

**Safely Delivering
America's Energy®**



*A publication for the employees
of Gazelle Transportation Inc.*

Winter 2012 / 2013

Message from President/CEO Ron Lallo



Happy New Year, Gazelle Family!

Before I talk about our accomplishments in 2012 and ambitions for the New Year, I want to thank all of you for your hard work and endurance. So many of you work tirelessly to push, pull and lead this organization in the direction of greatness. Our drivers continue to lead the growth charge. Working day and night, Saturdays and Sundays, through snow storms, sub-zero weather and the heat of

South Texas, our drivers are the backbone of Gazelle and are literally driving us to success!

2012 was a successful year. Our company experienced the fastest growth rate ever. The impressive part is that we managed to accomplish this while maintaining an industry-best safety record. We actually reduced our incident rate per million miles traveled! We also made great strides in developing and enhancing our infrastructure. We purchased terminals in Northern, CO; Casper, WY and finally broke ground on our new corporate office in Bakersfield. We continued to enhance our technology, hire key managers and create new positions within our organization to better serve our people and our customers. Most importantly, we continued to build upon a world class team of drivers. Our drivers are some of the most amazing individuals I have ever had the privilege of knowing.

2013 is going to be a lot of the same but bigger, bolder, cleaner and better! Our goal is to add another 100 trucks

and 250+ drivers companywide!

Before I address our growth plans for 2013, I want to share with you my inspirations and what I believe makes us a great company. As many of you are aware, we've had some challenges with a small city in the state of Colorado, where we want to develop property into our regional headquarters for Northern, CO. Four local drivers in the city of Evans volunteered their time to attend a city council meeting that lasted until almost 11:00 p.m. Three of these gentlemen got up in front of packed chambers and let's just say a very challenging mayor and city council situation. Entirely on their own and unsolicited, they spoke about the company they work for. They expressed their belief in our company's vision and commitment to quality, fairness and doing what's right. They spoke about our company's commitment to safety and integrity. They stood up for what was right and defended our company in a public setting and did it with passion, bravery and honor. That inspires

Continued on page 4

Gazelle Transportation Ranks in Top Half of the Inc. 5000

**Inc.
5000**

Inc. magazine listed Gazelle Transportation #2247 in its 2012 annual ranking of the fastest growing private companies in the U.S. Gazelle's growth is 113% over three years, compared to the median growth rate of 97% for other companies on the list. Gazelle is proud to be growing, adding jobs and fueling the economies in the markets we serve – California, Colorado, Texas and Wyoming.

More Inside...

- [2] *Safety & Compliance Director*
— Steve Wittels
New Developments
— Bob Howard
- [3] *Building Project Update*
Drivers of the Year
HR News
- [4] *Safety Tips*

Safety & Compliance Director: Steve Wittels



We always remember that our drivers are on the offensive line every day. Your job is to move the crude to its destination and not get tackled by weather, bad roads, illness or an accident. Attention to safety and good health gets you there. It's my job to promote activities and training that support safety in the field. Safety initiatives protect you, your co-workers, our customers and the general public. Just as our customers have high standards and expectations, we want you to know that we're advocates for your safety.

If you ever observe conditions that seem less than safe, we want to know about it. There's no reason to cut corners when safety is involved. The longevity of your life, career and our company are at stake. The field safety managers are your defensive line. They're there for your protection. Then, they'll work with me to resolve safety issues. And if you're in Bakersfield, you know that I always have an open door policy.

