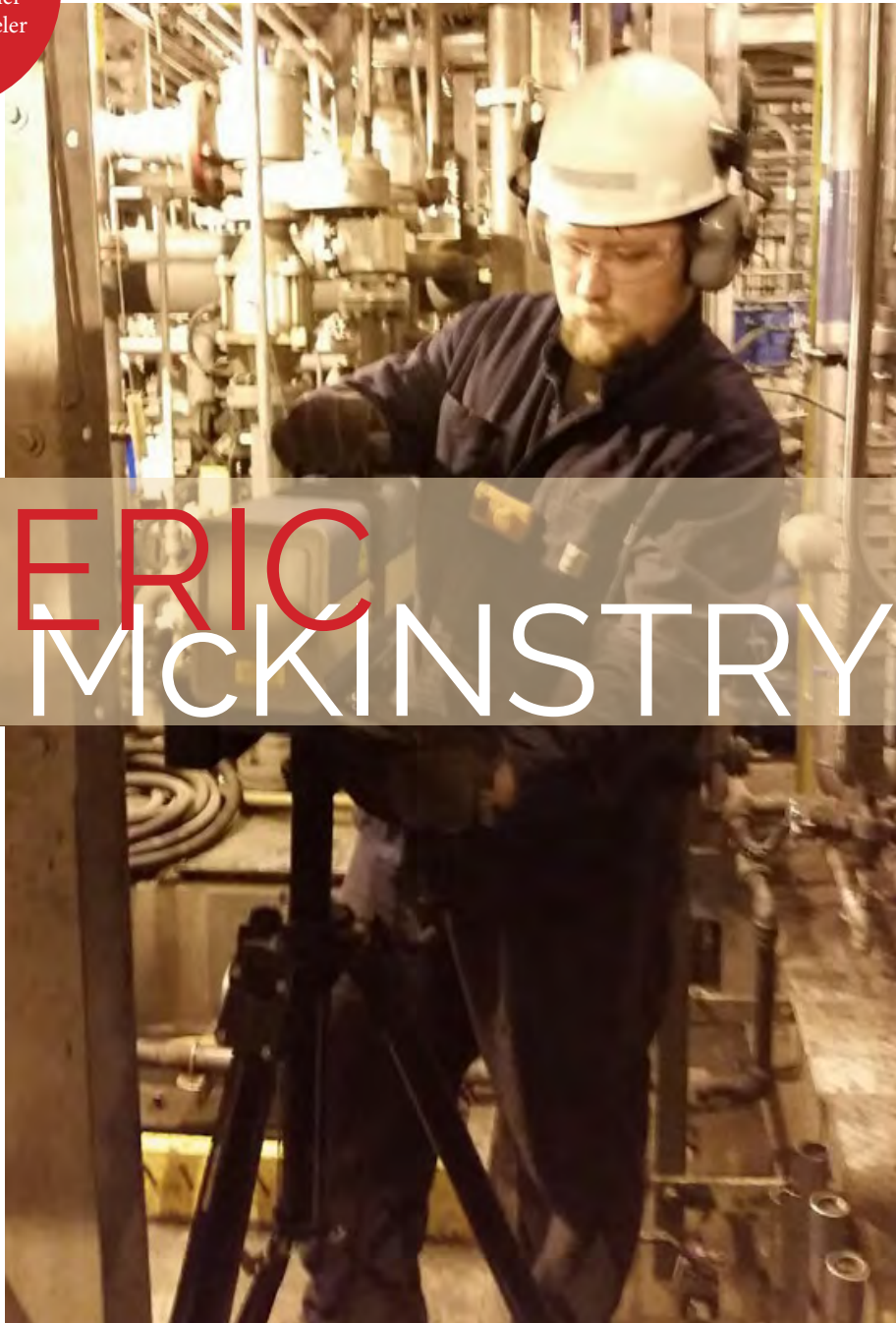


ALASKAN

Born in Juneau, Eric is a life-long Alaskan with a love of all it has to offer. An avid hunter, fisherman, and four-wheeler enthusiast he is always taking advantage of the great outdoors on his time off. Eric moved from Juneau to the Anchorage area in 1991.

