District I
PO Box 1980, Hobbs, NM 88241-1980

District II
811 South First, Artesia, NM 88210

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-101
Revised October 18, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1Operator Name and Address	2OGRID Number
Nearburg Producing Company 3300 N A St., Bldg 2, Suite 120 Midland, TX 79705	015742
RECEIVED DEC 29 2003 OCD-ARTESIA	3API Number 30-0 15-33226

4Property Code	5Property Name	6Well No.
013595	Big Walt 2 State	9

7Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West Line	County
O	2	22S	24E		1240	South	2085	East	Eddy

8Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West Line	County
O	2	22S	24E		660	South	1980	East	Eddy

9Proposed Pool 1	10Proposed Pool 2
Indian Basin; Upper Penn, Associated (33685)	

11Work Type Code	12Well Type Code	13Cable/Rotary	14Lease Type Code	15Ground Level Elevation
N	O	R	S	3983
16Multiple	**17Proposed Depth**	**18Formation**	**19Contractor**	**20Spud Date**
No	8600	Cisco Canyon	Patterson	02-01-2004

21Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
14-3/4"	9-5/8"	36#	1600'	800	Circ Surface
8-3/4"	7"	23# & 26#	8600'	1000	Circ "

22Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Propose to Directionally drill the well to a sufficient depth to evaluate the Cisco Canyon formation. After reaching TD, logs will be run and casing set if the evaluation is positive. Perforate, test and stimulation as necessary to establish production.

Acreage dedication is 320 acres; E/2 of Section 2.

23I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature: S Jordan

Printed name: Sarah Jordan

Title: Production Analyst sjordan@nearburg.com

Date: 12-16-03 Phone: 432/686-8235 ext 203

OIL CONSERVATION DIVISION

Approved By: Jim W. Sum

Title: District Supervisor

Approval Date: FEB 06 2004 Expiration Date: FEB 06 2005

Conditions of Approval Attached: ☐

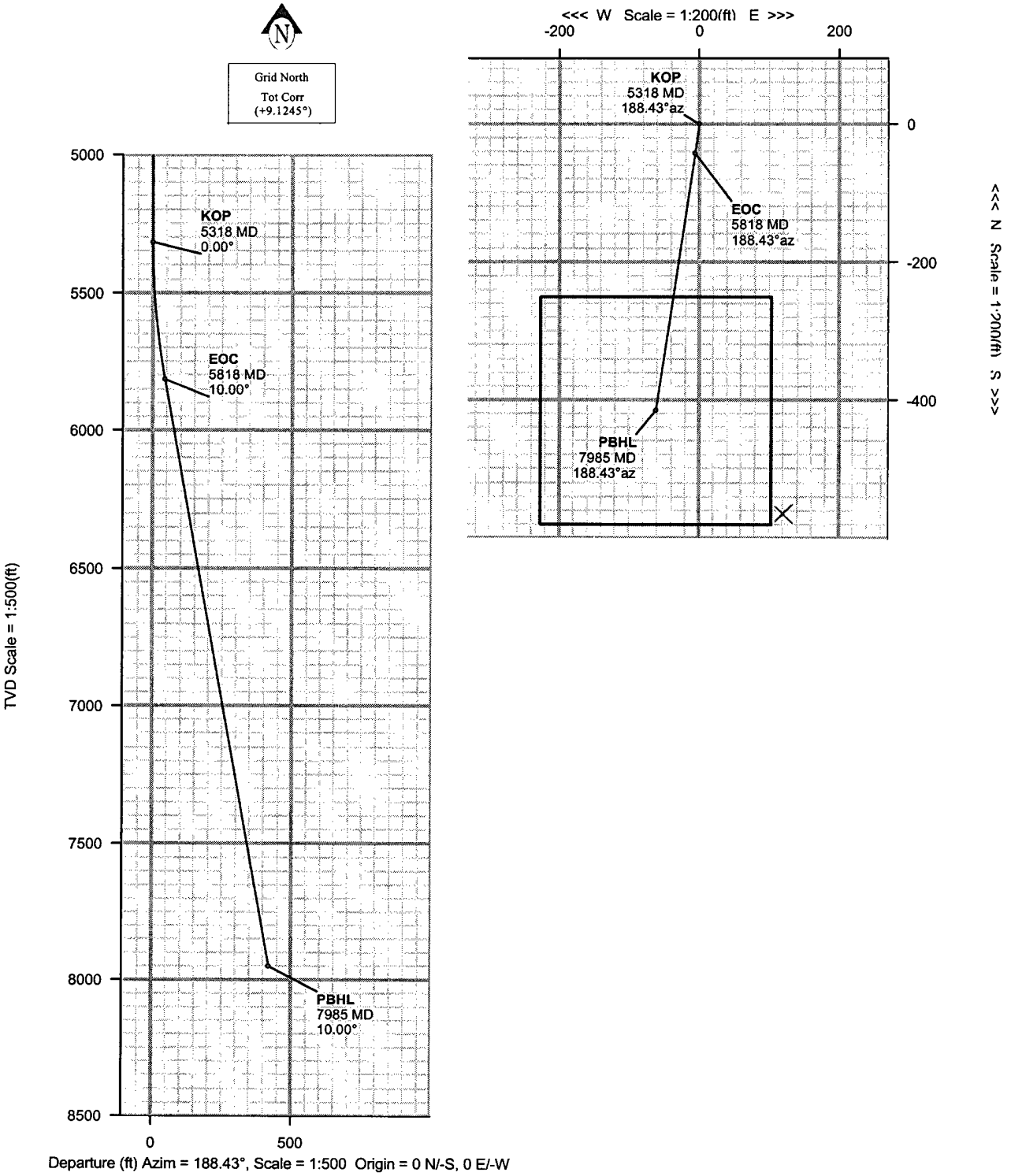
NOTIFY OCD SPUD & TIME TO WITNESS 8 5/8" CASING

INTREPID
Directional Drilling Specialists

Nearburg Producing Company

WELL	FIELD	STRUCTURE
Big Walt 2 St. #9	Eddy County	Big Walt 2 St. #9

Magnetic Parameters				Surface Location				Miscellaneous			
Model: IGRF 2000	Dip: 60.446°	Date: December 16, 2003		Lat: N32 24 57.857	Northing: 515106.70 ftUS	NAD27 New Mexico State Planes, Eastern Zone, US Feet		Slot: Big Walt 2 St. #9	TVD Ref: RKB (0.00 ft above)		
	Mag Dec: +9.053°	FS: 49533.0 nT		Lon: W104 28 0.477	Easting: 458814.20 ftUS	Grid Conv: -0.07154627°	Scale Fact: 0.9999110336	Plan: Walt2-9 r1	Srvy Date: Tue 02:16 PM December 16, 2003		



