

**Yates Petroleum Corporation  
105 S. Fourth Street  
Artesia, NM 88210**

**Hydrogen Sulfide (H<sub>2</sub>S) Contingency Plan**

**For**

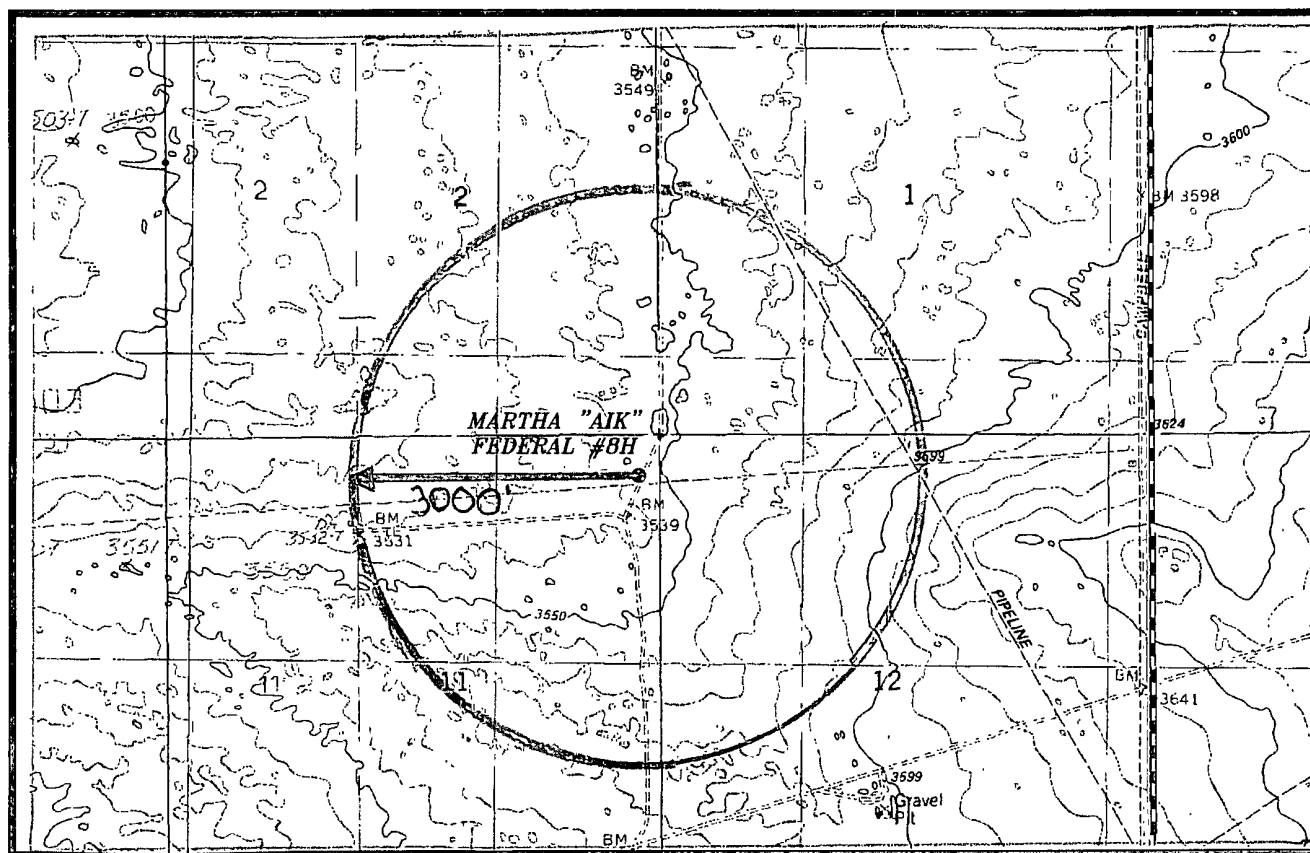
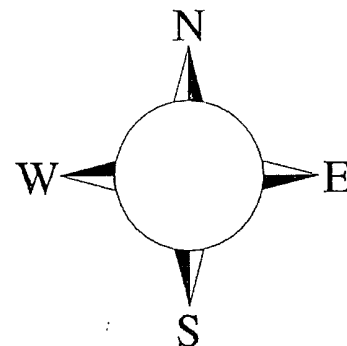
**Martha AIK Federal #H  
430' FNL and 200' FEL Surface Hole Location  
500' FNL and 1650' FWL Bottom Hole Location  
Section 11, T22S-R31E  
Eddy County NM**

**Yates Petroleum Corporation**

Martha AIK Federal #8H  
430' FNL & 200' FEL, SHL  
500' FNL & 1650' FWL- BHL  
Section 11, T22S-R31E  
Eddy County, New Mexico

**Martha AIK Federal #8H**

This is an open drilling site. H<sub>2</sub>S monitoring equipment and emergency response equipment will be used within 500' of zones known to contain H<sub>2</sub>S, including warning signs, wind indicators and H<sub>2</sub>S monitor.



