

WELLSITE DELIVERY SERVICES INCORPORATED

Company Policy Handbook & Safety Manual For Contractors

JULY 1, 2014

TABLE OF CONTENTS

I.	Acknowledgement Form	3
II.	Contractor Acknowledgement and Consent to Testing Form	4
III.	Contractor’s Responsibilities	5
A.	Paperwork	5
B.	Manifesting.....	5
C.	Freight – Flatbed / ISO	5
D.	Accidents	6
E.	Claims.....	6
F.	Qualifications	7
G.	Availability.....	8
H.	Expenses	8
I.	Company Equipment Responsibility.....	8
J.	Insurance	9
IV.	Drug & Alcohol Policy.....	10
A.	General Policy Statement	10
B.	WellSite’s Commitment	10
C.	Contractor Responsibility.....	10
D.	Scope of Our Policy	11
E.	Our Drug and Alcohol Rules.....	11
F.	Duty to Cooperate	14
V.	Appendices	15
A.	Appendix A – Management Safety Policy Statement	15
B.	Appendix B – Accident/Incident Reporting and Investigations.....	16
C.	Appendix C - Safety Meetings.....	17
D.	Appendix D – Safety Rules	18
E.	Appendix E – Safety Training	19
F.	Appendix F – Recordkeeping	20
G.	Appendix G – Reporting Injury/Incident	21
H.	Appendix H –Contractor Report of Injury/Incident Form.....	22
I.	Appendix I – First Aid	23
J.	Appendix J – Hours of Service Policy	24
K.	Appendix K – Log Policy	25

L. Appendix L – Trip Report Policy 26

M. Appendix M – DVIR Policy..... 27

N. Appendix N – Tire Policy 28

O. Appendix O – PPE/Equipment Policy..... 29

P. Appendix P – PPE/Equipment Checklist 30

Q. Appendix Q – Equipment Chargeback Worksheet..... 31

R. Appendix R – Backing Policy 32

S. Appendix S – Fleet Policy (Contractor) 33

T. Appendix T – Vehicle Fleet Policy 44

U. Appendix U – Form of Independent Contractor Agreement and Lease 48

I. Acknowledgement Form

This **COMPANY POLICY HANDBOOK & SAFETY MANUAL FOR CONTRACTORS** (including all appendices and attachments hereto and as amended by WellSite Delivery Services Incorporated (“WellSite” or the “Company”) from time to time, the “Manual”) has been prepared for your understanding of the policies and practices of the Company and enacted to meet customer requirements and federal and state safety laws and regulations. “Contractors” are independent contractors which have their own trucks and which provide truck transportation as subcontractors to the Company. It is important that you read and understand this entire Manual. The Company reserves the right to make changes to the contents of this Manual at any time and from time to time without prior notice to you and to interpret these policies and procedures in the sole discretion of WellSite. This Manual supersedes all prior manuals and previously-issued policies and practices.

Please read this Manual and sign, date, and return this Acknowledgement Form on or before the date your engagement begins with WellSite.

You agree to keep this Manual in your possession during your engagement and to update it whenever new information is provided, or made available, to you. You acknowledge that this Manual remains the exclusive and confidential property of WellSite and must be returned immediately upon request, or upon the termination of your engagement.

By signing below, you acknowledge that you have read and understand the policies outlined in this Manual. You agree to comply with the policies contained in this Manual and to read and understand any revisions to it and be bound by them. You understand this Manual is intended only as a general reference and is not intended to cover every situation that may arise during your engagement. This Manual is not a full statement of WellSite’s policies. Any questions regarding this Manual should be discussed with WellSite management.

This Manual supplements the terms, conditions, and provisions of any Independent Contractor Operating Agreement by and between WellSite and the undersigned Contractor (as amended from time to time, the “Agreement”); provided, that any conflict(s), ambiguity(ies), or uncertainty(ies) between any terms, provisions, conditions, and/or statements contained in this Manual and any such Agreement will be interpreted and resolved in favor of the Agreement.

_____	_____
Contractor name (print legibly)	ID Number
_____	_____
Contractor signature	Date

TO BE FILED IN CONTRACTOR’S QUALIFICATION FILE MAINTAINED BY WELLSITE

II. Contractor Acknowledgement and Consent to Testing Form

I hereby acknowledge receiving a copy of the Company's Drug and Alcohol Policy, promulgated pursuant to the Federal Motor Carrier Safety Regulations, 49 C.F.R. § 382. I have read and understand the policy, and by signing this acknowledgment, I agree to adhere to the policy as a condition of my engagement and/or continuing engagement with the Company.

I voluntarily agree to provide a sample of my urine and/or blood for testing and to submit to any related physical or other examination when I have been requested to do so by the Company.

I authorize the release of the test result (and any other relevant medical information) (the "Test Result") to (i) the Company for its use evaluation and suitability for continued engagement, and (ii) any governmental or law enforcement authority having jurisdiction over Company upon request by such authority.

I also release the Company from all liability arising out of, or connected with, the testing or the release of any Test Results to any governmental or law enforcement authority(ies) having jurisdiction over the Company.

I understand that if I refuse to submit to the testing, to give a requested sample(s), to authorize release of the results to the Company, and/or if the test results indicate that I do not meet the Company's standards, my engagement may be terminated by the Company immediately.

I understand that any attempt to switch, adulterate or in any way tamper with the requested sample(s) or to otherwise manipulate the testing process will result in termination of engagement. I also understand that if my test results are diluted on the second testing, my engagement may be terminated.

By signing in the space provided below, I represent and warrant to the Company that I have read, reviewed, and understand this **Contractor Acknowledgment and Consent to Testing Form** and the entire Manual (including all appendices and attachments) and understand all of the terms, conditions, provisions, and statements contained therein.

By: _____

Date: _____

Name: _____

III. Contractor's Responsibilities

A. Paperwork

1. I understand that to receive any compensation I may be owed by the Company, I must complete and submit all WellSite delivery tickets, which include customer P.O. numbers(s) and Shipping Order number(s) on all deliveries for all WellSite customers.
2. I understand that I must, and will, retain and submit straight bill of lading on anything I sign for WellSite customers.
3. I understand that I must, and will, have a legible consignee signature(s) and/or printed names on all WellSite bills and/or customer's paperwork.
4. I understand that all Demurrage sheets MUST be filled out and signed in and out for Contractor to be paid.
5. All Tanks must accompany last BOL and/or tank wash sheet when being transported. Once tank is removed from tank wash it is my responsibility to have all PLACARDS removed prior to departure.

B. Manifesting

1. I agree that for effective management and to be compensated for all deliveries, I will manifest on a daily basis, unless authorized by Company management. I will drop paperwork in outside box or fax into the office upon completion of duties.
2. I understand that all C.O.D.'s will be turned in when manifesting.

C. Freight – Flatbed / ISO

1. I am responsible for counting and examining all freight, making notations of any shortages and/or damages prior to loading freight on my vehicle. I am also responsible for having the shipper initial any notation. I am also responsible for any costs associated with claims filed due to my neglect to follow these procedures.
2. I am responsible for securing all freight/hoses properly. I agree that if I am unsure how to secure freight/hoses, I will seek assistance from a WellSite representative.
3. I understand that it is my responsibility to make sure all BOL's match placards from any/all toll blenders. It is also understood that I am responsible for proper placement of hazardous placards, oversized flags, straps, chains, and axle weight. I understand that all fines and/or penalties received due to improper distribution of the items described above will be my responsibility and withheld from any compensation I

may be owed.

4. I understand that any **HEEL** left in any tank without prior approval from WellSite Management will be cleaned at tank wash facility **and total cost will be deducted from any compensation I may be owed.**
5. I am responsible for on-time pickup and delivery and MUST report to WellSite Dispatch as soon as I become aware of arriving late. I understand that I will be deemed late if I do not arrive at the pickup destination ready for pickup, or arrive at the unload destination ready for unload, at LEAST one (1) hour before pickup or delivery appointment.

