

# **GODBE DRILLING LLC PROJECT SAFETY GUIDELINES**

## MANAGEMENT POLICY STATEMENT TO ALL EMPLOYEES:

**All Management** is responsible for leadership of the safety and health program, for its effectiveness and improvement, and for providing the safeguards required to ensure safe conditions.

**Supervisors/Foremen** are responsible for ensuring that all operations are performed with the utmost regard for the safety and health of all personnel involved, including themselves. The Foreman is designated as the site Safety Supervisor (responsible for the site's overall safety) and the Isolation Supervisor (responsible for all lockout/tagout [isolation] procedures).

**Employees** are responsible for whole hearted, genuine cooperation with all aspects of the safety and health program and for continuously practicing safety while performing their duties.

## SAFETY POLICY:

It is the policy of Godbe Drilling LLC that every employee be provided a safe and healthy work place, and that every employee comply with Godbe Drilling LLC's Safety Policies, client policies, Federal and State Laws, local rules and regulations pertaining to MSHA, OSHA, DOT and the EPA.

The company is committed to providing employees with the knowledge, skills and equipment needed to protect themselves and others while at work.

Safety and production are inseparable, and every level of management is responsible and will be held accountable for both safety and production.

Equally important, each employee is responsible for his/her own safety and his/her own job performance.

The company's Safety Coordinator has the authority to take whatever action may be necessary to protect the employees and the facilities/equipment of the company. Godbe Drilling LLC's Safety Coordinator will conduct Random Safety Inspections. Employees who violate the Safety Policies of Godbe Drilling LLC are subject to fines and/or termination. All employees are required to report Safety Guidelines violations immediately to Management. The Safety Coordinator will act as a resource to achieve high levels of safety consciousness for employees.

Every employee of Godbe Drilling LLC will be trained in the Safety Policies of Godbe Drilling LLC. Enforcement of Godbe Drilling LLC Safety Policies will include but is not limited to:

-Verbal corrective suggestions and corrective reminders regarding Godbe Drilling LLC's Safety Policies.

-The first conscious and deliberate safety violation of Godbe Drilling LLC's Safety Policies will result in an official written warning documenting any safety violation, this letter will be placed in the employee's permanent file.

-The second conscious and deliberate safety violation of Godbe Drilling LLC's Safety Policies will result in a \$100.00 fine including an official written warning documenting the second safety violation, this letter will be placed in the employee's permanent file.

-The third conscious and deliberate safety violation of Godbe Drilling LLC's Safety Policies will result in the termination of employment of the unsafe employee, an official letter documenting the third safety violation will be placed in the employee's permanent file. The unsafe employee will not be eligible for rehire for one year.

-\*Godbe Drilling LLC reserves the right to terminate the employment of any employee at any time for any violation of Godbe Drilling LLC's Safety Policies.\*

**It is the goal of Godbe Drilling LLC to be the safest drilling company in the world.**

PROJECT/ON THE JOB SAFETY GUIDELINES (All Godbe Drilling LLC employees are required to obey these following Safety Policies/Guidelines):

1. **Introduction for Client Representative-** Godbe Drilling LLC Foreman will explain to the Client Rep. safety hazards associated with his equipment, the planned operations and his Emergency Response Plan.
2. **Contractor Training-** Godbe Drilling LLC Foreman has confirmed that the crew has received appropriate training and that recent drug screening has been provided.
3. **All of the Client's staff and Contractors shall be familiar with the Client's Safety Standards.**
  - **General Safety Systems:** Godbe Drilling LLC will have systems in place to ensure the health and safety of their employees.
  - **Change Management:** Godbe Drilling LLC will notify Client of significant changes in systems, equipment and personnel.
  - **Contractor Management:** Godbe Drilling LLC will notify Client before any sub-contractor is brought on site.
  - **Injury and Incident Reporting and Recording:** Godbe Drilling LLC will report all injuries and incidents to a Client Representative immediately.
  - **Isolation:** Godbe Drilling LLC will have systems in place to guard against the unintentional release of any stored energy.
  - **Electrical Safety:** Godbe Drilling LLC will have systems in place to guard against electrical hazards (grounding).

