#### Form 3160-5 (August 2007)

# OCD-ARTESIA

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB No. 1004-0137 Expires: July 31, 2010

5. Lease Serial No.

LC - 069157

SUNDRY NOTICES AND REPORTS ON WELLS not use this form for proposals to drill or to re-enter an

6. If Indian, Allottee or Tribe Name

	orm for proposals to drill or t Jse Form 3160-3 (APD) for su							
SUBMIT.	7. If Unit of CA/Agreement, Name and/or No.							
1. Type of Well	8. Well Name and No.   Dublin 23: Federal #1							
2. Name of Operator Marshall	& Winston, Inc.		9. API Well No.					
3a. Address P. O. Box 508	21 21 27	. (include area code)	30-015-34879  10. Field and Pool or Exploratory Area					
Midland, TX 7	l l	4-6373	Loving Brushy Canyon East					
4. Location of Well (Footage, Sec., T., R	R.,M., or Survey Description)		11. Country or Parish, State					
660'FSL & 1980' FEL,	Eddy Co., NM							
12. CHECH	K THE APPROPRIATE BOX(ES) TO INI	DICATE NATURE OF NOTICE	CE, REPORT OR OTHER DATA					
TYPE OF SUBMISSION		TYPE OF ACT	ION					
Notice of Intent		ture Treat Recl	uction (Start/Resume)					
X Subsequent Report			complete <u>KX</u> =Other <u>H2S - ROE</u>					
Final Abandonment Notice			er Disposal					
testing has been completed. Final A determined that the site is ready for  Radius of exposure Order #6.III.A.2.  Volume Gas: 35,  H2S Conc.: 180 500	of H2S per Onshore Oi  of H2S per Onshore Oi  000 SCF/Day  0 ppm ppm ROE = 8.2 feet ppm ROE = 17.9 feet  RECEIV  JUL 3 0 20  NMOCD AFT	ter all requirements, including  and Gas	ACCEPTED FOR RECORD  JUL 2 5 2012 /s/ JD Whitlock Jr  BUREAU OF LAND MANAGEMENT CARLSBAD FIELD OFFICE					
Name (Printed/Typed)	e Herrera	Tule Engineer						
Signature Jan Du		Date January	9, 2012					
THIS SPACE FOR FEDERAL OR STATE OFFICE USE								
Approved by		Title	Date					
hat the applicant holds legal or equitable title entitle the applicant to conduct operations th		certify ould Office						
	I.S.C Section 1212, make it a crime for any pentations as to any matter within its purisher.		make to any department or agency of the United States any fals					

# Marshall & Winston Inc.

Contingency Plan for

Hydrogen Sulfide

Legals for

**Production Unit** 

**Dublin Federal 23** 

FEL 1980', FSL 660'

Sec.23, Township 22S, Range 28E, Unit O

Eddy Co, NM

**GPS** Coordinates

N32'22.367'

W104"03.376'

Prepared by Total Safety US Inc.

1101 South First Street

Artesia NM 88211

Direction to location

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# 1 Process Safety Control Plan

When implemented, this process safety control plan will adequately protect the employees and contractors of, as well as, the public and environment from routine and unplanned releases of natural gas and production fluids that may contain toxic quantities of Hydrogen Sulfide ( $H_2S$ ). This will be accomplished through administrative, as well as, operational controls. The management of Marshall & Winston, Inc. is responsible for implementation and maintenance of this plan.

# 1.1 Objective

This plan will discuss the hazards present at the referenced Marshall & Winston, Inc. production units and specifically address administrative and operational controls that will be sufficient to protect the residents domiciled in sensitive areas, recreational transients, and Marshall & Winston, Inc. employees and contractors.

# 1.2 Hazards

This Marshall & Winston, Inc. lease produces natural gas and condensate which are flammable and/or toxio (H<sub>2</sub>S). Historically, i.e., for the past 20 years, there is no record of personal injury due to fire or H<sub>2</sub>S exposure resulting from an atmospheric release from a Marshall & Winston, Inc. facility. Marshall & Winston, Inc. facility. Marshall & Winston, Inc. facilities also contribute, from time to time, odors and noise classified as "nuisance." The New Mexico OCD has issued air quality regulation exemptions and atmospheric release permits, on a location by location basis, where routine releases of natural gas occur.

