

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLORADO

Civil Action No. 17-cv-01382-CMA-KLM

JOSEPH SANCHEZ, on behalf of himself and all similarly situated persons,

Plaintiff,

v.

PALLADIUM EQUITY PARTNERS, LLC; Q'MAX SOLUTIONS INC; Q'MAX AMERICA  
INC.-; PATRIOT SOLIDS CONTROL; and PATRIOT DRILLING SOLUTIONS,

Defendants

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**AMENDED CLASS/COLLECTIVE ACTION COMPLAINT**

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Plaintiff Joseph Sanchez (“Plaintiff”), on behalf of himself and all similarly situated persons, brings this class/collective action lawsuit against Defendants Palladium Equity Partners, LLC (“Palladium”), Q’Max Solutions Inc (“Q’Max Solutions”), Q’Max America Inc. (“Q’Max America”), Patriot Solids Control (“Patriot Solids”), and Patriot Drilling Fluids (“Patriot Drilling”) (collectively “Defendants”), seeking all available relief under: (i) the Fair Labor Standards Act (“FLSA”), 29 U.S.C. §§ 201, *et seq.*; (ii) the Colorado Minimum Wage Act (“CMWA”), Colo. Rev. Stat. §§ 8-6-101, *et seq.*, as implemented by Colorado Minimum Wage Order (“Wage Order”), 7 CCR 1103-1; and (iii) the Colorado Wage Claim Act (“CWCA”), §§ 8-4-101, *et seq.* In support of these claims, Plaintiff asserts the following:

**JURISDICTION AND VENUE**

1. Jurisdiction over the FLSA claim is proper under 29 U.S.C. § 216(b) and 28 U.S.C. § 1331.
2. Jurisdiction over the Colorado state law claims is proper under 28 U.S.C. § 1367.

3. Venue is proper under 28 U.S.C. § 1391.

**EXISTENCE OF RELATED ACTIONS**

4. Plaintiff hereby informs the Court that the following related actions were filed *after* Plaintiff commenced the instant action: (i) Western District of Pennsylvania Case No. 2:17-cv-00914-AJS (commenced on July 11, 2017 and assigned to Judge Arthur J. Schwab); and (ii) Western District of Pennsylvania Case No. 2:17-cv-01076-AJS (commenced on August 16, 2017 and assigned to Judge Arthur J. Schwab). Plaintiff’s counsel is not aware of any other related actions.

**PARTIES**

5. Plaintiff is an individual residing in West Monroe, Louisiana (Ouachita County).

6. Plaintiff is an employee covered by the FLSA, the CMWA, and the CWCA.

7. Palladium is corporate entity headquartered at 1270 Avenue of the Americas, 31st Floor, New York NY 10020. Palladium owns Q’Max Solutions, Q’Max America, Patriot Solids, and Patriot Drilling.

8. Q’Max Solutions is a corporate entity headquartered at 11700 Katy Freeway, Suite 200, Houston, TX 77079 and maintaining a regional office at 5600 South Quebec Street, Greenwood Village, CO 80111. According to Palladium’s website, Q’Max Solutions “is a global, independent oilfield services company focused on providing drilling fluids and solids control services to national and independent oil companies.”

9. Q’Max America is a corporate entity headquartered at 11700 Katy Freeway, Suite 200, Houston, TX 77079 and maintaining a regional office at 5600 South Quebec Street, Greenwood Village, CO 80111.

10. Patriot Solids is a corporate entity headquartered at 5600 South Quebec Street,

Greenwood Village, CO 80111, and, according to the Master Service Agreement provided to Plaintiff, is “a Division of Q’Max America.” *See* Exhibit A (form Master Service Agreement).

11. Patriot Drilling is a corporate entity that, according to the IRS 1099 tax form provided to Plaintiff for the 2016 tax year, is headquartered at 5600 South Quebec Street, Greenwood Village, CO 80111, and according to its previously filed disclosure statement, is “a division of” Q-Max America. *See* Doc. 13.

12. Palladium, Q’Max Solutions, Q’Max America, Patriot Solids, and Patriot Drilling will be referred to collectively as “Defendants.”

