CONTINGENCY PLAN

CLAYTON WILLIAMS ENERGY, INC.

PHILLIPS 19 FEDERAL #15

990' FNL & 2410' FEL
Section 19: T-17-S R-29-E
Eddy County, New Mexico
30-015-33903

Prepared For:	**Clayton Williams Energy, Inc.**
Date Prepared:	**April 29, 2004**
Prepared By:	**INDIAN Fire & Safety, Inc.**

TABLE OF CONTENTS

HYDROGEN SULFIDE CONTINGENCY PLAN

SCOPE

THIS CONTINGENCY PLAN ESTABLISHES GUIDELINES FOR THE PUBLIC, ALL COMPANY EMPLOYEES WHO'S WORK ACTIVITIES MAY INVOLVE EXPOSURE TO HYDROGEN SULFIDE (H2S) GAS.

OBJECTIVE

1. PREVENT ANY AND ALL ACCIDENTS, AND PREVENT THE UNCONTROLLED RELEASE OF HYDROGEN SULFIDE INTO THE ATMOSPHERE.

2. PROVIDE PROPER EVACUATION PROCEDURES TO COPE WITH EMERGENCIES.

3. PROVIDE IMMEDIATE AND ADEQUATE MEDICAL ATTENTION SHOULD AN INJURY OCCUR.

DISCUSSION

GEOLOGICAL PROGNOSIS

IMPLEMENTATION:	THIS PLAN WITH ALL DETAILS IS TO BE FULLY IMPLEMENTED AFTER DRILLING TO INTERMEDIATE CASING POINT.
EMERGENCY RESPONSE PROCEDURE:	THIS SECTION OUTLINES THE CONDITIONS AND DENOTES STEPS TO BE TAKEN IN THE EVENT OF AN EMERGENCY.
EMERGENCY EQUIPMENT PROCEDURE:	THIS SECTION OUTLINES THE SAFETY AND EMERGENCY EQUIPMENT THAT WILL BE REQUIRED FOR THE DRILLING OF THIS WELL.
TRAINING PROVISIONS:	THIS SECTION OUTLINES THE TRAINING PROVISIONS THAT MUST BE ADHERED TO PRIOR TO DRILLING TO INTERMEDIATE CASING POINT.
DRILLING EMERGENCY CALL LISTS:	INCLUDED ARE THE TELEPHONE NUMBERS OF ALL PERSONS TO BE CONTACTED SHOULD AN EMERGENCY EXIST.
BRIEFING:	THIS SECTION DEALS WITH THE BRIEFING OF ALL PEOPLE INVOLVED IN THE DRILLING OPERATION.
PUBLIC SAFETY:	PUBLIC SAFETY PERSONNEL WILL BE MADE AWARE OF THE DRILLING OF THIS WELL.
CHECK LISTS:	STATUS CHECK LISTS AND PROCEDURAL CHECK LISTS HAVE BEEN INCLUDED TO INSURE ADHERENCE TO THE PLAN.
GENERAL INFORMATION:	A GENERAL INFORMATION SECTION HAS BEEN INCLUDED TO SUPPLY SUPPORT INFORMATION.

EMERGENCY PROCEDURES

A. IN THE EVENT OF ANY EVIDENCE OF H2S LEVEL ABOVE 10 PPM, TAKE THE FOLLOWING STEPS:

1. SECURE BREATHING EQUIPMENT.

2. ORDER NON-ESSENTIAL PERSONNEL OUT OF DANGER ZONE.

3. TAKE STEPS TO DETERMINE IF THE H2S LEVEL CAN BE CORRECTED OR SUPPRESSED AND, IF SO, PROCEED IN NORMAL OPERATION.

B. IF UNCONTROLLABLE CONDITIONS OCCUR:

1. TAKE STEPS TO PROTECT AND/OR REMOVE ANY PUBLIC IN THE DOWN-WIND AREA FROM THE RIG – PARTIAL EVACUATION AND ISOLATION. NOTIFY NECESSARY PUBLIC SAFETY PERSONNEL AND THE BUREAU OF LAND MANAGEMENT OF THE SITUATION.

2. REMOVE ALL PERSONNEL TO SAFE BREATHING AREA.

3. NOTIFY PUBLIC SAFETY PERSONNEL TO SAFE BREATHING AREA.

4. PROCEED WITH BEST PLAN (AT THE TIME) TO REGAIN CONTROL OF THE WELL. MAINTAIN TIGHT SECURITY AND SAFETY PROCEDURES.

C. RESPONSIBILITY:

1. DESIGNATED PERSONNEL.

a. SHALL BE RESPONSIBLE FOR THE TOTAL IMPLEMENTATION OF THIS PLAN.

b. SHALL BE IN COMPLETE COMMAND DURING ANY EMERGENCY.

c. SHALL DESIGNATE A BACK-UP. . .

EMERGENCY PROCEDURES

*(Procedures are the same for both Drilling and Tripping)

ALL PERSONNEL:

1. ON ALARM, DON ESCAPE UNIT AND REPORT IN UP WIND BRIEFING AREA.
2. CHECK STATUS OF PERSONNEL (BUDDY SYSTEM).
3. SECURE BREATHING EQUIPMENT.
4. AWAIT ORDERS FROM SUPERVISOR.

DRILLING FOREMAN:

1. REPORT TO UP WIND BRIEFING AREA.
2. DON BREATHING EQUIPMENT AND RETURN TO POINT OF RELEASE WITH TOOL PUSHER OR DRILLER (BUDDY SYSTEM).
3. DETERMINE H2S CONCENTRATIONS.
4. ASSESS SITUATION AND TAKE CONTROL MEASURES.

TOOL PUSHER:

1. REPORT TO UP WIND BRIEFING AREA.
2. DON BREATHING EQUIPMENT AND RETURN TO POINT OF RELEASE WITH DRILLING FOREMAN OR DRILLER (BUDDY SYSTEM).
3. DETERMINE H2S CONCENTRATION.
4. ASSESS SITUATION AND TAKE CONTROL MEASURES.

DRILLER:

1. DON ESCAPE UNIT.
2. CHECK MONITOR FOR POINT OF RELEASE.
3. REPORT TO BRIEFING AREA.
4. CHECK STATUS OF PERSONNEL (IN AN ATTEMPT TO RESCUE, USE THE BUDDY SYSTEM).
5. ASSIGNS LEAST ESSENTIAL PERSON TO NOTIFY DRILLING FOREMAN AND TOOL PUSHER BY QUICKEST MEANS IN CASE OF THEIR ABSENCE.
6. ASSUMES THE RESPONSIBILITIES OF THE DRILLING FORMAN AND TOOL PUSHER UNTIL THEY ARRIVE SHOULD THEY BE ABSENT.

EMERGENCY PROCEDURES

DERRICK MAN FLOOR MAN #1 FLOOR MAN #2	1.	WILL REMAIN IN BRIEFING AREA UNTIL INSTRUCTED BY SUPERVISOR.
MUD ENGINEER:	1. 2.	REPORT TO BRIEFING AREA. WHEN INSTRUCTED, BEGIN CHECK OF MUD FOR PH AND H2S LEVEL. (GARETT GAS TRAIN.)
SAFETY PERSONNEL:	1.	MASK UP AND CHECK STATUS OF ALL PERSONNEL AND SECURE OPERATIONS AS INSTRUCTED BY DRILLING FOREMAN AND REPORT TO BRIEFING AREA.

TAKING A KICK

WHEN TAKING A KICK DURING AN H2S EMERGENCY, ALL PERSONNEL WILL FOLLOW STANDARD BOP PROCEDURES AFTER REPORTING TO BRIEFING AREA AND MASKING UP.

OPEN-HOLE LOGGING

ALL UNNECESSARY PERSONNEL OFF FLOOR. DRILLING FOREMAN AND SAFETY PERSONNEL SHOULD MONITOR CONDITION, ADVISE STATUS AND DETERMINE NEED FOR USE OF AID EQUIPMENT.

RUNNING CASING OR PLUGGING

FOLLOWING THE SAME "TRIPPING" PROCEDURE AS ABOVE. DRILLING FOREMAN AND SAFETY PERSONNEL SHOULD DETERMINE IF ALL PERSONNEL HAVE ACCESS TO PROTECTIVE EQUIPMENT.