Proposal

Report Date:	December 16, 2003	**Survey / DLS Computation Method:**	Minimum Curvature / Lubinski
Client:	Nearburg Producing Company	**Vertical Section Azimuth:**	188.430°
Field:	Eddy County	**Vertical Section Origin:**	N 0.000 ft, E 0.000 ft
Structure / Slot:	Big Walt 2 St. #9 / Big Walt 2 St. #9	**TVD Reference Datum:**	RKB
Well:	Big Walt 2 St. #9	**TVD Reference Elevation:**	0.0 ft relative to
Borehole:	Big Walt 2 St. #9	**Sea Bed / Ground Level Elevation:**	0.000 ft relative to
UWI/API#:		**Magnetic Declination:**	9.053°
Survey Name / Date:	Walt2-9_r1 / December 16, 2003	**Total Field Strength:**	49532.956 nT
Tort / AHD / DDI / ERD ratio:	10.000° / 419.89 ft / 3.625 / 0.053	**Magnetic Dip:**	60.446°
Grid Coordinate System:	NAD27 New Mexico State Planes, Eastern Zone, US Feet	**Declination Date:**	December 16, 2003
Location Lat/Long:	N 32 24 57.857, W 104 28 0.477	**Magnetic Declination Model:**	IGRF 2000
Location Grid N/E Y/X:	N 515106.700 ftUS, E 458814.200 ftUS	**North Reference:**	Grid North
Grid Convergence Angle:	-0.07154627°	**Total Corr Mag North -> Grid North:**	+9.125°
Grid Scale Factor:	0.99991103	**Local Coordinates Referenced To:**	Well Head

Comments	Measured Depth (ft)	Inclination (deg)	Azimuth (deg)	TVD (ft)	Vertical Section (ft)	NS (ft)	EW (ft)	Closure (ft)	Closure Azimuth (deg)	DLS (deg/100 ft)	Tool Face (deg)
Tie-In	0.00	0.00	188.43	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-171.57M
KOP	5318.04	0.00	188.43	5318.04	0.00	0.00	0.00	0.00	0.00	0.00	-171.57M
	5400.00	1.64	188.43	5399.99	1.17	-1.16	-0.17	1.17	188.43	2.00	-171.57M
	5500.00	3.64	188.43	5499.88	5.78	-5.71	-0.85	5.78	188.43	2.00	-171.57M
	5600.00	5.64	188.43	5599.54	13.86	-13.71	-2.03	13.86	188.43	2.00	0.00G
	5700.00	7.64	188.43	5698.87	25.43	-25.15	-3.73	25.43	188.43	2.00	0.00G
	5800.00	9.64	188.43	5797.73	40.45	-40.01	-5.93	40.45	188.43	2.00	0.00G
EOC	5818.04	10.00	188.43	5815.51	43.52	-43.05	-6.38	43.52	188.43	2.00	0.00G
PBHL	7985.46	10.00	188.43	7950.00	419.89	-415.35	-61.59	419.89	188.43	0.00	0.00G

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
	33685	Indian Basin; Upper Penn, Ass.

Property Code	Property Name	Well Number
013595	BIG WALT 2 STATE	9

OGRID No.	Operator Name	Elevation
015742	NEARBURG PRODUCING CO.	3940'

Surface Location

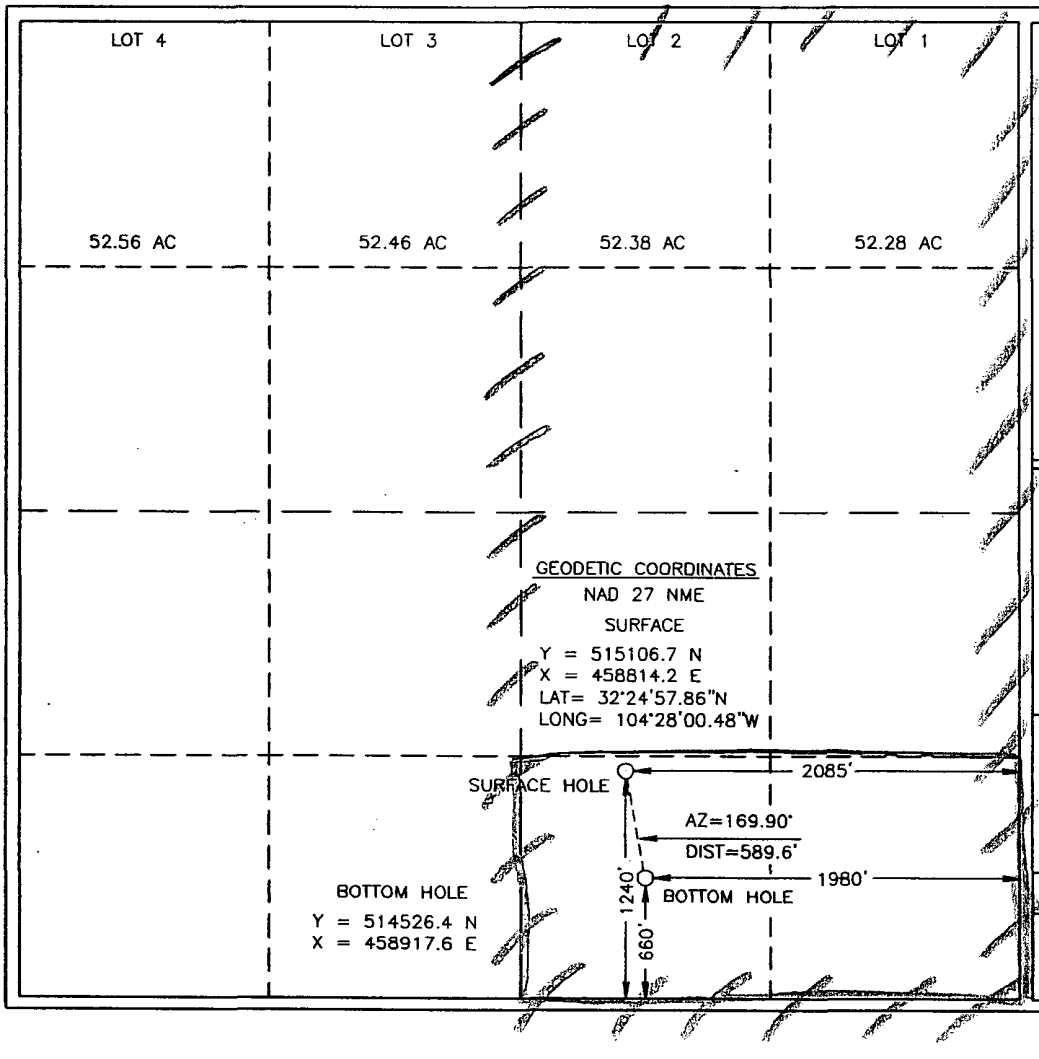
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	2	22-S	24-E		1240	SOUTH	2085	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	2	22-S	24-E		660	SOUTH	1980	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320	J		

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

Signature

Sarah Jordan
Printed Name

Prod. Analyst
Title

12-15-03
Date

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervison, and that the same is true and correct to the best of my belief.

