



THE DRILLING LINE

THE NEWSLETTER OF CYCLONE DRILLING, INC.

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She'll Be Coming 'Round the Mountain pg.4



Dear employees,

When I think back to when we first started in the industry, I can recall a gradual shift in the way we perceived risk based on the experience we gained. Think about when you started. You may have only seen a job done ten times, but that experience is what you then used to determine how hazardous a job was.

Once you gained experience and saw the same job done hundreds or thousands of times, this repetition ultimately began to affect your risk tolerance, or the amount of risk you might assume for any given activity. Your ability to see potentially unsafe conditions probably became clouded. As you were promoted into supervisory or management roles, the way you viewed a job or the way you assessed the risk changed again as you gained more experience and became responsible for other crewmembers.

As we consolidate our workforce during this downturn, people that previously held supervisory or management positions are moving or have moved into more junior positions. This is the perfect time for everyone to step back and think about their risk tolerance in this new position. The last time you worked in this junior position may have been years ago when processes were different and therefore hazards were different. It is important to keep in mind as we shift around from position to position, or as we manage people that have shifted, that we are now probably more tolerant of risk than we were in the beginning of our careers.

As a result of this new comfort level, you may accept a little more risk than before and push yourself or your crewmembers beyond your capabilities. This increases the risk that someone will be injured. Please keep this in mind as you report for your next shift in order to ensure the safety of yourself and everyone else on the rig.

Sincerely,

PATRICK HLADKY
President



“Change” in Your Pocket



To help raise awareness of safe acts and practices while lowering incidents on the rigs, we will be issuing custom coins designed to keep employees aware of potential hazards on the job. “It is great to have a constant reminder to stay safe,” says Safety Superintendent Chad Stout, “these coins are a tangible reminder of what our core values are.” Each coin will come with a different focus on safety, chosen based on company trends, seasonal conditions, and best practices.

A safety awareness coin will arrive with each new newsletter; we hope it will be a memorable — and effective — addition to the safety awareness culture we have established at Cyclone.

When you reach into your pocket for something and touch this coin, remember to keep the current topic in mind while going about your job.



She'll Be Coming 'Round The Mountain

Just south of Baggs, Wyoming on the Colorado border, Rig 24 stands out amongst tall stark white Aspen trees high on a mountainside. On the rig, derrick hand Eric Eder says he enjoys being up in the mountains with the fresh air and amazing views. "We can hear the elk starting to move into the area and have even spotted a few black bears." The rig is a testament to Cyclone's commitment to be able to move a rig wherever a customer needs it. During the current economic downturn, we are consolidating our workforce and concentrating on staying the contractor of choice for our customers by delivering quality, on-time performance, wherever that may be.

Neil Hamilton, Superintendent, has the job of keeping teams motivated and effective during this tough period. "Seniority has been a priority for Cyclone, and men are working different

assignments than before to make sure they keep working, period." Toolpusher Jeff Bryant has been with Cyclone for over 30 years, and even though he is new to this rig, he is a reflection of our mission to keep the most experienced guys working even though it might mean they work a different position on the rig. "We are learning to trust the others that have been in higher positions to get the job done," driller Faron Patton says, taking on drilling responsibilities after 14 years with Cyclone. "It is like having an all-star team." The combined experience on all of Cyclone's rigs has allowed our operations to steadily increase and has decreased the number of incidents.

Rig 24 continues to work successfully high up in the mountain, achieving over 3 years of no recordable incidents. The remoteness has opened the way to untraditional entertainment such as identifying in which direction an elk is or spotting other signs of wildlife high in the mountain. Being away from civilization and their families helps the crew members focus and work together, especially as new teams are created during the decline in demand from the industry.



From left to right:
Floor hand John Sinnott, Motor Hand Michael Gardner, Derrick Hands Thomas Freeman,
Eric Eder, Driller Faron Patton, and Toolpusher Jeff Bryant

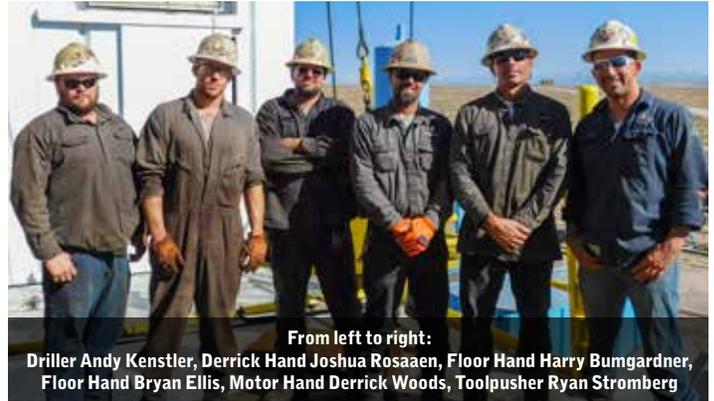
Home Away From Home

In a remote part of Southern Wyoming, where the only thing to do on your time off is go fishing at the nearby Eden Reservoir, the crew on Rig 3 remains hard at work. Now drilling an exploratory well for Gadeco, LLC, the crew will drill over 25,000 feet vertically, the deepest well for Cyclone in that area.

Essentially their home for two weeks straight, 24 hours a day, 7 days a week, the team prides themselves on treating the rig and each other as if it was their home. With Cyclone since 2005, toolpusher Ryan Stromberg is on a mission of maintaining a productive work environment and the cleanest rig of the fleet. “The most important thing is to send these guys home safe to their families,” Ryan says. “But while we are here, we’ve created our own type of family that has allowed us to respect each other’s hard work and trust in our co-workers.”