IGNITION PROCEDURES

THE DECISION TO IGNITE THE WELL IS THE RESPONSIBILITY OF COMPANY FOREMAN. IN THE EVENT HE IS INCAPACITATED, IT BECOMES THE RESPONSIBILITY OF THE CONTRACT RIG TOOL PUSHER. THE DECISION SHOULD BE MADE ONLY AS A LAST RESORT AND IN A SITUATION WHERE IT IS CLEAR THAT:

1. HUMAN LIFE AND PROPERTY ARE ENDANGERED.
2. THERE IS NO HOPE CONTROLLING THE BLOWOUT UNDER THE PREVAILING CONDITIONS AT THE WELL.

NOTIFY THE DISTRICT OFFICE IF TIME PERMITS, BUT DO NOT DELAY IF HUMAN LIFE IS IN DANGER.

INITIATE FIRST PHASE OF EVACUATION PLAN.

IGNITION PROCEDURES

INSTRUCTIONS FOR IGNITING THE WELL

1. TWO PEOPLE ARE REQUIRED FOR THE ACTUAL IGNITING OPERATION. THEY MUST WEAR SELF-CONTAINED BREATHING UNITS AND HAVE SAFETY ROPE ATTACHED. ONE MAN (TOOL PUSHER OR SAFETY ENGINEER) WILL CHECK THE ATMOSPHERE FOR EXPLOSIVE GASES WITH THE EXPLOSIMETER. THE OTHER MAN (DRILLING FOREMAN) IS RESPONSIBLE FOR IGNITING THE WELL.
2. PRIMARY METHOD TO IGNITE: 25 MM FLARE GUN WITH RANGE OF APPROXIMATELY 500 FEET.
3. IGNITE UP WIND AND DO NOT APPROACH ANY CLOSER THAN IS WARRANTED.
4. SELECT THE IGNITION SITE BEST FOR PROTECTION, AND WHICH OFFERS AN EASY ESCAPE ROUTE.
5. BEFORE FIRING, CHECK FOR PRESENCE OF COMBUSTIBLE GAS.
6. AFTER LIGHTING, CONTINUE EMERGENCY ACTION AND PROCEDURE AS BEFORE.
7. ALL UNASSIGNED PERSONNEL WILL LIMIT THEIR ACTIONS TO THOSE DIRECTED BY THE DRILLING FOREMAN.

REMEMBER: AFTER WELL IS IGNITED, BURNING HYDROGEN SULFIDE WILL CONVERT TO SULFUR DIOXIDE, WHICH IS ALSO HIGHLY TOXIC. DO NOT ASSUME THE AREA IS SAFE AFTER THE WELL IS IGNITED.

TRAINING REQUIREMENTS

WHEN WORKING IN AN AREA WHERE HYDROGEN SULFIDE GAS (H2S) MIGHT BE ENCOUNTERED, DEFINITE TRAINING REQUIREMENTS MUST BE CARRIED OUT. ALL COMPANIES WILL INSURE THAT ALL PERSONNEL AT THE WELL SITE WILL HAVE HAD ADEQUATE TRAINING IN THE FOLLOWING:

1. HAZARDS AND CHARACTERISTICS OF H2S.
2. PHYSICAL EFFECTS OF HYDROGEN SULFIDE ON THE HUMAN BODY.
3. TOXICITY OF HYDROGEN SULFIDE AND SULFUR DIOXIDE.
4. H2S DETECTION.
5. EMERGENCY RESCUE.
6. RESUSCITATORS.
7. FIRST AID AND ARTIFICIAL RESPIRATION.
8. EFFECTS OF H2S ON METALS.
9. LOCATION SAFETY.

SERVICE COMPANY AND VISITING PERSONNEL

A. EACH SERVICE COMPANY THAT WILL BE ON THIS WELL WILL BE NOTIFIED IF THE ZONE CONTAINS H2S.

B. EACH SERVICE COMPANY MUST PROVIDE FOR THE TRAINING AND EQUIPMENT OF THEIR EMPLOYEES BEFORE THEY ARRIVE AT THE WELL SITE.

C. EACH SERVICE COMPANY WILL BE EXPECTED TO ATTEND A WELL SITE BRIEFING.

EMERGENCY EQUIPMENT REQUIREMENTS

1. SIGNS

A. ONE SIGN LOCATED AT LOCATION ENTRANCE WITH THE FOLLOWING LANGUAGE:

(LEASE)
CAUTION – POTENTIAL POISON GAS
HYDROGEN SULFIDE
NO ADMITTANCE WITHOUT AUTHORIZATION

2. WIND SOCK – WIND STREAMERS

A. ONE 36" (IN LENGTH) WIND SOCK LOCATED AT PROTECTION CENTER, AT HEIGHT VISIBLE FROM RIG FLOOR.
B. ONE 36" (IN LENGTH) WIND SOCK LOCATED AT HEIGHT VISIBLE FROM PIT AREAS.

3. HYDROGEN SULFIDE DETECTOR AND ALARMS

A. H2S MONITORS WITH ALARMS WILL BE LOCATED ON THE RIG FLOOR, AT THE BELL NIPPLE, AND AT THE FLOW LINE. THESE MONITORS WILL BE SET TO ALARM AT 10 PPM WITH RED LIGHT, AND TO ALARM AT 15 PPM WITH RED LIGHT AND AUDIBLE ALARM.
B. HAND OPERATED DETECTORS WITH TUBES.
C. H2S MONITOR TESTER.

4. CONDITION FLAGS

A. ONE EACH OF GREEN, YELLOW, AND RED CONDITION FLAGS TO BE DISPLAYED TO DENOTE CONDITIONS.

GREEN – NORMAL CONDITIONS
YELLOW – POTENTIAL DANGER
RED – DANGER, H2S PRESENT

B. CONDITION FLAG SHALL BE POSTED AT LOCATION SIGN ENTRANCE.

EMERGENCY EQUIPMENT REQUIREMENTS

5. AUXILIARY RESCUE EQUIPMENT

   A. STRETCHER
   B. 100' LENGTH OF 5/8" NYLON ROPE.

6. MUD INSPECTION DEVICES

   GARRETT GAS TRAIN OR HACH TESTER FOR INSPECTION OF SULFIDE CONCENTRATION IN MUD SYSTEM.

7. FIRE EXTINGUISHER

   ADEQUATE FIRE EXTINGUISHERS SHALL BE LOCATED AT STRATEGIC LOCATIONS.

8. BLOW OUT PREVENTION EQUIPMENT

   THE WELL SHALL HAVE HYDRAULIC BOP EQUIPMENT FOR THE ANTICIPATED BHP OF 1500 PSI. EQUIPMENT IS TO BE TESTED ON INSTALLATION.

9. COMBUSTIBLE GAS DETECTOR

   THERE SHALL BE ONE COMBUSTIBLE GAS DETECTOR ON LOCATION AT ALL TIMES.

10. BOP TESTING

    BOP AND CHOKE LINE AND KILL LINE WILL BE TESTED.

11. AUDIO SYSTEM

    RADIO COMMUNICATION WILL BE AVAILABLE AT THE RIG.
    A. RIG FLOOR OR TRAILER
    B. VEHICLE

12. SPECIAL CONTROL EQUIPMENT

    A. HYDRAULIC BOP EQUIPMENT WITH REMOTE CONTROL ON GROUND.
    B. ROTATING HEAD

EMERGENCY EQUIPMENT REQUIREMENTS

13. EVACUATION PLAN

EVACUATION ROUTES SHOULD BE ESTABLISHED PRIOR TO SPUDDING EACH WELL AND DISCUSSED WITH ALL RIG PERSONNEL.

14. DESIGNATED AREA

A. PARKING AND VISITOR AREA: ALL VEHICLES ARE TO BE PARKED AT A PREDETERMINED SAFE DISTANCE FROM THE WELLHEAD. THIS WILL BE THE DESIGNATED SMOKING AREA.

B. TWO BRIEFING AREAS ON EITHER SIDE OF THE LOCATION AT THE MAXIMUM ALLOWABLE DISTANCE FROM THE WELL BORE SO THEY OFFSET PREVAILING WINDS PERPENDICULARLY, OR AT A 45-DEGREE ANGLE IF WIND DIRECTION TENDS TO SHIFT IN THE AREA.

C. PROTECTION CENTERS OR IF A MOVABLE TRAILER IS USED, IT SHOULD BE DEPT UPWIND OF EXISTING WINDS. WHEN WIND IS FROM THE PREVAILING DIRECTIONS, BOTH PROTECTION CENTERS SHOULD BE ACCESSIBLE.