D. Accidents

1. I understand that if I am involved in an accident, while driving or pulling WellSite equipment, I will follow all accident reporting procedures as outlined in this Manual.
2. I understand that if I am injured while working (no matter how minor it may appear), I will notify my supervisor or a member of WellSite management immediately so that I may receive medical attention as soon as possible.

E. Claims

1. I understand that WellSite insurance for cargo, auto liability and general liability has a **\$2,500.00** deductible amount (separately for each incident). I also understand that if it has been determined that an accident and/or loss has occurred, due to my negligence, I will be responsible for all costs up to the deductible amount. I further agree and authorize WellSite to deduct these costs from by periodic compensation owing to me until the balance is paid in full.
2. I understand that if I cause damage to any equipment, vehicle, and/or property owned or operated WellSite, I agree and authorize WellSite to withhold up to any deductible amount of **\$1,000.00** from the compensation owing to me until the balance is paid in full.
3. I understand that if my engagement with the Company terminates (no matter the circumstances); I am still responsible for the amounts, described above, in full.
4. This Section E (“Claims”) is subject to all applicable terms and provisions of the Agreement including the terms and provisions of Section 9 of the Agreement.

F. Qualifications

1. Insurability

- a) I understand that once qualified to become a Contractor for WellSite, in compliance with Section 10.2 of the Agreement, I must remain insurable according to the criteria described in the Contractor Qualification Section of the WellSite Manual in addition to Section 8 of the Agreement. I understand that my driving record will be reviewed at least annually by WellSite, or a third party on behalf of WellSite. I understand that my continued engagement with WellSite will be based upon my driving record, including accident(s) or incidents that occurred and are not reflected on my MVR.
- b) I understand that in compliance with Section 6 of the Agreement, I must notify the WellSite Safety Department of any traffic violation and/or accident that occurred both while on or off dispatch as soon as possible, but not more than 24 hours after the incident.

2. Contractor Compliance

- a) Federal, state and local governments regulate carriers and Contractors regarding certain paperwork requirements. The following is a list of paperwork that must be completed correctly and submitted to WellSite on a daily basis for processing:
 - (1) Contractor duty status logs and signed demurrage sheets;
 - (2) Trip/fuel reports **(with fuel receipts)/Any Fuel receipts not submitted will be deducted from any compensation I may be owed;** and
 - (3) Daily Vehicle Inspection Reports (pre and post trips).
- b) In order to comply with Federal/State and Company policy, every Contractor must comply with WellSite's written drug/alcohol policy regarding controlled substance abuse/misuse.
- c) The Company is required to ensure that every Contractor receives training, according to USDOT and/or OSHA guidelines regarding:
 - (1) Controlled Substance Abuse/Misuse;
 - (2) Alcohol Misuse;
 - (3) Hazardous Materials Regulations;
 - (4) Forklift Safe Operation; and
 - (5) Safe Lifting and Back Injury Prevention.
- d) Other training may be required by the Company as outlined by other agencies, such as:

- (1) Insurer safe driving training; and
- (2) Customer required training, i.e. chemical plants.

G. Availability

1. I will immediately advise the Company's dispatch department upon becoming aware of any circumstances that will, or might, prevent me from performing and/or completing any Services on behalf of Company. I understand I must provide such notice to the Company operations manager or assistant operations manager at least 1 hour prior to my assigned duty time. I also understand that I am to report to dispatch upon arrival, loaded and unloaded.
2. I understand that I must have and maintain a working cellular/mobile phone at all times, the cost of which shall be borne exclusively by me. I also understand that I must notify dispatch of any changes in my cellular/mobile telephone number within 24 hours.
3. As part of my duties, at times I may be required to transport cargo, which could last several days at a time.

H. Expenses

1. I understand that WellSite will reimburse me for the amounts of all undisputed and unpaid Reimbursable Expenses pursuant to Section 3.7 of the Agreement. All documentation/receipts must be signed and submitted pursuant to the Agreement in order to be reimbursed. Furthermore, I understand that the Agreement defines "reimbursable" and "non-reimbursable" expenses.
2. The Company will not be liable for any other expense unless such specific expense is authorized in advance by an authorized officer of the Company in writing.
3. I understand that if any advances are given, such as cash, check or comcheck, WellSite may charge a surcharge and/or administrative fee. I also authorize WellSite to deduct the advance and any associated fees from any compensation owing to me.

I. Company Equipment Responsibility

1. I understand that on the date my engagement commences, I may be assigned a vehicle and/or other equipment (e.g. trailer, tank, pump, etc.) to perform my duties. I acknowledge the "Equipment", as defined in Section 1.4.18 of the Agreement, must be operated pursuant to the Agreement, specifically Section 2.7. I understand that personal use of

“Company Equipment,” as defined in Section 1.4.9 of the Agreement, under any circumstances, is not acceptable and will not be tolerated. Contractor’s use of Equipment pursuant to Section 14.14.2 of the Agreement does not constitute prohibited personal use. I also understand and agree to the following:

- a) I agree that I am responsible for the upkeep and maintenance of Company Equipment and will prevent these items from being damaged, lost or stolen.
- b) I understand that it is my responsibility to drive Equipment and Company Equipment in a professional and safe manner, at all times. I agree and understand that if I am observed driving Equipment and/or Company Equipment in an unsafe or abusive manner, my engagement with WellSite is subject to immediate termination, pursuant to Section 2.2 of the Agreement.
- c) It is also understood that I am responsible for any damage to Company Equipment, including tires on trucks and/or trailers, and as specified in the Agreement, due to my acts or omissions (e.g., negligence or abuse).
- d) I authorize WellSite to deduct all costs associated with repairs and/or replacement of Equipment and/or Company Equipment pursuant to the terms of the Agreement.

J. Insurance

- 1. Insurance provided by WellSite under the Company Insurance Plan is paid weekly by Contractor via payroll deduction. This insurance is payable to WellSite **WEEKLY** with the following exceptions:
 - a) No loads are offered to Contractor during that week; and
 - b) Contractor obtains previous signed approval from Dispatch to be taken off dispatch for a specific period of time.

IV. Drug & Alcohol Policy

A. General Policy Statement

1. In 1988, Congress enacted the Drug Free Workplace Act to require federal contractors to establish and maintain a work environment that is free from the effects of drug use and abuse. Federal Motor Carrier Safety Regulations, 49 C.F.R. Part 40 and 382, present the general terms of this program and its guidelines. Company agrees with the goal to provide a safe and productive work environment. To satisfy these responsibilities, it is the policy of the Company and a condition of engagement that, as a Contractor, you be present and able to perform your job free from the effects of alcohol, narcotics, depressants, stimulants, hallucinogens and cannabis or any other substances, which can impair job performance.

B. WellSite's Commitment

1. We recognize that drug and alcohol abuse may be a sign of chemical dependency and that substance abuse can be successfully treated with professional help.
2. WellSite provides an Assistance Program (AP) through www.saplist.com for Contractors to address substance abuse and other personal problems that can affect work performance. Our commitment is to help Contractors remain productive members of our team. In certain circumstances, and pursuant to the Federal Motor Carrier Safety Regulations, the Company may insist upon a mandatory referral to our AP as a condition of continued engagement. No Contractor will be penalized or discriminated against solely for seeking help; provided, however, the Company reserves the right to terminate the Agreement indefinitely until Company is assured that Contractor does not present a risk to any employee(s)/contractor(s), the public, customers of the Company, and/or the Company.