13. Defendants independently and collectively employ individuals who, like Plaintiff, are engaged in commerce or in the production of goods for commerce and/or handling, selling, or otherwise working on goods or materials that have been moved in or produced in commerce by any person.

14. Defendants are employers covered by the FLSA, CMWA, and CWCA.

### **FACTS**

15. Defendants own and operate oil and gas industry service companies that provide, *inter alia*, individuals to work at their clients’ oil and gas rigs and facilities.

16. During the time period relevant to this lawsuit, Defendants have employed individuals described as non-employee “consultants,” “contractors,” or “independent contractors.” These individuals, who will be referred to herein as “Consultants,” worked for Defendants pursuant to a Master Service Agreement, *see, e.g.*, Exhibit A, or similar contract.

17. The Master Service Agreement dictates that consultants will be paid on a day-rate basis. *See* Exhibit A at § 3.

18. The Master Service Agreement contains a choice of law provision stating: “The

Agreement shall be construed and interpreted in accordance with the laws of the State of Colorado.” Exhibit A at § 10(a).

19. Consultants hold various job titles such as, for example, “Solid Control Technicians” and “Mud Engineers.”<sup>1</sup>

20. Defendants generally require Consultants to abide by the same corporate mandates and policies that apply to employees. For example, even though Plaintiff was a Consultant, Patriot Solids issued to him a written “Disciplinary Program” that makes various references to Patriot Drilling, and, more importantly, is applicable to *both* employees and Consultants. *See* Exhibit B. Similarly, Patriot Solids issued “Stop Work Authority Program” and “Drug & Alcohol Policy” documents and Patriot Drilling issued an “Accident Reporting” document that are applicable to *both* employees and Consultants.

21. Defendants also issued to Plaintiff company policy documents that refer exclusively to “employees.” These include documents issued by Q’Max America and entitled: “Acknowledgment Regarding Trade Secrets and Prior Agreements Limiting Competition;” “Confidentiality, Non-Compete and Non-Solicitation Agreement;” and “Disclosure and Consent to Obtain Employee Information.”

22. In an effort to avoid paying taxes and other employee benefits, Defendants classified Plaintiff and other Consultants as non-employees. However, based on the economic realities of the relationship between Defendants and their Consultants, Consultants actually are “employees” for purposes of the FLSA, CMWA, and CWCA. This is because, *inter alia*: (a) Defendants micromanage the manner in which Consultants perform their work, leaving them with little independent discretion or control over their work; (b) Consultants have virtually no

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<sup>1</sup> In the absence of discovery, Plaintiff is not aware of each of the formal job titles that Defendants have given to every individual working as a Consultant.

opportunity for profit or loss depending upon their managerial skill; (c) Consultants' personal investment in equipment is minimal and they have little discretion in selecting the materials and products to be used for their work; (d) the services rendered by Consultants do not require any special skills beyond those easily obtained through routine on-the-job training; (e) Consultants' positions are permanent in that Defendants' scheduling practices make it unrealistic for them to pursue other business opportunities; and (f) the services rendered by Consultants are an integral part of Defendants' business.

23. Plaintiff worked as a Consultant for Defendants from approximately December 2016 until approximately February 2017.

24. Defendants paid Plaintiff and other Consultants a day-rate. For example, Plaintiff was paid a day-rate of \$350.00 by Defendants.

25. Consultants typically work shifts lasting approximately 12 hours.

26. Plaintiff and other Consultants regularly work over 40 hours per week and sometimes work over 12 hours per day.

27. Defendants did not pay Plaintiff and other Consultants any extra overtime premium compensation for their hours worked over 40 hours per week or over 12 hours per day.

28. By failing to pay the overtime premium to Plaintiff and other Consultants, Defendants have acted willfully and with reckless disregard of clearly applicable FLSA, CMWA, and CWCA provisions.

### **COLLECTIVE ACTION ALLEGATIONS**

29. Plaintiff brings his FLSA claim as a collective action pursuant to FLSA Section 16(b), 29 U.S.C. § 216(b), on behalf of all individuals who, during any time within three years prior to filing the lawsuit, worked for some or all of the Defendants in the United States and were

classified as non-employees pursuant to any version of the attached Master Service Agreement or any similar contract.

