



Contractor
Health, Safety & Environment
Expectations

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CONTRACTOR EXPECTATIONS AND RESPONSIBILITIES

Expectations

Discovery Natural Resources LLC (Discovery) engages contractors to provide labor and services necessary for its oil and gas operations. Discovery expects all of its contractors to share the common goal of completing each job in a safe and environmentally responsible manner.

Discovery's minimum expectations regarding worker safety and environmental protection are outlined in this manual. This manual does not replace contractor's own HSE policies, accepted oilfield practices, or any government regulation that may apply to contractor's work and services. Discovery expects contractors to comply with their own HSE policies, accepted oilfield practices, and all applicable governmental regulations while performing their work for Discovery.

The HSE requirements of each job vary depending on the type of work the contractor is performing. Each contractor is responsible for assessing the specific job hazards and HSE requirements associated with their work.

These expectations apply to all contractors who perform on-site field services in support of Discovery's oil and gas operations, including drilling, completions, and production of oil and gas wells, as well as the construction, operation, and maintenance of related facilities.

Discovery retains the right to audit contractor's compliance with the expectations outlined in this manual. Contractor's failure to cooperate with an audit or to comply with the expectations in this manual will be cause for removal from Discovery's approved contractor list.

Responsibilities

Contractors are responsible to ensure their employees are properly trained. Upon request Contractors are expected to provide Discovery with training documentation that validates their employees and subcontractors have the appropriate knowledge and skills to perform their job duties.

Contractors are also responsible for the following:

- Comply with their HSE rules and procedures or Discovery's if contractor does not have sufficient HSE policies addressing the work they are performing
- Provide and maintain all required protective equipment (PPE) and instruments necessary to perform work effectively, efficiently and safely
- Immediately report all injuries, incidents, and spills to the appropriate Discovery representative
- Equip all vehicles (including pick-up trucks) used to perform work for Discovery with a Global Positioning Satellite (GPS) device. Discovery retains the right to audit the GPS records of any vehicle used on a Discovery location or in connection with Discovery work. GPS records must be retained a minimum of two years following the recording date. Engineering and well site consultants driving to and from Discovery locations will be exempt from the GPS requirement

- Use a third party injury case management firm to track and manage injuries of their employees and employees of their subcontractors. If contractor does not have a designated third party, the use of Axiom, contracted through Discovery, is required
- Complete a Job Safety Analysis (JSA) prior to beginning work. The contractor shall review the JSA with all individuals coming onto location and request they sign the JSA

Discovery strictly prohibits taking photos, recordings or videos about Discovery operations, incidents, or personnel, including posting such information on social media or otherwise.

CONTRACTOR ONBOARDING

During the onboarding process Discovery reviews contractors' current and past HSE performance, insurance coverage, and other relevant information. Discovery's goal is to engage contractors who are committed to conducting their business in a safe and environmentally responsible manner.

Discovery requires all contractors that perform field based work to join the Petroleum Education Council (PEC) contractor management system. Each contractor is responsible for the annual PEC subscription cost as well as meeting the data request requirements established by Discovery. Failure to be a PEC member in good standing will be cause for removal from Discovery's approved contractor list.

Discovery expects the following from all contractors

- Maintain a written safety and compliance program
- Conduct appropriate environmental, health, and safety training for the work being conducted for Discovery
- Conduct pre-employment verification that its employees and the employees of its subcontractors are eligible to work
- Conduct pre-employment background checks, including criminal background checks
- Maintain a drug and alcohol testing program that at a minimum provides for pre-employment, random, return to duty, and post-incident testing

Discovery retains the right to audit contractors concerning the above items, as well as Department of Transportation (DOT) compliance, Job Safety Analysis (JSA), Short Service Employees (SSE) training status, Global Positioning System (GPS) vehicle records, and other matters that may be relevant to the scope of contractor's work for Discovery. Contractors who do not cooperate or refuse the audit will be removed from Discovery's approved contractor list.

Discovery will also conduct periodic field reviews while contractors are performing services on Discovery locations to verify that contractors are implementing their HSE program and are meeting Discovery's expectations.

Completed JSA forms and SSE training documentation must be retained for 30 days past the completion of the work or training. GPS records must be retained a minimum of two years following the recording date.

Discovery requires contractors to provide the monthly hours worked on a Discovery location upon our request.

DRUGS, ALCOHOL, AND WEAPONS

Drug and Alcohol Testing Program

Contractors shall ensure that all employees and subcontractors working at a Discovery location are free from intoxicants and controlled substances (regardless of whether legal under any applicable federal, state, local, or tribal laws).

Discovery expects all contractors to establish and maintain a drug and alcohol-testing program that, at a minimum, provides for pre-employment, random, return to duty, and post-incident testing. Contractors who operate commercial motor vehicles are also subject to the requirements of the Federal Motor Carrier Safety Administration (FMCSA) (49 CFR 382).

