

POLICY

E & B Oilfield Services Inc. will maintain a “Safety and Health Program” conforming to the best practices of organizations of this type. To be successful, such a program will embody the proper attitudes toward injury and illness prevention on the part of supervisors and employees. It also requires cooperation in all safety and health matters, not only between supervisor and employee but also between each employee and his or her co-workers. Only through such a cooperative effort can a safety program in the best interest of all be established and preserved. Safety and health in our business will be a part of every operation.

Kirk Duncan is responsible for the implementation and enforcement of the following safety rules. Disciplinary procedures will be enforced.

THE COMPANY SAFETY & HEALTH PROGRAM INCLUDES:

- Providing mechanical and physical safeguards to the maximum extent possible
- Conducting a program of safety and health inspections to find and eliminate unsafe working conditions or practices, control health hazards and comply fully with the safety and health standards for every job
- Training all employees in good safety and health practices
- Providing necessary personal protective equipment with proper fitting and instructions for its use and care
- Developing and enforcing safety and health rules and requiring that employees cooperate with these rules as a condition of employment
- Investigating, promptly and thoroughly, every accident to find out what caused it and to correct the problem so that it will not happen again
- Setting up a system of recognition and awards for outstanding safety service or performance

RESPONSIBILITIES

We recognize that the responsibilities for safety and health are shared:

- E & B Oilfield Services Inc. accepts the responsibility for leadership of the safety and health program, for its effectiveness and improvement and for providing the safeguards required to ensure safe conditions
- *Supervisors* are responsible for developing the proper attitudes toward safety and health in themselves and in those they supervise and for ensuring that all operations are performed with the utmost regard for the safety and health of all personnel involved, including themselves
- *Employees* are responsible for wholehearted, genuine operation with all aspects of the Safety and Health Program including compliance with all rules and regulations – and for continuously practicing safety while performing their duties

GENERAL SAFETY RULES

E & B Oilfield Services Inc. employees will follow these safe practice rules, render every possible aid to safe operations and report all unsafe conditions or practices to their supervisor.

- Failure to abide by the Code of Safe Practices may result in disciplinary action up to and including termination.
- Supervisors will insist that employees observe and obey every rule, regulation and order necessary for the safe conduct of the work and will take such action necessary to obtain compliance.

- If you are unsure of the safe method to do your job, STOP and ask your supervisor. Ignorance is no excuse for a safety violation.
- All employees will be given frequent accident prevention instructions. Instructions, practice drills, or articles concerning workplace safety and health will be given at least once every five (5) working days.
- No one will knowingly be permitted to work while the employee's ability or alertness is impaired by fatigue, illness and prescription or over-the-counter drugs. Employees who are suspected of being under the influence of illegal or intoxicating substances, impaired by fatigue or an illness, will be prohibited from working.
- Employees will be alerted to see that all guards and other protective devices are in proper places and adjusted and will report deficiencies. Approved protective equipment will be worn in specified work areas.
- Horseplay, scuffling, fighting and other acts are prohibited.
- Work will be well-planned and supervised to prevent injuries when working with equipment and handling heavy materials.
- Employees will not handle or tamper with any electrical equipment, machinery, or air or water lines in a manner not within the scope of their duties unless they have received instructions from their supervisor. Do not attempt to operate equipment until you are fully trained and authorized.
- Keep your work area clean and free of debris, electrical cords and other hazards. Immediately clean up spilled liquids.
- Always notify all other individuals in your area who might be endangered by the work you are doing.
- A red tag system identifies equipment that is NOT to be operated, energized, or used. All lock-out/tag-out notices and procedures will be observed and obeyed.
- Do not block exits, fire doors, aisles, fire extinguishers, first aid kits, emergency equipment, electrical panels, or traffic lanes.
- Do not leave tools, materials, or other objects on the floor that might cause others to trip and fall.
- Do not distract others while working. If conversation is necessary, make sure eye contact is made prior to communicating.
- Employees will not enter manholes, underground vaults, chambers, tanks, silos, or other similar places that receive little ventilation unless it has been determined that it is safe to enter. Confined space protocols will be followed.
- Materials, tools, or other objects will not be thrown from buildings or structures until proper precautions are taken to protect others from falling objects.
- Employees will cleanse thoroughly after handling hazardous substances and follow special instructions from authorized sources.
- Gasoline or other flammable liquids will not be used for cleaning purposes.
- No burning, welding, or other source of ignition will be applied to any enclosed tank or vessel, even if there are some openings until it has first been determined that no possibility of explosion exists and authority for the work is obtained from the foreman or superintendent.
- Any damage to scaffolds, falsework, or other supporting structures will be immediately reported to the foreman and repaired before use.
- Possession of firearms, weapons, illegal drugs, or alcoholic beverages on Company or customer property or the job site is strictly prohibited.
- All injuries will be reported promptly to your supervisor so that arrangements can be made for medical and/or first-aid treatment.

