

SAFETY AND HEALTH POLICY

TDS INC. believes in the dignity and importance of the individual employee and his or her right to derive personal satisfaction from the job. The prevention of occupational injuries and illnesses is of such a consequence to this belief that it will be given a top priority at all times.

We will establish and require an accident prevention program that emphasizes the integration of safety and health measures into each job task so that safety/health and job performance become inseparable. This will be accomplished through the cooperative efforts of managers, supervisors and employees who will seek to obtain the lowest possible industrial accident rates. Safety orientation for new and transferred employees, timely and appropriate training, a management/employee safety committee, an active self-inspection program, proper mechanical guards and personal protective equipment will be some of the tools used to reduce work hazards.

By accepting mutual responsibility to operate safely, we will all contribute to the well being of personnel and subsequently the organization.

Greg Dunn
President

GENERAL ORGANIZATION SAFETY RULES

ALL EMPLOYEES WILL ABIDE BY THE FOLLOWING RULES:

1. Unsafe conditions are to be reported to the immediate supervisor.
2. Any and all injuries occurring on the job are to be reported to the to the immediate supervisor.
3. Smoking and food/drink allowed only in designated areas.
4. Personal protective equipment is to be used in any areas where specific hazards exist. For each particular work activity, the protective equipment requirements must be followed.
5. Proper dress is required. Appropriate work clothes, gloves, shoes, boots, etc., shall be worn on the job. Loose clothing and jewelry shall not be worn.
6. Machines shall not be operated unless all guards and safety devices are in place and in proper operating condition.
7. All equipment shall be kept in safe working condition. Defective tools or equipment shall not be used, but will be reported to the immediate supervisor.
8. Personal protective equipment shall be properly stored and maintained.
9. Maintenance, unjamming and adjustments to machines shall be made only when locked out.
10. Compliance with all governmental regulations and rules is required.
11. Aisles, walkways, stairways and points of egress shall be kept free of debris, storage or obstructions.
12. Good housekeeping shall be practiced at all times.
13. No person shall stand or sit on forks or sides of forklifts or other moving equipment.
14. The use of, or being under the influence of alcohol or illegal drugs while on the job is prohibited.
15. All posted safety rules must be obeyed and must not be removed except by management's authorization.
16. Training on equipment is required prior to unsupervised operation.
17. Horseplay on the job site shall not be tolerated.

VIOLATIONS OF ORGANIZATION SAFETY RULES MAY BE WRITTEN UP AGAINST AN EMPLOYEE.
THIS MAY LEAD TO DISCIPLINARY ACTION, INCLUDING TERMINATION.

I HAVE READ AND UNDERSTAND THE ABOVE RULES

Signature

Date

Emergency Response Information

General Procedures

Assess the emergency. Determine the appropriate response.

Fire emergency or building evacuation

1. Sound the local alarm (i.e., activate fire alarm via pull station, contact security, notify supervisor, call switchboard).
2. Shut down equipment as necessary.
3. Leave the building via designated evacuation routes. Use stairways. Do not use elevators.
4. Assemble at the designated meeting point.
5. Account for people in the building.
6. Remain outside the building until told that it is safe to reenter.

Medical emergency

1. Shout for help to alert nearby employees.
2. Assess the medical emergency. Determine the type of injury or illness.
3. Contact emergency responders and key company employees in order of appearance on the call list.
4. Appoint an employee to guide outside emergency responders to the site.
5. Assist emergency responders as needed.
6. Complete a company accident investigation report and workers' compensation report for injured employees.

Severe weather

1. Stay away from windows or outside doors.
2. Shut down equipment as necessary.
3. Seek shelter inside the building in designated shelter areas. Stay away from building areas with large roof spans, such as cafeterias or auditoriums.
4. Account for people in building shelter areas.
5. Stay in shelter areas until the "all clear" signal is given.
6. Be aware of potential hazards from downed electrical lines and structural damage.

Chemical Spill

1. Confine the hazard. Close doors and restrict access to the area. Do not attempt to clean up the spill unless trained to do so. If spilled material is a flammable liquid, shut down or eliminate sources of ignition.
2. Evacuate nonessential personnel from the area. Assist any injured personnel. Keep bystanders from entering the spill area.
3. Report the spill to your supervisor or to the building emergency coordinator.
4. Do not reenter the area unless told to do so by emergency coordinator or local fire department.

TDS INC. Safety Program

Purpose

The purpose of this program is to define and document the safety program at TDS Inc.

This program defines the responsibilities of all company employees in maintaining a safe work environment.

