

H2S - 58

H₂S
CONTINGENCY
PLAN

2/1/2013

AGAVE ENERGY COMPANY

105 South Fourth Street

Artesia, New Mexico 88210

(575) 748-4555

Fax (575) 748-4275

February 7, 2013

Oil Conservation Division
Environmental Bureau
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Agave Energy Company
H2S Contingency Plan Revisions

To Carl Chavez:

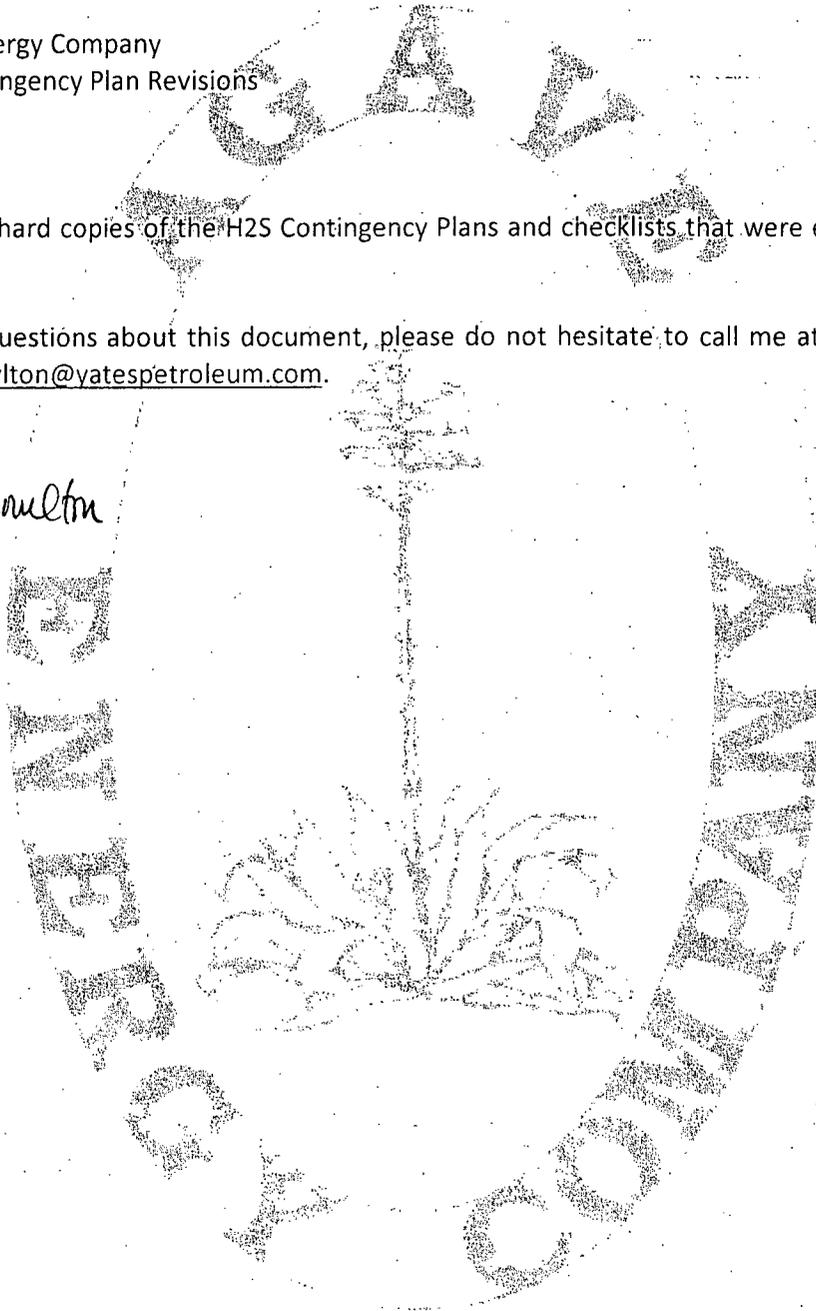
Attached are the hard copies of the H2S Contingency Plans and checklists that were emailed to you on February 7, 2013.

If you have any questions about this document, please do not hesitate to call me at 575-748-4471 or email me at jknowlton@yatespetroleum.com.

Sincerely,



Jennifer Knowlton



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**OIL CONSERVATION DIVISION
H2S CONTINGENCY PLAN REQUIRED BY OCD RULE 19.15.11 NMAC**

Operator Name: Agave Energy Company
 Facility Name: Penasco Compressor Station (CP-058)
 Date: 2/7/2013

| Contingency Plan Requirements Checklist | | | |
|---|----------------------------------|----------------------------|--|
| 19.15.11.9.B NMAC Requirement | Requirement | Section/Page Number | Notes |
| Emergency Procedures | | | |
| Responsibilities & duties of personnel during emergency | 19.15.11.9.B.2.a and RP-55 7.4 a | IV.A Page 6 | |
| Immediate action plan | 19.15.11.9.B.2.a and RP-55 7.4 a | IV.B Page 7 | |
| Evacuation and shelter in place plans | 19.15.11.9.B.2.a and RP-55 7.4 a | IV.B.3.b Page 7 | |
| Telephone numbers of emergency responders | 19.15.11.9.B.2.a and RP-55 7.4 a | IV.C.1 Page 8 | Agave is not trained in firefighting beyond insipient fire fighting nor are Agave personnel required to be trained. Personnel are trained to call local fire departments. Thus the emergency numbers are provided in the plan. |
| Telephone numbers of public agencies | 19.15.11.9.B.2.a and RP-55 7.4 a | IV.C.2 Page 8 | |
| Telephone numbers of local government | 19.15.11.9.B.2.a and RP-55 7.4 a | IV.C.2 Page 8 | |

| Contingency Plan Requirements Checklist | | | |
|---|-----------------------------------|--|--|
| 19.15.11.9.B NMAC Requirement | Requirement | Section/Page Number | Notes |
| Telephone numbers of appropriate public authorities | 19.15.11.9.B.2.a and RP-55 7.4 a | IV.C.2 Page 8 | |
| Location of potentially affected public areas Also see 19.15.11.12.B & D | 19.15.11.9.B.2.a and RP-55 7.4 a | IV.C.4 Map C-1 Page 9, 26 | Note that there are no public areas or public roads within the ROE |
| Location of potentially affected public roads | 19.15.11.9.B.2.a and RP-55 7.4 a | Map C-1 Page 9, 26 | Note that there are no public entities within the ROE. |
| Proposed evacuation routes, with locations of road blocks | 19.15.11.9.B.2.a and RP-55 7.4 a | IV.E Map A-2 Page 10,22 | Potential road block are indicated even though they are unnecessary. This is because Agave has the road blocks in place for the Dagger Draw Gas Plant. |
| Procedures for notifying the public | 19.15.11.9.B.2.a and RP-55 7.4 a | IV.B.3.a Page 7 | Note that there are no public entities within the ROE. |
| Availability and location of safety equipment and supplies Also see 19.15.11.12.C | 19.15.11.9.B.2.a and RP-55 7.4 a | IV.E and IV.F.2 and IV.F.8 IV. Map 1 Page 9, 10,16 | Map A-1 indicates wind sock and fire extinguisher location. Neither the rule nor AP55 state that THIS particular map needs to be to scale. |
| Characteristics of hydrogen sulfide and sulfur dioxide | | | |
| Discussion of characteristics | 19.15.11.9.B(2)(b) and RP-55 7.4b | V.A Page 11 | |
| Maps and Drawings | | | |
| Area of exposure | 19.15.11.9.B.2.c and RP-55 7.4 c | V.C Appendix C Page 12,13,26 | Note that map has been reformatted and the scale made more prominent. |
| Public areas within area of exposure | 19.15.11.9.B.2.c and RP-55 7.4 c | V.C Appendix C Page 12,13,26 | Note that there are no public areas within ROE |

