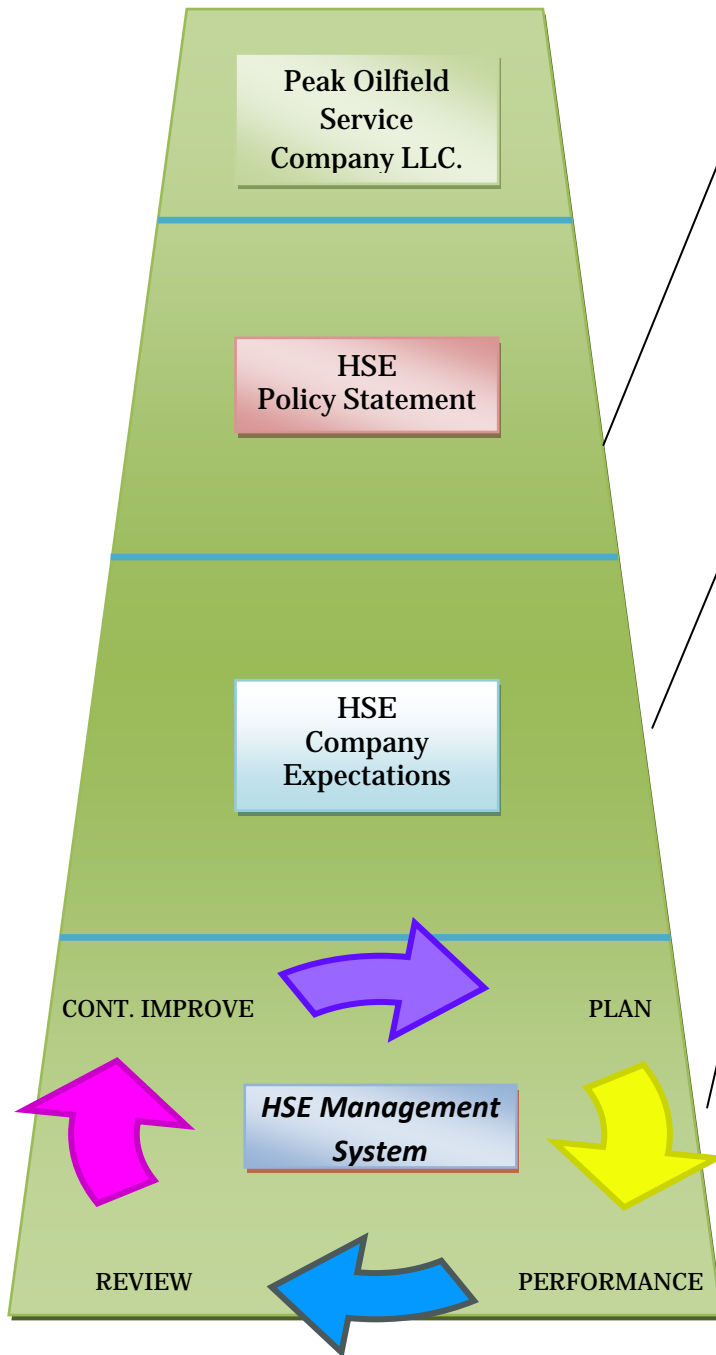

2015 Health, Safety & Environmental Expectations





HSE Policy Statement is a simple, concise message that states Peak Oilfield Service Company LLC., commitment to HSE and outlines the cornerstone principles essential to the growth and success of our company.

HSE Company Expectations are a systematic group of HSE requirements that expands the HSE policy and provides a framework for the HSE management systems utilized within Peak Oilfield Service Company.

HSE Management System is the collection of policies, procedures and processes for a particular business or operation in Peak Oilfield Service Company that are organized and implemented in a way to deliver the Company Expectations. Each business group within Peak is expected to build a "fit one purpose" management system that is unique to their operation, but embodies the concept of a continual improvement cycle as shown on the left.

