District 1 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

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SCALE

DRAWN: 02-25-14 S.F.

S89'54'15"W - 2665.89' (Meas.)

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State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT Paol Code BONESPRING-WC: 98 30-025 ØRJI Property Name RED HILLS WEST 16 STATE M Property Code Well Number т OGRID No. ⁸ Operator Nam Flevation 217817 ConocoPhillips Company 3197 "Surface Location Range 32 E North/South line SOUTH Feet from the UL or lot no Section ownshi Lot Ide Feet from the East/West line County 26 S 2650 16 I 1310 EAST LEA "Bottom Hole Location If Different From Surface UL or lot no. Section Township Range Lot Idu Feet from the North/South line Feet from the East/West line County ¹² Dedicated Acres 13 Joint or Infill 14 Consolidation Code 15 Order No N/A-Source/Monitor Well 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. "OPERATOR N89'52'13"E - 2675.69' (Meas.) N89'53'13"E - 2672.67' (Meas.) CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including (Meas. (Meas.) the proposed bottom hole location or has a right to drill this well at this location pursuant NAD 83 (SURFACE LOCATION LATITUDE = 32°02'34.26" to a contract with an owner of such a mineral
 NAD
 B3
 (SURFACE
 LOCATION)

 LATITUDE
 =
 32'02'34.26"
 (32.042850)

 LONGITUDE
 =
 103'40'32.12"
 (103.675589)

 NAD
 27
 (SURFACE
 LOCATION)

 LATITUDE
 =
 32'02'33.81"
 (32.042725)

 LONGITUDE
 =
 103'40'30.43"
 (103.675119)

 STATE
 FLANE
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 83

 N:
 379947.58
 E:
 745137.25

 STATE
 FLANE
 NAD
 27

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 3799890.32
 E:
 703950.27
 99 or working interest, or to a voluntary pooling 2671.31 agreement or a compulsory pooling order 2673. entered by the division iners 02/26/2014 Date I 1 M. LL. Z Kristina Mickens 4 Printed Nav ,*20.00* 20.005 kristina.mickens@conocophillips.com E-mail Address ¹⁸SURVEYOR CERTIFICATION 16 I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and 1310 correct to the best of my belief. (Meas. (Meas. LEASE BOUNDARY February 25, 2014 Date of Survey Signature and Seal of Professional Surveyor: 98, 2 Set SSIONAL 2679.1 2672. SURVER 2650 SEN MET C SECTION CORNERS LOCATED. I <u>A</u> =

S89'56'03"W - 2660.62' (Meas.)

FEB \$7 2014

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Certificate Number:

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MARSHA

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H₂S Contingency Plan

H₂S Contingency Plan Holders:

Attached is an H₂S Contingency Plan for COPC Permian Drilling working in the West Texas and Southeastern New Mexico areas operated by ConocoPhillips Company.

If you have any questions regarding this plan, please call Tom Samarripa at ConocoPhillips Company, 432.368.1263.

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ConocoPhillips

HYDROGEN SULFIDE (H₂S) OPERATIONS

Contingency Plan For Permian Drilling Operations

ConocoPhillips Company Mid-Continent Business Unit Permian Asset Area

I. PURPOSE

The purpose of this Contingency Plan is to provide an organized plan of action for alerting and protecting the public following the release of a potentially hazardous volume of hydrogen sulfide. This plan prescribes mandatory safety procedures to be followed in the event of a release of H_2S into the atmosphere from exploration and production operations included in the scope of this plan. The extent of action taken will be determined by the supervisor and will depend on the severity and extent of H_2S release. Release of H_2S must be reported to the Drilling Superintendent and documented on the IADC and in Wellview.

II. SCOPE

This Contingency plan shall cover the West Texas and Southeastern New Mexico areas, which contain H2S gas and could result in a release where the R.O.E. is greater than 100 ppm at 50' and less than 3000' and does not include a public area and 500 ppm R.O.E. does not include a public road. Radius of exposure is defined as the maximum distance from the source of release that a specified calculated average concentration of H_2S could exist under specific weather conditions.

III. PROCEDURES

First Employee on Scene

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_____ Assess the incident and ensure your own safety.

Note the following:

—— Location of the incident.