#### 1.2.1 Fire

Fire hazards are present at all Marshall & Winston, Inc. facilities and, except for the central battery where the crude oil and natural gas is separated, a fire would be composed of both crude oil and natural gas. Bach Marshall & Winston, Inc. lease operator will have in the field vehicle an adequate and operable fire extinguisher for use in extinguishing incipient fires. Ignition sources at Marshall & Winston, Inc. locations will be reasonably eliminated.

#### 1.2.1.1 Crude Oll

Crude oil is a flammable liquid confined to the flow lines, tank batteries, and trunk lines. Unplanned releases or spills present a flammable hazard.

#### 1.2.1.2 Natural Gas

Limited quantities of flammable natural gas is present in the flow lines, tank batteries, and trunk lines which comprises the production gathering system. Unplanned releases or splits present a flammable hazard.

### 1.2.2 Toxicity

The production fluids and natural gas contain H<sub>2</sub>S and has been summarized in the document titled, Marshall & Winston, Inc. H<sub>2</sub>S Survey and Radius of Exposure Determination for Production Unit: Dublin Federal 23, January 2008. Allowable occupation exposure to this compound is limited to 10 ppm in an eight hour period (Permissible Exposure Limit-PBL) or 15 ppm for a single 15 minute period during an eight hour day (Short Term Exposure Limit-STBL) (OSHA/ANSI/NIOSH). Concentrations > 300 ppm H<sub>2</sub>S are considered to be Immediately Dangerous to Life and Health (IDLH), Releases to the environment and exposure of individuals should be maintained as low as reasonably achievable.

#### 1.2.2.1 Production Fluids

Production fluids are composed of natural gas and formation water. Both contain dissolved H<sub>2</sub>S that eludes during agitation or heating and the formation water contains varying concentrations organic salts. During normal operations the head space gases of the storage tanks for crude oil and formation water contain hazardous concentrations of H<sub>2</sub>S. Unplanned releases or spills of the production fluids will have a negative impact on the affected ecosystem matrices, i.e., soil, ground water, and surface water and pose a health risk to exposed individuals.

#### 1.2.2.2 Natural Gas

The natural gas produced at most Marshall & Winston, Inc. locations contains hazardous H<sub>2</sub>S concentrations. Exposures should be avoided.

# 1.3 Process Safety Controls

To protect the Marshall & Winston, Inc. employees, contractors and individuals in sensitive areas, Marshall & Winston, Inc. will design and implement a system of safety controls on equipment within sensitive areas.

#### 1.3.1 Operational Controls

Operational controls consist of safety devices installed on production and handling equipment to immediately stop or reduce the release to the environment of fluid or gas resulting from an equipment failure.

# 1.3.1.1 Determination of H<sub>2</sub>S concentrations and Radius of Exposures

Based on information and calculations contained in the report, Marshall & Winston, Inc. H<sub>2</sub>S Survey and Radius of Exposure Determination for Production Units: Dublin Federal 23, January 2008. Marshall & Winston, Inc. is able to prescribe operational and administrative controls which will maintain exposures of employees, contractors, individuals living in sensitive areas, and the environment "as low as reasonably achievable." The "Zero back Pressure Flow Rates" and consequently the Radius of Exposures from representative wells in sensitive areas were verified empirically in the Marshall & Winston, Inc. report titled, H2S Survey and Radius of Exposure Determination for Production Units: Dublin Federal 23, January 2008.

#### 1.3.1.2 Signs

Signs will be used to communicate the hazards presented by Marshall & Winston, Inc. equipment and activities to the affected individuals.

