

CCCC

30-015-39580

July 26, 2011

New Mexico Oil Conservation Division  
1301 Grand Avenue  
Artesia, New Mexico 88210

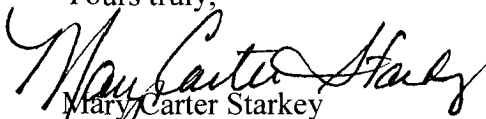
Re: H2S Rule 118 Contingency Plan. Federal Lease #NMNM2748  
Gissler B #82, Unit D, 1312' FSL, 2350' FWL  
SEC. 11, T17S, R30E- Eddy County, New Mexico

Gentlemen:

Please accept this letter as our notice we do not believe the referenced plan is required for the referenced well. We have calculated the hazard volume as follows: highest H2S quantity 10,000 PPM, and using a production rate of 255 MCFGPD the 100 PPM radius is 181' and the 500 PPM radius is 83'. This footage does not get off our well locations.

Please contact our Mr. Mark Jacoby or the undersigned if you require additional information.

Yours truly,

  
Mary Carter Starkey  
Regulatory Coordinator

## BURNETT OIL CO., INC. EMERGENCY NOTIFICATION LIST

**Burnett's New Mexico Office** (575) 677-2313  
**Belton Mathews BOCI District Superintendent** CELL (575) 703-9601  
**BURNETT OIL HOME OFFICE** (817) 332-5108  
**Mark Jacoby BOCI ENGINEERING MANAGER** CELL (817) 312- 2751

**EDDY COUNTY SHERIFF** 911 OR (575) 746-9888  
**NEW MEXICO STATE POLICE** (575) 746-2701

**Loco Hills Fire Department (VOLUNTEER ONLY)** 911 OR (575) 677 2349  
**For Medical and Fire** (575) 746-2701 (ARTESIA)

**Flight for Life Air Ambulance (LUBBOCK)** (806) 743-9911  
**Aerocare Air Ambulance (LUBBOCK)** (806) 747-8923  
**Med Flight Air Ambulance (ALBUQ)** (505) 842-4433  
**S B Med Svc Air Ambulance (ALBUQ)** (505) 842-4949

**US Bureau of Land Management Carlsbad** (575) 361-2822 (575) 234-5972  
**New Mexico Oil Conversation Division** ARTESIA (575) 748-1283  
**New Mexico Emergency Response Commission** 24 HR (575) 827-9126  
**New Mexico State Emergency Operation Center** (575) 476-9635  
**Local Emergency Planning Committee (Artesia)** (575) 746-2122  
**National Emergency Response Center (Washington, DC)** (800) 424-8802

**Boots & Coots IWC** (800) 256-9688  
**Cudd Pressure Control** (432) 570-5300  
**Halliburton Svc** (575) 746-2757  
**B J Svc** (575) 746-2293

**THIS MUST BE POSTED AT THE RIG WHILE ON LOCATION.**

**Burnett Office 87 SQUARE LAKE ROAD (CR #220), Loco Hills, New Mexico 88255**  
**(Loco Hills, New Mexico (2 MILES East of Loco Hills On US Hwy 82 TO C#220 Then**  
**North On CR# 220 Approx One Mile To Office.).**

DRILLING EXHIBIT A

## HYDROGEN SULFIDE (H<sub>2</sub>S) CONTINGENCY PLAN

ASSUMED 100 PPM ROE = 3000'

### Emergency Procedures

**In the event of a release of gas containing H<sub>2</sub>S, The first responder(s) must**

- \* Isolate the area and prevent entry by other persons into the 100 PPM ROE.
- \* Evacuate any public places encompassed by 100 PPM ROE.
- \* Be equipped with H<sub>2</sub>S monitors and air packs in order to control release.
- \* Use the "buddy system" to ensure no injuries occur during the response.
- \* Take precautions to avoid personal injury during this operation.
- \* Have received training in the following:
  1. H<sub>2</sub>S detection
  2. Measures for protection against this gas
  3. Equipment used for protection and emergency 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 (SO<sub>2</sub>.) Intentional ignition must be coordinated with the NMOCD and local officials. Additionally the New Mexico 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 gas.

### **Characteristics of H<sub>2</sub>S and SO<sub>2</sub>**

| Common Name      | Chemical Formula | Specific Gravity | Threshold Limit | Hazardous Limit | Lethal Concentration |
|------------------|------------------|------------------|-----------------|-----------------|----------------------|
| Hydrogen Sulfide | H <sub>2</sub> S | 1.189<br>Air = 1 | 10 ppm          | 100 ppm/hr      | 600 ppm              |
| Sulfur Dioxide   | SO <sub>2</sub>  | 2.21<br>Air = 1  | 2 ppm           | NA              | 1000 ppm             |

