	(6)		OMB No. 1004- Expires March 3	0137 1, 2007
UNITED STATE DEPARTMENT OF THE			5. Lease Serial No.	.,
BUREAU OF LAND MA	BIA 14-20-604-79			
APPLICATION FOR PERMIT TO	PRILL OR REENTER	3	6. If Indian, Allotee or Tri	
		<u> </u>	UTE MOUNTAIN	
a. Type of work:	NER-	J I	7 If Unit or CA Agreement N/A	, Name and No.
		•	8. Lease Name and Well N	lo.
b. Type of Well: Oil Well Gas Well Other	Single Zone Multi	ple Zone	UTE TRIBAL D 12	
. Name of Operator XTO ENERGY INC			9. API Well No. 30-045-	246
a. Address 2700 FARMINGTON AVE., BLDG. K-1	3b. Phone No. (include area code)		10. Field and Pool, or Explor	
FARMINGTON, NM 87401	(505) 324-1090		UTE DOME PARA	
Location of Well (Report location clearly and in accordance with	any State requirements.*)		11. Sec., T. R. M. or Blk. and	l Survey or Area
At surface 1105 FNL & 975 FEL			A 9-31N-14W NMPM	[
At proposed prod. zone SAME			A	
4. Distance in miles and direction from nearest town or post office*			12. County or Parish	13. State
6 AIR MILES WEST OF LaPLATA		,	SAN JUAN	NM
5. Distance from proposed* location to nearest	16. No. of acres in lease	17. Spacir	ng Unit dedicated to this well	
property or lease line, ft. (Also to nearest drig. unit line, if any) 3,615'	2,080	<u> </u>	, 640 AC	
8. Distance from proposed location*	19. Proposed Depth	20. BLM/	BIA Bond No. on file	
to nearest well, drilling, completed, applied for, on this lease, ft. 2,681' (XTO's D-1)	9,000'	BIA	NATIONWIDE 104312789	
Elevations (Show whether DF, KDB, RT, GL, etc.)	22. Approximate date work will st 03/01/2005	art*	23. Estimated duration 2 MONTHS	
SEE ATTACHED	24. Attachments		Venting / Flaring ap	proved for SO
he following, completed in accordance with the regular mounts of the	Ail and Gas Order No.1, shall be	attached to the	nor NTI .4A	-
. Well plat certified by a registered surveyor.	4. Bond to cover Item 20 above)		ons unless covered by an exist	ing bond on file (s
. A Drilling Plan. . A Surface Use Plan (if the location is on National Forest Syste	· · · · · · · · · · · · · · · · · · ·			
SUPO shall be filed with the appropriate Forest Service Office).	6. Such other sit authorized off		formation and/or plans as may	be required by the
5 8:	Name (Printed/Typed)	icei.	Date	
5. Signature	BRIAN WOOD			01/11/2005
ide CONSULTANT	PHONE: (505) 466-8120	TC A	X: (505) 466-9682 APPRC	VED FOR A
· · · · · · · · · · · · · · · · · · ·		***		
pproved by (Signature)	Name (Printed/Typed)		Date	
itle	Office			ML 1 5 20
pplication approval does not warrant or certify that the applicant honduct operations thereon.	olds legal or equitable title to those rig	thts in the su	bject lease which would entitle	the applicant to
Conditions of approval, if any, are attached	The second secon			

*(Instructions on page 2)

Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject lease which are committed hereto....

The second second

AMOUD

RECEIVED

JAN 2 0 2005

Sureau of Land Management Durange, Galerado

H

DISTRICT I 1625 N. French Dr., Hobbs, N.M. 88240

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102 Revised June 10, 2003

DISTRICT II 1301 W. Grand Ave., Artesia, N.M. 88210

OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505 Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT III 1000 Rio Brazos Rd., Aztec, N.M. 87410

AMENDED REPORT

DISTRICT IV 1220 South St. Francis Dr., Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

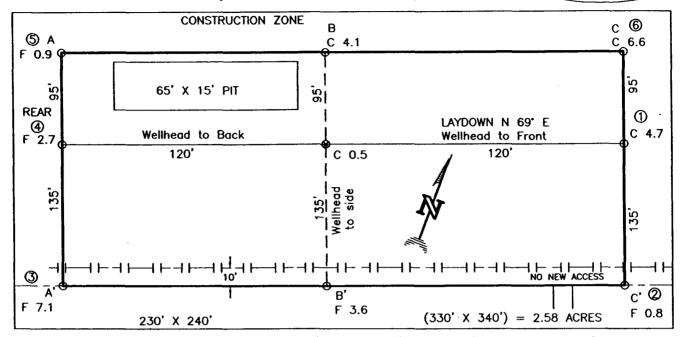
		W)	EIT TO	CATION	AND AC	REAGE DEDI	CATION PL	AT	
30-04S	Number -33	246	867	Pool Code		UTE DOME PARADOX			
Property Code Property Name Well Number					l Number				
34957 UTE TRIBAL D · 12						12			
OGRID N					*Operator	Name		• E	Revation
167	067			•	XTO ENER	RGY INC.			6317
¹⁰ Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A.	9	31-N	14W		1105	NORTH	975	EAST	SAN JUAN
	<u> </u>	<u> </u>	11 Botto	m Hole	Location	If Different Fro	om Surface		
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
12 Dedicated Acres 13 Joint or Infill 14 Consolidation Code 16 Order No.									
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION									
16	OTR. CORNER N 89-59-13 W SEC. CORNER FD 3 1/4" AC 2639.7' (M) FD 3 1/4" AC 17 OPERATOR CERTIFICATION								

