

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE
DEPARTMENT OF THE INTERIOR OF THE UNITED STATES OF AMERICA
AND THE
MINISTRY OF ENERGY OF THE UNITED MEXICAN STATES**

This Memorandum of Understanding (MOU) is concluded by and between the Department of the Interior of the United States of America "DOI" and the Ministry of Energy of the United Mexican States "SENER" (hereinafter jointly referred to as "the Participants" and individually as "the Participant").

Considering:

The importance and benefit to both the United Mexican States and the United States of America of cooperation relating to energy activities to facilitate the development and adoption of best practices and sharing of information for the efficient, safe, economic and environmentally responsible assessment, exploration, development, use and production of energy;

The long history of mutually beneficial cooperation between the United States of America and the United Mexican States on conservation, management and sustainable development of natural resources;

Prior agreements such as the "Agreement between the United States of America and the United Mexican States on Scientific and Technical Cooperation" of June 15, 1972, as amended, and the "Agreement between the United States of America and the United Mexican States Concerning Transboundary Hydrocarbon Reservoirs in the Gulf of Mexico," signed on February 20, 2012;

The importance of engaging the participation of all competent agencies of their respective governments to achieve the cooperative objectives on energy set out in the High Level Economic Dialogue meeting held in Washington, D.C. on January 6, 2015; and

The Participants' shared commitment to address the threat of climate change through cooperation on policy, regulation and other matters related to the production and use of energy;

The Participants have reached the following understanding:

SECTION 1: PURPOSE AND SCOPE.

The purpose of this MOU is to strengthen cooperative activities between the Participants and their administrative bodies, on the basis of the principles of reciprocity, equality and mutual benefit, regarding safe, efficient, economic and environmentally responsible

assessment, exploration, development and production of energy resources and energy, within the authority and expertise of the Participants.

SECTION 2: AREAS AND ACTIVITIES OF COOPERATION.

The Participants intend that their current collaboration relating to energy should continue, and additional activities within the scope of Section 1 may be carried out as decided in accordance with Section 6.

Cooperation may address issues related to assessment, exploration, industrial safety, environmental protection, development and production of any onshore or offshore energy resource within the Participants expertise, including oil and gas, solar, wind, hydropower or other renewable energy such as ocean, geothermal or biomass resources.

Cooperation does not extend to disclosure of data or information contrary to applicable national law or regulations of the Participants.

The activities of cooperation in the above mentioned areas may include:

- a. Exchanges of publicly available information and expertise concerning legal, technical and financial prequalification standards for offshore and onshore oil and gas operators;
- b. Exchanges of information and procedures concerning lease/license assignment protocols and methods of financial assurance;
- c. Exchanges of information and best practices and approach to, and the content of, standard forms of contracts for exploration and production; guidelines for conducting the bidding and award processes related to energy exploration, development and production contracts; and guidelines for conducting oversight of such contracts;
- d. Exchanges of best practices and sharing of expertise on offshore energy production forecasts;
- e. Exchanges of information on processes and procedures to review and approve plans for exploration and development of oil and gas resources, including information required from operators, and monitoring and mitigation measures that may be included in plan approvals;
- f. Evaluation of oil and gas resources, including inventory of reserves and assessment of potential resources;
- g. Exchanges of information on mapping and cadastres to reflect oil and gas agreements or other agreements and associated plans and permits on both sides of the U.S.-Mexico boundary in the Gulf of Mexico;

- h. Exchanges of information and best practices concerning fair market value determination of resources, permitting, collection and public release of data, and other aspects of resource exploration and production, whether onshore or offshore;
- i. Discussion of common safety and environmental standards and requirements applicable to resource activity within each Participant's authority and jurisdiction, including standards and requirements contemplated under existing agreements;
- j. Exchanges of information and best practices concerning standards and requirements for compliance and enforcement;
- k. Continued efforts to address climate change, within the Participants' field of expertise and competency as it relates to energy resources and production; and
- l. Mutual cooperation in the process of attaining compliance with the Extractive Industries Transparency Initiative (EITI) in order to strengthen transparency and accountability in the oil and gas industries.