Our customers hold themselves as well as vendor companies to a high standard, with rules and regulations to ensure enforcement. We all answer to the Occupational Safety and Health Administration (OSHA), the Department of Transportation (DOT), and the Environmental Protection Agency (EPA). So when something is missing, we want to know. Our customers want to work with us to improve safe conditions. Here's an example – rural roads to the oilfields are often new or not clearly signed. Without signage, you can get lost or end up on difficult or dangerous roads. We want you to make note of these situations so that we can

work with the customer to improve the conditions of getting to the site. Time is money in trucking, and lost time is lost revenue for all, in addition to plenty of frustration. In the meantime, here are a few things you can do to be prepared for poor signage:

- Ask Dispatch ahead of time for the most current map and directions to the lease. If going to federal lands, ask for current USFA or BLM maps.
- Use Qualcomm satellite messaging system; cell service isn't available everywhere.
- Carry a GPS.
- Make sure that you have a full gas tank before leaving populated areas.
- Check your tire pressure; carry a jack, a flashlight, and extra water, food and blankets.

In 2013, I'll be traveling to each of the regions to meet with you. I look forward hearing your questions, concerns, and ideas for improvement.

New Developments: Welcome Bob Howard



Bob Howard is the newest member of the management team and joins us as General Manager. He understands the life of a driver in our industry, starting over 30 years ago as a mechanic for Halliburton. After 11 years there, he joined an oil company where he managed mechanics and dispatch and stayed with the company through three name/ownership changes. With an understanding that drivers are the lifeblood of our organization, Bob is working hard as a liaison between management and the drivers. He not only understands the dynamics and challenges of hauling crude, he provides a place for drivers to get answers to questions and makes sure that drivers are paid correctly. He's also working in operations to keep schedules running smoothly. Bob has a long relationship with Ron and is excited about the direction and growth of Gazelle and the opportunity to have a new career challenge. Bob's expertise is a welcome addition to Gazelle, continuing our reputation as the premier transporter of crude oil.

Building Project Update



Here's a view of what the new Gazelle Transportation headquarters will look like inside.

We're excited about breaking ground on the new company headquarters in Bakersfield. Scheduled move-in is summer 2013. Just the office portion alone will be bigger than our current building. We never forget that it's our drivers who are largely responsible for Gazelle's growth. We look forward to sharing the new facilities with all of you and visitors, too.

Drivers of the Year



Todd Mau
Colorado

Todd has been with Gazelle for close to five years. He's a hard worker, committed to safe hauling and to the

customers. Todd deals with a lot of obstacles while driving in Colorado, such as large game on the road. He handles unusual situations with a great attitude as an expert driver. Area Manager Ken Youland says, "Todd has a dedication to Gazelle and helping where drivers are needed. He's excellent and knows what he's doing. He trains both new and old drivers, and he's there when the company needs him."



Jose Villareal
Texas

Jose is a very consistent driver; he shows up on time, and hardly ever misses work. James Valdez, Area

Manager, appreciates that Jose "works out problems on his own before giving the problem to someone else to handle." Jose has only been with Gazelle for about one and a half years, yet he is a trainer in the San Antonio area. He demonstrates the available opportunities for career advancement for drivers. James adds, "Jose has an excellent work ethic with customers and works well with his co-workers."



Mike Palmer
California

Mike joined Gazelle a little over a year ago with a background in freight hauling. He quickly showed

excellence in all areas of driver performance: safety, quality of work, teamwork, reliability, job knowledge, and productivity. He's always on time, personable, and the details on his paperwork are accurate and on-time, too. "Mike is an awesome guy and an awesome driver. I ask him to do something and he just does it, no questions asked. He's a top shelf driver," says Bill Myers.

HR News



Money for Expenses + Tax Savings = A Smart Way to Start the Year

The average family of four pays over \$3,000 a year in out-of-pocket expenses like doctor visits, prescription co-pays, dental work, new glasses, or a hospital stay. By planning ahead with a flexible spending account (FSA), you can save over \$800 in taxes on that \$3,000 expense.

Gazelle Transportation's 'Cafeteria Plan' qualifies with the IRS to let you contribute pre-tax funds to a Benny™ prepaid benefits card. Your hard-earned cash stays in your pocket as you pay for out-of-pocket medical costs, day care expenses, and even some over-the-counter medical items with the Benny card. You don't have to fill out any forms – just swipe the card to pay. And, you can check your balance online or by calling a toll-free number.

