A new program in Well Servicing that recognizes the "Rig of the Month" in every yard is building employee pride and paying dividends that range from improved safety performance to reduced downtime for clients.

Begun in January, Rig of the Month requires managers to visit every rig in their district each month and grade them in areas that include:

- Appearance of the rig, dog house, crew truck and pusher's truck,
- Overall safety effort, including job safety analysis, presence of personal protection equipment at all times and safety meeting attendance,
- Incident reporting, and
- Timeliness of paperwork and maintenance.

"Each rig is graded on 10 different items, with a 10 being the highest score," says Well Servicing Vice President Joe Freeman. "The rig scoring closest to 100 is the rig of the month."

Recognition and results

The winning crews receive Pioneer baseball hats with a patch that recognizes their Rig of the Month achievement and a gift card. They are also recognized on a plaque in each yard's office.

More important than the rewards, Joe says, is the noticeable increase in pride in the efforts of every employee. "It gets channeled into all their activities, from keeping the equipment clean and in good working order to increased environmental stewardship," he says.

The program's emphasis on achieving an incident-free month has everyone working safer, and the regular visits by managers is boosting camaraderie and communication as crews seek guidance on how they can improve. Clients also benefit by having increased access to managers in the field and reduced downtime thanks to the maintenance part of the program.

"We've really seen a big improvement since Rig of the Month started," Joe says. "It's taken a lot of effort from everyone involved but the results are worth it and we plan to keep it going."

Earlier in the year, Pioneer implemented new HR and Payroll software called Workday. In October, Pioneer launched a Workday portal – a secured on-line self-service portal that allows employees to view their personal HR and payroll information. The Workday portal allows you to view and print your current and previous pay slips, make changes to your W-4 elections, view your W-2 before it's even mailed to you, etc. Please log-in to Workday and ensure your emergency contacts are up to date as well as your address and phone number.

Follow us on Facebook for the latest live SAFE moments!
Commitment to Vision, Values making a difference

Most of you by now are familiar with our Company’s Vision Statement and Core Values. A key element of our Vision is to have a working environment that is fulfilling to employees. In order for an employee to be fulfilled, he or she needs to understand and support what we stand for. I would like to share two areas where I believe employees have experienced a sense of personal fulfillment:

Safety
First, congratulations to all employees for promoting our LiveSafe culture. Through hard work and concern for safety we have continued to reduce the number of injuries at our worksites as well as the severity of these injuries. Our commitment to employees and their families to bring Pioneer workers home safely each day has never been stronger.

Essential training
I recognize that we call upon everyone for their commitment to achieving another one of our Core Values: Service Excellence. I am proud to report that this year, more than I can remember in the past, I am hearing many examples of operators offering very complimentary feedback.

Employees have forwarded emails referencing excellent report cards in Wireline, top-performing rigs in Well Servicing record wells drilled in Drilling Services; professional and excellent service in Coiled Tubing and being the go-to company for Fishing Services company for several major clients. I have also observed that drilling rig downtime is at an all-time low of less than 1.25%.

These are great accomplishments. These results only occur because Pioneer employees care. There is no better way to differentiate ourselves than by providing consistent, professional, efficient and safe service. Hats off for a great job in Service Excellence, and replace in the fulfillment of these important Values.

Sincerely,

Wm. Stacy Locke
President and Chief Executive Officer

One-pass logging tool a winner for Wireline clients

Wireline clients in North Dakota are saving time and money with a new one-pass logging tool that makes two critical assessments of the wellbore in one pass.

The first assessment is the cement bond log that is required on every well in the state to evaluate the integrity of the cement work. The second measurement uses a 40-arm, multiple finger caliper tool that checks for wear in the seven-inch casing.

“Pioneer already had excellent tools to assess the integrity of the wellbore. But the tools are run individually, so a typical job would take around five or six hours,” says Wireline Sales Manager David Kalil. “Most of the clients we work for are running these tests off the drilling rig, so time and costs are major factors. The one-pass logging tool, also known as a stack since it stacks the tools on top of each other, brings the job down into the three-hour range.”

Real-time decisions
David credits the hard work and commitment of Williston District Manager Tim Schmidt and Field Engineer Howard Spencer with making the tool a new capability for Pioneer.

Not only is gathering data faster, clients are able to react to the results on the spot. “We used to have to run the data through additional software to clean it up and make a better presentation,” David says. “This was time-consuming for the engineers and the oil company.”

New clients will know right away whether the casing is in good condition and they don’t have to run another string of pipe inside it to do another string of pipe inside it to do another string of pipe inside it to do the hydraulic fracturing work. “They can just rig down, move off and do the frac job,” David says.

Tim and Howard’s achievement is also creating a lot of buzz in the industry and giving Pioneer a good marketing boost. “We’re ahead of the curve and we know skills of good publicity from this,” David says.

