JAN 2 5 2016

KAISER-FRANCIS OIL COMPANY HYDROGEN SULFIDE (H₂S) CONTINGENCY PLAN FOR DRILLING/COMPLETION WORKOVER/FACILITY

NORTH BELL LAKE UNIT 6 2BSS #1H SECTION 6 T23S-R34E LEA COUNTY, NM

This well/facility is not expected to have H₂S, but due to the sensitive location, the following is submitted as requested.

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EMERGENCY RESPONSE ACTIVATION AND GENERAL RESPONSIBILITIES

Activation of the Emergency Action Plan

In the event of any emergency situation, all personnel on location should first ensure that the following items are initiated. After that, they should refer to the appropriate Specific Emergency Guidance sections below for further responsibilities:

- 1. Notify the senior ranking contract representative on site.
- 2. Notify Kaiser-Francis representative in charge.
- 3. Notify civil authorities if the Kaiser-Francis Representative cannot be contacted and the situation dictates.
- 4. Perform rescue and first aid as required (without jeopardizing additional personnel).

General Responsibilities

In the event of an H₂S emergency, the following plan will be initiated.

- 1) All personnel will immediately evacuate to an up-wind and if possible up-hill "safe area".
- 2) If for any reason a person must enter the hazardous area, they must wear a SCBA (Self contained breathing apparatus).
- 3) Always use the "buddy system".
- 4) Isolate the well/problem if possible.
- 5) Account for all personnel
- 6) Display the proper colors, warning all unsuspecting personnel of the danger at hand
- 7) Contact the Company personnel as soon as possible if not at the location. (use the enclosed call list as instructed)

At this point the company representative will evaluate the situation and coordinate the necessary duties to bring the situation under control, and if necessary the notification of emergency response agencies and residents.

INDIVIDUAL RESPONSIBILITIES DURING AN H2S RELEASE

The following procedures and responsibilities will be implemented on activation of the H₂S siren and lights.

All Personnel:

1. On alarm, don escape unit (if available) and report to upwind briefing area.

Rig Manager/Tool Pusher:

- 1. Check that all personnel are accounted for and their condition.
- 2. Administer or arrange for first aid treatment, and/or call EMTs as needed.
- 3. Identify two people best suited to secure well and perform rescue, and instruct them to don SCBA.
- 4. Notify Contract management and Kaiser-Francis Representative.
- 5. Remain at the briefing area, assess and monitor personnel and overall situation for hazards or conditions that might warrant a change in the action plan.

Two People Responsible for Shut-in and Rescue:

- 1. Don SCBA and acquire tools to secure well and perform rescue, i.e., wrenches, retrieval ropes, etc.
- 2. Utilize the buddy system to secure well and perform rescue(s).
- 3. Return to the briefing area and stand by for further instructions.

All Other Personnel:

1. Isolate the area and prevent entry by other persons into the 100 ppm ROE. Additionally the first responder(s) must evacuate any public places encompassed by the 100 ppm ROE. First responder(s) must take care not to injure themselves during this operation. Company and/or local officials must be contacted to aid in this operation. Evacuation of the public should be beyond the 100 ppm ROE.

Kaiser-Francis Oil Company Representative:

- 1. Remain at the briefing area, assess and monitor personnel and overall situation for hazards or conditions that might warrant a change in the action plan.
- 2. Notify company management or Local Incident Commander, and Police, Fire Department, or other local emergency services as required.

PROCEDURE FOR IGNITING AN UNCONTROLLABLE CONDITION:

Should control of the well be considered lost and ignition considered, take care to protect against exposure to Sulfur Dioxide (SO₂). Intentional ignition must be coordinated with the NMOCD and local officials. Additionally the NM State Police shall be the Incident Command of any major release.

The decision to ignite a well should be a last resort and one if not both of the following pertain.

- 1) Human life and/or property are in danger.
- 2) There is no hope of bringing the situation under control with the prevailing conditions at the site.

INSTRUCTIONS FOR IGNITION:

- 1) Two people are required. They must be equipped with positive pressure; self contained breathing apparatus and a "D"-ring style, full body, OSHA approved safety harness. Non-flammable rope will be attached.
- 2) One of the people will be a qualified safety person who will test the atmosphere for H₂S, Oxygen, & LFL. The other person will be the company supervisor; he is responsible for igniting the well.
- 3) Ignite up-wind from a distance no closer than necessary. Make sure that where you ignite from has the maximum escape avenue available. A 25mm flare gun shall be used, with a +/-500' range to ignite the gas.
- 4) Prior to ignition, make a final check for combustible gases.
- 5) Following ignition, continue with the emergency actions & procedures as before.

CONTACTING AUTHORITIES

Kaiser-Francis personnel must liaison with local and state agencies to ensure a proper response to a major release. Additionally, the OCD must be notified of the release as soon as possible but no later than 4 hours. Agencies will ask for information such as type and volume of release, wind direction, location of release, etc. Be prepared with all information available. The following call list of essential and potential responders has been prepared for use during a release. This response plan must be in coordination with the State of New Mexico's 'Hazardous Materials Emergency Response Plan' (HMER).