SURVEYOR

One of Eric's great passions is animals. He originally went to college in California to study biology with the goal of becoming a veterinarian. With his biology degree nearly complete, he did some soul searching and decided to re-think his career goals, returning to Alaska in the process. After a stint working at Lynden he was approached with the opportunity to become part of the survey apprenticeship program and decided that this might be a good opportunity to combine a career with his love of being outdoors. It was through that apprenticeship that Eric came to BELL, first on the pipeline project then up to the slope where he has been since 2013.



PARTNER

Eric met his girlfriend, Monica, while at school in California. Eric was originally friends with Monica's sister in high school and they reconnected while both were attending school in California. They have been together now for 5 years.

TRAVELER

In addition to animals, nature and working and playing outdoors, another one of Eric's passions is traveling. With Monica's job at Virgin Atlantic and Eric's slope schedule, they have been able to literally travel the world. Some of their recent trips have included Australia, Italy and Hong Kong. Eric says one of his favorite vacations was to Thailand but that each trip stands out for different reasons.

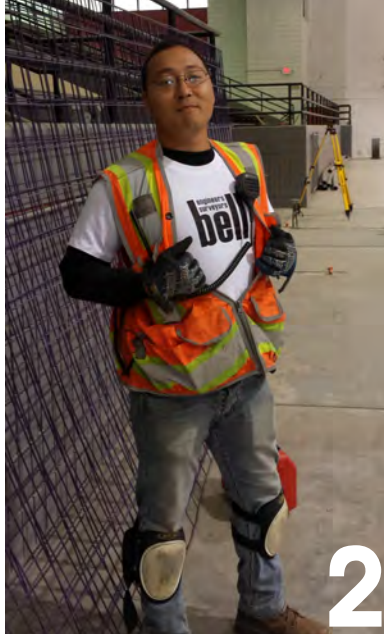
STAND OUT EMPLOYEE

Since "Mt. McKinstry's" arrival on the slope, he has proven himself to be an exemplary employee. According to Steve Manser: **"Eric is an asset to our North Slope group. He takes his job very seriously and is a leader in safety. Eric is one of the leaders of the Behavior Based System used across the slope called PIRATE... hmmm... he is also an avid Pittsburgh Pirates fan... maybe he just likes anything 'Pirate'! His sponge-like attitude (he absorbs everything thrown at him in our survey tasks) is one of the many assets he provides. It is a pleasure to have him in our group. Onward and upward 'Matey!'"**

One of the contributing factors in Eric's very proactive approach to safety was his OTJ injury while working at Lynden. Eric's back was injured working on the loading dock so he knows first-hand how much of a toll injuries take on a person. With this, he always goes the extra mile to ensure that safety comes first. Eric was even named **"Pirate Observer of the Quarter"** for the North Slope Pirate group which is a huge achievement! Thanks to everything you do, Eric!



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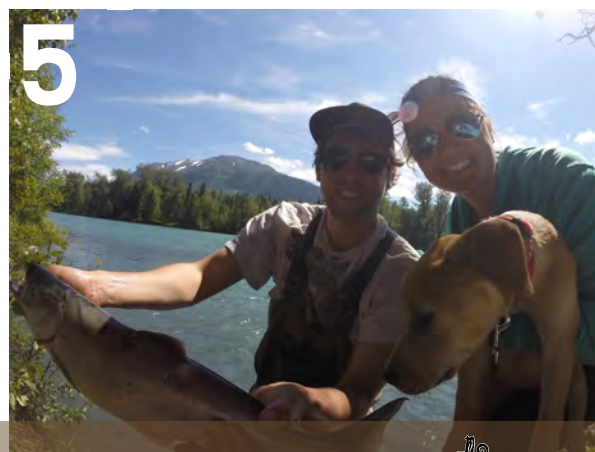
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4



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5

employee news & announcements

1. BERRIES IN JULY, OH MY!

Alvin and his Family spent the last weekend of July enjoying a tradition... a little early this year: berry picking on the South Fork of Eagle River! Since Alvin was sporting his BELL hat, he thought he would snap some pictures among the blueberries.