| Contingency Plan Requirements Checklist | | | |
|--|----------------------------------|------------------------------------|--|
| 19.15.11.9.B NMAC Requirement | Requirement | Section/Page Number | Notes |
| Public roads within area of exposure | 19.15.11.9.B.2.c and RP-55 7.4 c | V.C Appendix C Page 12,13,26 | Note that there are no public roads within ROE |
| Training and Drills | | | |
| Training of personnel to include responsibilities, duties, hazards, detection, personal protection and contingency procedure | 19.15.11.9.B.2.d and RP-55 7.4d | VII.A. Page 14 | 19.15.11.9.B.2.d "include training in the responsibilities and duties of essential personnel. ." The rule does not specify that the type and details of training be included in the plan, just that training be included. This is also reflected in RP-55. Agave takes the H2S education of its personnel very seriously and will train and educate its personnel per Agave's internal matrix. |
| Periodic drills or exercises that simulate a release | 19.15.11.9.B.2.d and RP-55 7.4d | VII.B Page 14 | 19.15.11.9.B.2.d " periodic on-site or classroom drills OR exercises that stmluate a release". The regulation does not require both tabletop and a simulation. This is also reflected in AP-55 |
| Documentation of training, drills, & attendance | 19.15.11.9.B.2.d and RP-55 7.4d | VII.D Page 14 | |
| Training of residents on protective measures | 19.15.11.9.B.2.d and RP-55 7.4d | VII.C Page 14 | |
| Briefing of public officials on evacuation or shelter-in-place plans | 19.15.11.9.B.2.d and RP-55 7.4d | VII.E Page 15 | |
| Coordination with state emergency plans | | | |
| How emergency response actions will coordinate with OCD and the state police response plans | 19.15.9.B.2.e | VIII Page 14 | |

| Contingency Plan Requirements Checklist | | | |
|--|--------------------------------|----------------------------|---|
| 19.15.11.9.B NMAC Requirement | Requirement | Section/Page Number | Notes |
| Activation Levels | | | |
| Activation Levels and description of events which may lead to a release in excess of activation level | 19.15.11.9.B.2.f | IX.A and IX.B Page 15 | Plan will be activated at 10ppm. Agave recognizes that this is less than the 100ppm required by OCD, but there is nothing in the regulation or the RP-55 which prohibits Agave from activating the plan at an H2S level which protects its employees as well. |
| Plan Activation | | | |
| Commitment to activate contingency plan whenever H2S concentration of more that 100 ppm in a public area or 500 ppm at a public road | 19.15.11.9.C and RP-55 7.4d | IX.A and IX.B Page 15 | |
| Commitment to activate contingency plan whenever H2S concentration of more that 100 ppm 3000 feet from the site of release | 19.15.11.9.C and RP-55 7.4d | IX.A and IX.B Page 15 | |

H₂S Contingency Plan

Penasco Compressor Station



Agave Energy Company

105 South 4th Street
Artesia, NM 88210
(575-748-4555)
February 1, 2013

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MAPS AND FIGURES

Map 1: Penasco Compressor Station Location

Map 2: General Diagram of Penasco Compressor Station

Figure 1: Station Photos

APPENDICES

Appendix A – Facility Maps and Drawings

Map A-1: Facility Map

Map A-2: Evacuation Route

Map A-3: Monitors and Alarms

Appendix B – Response Flow Diagram

Appendix C – ROE Calculations

Map C-1: Facility ROE

Appendix D – Muster Area and Evacuation Route

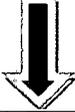
Map D-1: Muster Area and Evacuation Route

Map D-2: Potential Road Block Locations

Appendix E – Distribution List

OPERATOR QUICK REFERENCE GUIDE
Penasco Compressor Station
Response

**Personal H₂S Monitor Detected
Greater than 10 ppm H₂S
Intermittent Audible Alarm and
flashing
Red light**



- **Evacuate to Emergency Assembly Area**
- **Evacuate visitors from station to designated Muster Area**
- **Notify Agave Management**
- **Notify qualified operators to shut in station without entering ROE**
- **Notify all entities in the 500 ppm ROE**
- **After shut in - attempt to locate and repair leak**
- **All other entities (including private residents) within the 100 ppm radius of impact (ROE)**



**CALL 911 for
death or Injury
for emergency
assistance**

Location of Facilities

Penasco Compressor Station Location

Section 26, Township 18S, Range 25E, Eddy County- Go south of Artesia, NM on Highway 285 approximately 9.2 miles to Kincaid Road (County Road 38) then turn right (west) on Pipeline Road about 3.0 miles to the Agave Dagger Draw Plant. The compressor station is west of the plant.

Emergency Trailer – Atoka Facility Location

From Artesia, drive south on Highway 285 to County Road 39. Turn east and drive approximately 2 miles. The facility is on the south side of the road in NW/NE Sec 14 18S 26 E. The trailer can serve as a Mobile Resource Center or Incident Command Center.

I. Introduction

[API RP-55 7.1]

The Penasco Compressor Station is a natural gas compressor station which handles sour field gas that contains hydrogen sulfide (H₂S). This H₂S contingency Plan was created to outline procedures that are to be followed in the event of an H₂S Release that could occur at the station, or on the sour gas pipeline. The response plan is the same regardless of where the release takes place. This plan complies with the *New Mexico Oil Conservation Division (OCD) Rule 11*. The plan and operation of the Penasco Compressor Station also conforms to standards set forth in *API RP-55 "Recommended Practices for Oil and Gas Producing and Gas Processing Plant Operations Involving Hydrogen Sulfide"* as well as *API RP-49 "Recommended Practice for Drilling and Well Servicing Operations Involving Hydrogen Sulfide."* The Penasco Compressor Station does have storage tanks in which sour condensate is stored, and thus, API regulations and OCD regulations (specifically 19.15.11.12.E NMAC) relative to those types of storage are applicable for this station. While there are no known residences or businesses within the 100 ppm radius of exposure (ROE) other than the Penasco Compressor Station, Agave has committed to provide notice to nearby property owners outside of the ROE if necessary as detailed in Section IV.B in the case of an unintended release.

II. Scope

[API RP-55 7.2]

This contingency plan is specific to the Penasco Compressor Station. This plan contains procedures to provide an organized response to an unplanned release from the station and the connected pipeline. It outlines procedures that would be followed to alert and protect any members of the public, residents in surrounding areas and/or contractors working on or around the Station in the event of an unplanned release. All operations shall be performed with safety as the primary goal. Any part of the operation that might compromise the safety of personnel will cease until the operation can be re-evaluated and the proper engineering controls implemented.

III. Plan Availability

[API RP-55 7.3]

This contingency plan shall be available to all personnel responsible for implementing any portion of the plan. Copies of the plan will be distributed to the following agencies: New Mexico Oil Conservation Division (OCD), New Mexico Department of Public Safety, Local Emergency Planning Committee (LEPC), Artesia Fire Department and Eddy County Sheriff's Department. The Plan will be available at the following Agave Energy Company locations: Artesia Field Office, Emergency Response Trailer at Atoka (Map 1) and the Agave Main Office in Artesia.

IV. Emergency Procedures

[NMAC 19.15.11.9.B(2)(a)] [API RP-55 7.4 a] [29 CFR 1910.1200]

A. Responsibilities and Duties of Personnel during an Emergency

1. Area Foreman or designee will serve as the Incident Commander (IC); is responsible for training operators assigned to the station, contractors and visitors on the implementation of this plan; and will maintain communication with Agave management and residents within the radius of exposure (ROE).
2. Area Foreman or designee will serve as the Incident Commander (IC) in the absence of the Area Foreman; is responsible for training and supervising station operators on the implementation of this plan, will maintain accountability of all contractors and visitors; and will maintain communication with the Area Foreman and Agave management.

3. Field personal will perform operations in accordance with this safety plan; assist in the accountability and evacuation of visitors and contractors to designated muster areas; and keep the Area Foreman and manager informed on the repair progress.
4. Essential Agave Personnel will be familiar with the procedures in this plan and assist station operators in assisting with the implementation of this plan in a safe manner.
5. Visitors and contractors on site will be familiar with safety alarms; and adhere to instructions of Area Foreman and other Agave personnel in evacuation of the facilities.

B. Immediate Action Plan

The following outlines the immediate action plan that is illustrated by the response Flow diagram in Appendix B. This is to be used when responding to an H₂S release. The Response level is the same for a release at any point or concentration. Additional or long term response actions will be determined on a case-by-case basis, if needed, once the Incident Command Center (ICC) and System (ICS) are established following the immediate response.

