

COG Operating LLC

Hydrogen Sulfide Drilling Operation Plan

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:

1. The hazards and characteristics of hydrogen sulfide (H₂S)
2. The proper use and maintenance of personal protective equipment and life support systems.
3. The proper use of H₂S detectors, alarms, warning systems, briefing areas, evacuation procedures, and prevailing winds.
4. The proper techniques for first aid and rescue procedures.

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

1. The effects of H₂S on metal components. If high tensile tubulars are to be used, personnel will be trained in their special maintenance requirements.
2. Corrective action and shut-in procedures when drilling or reworking a well and blowout prevention and well control procedures.
3. The contents and requirements of the H₂S Drilling Operations Plan and 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. **The concentrations of H₂S of wells in this area from surface to TD are low enough that a contingency plan is not required.**

JAN 04 2016

II. 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 reasonable expected to contain H2S.

1. Well Control Equipment:

- A. Flare line.
- B. Choke manifold with minimum of one remotely operated choke.
- C. Closed Loop Blow Down Tank
- D. Blind rams and pipe rams to accommodate all pipe sizes with properly sized closing unit.
- E. Auxiliary equipment may include if applicable: mud-gas separator, annular preventer & rotating head.

2. Protective equipment for essential personnel:

- A. SCBA (Self contained breathing apparatus) 30-minute units located in the doghouse and at briefing areas, as indicated on well site diagram.

3. H2S detection and monitoring equipment:

- A. Portable H2S monitors positioned on location for best coverage and response. These units have warning lights and audible sirens when H2S levels of 20 PPM are reached.

4. Visual warning systems:

- A. Wind direction indicators as shown on well site diagram.
- B. Caution/Danger signs (Exhibit #7) 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.

5. Mud program:

- A. The mud program has been designed to minimize the volume of H2S circulated to surface. Proper mud weight, safe drilling practices, and the use of H2S scavengers will minimize hazards when penetrating H2S bearing zones.
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6. Metallurgy:

- A. All drill strings, casings, tubing, wellhead, blowout preventer, drilling spool, kill lines, choke manifold and lines, and valves shall be suitable for H2S service.
- B. All elastomers used for packing and seals shall be H2S trim.

7. Communication:

- A. Radio communications in company vehicles including cellular telephone and 2-way radio.
- B. Land line (telephone) communication at Office.

8. Well testing:

- A. Drill stem testing will be performed with a minimum number of personnel in the immediate vicinity, which are necessary to safely and adequately conduct the test. The drill stem testing will be conducted during daylight hours and formation fluids will not be flowed to the surface. All drill-stem-testing operations conducted in an H2S environment will use the closed chamber method of testing.
- B. There will be no drill stem testing.

EXHIBIT #7

WARNING
YOU ARE ENTERING AN H₂S
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. CHECK WITH COG OPERATING FOREMAN AT

COG OPERATING LLC
1-432-683-7443
1-575-746-2010

EDDY COUNTY EMERGENCY NUMBERS

ARTESIA FIRE DEPT. 575-746-5050
ARTESIA POLICE DEPT. 575-746-5000
EDDY CO. SHERIFF DEPT. 575-746-9888

LEA COUNTY EMERGENCY NUMBERS

HOBBS FIRE DEPT. 575-397-9308
HOBBS POLICE DEPT. 575-397-9285
LEA CO. SHERIFF DEPT. 575-396-1196

COG Operating LLC

Drilling Location - H2S Safety Equipment Diagram

EXHIBIT 8-

Var the

Boneless

12H

Steel Half Pit w/
mounted "Gas Buster"

Automatic Ignition

2" choke

line to

gas

buster

4" "Panic Line" to gas buster 150' f/wellhead
(buried under Closed Loop Equipment)

2" choke line to
pit

Transfer Pump

2" Choke Line 150' f/wellhead
(buried under Closed Loop Equipment)

*If necessary will add a remote
operated choke

Centrifuge or
Solids Sep.