2. SUPER BELL TO THE SURVEY RESCUE

Intern, Greg, shows off his new shirt that he won at the Summer BBQ this July. He and Party Chief, Werner, take a quick break from collecting points for the indoor ice rink at Ben Boeke in Anchorage, Alaska.

3. 35 YEARS OF MARRIAGE & AN ALASKA TRIP

To help celebrate his Minnesota parent's 35th wedding anniversary, Josh Erhardt took his parents and family on a Halibut Charter in Prince William Sound out of

Valdez. There wasn't a cloud in the sky, the ocean was like glass, and it was hot! Big 3 caught: 150#, 110#, & 75#. Pictured from right to left: His wife Jeni, Josh, his mom, dad, my step-daughters Kelci and Kylee. What a great first time trip to Alaska!

4. FISH ON

One of Kyle's many summer fishing trips. This photo was taken during his Willow Trip for catch-and-release of Chum aka Dog Salmon.

5. PUPPY PARTY

Pearl-Grace and her husband, David, announced the new member of their family: Bristol Pantaleone! She is a Labrador-Retriever/American Bull Dog. For their family initiation they went fishing in the Kenai River where she fit in perfectly! Welcome, little one.



employee news & announcements cont.

6. CORN HOLE

Tab and Frank stand to claim their prizes for the 1st Annual BELL Corn Hole Tournament at the company BBQ this year. A total of 8 different teams competed in the bracket challenge in Jewel Lake Park.

7. SAN HOS-HAYYY

Josh E. and his wife got hooked up with tickets to Game 3 of the NHL Stanley Cup Playoffs - WC Finals in San Jose back in May. A close childhood friend of his plays for the Sharks and he said he'd get tickets for them if they made

it down there. They've gone down to watch him play before, but the playoff atmosphere was 10 times the excitement!

8. AEDC LUNCHEON

BELL attended the 2016 AEDC 3-Year Outlook in July. Dave Calderone, Kyle Griffiths, Alvin Hymes, and Pearl-Grace Pantaleone were joined by guests from Tikigaq, ASD, and AKWorld at this popular event. Not very good news from the Anchorage economy, but we will prevail.

9. RUN LIKE THE WIND

Alvin participated in the

Eagle River Bear Paw 5k during the Bear Paw Festival this summer. This is the second year he has participated in this race just for fun and he had an absolute blast!

10. CANDY

Cooper Calderone rushes as he picks up the candy spilled from the Pinata at the Company BBQ in July. With only four kids there this year, their bags were loaded with candy!

11. BEAR AWARE

Dave had fun hosting the social media accounts in August and

shared this photo. His dogs watching a black bear exit his driveway after scaring it off their porch.

12. MACHO MOOSE

Intern, Mat Malnoske holds the skull and rack of the first moose kill of the season. He went up to Willow and shot it with a bow. He said he filled up 3 freezers with this bad boy.

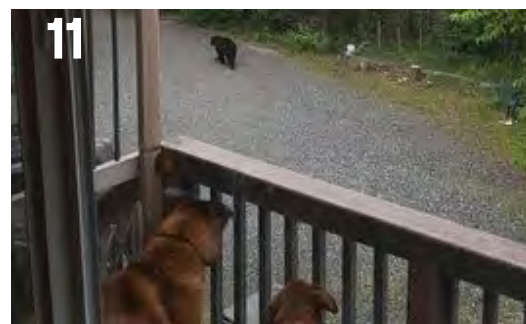
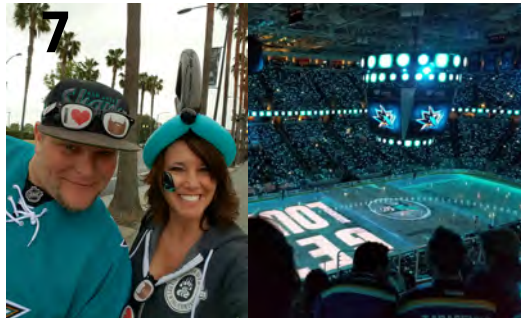
13. BIRTHDAYS

BASH
Every third Thursday of the month the Anchorage Office

celebrates the BELL Birthdays. Parties are at 3PM in the conference room. Folks on the North Slope are always welcome to come join the fun if they are in town or around!