1985 BLM 1985 BLM I hereby certify that the information contained herein is true and complete to the best 36'55'10.7" N. (NAD 27) 108'18'29.5' W. (NAD 27) LAT: 975 LONG: Signature Printed Name **BRIAN WOOD** Title CONSULTANT Date JAN. 11, 2005 QTR. CORNER FD 3 1/4" AC 1985 BLM SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat Certificate Number

Office Trans. Minoral	State of New Mexico Energy, Minerals and Natural Resources			Form C-103 May 27, 2004
1625 N. French Dr., Hobbs, NM 88240				30-045-
1501 W. Gland Ave., Altesia, 1401 00210	OIL CONSERVATION DIVISION			f Lease
1000 Pin Pengas Pd. Agtec NM 97410	th St. Franc		STATE [FEE
District IV 1220 S. St. Francis Dr., Santa Fe, NM	Fe, NM 875	03	 State Oil & Gas BIA 14-20-6 	
87505 SUNDRY NOTICES AND REPORTS (ON WELLS			Unit Agreement Name
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DE DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FO PROPOSALS.)	EPEN OR PLUG		UTE TRIBA	· · · · · · · · · · · · · · · · · · ·
1. Type of Well: Oil Well Gas Well X Other			8. Well Number	12
2. Name of Operator XTO ENERGY INC.			9. OGRID Numbe	er 167067 ·
3. Address of Operator 2700 FARMINGTON AVE., B FARMINGTON, NM 87401	LDG. K-1,		10. Pool name or UTE DOM	Wildcat E PARADOX
4. Well Location		L		
Unit Letter A: 1105 feet from th				
Section 9 Township 11. Elevation (Show)		ge 14W RKB, RT, GR, etc.)	NMPM	County SAN JUAN
6,317' GL				
Pit or Below-grade Tank Application X or Closure Pit type Reserve Depth to Groundwater ~100' Distance from r	earest fresh wat	ter well > Mi Dicta	nce from nearest surf	ace water ~1.200'
Pit Liner Thickness: 12 mil Below-Grade Tank:			struction Material	
12. Check Appropriate Box to	Indicate Na			Data
NOTICE OF INTENTION TO:	1		SEQUENT REI	
PERFORM REMEDIAL WORK PLUG AND ABANDO	N 🗆	REMEDIAL WORK		ALTERING CASING
TEMPORARILY ABANDON	= 1	COMMENCE DRIL		P AND A
PULL OR ALTER CASING		CASING/CEMENT	JOB []	
OTHER: RESERVE PIT		OTHER:		
 Describe proposed or completed operations. (Clea of starting any proposed work). SEE RULE 1103. 				
or recompletion.		1		
I hereby certify that the information above is true and comp grade tank has been/will to constructed or closed according to NMOO	olete to the bes	st of my knowledge	and belief. I further	er certify that any pit or below-
SIGNATURE Swall	TITLE	CONSULTAN		DATE 1-11-05
BRIAN WOOD				
Type or print name For State Use Only	E-mail add	lress: brian@perm	itswest.com Te	elephone No. (505) 466-8120
1 (1)		TY OIL & GAS ING!	ECTUR, DIST. (SE	JUL 19 mms
APPROVED BY: Conditions of Approval (if any):	TITLE	CH TANKER THE WILLIAM		_DATEDATE
• 1				