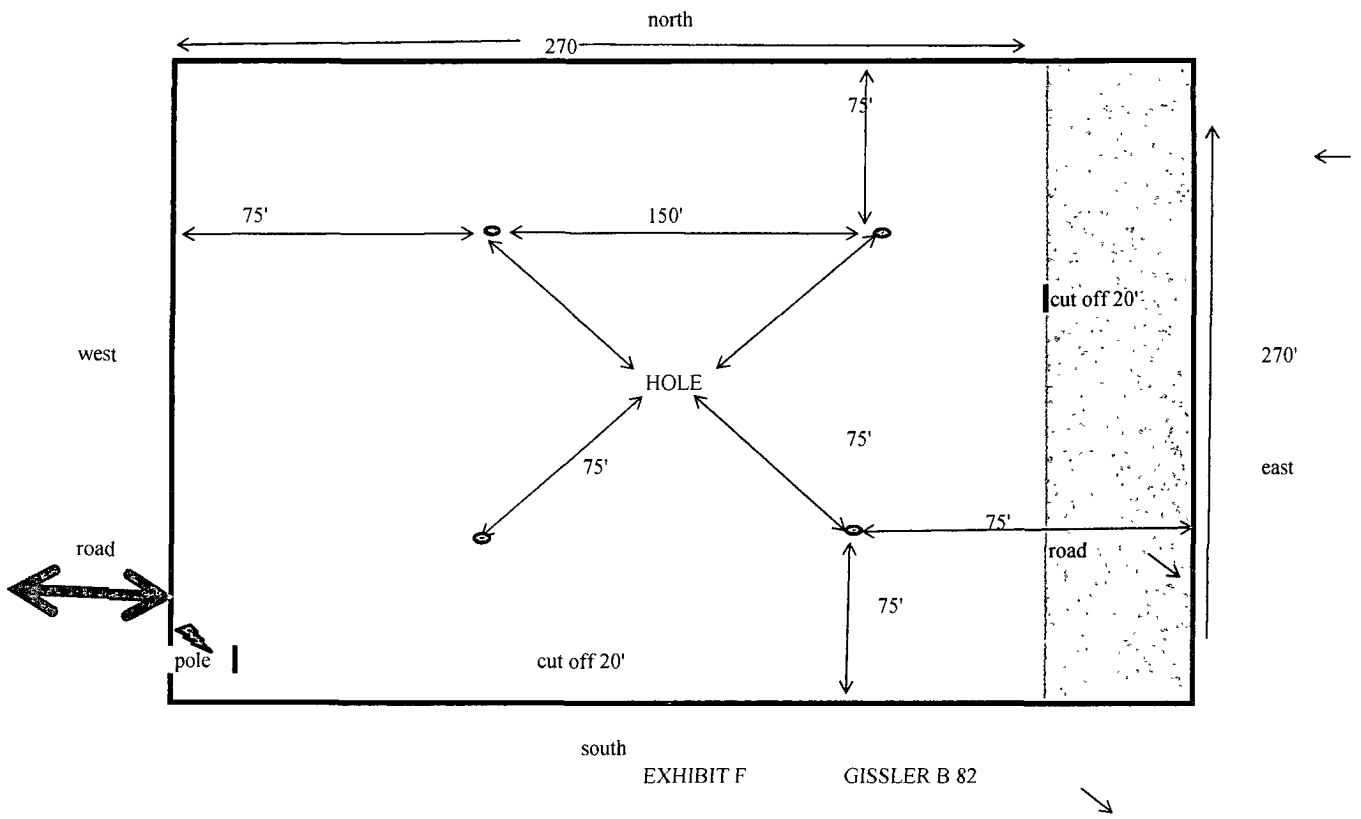
### **Contacting Authorities**

Burnett Oil Co., Inc. personnel must liaison with 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 and direction, location of release, etc. **Be sure all is written down and ready to give to contact list (Drilling Exhibit A.) Directions to the site are below.** Burnett's response must be in coordination with the State of New Mexico's Hazardous Materials Emergency Response Plan.

**Burnett Office 87 SQUARE LAKE ROAD (CR #220), Loco Hills, New Mexico 88255  
(Loco Hills, New Mexico (2 MILES East of Loco Hills On US Hwy 82 TO C#220 Then North On CR# 220 Approx One Mile To Office**

**BURNETT OIL CO., INC.**

DRILLING EXHIBIT B



**BURNETT OIL CO., INC. OPERATOR CERTIFICATION**  
**ALL VERTICAL CEDAR LAKE YESO/ LOCO HILLS PADDOCK WELLS, GRAYBURG SAN**  
**ANDRES WELLS**

FEDERAL LEASE # LC029338A, LC029339A, LC030570A, LC055264, LC055958, NM2746,  
NM2747 NM2748, NM05067 & NM074939

Section 1, 8, 11, 12, 13, 14, 23, 24 & 25, Township 17 South, Range 30 East, Eddy County, N.M

**Operator's Representative:**

Burnett Oil Co., Inc. field representative responsible for compliance with the approved surface  
use and operations plan is:

Mr. Belton Mathews, District Supt.

P.O. Box 188

Loco Hills, New Mexico 88255

Office phone: (575) 677-2313

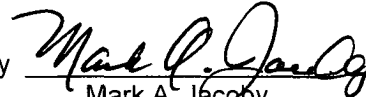
Home phone: (575) 746-8647

Cellular phone: (575) 703-9601

I hereby certify that I, or persons under my direct supervision have inspected the drill site and access  
route; that I am familiar with the conditions that currently exist; that the statements made in this plan are  
to the best of my knowledge, true and correct; and that the work associated with operations proposed  
herein will be performed by Burnett Oil Co., Inc. and its contractors and subcontractors in conformity with  
this plan and the terms and conditions under which it is approved. This statement is subject to the  
provisions of 18 U.S.C. 1001 for the filing of a false statement

Date: 7/27/11

By



Mark A. Jacoby

Engineering Manager