When you are far away from your home working in an industry experiencing a downturn, it would be easy to have a sour attitude or poor outlook, but not the Rig 3 squad. “We are all family men that know the importance of each one of us making it home safe,” says Derrick Woods, a motor hand that has been with Cyclone for several years, “we show up to do our jobs that we are grateful to have and take pride in what we do.” This attitude towards teamwork has created a sense of unity and enthusiasm for their shared responsibilities, making operations run that much smoother.

Ryan believes that maintaining this high level of work ethic always pays off. “We’ve been maintaining our rig to the highest standards, working towards Cyclone’s commitment to remaining a preferred drilling contractor.” And it shows. Rig 3 has been in continuous operation for over 10 years with 760 days of no recordable incidents.



From left to right:
Driller Andy Kenstler, Derrick Hand Joshua Rosaaen, Floor Hand Harry Bumgardner,
Floor Hand Bryan Ellis, Motor Hand Derrick Woods, Toolpusher Ryan Stromberg

Left: Rig 24 near Baggs, Wyoming
Right: On the road to Rig 3 in Farson, Wyoming



Seniority Rules

You can see Rig 26's skyward derrick just one mile off the highway, a towering symbol that the industry and Cyclone is still hard at work. Located in Wamsutter, Wyoming, the rig started operating at the beginning of September and the crew is happy about the location. Jere Nash, toolpusher for the rig who loves driving snowmobiles in his spare time, is happy to be so close to a town. "Being less than a mile away from an interstate is a treat. We are usually hundreds of miles away from any semblance of a town and other people." For a team that has drilled over 5,300 feet in 11 ½ hours and has exceeded 730 days with no recordable incidents, they deserve it.

As with any new rig site, we have assembled a competent crew with senior leadership at the helm who are always striving to establish a worksite culture that puts safety first. With team members from Wyoming, Utah, Oregon, South Dakota, and Idaho, our guys have risen to the challenge of building a cohesive team, while keeping the company's incident frequency near a record low. Cyclone has benefited tremendously from our safety-conscious senior rig personnel; the skill, leadership and commitment of our drillers and rig managers are the driving force behind our continued success.



From left to right: Toolpusher Jere Nash, Derrick Hand Christopher Garrett, Driller James Lister, Motor Hand Kevin Champagne, Floor Hand Jonathon Lister, and Floor Hand Tyler Yackley

“Oh, Brother!”

Brothers Jonathan and James Lister have been working together for the past two years. Although it is not uncommon for siblings or relatives to work on the same rig, it may be unique that these two do it so well. “We work well together so there are no problems,” says James, the older of the two. Mutual respect for their jobs and each other has led to better communication and more effective work ethic, positively affecting the entire team's efforts. “They are hard workers and contribute significantly to how well our rig runs,” says Jere Nash.

The brothers hail from Southern Utah. James is four years older and the proud father of four, including a new baby girl, Andie Jo, born in August. Jonathan enjoys 4-wheeling, racing dirt bikes, and camping when not working. Coincidentally, they have another brother that has also worked with them on the rigs. It's definitely a family trade.



(James is the one with the beard)

It's a Bird... It's a Plane... It's a Drone?



Under the shadow of Rig 26, Derrick Hand Chris Garrett holds tight to a large remote control as sand begins to shift amidst whirling propellers. In a matter of seconds, Chris's commercial grade drone is ½ mile in the air, and the landscape that its camera is capturing live is breathtaking. "The view from up there is quite spectacular," Chris says. "I have enjoyed using the camera to shoot some amazing Wyoming wildlife."

The drone, a DJI Phantom 3 Professional, is a powerful machine, with a 4K camera that can shoot video at up to 30 frames per second and capture 12 megapixel photos that "look crisper and cleaner than ever," according to the developer. Watching the drone fly around the rig, you can see every detail of the crown, derrick, top drive and surrounding pits, then as Chris rotates the camera amazing mountain vistas come into full view.

From personal to commercial use, the future of drone technology does not seem to be slowing down. With a range of 1.2 miles and 94-degree field of view, UAVs (unmanned aerial vehicles) like Chris's have become the latest technology to be used in major industries. Initial applications have found that utilizing drones for dangerous and difficult rig assignments can save time, cut costs and dramatically decrease safety incidents. Equipped with high-definition and thermal cameras, drones can go to dangerous, hard-to-reach places where companies now assume liability for sending workers, aiding in prolonging the life of assets and lowering human risk.

At the start of 2015 the Federal Aviation Administration (FAA) relaxed its stance on drones flying in U.S. airspace, and until the FAA comes up with new rules, drones will continue to be used for both recreation and commercial uses. Applications for drones have been developed for other industries to inspect wind turbines, communications towers, pipelines, railway lines and bridges.

For now, Chris enjoys shooting some of Wyoming's great landscapes, going out over the water while fishing and investigating heavily wooded areas while camping. "It is amazing how limited our view is. When you see the world from a different perspective, it gives you a greater appreciation of how beautiful the world around us is."



RIG LOCATOR

Rig 3 Gadeco, LLC

TOOLPUSHERS:

LANDON NIELSEN, RYAN STROMBERG

Rig 11 BTA Oil Producers

TOOLPUSHERS:

BOBBY BRUCE, JERE NASH

Rig 24 Petroleum Resource Management Corp.

TOOLPUSHERS:

JEFF BRYANT, JAMES COLE

Rig 35 Continental Resources

TOOLPUSHERS:

MARTY SEDGWICK, ROBERT PINGREE

Rig 36 Spotted Hawk Oil & Gas

TOOLPUSHERS:

MAC STRAIT, LEONARD BUFFALO

Rig 37 Continental Resources

TOOLPUSHERS:

BLAINE BULLINGER, LEON DECKER

Rig 38 Continental Resources

TOOLPUSHERS:

KEVIN HERMAN, CASEY ROST



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