Sec. 25, T23S-R33E Lea Co., NM

30-025-37582

Hydrogen Sulfide Drilling Operations Plan

HOBBS OCD

Delaware Water Co., LLC Brininstool Federal #1 Unit H Section 25 T23S - R33E Lea County, NM

AUG 2 2 2013

RECEIVED

- 1. H₂S Detection and Alarm Systems
 - A. H₂S detectors and audio alarm system to be located at bell nipple, end of flow line (mud pit) and on derrick floor or doghouse.
- 2. Windsock and/or wind streamers
 - A. Windsock at mudpit area should be high enough to be visible.
 - B. Windsock at briefing area should be high enough to be visible.
- 3. Condition Flags and Signs
 - A. Warning sign on access road to location.
 - B. Flags to be displayed on sign at entrance to location. Green flag, normal safe condition. Yellow flag indicates potential pressure and danger. Red flag, danger, H₂S present in dangerous concentration. Only emergency personnel admitted to location.
- 4. Well control equipment
 - A. Flare line.

mud/gas separator w/ remotely operated choke.

Choke manifold.

Blind rams and pipe rams to accommodate all pipe sizes with properly sized closing unit.

- 5. Communication
 - A. While working under masks chalkboards will be used for communication.
 - B. Hand signals will be used where chalk board is inappropriate.
- C. Two way radio will be used to communicate off location in case emergency help is required. In most cases cellular telephones will be available at most drilling foreman's trailer or living quarters.
- 6. Drillstem Testing not anticipated.
- 7. Drilling contractor supervisor will be required to be familiar with the effects H₂S has on tubular goods and other mechanical equipment.
- 8. If H₂S is encountered, mud system will be altered if necessary to maintain control of formation. A mud gas separator will be brought into service along with H₂S scavengers if necessary.

Delaware Water Company, LLC has conducted a review to determine if an H_2S contingency plan is required for the referenced well. We were able to conclude that any potential hazardous volume would be minimal. No H_2S was reported in the original drilling of this well, concentrations in other wells in the area have been absent or minimal and the hole is cased and cemented; therefore we do not believe that a H_2S contingency plan is necessary.

Delaware Water Co., LLC Brininstool 25 Federal #1 1980' FNL & 660' FEL Sec. 25, T23S-R33E Lea Co., NM

WARNING

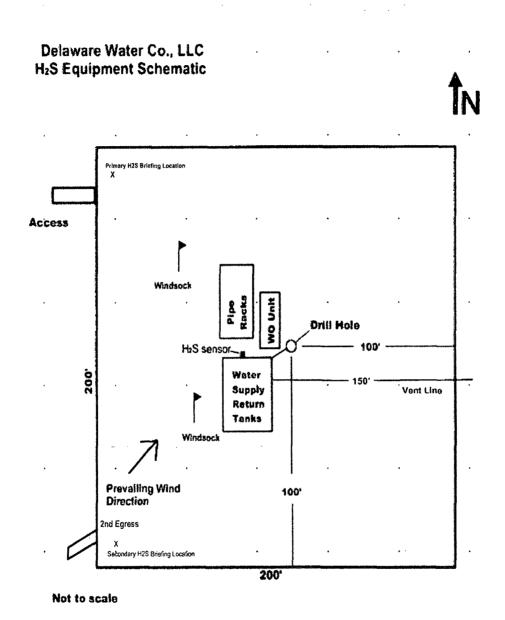
YOU ARE ENTERING AN H₂S AREA AUTHORIZED PERSONNEL ONLY

- 1. BEARDS OR CONTACT LENSES NOT ALLOWED
- 2 HARD HATS REQUIRED
- 3. SMORING IN DESIGNATED AREAS ONLY
- 4. BE WIND CONSCIOUS AT ALL TIMES
- S. CHECK WITH DELAWARE WATER FOREMAN

DELAWARE WATER CO. LLC

575-631-0522

Sec. 25, T23S-R33E Lea Co., NM



- H₂S briefing area will be located near the northern entrance upwind of returns tanks.
- H₂S secondary briefing area will be located near southern entrance upwind of return tanks.
- H₂S warning signs will be located at access road to pad and beside returns tanks.

Delaware Water, LLC Brininstool 25 Federal #1 1980' FNL & 660' FEL Sec. 25, T23S-R33E Lea Co., NM

EMERGENCY CALL LIST

Delaware Water Co., LLC 575-631-0522 Kay Havenor 575-626-4518

EMERGENCY RESPONSE NUMBERS

State Police	575-392-5588
Lea County Sheriff	575-396-3677
Emergency Medical Services	911 or 575-746-2701
Artesia Fire and Ambulance	575-746-5050
Maljamar Fire and Ambulance	575-674-4100
Artesia General Hospital	
702 N. 13th St. Artesia	575-748-3333
Carlsbad Medical Center	
2430 West Pierce Street	575-887-4100
Carlsbad Police Department	575-885-2111
Eddy County Emergency Management	575-887-9511
Carlsbad Fire Department	575-885-3125

Operator - Landowner Agreement

Company: Delaware Water Company, LLC

Proposed well: Brininstool 25 Federal

Federal Lease Number: NMNM 112940

Location: 1980' FNL & 660' FEL Sec. 25, T23S-R33E

Lea Co. NM

This is to advise that Delaware Water Company, LLC has an agreement with: Brininstool XL Ranch LLC (424 XL Road, Jal NM 88252, (275-390-1881), the surface owner, concerning entry and surface restoration after completion of drilling/re-entry operations at the above described well.

After abandonment of the well, all pits well be filled and leveled and all equipment and trash will be removed from the well site. No other requirements were made concerning restoration of the well site.

Date

Kay Havenor

Kay Havenor

Agent for Delaware Water Co. LLC