30. Plaintiff brings his CMWA and CWCA claims as a class action pursuant to Federal Rule of Civil Procedure 23 on behalf of all individuals who, during any time within the past three years, worked for some or all of the Defendants in the United States and were classified as non-employee independent contractors pursuant to any version of the attached Master Service Agreement or any similar contract containing a Colorado choice of law provision.<sup>2</sup>

31. Plaintiff's FLSA claim should proceed as a collective action because Plaintiff and other potential members of the collective, having worked pursuant to the common policies described herein, are "similarly situated" as that term is defined in 29 U.S.C. § 216(b) and the associated decisional law.

32. Class action treatment of Plaintiff's state law claims is appropriate because, as alleged below, all of Federal Rule of Civil Procedure 23's class action requisites are satisfied.

33. The class, upon information and belief, includes over 50 individuals, all of whom are readily ascertainable based on Defendants' business records and are so numerous that joinder of all class members is impracticable.

34. Plaintiff is a class member, his claims are typical of the claims of other class members, and he has no interests that are antagonistic to or in conflict with the interests of other class members.

35. Plaintiff and his lawyers will fairly and adequately represent the class members

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<sup>2</sup> Under the CWCA, individuals no longer working for Defendants can recover unpaid wages extending backwards to the initial date of their employment. *See, e.g., Norwood v. WBS, Inc.*, 2016 U.S. Dist. LEXIS 185965 (D. Colo. Nov. 14, 2016).

and their interests.

36. Questions of law and fact are common to all class members, because, *inter alia*, this action concerns Defendants' common business policies, as described herein. The legality of these practices will be determined through the application of generally applicable legal principles to common facts.

37. Class certification is appropriate under Federal Rule of Civil Procedure 23(b)(3) because common questions of law and fact predominate over questions affecting only individual class members and because a class action is superior to other available methods for the fair and efficient adjudication of this litigation.

**COUNT I**  
**(Alleging FLSA Violations)**

38. All previous paragraphs are incorporated as though fully set forth herein.

39. The FLSA requires that employees receive overtime premium compensation "not less than one and one-half times" their regular pay rate for hours worked over 40 per week. *See* 29 U.S.C. § 207(a)(1).

40. Defendants violated the FLSA by failing to pay Plaintiff and the proposed FLSA collective any overtime premium for hours worked over 40 per week.

**COUNT II**  
**(Alleging CMWA/Wage Order Violations)**

41. All previous paragraphs are incorporated as though fully set forth herein.

42. The CMWA, combined with the Wage Order, requires that employees "be paid time and one-half of the regular rate of pay for any work in excess of: (1) forty (40) hours per workweek; (2) twelve (12) hours per workday, or (3) twelve (12) consecutive hours without regard to the starting and ending time of the workday." 7 CCR 1103-1(4).

43. Defendants violated the CMWA and Wage Order by failing to pay Plaintiff and the putative class members any overtime premium for hours worked over 40 per week or over 12 per day.

**COUNT III**  
**(Alleging CWCA Violations)**

44. All previous paragraphs are incorporated as though fully set forth herein.

45. The CWCA requires employers to pay all wages owed (i) to current employees within one month of the date on which the wages were earned, *see* Colo. Rev. Stat. § 8-4-103(1)(a) and (ii) to former employees immediately upon the date of discharge, *see id.* at § 8-4-109.

46. As a result of the foregoing conduct, as alleged, Defendants have failed to pay wages due under the CWCA, CMWA, Wage Order and FLSA thereby violating, and continuing to violate, the CWCA. These violations were committed knowingly, willfully and with reckless disregard of applicable law.

47. Plaintiff hereby demands payment on behalf of himself and all Class Members in an amount sufficient to provide compensation for all overtime hours worked that were not compensated properly. This demand for payment is continuing and is made on behalf of any current employee of Defendants whose employment terminates at any time in the future. Such payment can be made care of undersigned counsel at the listed address.