# 1.3.1.2.1 Marshall & Winston, Inc. Emergency Notification Number

These permanently posted signs will facilitate notification of Murshall & Winston, Inc. field operations personnel of an equipment or system failure by individuals domiciled within sensitive areas. The sign will read:

# Property of Marshall & Winston, Inc. In Case of Emergency Call

432-684-6373

1.3.1.2.2 All Tank Batteries and Test Headers, and Pumping Units within Sensitive Areas All bulk oil and produced water storage tank battery facilities and test headers, as well as, pumping units within sensitive areas will have signs lettered,

# WARNING/DANGER H₂S GAS PRESENT

and will be permanently attached to an adequate structure,

#### 1.3.1.2.3 Buried Flow Lines and Trunk Lines

Buried flow lines and trunk lines will be marked with signs identifying Marshall & Winston, Inc. as the owner and the number to call to report a leak or plan an excavation in the area. These signs will be constructed of flexible Carsonite and will be placed at appropriate intervals directly above the buried line and at all road crossings.

#### 1.3.1.3 Security

These controls will limit, deter, and restrict access to Marshall & Winston, Inc. properties that pose health or environmental hazards. This will also insure to some degree that the integrity of the operational systems will not be perturbed.

#### 1,3.1.3.1 Fencing

All Marshall & Winston, Inc. facilities within sensitive areas will be enclosed with a chain link fence at least 8 feet high. Additionally, pumping units located near schools will be totally enclosed. Tank batteries and Test headers outside sensitive areas will be fenced with 4-strand barbed wire.

#### 1.3.1.3.2 Locks

All facilities enclosed by chain link fencing will be locked. Padlocks will be keyed alike.

#### 1.3.1.3.3 Plugging Valve Openings

Valve openings will be plugged and ball valve handles removed at facilities within sensitive areas.

#### 1.3.1.4 H<sub>2</sub>S Monitoring

These monitors are designed to inform, by alarm, the Marshall & Winston, Inc., employee or contractor of hazardous and dangerous accumulations or releases of H<sub>2</sub>S,

#### 1.3.1.4.1 Personal Monitors

All Marshall & Winston, Inc. employees and contractors will be required to have on their person while working in and around Marshall & Winston, Inc. properties a personal  $H_2S$  monitor. Marshall & Winston, Inc. will provide its' employees with monitors and train them in their use. Contractors will see that their employees are likewise equipped and trained.

# 1.3.1.5 Employee and Contractor Training

All Marshall & Winston, Inc. employees and contractors are required to attend annual H<sub>2</sub>S Safety and Respiratory Protection training and will have on their person, as evidence of training, a field verification card showing the date of training and provider.

1.3.1.6 Well Workover/Completion

Marshall & Winston, Inc. will close in well immediately with BOP's and install TIW valve on tubing in case of release of natural gas during this operation. If release is necessary, Marshall & Winston, Inc. will flare blow down during this operation thence minimizing toxic gas in atmosphere (API RP55 9.12 and 9.14). During the release of toxic gas there will be a hydrogen sulfide package with hydrogen sulfide monitoring and detection instruments and respiratory protection available. All respirators shall meet the requirements of OSHA's Respiratory Protection Standard (refer to 29 Code of Federal Regulations Part 1910.134) and be approved under procedures outlined in ANSI Z88.2. All breathing air cylinders shall meet U.S. Department of Transportation (DOT) or other appropriate regulatory requirements (refer to 30 Code of Federal Regulations, Part 1910.134, Chapter 1, Subchapter B, Part II, Subpart H, Par. 11.80 and 49 Code of Federal Regulations Part 178, Subpart C). The following types of breathing equipment with full face piece meet these requirements and should be used where the work area atmospheric concentration exceeds 10 ppm for hydrogen sulfide or 2 ppm for sulfur dioxide:

a. Self-contained, positive-pressure-pressure-demand breathing equipment that provides respiratory protection in any atmospheric concentration of hydrogen sulfide or sulfur dioxide.

b. Positive-pressure/pressure-demand, air-line breathing equipment, with an auxiliary self-contained air supply (rated for a minimum of five minutes). This type unit can be used for entry as long as the air line is connected to a source of breathing air. The auxiliary self-contained air supply (rated for less than fifteen minutes) is suitable only for escape or self-rescue use.

#### Notes:

Personal assigned job-related tasks requiring routine use of breathing equipment shall have a periodic review to determine
their physiological and psychological adequacy for use of this equipment (refer to ANSI Z 88.2 and 29 Code of the Federal
Regulations Part 1910.134).