Decmeber 02, 2003
Date Surveyed AWB

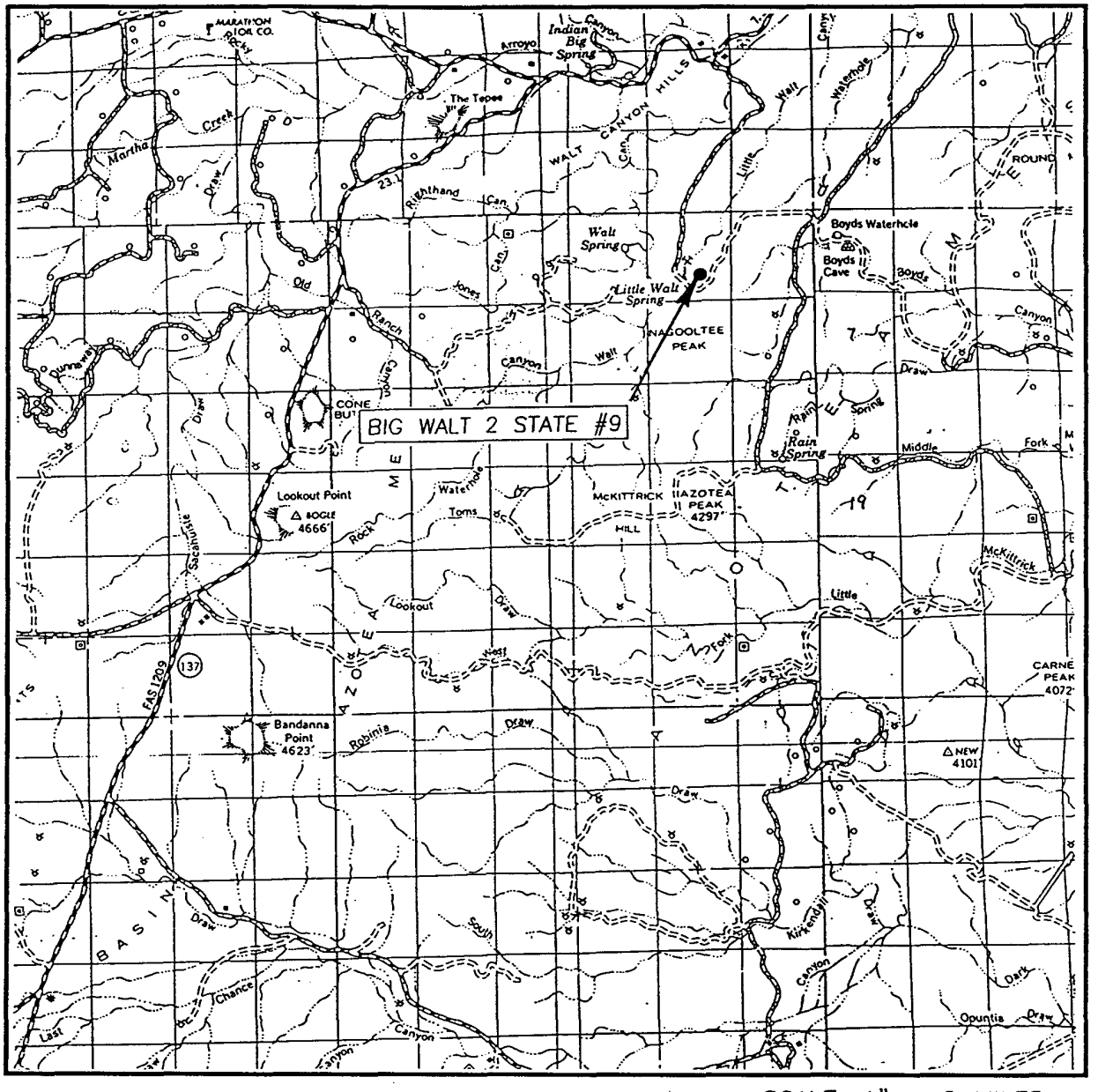
Signature & Seal of Professional Surveyor

Gary L. Eidson 12/11/03

03.11.1322

Certificate No. GARY EIDSON 12641

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 2 TWP. 22-S RGE. 24-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 1240' FSL & 2085' FEL

ELEVATION 3940'