_____ Nature of the incident.

— Wind direction and weather conditions.

_____ Other assistance that may be needed.

Call local supervisory personnel (refer to Section V: Emergency Call List) until personal contact is made with a person on the list.

Perform emergency assessment and response as needed. The response may include rescue and/or evacuation of personnel, shutting in a system and/or notification of nearby residents/public (refer to Section VII: Public Notification/Evacuation).

Secure the site.

Follow the direction of the On-scene Incident Commander (first ConocoPhillips supervisor arriving on-scene).

First Supervisor on Scene (ConocoPhillips On-scene Incident Commander)

----- Becomes ConocoPhillips' On-scene Incident Commander upon arrival to location.

----- Follow the principles of the **D.E.C.I.D.E.** process below to assess the incident. (Note wind direction and weather conditions and ensure everyone's safety).

DETECT the problem ESTIMATE likely harm without intervention CHOOSE response objectives IDENTIFY action options DO the best option EVALUATE the progress

_____ Complete the Preliminary Emergency Information Sheet (refer to Section VIII: Forms/Reports).

_____ Call your supervisor (refer to Section V: Emergency Call List).

– Perform emergency response as necessary. (This may include notification & evacuation of all personnel and/or nearby residents/public (refer to Section VII: Public Notification/Evacuation), requesting assistance from ConocoPhillips personnel or outside agencies (refer to Section V: Emergency Call List) and obtaining any safety equipment that may be required (refer to Section IV: Emergency Equipment and Maintenance).

- Notify appropriate local emergency response agencies of the incident as needed. Also notify the appropriate regulatory agencies. (refer to Section V: Emergency Call List).
- —— Ensure site security.
 - ---- Set barricades and /or warning signs at or beyond the calculated 100 ppm H₂S radius of exposure (ROE). All manned barricades must be equipped with an H₂S monitor and a 2-way radio.
 - —— Set roadblocks and staging area as determined.
- ----- Establish the Incident Command Structure by designating appropriate on-scene response personnel as follows:

Recording Secretary	
Public Information Officer	
Safety/Medical Officer	
Decontamination Officer	

- Have the "Recording Secretary" begin documenting the incident on the "Incident Log" (refer to Section VIII: Forms/Reports).
- ----- If needed, request radio silence on all channels that use your radio tower stating that, until further notice, the channels should be used for emergency communications only.
- —— Perform a Site Characterization and designate the following:

Hot Zone	 Hazardous Area
Warm Zone	 Preparation & Decontamination Area
Cold Zone	 Safe Area

<u>AND</u>

On-Scene Incident Command Post Public Relations Briefing Area Staging Area Triage Area Decontamination Area (Cold Zone) (Cold Zone) (Cold Zone) (Cold Zone) (Warm Zone)

——— Refer all media personnel to ConocoPhillips' On-Scene Public Information Officer (refer to Section VI: Public Media Relations).

Coordinate the attempt to stop the release of H_2S . You should consider closing upstream and downstream valves to shut-off gas supply sources, and/or plugging or clamping leaks. Igniting escaping gas to reduce the toxicity hazard should be used **ONLY AS A LAST RESORT**. (It must first be determined if the gas can be safely ignited, taking into consideration if there is a possibility of a widespread flammable atmosphere.)

Once the emergency is over, return the situation to normal by:

Confirming the absence of H₂S and combustible gas throughout the area,

Discontinuing the radio silence on all channels, stating that the emergency incident is over,

Removing all barricades and warning signs,

Allowing evacuees to return to the area, and

Advising all parties previously notified that the emergency has ended.

- Ensure the proper regulatory authorities/agencies are notified of the incident (refer to Section V: Emergency Call List).
- Clean up the site. (Be sure all contractor crews have had appropriate HAZWOPER training.)
- Report completion of the cleanup to the Asset Environmentalist. (Environmentalist will report this to the proper State and/or Federal agencies.)

Fill out all required incident reports and send originals to the Safety Department. (Keep a copy for your records.)

• Company employee receiving occupational injury or illnesses.

• Company employee involved in a vehicle accident while driving a company vehicle.

• Company property that is damaged or lost.

