

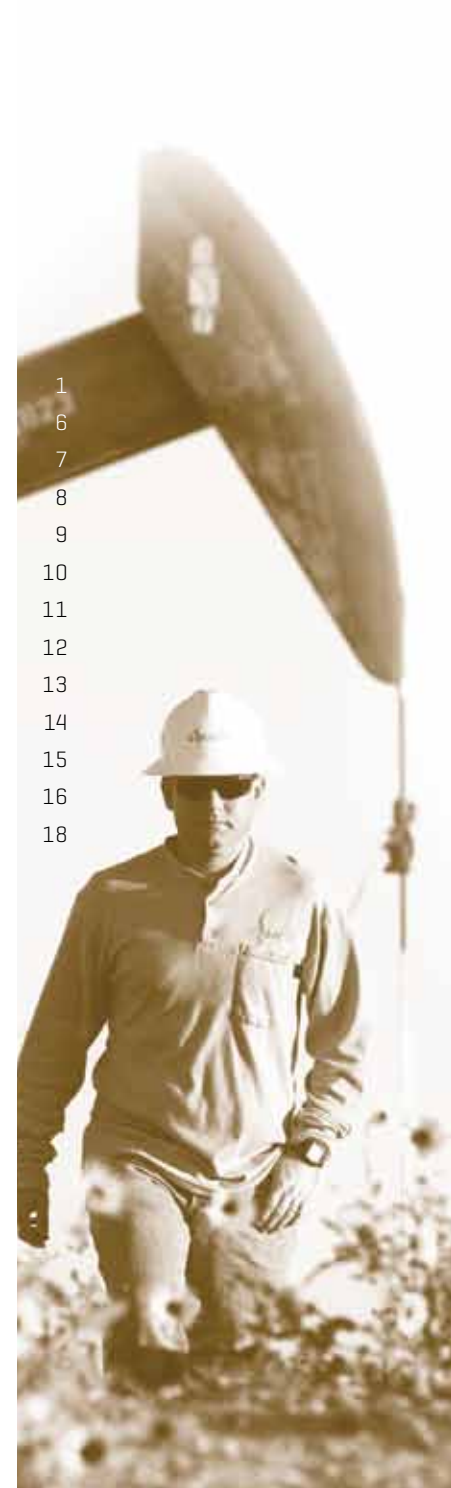


APACHE WORK RULES



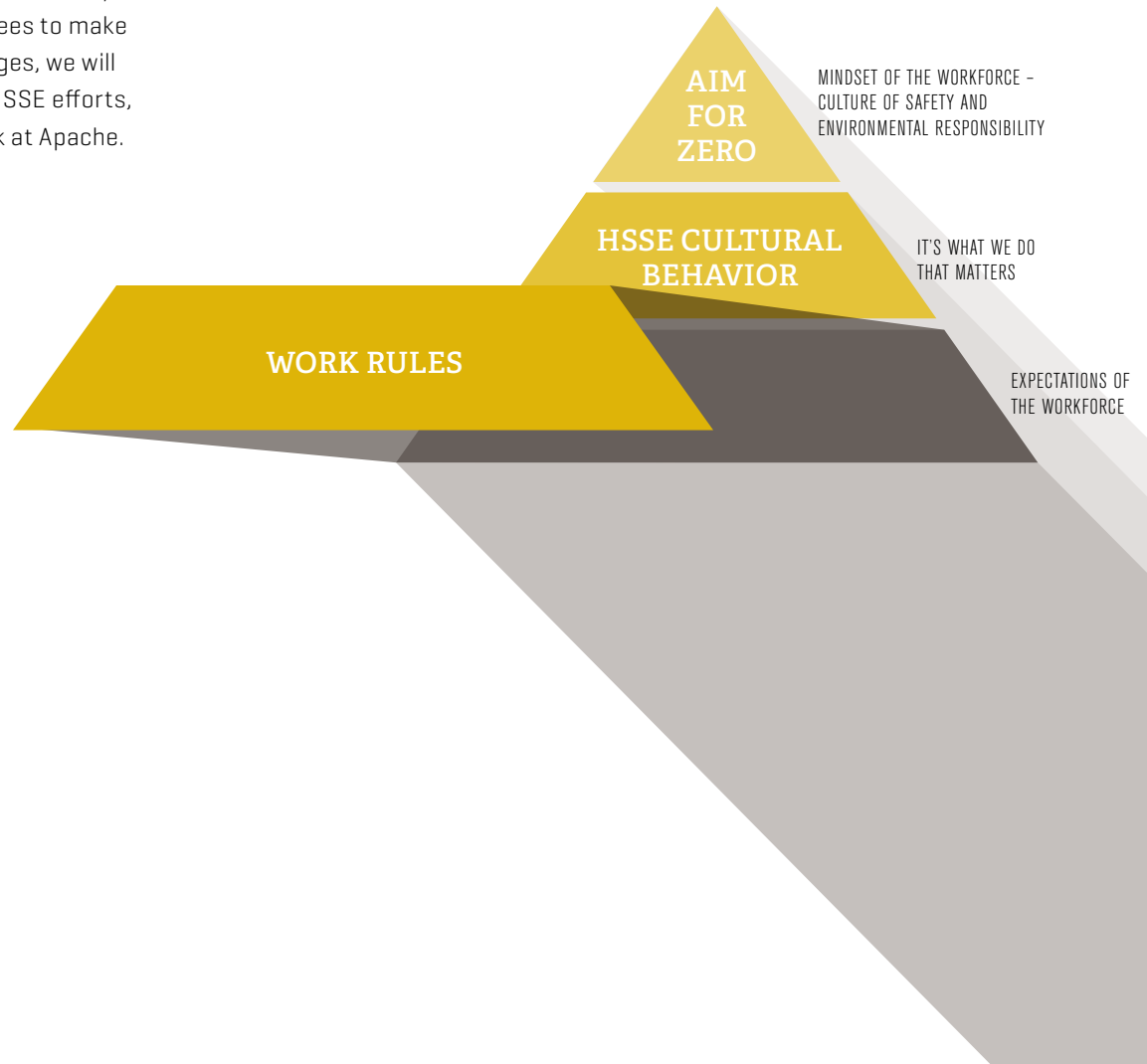
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OVERVIEW