OPERATOR NEARBURG PRODUCING COMPANY

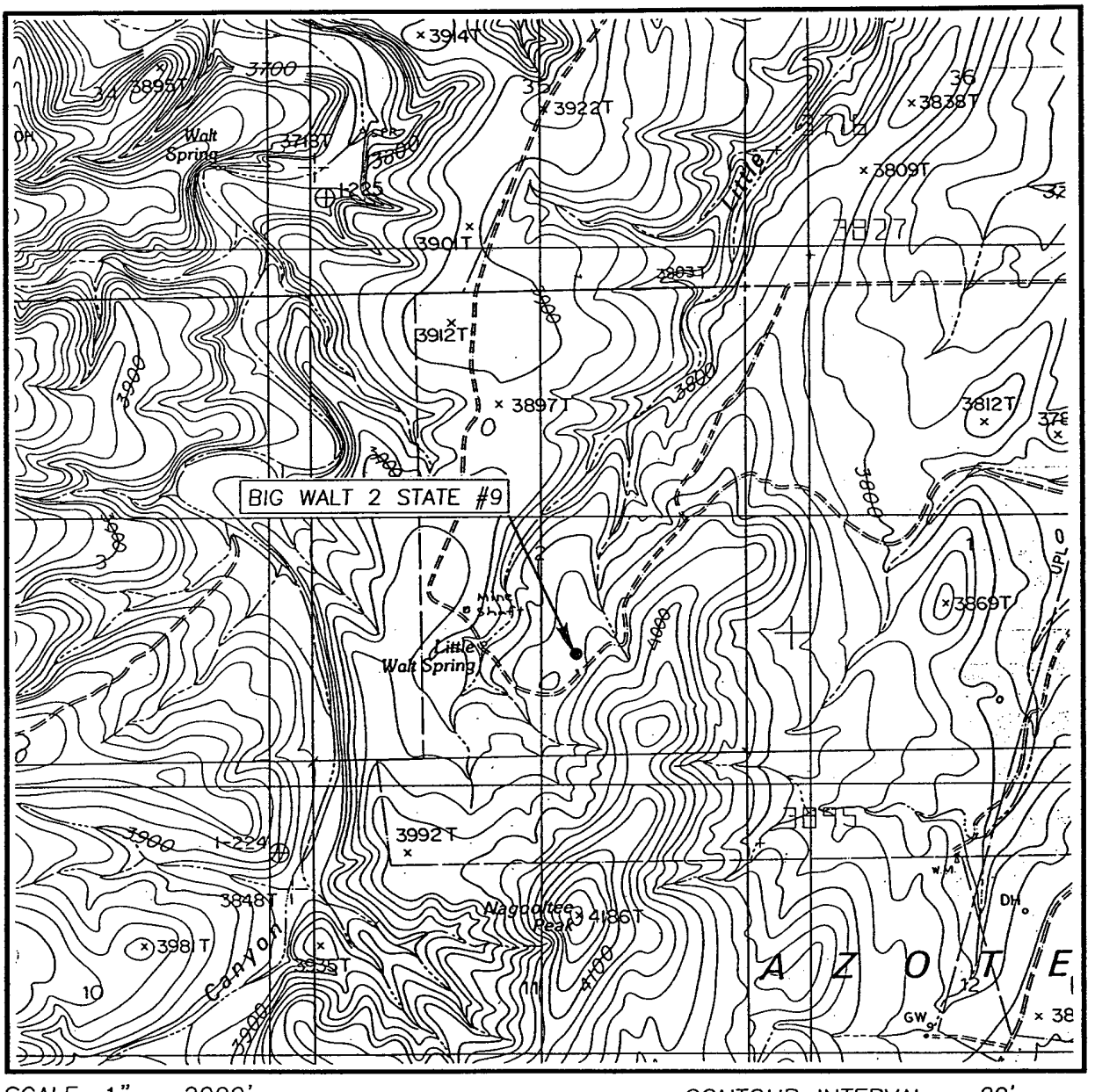
LEASE BIG WALT 2 STATE

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

DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF U.S. HWY 62-180 AND COUNTY ROAD #406 GO WEST-SOUTHWEST 2.0 MILES. TURN LEFT ON CALICHE RD. AND GO 6.4 MILES (ROAD MEANDERS). TURN RIGHT ON CALICHE RD. AND GO 1.3 MILES WEST. LOCATION IS 150' NORTH.

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: 20'

AZOTEA PEAK, N.M.

SEC. 2 TWP. 22-S RGE. 24-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 1240' FSL & 2085' FEL

ELEVATION 3940'

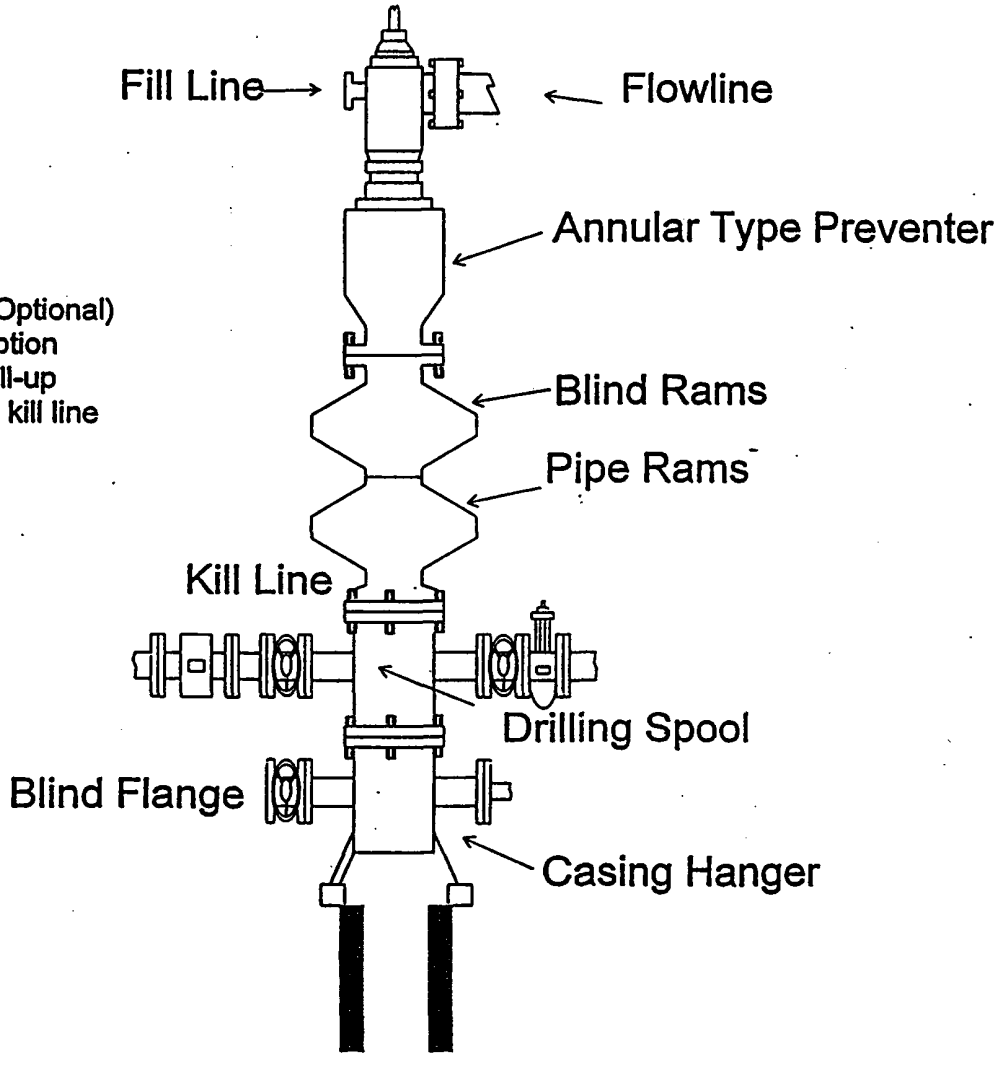
OPERATOR NEARBURG PRODUCING COMPANY

LEASE BIG WALT 2 STATE

U.S.G.S. TOPOGRAPHIC MAP
AZOTEA SPEAK, N.M.

