



# **INCIDENT MANAGEMENT**



## **Purpose**

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The purpose of this program is to ensure the safety of all employees and contractors working for Arrow S Energy Operating (the company) and to establish incident reporting and incident management procedures.

## **Scope**

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This program covers all employees and other workers that may be involved in an incident on a Arrow S Energy Operating site. For incidents that cannot be managed by onsite personnel utilizing local resources, please refer to the Emergency Action Plan (EAP) located in the online solution center for the county in which the operation resides.

## **Incident Reporting**

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Arrow S Energy Operating investigates accidents and near-misses to prevent recurrence and ensure employee safety. Accidents are undesired events that result in harm to people, damage to property, loss to process and/or the environment and/or damage to the reputation of the company. Near-misses are defined as, undesired events which, under slightly different circumstances, could have resulted in harm to people, damage to property, loss to process and/or the environment or damage to the reputation of the company. Both accidents and near misses are collectively referred to as Incidents.

Employees and contractors are to report all Incidents, unsafe acts and unsafe conditions to their supervisor as soon as possible and in accordance with the Reporting Guidelines set forth below. Reported Incidents may receive varying levels of investigation based on the severity of risk potential of the Incident.

## **Reporting Guidelines**

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### **Incidents Reporting Procedures**

In the event of an incident that requires immediate emergency response, contact 911 or the appropriate emergency services listed in the Emergency Action Plan (EAP) for the County the injured person is located. The EAP is located at Arrow S Energy Operating office.

All incidents shall be reported, documented and investigated for causal factors, and the results must be reported to Arrow S Energy Operating utilizing the incident notification form located in the Arrow S Energy Operating office. The incident notification form will also be utilized as a means for tracking changing conditions or diagnosis surrounding incidents. It is the responsibility of the Arrow S Energy Operating supervising representative and the safety advisor to cooperate in the action of gathering and reporting incident related information.

### **Spill and Hazardous Substance Reporting**

In the case of spilled Oil, petroleum product, and used oil, the Railroad Commission shall be notified when 210 gallons (5Bbls) or more is spilled outside of containment- click [here](#) for specific spill reporting requirements.

Spills of hazardous substance shall be reported through the Arrow S Energy Operating Solution Center. It is required that spills in excess of specified amounts ([click here for Reportable Quantities](#) or view chart below) be reported to the appropriate Railroad Commission District Office (see a map of the district boundaries [here](#)) by telephone. Such notice shall be followed by a letter submitted to the district office giving the full description of the event including, but not



limited to, the volume of crude oil, gas, geothermal resources, other well liquids, or associated products that are lost. Click [here](#) to view oil and gas district office contact information.

Spill Reportable Quantities			
Product	Location	Reportable Quantity	Resource
Hazardous substance	onto land	"Final RQ" in Table 302.4 in 40 CFR 302.4 (PDF) Exit the TCEQ	30 TAC 327 Exit the TCEQ
	into water	"Final RQ" or 100 lbs, whichever is less	
Any oil	coastal waters	as required by the Texas General Land Office	Texas General Land Office Exit the TCEQ
Crude oil, oil that is neither a petroleum product nor used oil	onto land	210 gallons (five barrels)	30 TAC 327 Exit the TCEQ
	directly into water	enough to create a sheen	
Petroleum product, used oil	onto land, from an exempt PST facility	210 gallons (five barrels)	30 TAC 327 Exit the TCEQ
	onto land, or onto land from a non-exempt PST facility	25 gallons	
	directly into water	enough to create a sheen	
Associated with the exploration, development and production of oil, gas, or geothermal resources	under the jurisdiction of the Railroad Commission of Texas	as required by the Railroad Commission of Texas	Railroad Commission of Texas Exit the TCEQ
Industrial solid waste or other substances	into water	100 lbs	30 TAC 327 Exit the TCEQ
From petroleum storage tanks, underground or aboveground	into water	enough to create a sheen on water	30 TAC 334.75-81 Exit the TCEQ
From petroleum storage tanks, underground or aboveground	onto land	25 gallons or equal to the RQ under 40 CFR 302 Exit the TCEQ	30 TAC 327 Exit the TCEQ
Other substances that may be useful or valuable and are not ordinarily considered to be waste, but will cause pollution if discharged into water in the state	into water	100 lbs	30 TAC

#### Definitions from table above

**Petroleum storage tank (PST) exempted facilities**--Electric service facilities including generation, transmission, distribution equipment and transformers; petrochemical plants; petroleum refineries; bulk loading facilities; and pipelines that are exempted from the Aboveground Storage Tank (AST) program under **§334.123(a)(9) and (b)** of this title (relating to Statutory Exemptions for ASTs), and §334.124(a)(4) of this title (relating to Commission Exclusions for ASTs).

#### **§334.123(a)(9) and (b)**

(a) The following aboveground storage tanks (ASTs) are exempt from regulation under this subchapter: (9) a tank that is located at or is part of a petrochemical plant, a petroleum refinery, an electric generating facility, or a bulk facility.