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HSE Policy Statement

Peak Oilfield Service Company LLC., is a performance-driven company whose highest priorities are accident prevention, the health of our employees and the protection of the environment. Simply put, we believe:

- ✓ No one gets hurt
- ✓ No environmental damage is acceptable
- ✓ Nothing is more valuable than our employees' health and safety

These targets are essential to the success and growth of our company and will not vary, even when others may have different priorities, to ensure our company is always aligned with these simple, but powerful values, our company HSE expectations shall be grounded in the following basic principles:

- ✓ All safety and environmental incidents are preventable
- ✓ Delivery of HSE performance is everyone's responsibility
- ✓ Pollution prevention controls and systems are key to business success
- ✓ HSE performance must be measured and actively managed
- ✓ Leadership and management commitment are essential
- ✓ Maintain a commitment to continually improve our health safety and environmental systems
- ✓ Compliance with applicable laws and regulations is a starting point
- ✓ Everyone has "Stop Work Authority" and is expected to use it

By these actions and with the full cooperation of all employees working together we will be an industry leader in safety and environmental performance.

Patrick Walsh
President/CEO

1. Leadership and Accountability

We believe that leadership is a prerequisite to establishing HSE as a core value in the workplace. Our team will demonstrate their commitment to safety with involvement in regular workplace inspections, accident investigations and by clearly defining HSE roles and responsibilities for their employees. Managers are responsible for fostering a culture of HSE participation by encouraging each employee to become a workplace safety leader.

Defined Responsibilities

- 1.1 Managers at all levels will be visible in the workplace and will lead by example in demonstrating HSE behaviors that reflect the Company Expectations.
- 1.2 Supervisors and Managers will promote effective communication in all facets of their Business Units to ensure HSE issues are captured and communicated.
- 1.3 Supervisors and Managers will ensure that the HSE Company Expectations are integrated into their Business Units and adhered to and that the respective HSE documentation is completed to address HSE issues.
- 1.4 Business Unit Managers will monitor and measure HSE goals and objectives within each Business Units. HSE performance will be assessed against each employee's annual objectives and will be based upon feedback from line management, peers and others in the Business Unit.
- 1.5 Supervisors and Managers will promote HSE lessons learned from within their Business Unit and will communicate best practices from outside the Business Unit.
- 1.6 Managers will encourage the reporting and recording of all incidents including near misses and unsafe acts to full compliance to company policy and procedures.

2. Risk Assessment

We shall continuously evaluate the HSE risks to our personnel, customers and the environment in which we operate. Risk assessments will provide the necessary tools to identify and reduce the impact of HSE issues in our daily operations. Peak Oilfield Service Company views management of risk as an on-going process that is critical to achieve an incident-free workplace.

Defined Responsibilities

- 2.1 Business Unit Managers will put processes in place that identify potential hazards including, but not limited to, Behavior Based Safety Management, Job Safety Analysis, Task Hazard Assessments or other equivalent procedures.
- 2.2 Supervisors and Managers will ensure that hazard-management tools are utilized in order to assess risks.
- 2.3 Risk assessments will be used to identify all potential hazards to personnel, customer facilities, new projects and equipment.
- 2.4 Supervisors and Managers at all levels have the responsibility of ensuring that identified risks are clearly addressed and documented and results are communicated to the respective personnel.
- 2.5 Supervisors and Managers will review risk assessments for each activity and update their records to reflect amendments or changes.



3. Management of Change/Document Control

Our objective is to ensure that the Management of Change (MOC) system applies to changes in all areas of the organization. The system will encompass changes made to organization, systems, equipment, procedures, personnel and will ensure that HSE risks are managed properly to reduce risk to personnel and equipment.

Defined Responsibilities

- 3.1 Business Unit Managers will structure and implement a process (that involves relevant workplace personnel and HSE representatives where applicable) to evaluate potential positive and negative consequences of proposed changes and to seek the endorsement of potentially impacted parties.
- 3.2 Supervisors and Managers will monitor and evaluate the effectiveness of changes on their work force and the organization.
- 3.3 Nominated closeout dates for implementation of changes shall not be exceeded without approval from the MOC Administrator/Manager.
- 3.4 MOC records will be filed and retained by each Business Unit and Company designated data base. A MOC custodian will be nominated to facilitate the maintenance of such records.
- 3.5 Personnel records of employees pertaining to health, medical and occupational exposure will be recorded, maintained and shall remain confidential in accordance with legal requirements.

