NATURAL GAS TRANSPORTATION FUEL INITIATIVES

RAILROAD COMMISSION NATURAL GAS WORKSHOP

PETROLEUM CLUB OF MIDLAND

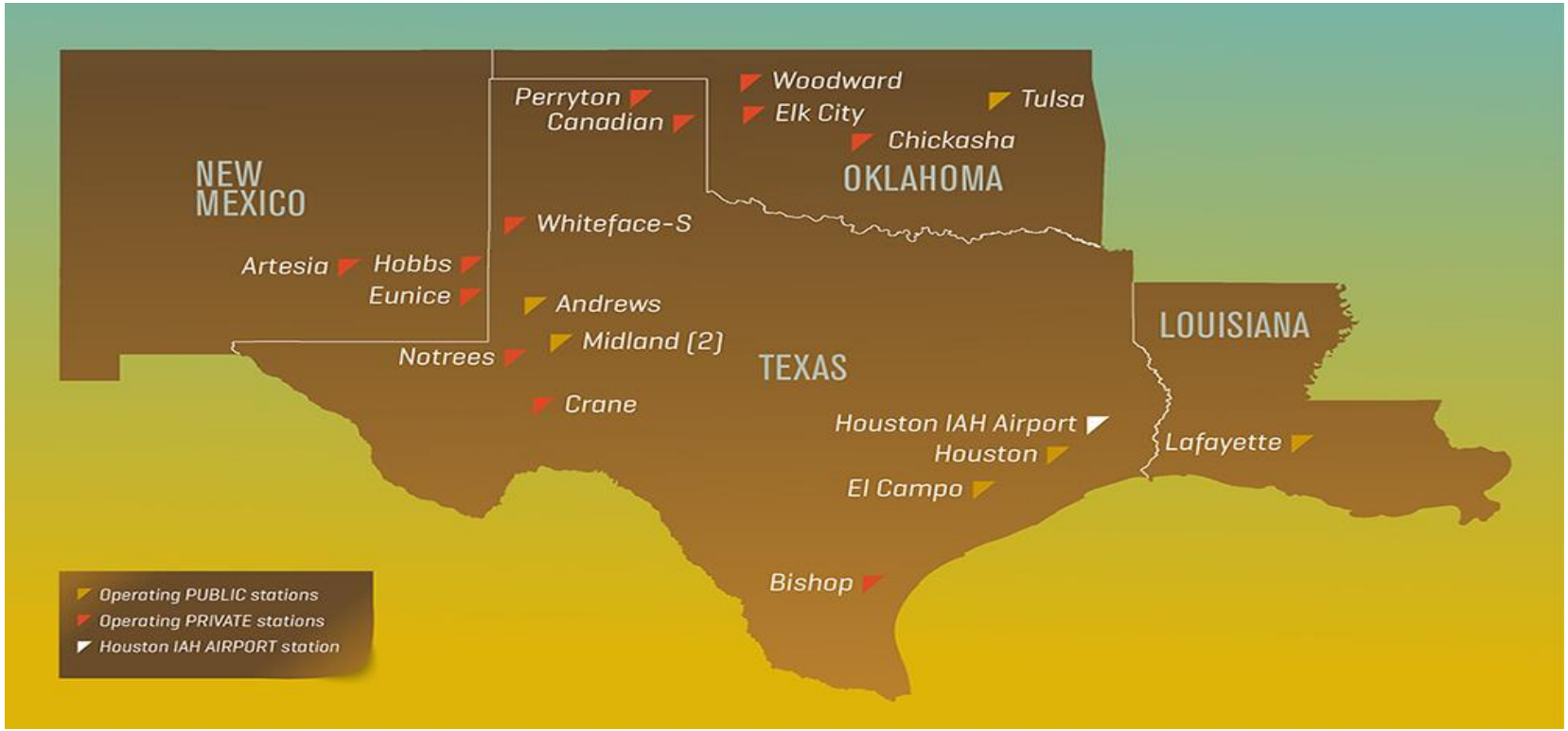
FRANK CHAPEL

FEBRUARY 26, 2014

APACHE U.S. CNG FLEET VEHICLES

- 2013 CNG-Powered Vehicles = 574 (45%)
- Year-End 2014 Estimated CNG-Powered Vehicles = 650 (51%)
- Long-Term Goal is to Have 80% of U.S. Fleet Powered by CNG

APACHE CNG FUELING STATIONS



TYPES OF APACHE CNG STATIONS

Field Office CNG Station – Crane, TX

Public Access CNG Station – Tulsa, OK

Stripes/Apache Public Access Station – Midland, TX

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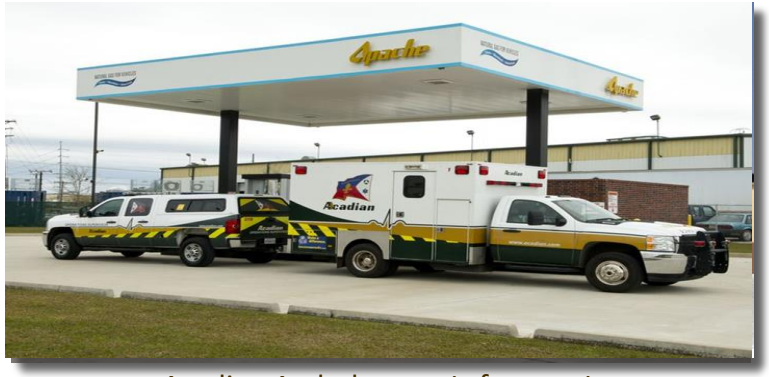
APACHE ENABLES FLEETS TO TRANSFORM



Acadian Ambulance – Lafayette, La

Chesapeake Energy – Canadian, TX

Laredo Petroleum – Canadian, TX

Basic Energy Services – Crane, TX

HIGH RATE CNG FILL STATION - WHEELER, TX

- Apache partnered with OsComp Systems to construct a high-rate tube trailer fill station near Wheeler, TX to support our drilling/completion operations
- OsComp will compress, transport and deliver CNG to the well site equipment spreads
- Design fill rates from 10 to 36 DGE/min
- Station will be open for OsComp delivery to other commercial bulk sales customers

Apache

APACHE EMPLOYEE CNG VEHICLE INCENTIVE PROGRAM

- **Program Elements:**
- All full-time employees who purchase a new dedicated CNG vehicle or convert a new or used vehicle will receive free CNG for their next $5,000 of CNG fuel purchases.
- Louisiana and Oklahoma employees will also receive a state income tax credit for 50% of the additional cost of the CNG dedicated or converted vehicle.
- Texas and New Mexico employees will receive this 50% offset from Apache as these states offer no alternative fuel incentives for personal vehicles.

APACHE NGV TEAM LEADERSHIP—ORGANIZATIONS/ALLIANCES

- NGVAmerica—Board of Directors & Executive Committee
- ANGA—Natural Gas Vehicles & Equipment Committee
- ANGA/AGA “Drive Natural Gas Initiative” (DNGI)—Steering Committee
- DNGI—Infrastructure Committee Co-Chair
- DNGI—Home Fueling Appliance (HFA) Task Force Co-Chair
- New Mexico NGV Coalition—Co-Chair
- D.O.E. Clean Cities Coalition—Tulsa, OK
- Louisiana Clean Cities Coalition—Expansion Task Force Member
- Greater Houston NGV Alliance—Founding Member