**Assumed 100 ppm ROE = 3000'**

**100 ppm H<sub>2</sub>S concentration shall trigger activation of this plan.**

## Emergency Procedures

In the case 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. 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 contacted to aid in this operation. Evacuation of the public should be beyond the 100 ppm ROE.

All responders must have training in the detection of H<sub>2</sub>S, measures for protection against the gas, equipment used for protection and emergency response. Additionally, responders must be equipped with H<sub>2</sub>S 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 (SO<sub>2</sub>). 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 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 Air = 1	10 ppm	100 ppm/hr	600 ppm
Sulfur Dioxide	SO <sub>2</sub>	2.21 Air = 1	2 ppm	N/A	1000 ppm

## Contacting Authorities

YPC 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 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. YPC Company response must be in coordination with the State of New Mexico's 'Hazardous Materials Emergency Response Plan' (HMER)

## ***Yates Petroleum Corporation Phone Numbers***

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YPC Office .....	(575) 748-1471
Wade Bennett/Prod Superintendent .....	(575) 748-4236
LeeRoy Richards/Assistant Prod Superintendent .....	(575) 748-4228
Mike Larkin/Drilling .....	(575) 748-4222
Paul Hanes/Prod. Foreman/Roswell .....	(575) 624-2805
Tim Bussell/Drilling Superintendent .....	(575) 748-4221
Artesia Answering Service .....	(575) 748-4302
(During non-office hours)	

### **Agency Call List**

#### **Eddy County (575)**

##### **Artesia**

State Police .....	746-2703
City Police.....	746-2703
Sheriff's Office .....	746-9888
Ambulance.....	911
Fire Department .....	746-2701
LEPC (Local Emergency Planning Committee) .....	746-2122
NMOCD.....	748-1283

##### **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
US Bureau of Land Management.....	887-6544
New Mexico Emergency Response Commission (Santa Fe) .....	(505)476-9600
24 HR .....	(505) 827-9126
New Mexico State Emergency Operations Center.....	(505) 476-9635
National Emergency Response Center (Washington, DC) .....	...(800) 424-8802

##### **Other**

Boots & Coots IWC .....	1-800-256-9688 or (281) 931-8884
Cudd Pressure Control.....	(915) 699-0139 or (915) 563-3356
Halliburton .....	(575) 746-2757
B. J. Services.....	(575) 746-3569
Flight For Life -4000 24th St, Lubbock, TX .....	(806) 743-9911
Aerocare -Rr 3 Box 49f, Lubbock, TX .....	(806) 747-8923
Med Flight Air Amb 2301 Yale Blvd SE #D3, Albuq, NM .....	(505) 842-4433
S B Air Med Svc 2505 Clark Carr Loop SE, Albuq, NM .....	(505) 842-4949

MULTI-POINT SURFACE USE AND OPERATIONS PLAN  
YATES PETROLEUM CORPORATION  
Martha AIK Federal #8H  
430' FNL & 200' FEL, Surface Hole  
500' FNL & 1650' FWL, Bottom Hole  
Section 11-T22S-R31E  
Eddy County, New Mexico

This plan is submitted with Form 3160-3, Application for Permit to Drill, covering the above described well. The purpose of this plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of the surface disturbance involved and the procedures to be followed in rehabilitating the surface after completion of the operations, so that a complete appraisal can be made of the environmental effect associated with the operations.

1. EXISTING ROADS:

Exhibit A is a portion of the BLM map showing the well and roads in the vicinity of the proposed location. The proposed well site is located approximately 38 miles west and north of Jal, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS: Go of Carlsbad, New Mexico on Highway 62/180 for approximately 30 miles to Red Road (CR-29). Turn south on Red Road and go approximately 8.2 miles. Turn right on an existing lease road and go west for approximately 1 mile. Turn left here and go south for approximately 1.1 miles, turn right on new lease road, location will be approximately 100 feet off.

