



APACHE WORLDWIDE EH&S STANDARDS

LEADERSHIP AND ACCOUNTABILITY

People at all levels and in all departments within Apache provide leadership to achieve its Environmental, Health and Safety (EH&S) Policy commitments.

1. Regions are responsible and accountable for day-to-day execution of all EH&S-related activities in accordance with Apache Worldwide EH&S Standards.
2. Corporate EH&S is responsible for monitoring Apache EH&S performance worldwide and working with the regions to manage global EH&S matters.
3. Regions use a process that facilitates two-way communication of Apache's corporate and regional EH&S issues, expectations, policies, plans and goals to employees and contractors.
4. Region EH&S plans are developed annually and endorsed by both the region vice president and corporate EH&S. Plans summarize the region's EH&S goals, objectives, proactive measures and areas of special emphasis for the year.
5. Region performance against its EH&S plan is measured and communicated to region management and corporate EH&S.
6. Regions focus on EH&S as a top priority, and EH&S is discussed at management and departmental meetings.
7. Regions have processes to ensure EH&S considerations are integral to work planning and execution.
8. Regions identify roles, responsibilities, authorities and accountabilities for implementation of their EH&S management system.
9. EH&S performance is a component of performance assessments for the region and individuals.

ENABLED EMPLOYEES

Apache's work is performed by competent employees in a safe and environmentally sound manner.

1. Regions have a process for assessing competency of Apache's new hires and transferees in the EH&S aspects of their job duties. This process addresses orientation, training and supervision.
2. Regions train and direct Apache's employees to identify, assess and manage hazards associated with their work activities.



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3. Written procedures are used by Apache's employees for complex or high-risk tasks performed by them with the potential for significant adverse effects on safety, health, the environment or operations.
4. Regions have a program for continuing education and motivation of Apache's employees on EH&S aspects of work.
5. Apache's employees are empowered to fulfill their responsibility to stop work where they believe a potential for a safety or environmental incident exists.

CONTRACTOR MANAGEMENT

Work done for Apache by contractors is conducted in a manner consistent with the company's EH&S policies and standards.

1. Regions have a program for evaluating, selecting and managing contractors that considers their EH&S performance and the effectiveness of their EH&S management system.
2. Regions have a process for auditing whether contractors are providing personnel who are screened, trained, qualified and able to perform their duties.
3. Work agreements with contractors communicate Apache's EH&S policies, standards and requirements for safe work practices.
4. Regions employ a program to assess and document contractor EH&S performance that includes auditing contractor work activities, training and records.
5. Regions have a process for auditing whether contractors train and direct their employees to identify, assess and manage hazards associated with work activities.
6. Regions have a process for auditing whether contractors use their own written procedures for performing complex or high-risk tasks with the potential for significant adverse effects on safety, health or the environment.
7. Contractors are empowered to fulfill their responsibility to stop work where they believe a potential for a safety or environmental incident exists.



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FACILITY DESIGN AND CONSTRUCTION

Apache designs, constructs, operates and maintains its facilities so that they are safe, dependable, durable, environmentally sound, and conform to appropriate standards and practices.

1. Regions have a process to ensure that Apache's facilities and equipment are designed, permitted, fabricated, installed, modified, and eventually decommissioned in compliance with regulatory requirements and with consideration of industry practices.
2. Evaluations of conformance with standards and the region's regulatory requirements are made by qualified individuals. Divergence from design standards are identified, managed and documented.
3. Procurement processes ensure that critical equipment and materials comply with the design and materials specifications and meet regulatory requirements.
4. Regions have a process that defines when regional EH&S endorsement is required for new or modified Apache facilities.
5. Regions use a pre-startup review process to confirm and document that:
 - a. Construction is in accordance with specifications;
 - b. Installation of equipment is consistent with design and manufacturer's specifications;
 - c. Emergency, operations and maintenance procedures are adequate;
 - d. Hazard assessment recommendations have been addressed;
 - e. Training has been completed; and
 - f. Regulatory requirements have been met.

HAZARD ASSESSMENT

Hazards are identified, assessed and managed during facility design, construction, modification and operations.



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1. Hazard assessments include:
 - a. Identification of potential hazards with a methodology endorsed by the Region EH&S group;
 - b. Consideration of the probabilities and consequences of hazard occurrence;
 - c. Elimination, mitigation or management of the hazards; and
 - d. Documentation of methodology used.
2. Hazard assessment teams include individual(s) in addition to the designer(s) who are competent in relevant disciplines.
3. Regional hazard assessment processes identify:
 - a. When new, existing or acquired operations require hazard assessment;
 - b. The method for prioritizing the hazard assessments; and
 - c. The suitable depth of analysis based upon the probability and most serious credible consequence of hazard occurrence.
4. Regions address hazard assessment findings and recommendations and ensure that the results are communicated to affected personnel.

MANAGEMENT OF CHANGE (MOC)

Apache controls changes in facility design, operating conditions, personnel, and emergency, operating and maintenance procedures to ensure that potential hazards arising from the changes are managed.