Definitions

Accident: An accident in the work place that results in injury, illness and/or property damage

Hazard: Anything that presents a danger to employees or property

Hazard Control: Any method used to reduce or eliminate a hazard

Responsibilities

The Program Administrator Terry Fullerton, Vice President

This person is responsible for:

- Administering the program and issuing written materials that support the program
- Coordinating all activities related to hazard control, insurance companies and OSHA state and local regulatory compliance
- Maintaining OSHA record keeping of injuries
- Analyzing accident records to identify program deficiencies
- Coordinating outside vendors of safety equipment and services
- Creating the annual safety training plan
- Scheduling employees for appropriate training
- Posting all required OSHA, workers' compensation and insurance information
- Managing return to work activities
- Verifying and expediting OSHA citation abatements

Top Management

These people are responsible for:

- Providing visible involvement in the safety program through participation in committees and safety-related activities
- Giving ultimate direction on decisions that affect employee safety
- Making sure employee safety is taken into account when capital purchases or business decisions are made

Supervisors and Managers

These people are responsible for:

- Knowing the operations that they supervise
- Identifying possible hazards in areas under their supervision
- Enforcing safe practices within their departments Ensuring adequate employee training
- Coordinating efforts for employees returning to work after injuries
- Periodically auditing their operations for program effectiveness
- Identifying new hazards in areas under their supervision
- Ensuring that existing controls are adequate to provide employee protection
- Identifying employees who are not performing work safely
- Providing appropriate coaching and/or disciplinary action necessary to evoke safe behavior
- Conducting accident investigations within their departments and providing appropriate corrective actions

Employees

These people are responsible for:

- Protecting themselves and their co-workers
- Participating in safety program activities
- Identifying hazards in the workplace and reporting them to their supervisors or team leaders

Safety Suggestion System

- Employees are encouraged to identify hazards within the company facilities. Hazards may include conditions within the facility or actions of employees.
- Hazardous conditions that should be addressed immediately shall be directed to department management or directly to the maintenance department using a standard company work order.
- Ideas for safety improvement may be written up on a Safety Action Sheet and given to either department management or to a safety committee member.
- Employees who wish to remain anonymous should complete a Safety Action Sheet and send it to the safety program administrator via intercompany mail.
- All Safety Action Sheets will be responded to in writing within 48 hours of submission
- A summary of all submitted Safety Action Sheets and responses will be posted monthly.

Department Safety Meetings

- Supervisors will conduct monthly safety meetings of general interest or specific topics within their departments.
- Agenda for monthly safety meetings may include the following:
 - Accident reviews
 - Progress on departmental safety improvement projects
 - Review of hazardous equipment operations
 - General safety information
- The safety program administrator will maintain a list of available topics or materials that may be used to meet specific training needs.

Accident Investigation

- All accidents will be investigated and an Employee Injury report will be completed within 24 hours of the incident if it involves employee injury or illness that requires a physician's care.
- The accident investigation will be completed according to corrective action plan on the company accident report. Corrective actions that cannot be initiated immediately will be documented in a written report indicating what will be done when it will be done and who will complete the necessary corrective action.
- All accidents that result, in a fatality or the hospitalization of 3 or more employees
- will be reported to company management and the safety program administrator immediately

Personal Protection Equipment

A. Head Protection

1. Hard hats meeting specifications of ANSIZ89.1 shall be worn by all personnel at field locations.

B. Eye and Face Protection

1. Personnel engaged in or observing welding, grinding, machining, chipping, handling hazardous and/or toxic Materials, or acetylene burning or cutting shall wear appropriate eye and face protection. In addition, contractor, employees and supervisors shall identify the work areas or job assignments where eye and face injuries could occur and wear the appropriate gear.
2. Each eye and face protector must be maintained in good condition and meet applicable ANSI standard for that operation.

C. Eye Wash and Safety Shower Facilities

1. Suitable facilities (or portable containers shall be provided for flushing of the eyes at all work locations where personnel may be exposed to chemicals or eye irritating substances.
2. It is impractical to provide safety showers on lease sites where. chemical and acid are used . Employees should wear personal protective equipment and utilize other methods to avoid contact.
3. Portable or fixed eye wash equipment providing emergency relief must be immediately available near the drill floor, mudrooms, and other areas where particles or chemicals in eye may occur.

