Precision Drilling Corporation’s Commitment

Precision Drilling Corporation and all its related and subsidiary corporations, its affiliates, partnerships, limited partnerships and any other entities controlled by Precision Drilling Corporation adopts a zero tolerance approach to the abuse of drugs and alcohol in the workplace.

Drug and alcohol abuse has a direct negative impact on the workplace and on the strength of our business as a whole. Employees under the influence of drugs are at a significantly higher risk of being injured and threatening the safety of fellow workers.

The Drug & Alcohol Policies of Precision Drilling Corporation and all its related subsidiary corporations, its affiliates, partnerships, limited partnerships and any other entities controlled by Precision Drilling Corporation are established to provide a safe workplace for all Employees and protect the best interests of the company, its’ customers and the general public.

All Employees have a shared responsibility for workplace safety and are expected to look out for other Employees, Vendors and visitors.

“It’s People. It’s Personal”
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REVISION HISTORY

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1 Scope

For the purposes of this policy, “Precision” includes Precision Drilling Holdings Company and Precision Drilling Company LP and all their related, affiliated and subsidiary entities in the United States.

This policy applies to all employees.

2 Purpose

“It’s People. It’s Personal”

Drug and alcohol abuse has a direct negative impact on the workplace and on the strength of business as a whole. Employees under the influence of alcohol or drugs are at a greater risk of being injured and sustaining more serious injuries than Employees who are sober. The purpose of this policy is to outline protocols for managing and reducing risks associated with alcohol and drug use in the workplace.

3 Implementation

This policy governs the manufacture, distribution, possession, use or sale of a “controlled substance,” including, but not limited to any of the following items, by any individuals, while on Company Facilities:

- “Controlled substance” means a drug or substance listed in applicable state laws and/or the Federal Controlled Substances Act and/or 49 CFR 40;
- “Illegal or unauthorized drugs” means any drug which is not legally obtainable, which is legally obtainable but has not been legally obtained, or which has been legally obtained in the United States by a United States licensed medical practitioner but is not being used for prescribed purposes or in a prescribed manner, outdated prescriptions and any other chemical substances which may affect an individual’s mood, senses, responses, motor functions or alter or affect a person’s perception, performance, judgment, reactions or senses (including excessive quantities of prescription or over-the-counter drugs);
- Prescription or over-the-counter drugs which may adversely influence performance or behavior when taken in prescribed quantities; and
- Drug-related paraphernalia.

“Company Facility” and “Company Facilities” includes property owned, controlled or operated by Precision, including rigs, yards, offices, and vehicles.

All persons and items including bags, lockers and briefcases, are subject to search while on Company Facilities.

Excluded from this policy are drugs prescribed in the United States by a United States licensed medical practitioner and over-the-counter drugs and inhalants obtained in the United States provided that:
• The drugs and inhalants have been legally obtained and are being used for the purpose for which they were prescribed or manufactured; and
• Workplace safety, performance and efficiency are not affected by the employee’s use of the drugs or inhalants.

Unless specifically authorized by Precision, the carrying, use or possession of the following items is also prohibited while on Company Facilities:

• Firearms, explosives, fireworks or ammunition; and
• Alcohol or intoxicating beverages.

Employees and other individuals working in Company Facilities are strictly prohibited from reporting to work or working under the influence of unauthorized or illegal drugs or alcoholic beverages.

The consumption, possession or sale of alcoholic beverages on Company Facilities or during company business requires the approval of a Precision corporate Officer. Consumption of alcohol, in moderation, at Precision approved or sponsored functions is not prohibited by this policy. In these special circumstances, it is extremely important that all employees exercise moderation, proper judgment and comply with all laws and traffic and safety regulations.

Notwithstanding, employees are strictly prohibited from operating a Precision vehicle or performing Precision business in a vehicle while intoxicated.

Precision’s drug and alcohol testing program is administered by a third-party management firm. The administrator is responsible for conducting the program in accordance with applicable laws and regulations as well as this policy. Precision reserves the right to change administrators of the program at its discretion.

### 4 Consent to Search and to Conduct Drug and Alcohol Testing

An employee’s consent to submit to drug and alcohol testing upon request is required as a condition of continued employment. Precision may require a breath or blood test, urinalysis or other form of testing to determine the presence of drugs or alcohol.

An employee’s refusal or failure to submit to alcohol or drug testing shall be considered insubordination.