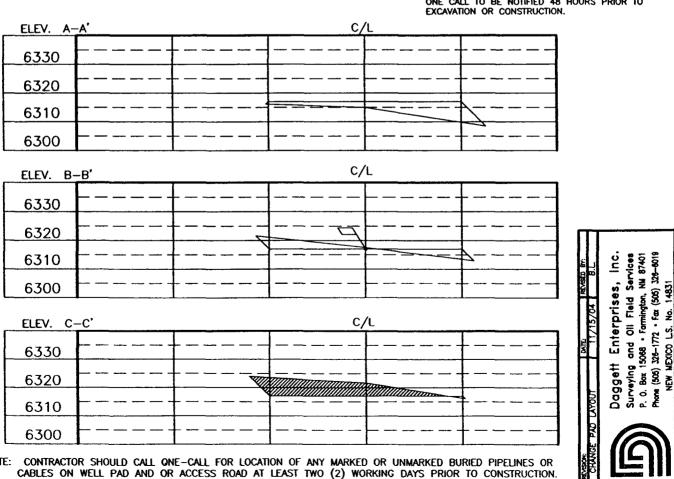
XTO ENERGY INC.
UTE TRIBAL D NO. 12, 1105' FNL 975' FEL
SECTION 9, T31N, R14W, N.M.P.M., SAN JUAN COUNTY, N. M.
GROUND ELEVATION: 6317', DATE: SEPTEMBER 27, 2004

LAT. = 36°55'10.7" N. LONG. = 108°18'29.5" W NAD 27



RESERVE PIT DIKE: TO BE 8' ABOVE DEEP SIDE (OVERFLOW - 3' WIDE AND 1' ABOVE SHALLOW SIDE). BLOW PIT: OVERFLOW PIPE HALFWAY BETWEEN TOP AND BOTTOM AND TO EXTEND OVER PLASTIC LINER AND INTO BLOW PIT.

NOTE: DAGGETT ENTERPRISES, INC. IS NOT LIABLE FOR UNDERGROUND UTILITIES OR PIPELINES. NEW MEXICO ONE CALL TO BE NOTIFIED 48 HOURS PRIOR TO EXCAVATION OR CONSTRUCTION.



Drilling Program

1. ESTIMATED FORMATION TOPS

Formation Name	GL Depth	KB Depth	Elevation
Cliff House Sandstone	0'	12'	+6,317'
Mesa Verde Sandstone	312'	324'	+6,005'
Mancos Shale	1,042'	1,044'	+5,275'
Gallup Sandstone	2,042'	6,266'	+4,275'
Greenhorn Limestone	2,702'	2,714'	+3,615'
Graneros Shale	2,757'	2,769'	+3,560'
Dakota Sandstone	2,822'	2,834'	+3,495'
Burro Canyon Sandstone	3,077'	3,089'	+3,240'
Morrison	3,087'	3,079'	+3,230'
Bluff Sandstone	3,607'	3,619'	+2,710'
Summerville	3,967'	3,979'	+2,350'
Todilto Limestone	3,978'	3,990'	+2,339'
Entrada Sandstone	3,992'	4,004'	+2,325'
Carmel	4,109'	4,123'	+2,208'
Wingate Sandstone	4,178'	4,190'	+2,139'
Chinle Shale	4,507'	4,519'	+1,810'
Shinarump Conglomerate	5,152'	5,164'	+1,165'
Moenkopi	5,284'	5,296'	+1,033'
Cutler Group	5,537'	5,549'	+780'
Hermosa Group	6,837'	6,849'	-520'
Paradox	7,816'	7,828'	-1,502'
Ismay	8,025'	8,037'	-1,708'
Desert Creek	8,226'	8,238'	-1,909'
Akah	8,334'	8,348'	-2,027'
Barker Creek	8,526'	8,538'	-2,209'
Alkali Gulch	8,761'	8,773'	-2,444'
Total Depth	9,000'	9,012'	-2,683'



2. NOTABLE ZONES

Gas & Oil Zones
Dakota (not a goal)
Ismay
Desert Creek
Akah
Barker Creek

Water Zones Entrada <u>Uranium Zone</u> Chinle

3. PRESSURE CONTROL

The drilling contract has not yet been awarded, thus the exact BOP model to be used is not yet known. (A typical 2,000 psi model is on PAGE 3.) An 8-5/8" x 11" 2,000 pound double ram BOP system with a choke manifold and mud cross will be tested to ≈ 250 psi and then to $\approx 1,000$ psi. Upper and lower Kelly cocks with valve handle and subs to fit all drill string connections which are in use will be available on the rig floor.

Tests will be run when:

- 1) installed
- 2) anytime a pressure seal is broken (test only affected equipment)
- 3) at least every 30 days
- 4) blind & pipe rams will be activated each trip, but no more than daily

BOP systems will be consistent with API RP 53. Blowout preventers will be installed and tested before drilling surface casing plug and will remain in use until the well is completed or abandoned. Preventers will be inspected and operated daily to ensure good mechanical working order and this inspection recorded on the daily drilling report. Preventers and casing will be pressure tested before drilling casing cement plugs. Maximum expected bottom hole pressure is $\approx 3,600$ psi. BOP and mud system will control pressure.



