**THIS MODEL FORM MAY NOT CONTAIN ALL PROVISIONS REQUIRED BY PARTIES ENGAGED IN OFFSHORE OPERATIONS. IN ADDITION, THIS MODEL FORM CONTAINS NUMEROUS PROVISIONS THAT MUST BE COMPLETED BY INSERTING APPROPRIATE TIME PERIODS, DOLLAR AMOUNTS, NUMBERS OF PARTIES, ETC., AND EACH PARTY MUST DETERMINE APPROPRIATE INSERTS FOR ITS PARTICULAR SITUATION OR APPLICATION. USERS OF THIS MODEL FORM OR PORTIONS OR VARIATIONS THEREOF SHOULD SEEK THE ADVICE OF COUNSEL TO ENSURE THAT THE AGREEMENT REFLECTS THE ACTUAL INTENT OF THE PARTIES AND IS PROPER UNDER THE APPLICABLE BUSINESS CIRCUMSTANCES. USE OF THE FORM OR A PORTION OR VARIATION THEREOF SHALL BE AT THE SOLE DISCRETION, RISK, AND LIABILITY OF THE USER PARTIES. THE OUTER CONTINENTAL SHELF ADVISORY BOARD DISCLAIMS ANY AND ALL INTERESTS OR LIABILITY WHATSOEVER FOR LOSS OR DAMAGES THAT MAY RESULT FROM USE OF THE FORM OR PORTIONS ORVARIATIONS THEREOF.**

**EXHIBIT “K”**

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| --- |
| **Attached to and made a part of** that certain Operating Agreement dated effective \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ by and between \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
|  |

**HEALTH, SAFETY AND ENVIRONMENT ("HSE")**

**Health, Safety and Environmental Management Systems**

**1.** Plan Requirements for Operator:Operator shall have an effective Health, Safety & Environmental Management Plan or Plans, in accordance with applicable law, including SEMS regulations 30 CFR Part 250, for all operations conducted under the Agreement to which this Exhibit is attached.

**2.** Overview of Plan for Non-Operating Parties: Upon the written request of any Non-Operating Party, the Operator will present to the Non-Operating Parties, at a meeting called in accordance with the Agreement, a sufficient overview of its Health, Safety and Environmental Management systems to evidence compliance with Paragraph 1 herein.

**3.** Operator's HSE Performance as an Agenda Item: Upon written request, Operator's HSE performance shall be an agenda item for all meetings of the Parties where past HSE statistical performance as well as ongoing and future HSE improvement initiatives are presented and discussed.

**Health, Safety and Environmental Reporting**

**4.** Operator's Obligation to Notify Non-Operating Parties:The Operator shall notify the Non-Operating Parties in a timely manner after any of the following incidents occur:

(a) well blow-out,

1. a fatality
2. serious injury
3. significant adverse reaction from authorities, media, NGOs or the general public
4. cost of accidental damage exceeding US $500,000
5. oil spill of more than five (5) barrels
6. release of more than ten tons of a classified chemical such notification will be followed by a written report.

**5.** HSE Audits: Upon request of the Non-Operating Parties, the Operator shall provide the copies of any HSE audits conducted of the drilling operations on the subject well.

**6.** Maintenance and Non-Operator's Review of HSE Statistics:HSE statistics for activities and operations conducted under the Agreement will be maintained and be reported to Non-Operating Parties on a monthly basis in a format to be mutually agreed to by the Parties. HSE statistics are defined as: Recordable Injuries, Lost Time Injuries, Lost Time Injury Frequency, Reportable Spills, Fines, Incidents of Non-compliance or Notices of Violation [under applicable regulations of the Occupational Safety and Health Administration (OSHA),DOI, U.S. Environmental Protection Agency, or United States Coast Guard (USCG]. In addition to opportunities to review data through audits, Operator will, upon request, furnish HSE performance information upon the completion of the well and be amenable to a timely meeting with Non-Operating Parties specifically to review and discuss HSE performance applicable to this Agreement.

**Health, Safety and Environmental Inspections**

Non-Operating Party's Right of Access: For purposes of conducting health, safety and environmental inspection, the Non-Operating Parties shall have the right of access to activities and operations and shall have access to Operator's HSE files as provided for in this Agreement. The notable exceptions are a) may implicate privacy issues, b) is covered by an enforceable legal privilege, or c) can otherwise be protected under laws and legal principles involving confidentiality or secrecy. Operator will cooperate fully in these health, safety and environmental inspections.