- **Vehicles and Driving:** Godbe Drilling LLC will have systems in place to ensure the safe operation of all vehicles.
- **Working at Heights:** Godbe Drilling LLC will have systems in place to ensure employee safety and rescue plan.
- **Confined Spaces:** Godbe Drilling LLC will have systems in place to ensure employees safety. Note- It is the policy of Godbe Drilling LLC that no employee shall work in and/or enter a confined space.

4. **Client Contact List and Emergency Response Plan-** Client Site Rep. has provided the Godbe Drilling LLC Foreman with a list of Client contacts to be used in the event of any safety or environmental incident and copies of the Client Emergency Response Plan. Each site will have a list of emergency contact numbers (911, fire, rescue, ambulance, police, guard shack, military, hospital, etc.). Each driller on site must have a copy of Godbe Drilling LLC's EMPLOYEE'S SAFETY AND HEALTH MANUAL readily available at all times (keep with MSDS sheets).
5. **Drill Site Inspection-** Godbe Drilling LLC has inspected the work site(s) and has found each site adequate and has defined all reasonable hazards. Godbe Drilling LLC's Foreman has conveyed all identified hazards to employees. Before the start of every shift, the Drill Operator will conduct a **Safety Inspection Of Core Drills**, the Drill Operator is required to fill out a **Safety Inspection Of Core Drills** form prior to any drilling operations and attach it to the corresponding Daily Shift Report.
6. **Emergency Communication Equipment-** Adequate communication equipment must be made available and all crew members must be familiar with its use. Each drill shift will have access to a cell phone or satellite phone, it is the responsibility of the site Safety Supervisor to make sure each shift has functioning emergency communication equipment.
7. **First Aid Kits-** Adequate first aid kits must be supplied and readily available to all crewmembers. Always know where first aid kits are kept. Every company vehicle must have a first aid kit.
8. **Personal Protective Equipment-** Godbe Drilling LLC will supply and use all appropriate and approved PPEs required for the job. Hard Hats, Safety/Steel Toed Boots, Safety Glasses, and Hearing Protection, must be used by all employees at all times while on the job site. Welding Masks, Dust Masks, and Protective Gloves, must be used when necessary. Crews must wear clothing adequate to protect you from the elements. Torn, loose, dirty, and baggy clothing, cuffs, long hair/long beards, and neckwear are all hazardous. You are part of a professional drilling crew, wear clothing that looks professional. Note-

wear sunscreen with SPF 15, and stay hydrated with a minimum of 8 glasses of water/day.

9. **Fire Extinguishers-** Fire extinguishers must be inspected monthly (examine tag). Fire extinguishers must have an up-to-date yearly inspection tag (examine tag). Inspected fire extinguishers must be in every company vehicle, and always know where fire extinguishers are kept. Always keep an inspected fire extinguisher in an open, easily accessible location on each drill site.
10. **Fires Risk-** Fire risk has been discussed by Godbe Drilling LLC's crew and the Client's Site Rep. A fire hose has been set up (for drill sites). No trash will be burned on site.
11. **Smoking-** Smoking is only allowed in designated areas. Cigarette butts will be put in a designated fireproof container. No smoking within 50 feet of a flammables containment area.
12. **Trash-** All work sites will be kept tidy. Trash will be secured so that it does not blow away or attract wildlife and will be hauled away at the end of each shift. No trash will be burned on site.
13. **MSDS Sheets-** Each driller on site must have OSHA Hazard Communication Standard and Material Safety Data Sheets for each product used on site (Keep with EMPLOYEE'S SAFETY AND HEALTH MANUAL).
14. **Stacking and Storage of Materials-** Supplies will be stacked in the safest manner possible and when necessary covered to protect against weather. All storage areas will be organized, and any storage bins will be labeled indicating contents.
15. **Clean-Up Equipment-** Godbe Drilling LLC will have on site:
  - a.) absorbent pads
  - b.) Two 55-gallon drums/metal trash cans with lids and lid clamps
  - c.) Shovels
16. **Drilling Fluids-** All drilling fluids on-site must be environmentally safe.
17. **Transport of Gasoline, Diesel, and Other Hazardous Material-** Godbe Drilling LLC will use only approved containers for gasoline and all other hazardous materials. Gasoline should if possible, be transported outside the vehicle. Keep oxygen and acetylene bottles securely tied and free of grease and oil.
18. **Flammable Containment-** All flammables must be stored in a lined and bermed containment area. The area must be signed as "Flammable No Smoking

