30-025-40431

ConocoPhillips

HYDROGEN SULFIDE (H_2S) OPERATIONS

Contingency Plan
For
Permian Drilling Operations

ConocoPhillips Company
Mid-Continent Business Unit
Permian Asset Area

I. PURPOSE

The purpose of this Contingency Plan is to provide an organized plan of action for alerting and protecting the public following the release of a potentially hazardous volume of hydrogen sulfide. This plan prescribes mandatory safety procedures to be followed in the event of a release of H_2S into the atmosphere from exploration and production operations included in the scope of this plan. The extent of action taken will be determined by the supervisor and will depend on the severity and extent of H_2S release. Release of H_2S must be reported to the Drilling Superintendent and documented on the IADC and in Wellview.

II. SCOPE

This Contingency plan shall cover the West Texas and Southeastern New Mexico areas, which contain H2S gas and could result in a release where the R.O.E. is greater than 100 ppm at 50' and less than 3000' and does not include a public area and 500 ppm R.O.E. does not include a public road. Radius of exposure is defined as the maximum distance from the source of release that a specified calculated average concentration of H_2S could exist under specific weather conditions.

III. PROCEDURES

First Employee on Scene

—— Assess the incident and ensure your own safety.

Note the following:

—— Location of the incident.
—— Nature of the incident.
—— Wind direction and weather conditions.
—— Other assistance that may be needed.

—— Call local supervisory personnel (refer to Section V: Emergency Call List) until personal contact is made with a person on the list.

—— Perform emergency assessment and response as needed. The response may include rescue and/or evacuation of personnel, shutting in a system and/or notification of nearby residents/public (refer to Section VII: Public Notification/Evacuation).

—— Secure the site.

—— Follow the direction of the On-scene Incident Commander (first ConocoPhillips supervisor arriving on-scene).

First Supervisor on Scene (ConocoPhillips On-scene Incident Commander)

—— Becomes ConocoPhillips' On-scene Incident Commander upon arrival to location.

—— Follow the principles of the **D.E.C.I.D.E.** process below to assess the incident. (Note wind direction and weather conditions and ensure everyone's safety).

DETECT the problem
ESTIMATE likely harm without intervention
CHOOSE response objectives
IDENTIFY action options
DO the best option
EVALUATE the progress

—— Complete the Preliminary Emergency Information Sheet (refer to Section VIII: Forms/Reports).

—— Call your supervisor (refer to Section V: Emergency Call List).

—— Perform emergency response as necessary. (This may include notification & evacuation of all personnel and/or nearby residents/public (refer to Section VII: Public Notification/Evacuation), requesting assistance from ConocoPhillips personnel or outside agencies (refer to Section V: Emergency Call List) and obtaining any safety equipment that may be required (refer to Section IV: Emergency Equipment and Maintenance).

—— Notify appropriate local emergency response agencies of the incident as needed. Also notify the appropriate regulatory agencies. (refer to Section V: Emergency Call List).

—— Ensure site security.

—— Set barricades and /or warning signs at or beyond the calculated 100 ppm H_2S radius of exposure (ROE). All manned barricades must be equipped with an H_2S monitor and a 2-way radio.

—— Set roadblocks and staging area as determined.

—— Establish the Incident Command Structure by designating appropriate on-scene response personnel as follows:

Recording Secretary _____
Public Information Officer _____
Safety/Medical Officer _____
Decontamination Officer _____

—— Have the "Recording Secretary" begin documenting the incident on the "Incident Log" (refer to Section VIII: Forms/Reports).

—— If needed, request radio silence on all channels that use your radio tower stating that, until further notice, the channels should be used for emergency communications only.

—— Perform a Site Characterization and designate the following:

Hot Zone -- Hazardous Area
Warm Zone -- Preparation & Decontamination Area
Cold Zone -- Safe Area

AND

On-Scene Incident Command Post	(Cold Zone)
Public Relations Briefing Area	(Cold Zone)
Staging Area	(Cold Zone)
Triage Area	(Cold Zone)
Decontamination Area	(Warm Zone)

_____ Refer all media personnel to ConocoPhillips' On-Scene Public Information Officer (refer to Section VI: Public Media Relations).

