

KENSON OPERATING COMPANY, INC.

ATTACHMENT

HYDROGEN SULFIDE DRILLING OPERATIONS 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 person 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 the Public Protection Plan.

There will be an initial training session just prior to encountering a known or probably 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.

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 with electronic igniter or continuous pilot.
 - B. Choke manifold with a minimum of one remote choke.
 - C. Blind rams and pipe rams to accommodate all pipe sizes with properly sized closing unit.
 - D. Auxiliary equipment to include: annular preventer, mud-gas separator, rotating head, and flare gun with flares.

2. Protective Equipment for Essential Personnel:
 - A. Mark II Surviveair 30-minute units located in the doghouse and at briefing areas, as indicated on well site diagram.

3. H2S Detection and Monitoring Equipment:
 - A. Two 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.
 - B. One portable SO2 monitor positioned near flare line.

4. Visual Warning Systems:
 - A. Wind direction indicators as shown on well site diagram.
 - B. 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.

5. Mud Program:
 - A. The mud program has been designed to minimize the volume of H2S circulated to the surface. Proper mud weight, safe drilling practices, and the use of H2S scavengers will minimize hazards when penetrating H2S bearing zones.
 - B. A mud-gas separator and an H2S gas buster will be utilized.

6. Metallurgy:
 - A. All drill strings, casings, tubing, wellhead, blowout preventors, 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 two-way radio.
- B. Land line (telephone) communications at field 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.