Drugs and Prohibited Items

Discovery prohibits the use, possession, transportation, promotion, or sale of illegal drugs. Discovery expects its contractors to do so, as well. Illegal drugs include all forms of

- Narcotics, depressants, stimulants, cannabis, and hallucinogens whose sale, purchase, transfer, use or possession of such items are prohibited or restricted by law
- Drugs that may not be prohibited or restricted by law, but were illegally obtained

Discovery also prohibits the possession or use of alcoholic beverages, firearms, weapons, or explosives on any Discovery property unless authorized by a Discovery Manager.

Discovery prohibits any contractor from reporting to duty while under the influence of any drug, alcoholic beverage, intoxicant, or other substance that may impair their movement or cognitive skills.

Legal Drugs

Discovery prohibits any contractor from reporting to duty while being administered legally prescribed drugs or while taking “over the counter” medications that affect the contractor’s ability to safely and effectively perform normal duties or affect the safety of themselves and others. Discovery prohibits the misuse of any legal drug, including the use or possession of any prescription drug for which an employee does not have a valid prescription or the use or possession of any prescription drug in quantities greater than the amount prescribed.

Testing

Discovery reserves the right to conduct post-accident as well as unannounced, random alcohol and drug testing of contractors and searches of all persons and property (including personal vehicles) on a Discovery location.

GENERAL HSE

Housekeeping

Discovery expects all contractors to maintain work areas in a clean and organized manner. For example, we expect contractors to:

- Make sure routes are clear to the exits when working inside buildings and the emergency equipment is easily accessible
- Monitor work areas and vehicles to prevent unsecured trash and other items from blowing off Discovery's location

Driving

Contractors are expected to observe the posted speed limits when driving on lease roads and Discovery locations. Contractors must always yield to ranch employees and operations when driving on ranch locations.

Pre-Job Safety Meetings

Contractors are required to complete a Job Safety Analysis (JSA) or equivalent before commencing work, including but not limited to identifying the hazards and any job-specific HSE requirements. Contractors are required to document all pre-job HSE meetings, including topics covered and personnel attending, and must provide the documentation to Discovery upon request.

Incident Reporting

Contractors shall immediately report all incidents, including injuries, occupational illnesses, vehicle incidents, property damage, near misses, and spills, occurring on a Discovery location. The contractor must verbally notify the appropriate Discovery representative immediately and submit the initial report in writing within 24 hours of the incident. Discovery expects contractors to investigate all incidents and submit documentation to Discovery that contractor has identified and implemented corrective actions.

As previously stated, contractors shall use a third party injury case management firm to ensure the injured party receives proper medical care. Contact Discovery HSE if you have questions regarding this requirement. Consult with your Discovery representative prior to taking injured party to medical care unless life threatening injury.

When an incident involving a contractor's employee requires notice to a regulatory agency, such as the Occupational Safety and Health Administration (OSHA), the contractor is responsible for making timely reports to the appropriate agencies. The contractor must also immediately notify the Discovery representative and provide the name and phone number of the agency contacted.

Short-Service Employees (SSE)

Contractors must establish and maintain an SSE program. An SSE is any employee who has less than four months of experience in a specific job role or type of work regardless of how long the employee has been employed by the contractor or any other employer. The contractor's SSE program will depend on the work duties and complexity of the job tasks, but should include, at a minimum, a documented training plan, a defined and documented mentoring process, and a process for a Discovery representative to quickly identify an SSE on location (e.g., green hard hat), and a process to advance the employee to non-SSE status. Upon request, contractors shall provide the Discovery representative with the names of all SSEs and their mentors.

Without prior approval of a Discovery representative, crews of five or more shall have no more than 20% of SSE's, and crews of less than five shall have no more than one SSE. No SSE is allowed to work alone on a task. SSE's should not work with active energy sources or on high-risk activities without direct supervision. Examples include energy isolation, confined space entry, work requiring fall protection, and crane and rigging operations. In no event shall a contractor's representative in charge of a contractor operation on a Discovery location be an SSE.

Signs and Postings

Contractors are required to comply with all signs and postings at Discovery's locations, facilities, leases, and lease roadways. Contractors are also required to post signs of their own when appropriate or required by their operation.

Smoking

Smoking (including e-cigarettes) is prohibited at all Discovery locations and facilities except in designated smoking areas. If a smoking area is not designated, then smoking is only permitted 75 feet or greater from a fuel source, fired equipment, or outside of the well anchors. Contractors should consult with a Discovery representative if it is not clear if or where smoking is permitted.

Stop Work Authority

All Discovery and contract employees have an obligation and the authority to **Stop Work** at any time. Stop Work may be used whenever a person identifies an actual or perceived unsafe or potentially dangerous condition, act, error, omission, or lack of understanding that could result in an undesirable event. Work will not resume until the issues and concerns have been adequately addressed. The individual who that enacted the stop work authority will not be subjected to any form of retribution or intimidation for exercising the authority and obligation to stop work.