**PRAYER FOR RELIEF**

**WHEREFORE**, Plaintiff, on behalf of himself and other members of the collective, seeks the following relief:

- A. An order permitting this action to proceed as a collective;
- B. Prompt notice, pursuant to 29 U.S.C. § 216(b), of this litigation to all members of



the FLSA collective informing them of this action and permitting them to join (or “opt-in” to) this action;

C. Class certification of Plaintiff’s Colorado state law claims;

D. Unpaid wages and prejudgment interest to the fullest extent permitted under federal and state law;

E. Liquidated damages and penalties to the fullest extent permitted under federal and state law;

F. Litigation costs, expenses, and attorneys’ fees to the fullest extent permitted under federal and state law; and

G. Such other and further relief as this Court deems just and proper.

Respectfully submitted this 19th day of September, 2017.

*/s/ Brian D. Gonzales*

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Brian D. Gonzales  
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*/s/ Peter Winebrake*

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*Counsel for Plaintiff*

# **Exhibit A**

**(Amended Class/Collective Action Complaint)**

**MASTER SERVICE AGREEMENT**

**INDEPENDENT CONTRACTOR**

Name of Consulting, LLC: \_\_\_\_\_ Email: \_\_\_\_\_

Contact Name: \_\_\_\_\_ Tax Payer ID # \_\_\_\_\_

Mailing Address: \_\_\_\_\_ Emergency Contact Name: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_ Emergency Contact Phone: \_\_\_\_\_

Cell Phone: \_\_\_\_\_

**THIS AGREEMENT**, made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ (**“Agreement”**) by and between Patriot Solids Control, a Division of Q’Max America (**“Company”**) and the independent contractor set forth above (**“Contractor”**).

**WITNESSETH:**

**WHEREAS**, Company may from time to time desire Contractor to perform consulting services related to Company’s oil and gas solids control operations; and,

**WHEREAS**, Company and Contractor desire to establish certain general terms and conditions which shall apply to and become part of each and every contract, whether written or oral, entered into between the parties.

**NOW, THEREFORE**, in consideration of the mutual promises and agreements herein contained, the parties hereto mutually agree as follows:

1. **AGREEMENT.** This Agreement shall control and govern all work and/or equipment, materials or supplies furnished by Contractor for Company (**“Contractor’s Services”**). In the event there is a conflict between the provisions herein and any oral or verbal contract or work order between the parties hereto in connection with the subject matter herein, it is understood and agreed that the provisions herein shall be controlling. It is expressly understood and agreed by the parties hereto that no provision of any work order or other written instrument is used by either party shall supersede the provisions of this Agreement unless specific reference to this Agreement is made therein and said instrument is signed by an officer or other duly authorized person for each party. This Agreement does not obligate Company to use Contractor’s Services, nor does it obligate Contractor to provide Contractor’s Services.
2. **TERM OF AGREEMENT.** This Agreement shall continue in full force and effect for a term of one (1) years from the date this Agreement is made and from year to year thereafter unless terminated by thirty (30) days’ written notice by one party hereto to the other party. Such termination shall not relive either party of its respective obligations and liabilities arising from or incident to Contractor’s Services performed hereunder prior to the date of termination.
3. **COMPENSATION AND PAYMENT.** Company agrees to pay Contractor for work performed within 30 days after Contractor’s Services at the rate listed on **Exhibit A** attached hereto and incorporation herein. The rate may be changed from time to time as long as it is written and signed by both parties.
4. **INDEMNIFICATION.** To the fullest extent permitted by law, the Contractor shall and does agree to indemnify and hold harmless the Company, its affiliated companies, their joint owners, officers, directors, shareholders, employees, and agents (**“Indemnitee”**) from and against all claims, damages, losses, liens, causes of action, suits, judgments, penalties, fines and expenses, including attorney fees, of any nature, kind or description whatsoever (hereinafter collectively referred to as **“Liabilities”**) of any person or entity whomsoever arising out of, caused in whole or in part by or resulting directly or indirectly from any act or omission, including negligence, of Contractor, even if these Liabilities are caused in part by the negligence or omission of any Indemnitee.
5. **INSURANCE.**
  - (A). Contractor shall maintain and pay for the following insurance:
    - (i) Worker’s Compensation insurance (including employer’s liability) complying with applicable laws with minimum limits as required by such applicable laws;
    - (ii) Commercial General Liability insurance with a single limit of not less than \$1,000,000.00 per occurrence \$2,000,000.00 general aggregate; and,

- (iii) Automobile Liability insurance with limits of at least \$1,000,000.00 each occurrence for bodily injury and proper damage liability combined and insuring liability arising out of the ownership, maintenance, or use of any owned, hired, or non-owned vehicles.