Pioneer joins IADC effort to set well servicing competency standards

The International Association of Drilling Contractors (IADC) is creating Knowledge, Skills and Abilities (KSA) standards for the well servicing industry, with Pioneer having a prominent role on the committee in charge of the effort.

Well Servicing Vice President Joe Freeman, pictured on the left, is a committee lead joining participants from APIteq, Occidental Oil & Gas and Guice Engineering. Well Servicing HSE Director Lonnie Nematmayer is also on the committee and will ensure the KSAs adequately address all safety concerns.

“The KSAs will provide a set of minimum core competencies that employees should have before they are hired or promoted,” Joe says. “They will be spelled out by position to provide a base of cumulative knowledge, starting at floor hand working up to tool pusher.”

Ensuring proficiency
The main goal of the program is to ensure employees are proficient in their job functions. With the KSAs in place, the expectation is that the industry will move forward in terms of safer and more-efficient operations.

“New hires will have check sheets that set minimal knowledge, skills and abilities that we can monitor to show that the required competence has been achieved or identify deficiencies that need improvement,” Joe says. “It will also support our LiveSafe culture as we will be able to verify that employees have the skills they need to work safely.”

The well servicing KSAs are expected to be completed by mid- to late 2014. The IADC is also developing KSAs for the drilling industry that should be available later this year. Future initiatives will create KSAs for coiled tubing, wireline and trucking.
Leadership development program builds on first-year success

The decision to develop a talent management program and identify successful leadership characteristics led to the creation of Pioneer’s Leadership in Excellence, Achievement, and Development (LEAD) program, which launched in 2012.

Director of Organization Development Laura Martinez created the program after extensive research to identify successful leadership competencies, skills and knowledge. Working with field managers, she asked one basic question: “What are the top three challenges you face on a daily basis?”

The answers always related to human capital and how to effectively manage employees. In that context, LEAD programs are focused on developing effective leadership skills to create an environment where leaders inspire crews and everyone performs at their best.

Reaching out to 400 leaders across the organization, LEAD launched its second course earlier this year to more than 400 leaders Company-wide, focusing on topics that included Pioneer’s Vision & Core Values, engaging, influencing and motivating employees, building the LiveSafe culture, employee recognition and effective onboarding. Laura and Director of Training and Development, Steve Martin, developed and conducted the course.

“With the help of leadership development through LEAD, Pioneer wants to provide individuals with an opportunity to strengthen their skills, develop their talents, manage their developmental areas and reinforce their ability to use their knowledge and contribute to our LiveSafe initiatives,” Laura says. “Leadership development also builds confidence and unity, which significantly improves the success rate of employees in achieving individual and organizational goals.”

Laura also notes that the key to achieving the highest return on investment in developing people begins with a strong foundation of trust and respect. “Building trust creates unparalleled success for any organization and we emphasize this in every LEAD course,” she says.

Investing for success

Drilling Services Senior Vice President Brian Tucker says the value of the program is easy to see. “Our field-level supervisors play an absolutely critical role in the performance of our crews and in creating a culture that attracts the best employees. Their dedication to safe and efficient operations has been instrumental in Pioneer’s success. LEAD helps us to continue to invest in this important group and give them tools that they can use to be successful. I enjoyed being a part of this training and learning from our leaders in the field.”

LEAD 3 is currently in development and will be rolled out in 2014. Potential topics include building on trust to transform employee performance, building a strong, inspiring culture and setting expectations and meeting goals.

Charity

Bryce Seki honors family, friend with fundraiser

Although he never met his sister-in-law, Pioneer Associate General Counsel Bryce Seki has been on a mission to honor her life, which was cut short at 20 years by leukemia.

This year he achieved his biggest tribute yet, raising $134,000 for the Leukemia & Lymphoma Society (LLS). “I’ve run in fund-raising half-marathons in Brionne’s honor, but wanted to do more.” Bryce says. “This campaign was the sort of more that I feel she was calling me to do.”

The 10-week annual campaign runs as a national competition to raise the most money, but Bryce’s interest was purely personal as he sought to establish a mission to honor her life, Bryce Seki honors Pioneer General Counsel Carlos Pena that raised $33,000. All told, about 370 donors made contributions. “Pioneer was a huge supporter of this effort and really helped make a difference,” Bryce says. “It was pretty humbling to see how generous people could be and their generosity was overwhelming.”

Drilling Services Rig #8 safely sets new record for well

Their impressive effort earned high praise from the client’s drilling manager.

Rig #8 went from spud to 14,500 feet, with 4,300 feet of horizontal hole, in a little more than eight days and five hours. From spud to rig release was an equally impressive 10.75 days.

A note sent by the drilling manager to the Rig #8 team said: “Please accept congratulations and thanks for your performance on the well which you just completed. That well set the standard for the best well we have drilled to date in the Eagle Ford Shale. You should take pride in your accomplishment.”