4. CASING & CEMENT

Hole Size	<u>O. D.</u>	Weight (lb/ft)	<u>Grade</u>	<u>Age</u>	Setting Depth
17-1/2"	13-3/8"	54.5	J-55	New	225'
12-1/4"	8-5/8"	24	J-55	New	850'
7-7/8"	5-1/2"	17	K-55	New	8,400'
7-7/8"	5-1/2"	17	N-80	New	9,000'

Surface casing will be cemented to the surface with ≈ 315 cubic feet (≈ 250 sacks) Class B Neat + 1/4 pound per sack cello-flake + 2% CaCl₂. Yield = 1.27 cubic feet per sack. Weight = 15.2 pounds per gallon. Excess = 100%.

Intermediate casing will be cemented to the surface with >100% excess. Lead with 260 sacks Type III (Class C) with 8% gel + 2% CaCl₂ +1/4 pound per sack cello flake mixed at 12.5 pounds per gallon and 2.19 cubic feet per sack. Tail with 100 sacks Type III (Class C) with 2% CaCl₂ +1/4 pound per sack cello flake mixed at 14.5 pounds per gallon and 1.41 cubic feet per sack. Top with 150 sacks Type III with 2% CaCl₂ +1/4 pound per sack cello flake mixed at 14.5 pounds per gallon and 1.41 cubic feet per sack.

Production casing hole will be cemented to surface with >100% excess. Set DV @ \approx 3,500'. Cement first stage with \approx 1,250 cubic feet (\approx 786 sacks) Class H with 6% gel + 1/4 pound per sack cello flake +0.3% CD-32 + 0.5% FL-52 + 0.1% R-3 + 2% Phenoseal mixed at 14.1 pounds per gallon and 1.59 cubic feet per sack. Cement second stage with \approx 2,050 cubic feet (\approx 676 sacks) Type III with 85 gel + 1/4 pound per sack cello flake + 2% Phenoseal mixed at 11.4 pounds per gallon and 3.03 cubic feet per sack. Follow with \approx 350 cubic feet (\approx 227 sacks) Type III with 1/4 pound per sack cello flake + 0.2% FL-52 + 5% A-10 + 0.3% CD-32 + 2% Phenoseal mixed at 14.2 pounds per gallon and 1.54 cubic feet per sack.



5. MUD PROGRAM

<u>RANGE</u>	<u>MUD TYPE</u>	<u>WEIGHT</u>	VISCOSITY	WATER LOSS
0' - 850'	Fresh water/gel/line	8.6-8.8	28-32	NC
850' - 8,000'	Fresh water/polymer/LCM	8.4-8.8	28-32	NC
8,000' - TD	LSND	8.8-9.0	42-60	8-10 cc

6. CORES, TESTS, & LOGS

No cores or drill stem tests are planned. Array Induction/SFL/GR/SP logs and Neutron/Lithodensity/Pe/GR/Cal logs will be run from TD to ≈ 850 . FMl log will be run from TD to $\approx 7,500$ '