1. If H₂S is at 10 ppm or greater, worst case scenario, and/or catastrophic release have occurred, then the following response will be implemented.
2. Road blocks will be set up near the Muster Area on the intersection of the lease road and Pipeline (see Appendix D).
3. All personnel shall have evacuated to a designated Muster Areas. Evacuation of all entities within the 500 ppm radius of impact (ROE) will have been confirmed. Implement full H₂S Plan does not require public comment. Notifications to all entities within the 100 ppm radius of impact (ROE) will include the nature of the release and status of containment. Notifications will include but are not limited to the following:
 - a) All businesses within the 100 ppm radius of impact (ROE) will be instructed to immediately alert all company personnel, third party contractors and/or services companies working in the area, and those imminently scheduled to work in the area, of the release and evacuation status of the Station. They will be instructed to immediately leave and/or not enter/reenter the area within the roadblocks until further instruction.
 - b) All other entities (including private residents) within the 100 ppm radius of impact (ROE) will be instructed to immediately shelter in place, if appropriate based on the source of the release and the wind direction. Those entities will be instructed to close any windows and shut off any air conditioning/heating until further notice. In addition, they will be instructed to contact other employees/residents not currently present to not enter/reenter the area until further instruction.
 - c) The Incident Commander (IC) will make the decision based on, but not limited to, H₂S concentration and wind direction, whether a safe evacuation can be implemented, and recommend an evacuation route.

It should be noted that at the time of submission of this plan there are no known occupants, businesses or residences within the 100 ppm ROE; however, Agave personnel will make a visual inspection of the ROE area to insure that no individuals are seen inside the ROE, and if any are observed, they will be advised to immediately evacuate to the designated Muster Area, described above.

4. If escaping vapors have ignited, the vapors should be allowed to continue to burn unless the fire endangers personnel, other property, or other equipment.
5. When applicable, maintain communication with the Area Foreman, or his designee, to keep him up-to-date of the situation and the action taken prior to his arrival at the location.
6. Initiate and maintain a Chronological Record of Events log.

- 7. Within one hour after the activation of the H2S Plan, begin agency notifications by calling Oil Conservation Division (OCD) and National Response Center (NRC) if necessary.
- 8. Establish media staging area adjacent to Muster Area and direct all media to it if necessary.
- 9. Once resolved and monitored levels in the Plant and at Muster Area are less than 10 ppm, roadblocks will be removed, and all entities within the 100 ppm radius of impact (ROE) will be allowed to return. All entities previously notified will be informed that the release has been resolved and advised of the current monitored H2S levels.
- 10. Monitoring will continue after problems are abated, at the direction of the Area Foreman.
- 11. Agency reports to be submitted as required.

C. Telephone Numbers and Communication Methods

1. Emergency Services

| AGENCY | TELEPHONE # |
|---------------------------|--------------------|
| Artesia Fire Department | (575) 946-5050 |
| Eddy County Sheriff | (575) 887-7551 |
| State Police (HMER) | |
| District 3 Roswell | (575) 827-9312 |
| Sub District 3 Carlsbad | (575) 885-3138 |
| Sub District 3 Hobbs | (575) 827-9320 |
| Ambulance Services | |
| Artesia | (575) 746-5050 |
| Carlsbad | (575) 885-2111 |
| Hospitals | |
| Artesia General | (575) 748-3333 |
| Carlsbad Medical Center | (575) 887-4100 |
| Veterinarians | |
| Artesia Animal Clinic | (575) 748-2042 |
| Livingston Animal Clinic | (575) 746-6167 |
| Helicopter Services | |
| Lifeguard (Albuquerque) | 1-800-633-5438 |
| Southwest Medivac (Hobbs) | 1-800-242-6199 |
| AeroCare (Lubbock) | 1-800-627-2376 |
| Air Med (El Paso) | (915) 772-1449 |

2. Government Agencies

| AGENCY | TELEPHONE # |
|---|--------------------|
| Oil Conservation Division (OCD) | (505) 476-3440 |
| US BLM | (575) 887-6544 |
| Local Emergency Planning Committee (LEPC) | (575) 887-9511 |
| National Response Center (NRC) | 1-800-424-8802 |

3. Operators and Contractors

| COMPANY | TELEPHONE # |
|-------------------------------------|----------------|
| CVE | (575) 746-3571 |
| PVT | (575) 748-1241 |
| DCP Midstream | (800) 435-1679 |
| Chevron/West Texas Pipeline Company | (800) 762-3404 |
| Transwestern Pipeline | (281) 714-2265 |
| Yates Petroleum Corporation | (575) 748-1471 |

4. Public (None)

5. Agave Internal Call List

| NAME | TITLE | Office # | Cell # |
|-------------------|--------------------------------|----------------|----------------|
| J.B. Smith | President | (575) 748-4414 | (575) 365-8517 |
| Rusty Nasta | Operations Manager | (575) 748-4523 | (575) 626-7971 |
| Ivan Villa | Engineering Manager | (575) 748-4528 | (575) 365-4888 |
| Jennifer Knowlton | Environmental Manager | (575) 748-4528 | (505) 238-3588 |
| Robert Moorhead | South Mechanical Supervisor | (575) 748-6815 | (575) 365-4840 |
| Gary Greenwood | Plant Manager | (575) 748-8414 | (575) 365-6794 |
| Mark Smith | PSM Coordinator/Plant Operator | (575) 748-8410 | (575) 365-5053 |
| Rubin Molina | Safety Engineer | (575) 748-4447 | (575) 513-9448 |
| Bill Johnson | South Measurement Supervisor | (575) 748-6816 | (575) 365-4615 |
| Jason Fuentes | South Pipeline Supervisor | (575) 748-4518 | (575) 365-8939 |

6. Agave Energy Company will use 2-way radios and telephones to communicate internally. Telephone will be used for external communication. Land lines and high speed internet access are available at the plant office.

D. Location of Nearby Residences, Roads, and Medical Facilities

1. The following residences are located within the ROE of the:
 - a) Station -- None
2. The following roads are located within the ROE:
 - a) None
3. There are no medical facilities located within the ROE.
4. It should be noted that at the time of submission of this plan there are no known occupants, businesses or residences within the 100 ppm ROE; however, Agave personnel will make a visual inspection of the ROE area to insure that no individuals are seen inside the ROE, and if any are observed, they will be advised to immediately evacuate to the designated Muster Area, described above.

E. Evacuation Routes, Emergency Assembly Area, Muster Areas, and Road Block Locations

1. Evacuation Routes, Emergency Assembly Area, and Muster Areas are depicted on Appendix D.
2. Pre-planned road block location is designated near the muster area on the lease road just off Pipeline Road depicted on Map D-2 in Appendix D. The location will have pre-positioned, portable road barriers with lights. The location will have flashing lights and warning signs. If the release is

sufficient to require evacuation to muster areas, then roadblocks near the muster areas on the lease road of the facility, respectively, will be established. The Incident Commander (IC) will designate a representative to staff the roadblock. If deemed necessary by the Incident Commander (IC), the State or Local Police will be asked to assist with maintaining the roadblocks.

3. Emergency lights on the Muster Area signs will be activated by any perimeter alarm of 10 ppm or greater H₂S or Level III activation.

F. Monitoring Equipment, Alarm Systems, Safety Equipment, and Supplies Available

1. GAS DETECTION EQUIPMENT: Each individual is assigned a personal H₂S monitor. The handheld gas detection devices are Industrial Scientific ITX 3-gas detectors. The personal monitors are set to alarm (beep) at 10 ppm with the beeps becoming closer together as the H₂S concentration increases to 20 ppm.

2. FIRE FIGHTING EQUIPMENT: Agave personnel are trained only for insipient stage firefighting. Fire extinguishers are located in the compressor buildings and company vehicles and are typically a 20# ABC dry chemical fire extinguisher. See Appendix A, Map A-1. The Station does not have a fire water system.

3. EMERGENCY RESPONSE TRAILER AND EQUIPMENT: Agave Energy Company has an Emergency Response Trailer located at the Atoka Facility (Map 1). This is located outside all radii of exposure (ROE) from the facility. The trailer can serve as a mobile resource center or Incident Command Center.