The Apache framework for HSSE Operational Excellence is comprised of the Work Rules that define the expectations of our workforce, the Behaviors that drive Apache to build and maintain a culture of safety, and with Aim For Zero, the tools that empower our employees to make the right choices – every single time. Over the next few pages, we will outline Apache Work Rules, their importance to Apache’s HSSE efforts, and most importantly, how they apply to you and your work at Apache.



THE APACHE WORK RULES

Our Commitment to Aim For Zero

All of us should do our part to ensure the health and safety of our workforce and protection of our assets and the environment. It is something you must do for yourself, your co-workers, your communities, and most of all, your loved ones.

These Apache Work Rules are to remind you of Apache's expectations for management, supervisors, employees and contractors who visit our facilities and installations. There can be serious consequences for errors in our line of work. Not following the "rules", a lapse in focus, a distraction, or a poor decision can have catastrophic consequences – even when completing a basic and mundane task. This is why Apache is establishing these "Work Rules" and is counting on you to work safely and environmentally responsible. We have no choice – we must work smarter and safer – there are many people inside and outside Apache that are counting on us.



Jon Graham
VP of HSSE



John J. Christmann IV
President and CEO



RULE 1

The Apache Work Rules have been developed after a review of the significant events in our business.

These Work Rules are a condition of employment and must be followed at all times.

The Rules apply to everybody: management, supervisors, employees, contractors, service suppliers and visitors.

When you consider a task cannot be carried out safely, do not commence and do not continue to perform the task.

THE FUNDAMENTALS YOU MUST DO YOUR PART TO WORK SAFELY AND PROTECT THE ENVIRONMENT.

MANAGEMENT MUST:

- Ensure adherence to regulatory statutes, industry or internal best practices, company policies and procedures specific to work activities;
- Ensure workforce is empowered to utilize their authority to “Stop Work”;
- Assure workforce is trained, competent and fit to conduct the work activity;
- Verify that all necessary steps [e.g.; risk assessments, permits, pre-job planning] have been completed prior to the commencement of work;
- Provide resources and “fit-for-purpose” equipment to accomplish work safely and with respect to the environment;
- Address hazards within the workplace to protect the workforce, environment and company assets;
- Ensure incidents, near misses, hazards, and observations are reported consistently, accurately and in a timely manner.

WORKFORCE MUST:

- Follow regulatory statutes, industry or internal best practices, Company policies and procedures specific to work activities;
- Utilize authority and responsibility to “stop work” for a situation regarded as unsafe or potentially harmful to the environment;
- Be competent and fit to conduct the work activity;
- Follow all necessary steps [e.g.; risk assessments, permits, pre-job planning] prior to the commencement of work;
- Address hazards within the workplace to protect the workforce, environment and company assets;
- Promptly report all incidents, near misses, hazards and observations through appropriate channels [e.g.; AIM for ZERO, Enablon, and AIM Center].

