District I 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Road, Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico Energy Minerals and Natural Resources

Form C-101 March 4, 2004

RECEIVED Submit to appropriate District Office

Oil Conservation Division

FEB 0 3 2005

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1220 South St. Francis Dr. Santa Fe, NM 87505 OQDIADTEQUA

AMENDED REPORT

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³ Proper	rty Code			Artesia, NA		5 Propert	v Name	 		130- 0	15-		015 il No.	
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CASING

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DISTRICT IV 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102
Revised Merch 17, 1999
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Submit to Appropriate District Office

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OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool N Widcat Wol	
Property Code		orty Name ORT "CF" COM.	Well Number 3
OGRID No. 025575	•	itor Name EUM CORPORATION	Elevation 3559

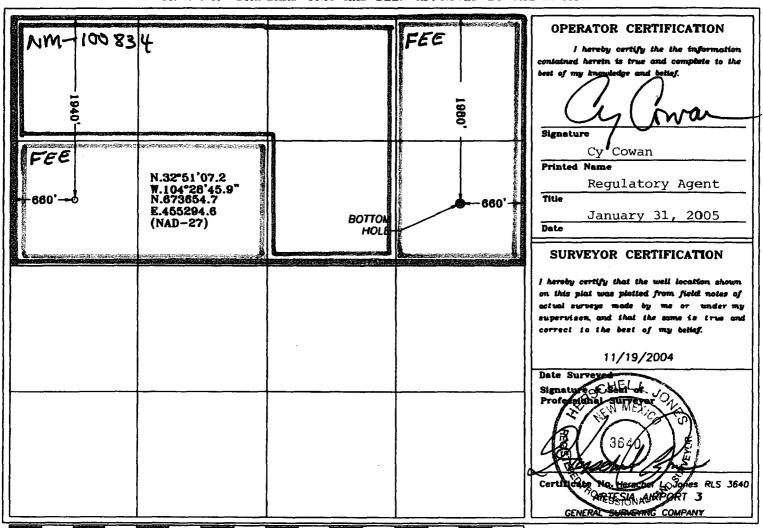
Surface Location

UL or lot No.	Section	Township	Range	Lot idn	Peet from the	North/South line	Feet from the	East/West line	County
E	10	175	25E		1940	NORTH	660	WEST	EDDY

Bottom Hole Location If Different From Surface

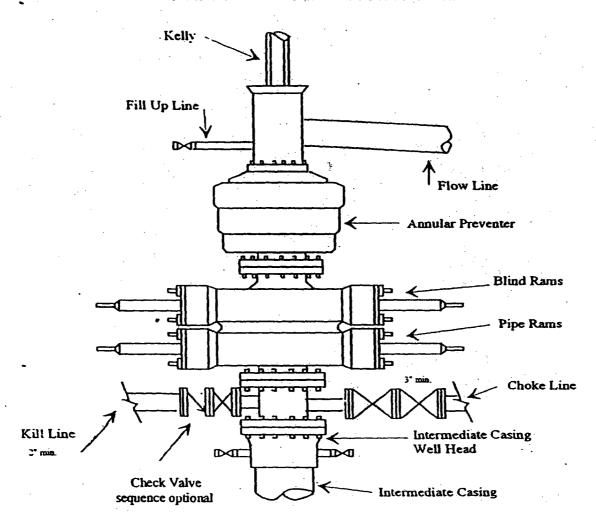
UL or lot No.	Section 10	Township 17S	Range 25E	Lot Idn	Feet from the 1980	North/South line NORTH	Peet from the 660	East/West line EAST	County EDDY
Dedicated Acre	s Joint o	r infili C	onsolidation (ode Or	der No.				
320									

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

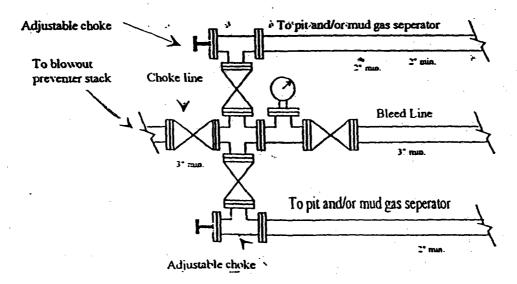


Yates Petroleum Corporation

Typical 3,000 psi Pressure System
Schematic
Annular with Double Ram Preventer Stack



Typical 3,000 psi choke manifold assembly with at least these minimun features

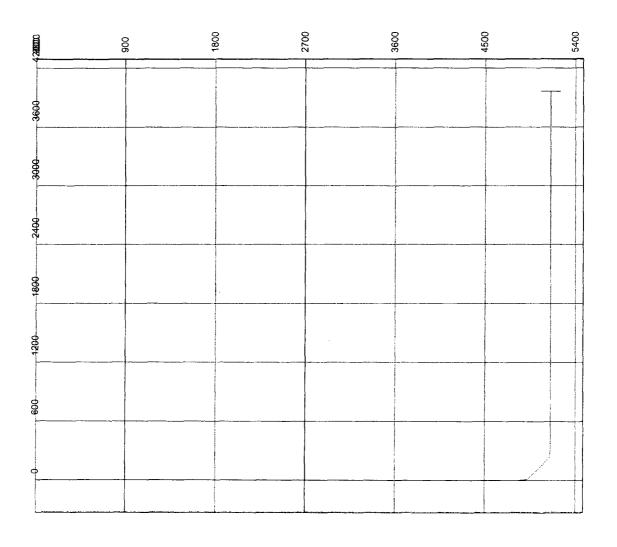


Simulated Survey - C:\Program Files\Drilling Toolbox 2001\artesia airport3.1.wpp

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3D³ Directional Drilling Planner - 3D View

Company: Yates Petroleum Corporation Well: Artesia Airport CF Com. #3

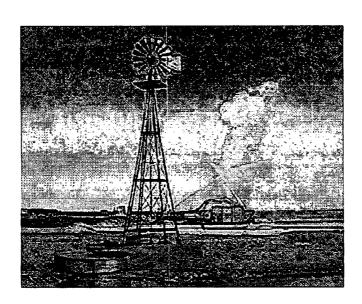


YATES PETROLEUM

Legals:

ARTESIA AIRPORT CF COM. #3
8,600' WOLFCAMP WELL
SECTION 10, T-17-S, R-25-E
1980' FNL 660' FEL
EDDY COUNTY, NEW MEXICO

"CONTINGENCY PLAN"



CALIGAWAY SAFERY EQUIRMENT CO, INC.