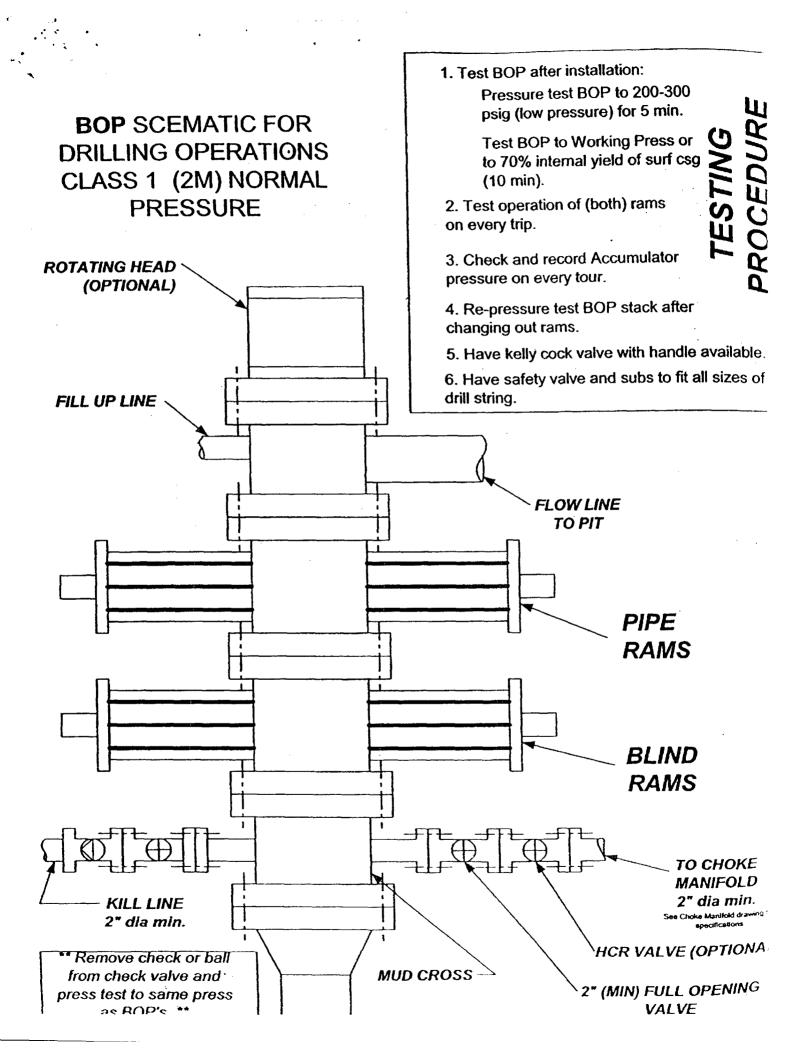
7. DOWN HOLE CONDITIONS

No abnormal pressures or temperatures are expected. Maximum bottom hole pressure will be $\approx 3,070$ psi. Hydrogen sulfide is expected to be encountered at $\approx 7,800$ '. A contingency plan is attached.

8. OTHER INFORMATION

The anticipated spud date is upon approval. It is expected it will take about five weeks to drill and three weeks to complete the well.





H2S Contingency Plan

(Emergency Response and Public Protection Plan)

UTE MOUNTAIN TRIBAL D, Well #12 XTO ENERGY INC.

PREPARED BY: Al Lara

Office: 970-564-1103 Cell: 970-560-1349

H2S Contingency Plan

Company Name: XTO Energy, INC.

Address:

2700 Farmington Avenue Farmington, NM 87401

Phone:

(505) 324-1090

Well Name:

Ute Mountain Tribal D #12

TD:

9000'

Location:

Sec. 9, 31-N, 14-W, San Juan County, New Mexico

Field Name:

Barker Dome

Surface Casing:

850'

H2S Formation and Depth: 8300'

OPERATIONS ENGINEER

Jeff Patton Office: 505-324-1090

FIELD FOREMAN

Dennis Elrod Office 505-324-1090 Cell: 505-486-4604

RIG CONTRACTOR

Aztec Well Service 505-334-6194

CONTRACT SAFETY COMPANY

Jacobs Engineering

XTO SAFETY CONTACT

Al Lara

Office: 970-564-1103 Cell: 970-560-2109 Home: 970-882-3500

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	2.30 TOXICITY CHART	
3.00	TREATMENT PROCEDURES FOR H ₂ S AND SO ₂ EXPOSURE	
4.00	OPERATIONAL PRECAUTIONS AND PROCEDURES	
	4.10 LOCATION LAYOUT	
	4.20 OPERATING PROCEDURES	
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APPENDICES

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APPENDIX B	LOCATION LAYOUT
APPENDIX C	EMERGENCY CONTACT LIST
APPENDIX D	H2S RADIUS OF EXPOSURE
APPENDIX E	H2S RADIUS OF EXPOSURE MAP
APPENDIX F	HYDROGEN SULFIDE MSDS
APPENDIX G	EMPLOYEE SIGNOFF SHEET

1.00 PURPOSE

This Emergency Response Plan and Public Protection Plan (Plan) is specific to the Ute Indians A, #39 well location operated by XTO Energy, Inc. (XTO). This document is designed to provide for the safety and welfare of XTO and contract personnel, the community, the environment, and property.

This Plan establishes evacuation procedures, assigns response duties to specific individuals, provides for notification of outside agencies, and provides details of actions to alert and protect the public. This Plan will be activated immediately upon the detection of the release of a potentially hazardous volume of hydrogen sulfide (H₂S).

2.00 GENERAL INFORMATION ON AND PHYSIOLOGICAL RESPONSES TO HYDROGEN SULFIDE (H₂S) AND SULFUR DIOXIDE (SO₂)

2.10 HYDROGEN SULFIDE (H₂S)

Hydrogen sulfide is a flammable, highly toxic, colorless gas that is heavier than air, with the odor of rotten eggs. It can be detected by smell at a concentration in air of only 0.002 parts per million (ppm). Above concentrations of 100 ppm, it will deaden the sense of smell in a few minutes, and at a concentration of 700 ppm, a single breath can be fatal. If ignited, it burns with a blue flame. In still air it tends to accumulate in low places in dangerous concentrations. However, if it is warmer than the surrounding air, it may tend

to rise. The upper flammability limit of H₂S in air is 44% and the lower flammability in air is 4%.

Breathing low concentrations of H_2S can cause headaches. Higher concentrations (0.01 percent by volume) cause irritation of the eyes, nose, throat, and lungs. Eyes become red and swollen, accompanied by sharp pain in more severe cases. Still higher concentrations (0.05 percent by volume) cause dizziness, unconsciousness, and failure of respiration.