When an employee of a contractor or a subcontractor exercises the **Stop Work** authority, the contractor must immediately notify the Discovery representative responsible for the work. The Discovery representative will complete a Good Discovery Card providing an overview of the work stoppage and clearance to start the work.



Personal Protective Equipment (PPE)

Contractors are required to provide their employees with PPE. Contractors must ensure their PPE adequately addresses the scope of their work. The minimum PPE when working on a Discovery location or in the Barnhart office/ yard is as follows:

- Hard hat
- Hearing protection as required per posted signs
- Foot protection
- Eye and face protection
- Fire resistant clothes (FRC), including long sleeves and long pants.
- H2S Personal Monitor (only field locations)

Gate guards are exempt from the PPE requirements unless they go onto the immediate work site. Additional PPE may be required depending on the particular work area or job. Contractors are responsible to identify the PPE requirements and furnish all necessary PPE and other safety equipment to its employees and subcontractors.

The minimum PPE as outlined above is required while working in the Barnhart office yard (east of the main Services shop). PPE is not required while working on the west side of the Services shop unless the contractor is performing a task that requires PPE, such as grinding, welding, working from heights, driving a forklift, etc.

Truck Drivers Entering the Barnhart Yard

The following is required of all drivers who enter the Barnhart yard (or if applicable, a Discovery field location):

- Park the vehicle as instructed by Discovery's yard representative
- Remove straps/ binders from load
- Return to the truck and remain in the vehicle cab area during the unloading
- If necessary to exit the truck, exit only after alerting the forklift operator, i.e. honking horn, making eye contact, etc., to ensure the operator is aware of the driver's presence
- Wear long pants, a shirt with at least short sleeves, and closed toed shoes. No shorts, tank tops, sandals, or flip flops are allowed

Head Protection –

All contractor personnel must wear head protection that meets the requirements of ANSI Z89. Type 1 (impact protection) and Z89.1 Class E (electrical protection) must be worn by all personnel in accordance with the manufacturer's specifications in the work area.

Cowboy-style and metal hard hats are not permitted, except that metal hard hats will be allowed only for emergency well control contractors adhering to their applicable PPE program and hazard assessment.

Foot Protection –

All contractor personnel must wear foot protection that meets the requirements of ASTM F2413 or equivalent international standards. Foot protection must be constructed of substantial leather, flame resistant material, or chemical/water resistant material (e.g. rubber), must have composite or steel toes, and provide over-the-ankle coverage. Foot protection must be maintained in good condition and have a non-skid, oil and chemical resistant sole. Footwear made of cloth, canvas or mesh is not permitted. Tennis shoe-type safety shoes are not permitted.

Eye and Face Protection –

All contractors must wear eye protection that meets the requirements of ANSI Z87. Prescription eyeglasses worn in the work area must meet these requirements. Personnel must wear splash-proof chemical goggles while handling hazardous chemical liquids, powders, vapors, or during operations where eyes can potentially be exposed to hazardous chemicals in liquid or solid form. Face shields are required when grinding or other tasks are being performed that cause flying debris. Safety glasses must also be worn when a face shield is on.

Hearing Protection –

All contractors must wear hearing protection at all high-noise areas. High-noise areas are identified with signs posted near the equipment. However, if the noise levels are high and no signs are posted, contractors must wear hearing protection. Examples of high-noise areas include compressor buildings, internal combustion engine areas, and areas where mechanical tools such as grinders, impact drills, etc. are operating

FRC Clothing/Personal Effects –

All contractors must dress appropriately for work and weather conditions. FRC is required at Discovery field locations at all times. FRC must be worn as the outermost garment and must cover the torso, arms, and legs (i.e., sleeves rolled down, body fully zipped or buttoned up, and shirt tails-tucked in). Exceptions to the FRC requirements will be made for visitors to field locations.

Personal effects, such as baggy or loose-fitting clothing, rings, watches, neck chains, or loose jewelry, are not permitted when they could pose a hazard to the employee or damage to equipment. Long hair must be restrained (nets, braids, etc.) and confined as much as possible within the employee's hard hat.

Hand protection –

All contractors are required to wear hand protection when there is exposure to high temperatures, sharp edges, chemicals, or any other material that may cause injury to the hand. When working around machinery or other equipment where there is a danger of entanglement, hand protection should be selected accordingly.

Examples of appropriate glove types include:

- Cotton or leather gloves - general work activities
- Leather gloves - grinding
- Chemical resistant gloves - should be appropriate based on SDS requirement

Personal Fall Arrest System –

Contractors must provide, and require their employees and subcontractors to use, a personal fall arrest system whenever a fall hazard of four feet or more is unprotected by a standard guardrail. Contractors must ensure that the personal fall arrest system components including harnesses, lanyards, anchorage points, etc., comply with applicable standards and regulations, and are used consistent with the manufacturer's recommendations. Contractors must have a rescue plan when using personal fall arrest systems in a confined space. When contractors are operating aerial man lifts, fall protection must be used at all times.

