



INCIDENT MANAGEMENT



Purpose

The purpose of this program is to outline the reporting requirements for incidents occurring on any worksite owned, leased or operated by Validus Energy II Midcon (Validus Energy).

Scope

This policy applies to all Validus Energy worksites and employees.

Process

Validus Energy investigates incidents to determine cause and potential corrective actions for any injury requiring medical treatment, spill of 1 Bbl or greater, or another incident which is determined to have high potential for a life altering event. (HiPo)

All incidents shall be reported to a supervisor as soon as practical. In the event of a life-threatening emergency contact EMS immediately.

Internal reviews will be conducted on a regular basis to share learnings and verify appropriate corrective measures were taken.

Contractors

Pursuant to the MSA, each contractor is responsible for notifying Validus Energy of any incidents or near misses that occur while on property owned, leased, or operated by Validus Energy.

Contractors are responsible for directing the care of their employees. The choice of clinic, doctor and treatment are solely at the discretion of the contract company that employs the injured party.

Contractors are responsible for investigating any incidents involving their equipment and personnel while working for Validus Energy.

Initial investigation findings and potential corrective actions shall be provided to the Validus Energy EHS Department a reasonable timeframe.

Validus Energy may choose to participate in the investigation if the incident involves:

- Damage to Validus Energy Property
- An outside agency (First Responders or Regulatory Agencies)
- Multiple contract companies



Responsibilities

Leadership	Commit to, follow, and reinforce the requirements set forth in this program. Provide sufficient resources for implementation.
Supervisors	Ensure Validus employees have the knowledge and skills to follow this program. Ensure that all incidents are reported as soon as possible.
EHS	Provide assistance and guidance during injuries. Maintain a database of Incidents. Contact and interface with regulatory agencies as appropriate. Monitor compliance with this program through an audit process.
Validus Employees	Complete training and adhere to the requirements set forth in this program. report all Incidents, unsafe acts, or unsafe conditions to their supervisor as soon as possible.

Definitions

High Potential Incident (HIPO) is an incident that has the potential to produce a fatal or life-altering injury or illness. An incident is considered high potential if the probable result of a fatality or life-altering injury can be reached by asking only a single “what if” scenario. If more than one “what if” scenario is required, the incident is not a HIPO.

Example: if an employee slipped on an elevated platform 30’ above piping but did not fall from the platform and was wearing fall protection, the incident is not a HIPO because it requires more than one “what if” statement: *What if the employee fell from the elevated platform? And what if the fall protection failed?* However, if the employee slipped and fell from the elevated platform, it would be considered a HIPO because only a single “what if” statement is needed to likely result in a life altering injury: *What if the fall protection mechanism failed?*

Incident is an unplanned event that results in harm to people, damage to property, interruption to process, harm to the environment, or damage to the reputation of the company.

Near-miss is an unplanned event which, under slightly different circumstances, could have resulted in harm to people, damage to property, interruption to process, harm to the environment, or damage to the reputation of the company.

PIC (Person in Charge) the person that is the singular coordinator over all SIMOPS occurring at a site.

Significant Incident or Fatality (SIF) is an incident that results in or has the potential to produce a fatal or life-altering injury or illness. Life-altering injuries or illnesses result in permanent or significant loss of a body part, organ function or otherwise permanently changes or disables that person’s normal life activity.

Simultaneous Operations (SIMOPS) is two or more work activities carried out within the same location at the same time.



First Response & Specific Reporting Guidelines

In the event of an incident that requires immediate emergency response, contact 911 or appropriate emergency services.

Secure the area to prevent additional injuries or continued release and ensure the scene is safe to approach.

Preserve information and the incident scene if it does not continue or contribute to a hazard or hazardous situation.

All incidents shall be verbally reported as outlined in the Incident Notification Matrix (Appendix 1) prior to the First Report of Incident form being completed.

Incidents shall be documented using the First Report of Incident form found under the Forms tab of Validus.Energy within 24 hours of occurrence or within 4hrs of occurrence for any Level 3 incident.