STATUS CHECK LIST

NOTE: ALL ITEMS ON THIS LIST MUST BE COMPLETED BEFORE DRILLING TO 2,000'.

1. SIGN AT LOCATION ENTRANCE.
2. TWO (2) WIND SOCKS LOCATED AS REQUIRED.
3. TWO (2) 30-MINUTE PRESSURE DEMAND AIR PACKS ON LOCATION FOR ALL RIG PERSONNEL AND MUD LOGGERS.
4. AIR PACK INSPECTED FOR READY USE.
5. CASCADE SYSTEM AND HOSE LINE HOOK-UP.
6. CASCADE SYSTEM FOR REFILLING AIR BOTTLES.
7. SAFE BREATHING AREAS SET UP.
8. CONDITION FLAG ON LOCATION AND READY FOR USE.
9. H2S DETECTION SYSTEM HOOKED UP.
10. H2S ALARM SYSTEM HOOKED UP AND READY.
11. OXYGEN RESUSCITATOR ON LOCATION AND TESTED FOR USE.
12. STRETCHER ON LOCATION AT SAFETY TRAILER.
13. 1 – 100' LENGTH OF NYLON ROPE ON LOCATION.
14. ALL RIG CREW AND SUPERVISORS TRAINED AS REQUIRED.
15. ALL OUTSIDE SERVICE CONTRACTORS ADVISED OF POTENTIAL H2S HAZARD ON WELL.
16. NO SMOKING SIGN POSTED.
17. HAND OPERATED H2S DETECTOR WITH TUBES ON LOCATION.

CHECKED BY:_____ DATE:_____

PROCEDURAL CHECK LIST

PERFORM EACH TOUR:

1. CHECK FIRE EXTINGUISHERS TO SEE THAT THEY HAVE THE PROPER CHARGE.

2. CHECK BREATHING EQUIPMENT TO ENSURE THAT IT HAS NOT BEEN TAMPERED WITH.

3. MAKE SURE ALL THE H2S DETECTION SYSTEM IS OPERATIVE.

PERFORM EACH WEEK:

1. CHECK EACH PIECE OF BREATHING EQUIPMENT TO MAKE SURE THAT DEMAND REGULATOR IS WORKING. THIS REQUIRES THAT THE BOTTLE BE OPENED AND THE MASK ASSEMBLY BE PUT ON TIGHT ENOUGH SO THAT WHEN YOU INHALE, YOU RECEIVE AIR.

2. BLOW OUT PREVENTER SKILLS.

3. CHECK SUPPLY PRESSURE ON BOP ACCUMULATOR STAND BY SOURCE.

4. CHECK ALL SKA-PAC UNITS FOR OPERATION: DEMAND REGULATOR, ESCAPE BOTTLE AIR VOLUMES, SUPPLY BOTTLE OF AIR VOLUME.

5. CHECK BREATHING EQUIPMENT MASK ASSEMBLY TO SEE THAT STRAPS ARE LOOSENED AND TURNED BACK, READY TO PUT ON.

6. CHECK PRESSURE ON BREATHING EQUIPMENT AIR BOTTLES TO MAKE SURE THEY ARE CHARGED TO FULL VOLUME.

7. CONFIRM PRESSURE ON ALL SUPPLY AIR BOTTLES.

8. PERFORM BREATHING EQUIPMENT DRILLS WITH ON-SITE PERSONNEL.

9. CHECK THE FOLLOWING SUPPLIES FOR AVAILABILITY.

   A. EMERGENCY TELEPHONE LIST.
   B. HAND OPERATED H2S DETECTORS AND TUBES.

GENERAL EVACUATION PLAN

THE DIRECT LINES OF ACTION PREPARED BY **INDIAN FIRE & SAFETY, INC.** TO PROTECT THE PUBLIC FROM HAZARDOUS GAS SITUATIONS ARE AS FOLLOWS:

1. WHEN THE COMPANY APPROVED SUPERVISOR (DRILLING FOREMAN, CONSULTANT, RIG PUSHER, OR DRILLER) DETERMINES THE H2S GAS CANNOT BE LIMITED TO THE WELL LOCATION AND THE PUBLIC WILL BE INVOLVED, HE WILL ACTIVATE THE EVACUATION PLAN. ESCAPE ROUTES ARE NOTED ON AREA MAP.

2. "COMPANY MAN" OR DESIGNEE WILL NOTIFY LOCAL GOVERNMENT AGENCY THAT A HAZARDOUS CONDITION EXISTS AND EVACUATION NEEDS TO BE IMPLEMENTED.

3. COMPANY SAFETY PERSONNEL THAT HAVE BEEN TRAINED IN THE USE OF H2S DETECTION EQUIPMENT AND SELF-CONTAINED BREATHING EQUIPMENT WILL MONITOR H2S CONCENTRATIONS, WIND DIRECTIONS, AND AREA OF EXPOSURE. THEY WILL DELINEATE THE OUTER PERIMETER OF THE HAZARDOUS GAS AREA. EXTENSION TO THE EVACUATION AREA WILL BE DETERMINED FROM INFORMATION GATHERED.

4. LAW ENFORCEMENT PERSONNEL (STATE POLICE, POLICE DEPT., FIRE DEPT., AND SHERIFF'S DEPT.) WILL BE CALLED TO AID IN SETTING UP AND MAINTAINING ROAD BLOCKS. ALSO, THEY WILL AID IN EVACUATION OF THE PUBLIC IF NECESSARY.

IMPORTANT: LAW ENFORCEMENT PERSONNEL WILL NOT BE ASKED TO COME INTO A CONTAMINATED AREA. THEIR ASSISTANCE WILL BE LIMITED TO UNCONTAMINATED AREAS. CONSTANT RADIO CONTACT WILL BE MAINTAINED WITH THEM.

5. AFTER THE DISCHARGE OF GAS HAS BEEN CONTROLLED, COMPANY SAFETY PERSONNEL WILL DETERMINE WHEN THE AREA IS SAFE FOR RE-ENTRY.

EMERGENCY ACTIONS

WELL BLOWOUT – IF EMERGENCY

1. EVACUATE ALL PERSONNEL IF POSSIBLE.
2. IF SOUR GAS – EVACUATE RIG PERSONNEL.
3. IF SOUR GAS – EVACUATE PUBLIC WITHIN 1 HOUR RADIUS OF EXPOSURE.
4. DON SCBA AND RESCUE.
5. CALL 911 FOR EMERGENCY HELP (FIRE DEPT AND AMBULANCE) AND NOTIFY SR. DRILLING FOREMAN AND DISTRICT FOREMAN.
6. GIVE FIRST AID.

PERSON DOWN LOCATION/FACILITY

1. IF IMMEDIATELY POSSIBLE, CONTACT 911. GIVE LOCATION AND WAIT FOR CONFIRMATION.
2. DON SCBA AND RESCUE.

EMERGENCY PHONE LIST

GOVERNMENTAL AGENCIES

Eddy County Sheriff's Office		911
Non emergency	505-746-9888	
Fire Departments		911
Artesia - Non-emergency	505-746-5050	
Atoka – Non-emergency.....	505-746-5050	
State Police Department		911
Non-emergency	505-437-1313	
Ambulance		911
Artesia – Non Emergency.....	505-746-5050	
Atoka – Non-Emergency.....	505-746-5050	
Hospital -Artesia	505-748-3333	
Indian Fire & Safety, Inc.		
24 Hour Emergency Service	800-530-8693	

CLAYTON WILLIAMS ENERGY, INC.
COMPANY EMERGENCY NUMBERS

Clayton Williams Energy, Inc.
Midland, Texas 432-682-6324

John Kennedy – Drilling Manager
Office 432-688-3218
Pager 800-917-9815
Home 432-620-0769

Mike Langford
Sierra Engineering 432-683-8000
Cell 432-557-4698

Matt Swierc – Production and Regulatory
Office 432-688-3251
Fax 877-626-8106
Home 432-699-0147

Phillip Creech – Production Foreman
Cell 432-634-4018
Pager 877-612-6746
Home 432-389-5793

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

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 and Natural Resources Department

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87504-2088

Form C-102
Revised March 17, 1999

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name

Property Code	Property Name	Well Number
	STATE "20 B"	18
OGRID No.	**Operator Name**	**Elevation**
	CLAYTON WILLIAMS ENERGY INC.	3607'