3229 No INDUSTRIZAL DR.

HOBBS, NEW MEXICO. 88240

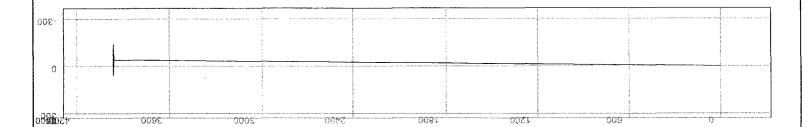
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Simulated Survey - C:\Program Files\Drilling Toolbox 2001\Templates\Visual Wellbore\artesia airport3

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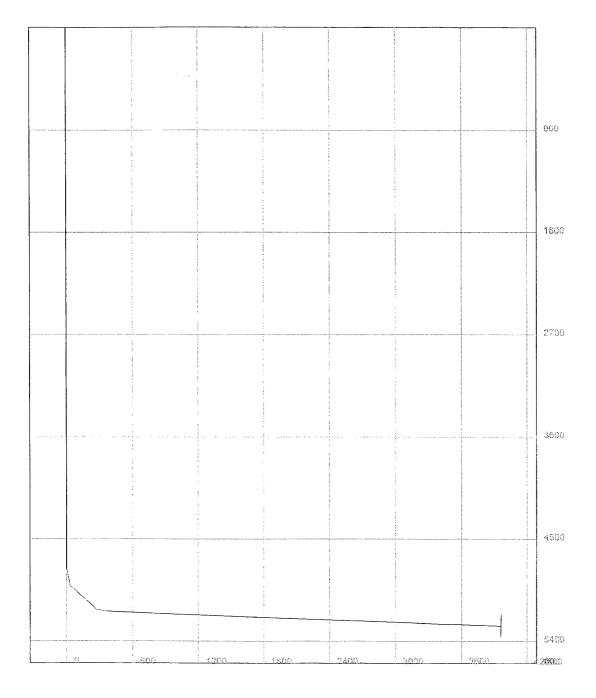
$3D^3$ Directional Drilling Planner - 3D View





3D³ Directional Drilling Planner - 3D View

Company: **Technical Toolboxes Inc.** Well: **Artesia Airport CF Com. #3**



File: C:\Program Files\Drilling Toolbox 2001\Templates\Visual Wellbore\artesia airport3

Table of Contents

- I. H2S Contingency Plan Section
 - A. Scope
 - B. Objective
 - C. Discussion of Plan
- II. Emergency Procedures Section
 - A. Emergency Procedures
 - B. Emergency Reaction Steps
 - C. Simulated Blowout Control Drills
- III. Ignition Procedures Section
 - A. Responsibility
 - B. Instructions
- IV. Training Program Section
 - A. Training Requirements
- V. Emergency Equipment Section
 - A. Emergency Equipment Requirements
- VI. Check Lists Section
 - A. Status Check List
 - B. Procedural Check List
- VII. Briefing Procedure Section
 - A. Briefing Procedures
- VIII. Evacuation Plan Section
 - A. General Plan
 - B. Emergency Assistance Telephone List
- IX. Maps and Plats Section
 - A. Map showing Well site
 - B. Map showing Public within Radius of Exposure and Evacuation Routes
 - B. Emergency Call List of Residents and Businesses

X. General Information Section

- A. Drilling / Re-entry Permits
- B. 100 ppm Exposure Radius Chart
- C. 500 ppm Exposure Radius Chart
- D. Toxic Effects of Hydrogen Sulfide Poisoning
- E. Use of Self Contained Breathing Apparatus
- F. Rescue-First Aid for Hydrogen Sulfide Poisoning

H2S CONTINGENCY PLAN SECTION

Scope

This contingency plan establishes guidelines for all company employees and contract employees whose work activities may involve exposure to Hydrogen Sulfide gas (H2S).

Objective

- 1. Prevent any and all accidents and prevent the uncontrolled release of H2S into the atmosphere.
- 2. Provide proper evacuation procedures to cope with emergencies.
- 3. Provide immediate and adequate medical attention should an injury occur.

Discussion of Plan

Implementation: This plan, with all details, is to be fully implemented prior to drilling below 1000'.

Emergency Response Procedure: This section outlines the conditions and denotes steps to be taken in the event of an emergency.

Emergency Equipment and 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 below 1000'.

Emergency Call Lists: Included are the telephone numbers of all persons that would need to be contacted should an emergency occur.

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.

II. EMERGENCY PROCEDURES SECTION

Emergency Procedures

- I. In the event of any evidence of H2S level above 10 ppm, take the following steps immediately:
 - A. Secure breathing apparatus.
 - B. Order non-essential personnel out of the danger zone.
 - C. Take steps to determine if the H2S level can be corrected or suppressed and if so, proceed with normal operations.
- II. If uncontrollable conditions occur, proceed with the following:
 - A. Take steps to protect and / or remove any public downwind of the rig including partial evacuation or isolation. Notify necessary public Safety personnel and Yates Petroleum Corporation, Drilling Superintendent, Jim Krogman of the situation.
 - B. Remove all personnel to the Safe Briefing Area.
 - C. Notify public safety personnel for help with maintaining roadblocks and implementing evacuation.
 - D. Determine and proceed with the best possible plan to regain control of the well. Maintain tight security and safety procedures.

III. Responsibility

- A. The Company Approved Supervisor shall be responsible for the total implementation of the plan.
- B. The Company Approved Supervisor shall be in complete command during any emergency.
- C. The Company Approved Supervisor shall designate a back up Supervisor in the event that he / she is not available.

Emergency Reaction Steps

I. Drilling or Tripping

A. All Personnel

- When alarm sounds, don escape unit and report to upwind Safe Briefing Area
- 2. Check status of other personnel (Buddy System).
- 3. Secure breathing apparatus.
- Await order from Supervisor

B. Drilling Foreman

- 1. Report to the upwind Safe Briefing Area.
- 2. Don breathing apparatus and return to the point of release with the Tool Pusher or Driller (Buddy System).
- 3. Determine the concentration of H2S.
- 4. Assess the situation and take appropriate control measures.

C. Tool Pusher

- 1. Report to the upwind Safe Briefing Area.
- 2. Don breathing apparatus and return to the point of release with the Drilling Foreman or Driller (Buddy System).
- 3. Determine the concentration of H2S.
- 4. Assess the situation and take appropriate control measures.

D. Driller

- 1. Don escape unit.
- 2. Check monitor for point of release.
- 3. Report to the Safe Briefing Area.
- 4. Check the status of other personnel (in a rescue attempt, always use the buddy system).
- 5. Assign the least essential person to notify the Drilling Foreman and Tool Pusher, in the event of their absence.
- 6. Assume the responsibility of the Drilling Foreman and Tool Pusher until they arrive, in the event of their absence.

