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Ref: **Marine Safety, Reliability and Efficiency Process:
Global Upstream – Safety Culture Procedure**

The Marine Safety, Reliability and Efficiency Process, identifies the requirements and activities necessary to deliver world class marine services in Chevron's Global Upstream operations throughout the world.

Chevron believes all incidents are preventable and that incident-free operation (IFO) is achievable. We embrace the two key principles which we believe are fundamental in achieving our goal of IFO:

- Do it safely or not at all
- There is always time to do it right

The concept of safety culture implies that employees, company and contractors, working in a marine environment and elsewhere in the organization are safety conscious. Safety culture is an amalgamation of values, customs, habitual practices, and norms of acceptable behavior.

An organization with a "safety culture" is one that gives appropriate priority to safety and realizes that safety has to be managed like other areas of the business. The key to achieving that safety culture is in:

- Recognizing that all accidents are preventable through following correct procedures and established best practices;
- Constantly thinking and reinforcing safety; and
- Seeking continual improvement.

Pre-contracting Safety Discussions

Prior to hiring a term¹ vessel from a company that has not done business with the Gulf of Mexico Business Unit for a period greater than six (6) months; the Chevron Representative shall meet with the company's management. This meeting is to both emphasize that safety is a core value and develop an understanding of the contractor's management commitment to safety. Some areas for the Chevron Representative to discover are:

- Senior leadership's safety beliefs
- Vision for reaching IFO
- Effective engagement-deployment throughout the company
- Company's passion for safety
- Ensure senior leaders understand their role in creating and sustaining a Total Safety Culture
- Measurement and continuous improvement strategy

If the Chevron Representative is not satisfied that the contractor's management is committed to safety, then the Chevron Representative can choose not to use the contractor at this time. If the decision is to use the contractor then a mitigation plan must be jointly developed with the contractor's management.

Major Capital Projects/Special Operations:

Vessels involved in Major Capital Projects and those Special Operations such as dive support vessels, lay



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barges and derrick barges, the Chevron Representative for the project will be responsible for ensuring that Pre-Contracting Safety Discussions are held with the company if no business has been conducted with that company greater than six (6) months.

¹Term vessels are those vessels contracted for hire for a predetermined time period outside of a day to day contract

Safety Orientation

In addition to CHESM pre-job orientation requirements, the crew of all term vessels, at the commencement of contract, shall receive a Chevron safety orientation. Any new crew members during the duration of the term shall also receive a Chevron safety orientation, which is normally performed by Shorebase Staffs. The safety orientation shall review, at a minimum, Chevron's incident reporting requirements, Stop Work Authority, Tenets of Operation, and IFO culture. It is the Chevron Representative's responsibility to ensure that crew members receive their initial orientation along with periodic reinforcement of the safety principles.

A Chevron safety orientation should be held on spot vessels depending on vessel's schedule and availability.

Major Capital Projects/Special Operations:

Vessels involved in Major Capital Projects and those Special Operations such as dive support vessels, lay barges and derrick barges, the Chevron Representative for the project will be required to ensure term vessel crews receive a Chevron safety orientation. A Chevron safety orientation should be held on spot vessels depending on vessel's schedule and availability.

Note: For Major Capital Projects, it will be the responsibility of the Chevron Representative to arrange for the safety orientation.

Operations' Risks

The GoM BU shall determine the level of risk associated with all types of marine operations.

The Gulf of Mexico BU will reference MSRE GoM Marine Operations Critical Processes – What If Study as our requirement to determine level of risk for critical marine operations.

Note: Vessel operators are recommended to consider developing their own definition of critical marine operations and performing their own risk assessments.

Operation Meetings

Prior to the commencement of high-risk operations², an operations meeting shall be conducted with a checklist of critical items to be discussed during the meeting. The checklist shall have, at a minimum, Stop Work Authority, Procedure Review, and Risk Assessment as topics to be covered during the meeting.

²Reference is made to the MSRE GoM Marine Operations Critical Processes – What If Study. High risk operations are defined as a risk level of 1, 2, 3, or 4.