2. PLANNED ACCESS ROAD:

- A. The proposed new access will be approximately 30' or less in length from the point of origin to the southeast corner of the drilling pad.
- B. The new road will be 14 feet in width (driving surface) and will be adequately drained to control runoff and soil erosion.
- C. The new road will be bladed with drainage on both sides. No traffic turnouts will be needed.
- D. The route of the road is visible.
- E. Existing roads will be maintained in the same or better condition.

3. LOCATION OF EXISTING WELL:

- A. There is drilling activity within a one-mile radius of the well site.
- B. Exhibit D shows existing wells within a one-mile radius of the proposed well site.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

- A. There are production facilities are located on the Martha AIK Federal #1 at the present time.
- B. In the event that the well is productive, the necessary production facilities will be installed on the drilling pad. If the well is productive of oil or gas a diesel self-contained unit will be used to provide the necessary power until an electric line can be built, if needed.

5. LOCATION AND TYPE OF WATER SUPPLY:

- A. It is planned to drill the proposed well with a brine water system. The water will be obtained from commercial sources and will be hauled to the location by truck over the existing and proposed roads shown in Exhibit A.

6. SOURCE OF CONSTRUCTION MATERIALS:

The dirt contractor will be responsible for finding a source of material for construction of road and pad and will obtain any permits that may be required.

7. METHODS OF HANDLING WASTE DISPOSAL:

- A. A closed loop system will be used to drill this well and reserve pits will not be used.
- B. The closed loop system will be constructed, maintained and closed in compliance with the State of New Mexico, Energy and Natural Resources Department, Oil Conservation Division—the “Pit Rule” 19.15.17 NMAC. Form C-144.
- C. Drilling fluids will be removed after drilling and completions is completed.
- D. Water produced during operations will be collected in tanks until hauled to an approved disposal system, or separate disposal application will be submitted.
- E. Oil produced during operations will be stored in tanks until sold.
- F. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- G. All trash, junk, and other waste materials will be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not approved.

8. ANCILLARY FACILITIES: NONE

9. WELLSITE LAYOUT:

- A. Exhibit B shows the relative location and dimensions of the well pad, the closed loop mud system, location of the drilling equipment, rig orientation and access road approach. The proposed well location will be approximately 350' x 300'. All of the location will be constructed within the 600' x. 600' staked area.
- B. The closed loop system will be constructed, maintained and closed in compliance with the State of New Mexico, Energy and Natural Resources Department, Oil Conservation Division—the “Pit Rule” 19.15.17 NMAC.
- C. A 600' x 600' area has been staked and flagged.

10. PLANS FOR RESTORATION:

- A. After finishing drilling and/or completion operations, all equipment and other material not needed for further operations will be removed. The location will be cleaned of all trash and junk to leave the well site in as aesthetically pleasing a condition as possible.
- B. Unguarded pits, if any, containing fluids will be fenced until they have dried and been leveled.
- C. If the proposed well is plugged and abandoned, all rehabilitation and/or vegetation requirements of the Bureau of Land Management will be complied with and will be accomplished as expeditiously as possible. All pits will be filled level after they have evaporated and dried. Pit reclamation will meet 19.15.17 requirements.

Martha AIK Federal #8H  
Page Three

11. SURFACE OWNERSHIP:  
Federal Lands under the supervision of the Carlsbad BLM. .
12. OTHER INFORMATION:
  - A. The primary use of the surface is for grazing.
  - B. Refer to the archaeological report for a description of the topography, flora, fauna, soil Characteristics, dwellings, and historical and cultural sites.

CERTIFICATION  
YATES PETROLEUM CORPORATION  
Lusk AIB Federal #10H

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; and an someone under employment of Yates Petroleum Corporation has full knowledge of state and federal laws applicable to the operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

