FREEPORT-MCMORAN OIL & GAS

and subsidiaries

McMoRan Oil & Gas

FREEPORT-MCMORAN ENERGY

SAFETY & ENVIRONMENTAL MANAGEMENT SYSTEM

(SEMS) PROGRAM

for

Pacific and Gulf of Mexico OCS Regions

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TABLE OF CONTENTS

RECORD OF REVISIONS

Revision Number	Revision Date	Revision Description	Date Entered	Signature of Person Entering Revision
#1	October 2012	Annual review of plan; addition of a 'Record of Revisions' page; deletion of the general use of the words 'California' and 'Pacific'; inclusion of language referencing location on electrical area classification drawings, equipment arrangement drawings, and the design basis for the relief system; and correction to reference of the EH&S Management System regarding Pre- Startup Review procedures.		
#2	November 2012	Revised Section 12 to reflect number of audits and Section 13 to reflect PXP Corporate Records Retention Policy & Schedule.		
#3	March 2013	Revised Sections 1, 3, 4, 7 and 12 per December 2012 - January 2013 third party audit. All other pages except Introduction section reflect March 2013 footer date because of pagination changes.		
#4	July 2013	Incorporated GOM assets: incorporated SEMS II requirements; rebranded to Freeport-McMoRan Oil & Gas.		
#5	May 2014	Revised Sections 14 and 15 to address SWA and UWA processes for MODUs. Revised Section 14 to define a SWA under this plan.		
#6	March 2015	Revised Introduction and Sections 3, 4 and 7 per the July 2014 third party audit.		
#7	November 2015	Blended FMO&G and MOXY SEMS plans. Section 2: added location of former MOXY documents; Section 3: added clarifying revalidation requirements; Section 5: added location of former MOXY documents; Section 7: clarified that training be done by qualified providers; Section 10: added "Station Bill" to list of emergency response plans available on manned platforms, added "manned" to address that some (formerly MOXY) platforms are not manned, added location of former MOXY documents, added New Orleans as a site of a Command Post.		
#8	September 2106	Section 1: changed FM O&G EH&S Policy to FCX Safety and Health and Environmental Policy Statements. Section 4: added language for contractor MOC review.		
#9	August 2017	Personnel, generic title corrections, removal of Deep Water references, file locations		
#10	March 2018	Updated method of file maintenance and MOC process		
#11	July 2019	Update to files location description, reference to Level C MoC program, change primary contacts, update BSEE address		
#12	January 2021	Reference Management definitions, Add Element Lead Summary, add FM O&G subsidiary names; minor grammatical edits	01/21/2021	
#13	September 2023	General grammatical edits, listing Temporary Operations as required in Operating Procedures, including contractors required to maintain their equipment;		
#14	September 2024	General grammatical edits, showing operational status in GoM		

INTRODUCTION

This document outlines how Freeport-McMoRan Oil & Gas LLC (FM O&G), McMoRan Oil & Gas LLC, and Freeport-McMoRan Energy LLC (Collectively referred to as "The Company") complies with the Bureau of Safety and Environmental Enforcement's (BSEE) Safety and Environmental Management System (SEMS) rule (the "FM O&G SEMS PROGRAM"). This rule is cited in Title 30 of the Code of Federal Regulations, Part 250, Subpart S, Section 1900 SEMS shall include the following program elements:

- General Management Responsibilities
- Safety and Environmental Information
- Hazard Analysis (Facility Level) & Job Safety Analysis
- Management of Change
- Operating Procedures
- Safe Work Practices & Contractor Selection
- Training
- Mechanical Integrity
- Pre-Startup Review
- Emergency Response and Control
- Investigation of Incidents
- Auditing
- Recordkeeping and Documentation
- Stop Work Authority (SWA)
- Ultimate Work Authority (UWA)
- Employee Participation Plan (EPP)
- Reporting Unsafe Working Conditions

The Company has a detailed Environmental, Health and Safety Management System (EH&S MS) which ensures consistent and effective management of environmental, health and safety (EH&S) matters throughout the Company's operations. The system promotes continuous improvement by ongoing measurement and evaluation of performance against established standards. It provides effective EH&S management interface with partners and contractors; and ensures that EH&S issues are addressed and managed in accordance with the requirements of the EH&S Policy Statement (see Figure 1). The majority of the above listed SEMS elements are complied with through directives in the EH&S MS.

This document is a Level C document within the framework of the EH&S MS as it applies only to offshore facilities within the company. Should there unintentionally be a conflict between this document and the EH&S MS, the EH&S MS take precedent as it sets the minimum requirements for all facilities of the Company. Further, there are also additional Level C documents for the Gulf of Mexico (GoM) and Pacific Regions addressing particular needs and situations for these facilities. Should unintentional conflict arise between this Level C and others, this document shall take precedent.

In addition to the EH&S MS, the Company utilizes many other systems to operate its business. For SEMS related compliance not fully dealt with in the EH&S MS, the following systems make up the necessary components to comply with the SEMS requirements:

- Safety and Environmental Information
- Hazards Analysis
- Operating Procedures
- Facility Inspection and Monitoring Program (Mechanical Integrity)
- Emergency Response & Control

- Training related to 30 CFR 250.1500, Subpart O – Well Control & Production Safety Training

Each of the subsequent Sections detail the Company's EH&S MS policies and other systems which are utilized to comply with the SEMS requirement. This document is a "roadmap" to guide the user to the information related to all the elements of the FM O&G SEMS program.

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1. GENERAL MANAGEMENT RESPONSIBILITIES

This procedure will apply to all Company OCS platforms as per the requirement of 30 CFR 250.1909.

Management, as defined in EH&S MS, Section 1.09 – *Responsibilities and Accountabilities,* will ensure that each of the elements in the SEMS Program is implemented at the applicable facilities. Operations Management requires that the program elements are properly documented and available at field and office locations and communicates the program requirements to all affected employees.

FM O&G will follow its EH&S MS, Section 1.06 – *Management Review and Goal Development*, for establishing goals and performance measures, demanding accountability for implementation, and providing the necessary resources for carrying out an effective SEMS program.

FM O&G's main objective of the Company SEMS Program is to promote safety and environmental protection by ensuring all personnel aboard a facility are complying with the policies and procedures identified in the Company SEMS Program.

Operations Management is responsible for establishing, implementing and maintaining the FM O&G SEMS Program and for reporting to management on the performance of the FM O&G SEMS Program.

Annual management reviews as reflected in the EH&S MS, Section 1.09 - *Responsibility and Accountability*, will determine if the Company SEMS Program continues to be suitable, adequate and effective. As a result of these reviews and the scheduled audits referenced in Section 13 of this plan, the possible need for changes to policy, objectives, and other elements of the SEMS program will be adequately addressed. Documentation of such reviews will include observations, conclusions and recommendations.

In addition, the EH&S MS, Section 1.09 - *Responsibility and Accountability*, describes the responsibilities and accountabilities of each employee classification and employee group in support of the referenced EH&S MS. This section also references the Freeport-McMoRan (FCX) Safety and Health and Environmental Policy Statements (Figures 1 & 2). The Policy Statements are the cornerstone of the EH&S MS and establishes the organization's overall vision. The Policy Statements are set forth and approved by the FCX Board of Directors and summarizes management's expectations and commitment to EH&S performance.

The Company uses common hiring practices such as interviews, reference checks, background investigations, and job descriptions to ensure employees have the appropriate expertise for the job responsibilities to which they are assigned. In addition, company and contract operational personnel are required to achieve certification, as applicable, with respect to the training required by 30 CFR 250.1500, Subpart O - Well Control and Production Safety Training.