- E. Derrick Man
 - 1. Remain in the Safe Briefing Area until otherwise instructed by Supervisor.
- F. Mud Engineer
 - 1. Report to Safe Briefing Area.
 - When instructed, begin check of mud for pH level and H2S level.
- G. Safety Personnel
 - Don appropriate breathing apparatus.
 - 2. Check status of all personnel.
 - 3. Await instructions from Drilling Foreman
- II. Taking a Kick
 - A. All personnel report to Safe Briefing Area.
 - B. Follow standard BOP procedures.
- III. Open Hole Logging
 - A. All unnecessary personnel should leave the rig floor.
 - B. Drilling Foreman and Safety personnel should monitor the conditions and make necessary safety equipment recommendations.
- IV. Running Casing or Plugging
 - A. Follow "Drilling or Tripping" procedures.
 - B. Assure that all personnel have access to protective equipment.

Simulated Blowout Control Drills

All drills will be initiated by activating alarm devices (air horn). One long blast, on air horn, for Actual and Simulated Blowout Control Drills. The Drilling Foreman or Tool Pusher will perform this operation at least one time per week for each of the following conditions, with each crew:

Drill 1

Bottom Drilling

Drill 2

Tripping Drill Pipe

In each of these drills, the initial reaction time to shutting in the well shall be timed as well as the total time for the crew to complete its entire pit drill assignment. The times must be recorded on the IADC Driller's Log as "Blowout Control Drill".

Drill No.:			
Reaction time	e to shut-in:	minutes,	seconds.
Total time to	o complete assignment	: minutes,	seconds

I. Drill Overviews

- A. Drill No. 1--Bottom Drilling
 - 1. Sound the alarm immediately
 - 2. Stop the rotary and hoist the kelly joint above the rotary table.
 - 3. Stop the circulatory pump.
 - 4. Close drill pipe rams.
 - Record casing and drill pipe shut-in pressures and pit volume increases.
- B. Drill No. 2--Tripping Drill Pipe
 - 1. Sound the alarm immediately
 - 2. Position the upper tool joint just above the rotary table and set slips.
 - 3. Install a full opening valve or inside blowout preventer tool in order to close the drill pipe.
 - 4. Close the drill pipe rams.
 - 5. Record the shut-in annular pressure.

II. Crew Assignments

A. Drill No. 1-Bottom Drilling

1. Driller

- a. Stop the rotary and hoist Kelly joint above the rotary table.
- b. Stop the circulatory pump.
- c. Check flow.
- d. If flowing, sound the alarm immediately.
- e. Record the shut-in drill pipe pressure.
- f. Record all data reported by the crew.
- g. Determine the mud weight increase needed or other courses of action.

2. Derrickman

- a. Open choke line valve at BOP.
- b. Signal Floor Man #1 at accumulator, that choke line is open.
- c. Close choke and upstream valve after pipe tams have been closed.
- d. Read the shut-in annular pressure and report readings to Driller.

3. Floor Man #1

- a. Close the pipe tams after receiving the signal from the Derrickman.
- b. Report to Driller for further instructions.

4. Floor Man #2

- a. Notify the Tool Pusher and Operator Representative of the H2S alarms.
- b. Check for open fires and if safe to do so, extinguish them.
- c. Stop all welding operations.
- d. Turn off all non-explosion proof lights and instruments.
- e. Report to Driller for further instructions.

5. Tool Pusher

- a. Report to the rig floor.
- b. Have a meeting with all crews.
- c. Compile and summarize all information.
- d. Calculate the proper kill weight.
- e. Ensure that proper well procedures are put into action.

6. Operator Representative

- a. Notify the Drilling Superintendent.
- b. Determine if an emergency exists and if so, activate the contingency plan.

B. Drill No. 2-Tripping Pipe

1. Driller

- Sound the alarm immediately when mud volume increase has been detected.
- b. Position the upper tool joint just above the rotary table and set slips.
- c. Install a full opening valve or inside blowout preventor tool to close the drill pipe.
- d. Check flow.
- e. Record all data reported by the crew.
- f. Determine the course of action.

2. Derrickman

- a. Come down out of derrick.
- b. Notify Tool Pusher and Operator Representative.
- c. Check for open fires and, if safe to do so, extinguish them.
- a or a 11 ... the same and a constant

3. Floor Man #1

- a. Pick up full opening valve or inside blowout preventers and stab into tool joint above rotary table (with Floor Man #2).
- b. Tighten valve with back-up tongs.
- c. Close pipe rams after signal from Floor Man #2.
- d. Read accumulator pressure and check for possible highpressure fluid leaks in valves or piping.
- e. Report to Driller for further instructions.

4. Floor Man #2

- a. Pick-up full opening valve or inside blowout preventers and stab into tool joint above rotary table (with Floor Man #1).
- b. Position back-up tongs on drill pipe.
- c. Open choke line valve at BOP.
- d. Signal Floor Man #1, at accumulator, that choke line is open.
- Close choke and upstream valve after pipe rams have been closed.
- f. Check for leaks on BOP stack and choke manifold.
- g. Read annular pressure.
- h. Report readings to the Driller.

5. Tool Pusher

- a. Report to rig floor.
- b. Have a meeting with all crews.
- c. Compile and summarize all information.
- d. Calculate proper kill weight.
- e. See that proper well kill procedures are put into action.

6. Operator Representative

- a. Notify Drilling Superintendent.
- b. Determine if an emergency exists, and if so, activate the contingency plan.

III. IGNITION PROCEDURES SECTION

Responsibility

The decision to ignite the well is the responsibility of the **DRILLING FOREMAN** in concurrence with the **STATE POLICE**. In the event the Drilling Foreman is incapacitated, it becomes the responsibility of the **RIG TOOL PUSHER**. This 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 of controlling the blowout under the prevailing conditions.

If time permits, notify the main office, but do not delay if human life is in danger. Initiate the first phase of the evacuation plan.

Instructions for Igniting the Well

- 1. Two people are required for the actual igniting operation. Both men must wear self-contained breathing apparatus and attach a safety rope. One man must monitor the atmosphere for explosive gases with the Explosimeter, while the Drilling Foreman is responsible for igniting the well.
- 2. The primary method to ignite is a 25mm flare gun with a range of approximately 500 feet.
- 3. Ignite from upwind and do not approach any closer than is warranted.
- 4. Select the ignition site best suited for protection and which offers an easy escape route.
- 5. Before igniting, check for the presence of combustible gases.
- 6. After igniting, continue emergency actions and procedures as before.
- 7. All unassigned personnel will limit their actions to those directed by the Drilling Foreman.

NOTE: After the 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.