4. EMERGENCY RESPONSE TRAILER CONTENTS

- 2 wind socks / wind direction indicators w/poles & spares
- 1 – 110 volt generator, portable w/wheels
- 4 5-gas sensor ambient monitors (O₂, SO₂, LEL, CO, H₂S) with automatic air pumps (15 sec per foot) and data logging capability
- 1 calibration unit for monitors
- 5 intrinsically safe communication radios & chargers, 32 channel with capability to be programmed to fire service and police channels
- 4 20# stored pressure, ABC class Fire Extinguishers
- 4 4500 Grade D breathing air cylinders, regulator, low pressure alarm, and hose reel w/ 300 ft hose (total) and correct quick disconnects.
- 1 stretcher
- 1 20-person First Aid Kit with burn gel packets
- 4 30-minute SCBA's
- 4 work unit SCBA's
- 2 lights, mounted on each rear of trailer for night operations
- 2 hand cleaner for decontamination of petroleum products.
- 3 traffic Control Kits
- 1 emergency flare gun for lighting uncontrollable hazardous gases
- 2 full body harness and 150' X 2 lifelines
- 2 "Hazardous Area" "Do Not Enter" signs / barricades
- 2 burn gel blankets
- 1 set of maps and Emergency Response Plans
- 4 temporary use Nomex Fire retardant clothing (2-LG & 2-XLG)

5. TRAFFIC CONTROL KIT CONTENTS

- 3 electronic road flares
- 1 28" stop sign paddle
- 4 reflective traffic control vests
- 2 emergency signal wands
- 1 emergency Response Guidebook

6. FIRST AID EQUIPMENT LOCATIONS:

All Field Offices are equipped with first aid kits and fire extinguishers.
 All company vehicles are equipped with a first aid kit and fire extinguisher.

7. PERSONAL H₂S MONITORS:

All Agave field and associated personnel are issued personal H₂S monitors.

8. SIGNS and MARKERS:

The Station has warning signs indicating the presence of "H₂S/Poisonous Gas" and high pressure gas at the entrance. Emergency response phone numbers are also posted.

V. Characteristics of Hydrogen Sulfide (H₂S) and Sulfur Dioxide (SO₂)
[NMAC 19.15.11.9.B(2)(b)] [API RP-55 7.4 b.]

A. Hydrogen Sulfide (H₂S): Hydrogen Sulfide (H₂S): The proposed inlet gas streams into the Station will contain a maximum of 9,530 ppm (or 0.95 mole percent) of hydrogen sulfide based on data generated from the sampling of the inlet gas at least daily. Hydrogen sulfide is a colorless, toxic and flammable gas, and has the odor of rotten eggs. Hydrogen sulfide gas is heavier than air. Hydrogen sulfide presents a significant health hazard by paralyzing the respiratory system resulting in serious injury or death.

| | |
|--------------------------------|--|
| Appearance and state: | Colorless gas |
| Odor: Rotten Egg Odor. | The sense of smell is paralyzed at approximately 100ppm. |
| Odor Threshold: | 0.05 ppm |
| Flash Point: | Flammable Gas |
| Auto Ignition: | 260°C |
| Lower Explosive Limit (%): | 4.3% |
| Upper Explosive Limit (%): | 45.0% |
| Boiling Point: | -60.4°C |
| Melting Point: | -85.5°C |
| Vapor Pressure: | 1875 kPa @ 20 °C |
| Vapor Density (Air = 1): | 1.19 |
| Specific Gravity: | Not available |
| Solubility (H ₂ O): | Soluble in water |
| Percent Volatiles: | Not available |
| pH | Not available |
| Evaporation Rate: | Variable |
| Octanol/Water Coefficient: | Not available |

POTENTIAL HEALTH EFFECTS

Acute effects: At high concentrations (500 - 1000 ppm), hydrogen sulfide acts as a systemic poison, causing unconsciousness and death. In lower concentrations (50 – 500 ppm), hydrogen sulfide acts as a respiratory irritant, and may cause fluid in the lungs or bronchial pneumonia. The rotten egg odor of hydrogen sulfide is not a reliable indicator for warning of exposure, since olfactory fatigue (loss of smell) readily occurs, especially at concentrations above 50 ppm. If rapidly escaping gas comes in contact with skin this product may result in frostbite and dermatitis.

Chronic effects: Chronic exposure to hydrogen sulfide of 50 ppm or greater may include bronchitis and inflammation of the mucous membrane of the respiratory system. At 250 ppm hydrogen sulfide, chronic effects may include bronchial pneumonia and pulmonary edema.

Sensitization: Not available.

Mutagenicity: Not mutagenic.

Reproductive effects: Not known to cause reproductive effects.

Carcinogenicity: Ingredients are not identified as carcinogens by IARC, NTP or ACGIH.

Target organs: Eyes, respiratory system, central nervous system (CNS).

B. Sulfur Dioxide (SO₂): Sulfur dioxide is produced as a by-product of H₂S combustion at the flare. The flare unit receives the residual hydrogen sulfide and carbon dioxide stream that is routed from the amine unit. It is colorless, transparent, and is non-flammable, with a pungent odor associated with burning sulfur. Sulfur dioxide is heavier than air, but will be picked up by a breeze and carried downwind at elevated temperatures. Sulfur dioxide can be extremely irritating to the eyes and mucous membranes of the upper respiratory tract

| | |
|-------------------------------------|-------------------------------|
| Appearance and state: | Colorless Gas |
| Odor: | Faint Sweetish Odor. |
| Odor Threshold: | 0.35-5 ppm |
| Flash Point: | Non-Flammable Gas |
| Auto Ignition: | Non-Flammable |
| Lower Explosive Limit (%): | Not Available |
| Upper Explosive Limit (%): | Not Available |
| Boiling Point: | 14 ° F at 760 mm Hg |
| Melting Point: | -98.9 ° F |
| Vapor Pressure: | 2432 mm Hg at 68.0 ° F |
| Vapor Density(Air=1): | 2.26 |
| Specific Gravity: | 1.434 |
| Solubility (H₂O): | 10 % |
| Percent Volatiles: | Not Available |
| pH: | Not Available |
| Evaporation Rate: | Variable |
| Ocatanol/Water Coefficient: | Not Available |

C. Radii of Exposure (ROE)

[NMAC 19.15.11.7.K]

The basis for worst case scenario calculations is as follows:

- The hydrogen sulfide content of the inlet natural gas stream into the Penasco Compressor Station is variable, ranging upwards to 9530 parts per million (ppm) or 0.95 mole percent. In reality, the actual H₂S concentration that the plant processes will be much less than this.

- The inlet gas H₂S concentration of 0.95 mole percent was determined using a mass-balance approach.
- The Station has a maximum daily (24 hour) processing volume of 2.0 MMSCF.
- The worst case scenario radius of exposure (ROE) also assumes an uncontrolled instantaneous release from the area around any point along the pipeline connecting the compressors or referenced volume and concentration. Because the Station is a compressor facility, it is impossible that the entire 24 hour-throughput volume of the station could be released instantaneously as is assumed in the worst case scenario calculations of the ROE. However, to comply with NMAC 19.15.11, that assumption is the worst case scenario in the formulas/calculations provided here.

The formulas for calculating the two radius of exposure (ROE) are as follows:

100 ppm Radius of Exposure Calculation (as per 19 NMAC 15.11.7.K.1):

$$X = [(1.589)(\text{hydrogen sulfide concentration})(Q)]^{(0.6258)}$$

500 ppm Radius of Exposure Calculation (as per 19 NMAC 15.11.7.K.2):

$$X = [(0.4546)(\text{hydrogen sulfide concentration})(Q)]^{(0.6258)}$$

Where:

X = radius of exposure in feet

“hydrogen sulfide concentration” = the decimal equivalent of the mole or volume fraction of hydrogen sulfide in the gaseous mixture

Q = Escape rate expressed in cubic feet per day (corrected for standard conditions of 14.73 psi absolute and 60 degrees Fahrenheit)

Penasco Compressor Station

| | |
|--------------------|-----------------|
| 500 ppm ROE | 285 feet |
| 100 ppm ROE | 625 feet |

The ROE for the facility are shown on Map C-1 of Appendix C. This ROE pattern is designed to include the 100 and 500 ppm radii for a potential worst case failure at any point in the system from the facility.

VI. Facility Description, Maps, and Drawings
[NMAC 19.15.11.9.B(2)(c)] [API RP-55 7.4 c.]

Penasco Compressor Station Description of Operations

The primary function of this facility is to enable the transportation process of natural gas from one location to another. The facility is also involved in some primary treatment of natural gas via a scrubber located at the inlet feed.

VII. Training and Drills**[NMAC 19.15.11.9.B(2)(d)] [API RP-55 7.4 d]****A. Responsibilities and Duties of Essential Personnel**

Personnel responsible for implementing this plan shall be trained on their duties and responsibilities related to this plan annually

B. On-site or Classroom Drills

Agave Energy Company may use table top exercises as well as hands on emergency response training methods. Agave Energy Company shall conduct a table top exercise annually at a minimum.

