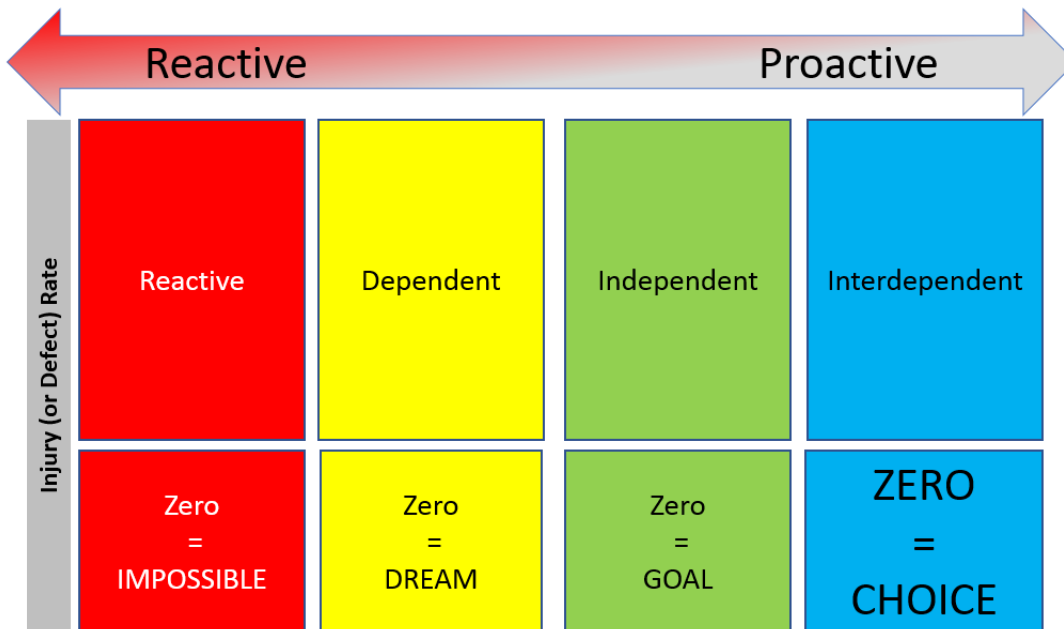


At Denbury, we believe that safety performance is a function of culture. To help illustrate this point, we introduced the Dupont Bradley Model to our workforce in 2012 and have been continuing to build upon that model to evolve our program. We translated the model to a theme that focuses on the concept of Zero Incidents.



The “Zero by Choice” stage is the objective and what we strive to achieve every day on every job and every task. We rolled out this theme on our annual HSE Leadership Conference across all our operating areas including North Dakota. It our intent and goal for our employees and contractors to embody this theme in our daily operations.

Historically, the oil and gas industry has used lagging indicators (incidents that have already occurred) to analyze root causes and determine corrective actions. If we want to have sustainable success in our program, we knew that we needed to also focus on leading indicators (hazards that may exist that could be precursors to an incident). One of the cornerstones of our Zero by Choice Program is identifying, mitigating, and communicating hazards. As we rolled out the Program in February 2018, we were thrilled to see the level of participation among employees and contractors and their willingness to share their Hazard Observations. But it didn’t stop there; we also encouraged sharing of positive behaviors such as ‘Safety Conversations’, ‘Stop the Job’ examples and ‘Safe Acts’. We quickly realized that had successfully kicked off a set of leading indicators that could help us prevent incidents from every occurring; the goal of any successfully safety program. Leading indicators, such as hazard observations of behavioral or operational conditions, provide key information regarding our culture and maintenance philosophies, which allow us to act **before** an incident occurs. This focus on leading indicators will impact the performance of our employees and contractors and influence the daily business objectives.

The “Zero by Choice Reporting Tool”

Purpose & Need

With our Program being documented and shared in various ways across the company, we identified the need to develop a consistent, standardized approach to allow the reporting to be efficient for all personnel, provide a means of sharing information across the organization, and ultimately provide a way to report on trends that could lead to process improvements. We also needed to consider those observations that might require a corrective action on a piece of equipment to make sure those were captured in our maintenance program.

The Zero by Choice Reporting Tool was the answer, and was recently deployed in a successful pilot program. The pilot is scheduled to run through the end of August, and the results seen so far clearly indicate that we are ready to deploy the tool to the entire organization in September.

Leading indicators of behavioral and operational conditions are vital to a business performance and integral to enhancing our focus on creating favorable outcomes. These indicators include substantial amounts of business related activities such as:

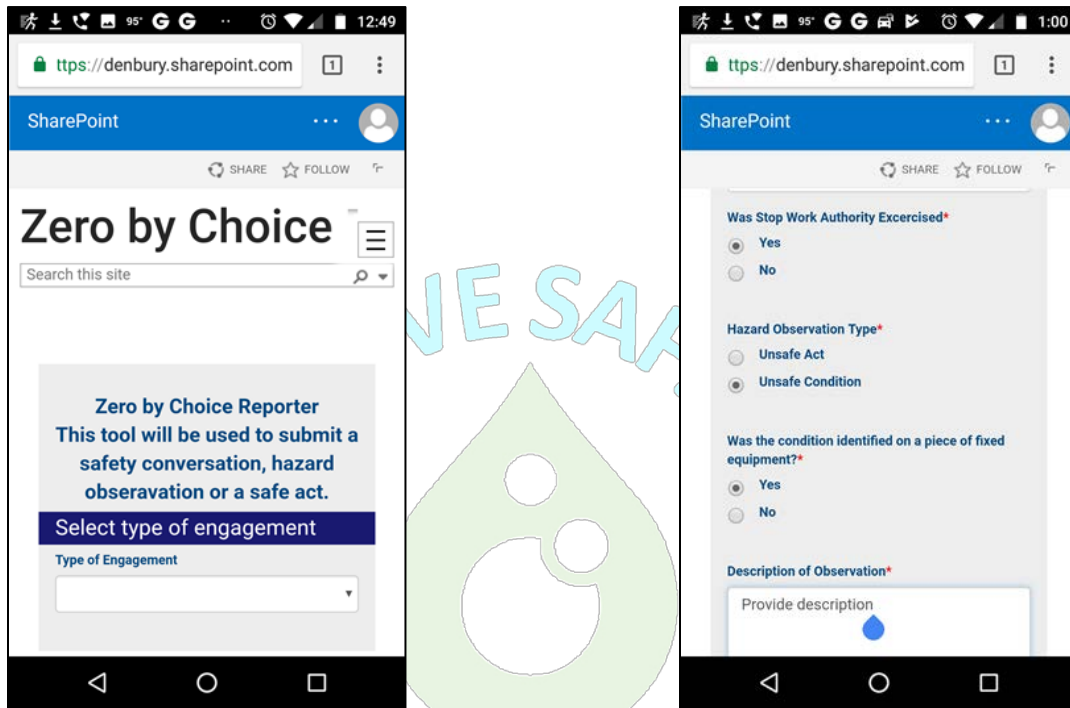
- Asset Integrity – Maintenance work orders (Preventative & Corrective)
- Hazard Observations (Stop Work Authority, Unsafe Conditions, & Unsafe Behaviors)
- Safety Conversations (Tool utilized to track field engagements)
- Safe Acts (Tool utilized to recognize safe behaviors of teams)

Project Development

In March of 2018, a diversified “Project Team” made up of Operations, HSE, and IT personnel completed a gap analysis of our existing reporting tools. The gap analysis revealed that leading indicators were tracked differently in the different Business Units, and sometimes between different facilities within the same Business Unit. This approach, while useful in local operations, provided limited visibility and was not efficient in sharing learning opportunities across the company.

The Project Team worked with internal and external stakeholders to identify and evaluate multiple options to improve the collection of each engagement type. The evaluation included a review of external solutions and their associated costs, complexity, and delivery schedules. More importantly, the evaluation identified opportunities to integrate Zero by Choice reporting with our Computerized Maintenance Management System (SAP-EAM).

With the assistance of our HSE and Asset Integrity Management (AIM) teams, our internal IT Department developed an application within SharePoint that is compatible with both desktop and mobile platforms. This new application captures all of the Zero by Choice leading indicators (Hazard Observations, Safety Conversations, and Safe Acts) in one place, and allows front-line workers to send in leading indicators in real time from their mobile devices, instead of relying on the old method of using either paper forms and/or emails.



In addition, our Enterprise Asset Management (EAM) team and IT Department developed a process that would allow the Zero by Choice Reporting Tool to communicate with our SAP-EAM corrective maintenance program. If a report contains a Hazard Observation on a fixed piece of equipment, a notification is automatically sent to the SAP-EAM to create the corrective maintenance work order. This not only creates transparency of the hazards identified in the workplace, but also ensures maintenance is being performed to correct the hazard, and in some cases, prompt continued preventative maintenance.

Implementation

The “Zero by Choice Reporting Tool” was implemented in three phases over a three-month pilot with various groups.

- Phase I – HSE field personnel in each business unit
- Phase II – Projects & Facility Engineering, Drilling & Workover, and Operations (Texas, Montana, and Mississippi)
- Phase III – All personnel (Company-wide)

Reporting & Notifications

As part of the development of the Zero by Choice Reporting Tool, our field and corporate leaders desired a means of viewing engagements reported in the tool. As a result, our IT Department created a series of reports, notifications, and dashboards that would allow visibility of the data entered into the system. Those reports and notifications are as follows:

- Daily Report – An automated report that is emailed to the entire Operational Organization and provides an overview of the entries from the previous day
- Stop Work Authority Notification – An automated email notification to Business Unit & Corporate Leaders advising that an engagement that required the stoppage of work took place. The notification provides the location in which the Stop Work Authority event occurred and what was done to correct it
- Hazard Observation – If an Hazard Observation involving an Unsafe Condition on Denbury-fixed piece of equipment is reported, an automated work order notification is sent to SAP-EAM
- Spotfire Dashboard – This dashboard displays real time data that allows business leaders and field personnel to adapt and actively improve business performance

Contributions to HSE Excellence

This internal solution allows Denbury to progress our Zero by Choice initiative through enhanced focus on reporting and sharing of leading indicators. It also allows us to further assess our HSE culture to determine if additional training, resources, or equipment are needed to help our workers perform their jobs safer and more efficient. In addition, this solution provides:

- One consistent, Company-wide platform of reporting, analyzing, and trending leading indicators
- Integration of our behavior based observation and corrective maintenance program with the ability to track a work order from the time it is entered to completion
- Encouragement for our managers and personnel to engage workers throughout the organization through Safety Conversations and reporting of Safe Acts