Flow line

Shakers

Choke
Manifold *

Cellar

Dog House

Substructure

Water Tanks

Water Tanks

Steel pits

Mud Pumps

Mud House

Roll Off Cutting
Containers on
Tracks

Fluid
Storage
Tanks

Secondarily
Egress &
Briefing

Pipe
Racks

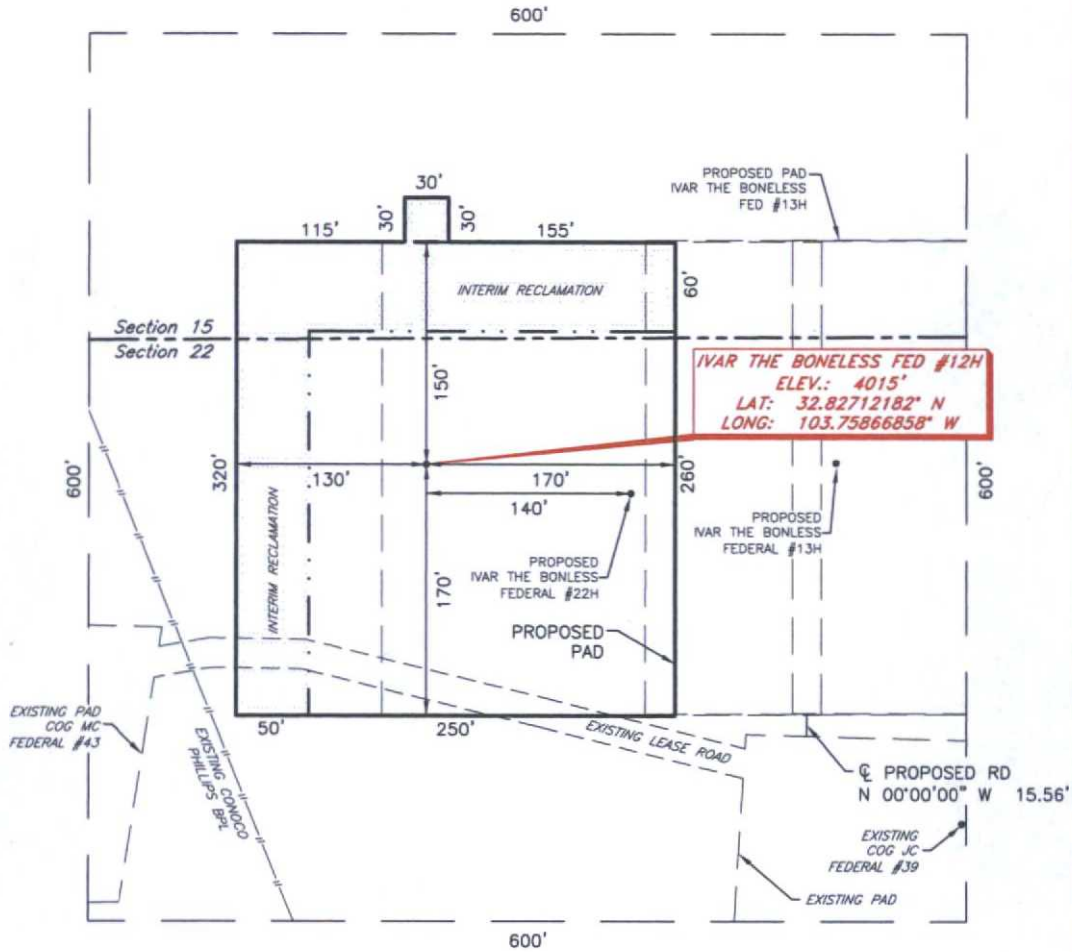
Trailer

- Wind Direction Indicators
- H2S Monitor with alarm at the bell nipple
- Safe Briefing Area with caution signs and breathing equipment

N
Pad Orientation

N
Road Access Prevailing Wind
with H2S sign

COG OPERATING, LLC
INTERIM RECLAMATION
IVAR THE BONELESS FED #12H
(85' FNL & 1283' FWL)
SECTION 22, T17S, R32E
N. M. P. M., LEA CO., NEW MEXICO



DIRECTIONS TO LOCATION

From the intersection of CR-126 (Conoco Rd.) and CR-126A (Maljamar Rd.)
Go North on CR-126A approx. 0.6 miles to a lease road on the right;

Turn right and go Southeast approx. 0.3 miles to a lease road;

Turn left and go North approx. 382 feet through existing pad;

Location is 440 feet Northwest of JC Fed #39 pumping unit.

THIS IS NOT A BOUNDARY SURVEY, APPARENT PROPERTY CORNERS AND PROPERTY LINES ARE SHOWN FOR INFORMATION ONLY. BOUNDARY DATA IS SHOWN FROM A PREVIOUS SURVEY REFERENCED HEREON.

I, R. M. Howett, a N. M. Professional Surveyor, hereby certify that I prepared this unclassified survey of a well location plot from an actual survey made on the ground under my direct supervision, said unclassified survey and plot meet the 6800 Stds. for Land Surveying in the State of N. M. and are true and correct to the best of my knowledge and belief.

Robert M. Howett
Robert M. Howett NM PS 19680

SCALE: 1" = 100'
0 50 100
BEARINGS ARE
NAD 83 GRID - NM EAST
DISTANCES ARE
GROUND.

Firm No.: TX 10193838 NM 4655451

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| NO. | REVISION | DATE |
|-----------|-----------|------|
| JOB NO.: | LS140548 | |
| DWG. NO.: | 140548PAD | |

RRC

308 W. BROADWAY ST., HOBBS, NM 88240 (575) 964-8200

| |
|--------------------|
| SCALE: 1" = 100' |
| DATE: 1-14-2015 |
| SURVEYED BY: IE/DH |
| DRAWN BY: CMJ |
| APPROVED BY: RMH |
| SHEET : 1 OF 1 |