

OASIS PETROLEUM NORTH AMERICA LLC

OASIS WELL SERVICES LLC

Contractor Environmental, Health and Safety (EHS) Requirements

March 2012

OASIS PETROLEUM NORTH AMERICA LLC

OASIS WELL SERVICES LLC

Contractor EHS Requirements

The attached rules and instructions have been provided to and discussed with the contract employer.

Name: _____ (Authorized Contractor Representative)

Signature: _____

Company Name: _____

OASIS Representative: _____

Date: _____

All contract employers are responsible for ensuring that the Oasis EHS requirements are reviewed by all of his/her employees before beginning work on an Oasis location. A copy of the signed sheet(s) should be provided to the Oasis contract proponent or facility supervisor at the field location or to his/her designee.

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Contractor EHS Requirements

A. INTRODUCTION

This document is a summary of the EHS requirements and working procedures that are the minimum standards and practices to which all contractor personnel must adhere while working for Oasis Petroleum North America LLC or Oasis Well Services LLC (collectively, "Company"). These are Company minimum requirements, and are in addition to, and intended to supplement, all other applicable laws, rules and regulations. Contractor must develop its own EHS program, policies and procedures and through its program, policies and procedures demonstrate compliance with all federal, state, county and municipal laws, rules and regulations applicable to Contractor's work and Contractor's services, items, materials, equipment, or personnel to be used in performing such work, including, but not limited to, the following (as may be supplemented and amended from time to time): the Occupational Safety and Health Act, the Clean Air Act, the Comprehensive Environmental Response, Compensation and Liability Act, the Federal Water Pollution Control Act, the Solid Waste Disposal Act, the Resources Conservation and Recovery Act, the Safe Drinking Water Act, the Toxic Substances Control Act, the Hazardous Materials Transportation Act, the Federal Oil Pollution Act of 1990 and comparable state and local statutes and implementing rules or regulations.

B. INDIVIDUAL RESPONSIBILITIES

It is the minimum responsibility of every individual working at a Company location to comply with the requirements set out in this document. It is not within the scope of this document to detail all government regulations or Company EHS procedures, but rather to provide an overview of Company requirements. If any questions or concerns arise about safe work practices, consult your supervisor and/or a Company supervisor for the facility where you are working.

C. CONTRACTOR'S RESPONSIBILITIES

Contractor shall be responsible for compliance with the enclosed requirements, other Company requirements which may be subsequently issued, and all government regulations applicable to Contractor's employees and subcontractors.

1. Environmental, Health and Safety Commitment

Contractor shall demonstrate a strong commitment to EHS matters and must have established EHS-related policies and procedures. Contractor shall be responsible for complying with its policies and procedures related to EHS matters. Contractor shall be responsible for all aspects of Contractor's EHS performance, and for ensuring that Contractor has a supervisory person at the worksite at all times who is competent and has the authority to implement the Contractor's EHS system properly and meet Company's EHS requirements. To assist Company in evaluating Contractor's EHS program contents and implementation, Contractor shall maintain a current Standardized Safety Questionnaire (SSQ) through PEC Premier (www.pecpremier.com). Although participation in other PEC Premier programs is voluntary at this time, contractors who participate will be given priority for assignment of work.

2. General Health, Safety and Welfare

Contractor is responsible for maintaining all facilities and associated services under Contractor's direction or responsibility in a manner which does not create or otherwise contribute to an unhealthy working or living environment. In order to accomplish this objective, Contractor shall ensure the following:

2.1. Contractor Personnel Fitness/Personal Hygiene

Contractor and any of its subcontractors acknowledge that the work to be performed for Company by Contractor and subcontractor employees can require extensive physical demands. Contractor and all subcontractors shall ensure that all personnel assigned to any Company location can safely perform the essential functions of his/her job assignment with or without reasonable accommodation by Company. Contractor shall ensure that Contractor's personnel maintain appropriate standards of personal hygiene in connection with the performance of the work on Company's behalf.

2.2. EHS Orientation

An employee EHS orientation program shall be implemented by Contractor, and shall be given to all of Contractor's and all subcontractors' personnel, regardless of prior experience. This EHS orientation shall address Contractor's mandatory EHS procedures, rules, and regulations. Each employee of Contractor and any of its subcontractors must receive the EHS orientation before being allowed on any of Company's work sites.