The Threshold Limit Value (TLV) is 10 ppm (0.001%) in air. This is the limit for eight hours of continuous exposure as recommended by the American Conference of Governmental Industrial Hygienists. The health and safety reference values of various concentrations of H₂S are listed in the toxicity chart below. A Manufacturers Safety Data Sheet (MSDS) for hydrogen sulfide is included in Appendix D.

2.20 SULFUR DIOXIDE (SO₂)

Sulfur dioxide is formed with the burning of hydrogen sulfide gas. Sulfur dioxide is a pungent, irritating, suffocating, colorless gas. This gas is normally heavier than air and concentrations above 400 ppm are considered dangerous for even brief exposures.

Under special circumstances hydrogen sulfide gas may be ignited in order to dissipate a gas cloud and reduce the impact on a local area. Often these burning temperatures are enough to raise and mix the SO₂ with air in a ratio well below toxic levels. However, great care and proper monitoring should be used when this is attempted.

Due to the irritating effect of SO₂ at low concentrations of less than 5 ppm, there is usually no doubt as to it's presence in an area, which provides better warning characteristics than H₂S.

2.30 TOXICITY CHART

NAME	SPECIFIC GRAVITY ¹	TLV ² (ppm)	HAZARDOUS LIMIT ³	LETHAL CONCENTRATION 4
Hydrogen Sulfide	1.18	10	100 ppm/1 hr.	700 ppm
Sulfur Dioxide	2.21	2	50 ppm/1 hr.	400 ppm

Notes:

- (1) Specific gravity of air = 1.00.
- (2) TLV Threshold Limit Value.
- (3) Hazardous Limit concentration that may cause death with short term exposure.
- (4) Lethal concentration Concentration that may cause death with only a few breaths.

3.00 TREATMENT PROCEDURES FOR H₂S AND SO₂ EXPOSURE

- A. Remove the patient to fresh air. Personnel should <u>always</u> use fresh air breathing equipment when entering an area to retrieve a person who has been overcome with H₂S.
- **B.** Call a physician and get patient under his care as soon as possible.

- C. If breathing has ceased, begin artificial respiration immediately. Give cardiopulmonary resuscitation (CPR) only if there is no pulse and no breathing. Continue revival efforts until physician arrives or, if patient is mobile and it is determined that he should go to the hospital, continue oxygen inhalation under the physician's direction.
- D. Administer oxygen to help eliminate toxic substances from blood stream.
- E. Keep the patient at rest and protect from chilling.

4.00 INDIVIDUAL RESPONSIBILITIES

It is the responsibility of *all personnel* on the location to familiarize themselves with the procedures outlined in this contingency plan.

A. All Personnel

- 1. Responsible for their assigned safety equipment.
- 2. Responsible for familiarizing themselves with the location of all safety equipment.
- 3. Responsible for reporting any indications of H2S to those in the area and to a supervisor.

B. Operations Supervisor

- 1. Responsible for thoroughly understanding and seeing that all aspects of this contingency plan are enforced.
- 2. Responsible for implementing all phases of this contingency plan.
- 3. Responsible for keeping a minimum of personnel on the location during expected hazardous operations.
- 4. Responsible for coordinating all well site operations and communications in the event that an emergency condition develops.
- 5. Responsible for ensuring that all visitors receive and H2S safety orientation. A visitors log will be maintained as well as a list of all personnel on location after drilling has progressed to the suspected H2S formation.

4.10 LOCATION LAYOUT

The location of at least two pre-determined safe areas to assemble at in the event of an emergency. These locations should be located 180 degrees to one another, and in the direction of the prevailing winds.

A. H2S rig monitor with at least three heads. One located at the bell nipple, one located at the shale shaker, and a third one on the rig floor.

The location and type of all air masks. Self-contained breathing apparatus for use by rig personnel for this well will be kept in the following location(s):

Type: 1-30 min rescue unit Location: Safety Contractors Trailer

Type: 1-30 minute rescue unit
Type: 2-30 min rescue unit
Type: 2-30 min rescue unit
Type: 5-Hoseline work unit
Type: 3-5 min escape unit
Location: All Trailers
Location: Briefing Area #1
Location: Safety Trailer
Location: Rig Floor

Type: 1–5 min escape unit Location: Tubing board (derrick)

If a cascade system is utilized, indicate the location(s);

Type: 10 cylinder cascade Location: Safety Trailer with 10 cylinder

cascade is to be located by rig at base of

catwalk.

The location of windsocks or streamers. The wind direction indicators for this well will be located at:

Type: Windsock Location: Briefing Area #1
Type: Windsock Location: Briefing Area #2
Type: Windsock Location: On floor & pits

The location of any other safety equipment used, such as flare guns or bug blowers.

