

U.S. Department of Labor
Occupational Safety and Health Administration
Fort Worth Area Office
8713 Airport Freeway, Suite 302
Fort Worth, TX 76180-7610
Phone: (817)581-7303 FAX: (817)581-7723



Citation and Notification of Penalty

To:
Halcon Resources Corporation dba W.G. Operating
and its successors
612 W. Front
Electra, TX 76360

Inspection Number: 316046051
Inspection Date(s): 04/04/2012-04/19/2012
Issuance Date: 10/01/2012

Inspection Site:
Second Bywaters Lease
Electra, TX 76360

The violation(s) described in this Citation and Notification of Penalty is (are) alleged to have occurred on or about the day(s) the inspection was made unless otherwise indicated within the description given below.

This Citation and Notification of Penalty (this Citation) describes violations of the Occupational Safety and Health Act of 1970. The penalty(ies) listed herein is (are) based on these violations. You must abate the violations referred to in this Citation by the dates listed and pay the penalties proposed, unless within 15 working days (excluding weekends and Federal holidays) from your receipt of this Citation and Notification of Penalty you mail a notice of contest to the U.S. Department of Labor Area Office at the address shown above. Please refer to the enclosed booklet (OSHA 3000) which outlines your rights and responsibilities and which should be read in conjunction with this form. Issuance of this Citation does not constitute a finding that a violation of the Act has occurred unless there is a failure to contest as provided for in the Act or, if contested, unless this Citation is affirmed by the Review Commission or a court.

Posting - The law requires that a copy of this Citation and Notification of Penalty be posted immediately in a prominent place at or near the location of the violation(s) cited herein, or, if it is not practicable because of the nature of the employer's operations, where it will be readily observable by all affected employees. This Citation must remain posted until the violation(s) cited herein has (have) been abated, or for 3 working days (excluding weekends and Federal holidays), whichever is longer.

Informal Conference - An informal conference is not required. However, if you wish to have such a conference you may request one with the Area Director during the 15 working day contest period. During such an informal conference you may present any evidence or views which you believe would support an adjustment to the citation(s) and/or penalty(ies).

If you are considering a request for an informal conference to discuss any issues related to this Citation and Notification of Penalty, you must take care to schedule it early enough to allow time to contest after the informal conference, should you decide to do so. Please keep in mind that a written letter of intent to contest must be

submitted to the Area Director within 15 working days of your receipt of this Citation. The running of this contest period is not interrupted by an informal conference.

If you decide to request an informal conference, please complete, remove and post the page 4 Notice to Employees next to this Citation and Notification of Penalty as soon as the time, date, and place of the informal conference have been determined. Be sure to bring to the conference any and all supporting documentation of existing conditions as well as any abatement steps taken thus far. If conditions warrant, we can enter into an informal settlement agreement which amicably resolves this matter without litigation or contest.

Right to Contest - You have the right to contest this Citation and Notification of Penalty. You may contest all citation items or only individual items. You may also contest proposed penalties and/or abatement dates without contesting the underlying violations. **Unless you inform the Area Director in writing that you intend to contest the citation(s) and/or proposed penalty(ies) within 15 working days after receipt, the citation(s) and the proposed penalty(ies) will become a final order of the Occupational Safety and Health Review Commission and may not be reviewed by any court or agency.**

Penalty Payment - Penalties are due within 15 working days of receipt of this notification unless contested. (See the enclosed booklet and the additional information provided related to the Debt Collection Act of 1982.) Make your check or money order payable to "DOL-OSHA". Please indicate the Inspection Number on the remittance.

OSHA does not agree to any restrictions or conditions or endorsements put on any check or money order for less than the full amount due, and will cash the check or money order as if these restrictions, conditions, or endorsements do not exist.

Notification of Corrective Action - For **each** violation which you do not contest, you are required by 29 CFR 1903.19 to submit an Abatement Certification to the Area Director of the OSHA office issuing the citation and identified above. The certification **must** be sent by you within **10 calendar days** of the abatement date indicated on the citation. For **Willful** and **Repeat** violations, documents (examples: photos, copies of receipts, training records, etc.) demonstrating that abatement is complete must accompany the certification. Where the citation is classified as **Serious** and the citations states that abatement documentation is required, documents such as those described above are required to be submitted along with the abatement certificate. If the citation indicates that the violation was corrected during the inspection, no abatement certification is required for that item.

All abatement verification documents must contain the following information: 1) Your name and address; 2) the inspection number (found on the front page); 3) the citation and citation item number(s) to which the submission relates; 4) a statement that the information is accurate; 5) the signature of the employer or employer's authorized representative; 6) the date the hazard was corrected; 7) a brief statement of how the hazard was corrected; and 8) a statement that affected employees and their representatives have been informed of the abatement.