(B). Each policy of insurance carried pursuant to this Agreement shall provide that such insurance shall not be cancelable except with thirty (30) days written notice to the additional insureds, including Company. In addition, each insurance policy shall be maintained in force from the commencement of Contractor's Services until final completion of Contractor's Services and the Commercial General Liability insurance coverage, including additional insured coverage for Company, shall be maintained in force until expiration of the applicable statute of limitations for claims related to Contractor's Services.

(C). The Commercial General Liability policy shall name Company as an additional insured. The additional insureds shall be provided the same coverage as provided by Contractor. All policies shall provide that the additional insured coverage shall be primary and that any other insurance coverage carried by or otherwise available to the additional insureds will be excess and will not contribute with this additional insured coverage.

(D). Prior to the commencement of Contractor's Services, Contractor shall give Company a certificate of insurance evidencing each insurance policy required by this section.

(E). To the extent permitted by law, Contractor hereby waives subrogation of claims against Company, its affiliates, agents and employees.

6. **ASSIGNED SERVICE JOBS.** Upon notification by Company of the desire for Contractor's Services and acceptance by Contractor, Contractor will commence Contractor's Services at the agreed upon time ("**Assigned Service Job**"), and continue such operations diligently, with due care and without delay, in a good and workmanlike manner. Company may replace or terminate Contractor on any Assigned Service Job upon written or oral notification.
7. **INDEPENDENT CONTRACTOR STATUS.** Contractor is an independent contractor with the freedom of accepting or rejecting assignments under this Agreement and determining the specific manner in which the services are provided under this Agreement. Contractor will at no time be considered an employee of the Company and is not entitled to any employee benefits and is not covered by any insurance, including health insurance or worker's compensation insurance. Contractor shall be responsible for the payment of all federal, state, and local taxes contributions imposed or required in connection with the services to be provided hereunder, including any such payment due under unemployment insurance, social security, income tax laws and sales or service tax laws. Contractor shall be required to supply its own tools necessary for completion of Contractor's Services, including but not limited to, a vehicle, personal protective equipment, computer, and cell phone.
8. **CONFIDENTIALITY OBLIGATIONS.** The Company owns certain confidential information crucial to its business or financial affairs, know-how, process, marketing plans, bids, techniques, products, services, contracts, forms, research and development, plans or projections, and all information relating to the Company's solids control and formulations ("**Confidential Information**"). The Company also owns confidential information about its existing customers and prospective customers, including their identities, contact people, needs, records, the source for referrals and new business, market data and other confidential customer information ("**Customer Records**") and, through the expenditure of considerable effort and resources, the Company has developed and will continue to develop leads on prospective customers.

(A). Contractor will be providing Contractor's Services. As a result of those services, Contractor will have access to Confidential Information and Customer Records. Contractor recognizes and acknowledges that the Confidential Information and Customer Records are legally protected interests and that the improper disclosure or use of the Confidential Information and Customer Records by Contractor directly or indirectly, as a result of Contractor's action or inaction, would cause irreparable injury to Company by jeopardizing, compromising, and perhaps eliminating the competitive advantage Company holds or may hold because of the existence and secrecy of the Confidential Information and Customer Records.

(B). Contractor will not use or seek to use any of Company's Confidential Information or Customer Records for its own benefit or for the benefit of any other person or business or in any way adverse to Company's interests; and Contractor will preserve the secrecy of and will not disclose directly or indirectly to any other person or business any of Contractor's Confidential Information and Customer Records without the express written consent of Company prior to its disclosure.

(C). If Contractor should fail to maintain the confidentiality of any Confidential Information or Customer Records covered by this Agreement, Company will be entitled to preliminary and permanent injunctive relief as well as an equitable accounting of all profits or benefits arising out of such violation, which remedy shall be in addition to any other rights or remedies to which Company may be entitled.