The EH&S MS, Section 1.07 – *Incident Reporting and Investigation* describes the company standard for investigating incidents.

The Company expects contractors to provide safe and reliable equipment as well as trained employees who are familiar with offshore oil and gas operations. The EH&S MS, Section 1.02, *Contractor Environmental and Safety Management Plan* states the expectations for contractors and subcontractors. Contractors must be familiar with the Company SEMS Program and should have safety and environmental policies and practices that are consistent with the Company SEMS Program. This is achieved via the company's Contract Administration Process. The Company documents agreement on appropriate SEMS related policies and practices with our contractors

through the signing of a Master Service Contract - SEMS Addendum. In some cases, more specific details of contractor roles and responsibilities in complying with SEMS may be detailed in a Bridging Document.

Company facilities are designed, constructed, maintained, monitored and operated in a manner compatible with applicable industry codes, consensus standards, and generally accepted practices as well as following all applicable governmental regulations. EH&S MS, Section 1.08 - *Identification of Business, Partner or Regulatory Requirements* reflects that all FM O&G workplaces and operations are influenced by government regulations and therefore subject to this practice. The responsibility for implementing this practice is that of all levels of management in charge of the location or project.

In addition to all the elements listed in the following Sections of the Company SEMS Program, FM O&G utilizes the EH&S MS, Section 5, *Hazard Control* to ensure that the management of safety hazards and environmental impacts are an integral part of the design, construction, maintenance, operations and monitoring of their offshore facilities. This includes processes such as:

- Hazards/Risks Assessment and Control
- Job Safety Analysis
- Management of Change
- Safe Work Permits
- Simultaneous Operations
- Pre-Startup Review

The Company has established multiple methods for external communication of safety and environmental information. Items include our contractor website, www.fmoilandgascontractor.com, posting of our SEMS plan on the FM O&G ISNetworld Bulletin Board, local government tours of our facilities and other frequent interaction with public and agency individuals and groups. The FM O&G contractor website and posting on ISNetworld allows FM O&G to receive, document, and respond to communications from external interested parties.

FREEPORT-McMoRan

Safety and Health Policy

The safety and health of all Freeport-McMoRan Inc. ("FCX") employees is of the highest priority and a core value of the company. Our objective is zero workplace injuries and occupational illnesses. Production and costs are critical to the well-being of the company, but these considerations must never take precedence over safety, employee health or protection of the environment.

We believe that all injuries and occupational illnesses are preventable. We further believe that safety and health considerations are integral to, and compatible with, all other management functions in the organization and that proper safety and health management will enhance rather than adversely affect production or costs.

A fundamental tenet of our policy is that there will be compliance with applicable internal and external safety and health standards. Safety and health is a line management responsibility and all safety and health policies and practices must be adhered to and actively supported by all levels of management. Each employee must take individual responsibility for his/her safety and that of their co-workers. It is the job of each employee to create a work environment that eliminates occupational health and safety hazards whenever possible. If a hazard cannot be eliminated, then employees must work together to ensure that it is effectively reduced or controlled. Assigning responsibility and determining accountability measures for safety and health performance are established at all levels of management. The Board of Directors will monitor and receive regular reports on outcomes and results.

We will measure progress to attaining our objectives against regularly established benchmarks. We will provide the training and resources necessary to achieve our safety and health benchmarks, and everyone will be held accountable for the results.

We will ensure that employees and contractors are properly trained and held accountable for following all prescribed safety procedures and practices. Safety and health issues will not be compromised. Each employee and contractor is responsible for their personal safety, the safety of others and the environment in which they work. No job will be considered so important, and no schedule so urgent, that time cannot be taken to perform work in a safe manner. Working safely is a condition of employment.

As a matter of philosophy and practice, we will hold all contractors operating at our facilities accountable for the same level of safety that we expect of ourselves. All contracts will include specific safety provisions designed to achieve this result. Regular audits of our contractor's safety compliance will be performed to ensure adherence with our policies and core values.

We will conduct comprehensive safety audits and industrial health audits on a regular basis at our operations to evaluate the status of compliance with our safety and health programs and will communicate that information to all levels of management.

The safety professionals working in our operating units are charged with assisting those units in achieving their safety and health objectives. They will assist management in developing and implementing effective safety programs, and will design the methods to effectively measure safety performance. They will also analyze compliance results and trends in order to make recommendations to improve performance.

We are committed to providing a safe and healthy workplace and to providing adequate resources through training programs, safety incentive programs, and occupational health programs to attain recognized leadership in matters of safety and health. We consider safety and health programs, both on and off the job, to be an investment in our most valuable resource - our employees.

As amended by the Board of Directors through February 3, 2015

(Figure 1)

FREEPORT-McMoRan

Environmental Policy

Freeport-McMoRan Inc. ("FCX") minimizes the impact of its operations on the environment using risk management strategies based on valid data and sound science and, where practicable, protects and enhances the quality of the environment in areas where it operates.

We are committed not only to compliance with applicable environmental statutes and regulations, but also to continuous improvement of our environmental performance. We also work with governmental agencies, local communities, and nongovernmental organizations on environmental enhancement opportunities.

We achieve this by:

- Complying in all material respects with applicable environmental laws and regulations and, in jurisdictions where these are absent or inadequate, applying management practices to advance environmental protection and minimize environmental risks;
- Making environmental management a core value through the integration of environmental policies, programs and practices as an essential element of management;
- Maintaining environmental management systems that are certified or equivalent to the ISO 14001 standard covering all operations;
- Communicating to all employees and suppliers of goods and services the importance of environmental protection, and provide them with the resources, staff and training necessary to fulfill their environmental responsibilities;
- Conducting appropriate training for third-party contractors on site-specific environmental conditions and regulatory requirements;
- Reviewing and considering the environmental effects of each activity, whether exploration, resource production or processing; and planning and executing the design, development, operation, and closure of projects, including pollution control systems, in a manner that optimizes the economic use of resources while minimizing adverse environmental effects;
- Promoting opportunities for energy efficiency and recycling;
- Conducting regular environmental reviews, assessments and audits of our environmental compliance activities, management systems and operational practices, and acting on the results as a means to achieve continuous improvement;
- Acknowledging that certain areas may have particular ecological, biodiversity, or cultural values as well as resource development potential and, in such instances, considering these values along with the economic, social and other benefits resulting from development;
- Supporting research to expand scientific knowledge, developing improved technologies to protect the environment, promoting the transfer of technologies that mitigate adverse environmental effects, and using technologies and practices that take into account and respect local cultures, customs and values as well as economic and environmental needs;
- Recognizing local communities as stakeholders and engaging them in a process of consultation concerning environmental management issues and impacts, as well as other social considerations;
- Supporting biodiversity programs where practicable opportunities exist; and
- Remediating historical sites for which we are responsible.

This policy applies to all FCX projects and operations, from exploration to project closure. We expect suppliers of goods and services to operate in accordance with this policy. The company will routinely evaluate implementation of this policy, through internal and external independent assessments, and publicly report on our performance.

As amended by the Board of Directors through February 3, 2015

(Figure 2)

2. SAFETY & ENVIRONMENTAL INFORMATION

This procedure will apply to all Company OCS operations as per the requirements of 30 CFR 250.1910.

Operation related departments are responsible for maintaining and updating all process and mechanical design information is designated by Region.

The Company will utilize the Safety & Environmental Information to develop and maintain Hazard Analysis, Operating Procedures, Management of Change, Pre-Startup Review, Mechanical Integrity and related personnel training for each facility under jurisdiction of the BSEE.