_____ Coordinate the attempt to stop the release of H_2S. You should consider closing upstream and downstream valves to shut-off gas supply sources, and/or plugging or clamping leaks. Igniting escaping gas to reduce the toxicity hazard should be used **ONLY AS A LAST RESORT**. (It must first be determined if the gas can be safely ignited, taking into consideration if there is a possibility of a widespread flammable atmosphere.)

_____ Once the emergency is over, return the situation to normal by:

Confirming the absence of H_2S and combustible gas throughout the area,

Discontinuing the radio silence on all channels, stating that the emergency incident is over,

Removing all barricades and warning signs,

Allowing evacuees to return to the area, and

Advising all parties previously notified that the emergency has ended.

_____ Ensure the proper regulatory authorities/agencies are notified of the incident (refer to Section V: Emergency Call List).

_____ Clean up the site. (Be sure all contractor crews have had appropriate HAZWOPER training.)

_____ Report completion of the cleanup to the Asset Environmentalist. (Environmentalist will report this to the proper State and/or Federal agencies.)

_____ Fill out all required incident reports and send originals to the Safety Department. (Keep a copy for your records.)

- Company employee receiving occupational injury or illnesses.

- Company employee involved in a vehicle accident while driving a company vehicle.

- Company property that is damaged or lost.

- Accident involving the public or a contractor; includes personal injuries, vehicle accidents, and property damage. Also includes any situation, which could result in a claim against the Company.

- Hazardous Material Spill/Release Report Form

- Emergency Drill Report

_____ Assist the Safety Department in the investigation of the incident. Review the factors that caused or allowed the incident to occur, and modify operating, maintenance, and/or surveillance procedures as needed. Make appropriate repairs and train or retrain employees in the use and operation of the system.

_____ If this incident was simulated for practice in emergency response, complete the Emergency Drill Report found in Section VIII: Forms/Reports and submit a copy to the Drilling Manager. (Keep one copy in area files to document exercising of the plan.)

Emergency Procedures
Responsibility

In the event of a release of potentially hazardous amounts of H2S, all personnel will immediately proceed upwind/ crosswind to the nearest designated briefing area. The COPC Drilling Rep. will immediately, upon assessing the situation, set this into action by taking the proper procedures to contain the gas and notify appropriate people and agencies.

1. In an emergency situation, the Drilling Rep. on duty will have complete responsibility and will take whatever action is deemed necessary in an emergency situation to insure the personnel's safety, to protect the well and to prevent property damage.

2. The Toolpusher will assume all responsibilities of the Drilling Rep. in an emergency situation in the event the Drilling Rep. becomes incapacitated.

3. Advise each contractor, service company, and all others entering the site that H2S may be encountered and the potential hazards that may exist.

4. Authorize the evacuation of local residents if H2S threatens their safety.

5. Keep the number of persons on location to a minimum during hazardous operations.

6. Direct corrective actions to control the flow of gas.

7. Has full responsibility for igniting escaping gas to reduce the toxicity hazard. This should be used **ONLY AS A LAST RESORT**.

IV. EMERGENCY EQUIPMENT and MAINTENANCE

Emergency Equipment Suppliers

Safety International – Odessa, Tx. 432.580.3770
H_2S monitors
Breathing air includes cascade systems
First aid and medical supplies
Safety equipment
H2S Specialist

Total Safety US Odessa, Tx/ Hobs, NM 432.561.5049 Odessa, Tx.
575.392.2973 Hobbs, NM
H_2S monitors
Breathing air includes cascade systems
Fire fighting equipment
First aid and medical supplies
Safety equipment

Indian Fire & Safety – Hobbs, NM 575.393.3093
H_2S monitors
Breathing air including cascade systems trailer mounted
30 minute air packs
Safety Equipment

Emergency Equipment and Maintenance (continued)

General Information

Materials used for repair should be suitable for use where H_2S concentrations exceed 100 ppm. In general, carbon steels having low-yield strengths and a hardness below RC-22 are suitable. The engineering staff should be consulted if any doubt exists on material specifications.

Appropriate signs should be maintained in good condition at location entrance and other locations as specified in Texas Rule 36 and NMOCD Rule 118.

All notification lists should be kept current with changes in names, telephone numbers, etc.

All shutdown devices, alarms, monitors, breathing air systems, etc., should be maintained in accordance with applicable regulations.