Incidents will be classified using the chart below:

Incident Levels			
Type	Level 1	Level 2	Level 3
Injury	First Aid	OSHA Recordable	Lost Time
Spill	1 -5 Bbl On Pad	5-9.9 Bbl On Pad	>10 Bbl On Pad or Any Quantity Off Pad
Auto	\$1 to \$9,999 Damage	\$10,000 Damage to Not Driveable or Involving a 3rd Party	Total Loss or 3rd Party Injury
Property Damage	\$1 to \$4,999 Damage	\$5,000 to \$24,999 Damage	>\$25,000 Damage
Fire			Any Fire is a Level 3
Line Strike	No Damage	Minor Damage (No 3rd Party)	Damage (3rd Party)

If a large-scale response is warranted, consult the Validus Energy Emergency Response Guide for further details and responsibilities.

Injury

- If the injury is life threatening contact EMS immediately.
- If it is not life threatening, provide necessary first aid.
- If medical assistance is necessary, contact Axiom 1-877-502-9466 (Validus Energy Employees).
- Contractor injuries will be handled by supervisory personnel from the company that employs the injured worker.



Spill/Release

- If possible, without risking injury, close valves to isolate (stop) the source of the spill/release.
- If gas is being released and the source cannot be isolated, evacuate upwind until first responders arrive. **Do not** attempt to light a gas leak without management approval.
- If possible, without risking injury or additional environmental damage, begin defensive measures up to the level of training. (Close valves, build berms/dikes, etc.)
- Contact EHS for clean-up assistance.

Vehicle Incident

- If an injury is sustained, treat the injury first.
- Following injury care, follow the directions in the Fleet Management Policy.

Fire

- Call the local fire department if necessary.
- If safe to do so isolate (stop) the fuel source.
- If the fuel source is gas and cannot be isolated – **do not** extinguish the flame
- If you have a portable fire extinguisher, are trained to use it and the fuel source is not gas, attempt to put the fire out if safe to do so.
- If at any point the fire becomes too large to be put out with a fire extinguisher evacuate the area and wait for first responders.

Property Damage

- Document the damage with pictures.
- Contact EHS if law enforcement reporting or intervention is necessary.

Line Strike

- If there is an injury or spill, manage the appropriate needs before moving on.
- Ensure the scene is safe and the line is not energized or under pressure.
- Stop all excavation and block the area to prevent further damage
- Contact EHS for additional assistance.



Multiple Employer Worksites

Incident Command on Single Well Pads, Producing Pads, Completions Pads or Construction Sites

- A Validus Energy representative will manage control for any incident that impacts or could impact Validus Energy property or assets. They will maintain control for the duration of the incident or until relieved by another appointed incident management entity.
- The contractor will manage control of events that present a localized threat or impact to their own equipment such as a frac pump or drilling rig.

Incident Command on SIMOPS

The following process should be utilized when responding to an incident on a SIMOPS operation:

- Incident site manager will initiate local alarm and address the primary incident and notify the PIC as soon as possible.
- The PIC will initiate site alarms and global alarms as event conditions require.
- The PIC will summon needed resources such as local emergency medical services, fire departments, etc.
- The PIC will communicate necessary actions required of simultaneously occurring operations (SIMOPS) such as stopping all other work on location until the incident is controlled.

Emergency Drills

The following process should be utilized when conducting a Drill.

- Ensure that the WSM is notified prior to beginning the drill.
- Announce the drill on the radio by first stating: "THIS IS A DRILL, THIS IS A DRILL, THIS IS A DRILL"
 - Verify that those on site respond to the drill as they would in a normal emergency
- Complete the After-Action Form on the forms page of Validus.Energy

Note:

- Sample drill scenarios that can be used are:
 - H2S gas release on rig _____ that requires location evacuation.
 - Loss of well control on _____ well that requires evacuation.
 - Fire at _____ location that requires assistance.

Post Incident Drug Testing

- A post incident drug/alcohol screen may be conducted in accordance with the Validus Energy drug & alcohol policy. (VEA Employees)
- A post incident drug/alcohol screen may be conducted in accordance with the affected contract company's drug & alcohol policy. (Contractors)



Reporting

- All regulatory reporting will be done by the EHS department.
- Incidents will be entered using the First Report of Incident and filed in the SharePoint EHS folder following closure.



Appendix 1 Incident Notification Matrix