The mechanical facility and design will be consistent with applicable consensus codes and standards in effect at the time that the design was prepared. The Company will use current piping specifications for modifications to the design of the facility. Where the original mechanical design information no longer exists, suitability of equipment design or intended use will be verified and documented. Verification can include successful prior operating experience. The Company will follow the recommendations of all API Standards pertinent to the design of the facility including API RP 75 and 14J. P&IDs are used in lieu of Process Flow Diagrams in the Pacific Region and Safety Flow Diagrams (SFD's) will be used in the GoM Region. All pertinent data is included on the P&ID's and SFD's. Available design information is filed electronically on a company shared data drive.

Where the original process design information no longer exists, it may be developed in conjunction with the Hazards Analysis. A copy of the Hazards Analysis is kept on manned operational platforms with the original in the office. All process design upper and lower limits are filed electronically on a company shared data drive and calculated as per 30 CFR 250, Subpart H - Oil & Gas Production Safety Systems.

For the Pt. Arguello platforms, documentation related to the design basis for the relief systems on each particular platform is maintained in the Gaviota office file room. Platform Harvest information is located in the (Texaco) Harvest Drilling/Production Platform – Calculations, Volume III / ORC HAR-GEN #8 book. Platform Hermosa information is located in the Platform Hermosa Instr. Specs / ORC HER-GEN #3 book. Platform Hidalgo information is located in (Chevron) Equipment Data Book Platform Hidalgo, Volume 10 / ORC HID-EQMT #10B book. Platform Irene information is located in the Orcutt file room.

For the GoM platforms, documentation related to the design basis for the relief systems for each particular platform is maintained electronically on a company shared data drive. FM O&G currently has no operational facilities in the GoM.

The platform control systems provide a means for the operator to observe and control the process operations. There are multiple levels built into the control system that provides the necessary indications of the state of the operation. Process alarms are set to allow the operator enough time to correct a process upset before a safety limit is reached. These alarms are set just outside normal operating ranges of the process variables. If the process variable exceeds the alarm value and the process continues to exceed the normal operating limits, a shutdown limit will initiate the action necessary to limit the process upset. The shutdown limits and the control interlocks for the safety of the process are dictated by API RP 14C and 30 CFR 250, Subpart H – Oil & Gas Production Safety Systems.

A description of the well control systems can be located in the Operating Procedures for each platform.

For the operational Pacific platforms, design basis for passive and active fire protection features and systems can be found in the platform Job Books which are located on the offshore platforms or in the previously identified file rooms dependent on field.

For the operational GoM platforms, the design basis for passive and active fire protection features and systems can be found on company share drives.

Emergency Evacuation Plans are at each of the manned offshore platforms, located in the Emergency Control Centers.

Design and installation of new facilities and major modifications to existing facilities should include consideration of human factors in accordance with ASTM F1166.

For the Pacific platforms, all piping and instrumentation diagrams, electrical area classification and equipment arrangement drawings (plot plans) are located on company shared drives. All data is backed up and secured as per Company guidelines. The information will be maintained and kept current throughout the life of the affected facilities.

For the GoM platforms, all piping and instrumentation diagrams, electrical area classification and equipment arrangement drawings (plot plans) can be accessed electronically on a company shared data drive. The information will be maintained and kept current throughout the life of the affected facilities.

3. HAZARD ANALYSIS

This procedure will apply to all Company OCS platforms as per the requirement of 30 CFR 250.1911.

The Company will integrate hazard identification and control into all activities performed on their platforms as per FM O&G EH&S MS, Section 5.01 - *Hazard / Risk Assessment and Control*.

FM O&G EH&S MS, Section 5.01 - *Hazard / Risk Assessment and Control* defines the formal procedure for analyzing hazards. Other tools that were utilized include, but are not limited to the following:

- Identifying facility hazards utilizing defined methodologies such as those recommended in API RP 14J and 14C (either in general or in facility-specific analysis)

In order to keep an accurate view of hazards for extension across multiple facilities, the measurement of impacts caused by a hazard should be identified prior to application of mitigation strategies.

The Company has a process that allows for the identification of change in the identified risks as referenced in FM O&G EH&S MS, Section 5.01 – *Hazard / Risk Assessment and Contro*l. Significant changes in risk may increase or decrease the impact of a particular hazard. For the purposes of hazard analysis assessment "significant risk changes" are defined in the FM O&G *Potential Severity / Risk Matrix located* in the FM O&G EH&S MS, Section 5.01 – *Hazard / Risk Assessment and Control*.

The Company has completed an initial hazard analysis as per 30 CFR 250.1911 on all its OCS platforms. Periodic revalidations of the existing hazard analysis will occur when an internal audit is conducted. Persons involved with hazards analysis will be familiar with the platform operations and API RP 14J Hazard Analysis methodologies.

The following information may be considered while performing the hazard analysis:

- Hazards of the operation.
- Previous incidents related with the operation of the facility.
- Control technology applicable to the operations.
- A qualitative evaluation of the possible safety and health effects on employees and potential impacts to the human and marine environments.
- All recommendations from the hazard analysis will be documented and assigned to personnel for resolution.
- Human factors were considered during the PHA exercise, as well as directly using a qualitative checklist approach. Human factors act as root causes of some of the undesirable events listed in the PHA worksheets. For example, human factors play a role when operators leave a valve in the wrong position; thus, leading to a hazardous condition. In addition, human factors address design considerations and working conditions that might impact the operator response to a particular hazardous scenario. For instance, cumbersome and out of sequence control displays might cause confusion and limit the ability of the operators to identify the cause of a process upset and hinder timely response to bring the process within safe operating range.

The Hazard Analysis for each facility is required to be revalidated within one year prior to the start date of the SEMS program audit for that facility. For purposes of revalidation, each facility shall be classified as a high, medium, or low priority facility based on:

- Manned versus Unmanned facility
- Proximity to Populated Areas
- Proximity to Environmentally Sensitive Areas
- Inventory and Flow Rate of Toxics, Flammables or other Hazardous

- Materials
- Simultaneous Operations
- Severe Operating Conditions

Each facility shall be scheduled for revalidation in accordance with the following minimum requirements:

- High Priority Facility – 5-Year maximum interval
- Medium Priority Facility – 7-Year maximum interval
- Low Priority Facility – 10-Year maximum interval

A 10-year schedule of revalidations must be developed in conjunction with the audit schedule. This schedule should be updated yearly. The revalidation of the Hazard Analysis must be completed at least 30 days before, and within 1 year of the SEMS audit for that facility.

In addition to the revalidation schedule above, the Company will ensure that all hazard analysis are up-to-date and reflect current hazards and operational conditions through the MOC process. Analysis should be reviewed as appropriate in line with a facility's priority level and in line with the following schedule:

- Updates of the existing hazard analysis will occur when an internal audit of this SEMS Program is conducted to ensure that the analysis is consistent with the current operations of the facility.
- After an incident investigation identifies the hazard analysis as a "root cause".
- Changes to the facility which may result in alteration of risk or priority level (as per MOC procedure).
- All completed hazard analysis reports and updates shall be maintained for as long as the facility is in operation or as long as legally required, whichever is longer. Files will be located on company share drives.

FM O&G EH&S MS, Section 5.02 – *Job Safety Analysis* provides for compliance to this portion of the SEMS requirements. A JSA is required for all tasks and jobs done on Company facilities. The practice calls for the identification, analysis and documentation of all steps of a job, the hazards associated with these steps, and ways to manage the risk of each hazard.

A Stop Work Authority (SWA) statement is included on all Company JSAs as required by 250.1930(d).

All JSAs will be approved and signed by the individual designated as being in charge of the facility to which the JSA applies. Approval and signature will only be given after the individual in charge of the activity has completed a visual onsite inspection of the work area in advance of initiating the job, has reviewed and made certain that the work crew understands and has signed the JSA and has determined that it is safe to start work.