 Positive-pressure/pressure-demand, air-line or self-contained breathing apparatus, as appropriate, with full face piece shall be worn by personnel exposed to atmospheres containing concentrations of hydrogen sulfide and sulfur dioxide above OHSA's ACCs's, STBL's, PBL's for air contaminants (refer to 29Code of Federal Regulations Part 1910.1000.

CAUTION: Gas mask canister type breathing and demand type (negative pressure) equipment shall not be used in oil and gas producing and gas processing plant operations when a hydrogen sulfide or sulfur dioxide environment could be entered,

#### 2 Contingency Plan

In the event of a natural disaster or equipment failure that subsequently results in an atmospheric release of hazardous fluids or gas, Marshall & Winston, Inc employees and affected individuals within sensitive areas.

#### 2.1 Operational Contingencies

Marshall & Winston, Inc. equipment and facilities are designed to contain all production fluids and gas. All facilities are visually inspected /checked for leaks or deterioration by field personal once every (24) twenty four hours, if leaks are noted the employee responds appropriately. This, along with the system check valves and high and low-pressure shut downs will minimize inadvertent or accidental releases. However, in sensitive areas where the public is in close proximity to pumping units, flow lines, and test headers and are present locally (24)twenty fours a day, it is important that they know how to safely and effectively respond to Marshall & Winston, Inc. system leaks or spills.

# 2.1.1 Marshall & Winston, Inc. Employee Response

The employee of Marshall & Winston, Inc. that first responds to the release, whether the discoverer or directed by management, will be responsible for de-energizing equipment and closing valves to stop the release or spill and notifying affected residents of the area. If appropriately trained, the employee will also attempt to contain the spill. The employee will also contact the local emergency response agency or Fire Department for assistants. The matrix below contains pertinent telephone numbers.

Emergency Notification Numbers			
State Police	911		
Emergency Medical/Ambulance Service	911		
Fire Department	911		
Hospital	575-887-4100		
Sheriff's Department	911/575-887-755		
New Mexico OCD	575-393-6161		
Marshall & Winston, Inc. Engineer Gabe Herrera	432-260-8650		
Marshall & Winston, Inc lease operator Gary Standard	575-706-1770		
Total Safety Artesia NM	575-746-2847		
Marshall & Winston, Inc 24 hour Emergency Number	432-684-6373		

Marshall & Winston, Inc. personnel will have communication devices available 24 hours a day

#### 2.1.1.1.1. Pagers

Marshall & Winston, Inc supervisors and field personnel will have pagers on their person or in their presence 24 hours a day making them accessible during any emergency event

#### 2.1.1.1.2 Two - Way Radios

All Marshall & Winston, Inc employees will have functional two-way radio communication

# 2.1.2 Individual or Public Response

Individuals domiciled in sensitive areas or recreational transients shall be made aware of the hazards presented by the oil and gas extraction activities conducted by Marshall & Winston, Inc.. This will be accomplished with the use of adequate signage and marking. If an individual discovers an inadvertent release or spill, the appropriate response is to contact a representative of Marshall & Winston, Inc. at the telephone number listed on the signs. Which is:

# 432-684-6373

# 2.2 Awareness Program

Marshall & Winston, Inc. will implement this program to ensure appropriate response of individuals domiciled in sensitive areas or recreational transients, as well as, utility companies who traditionally install underground service and emergency response agencies.

#### 2.2.1 Affected Individuals and Businesses

Marshall & Winston, Inc. will compose and distribute a written notice to individuals and businesses located within sensitive areas and will contain the following information. To verify delivery and receipt the affected individual will be asked to sign an addressed delivery roster.

- · Marshall & Winston, Inc., identified as the property owner
- · Discuss hazards and nuisance.
- · Telephone number to report a leak or equipment failure
- · Stay away from the leak, especially children and pets
- . Do not enter fenced areas. Call Marshall & Winston, Inc. to retrieve items within.

#### 2.2.2 Utility Companies and Emergency Response Agencies

Marshall & Winston, Inc. will develop and transmit letters describing the locations of surface facilities and buried flow lines and associated hazards. This will enable utility companies to avoid contact with the buried lines and is necessary information that could feasibly affect emergency response procedures relative to a non-related emergency. Additionally, reporting requirements of SARA Title III have been filed with the New Mexico OCD and other appropriate emergency response agencies.