• Accident involving the public or a contractor; includes personal injuries, vehicle accidents, and property damage. Also includes any situation, which could result in a claim against the Company.

- Hazardous Material Spill/Release Report Form
- Emergency Drill Report
- Assist the Safety Department in the investigation of the incident. Review the factors that caused or allowed the incident to occur, and modify operating, maintenance, and/or surveillance procedures as needed. Make appropriate repairs and train or retrain employees in the use and operation of the system.

If this incident was simulated for practice in emergency response, complete the Emergency Drill Report found in Section VIII: Forms/Reports and submit a copy to the Drilling Manager. (Keep one copy in area files to document exercising of the plan.)

Emergency Procedures <u>Responsibility</u>

In the event of a release of potentially hazardous amounts of H2S, all personnel will immediately proceed upwind/ crosswind to the nearest designated briefing area. The COPC Drilling Rep. will immediately, upon assessing the situation, set this into action by taking the proper procedures to contain the gas and notify appropriate people and agencies.

- 1. In an emergency situation, the Drilling Rep. on duty will have complete responsibility and will take whatever action is deemed necessary in an emergency situation to insure the personnel's safety, to protect the well and to prevent property damage.
- 2. The Toolpusher will assume all responsibilities of the Drilling Rep. in an emergency situation in the event the Drilling Rep. becomes incapacitated.
- 3. Advise each contractor, service company, and all others entering the site that H2S may be encountered and the potential hazards that may exist.
- 4. Authorize the evacuation of local residents if H2S threatens their safety.
- 5. Keep the number of persons on location to a minimum during hazardous operations.
- 6. Direct corrective actions to control the flow of gas.
- 7. Has full responsibility for igniting escaping gas to reduce the toxicity hazard. This should be used **ONLY AS A LAST RESORT**.

IV. EMERGENCY EQUIPMENT and MAINTENANCE

Emergency Equipment Suppliers

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<u> Safety International – Odessa, Tx.</u>

H₂S monitors Breathing air includes cascade systems First aid and medical supplies Safety equipment H2S Specialist

Total Safety US Odessa, Tx/ Hobs, NM

H₂S monitors Breathing air includes cascade systems Fire fighting equipment First aid and medical supplies Safety equipment

432.580.3770

432.561.5049 Odessa, Tx. 575.392.2973 Hobbs, NM

575.393.3093

Indian Fire & Safety – Hobbs, NM H₂S monitors Breathing air including cascade systems trailer mounted 30 minute air packs Safety Equipment

H2S Contingency Plan

Emergency Equipment and Maintenance (continued)

General Information

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Materials used for repair should be suitable for use where H_2S concentrations exceed 100 ppm. In general, carbon steels having low-yield strengths and a hardness below RC-22 are suitable. The engineering staff should be consulted if any doubt exists on material specifications.

Appropriate signs should be maintained in good condition at location entrance and other locations as specified in Texas Rule 36 and NMOCD Rule 118.

All notification lists should be kept current with changes in names, telephone numbers, etc.

All shutdown devices, alarms, monitors, breathing air systems, etc., should be maintained in accordance with applicable regulations.

All personnel working in H_2S areas shall have received training on the hazards, characteristics, and properties of H_2S , and on procedures and safety equipment applicable for use in H_2S areas.

H2S Safety Equipment and Monitoring Systems

An H2S emergency response package will be maintained at locations requiring H2S monitoring. The package will contain at a minimum the following:

- 3 Fixed H2S sensors located as follows:
 - 1 -on the rig floor
 - 1 at the Bell Nipple
 - 1 at the Shale Shaker or Flowline

1 -<u>Entrance Warning Sign</u> located at the main entrance to the location, with warning signs and colored flags to determine the current status for entry into the location.

- 2 Windsocks that are clearly visible.
- 1 Audible warning system located on rig floor
- 2 <u>Visual</u> warning systems (Beacon Lights)
 - 1 -located at the rig floor
 - 1 -located in the mud mixing room

Note: All alarms (audible and visual) should be set to alarm at 10 ppm.