Respiratory Protection –

Contractors working in areas where respiratory hazards are present must have a written respiratory protection program that conforms to industry standards and OSHA requirements. Contractors must ensure that their employees and subcontractors are familiar with the contractor's respiratory protection program requirements and are trained to use and maintain the respiratory protection equipment. Contractors must perform and document required training, medical clearance, and fit tests and shall provide such documentation to Discovery upon request.

Personal H2S Monitors –

Contractors must wear a calibrated H2S monitor attached to their shirt or jacket within 12 inches of the breathing zone.

HEALTH

First Aid

Contractors must maintain a first aid kit on their location with supplies appropriate for the job exposures and number of workers.

Hazard Communication

Applicable contractors must maintain a written hazard communication program and train their employees and subcontractors on complying with the requirements of the OSHA Hazard Communication Program. Contractors may request information about chemical hazards associated with Discovery's operations from the Discovery representative. Contractors must provide Safety Data Sheets (SDS) to the designated Discovery representative for all hazardous chemicals and materials brought onsite and used by the contractor. Contractors must also ensure that all chemical containers are labeled, handled, stored, and disposed of in accordance with SDS or manufacturer's recommendations. Contractors must remove all unused chemicals upon completion of the work.

Heat-Related Illness

Contractors are responsible for identifying and mitigating heat exposures specific to their work. There are several forms of heat-related illnesses. The types and basic symptoms for each are highlighted below:

- Heat cramps – muscle cramps associated with abdominal pain
- Heat rash – localized skin redness characterized by a prickly sensation and itching
- Heat syncope/fainting – a serious heat illness characterized by fainting
- Heat exhaustion – a serious heat illness characterized by dizziness and nausea with possibly increased core body temperature
- Heat stroke – a life-threatening illness characterized by elevated core body temperature, hot dry skin, unconsciousness or convulsions

Hydrogen Sulfide (H₂S)

Contractors must ensure their personnel are H₂S trained and provided a personal H₂S monitor at all times while on a Discovery location. The monitor must attach to a shirt or jacket and be located within 12 inches of the breathing zone.

Contractors must carry on their person a training documentation card and provide the card, or make the card available for inspection, immediately upon request.

If H2S is present at 10 parts per million or greater, the work shall be done by authorized individuals. Contact a Discovery representative to verify if your company is authorized to work in an H2S environment. Contractors shall observe and adhere to all H2S warning lights.

Naturally Occurring Radioactive Material (NORM)

NORM periodically accumulates in oil and gas production and processing equipment and facilities. Contractors are responsible for performing all work in compliance with applicable state and federal regulations and industry recommended practices involving NORM. Contractors are required to train their personnel in safe work practices related to NORM and supply proper safety equipment necessary to perform their work.

Silica

Crystalline silica is a common mineral found in materials in roads, buildings, and sidewalks. It is a common component of sand, stone, rock, concrete, brick, block and mortar. Exposure to silica dust may occur in drilling and operations involving sand products, such as in sandblasting and hydraulic fracturing. Contractors conducting activities that expose workers to silica at or above the OSHA action level (25 micrograms of silica per cubic meter of air) must comply with OSHA requirements.

SAFE WORK PRACTICES

Confined Space Entry

Contractors entering confined spaces shall ensure that their personnel understand and comply with applicable industry standards and federal, state and local regulations. Contractors must have a written program for confined space entry in accordance with OSHA and must ensure that all personnel has received appropriate training before performing operations in a confined space.

Contractors must understand the hazards of the space being entered and ensure the space is safe for entry. This includes identifying and implementing specific entry requirements, equipment isolation (LOTO) requirements, atmospheric testing, etc.

Before entering a confined space, the contractor must consult with the appropriate Discovery representative. No contractor is allowed to enter any confined space without obtaining prior authorization from the Discovery representative and completing the required non-permit space reclassification or confined space permit.

Electrical Hazards and Tools

Contractors must inform the Discovery representative before performing any electrical work. All contractors performing electrical work must be properly trained and if applicable, licensed, before performing such work.

Before using electric tools, Contractors must inspect the tool to ensure that it is in good condition. Power and extension cords should be kept in good condition. Regularly check for bad insulation and continuity of ground conductor to ensure proper function. A ground fault circuit interrupter (GFCI) device is required on all electrical circuits when using extension cords or power tools.

Material Handling

Contractors must ensure that safe lifting and rigging practices are performed during material-handling activities such as:

- Crane operations
- Forklift and pole truck operations
- Sandblasting
- Painting
- General construction

Contractors are responsible for ensuring that personnel are trained in material-handling equipment and that the equipment is operated and maintained in accordance with industry standards and applicable federal, state and local regulations.

When using mechanical equipment to move material, contractors shall stay clear of loads, including when the load is picked up, moved, and set down. Contractors shall not stand or pass under loads at any time.

