

HOBBSD

JAN 20 2015

COG Operating LLC

Hydrogen Sulfide Drilling Operation Plan

RECEIVED

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 21 2015

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

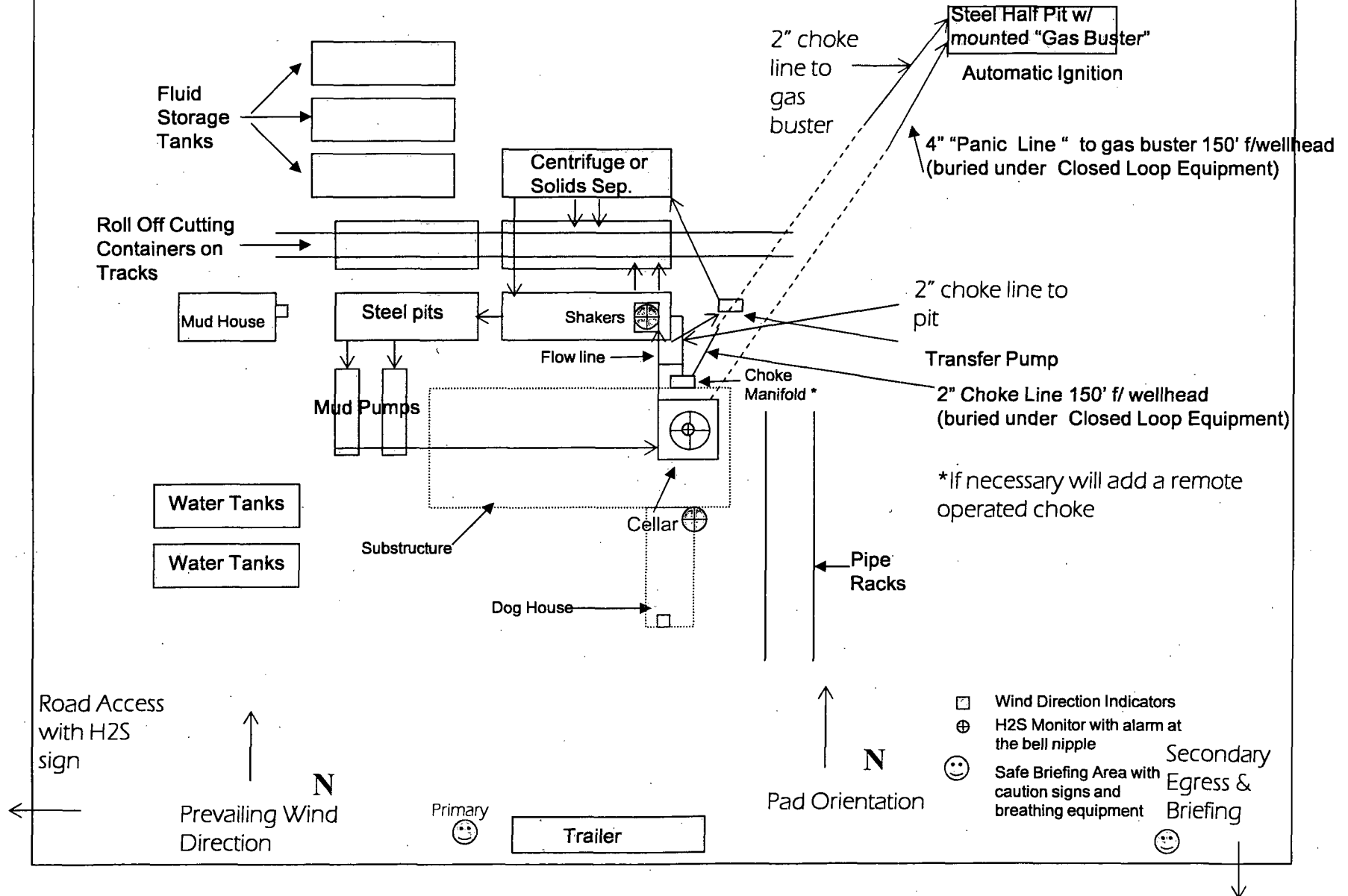
LEA COUNTY EMERGENCY NUMBERS

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

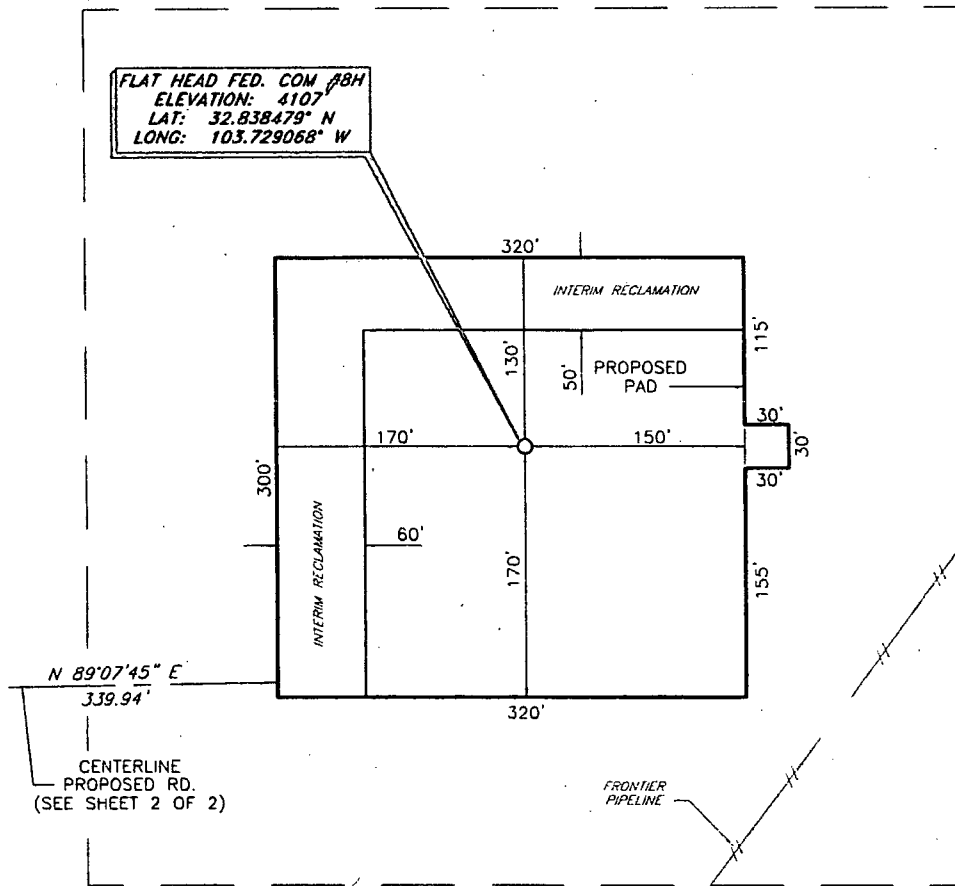
COG Operating LLC

EXHIBIT

Drilling Location - H2S Safety Equipment Diagram



COG OPERATING, LLC
Interim Reclamation
Flat Head Fed. Com. 8H
(1170' FNL & 330' FEL)
Section 14, T-17-S, R-32-E,
N. M. P. M., Lea Co., New Mexico



DIRECTIONS TO LOCATION

From the intersection of Lease Rd. 126 (Maljamar Rd.) and
Lease Rd. 125 (Mescalero):

Go Southeast on Mescalero Rd. approx. 1.5 mi;

Turn Left and go North thru the gate to the
proposed road;

Follow road survey approx. 0.4 mi East to
this location.

SCALE: 1" = 100'

0 50 100

BEARINGS ARE
MAD 27 - NM EAST
DISTANCES ARE
GROUND.