- 2 Briefing areas clearly marked
 - 2 SCBA's at each briefing area
 - 1- SCBA located at the Drilling Reps office

Note:

- 1. All SCBA's must be <u>positive pressure</u> type only!!!
- 2. All SCBA's must either be <u>Scott or Drager</u> brand.
- 3. All SCBA's face pieces should be <u>size large</u>, unless otherwise specified by the Drilling Supervisor.
- 5 <u>Emergency Escape Paks</u> located at Top Doghouse.
 Note: Ensure provisions are included for any personnel working above rig floor in derrick.

1 - <u>Tri or Quad gas monitor</u> located at the Drilling Reps office. This will be used to determine if the work area if safe to re-enter prior to returning to work following any alarm.

V. EMERGENCY CALL LIST:

The following is a priority list of personnel to contact in an emergency situation:

Supervisory Personnel	Office No.	Home	Cellular
R.W. "Cottton" Hair Permian Drilling Supt.	432.368.1302	432.563.9467	432.556.9116
Dennis Paschall Permian Drilling Field Supt.	432.368.1517	432.683.9400	432.238.3150
Tom Samarripa WSER	423.368.1263	432.367.4961	432.556.9113
Ty Maxey Permian Asset Operations Manager	432.368.1100		281.217.8492
Leo Gatson Safety and Environmental Coordinator	432.368.1248		432.631.066
Lynn Dooley Drilling Mngr.	832.486.2567	281.225.8063	281.435.3517

EMERGENCY CALL LIST: State Officials

Regulatory Agencies

New Mexico Oil Conservation Commission

P. O. Box 1980 Hobbs, New Mexico 88240-1980

Bureau of Land Mngt.

Carlsbad Field Office 620 E. Greene St. Carlsbad, NM 88220 Office: 575.393.6161

Office: 575.234.5972 Fax: 575.885.9264

EMERGENCY CALL LIST: Local Officials

Refer to the Location Information Sheet Note: The LIS should include any area residents (i.e. rancher's house, etc)

VI. Public Media Relations

The **Public Information Officer** becomes the ConocoPhillips on-scene contact (once designated by the Phillips On-Scene Incident Commander).

Confers with Houston Office's Human Relations Representative, who is responsible for assisting in the coordination of local public relations duties.

Answer media questions honestly and <u>only with facts</u>, do not speculate about the cause, amount of damage, or the potential impact of the incident of the community, company, employees, or environment. (This information will be formally determined in the incident investigation.)

If you are comfortable answering a question or if you are unsure of the answer, use terms such as the following:

- "I do not know. I will try to find out."
- I am not qualified to answer that question, but I will try to find someone who can."
- "It is under investigation."

Note:

Do Not Say "No Comment." (This implies a cover-up.)

Do Not Disclose Names of Injured or Dead! Confer with the Houston Office's Human Relations Representative, who is responsible for providing that information.

VII. Public Notification/Evacuation

Alert and/or Evacuate People within the Exposure Area

1. <u>Public Notification</u> – If the escape of gas could result in a hazard to area residents, the general public, or employees, the person <u>first</u> observing the leak should take <u>immediate</u> steps to cause notification of any nearby residents. The avoidance of injury or loss of life should be of prime consideration and given top priority in all cases. If the incident is of such magnitude, or at such location as to create a hazardous situation, local authorities will be requested to assist in the evacuation and roadblocks of the designated area until the situation can be returned to normal.

Note: Bilingual employees may be needed to assist in notification of residents.

2. <u>Evacuation Procedures</u> – Evacuation will proceed upwind from the source of the release of H₂S. Extreme caution should be exercised in order to avoid any depressions or low-lying areas in the terrain. The public area within the radius of exposure should be evacuated in a southwesterly and southeasterly direction so as to avoid the prevailing southern wind direction.

Roadblocks and the staging area should be established as necessary for current wind conditions.

Note: In all situations, consideration should be given to wind direction and weather conditions. H_2S is heavier than air and can settle in low spots. Shifts in wind direction can also change the location of possible hazardous areas.

VIII. FORMS & REPORTS

- I. Incident Log
- II. Preliminary Emergency Information Sheet
- III. Emergency Drill Report
- IV. Onshore Hazardous Material Spill/Release Report Form
- V. Immediate Report of Occupational Injury or Illness Report of Accident-Public Contractor Report of Loss or Damage to Company Property Report of Automotive Incident