SECTION 3: MODALITIES OF COOPERATION.

The Participants may carry out the activities of cooperation under this MOU through: mutually beneficial exchanges and sharing of scientific and technical practices, knowledge and publicly available information; exchange visits of staff; meetings (including workshops, video-conferences, or webinars); cooperative research projects; joint studies; joint training; evaluation of effectiveness of activities; or other modalities of cooperation in accordance with the provisions of Section 6.

SECTION 4: MECHANISMS FOR COORDINATION.

The Participants intend to hold consultations on the implementation of this MOU within one year after signature through a mutually decided means of communication. Subsequently, the Participants intend to hold consultations periodically at mutually decided times. Such consultations may address any issue of implementation or interpretation of the MOU that may arise between the Participants.

SECTION 5: COOPERATION WITH OTHER ENTITIES.

For cooperation requested by either Participant that extends into subjects outside the scope of expertise of the other Participant, or when otherwise beneficial, the Participants may, consistent with their respective responsibilities and policies, request the support and participation of other entities, including other Federal agencies, agencies at other levels of government, nongovernmental organizations, the private sector and scientific-academic institutions.

The Participants recognize the importance of their regular cooperation through multilateral and international forums and the need to coordinate any bilateral cooperation to ensure that all cooperation is mutually supportive and avoids duplication.

The Participants may explore opportunities for technical cooperation on energy-related matters under this MOU between themselves and non-participant countries selected by mutual decision. Such cooperation may include involvement in initiatives of relevant international organizations.

SECTION 6: SPECIFIC PROJECTS.

The Participants recognize that it is a good practice to reach mutual consent in writing in advance of a significant new event or activity under this MOU. For any major event or initiative, the Participants intend to prepare a specific project proposal that sets forth a work plan, staffing requirements, cost estimates, funding sources, and any other needed conditions not included in this MOU.

SECTION 7: RELEASE AND SHARING OF REPORTS, DOCUMENTS AND INFORMATION.

The Participants do not expect that activities under this MOU will result in the creation of intellectual property. However, if products of commercial value and/or intellectual property result from the cooperation activities of this MOU, the Participants intend to look to their applicable national laws and the relevant international agreements.

The Participants expect for all information to be subject to their respective national laws with respect to the disclosure of such information.

SECTION 8: ENTRY OF PERSONNEL AND EQUIPMENT.

Each Participant intends to make arrangements with its competent authorities to facilitate the entry, stay and departure of the personnel and/or equipment from the Participant needed for the completion of activities under this MOU, in accordance with applicable national legislation.

SECTION 9: LEGAL CONSIDERATIONS AND RELATIONSHIP TO OTHER ARRANGEMENTS.

Activities under this MOU are subject to the applicable laws, regulations and policies of each Participant and to the availability of resources, and are without prejudice to rights and obligations under existing bilateral and multilateral agreements to which the United Mexican States and United States of America are both Parties.

SECTION 10: FINANCING.

The Participants expect each Participant to assume its own costs of the cooperation activities under this MOU, according to applicable national laws and available appropriated funding, unless the Participants determine otherwise in writing.

SECTION 11: FINAL PROVISIONS.

This MOU represents an understanding between the Participants and does not constitute a legally binding agreement.

This MOU is applicable from the date of its signature.

Within a period of five (5) years from the date of signature of this MOU, the Participants intend to review its implementation, effectiveness and provisions. At any time, a Participant may propose modifications to the MOU, which should be formalized by mutual written consent.

If a Participant intends to discontinue its cooperation under this MOU, it is expected to notify the other Participant in writing ninety (90) days in advance.

Unless the Participants decide otherwise, the discontinuation of this MOU is not intended to affect the implementation of cooperation activities or Specific Projects initiated while this MOU is applicable.

Signed at Mexico City, on this 25 day of February, two thousand and sixteen, in two originals, in the Spanish and English languages.

FOR THE DEPARTMENT OF THE INTERIOR OF THE UNITED STATES OF AMERICA: **FOR THE MINISTRY OF ENERGY OF THE UNITED MEXICAN STATES:**