Cranes

Use of cranes is restricted to qualified operators. Contractor is responsible for ensuring that personnel operating cranes are trained and qualified in the type of crane they will be operating. Safe operation of a crane includes but is not limited to:

- Each day before starting operations, Contractor's crane operator shall visually inspect crane booms, cables, rigging, foundation mountings, control cables, and safety devices and confirm they are functioning properly. The inspection will include a visual inspection for cracked welds, cable defects, bent braces, sheave condition, deformed or broken hooks, and any other defects
- Contractor shall conduct appropriate inspections of cranes, cables and hooks and document and maintain a record of such inspections. Contractor shall provide Discovery with a record of the inspection upon request. Inspection types and frequencies will be dictated by the manufacturer's recommendations or regulatory requirement
- Contractor must ensure that the load limit chart and the boom angle indicator for cranes are in clear view of the operator. Boom angle indicators must be permanently attached to the boom to show the operating radius. Contractor may not exceed the rated load capacity of the crane. The crane operator must check load chart, confirm boom length with the chart, and establish the load weight and maximum operating radius or corresponding minimum boom angle
- Contractor is required to use standard hand signals for controlling crane operations. A designated signalman must give all hand signals, but the operator must obey any emergency stop signal given by anyone

- Contractor must use taglines to control loads. The lines must be the appropriate length to keep ground personnel at a sufficient distance from load
- The crane operator shall properly secure the crane and boom before going off duty or when shutting down operations
- Cranes operated near, under or over energized power lines must maintain a minimum clearance distance of 10 feet; (except where the power lines have been de-energized and visibly grounded at a point of work or where insulating barriers, not a part of or an attachment to the crane, have been erected to prevent physical contact with the power lines). When working in areas with power lines, high voltage proximity alarms must be mounted on the crane boom. Lifting equipment (e.g., auto-cranes, aerial lift trucks), while working near overhead power lines or energized equipment, must be grounded and barricaded

Forklifts

Use of forklifts is restricted to qualified operators. Contractor is responsible for ensuring that personnel operating forklifts are trained and qualified on the type of forklift they will be operating. Safe operation of a forklift includes but is not limited to:

- Inspect forklifts prior to use
- Operate forklifts within the rated capacity
- Do not use forklifts as a man-lift
- Set the parking brake, lower the forks, and neutralize the controls when dismounting or stowing a forklift

Personnel Lifts

- Personnel lifts include any telescoping or articulating device that is used to position personnel at a height, such as in a bucket or on a workplatform
- Employees operating personnel lifts must be trained and qualified on the type of lift they will be operating
- Lift controls must be tested before use to confirm they are in safe working condition
- Employees being lifted or transported in a personnel lift must wear full-body harness with a lanyard attached to the boom or basket
- Boom and basket load limits specified by the manufacturer must not be exceeded
- The brakes must be set and outriggers, when used, must be positioned on pads or a solid surface. Wheel chocks must be installed before using a personnel lift on an incline

- A personnel lift may not be moved when the boom is elevated in a working position with personnel in the basket, except for equipment which is specifically designed for this type of operation
- Controls must be plainly marked as to their function. Lower controls must provide for overriding the upper controls. Lower controls must not be operated unless permission has been obtained from the personnel in the lift, except in case of emergency
- Before moving a personnel lift for travel, the boom must be inspected to ensure that it is properly cradled and outriggers are in stowed position
- Lifts must be maintained and inspected according to the manufacturer's recommendations or applicable regulatory requirements

Lockout/Tag out

Contractors whose employees perform work on powered equipment or piping systems, or in confined space entry operations, must develop and maintain a lockout/tag out program that complies with OSHA requirements. Contractor's representative is responsible for ensuring that tags, locks and other necessary energy isolating equipment are provided and implemented. Contact your Discovery representative to identify applicable procedures and energy control devices (lockout points).

Scaffolding

All scaffolding must be designed, built, secured and inspected in compliance with OSHA standards. No contractor may utilize scaffolding at any Discovery facility unless the contractor uses employees who are properly trained in scaffold safety and have a properly trained representative on site overseeing the scaffold work. The scaffolding must be inspected before initial use each day by a properly trained contractor employee or representative, and contractor must document the inspections and provide the documentation to the Discovery representative upon request. Contractor must use a scaffold tag system indicating the status of all scaffolding. Safe work practices when working with scaffolding include but are not limited to:

- Guardrails must be installed on all open sides and ends of scaffolds and platforms
- Toe boards are required where personnel can walk or work under the scaffold
- Planks must be secured on platforms so they cannot move. Extend and secure scaffold planks at least six inches, but no more than 12 inches, over end supports
- When scaffolds are erected above a work or walk area, the area must be posted to warn of overhead hazards
- Handrails are not to be used as weight bearing support for any work platform

Trenching and Excavation

Contractors performing trenching and excavation work are responsible for ensuring that their personnel are trained and that operations are conducted in accordance with industry standards and applicable federal, state and local regulations. Contractor must provide a “Competent Person” when excavating four feet or deeper. Contractor is also responsible for supplying signs, barriers, etc. necessary to protect workers and the public from hazards associated with the excavation. Contractor is also responsible for protecting workers from cave-in or entrapment as prescribed in OSHA.