Wildcat Measurement Service P.O.Box 1836 416 East Main Street Artesia, NM 88211-1836

12/20/2011 10:58 AM Phone: 575-746-3481 888-421-9453 Fax: 575-748-9852 dnorman@wildcatms.com

Pentane+ GPM: 1.4029

#### **GAS ANALYSIS REPORT**

Analysis For: MARSHALL & WINSTON, INC. Run No: 2111220-01 Date Run: 12/20/2011 Field Name:

Well Name: DUBLIN FEDERAL "23" #1, #2 & #3 Date Sampled: 12/19/2011

Station Number: **Producer: MARSHALL & WINSTON** 

Purpose: SPOT-COMINGLED FROM GAS STREAM County: EDDY

Sample Deg. F: 60.0 State: NM

Volume/Day: Sampled By: KARL HAENY

Formation: Atmos Deg. F: 54

Line PSIG: 18.1 Line PSIA: 31.3

Totals

Pressure Base: 14.730 **GAS COMPONENTS** Real BTU Dry: 1511.105 MOL% **GPM** Real BTU Wet: 1484.872 Oxygen 0.0000 O2: Carbon Dioxide C02: 0.0535 Calc. Ideal Gravity: 0.9016 Nitrogen N2: 2.8926 Calc. Real Gravity: 0.9064 Hydrogen Sulfide H2S: 0.1800 Field Gravity: Standard Pressure: 14.696 Methane C1: 61.1759 Ideal BTU Dry: 1499.048 Ethane C2: 16.7019 4.4656 Ideal BTU Wet: 1472.965 Propane C3: 10.5115 2.8952 Z Factor: 0.9943 Iso-Butane IC4: 1.3852 0.4532 Average Mol Weight: 26.1133 Nor-Butane NC4: 3.5364 1.1146 Average CuFt/Gal: 51.5285 Iso-Pentane IC5: 0.9915 0.3625 26 lb. Product: 2.1321 Nor-Pentanes NC5: 1.0717 0.3884 Ethane+ GPM: 10.3315 **Hexanes Plus** C6+: 1.4998 0.6520 Propane+ GPM: 5.8659 Butane+ GPM: 2.9707 100.0000

10,3315

Analysis By: Don Norman

H2S IN GAS STREAM ON LOCATION: 0.1800% ≈ 1,800 PPM

Wildcat Measurement Service P.O.Box 1836 416 East Main Street Artesia, NM 88211-1836 12/20/2011 11:02 AM
Phone: 575-746-3481
888-421-9453
Fax: 575-748-9852
dnorman@wildcatms.com

#### **GAS ANALYSIS REPORT**

Analysis For: MARSHALL & WINSTON, INC. Run No: 2111220-02
Field Name: Date Run: 12/20/2011

Well Name: DUBLIN FEDERAL "23" #1, #2 & #3 Date Sampled: 12/19/2011

Station Number:

on Number: Producer: MARSHALL & WINSTON

Purpose: SPOT-FROM TANK County: EDDY Sample Deg. F: 60.0 State: NM

Volume/Day: Sampled By: KARL HAENY
Formation: Atmos Deg. F: 54

Line PSIG: Line PSIA:

Pressure Base: 14.730
GAS COMPONENTS Real BTU Dry: 1935.643
MOL% GPM Real BTU Wet: 1902.040

 Oxygen
 O2:
 0.0000

 Carbon Dioxide
 C02:
 0.0508
 Calc. Ideal Gravity: 1.1678

 Nitrogen
 N2:
 3.0409
 Calc. Real Gravity: 1.1792

Hydrogen Sulfide H<sub>2</sub>S: 0.0300 Field Gravity:

Standard Pressure: 14.696 Methane C1: 37.5914 Ideal BTU Dry: 1911.785 Ethane C2: 21.2787 5.6893 Ideal BTU Wet: 1878.520 **Propane** C3: 20.9072 5.7585 Z Factor: 0,9899 Iso-Butane IC4: 3.0885 1.0104 Average Mol Weight: 33.8225 Nor-Butane NC4: 7.8772 2.4828 Average CuFt/Gal: 45.6756 Iso-Pentane IC5: 1.9175 0.7011 26 lb. Product: 3.5995 Nor-Pentanes NC5: 1.8891 0.6846 Ethane+ GPM: 17.3390

