

AFFIRMATIVE ACTION COMPLIANCE PLAN

For Individuals with Disabilities

Period: January 26, 2006 to January 25, 2007

Plan Completed by: _____
Andrew Sachs
Affirmative Action Officer
Vice President

Plan Reviewed and
Approved by: _____
Joseph J. Coates, III
President

Coates Field Service, Inc.
Corporation Address:
P.O. Box 25277
Oklahoma City, OK

Corporate Phone No.: 405-528-5676

Company's Federal Tax ID No.: 73-0574212

Company's Dun & Bradstreet No.: 033017112

Company's EEO-1 Identification Number: M020813

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I. PREFACE

Coates Field Service, Inc. (the "Company") is fully committed to the concept and practice of equal employment opportunity and affirmative action in all aspects of employment.

The management of Coates Field Service, Inc. has prepared this written Affirmative Action Program (AAP) for the employment of Disabled Individuals.

Further, in this written Affirmative Action Program, the terminology of OFCCP's implementing regulations, as set forth in the Code of Federal Regulations, has been used as a guide by the Company. Therefore, the terminology used should not be construed as an admission by the Company in whole or in part that it has violated in the past or is now violating any federal, state or local fair employment practice laws or regulations.

The material set forth in this written Affirmative Action Program is deemed to constitute trade secrets, operations, information and confidential statistical data, all of which fall within the Freedom of Information Act, 5 U.S.C. 552 et seq., the Trade Secrets Act, 18 U.S.C. 1905, and 44 U.S.C. 3508, the disclosure of which is specifically prohibited by law and would subject the individual making the disclosure to criminal and/or civil sanctions.

II. EQUAL EMPLOYMENT OPPORTUNITY POLICY STATEMENT

It is the policy of Coates Field Service, Inc. to pledge its full support to equal employment opportunity for all persons, regardless of race, color, religion, sex, national origin, marital status, physical disability, medical condition, age, status as a Special Disabled Veteran, Veteran of the Vietnam Era, or Other Eligible Veteran with respect to recruitment, hiring, training, promotion, and other terms and conditions of employment, provided the individual is qualified to perform the work available. Further, it is the policy of the Company to comply with the concepts and practices of affirmative action. An executive of this Company, Andrew Sachs, has been designated to administer the Company's affirmative action program and will monitor that program and make reports on a periodic and continuing basis to senior management.

Accordingly, all employment decisions shall be consistent with the principle of equal employment opportunity (EEO).

All promotion decisions shall be consistent with the principle of EEO, and only valid qualifications will be required for promotion.

All other personnel actions or programs such as compensation, benefits, transfers, layoffs, recalls, Company-sponsored training, social, and recreational programs will be administered in a non-discriminatory manner with respect to minorities and women, provided the individual is qualified to perform the work available.

Pursuant thereto, this policy establishes--effective immediately and in compliance with regulations provided by the Secretary of Labor in 41 C.F.R. Chapter 60--an affirmative action program composed of specific steps that will be undertaken in order to implement this policy. The Affirmative Action Compliance Plan is available for inspection by applicants and employees at the corporate headquarters in Oklahoma City between the hours of 9:00 a.m. and 3:00 p.m. Monday through Friday.

Joseph J. Coates, III
President

Date

III. GENERAL REQUIREMENTS

It is the policy of Coates Field Service, Inc. to take affirmative action to employ and advance in employment qualified Disabled Individuals at all levels of employment, including the executive level. Such action shall apply to all employment practices, including, but not limited to, the following: hiring, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

Where applicants or employees are selected for hire, promotion, or training, and the Company undertakes any accommodation which makes it possible for a Disabled Individual to be placed on the job, the personnel record will contain a description of that accommodation. The record of these accommodations or procedure changes will be designed so as to facilitate a review of the implementation by the Company or the Office of Federal Contract Compliance Programs (OFCCP).

IV. PROPER CONSIDERATION OF QUALIFICATIONS

The Company has reviewed its personnel procedures in order to determine that its present procedures assure careful, thorough, and systematic consideration of the job qualifications of the known Disabled applicants and employees for job vacancies filled either by hiring or promotion, and for all training opportunities offered or available.

Where applicants or employees are selected for hire, promotion, or training, and the Company undertakes any accommodation which makes it possible for a Disabled Individual to be placed on the job, the application form or personnel record will contain a description of that accommodation. The record of these accommodations or procedure changes will be designed so as to facilitate a review of the implementation by the Company or the OFCCP.