C. Notification and Training of Others on Protective Measures in Emergency Situations

While at the time of submission of this plan there are no residences or businesses within the 100 ppm ROE, nearby residents who live outside of the ROE will be invited to participate in and/or observe annual drills, where they will be briefed on notification, evacuation, and shelter in place options such as closing windows and shutting off any air conditioning/heating until they are notified that it is safe.

D. Training and Attendance Documentation

All training and drills will be documented. Documentation shall include sign in sheets, synopsis of the training conducted, and an after action review of the training.

E. Briefing of Public Officials on Evacuation and Shelter in Place Plans

Local law enforcement, first responders, and fire personnel will also be invited to participate and/or observe annual drills, as well as being briefed on notification, evacuation, and shelter in place plans.

VIII. Coordination with State Emergency Plans**[NMAC 19.15.11.9.B(2)(e)]****A. Oil Conservation Division (OCD)**

Oil Conservation Division (OCD) will be notified with an automatic email to the District II office advising of the activation of the H₂S Contingency Plan if any of the alarms are activated at 10 ppm H₂S or greater. In the event of a power failure, a phone call will be made within four hours. All subsequent paperwork will be filed in a timely fashion.

B. New Mexico State Police/ New Mexico Hazardous Materials Emergency Response Plan

The New Mexico State Police are responsible for overall scene management and coordination of all resources. A designated Emergency Response Officer (ERO) will establish the National Interagency Incident Management System (NIIMS) Incident Command System (ICS) as the Incident Commander (IC) and be responsible for management of all response resources on scene. Off-scene coordination of response resources will be handled through designated Headquarters Emergency Response Officers. Law enforcement-related activities will be coordinated by State Police.

IX. Plan Activation**[NMAC 19.15.11.9.C] [API RP-55 7.4 d]****A. Activation Level**

The activation level per Section IV.B will be an H₂S detection of 10ppm or greater.

This H₂S contingency plan will be activated by any catastrophic release; fire; explosion; a continuous release of maximum volume for 24 hours; or NMAC 19.15.11: mandatory activation of indication of 100 ppm in any defined public area; 500 ppm at any public road; 100 ppm 3000 feet from the site or the release.

B. Events that Could Lead to a Release of H₂S

- Inlet and Station piping failure
- Flange/gasket leaks on inlet and station piping
- Flange/gasket leaks on the gas compressor
- Failure gas pipeline
- Valve packing
- Seal failure on gas compressor
- Failure of flare to ignite

X. Submission of H₂S Contingency Plans**[NMAC 19.15.11.9.D]****A. Submission**

Agave Energy Company will submit the H₂S Contingency Plan to the Oil Conservation Division (OCD).

B. Retention

Agave Energy Company shall maintain a copy of the contingency plan in the Main Office at 105 South 4th Street in Artesia, NM. The plan shall be readily accessible for review by the Oil Conservation Division (OCD) upon request.

C. Inventory

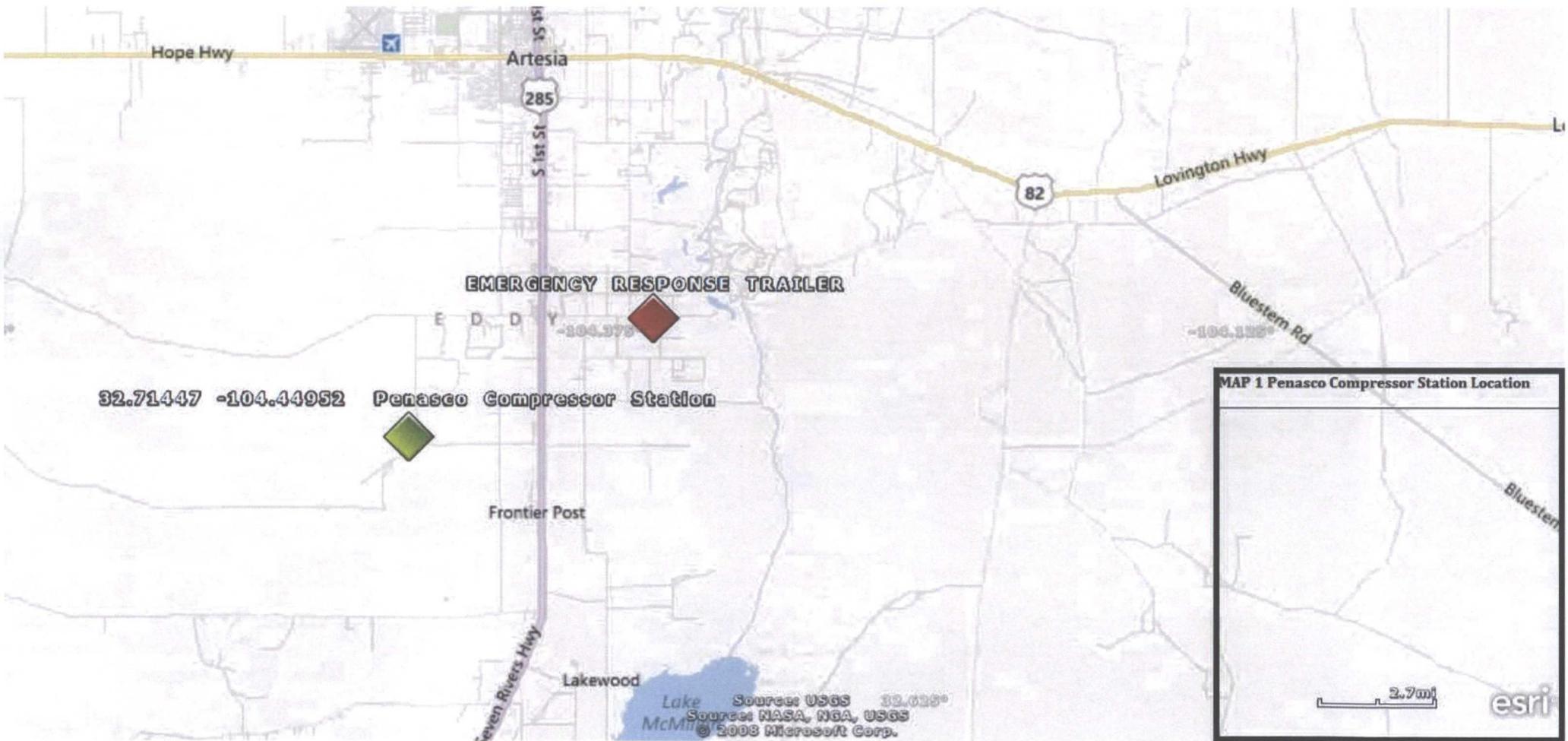
1. Agave Energy Company will file an annual inventory of wells, facilities and operations for which plans are on file with the Oil Conservation Division (OCD), to the Local Emergency Planning Committee (LEPC) and the State Emergency Response Commission as per NMAC 19.15.11.
2. The inventory shall include the name, address, telephone number, and point of contact for all operations in which plans are on file.