JSAs are kept on site for 30 days and are maintained per the FM O&G Corporate Records Schedule which is currently 2 years. See Section 13 for more information.

4. MANAGEMENT OF CHANGE

This procedure will apply to all Company OCS operations as per the requirement of 30 CFR 250.1912. Section 1912 requires that a Management of Change (MoC) system is in place to effectively capture all changes to the facility that is “not in kind”.

The Company manages changes to the organization and its related systems, procedures, and equipment at its facilities using a digital MoC process. MoC ensures that changes are recognized, documented, formally reviewed and approved before being implemented to avoid potential safety, environmental and operational problems.

The purpose of the MoC procedure is to provide a formal procedure for the review of facility changes. This formal review is necessary to assure that any facility changes will avoid potential negative safety and environmental consequences.

MoC is the formal procedure that addresses process-related or mechanical environmental and operational problems. Formal documentation and approvals must also accompany the formal review from Supervisory and Management personnel that are maintained on file such that they are readily accessible for reference and review.

All personnel including Operations and Engineering involved in the formal approval process of any MOC have the necessary skills to perform the task of reviewing and approving the MOC.

FM O&G EH&S MS, Section 5.03 – *Management of Change* states the procedure to be followed to ensure that all changes are evaluated prior to implementation. Per that procedure, changes to this Level C will be reviewed and approved by Operations Management in the GoM and Pacific Regions. Review by their line and support staff will be at Operations Management’s discretion and will generally reflect the complexity of the change.

The MoC process is implemented to ensure that all related risks are considered and if required, mitigating measures selected prior to the implementation of changes. An MoC request shall be initiated when any proposed change (e.g., equipment, process, and personnel, temporary or other type of change) non-inclusive of “replacement in kind,” will result in a change in risk.

Temporary MoC’s will be viable for the period from the date of approval to the closure date of the MoC. Once the closure date has been entered, the Temporary MoC is no longer valid.

To ease the identification of change impacts, the MoC process shall be grouped to include, but not be limited to, the following types of changes:

- Equipment changes – Modification to existing equipment or addition of equipment not “in kind”. Changes could include drilling, construction equipment and temporary connections (e.g., diverter system changes, BOPs, top-drives, etc.)
- Operating procedure changes – Any change outside the scope of current written operating procedures.
- Personnel changes – Changes affecting the organization or personnel that operate and/or supervise a given facility as the facility UWA.
- Material changes – Any change in materials (e.g., equipment, piping, chemicals, etc.)
- Operating changes – Modifications to operating conditions that either differ from, or have significant effects on, the original process or mechanical design.

FM O&G EH&S MS, Section 5.03 – *Management of Change* and *Level C (Pacific Offshore) Management of Change* provides guidance as to when an MoC is required:

- All changes will be reviewed prior to implementation;

- The technical basis for the change will be reviewed by engineering;
- The impact of the change on safety, health, and the coastal and marine environments will be reviewed on an as needed basis;
- The MoC approval process will vary depending on the complexity of the MoC;
- FM O&G's MoC approval process has tier layers for engineering, EH&S and managerial approvals

The evaluation process will include the formal approval and authorization of the change.

The approval process should include an audit trail for tracking the initiation of required supporting activities such as document changes and new training requirements.

The necessary time periods to implement changes for approved MoC's vary depending on the complexity of the MoC. The MoC process incorporates a Checklist where tasks are assigned to responsible parties. The assigned date and name of the responsible party is entered for each task, as tasks are completed the completion date for that task is entered. Once all tasks are completed the MoC is closed by the MoC Coordinator and the closing date is entered on the information page of the MoC.

The following is a list of potential Regulatory and Safety Items on the Checklist:

- Regulatory Agency Approval
- Safety & Environmental Information
- Process Hazard Analysis / Review
- Pre-Startup Training
- New / Revised Operating Procedure Manual
- SAFE Chart update

- New Component
- Process Flow / P&ID Drawing Update
- Area Classification Drawing Update
- Safety Equipment Location Drawings
- Electrical Drawing Update
- Maintenance Record Update
- New / Revised Maintenance Procedures
- Operator, Maintenance, Contractor and Training
- Personnel

All MoCs are reviewed by affected personnel on the facility.

Any MoC which results in a change to the Operating Procedures will be documented and dated.

A list of high use, high risk and highly dynamic contractors will be made every 6 months. Those contractors will be asked to provide the Company a MoC status report so that the Company can monitor the contractor's MoC program.

5. OPERATING PROCEDURES

This procedure will apply to all Company OCS operations as per the requirement of 30 CFR 250.1913.

To ensure that operations are performed in a safe, effective and environmentally responsible manner, FM O&G will provide employees and contractors with Operating Procedures (OPs) for the execution of identified tasks on producing facilities.

The scope of the OPs shall cover all process operations.

The OP process outlined in this standard will guide individuals to perform operations and execute identified activities responsibly in order to comply with the FM O&G SEMS Program. The key factors to be included in the OPs program are addressed in API RP75, Section 5.

For the Pacific platforms, a controlled copy of all Platform OPs will be maintained electronically on company shared drive.

For the GoM platforms, a controlled copy of all Platform OPs will be maintained electronically on a company shared data drive.

The Company has reviewed all existing OPs for each platform. The procedures have been modified to incorporate the requirements of 30 CFR 250.1913.

Definition of operational stages: Operational stages of the facility or site are defined as all activities that pertain to the preparation for, execution of and termination of the functions of the operating location.

These operational stages normally include, but are not limited to the following:

- Initial startup
- Normal operations
- Emergency operations
- Normal shutdown
- Startup following a turnaround
- Temporary Operations
- Emergency shutdown
- Isolation and normal shutdown

The requirement for Temporary Operations may require implementation of the Management of Change (MoC) process for production operations. Temporary Operations involving well work will be managed through the regulatory permitting process and project communications.

The content of all OPs will be guided by the following minimum requirements based on API RP 75:

- Identification of the job title and the reporting relationship of the person responsible for the execution of the OP;
- Identification of all safety and environmental information pertinent to the operation;
- Descriptions of the safety and environmental limits related to the operation;
- Documentation of the consequences of deviation outside the safety and environmental limits as described in the OP. These consequences should include reference to environmentally sensitive areas where applicable and include controls such as discharge limitations;
- Descriptions of recommended steps to bring the process conditions back to or within the prescribed limits regarding safety and environmental exposures;
- Identification of all the stages of operation as defined below:

- Safe Work Practice Procedure
- Bypassing and flagging “out of service” equipment.
- Properties of and hazards presented by the chemicals used in the operations
- Precautions you will take to prevent exposure of the chemicals used in your operations to personnel and the environment
- Raw materials used in your operation
- Control of hazardous chemical inventory
- Human and marine environmental impacts

OPs will be reviewed at the conclusion of specified periods in conjunction with the hazards analysis evaluations referenced in Section 3, and as often as necessary to ensure that they reflect current and actual operating practices, including any changes made to the operations. Review procedures may also be initiated when an opportunity for improvement is identified and an observed non-conformance, incident of system failure or event occurs.

The review process will be a formal process that meets the following criteria:

- Documentation of proposed change(s) will be entered into the MoC system to ensure that all personnel are aware of the proposed changes.
- Changes resulting from reviews will be documented and communicated to responsible personnel.

Records of the review will be maintained for the life of the facility.

6. SAFE WORK PRACTICES & CONTRACTOR SELECTION

This procedure will apply to all Company OCS operations as per the requirements of 30 CFR 250.1914.

All Company employees and contract personnel working in Company facilities are responsible for complying with safe work practices. The Company EH&S Department is responsible for the contractor selection process.