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NO.	REVISION	DATE
JOB NO.:	LS130120	
DWG. NO.:	130120PAD	

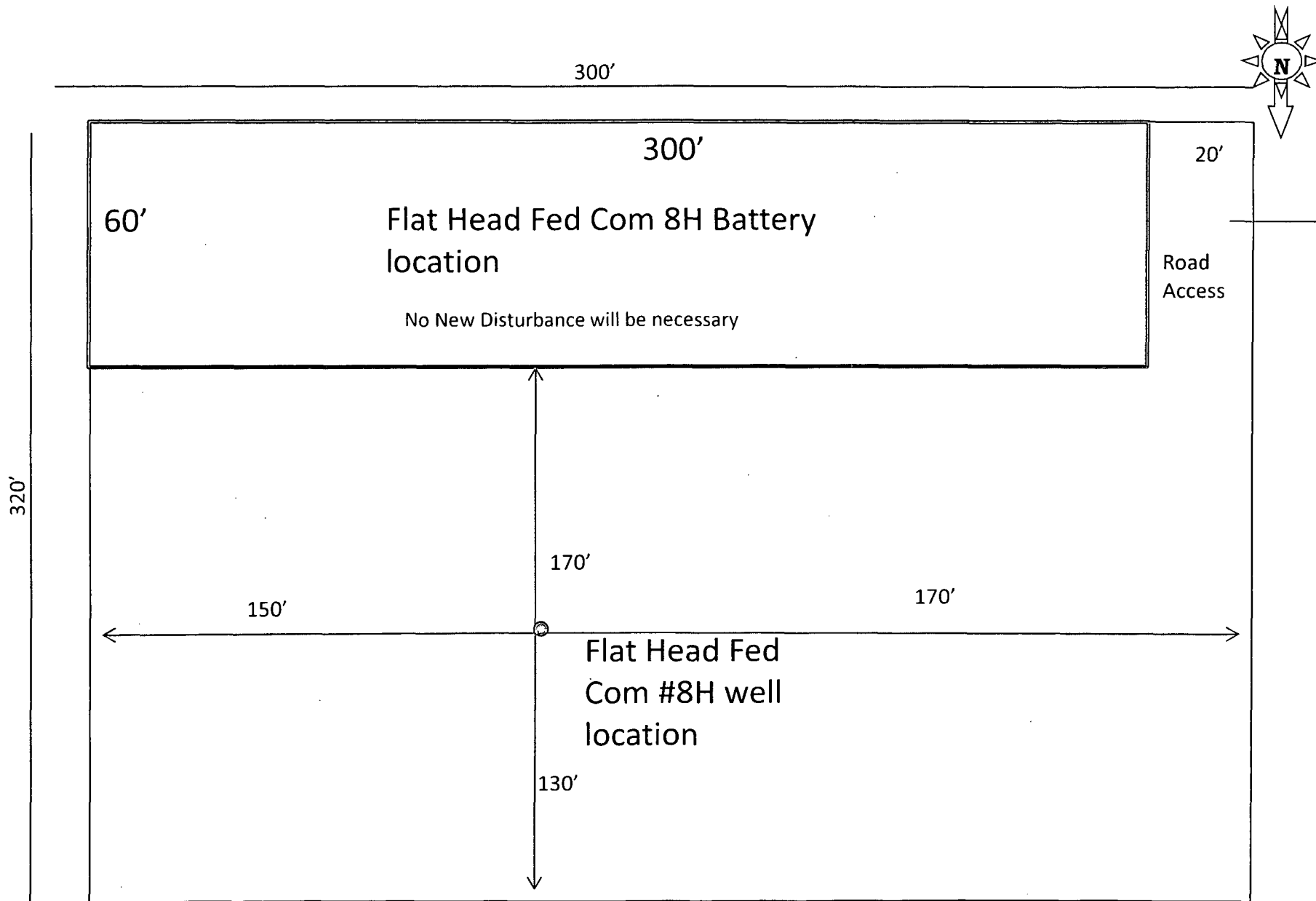
PROSPERITY CONSULTANTS, LLC



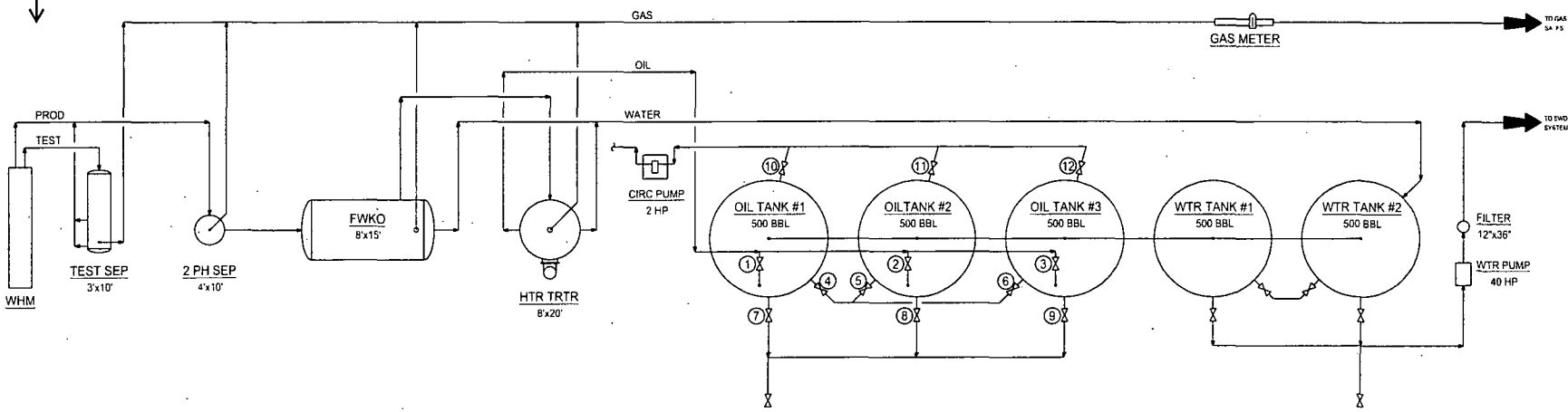
2251 Double Creek Drive, Suite 602, Round Rock, Texas 78664

o (512) 992-2087 f (512) 251-2518

SCALE: 1" = 100'
DATE: 6/20/13
SURVEYED BY: GB/SM
DRAWN BY: DR
APPROVED BY: LWB
SHEET : 1 OF 1



North



- Production Phase - Oil Tank #1**
- Valve 1 open
 - Valves 2 and 3 closed
 - Valves 4, 5, and 6 open
 - Valves 7, 8, and 9 closed
 - Valves 10, 11, and 12 closed

- Sales Phase - Oil Tank #1**
- Valve 1 closed
 - Valves 2 or 3 open
 - Valve 4 closed
 - Valves 5 and 6 open
 - Valve 7 open
 - Valves 8 and 9 closed
 - Valves 10, 11, and 12 closed

NOTES:

Flat Head Fed Com 8H Federal Tank Battery

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REFERENCE DRAWINGS	
NO.	TITLE

COG OPERATING LLC
600 WEST ILLINOIS AVENUE
MIDLAND, TEXAS 79701

REVISIONS		BY		CHK.		APP.		DATE	
NO.	DATE	DESCRIPTION		BY	CHK.	APP.	DATE		
A	06/01/12	ISSUE FOR SITE PERMITTING		CHB			06/01/12		

CONCHO

NEW MEXICO SHELF ASSET
PRODUCTION FACILITIES
SITE FACILITY DIAGRAM
STANDARD TANK BATTERY "A"

COO COUNTY
TOWNSHIP/RANGE
MULTIPLE

DWG NO. D-1700-B1-005
REV A