MAPS AND FIGURES

MAP 1: Penasco Compressor Station and emergency trailer locations

MAP 2: General Diagram of Penasco Compressor Station

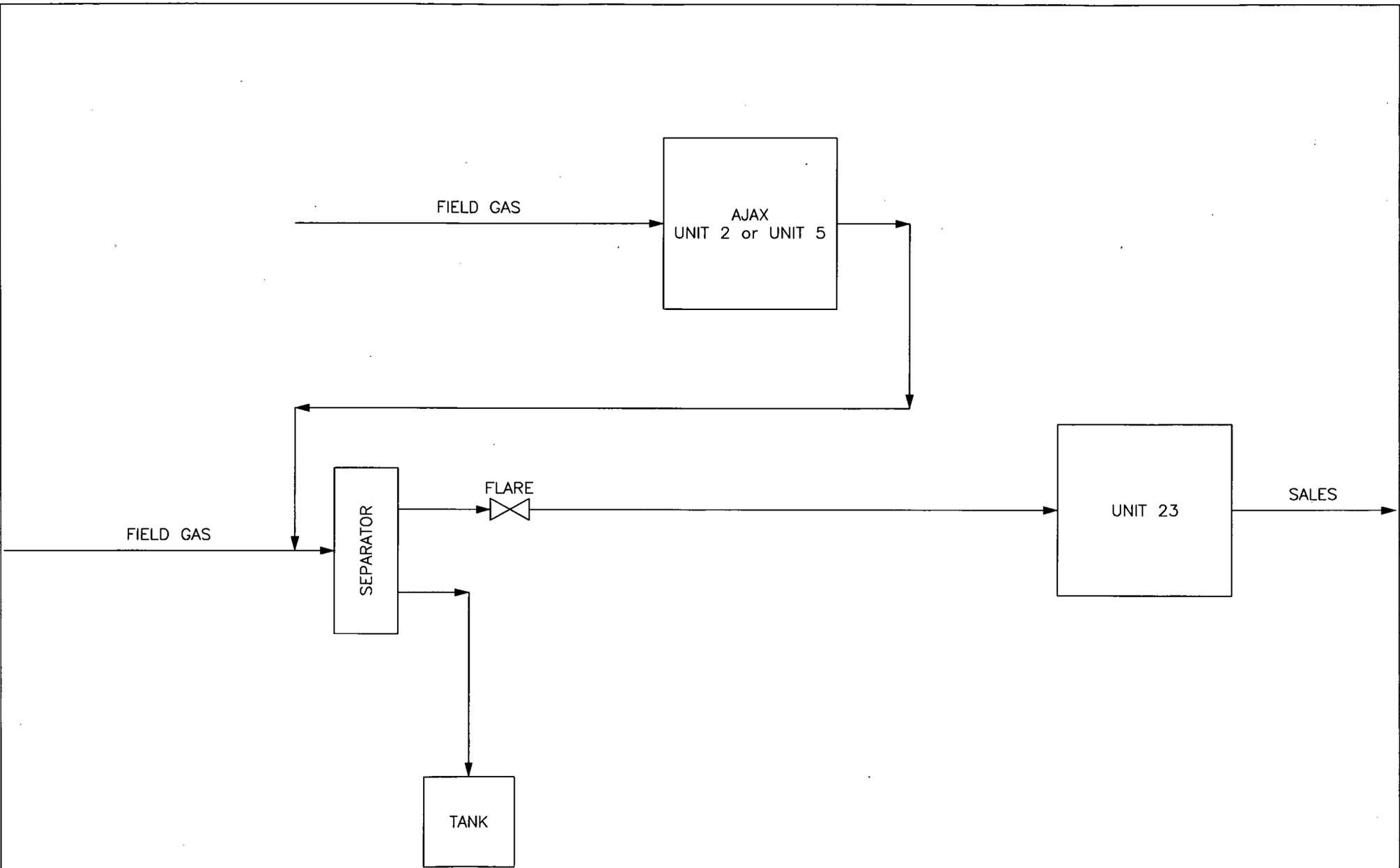
FIGURE 1: Photos of Station



MAP 1 Penasco Compressor Station Location

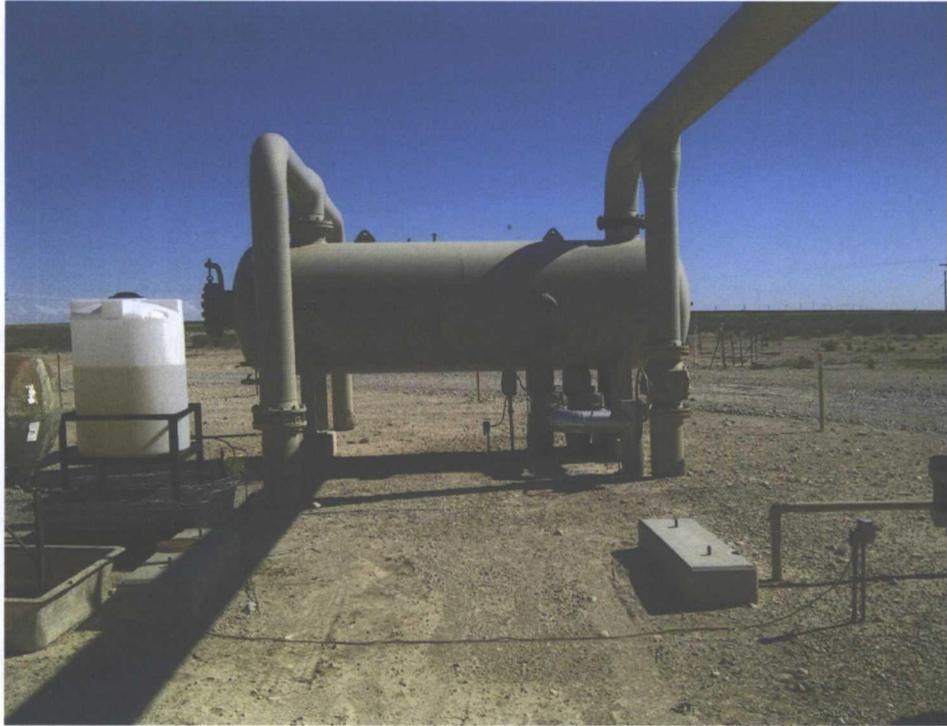
2.7mi

Source: USGS 32.628°
Source: NASA, NGA, USGS
© 2008 Microsoft Corp.



| | | | |
|--|------------------|---------------|-------|
| AGAVE ENERGY COMPANY | | | |
| 105 South Fourth Street, Artesia, New Mexico 88210 | | | |
| PENASCO FLOW DIAGRAM | | | |
| STATE: NEW MEXICO | CHK: JK | DATE: 7/17/08 | REV 0 |
| COUNTY: EDDY | DRAFTING: TWH | DATE: 7/17/08 | |
| SECTION: 26 | APPROVED: JK | DATE: 7/17/08 | |
| TOWNSHIP: 18S | SIZE: ANSI A | SCALE: NA | |
| RANGE: 25E | PRINTED: 7/17/08 | SHEET 1 OF 1 | |