9. **STANDARDS OF CONDUCT.** Contractor agrees to comply with Federal and State laws (including labor and employment laws), ordinances and rules, regulations and order of governmental agencies applicable to Contractor's Services. As a part of performing Contractor's Services, Contractor agrees to arrive at the jobsite at the designated time; follow all safety procedures and requirements applicable to Contractor's Services; and, conduct themselves in a safe, professional and respectful manner.

10. MISCELLANEOUS

(A). The Agreement shall be construed and interpreted in accordance with the laws of the State of Colorado.

(B). Where required for proper interpretation, words in the singular shall include the plural; and words of any gender shall include all genders. The descriptive headings of the paragraphs in this Agreement are for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

(C). If either party files a lawsuit or action in connection with this Agreement, the prevailing party in such action shall be entitled to recover from the non-prevailing party, in addition to all other remedies or damages as limited herein, reasonable attorneys' and costs of court incurred in such action.

(D). This Agreement including the exhibits attached hereto constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements and understandings, oral or written, of the parties in connection therewith.

(E). This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which when taken together shall constitute the whole. Facsimile signatures will be treated as originals.

(F). The parties acknowledge that they have had the opportunity to be represented by counsel in connection with the transactions contemplated herein and that this Agreement shall be interpreted according to its fair construction.

(G). If any provision in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

(H). This Agreement may not be amended and no condition, covenant, or obligation may be waived, except by an agreement in writing signed by Contractor and Company.

This Agreement is effective as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

**CONTRACTOR**

**Patriot Solids Control, a Division of Q'Max America**

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT A  
COMPENSATION**

Contractor will be paid a rig rate per day of \$350.00 and a \$25.00 per diem for the Contractor's services on the rig.

**COMPANY WILL NOT REIMBURSE ANY EXPENSES INCURRED BY THE CONTRACTOR  
UNLESS CONTRACTOR RECEIVES PRIOR WRITTEN AUTHORIZATION FROM COMPANY.**

**Revision Date: 12/6/16**

# **Exhibit B**

**(Amended Class/Collective Action Complaint)**



**Subject: Disciplinary Program**

**Date:** April 1, 2014

**Revision Number:** 4

**Approved:**

**Patriot Solids Control:**  
*A Division of Q'Max America*

## **1.0 Purpose**

A Disciplinary Program has been established for employees/consultants at Patriot Solids Control. The purpose of this Program is to establish and provide a work environment where Patriot Solids Control employees/consultants are protected and accidents are prevented. The implementation of a disciplinary system helps ensure workplace safety and health by letting the employees know the expectations of Patriot Solids Control and correcting their behavior before an accident occurs.

## **2.0 Scope and Application**

All employees and consultants are expected to be knowledgeable of Patriot Solids Control Disciplinary Program. Patriot Solids Control will require all employees to sign a form stating that they have read and will adhere to the guidelines in this Program to assure a healthy, safe work environment (Appendix 6.1).

## **3.0 Discussion**

The existence of a Disciplinary Program is critical in assuring the successful implementation of the Patriot Solids Control Safety and Health Program. The Patriot Solids Control Disciplinary Program establishes clear rules and safe working practices. This Program also states the actions that Patriot Solids Control will invoke if employees or consultants break these rules. All employees' and consultants, regardless of their position, are responsible for the enforcement of this Disciplinary Program.

## **4.0 Procedure**

### **4.1 Employee/Consultant Information and Training**

Patriot Drilling Fluids has determined what is considered minor and major violations of their policy. Major violations are considered immediate grounds for termination regardless of the circumstances. Minor violations by an employee/consultant will result in a meeting with their direct supervisor. A written statement dated and signed by both the supervisor and employee/consultant documenting the minor violation and corrective actions to be taken will be placed in the employee's file (Appendix 6.2). More than 3 minor violations in an employee's or consultant's file (even if different violations) will be considered equivalent to a major violation and will result in an employee's or consultant's discharge.