Or Open Flame Within 50 Feet”. Keep all flammable fuels in proper containers at least 50 feet from drill rigs or operating machinery. Always keep diesel or gas storage tanks at least 150 feet from rig or operating machinery.

19. **Oil Leaks-** Serious oil leaks will be fixed immediately. Absorbent pads and/or plastic tarps/liners will be put in place prior to drilling, soiled pads will be disposed of by Godbe Drilling LLC off site.
20. **Spills-** Client Site Rep. must be notified immediately if there has been a significant petroleum product spillage. Contaminated soil will be placed in 55 gallon drums/metal trash cans and hauled off-site and disposed of in accordance with regulations. Spill clean up will be top priority.
21. **Securing Gas Cylinders-** Compressed and liquid gas cylinders must be secured upright in a safe manner. Cylinders will be protected by covers when being transported.
22. **Staying on Constructed Pads and Roads-** Unless using an all-terrain rig, drilling crews will drive only on existing roads unless agreed otherwise with the Client Site Rep.
23. **Support Vehicles-** All heavy vehicles must have functioning back-up alarms. All vehicles must have seat belts for each passenger, and all Godbe Drilling LLC employees must wear seat belts when riding in any company vehicle. Every company vehicle must have a first aid kit, and an inspected fire extinguisher easily located inside the vehicle at all times. Appropriate wheel chocks will be employed on all vehicles, wheel chocks must be used whenever any company vehicle or trailer is parked on site. Every load must be tied down and secured with chains or DOT approved straps before being transported on any company vehicles. Drive the posted speed limit. Do not drive without the proper license required for the vehicle. Do not drink and drive or drive under the influence of drugs. Always drive with the vehicle headlights on. Drive defensively at all times. Use extreme caution and **slow down** when driving in/on poor road conditions (snow, rain, wind, fog, ice, mud, water, dirt roads, gravel, wash boards, ruts, bumps, etc.). Watch out for animals when driving. During every days off, wash the company vehicle and clean out the inside of the company vehicle you are responsible for. Keep all company vehicles, water trucks, drills, drill trucks, and/or equipment clean and professional looking at all times. Every time any company vehicle is fueled up, a safety inspection of the vehicle must be conducted:
  - a.) Make sure license plate, vehicle stickers, and driver’s license are current.
  - b.) Clean all windows.
  - c.) Make sure windshield wipers work.
  - d.) Make sure taillights work.
  - e.) Make sure turn signals work (front and back).

- f.) Make sure brake lights work.
- g.) Make sure back-up lights work.
- h.) Make sure headlights work.
- i.) Make sure parking lights work.
- j.) Check all fluid levels under the hood.
- k.) Make sure exhaust is properly attached.
- l.) Check under vehicle for fluid on ground.
- m.) Check tires for proper inflation and tread depth (spare tire also).
- n.) Adjust all mirrors.