IV. TRAINING PROGRAM SECTION

Training Requirements

When working in an area where Hydrogen Sulfide gas (H2S) might be encountered, definite training requirements must be carried out. The Company Supervisor will insure that all personnel, at the well site, 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 resuscitation.
- 8. The effects of H2S on metals.
- 9. Location Safety.

Service company personnel and visiting personnel must be notified in the zone contains H2S. Each service company must provide adequate training and equipment for their employees before they arrive at the well site.

V. EMERGENCY EQUIPMENT SECTION

Emergency Equipment Requirements

- I. Signs
 - A. Located at the location entrance with the following information:

CAUTION - POTENTIAL POISON GAS HYDROGEN SULFIDE NO ADMITTANCE WITHOUT AUTHORIZATION

- II.* Fresh air breathing equipment
 - A. Air line units for all rig personnel on location.
 - B. Cascade system with hose lines to rig floor and one to the derrickman and other operation areas. Spare cascade (trailer) on location.
- III. Wind Socks or Wind Streamers
 - A. Two 10" windsocks located at strategic locations at a height visible from the rig floor.
 - B. Wind streamers (if preferred) to be placed at various locations on the well site to insure wind consciousness at all times. (Corners of location).
- IV. Hydrogen Sulfide detector and alarms.
 - A. 1 four channel H2S monitor with alarms.
 - B. 4 Sensors, located at floor, bell nipple, shale shaker and pits.0
 - C. Hand operated detectors with tubes.
 - * D. H2S monitor tester.
- V. Condition sign and 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. The condition flag shall be posted at the location entrance.
- VI.* Auxiliary rescue equipment
 - A. Stretcher
 - B. Two 100' lengths of 5/8" nylon rope.
- VII.* Mud Inspection devices
 - A. Garrett Gas Train or Hach Tester for inspection of Hydrogen Sulfide concentration in the mud system.
- VIII. Fire Extinguishers
 - A. Adequate fire extinguishers shall be located at strategic locations.
- IX. Blowout prevention equipment
 - A. The well shall have hydraulic BOP equipment for the anticipated BHP.
 - B. Equipment must be tested upon installation.
- X.* Combustible gas detectors
 - A. There shall be one combustible gas detector on location at all times.

- XI. BOP Testing
 - A. BOP, Choke Line and Kill Line will be tested as specified by operator
- XII. Audio System
 - A. Radio communications shall be available at the rig.
 - B. Radio communications shall be available at the rig floor or trailer.
 - C. Radio communications shall be available on vehicles.
- XIII. Special control equipment
 - A. Hydraulic BOP equipment with remote control on ground.
 - B. Rotating head at surface casing point.
- XIV. Evacuation Plan
 - A. Evacuation routes should be established prior to spudding each well.
 - B. Should be discussed with all rig personnel.
- XV. Designated Areas
 - A. Parking and visitor area.
 - All vehicles are to be parked at a pre-determined safe distance from the wellhead.
 - 2. Designated smoking area.
 - B. Safe Briefing Area
 - 1. Two Safe Briefing Areas shall be designated on either side of the location at the maximum allowable distance from the well bore so they offset prevailing winds or they are at a 180 degree angle if wind directions tend to shift in the area.
 - 2. Personal protective equipment should be stored in both protection centers or if a moveable trailer is used, it should be kept upwind of existing winds. When wind is from the prevailing direction, both protection centers should be accessible.
 - *Additional equipment will be available at Callaway Safety Equipment Co., Inc., 3229 N. Industrial, Hobbs, New Mexico (505) 392-2973
 - · Additional personal Hydrogen Sulfide monitors on location for all hands.
 - Automatic Flare igniter installed on rig.

VI. CHECK LIST SECTION

Status Check List

NOIE:	Date each Item as they are implemented.
1.	Sign at location entrance
2.	Two (2) windsocks (in required locations)
3.	Wind streamers (if required)
4.	30 minute pressure demand air packs on location for all rig personnel and mud loggers.
5.	Air packs, inspected and ready for use.
6.	Spare bottles for each air pack (if required)
7.	Cascade system and hose line hook up
8.	Cascade system for refilling air bottles
9.	Choke manifold hooked up and tested (Before drilling out surface casing)
10.	Remote Hydraulic BOP control (hooked up and tested before drilling out surface casing)
11.	BOP Preventer tested (before drilling out surface casing)
12.	Mud engineer on location with equipment to test mud for Hydrogen Sulfide
13.	Safe Briefing Areas set up
14.	Condition sign and flags on location and ready
15.	Hydrogen Sulfide detection system hooked up
16.	Hydrogen Sulfide alarm system hooked up
17.	Stretcher on location at Safe Briefing Area
18.	1 - 100' length of 5/8" nylon rope on location
19.	1 - 20 # or 30 # ABC fire extinguisher in safety trailer in addition to those on rig
20.	Combustible gas detector on location and tested

21.	All rig crews and supervisors trained (as required)	
22.	Access restricted for unauthorized personnel	
23.	Drills on H2S and well control procedures	
24.	All outside service contractors advised of potential Hydrogen Sulfide on well	
25.	NO SMOKING sign posted	
26.	Hand operated H2S detector with tubes on location	
27.	25 mm flare gun with flares	
28	Automatic Flare igniter installed on rig	

Procedural Check List.

Perform the following on each tour:

- Check fire extinguishers to see that they have the proper charge.
- 2. Check breathing equipment to insure that it has not been tampered with.
- 3. Check pressure on supply air bottles to see that they are capable of recharging.
- 4. Make sure all of the Hydrogen Sulfide detection systems are operative.

Perform the following each week:

- Check each piece of breathing equipment to make sure that the 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 get air.
- 2. Blowout preventer skills.
- 3. Check supply pressure on BOP accumulator stand-by source.
- 4. Check all work/escape units for operation: demand regulator, escape bottle air volumes, and supply bottle air volume.
- 5. Check breathing equipment mask assembly to see that straps are loosened and turned back.
- 6. Check pressure on breathing equipment air bottles to make sure they are charged to full volume.
- 7. Check breathing equipment air bottles to make sure all demand regulators are working. This requires that the bottles be opened and the mask assembly be put on tight enough so that when you inhale, you get air.
- 8. Confirm pressure on all supply air bottles.
- 9. Perform breathing equipment drills with on-site personnel.

Check the following supplies for availability:

- a. Stretcher
- b. Safety belts and ropes
- c. Emergency telephone lists
- d. Spare air bottle
- e. Spare oxygen bottles (if resuscitator required)
- f. Hand operated H2S detectors and tubes
- 10. Test the Explosimeter to verify batteries are good.

