Nearburg Producing Company 3300 N A St., Bldg 2, Suite 120 Midland, TX 79705

Hydrogen Sulfide (H2S) Contingency Plan

For

Big Walt 2 State #7 (Location) 660' FSL and 760' FWL Sec 2, T22S, R24E Eddy County, New Mexico

And

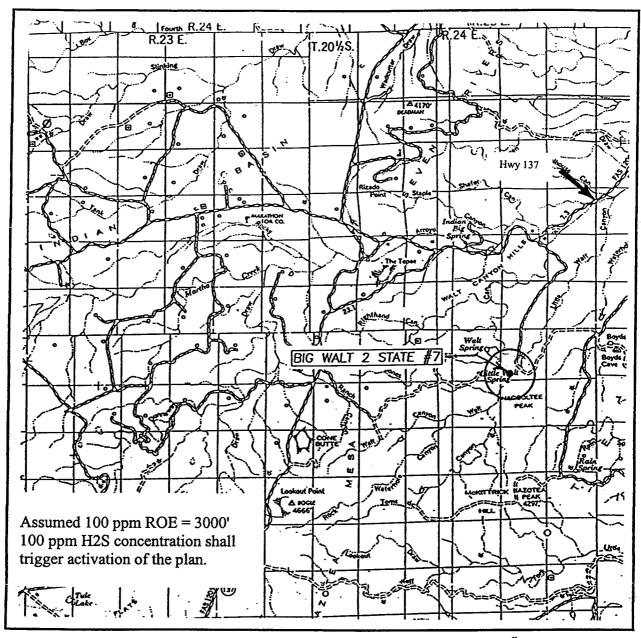
Patterson Drilling Rig #512



30-015-32439

Big Walt 2 State #7

This is an open drilling site. H2S monitoring equipment and emergency response equipment will be used within 500' of zones known to contain H2S, including warning signs, wind indicators and H2S monitors.

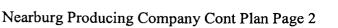


SCALE: 1" = 2 MILES

SEC. 2 1	WP. <u>22-S</u> RGE. <u>24-E</u>			
SURVEY	N.M.P.M.			
COUNTY	EDDY			
DESCRIPTION	660' FSL & 760' FWL			
ELEVATION	3958'			
OPERATOR NEARBURG PRODUCING CO.				
LEASE	BIG WALT 2 STATE			

Well located 14 miles due west of Carlsbad, NM

JOHN WEST SURVEYING HOBBS, NEW MEXICO (505) 393-3117



Emergency Procedures

In the case of a release of gas containing H2S, the first responder(s) must 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 contract to aid in this operation. Evacuation of the public should be beyond the 100 ppm ROE.

All responder(s) must have training in the detection of H2S, measures for protection against the gas equipment used for protection and emergency response. Additionally, responders must be equipped with H2S monitors and air packs in order to control the release. Use the "buddy system" to ensure no injuries during the response.

Ignition of Gas Source

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 may become involved. NM State Police shall be the Incident Command on scene of any major release. Take care to protect downwind whenever there is an ignition of the gas.

Characteristics of H2S and SO2

Common Name	Chemical Formula	Specific Gravity	Threshold Limit	Hazardous Limit	Lethal Concentration
Hydrogen Sulfide	H2S	1.189 Air = 1	10 ppm4	100 ppm/ hr	600 ppm
Sulfur Dioxide	SO2	2.1 Air = 1	2 ppm	N/A	1000 ppm

Contacting Authorities

Nearburg Producing Company personal must liaison the 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. Nearburg Producing Company response must be in coordination with the State of New Mexico's "Hazardous Materials Response Plan" (HMER).

Company Call List

Name	Office	Cellphone	Home
Butch Willis	432/626-8235 x 223	505/369-5852	432/697-2484
Matt Lee	505/746-0422	505/365-6662	505/746-0932
Howard Smith	5005/369-6133	505/390-5766	505/391-6838

Agency Call List

Eddy County (505)

Carlsbad

State Police	885-3137
City Police	885-2111
Sheriff's Office	887-7551
Ambulance	911
Fire Department	885-2111
LEPC (Local Emergency Planning Committee	887-3798
NMOCD	748-1283

Other

Boots and Coots IWC	1/800-256-9688 or 281/931-8884
Cudd Pressure Control	432/699-0139 or 432/563-3356
Halliburton	505/746-2757
BJ Services	505/746-3569
Flight For Life	806/743-9911
Aerocare	806/747-8923
Med Flight Air Ambulance	505/842-4433
SB Air Med Service	505/842-4949