2.3. Incident Reporting and Investigation

Contractor is required to immediately notify Company of all safety-related incidents (e.g., any work-related injury, illness, fatality or other EHS-related recordable incidents) involving Contractor or any subcontractor personnel. In addition, a written report of such incident must be prepared by Contractor and delivered to Company within twenty-four (24) hours of each such incident. Contractor shall promptly investigate all such incidents, conduct a Root Cause Analysis, and provide final incident investigation reports (including recommendations and corrective action plans identified during investigations) to Company within thirty (30) days of the incident. The Contractor shall agree that designated Company personnel may participate in any Contractor investigation of such incidents. Contractor shall provide Company with copies of all incident reports that result in formal notification to any Government agency.

Contractor will be required to provide a monthly safety performance report undertaken as part of, any work performed by Contractor, or the obligations of Contractor under any Master Service Agreement (MSA). The monthly cut off for each report shall be close of business up to and including the final day of each month. Contractor's safety performance report shall be based on the following formula for determining recordable incident frequency rate:

$$\frac{(\text{Total Number of Fatalities, Lost Time Incidents \& Medical Treatments} \times 200,000)}{\text{Total Number of Man-hours on Company's Work Sites}}$$

This information will be reported monthly through Contractor's PEC Premier account (SSQ) and will be completed no later than the 3rd business day of the month following the reporting month.

2.4. Reporting Hazards, Unsafe Conditions, & Near Misses

Unsafe conditions shall be immediately reported to Company. "Near Miss" incidents that could have resulted in injury or damage shall be reported immediately to Company in order to ensure corrective action is taken. At Company's discretion, a Root Cause Analysis may be requested to fully determine causes and appropriate corrective actions to address "Near Miss" incidents.

2.5. Behavior-Based Safety Observation Programs

Behavior-Based Safety Observation Programs are recognized as an effective tool in the development and growth of a proactive safety culture. Contractors are encouraged, but not required, to implement a Behavior-Based Safety Observation Program. When such programs are implemented by Contractor, quarterly reports shall be shared with Company where those programs are used by Contractor crews working on behalf of Company.

2.6. Substance Abuse, Dangerous Materials and Firearms

Without prejudice to Company's other remedies, any of Contractor's personnel who are in breach of the provisions of Company's rules, regulations, and policies relating to substance abuse, dangerous materials, and firearms, shall be immediately removed from the applicable worksite. Entry into Company property is conditioned upon the Company's right to conduct unannounced searches for such contraband. Contractor shall cause Contractor's personnel to comply with and be subject to all such rules, regulations, and policies.

2.7. Horseplay

Horseplay, such as wrestling and practical jokes, etc., can be dangerous and is prohibited at Company locations.

2.8. Housekeeping

Contractor must use good maintenance practices around the work site. Work areas shall be maintained in a neat and orderly manner. Trash, spills, unused tools or materials, etc. must be cleaned up or put away as soon as possible. Aisles, emergency exits, electrical panel accesses, fire extinguishers and emergency controls must be kept clear and free of materials at all times. All wastes are to be properly and safely disposed of. Contractor shall leave all work sites clean, orderly and in good condition as directed by Company. All remaining trash, debris, surplus materials and equipment must be removed from Company locations or neighboring property upon completion of work.

2.9. Clothing and Other Apparel

Clothing suitable for the job shall be worn. Long pants and shirts or coveralls should be worn at all times during the performance of the work. Ragged or loose clothing and jewelry (rings, watches, necklaces, etc.) are not to be worn when operating equipment. Any clothing that becomes saturated with petroleum products or hazardous chemicals should be promptly removed or changed. Fire retardant clothing (FRC) must be worn when working in areas where the potential for a flash fire exists. These areas include production facilities, salt water disposal facilities, compression facilities and well sites during all phases of drilling, completions and work-over activity.

Individuals on location but not engaged in work activity or not present in the area where work is conducted are not required to wear FRC. Examples of these exclusions include visits to a drilling location to make material or equipment deliveries and visits to secure signatures on work tickets. Individuals conducting construction activities on locations prior to drilling a well are not required to wear FRC.

2.10. Compressed Gas Cylinders and Compressed Air

All compressed gas cylinders shall be returned immediately to a suitable storage area after use. Protective caps shall be placed over the cylinder valves when not in use or when being transported. Compressed gas cylinders shall be kept away from heat, fire, molten metal, or electrical lines, and shall not be transported by mobile cranes unless a special carrier is used. Compressed gas cylinders shall be stored in the upright position and secured. Acetylene or liquid compressed gas cylinders shall never be used in a horizontal position, as the liquid may be forced out through the hose causing a fire hazard or explosion. Cylinders shall be handled, maintained and stored as required by 29CFR1910.253.