Surface Location

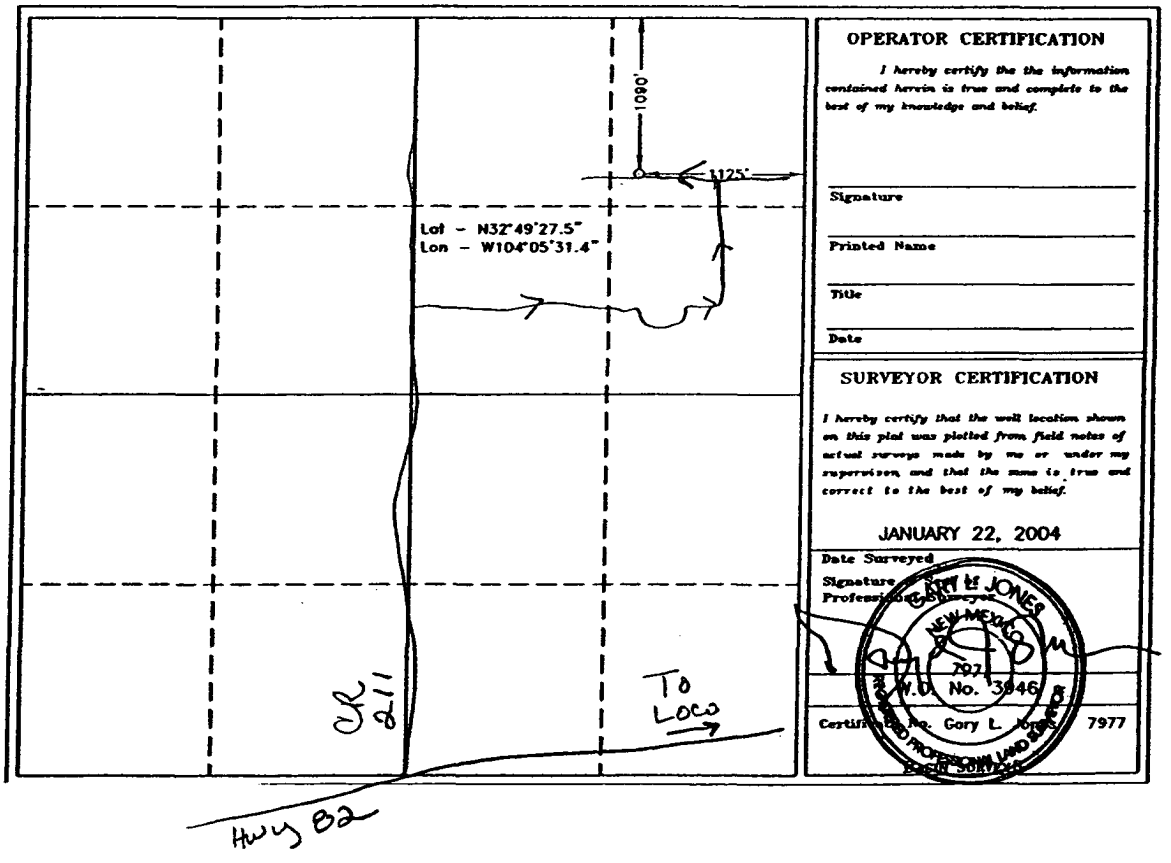
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	20	17 S	29 E		1090	NORTH	1125	EAST	EDDY

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

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

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

Printed Name

Title

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.