The requirement for safe work practices and contractor selection are two-fold:

> ***Establish and implement safe work practices to minimize risks associated with operating, maintenance, and modification activities and the handling of materials and substances that could affect safety or the environment***

The Company uses a comprehensive EH&S Management System to achieve this requirement. Specifically, the Management System's Level B minimum corporate standards in Section 4 – *Safety*, and Section 5 – *Hazard Control* and associated Level C specific regional policies for Offshore. These standards address these safe work practices.

Stop Work Authority (SWA) has long been a policy for the Company. The EH&S MS, Section 4.02 – *Stop Work Policy* addresses this directly and it is reiterated in various permitting and planning procedures throughout the Management System.

> ***Document contractor selection process***

This section of the regulation requires that the Company document a contractor selection process, obtain and evaluate performance and ensure written safe work practices. This is done through a well-established Master Service Contract Process directed by our Corporate Purchasing organization in conjunction with the EH&S MS, Section 1.02 – *Contractor Environmental and Safety Management Plan*. Contractors are evaluated via reviews of their documented safe work practices, prior year's performance via OSHA 300 logs and insurance experience modifier rates (EMRs) before approved. Once approved, the Company uses ISNetworld and a contractor audit process to ensure on-going satisfactory performance. This audit is done by a third-party auditor hired by the Company, by the Company EH&S staff or a combination.

The Company documents agreement on appropriate SEMS related policies and practices with our contractors through the signing of a Master Service Contract – SEMS Addendum; or a SEMS Bridging Document, as appropriate for the contract.

The Company ensures that a contractor is knowledgeable, experienced and their personnel have the skills necessary via the review noted above and the contractor legally affirms this in the Master Service Contract. This is monitored and reaffirmed with the contractor audit process as well as with our annual Company EH&S Management System audit. The Management System audit is typically done by in-house FM O&G EH&S staff.

The Company verifies that contractors conduct their activities in accordance with our SEMS program with the aforementioned audit processes.

The Company ensures the contractors understanding and ability to comply with our SEMS program through the use of the Master Service Contract, the SEMS Addendum to the Master Service Contract, the contractor audit process and the FM O&G EH&S Management System audit.

The Company provides periodic evaluations of performance using our People and Practices Observation (PPO) process in which all Company employees are expected to participate, and all contractors are encouraged to participate. FM O&G also utilizes post job evaluations, the contractor audit process and the EH&S Management System audit to achieve this requirement. The frequency of the periodic contractor audits is defined in the *Contractor Audit Risk Matrix*.

The Company maintains an incident database and work hour history, so an injury and illness log is available at any time. The information maintained is reported in the BSEE Form 0131 as directed by the regulation.

The Company informs all personnel of known hazards using our required orientation process and through the procedures contained in the EH&S MS, Section 5.02 – *Job Safety Analysis*. FM O&G controls presence, entrance and exit to operating areas via our EH&S MS, Section 5.04 – *Safe Work Permit System*.

7. TRAINING

This procedure will apply to all Company OCS operations and is intended to define the requirements for training Company field employees, and validation of contract personnel training as it applies to those contractors engaged in SEMS related activities, pursuant to 30 CFR 250.1915.

It is the objective of the Company that all company and contract personnel involved in SEMS activities are to receive instruction by qualified training providers to ensure their basic well-being, protection of the environment, and safe operations.

To accomplish this, orientation training will be provided to personnel going offshore for the first time in accordance with API RP T-1. Orientation topics are intended to ensure that new personnel are aware of what is expected of them and what they may encounter while offshore. Items discussed include but are not limited to general company policy, proper dress, stop work authority, and facility specific information. H_2S training will be provided at locations known to have toxic gas. Personnel regularly assigned offshore will receive training in non-operating emergencies such as but not limited to firefighting, transportation emergencies, platform abandonment procedures, use of survival craft and water survival guidelines, as recommended in API RP T-4, API RP T-7, and API RP 14G. Additionally, training will be provided in hazard recognition, and construction and implementation of JSA's as outlined in Section 3 of this plan. Instruction will be given, and personnel involvement encouraged in the Company's Employee Participation Plan.

Appropriate personnel, regularly or occasionally assigned as required by circumstance, will be trained in safe work practices, simultaneous operations, and hazard communications as defined in FM O&G's EH&S MS, Section 4 - *Safety*. All regularly assigned offshore personnel will be trained as appropriate per applicable governmental regulations and receive instruction in the procedures and practices required to report unsafe working conditions.

Training will be provided to ensure that company personnel assigned to operate and or maintain the facility possess the required knowledge and skills as determined by a structured qualification modeling process, or similar method to carry out their duties and responsibilities, as outlined in FM O&G's 30 CFR Well Control & Production Safety Training Plan, and SEMS Sections 5, 6, and 10. Examples of these competencies include, but are not limited to, safety and anti-pollution devices, crane operations and maintenance, well control activities, operating procedures, including startup and shutdown, environmental protection and pollution control, and emergency response and control. Competency/Qualification Criteria is documented and can be found in the learning management system and safety meetings.

All contractors providing personnel involved in SEMS activities shall train their personnel in the work practices necessary to perform their jobs in a safe and environmentally sound manner. This training should include applicable site-specific safety and environmental procedures and rules pertaining to facility and applicable emergency action plans. In some cases, a copy of certification, qualification or training may be required to be maintained on the facility they are working.

Assessment of training needs will be conducted for Company employees field involved in SEMS activities, such as but not limited to Operating Procedures, Safe Work Practices, and Emergency Procedures. This assessment will consist of one or more of the following: written and/or oral quizzes, computer-based training (CBT), hands-on skills proficiency evaluations and participation in drills.

New hazards and risks can be introduced into the workplace at any time due to changes in equipment, materials, personnel and processes. FM O&G EH&S MS, Section 5.03 – *Management of Change*, provides a systematic method for responding to and notifying personnel of these changes in the

workplace, especially those that could be detrimental to the health and safety of affected personnel or contribute to damage to the environment or any property.

The Company or its designated representative will observe and evaluate contractor performance in the field, for the work practices necessary to perform activities in a safe and environmentally sound manner, including operating procedures, safe work practices, or emergency response measures. Additionally, FM O&G or its designated representative, will conduct periodic audits of contractor training programs in accordance with the FM O&G EH&S MS, Section 1.02 – *Contractor Environmental and Safety Management Plan*, and may include onsite reviews of training records, witnessing the training presentations, and/or administering job task evaluations to ensure all requirements of this Plan are being fulfilled.

8. MECHANICAL INTEGRITY

This procedure will apply to all Company OCS operations as per the requirement of 30 CFR 250.1916.

The Company maintains an effective mechanical integrity program that ensures the fitness for service of all systems and equipment containing or processing hydrocarbons, toxic substances, or other materials that may cause environmental or safety consequences, to prevent or mitigate the uncontrolled release of these substances.

The Company's mechanical integrity program at the time of the material and equipment acquisition requires that appropriate codes, standards, recommended practices and specifications are communicated to the vendor for use in the design, material specifications, fabrication, and installation. Such standards are issued by; ASME, ANSI, ASTM, API, AWS, IEEE, ISA and NACE. In addition, the Company utilizes some Company Specifications which further refine and focus requirements that through experience have proved to be beneficial. The Company Project Manager requests quotes from vendors which meet all the technical requirements, i.e., Codes, Standards, Recommended Practices, and Specifications for the equipment and material under consideration. The selected quote is then incorporated into the Purchase Order (PO) to assure equipment being obtained is fit for the service intended.