RULE 2

DRIVING SAFETY

**ALWAYS FOLLOW THE TRAFFIC RULES,
WEAR YOUR SEAT BELT, KEEP WITHIN
SPEED LIMITS, AND DO NOT USE
HAND HELD DEVICES WHILE DRIVING.**

YOU MUST:

- Be appropriately licensed, trained, competent, and medically sound to operate any vehicle or equipment;
- Ensure seat belts are installed and worn by all occupants of the vehicle;
- Perform all required pre-operation inspections and check that equipment is safe to operate;
- Adhere to site traffic rules and speed limits;
- Only travel in vehicles that are specifically approved for transport of personnel;
- Ensure loads are secured and do not exceed the design specifications or legal limits.

RULE 3

WORKING AT HEIGHTS

**MAKE SURE FALL PROTECTION
IS USED, LOOSE OBJECTS ARE
SECURED AND INDIVIDUALS
ARE COMPETENT.**

YOU MUST:

- Never work at any height where there is a risk of injury from falling, or in any situation above a height specified by regulations, unless you have fall prevention or protection measures in place;
- Ensure all equipment used is fit for purpose and inspected prior to use;
- Prevent items from falling and causing injuries to other persons;
- Ensure platforms, scaffolds, lifts and other temporary structures are only constructed by competent and authorized persons.

RULE 4

HAZARDOUS WORK

**ALWAYS ENSURE APPROPRIATE
METHODS ARE IN PLACE TO
PROTECT WORKERS DURING
HAZARDOUS WORK ACTIVITIES.**

YOU MUST:

- Follow all established policies and procedures regarding permit required work activity;
- Clearly define scope of work, plan out all job steps and obtain written authority by responsible party where applicable;
- Complete a risk assessment to ensure all hazards are identified, mitigated and controlled;
- Communicate the work activities to all affected parties;
- Follow applicable lockout/tagout to ensure energy isolation methods are in place;
- Ensure all atmospheric testing requirements and safety systems are in place;
- Ensure conflicting work activities have been identified and managed.

RULE 5

ENERGY ISOLATION

**DO NOT PERFORM WORK ON
ENERGIZED EQUIPMENT UNLESS
SUFFICIENT ISOLATION
METHODS ARE IN PLACE.**

YOU MUST:

- Follow all applicable lockout/tagout procedures as identified by regional policies and procedures;
- Ensure that the specific lockout/tagout methods utilized will adequately enable the discharging of all stored energy;
- Ensure that all isolation points have been clearly identified, proven, tagged and tested to verify sound isolation;
- Continuously monitor the isolation effectiveness throughout work activity and promptly take action to stop work if conditions change;
- Ensure all additional permits are in place and job scope is adequately communicated to all affected parties.

RULE 6

GROUND DISTURBANCE (EXCAVATION) **ALWAYS FOLLOW SAFE WORK PRACTICES WHEN TRENCHING OR EXCAVATING.**

YOU MUST:

- Follow all established regulations and regional procedures during excavation or ground disturbance activities;
- Ensure applicable notifications have been placed and are current prior to beginning excavation;
- Ensure that a hazard assessment of the worksite has been completed by a competent person and all required safety systems are in place;
- Ensure all underground hazards (e.g.; pipelines, electric cables) have been identified, located and if necessary, exposed or isolated;
- Ensure equipment is fit for purpose and inspected prior to use;
- Be trained and competent to perform the work activity;
- Ensure all applicable permits are in place prior to the commencement of work.

RULE 7

LIFTING & MATERIAL HANDLING **MAKE SURE THE LIFTING DEVICE IS CAPABLE OF LIFTING THE LOAD. NEVER ALLOW ANYONE TO WALK UNDERNEATH THE LOAD.**

YOU MUST:

- Ensure all personnel involved with the work activity are competent and adequately trained;
- Ensure equipment used for lifting is fit for purpose and certified;
- Conduct a hazard assessment prior to the lifting activity;
- Inspect all lifting equipment and accessories prior to the lifting activity;
- Verify that load does not exceed dynamic and/or static capacities of the lifting equipment and accessories;
- Ensure clear communication is established and maintained prior to and during the lifting operations;
- Never allow anyone to be positioned under a suspended load or between fixed objects.

RULE 8

CHEMICALS & HAZARDOUS SUBSTANCES

**MAKE SURE YOU KNOW HOW
TO HANDLE, STORE AND
DISPOSE OF ANY CHEMICALS
OR HAZARDOUS SUBSTANCES
YOU ARE WORKING WITH.**

YOU MUST:

- Always obtain, read, understand and follow the instructions on the Safety Data Sheets (SDS) for the hazardous substance that you will be handling;
- Carefully select and properly use personal protective equipment (PPE) when required;
- Never handle or use chemicals or hazardous substances if you have not been trained and authorized in their use, handling, storage and disposal;
- Follow appropriate measures for spill containment and clean up as per the emergency response procedures and SDS.