JANUARY 22, 2004

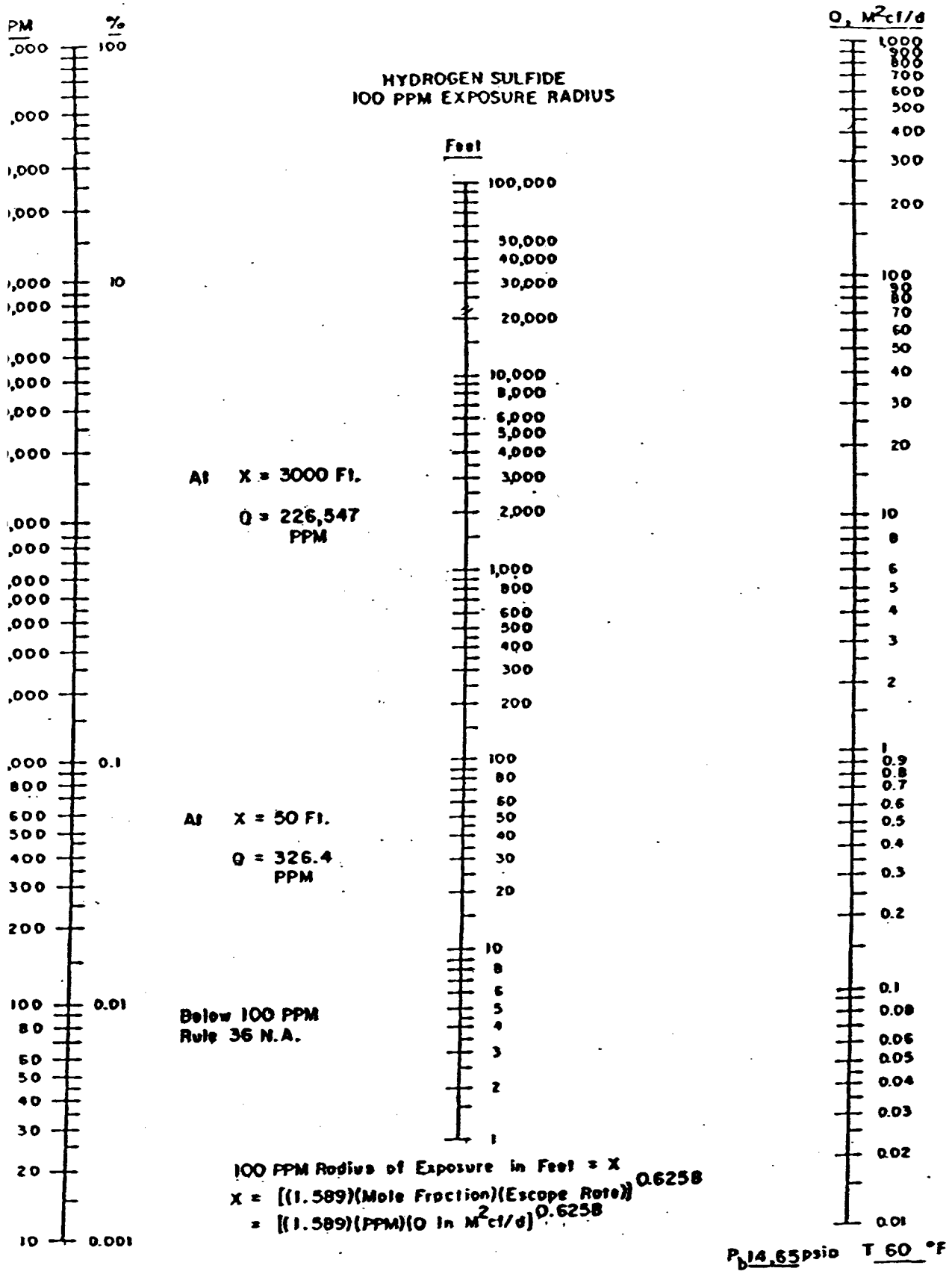
Date Surveyed

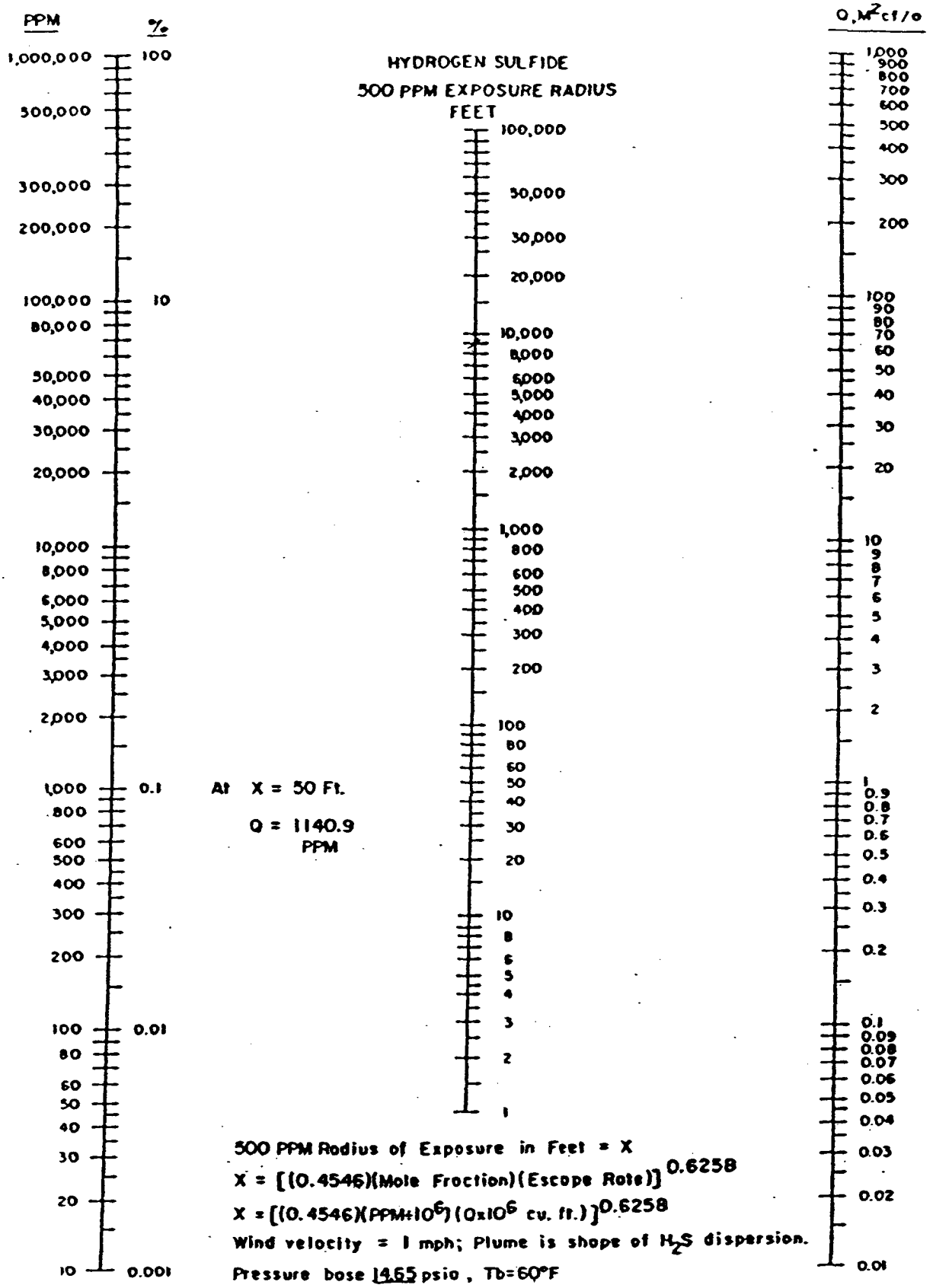
Signature & Seal of Professional Surveyor

GARY L. JONES
NEW MEXICO
7977
W.O. No. 3946

Certificate No. Gary L. Jones 7977

NO RESIDENTS WITHING RADIUS OF EXPOSURE


HYDROGEN SULFIDE
100 PPM EXPOSURE RADIUS
PM
%
Feet
Q, M²cf/d
At X = 3000 Ft.
Q = 226,547 PPM
At X = 50 Ft.
Q = 326.4 PPM
Below 100 PPM
Rule 36 N.A.
100 PPM Radius of Exposure in Feet = X
X = [(1.589)(Mole Fraction)(Escape Rate)]^0.6258
= [(1.589)(PPM)(Q in M²cf/d)]^0.6258
Pb 14.65 psia T 60 °F


PPM
%
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100,000
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10,000
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20
10
100
10
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0.01
0.001
HYDROGEN SULFIDE
500 PPM EXPOSURE RADIUS
FEET
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30,000
20,000
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8,000
6,000
5,000
4,000
3,000
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500
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30
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8
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4
3
2
1
At X = 50 Ft.
Q = 1140.9
PPM
Q, M³cf/o
1,000
900
800
700
600
500
400
300
200
100
90
80
70
60
50
40
30
20
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9
8
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4
3
2
1
0.9
0.8
0.7
0.6
0.5
0.4
0.3
0.2
0.1
0.09
0.08
0.07
0.06
0.05
0.04
0.03
0.02
0.01
500 PPM Radius of Exposure in Feet = X
X = [(0.4546)(Mole Fraction)(Escape Rate)]^0.6258
X = [(0.4546)(PPM÷10⁶)(Q×10⁶ cu. ft.)]^0.6258
Wind velocity = 1 mph; Plume is shape of H2S dispersion.
Pressure base 14.65 psia, Tb=60°F

TOXIC EFFECTS OF HYDROGEN SULFIDE

HYDROGEN SULFIDE IS EXTREMELY TOXIC. THE ACCEPTABLE CEILING CONCENTRATION FOR EIGHT-HOUR EXPOSURE IS 10 PPM, WHICH IS .001% BY VOLUME. HYDROGEN SULFIDE IS HEAVIER THAN AIR (SPECIFIC GRAVITY – 1.192) AND COLORLESS. IT FORMS AN EXPLOSIVE MIXTURE WITH AIR BETWEEN 4.3 AND 46.0 PERCENT BY VOLUME. HYDROGEN SULFIDE IS ALMOST AS TOXIC AS HYDROGEN CYANIDE AND IS BETWEEN FIVE AND SIX TIMES MORE TOXIC THAN CARBON MONOXIDE. TOXICITY DATA FOR HYDROGEN SULFIDE AND VARIOUS OTHER GASES ARE COMPARED IN TABLE I. PHYSICAL EFFECTS AT VARIOUS HYDROGEN SULFIDE EXPOSURE LEVELS ARE SHOWN IN TABLE II.

TABLE I
TOXICITY OF VARIOUS GASES

COMMON NAME	CHEMICAL FORMULA	SPECIFIC GRAVITY (SC=1)	THRESHOLD LIMIT (1)	HAZARDOUS LIMIT (2)	LETHAL CONCENTRATION (3)
HYDROGEN CYANIDE	HCN	0.94	10 PPM	150 PPM/HR	300 PPM
HYDROGEN SULFIDE	H2S	1.18	10 PPM	250 PPM/HR	600 PPM
SULFUR DIOXIDE	SO2	2.21	5 PPM	-	1000 PPM
CHLORINE	CL2	2.45	1 PPM	4 PPM/HR	1000 PPM
CARBON MONOXIDE	CO	0.97	50 PPM	400 PPM/HR	1000 PPM
CARBON DIOXIDE	CO2	1.52	5000 PPM	5%	10%
METHANE	CH4	0.55	90,000 PPM	COMBUSTIBLE ABOVE 5% IN AIR	

1) THRESHOLD LIMIT – CONCENTRATION AT WHICH IT IS BELIEVED THAT ALL WORKERS MAY BE REPEATEDLY EXPOSED DAY AFTER DAY WITHOUT ADVERSE EFFECTS.

2) HAZARDOUS LIMIT – CONCENTRATION THAT WILL CAUSE DEATH WITH SHORT-TERM EXPOSURE.

3) LETHAL CONCENTRATION – CONCENTRATION THAT WILL CAUSE DEATH WITH SHORT-TERM EXPOSURE.

TOXIC EFFECTS OF HYDROGEN SULFIDE

TABLE II
PHYSICAL EFFECTS OF HYDROGEN SULFIDE

PERCENT (%)	PPM	CONCENTRATION GRAINS 100 STD. FT3*	PHYSICAL EFFECTS
0.001	10	00.65	Obvious and unpleasant odor.
0.002	20	01.30	Safe for 8 hours of exposure.
0.010	100	06.48	Kill smell in 3 – 15 minutes. May sting eyes and throat.
0.020	200	12.96	Kills smell shortly; Stings eyes and throat.
0.050	500	32.96	Dizziness; Breathing ceases in a few minutes; Needs prompt artificial respiration.
0.070	700	45.36	Unconscious quickly; Death will result if not rescued promptly.
0.100	1000	64.30	Unconscious at once; Followed by death within minutes.

*AT 15.00 PSIA AND 60'F.