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

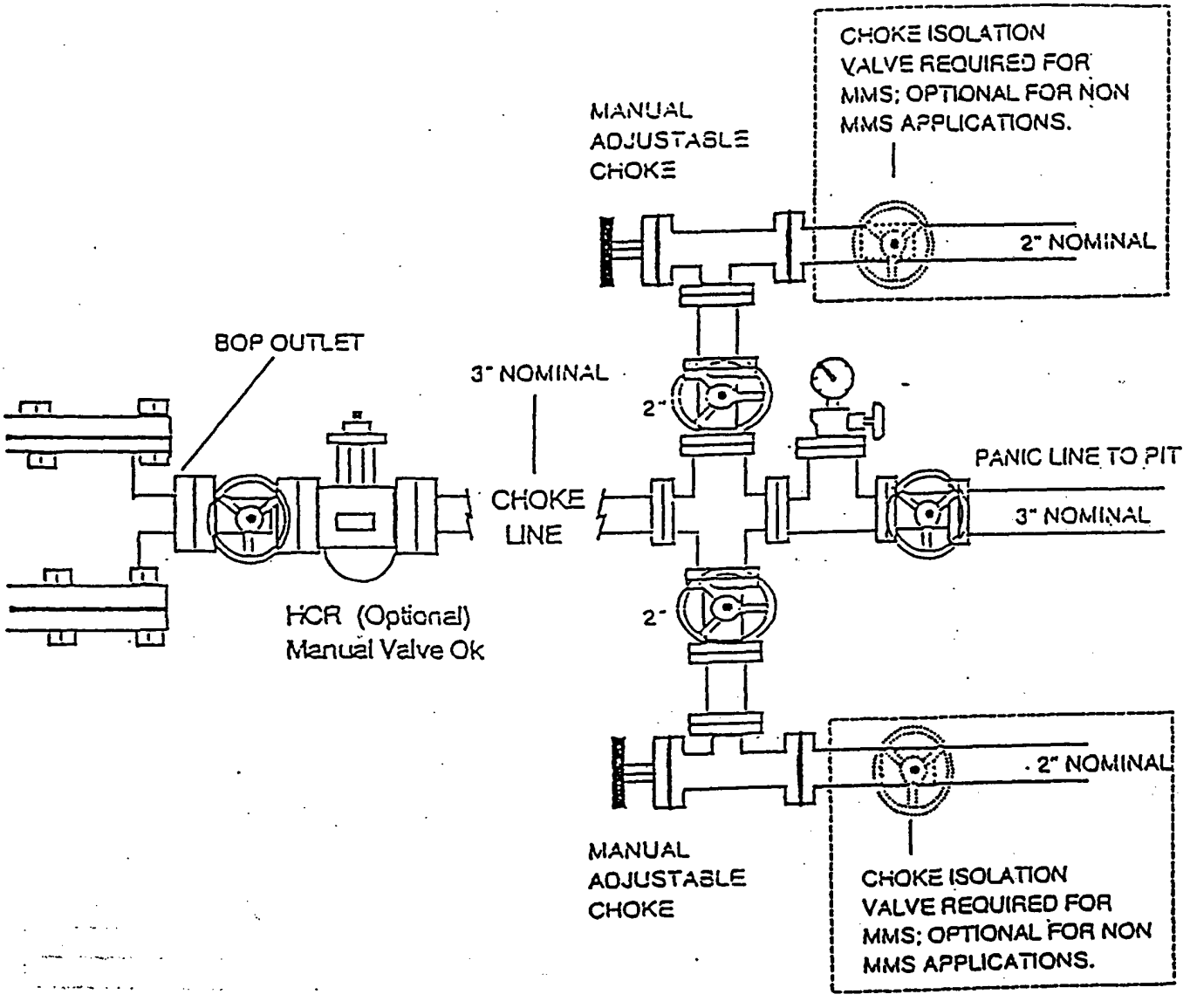
NEARBURG PRODUCING COMPANY
BOPE SCHEMATIC



Rotating Head (Optional)
Drilling Nipple option must include a fill-up line. Do not use kill line for fill up.

900 Series

NEARBURG PRODUCING COMPANY
CHOKE MANIFOLD
2M AND 3M SERVICE



DRILLING FLUID SYNOPSIS

NEARBURG PRODUCING CORPORATION

BIG WALT 2 STATE # 9
Section 2
T-22-S
R-24-E
Eddy County, New Mexico

CASING

9 5/8" at 1,600'

5 1/2" at 8,600'

DEPTH	MUD WEIGHT	VISCOSITY	FLUID LOSS	DRILL SOLIDS	COMMENTS
0-1,600'	8.4 to 8.5	28 to 29	No Control	<1%	Fresh Water, Fresh Gel Sweeps, Lime, Paper
1,600'-8,600'	8.4 to 8.5	28 to 29	No Control	<1%	Fresh Water, Star NP-110, Paper, Lime Starch if needed

ESTIMATED FORMATION TOPS

SAN ANDRES	530'
DELAWARE	1,598'
BONE SPRINGS	2,774'
WOLFCAMP	7,460'
PENN (CISCO)	7,860'
CANYON	7,995'
TD	8,600'

RECOMMENDED CASING PROGRAM

9 5/8" at 1,600'

5 1/2" at 8,600'

RECOMMENDED DRILLING FLUID PROGRAM

DEPTH	WEIGHT	VISCOSITY	FILTRATE
0-1,600'	**8.4-8.5**	**28-29**	**No Control**

Spud with fresh water circulating through the working pits. Sweep the hole with Fresh Water Gel flocculated with Lime mixed at a 10 to 1 ratio. Use Paper for seepage control. There is a potential for lost returns in this interval. If lost returns are encountered and circulation cannot be regained after pumping several viscous LCM pills, you should consider dry drilling to casing point. While dry drilling, we recommend periodically pumping viscous LCM sweeps to prevent solid accumulation in annulus.

DEPTH	WEIGHT	VISCOSITY	FILTRATE
1,300'-8,800'	**8.4-8.5**	**28-29**	**No Control**

Drill out from under surface with fresh water circulating through the reserve pit. Use Star NP-110 for sweeps and to control solids. Use Lime for 9.0 to 10.0 pH. Paper should be used for seepage. The hole should be swept every 200', or as needed, with pre-hydrated Fresh Water Gel. This will minimize solids buildup in the annulus and reduce the possibility of lost circulation while drilling the Upper Penn and other under pressured formations. There is a potential for lost returns in this interval. If lost returns are encountered and circulation cannot be regained after pumping several viscous LCM pills, you should consider dry drilling to casing point. While dry drilling, we recommend periodically pumping viscous LCM sweeps, to prevent solid accumulation in annulus. There is a possibility of encountering H_2S from the Bone Springs as well as the Upper Penn. If H_2S is encountered, we recommend additions of an H_2S Scavenger for personnel safety and a Filming Amine to protect the drill pipe. We recommend utilizing a ±200 bbl premix pit for sweeps and LCM pills.

Note: we recommend a blend of Fiber Plug, Nut Shell, Maxi-Seal (Chem-Seal), and Mica may be used as LCM in this interval.

If a drilling fluid is desired for evaluation of this interval, we recommend returning to the working pits and utilizing a Star NP-110/Starch type fluid. Use Starch to reduce the API fluid loss below 15cc. Maintain pH at 9.0 to 10.0 with Lime. If additional viscosity is desired we recommend using Fresh Gel. This fluid should be sufficient for evaluation in this area.

Estimated Drilling Fluid Cost: $4,000.00 to $5,000.00
Estimated Drilling Days: 13 to 16

Cost is based on a 1,000 bbl system and does not reflect lost circulation, abnormal pressure, H_2S, unstable hole conditions requiring elevated viscosities or mud in production interval.

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

Hydrogen Sulfide (H2S) Contingency Plan

For

Big Walt 2 State #9
SHL: 1240' FSL and 2085' FEL, Sec. 2, T22S, R24E
BHL: 660' FSL and 1980' FEL, Sec. 2, T22S, R24E
Eddy County, New Mexico

And

Patterson Drilling Rig #512

PUBLIC PROTECTION PLAN
NEARBURG PRODUCING COMPANY

TABLE OF CONTENTS

PUBLIC PROTECTION PLAN
NEARBURG PRODUCING COMPANY

1. PURPOSE

This plan is intended to protect the health and safety of the public, contractors and Nearburg Producing Company (NPC) personnel should an unanticipated release of a potentially hazardous volume of Hydrogen Sulfide (H2S) occur.