V. REVIEW OF PHYSICAL AND MENTAL QUALIFICATIONS

- A. The Company will review physical and mental job qualifications annually or upon a change in job requirements to ensure that, to the extent qualification requirements tend to screen out Disabled Individuals, the qualifications are job-related and are consistent with business necessity and safe job performance.
- B. Any information obtained by the Company in response to inquiries or examination of an applicant's or employee's physical or mental condition, results of medical examinations prior to employment, or change in employment information will be kept confidential except that:
 - 1. Supervisors and managers may be informed regarding restrictions on the work or duties of Disabled Individuals and regarding accommodations; and
 - 2. First Aid and safety personnel may be informed where and to the extent appropriate, if the condition might require emergency treatment; and
 - 3. Government officials investigating compliance with the Act shall be informed.

VI. ACCOMMODATIONS TO PHYSICAL AND MENTAL LIMITATIONS OF EMPLOYEES

The Company will make a reasonable accommodation to the physical and mental limitations of an employee or applicant subject to the following factors:

- a. Business necessity
- b. Financial cost and expenses.

VII. COMPENSATION

Compensation of employees for services rendered will not be affected by any disability income, pension or other benefit the applicant or employee receives from another source. This policy will apply to all Disabled Individuals in offering them employment or promotions.

VIII. OUTREACH, POSITIVE RECRUITMENT, AND EXTERNAL DISSEMINATION OF POLICY

Coates Field Service, Inc. has reviewed their employment practices to ensure that the personnel programs provide the required affirmative action for employment and advancement of qualified Disabled Individuals. The following are some of the efforts, which the Company has undertaken:

- A. Communicate internally its obligation to engage in affirmative action to employ and promote qualified individuals.
- B. Develop internal procedures to ensure that its obligation to engage in affirmative action to employ and promote qualified Disabled Individuals is being fully implemented.
- C. Periodically inform all employees and prospective employees of its commitment to engage in affirmative action to increase employment opportunities for qualified Disabled Individuals.
- D. Recruiting sources for Disabled persons will be notified of the Company's commitment to provide meaningful employment opportunities to qualified Disabled Individuals.
- E. Educational institutions, social service agencies, and other organizations, which participate in the rehabilitation of the Disabled, will be contacted as possible recruitment sources and used for advice and technical assistance.

- F. Review the employment records to determine the availability of promotable and transferable qualified known Disabled Individuals presently employed, and determine whether their present and potential skills are being fully utilized or developed.
- G. When employees are pictured in consumer, promotional or help-wanted advertising, Disabled employees will be included.
- H. Written notification of the Company's Affirmative Action Program for Disabled Individuals will be sent to all required subcontractors, vendors and suppliers, requesting appropriate action on their part. Furthermore, contracts, subcontracts or purchase orders of \$10,000 or more will include the provisions of the Affirmative Action clause for Disabled Workers as set forth in Title 41, Chapter 60, Part 60-741, Section 60-741.3 CFR. The complete clauses are shown in Exhibit A. Contracts and subcontracts for less than \$10,000 are not covered by the Act.
- I. The Company will take positive steps to attract qualified Disabled persons not currently in the work force who have requisite skills and can be recruited through affirmative action measures. The following organization has been contacted:

America's Job Bank

IX. INTERNAL DISSEMINATION OF POLICY

Employees of Coates Field Service, Inc. will be informed of the Company's Affirmative Action Program for Disabled Individuals. Any significant change in this policy will also be communicated both internally and externally, according to the following plan action.

1. The Affirmative Action Program for Disabled Individuals will be referenced in the Company's EEO policy, which appears in Coates Field Service, Inc. Employee Manual. The program will be continually reviewed and updated on an annual basis.
2. The EEO Policy will be published in the Company newsletter, "Coates Notes," and other in-house publications.