Type: Flare gun Location: Safety Trailer

The location of all telephones and/or means of communications are as follows:

Type: Cell phone Location: Drilling Superintendent
Tool Pusher

Warning Signs:

"No Smoking" signs should be strategically located around the rig and rig location. The following locations are appropriate:

Rig Floor Dog House Substructure

Lower landing of all stairs to rig floor

Mud pits Shale shaker

"Poison Gas" signs should also be strategically located around the rig and rig location. The following locations are appropriate:

All entrances leading to location.

Lower landing of all stairs leading to rig floor.

All areas around substructure, including mud pits and shale shaker.

Various points along the perimeter of the radius of exposure.

NOTE: All warnings should be black and yellow in color and of readable size at a distance.

4.20 OPERATING PROCEDURES

The following operating procedures will be utilized for drilling in areas with H2S.

A. Plan of operation for handling gas kicks and other problems. Any gas kick will be controlled by using approved well control techniques. Upon evidence that ambient H2S concentrations have reached 10 ppm, all non-essential personnel will be evacuated to pre-determined safe areas. Personnel remaining on the rig floor will continue to control the well until the situation indicates the area is safe to re-enter.

Special Operations:

Drill Stem Tests: All drill stem tests must be closed chamber and conducted during daylight hours only.

Coring: After a core has been cut, circulate bottoms up and monitor for H2S. If hole conditions (and/or detectors) indicate potentially hazardous conditions, put breathing equipment on (10) ten stands before core barrel reaches surface. Breathing equipment will be worn by all personnel while core barrel is pulled, broken out and opened, and until a safe atmosphere is indicated.

All equipment with potential for H2S shall be suitable for H2S service, i.e. Drill String, Casing, Well Head, Blowout Preventor equipment and trim, Rotating Head, Kill Lines, Choke Manifold and Lines.

A remote controlled choke will be installed prior to all H2S drilling.

Mud system pH will be maintained at or above 10.0 with sufficient materials on location to maintain the required pH.

A flare pit will be located a minimum of 150' from wellhead and 30' from the reserve pit.

4.30 OPERATING CONDITIONS

Operating conditions are defined in three categories. A description of each of these conditions and the required action to take are given below.

A. Condition I – Normal Operating Conditions, Potential Danger

<u>Characterized by:</u> Normal Drilling Operations in zones which contain or may contain H2S.

Warning Flag: Yellow Alarm: None

Probable Occurrence: No detectable gas present at surface

General Action:

Know location of safety equipment.

Check safety equipment for proper function. Keep it available.

Be alert for a condition change. Follow instructions of supervisor.

B. Condition II - Potential To Moderate Danger to Life

Characterized by: H2S gas present. Concentration less than 10 ppm.

Warning Flag:

Orange

Alarm:

Flashing light at 10 ppm H2S. Intermittent

blasts on horn at 10 ppm H2S.

Probable Occurrence:

As drill gas.

As trip gas when circulating bottoms up.

When a core barrel is pulled. When a well kick is circulated out.

Surface pressure, well flow or lost

operations.

Equipment failure during testing operations.

General Action:

Follow instructions of supervisor.

Put on breathing equipment if directed, or if conditions warrant it.

Stay in "SAFE BRIEFING AREA" if instructed and not working to correct the problem.

The Drilling Superintendent will initiate action to reduce the H2S concentration to zero.

C. Condition III - Moderate to Extreme Danger to Life

<u>Characterized by:</u> H2S present in concentrations at or above 10 ppm. Critical well operations or well control problems. In the extreme, loss of well control.

Warning Flag:

Red

Alarm:

Flashing light and continuous blast on horn

at 10 ppm H2S.

Probable Occurrence:

As drill gas.

As trip gas when circulating bottoms up.

When a core barrel is pulled.

When a well kick is circulated out.

Surface pressure, well flow or lost return

problems.

Equipment failure during testing operations.

General Action:

Put on breathing equipment. Move to "SAFE BRIEFING AREA" and remain there if not working to correct or control problem.

Follow instructions of Drilling Superintendent or other supervisor.

The Drilling Superintendent will initiate emergency action as provided in the contingency plan and as appropriate to the actual conditions. If testing operations are in progress, the well will be shut in.

The Drilling Superintendent will conduct any necessary operations with an absolute minimum of personnel. All persons in the immediate area will wear a breathing apparatus. All other personnel will restrict their movements to those directed by the Superintendent.

If gas containing hydrogen sulfide (H2S) is ignited, the burning hydrogen sulfide will be converted to sulfur dioxide which is poisonous.

5.00 HYDROGEN SULFIDE EMERGENCY PROCEDURES

The procedures listed below apply to drilling and testing operations.