C. Contractor Responsibility

1. The Contractor is responsible for following all Company work and safety rules, and for observing the standards of behavior the Company and its employees, contractors, and customers have the right to expect from you. In addition, if you believe you may have a problem with drugs or alcohol, you are responsible for seeking assistance, whether from or through the Company or any other resource, before a drug or alcohol problem adversely affects your work performance or results in a violation

of this policy. The time to seek help is BEFORE you are in “trouble”, NOT AFTER. If a professional assessment is made that you have a problem with chemical dependency or substance abuse, your continued engagement may be conditioned upon:

- a) Entering into and completing a treatment program approved by the Company;
- b) Signing and maintaining compliance with a last chance performance agreement; and
- c) Undergoing a Follow-up Testing Program at Company’s’ discretion.

D. Scope of Our Policy

1. This Policy and each of its rules apply whenever a Contractor is on or in Company Property, surrounding grounds and parking lots, leased or rented space, Company time (including breaks and meal periods), in any vehicle used on Company business (including any Equipment and/or Company Equipment), and in other circumstances (such as on customer premises) we believe may adversely affect our operations, safety, reputation or the administration of this policy.

E. Our Drug and Alcohol Rules

1. The following rules are extremely important and Contractors who violate any one of them will be penalized, up to and including immediate termination of the engagement.
 - a) Alcohol
 - (1) A Contractor may not possess, use, transfer, offer, or be under the influence of any intoxicating liquor while at work or on Company business. This rule prohibits using any alcohol prior to reporting to work, during breaks or meal periods, or in conjunction with any Company activity.
 - (2) A Contractor will be removed from a safety sensitive position for at least twenty-four (24) hours if your breath-alcohol content (BrAC) from a breath sample is more than .02 and less than .04. A BrAC over .04 is a DOT Violation, and a referral will be required to a Substance Abuse Professional before being released back to a safety sensitive position.
 - b) Drugs
 - (1) A Contractor may not possess, use, transfer, offer, share,

attempt to sell or obtain, manufacture, or be under the influence of any drug or similar substance and also may not have any drugs of similar substances present in the body. Thus, a Contractor who tests positive for any illegal-drug violates this rule. This rule also pertains to prescription drugs being taken without doctor's express authorization or not in accordance with a doctor's instructions (e.g., excessive use).

- c) Drug Paraphernalia and Alcohol Containers
 - (1) A Contractor may not possess any drug paraphernalia or alcohol containers.
- d) Prescriptions/Over-the-counter Medications
 - (1) It is the Contractor's responsibility to check the potential effects of prescribed drugs and over-the-counter Medications with your doctor or pharmacists before starting work, and to immediately let your supervisor know when such use makes it unsafe for you to report to work or do your job.
- e) Adulterants
 - (1) The use of any substance that is used for the purpose of manipulating a drug test by adding to the specimen or ingesting is strictly prohibited.

2. Pre-Engagement Testing (49 C.F.R. § 382.301)

- a) All safety sensitive Contractors are required to pass a U.S. DOT urine drug test before engagement.

3. Random Testing Program (49 C.F.R. § 382.305)

- a) The Random-testing program is implemented by a third party throughout the year. The Third Party Administrator (TPA) combines the Contractor from WellSite with Contractors from other companies. The TPA selects four (4) times per year and notifies the Designated Representative (DR). The DR can notify the Contractor within the selection period. When the Contractor is notified, they must test as soon as possible. The Federal Motor Carrier Safety Administration (FMCSA) does not allow testing delays due to convenience or movement of freight.

4. Mandatory Post Accident Testing (49 C.F.R. § 382.303)
- a) Post-accident drug and/or alcohol testing will be at supervisor or Company request, or as defined in **49 CFR Part 40**. See Chart below.

Type of accident involved	Citation issued to the CMV Contractor? (Class A or B)	Test must be Performed
i. Human Fatality	Yes No	Yes Yes
ii. Bodily injury with immediate medical treatment away from scene	Yes No	Yes No
iii. Disabling damage to any motor vehicle requiring tow away	Yes No	Yes No

5. Reasonable Suspicion Testing or Reasonable Cause (49 C.F.R. § 382.307)
- a) At least one Company Supervisor will be trained in accordance with **49 CFR 382.603** of the Code of Federal Regulations to make observations including of work performance, behavior, and physical indicators. Other factors may include:
- (1) Observable symptoms or unusual behavior;
 - (2) The odor or smell of alcohol or drugs on the Contractor's breath or clothes or in an area (such as in a vehicle, office, work area, or restroom) controlled or occupied by the Contractor;
 - (3) Alcohol, alcohol containers, illegal drugs or drug paraphernalia in the Contractor's possession or in an area controlled or occupied by the Contractor (vehicle, office, desk restroom);
 - (4) Unexplained or significant deterioration in job performance;
 - (5) Unexplained significant changes in behavior (e.g., abusive behavior, repeated disregard of safety rules or procedures, insubordination, etc.);
 - (6) Evidence that the Contractor may have tampered with a previous drug test;
 - (7) Criminal citations, arrests or convictions involving drugs or alcohol;

- (8) Unexplained absenteeism or tardiness;
- (9) Contractor's admissions regarding drug or alcohol use;
- (10) Any involvement in any work-related accident or near misses; or
- (11) Any type of paraphernalia discovered on your person or Company property

6. Fit for Duty (49 C.F.R. § 382.309; 49 C.F.R. § 382.311)

- a) The Company may require a fit for duty exam by a certified Medical Practitioner acceptable to Company management. This exam may be administered along with Drug and Alcohol Screen to determine if Contractor is fit for duty. This may be requested by WellSite in addition to the DOT Medical Card Certificate.

F. Duty to Cooperate

- 1. The Company may terminate its Agreement with a Contractor who fails to cooperate in the administration of this policy and is in violation of **49 CFR Part 40**. Failure to cooperate includes, but shall not be limited to, such things as:
 - a) Refusing to consent to testing, to submit a sample, or to sign required forms;
 - b) Refusing to cooperate in any way (for example, refusing to courteously and candidly cooperate in any interview or investigation, including any form of truthfulness, misrepresentation or misleading statements or omissions);
 - c) Any form of dishonesty in the investigation or testing process;
 - d) Refusing to test again at a time of the Company's choosing whenever any test results in a finding of a diluted sample or reasonable suspicion; and
 - e) Failure to accept the referral, to enter into and complete, an approved treatment program, or to sign or adhere to the commitments in the Last Chance Performance Agreement.

V. Appendices

A. Appendix A – Management Safety Policy Statement

The management of WellSite is committed to providing the resources and manpower necessary to develop, implement, and administer a safety program for the protection of its Contractors, and clients. All management personnel, employees, and Contractors are expected to meet their responsibilities to make the safety program effective and productive. Periodic review of WellSite's safety program will be conducted by management to maintain its effectiveness.

Robert A. Thomas
President & Chief Executive Officer
WellSite Delivery Services Incorporated

B. Appendix B – Accident/Incident Reporting and Investigations

The timely reporting of accidents is critical to the successful management of the accident event and subsequent issues that may follow, including the potential litigation of the event. It is imperative that all Contractor's follow the sequence below in **ALL** accident cases:

1. If possible, move your unit from the traffic lanes if it is impeding the progress of other traffic or if applicable laws require accident vehicles to be moved immediately.
2. If any of the parties involved in the accident/incident are injured, call for emergency medical assistance. Unless required by applicable laws, **DO NOT** attempt to re-locate, or provide medical assistance to, any injured party as such relocation or assistance could result in further injury to the injured party.
3. Place your safety markers (triangles) at the appropriate locations in relation to your vehicle and turn on your emergency flashers.
4. Photograph the accident scene as soon as possible. Many times, when law enforcement officials arrive, they will not allow you to take photos, so it is important to accomplish this as soon as possible. **NEVER** take photos of injured or deceased victims.
5. Call Company dispatcher and report the accident.
6. Begin preparing your accident report, including the gathering of witness contact information.
7. Cooperate fully with law enforcement officials. However, **DO NOT** offer any statements of guilt, liability, or opinion as to the cause of the accident. Simply state the facts of the accident as accurately as you recall them.
8. When you have completed the immediate needs at the scene of the accident, call Company dispatcher again to let them know you are ready to continue on your way. If directed or required to report for a post-accident drug and alcohol screen, follow those directions immediately as there are specific time limits on these tests in order to be compliant with Federal Motor Carrier Safety Regulations.