After commissioning and installation of all equipment such equipment must be maintained, including calibrations, per the manufacturers' specifications, unless regulatory guidelines such as API 14C impose stricter requirements, in which case such stricter requirements will be followed. Documentation of maintenance includes the following: name and description of the maintenance (or inspection or test) performed; date performed; name, position, and signature of person performing maintenance; specific equipment identification, such as serial number; results of the maintenance; and corrections made, if any.

API 14C requirements are scheduled, monitored, and recorded through the use of contract operator's system in the Pacific and no longer applicable for the GoM.

For all other equipment with manufacturers' recommendations, each facility uses a preventive maintenance program to schedule and track all other maintenance and calibration as required by manufactures' requirements or regulatory guidelines. Records for maintenance activities are located on a shared drive.

For the Pacific platforms, equipment such as pressure vessels, piping, and storage tanks which do not have manufacturers' specifications are inspected based on industry standards including but not limited to:

- API Code 510 – Pressure Vessel Inspection
- API Code 570 – Piping Inspection
- API Standard 653 – Tank Inspection

For the GoM platforms, the inspection programs are for structures only as the facilities are out of service and in the process of decommissioning. Records are maintained on a shared drive

Training of company maintenance personnel is accomplished through direct communication with manufacturers' representatives, where necessary. Competence in specialized skills, such as NDE is established through the contractor's personnel having obtained industry recognized qualifications.

When existing equipment is modified to meet new operating conditions FM O&G's MoC process is used to verify the suitability of such modifications.

All replacement parts and materials are to be original manufacturers' equipment unless experience has shown and been documented that aftermarket parts are superior. In the case of pressure vessels, piping, and tanks all replacement materials must meet or exceed the original material specifications and the repair procedures are to be conducted to the previously mentioned industry guidelines.

Contractor owned and/or operated equipment will be maintained by the contractor to ensure fitness for service, safety to personnel and the environment and reliability. It is expected contractor's tools and equipment will be maintained at least to recommendations of the original equipment manufacturer.

9. PRE-STARTUP REVIEW

This procedure will apply to all FM O&G OCS operations as per the requirement of 30 CFR 250.1917.

In order to ensure that operations have been evaluated and required system sections are in place so that operations can commence in a safe and environmentally sound manner FM O&G will initiate the commissioning process of new or significantly modified facilities per FM O&G EH&S MS, Section 5.10 – *Pre-Startup Review*.

- **Construction and Equipment**. The Company shall ensure that materials used, and equipment installed during construction meet design specifications. The design requirements will refer to specific technical standards as defined by regulatory bodies and the manufacturers of the utilized materials and/or equipment.
- **Safety and Environmental**. FM O&G personnel shall adhere to all applicable levels of the FM O&G EH&S MS regarding safety and environmental policies.
- **Operating**. FM O&G will ensure that Operating Procedures (OPs) are developed, tested and approved prior to the commencement of operations. OPs shall cover all stages of the equipment and operation including:
- Initial startup,
- Normal operations,
- Emergency shutdown, and
- Planned shutdown.

Refer to Section 5, Operating Procedures, of this plan for more information and guidance.

- **Maintenance**. Prior to commencement of operations, the Company will ensure the development and implementation of a maintenance plan for the operating of any new or significantly modified facilities according to the Mechanical Integrity procedure referenced in Section 8 of this plan.
  - **Emergency Response**. Prior to the commencement of operations, emergency response and control procedures as referenced in Section 10 of this plan will be reviewed.
  - **Safety and Environmental Information**. The Company will ensure that all Safety and Environmental Information (SEI) has been completed in accordance with the procedure referenced in Section 2 of this plan.
  - **Hazards Analysis**. The Company will ensure that all Hazard Analysis (HA) have been considered, addressed, and implemented as appropriate according to the procedure referenced in Section 3 of this plan.
  - **Training**. The Company will ensure that all required training has been performed in accordance with the procedure referenced in Section 7 of this plan.
  - **Management of Change**. The Company will ensure that the facility or operation has been entered into the Management of Change (MOC) program and that the MOC Support Team has been identified. Refer to the Section 5 of this plan for more information and guidance.
  - **Safe Work Practices**. Refer to the Section 6 of this plan for more information and guidance.

10. EMERGENCY RESPONSE & CONTROL

This procedure will apply to all Company OCS operations as per the requirement of 30 CFR 250.1918.

The Company, or designated contractor, maintains effective emergency response plans which assist actual human response capabilities. FM O&G ensures access to appropriate physical, material and human resources throughout the organization in order to minimize the impacts of an unexpected emergency event.

The Company has developed an Oil Spill Response Plan and Emergency Evacuation Plan for its OCS facilities. These plans assign authority and responsibility to the Platform Person-in-Charge (PIC). The Platform PIC is the appropriate qualified person at the facility and is responsible for:

- Initiating effective emergency response and control;
- Addressing emergency reporting and response requirements;
- Complying with all applicable governmental regulations.

The Company has designated each of its offshore platform control rooms as the "Emergency Control Center" for that specific platform.

Each manned Pacific platform Emergency Control Center is furnished with the following emergency response plans:

- Emergency Evacuation Plan;
- Core Oil Spill Response Plan;
- BSEE Supplement to Core Oil Spill Response Plan;
- OSRP Supplement to Core Oil Spill Response Plan;
- H_2S/SO_2 Contingency Plan;
- Plan for Evacuation and/or Sheltering of Personnel during VAFB Hazardous Operations
- Station Bill

Each manned GoM platform Emergency Control Center is furnished with the following emergency response plans:

- Emergency Evacuation Plan
- Regional Oil Spill Response Plan (OSRP)
- Hurricane Evacuation Plan
- Station Bill

For the Pacific platforms, safety and environmental information, as specified in 30 CFR 250.1910, can be accessed from company shared drives.

A Command Post located in the contract operator's office can be staffed by Incident Management Team members and is available for assisting with and/or assuming management control of emergencies when platform personnel require such assistance.

For the GoM platforms, safety and environmental information, as specified in 30 CFR 250.1910, can be accessed electronically on a company shared data drive.

A Command Post, located in Houston, can be staffed by Incident Management Team members and is available for assisting with and/or assuming management control of emergencies when platform personnel require such assistance.

FM O&G EH&S MS, Section 1.04 – *EH&S Orientation,* states the procedure for ensuring that personnel are trained in emergency response. This procedure includes the following personnel groups:

- FM O&G personnel
- Contract personnel

The training addresses the following aspects of emergency response:

- Roles and responsibilities of the emergency response plan;
- Use of response equipment;
- Elements of the emergency response plan.

The emergency response training procedure includes the planning and execution of drills. The procedure for emergency response drills ensures the following:

- Drills are based on realistic scenarios which exercise elements of the applicable plan;
- Risk exposures related to drills are evaluated prior to commencement;
- Emergency response procedures are reviewed after the completion of related drills, properly documented and critiqued;
- Any identified deficiencies are corrected.

Specific requirements for emergency response drills are contained in the Code of Federal Regulations. Applicable codes include:

- 30 CFR 250.490(h);
- 30 CFR 254.42;
- 33 CFR 146.125

Periodic drills related to operating procedures as specified in 30 CFR 250.1915(b) are also conducted.

11. INVESTIGATION OF INCIDENTS

This procedure will apply to all Company OCS operations as per the requirements of 30 CFR 250.1919.

The Foreman or designated PIC is responsible for leading the incident investigation, including staffing the team and setting deadlines. Safety personnel are available to assist the Foreman or PIC and may perform the investigation.

The requirement for Investigation of Incidents is to:

- Establish procedures for investigation of incidents with serious safety or environmental consequences or the potential thereof.