- A. If at any time during Condition I, the mud logger, mud engineer, or any other person detects H2S, he will notify the Drilling Superintendent. All personnel should keep alert to the Drilling Superintendent's orders. He will:
 - 1. Immediately begin to ascertain the cause or the source of the H2S and take steps to reduce the H2S concentration to zero. This should include having the mud engineer run a sulfide and pH determination on the flowline mud if water-base mud is in use. If an oil-base mud is in use, the mud engineer should check the lime content of the mud.
 - 2. Order non-essential personnel out of the potential danger area.
 - 3. Order all personnel to check their safety equipment to see that it is working properly and in the proper location. Persons without breathing equipment will not be allowed to work in a hazard area.
 - 4. Notify the Contract Supervisor of condition and action taken.
 - 5. Continue gas monitoring activities and continue with caution.
 - 6. Display the orange warning flag.
- **B.** If the H2S concentration exceed 10 PPM the following steps will be taken:
 - 1. Put on breathing equipment.
 - 2. Display red flag.
 - 3. Driller prepare to shut the well in.
 - a. Pick up pipe to get Kelly out of BOP's.
 - b. Close BOP's if necessary.
 - 4. If testing operations are in progress, the well will be shut-in.
 - 5. Help anyone who may be affected by gas.
 - 6. Evacuate quickly to the "SAFE BRIEFING AREA" if instructed or conditions warrant.

- C. In the event a potentially hazardous volume of H2S is released into the atmosphere, the following steps must be taken to alert the public:
 - 1. Remove all rig personnel from the danger area and assembly at a predetermined safe area, preferable upwind from the well site.
 - 2. Alert the drilling office, public safety personnel, regulatory agencies, and the general public of the existence and location of an H2S release. See List of Emergency Telephone Numbers.
 - 3. Assign personnel to block any public road (and access road to location) at the boundary of the area of exposure. Any unauthorized people within the area should be informed that an emergency exists and be ordered to leave immediately.
 - 4. Request assistance from public safety personnel to control traffic and/or evacuate people from the threatened area.

6.0 TRAINING PROGRAM

All personnel associated with the drilling operations will receive training to ensure efficient and correct action in all situations. This training will be in the general areas of: (A.) Personnel Safety (B.) Rig Operations (C.) Well Control Procedures.

- A. Personnel Safety Training All Personnel shall have received H2S training in the following areas:
 - 1. Hazards and characteristics of H2S.
 - 2. Effect on mental components of the system.
 - 3. Safety precautions.
 - 4. Operation of safety equipment and life support systems.
 - 5. Corrective action and shutdown procedures.
- **B.** Rig Operations All rig personnel shall have received training in the following areas.
 - 1. Well control procedures.
 - 2. Layout and operations of the well control equipment.

NOTE: Proficiency will be developed through BOP drills which will be documented by the Drilling Superintendent

C. Service Company Personnel All service personnel shall have been trained by their employers in the hazards and characteristics of H2S and the operation of safety equipment and life support systems.

Visitors All first time visitors to the location will be required to attend a safety orientation. The Drilling Superintendent shall be responsible for this orientation and he shall see that every visitor is logged correctly.

Public The public within the area of exposure shall be given an advance briefing by the Drilling Superintendent. This briefing must include the following elements:

Hazards and characteristics of hydrogen sulfide. It is an extremely dangerous gas. It is normally detectable by it's "rotten egg" odor, but odor is not a reliable means of detections because the sense of smell may be dulled or lost due to intake of the gas. It is colorless, transparent and flammable. It is heavier than air and may accumulate in low places.

The necessity of an emergency action plan. Due to the danger of persons exposed to hydrogen sulfide and the need for expeditious action should an emergency occur, this action plan will be put into effect if and when a leak occurs.

The location of hydrogen sulfide within the area of exposure at the drilling location.

The manner in which the public will be notified of an emergency.

Steps to be taken in case of an emergency.

Abandon danger area.

Notify necessary agencies and request assistance for controlling traffic and evacuating people.

7.00 PROTECTION OF THE GENERAL PUBLIC

7.10 NOTIFICATION OF POTENTIAL DANGER

- Warning signs will be prominently displayed at the well site and at all access points.

7.20 EMERGENCY EVACUATION AND ISOLATION OF DANGER AREA

In the event toxic gases are released in such quantities as to be a possible hazard to the public the following steps (in addition to the procedure outlined in Section 5.0) will be taken by the person in charge:

- Choose a command post site in a safe area.
- Alert by telephone the Incident Commander or the Safety Manager and notify the person of the situation and your choice of a command posts.
- Notify local Law Enforcement Officials of the need to restrict entry to the area and the **location of your command post.** Request their assistance in restricting entry into the danger area by placing roadblocks or barriers in safe areas.

Note-Alternate command posts and roadblocks may be required, the Incident Commander may make changes in the locations listed above. Care should be taken to notify all responders of the changes.

- If evacuation cannot be accomplished in a timely manner and the H₂S release is posing an immediate threat to human life, the Incident Commander may chose to ignite the gas. Because of the increased risks igniting the gas can pose for response personnel, only the Incident Commander can give this order.