USE OF SELF-CONTAINED BREATHING EQUIPMENT

1. WRITTEN PROCEDURES SHALL BE PREPARED COVERING SAFE USE OF SCBA'S IN DANGEROUS ATMOSPHERE, WHICH MIGHT BE ENCOUNTERED IN NORMAL OPERATIONS OR IN EMERGENCIES. PERSONNEL SHALL BE FAMILIAR WITH THESE PROCEDURES AND THE AVAILABLE SCBA.

2. SCBA'S SHALL BE INSPECTED FREQUENTLY AT RANDOM TO INSURE THAT THEY ARE PROPERLY USED, CLEANED, AND MAINTAINED.

3. ANYONE WHO MAY USE THE SCBA'S SHALL BE TRAINED IN HOW TO INSURE PROPER FACE-PIECE TO FACE SEAL. THEY SHALL WEAR SCBA'S IN NORMAL AIR AND THEN WEAR THEM IN A TEST ATMOSPHERE. (NOTE: SUCH ITEMS AS FACIAL HAIR (BEARD OR SIDEBURNS) AND EYEGLASSES WILL NOT ALLOW PROPER SEAL.) ANYONE THAT MAY BE REASONABLY EXPECTED TO WEAR SCBA'S SHOULD HAVE THESE ITEMS REMOVED BEFORE ENTERING A TOXIC ATMOSPHERE. A SPECIAL MASK MUST BE OBTAINED FOR ANYONE WHO MUST WEAR EYEGLASSES OR CONTACT LENSES.

4. MAINTENANCE AND CARE OF SCBA'S:

   A. A PROGRAM FOR MAINTENANCE AND CARE OF SCBA'S SHALL INCLUDE THE FOLLOWING:
      1. INSPECTION FOR DEFECTS, INCLUDING LEAK CHECKS.
      2. CLEANING AND DISINFECTING.
      3. REPAIR.
      4. STORAGE.

   B. INSPECTION; SELF-CONTAINED BREATHING APPARATUS FOR EMERGENCY USE SHALL BE INSPECTED MONTHLY FOR THE FOLLOWING PERMANENT RECORDS KEPT OF THESE INSPECTIONS.
      1. FULLY CHARGED CYLINDERS.
      2. REGULATOR AND WARNING DEVICE OPERATION.
      3. CONDITION OF FACE PIECE AND CONNECTIONS.
      4. ELASTOMER OR RUBBER PARTS SHALL BE STRETCHED OR MASSAGED TO KEEP THEM PLIABLE AND PREVENT DETERIORATION.

   C. ROUTINELY USED SCBA'S SHALL BE COLLECTED, CLEANED AND DISINFECTED AS FREQUENTLY AS NECESSARY TO INSURE PROPER PROTECTION IS PROVIDED. (22)

USE OF SELF-CONTAINED BREATHING EQUIPMENT

5. PERSONS ASSIGNED TASKS THAT REQUIRES USE OF SELF-CONTAINED BREATHING EQUIPMENT SHALL BE CERTIFIED PHYSICALLY FIT FOR BREATHING EQUIPMENT USAGE BY THE LOCAL COMPANY PHYSICIAN AT LEAST ANNUALLY.

6. SCBA'S SHOULD BE WORN WHEN:

   A. ANY EMPLOYEE WORKS NEAR THE TOP OR ON TOP OF ANY TANK UNLESS TEST REVEALS LESS THAN 10 PPM OF H2S.

   B. WHEN BREAKING OUT ANY LINE WHERE H2S CAN REASONABLY BE EXPECTED.

   C. WHEN SAMPLING AIR IN AREAS TO DETERMINE IF TOXIC CONCENTRATIONS OF H2S EXISTS.

   D. WHEN WORKING IN AREAS WHERE OVER 10 PPM H2S HAS BEEN DETECTED.

   E. AT ANY TIME THERE IS A DOUBT AS TO THE H2S LEVEL IN THE AREA TO BE ENTERED.

RESCUE
FIRST AID FOR H2S POISONING

DO NOT PANIC!

REMAIN CALM – THINK!

1. HOLD YOUR BREATH. (DO NOT INHALE FIRST; STOP BREATHING.)

2. PUT ON BREATHING APPARATUS.

3. REMOVE VICTIM(S) TO FRESH AIR AS QUICKLY AS POSSIBLE. (GO UP-WIND FROM SOURCE OR AT RIGHT ANGLE TO THE WIND. NOT DOWN WIND.)

4. BRIEFLY APPLY CHEST PRESSURE – ARM LIFT METHOD OF ARTIFICIAL RESPIRATION TO CLEAN THE VICTIM'S LUNGS AND TO AVOID INHALING ANY TOXIC GAS DIRECTLY FROM THE VICTIM'S LUNGS.

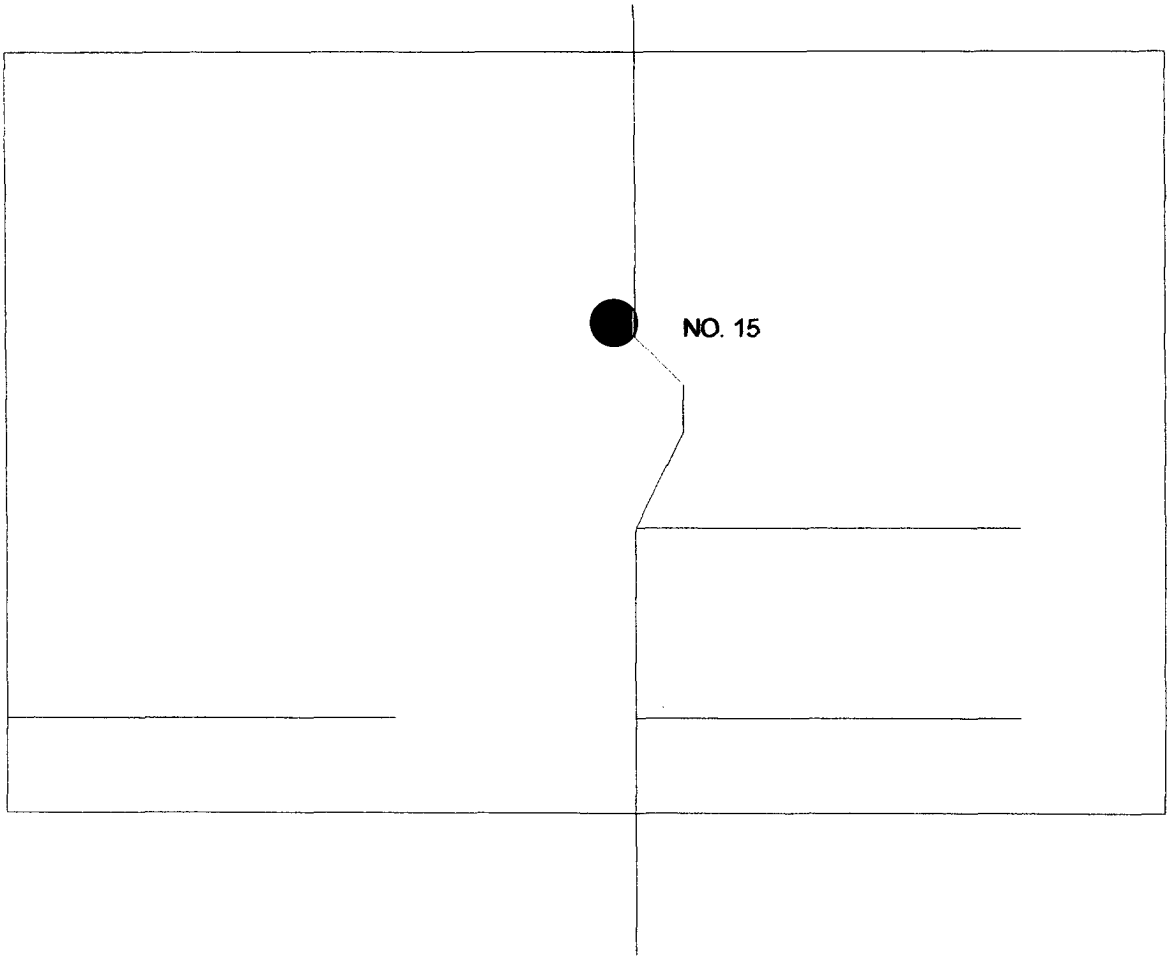
5. PROVIDE FOR PROMPT TRANSPORTATION TO THE HOSPITAL, AND CONTINUE GIVING ARTIFICIAL RESPIRATION IF NEEDED.