D. Protective Footwear

1. Safety toe boots/shoes with oil resistant soles meeting the requirements stated in ANSI Z41.1 shall be worn by all personnel at all field locations.
2. Special protective footwear, such as, rubber boots, foot protectors, metatarsal guards, shall be worn where required

E. Gloves

1. Special hand protection is required when working on a particular job assignment(s) such as handling chemical or high voltage switches. Contractor is responsible for insuring hand protection is compatible with hazardous

F. Clothing

1. Fitted clothing in good condition which covers the legs, body, and upper arms is the minimum requirement.
2. Jewelry, such as rings and chain bracelets, shall not be worn while working with energized or moving equipment

G. Hearing Protection

1. Noise levels in the shop or well site location may cause discomfort or hearing damage. Ear plugs or ear covers are provided for those employees who wish to use them.
2. No employee is required to work in an area where noise is excessive without hearing protection

Hydrogen Sulfide (H₂S)

H₂S occurs in a variety of natural and industrial settings. It is generated as an unwanted by product in industrial operations. It also is produced by bacterial action and decomposition of organic matter. Regardless of the origin, H₂S is very dangerous due to its explosive nature and toxicity. The principal concern from inhalation of H₂S is acute toxicity. H₂S causes paralysis of the respiratory center in the brain and can result in immediate collapse and death.

Properties of H₂S

- It is a highly toxic, colorless gas.
- H₂S can travel some distance close to the ground and may accumulate in low areas, if the gaseous hydrocarbon/ H₂S or CO₂/ H₂S mixture is heavier than air.
- H₂S has an offensive odor like rotten eggs at low concentrations. However, **the sense of smell is a poor indicator for H₂S** since the olfactory section of the brain quickly becomes desensitized and can no longer detect the H₂S odor.
- The explosive range for H₂S is extremely wide, from 4.3% to 46% by volume. The auto ignition temperature of H₂S is 500° F.
- H₂S is highly soluble in water and liquid hydrocarbons at elevated pressures and will come out of solution as a gas at ambient conditions.
- H₂S burns with a blue flame and produces sulfur dioxide (SO₂), another toxic gas.
- H₂S is highly corrosive to metals and can also lead to hydrogen embrittlement and sulfide stress cracking.

Effects of H₂S

Low levels of exposure may cause the following individual symptoms or a combination of these symptoms with longer exposure.

- Skin irritation
- Eye irritation
- Fatigue
- Nausea
- Headache
- Loss of appetite
- Dizziness
- Irrational behavior
- Dryness in nose, throat
- Coughing
- Loss of consciousness or death

CONCENTRATION
in Parts per Million (PPM)

Effect

0.003-.02	Odor threshold.
Above 10	Toxic to personnel; wear respiratory protection equipment.
Below 100	Quickly deadens the sense of smell.
Above 300	Considered Immediately Dangerous to Life or Health (IDLH). Air supplying Respiratory equipment approved for this level must be used.
Above 500	Attacks respiratory center in brain causing loss of consciousness with 15 minutes.
Above 700	Rapid lose of consciousness and death.
Above 1000	Immediate unconsciousness and death if not revived promptly.

Detection Devices

- Personal monitors - Portable electronic units designed to alert personnel who may encounter **H2S** levels beyond permissible exposure levels.
- Fixed monitors - In areas where H2S is present in high concentrations and can affect company or contractor personnel or the public, fixed or stationary monitor systems can be used to detect H2S-

Colorimetric tube detectors - Generally used for screening purposes, but (if used in conjunction with the proper respiratory protection) can be used to test atmospheres for safe entry or work.

HOUSEKEEPING

The manner in which materials and tools are handled, stored and organized in the work area can contribute greatly to the safety of the workers in that area.

To keep working conditions from creating a safety problem, each employee will be personally responsible for the following:

1. Putting away tools at the end of the day or after use.
2. Putting scrap produced into appropriate containers for removal.
3. Sweeping or wiping up excessive trash, metal flakes, oil, plaster, etc., that may produce a trip or slipping hazard.
4. Placing material being worked or stored in work area so that it does not block aisles, fall on someone or cause a tripping or eye hazard.
5. Removing scrap containers that are full. Scrap should not be placed in drums that may stick out and cause an eye hazard.

ELECTRICAL

Use of equipment that uses electricity can result in electrical shock if not properly used. Each employee must insure that the following regulations are observed:

1. All equipment is in good electrical condition before use; i.e., switches work, wires are connected and insulated safely; conduits and junction boxes are secure with no exposed wiring. Unsafe equipment must be reported to the supervisor.
2. Extension cords and plug boxes shall be safely and correctly insulated and grounded before using.
3. Cords are not to be located where they may cause a trip hazard or be damaged.
4. Extension cords are not to be used to service equipment that has a fixed or permanent location.
5. Electrical cords are not to be run over by carts or forklifts
6. Only maintenance personnel are to make electrical repairs.
7. Do not use electric equipment in wet areas or rain.