Executed this 5 day of July 2011

Signature 

Name Travis Hahn

Position Title Land Regulatory Agent

Address 105 South Fourth Street, Artesia, New Mexico 88210

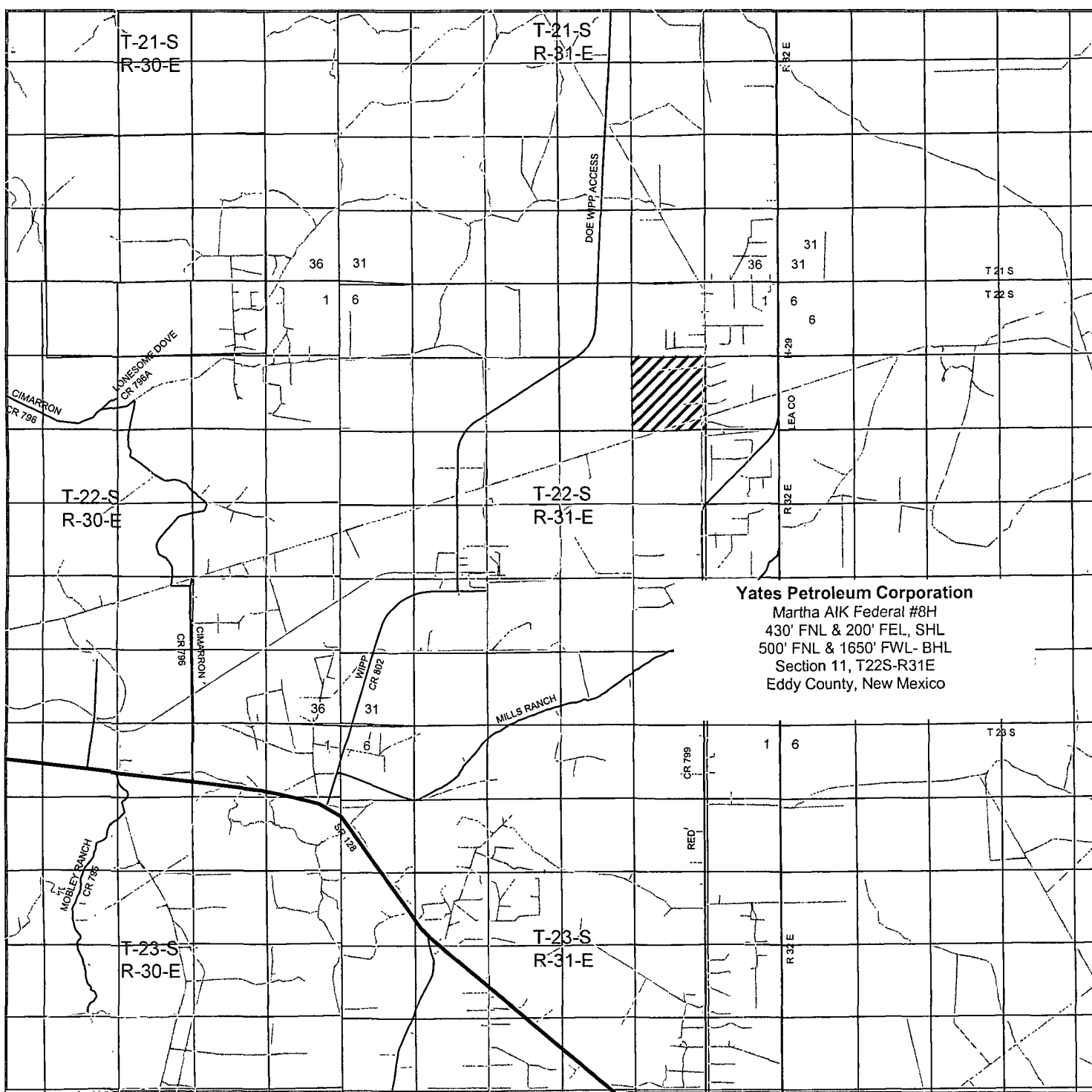
Telephone (575) 748-4120

Field Representative (if not above signatory) Tim Bussell, Drilling Supervisor

Address (if different from above) Same as above

Telephone (if different from above) (575) 748-4221





**Yates Petroleum Corporation**  
 Martha AIK Federal #8H  
 430' FNL & 200' FEL, SHL  
 500' FNL & 1650' FWL- BHL  
 Section 11, T22S-R31E  
 Eddy County, New Mexico

**MARTHA "AIK" FEDERAL #8H**  
 Located 430' FNL and 200' FEL  
 Section 11, Township 22 South, Range 31 East,  
 N.M.P.M., Eddy County, New Mexico.