Further to:

- Comply with the Bureau of Land Management's (BLM) Onshore Oil and Gas Operations Onshore Oil and Gas Order No. 6, Hydrogen Sulfide Operations (43 CFR Part 3160).
- Comply with the State of New Mexico Oil Conservation Division's (NMOCD) rule 19 NMAC 15.C 118.
- Assure proper notification of the appropriate parties and agencies.

2. SCOPE

The provisions of this document are intended to address Hydrogen Sulfide (H2S) releases and H2S emergencies at Nearburg Producing Companies production batteries and all surrounding operated field locations in the McKittrick Hills Field. Facilities for which calculations indicate a potential hazardous volume of H2S could occur have additional site specific response information and radius of exposure drawn on the attached plat map. The field is located approximately 20 miles west of Carlsbad, New Mexico (Eddy County).

This plan is intended to be used in conjuction with the Emergency Response plan that is available at the Artesia Field Office and applies to RMS Level 1 incidents.

3. DEFINITIONS

All Clear - Notification of effected personnel, by the response leader, that the incident has ended and the area is safe to re-enter.

A Potentially Hazardous Volume - a volume of Hydrogen Sulfide (H2S) gas of such concentrate that:

- The 100-ppm ROE includes any public area.
- The 500-ppm ROE includes any public road.
- The 100-ppm ROE exceeds 3,000 feet.

Facility – Equipment involved in producing, processing, or transporting natural gas and/or crude oil, including the property to the edge of the pad or fence.

PUBLIC PROTECTION PLAN
NEARBURG PRODUCING COMPANY

Hydrogen Sulfide Gas (H2S) – is extremely flammable, colorless, poisonous gas that may occur naturally as a component of production streams, such as crude oil, produced water and natural gas. At low concentrations it has a rotten egg odor, but at higher concentrations deadens the sense of smell. Its specific gravity is heavier than air giving it a tendency to collect in low-lying areas on still days. The permissible exposure limit is 10 ppm and the short term exposure limit is 15 ppm. It is considered to be immediately dangerous to life and health at 300 ppm. H2S is readily dispersed in air and is water soluble.

ICS (Incident Command System) – A team based concept for emergency response in which roles and responsibilities are predetermined.

Incident Commander (IC) – Senior Nearburg Producing Company employee in charge of an emergency response.

Incipient Stage Fire – A fire in the beginning or very early stages of development, which can be effectively extinguished by one or more persons with portable fire fighting equipment.

Muster Site – A pre-defined staging or meeting area.

RMS Level I – an emergency that can be reasonably addressed by Artesia Area Office in which the incident occurs and that can be resolved in approximately two days or less.

ROE (Radius of Exposure) – The radius constructed with the point of escape (of gas) as its starting point and its length calculated using the Pasquill-Gifford derived equation or computer modeling where the H2S concentration is greater than 10%.

PPM – Parts per Million

Public Area – Any building or structure that is not associated with the well, facility or operation for which the ROE is being calculated and that is used as a dwelling, office, place of business, church, school, hospital or government building, or any portion of a park, city, town, village, or designated school bus stop or other similar area where members of the public may reasonably be expected o be present.

Public Road – Any federal, state, municipal or county road or highway.

Serious Incident – An event which results or has the potential to result in severe personal injury and/or significant equipment damage.

Sulfur Dioxide (SO2) – A heavy colorless toxic gas that is formed when hydrogen sulfide is burned. It has a pungent odor and is a respiratory irritant. The permissible exposure limit is 2 ppm, the short rem exposure limit is 5 ppm. It is considered to be immediately dangerous to life and health at 100 ppm. SO2 is readily dispersed in air and is water soluble.

Total Personnel Evacuation – An evacuation of all persons (contract employees, or visitors) from the emergency area to a muster area.

PUBLIC PROTECTION PLAN
NEARBURG PRODUCING COMPANY

4. THE PLAN

Training:

All personnel (company, contractors and sub-contractors) working in the field for NPC are required to complete hydrogen sulfide training before beginning work and annually thereafter.

Training on the contents of this plan shall be provided to all NPC and appropriate contract personnel working for NPC:

- whenever the employees' responsibilities or designated actions under the plan change,
- whenever the contents of the plan are changed/revised
- whenever a new employee begins employment, and
- periodically as needed for all employees.

Nearburg Producing Company supervision is responsible for this training.

Orientation:

All persons visiting or working at Indian Basin shall receive an orientation covering the following minimum items:

- What types of emergencies are possible,
- What the emergency evacuation alarm sounds like in the gas plant,
- How to report an incident/emergency,
- Who will be in charge during an emergency,
- How to safely evacuate the plant, and
- Where to assemble so that all persons can be accounted for.

The NPC representative responsible for the contractors or visitors shall conduct the orientations and shall document attendees and dates.

H2S Monitors:

All personnel working at the Indian Basin are required to wear personal H2S monitor at all times when working in the plant or field. Monitors should have a vibrating alarm if used in high noise areas.

Activation:

Phase I – activated when:

1. Sustained H2S concentration reaches 10 parts per million (ppm) in any work area and the source is not readily identified and/or controllable.
2. Continuous H2S levels are detected at 10 ppm (or greater) at any public road, near an occupied residence or bus stop, and the source is not readily identified and/or immediately controlled.

Phase II – activated when:

1. A potentially hazardous volume of H2S is detected.
2. When sustained H2S concentrations exceed 50 ppm at any facility boundary.

PUBLIC PROTECTION PLAN
NEARBURG PRODUCING COMPANY

Phase I:

Upon discovery on-site personnel should:

- ☐ Make others on-site aware of the presence of H2S and leave the area upwind or crosswind to a safe location. (Pre-determine if a pre-job tailgate meeting was conducted).
- ☐ Prevent unauthorized persons from entering the area. Request assistance if needed.
- ☐ If a residence or other public area is in the vicinity, monitor for H2S to ensure exposure is less than 10 ppm. Notify supervisor if higher exposures are noted or if any other questions arise about steps necessary to protect these sensitive areas.
- ☐ If considering re-entering the area to assess the H2S source, ensure you have been properly trained to respond. Use an H2S monitor with digital display (preferably a multi-gas monitor) and have a supplied air respirator (SAR) and back up person with SAR readily available. Consider notification of supervisor if appropriate.
- ☐ Proceed with caution. If H2S concentration reaches 10 ppm in your breathing zone, back out and use SAR to re-enter. **If H2S concentration reaches 50 ppm at the facility boundary, immediately notify supervision.**
- ☐ If source can be safely controlled, monitor area to ensure H2S levels are below 10 ppm. End response here and sound all clear to allow others to re-enter the area. Report length of release and volume to supervisor.
- ☐ If the source of H2S cannot be identified and/or controlled, or if you cannot do so with out exposing yourself to danger, leave the area to a safe distance.
- ☐ Notify supervision.
- ☐ Continue to monitor for H2S and maintain site security until instructed be supervision to do otherwise.