All personnel working in H_2S areas shall have received training on the hazards, characteristics, and properties of H_2S, and on procedures and safety equipment applicable for use in H_2S areas.

H2S Safety Equipment and Monitoring Systems

An H2S emergency response package will be maintained at locations requiring H2S monitoring. The package will contain at a minimum the following:

3 – Fixed H2S sensors located as follows:
- 1 – on the rig floor
- 1 – at the Bell Nipple
- 1 – at the Shale Shaker or Flowline

1 – Entrance Warning Sign located at the main entrance to the location, with warning signs and colored flags to determine the current status for entry into the location.

2 – Windsocks that are clearly visible.

1 – Audible warning system located on rig floor

2 – Visual warning systems (Beacon Lights)
- 1 – located at the rig floor
- 1 – located in the mud mixing room

Note: All alarms (audible and visual) should be set to alarm at 10 ppm.

2 - Briefing areas clearly marked
- 2 - SCBA's at each briefing area
- 1- SCBA located at the Drilling Reps office

Note:

1. All SCBA's must be positive pressure type only!!!

2. All SCBA's must either be Scott or Drager brand.

3. All SCBA's face pieces should be size large, unless otherwise specified by the Drilling Supervisor.

5 – Emergency Escape Paks located at Top Doghouse.
- Note: Ensure provisions are included for any personnel working above rig floor in derrick.

1 – Tri or Quad gas monitor located at the Drilling Reps office. This will be used to determine if the work area if safe to re-enter prior to returning to work following any alarm.

V. EMERGENCY CALL LIST:

The following is a priority list of personnel to contact in an emergency situation:

Supervisory Personnel	Office No.	Home	Cellular
R.W. "Cottton" Hair Permian Drilling Supt.	432.368.1302	432.563.9467	432.556.9116
Dennis Paschall Permian Drilling Field Supt.	432.368.1517	432.683.9400	432.238.3150
Tom Samarripa WSER	423.368.1263	432.367.4961	432.556.9113
Ty Maxey Permian Asset Operations Manager	432.368.1100		281.217.8492
Leo Gatson Safety and Environmental Coordinator	432.368.1248		432.631.066
Lynn Dooley Drilling Mngr.	832.486.2567	281.225.8063	281.435.3517

EMERGENCY CALL LIST: State Officials

✓ **Regulatory Agencies**

✓ **New Mexico Oil Conservation Commission**
P. O. Box 1980
Hobbs, New Mexico 88240-1980
Office: 575.393.6161

✓ **Bureau of Land Mngt.**
Carlsbad Field Office switchboard
620 E. Greene St.
Carlsbad, NM 88220
Office: 575.234.5972
Fax: 575.885.9264
24 HR ON CALL NUMBER FOR BLM LEA COUNTY IS 575 393-3612

EMERGENCY CALL LIST: Local Officials

Refer to the Location Information Sheet
Note: The LIS should include any area residents (i.e. rancher's house, etc)

1/30/2012 TMM

ConocoPhillips Emergency Call List and Location Information Sheet

ConocoPhillips- 281-293-3600

Drilling Superintendent	Cotton Hair	Office: 432-368-1302 Cell: 432-556-9116
Safety (WSER)	Tom Samarripa	Office: 432-368-1263 Cell: 432-556-9113
Drilling Engineer	Steve Moore	Office: 832-486-2459 Cell: 281-467-7596
Regulatory Contact	Brian Maiorino	Office: 432-688-6913 Cell: 432-210-7097