1. Regions have a program to identify, document and manage hazards associated with changes in facility design, operating conditions, personnel, and emergency, operating and maintenance procedures. The MOC program:
 - a. Documents the proposed changes, what is being changed, and why the change is necessary;
 - b. Specifies the internal authorizations needed to implement the proposed changes;
 - c. Addresses emergency and temporary changes and their duration;



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- d. Includes a hazard assessment of the proposed changes, including the possible effects on other components and systems;
- e. Includes revisions to drawings, emergency, operating and maintenance procedures, work practices, training programs, and regulatory approvals and licenses resulting from the changes; and
- f. Communicates the proposed change and consequences to personnel.

MECHANICAL INTEGRITY

Apache operates and maintains its facilities in a manner that assures their physical soundness, prevents incidents, promotes efficiency and ensures dependability.

- 1. Regions have a program that identifies, tests, inspects, monitors and maintains Apache's critical equipment and facilities in a manner consistent with applicable regulations and with consideration of industry practices
- 2. Clearly defined and documented testing, inspection, monitoring and maintenance programs for Apache's critical equipment include:
 - a. A list of critical equipment and systems subject to testing and inspection;
 - b. Training of Apache's operations and maintenance personnel;
 - c. Quality controls that assure maintenance materials and spare parts meet design specifications;
 - d. A process for selecting testing and inspection methods and intervals;
 - e. Standards and codes appropriate to the equipment, including design data, performance standards, corresponding acceptable limits and pass/fail criteria;
 - f. Requirements that testing and inspection results are documented and reviewed by individual(s) competent to interpret the results;
 - g. Procedures to assess, document and manage deficiencies in critical equipment or operations that are outside design limits. Deferral of recommended corrective action must be approved by the region vice president; and
 - h. A system to review and authorize changes in the testing, inspection and monitoring program.



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EMERGENCY MANAGEMENT

Apache is prepared to respond effectively in the event of an incident to mitigate impacts on human health, the environment and company assets.

1. For credible emergency situations, regions have readily accessible written response plans in which procedures, resources and contacts are identified.
2. Plans are tested through drills and include external stakeholders as appropriate. The plans are reviewed annually and updated as necessary and incorporate lessons learned.
3. Plan participants are adequately trained, understand, and are capable of fulfilling their role in the plan.
4. Sufficient resources including equipment and contracts are in place to effectively respond to crisis and emergency situations.
5. Plans are used during and after incidents to address the regulatory requirements and physical effects of the incident (e.g. spill cleanup standards, methodologies and appropriate regulatory clearance requirements are documented).

INCIDENT INVESTIGATION AND REPORTING

Apache ensures that incidents are reported, evaluated, their causes addressed, and lessons communicated.

1. Regions use a process for the reporting of incidents that:
 - a. Defines reportable incidents;
 - b. Identifies agencies to be notified, criteria for notification, and contact instructions;
 - c. Identifies management positions to be notified according to incident level and type; and
 - d. Ensures incidents are reported according to corporate requirements.
2. An incident investigation protocol is used in each region to direct the incident investigation process. This process:
 - a. Specifies the depth of investigation;



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- b. Requires a lead investigator designated by corporate EH&S for non-vehicle, work-related employee incidents that result in a fatality;
 - c. Specifies the necessary training and skills for investigation team members;
 - d. Specifies investigation tool(s) or process(es) which ensure accurate and consistent identification of root causes and contributing factors; and
 - e. Specifies the method of tracking and communicating corrective actions.
3. Incidents are analyzed for trends, and these trends and significant lessons are communicated within the region and to corporate EH&S who will share these lessons throughout Apache on a regularly scheduled basis.

COMPLIANCE ASSURANCE

Apache proactively examines programs, facilities and operations to ensure that regulatory and company requirements are being met throughout its operations.

1. Regions have processes in place to identify applicable EH&S regulations, industry standards, company policies and work procedures for all phases of its operation.
2. A process that conforms to corporate guidelines is in place for each region to assess field-level compliance with EH&S requirements.
3. Compliance deficiencies are documented, reviewed, and corrective actions tracked to completion.
4. Regulatory notices of EH&S non-compliance are documented and corrective actions implemented. Compliance issues reported by or to agencies are also reported to the region vice president and corporate EH&S.
5. Inspection and non-compliance trends and significant findings are evaluated for region-wide applicability and reported to region management and corporate EH&S to effect improvement in practices, standards and management systems.
6. Processes for identifying and managing waste disposal and recycling efforts include region EH&S approval of disposal and recycling facilities.
7. EH&S regulatory training is provided to new hires and transferees, refreshed periodically for all employees, and updated in response to regulatory changes.



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8. Regions actively monitor their regulatory environment and develop plans to deal with potential impacts of EH&S regulatory changes. Corporate EH&S is advised of proposed EH&S regulatory changes with significant potential impacts to the company.

EH&S MANAGEMENT SYSTEM ASSESSMENT AND IMPROVEMENT

Apache routinely evaluates its management systems for effectiveness and efficiency in order to assure its EH&S Standards are met.

1. Regions document annual self-assessments of their performance against each Apache EH&S standard.
2. Regions implement improvements that are necessary to comply with Apache's standards.
3. The outcome of each region's assessment and improvement evaluation is provided to corporate EH&S.
4. Corporate EH&S conducts an independent assessment of the effectiveness of each region's EH&S management system on a regularly scheduled basis through program audits and field inspections.
5. Corporate EH&S is responsible for working with regions to address issues identified during program audits and new or revised standards.
6. Corporate EH&S reviews the Worldwide EH&S Standards annually for adequacy and to identify any aspects requiring modification revise as appropriate.