The FM O&G EH&S MS, Section 1.07 – *Incident Reporting and Investigation* is designed to guide the company in its management of incidents and investigations. Included in it are methods for determining the nature of incident, the factors that contributed to initiation and escalation/control, identifying recommended changes, and managing the corrective actions as well as determining and documenting the response.

The Company retains investigation of incident findings in its Reports Information Management System (RIMS). These records are retained as directed in the FM O&G Records Retention guidelines. These guidelines are regularly reviewed by the FM O&G Corporate Legal Department to ensure they meet all applicable regulations.

The Company's systems for distributing findings related to the investigation of incidents are found in procedures set forth in EH&S MS, Section 1.07 – *Incident Reporting and Investigation*, EH&S MS, Section 1.01 – *Communication*, EH&S MS, Section 4.01 – *General EH&S*, and EH&S MS, Section 6.01 – *Safety Training*, as well as within the functionality of the RIMS process. These procedures and systems use safety meetings, safety committees, bulletin boards, safety alerts, and broadly distributed e-mails to get information to the employees of the company. Contractors are encouraged to attend safety meetings when available.

12. SEMS PROGRAM AUDITS

This procedure will apply to all Company OCS operations as per the requirements of 30 CFR 250.1920. Specifically, the audit will include the following SEMS program elements:

1. General Information
2. Safety and Environmental Information
3. Hazards Analysis
4. Management of Change
5. Operating Procedures
6. Safe Work Practices
7. Training
8. Assurance of Quality and Mechanical Integrity of Critical Equipment
9. Pre-Startup Review
10. Emergency Response & Control
11. Investigation of Incidents
12. Audit of Safety and Environmental Program Element
13. Records and Documentation
14. Stop Work Authority (SWA)
15. Ultimate Work Authority (UWA)
16. Employee Participation Plan (EPP)
17. Reporting Unsafe Working Conditions

The Company Environmental, Health and Safety (EH&S) department is responsible for scheduling the audits required by this part.

The Company will audit its SEMS program using an accredited ASP certified by the industry and approved by the BSEE. The audit will ensure the plan and procedures meet recommendations of API RP75, Section 12 and evaluate how any deficiencies are to be addressed. The audit process will also meet the criteria in Sections 9.1 through 9.8 of *Requirements for Third-party SEMS Auditing and Certification of Deepwater Operations COS-2-03*, or its equivalent. Further audits will be conducted at least once every 3 years thereafter.

The audit report will be submitted to the BSEE within 60 days of completion along with a corrective action plan to address deficiencies including a schedule and the name and job title of the persons responsible for correction of noted deficiencies.

13. RECORDKEEPING & DOCUMENTATION

This procedure will apply to all Company OCS operations as per the requirements of 30 CFR 250.1928.

Each FM O&G employee is personally responsible for offices or departments for which they have supervisory responsibility and ensuring that this Policy is followed with respect to all records that they personally maintain or for records for which they have supervisory responsibility.

The Company has adopted a Corporate Records Retention Policy, which incorporates a detailed Records Retention Schedule, both of which have been approved by senior management. Such Policy and Schedule are subject to change so employees should refer to the current Policy and Schedule. One of the Company Corporate Records Retention Policy goals is to strictly comply with all federal, state and local regulations mandating retention of certain types of records. With the exceptions stated below, SEMS related records and documents are retained for a period of 6 years. SEMS related audits are also maintained for a period of 6 years.

For the Pacific and GoM platforms, all SEMS program documents are maintained electronically on a company shared data drive.

The Corporate Records Retention Schedule provides that JSA records will be retained for a period of 2 years. This corresponds with the BSEE requirement for a 2-year retention period. For JSAs, the individual in charge of the activity will document the results of the JSA in writing. All JSA records are kept onsite for 30 days, or through the end of activity, whichever is less.

Company Management of Change documentation will be maintained for the life of the facility as stated in Section 4, Management of Change. This exceeds the BSEE requirement for a 2-year retention period. All changes in Operating Procedures will be managed with the Management of Change process which complies with 30 CFR 250.1912.

The Company Corporate Records Retention Schedule provides that injury/illness logs will be maintained for a period of 6 years. This exceeds the BSEE requirement for a 2-year retention period.

Stop Work Authority (SWA) training/reviews are maintained onsite for 30 days. These records are retained for 2-years on a company shared drive.

Documentation regarding the Employee Participation Program (EEP) for SEMS is retained for 2 years.

The Company Corporate Records Retention Schedule provides that evaluations completed on contractor's safety policies and procedures will be maintained for a period of 3 years. This exceeds the BSEE requirement for a 2-year retention period.

These records will be maintained in an orderly manner, readily identifiable, retrievable and legible, and include the date of any and all revisions. These records will be made available to the BSEE upon request.

14. STOP WORK AUTHORITY

This procedure will apply to all Company OCS platforms, rigs and work platforms as per the requirement of 30 CFR 250.1930.

The Company will integrate Stop Work Authority (SWA) into all activities performed on their platforms facilities as per FM O&G EH&S MS, Section 4.02 – Stop Work Policy. This policy includes but is not limited to imminent risks or dangers such as:

- Death or serious physical harm; or
- Significant environmental harm to:
- Land;
- Air; or
- Mineral deposits, marine, coastal, or human environment.
- As stated above, FM O&G EH&S MS, Section 4.02 – *Stop Work Policy* is inclusive of significant risks and dangers but also is inclusive of lesser yet important risks and dangers. For instance, stopping the job until a worker dons gloves or until rigging is adjusted to balance the load is a stop work for us. Our policy states “Once work has been stopped, it will not resume until the hazard, whether real or perceived, has been adequately mitigated.” We do not believe, however, that Ultimate Work Authority (UWA) approval and documentation of the decision to resume is called for in instances such as these and, in fact, such a requirement would lead to reluctance in stopping work to address unsafe actions or conditions.

Therefore, for compliance with 30 CFR 250.1930, we define “stop work” to be instances where the stoppage of work leads to a change or modification of the Job Safety Analysis (JSA). Changing the JSA results in the requirement of the person with UWA signing the JSA again thereby satisfying the requirement that work may only be resumed when the individual on the facility with UWA determines that the imminent risk or danger does not exist or no longer exists. The decision to resume activities must be documented in writing as soon as practicable.

Stop Work Authority is an integral part of all orientations given to each person arriving on the facility and will be reiterated at safety meetings and daily shift meetings.

In addition, a Stop Work Authority statement is included on all Company JSAs as required by 30 CFR 250.1930(d).

The SWA process for MODUs, derrick barges and similar operations contracted by the Company will be defined in the bridging document.

15. ULTIMATE WORK AUTHORITY

This procedure will apply to all Company OCS platforms as per the requirement of 30 CFR 250.1931.

The Company will integrate Ultimate Work Authority (UWA) into all activities performed on their platforms as per FM O&G EH&S MS, Section 1.09 – *Responsibility and Accountability*. This policy states that local managers and line supervisors are responsible and accountable for providing and maintaining a healthy, safe working environment for employees and contractors while preventing environmental exposures resulting from the Company's activities in their respective areas of responsibility. These managers and supervisors are, therefore, the UWA on Company facilities. They are also the UWA of any and all additional facilities or vessels that may be attached and working together or in close proximity to one another to perform an OCS operation.

For Pacific platforms, the Lead Operator will be designated with UWA responsibility. The individual acting as the Lead Operator changes regularly and therefore will be clearly identified on a posted board located in the platform Control Room (Emergency Control Center) and on the platform Person-on-Board (POB) list. All potential Persons-in-Charge will sign on the platform station bill.

For GoM platforms, the designated Person-in-Charge is the UWA. The UWA will be clearly posted in a common area.

The UWA is authorized to pursue the most effective action necessary in that individual's judgment for mitigating and abating the conditions or practices causing the emergency.