Before beginning any excavation work, Contractor must contact “One Call” (811) to confirm that all underground utilities have been located and marked in accordance with federal, state and local regulations. Contractor is also responsible for ensuring that their personnel are trained in the location and marking procedures used in the area. Contractor’s representative must notify the appropriate Discovery representative of any third-party utility crossings before commencing the excavation.

Welding and Hot Work

Contractors performing welding, cutting, and other hot-work activities must ensure their personnel understand and comply with recognized industry standards and federal, state and local regulations. Contractors must ensure that welding and cutting equipment is used and maintained in accordance with applicable industry standards and must establish a preventative maintenance program for such equipment.

A Discovery representative must authorize hot work before Contractor starts the work. Contractors are responsible for preparing their hot-work permit and ensuring that a qualified person issues the permit. The permit must be maintained on location during the work process. Contractor is responsible for ensuring that its employees are trained in hot-work procedures.

Contractor must ensure that a fire watch is trained to perform the functions of the role. Contractor is responsible for making all impacted personnel aware of the hot work to be performed. The requirements of Contractor’s permit must be met before commencement of the hot-work activity. Upon completion of the hot-work activity, Contractor must retain a copy of the hot-work permit for future reference.

Contractor is responsible for ensuring that welding rigs are equipped with appropriate fire protective equipment, including a minimum of one 30-pound type BC dry chemical fire extinguisher. Contractor is also responsible for ensuring that its personnel have been instructed in the use of fire extinguishers and that the fire extinguishers are maintained in accordance with OSHA.

ENVIRONMENT

Spill / Release Reporting

An oil or gas spill or release is defined as any unpermitted quantity of liquid, gas or solid substance that is outside its primary containment (e.g., tank, drum, truck, pit, pipeline or storage tank), excluding beverages, food items, unused hydraulic fracturing sand (non-coated and natural) and fresh (including potable) water under specified circumstances. Contractors must immediately report to the Discovery representative all releases on a Discovery location. Timely reporting of a release allows Discovery to minimize and monitor the impact on the environment and comply with all regulatory requirements.

Discovery expects contractors to be financially responsible for the clean-up of the releases they cause. Contractors must not commence clean-up without first contacting the Discovery representative.

Pollution Prevention and Waste Management

Contractors are required to conduct their operations in a manner that protects the environment, take the necessary precautions to prevent spills and releases, and manage wastes in accordance with applicable federal, state and local regulations.

Discovery's operations may require the use of products that are classified as hazardous materials. Expired, abandoned or spilled hazardous materials can become a hazardous waste. All chemicals and containers brought onto a Discovery location by a contractor must be removed at the completion of the job. If not removed, Discovery will dispose of the materials and all costs associated with disposal will be charged back to the contractor.

Waste produced by the contractor as a result of operations at Discovery locations must be managed in accordance with applicable laws. Transport and storage of wastes must follow applicable regulatory requirements.

When contractors generate waste materials on a Discovery site, the materials must be segregated in a way that minimizes the need and costs for disposal.

Recyclable waste or materials should be separated from non-recyclable materials. Mixing (e.g., mixing of waste oil with a non-recyclable liquid) may reduce disposal options and increase the disposal costs. Contractors are responsible for recovering and properly disposing off-site all waste generated solely by the contractor (e.g., waste oil from equipment).

Waste disposal is subject to Discovery approval. Hazardous waste disposal must be coordinated by a certified professional, transported by licensed transporters to an approved facility, and accompanied by appropriate documentation including the Uniform Hazardous Waste Manifest.

The transport and disposal of NORM-contaminated equipment, piping, or other material must follow regulatory requirements. Only contractors licensed and equipped to perform approved disposal methods are permitted to transport and dispose of NORM-contaminated waste.

DRILLING, COMPLETION, AND WORKOVERS

Contractors performing well drilling, completion, and servicing operations shall conduct their operations in accordance with recognized industry standards, including but not limited to, those promulgated by the American Petroleum Institute (API), Association of Energy Service Companies (AESG), International Association of Drilling Contractors (IADC), as well as applicable federal, state and local regulations.

Contractors must follow the practices outlined in the latest edition of API RP 54, Occupational Safety for Oil & Gas Well Drilling and Servicing Operations, and additional recommended practices referenced therein.

Personnel should be familiar with their company's procedures and programs and industry recommended practices as they relate to their function in the job at hand and should abide by the applicable procedures, programs, and recommendations.

Specific guidelines that each contractor must comply with include, but are not limited to the following:

Well Control

Well control shall be maintained at all times. Before work commences, consideration must be made to ensure appropriate equipment and materials are on location and operational. The rig floor must be attended by a person qualified in well-control procedures at all times during operations.