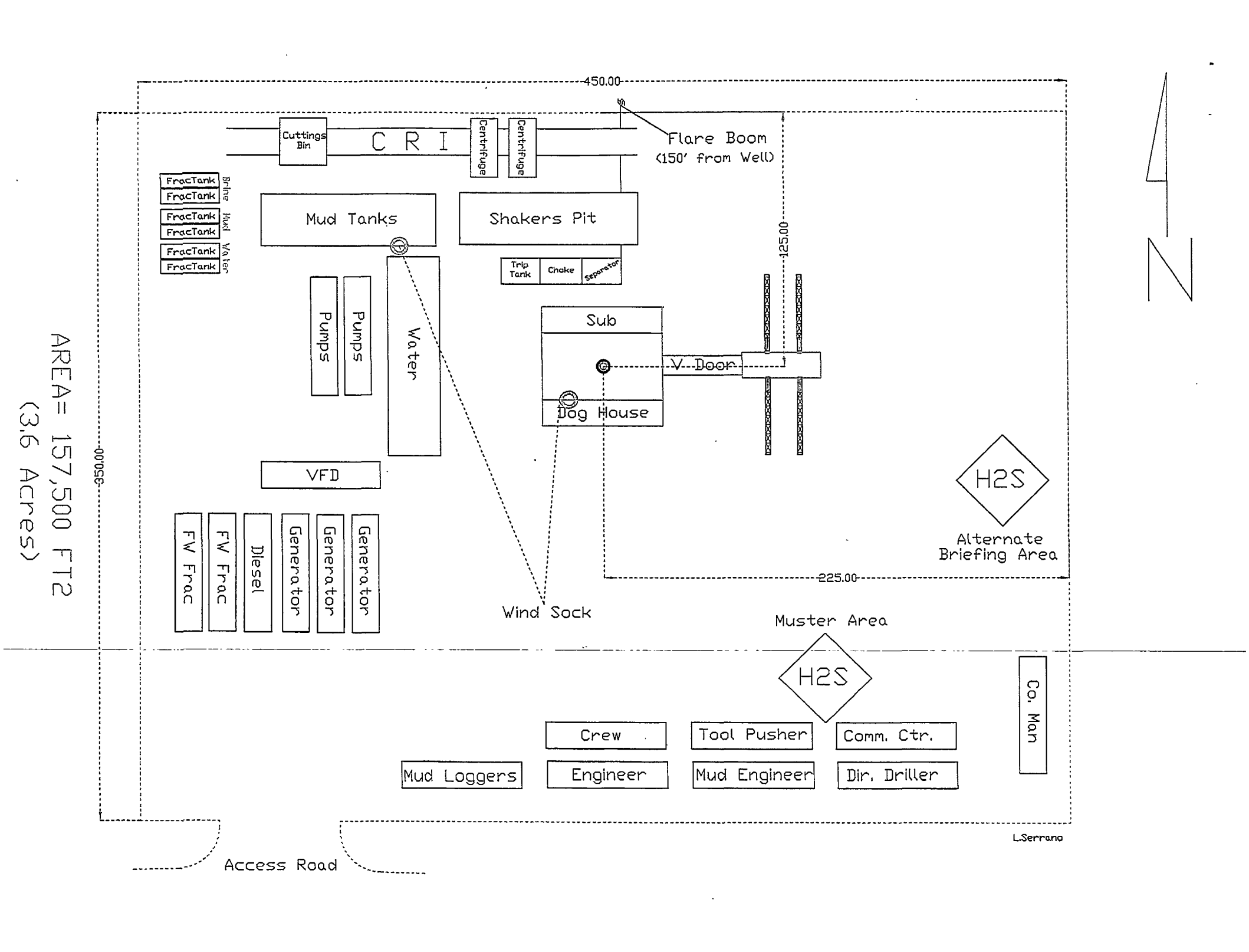
Emergency Numbers

Hospital: Lea Co. Regional Medical Center (Hobbs) 575-492-5000
Ambulance: Hobbs Fire Dept. 575-397-9308
Air Ambulance: Care Star 888-624-3571
Aero Star 800-627-2376
Fire Dept. (Hobbs) 575-397-9308
(Maljamar non-emerg) 575-676-4100
State Police (Artesia) 575-748-9718
(Hobbs) 575-392-5580
Sheriff (Lovington)..... 575-396-3611
Police (Lovington) 575-396-5166
NMOCD 575-393-6161
(Emerg) 575-3707106
BLM ...switchboard.....575-393-3612
New Mexico Emergency Response Comm (Santa Fe) 505-476-9600
New Mexico State Emerg Ops Ctr 505-476-9635
National Emerg Response Center 800-424-8802

BLM 24 hour on call Lea County 575 393-3612

Number of Residences within 1 mile of Well: There are no residences within one mile of the well to be drilled.