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Crew Changes

Crew changes during high-risk or critical marine operations should be avoided. If crew changes must occur during high-risk operations², then the GoM BU³ shall implement mitigation measures.

The Chevron Representative³ shall ensure that all vessel operators have documented crew-change procedures. The crew-change procedures shall include a handover meeting between the senior officers of the existing and replacement crews. This handover meeting shall address, at a minimum, the following:

- Condition of the Vessel
 - Any loading or discharging necessary
 - Any incidents during the last crew shift
 - Any mechanical issues
 - Any communication problems with installations
 - A stability update
 - Any dangerous cargoes onboard
- Scheduled Sailing Time

²Reference is made to the MSRE GoM Marine Operations Critical Processes – What If Study. High risk operations are defined as a risk level of 1, 2, 3, or 4.

³The Operations Supervisor, Offshore Installation Manager, Well Site Manager, Drill Site Manager, Chevron Project Manager and/or delegated person in charge will ensure that mitigation measures are in place for any high risk operations.

Note: Vessel operators are recommended to develop crew change procedures as discussed at the Team Marine meeting in July 2009. This should cover routine crew changes including formal handover procedures for Captains and turning over the watch during routine and critical marine operations.

Daily IFO Communications with All vessels

The Marine Transportation Group is responsible for communicating daily with all chartered vessels to reinforce Chevron's IFO culture. The communication shall begin with a reinforcing statement of the duration of incident free operations (e.g., "Marine transportation department is incident free for 263 days."). Additional questions are asked based on BBS observations, Tenets of Operation, and GoM BU specific areas of concern. Examples of potential questions are as follows:

- Have you seen any unsafe actions?
- Do you have any accidents, incidents or near misses to report?
- Did vessel personnel use "Stop Work Authority" today?
- Any crew members that need Chevron Orientation?
- If hazmat material was loaded in the past 24 hours, did you receive the proper paperwork?
- What was discussed during job safety analysis?
- Do you have any short service employee aboard?

Note: These are being conducted by Shorebases and also there is another daily call which is conducted by the Decision Support Center with the Shorebases and Marine Transportation Group which involves IFO.

Quarterly Chevron Facilitated Marine Contractors HES Meetings

In addition to the CHESM Work-In-Progress procedure requiring bi-annual safety meetings between contract owner and contractor management, a quarterly Chevron GoM facilitated Marine Contractors



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Health, Environment and Safety (Team Marine) meeting shall be held. These meetings shall be open to all marine contractors. The GoM Transportation Group shall set the meeting schedule and agenda. The purpose of these meetings is to share contractors' HES experiences, best practices and review the GoM BU's Marine safety metrics.

Note: The Chevron GoM BU expectations are that vessel operators ensure that their key vessel personnel (i.e. Captains) are invited and participate in the Quarterly Team Marine meetings.

Independent Safety Behavioral Observations and Feedback

The GoM BU has developed a plan for independent safety behavioral observations and feedback on vessel operations. These observations are conducted by someone that is not a member of the vessel crew. This individual shall perform safety observations and offer feedback to the vessels master and crew. These observations shall be forwarded to the vessel operator. The following are recommended areas of focus for the observations:

- Consultant observes all crew members in their activities
- Focus areas may be specified (cargo handling, eyes on path, etc.)
- Consultant provides feedback to crew members individually
- Consultant uses Stop Work Authority as necessary
- Safe behaviors are reinforced
- Consultant observes Job Safety Analysis (JSA) and Safety meetings on board
- Consultant also provides vessel inspection
- Documentation is provided to Shorebase Supervisor

In the GoM, Behavior Based Safety observations are conducted by a third party as part of the Random Inspection program. A set of observations have been developed based on injury history and specific activities.

Note: The Random Inspection along with the BBS observations are being provided to Shorebase Supervisors and the Decision Support Center.

In general, most of the above procedures have already been in place in the GoM.

Questions regarding the above procedures should be directed to the Marine Expert/Advisor. Thank you for your cooperation.

Sincerely,

Roger C. Tucker

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