Supervision:

- ☐ Gather necessary information to determine the course of action and level of response.
- ☐ Mobilize any additional man power or equipment necessary.
- ☐ Ensure Phase II measures are implemented if appropriate.
- ☐ Continue to monitor situation until incident is over.
- ☐ Make notifications if required.
- ☐ Complete reports if required.
- ☐ Investigate as indicated.

Phase II

Upon discovery on-site personnel should:

- ☐ Make others on-site aware of the presence of H2S and leave the area upwind or crosswind to a safe location. (Pre-determined if a pre-job tailgate meeting was conducted).
- ☐ Prevent authorized persons from entering the area.
- ☐ **Notify Supervisor.**

Supervision:

- ☐ Initiate the Incident Command System as deemed appropriate.
- ☐ Mobilize the resources necessary to maintain site security and provide for the protection of personnel and the public.
- ☐ Issue warnings to all NPC personnel by radio and/or phone (IB Contact List) to make them aware of the incident and its location. Have non-essential personnel leave the area. If deemed necessary, order a total personnel evacuation of the area.

PUBLIC PROTECTION PLAN
NEARBURG PRODUCING COMPANY

- ☐ Notify non-company personnel known to work or reside in the area (IB Contact List). If necessary to ensure their safety, dispatch NPC personnel with the appropriate monitor, supplied air respirators and means of communication to these locations. *(Appendix B)*
- ☐ Have NPC personnel set up road blocks to prevent unauthorized entry into impacted areas until relieved by law enforcement or other authorized personnel.
- ☐ Make all appropriate notifications to NPC, Federal, State and local authorities.
- ☐ When the release has been contained and monitoring indicates the area is safe to re-enter, terminate operations and sound the all clear.
- ☐ Complete records if required.
- ☐ Investigate as indicated.
- ☐ For spills, well blowouts, fires, natural disasters and terrorist or bomb threats

All other personnel not involved in the immediate response:

- ☐ If a total evacuation is ordered, report to the incident command center or nearest muster site to which you have safe access. (See Appendix A for muster site locations)
- ☐ Ensure all contract personnel working for you (or in your area) are accounted for and have them report to a safe muster site.
- ☐ Senior employee at each muster site should make a roster of all personnel reporting to that muster site and be prepared to make it available to the incident commander (IC).
- ☐ Maintain communication with the IC and be prepared to offer assistance as it is requested.

Ignition of H2S:

While no uncontrollable release of H2S is anticipated, should ignition of gas be necessary for the protection of personnel or the public, the determination would be made by the NPC Incident Commander. The method of ignition will maintain the safety of the person performing this task as the primary concern. The most likely method would be the use of a flare gun from a safe distance.

If this becomes necessary, monitoring will include sulfur dioxide (SO2) in addition to H2S.

PUBLIC PROTECTION PLAN
NEARBURG PRODUCING COMPANY

6. APPROVALS

Approved by: Name: _____ Date: 1/13/04
Title: Drilling Manager

NEARBURG PRODUCING COMPANY
REGULATORY CONTACTS

Agency	Contact Name: First	Last	Division/Area	Main Phone #	Cell Phone	Home Phone #
NMOCD	Emergency Number		District 2	505-746-4302		
NMOCD	Field Rep On-Call		District 2	505-939-8622		
NMOCD	Tim	Gum	District 2	505-748-1283	505-626-0824	505-324-1387
NMOCD	Mike	Stubblefield	District 2	505-748-1283	505-626-0831	505-746-6422
NMOCD	Gerry	Guye	District 2	505-748-1283	505-626-0843	505-887-3254
NMOCD	Phil	Hawkins	District 2	505-748-1283	505-626-0836	505-746-9272
NMOCD	Bryan	Arrant	District 2	505-748-1283	505-626-0830	505-748-2092
NMOCD	Lori	Wortenberry	Santa Fe Division Ofc.	505-827-7131	505-476-3460	505-466-0134
NMOCD	Ed	Martin	Santa Fe Division Ofc.	505-827-7131	505-476-3492	505-685-4056
NMOCD	Roger	Anderson	Santa Fe Division Ofc.	505-827-7131	505-476-3490	505-471-2017
NM State Police			District 3, Roswell	505-827-9312		
NM State Police			Sub-District 3, Roswell	505-622-7200 (call this # for dispatch to our area)		
BLM			Carlsbad	505-887-6544		
US Coast Guard			National Response Center	800-424-8802		
NMED			Air Quality Bureau	505-827-1494		
	State Emergency Response Center			505-827-9126		
LEPC	Local Emerg. Planning Commission - Eddy County			505-885-2111		
NM OSHA	New Mexico OSHA Ofc.			505-827-2850		

EMERGENCY SERVICES

Service Provider	Description	Main Phone	
General Emergency	***Police, Fire, Ambulance***	***911***	
Carlsbad Police, Fire, Ambulance Service		505-885-2111	
Artesia General Hospital	Medical Services	505-748-3333	
Carlsbad Fire Dept.	Fire Control	505-885-3124	
Artesia Fire Dept.	Fire Control	505-746-2701	
Happy Valley Fire Dept.	Fire Control	505-885-1982	
NM State Police	Sub-District 3, Carlsbad		
NM State Police (Dispatcher)	District 3, Roswell	505-622-7200	
Eddy County Sheriff	Law Enforcement	505-887-7551	