1/30/2012 FMM

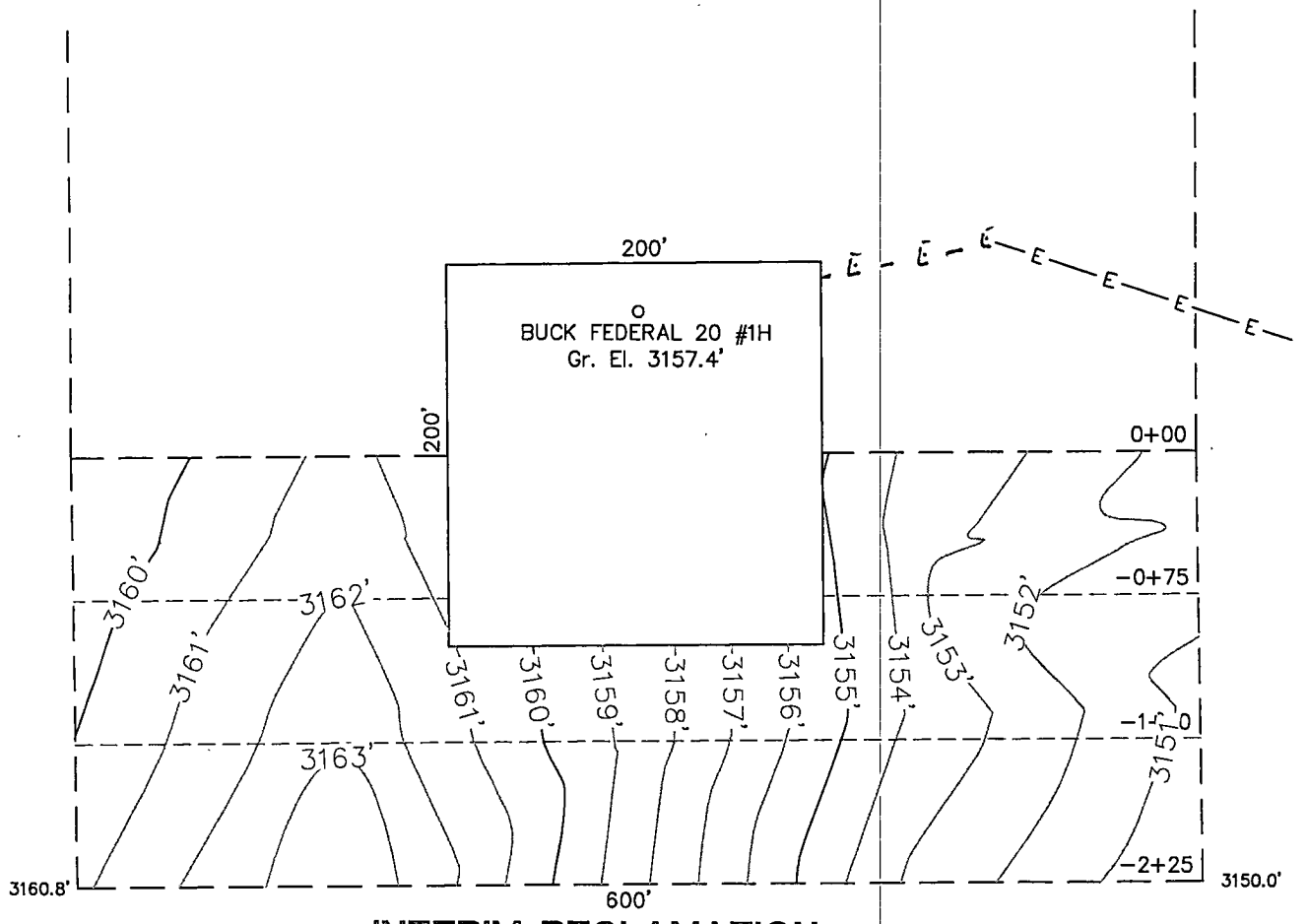

450.00
Flare Boom
(150' from Well)
Cuttings Bin
C R I
Centrifuge
Centrifuge
FracTank
FracTank
Brine
FracTank
FracTank
Mud
FracTank
FracTank
Water
Mud Tanks
Shakers Pit
125.00
Trip Tank
Choke
Separator
Pumps
Pumps
Water
Sub
V. Door
Dog House
H2S
Alternate Briefing Area
VFD
FW Frac
FW Frac
Diesel
Generator
Generator
Generator
225.00
Wind Sock
Muster Area
H2S
Co. Man
Crew
Tool Pusher
Comm. Ctr.
Mud Loggers
Engineer
Mud Engineer
Dir. Driller
L.Serrano
Access Road
AREA= 157,500 FT2
(3.6 Acres)

SECTION 17, TOWNSHIP 26 SOUTH, RANGE 32 EAST, N.M.P.M.