An admission of being impaired by or under the influence of a controlled substance, illegal drug or alcohol or of having a controlled substance illegal drugs, or alcohol within his/her body, and is grounds for disciplinary action up to and including termination of employment.

The submission of an adulterated, substituted or diluted sample is considered a refusal to submit.

#### Random Testing

Precision may randomly select employees to submit to a drug or alcohol test to ensure compliance with this policy. The random selection process is completely objective and anonymous. Employees who are
randomly selected may be selected for random testing in the future. Employees randomly selected for testing will be required to submit to testing by urine, blood, saliva strip, breath analyzer, or other method.

**Reasonable Suspicion Testing and Search**

Employees may be required to submit to a drug and alcohol test as a condition of continued employment where there is a reasonable suspicion that the employee is in possession of, is using, is impaired by or is under the influence of alcohol, a controlled substance or an illegal drug. For purposes of this policy, reasonable suspicion is determined at Precision’s sole discretion.

If Precision has reasonable suspicion that an employee has used, possessed or distributed any prohibited items, Precision reserves the right to conduct searches in any work area on or off Company Facilities for such items. The search may include any person entering Company Facilities, personal effects, lockers, company or personal vehicles, baggage or any other items present on Company Facilities.

**Post-Incident Testing and Search**

Precision reserves the right to administer drug and alcohol testing or demand that employees submit to drug and alcohol testing immediately after a work-related incident. An employee’s refusal to submit to testing is considered insubordination and it may be presumed that the employee was intoxicated or under the influence of drugs or alcohol at the time of the incident.

**Return to Work and Fitness for Duty Testing**

Precision does not offer return to work or fitness for duty testing, substance abuse expert evaluations or treatment for employees that refuse to submit or fail a drug or alcohol test.

No search or testing of any employee will be conducted without the employee’s consent. However, an employee’s consent to search and testing is required as a condition of employment and refusal to consent will result in disciplinary action up to and including termination of employment.

**Pre-Employment Testing**

All applicants accepting a conditional offer of employment for regular full-time, part-time or temporary employment with Precision must consent to and successfully pass a pre-employment drug test. A conditional offer of employment will be revoked for any applicant who tests positive for the presence of controlled substances or alcohol in connection with the pre-employment drug test.

**Employees Who Test Positive or Refuse to Test**

Any employee or a contractor having business with Precision who refuses to submit to a urinalysis test, breath test, blood test or search or who is found in possession of or under the influence of any such illegal or unauthorized items without satisfactory explanation will be banned from any Company Facility and subject to disciplinary action up to and including immediate termination of employment or contract.
Positive Test Results

Refusals to test or positive test results for illegal drugs or alcohol under this policy will be result in immediate termination of employment.

5  Firearms, Weapons and Explosives

The possession, use, distribution or manufacture of firearms, weapons and explosives is strictly prohibited while on Company Facilities, while conducting company business or while in company vehicles (on or off Company Facilities), without authorization from a Precision corporate Officer. Any person in violation of this prohibition is required to immediately remove the firearms, weapons or explosives from Company Facilities or company vehicles and cease conducting company business. An employee in violation of this provision may be subject to disciplinary action up to and including termination of employment.
ACKNOWLEDGEMENT OF RECEIPT OF DRUG AND ALCOHOL ABUSE AND CONTRABAND POLICY

I affirm that I have read and understood the Precision Drug and Alcohol Abuse and Contraband Policy and I understand that if I (a) engage in the use, sale, possession, distribution or transfer of a controlled substance, illegal drug or alcohol while at work, on Company Facilities or on work duty, (b) am discovered with a controlled substance, illegal drug, or drug paraphernalia in my possession during work hours or on Company Facilities, or (c) am under the influence of or impaired by a controlled substance, illegal drug or alcohol during work hours or while on Company Facilities without the permission from a Precision corporate Officer, that I may be subject to disciplinary action up to and including immediate termination of employment.

I agree to fully comply with and abide by all rules and regulations set forth in the Drug and Alcohol Abuse and Contraband Policy as a condition of continued employment by Precision. I further understand that Precision has the right to request, in accordance with its Drug and Alcohol Abuse and Contraband Policy that I submit to a drug and alcohol test as a condition of continued employment. I understand that refusal to consent to such a drug and alcohol test is insubordination and otherwise may be regarded as an admission by me of being impaired by or under the influence of a controlled substance, illegal drug or alcohol and is thereby grounds for disciplinary action up to and including immediate termination of employment.

____________________________________                   ______________________________
Employee       Date