## 4.2 Termination and Discharge

The list of major violations and grounds for immediate termination are for the following:

- Drinking alcohol, and/or drug abuse prior to or during working hours.
- Fighting, provoking or engaging in an act of violence against another person on Patriot Solids Control or client property.
- Theft of Patriot Solids Control equipment and material.
- Willful destruction of Patriot Solids Control property.
- Failure to wear Personal Protective Equipment.
- Not using safety harnesses and lanyards when there is a potential for falling.
- Removing and/or making inoperative safety guards on tools and equipment.
- Tampering with machine safeguards or removing machine tags or locks.
- Removing barriers and/or guardrails and not replacing them.
- Failure to follow recognized industry practices.
- Failure to follow rules regarding the use of company equipment or materials.
- Major traffic violations while using a company vehicle.
- Engaging in dangerous horseplay.
- Failure to notify Patriot Solids Control of a hazardous situation.
- Failure to abide by Patriot Solids Control safety and health programs/policies or rig site safety and health programs/policies.

### 4.3 Minor Violations

Minor violations requiring a written warning are as follows:

- Failure to achieve annual re certifications for training or medical monitoring/respiratory fit testing (if required) as specified per a Patriot Solids Control Program (when adequate opportunities for training has been provided by Patriot Solids Control).
- Repetitive lateness on a job site.
- Minor traffic violations while using a company vehicle.
- Failure to read and safety meeting forms or other documentation required by additional Patriot Solids Control Programs or rig/well site operator Programs.
- Failure to properly care and maintain issued PPE.
- Failure to maintain Patriot Solids Control facilities and equipment.

### 5.0 Patriot Drilling Fluids Mission Statement

Patriot Solids Control is dedicated to providing a safe work environment, free of recognizable hazards. A strict policy of compliance with all applicable state and federal standards codes and regulations is adhered to by Patriot Solids Control. All Patriot Solids Control employees should recognize and accept their responsibility for ensuring a safe and healthy work experience. Patriot Solids Control supervisors are ultimately responsible for ensuring that this policy is implemented and to make the commitment to safety that is required for a safe work environment.

### 5.1 Understanding and Agreeing to Patriot Solids Control Disciplinary Program Form

#### UNDERSTANDING AND AGREEING TO PATRIOT SOLIDS CONTROL DISCIPLINARY PROGRAM

Name \_\_\_\_\_ Date of Hire \_\_\_\_\_

Employee ID # \_\_\_\_\_ Today's Date \_\_\_\_\_

As a Patriot Solids Control employee/contractor it is your responsibility to maintain the highest possible standards of compliance with all Patriot Drilling Fluids, , LLC health and safety guidelines.

To ensure this standard is met and to achieve the objective of the Patriot Solids Control mission statement, a Disciplinary Program has been prepared and implemented.

By placing your signature below, you are stating that you have read the Disciplinary Program and will abide by the rules and procedures set for by Patriot Solids Control to ensure employees'/contractors' safety and health in the work place.

Any questions should be directed to your Supervisor or Patriot Solids Control Safety, Health, and Environmental department.

Employee's/Contractor's Printed Name \_\_\_\_\_

Signature \_\_\_\_\_

5.2 Management Disciplinary Program – Form

**Employee Disciplinary Form**

	Performance		Warning		Termination
	Discussion		1		
			2		
			3		

Employee Name \_\_\_\_\_ Position \_\_\_\_\_

Manager/Supervisor \_\_\_\_\_

Date, Time and Location of Discussion \_\_\_\_\_

Reason for Discussion (detailed description)

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Date of Incident \_\_\_\_\_ Time \_\_\_\_\_

Witnesses to Incident \_\_\_\_\_

Employee's statement regarding incident \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

I agree \_\_\_ disagree \_\_\_ with employee's statement.

Comments: \_\_\_\_\_

Disciplinary action to be taken:

**I have read this Employee Disciplinary Form and I understand it.**

**Signature of Supervisor** \_\_\_\_\_ **Date** \_\_\_\_\_

**Signature of Witness** \_\_\_\_\_ **Date** \_\_\_\_\_

**Signature of Employee** \_\_\_\_\_ **Date** \_\_\_\_\_

This completed form is to be forwarded to Corporate Human Resources and will be placed in the employee's personnel file.