Failure to follow these procedures, particularly those regarding the taking of photographs and cooperating with law enforcement officials, will result in a penalty up to and including immediate termination of engagement.

C. Appendix C - Safety Meetings

Safety is an important concern of the Company's customers. As such, Quarterly Safety Meetings will be conducted by WellSite Safety Department and/or Management. Attendance at these meetings is **VOLUNTARY** for Contractors.

Monthly safety topics will be communicated to Contractors from the WellSite Safety Department.

A record of the topics covered, date of the meeting and signatures of attendees will be kept for one year.

• Items included in safety meetings are:

- 1) Information obtained from inspections;
- 2) Accident investigations and corrective actions;
- 3) Review policies and procedures on jobs that are performed routinely;
- 4) Discuss safety topics; and
- 5) Conduct training, as needed.

D. Appendix D – Safety Rules

The following safety rules shall apply to Contractors of the Company:

- Tobacco cigarette smoking is permitted only in approved areas.
- Horseplay and fighting will not be tolerated in the workplace.
- Possession of unauthorized firearms, alcoholic beverages, illegal drugs, or unauthorized medically prescribed drugs will not be tolerated in the workplace. Inform dispatcher if you are required to take medication during work hours. Written medical evidence stating that the medication will not adversely affect your decision making or physical ability may be required, particularly if it involves driving impairment.
- Report all work related injuries to management immediately. Participate in accident investigation if you are physically able.
- Immediately report accidents, near accidents, and property damage to dispatcher regardless of the severity.
- Use required personal protective equipment (PPE) and/or safety procedures to protect you from potential hazards that cannot be eliminated. Maintain your PPE in good condition.
- Inspect Equipment and Company Equipment for potential hazards and ensure that the Equipment and Company Equipment is in safe operating condition before using it.
- Follow recommended work procedures outlined for the job including safe work methods described in the job safety analysis especially customer and/or jobsite safety rules.
- Maintain an orderly environment. Store all equipment in a designated place. Put scrap and waste material in an appropriate refuse container.
- Report any smoke, fire, or unusual odors to management on yard and report to customer representative if at customer's location.
- Use proper lifting techniques.
- Never attempt to catch a falling object.
- Comply with all state and local traffic laws, signs, signals, markers, and persons designated to direct traffic. Fasten seat belts before operating any motor vehicle.
- Assist and cooperate with all safety investigations and inspections and assist in implementing safety procedures as requested.

Contractors who do not comply with these safety rules may be subject to a penalty and may be considered undesirable for continued engagement with the Company.

E. Appendix E – Safety Training

Trained Contractors make fewer mistakes, have fewer injuries and are more productive and efficient than untrained Contractors.

A safety manual will be provided to each Contractor for future reference to aid you during your engagement at WellSite.

All Contractors should be orientated in policies for WellSite as well as customers procedures.

F. Appendix F – Recordkeeping

Unless otherwise directed by WellSite management or required by applicable laws, rules, regulations, or order of any court or governmental authority, comply with the following:

Maintain records for one year on:

- Safety meetings
- Safety training for both WellSite and Customer (if required)
- Accident investigations

Maintain Logs for prior 6 months per FMCSA rules and regulations

Maintain DVIR for prior month per FMCSA rules and regulations

Maintain Contractor Qualification Files for 3 years after departure from WellSite per FMCSA rules and regulations

G. Appendix G – Reporting Injury/Incident

Any and all injuries and incidents must be reported in a timely manner to a Company Dispatcher, and/or Company Safety Department and/or Company Management.

There are time sensitive reporting to various governmental agencies as well as customer requirements that must be met.

Use ***Contractor Report of Injury/Incident Form*** and complete with as much information as possible. Upon completion please forward to a Company Dispatcher, and then report will be filed in Safety Department.

H. Appendix H –Contractor Report of Injury/Incident Form

Instructions: Contractors shall use this form to report all work related injuries, illnesses, or incidents (which could have caused an injury or illness) – *no matter how minor*. This helps us to identify and correct hazards before they cause serious injuries. This form shall be completed by Contractors as soon as possible and given to dispatcher for further action. Dispatcher will forward to Safety Department for reporting and filing.

I am reporting a work related: <input type="checkbox"/> Injury <input type="checkbox"/> Illness <input type="checkbox"/> Incident	
Your Name:	
Have you told your WellSite management representative about this injury/near miss? <input type="checkbox"/> Yes <input type="checkbox"/> No	
Date of injury/incident:	Time of injury/incident:
Names of witnesses (if any):	
Where, exactly, did it happen?	
What were you doing at the time?	
Describe step by step what led up to the injury/incident. (continue on the back if necessary):	
What, in your opinion, could have been done to prevent this injury/incident?	
What parts of your body were injured? If a near miss, how could you have been hurt?	
Did you see a doctor about this injury/illness? <input type="checkbox"/> Yes <input type="checkbox"/> No	
If yes, whom did you see?	Doctor's phone number:
Date:	Time:
Has this part of your body been injured before? <input type="checkbox"/> Yes <input type="checkbox"/> No	
If yes, when?	
Your name (print legibly):	
Your signature:	Date:

I. Appendix I – First Aid

First aid treatment is readily available to properly treat job-related injuries or any serious personal illness that may occur.

- There is a properly stocked first aid kit available in the Company office area.
- Emergency medical and key personnel phone numbers are posted on bulletin board.
- A first aid log will be kept on all injuries and illnesses.

J. Appendix J – Hours of Service Policy

It is the responsibility of each Contractor working for WellSite to be familiar with the rules governing recordkeeping of their hours of service (HOS). All Contractors are expected to keep their logs current to the most recent change of duty status and to log their time in a true and correct manner, consistent with the HOS rules set forth in 49 C.F.R., Part 395. Failure to comply with all local, state, and federal laws and regulations may result in Company immediately terminating the engagement.

Company policy regarding penalties as a result of repetitive HOS violations is as follows: Major violations (as described below) of HOS rules will be reviewed on a monthly basis. For the purpose of exacting penalty action under this policy, the total review period will be a sliding six month period (most recent review month and the five months previous to that month).

Major violations:

- Failure to surrender logs for each day of the month (including off-duty days);
- Falsified log entries (fuel receipts, etc. not matching log entries);
- Violation of 30 minute break rule;
- Violation of 11-hour rule;
- Violation of 14-hour rule; and
- Violation of 70 hour in 8 day rule

Penalty action to be taken within a sliding six month period:

1st occurrence of three (3) or more of the same major violation within a single month will result in Contractor receiving notice of the violations in writing.

2nd occurrence of three (3) or more of the same major violation within a single month will result in Contractor's eligibility for dispatch being suspended for one (1) week.

3rd occurrence of three (3) or more of the same major violation within a single month will result in Contractor's Agreement being terminated without eligibility for reengagement.

K. Appendix K – Log Policy

Logs must be filled out EVERY day of month

Logs must be legible

Miles must be recorded daily on logs

Carrier information must be filled out

Truck and trailer information must be entered

Contractor number is to be on all logs next to signature

All events must be shown on log (fuel stop, breaks, tire checks flagged, pre/post trip, roadside inspections, accidents, loading, unloading, etc.)