6. HOSPITAL(S) OR MEDICAL FACILITIES NEED TO BE INFORMED, BEFORE-HAND, OF THE POSSIBILITY OF H2S GAS POISONING – NO MATTER HOW REMOTE THE POSSIBILITY IS.

7. NOTIFY EMERGENCY ROOM PERSONNEL THAT THE VICTIM(S) HAS BEEN EXPOSED TO H2S GAS.

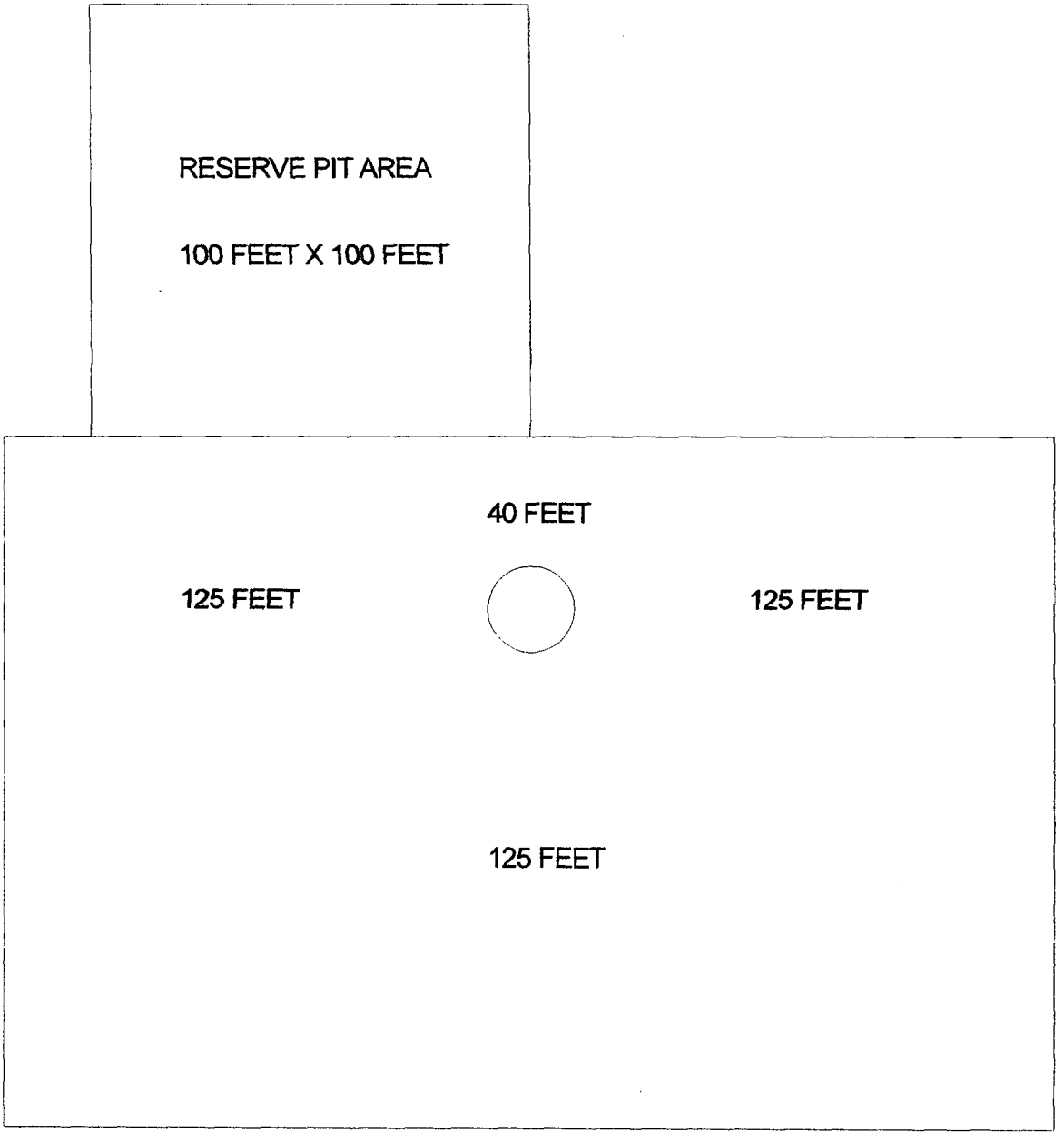
BESIDES BASIC FIRST AID, EVERYONE ON LOCATION SHOULD HAVE A GOOD WORKING KNOWLEDGE OF ARTIFICIAL RESPIRATION, AS WELL AS FIRST AID FOR EYES AND SKIN CONTACT WITH LIQUID H2S. EVERYONE NEEDS TO MASTER THESE NECESSARY SKILLS.

CLAYTON WILLIAMS ENERGY, INC.
PHILLIPS 19 FEDERAL NO. 15
ACCESS ROAD PLAT
N / 2 SEC. 19 - T17S - R29E



ALL ROADS ARE EXISTING / NO NEW ROADS WILL BE BUILT

CLAYTON WILLIAMS ENERGY, INC.
PHILLIPS 19 FEDERAL NO. 15
RIG ORIENTATION: V - DOOR NORTH



UNITED STATES DEPARTMENT OF THE INTERIOR
Bureau of Land Management
Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201-1287

Statement Accepting Responsibility for Operations

Operator Name:	**Clayton Williams Energy, Inc.**
Street or Box:	**Six Desta Drive, Suite 3000**
City, State:	**Midland, Texas**
Zip Code:	**79705**

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described below:

Lease No.: **NM-14847**

Legal Description of Land: **Well No. 15 – Phillips –19-Federal**
Sec. 19, T-17-S, R-29-E
990' FNL & 2410' FeL; UL B
Eddy Co., New Mexico

Formation(s) if applicable: **Empire (Yeso)**

Bond Coverage: **$25,000.00 SW (copy attached)**

BLM Bond File No.: **NM2787 (Surety Bond No. RLB0002027)**

Authorized Signature: Matt Swierc/ms

Name: Matt Swierc

Title: Production Superintendent

Phone No.: (432) 682-6324
Fax No.: (432) 688-3225

Date: April 29, 2004

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
New Mexico State Office
1474 Rodeo Road
P. O. Box 27115
Santa Fe, New Mexico 87502-0115

IN REPLY REFER TO:
3104 (93000-at)

May 15, 2000

DECISION

Principal:	:	BLM Bond Number: NM2787
Clayton Williams Energy, Inc.	:	
6 Desta Drive, Suite 6500	:	Surety Bond Number: RLB0002027
Midland, TX 79705	:	
	:	Bond Amount: $25,000.00
Surety:	:	
Mid-Continent Casualty Company	:	Execution Date: April 26, 2000
P. O. Box 1409	:	
Tulsa, OK 74101-1409	:	

Statewide Oil and Gas Surety Bond Accepted

The bond described above has been examined and found satisfactory. It is accepted effective May 1, 2000, which is the date the bond was received in this office.

The bond constitutes coverage of all operations conducted by or on behalf of the principal on Federal leases in the State of New Mexico. The bond provides coverage of the principal where that principal has interest in, and/or responsibility for operations on, leases issued under the authority of any of the Acts cited on the bond form. Federal leases do not include Indian leases.

The bond will be maintained by this office. Termination of liability under the bond will be permitted only after this office is satisfied that there is no outstanding liability on the bond or satisfactory replacement bonding coverage is furnished.