HANDLING AND USE OF FLAMMABLE LIQUIDS

1. Only labeled, approved metal flammable liquid containers, with self-closing spouts are to be used for transfer.
2. Use in containers other than safety containers is for temporary use only, i.e., cleaning parts, soaking brushes or parts, wiping down, painting, etc. These containers are to be marked 'flammable' and emptied when not being used.
3. Splash goggles must be worn when transferring or using flammable liquids.
4. Use of flammable liquids and solvents should be done to avoid prolonged contact with skin or inhalation of vapors. Protective gloves and/or respirators should be worn where necessary
5. Keep all rags used to wipe oil or flammable solvents in covered metal cans.

SAFE CHEMICAL WORK PRACTICES

1. Always wear gloves and eye protection when pouring or mixing chemicals to prevent splashing in face or eyes.
2. Maintain an emergency eyewash station.
3. Wash areas of skin contacted with chemicals with soap and water and rinse thoroughly. Use clean water or eyewash solution to rinse harmful substances from eyes. Read labels for emergency instructions. Seek medical attention.
4. Conduct mixing or measuring of chemicals under proper ventilation.
5. Avoid using chemicals from unmarked containers.
6. Never pour water into a container holding a strong acid. Pour water first, and then add the specified amount of acid.

CHEMICAL AND FLAMMABLE LIQUID STORAGE

1. Store bulk quantities of flammable liquids only in properly labeled and approved containers in an approved storage area.
2. Mark areas containing toxic or flammable liquids with a caution or hazard warning sign.
3. Keep hazardous areas free of paper, soiled shop towels and other materials to avoid spontaneous combustion.
4. Always dispose of solvent-soaked shop towels in approved metal containers with closeable lids.
5. Keep flammable and combustible substances away from heaters, electric motors, welding activity or any other source of ignition.
6. Avoid storing toxic or corrosive substances in locations where a potential for spill or leakage may exist.
7. Do not transfer chemicals or solvents from original containers unless the new containers are properly labeled.
8. Ensure that all flammable liquid storage containers used for transferring are properly bonded (grounded) to permanent ground and to the container receiving the transferred liquid.

DRUGS/ALCOHOL/FIREARMS

All personnel performing services on TDS Inc. property or while engaged in company business for TDS Inc. are required to comply with these drug and alcohol rules.

- A. The use, possession, distribution, or sale of “unauthorized drugs” or alcohol by any one while on Company property or while engaged in Company business is prohibited. A person reporting for work on Company property with “unauthorized drugs” in his or her body, or under the influence of alcohol is in violation of this rule.
- B. For the purpose of this rule the term “unauthorized drugs” shall mean any substance, other than an “authorized substance”, which is, or has the effect on the human body of being, a narcotic, depressant, stimulant, hallucinogen or cannabinoid, their precursors, derivatives of analogues, and includes but is not limited to those substances pursuant to the Federal Controlled Substances Act.
- C. “Authorized drugs” are substances which are lawfully prescribed or available without a prescription, which are lawfully obtained by the person in possession and which that person uses in the appropriate manner, in the dosages and for the purposes for which the substances were prescribed or manufactured.
- D. It is each person’s responsibility to notify his or her supervisor when taking any medicine or substance, which may impair judgment or performance or otherwise adversely affect the normal functions of mental faculties and/or physical abilities.
- E. “Under the influence” shall mean that an individual is affected by alcohol in any detectable manner to include but not be limited by those states’ blood and alcohol limit for operating motor vehicles.
- F. The use, possession, distribution, or sale of drug paraphernalia on Company property or while engaged in Company business is prohibited.
- G. Employees shall comply with all respects to Drug Testing Regulations adopted by the regulatory agencies. The Department of Transportation (DOT) and other regulatory requirements shall be adhered to by the effected employees/contractors.
- H. Possession of firearms on Company property is prohibited.
- I TDS Inc. reserves the right to inspect any and all vehicles and equipment on its property or location work site for drugs, alcohol or firearms.

Horseplay and Fighting

Horseplay and fighting are strictly prohibited on any TDS Inc. work site

Environmental Protection

- A. Environmental rules and laws for pollution prevention, control, and disposal shall be followed.
- B. Immediately report any leaking or escaping oil, gas, or other substance to the Supervisor.

VIOLATIONS OF ANY OF THE PROCEEDING REGULATIONS MAY BE WRITTEN UP AGAINST AN EMPLOYEE AND RECORDED IN THE EMPLOYEE'S PERSONNEL FILE. VIOLATIONS MAY LEAD TO DISCIPLINARY ACTION, INCLUDING TERMINATION.