Shipping information must be entered

From and To must be filled out

If multiple Off Duty days on one log, must be in same month

Logs are to be turned in to office regularly and in a timely manner, no more than 13 days behind per FMCSA rules and regulations

DVIR must be completed and signed

Logs not turned in or not filled properly could affect eligibility for dispatch

L. Appendix L – Trip Report Policy

Trip report must be filled out completely for IFTA reporting, payroll, etc. All paperwork must be in trip report envelope and turned in to office for processing.

In addition to name, put your Contractor number besides name

Make sure odometer start and end is filled out

Fill out all blanks on top section

Must list miles by state for IFTA reporting

Recap fuel purchases on envelope

Improperly filled out envelopes or missing paperwork can result in delay in pay as well as affect eligibility for dispatch.

M. Appendix M – DVIR Policy

It is the responsibility of each Contractor engaged by WellSite to be familiar with the rules governing recordkeeping of their daily vehicle inspections. All Contractors are expected to properly conduct daily inspections (pre-trip and post-trip) of their vehicles and to record the post-trip inspection in accordance with the rules set forth in 49 CFR, Part 396. Inspections are to be turned in to office with logs regularly. Failure to comply with all local, state, and federal laws and regulations may result in Company immediately terminating the engagement.

Our policy regarding penalties as a result of repetitive Contractor vehicle inspections violations is as follows:

Violations of this policy will be reviewed on a monthly basis. For the purpose of exacting penalty action under this policy, the total review period will be a sliding six month period (most recent review month and the five months previous to that month). If a Contractor has three (3) or more violations listed below, the appropriate disciplinary action described below will be taken.

Violations

Failure to properly complete a DVIR for any day on which a CMV was operated.

Failure to surrender a DVIR within 13 days of the date of completion.

Penalty action to be taken

Within a sliding six month period:

1st occurrence of one (1) or more violations within a single month will result in Contractor receiving a written warning of violations.

2nd occurrence of one (1) or more violations within a single month will result in Contractor receiving a written notice of the violations and will result in Contractor's eligibility for dispatch being suspended for one (1) week.

3rd occurrence of one (1) or more violations within a single month will result in the Contractor's Agreement being terminated without eligibility for reengagement.

N. Appendix N – Tire Policy

In order to reduce downtime for Contractors and to control costs of tires for WellSite, all trailers being used for loads will have a spare trailer tire before leaving on trip. Tire is to be properly secured on trailer. The use of bungee cords to secure the tire is **strictly prohibited**.

Contractors experiencing tire failure while on trip, without spare, will be charged with the entire cost of tire. Inferior tires (i.e. Chinese brands) placed on trailers will be paid totally by the Contractor. Only name brand tires, i.e. Bridgestone, Firestone, Goodyear, etc. are acceptable to be purchased. Call dispatch if you are not sure which tire to purchase.

O. Appendix O – PPE/Equipment Policy

All Contractors must have, in your possession, all of the tools needed to deliver product safely and timely with the highest level of quality. These tools include documentation, PPE, hand tools, hoses, and fittings required to perform the delivery. You are responsible for proper pre-trip inspection, including insuring all items are available (as required by customer) as well as proper trip planning to insure a quality on time delivery.

It is your responsibility to check equipment, before delivery, to insure all tools are available for an expedient and quality delivery. You must contact a WellSite representative if you are missing any equipment before arriving at customer location for loading and/or unloading.

All required PPE and equipment can be obtained either by you from an outside source or from WellSite. All PPE/equipment must be verified physically by a WellSite representative upon your engagement as a Contractor of the Company and before your first trip. A follow-up inventory will be conducted on a regular basis requiring you to demonstrate to a designated WellSite representative your PPE/equipment. A PPE/equipment checklist and equipment chargeback sheet is attached.

P. Appendix P – PPE/Equipment Checklist

Date: _____

Item	Min Qty	Inventory	Comments
3x2 fitting	1		
1 ½ fitting	1		
Air off hose	1		
2" chemical hose	2		
Spare hose gasket	2		
Acid Suit/Apron	1		
Gloves (pair)	2		
Respirator	1		
Face Shield	1		
Hard Hat	1		

I, the undersigned Contractor, have the above inventory in and under my custody, care, and control and have confirmed such with a designated representative of WellSite.

_____	_____
Contractor Printed Name	WellSite Representative Printed Name
_____	_____
Contractor Signature	WellSite Representative Signature

Q. Appendix Q – Equipment Chargeback Worksheet

CONTRACTOR: _____ TRUCK #: _____

DATE: _____

3 TO 2 INCH FITTING: _____ @ \$135 ea = \$ _____

1 ½ INCH FITTING: _____ @ \$75 ea = \$ _____

AIR OFF HOSE: _____ @ \$130 ea = \$ _____

CHEMICAL HOSE: _____ @ \$375 ea = \$ _____

SPARE HOSE GASKETS: _____ @ \$2 ea = \$ _____

PPE

ACID SUIT/APRON: _____ @ \$45 ea = \$ _____

GLOVES: _____ @ \$15 ea = \$ _____

RESPIRATOR: _____ @ \$55 ea = \$ _____

FACE SHIELD: _____ @ \$45 ea = \$ _____

HARD HAT: _____ @ \$50 ea = \$ _____

I, the undersigned Contractor, acknowledge receipt of the above items. I agree to have the above items payroll-deducted from my next settlement.

Total chargeback: _____

Contractor Printed Name

Date

Contractor Signature

R. Appendix R – Backing Policy

The most frequent accidents that occur are backing accidents; these types of accidents can cause equipment damage, physical injury, and fatalities. In order to prevent these types of accidents, the following procedure must be followed by Contractors.

- Always conduct a thorough inspection of brakes, horn, warning lights, back-up lights, and 4-way flashers, to ensure proper operation.
- Plan ahead before backing: looking over area and making sure clear of workers, pedestrians, tools, and other vehicles. Walk around all sides of vehicle **before** proceeding to back.
- Always ensure mirrors are properly adjusted and clean. Do not attempt to back if mirrors are covered with dirt, ice, snow, or any other substances that restrict their use or obscure view.
- When backing long distances, stop periodically and check backing area again before proceeding.
- Always use a spotter when line of vision is not clear while backing. Make sure the Contractor and the spotter are in constant radio or visual contact while moving. Hand signals must be discussed before beginning any operations. When using a spotter and you lose sight, STOP immediately until contact can be re-established.
- If a spotter is not available, walk around your vehicle looking for equipment, persons, and other vehicles and begin backing operations immediately and periodically stopping and re-checking area.
- Always sound horn before starting to back and sound periodically.
- Always look in direction of travel while vehicle is in motion.

S. Appendix S – Fleet Policy (Contractor)

SAFETY POLICY

WellSite believes the safety of its employees and Contractors, the public, and the operation is paramount and every attempt must be made to reduce the possibility of accidents. Fleet safety shall take precedence over expediency or shortcuts at all times. Our Company intends to comply with all applicable laws and regulations.

RESPONSIBILITY

WellSite believes it is the responsibility of every Contractor to maintain the safest conditions and equipment at all times. Each Contractor will be expected to demonstrate an attitude that reflects this policy and promotes safe work habits.

OBJECTIVE

The efficiency of any operation can be measured directly by its ability to control losses. Accidents resulting in personal injury and damage to property and equipment represent needless suffering and waste. WellSite intends to reduce and eventually eliminate personal injury, damage to property and equipment caused by the operation of our commercial motor vehicles.