14. ELK'IN AROUND

Frank takes a break from the office and records survey data as he stands near the elk exhibit at the Alaska Wildlife Conservation Center in Portage, Alaska. BELL has been helping develop this popular Alaska destination since 2008.



INEFFICIENCY: OIL MARKET



The futures market that drives oil prices is not efficient. Global usage, demand, and adverse effects like climate change are not properly accounted for and assessed into the consumer price of oil. The futures market is undermined – ignoring true demand and supply change over time and the negative effects oil use has on global climate (natural capital being incorporated into GDP).

Futures contracts, like forward contracts, are agreements between two parties to exchange an asset in the future at a certain time (month) and price. Futures markets are regulated by agencies such as Commodity Futures Trading Commission, and the National Futures Association. An auction-like market at the Chicago Board of Trade (CBOT) and New York Mercantile Exchange (NYMEX) determines prices. Futures evolved from forward contracts to help mitigate credit risk by having the exchange guarantee the contract will be honored. However, cash or cash equivalents are required as initial clearing margins and have to maintain that minimum throughout the duration of the futures contract. Cash flows from contracts are marked to market and re-written daily. Actual exchanges of goods do not often take place, where an investor/ hedge fund will take an opposite position on the contract they own. Futures offer many investors and business owners' opportunities to hedge portfolios and/or decrease risk involved with volatile commodity/currency/bond prices. Basic equations are used to calculate a storable commodities future price. The future price or $FOT(0) = S(0)e^{(r+u-d)T}$ where r , u , and d are risk free rate, storage cost and convenience yield respectively. If this does not hold true, arbitrage opportunities will arise.

Establishing what the futures price for oil will be in the future is a daunting task even with the best algorithms or statistical models. The spot price of oil has many factors

that influence the random price fluctuations. Supply, demand, production capacity, technology advancements in the field, government reserves, war, and speculation all impact the spot price for oil. Large macroeconomic events are difficult to incorporate into complex algorithms, but are essential in establishing the futures price for oil in long-term contracts.

The futures market that drives oil prices is not efficient. Globalization, climate change, population growth, and exploration costs -which affect macroeconomic factors- are not being incorporated into the latest mathematical models. Using more complex algorithms (established from large variable streams), based on random movement or evolution of prices are no vehicle for processing macroeconomic shifts and are fundamentally inappropriate in large scale applications. Population expansion into the far reaches of earth are exacerbating small changes in climate, disrupting the delicate interaction humans have with earth. Predicting when climate change, population growth, and a diminishing supply of oil will induce a paradigm shift is beyond the scope of the current mathematical models incorporating the underlying asset, convenience yield, risk free interest rate, and exchange rate. The models may be useful in small time frames for hedge funds, or a vehicle to smooth cash flows but are failing to predict long-term volatility from macroeconomic factors. Incorporating a variable through an expansion of knowledge about various climates, health, and psychological factors is needed to bring stability and predictability to the futures market.



KYLE GRIFFITHS
BUSINESS MANAGER



This year BELL was able to finally get back on one large boat. Anchorage employees, slope employees, some clients and family tagged along in the 10th annual Fishing Trip out of Seward Alaska! This year we used Alaskan Northern Outfitters, and took a total of 26 eager-to-fish Alaskans out on Prince William Sound.

