

BTA OIL PRODUCERS LLC
HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

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HOBBS OCD

OCT 07 2015

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1. 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 (H₂S).
- 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.

There will be an initial training session just prior to encountering a known or probable H₂S zone (within 3 days or 500 feet) and weekly H₂S and well control drills for all personnel in each crew. The initial training session shall include a review of the site specific H₂S 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.

2. H₂S SAFETY EQUIPMENT AND SYSTEMS

Note: All H₂S 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 H₂S. If H₂S greater than 100 ppm is encountered in the gas stream we will shut in and install H₂S equipment.

- a. Well Control Equipment:
 - Flare line.
 - Choke manifold with remotely operated choke.
 - 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

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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. See example attached.
- 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.

BTA OIL PRODUCERS LLC has conducted a review to determine if an H2S contingency plan is required for the above referenced well. We were able to conclude that any potential hazardous volume would be minimal. H2S concentrations of wells in this area from surface to TD are low enough; therefore, we do not believe that an H2S contingency plan is necessary.

W A R N I N G

**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 BTA OIL PRODUCERS LLC FOREMAN AT MAIN OFFICE***

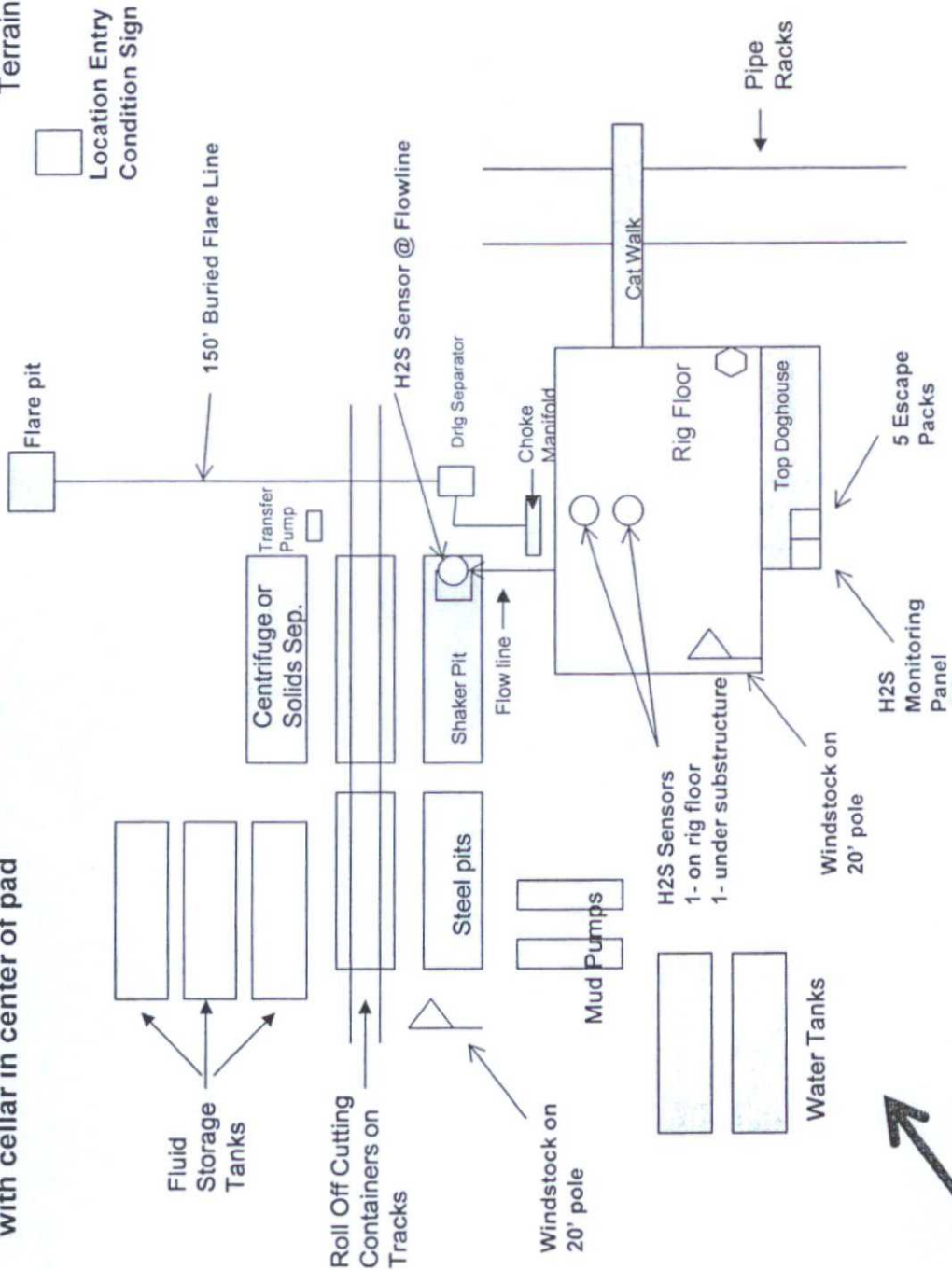
BTA OIL PRODUCERS LLC

1-432-682-3753

Attachment to APD
 BTA Oil Producers, LLC
 Mesa 8105 JV-P #4H
 Rig Pad Layout - Ancillary Facilities

BTA OIL PRODUCERS LLC
 H₂S Equipment Schematic
 Terrain: Shinnery Sand Hills