LEA COUNTY — NEW MEXICO

L-2011-1438-C

THIS IS NOT A BOUNDARY SURVEY
Apparent property corners and property lines, if shown, are for information only.



INTERIM RECLAMATION

100 0 100 200

Graphic Scale in Feet

I HEREBY CERTIFY THAT THIS PLAT WAS MADE FROM AN ACTUAL SURVEY MADE BY ME OR UNDER MY DIRECT SUPERVISION AND THAT THE SAME IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

MACON McDONALD PLS NO. 12185

NEW MEXICO 12185 REGISTERED PROFESSIONAL SURVEYOR

WEST COMPANY of Midland, Inc.
110 W. LOUISIANA, STE. 110
MIDLAND TEXAS, 79701
(432) 687-0865 – (432) 687-0868 FAX

ConocoPhillips

Topographic Map

BUCK FEDERAL 20 #1H

Located 105' FSL & 397 FEL, Section 17
Township 26 South, Range 32 East, N.M.P.M.
Lea County, New Mexico

Drawn By: JCC	Date: October 31, 2011
Scale: 1" = 100'	Field Book: 534 / 23-24
Sheet 3 of 3	Quadrangle: Paduca Breaks West
W.O. No: 2011-1438	Dwg. No.: L-2011-1438-C

Surface Use Plan of Operations

ConocoPhillips Company
Buck Federal 20 #1H
105 FSL & 397 FEL of Section 17-26S-32E
Lease No. NMLC068281B
Lea County, New Mexico

1. Access Road - Existing
   A. From Orla, TX Go northeast on Highway 652 For 18.0 miles to TX/NM state line. Keep going northeast on county road for 2.8 miles. Turn east on lease road and go 0.2 miles. Location is approximately 300 feet to the south.
   B. Proposed route to location - **See Enclosed County Map & Vicinity Map.**
   C. The existing road will be maintained, including Dust Suppression, in the same or better condition as existed prior to the commencement of operations and said maintenance will continue until final abandonment and reclamation of this drilling location.

2. Planned Access Roads

   A. There will be no new access road. Well pad is to be combined with Buck Federal 17 #1, utilizing its existing access road. All is on federal surface.
   B. Maximum grade will not exceed 8 percent.
   C. There will be no County approach.
   D. There will be no low water crossing or culverts
   E. There will be no cattleguard installed on the access road.

3. Location of Existing Wells within a One-Mile Radius. **See Enclosed One-Mile Radius Plat.**

   A. There are no water wells within a one-mile radius
   B. There are no dry holes located within a one-mile radius.
   C. There are no plugged and abandoned wells within a one-mile radius.
   D. There are no saltwater disposal wells within a one-mile radius.
   E. There are 2 proposed drill wells within a one-mile radius.
   F. There is one producing/recently drilled wells within a one-mile radius.
   G. There are no shut-in wells within a one-mile radius.
   H. There are no injection wells within a one-mile radius.
   I. There are no monitoring or observation wells within a one-mile radius.
   J. There is no water source well within a one-mile radius.

4. Location of existing and/or Proposed Facilities

   A. On Well Pad

      1. This well will be placed on oil production. A proposed 3" products flowline will travel

North and tie in with the Buck Federal 17 #1H flowline that produces to facilities on the Buck Federal 17 #1 well site.

2. All above ground existing facilities are painted an earth tone color that blends with the surrounding area. Any proposed new facilities will be painted a shale green.

3. There is an existing electric line to the Buck Federal 17 #1H, the Buck Federal 20 #1H will tie into it.

5. Location and Type of Water Supply

A. Fresh water will be obtained from an approved source.
B. No water well will be drilled on this location.

6. Source of Construction Materials

A. Any materials needed in addition to what can be used from location and access road will be hauled in from a supplier having a permitted source of materials.
B. If production is established, any additional construction materials required for the surfacing of the access road and for installation of the production facilities will be purchased from a supplier having a permitted source of materials.
C. No construction materials will be taken from Federal lands without a prior approval from the appropriate Surface Management Agency.