CONTRACTOR QUALIFICATION OVERVIEW

A. Engagement Criteria – In addition to the terms outlined in the Agreement, WellSite maintains a written plan providing engagement criteria. It addresses acceptable driving experience, motor vehicle records, and the physical condition of the respective Contractor. Insurability of the prospective Contractor must meet requirements of the Agreement and insurance carrier. The following are general criteria that must be met to be considered for a Contractor position within fleet operations:

B. Contractor Application - All Contractors will be required to complete documents that provide employment history, driving experience, necessary personal information, and medical history. Additionally, all Contractors will be required to execute an Independent Contractor Operating Agreement.

C. Reference Checks - Documented reference checks must be made with previous employers and/or companies to verify past driving experience.

D. Motor Vehicle Records - Motor vehicle records shall be ordered on all new Contractors at their engagement. MVR's shall be followed up on at least annually. Uniform criteria shall be established to determine the acceptability of driving records.

E. Road Tests - Contractors shall be tested in a vehicle of the type they'll be required to operate in order to determine familiarity with equipment, ability to operate it under the various

conditions that will be encountered, driving attitude, and awareness of motor laws. All road tests will be conducted by appropriate WellSite personnel.

F. Indoctrination Period - Contractors shall be advised that they are on a probationary status until motor vehicle records and reference checks are determined acceptable, and until their driving abilities and attitudes are considered adequate. No Contractor will be allowed to operate any motor vehicle until MVR has been received and negative substance abuse results received.

G. Approval for Dispatch - No Contractor is eligible for Dispatch until Contractor Qualification File has been reviewed and approved by WellSite Safety Department.

I. CONTRACTOR QUALIFICATIONS

A. ENGAGEMENT CRITERIA:

Engagement Criteria – In addition to the Agreement, WellSite maintains a written plan providing engagement criteria. It addresses acceptable driving experience, motor vehicle records, and the physical condition of the respective Contractor. The following are general criterion that must be satisfied to be considered for a Contractor position within fleet operations:

- 1) Must be at least 21 years of age.
- 2) Must be insurable by insurance carrier.
- 3) Must be able to read and speak the English language sufficiently to converse with Company's clients and the general public, to understand highway traffic signs and signals, to respond to official inquiries, and make entries on reports and records.
- 4) Must have experience and/or training sufficient to operate the vehicle safely.
- 5) Must be able to determine that the cargo has been properly loaded, located, distributed, and secured in or on the vehicle.
- 6) Must be physically qualified to operate the vehicle (according to FMCSR).
- 7) Must have a single valid operator's license.
- 8) Must have provided the Company with a record of traffic violations for the previous twelve (12) months.
- 9) Must have successfully completed a road test with an authorized WellSite representative and has a certificate of completion.
- 10) Contractor must not be disqualified under the rules in Part 391.15 of FMCSR, including revoked, suspended, withdrawn or denied operator's license; convicted for operating under the influence of alcohol or illegal drugs while on duty; leaves the scene of an accident while operating a commercial motor vehicle, and/or commits a felony involving the use of a motor vehicle.

B. ENGAGEMENT DECISION

The decision by the Company to engage a Contractor and/or retain such is dependent upon one or more of the following:

1. Termination or No Engagement:

The existence or occurrence of any of the following will preclude the engagement of any Contractor or will result in the termination thereof:

- A. Capital violations such as homicides or assault with a motor vehicle or theft of a motor vehicle.
- B. One or more incidents of driving while intoxicated, reckless driving, hit and run, illegal drug use, rape, child molestation or negligent homicide within a three-year period.
- C. Three or more accidents occurring during a three-year period.
- D. Contractor's license suspended, or revoked.
- E. History of moving violations or accidents not disclosed on the "Contractor Application Form."
- F. 7 or more "points" as described in the Contractor Supervision section below.

2. Probation (6 months):

- A. Two preventable accidents during a three-year period.
- B. One accident and/or two moving violations during a three-year period.
- C. Any three moving violations in the past three years.
- D. Three or more "Out of Service" violations in a one year period.
- E. 4 or more "points" as described in the Contractor Supervision section below.

C. ENGAGEMENT APPLICATION AND DOCUMENTATION

1. Written Contractor Application:

WellSite requires prospective Contractors to complete a Contractor application and provide the following information:

- A. Name and address of this Company or one of our affiliates.
- B. Prospective Contractor's name, address, cellular/mobile telephone number, date of birth and social security number.
- C. Prospective Contractor's address(es) for previous 3 years.

- D. Date application was submitted.
- E. Issuing State, number and expiration date of each unexpired operator's license or permit.
- F. Make and model of prospective Contractor's motor vehicle(s) available for lease by Company.
- G. A detailed list of all vehicle accident for the previous 3 years.
- H. A list of all motor vehicle violation convictions and bond forfeits (except for parking) during the previous 3 years.
- I. Details of any license denial, revocation or suspension.
- J. A list of names, addresses, and phone numbers of all employers/companies during the previous 10 years and the reason for leaving each employer/terminating or non-renewal of contract (exception for 10,001 pound to 26,000 pound GVWR that does not meet other criteria for commercial motor vehicle) for the last 3 years.
- K. The application form must be completed and signed by the prospective Contractor.

2. Physical Qualifications for Contractors

A person cannot drive a motor vehicle unless that person is physically qualified. The specific medical criteria required are those listed in the FMCSR regulations, including the instructions for the physician on performing and recording the examination. Contractors are required to carry an original or photographic copy of a medical examiners certificate at all times and shall be given a copy to be retained within the Contractor's qualification file.

A Contractor must be reexamined and certified once every 24 months or more often if the ability to perform normal duties has been impaired by a physical or mental injury or disease.

3. Controlled Substance Testing

The controlled substance testing is to be performed by having a urine sample analyzed for indication of marijuana, cocaine, opiates, amphetamines and/or phencyclidine use. Breath Alcohol tests are also analyzed per FMCSA standards.

D. REFERENCE CHECKS

Investigation & Inquiries will be performed within 30 days of engagement start. A Motor Vehicle Driving Record Report will be obtained, from every state in which the Contractor has held a license, for the previous three years.

E. MOTOR VEHICLE RECORDS

Every twelve (12) months, a Contractor must prepare and submit a list of all violations of motor vehicle traffic laws and ordinances which the Contractor was convicted of or forfeited bond for during the previous months.

Contractors with commercial license are required to provide information to WellSite, in writing, within 30 days of a conviction.

F. ROAD TEST

A road test must be successfully completed by a potential Contractor and a certificate of completion issued; otherwise, the Contractor cannot be engaged. All road tests will be conducted by WellSite personnel. The Contractor will be observed for successful completion of the following:

1. Pre-trip inspection performance

A Contractor must complete a pre-trip inspection report that covers, at a minimum, the following parts and accessories, and should be logged in the vehicle:

- a. Service brakes, including trailer brake connections
- b. Parking (hand) brake
- c. Steering mechanism
- d. Lighting devices and reflectors
- e. Tires
- f. Horn
- g. Windshield wipers
- h. Rear vision mirrors
- i. Coupling devices
- j. Wheels and rims
- k. Emergency equipment

2. Placing the vehicle in operation

- a. Use of vehicle controls and emergency equipment
- b. Operating vehicle in traffic and while passing other vehicles
- c. Turning the vehicle
- d. Braking and slowing the vehicle by means other than braking

- e. Backing and parking the vehicle

Contractor Qualification File

WellSite maintains files on all Contractors it engages. These files will include the following:

1. A completed Contractor application form.
2. A copy of the Contractor's license.
3. The responses of State agencies and past employers/companies concerning the Contractor's driving and employment record.
4. A copy of the certificate of road test administered by the Company.
5. A copy of the medical examiners certificate.
6. The annual review of the Contractor's Motor Vehicle Record.
7. Annual Certification of Violations submitted by the Contractor.
8. A copy of the executed Independent Contractor Operating Agreement.
9. A copy of all applicable insurance policies.