3. Periodically, meetings with management and supervisors will be scheduled to discuss policy intent and responsibility for the program. Management will thereafter disseminate this information to its employees, to emphasize the individual employee responsibilities.
4. Special meetings with all employees to discuss policy and explain individual employee responsibilities will be scheduled.
5. The Affirmative Action Program for Disabled Individuals will be discussed in both the employee orientation meetings and any management development training programs, which may be developed.
6. In order to continue employee cooperation and understanding, articles on the Affirmative Action Program for Disabled Individuals will be published in the Company newsletter, "Coates Notes," and other in-house publications.
7. The "Equal Employment Opportunity is the Law" poster (with reference to the Rehabilitation Act of 1973) will be displayed at each location.
8. The complete Affirmative Action Program for Disabled Individuals will be available for inspection to any employee or applicant for employment upon request from the Affirmative Action Officer. This notification of availability will be posted with the "Equal Employment Opportunity is the Law" poster.
9. All employees and applicants for employment, who wish to benefit from this program, will be invited to voluntarily identify themselves as Disabled persons. Any person may refuse to provide such information without being subject to any adverse treatment. This information will be kept confidential and will be used only in accordance with the Rehabilitation Act of 1973. The Company will advise and counsel with those persons identified as a Disabled, regarding proper placement and appropriate accommodation.
10. Employees featured in employee handbooks or similar publications will include Disabled employees.

X. RESPONSIBILITY FOR PROGRAM IMPLEMENTATION

The President of Coates Field Service, Inc., Joseph J. Coates, III, is ultimately responsible for the accomplishment of the Affirmative Action Program for Disabled Individuals. The Company's Affirmative Action Officer, Andrew Sachs, is accountable to the President for all action taken in maintaining the Affirmative Action Plan for Disabled Individuals. All managers and supervisors will actively support and participate in the AAP for Disabled Individuals.

X-A. Duties of the Affirmative Action Officer

1. Development of policy statements, programs, and internal communication techniques. The communication techniques will include periodic discussions with managers, supervisors, and employees to assure that the policies are being carried out.
2. Identification of problem areas, if any, in conjunction with line management and known Disabled employees, in the implementation of the AAP for Disabled Individuals, and development of solutions. Emphasis in problem solving will be directed toward the physical working accommodations requirements.
3. Implement reporting and audit systems in order to accomplish the following:
 - a. Measure the effectiveness of the Company's program.
 - b. Indicate need for remedial action.
 - c. Determine the degree to which the Company's objectives have been attained.
 - d. Determine whether known Disabled employees have had the opportunity to participate in all Company sponsored educational, training, recreational and social activities.
 - e. Ensure that each location is in compliance with the Act and the regulations.
4. Serve as liaison between the Company and the OFCCP.

5. Serve as liaison between the Company and organizations of and for Disabled persons, and arrange for the active involvement by Company representatives in the community service programs of local organizations of and for the Disabled.
6. Keep management informed of the latest developments in the entire affirmative action area.
7. Arrange for career counseling for known Disabled employees, if requested.

X-B. Management and Supervisors Responsibilities

Each manager and supervisor is responsible for the actions of the employees in the department or work group that he or she is managing or supervising. The managers' and supervisors' participation in the AAP for Disabled Individuals will include, but not be limited to the following areas:

1. Internal dissemination of information and discussions with employees about the program.
2. Taking the necessary action to prevent harassment of employees placed through affirmative action efforts.
3. Understanding that their efforts and results in the AAP for Disabled Individuals are considered in work performance evaluations.

XI. DEVELOPMENT AND EXECUTION OF AFFIRMATIVE ACTION PROGRAMS

The following programs will be developed as part of the Affirmative Action Program for Disabled Individuals.

1. Job qualifications reviewed in Section V will be made available to those persons in management involved in the recruiting, screening, selection, and promotion process.
2. Actions will be undertaken to assure that opportunities available to employees will not stereotype Disabled persons in a manner, which limits their access to all jobs for which they are qualified.
3. All personnel involved in the recruitment, screening, selection, promotion, disciplinary and related processes will be oriented to assure their commitment toward the Affirmative Action Program for Disabled Individuals.
4. Disabled employees will be encouraged to participate in school and community career days, youth motivation programs, and other related community programs.
5. All school and college recruiting activities will include a special effort to reach Disabled students through prior notification to the placement counselor or person responsible for Disabled job placement.

XII. INVITATION TO SELF-IDENTIFY

The Company invites all employees who believe themselves to be covered by the Act and who wish to benefit under the Company's affirmative action program to identify themselves. The invitation states that the information is voluntarily provided, that it is kept confidential, that refusal to provide it does not subject the employee to any adverse treatment, and that it is used only in accordance with section 503 of the Rehabilitation Act of 1973, and the regulations promulgated thereunder. If an employee so identifies himself or herself, the Company will discuss with the employee his or her proper placement and the Company's

appropriate reasonable accommodation. A copy of the Invitation to Disabled Individuals, Disabled Veterans, and Veterans of the Vietnam Era to self-identify is attached in Exhibit B.