Personnel shall be trained in basic well control, as needed, in relation to their job duties. When there is any indication that a well will flow, whether through prior records, present well conditions, or the planned well work, blowout prevention equipment shall be installed, tested, inspected and maintained in accordance with API RP 53. Crews should conduct and document well-control drills. When drilling or well-servicing operations are in progress on a well and there is any indication that the well will flow, the rig floor must be equipped with a safety valve (stabbing valve) that has connections suitable for use with each size and type tool joint or tubing connection being used on the job.

Guywires and Anchors for Portable Derricks

Guywires and anchors used for portable derricks must be constructed, installed, and tested in accordance with the derrick manufacturer's specifications or API RP 4G. Temporary anchors must be tested no more than 30 days before rig up and retested whenever changes in site conditions, such as significant precipitation, may affect holding capacity. Before installing the temporary rig anchors, underground utilities shall be located and marked in accordance with federal, state and local regulations.

Supplemental Footing for Portable Derricks

Contractors must ensure that supplemental footing used for portable derricks is suitable for the mast guying pattern and anticipated loading, and that timbers or other footing materials are installed in a manner so as to not exceed the safe load-bearing capacity of the soil. Supplemental footing must be designed, installed and maintained in accordance with the derrick manufacturer's specifications or API RP 4G.

Auxiliary Escape

Every drilling or well-servicing derrick must have an auxiliary means of escape installed and employees must be trained in its use before working in the derrick. The auxiliary escape must be securely anchored and attached to the derrick so as to provide a ready means of escape from the working platform. The escape device must be free from obstructions and have a safety buggy or equivalent device equipped with an adequate braking or a controlled descent device.

Hoisting Equipment

Contractor personnel shall not ride the cat line, hoist or traveling blocks at any time, except in an emergency.

Vehicles

Vehicles not involved in the immediate rig operations should be located a minimum distance of 100 feet from the wellbore or a distance equal to the height of the derrick or mast (including attachments), whichever is greater.

TRANSPORTATION SAFETY

Vehicle Operations

- Contractors must maintain vehicle speeds consistent with road and weather conditions and observe all applicable motor vehicle laws and regulations and all in-field vehicle requirements (e.g., speed limits)
- The Rocker B Ranch is a working cattle and horse ranch and Contractors will yield to all ranch operations, i.e. cattle drives, etc.
- Vehicle operators must have a valid and appropriate driver's license
- Vehicles should be parked in a manner to minimize backing so that the first move is forward
- Vehicle operators and passengers must wear seat belts while the vehicle is in motion. This includes wearing belts, when provided, on forklifts, cranes, backhoes, and other motorized equipment
- Personnel are prohibited from riding in the back of pickup trucks or trailers, or as passengers on any equipment that is not specifically designed for passengers
- Contractors are required to equip all vehicles (trucks) used on a Discovery field location or in connection with Discovery work with Global Positioning Satellite (GPS) equipment and provide the GPS data to Discovery upon request

Mobile Equipment Operation

Contractor's drivers and equipment operators must be trained and licensed in accordance with industry standards and all applicable regulations. Contractor is responsible for the safe operation and condition of motorized equipment brought onto a Discovery location. Contractors must, upon request, provide to Discovery written verification of the training and licensing, including the name and status of each operator and any restrictions.

In addition, Contractors are required to meet the following requirements:

- Only trained personnel are permitted to operate motorized equipment, such as forklifts, backhoes, mobile lifts, cranes, etc.
- Daily pre-checks are required before operating any mobile equipment
- Equipment that is defective or otherwise unsafe must be shut down immediately and not operated until all necessary repairs are completed
- Cranes, forklifts and other lifting equipment must not be loaded beyond the rated capacity of the unit. Legible rating charts must be located in all vehicles where they can be easily seen and referred to by the operator

- Spotters must be used when backing into congested areas
- All vehicles and mobile equipment, including forklifts, tractors, bulldozers, backhoes, and portable mast rigs, must be operated, maintained, and inspected consistent with the manufacturer's specifications and applicable federal, state, and local laws and regulations
- Never permit anyone to ride in or work from a backhoe or loaded bucket. No passengers are allowed on this equipment
- Equipment must not be driven at an unsafe speed or operated in an unsafe manner
- Personnel operating mobile lifts must wear fall protection gear at all times

