MANZANO, LLC HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

HOBBS OCD

Chili Parlor 17 Federal #1H SHL: 330' FSL & 2200' FEL BHL: 330' FNL &2200' FEL Section 17-T22S-R33E Lea County, New Mexico

DEC 0 4 2013

RECEIVED

This H2S Drilling Operations Plan is submitted with Form 3160-3, Application for Permit to Drill, in accordance with BLM Onshore Oil and Gas Order Number 6 Section III.A.1., covering the above described well.

I. HYDROGEN SULFIDE TRAINING

All personnel, whether regularly assigned, contracted, or employed on an unscheduled basis, will receive training from a qualified instructor in the following areas prior to commencing drilling operations on this well:

- A. The hazards and characteristics of hydrogen sulfide (H_2S) .
- B. The proper use and maintenance of personal protective equipment and life support systems.
- C. The proper use of H₂S detectors, alarms, warning systems, briefing areas, evacuation procedures, and prevailing winds.
- D. The proper techniques for first aid and rescue procedures.

In addition, supervisory personnel will be trained in the following areas:

- A. The effects of H₂S on metal components. If high tensile tubulars are to be used, personnel will be trained in their special maintenance requirements.
- B. Corrective action and shut-in procedures when drilling or reworking a well and blowout prevention and well control procedures.
- C. The contents and requirements of the H₂S Drilling Operations Plan and the Public Protection Plan.

Manzano, LLC July 29, 2013

There will be an initial training session just prior to encountering a known or probable H_2S zone (within 3 days or 500 feet) and weekly H_2S and well control drills for all personnel in each crew. The initial training session shall include a review of the site specific H_2S Drilling Operations Plan and the Public Protection Plan. This plan shall be available at the well site. All personnel will be required to carry documentation that they have received the proper training.

II. <u>H₂S SAFETY EQUIPMENT AND SYSTEMS</u>

Note: All H_2S safety equipment and systems will be installed, tested, and operational when drilling reaches a depth of 500 feet above, or three days prior to penetrating the first zone containing or reasonably expected to contain H_2S (prior to drilling out of the 13 3/8" surface casing shoe for this well).

A. Well Control Equipment (All BOP and BOP equipment is shown in Drilling Plan-Exhibits 1-4).

Flare line.

Choke manifold and remotely operated chokes. Blind rams and pipe rams to accommodate all pipe sizes with properly sized closing unit. Auxiliary equipment to include: annular preventer, mud-gas separator, rotating head.

- B. Protective equipment for essential personnel:

 Mark II Surviveair 30-minute units located in the dog house and at briefing areas.
- C. H₂S detection and monitoring equipment:
 - 2 Portable H₂S monitor positioned on location for best coverage and response. These units have warning lights and audible sirens when H₂S levels of 20 ppm are reached.
- D. Visual warning systems:

Caution/Danger signs shall be posted on roads providing direct access to location. Signs will be painted a high visibility yellow with black lettering of sufficient size to be readable at a reasonable distance from the immediate location. Bilingual signs will be used, when appropriate.

- E. Mud Program: The mud program has been designed to minimize the volume of H₂S circulated to the surface
- . F. Metallurgy:

All drill strings, casings, tubing, wellhead, blowout preventers, drilling spool, kill lines, choke manifold and lines, and valves shall be suitable for H₂S service.

G. Communication:

Company vehicles equipped with cellular telephone.

Manzano has conducted a review to determine if an H2S Contingency Plan is needed for this well and has determined that there is minimal potential for the accumulation for any hazardous concentration of H2S; therefore, no H2S Contingency Plan has been submitted for this well.

WARNING

YOU ARE ENTERING AN H₂S AREA AUTHORIZED PERSONNEL ONLY

- 1. BEARDS OR CONTACT LENSES NOT ALLOWED
- 2. HARD HATS REQUIRED
- 3. SMOKING IN DESIGNATED AREAS ONLY
- 4. BE WIND CONSCIOUS AT ALL TIMES
- 5. CK WITH MANZANO FOREMAN AT MAIN OFFICE