VII. BRIEFING PROCEDURE SECTION

Briefing Procedures

The following scheduled briefings will be held to insure the effective drilling and operation of this project:

Pre-Spud Meeting

Date: Prior to spudding the well

Attendance: Drilling Supervisor

Drilling Engineer
Drilling Foreman
Rig Pushers
Rig Driller
Mud Engineer

All Safety Personnel Service Companies

Purpose: Review and discuss the well program, step by step, to insure

complete understanding of assignments and responsibilities.

VIII. EVACUATION PLAN SECTION

General Plan

The direct lines of action prepared by CALLAWAY SAFETY EQUIPMENT CO., INC. to protect the public from hazardous gas situations are as follows:

- 1. When the company approved supervisor (Drilling Foreman, Tool Pusher, Driller) determine Hydrogen Sulfide 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 the Area map.
- 2. Company safety personnel or designee will notify the appropriate local government agency that a hazardous condition exists and evacuation needs to be implemented.
- 3. Company approved safety personnel that have been trained in the use of Hydrogen Sulfide detection equipment and self-contained breathing equipment will be utilized.
- 4. Law Enforcement personnel (State Police, Sheriff's Department, local Police Department and local Fire Department) will be called to aid in setting up and maintaining roadblocks. Also, they will aid in evacuation of the public if necessary.

NOTE: 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.

See Emergency Reaction Plan

EMERGENCY ASSISTANCE TELEPHONE LIST

PUBLIC SAFETY	·····			
Artesia P.D. Eddy County Sheriff's New Mexico State Polic Artesia Fire Departmen New Mexico OCD (Tim Gu New Mexico D.O.T. U.S. Dept. of Labor	e t	(505) (505) (505) (505) (505)	746-5000 746-9888 748-9718 885-5050 748-1283 827-5100 248-5302	or 911 or 911
YATES PETROLEUM CORPOR	ATION			
Jim Krogman	Drilling Superintendent	(505)	748-4215 365-8340 746-2674	(mobile)
Tim Bussell	Assistant Drilling Sup.	(505)	748-4221 365-5695 746-2121	(mobile)
POTENTIALLY AFFECTED A	REAS			
Artesia Municipal Airp	ort	(505)	746-3206	
FLETC (Gloria Vaught)	Safety Chief	(505)		(work) (cellular) (security)
SAFETY CONTRACTOR				
Callaway Safety Equipm	ent		392-2973 561-5049	·

Affected Public Notification List

(within a 65' radius of exposure @ 100 ppm)

The geologic zones that will be encountered during drilling are known to contain hazardous quantities of H2S. The accompanying map illustrates the affected areas of the community. The residents within this radius will be notified via a hand delivered written notice describing the activities, potential hazards, and conditions of evacuation, evacuation drill siren alarms and other precautionary measures.

Evacuee Description: Residents

Notification Process: A continuous siren audible to all residents will

be activated; signaling evacuation of previously

notified and informed residents.

Evacuation Plan: All evacuees will migrate lateral to the wind

direction.

The Oil Company will identify all homebound or highly susceptible individuals and make special evacuation preparations, interfacing with the local fire and emergency medical services as necessary.

IX. MAPS AND PLATS SECTION



3229 INDUSTRIAL DR. Hobbs, New Mexico 88240

SAM D. CALLAWAY

505 392-2973

AIRPORT CF COM. #3

To whom it may concern,

Based on information from prior wells drilled in this area, there were no reportable quantities of Hydrogen Sulfide (H2S) associated with these wells.

However, as a precautionary measure, a mock survey of the well to be drilled was done utilizing 100 ppm and 500 ppm readings at the wellhead with a 2100 mcf/day back pressure flow rate. The results of these mock surveys showed the radius of exposure was significantly less than the 3000' utilized under NM OCD Rule 118 for a wildcat well or a well with no other comparable data to utilize for a survey purposes.

Callaway Safety Equipment

	_							 	 	 	
500 ppm Radius of Exposure-feet from	sourte	17.34									
100 ppm Radius of Exposure-feet from	sonre	37.94									
Estimated Zero Back pressure FLOW RATE	entoct//day	2.10									
Estimated Zero Back pressure FLOW RATE	mcDday	2,100									
Estimated Zero Back pressure FLOW RATE cubic	fect/day	2,100,000									
H2S Tube (PPM)	or Tutwiler (PPM)	100									
	Sample Point										
	Date	3/8/2005									
	Location	Airport CF Com #3									