FIGURE 1



South end of the Station



Tank Battery West end of the Station

APPENDIX A- Facility Maps and Drawings

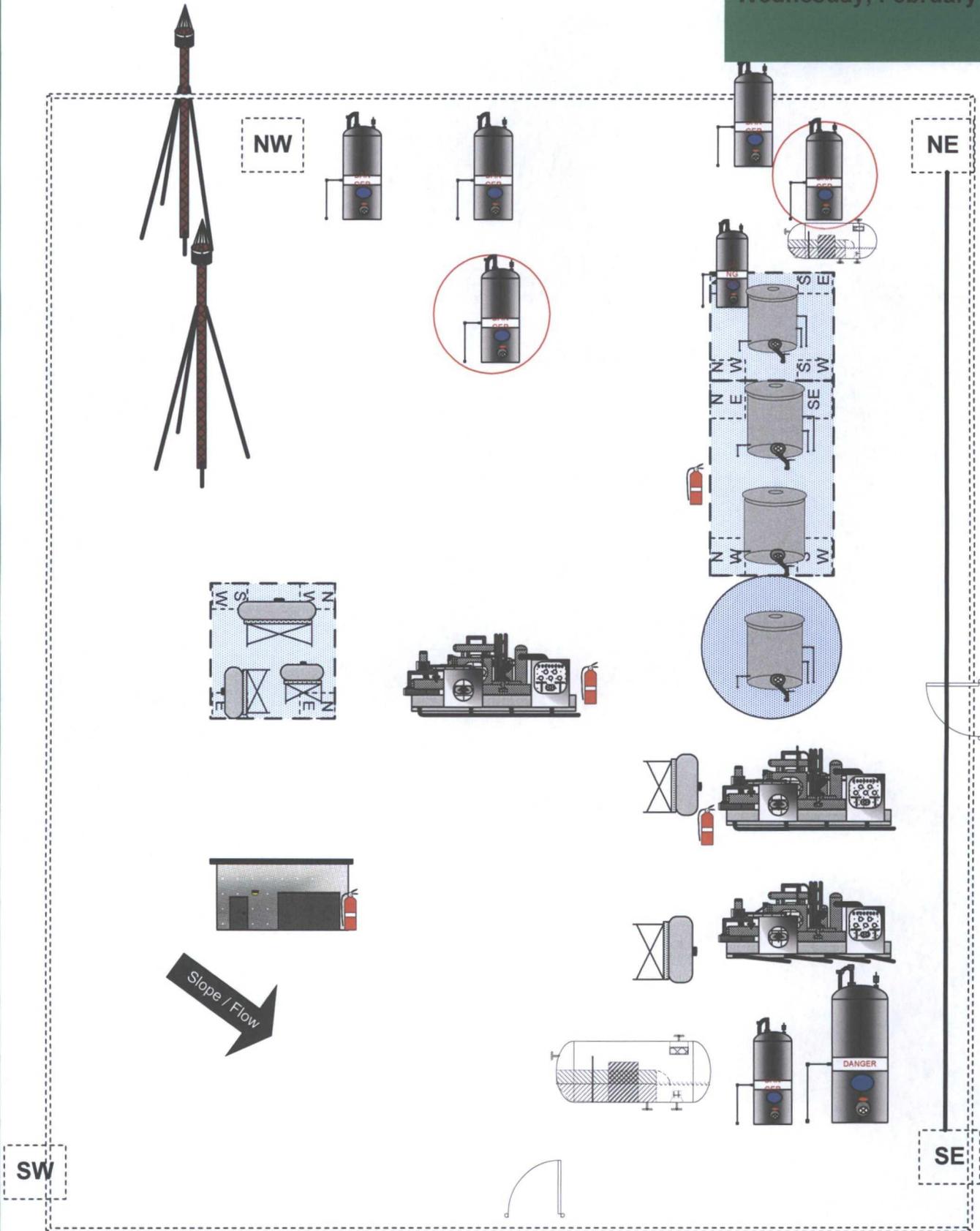
MAP A-1: Facility Map

MAP A-2: Evacuation Route



AGAVE ENERGY COMPANY

Wednesday, February 06, 2013





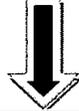
MAP A-2 Evacuation Route



Appendix B - Response Flow Diagrams

OPERATOR QUICK REFERENCE GUIDE
Penasco Compressor Station
Response

**Personal H₂S Monitor Detected
Greater than 10 ppm H₂S
Intermittent Audible Alarm and
flashing
Red light**



- **Evacuate to Emergency Assembly Area**
- **Evacuate visitors from station to designated Muster Area**
- **Notify Agave Management**
- **Notify qualified operators to shut in station without entering ROE**
- **Notify all entities in the 500 ppm ROE**
- **After shut in - attempt to locate and repair leak**
- **All other entities (including private residents) within the 100 ppm radius of impact (ROE)**



**CALL 911 for
death or Injury
for emergency
assistance**

Appendix C - Radius of Exposure Calculations

ROE Calculations

Map C-1: Radius of Exposure

APPENDIX C-RADIUS OF EXPOSURE CALCULATIONS

The basis for worst case scenario calculations is as follows:

- The escape rate (Q) is the maximum daily rate of the gaseous mixture produced or handled or the best estimate thereof. For releases inside the Penasco Compressor Station, the Company is using for contingency planning purposes an "escape rate" equal to the maximum inlet gas volume of 2000 MCFD. The (actual) inlet gas volume at the Station will be somewhat variable and is metered. The assumed 2000 MCFD inlet gas volume has been selected as the "escape rate" because it is the highest anticipated inlet volume that the Station would handle under its proposed operations and is considered worst case interpretation of the volume of gas.
- It should be noted that the plan will remain effective as long as the processed volume and H₂S content equate to the same or smaller ROE.
- Previous monitoring data indicated variable inlet concentrations of hydrogen sulfide, but concentration will not exceed 9,530 ppm or .95 mole percent.

Using:

Q = 2,000,000 scfd

H₂S conc = 9530 ppm or .92 mole%

500-ppm RADIUS OF EXPOSURE CALCULATION

$$X = [(0.4546) * (\text{H}_2\text{S concentration}) * (\text{gas volume (Q)})]^{0.6258}$$

$$X = [(0.4546) * (9,530 * .000001) * (2,000,000)]^{0.6258}$$

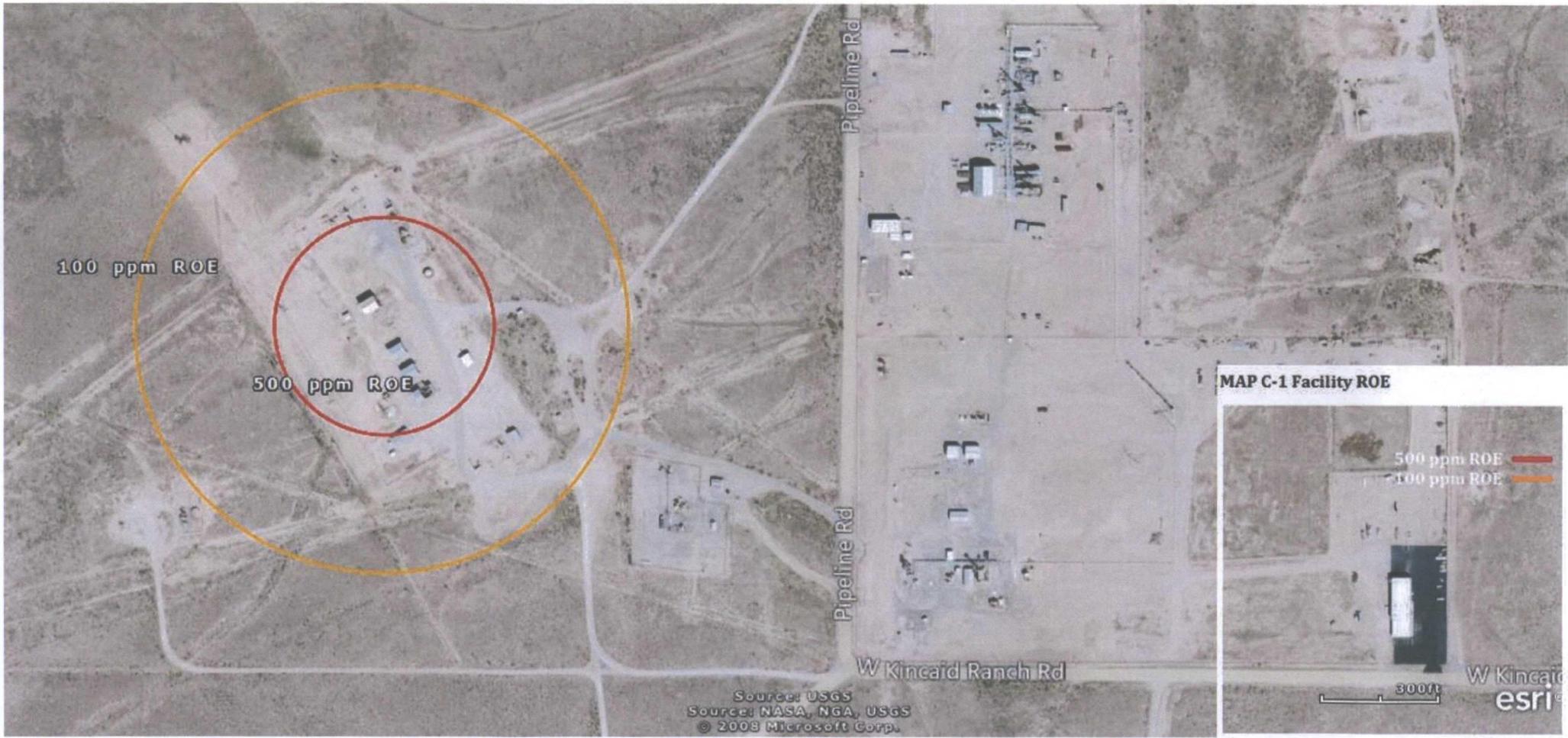
X = 285 feet = 500-ppm ROE

100-ppm RADIUS OF EXPOSURE CALCULATION

$$X = [(1.589) * (\text{H}_2\text{S concentration}) * (\text{gas volume})]^{0.6258}$$