ENFORCEMENT OF SAFETY POLICIES

The compliance of all employees with the E & B Oilfield Services Inc. Safety and Health Program is mandatory and will be considered a condition of employment. All safety rules, procedures and plans in effect are to be followed as specified in the safety program. Employees found to violate Company safety policy may be subject to penalty.

Kirk Duncan is the supervisor for disciplinary actions and any employee in a position of management or supervisory capacity may initiate disciplinary action against any employee found to violate Company policy. Not following verbal or written safety procedures, guidelines, rules, horseplay, failure to wear selected Personal Protective Equipment (PPE) and/or abuse of selected PPE, constitutes a safety violation.

The following outlines the disciplinary measures that will be taken against employees found to be in violation.

Periodic safety inspections of the workplace and equipment will be undertaken to ensure that all personnel, including supervisory positions, are demonstrating the required commitment to safety. General neglect of safe work procedures, practices and requirements in the workplace, or neglect of equipment safety, will be viewed as a lack of supervisory enforcement of safety policy and the appropriate supervisor/management personnel will be subject to the same disciplinary procedures described below.

The following programs will be utilized to ensure employee compliance with the safety program and all safety rules: training programs, retraining, optional safety incentive programs and disciplinary action.

Training Programs

The importance of safe work practices and the consequences of failing to abide by safety rules will be covered in the New Employee Safety Orientation and at Tailgate/Toolbox Safety Training. This will help ensure that all employees understand and abide by the Company's safety policies.

Retraining

Employees who are observed performing unsafe acts or not following proper procedures or rules will be retrained by their foreman or supervisor. A Safety Contact Report may be completed by the supervisor to document the training. If multiple employees are involved, additional safety meetings will be held.

SAFETY INCENTIVE PROGRAMS

Although strict adherence to safety policies and procedures is required of all employees, The Company may choose to periodically provide recognition of safety-conscious employees and job sites without accidents through a safety incentive program.

DISCIPLINARY ACTION

The failure of an employee to adhere to safety policies and procedures established by E & B Oilfield Services Inc. can have a serious impact on everyone concerned. An unsafe act can threaten not only the health and well-being of the employee committing the unsafe act but can also affect the safety of his/her coworkers and/or customers. Accordingly, any employee who violates any of the Company's safety policies will be subject to disciplinary action.

When a "Safety Violation Notice" is issued, appropriate supervisory personnel will meet with the employee(s) to discuss the infraction and inform the individual(s) of the rule or procedure that was violated and the corrective action to be taken.

Note: Failure to promptly report any on-the-job accident or injury, on the same day as occurrence, is considered a serious violation of the Company's Code of Safe Practices. Any employee who fails to immediately report a work-related accident or injury, no matter how minor will be subject to disciplinary action.

Employees will be disciplined for infractions of safety rules and unsafe work practices that are observed, not just those that result in an injury. Often, when an injury occurs, the accident investigation will reveal that the injury was caused because the employee violated an established safety rule and/or safe work practice(s).

In any disciplinary action, the foreman will be cautious that discipline is given to the employee for safety violations and not simply because the employee was injured on the job or filed a Workers' Compensation claim.

Violations of safety rules and the Code of Safe Practices are to be considered equal to violations of other Company policies. Discipline for safety violations will be administered in a manner that is consistent with the Company's system of progressive discipline. If, after training, violations occur, disciplinary action will be taken as follows:

1. Oral warning. Documented, including date and facts on the "Safety Warning Report" form. Add any pertinent witness statements. Restate the policy and correct practice(s)
2. Written warning. Retrain as to correct procedure/practice
3. Written warning with suspension
4. Termination

As in all disciplinary actions, each situation is to be carefully evaluated and investigated. The step taken in the disciplinary process will depend on the severity of the violation, employee history and regard to safety. Foremen and superintendents will consult with the office if there is any question about whether disciplinary action is justified. Employees may be terminated immediately for willful or extremely serious violations. Union employees are entitled to the grievance process specified by their contract.

Note: Consistency in the enforcement of safety rules will be always exercised.