“Each of you should know how much we value your knowledge and appreciate your efforts. We believe that you will soon exceed even this record milestone. Your prospects for even greater accomplishments are bright, and your success should challenge others to strive for higher levels of performance.”

Pioneer Spirit Fall/Winter 2013

Crew of Drilling Rig #8

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Questions or comments should be directed to newsletter@pioneeres.com. The online version of the newsletter can be found on www.pioneeres.com. A Spanish version is available upon request.

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Steps to stay safe on the Internet

By Bill Schneider, VP Information Technology

A reality of life today is that we spend more of our waking time on the internet than any other activity. It has brought many conveniences to our personal and professional lives, from online research and banking to shopping and socializing.

These benefits, however, have also created opportunities for cybercriminals to gain access to personal information and conduct fraudulent activities. Cybercrime is at an all-time high and continues to increase as the world’s internet population exceeds 2.5 billion users.

Pioneer recognizes the need to be proactive and establish technological and internal procedural safeguards to ensure the highest level of security is maintained. Ultimately, effective IT security is a team effort involving the participation and support of every user. Below is a list of basic steps that individuals should take to become more secure in cyberspace:

- **Set strong passwords** – Compromised passwords are the leading cause of lost confidential information. To use longer passphrases that are easier to remember rather than passwords. For added complexity, add uppercase letters, numbers and symbols. Ensure you don’t use the same password for work and personal accounts.
- **Never share your username and password with anyone.**
- **Apply all patches** – New vulnerabilities are found every day in software, web browsers and operating systems. Ensure you are applying all patches for your PC.
- **Be cautious about what you receive or read online** – If it sounds too good to be true, it probably is.
- **Never click suspicious links or attachments, even if you receive them from someone you know.**
- **Never enter personal information or provide log-in credentials on a website that is unknown.** This could be captured for fraudulent purposes and is often referred to as “Phishing.”

Back up your data – Be sure to periodically back-up the data on your computer, tablet and mobile devices in the event you lose them or they become corrupted.

Manage confidential information – Sensitive and confidential information should be appropriately protected.
- Ensure all confidential information is encrypted when stored on your hard drive or flash drive.
- All tablet and mobile smart phones should be secured with a passcode.
- Report any lost devices or information immediately to the IT department.

Additional resources to improve online security are available at staysafeonline.org and sans.org.

Starting early offers best return on retirement plans

It can be hard to think about retirement when you are 25, 35 or even 45 years old, but getting started on retirement planning today takes minimal effort and can earn big rewards in the years ahead.

Pioneer’s 401(k) retirement plan is designed to help employees maximize savings and reach their financial goals. “The key to receiving the greatest benefit from a retirement plan is to start as early as possible,” says Human Resources Manager Greg Lakes. “Even investing small amounts over time can add up quickly.”

Plan highlights
In addition to building a nest egg, a 401(k) plan brings immediate benefits in terms of tax savings and employer matching funds. With Pioneer’s plan:
- Contributions are made with pre-tax dollars, so earnings on investments are tax-deferred until withdrawals begin at retirement age.
- Pre-tax dollars also lower taxable income, reducing taxes employees pay each year.
- Employees can contribute up to $17,500 in 2014, or up to $23,000 for employees 50 and over.

**Investment advice**
The mix of investments in a 401(k) plan, or asset allocation, is usually based on the employee’s age and comfort level in taking on risk. All Pioneer employees can get assistance with their 401(k) allocations by calling Morgan Stanley at 1-800-733-3041, extension 4444.

All new hires are automatically enrolled in Pioneer’s 401(k) plan after 90 days of service. Employees can make changes to their account by going to www.netbenefits.com or calling plan administrator Fidelity at 1-800-294-4015.

“One of the bigger financial regrets people have later in life is not taking full advantage of plans like the one we have at Pioneer,” Greg says. “We encourage everyone who is eligible to put this program to work for them today.”

Benefit raises $35,000 for injured employee

Pioneer employees and the local community are helping Gilbert Escobar on his road to recovery after a car accident caused serious injuries.

Gilbert, a motorman on Drilling Services Rig #26 in South Texas, is on the mend from damage to his ribs, neck, chest, back and skull. A fundraiser benefit to help out Gilbert, his wife Ruby and their three children was held in June in Beeville, Texas and raised $35,000.

“it was a great event that attracted about 1,200 people, including many Pioneer employees and clients as well as the general public,” says Drilling Services HSE Supervisor Ramon Perez. “Enthusiastic support for raffles and a silent auction enabled us to raise as much as we did,” says Ramon.

Ramon credits Freeport-McMoRan’s Walter Locke for coming up with the idea to hold a benefit and organizing the event. Gilbert’s rig was working for Freeport-McMoRan (formerly PXP) at the time of the incident.

“Right now, Gilbert is receiving strong support from his family and the Pioneer family and he is inspired to recover his rig and co-workers,” says Ramon.

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