NEARBURG PRODUCING COMPANY
EMERGENCY RESPONSE PLAN

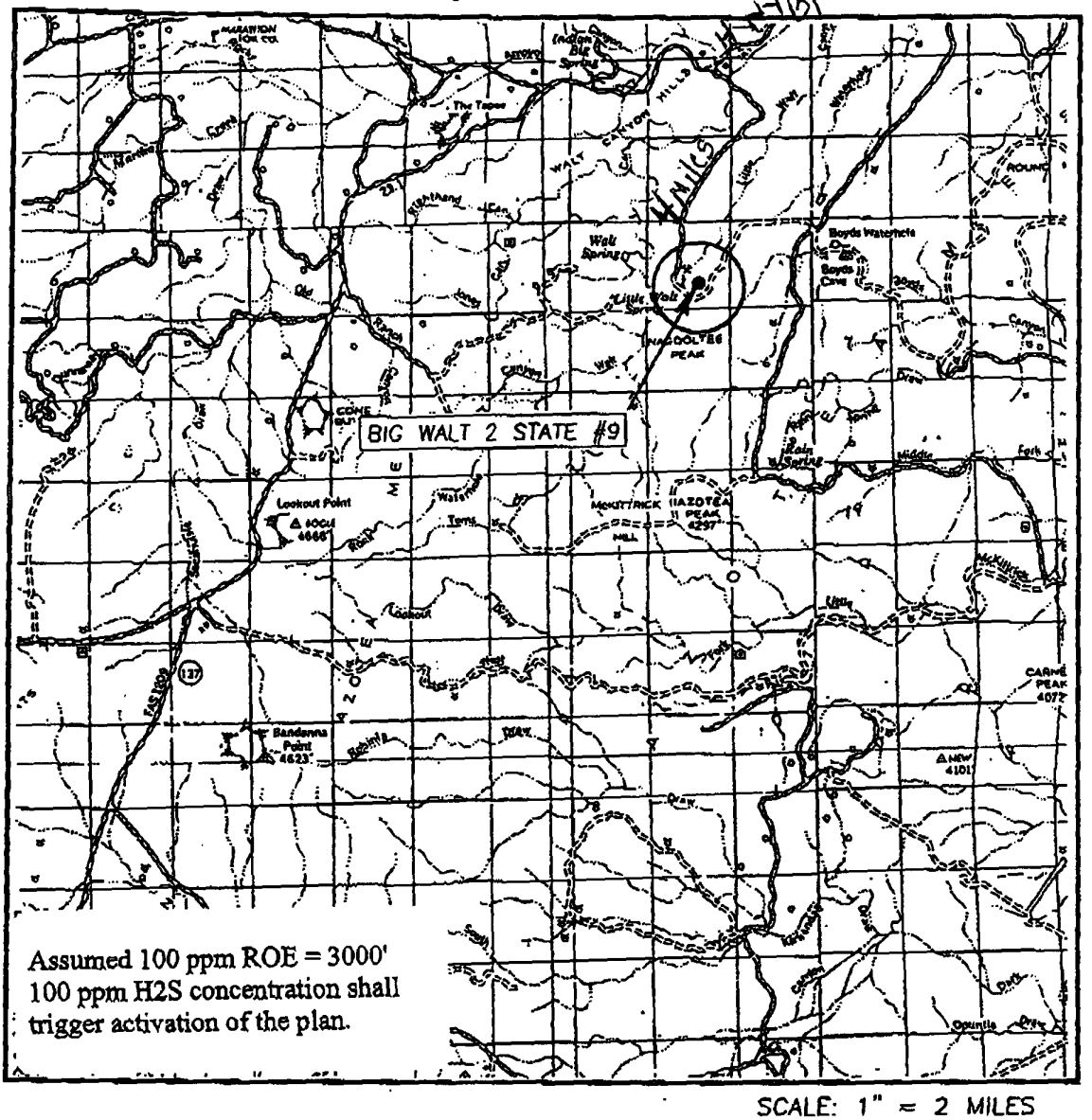
Position	Office Phone	Cell Phone #	Home Phone #
Butch Willis	432-686-8235 (223)		
Matt Lee	505-746-0422	505-365-6662	505-746-0932
Roger King	505-746-0422	505-361-3605	505-885-3605
Rick Foutch	505-746-0422	505-361-4211	505-887-7844
Jerry Stark	505-746-0422	505-365-4672	505-746-3862
Fred White	214-739-1778	469-644-1326	972-931-8845
Bob Shelton	432-686-8235 (214)	432-682-3100	432-528-6134
Bob Shelton	432-686-8235 (214)	432-682-3100	432-528-6134

AREA RESIDENTS AND OFFSET OPERATIONS

Location Desciption	Contact	Title	Address	City/ST/Zip	Phone 1	Cell	Location Info.
4TK + (Boles)	Wilkie, Mark & Sandi		1073 Marathon Rd.	Carlsbad, NM 88220	505-457-2022		
Foster Ranch	Foster, John		P.O. Box 103	Artesia, NM 88211-0103	505-457-2165		
Forrest Lee Ranch	Lee, Dean		P.O. Box 89	Lakewood, NM 88254	505-457-2301		Trailer house near NIBU 24
Gissler Ranch	Cox, Billy		344 Pinderosa Pine	Carlsbad, NM 88220	505-457-2397		
Gregory's	Gregory, Wayne		617 Queens Hwy.	Carlsbad, NM 88220	505-457-2245		
HH Ranch	Houchtaling, Harold		P.O. Box 234	Artesia, NM 88211-0234	505-457-2245		
Howell Ranch	Howell, Richard		P.O. Box 94	Lakewood, NM 88254	505-457-2602		
Kincaid Ranch	Kincaid, Gene		2913 Octotilly Canyon Dr.	Carlsbad, NM 88220	505-887-6918		
Kincaid Ranch	Kincaid, Hugh		2911 Octotilly Canyon Dr.	Carlsbad, NM 88220	505-885-9458		
Kincaid Ranch	Marbauch, Jim		1762 Qureen Hwy.	Carlsbad, NM 88220	505-457-2233		Lives at ranch house just E of Hwy 137 About 2 miles past mile marker 42 towrds Queens.
Old Jones Ranch	Lasiter, Rick				505-457-2108		
Schafer Ranch	Biebelle, Stacey		646 Qureen Hwy.	Carlsbad, NM 88220	505-457-2360		House near low water crossing on Hwy 137
Patsy's old house	DeMoss, Neil				none		
Chevron Oil	Boles, Randy					505-390-7232	
Chevron Oil	Angel, Kenneth					505-390-1540	
Devon	Daniel				505-390-5850		
Devon	Crosbey, Owen				505-748-7749		
Devon	Huber, Mark				505-748-5502		
Devon	Canada, Don				505-748-5503		
Devon	Brady				505-390-5431		
Devon	Huber, Joe	Superintendent			505-390-5438		
Devon	"Doghouse"				505-457-2813		
Duke Energy	Lamb, Johnny	Foreman			505-390-2791		
Duke Energy	Main Office		Carlsbad		505-628-0282		
Duke Energy	Valenzuela, Oscar				505-910-4675		
El Paso	Jacquez, David	Gas Measurement			505-857-2158		
KMG (Kerr McGee)	Deese, Tommy	Superintendent			505-234-2703	505-706-3423	
KMG (Kerr McGee)	Chalker, Andy	Prod. Foreman			505-234-2703	505-910-0342	
KMG (Kerr McGee)	Hess, Bobby	Team Leader			505-234-2703	505-706-3543	
KMG (Kerr McGee)	Wilson, James						
KMG (Kerr McGee)	Brannon, Steve				505-390-1540	505-706-3669	
Yates Petroleum (Agave)	Main Office				505-784-1471		
Yates Petroleum (Agave)	Johnson, Bill	Foreman			505-748-6816	505-365-4615	
Yates Petroleum (Agave)	Moorehead, Robert				505-748-6816	505-365-4840	

Big Walt 2 State #9

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 TWP. 22-S RGE. 24-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 1240' FSL & 2085' FEL

ELEVATION 3940'

OPERATOR NEARBURG PRODUCING COMPANY

LEASE BIG WALT 2 STATE

Well located 14 miles due west of Carlsbad, NM

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

DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF U.S. HWY 62-180 AND COUNTY ROAD #406 GO WEST-SOUTHWEST 2.0 MILES. TURN LEFT ON CALICHE RD. AND GO 6.4 MILES (ROAD MEANDERS). TURN RIGHT ON CALICHE RD. AND GO 1.3 MILES WEST. LOCATION IS 150' NORTH.