4. Audit, Review and Continual Improvement

Review of Business Unit HSE Management Systems (HSE MS) will be performed through self-assessments and company audits to verify the implementation and effectiveness of all processes. Managers shall record and report the results of audits to all concerned parties. Based on the findings of the review process, changes in the HSE MS will be instituted to ensure continual improvement.

Defined Responsibilities

- 4.1 HSE field assessments will be performed, reported and reviewed on a regular basis.
- 4.2 Supervisors and Managers will ensure that hazards, risks and environmental exposures are identified and properly controlled using a comprehensive plan for continual improvement.
- 4.3 Supervisors and Managers will identify and report adverse workplace conditions or employee behaviors that may result in injury or environmental exposure.
- 4.4 Supervisors and Managers shall maintain an effective control process to ensure that findings of audits are recorded, prioritized and acted upon in a timely manner.



5. Policies and Procedures

Our objective is to ensure that all activities are conducted within the scope of established Standard Operating Procedures (SOPs), if applicable. Reporting requirements are further defined under the headings "Initial Incident Notification Procedures" and "Incident Investigation Procedures."

Defined Responsibilities

- 5.1 SOPs will be written and communicated for all non-routine and/or hazardous operations in the Business Unit(s).
- 5.2 Regular documented inspections shall be conducted at all locations to ensure that company policies and procedures are being adhered to.
- 5.3 All high potential near-miss incidents shall be investigated and analyzed with lessons learned communicated to all personnel with corrective actions in place to address concerns to the SOPs.
- 5.4 Managers will promote a no-blame culture to actively encourage employees to report all incidents and make suggestions for improving existing SOPs.



6. Training

Training will be a continual process that will enhance the knowledge, skills and attitudes of all employees. A training program for initial and refresher training will be established and maintained to meet all applicable government, customer and company requirements.

Defined Responsibilities

- 6.1 Managers will assume the responsibility of ensuring that employees are provided the means to maintain their own competence.
- 6.2 A training matrix will be established and maintained illustrating the training requirements for each job description in the Business Unit.
- 6.3 Training records for all Business Units will be made available to the company training department to ensure compliance.
- 6.4 Managers are expected to know what skills and knowledge are required for high-level performance in their work groups and to develop training plans for each employee in their Business Unit.
- 6.5 Managers are expected to implement the training plans and to provide job assignment and coaching that reinforce formal training.
- 6.6 Employees are customers of the training system and should be encouraged to provide assistance in defining training requirements, designing training programs, and providing feedback on training effectiveness.

7. Employee Ownership and Participation

Our goal is to achieve employee ownership and participation in the HSE continual improvement process. Managers will develop a plan that ensures the involvement and participation of employees (including sub-contractor employees) in their HSE MS.

Defined Responsibilities

- 7.1 Employees will take responsibility for their own health, safety and environmental protection as well as that of others.
- 7.2 All employees shall clearly understand their roles and responsibilities in the HSE management system and participate in HSE programs.
- 7.3 All employees should understand that no work shall take place until all appropriate HSE controls are in place.
- 7.4 All employees are empowered to identify and assess potential risks and communicate their concerns to management.
- 7.5 Everyone has "stop work authority" and is expected to use it.



8. Emergency Preparedness

Effective emergency preparedness systems provide identification, assessment and management of potential adverse situations, including events such as medical emergencies, spills, fires, transportation emergencies, etc. All Managers shall identify potential emergencies, including all potential releases and establish written emergency response plans tailored to their Business Unit.

- 8.1 A written emergency response plan shall be in place for each Business Unit. The plan shall consist of:
- Identification of emergency response personnel with clearly defined roles, responsibilities and authorities.
 - Identification of equipment required for response. Documented training and qualifications to meet program needs and legal requirements for all personnel with emergency response roles.
 - Identification of community and industry resources that have the ability to assist in response.
 - Provisions for timely reporting to regulatory agencies.
- 8.2 Emergency response plans shall be integrated plans with controls for all types of emergencies (medical cases, spills, fires/explosions, weather related, etc).
- 8.3 Exercises and drills shall be held on a quarterly basis at all locations and must cover all scenarios of high hazard potential and all aspects of the contingency plans and response procedures.