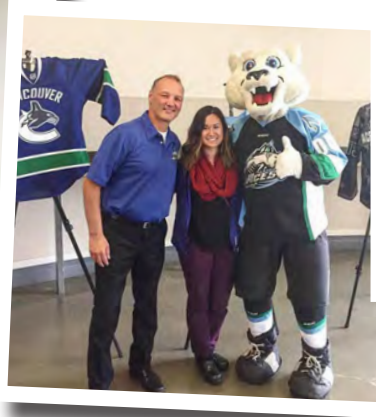
Aboard the ship were BELL employees: Bob, Frank, Kyle, Werner, Greg, Mat, Tab, Casey, Craig,

Didi, Dennis, Chris, and Lisa! Mat reeled in a whopping 150 pounder while Bob brought up a 130 pound Halibut! The weather was beautiful - the sun came out and the seas weren't too bad. It was a successful and eventful evening out near Montague Island! The funny thing is that almost everyone bought a salmon derby ticket, but the crew didn't fish for salmon on the boat! Congrats to those who went!



social media: employee take-over

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Diversifying Our Audience

Social Media is a powerful tool. The majority of the world is Online. Some companies are solely Online, some get 80% of their business and new clients from their social media pages, and others are just starting to tap into it. But to be operating a business that is offline is a wish for slow work flow. BELL has embarked on using multiple social media platforms: Pinterest, WordPress, Google+, LinkedIn, Facebook, Instagram, Twitter, and soon YouTube. In order to reach audiences of all sorts — age, geographic location, industry, etc — we are rotating account hosts, at 2-week intervals-to share work and life as a BELL employee!

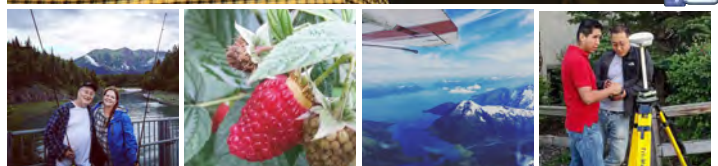
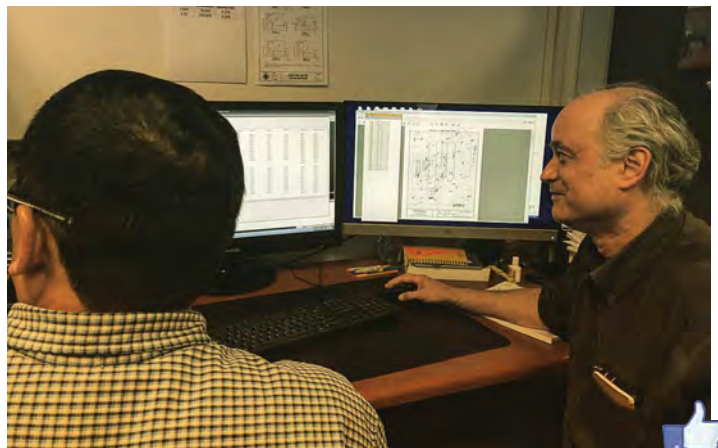
POWER OF ADS

Recently, BELL promoted a residential and commercial land surveying ad on Facebook from June 16 - July 16. Two months later, we are seeing more and more calls to do those kinds of surveys!



3.5 degrees of separation

On February 4, 2004 Facebook was made public to the world after only being available to a small college group. Now, in honor of it's 1.59 billion user success and 12th birthday, Feb. 4 is now "Friend's Day."



mobile photo/video-sharing

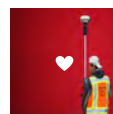
Instagram users have shared over 30 billion photos to date, and now share an average of 70 million photos per day. This is voted the number one most important social media platform by millennials. This platform is projected to bring in \$595 million in mobile ad revenues worldwide this year, and \$2.81 billion by 2017.



Our team in the Northernmost City in the United States. In our very own home state. #bellsurvey #pointbarrow #bellengineering #belltravel #bellsafety #bellandassociates



What a beautiful day to help make Anchorage a better place! BELL employees participating in City-Wide Clean Up! #maythefourthbewithyou



No filter needed. Sometimes testing our new equipment can lead to pretty cool places for new photos! #bellsurveying #bellsurvey #trimble4Dlite #trimbletotalstation #gps #nofilter



Action shot of one of our survey crews out in the field. #bellsurvey #bellengineering #bellalaska