EMERGENCY CALL LIST: (Start and continue until ONE of these people have been reached)

Kaiser-Francis Oil Co.	<u>OFFCE</u> 918/494-0000	<u>MOBILE</u>
Bill Wilkinson	580/668-2335	580/221-4637
Vince Dernbach	918/491-4637	918/519-6898
David Zerger	918/491-4350	918/557-6708
Charles Lock	918/491-4337	918/671-6510
Stuart Blake	918/491-4347	918/510-4126
Sean Berzas	918/491-4433	918/574-1670
Mark Carr	918/491-4369	918/691-2257
Matt Warner	918/491-4379	720/556-2313

EMERGENCY RESPONSE NUMBERS: Lea County, New Mexico

State Police – Artesia State Police – Hobbs State Police – Carlsbad	575/748-9718 575/392-5580 575/885-3138		
Lea County Sheriff - Lovington	575/396-3611		
Local Emergency Planning Center – Lea County Local Emergency Planning Center – Eddy County	575/396-8607 575/885-3581		
Fire Fighting, Rescue & Ambulance – Carlsbad Fire Fighting, Rescue & Ambulance – Hobbs Fire Fighting – Jal Volunteer Fire Department	911 or 575/885-3125 911 or 575/397-9308 911 or 505/395-2221		
New Mexico Oil & Gas Commission – Artesia New Mexico Oil & Gas Commission – Hobbs	575/748-1283 575/393-6161		
Air Medical Transport Services – Hobbs Med Flight Air Ambulance – Albuquerque Angel MedFlight	800/550-1025 505/842-4433 844/553-9033		
DXP	432/580-3770		
BJ Services	575/392-5556		
Halliburton	575/392-6531 800/844-8451		

PROTECTION OF THE GENERAL PUBLIC/ROE:

In the event of a release with a concentration greater than 100 ppm H₂S, the ROE (Radius of Exposure) calculations will be done to determine if the following conditions have been met:

- Does the 100 ppm ROE include any public area (any place not associated with this site)
- Does the 500 ppm ROE include any public road (any road which the general public may travel)
- Is the 100 ppm ROE equal to or greater than 3000 feet

If any one of these conditions have been met then the Contingency Plan will be implemented. The following shows how to calculate the radius of exposure and an example.

Calculation for the 100 ppm ROE:

X = [(1.589)(concentration)(Q)] (0.6258)

(H2S concentrations in decimal form)

10,000 ppm +=1.+

1,000 ppm +=.1+

100 ppm += .01+

10 ppm +=.001+

Calculation for the 500 ppm ROE:

X+[(0.4546)(concentration)(Q)] (.06258)

EXAMPLE: If a well/facility has been determined to have 150 ppm H₂S in the gas mixture and the well/facility is producing at a gas rate of 200 MCFPD then:

ROE for 100 PPM

X=[(1.589)(.0150)(200)] (0.6258)

X=2.65'

ROE for 500 PPM

X=[(.4546)(.0150)(200)] (0.6258)

X=1.2'

(These calculations will be forwarded to the appropriate District NMOCD office when applicable.)

PUBLIC EVACUATION PLAN:

(When the supervisor has determined that the General Public will be involved, the following plan will be implemented)

- 1) Notification of the emergency response agencies of the hazardous condition and Implement evacuation procedures.
- 2) A trained person in H₂S safety, shall monitor with detection equipment the H₂S Concentration, wind and area of exposure (ROE). This person will determine the outer perimeter of the hazardous area. The extent of the evacuation area will be determined from the data being collected. Monitoring shall continue until the situation has been resolved. (All monitoring equipment will be UL approved, for use in class I groups A,B,C & D, Division I, hazardous locations. All monitors will have a minimum capability of measuring H₂S, oxygen, and flammable values.)
- 3) Law enforcement shall be notified to set up necessary barriers and maintain such for the duration of the situation as well as aid in the evacuation procedure.
- 4) The company supervising personnel shall stay in communication with all agencies through out the duration of the situation and inform such agencies when the situation has been contained and the effected area(s) is safe to enter.

CHARACTERISTICS OF H2S AND SO2

Common	Chemical	Specific	Threshold	Hazardous	Lethal
Name	Formula	Gravity	Limit	Limit	. Concentration
Hydrogen		1.189	·		
Sulfide	H₂S	Air = 1	10 ppm	100 ppm	600 ppm
		2.21			
Sulfur Dioxide	SO ₂	Air = 1	2 ppm	N/A	1000 ppm

TRAINING:

All responders must have training in the detection of H_2S measures for protection against the gas, equipment used for protection and emergency response. Weekly drills by all crews will be conducted and recorded in the IADC daily log. Additionally, responders must be equipped with H_2S monitors at all times.

PUBLIC RELATIONS

Kaiser-Francis recognizes that the news media have a legitimate interest in incidents at Kaiser-Francis facilities that could affect the public. It is to the company's benefit to cooperate with the news media when incidents occur because these media are our best liaison with the public.

Our objective is to see that all reports of any emergency are factual and represent the company's position fairly and accurately. Cooperation with news media representatives is the most reliable guarantee that this objective will be met.

All contract and Kaiser-Francis employees are instructed <u>NOT</u> to make any statement to the media concerning the emergency incident. If a media representative contacts any employee, they should refer them to the designated Emergency Command Center where they should contact the Incident Commander or his designated relief for any information concerning the incident.