Transporting Fluids

- Transportation contractors must provide documentation upon request that their driver(s) have received training before entering Discovery locations
- Contractor must monitor all fluid transfers on Discovery locations involving drilling, completion, well servicing, production and flow back operations
- For drilling and completion on-location transfers, no fluid-transfers are permitted at night or during crew change unless fully supervised and in the presence of sufficient light to ensure adequate visibility at all potential spill points. No fluid transfers during severe rain or weather events that would impair the ability to detect a leak are permitted
- Before any fluid transfer, inspect proper working conditions, alignment and operation of all valves, piping, manifolds, floats, discharge outlets, seals, etc.
- Companies contracted to load/unload hydrocarbon-based materials must have:
 - A written safety and spill prevention plan;
 - Loading and unloading procedures;
 - Plans available to Discovery upon request;
 - Trained employees on plans and procedures.
- All incidents (injury, spill, property damage, etc.) must be verbally reported to Discovery immediately and a written report must be submitted to Discovery within 24 hours
- If the driver's assessment is that the location is safe and secure, and the weather is acceptable, the driver may proceed to the loading/unloading area to begin
- Drivers must use spotters, if available when backing is necessary to perform the job task. If spotters are not available, the driver must walk the area before backing
- Minimum requirements for PPE can be found in this manual

- Upon exiting a truck, ensure that the brakes are set, chock tires, and attach grounding cable to electrically ground the truck before loading
- No smoking or open flames are permitted
- Personal electronic devices (cell phones, laptops, pagers, etc.) must be turned off or left inside the cab during all loading and unloading activities
- Drivers may not be in the truck cab during loading and unloading activities. Drivers must maintain visual contact during all loading and unloading of the area to prevent spills
- Produced water tanks may not be drained to a level below four feet inside the tank
- No service checks or maintenance of any kind are to be performed on trucks, tractors or trailers while loading/unloading
- All trucks, tractors, and trailers must be maintained according to the manufacturer's specifications
- No oil is allowed to be pumped back into any tanks without approval of the Discovery representative
- Maintain housekeeping around the loading and unloading point
- Do not allow hoses to drain on to the ground
- Place containment under the vent tube to catch any potential liquids
- Conduct a walk-around at the location and tank truck before leaving
- Ensure that all valves are in the proper position that no valve is leaking, that the plugs are in place, the area is being left safe, and no spills have occurred
- Any contractor responsible for a spill will be required to remediate the contaminated area to Discovery expectations. Remediation activities must be coordinated with the Discovery representative

REFERENCES

The codes, standards and regulations listed below commonly apply to the onshore oil and natural gas industry. The list is a reference guide. It is not all inclusive and contractors should refer to regulations and industry standards pertaining to their operations for compliance requirements.

Code of Federal Regulations

- 29 CFR 1900-1926 (OSHA)
- 40 CFR 1-49 (EPA)
- 49 CFR 1-1200 (Transportation)

American National Standards Institute (ANSI):

- ANSI A14.1-68 and A14.1a-77 Safety Code for Portable Wood Ladders
- ANSI A14.2-56 and A14.2a-77 Safety Code for Portable Metal Ladders
- ANSI B30.2-43 (R 52) Safety Code for Cranes, Derricks, and Hoists
- ANSI B30.6-69 Safety Code for Derricks
- ANSI 241-91, Personal Protection-Protective Footwear
- ANSI 249.1-67 Safety in Welding and Cutting
- ANSI 253.1-67 Safety Color Code for Marking Physical Hazards
- ANSI 254.1-63 Safety Standard for Non-Medical X-Ray and Sealed Gamma Ray Sources
- ANSI 287.1-89 Practice for Occupational and Educational Eye and Face Protection
- ANSI 288.2-69 Practices for Respiratory Protection
- ANSI 289.1-86 Protective Headwear for Industrial Workers Requirements

American Petroleum Institute (API):

- API RP 4G Recommended Practice for Maintenance and Use of Drilling and Well Servicing Structures
- API RP49 Drilling and Well Servicing Operations Involving Hydrogen Sulfide

- API RP53 Blowout Prevention Equipment Systems for Drilling Wells
- API RP54 Occupational Safety for Oil & Gas Well Drilling and Servicing Operations
- API RP 7 4 Occupational Safety for Onshore Oil and Gas Production Operations
- API RP 1107 Pipeline Maintenance Welding Practices
- API 1104 (1968) Standard for Welding Pipelines and Related Facilities
- API 2201 (1963) Welding or Hot Tapping on Equipment Containing Flammables

American Welding Society (AWS):

- AWS A6.1 (1966) Recommended Safe Practices for Gas Shielded Arc Welding
- AWS B3.0-41 Standard Qualification Procedure
- AWS D10.9-69 Standard Qualification of Welding Procedures and Welders for Piping and Tubing

National Fire Protection Association (NFPA):

- NFPA 51B-1962 Standard for Fire Protection in Use of Cutting and Welding Processes
- NFPA 58-1969 Standard for the Storage and Handling of Liquefied Petroleum Gases (ANSI Z106.1-1970)
- NFPA 385-1966 Recommended Regulatory Standard for Tank Vehicles for Flammable and Combustible Liquids
- NFPA 70E - Standard for Electrical Safety in the Workplace

National Institute for Occupational Safety and Health (NIOSH):

- Registry of Toxic Effects of Chemical Substances, 1978
- NIOSH Recommendations for Occupational Safety and Health Standards (Sept. 1987)



Contact Discovery Natural Resources the Health Safety Environmental organization for further information:

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