Compressed air shall not be used for cleaning clothing or parts of the body. If used for other cleaning, the discharge shall not exceed thirty (30) psi and eye protection shall be worn.

2.11. Storage, Use and Labeling of Chemicals, Solvents and Paint

All chemicals, solvents, and paints are to be stored in accordance with industry practice in a storage locker designed and installed to meet the requirements of NFPA 30. Chemicals, solvents and paints should be returned to the storage locker after use and at the end of each work day or shift.

All chemicals, solvents and paints must be kept in clearly labeled containers. Material Safety Data Sheets ("MSDS") must be supplied for Contractor's materials supplied under any MSA, or in connection with any work performed by Contractor or any of its subcontractors, and all of Contractor's and all of its subcontractors' personnel

must be instructed in the safe use of the chemicals in accordance with an appropriate written Hazard Communication Program. Protective equipment as outlined in the MSDS or as otherwise required by operating location management must be provided to and worn by potentially exposed Contractor personnel.

Low flash point solvents shall not be used for any washing or cleaning. The use of gasoline for anything other than the intended purpose is not permitted at Company sites.

2.12. Personal Protective Equipment

Personal protective equipment (PPE) or clothing shall meet American National Standards Institute (ANSI) or a Company-approved equivalent standard. The wearing of appropriate PPE is required at the worksite, any location where hazards exist in the work place and in all specifically designated areas. The following PPE, along with training in its use and care, is to be furnished by Contractor:

- Head Protection
- Eye and Face Protection
- Hand and Foot Protection
- Hearing Protection
- Flame Resistant Clothing
- Clothing for Handling Hazardous Chemicals
- Fall Protection
- Other equipment, i.e., breathing apparatus, gloves, harnesses or belts, rain gear or chemical resistant clothing, etc., must be worn when the hazards to which an individual is exposed dictate their use.

The following items of PPE shall be used and/or worn by Contractor's personnel at all times in and around the work site:

- Hard hats, safety glasses with side shields, and steel-toed safety shoes or boots
- Hearing protection must be worn in high-noise areas

2.13. Overhead Work

When working overhead, the area below shall be roped off or other equivalent measures taken to protect workers on the worksite. Signs reading "Danger – Work Overhead" shall be conspicuously posted by Contractor. When possible, tools will be tied off or equipped with a tether or lanyard.

Contractor's personnel shall never pass under a suspended load. Tag lines will be used for positioning equipment or materials during a lift. All lifts will be conducted using properly rated equipment, and all slings, chains and other lifting devices will be certified and tagged. All lifting equipment will be inspected prior to use.

2.14. Scaffolds or Platforms

All scaffolds or platforms used for installation and maintenance or removal of machinery and equipment shall be constructed, maintained, and used in compliance with the applicable occupational health and safety construction regulations. All scaffolds shall be inspected and tagged by a competent individual prior to use.

2.15. Fall Protection Equipment

Full body safety harnesses and lifelines shall be supplied by Contractor and worn by all workers when working above six (6') feet. All fall protection equipment shall be routinely inspected and maintained following manufacturer recommendations.

2.16. Non-Destructive Testing (NDT)

Radioactive isotopes, x-rays, etc., shall only be used by licensed individuals. All others onsite shall be notified of the testing activities and instructed to stay clear of the area. NDT may have to be scheduled such that individuals do not have to work in the affected area. Contractor shall ensure that the NDT contractor places warning signs, etc., at the required distance from the testing worksite.

2.17. Safe Work Systems (SWS)

Safe Work Systems include Permit to Work (PTW), Confined Space Entry (CSE), Hot Work, Lock-out Tag-out (LOTO), and Trenching & Excavation. Contractor is required to implement SWS programs relevant to the work being performed, including, but not limited to, hot work, confined space entry, control of potentially hazardous energy and excavation work.

2.18. Hydrogen Sulfide

Hydrogen Sulfide, or H₂S, may be encountered at Company facilities. Contractor is responsible for ensuring that Contractor's personnel are properly trained and equipped in accordance with applicable regulations and to a recognized industry standard when working in areas where hydrogen sulfide may be encountered due to the nature of the work.

2.19. Fire Protection

Any unauthorized use of fire protection equipment for any other purpose other than its intended use is forbidden. Contractor shall provide fire protection equipment appropriate for the work being performed.

Smoking is only permitted in designated areas. Any work that has the potential to produce a spark or open flame (i.e., welding, cutting, grinding, electrical) in areas where flammable vapors or combustible materials may exist is strictly prohibited.