This invitation is used to solicit employees to self-identify. An employee is not precluded from informing a contractor at any future time of his or her desire to benefit under the program.

EXHIBIT A

Affirmative Action Clause for Disabled Workers

Each agency and each contractor and subcontractor for \$10,000 or more shall include the following affirmative action clause in each of its covered government contracts or subcontracts (and modifications, renewals, or extensions thereof if not included in the original contract).

AFFIRMATIVE ACTION FOR DISABLED WORKERS EQUAL OPPORTUNITY FOR WORKERS WITH DISABILITIES

1. The contractor will not discriminate against any employee or applicant for employment because of physical or mental disability in regard to any position for which the employee or applicant for employment is qualified. The contractor agrees to take affirmative action to employ, advance in employment and otherwise treat qualified individuals with disabilities without discrimination based on their physical or mental disability in all employment practices, including the following:
 - i. Recruitment, advertising, and job application procedures;
 - ii. Hiring, upgrading, promotion, award of tenure, demotion, transfer, layoff, termination, right of return from layoff and rehiring;
 - iii. Rates of pay or any other form of compensation and changes in compensation;
 - iv. Job assignments, job classifications, organizational structures, position descriptions, lines of progression, and seniority lists;
 - v. Leaves of absence, sick leave, or any other leave;
 - vi. Fringe benefits available by virtue of employment, whether or not administered by the contractor;

- vii. Selection and financial support for training, including apprenticeship, professional meetings, conferences, and other related activities, and selection for leaves of absence to pursue training;
 - viii. Activities sponsored by the contractor including social or recreational programs;
 - ix. Any other term, condition, or privilege of employment;
2. The contractor agrees to comply with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the act.
 3. In the event of the contractor's noncompliance with the requirements of this clause, actions for noncompliance may be taken in accordance with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the act.
 4. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices in the form to be prescribed by the Deputy Assistant Secretary for Federal Contract Compliance Programs, provided by or through the contracting officer. Such notices shall state the rights of applicants and employees as well as the contractor's obligation under the law to take affirmative action to employ and advance in employment qualified employees and applicants with disabilities. The contractor must ensure that applicants and employees with disabilities are informed of the contents of the notice (e.g., the contractor may have the notice read to a visually disabled individual, or may lower the posted notice so that it might be read by a person in a wheelchair).
 5. The contractor will notify each labor organization or representative of workers with which it has a collective bargaining agreement or other contract understanding, that the contractor is bound by the terms of section 503 of the Rehabilitation Act of 1973, as amended, and is committed to take affirmative action to employ and advance in employment individuals with physical or mental disabilities.
 6. The contractor will include the provisions of this clause in every subcontract or purchase order in excess of \$10,000, unless exempted by the rules,

regulations, or orders of the Secretary issued pursuant to section 503 of the act, as amended, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the Deputy Assistant Secretary for Federal Contract Compliance Programs may direct to enforce such provisions, including action for noncompliance.

EXHIBIT B

(Letter to employees
for purposes of Disabled identification)

TO ALL COATES FIELD SERVICE, INC. EMPLOYEES

Coates Field Service, Inc. is a government contractor subject to Section 503 of the Rehabilitation Act of 1973, which requires government contractors to take affirmative action to employ and advance in employment, qualified Disabled Individuals. If you have such a disability and would like to be considered under the Affirmative Action Program for Disabled Individuals, please inform the Affirmative Action Officer.

Submission of this information is voluntary and refusal to provide it will not subject you to discharge or disciplinary treatment. Information obtained concerning individuals will be kept confidential, except that (1) supervisors and managers may be informed regarding restrictions on the work or duties of Disabled Individuals, and regarding necessary accommodations; (2) first aid and safety personnel may be informed, when and to the extent appropriate, if the condition might require emergency treatment; and (3) government officials investigating compliance with the Act shall be informed.

If you are Disabled, we would like to include you under the Affirmative Action Program for Disabled Individuals. It would assist us if you tell us about any special methods, skills and procedures which qualify you for positions that you might not otherwise be able to do because of your disability, so that you will be considered for any positions of that kind and the accommodations which we could make which would enable you to perform the job properly and safely, including special equipment, changes in the physical layout of the job, elimination of certain duties relating to the job, or other accommodations.

Sincerely,

Andrew Sachs
Affirmative Action Officer