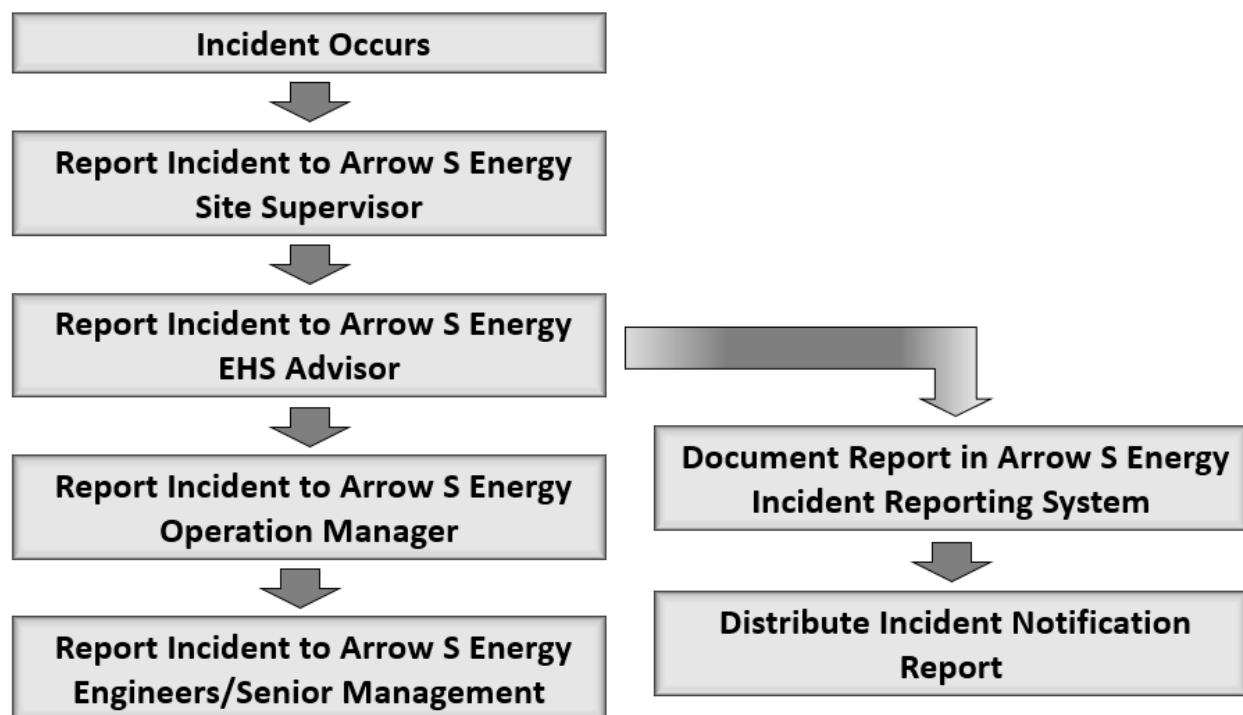
(b) The following pipeline facilities are exempt from regulation under this subchapter, as provided in Texas Water Code, §26.344: (1) an interstate pipeline facility, including gathering lines, or any AST connected to such facility, if the pipeline facility is regulated under the Hazardous Liquid Pipeline Safety Act of 1979 (49 United States Code, §60101, et seq. and its subsequent amendments or a succeeding law). (2) an intrastate pipeline facility or any AST connected to such a facility, if the pipeline facility is regulated under one of the following state laws: (A) the Texas Natural Resources Code, Chapter 111; (B) the Texas Natural Resources Code, Chapter 117; or (C) Texas Civil Statutes, Article 6053-1 and 6053-2.



### When to Report Incidents

Any Incident occurring within Arrow S Energy Operating operations resulting in property damage, injury, environmental damage or damage to the company's reputation, involving a Arrow S Energy Operating employee, contractor, subcontractor or third-party entity should be reported immediately to the Arrow S Energy Operating site supervisor or their designate. The Arrow S Energy Operating site supervisor must then report the incident to their respective manager who shall report it to their manager, and so on until notification has been made to the CEO. The site manager and the safety advisor must cooperate in reporting the incident utilizing the incident notification form located in the Arrow S Energy Operating Office. It is expected that the written incident notification is completed prior to the end of shift or end of day. In the case the incident occurs at the end of day it is acceptable that the written report be completed by noon the next day or start of the next shift, whichever comes first. In no case shall an incident be reported before a verbal report has been made up the chain of command.