Manzano, LLC

575-623-1996

Manzano, LLC

EMERGENCY CALL LIST

MANZANO, LLC OFFICE 575-623-1996

MIKE HANAGAN: 575-623-1996 office

575-420-8821 cell

CRAIG HANAGAN: 575-623-1996 office

575-910-6154 cell

EMERGENCY RESPONSE NUMBERS

Lea County, New Mexico

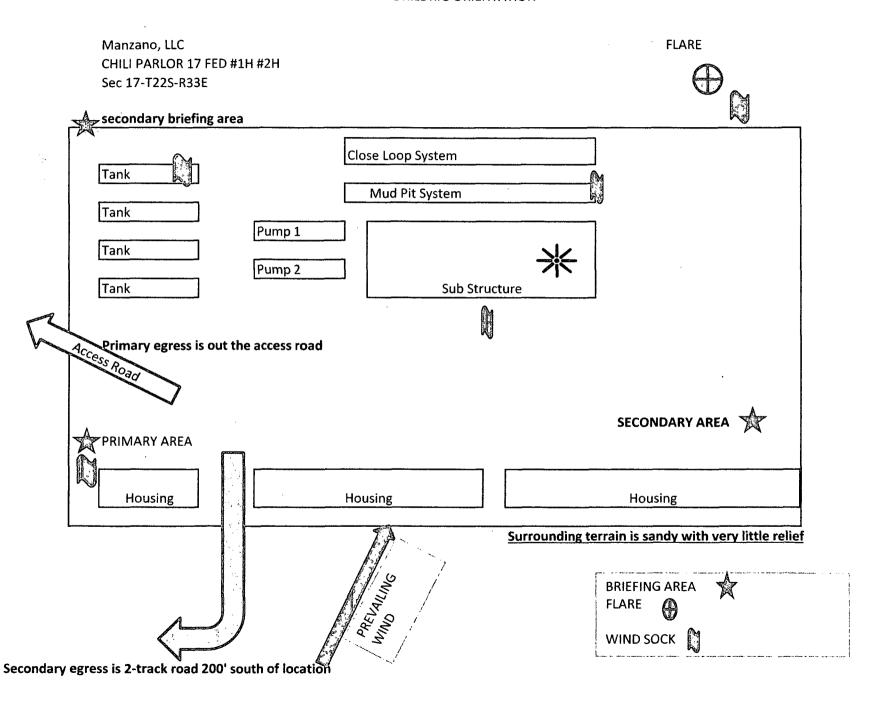
NEW MEXICO STATE POLICE 575-392-5580

LEA COUNTY SHERIFF DEPT 575-396-3611

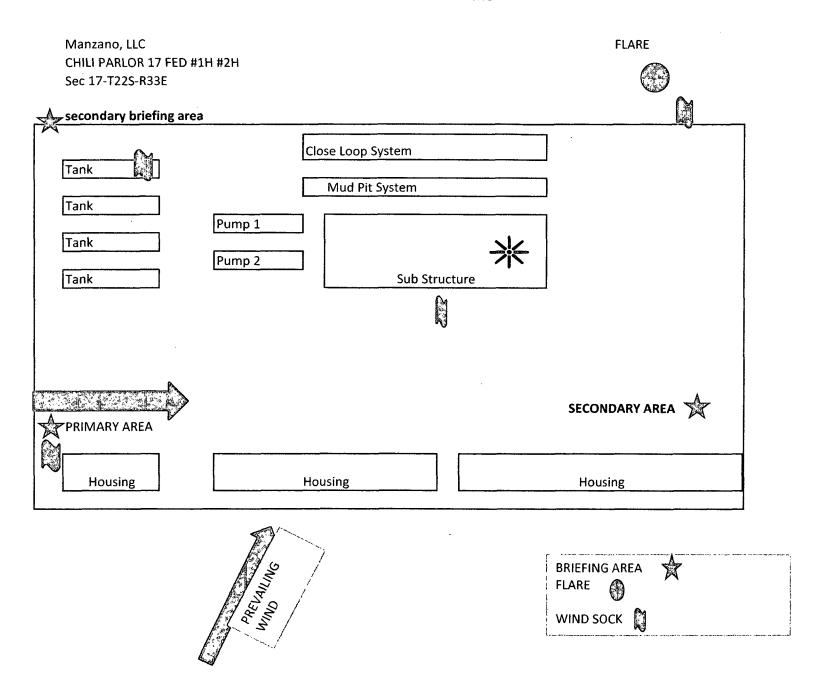
LEA REGIONAL MEDICAL CENTER 575-492-5000

AMBULANCE 911

H2S WELL SITE DIAGRAM DRILL RIG ORIENTATION



H2S WELL SITE DIAGRAM DRILL RIG ORIENTATION



MANZANO, LLC
EXHIBIT 4
PRODUCTION FACILITIES and INTERIM RECLAMATION PLAN FOR CHILI PARLOR 17 FED #1H