3229 Industrial Drive Hobbs, NM 88240 505-392-2973

Callaway Safety Technician

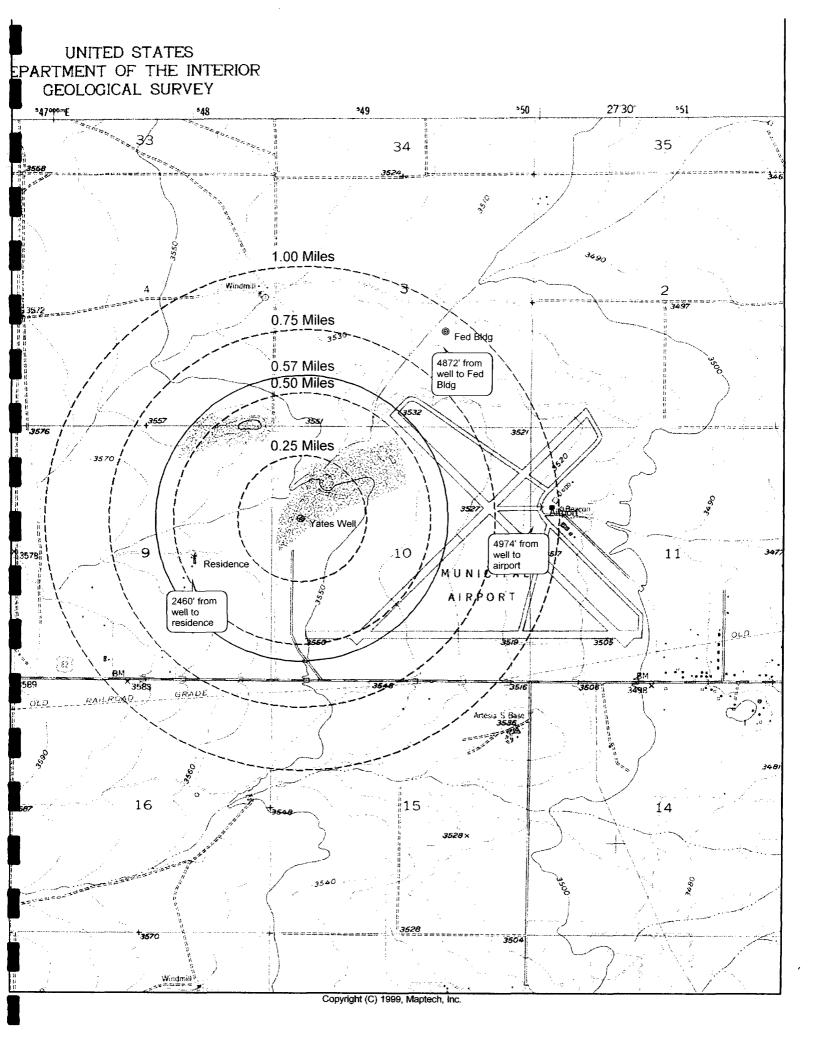
CALLAWAY SAFETY

Callaway Safety Equipment

			 	 	 _	 	 7	- 1	 _	 -	_	_		1
500 ppm Radius of Exposure-feet from	SOURCE	47.47												
100 ppm Radius of Exposure-feet from	source.	103.88												
Estimated Zero Back pressure FLOW RATE	mmcf/day	2.10												
Estimated Zero Back presente FLOW RATE	mcf/day	2,100												
Estimated Zero Back pressure FLOW RATE cubic	feet/day	2,100,000												
H2S Tube (PPM)	or Tutwiler (PPM)	200												
	Sample Point	wildcat												
	Date	3/8/2005												
	Location	Airport CF Corn #3												

3229 Industrial Drive Hobbs, NM 88240 505-392-2973

Callaway Safety Technician_



3800 3750 3700 3650 3600 3550 Miles 23 feet

Total distance:

round distance:

2460 feet

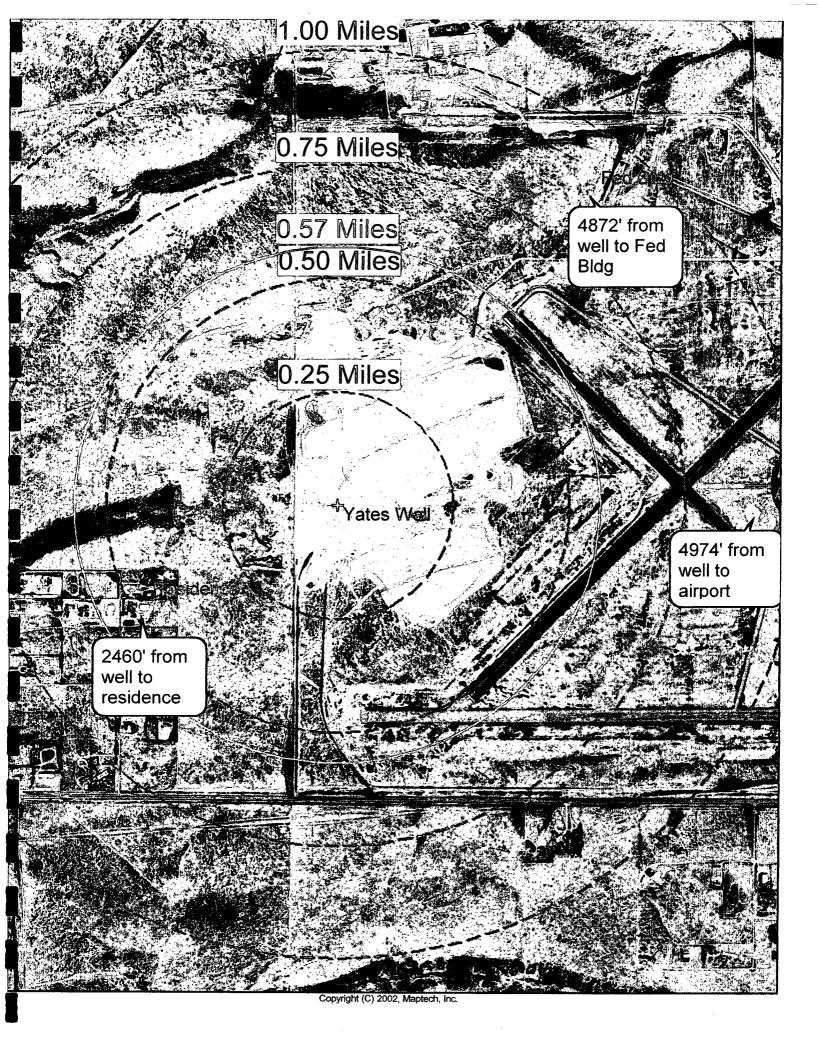
2461 feet

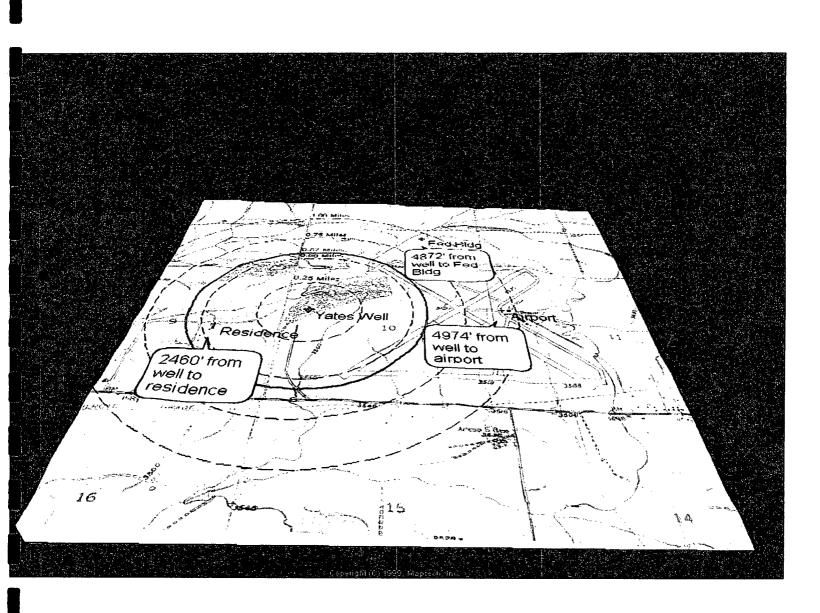
Climbing: Descending:

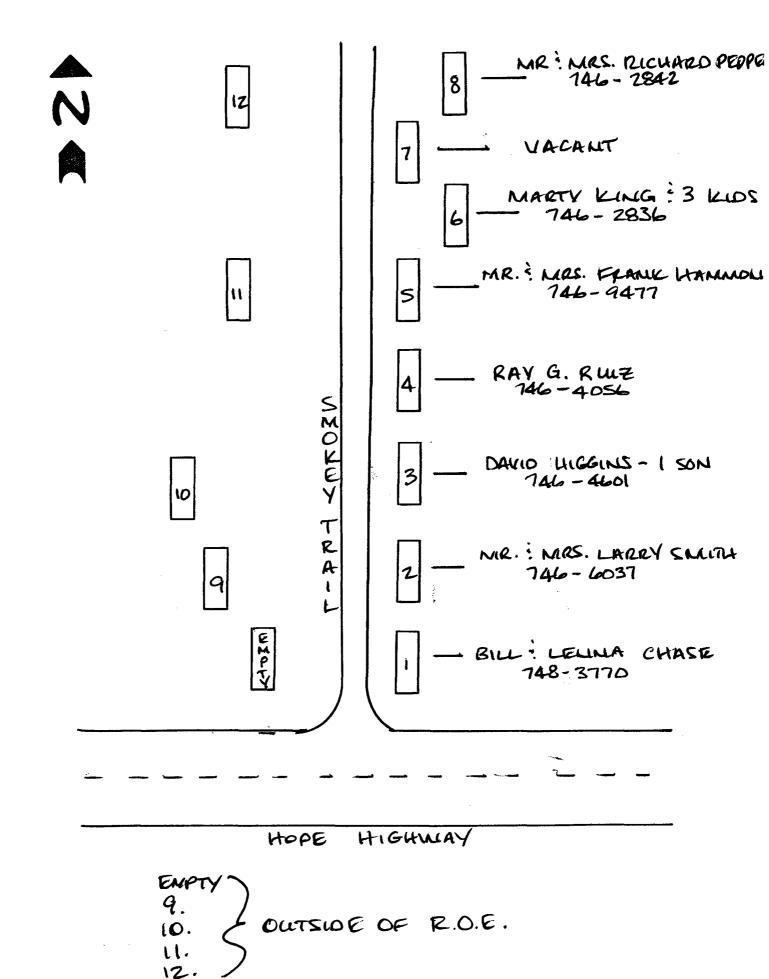
-7 feet Elevation change: 16 feet Min/Max: 3549/3572 Latitude: Longitude: Elevation:

032° 51' 7.96" N 104° 28' 48.02" W 3556 feet

0% Grade:







X. GENERAL INFORMATION SECTION

Form 3160-5

UNITED STATES

FORM APPROVED

(September	2001)				OF THE				TEC	PEINED	"		B NO. 1004-0135 s January 31, 2004
			BUREA	U OF LA	ND MAN	AGEN	MENT		MAY	2 7 7004		Ехрие	s January 31, 2004
	WEL	L COM	PLETION	OR RE	COMPLE	TION	REPORT	AND LO)G		1	Serial No.	
									GEH-	PATER			* 1
la. Type	of Well		ell 🗶 Gas	-	Dry	Ot	her				6. If India	an, Alliotee	or Tribe Name
b. Туре	of Completion:		New Wel	ı 🗆 w	ork Over	Dec	epen	Plug Bac	k Di	ff.Resvr,.	7. Unit o		ment Name and No.
2. Name	of Operator										7	Name and	
Perenc									- <u>, -</u>		Than	es 31 F	ederal #1
3. Addre							3a.	Phone No.	•	•	9. API W	'ell No.	
	a Drive, S on of Well (Rep					Fodor	al requirem		682-85	53		<u>15-3313</u>	
At surfa			•		_		•			1	•	nd Pool, or	Exploratory
	760	rsı amı	d 760' F	101 (DI	. P)		Carl	א אשל	WOO	d ' 1	11.Sec., T	`., R., M., o	r Block and
At top p	orod. interval re	ported be	low arai	ECT. ov	ad 760'	wer.	Cre	ek;	FL	<u>ه</u>		or Area 31. T1	65, R25E
			312	ron ar		X 2293		•				or Parish	13.State
At total	depth 985	· FNL :	and 804:	FEL ((ULA)		ĭ	733	3_		Eddy		NM
14. Date S	Spudded	15. Da	ate T.D. Rea	ched		16. Date Completed				17. Eleva	tions (DF,	RKB, RT, GL)*	
01 /2)C/04		/24 /04			ĺ	☐ D & A 3/07	_	X Ready	o riou.	3500		
	26/04 Depth: MD		/24/04 3345	19 Plue B	Back T.D.:	MD		345	20. D	epth Bridge	Phie Set:		656
	TVD		5090			TVD		090		-F	- 1-6	man .	656
21. Type	Electric & Othe	r Mechan	ical Logs Ru	ın (Submit	copy of eac	:h)			22. Was	well cored?	☐ No	X Yes (Submit analysis)
			-							DST run	X No		Submit report
	, Platform								Dire	ctional Survey	?	No X	es (Submit copy)
	g and Liner Rec			1	Т	Stage	Comenter	Noofe	les & T	Siurry Vol.			I
Hole Size	Size/Grade	Wt.(#ft.) Top (M	(D) Bott	ottom (MD) Stage Cementer Depth					(BBL)	Cement Top*		Amount Pulled
17-1/2"	13-3/8"	48#	- 0		159'	<u> </u>		448 Class C		108		face	Circ. 212 s
12-1/4"	9-5/8"	40#	0		103'			475 CL		164		face .	Circ. 26 sx
8-3/4"	7"	26#	0	5	0901		·	487 CL	ass C	175	20	10'	CBL
								 			-		
													
24. Tubing	g Record			1									L
Size	Depth Set (MD)	Packer Depth	(MD)	Size	Depti	h Set (MD)	Packer D	epth (MD)	Size	Depth	Set (MD)	Packer Depth (MD)
2-3/8"	4488		4488'						-F (<u></u>				, , , , , , , , , , , , , , , , , , ,
25. Produ	cing Intervals					26. Pe	erforation R	ecord					
	Formation		Top Bottom		Bottom	Perforated Interval		Interval	Size		No. Holes		Perf. Status
<u>A)</u>			4904 4950		5091-8257' M		57' MD				F	Perforated lines	
B)			 						<u> </u>		· · ·		·
<u>C)</u>													
D)	r . m .		<u> </u>			-							
27. Acid,	Fracture, Treatr	пен, Сеп	ent Squeeze	e, Etc.						4			
Depth Interval 5091-8257' MD 65000 gals				01-	Amount and Type of Material								
	71-0237 M	<u>, </u>	63000	o gaus	13-5 NECE	<u> </u>	aciu						
													
			 										
28. Product	tion - Interval A		·				• •						
Date First	Test	Hours	Test	Oil	Gas	Wate			Gas	Product	ion Method		
Produced 03/07/04	Date 1 03/10/04	Tested 4	Production		MCF 350	BBL 2		N/A	Gravity .681			Flow	ing
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr.	Oil BBL	Gas	Wate BBL	r Gas: C		Well				1
16/64				- BBL	MCF 2100	BBL	- 1	0	Status S:	. Waiting	g on Pi	peline	
	tion-Interval B												
Date First Produced	Test Date	Hours Tested	Test Production	Oil	Gas MCF	Water BBL	r Oil Gravit	y	Gas Gravity	Product	ion Method		
				. 1									

Csg. Press.