24. **Cranes and Drill Masts-** Everyone has been made aware of all power lines within the project area. Mast or crane must remain a safe distance from any power lines (at least 100 feet). A spotter must assist when raising drill mast or crane within 100' of power lines. Crane or drill mast must be lowered when traveling.
25. **Buried Power Lines, Cables, and Pipes-** Godbe Drilling LLC has been made aware of all buried power lines, cables, or pipes within area.
26. **Drill Mast-** No one will be on drill mast while the drill-bit is in operation. Anyone working six feet above the ground must be provided with a safe platform and a safety harness with approved lanyard. Always wear a safety harness (attached to an approved safety lanyard) while in the helper's deck (if a deck is in use). Do not work in the mast unless attached to a safety line, harness, and lanyard. Lower the mast if a safety line is not being used to perform any mast-related tasks.
27. **Elevated and Subterranean Work-** No one will work at a height of over six feet above the ground without a safety railing or harness or four feet below ground level without adequate lay backs or shoring. Any mud pit/sump on site is required to be "roped off".
28. **Chains, Cables, and Lifting Straps-** Chains, cables, and lifting straps must be inspected for any defects. Defective equipment must be taken out of service.
29. **High-Pressure Hose Connections-** Restraints on high-pressure hoses must be examined for any defects. Defective equipment must be taken out of service. Make sure safety chains or whip-checks are being used on water swivels and high pressure hoses.
30. **Abandoning Drill Sites-** When a drill hole is completed, the drill site will be cleared of all trash, pipe, pallets and other drilling supplies. Drilling will not start on another hole until the previous site is clean and in good order.
31. **Warning signs-** All warning signs must be posted in English and local language.

32. **Public-** If local inhabitants approach, are found at the job site or appear to be in danger work will stop.
33. **Gates-** All gates will be handled with care and will be left as they are found (i.e. closed and/or locked). Keys will be distributed to each vehicle.
34. **Bungee Cords-** Bungee cords will not be used on site. Non-elastic straps will be used instead.
35. **Weekly Safety Training Meetings-** Once a week, your Safety Supervisor/Foreman is required by Godbe Drilling LLC to conduct a tool box safety meeting. Your attendance is mandatory. Godbe Drilling LLC's Safety Policies, Safety rules and regulations, Safe Work Procedures, Project Safety Guidelines and the analysis of accidents and potential hazards will be discussed. These meetings provide all employees with an opportunity to point out any hazardous or unhealthy conditions and any unsafe work practices you may have noticed. The Safety Supervisor/Foreman is required to fill out a **Safety Meeting Report** form for every weekly safety meeting, this **Safety Meeting Report** form will be attached each week to the corresponding week's Daily Shift Reports.
36. **Lockout/Tagout Procedures-** If your job assignment requires you to perform maintenance or repairs on equipment, you will be required to follow established procedures. All energy sources; electrical, mechanical, hydraulic, pneumatic, thermal or other type of energy must be locked out before work is performed. A tag signifying that the equipment has been locked out must be attached. The tag must explain why the equipment is locked out and must be signed and dated by the person applying the tag. A tag alone is not sufficient for positive lockout. It must be accompanied by locking device. A tag alone is permitted only when no other means exists for attaching a lock. Never clean or lubricate machinery while the machinery is on. Each drill site must be equipped with an approved Isolation (lockout/tagout) kit. The Foreman is responsible for lockout/tagout procedures and is designated the Isolation Supervisor.
37. **Equipment-** Heavy equipment can pose hazardous conditions. Nine steps to follow to ensure your safety are:
  - a.) Respect heavy equipment when working in the vicinity and remain alert.
  - b.) Obtain eye to eye contact with the operator and approach heavy equipment from the operator's side.
  - c.) Stand in clear accounting for the swing radius of arm and bucket or other moving mechanisms.
  - d.) Stay out from under suspended loads.
  - e.) Know the equipment travel patterns.
  - f.) Always chalk wheels of any company vehicle when parked.

- g.) Never fuel engines of any equipment while engine is running. Never fuel heat sources while they are running.
- h.) Always thoroughly wash drilling rigs and all drilling equipment before mobilization of each project (use a high pressure washer). Clean equipment is safe and looks professional.
- i.) Sleeping on the job is prohibited.

It is the operator's responsibility to report damaged or broken equipment, or broken windows upon discovery. Do not operate a piece of equipment if visibility is compromised, or with broken glass that obstructs your visibility as this jeopardizes the safety of others. Always check surrounding area before backing a vehicle. Also, do not operate any equipment that has defective brakes.