Angela Trujillo
Land Law Examiner
Fluids Adjudication Team

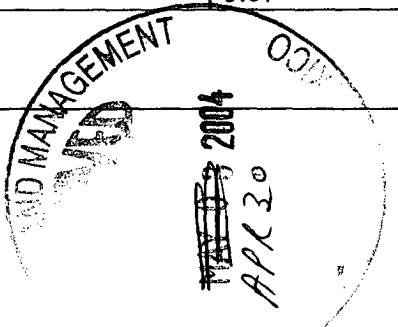
TITLE PAGE/ABSTRACT/
NEGATIVE SITE REPORT
CFO/RFO

1/03

1. BLM Report No.	2. Reviewer's Initials/Date_____ ACCEPTED ( ) REJECTED ( )	3. NMCRIS No.: 87401
4. Type of Report	Negative(X)	Positive ( )
5.Title of Report: Class III Archaeological Survey for Clayton Williams Energy, Inc.'s Proposed Well Pad to Serve the Phillips "19" Federal No. 15 Well Author: Stephen Smith		6. Fieldwork Date: March 5, 2004 7. Report Date: March 6, 2004
8. Consultant Name & Address: Boone Archaeological Services 2030 North Canal Carlsbad, NM 88220 Direct Charge: Danny Boone Field Personnel Name: Stephen Smith Phone: (505) 885-1352		9. Cultural Resource Permit No.: 190-2920-03-E 10. Consultant Report No.: BAS 03-04-04
11. Customer Name: Clayton Williams Energy, Inc. Responsible Individual: Mike Langford Address: 6 Desta Drive, Suite 3000 Midland, Texas 79705 Phone: (432) 557-4698		12. Customer Project No.:

13.Land Status	BLM	STATE	PRIVATE	OTHER	TOTAL
a. Area Surveyed (acres)	6.88				6.88
b. Area of Effect (acres)	3.67				3.67

14. Linear: Length: N/A Width: N/A
Block: 600 ft by 600 ft



15. Location: (Maps Attached if Negative Survey)

a. State: New Mexico

b. County: Eddy

c. BLM Office: Carlsbad

d. Nearest City or Town: Carlsbad, NM

e. Legal Location: T 17S, R 29E, Section 19: SW¼NW¼NE¼, SE¼NE¼NW¼, NE¼NE¼SW¼, NW¼SW¼NE¼, (irregular section, template anchored in the northeast corner)

f. Well Pad Footages: 990 ft FNL, 2410 ft FEL

g. USGS 7.5 Map Name and Code Number: Red Lake SE, NM (1955) 32104-G1

16. Project Data:

a. Records Search: Date of BLM File Review: March 3, 2004 Name of Reviewer: Danny Boone
Date of ARMS Data Review: March 4, 2004 Name of Reviewer: Stephen Smith

Findings:

Sites within 0.25 mile of the project area: During pre-field research for this project it was learned that three BLM previously recorded sites are plotted within 0.25 mile of the project area, including LA 39397, LA 58900, and LA 131475. The proposed well pad interacts with two BLM previous projects, 01-083 and 01-303.

b. Description of Undertaking: Clayton Williams Energy, Inc. plan to construct a well pad location to serve the Phillips Federal No. 15 well. On March 2, 2004, Mike Langford of Clayton Williams Energy, Inc. contacted Boone Archaeological Services requesting an archaeological survey of the proposed well location. On March 5, 2004, Stephen Smith of Boone Archaeological Services, surveyed the proposed well pad. The total size of the well pad is 600 ft by 600 ft (8.26 acres). Because of the overlap with BLM previous projects 01-083 and 01-303 (lease roads serving well pads), a 600 ft by 100 ft area (1.38 acres) was deducted from the area surveyed for the well pad. Access for the proposed well pad will be from an existing lease road. A total of 6.88 acres was surveyed, all of which is on land administered by the BLM-CFO.

c. Environmental Setting:

Topography: Loamy soil, shallow to caliche, large gravels / quartzite cobbles, gentle rolling hills

Vegetation: Creosote, mesquite, yucca, prickly pear, and various grasses

Visibility: 65-75 percent due to ground cover

NRCS: Kimbrough-Stegall association: Loamy soils that are very shallow to moderately deep to caliche; from old alluvium

d. Field Methods:

Transect Interval: Transects are no greater than 15 meters and performed in a zig-zag pattern.

Crew Size: 1

Time in Field: 3 hours

e. Artifacts Collected: N/A

17. Cultural Resource Findings: No cultural resources were encountered during the course of this survey.

a. Identification and description: N/A

b. Evaluation of significance of Each Resource: N/A

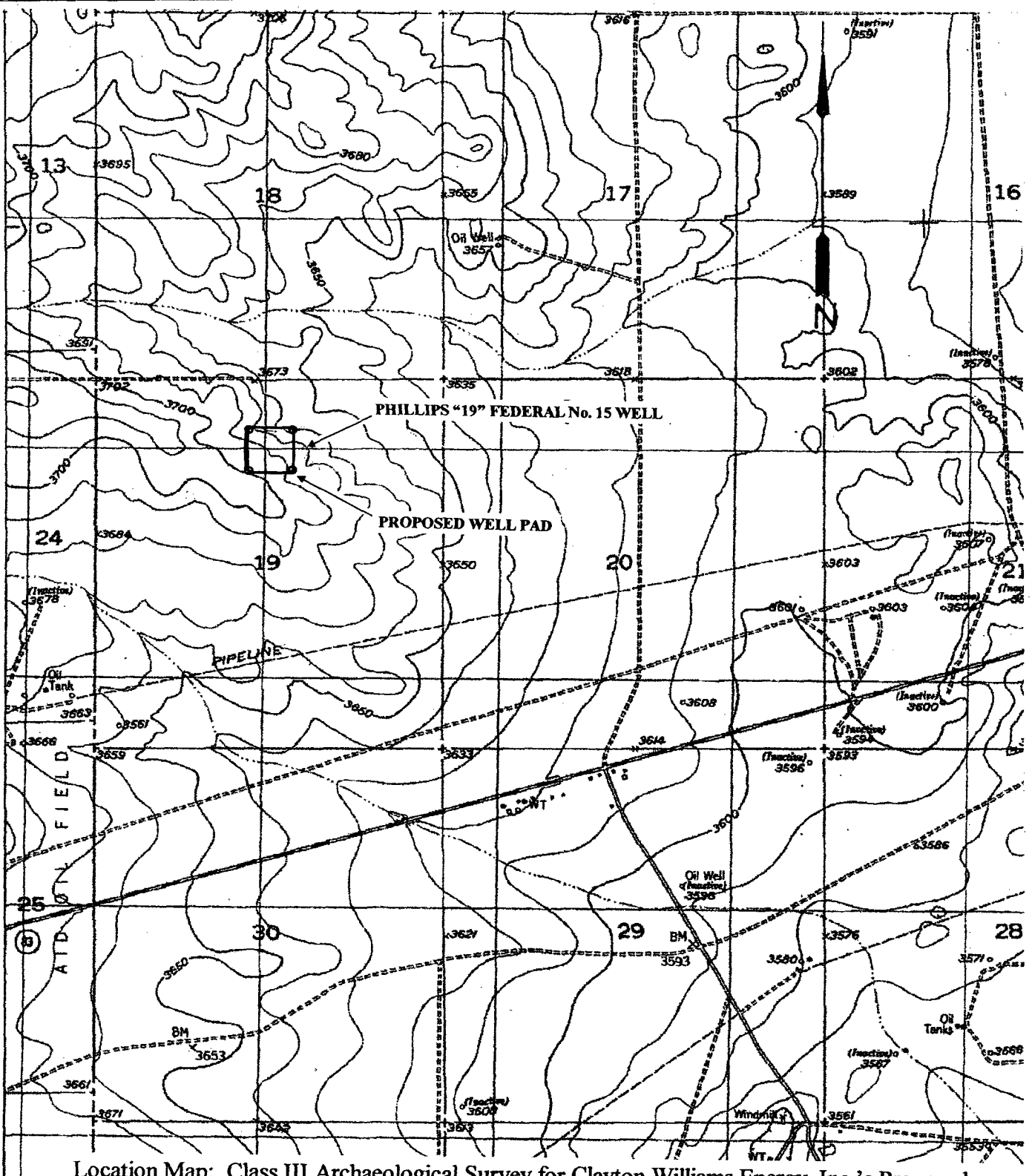
18. Management Summary (Recommendations): Because no cultural resources were encountered during this survey, Clayton Williams Energy, Inc.'s proposed well pad is recommended as presently staked. If cultural resources are encountered during any construction related activity, construction should cease and an archaeologist with the BLM be immediately notified.

19.

I certify that the information provided above is correct and accurate and meets all appreciable BLM standards.

Responsible Archaeologist Stephen Smith 3-8-04

Signature Date



Location Map: Class III Archaeological Survey for Clayton Williams Energy, Inc.'s Proposed Well Pad to Serve the Phillips "19" Federal No. 15 Well in Section 19, T 17S, R 29E, NMPM Eddy County, New Mexico. Map Reference: USGS 7.5' Series; Red Lake SE, NM (1955) 32104-G1

SCALE 1:24000

1 0 1/2 1 MILE

1000 0 1000 2000 3000 4000 5000 6000 7000 FEET

1 .5 0 1 KILOMETER

BAS