Well pad will be 400' X 400'
 with cellar in center of pad



☐ Briefing Area
 w/SCBA

Secondary egress. _____

Company Representative's Trailer

☐ Primary Briefing
 Area w/SCBA

Prevailing Wind
 Direction in SENM

OPERATOR CERTIFICATION

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BTA OIL PRODUCERS, LLC
Mesa 8105 JV-P #4H
UL -C-, Sec. 11, T26S, R32E Surface
330' FNL & 2198' FWL
UL -M-, Sec. 11, T26S, R32E Bottom
230' FSL & 1314' FWL
Lea County, New Mexico

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions that presently exist; that I have full knowledge of State and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 USC 1001 for the filing of false statements. Executed this 16th day of December, 2014.

Signed: Kayla McConnell

Printed Name: Kayla McConnell
Position: Production Assistant
Address: 104 S Pecos, Midland, TX 79701
Telephone: (432) 682-3753
Field Representative Nick Eaton, Drilling Manager
E-mail: kmccconnell@btaoil.com



COPY

CARLTON BEAL, JR.
BARRY BEAL
SPENCER BEAL
KELLY BEAL
BARRY BEAL, JR.
STUART BEAL
ROBERT DAVENPORT, JR.

BTA OIL PRODUCERS, LLC

104 SOUTH PECOS STREET
MIDLAND, TEXAS 79701-5021
432-682-3753
FAX 432-683-0311

GULF COAST DISTRICT
TOTAL PLAZA
1201 LOUISIANA STREET, STE. 570
HOUSTON, TEXAS 77002
713-658-0077 FAX 713-655-0346

ROCKY MOUNTAIN DISTRICT
600 17TH STREET, STE. 2230 SOUTH
DENVER, COLORADO 80202
303-534-4404 FAX 303-534-4661

December 12, 2014

Re: CONFIDENTIAL STATUS
Mesa 8105 JV-P #4H, 5H, 6H, 7H, 8H
Section 11, T26S-R32E
Lea County, NM

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
620 East Greene Street
Carlsbad, NM 88220

Gentlemen:

BTA hereby requests CONFIDENTIAL STATUS for all drilling information, forms and logs for the maximum length of time possible under BLM guidelines.

Should further information be required, please advise.

Respectfully,

A handwritten signature in blue ink that reads 'Kayla McConnell'.

Kayla McConnell
For BTA Oil Producers