38. **Tool Handling-** Keep all hand tools clean, organized, and in good working condition, always put tools back where they belong, use the right tool for the job, report all damaged or missing hand tools to the job foreman, replace unsafe(splintered, broken, rough or loose) tool handles before using, replace or dress burred or mushroomed heads on cold chisels or hammers before using, when carrying tools- protect the cutting edges and carry them in such a way that you will not endanger yourself or others, when carrying tools up or down from elevated places put them in substantial bags or boxes and raise or lower them with suitable ropes, at no time are tools to be thrown, when using wrenches to break joints always hold wrenches in such a manner that should it slip it will not smash your hands or fingers **(always watch for and avoid any pinch-points)**, make sure pipe wrench hooks and heels are in good working condition, never put fingers inside pipe when handling, do not grab drill tooling (inner tube, pipe, etc.) if it falls into the drill hole, always sling tubes, when using pipe wrenches to break the steel always keep hands away. Always follow proper lifting procedures, lift objects with your legs and not your back, and always get additional lifting help when necessary.
39. **Drill Work Area-** Always keep drill and drill deck clean and free from drill muds, grease, dirt, rock, tools, fluids, ice build up or any other potential hazards. Inspect for, and eliminate any trip hazards at site. Always keep locations clean and free of trash, debris, tools, core barrel parts etc. The site should be organized and safe. Always make sure all guards are in place to eliminate moving parts accidents. Rotation guards are required to be in place when the drill is operating. **Godbe Drilling LLC employees are required to be on the drill/job site while on shift at all times, employees may only leave the drill/job site for official Godbe Drilling LLC company business while on shift, if Godbe Drilling LLC employees are required to leave the drill/job site while on shift it is required that they notify Godbe Drilling LLC Management and the client representative immediately.**
40. **Company's Substance Abuse Policy-** Under DOT and other regulations, Godbe Drilling LLC has the responsibility to provide a safe and healthy/drug free workplace for you, and your co-workers.



**41. Prohibited Under Company's Substance Abuse Policy-**

- a.) Bringing alcohol or prohibited drugs to the workplace is prohibited.
- b.) Consuming or using alcohol or prohibited drugs while on duty is prohibited.
- c.) Reporting for duty under the influence of alcohol or prohibited drugs is prohibited.
- d.) No alcoholic or prohibited drug containers (boxes, cans, bottles, containers, etc.) are allowed in or on any company vehicles/equipment/property, and are prohibited.
- e.) It is prohibited to drive or operate any company vehicles or equipment under the influence of alcohol or prohibited drugs.
- f.) It is prohibited to consume alcohol or use prohibited drugs in or on any company vehicle or equipment.

**42. Reasonable Cause Testing-** Crews, drivers, or any employees who give their Supervisor/Foreman or Management a reasonable basis to believe they are using or possessing alcohol or a controlled substance/prohibited drugs are subject to testing. The reasonable "basis to believe" will normally be an individual's appearance, actions or conduct while on duty. Random drug testing will take place.

**43. Disciplinary Actions-** Crews, drivers, or any employee who refuses to be tested shall not be permitted to operate a commercial motor vehicle, operate equipment, or work in the plant or on the job site. A refusal shall be treated as a positive test, and the person is deemed medically unqualified to drive or work. Employees who violate the Substance Abuse Policy of Godbe Drilling LLC are subject to termination. All employees are required to report alcohol/prohibited drug violations immediately to management.

**44. Employee Assistance Program-** An Employee Assistance Program is a professional assessment and referral service for employees and their dependants. Refer to management for a list of the community agencies.

Godbe Drilling LLC/Perforaciones Godbe de Mexico S.A. de C.V.'s Project Safety Guidelines and Safety Policies are based on our sincere desire to eliminate accidents, personal injury, occupational illnesses, equipment and property damage, and to protect our employees, the general public and the environment. We believe in adherence to rigid practices of safety to prevent on-the-job accidents. In fact, no task is so important that carelessness or disregard for proper operating procedures will be tolerated. Always remember: **SAFETY FIRST!!!**