$$X = [(1.589) * (9,530 * .000001) * (2,000,000)]^{0.6258}$$

X = 625 feet = 100-ppm ROE



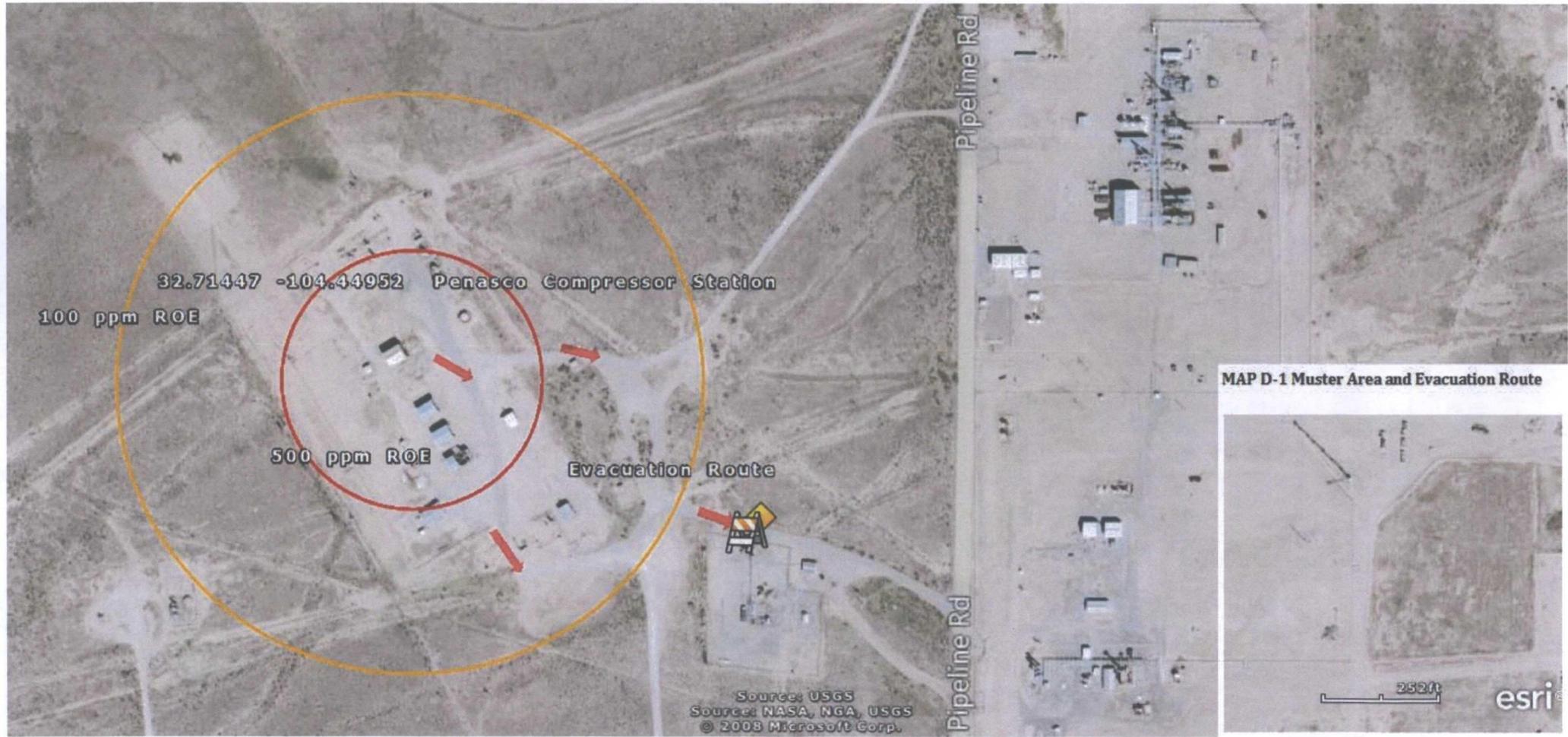
MAP C-1 Facility ROE



APPENDIX D- Muster Area and Evacuation Route

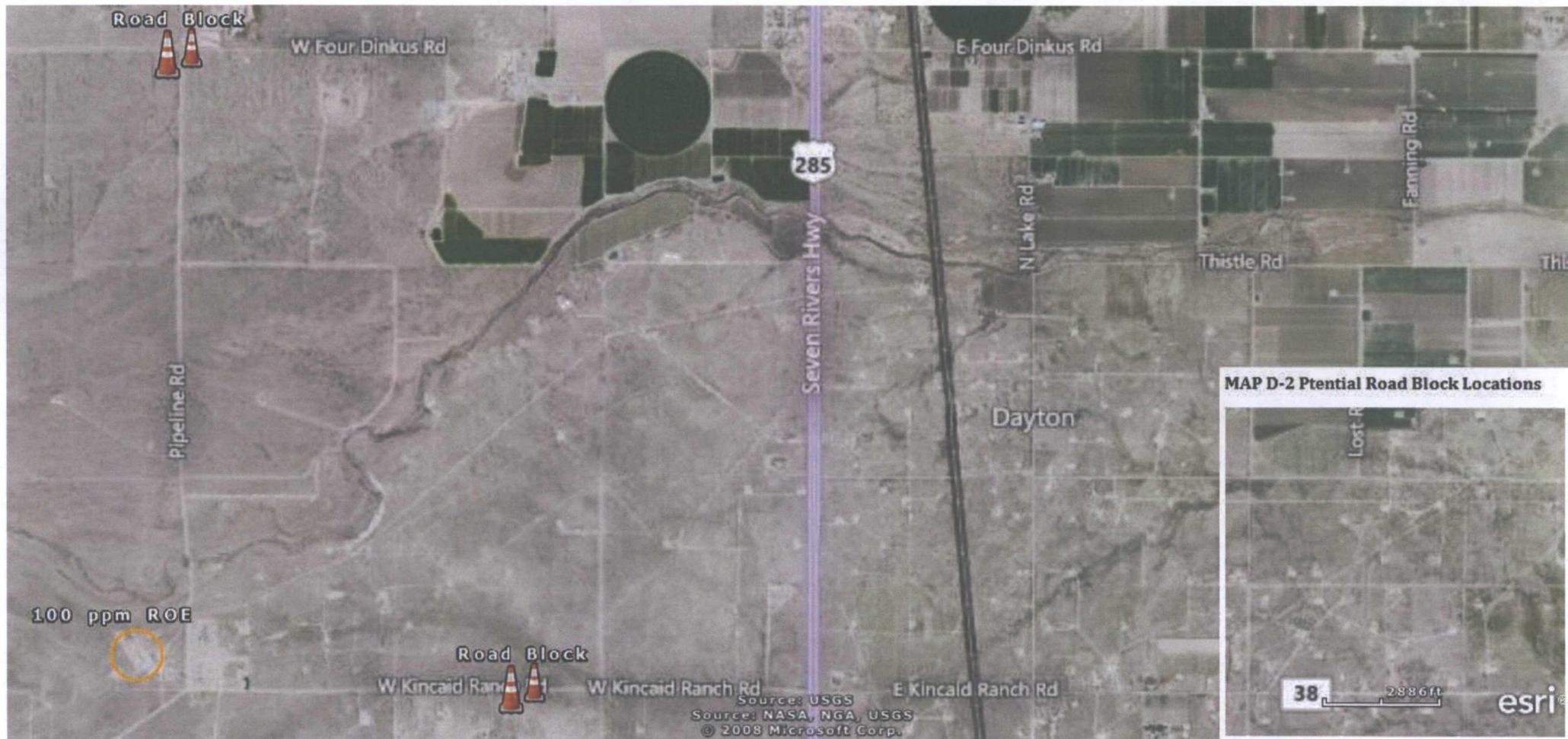
MAP D-1: Muster Area and Evacuation Route

MAP D-2: Potentail Road Block Locations



MAP D-1 Muster Area and Evacuation Route





Road Block

W Four Dinkus Rd

E Four Dinkus Rd

285

Fanning Rd

Pipeline Rd

N Lake Rd

Thistle Rd

Thi

MAP D-2 Pntial Road Block Locations

Dayton

100 ppm ROE

Road Block

W Kincaid Ranch Rd

W Kincaid Ranch Rd

E Kincaid Ranch Rd

Source: USGS
Source: NASA, NGA, USGS
© 2008 Microsoft Corp.

38 2886ft

esri

APPENDIX E – H2S Contingency Plan Distribution List

New Mexico Oil Conservation Division

1301 West Grand Avenue
Artesia, NM 88210-1729

New Mexico Department of Public Safety

4207 W 2nd Street
Roswell, NM 88201-8857

Local Emergency Planning Committee

324 S Canyon Street, Suite B
Carlsbad, NM 88210

Artesia Fire Department

309 North 7th Street
Artesia, NM 88210-1913

Atoka Fire Department

2611 South 13th Street
Artesia, NM 88210-9333

Eddy County Sheriff's Department

Eddy County Courthouse
102 N. Canal
Carlsbad, NM 88220

Agave Field Office

288 Kincaid Ranch
Artesia, NM 88210

Agave Main Office

105 South 4th Street
Artesia, NM 88210