First, determine how much you want to deduct from each pay period to cover estimated expenses. Then, sign up by contacting the Human Resources department. You can also find more information about the Benny card in your Employee Benefits Enrollment Guide or at <https://hrbenefitsdirect.com/AVA>.

Safety Tips

Rough Road Reminders



Oilfield lease roads are trucker wild cards. Some are fine, and some are a navigational nightmare. Even experienced drivers can struggle with uncertain road conditions. Here are two reminders to keep you on track for unpredictable roads:

Ruts

Unpaved roads develop deep ruts due to tire wear or erosion, making your rig subject to getting stuck or suffering undercarriage damage.

What to do:

- Try to keep one or both tires out of wheel ruts by driving on the edge or in the center of the road.
- Approach from an angle when 'crossing' the rut, instead of straight ahead (i.e., don't form a 'T' with your truck and the rut).
- Stop and check for damage or fluid leaks if you feel the truck's undercarriage make contact with the road.

Loose surfaces

The dirt and gravel of unpaved roads can lead to loss of traction and losing control or getting stuck. Also, visibility reduces with dust or snow, impairing your ability to stay on the road.

What to do:

- Reduce speed and avoid sharp turns to prevent skidding. If you do skid, brake gently and keep the steering wheel straight.
- Avoid braking or accelerating suddenly in soft sand or gravel.
- Change air and oil filters more frequently. The dust and dirt of unpaved roads can reduce engine performance and cause damage to the engine or the radiator surface.
- Know the weather forecast for your destination so that you don't end up stuck on clay roads that turn to mud with a little rain.
- Leave extra distance between your vehicle and those ahead of you to maintain better visibility. Slow down when approaching oncoming vehicles to prepare for loss of visibility.

Continued from page 1

me! Ordinary people who do extraordinary things inspire me. Watching many of you earn your way into supervisor and management positions starting at the bottom inspires me. Getting a text or an email saying that you believe in this company, our vision and are praying for God's safety and blessings upon it inspires me. Shaking hands with a new member of the Gazelle family for the first time inspires me. I don't tell you nearly often enough that you all inspire me. Without you, without the brave drivers like Chris Ewing, Kenny Ball and Clarence Walker that spoke in a public square defending the company they believe in, without our area managers working tirelessly supporting their teams and without us all working together as one unified well-oiled machine, we will only be as good as the next guy.

To succeed in a world class manner and provide a level of service that is distinctly superior to that of our competition requires more than adding trucks. We must all grow ourselves and grow our trust in one another as a team. We must master the concept of being a process-driven organization. We must master the art of effective communication. We must put action behind our words and ideas and most importantly, we absolutely must master the principles of execution. Our ability to execute as a team largely determines the level of success we realize as an organization.

Regarding our growth aspirations for 2013 and ahead, refer back to the last paragraph and read it again. 2013 will be a year of developing the industry's finest leaders, dialing in the most effective processes and learning the discipline of execution. Any company with good credit and a decent opportunity can add trucks. If our people don't grow, Gazelle cannot grow. I believe with all my heart we have a special team of bright people; I believe they are the industry's best. If you're reading this as a Gazelle family member today, you've endured the challenges and pain of a growing company. You're tough, you're resilient, you believe in our vision, and you're not a quitter. You're someone that has passion and will contribute to building a legacy! This company has been built around ordinary people that do extraordinary things and overcame exceptional circumstances. Drivers and mechanics that now lead teams and regions. Single moms like Kristy Perry that now lead the dispatch of an entire region. Our company is full of these stories.

Thank you all for your hard work and commitment. Thank you for believing in our vision and thank you for believing in this company. I'm honored to be on this journey with all of you!

Be safe, stay positive and may God bless each and every one of you in 2013.

We're here for you. If you're in a tough situation, your safety is the number one priority. Contact the Safety Department or Senior Management if you suspect a problem and need help or advice.