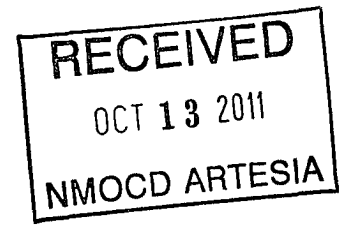


HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

Fasken Oil and Ranch, Ltd.
Shell Federal #2 SWD Re-Entry
3300' FSL & 660' FWL
Sec. 5, T21S, R24E
Eddy County, New Mexico



I. Hydrogen sulfide Training.

All personnel, whether regularly assigned, contracted or employed on an unscheduled basis, will receive training from a qualified instructor in the following areas prior to commencing drilling operations on this well:

1. The hazards and characteristics of hydrogen sulfide (H₂S).
2. The proper use and maintenance of personal protective equipment and life support systems.
3. The proper use of H₂S detectors, alarms, warning systems, briefing areas, evacuation procedures, and prevailing winds.
4. The proper techniques of first aid and rescue procedures.

In addition the supervisory personnel will be trained in the following areas:

1. The effects of H₂S on metal components. If high tensile tubulars are to be used, personnel will be trained in their special maintenance requirements.
2. Corrective action and shut-in procedures when drilling or reworking a well and blowout prevention and well control procedures.
3. The contents and requirements of the H₂S Drilling Operations Plan.

There will be an initial training session just prior to encountering a known or probable H₂S zone (within 3 days or 500 feet) and weekly H₂S and well control drills for all personnel in each crew. The initial training session shall include a review of the site specific H₂S Drilling Operations Plan. This plan shall be available at the well site. All personnel will be required to carry documentation that they have received the proper training.

II. H₂S Safety Equipment and Systems.

NOTE: All H₂S safety equipment and systems will be installed, tested, and operational when drilling reaches a depth of 500 feet above or three days prior to penetration the first zone containing or reasonably expected to contain H₂S.

1. Well Control Equipment:

- A. Flare line.
- B. Choke manifold.
- C. Blind rams and pipe rams to accommodate all pipe sizes with properly sized closing unit.

D. Auxiliary equipment to include: annular preventer, mud-gas separator (if necessary) and rotating head.

2. Protective equipment for essential personnel:

A. 5-minute escape units located in the dog house and 30-minute air units at briefing areas, as indicated on well site diagram.

3. H2S detection and monitoring equipment:

A. 3 - portable H2S monitors positioned on location for best coverage and response. These units have warning lights and audible sirens when H2S levels of 20 PPM are reached.

B. 1 - portable SO2 monitor positioned near flare line during H2S flaring operations.

4. Visual warning systems:

A. Wind direction indicators as shown on well site diagram.

B. Caution/Danger signs shall be posted on roads providing direct access to location. Signs will be painted a high visibility yellow with black lettering of sufficient size to be a readable distance from the immediate location.

5. Mud program:

A. The mud program has been designed to minimize the volume of H2S circulated to the surface. Proper mud weight safe drilling practices and the use of H2S scavengers when necessary will minimize hazards when penetrating H2S bearing zones.

B. A Mud-gas separator will be utilized.

6. Metallurgy:

A. All drill strings, casings, tubing, wellhead, blowout preventors, drilling spools kill lines, choke manifold and lines valves shall be suitable for H2S service.

B. All elastomers used for packing and seals shall be H2S trimmed.

7. Communications:

A. Radio communications will be available in company vehicles and rig dog house.

8. Well testing:

A. Drill stem testing will be performed with a minimum number of personnel in the immediate vicinity which are necessary to safely and adequately conduct the test. The drill stem testing of any known formation that contains H2S will be conducted during daylight hours.

Fasken Oil and Ranch, Ltd.

H2S Contingency Plan

Emergency Phone Numbers

Shell Federal No. 2

Fasken Oil and Ranch, Ltd.

432 687-1777

Key Personnel

Tommy Taylor, Drilling Manager

432 556-2228

Cory Frederick, Drilling Engineer

432-288-0086

Deryl Briles, Drilling Foreman

432 556-4269

Jimmy Davis, Operations Manager

432 557-5668

Hobbs, Lea County, New Mexico

Ambulance

911

State Police

911 or 575 392-5580

Sheriff's Office

911 or 575 396-3611

Fire Department

911 or 575 397-9308

Local Emergency Planning Committee

575 393-2870

New Mexico Oil Conservation Division

575 393-6161

Carlsbad, Eddy County, New Mexico

Ambulance

911

State Police

911 or 575 885-3138

Sheriff's Department

911 or 575 887-7551

Fire Department

911 or 575 885-3125

Local Emergency Planning Committee

575 887-7553

Bureau of Land Management

575 887-6544

New Mexico Oil Conservation Division (Artesia)

575 748-1283

Statewide and National Emergency Numbers

New Mexico Department of Homeland Security And Emergency Management,	505 476-9600
New Mexico State Emergency Operations Center (24 Hour Number)	505 476-9635
National Emergency Response Center	800 424-8802

Other Numbers for Emergency Response

Boots & Coots IWC	800 256-9688 or 281 931-8884
Cudd Pressure Control	432 563-3356
MCH Care Star Flight Service (air ambulance)	432 640-4000
Aerocare (air ambulance)	806 725-1111