**RECEIVED**

NOV 29 2011

NMOCD ARTESIA

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**surveys**

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 in the oilfield

P.O. Box 1786  
 1120 N. West County Rd.  
 Hobbs, New Mexico 88241  
 (575) 393-7316 - Office  
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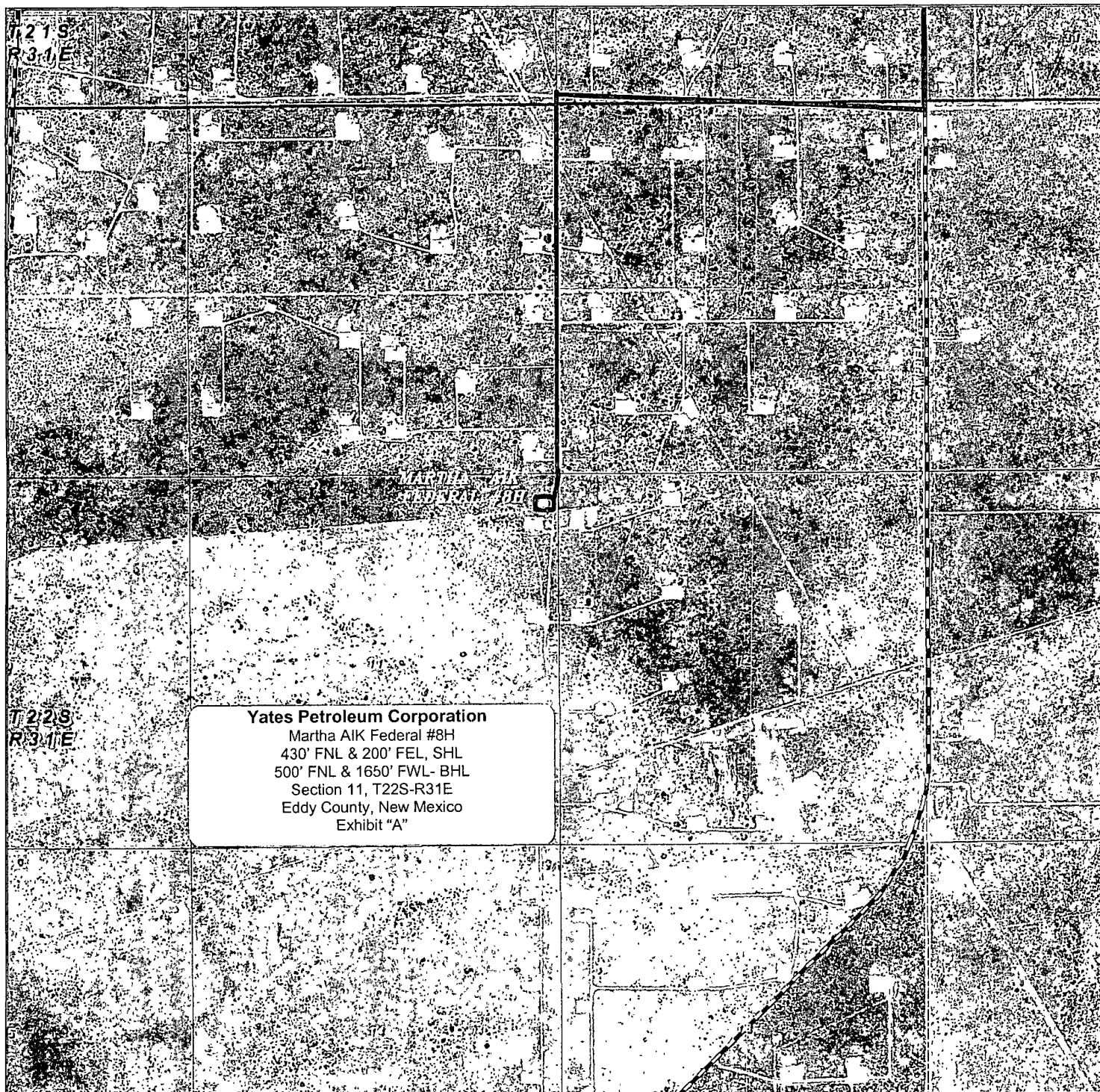
W.O. Number: JMS 23907

Survey Date: 01-08-2011

Scale: 1" = 2 Miles

Date: 03-10-2011

**YATES**  
**PETROLEUM**  
**CORP.**



**Yates Petroleum Corporation**

Martha AIK Federal #8H  
 430' FNL & 200' FEL, SHL  
 500' FNL & 1650' FWL- BHL  
 Section 11, T22S-R31E  
 Eddy County, New Mexico  
 Exhibit "A"

**MARTHA "AIK" FEDERAL #8H**

Located 430' FNL and 200' FEL

Section 11, Township 22 South, Range 31 East,  
 N.M.P.M., Eddy County, New Mexico.