The UWA process for MODUs, derrick barges and similar operations contracted by Freeport-McMoRan Oil & Gas will be defined in the bridging document.

16. EMPLOYEE PARTICIPATION PLAN (EPP)

This procedure will apply to all Company OCS platforms as per the requirement of 30 CFR 250.1932.

Compliance with this requirement is achieved through the implementation of FM O&G EH&S MS Section 1.01 – *Communications Plan* which establishes, among other things, a written plan of action for involvement of employees in all company EH&S activities.

In addition to the activities in the above procedure, employees participate in hazard reviews, operating procedures reviews, EH&S MS audits, inspections, incident investigations, and routine JSA development.

The Company SEMS plan is always available to employees via the company's internal web site as is all other portions of the company's EH&S Management System.

17. REPORTING UNSAFE WORK CONDITIONS

This procedure will apply to all Company OCS platforms as per the requirement of 30 CFR 250.1933.

The Company will inform all individuals who visit or work on OCS platforms of their ability to report possible violations and of what they can expect of the BSEE with regards to investigating their report.

A notice containing the information below will be posted in the galley of each platform and at the heliport.

Contents of the notice will be as follows, per the requirements of 30 CFR 250.193:

How You Can Report Possible Violations

Any person may report to the BSEE any hazardous or unsafe working condition on any facility engaged in OCS activities, and any possible violation or failure to comply with:

- Any provision of the Act,
- Any provision of a lease, approved plan, or permit issued under the Act,
- Any provision of any regulation or order issued under the Act, or
- Any other Federal law relating to safety of offshore oil and gas operations.

To make a report under this section, a person is not required to know whether any legal requirement listed above has been violated.

Reports should contain sufficient credible information to establish a reasonable basis for BSEE to investigate whether a violation or other hazardous or unsafe working condition exists.

To report hazardous or unsafe working conditions or a possible violation:

- Contact the BSEE by:
  - Phone at 1-877-440-0173 (BSEE Toll-free Safety Hotline),
  - Internet at www.bsee.gov/resources-tools/incident-reporting, or
  - Mail to: U.S. DOI/BSEE
    1849 C Street NW., Mail Stop 5438
    Washington, DC 20240
    Attention: IRU Hotline Operations

- Include the following items in the report:
  - Name, address, and telephone number should be provided if you do not want to remain anonymous;
  - The specific concern, provision or Federal law, if known, referenced above that a person violated or with which a person failed to comply; and
  - Any other facts, data, and applicable information.

How the BSEE will investigate possible violations

- When the BSEE receives a report of a possible violation, or when a BSEE employee detects a possible violation, the BSEE will investigate according to BSEE procedures and notify any other Federal agency(ies) for further investigation, as appropriate.

BSEE investigations of possible violations may include:

- Conducting interviews of personnel;
- Requiring the prompt production of documents, data, and other evidence;
- Requiring the preservation of all relevant evidence and access for the BSEE investigators to such evidence; and
- Taking other actions and imposing other requirements as necessary to investigate possible violations and assure an orderly investigation.

When a possible violation is reported, the BSEE will protect a person's identity to the extent authorized by law.

ACRONYMS

ANSI	American National Standards Institute
API	American Petroleum Institute
API RP	American Petroleum Institute Recommended Practice
ASME	American Society of Mechanical Engineers
ASTM	American Standard for Testing and Materials
ASP	Audit Service Provider
AWS	American Welding Society
BOP	Blowout Preventer
CBT	Computer Based Training
EH&S	Environment, Health & Safety
EH&S MS	Environment, Health & Safety Management System
EPP	Employee Participation Plan
HA	Hazard Analysis
ISEE	Institute of Electrical and Electronic Engineers
ISA	Instrument Society of America
JSA	Job Safety Analysis
MOC	Management of Change
NACE	National Association of Corrosion Engineers
NDE	Non-Destructive Examination
OCS	Outer Continental Shelf
OP	Operating Procedures
P&ID	Piping and Instrumentation Diagram
PIC	Person-in-Charge
PPO	People and Practices Observation
RP	Recommended Practice
SEI	Safety and Environmental Information
SEMS	Safety and Environmental Management System
SWA	Stop Work Authority
UWA	Ultimate Work Authority

DUTIES OF ELEMENT LEADS

For all elements, the assigned Element Leads will be knowledgeable in their role as the Element Lead and the location of digital or hard copy files recording efforts to fulfill the element's requirements. Element Leads will create a "road map" of file and storage locations and that information is shared with personnel that may need to access. Element Leads are aware of the roll and responsibilities. They will be the contact for this Element for daily compliance and regulatory review.

General Management Responsibilities

The Element Lead is to promote SEMS and the Company's EH&S Management System in all phases of work. Coordinate communication and follow-up actions by management for the effective implementation of the Plan. They are also responsible for updating Company's EH&S policies including the SEMS Plan.

Safety and Environmental Information

The Element Lead is to maintain awareness with all operations, drilling and engineering groups that all design and maintenance elements of a facility are documented, and any changes are managed through the MoC process.

Hazard Analysis

The Element Lead is to ensure a Hazard Analysis has been completed for each facility on the OCS and it is revalidated per the priority schedule in section three. Will communicate with project leads and contractor leads the requirements for JSAs for tasks conducted on all facilities.

Management of Change

The Element Lead is to ensure the Company and/or Regional MoC process is followed through to closure through regular status checks of outstanding changes and ensure all documentation is filed with the MoC. Follow-up may be required with the submitter of the MoC to confirm status.

Operating Procedures

The Element Lead is to ensure facilities producing oil and/or gas have validated operating procedures for the facility that meet the requirements of API RP 75, that they are revalidated on the same schedule as the Hazard Analysis and are updated, if necessary, as a result of an MoC.

Safe Work Practices

The Element Lead is to maintain and update the Company's EH&S Management System as necessary to incorporate changes in regulations, industry standards or best practices, as applicable, to facilities and operations. Any changes are to be communicated to effected locations and/or personnel. The Element Lead will also coordinate with Operations and Legal for use of any contractor. Will arrange for periodic audits of contractors.

Training

The Element Lead is to ensure company personnel are assigned training based on their roles and compliance with regulations and industry practices for the role.

Mechanical Integrity

The Element Lead is to ensure inspections and maintenance are conducted according to the element schedule for production equipment and structures.

Pre-Startup Safety Review

The Element Lead will coordinate with the MoC Element Lead to ensure a Pre-Startup Safety Review is conducted and documented when one is required.

Emergency Response

The Element Lead is to coordinate with Regional personnel and consultants to ensure all emergency response plans are updated, submitted, approved and exercised as required by applicable regulation.

Incident Investigation

The Element Lead is to ensure all incidents are investigated to the detail referenced in the Element and the results of the investigation is communicated to applicable personnel.

Audit

The Element Lead is to arrange for the tri-annual audit of the Plan using a certified Audit Service Provider and facilitate the completion of any corrective actions resulting from the audit.

Records and Documentation

The Element Lead is to ensure other Element Leads are aware of the location and storage requirements for their respective element.

Stop Work Authority

The Element Lead is to ensure the authority and obligation for Stop Work Authority is granted and communicated to all personnel and contractors. This is to be promoted at every opportunity.

Ultimate Work Authority

The Element Lead is to ensure the designated facility Ultimate Work Authority is aware of their duties and provide support in the exercising of those duties.

Employee Participation

The Element Lead is to ensure documents related to the plan are available to all Company personnel.

Reporting Unsafe Conditions

The Element Lead is to coordinate with management and operations personnel to ensure there is no barrier to communicating safety concerns. A BSEE posting is to be provided to each manned facility in the OCS.