Hexanes Plus C6+: 2.3287 1.0124 Propane+ GPM: 11.6497
Butane+ GPM: 5.8913

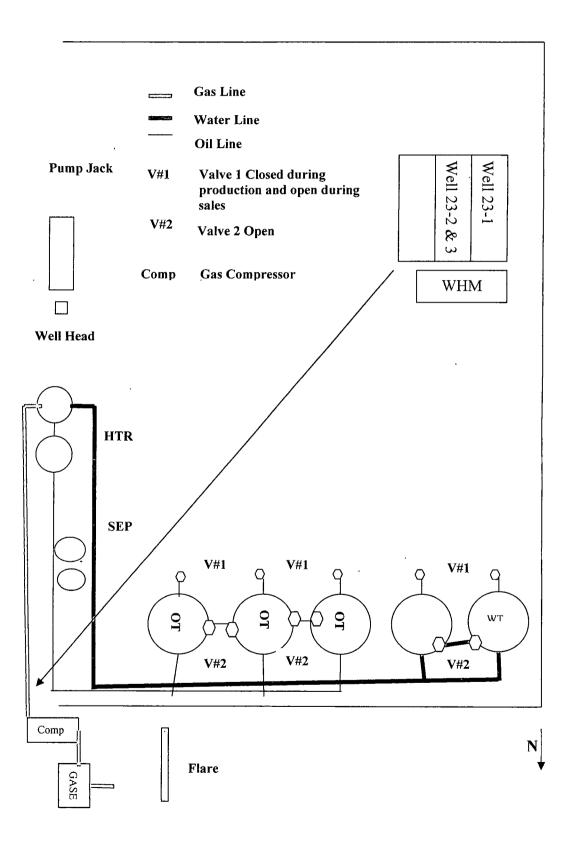
Totals 100.0000 17.3390 Pentane+ GPM: 2.3981

Remarks:

H2S IN GAS STREAM ON LOCATION: 0.0300% = 300 PPM

Analysis By: Don Norman

# SITE FACILITY DIAGRAM



ì

# U. S. Department of the Interior

# **Bureau of Land Management**

28.6 <sup>(0 4546)</sup> =

#### **Carlsbad Field Office**

# Radius of Exposure of H<sub>2</sub>S per Onshore Oil and Gas Order 6.III.A.2 Verification of Calculation

1,000,000 = one million

1.00,000/1,000,000 = 0.10 = 1/0% = 1/00,000  ppm	Stay away	,			
1,000/1,000,000 = 0.01 = 1% = 1,000 ppm	Stay away				
100/1,000,000 = 0.0001 = 0.01% = 100 ppm	Stay away				
50/1,000,000 = 0.00005 = 0.005% = 50  ppm +	Stay away				
. 49 ppm to 11 ppm	Caution,	tolerance level very limited.			
10/1,000,000 = 0.00001 = 0.001% = 10 ppm was the OSHA limit for a 8 hour work tour.					
8/1,000,000 = 0.000008 = .0008% = 8 ppm is the OSHA limit of exposure for a 8 hour work tour.					

# When the H<sub>2</sub>S concentration in the escaping gas stream is less than 10 % (100,000 ppm).

**X** = radius of exposure in feet

**H<sub>2</sub>S Concentration** = decimal equivalent of the mole or volume fractions of  $H_2S$  in the gaseous mixture Example: 1800 ppm = 1800/1,000,000 = 0.0018.

**Q** = Maximum volume of gas determined to be available for excape in cubic feet per day (at standard condition of 14.73 psia and 60° F).

Name of Operator: Marshall & Winston, Inc. Facillity or Well Name: Dublin 23 Federal #1 Date of Sundry: January 9, 2012

 $\mathbf{X} = [(0.4546)^*(H_2S \text{ concentration})^*(Q)]^{(0.4546)} =$ 

Where:

35,000 = Standard Cubic Feet of gas per day 1800 = parts per million (ppm) value