RULE 9

MANAGEMENT OF CHANGE

**ALWAYS ENSURE CHANGES IN
DESIGN, OPERATING CONDITIONS,
PERSONNEL AND PROCEDURES
ARE ADEQUATELY COMMUNICATED
AND CONTROLLED.**

YOU MUST:

- Communicate all changes in design, operating conditions, personnel and procedures to appropriate parties;
- Ensure all documentation related to the change is accurate, concise and completed in a timely manner;
- Conduct a hazard assessment of the proposed changes and ensure the risks have been identified, mitigated and controlled;
- Follow regional specific procedures regarding adherence to Management of Change;
- Ensure the need for change is justified and authorized by the responsible party.

RULE 10

ENVIRONMENTAL MANAGEMENT

ALWAYS FOLLOW ENVIRONMENTAL REGULATORY STATUTES, STRIVE TO REDUCE EMISSIONS AND PROPERLY DISPOSE OF WASTE.

YOU MUST:

- Follow all regulatory statutes, Company policies and procedures with regards to storing, handling and disposing of waste;
- Ensure all spills are properly remediated as per regulatory guidelines;
- Ensure the protection of the environment is upheld in everything you do;
- Ensure that all waste [e.g.; drill cuttings, produced water, trash] is disposed of properly;
- Bring forth any ideas or suggestions you may have for better protecting our environment or reducing waste;
- Strive to use alternative water resources [e.g.; brackish, treated waste water] versus solely freshwater sources;
- Use only recycling or disposal facilities that have been approved for use by regional management.

RULE 11

ASSET INTEGRITY

MAKE SURE EQUIPMENT AND FACILITIES ARE PROPERLY DESIGNED AND REMAIN FIT FOR SERVICE OVER THEIR ENTIRE LIFE CYCLE.

YOU MUST:

- Follow industry best practices or Company guidelines during the design phase;
- Ensure equipment is operating within design specifications and manufacturer recommendations;
- Inspect and maintain equipment according to asset integrity guidelines;
- Immediately communicate any observed hazards or loss of containment;
- Ensure workforce is familiar with the hazards at the facility or installation and are trained and competent to operate the equipment.

When Work Rules have been broken the SORRY Method* may be used to correct negative behavior.

Correcting negative behavior:

- State the reason for the observation
- Describe the behavior you Observed
- State the Requirement [rule]
- Ask for the Reasons why the rule isn't being followed
- Explain what can happen to You as a consequence

When Work Rules are being followed the SORRY Method may be used to reinforce positive behavior.

Reinforcing positive behavior:

- State the reason for making the observation
- Describe the behavior you Observed
- State the Requirement [rule]
- Reinforce the Behavior
- Explain the benefit to You as a consequence of the behavior

*Balmert, Paul. *Alive and Well at the End of the Day*. Hoboken: John Wiley & Sons, 2010.

CONSEQUENCES FOR VIOLATING APACHE HSSE RULES

TIER 1: UNINTENDED VIOLATION OF APACHE WORK RULES CONSEQUENCES - COACHING/VERBAL WARNING

- Education and training to fully understand work rules and skills necessary for work activity [worker issue].
- "Time-out or stop work" discussions with peers [AIM for ZERO observation, idea, suggestion or near miss].
- Revise procedures if necessary to be consistent with Apache Work Rules [system issue].
- Worker relieved of duty until action plan developed and approved
- Action plan to address violation developed by worker and supervisor and approved by next level of authority.

TIER 2: KNOWINGLY VIOLATED APACHE WORK RULES CONSEQUENCES - WRITTEN WARNING OR SUSPENSION

First violation - Written warning

- Worker relieved of duty until action plan developed and approved.
- Action plan to address violation developed by worker and supervisor and approved by District Operations Manager [or equivalent].

Subsequent violations - Written warning, review for suspension

- Incident reviewed with Region Production Manager and recommendation prepared for approval by Region VP Operations and/or Region VP.
- Worker relieved from duty until retention/termination decided.

TIER 3: MALICIOUS VIOLATION OF APACHE WORK RULES CONSEQUENCES - IMMEDIATE TERMINATION

- If violation of Apache Work Rules were intentional and malicious, worker is to be removed immediately from the site or location and with approval of Region VP, terminated with cause.





Apache