### Incident Report Flowchart



The Arrow S Energy Operating emergency phone number is 713-400-6648. This number shall be posted at all Arrow S Energy Operating locations where an emergency event could occur in the absence of people being present. When this number is called the Emergency Call Center will gather predetermined information and start calling the names on the below notification chart until a person is reached. The emergency information will also be forwarded via text message to all people on the following notification chart:

### Incident Command on Single Well Pads, Producing Pads, completions Pads or Construction Sites

On single rig drill sites, the following incident command structure will be recognized:

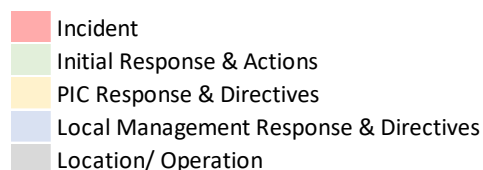
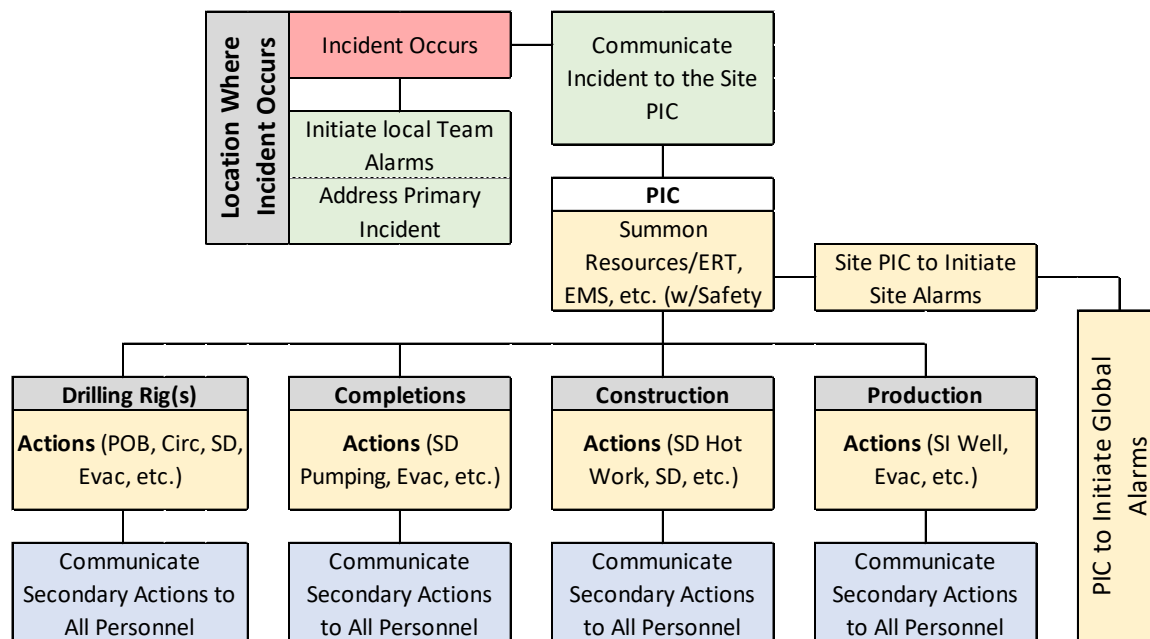


- The Arrow S Energy Operating acting site supervisor will manage control for any incident that impacts or could impact Arrow S Energy Operating property or assets. The site supervisor will maintain control for the duration of the incident or until relieved by his counterpart or other appointed incident management entity.
- The drilling rig owner will manage control of incidents that present a localized threat or impact to the rig and/or property of the rig owner.
- On production, completions or construction sites, the Arrow S Energy Operating operations manager or his designate shall manage control of all incidents through to close out or until relieved by his counterpart or other appointed incident management entity.

### Incident Command on Mega Pads

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

1. Incident site manager will initiate local alarm and address the primary incident and notify PIC ASAP
2. PIC will initiate site alarms and global alarms as event condition(s) dictates the need
3. PIC will summon needed resources such as local emergency response needs, emergency medical services, etc.
4. PIC will communicate necessary actions required of simultaneously occurring operations (SIMOPS)
5. Local operations will communicate secondary actions to all personnel





## Emergency Drills

When conducting emergency evacuation drills on a SIMOPS location- drilling and construction operations will participate as if the event is a live and active emergency. A drill scenario will be established, alarms will be initiated, workers will evacuate or respond according to the below flow chart, and drill response times will be recorded. Although the drill can be conducted with or without notification being made to the workers in drilling and construction sites, this is not the case for completion and production operations- completions and production crews shall be notified of a drill in accordance with the directions in the bullets below. In any case the site manager(s) should always be notified prior to a drill.

During a drill, completion and production operations shall respond by radio and role play the actions they would take if the event were a real world emergency. It is critically important completions and production do not mistake a drill for a real life emergency. In order to prevent this from happening the following steps will be strictly adhered to for initiation of a drill:

- Insure completions and production operations are supplied with an adequate number of radios
- Announce the drill on the radio by first stating:
  - THIS IS A DRILL
  - THIS IS A DRILL
  - THIS IS A DRILL
- One of the following drill scenarios shall be announced:
  - H2S gas release on rig \_\_\_\_\_ that requires location evacuation
  - Loss of well control on \_\_\_\_\_ well that requires evacuation
  - Fire at \_\_\_\_\_ location that requires evacuation.

Prior to initiating an emergency drill a person shall be appointed to document the required information in the Emergency Drill Log located at [www.arrowsenergy.com/hse](http://www.arrowsenergy.com/hse)