2.20. Safety Equipment

Contractor shall provide adequate safety equipment of an approved type and amount as is required for the performance of the work. Contractor shall maintain this equipment in a professional manner as dictated by legal and industry standards. In addition, Contractor shall keep up-to-date records of all said equipment.

2.21. Safety Training

Contractor shall ensure that Contractor's personnel have been given the necessary safety, emergency, and job-related training required by petroleum industry standards and practice, as well as Contractor's and Company's EHS policies and procedures. Training records must be available to Company for review. Contractor shall ensure that certificates for mandatory training have been obtained by Contractor prior to Contractor's personnel travelling to any location to start the work.

2.22. EHS Meetings

Regular EHS meetings should be held and pre-job toolbox talks should be established. Such EHS meetings should be documented and copies forwarded to Company's Authorized Representative as requested.

2.23. English Language Proficiency

Contractor shall ensure that all Contractor management and supervisory personnel are proficient in reading and writing of the English language. This is critical for all aspects of EHS including implementation of procedures, permits to work, training, signs, and emergency response actions.

2.24. DOT Safety

Contractor shall operate all Commercial Motor Vehicles in compliance with State and Federal Motor Carrier Safety Regulations.

2.25. Minimum Certifications and Licenses

Contractor will ensure that all personnel have the necessary certifications or licenses required for their jobs. Examples include, but are not limited to, IADC Well Control, radiation safety, rigger, crane operator, welder, electrician, plumber, forklift operator and commercial motor vehicle driver.

2.26. Electrical Safety

Contractor's personnel working around electrical equipment shall take precautions to ensure that the equipment is de-energized while work is being conducted on or around such equipment. Work that is to be conducted near any overhead power line shall be planned such that a clearance of no less than ten feet is maintained throughout the duration of the job to prevent accidental contact with energized equipment or lines. If work is to be performed within a ten-foot radius of overhead energized equipment, the equipment must be de-energized prior to starting the work, unless adequately controlled by the safe work system. Ladders used around electrical equipment should be constructed of wood or other nonconductive material. Strict precautions should be taken to ensure that all equipment used is properly grounded and that accidental contact with ungrounded electrical sources is prevented.

2.27. Emergencies

Contractor's personnel shall become familiar with Company's Emergency Response Plans and Procedures at Company work locations and will participate in emergency drills when conducted on Company property. If there are questions concerning evacuation or emergency response arrangements, Contractor must immediately notify a Company supervisor for further explanation.

3. Environmental Management

Contractor is responsible for compliance with all applicable U.S. Environmental Protection Agency, state and other federal laws and regulations related to the environment. Contractor shall pay due regard to the environment and shall act responsibly in order to protect the environment from adverse effects resulting from Contractor's activities and to minimize any adverse impact which may arise from such activities. In order to accomplish this objective, Contractor shall ensure the following:

3.1 All work and maintenance shall be completed in such a manner as to preclude contamination of land sites and subterranean fresh water zones through the use of good international oil industry practices.

3.2 Contractor shall immediately report any oil, produced water or chemical spills to Company.

3.3 Company, to ensure there are no detrimental effects being imposed on surrounding inhabitants, may periodically assess noise levels from operations. When requested by Company, Contractor shall install sound absorption and mitigation devices.

3.4 All unused chemicals NOT consumed in operations or maintenance shall be kept in stock, returned to the supplier if applicable, recycled, or returned by Contractor at its sole expense.

3.5 At the discretion of Company and dependent on the nature of work, Contractor may be requested to develop and implement a Waste Management Plan (WMP) for handling and disposing of hazardous and non-hazardous waste material. This WMP shall be subject to the review and approval of Company. At a minimum, all wastes shall be identified and catalogued as either Non-Hazardous and/or Hazardous Wastes.

3.6 Tanks or vessels for fuel and lubricants storage shall be properly closed, installed at ground level, and be contained inside an impermeable dike technically designed for this purpose, with a retention capacity equal to the 110% of the largest tank. Tanks or vessels shall comply with all technical and safety requirements to avoid excessive evaporation, contamination, explosion or fuel spill. The Contractor shall inspect these tanks on a daily basis and any accumulation of fuel/oil shall be removed to preclude eventual overflows and seepage into the ground.

3.7 All wash down water and other water derived from execution of the work is to be controlled and managed in such a manner as to prevent direct discharge to land or inland rivers and lakes.

3.8 Contractor's employees shall not hunt, fish, trap, trade or keep wild animals in captivity on Company locations.