The law also requires a copy of all abatement verification documents, required by 29 CFR 1903.19 to be sent to OSHA, also be posted at the location where the violation appeared and the corrective action took place.

Employer Discrimination Unlawful - The law prohibits discrimination by an employer against an employee for filing a complaint or for exercising any rights under this Act. An employee who believes that he/she has been discriminated against may file a complaint no later than 30 days after the discrimination occurred with the U.S. Department of Labor Area Office at the address shown above.

Employer Rights and Responsibilities - The enclosed booklet (OSHA 3000) outlines additional employer rights and responsibilities and should be read in conjunction with this notification.

Notice to Employees - The law gives an employee or his/her representative the opportunity to object to any abatement date set for a violation if he/she believes the date to be unreasonable. The contest must be mailed to the U.S. Department of Labor Area Office at the address shown above and postmarked within 15 working days (excluding weekends and Federal holidays) of the receipt by the employer of this Citation and Notification of Penalty.

Inspection Activity Data - You should be aware that OSHA publishes information on its inspection and citation activity on the Internet under the provisions of the Electronic Freedom of Information Act. The information related to these alleged violations will be posted when our system indicates that you have received this citation. You are encouraged to review the information concerning your establishment at WWW.OSHA.GOV. If you have any dispute with the accuracy of the information displayed, please contact this office.



NOTICE TO EMPLOYEES OF INFORMAL CONFERENCE

An informal conference has been scheduled with OSHA to discuss the citation(s) issued on 10/01/2012. The conference will be held at the OSHA office located at Fort Worth Area Office, 8713 Airport Freeway, Suite 302, Fort Worth, TX, 76180-7610 on _____ at _____.

Employees and/or representatives of employees have a right to attend an informal conference.

Fort Worth Area Office

Inspection Number: 316046051
Inspection Dates: 04/04/2012 - 04/19/2012
Issuance Date: 10/01/2012



Citation and Notification of Penalty

Company Name: Halcon Resources Corporation dba W.G. Operating
Inspection Site: Second Bywaters Lease, Electra, TX 76360

Citation 1 Item 1 Type of Violation: **Serious**

29 CFR 1910.137(b)(2)(viii): Electrical protective equipment was not subjected to periodic electrical tests.

On or about April 3, 2012, the employer did not ensure that insulated gloves were electronically tested. Employees working inside of energized electrical panel boxes were exposed to electrical hazards.

Date By Which Violation Must be Abated:	10/05/2012
Proposed Penalty:	\$ 7000.00

Citation 1 Item 2 Type of Violation: **Serious**

29 CFR 1910.333(a)(1): Live parts to which an employee could be exposed were not deenergized before the employee worked on or near them.

On or about April 3, the employer did not ensure that live parts to which employees could be exposed to were deenergized prior to working inside of electrical panels. Employees were exposed to electrical shock hazards.

Date By Which Violation Must be Abated:	10/05/2012
Proposed Penalty:	\$ 7000.00

See pages 1 through 4 of this Citation and Notification of Penalty for information on employer and employee rights and responsibilities.



Citation and Notification of Penalty

Company Name: Halcon Resources Corporation dba W.G. Operating
Inspection Site: Second Bywaters Lease, Electra, TX 76360

Citation 1 Item 3 Type of Violation: **Serious**

29 CFR 1910.333(b)(2): The employer did not ensure that while any employee was exposed to contact with parts of fixed electric equipment or circuits which had been deenergized, the circuits energizing the parts were locked out or tagged out or both.

On or about April 3, 2012, employees who were exposed to contact with energized electrical parts and/or equipment were exposed to electrocution hazards while working in electrical panels that were not locked or tagged out.

Date By Which Violation Must be Abated:	10/05/2012
Proposed Penalty:	\$ 7000.00

Citation 1 Item 4 Type of Violation: **Serious**

29 CFR 1910.333(b)(2)(i): The employer did not maintain a copy of the written procedures outlined in 29 CFR 1910.333 (b)(2) and did not make it available for inspection by employees.

On or about April 3, 2012, the employer did not ensure that it maintained a copy of its written procedures and did not make it available for inspections by employees who perform work inside electrical panels.