9. Integrity Management

An effective and thorough integrity management program is essential to the safe operation and reliability of all critical equipment. It shall be directed toward providing and maintaining mechanical integrity and ensuring the proper use of all equipment.

Defined Responsibilities

- 9.1 Managers will maintain an equipment preventive maintenance program.
- 9.2 Mechanical integrity procedures will be developed, reviewed and approved.
- 9.3 New, spare and replacement parts shall meet design requirements.
- 9.4 Employees shall be aware that equipment cannot be operated outside established limits.
- 9.5 Managers will implement a written quality control/assurance program to ensure that maintenance materials, spare parts and equipment are suitable for the process applications for which they will be used.
- 9.6 Tracking systems shall be used to ensure completion of action items from risk assessments, hazard analysis and audits.





HSE Key Processes and Procedures

1. Initial Incident Notification Procedures

Within 12-hours after any Lost Time Incident (LTI), potential LTI (not sure of the injuries) or other incident with more serious consequences: Senior field management and/or HSE Specialist for that division/subsidiary verbally notify the HSE Director regarding key facts. If necessary, senior field manager can designate someone else in their organization to make the call. A short e-mail is an acceptable substitute.

Within 24-hours after any LTI, potential LTI or other incident with more serious consequences: e-mail distribution to the HSE and Peak management describing the incident. Every effort should be made to use the company HSE MS template, Intelix for initial incident notification. The notification should be distributed to all members of Anchorage management, senior field managers and HSE Managers for each business group or subsidiary in Peak Oilfield Service Company.

Within 24-hours after any high potential near miss: e-mail distribution to the President and Peak executive management team describing the incident. The definition of a high potential near miss is any incident where, except for good fortune, the most likely probable outcome would have been a fatality, serious bodily injury or major property damage (excess of \$100K). If you are not sure of the property damage value or whether the incident could have resulted in serious damage, err on the side of reporting it. Use the notification template and distribution list described in the preceding section.

The purpose of these notification requirements is to encourage learning and sharing information from serious incidents at all levels in the organization, including senior management. Moreover, these initial reporting requirements are NOT a substitute for a follow-up incident investigation report and root cause analysis. While no specific timetable is set for the incident report and RCA, once it is complete, management for the organization where the incident occurred will be asked to visit with the President and HSE Director to discuss the findings.

HSE Key Processes and Procedures

2. Incident Investigation Procedures

When any of the following incidents occur, an Incident Investigation Report along with a Root Cause Analysis should be developed:

- ✓ OSHA Recordable Incident (Recordable, Restricted Duty, Lost Time or Fatality)
- ✓ High Potential Near Miss
- ✓ Fire or Explosion
- ✓ Preventable Motor Vehicle Accidents
- ✓ Significant Oil/Chemical Spill
- ✓ Property Loss in Excess of \$100K
- ✓ Any of the above that have been classified as Non-Work Related because of an OSHA Rules, etc., but has significant work implications-Use your judgment.

This requirement was meant to complement the already existing procedure for Initial Incident Notification. For all OSHA Lost Time Incidents and High Potential Near Misses, the senior manager for that operating unit/subsidiary will schedule a time with the President to review the incident investigation.

Quality of the report should be a higher priority than the speed in which it is completed, but even the most complex incident should not take more than two weeks. Once the report is final, please forward a copy to the HSE & company services administrator. The preferred method of documentation is use of company's HSE MS Incident Reporting software, Intelx so it can be easily distributed, and allow the Anchorage office to keep easily accessed electronic updates of the investigation.

This requirement is not only designed to align Peak with our customer expectations, but also to meet our own high internal aspirations. We must recognize those who do a good job of investigating an incident and share the key learning's across the company to make sure the incident is not repeated.