24 Нт.

Oil BBL

Gas MCF

Water BBL

Gas: Oil Ratio

Well Status

Choke Size



Laboratory Services, Inc.

4016 Fiesta Drive Hobbs, New Mexico 88240

Telephone: (505) 397-3713

FOR:

Metering & Testing Services Inc.

Attention: Mr. Tom Duncan 2807 West County Road

Hobbs, New Mexico 88240

SAMPLE DATA: DATE SAMPLED: 3/10/04 12:00 pm

3/11/04

ANALYSIS DATE: PRESSURE - PSIG SAMPLE TEMP. °F

70

ATMOS. TEMP. °F

GAS (XX) 100 SAMPLED BY:

LIQUID ()

IDENTIFICATION: Thames Federal 31 #1

ANALYSIS BY:

SAMPLE:

PLANT:

COMPANY: LEASE:

Al Lewis

Perenco LLC

Vickie Biggs

REMARKS:

COMPONENT ANALYSIS

COMPONENT		MOL PERCENT	GPM
16 4	(1.00)	0.000	
Hydrogen Sulfide	(H2S)	0.00.0	
Nitrogen	(N2)	0.650	
Carbon Dioxide	(CO2)	4.009	
Methane	(C1)	85.676	
Ethane	(C2)	5.563	1.484
Propane	(C3)	2.084	0.578
I-Butane	(IC4)	0.306	0. 10 0
N-Butane	(NC4)	0.582	0.183
I-Pentane	(IC5)	0.185	0.068
N-Pentane	(NC5)	0.164	0.059
Hexane Plus	(C6+)	0.781	0.339
		100 000	2.806

BTU/CU.FT. - DRY 1096 AT 14.650 DRY AT 14.650 WET 1093 1074 AT 14.73 DRY 1099 AT 14.73 WET 1080

SPECIFIC GRAVITY -CALCULATED

MEASURED

0.681

MOLECULAR WT. 19.7710

Toxic Effects of Hydrogen Sulfide Poisoning

Hydrogen Sulfide is extremely toxic. The acceptable ceiling concentration for eight-hour exposure is 20 ppm, which is .002% 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 below in Table I. Physical effects at various Hydrogen Sulfide levels are shown in Table II.

Table IToxicity of Various Gases

Common Name	Chemical Formula	Specific Gravity	Threshold Limit (A)	Hazardous Limit (B)	Lethal Concentration (C)
Hydrogen Cyanide	HCN	0.94	10 ppm	150 ppm/hr	300 ppm
Hydrogen Sulfide	H2S	1.18	10 ppm (D) 20 ppm (E)	250 ppm/hr	600 ppm
Sulfur Dioxide	S02	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	(9 %)	Combustible Above 5% in air

A. Threshold Limit - Concentration at which it is believed that all workers may be repeatedly exposed day after day without adverse effects.

B. Hazardous Limit - Concentration that may cause death.

- C. **Lethal Concentration** Concentration that will cause death with short-term exposure.
- D. **Threshold Limit (10 ppm)** 1972 ACGIH (American Conference of Governmental Industrial Hygienists).
- E. Threshold Limit (20 ppm) 1966 ANSI acceptable ceiling concentration for eight-hour exposure (based on 40 hour week) is 20 ppm. OSHA Rules and Regulations (Federal Register, Volume 37, No. 202, Part II, dated 10/18/72)

Table IIPhysical Effects of Hydrogen Sulfide

Percent (%)	ppm	Physical Effects
0.001	10	Obvious and unpleasant odor
0.002	20	Safe for 8 hrs. exposure
0.01	100	Kills smell in 3-5 minutes; may sting eyes & throat
0.02	200	Kills smell shortly; stings eyes and throat
0.03	300	IDLH (Immediate Danger to Life and Health) Level
0.05	500	Dizziness; breathing ceases in a few minutes
0.07	700	Unconscious quickly; death will result if not rescued
0.10	1000	Unconscious at once; followed by death within minutes

* CAUTION: Hydrogen Sulfide is a colorless and transparent gas and is highly flammable. It is heavier than air and may accumulate in low places.

E. At any time there is a doubt as to the H2S level in the area to be entered.

Rescue-First Aid for Hydrogen Sulfide Poisoning

DO NOT PANIC !!!!

Remain Calm -- THINK

- 1. Hold your breath (Do not inhale; stop breathing) and go to Briefing Area.
- 2. Put on breathing apparatus.
- 3. Remove victim(s) to fresh air as quickly as possible. (Go upwind from the source or at right angles to the wind; NOT downwind).
- 4. Briefly apply chest pressure—arm lift method of artificial respiration to clear 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, beforehand, of the possibility of H2S gas poisoning, no matter how remote the possibility.
- 7. Notify emergency room personnel that the victim(s) have 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.

Use of Self-Contained Breathing Apparatus

(SCBA)

- I. Written procedures shall be prepared covering safe use of respirators in dangerous atmospheric situations, which might be encountered in normal operations or in emergencies. Personnel shall be familiar with these procedures and the available respirators.
- II. Respirators shall be inspected frequently, at random, to insure that they are properly used, cleaned and maintained.
- III. Anyone who may use respirators shall be trained in how to properly seal the face piece. They shall wear respirators in normal air and then in a test atmosphere. (NOTE: Such items as facial hair (beard or sideburns) and eyeglass temple pieces will not allow a proper seal). Anyone that may be expected to wear respirators should have these items removed before entering a toxic atmosphere. A special mask must be obtained for anyone who must wear eyeglasses. Contact lenses should not be allowed.
- IV. Maintenance and care of Respirators
 - A. A program of maintenance and care of respirators 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 (SCBA) for emergency use shall be inspected monthly and records maintained for the following:
 - 1. Fully charged cylinders.
 - 2. Regulator and warning device operation.
 - 3. Condition of face piece and connection.
 - 4. Elastomer or rubber parts shall be stretched or massaged to keep them pliable and prevent deterioration.
 - C. Routinely used respirators shall be collected, cleaned and disinfected as frequently as necessary to insure proper protection is provided.
- V. Persons assigned tasks that require the use of Self Contained Breathing Equipment shall be certified physically fit for breathing equipment usage by the local company physician at least annually.
- VI. Respirators should be worn during the following conditions:
 - A. Any employee who works near the top or on the top of any tank unless tests reveal less than 20 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 exist.
 - D. When working in areas where over 20 ppm H2S has been detected.