II. CONTRACTOR SUPERVISION

A. Penalty Action Program - A program has been established providing criteria for unacceptable driving activity and appropriate penalty action. The program shall include:

1. If a Contractor receives a total of seven or more points within a one-year period, the Contractor's Agreement will be terminated and/or not renewed.
2. Any Contractor who receives a point or points for a moving violation will be issued a verbal warning. In addition, the Contractor will receive the appropriate retrain in accordance with the offense and with each offense thereafter. If the Contractor receives any additional points within six months, they will receive a written warning. Should the Contractor receive any additional points within the next three months, they will be ineligible for dispatch. After the Contractor regains eligibility for dispatch, should Contractor receive one or more points during the next three months, the Contractor's Agreement will be terminated and/or not renewed.
3. Contractor Point System: Only category of points will be assigned for each occurrence.

Category Points

Any contact with any part of Company Equipment with a stationary object which results in damage.

2 points

Backing up accident, which results in damage to property or any vehicle, where the police are not involved.

3 points

Report from the public that a Contractor is driving too fast, too slow, weaving in or out of lanes in a non-emergency driving situation.

1 point

Any accident in which the Contractor receives a warning or ticket from the police on scene.

3 points

Any moving violation in which the police stop the vehicle driven by the Contractor for a violation.

3 points

Any accident in which the vehicle driven by the Contractor was going too fast for road conditions.

2 points

B. Accident Review - All accidents and incidents shall be promptly reported to the Company and will be reviewed by management.

1. Reporting - An accident report form must be completed by the Contractor immediately after an accident.

2. Investigation - All accident investigations will be investigated by management to determine the cause of the accident to:

- a. Instruct and Counsel the Contractor to prevent recurrence.
- b. Identify poor maintenance procedures or vehicle condition.
- c. Identify extra-hazardous routes and consider alternatives.
- d. Identify accident trends.
- e. Serve as a basis for a Contractor penalty action program.

C. Incentive Program - Recognition for driving safely shall be an integral part of our loss control effort. This can range from personal recognition within the Company, to special privileges, to merchandise or cash awards. Further information will be made available as this program is developed.

D. Monitoring Driving Activities - A method to adequately monitor the driving activities of the operation has been developed. Based upon the operation, one or more of the following may be completed.

1. Check-in/check-out
2. Call in procedures
3. Checkpoints
4. Vehicle operation recording devices
5. Road Observations

F. Road Observations

Supervision of operations through the use of a road observation system allows for the direct observation of the actions of Contractors, as well as general observation of the condition of vehicles and, when performed by a Fleet safety member, supervisor, or management, helps to identify road conditions likely to affect operations or cause undue hazards. Road observations will be performed through periodic check rides with the Contractor or through the use of a road patrol system.

In fairness to all parties involved, vehicle identification, location, time, road conditions, condition of unit, operation of the unit and any information pertinent to a fair evaluation should be recorded, and the observation should be of sufficient duration to provide an accurate analysis (generally 3-5 miles in rural areas and less in urban areas).

Report forms shall be prepared and submitted within 24 hours of the observation to aid identification of the Contractor. The results shall be communicated to the Contractor irrespective of whether they were good or bad. In the event of a serious violation, a meeting with the Contractor will be held as soon as possible to make the Contractor aware of the problem and to provide remediation.

III. FLEET OPERATING SAFETY RULES

Vehicle Operational Rules

1. All federal, state, county, and local laws, ordinances, and regulations must be followed.
2. Ill or fatigued Contractors are not eligible for dispatch.
3. Driving under the influence of a narcotic or alcohol is cause for immediate termination of engagement.
4. Speeding is absolutely forbidden; trips are scheduled so that the Contractor is not required to exceed any speed limit on the route to be traveled.

5. Vehicle pre-trip inspections will be performed and turned in to office.
6. Safe loading procedures must be followed and verification of cargo is to take place within the first 25 miles after beginning the trip.
7. Contractors required to wear corrective lenses or hearing aids to meet the minimum physical requirements must have them on while driving and have a spare power source for use in the hearing aid.
8. Railroad crossings require a mandatory stop not closer than 15 feet nor further than 30 feet to the tracks. Contractors are required to listen and look in each direction along the tracks for an approaching train. When it is safe to do so, the Contractor will cross the tracks in a gear that permits the vehicle to complete the crossing without a change of gears while crossing the tracks.
9. Contractors must exercise extreme caution when hazardous conditions, such as those caused by snow, ice, sleet, fog, mist, rain, dust, or smoke, affect visibility or traction and stop the vehicle if conditions become to hazardous.
10. Turn signals must be on for at least 100 feet in advance of a turn or lane change and while actually making such movements.
11. Turn signals must be used to indicate the direction of travel while leaving a parking position and while entering a stream of traffic.
12. Wearing of seat belts is mandatory.
13. While on a steep incline or similar situation where driving a slow moving vehicle you may turn on your vehicle hazard warning signal flashers to warn others of the presence of a potential traffic hazard.
14. No vehicle may be left unattended until the parking brake has been securely set and wheels chocked.
15. No vehicle is to be abandoned or parked on the traveled portion of a highway, if it can be avoided.
16. If a vehicle must be stopped on the highway or shoulder for an emergency, the Contractor must immediately activate the hazard warning flashers and properly place the hazard warning devices within ten minutes of stopping.
17. Where lighting conditions are insufficient to make a vehicle visible from 500 feet away, three emergency warning devices must be placed to warn other vehicles. One must be placed at the traffic side within ten (10) feet of the stopped vehicle, one placed at a distance of 100 feet from the stopped vehicle in the lane occupied by the vehicle and in the direction toward traffic approaching in that lane, and one placed 100 feet from the stopped vehicle in the

opposite direction of those above for a two-way road. If a one-way road or a divided highway, the third warning device would be placed 200 feet from the stopped vehicle in a direction toward approaching traffic.

18. Head lamps are to be used 1/2 hour after sunset.

19. "Contractor's Accident Report Kit" is to be used if involved in an accident.

20. Contractor must immediately notify the Company if the Contractor's license is revoked, suspended or withdrawn.

21. Fueling of vehicles with engine operating is prohibited.

22. No smoking or open flame in the vicinity of a vehicle being fueled.

23. No unauthorized riders allowed.

24. Required placards shall always be in place.

V. PREVENTATIVE MAINTENANCE

A. Assigned Equipment - Contractors shall be assigned specific Company Equipment in order to establish accountability for all losses and to instill a sense of pride and care for the assigned equipment.

1. Contractor Responsibility

- a. Contractor shall be assigned to specific Company Equipment in order to establish accountability for all losses and to instill a sense of pride and care for the assigned Company Equipment. Pursuant to the Agreement, Contractors will be charged for damages, including damages to the Company Equipment, if the accident is deemed chargeable.
- b. Charges for damage will be deemed chargeable if the Contractor has not done everything reasonable to avoid the collision or damage.
- c. Charges will be determined by the lesser of either the applicable insurance deductible dollar value as established by the declarations page of the insurance policy or the actual dollar value to place the insured property in a condition equal to that prior to the occurrence of the accident (whichever is less).

B. Contractor Vehicle Inspection Report - Contractors are required to complete a pre-trip inspection report prior to departing from yard. If defects or deficiencies are found, they are to be reported and service is to be performed before vehicle will perform its daily routine. Pre-trip/Post-trip inspections are required from all Contractors. A legible copy of the last vehicle report must be carried on the power unit. Contractors are expected to report any defect or

deficiency discovered during routine operations which would affect safe operation or result in mechanical breakdown of the vehicle.

