

## EXHIBIT "D-2"

Attached to and made a part of that certain Operating Agreement dated April 1, 1997, by between BURLINGTON RESOURCES OIL & GAS COMPANY, as Operator, and Non-Operators.

1. Operator shall carry insurance as follows for the benefit and protection of the Parties to this Agreement.
  - a. Worker's Compensation Insurance in accordance with laws of governmental bodies having jurisdiction including, if applicable, United States Longshore and Harbor Workers' Compensation Act with Outer Continental Shelf Extension and Employers' Liability Insurance. Employers' Liability Insurance shall provide coverage of \$500,000 per accident.
  - b. Operator may include the aforesaid risks under its qualified self-insurance program provided Operator complies with applicable laws, and in such an event Operator shall charge to the Joint Account, its actual cost, not to exceed a premium determined by applying manual insurance rates to the payroll.
2. Operator shall not be obligated or authorized to obtain or carry on behalf of the Joint Account any additional insurance covering the Parties or the operations to be conducted hereunder without the consent and agreement of all Parties. Each Party individually may acquire as its own expense such insurance as it deems proper to protect itself against claims, losses, or damages arising out of the joint operations. All uninsured losses and all damages to jointly owned property shall be borne by the Parties in proportion to their respective interests.
3. Operator shall promptly notify non-operators in writing of all losses involving damage to a jointly owned property in excess of \$100,000.
4. Operator shall require all contractors engaged in operations under this Agreement to comply with the applicable Worker's Compensation laws and to maintain such other insurance and in such amounts as Operator deems necessary.
5. In the event that less than all Parties participate in an operation conducted under the terms of this Agreement, then the insurance requirement and costs, as well as all losses, liabilities, and expenses incurred as the result of such operation, shall be the burden of the Party or Parties participating therein.