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[basinsurveys.com](http://basinsurveys.com)

W.O. Number: JMS 23907

Scale: 1" = 2000'

YELLOW TINT - USA LAND  
 BLUE TINT - STATE LAND  
 NATURAL COLOR - FEE LAND

**YATES**  
**PETROLEUM**  
**CORP.**

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**Yates Petroleum Corporation**  
 Martha AIK Federal #8H  
 430' FNL & 200' FEL, SHL  
 500' FNL & 1650' FWL- BHL  
 Section 11, T22S-R31E  
 Eddy County, New Mexico  
 Exhibit "D"

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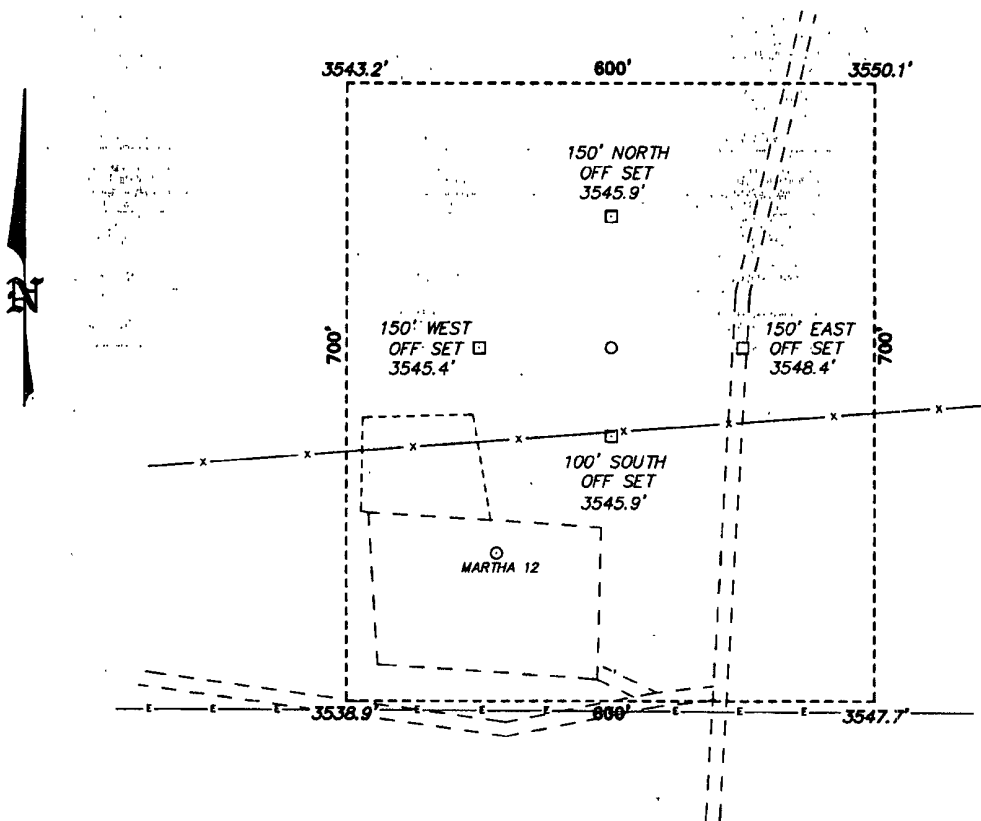
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SECTION 11, TOWNSHIP 22 SOUTH, RANGE 31 EAST, N.M.P.M.,  
EDDY COUNTY, NEW MEXICO.



YATES PETROLEUM CORP.  
MARTHA "AIK" FEDERAL #8H  
ELEV. - 3546'

Yates Petroleum Corporation  
Martha AIK Federal #11H  
430' FNL & 200' FEL-SHL  
430' FSL & 1650' FWL-BHL  
Section 11, T22S-R31E  
Eddy County, New Mexico  
Exhibit "A-1"

Lat - N 32°24'43.70"  
Long - W 103°44'26.64"  
NMSPCE - N 514174.142  
E 724211.307  
(NAD-83)

200 0 200 400 FEET  
SCALE: 1" = 200'

**YATES PETROLEUM CORP.**

REF: MARTHA "AIK" FEDERAL #8H / WELL PAD TOPO

THE MARTHA "AIK" FEDERAL #8H LOCATED 430'

FROM THE NORTH LINE AND 200' FROM THE EAST LINE OF

SECTION 11, TOWNSHIP 22 SOUTH, RANGE 31 EAST,

N.M.P.M., EDDY COUNTY, NEW MEXICO.

**BASIN SURVEYS** P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 23907 Drawn By: J. SMALL

Date: 03-10-2011 Disk: JMS 23907

Survey Date: 01-08-2011 Sheet 1 of 1 Sheets

Survey Date: 01-08-2011 Sheet 1 of 1 Sheets

Received 10-17-11