Note: The Contractors Vehicle Inspection Report shall be filled out at the end of each day's work for each vehicle operated. The following morning the Pre-trip inspection shall take place as with any fleet operated vehicle. Contractors are expected to report any vehicle defects or deficiencies noted during their daily routine: this will be achieved by using the vehicle inspection form. Prior to a vehicle leaving the terminal, the vehicle shall be inspected by the Contractor to ensure that it is in safe operating condition. Any deficiencies found should be reported to the maintenance department for correction before the vehicle leaves the terminal. Upon returning to the terminal, the Contractor shall sign-off, indicating any changes in the condition of the vehicle.

C. 120 day inspection - All tractors must be systematically inspected to verify that all parts and accessories necessary for safe and proper operation are satisfactory. Each inspection will be paid by Contractor either directly or by deduction from settlement. This inspection is in addition to required state and FMCSA inspections.

VI. Lease Agreement

All FMCSA requirements must be complete as well as a copy of attached Lease Agreement must be executed before being eligible for dispatch.

T. Appendix T – Vehicle Fleet Policy

Policy

The purpose of this Policy is to ensure the safety of those individuals who drive vehicles. Vehicle accidents are costly to the Company, but more importantly, they may result in injury to you or others. It is the Contractor's responsibility to operate the Equipment in a safe manner and to drive defensively to prevent injuries and property damage. As such, WellSite endorses all applicable state motor vehicle regulations relating to Contractor responsibility. The Company expects each Contractor to drive in a safe and courteous manner pursuant to the following safety rules. The attitude you take when behind the wheel is the single most important factor in driving safely.

Contractor Eligibility

- Equipment is to be driven by authorized Contractors only, except in emergencies, or in case of repair testing by a mechanic. Spouses and other family members are not authorized to drive Equipment during lease term.
- Any Contractor who has a driver's license revoked or suspended shall immediately notify Company, and discontinue operation of the Equipment and/or Company Equipment. Failure to do so may result in penalty action, including termination of engagement.
- All accidents, regardless of severity, must be reported to the police and to the Company Safety Department. Failing to stop after an accident and/or failure to report an accident may result in penalty action, including termination of engagement.
- Contractors must immediately report all summonses received for moving violations during the operation of Equipment and/or Company Equipment to the Company Safety Department within 24 hours.
- All CDL Contractors must comply with all applicable D.O.T. regulations, including successful completion of medical, drug, and alcohol evaluations.
- Motor Vehicle Records will be ordered periodically to assess Contractor's driving records.

Contractors with an unfavorable record will not be eligible for dispatch. The following system will be used to determine eligibility for dispatch:

- All type "A" violations (as defined below) will result in a Contractor not being eligible for dispatch and immediate termination of engagement.

- Any Contractor showing one of the following will be temporarily ineligible for dispatch and may lead to termination of engagement:
 - One (1) or more type 'A' Violations in the last 3 years.
 - Three (3) or more accidents (regardless of fault) in the last 3 years.
 - Three (3) or more type 'B' violations in the last 3 years.
 - Any combination of accidents and type 'B' violations which equal Four (4) or more in the last 3 years.

Type 'A' Violations:

- Driving While Intoxicated
- Driving while Under the Influence of drugs
- Negligent Homicide arising out of the use of a Motor Vehicle (gross negligence)
- Operating during a period of suspension or revocation
- Using a Motor Vehicle for the commission of a felony
- Aggravated Assault with a Motor Vehicle
- Operating a Motor Vehicle without the owners authority (grand theft)
- Permitting an unlicensed person to drive
- Reckless Driving
- Speed Contest (racing)
- Hit and Run (Bodily Injury or Property Damage)

Type 'B' Violations

- All Moving Violations not listed as type 'A' Violations

Contractor Safety Rules

- The use of Equipment and/or Company Equipment while under the influence of intoxicants and other drugs is forbidden and is sufficient cause for penalty, including immediate termination of engagement.
- No Contractor shall operate Equipment and/or Company Equipment when his/her ability to do so safely has been impaired by illness, fatigue, injury, or prescription medication.

- All Contractors operating or riding in Equipment and/or Company Equipment must wear seat belts, even if air bags are available.
- No unauthorized personnel (e.g., passengers or Hitch-hikers) are allowed to ride in Equipment and/or Company Equipment.
- Contractors are responsible for the security of Company Equipment assigned to them. The vehicle engine must be shut off, ignition keys removed, and vehicle doors locked whenever the vehicle is left unattended. If the vehicle is left with a parking attendant, only the ignition key is to be left.
- Head lights shall be used 1/2 hour after sunset and 1/2 hour before sunrise, or during inclement weather, or at any time when a distance of 500 feet ahead of the vehicle cannot be seen clearly.
- All other state laws, local laws, or regulations must be obeyed.

Defensive Driving Rules

- Contractors are required to maintain a safe following distance at all times. To estimate your following distance, pick a stationary object ahead of you. As the vehicle in front of you passes the object, begin counting 1001, 1002, 1003, etc. until you reach the same object. This counts the number of seconds between you and the vehicle ahead of you.
- Contractors of passenger vehicles should keep a two-second interval between their vehicle and the vehicle immediately ahead. During slippery road conditions, the following distance should be increased to at least four-seconds.
- Contractors of heavy trucks should keep a minimum of a three-second interval when not carrying cargo; and at least four-seconds when fully loaded. Following distance should also be increased when adverse conditions exist.
- Contractors must yield the right of way at all traffic control signals and signs requiring them to do so. Contractors should also be prepared to yield for safety's sake at any time. Pedestrians and bicycles in the roadway always have the right of way.
- Avoid driving in other driver's blind spots; attempt to maintain eye contact with the other driver, either directly or through mirrors.
- Contractors must honor posted speed limits. In adverse driving conditions, reduce speed to a safe operating speed that is consistent with the conditions of the road, weather, lighting, and volume of traffic. Tires can hydroplane on wet pavement at speeds as low as 40 MPH.
- Turn signals must be used to show where you are heading; while going into traffic and before every turn or lane change.

- When passing or changing lanes, view the entire vehicle in your rear view mirror before pulling back into that lane.
- Be alert of other vehicles, pedestrians, and bicyclists when approaching intersections.

Never speed through an intersection on a caution light. Approach a stale green light with your foot poised over the brake to reduce your reaction time should it be necessary to stop. When the traffic light turns green, look both ways for oncoming traffic before proceeding.

- When waiting to make left turns, keep your wheels facing straight ahead. If rear-ended, you will not be pushed into the lane of oncoming traffic.
- When stopping behind another vehicle, leave enough space so you can see the rear wheels of the car in front. This allows room to go around the vehicle if necessary, and may prevent you from being pushed into the car in front of you if you are rear-ended.
- Avoid backing where possible, but when necessary, keep the distance traveled to a minimum and be particularly careful.
- Check behind your vehicle. Operators of heavy trucks should walk around their vehicle before backing and/or have someone guide you.
- Back to the Contractor's side. Do not back around a corner or into an area of no visibility.

Vehicle Maintenance

Proper vehicle maintenance is a basic element of any fleet safety program, not only to ensure a safe, road worthy vehicle, but also to avoid costly repair expenses and unexpected breakdowns.

- Registration and Inspection is the responsibility of the Contractor.
- Contractors of D.O.T. regulated vehicles are required to inspect their vehicle prior to usage, documenting and notifying the Company mechanic of deficiencies found.
- In addition to inspections required by law for passenger vehicles, routine inspections of critical items, such as brakes, lights, tires, wipers, etc., must also be completed by Contractors of passenger vehicles.
- The vehicle should be cleaned (interior & exterior) regularly to help maintain its good appearance for you and the Company. A clean vehicle makes a good impression on customers.
- The vehicle manufacturer's maintenance schedule should be referenced and closely following regarding recommended maintenance intervals.

U. Appendix U – Form of Independent Contractor Agreement and Lease