Date By Which Violation Must be Abated:	10/05/2012
Proposed Penalty:	\$ 7000.00



Citation and Notification of Penalty

Company Name: Halcon Resources Corporation dba W.G. Operating
Inspection Site: Second Bywaters Lease, Electra, TX 76360

Citation 1 Item 5 Type of Violation: **Serious**

29 CFR 1910.333(c)(4)(ii): Where lack of illumination or an obstruction precluded observation of the work to be performed, employees were allowed to perform tasks near exposed energized parts.

On or about April 3, 2012 the employer did not ensure that employees were provided with a form of illumination while working in dark remote areas. Employees were exposed to electrical shock hazards while working inside of electrical panels.

Date By Which Violation Must be Abated: 10/05/2012
Proposed Penalty: \$ 7000.00

Citation 1 Item 6 Type of Violation: **Serious**

29 CFR 1910.334(c)(1): Unqualified persons performed testing work on electric circuits or equipment.

On or about April 3, 2012, the employer did not ensure that only qualified employees were allowed to perform testing on electrical circuits when working inside of electrical panels. Employees were exposed to electrical shock hazards.

Date By Which Violation Must be Abated: 10/05/2012
Proposed Penalty: \$ 7000.00

Fort Worth Area Office

Inspection Number: 316046051
Inspection Dates: 04/04/2012 - 04/19/2012
Issuance Date: 10/01/2012



Citation and Notification of Penalty

Company Name: Halcon Resources Corporation dba W.G. Operating
Inspection Site: Second Bywaters Lease, Electra, TX 76360

Citation 1 Item 7 Type of Violation: **Serious**

29 CFR 1910.334(c)(3): Test instruments and equipment and their accessories were not rated for the electric circuits and equipment to which they would be connected and were not designed for the environment in which they would be used.

On or about April 3, 2012 the employer did not ensure that electrical test instruments were rated for working in wet conditions. Employees working inside of electrical panels in wet conditions were exposed to electrical shock hazards.

Date By Which Violation Must be Abated:	10/05/2012
Proposed Penalty:	\$ 7000.00

See pages 1 through 4 of this Citation and Notification of Penalty for information on employer and employee rights and responsibilities.

Fort Worth Area Office

Inspection Number: 316046051
Inspection Dates: 04/04/2012 - 04/19/2012
Issuance Date: 10/01/2012



Citation and Notification of Penalty

Company Name: Halcon Resources Corporation dba W.G. Operating
Inspection Site: Second Bywaters Lease, Electra, TX 76360

Citation 2 Item 1 Type of Violation: **Willful**

29 CFR 1910.332(b)(1): Employees were not trained in and familiar with the safety-related work practices required by 29 CFR 1910.331 through 29 CFR 1910.335 that pertained to their respective job assignments.

On or about April 3, 2012, the employer did not ensure that employees were adequately trained in safety related work practices prior to being allowed to work inside of electrical panel boxes. Employees were exposed to electrical shock hazards.

Date By Which Violation Must be Abated:	10/09/2012
Proposed Penalty:	\$ 70000.00

See pages 1 through 4 of this Citation and Notification of Penalty for information on employer and employee rights and responsibilities.

Fort Worth Area Office

Inspection Number: 316046051
Inspection Dates: 04/04/2012 - 04/19/2012
Issuance Date: 10/01/2012



Citation and Notification of Penalty

Company Name: Halcon Resources Corporation dba W.G. Operating
Inspection Site: Second Bywaters Lease, Electra, TX 76360

Citation 2 Item 2 Type of Violation: **Willful**

29 CFR 1910.335(a)(1)(i): Employees working in areas where there were potential electrical hazards were not provided with, and/or did not use, electrical protective equipment that was appropriate for the specific parts of the body to be protected and for the work to be performed.

On or about April 3, 2012, the employer did not ensure that all employees working to restore electrical power to electrical panels at pump stations were provided with electrical protective equipment such as but not limited to gloves. Employees were exposed to electrical hazards.

Date By Which Violation Must be Abated:	10/05/2012
Proposed Penalty:	\$ 70000.00

Jack A. Rector
Area Director

See pages 1 through 4 of this Citation and Notification of Penalty for information on employer and employee rights and responsibilities.

U.S. Department of Labor

Occupational Safety and Health Administration
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INVOICE/ DEBT COLLECTION NOTICE

Company Name: Halcon Resources Corporation dba W.G. Operating
Inspection Site: Second Bywaters Lease, Electra, TX 76360
Issuance Date: 10/01/2012

Summary of Penalties for Inspection Number 316046051

Citation 1, Serious	= \$	49000.00
Citation 2, Willful	= \$	140000.00
TOTAL PROPOSED PENALTIES	= \$	189000.00

To avoid additional charges, please remit payment promptly to this Area Office for the total amount of the uncontested penalties summarized above. Make your check or money order payable to:

"DOL-OSHA". Please indicate OSHA's Inspection Number (indicated above) on the remittance.

OSHA does not agree to any restrictions or conditions put on any check or money order for less than full amount due and will cash the check or money order as if these restrictions or conditions do not exist.

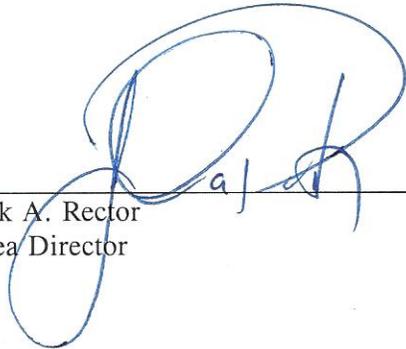
If a personal check is issued, it will be converted into an electronic fund transfer (EFT). This means that our bank will copy your check and use the account information on it to electronically debit your account for the amount of the check. The debit from your account will then usually occur within 24 hours and will be shown on your regular account statement. You will not receive your original check back. The bank will destroy your original check, but will keep a copy of it. If the EFT cannot be completed because of insufficient funds or closed account, the bank will attempt to make the transfer up to 2 times.

Pursuant to the Debt Collection Act of 1982 (Public Law 97-365) and regulations of the U.S. Department of Labor (29 CFR Part 20), the Occupational Safety and Health Administration is required to assess interest, delinquent charges, and administrative costs for the collection of delinquent penalty debts for violations of the Occupational Safety and Health Act.

Interest. Interest charges will be assessed at an annual rate determined by the Secretary of the Treasury on all penalty debt amounts not paid within one month (30 calendar days) of the date on which the debt amount becomes due and payable (penalty due date). The current interest rate is 5%. Interest will accrue from the date on which the penalty amounts (as proposed or adjusted) become a final order of the Occupational Safety and Health Review Commission (that is, 15 working days from your receipt of the Citation and Notification of Penalty), unless you file a notice of contest. Interest charges will be waived if the full amount owed is paid within 30 calendar days of the final order.

Delinquent Charges. A debt is considered delinquent if it has not been paid within one month (30 calendar days) of the penalty due date or if a satisfactory payment arrangement has not been made. If the debt remains delinquent for more than 90 calendar days, a delinquent charge of six percent (6%) per annum will be assessed accruing from the date that the debt became delinquent.

Administrative Costs. Agencies of the Department of Labor are required to assess additional charges for the recovery of delinquent debts. These additional charges are administrative costs incurred by the Agency in its attempt to collect an unpaid debt. Administrative costs will be assessed for demand letters sent in an attempt to collect the unpaid debt.



Jack A. Rector
Area Director

10/01/12

Date

Corrective action, taken by you for each alleged violation should be submitted to this office on or about the abatement dates indicated on the Citation and Notification of Penalty.

If the hazards itemized on this citation(s) are not abated/corrected and a follow-up inspection is conducted, your establishment may receive a Failure to Abate Citation for the uncorrected hazards with subsequent additional monetary penalties of up to thirty (30) times the original penalty amount of the uncorrected hazards.

A work sheet has been provided to assist in providing the required abatement information. A completed copy of this work sheet should be posted at the worksite with the Citation(s).

U.S. Department of Labor

Occupational Safety and Health Administration
Fort Worth Area Office
8713 Airport Freeway, Suite 302
Fort Worth, TX 76180-7610
(817) 581-7303 FAX: (817) 581-7723
Reply to the Attention of:



Dear Employer:

Under a law passed by Congress in 1996, the Small Business Administration (SBA) has established the SBA Ombudsman and SBA Regional Fairness Boards to investigate small business complaints pertaining to federal agency enforcement actions.

If you are a small business and believe you have been treated unfairly by the Occupational Safety and Health Administration (OSHA), you may file a written, signed complaint with the SBA Ombudsman at:

Small Business Administration
Office of the National Ombudsman
409 Third Street, S.W., MC2120
Washington, DC 20024-0005
Phone: (202) 205-2417
FAX: (202) 481-5719

You can also access and download the Complaint/Comment form by visiting their website at:

<http://www.sba.gov/aboutsba/sbaprograms/ombudsman/index.html>

Or, call Toll Free: 1-888-REGFAIR

NOTE: Filing a complaint with the SBA Ombudsman does not affect any obligation you may have to comply with an OSHA citation or other enforcement action. Nor does it mean you need not take other available legal steps to protect your interest.

Your support in worker occupational health and safety is appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "Jack A. Rector".

Jack A. Rector
Area Director