7. Methods for Handling Waste Disposal

A. Hazardous substances as listed as hazardous under the Comprehensive Environmental Response Compensation and Liability Act (CERCLA) of 1980, as amended, 42 U.S.C. 9601 et seq. and the regulations issued under CERCLA, will be disposed of in the appropriate pit.
B. Any spills of oil or any other potentially hazardous material will be cleaned up and Immediately removed to an approved disposal site.
C. Sewage will be disposed of according to county and state requirements in a portable chemical toilet(s) or in a hole at least 20 feet deep excavated in the cut portion of the well pad. Other waste and chemicals may not be disposed of on location. Waste will not be burned on location.
D. Garbage and trash will be contained in portable trash cages. The contents of the trash cages will be disposed of according to county and state regulations at an approved facility. Disposal of it or burning it will not be allowed on the well location.
F. After drilling rig has moved out of area, any scattered trash and litter will be removed from site.
G. All potentially hazardous areas will be fenced, and will remain in this condition until entire area can be rehabilitated.

8. Ancillary Facilities

The production facilities are discussed under Item 4.

9. Well Site Layout

A. **See Enclosed Well Location Plat**

B. Well Site Layout – The rig to drill this well will need an additional 225'x375' area extended south of the current Buck Fed 17 #1H location. The "pit side" of the location will be east. V door will be south. **See Enclosed Drilling Rig Layout Plat.**

C. Topsoil will be stripped from the locations and access roads and be stockpiled and be deposited apart from other excavated material.

D. There will be a no reserve pit on location. The well will be drilled via a closed loop system and the contents will be taken to an approved disposal site.

10. Plans for Reclamation of the Surface

A. If this well is a producer, all site rehabilitation shall be completed within six months. Under normal weather conditions, the timetable for rehab will allow two months for backfill settling and two months to complete final re-contouring, and top-soiling. In the event of winter freeze-up, reclamation will be put on hold as determined by the BLM.

B. At such time as the well is abandoned, ConocoPhillips Company will contact the BLM for development of the final rehabilitation plan. Upon abandonment, a dry hole marker welded to surface casing four feet below ground level will be installed. It will contain the same information as the well sign as directed by 43 CFR 3162.6 (30 CFR 221.22). The dry hole marker sealing the casing will have an 1/8" to 1/4" weep hole which will allow pressure to dissipate and make detection of any fluid seepage easier.

C. If this well site is constructed and not drilled, the site and access road will be reclaimed or BLM approved special erosion control measures implemented within 90 days of site construction unless otherwise approved in writing by sundry notice.

D. The unused portion of the site will be ripped prior to replacing the topsoil. The soil-banked material will be spread over the area. Reseeding will be an approved mixture by the BLM. If the broadcast method is utilized, the seed mixture shall be doubled. There shall be no primary or secondary noxious weed seed in the native seed mixture

E. The entire disturbed location may be fenced after seeding. When the location has been rehabilitated and vegetation re-established, the fence shall be removed or the fenced area reduced as required by the landowner or BLM.

F. Weeds will be controlled on disturbed areas within the exterior limits of the well pad. The control methods will be in accordance with guidelines established by EPA, BLM, state, and local authorities.

G. A pre-work onsite with the BLM and ConocoPhillips Company may be held for all phases of reclamation

H. ConocoPhillips Company will utilize many best management practices. The first is location selection itself and adjusting the project area to accommodate the terrain to minimize the initial disturbance and erosion concerns. The project area will have the required interim reclamation and reseeding for the unused portion of the well site not needed for production operations. The interim reclamation will occur shortly after completion operation and facility installation has happened.

11. Surface Ownership
Bureau of Land Management
620 E. Greene Street
Carlsbad, New Mexico 88220

12. Other Information

A. The area that would be impacted by the well site and access road has been surveyed for cultural resources. The Archaeological Survey Report has been mailed to the BLM by Lone Mountain Archaeological Services, Inc.

B. ConocoPhillips Company will be responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites or for collecting artifacts.

If historic or archaeological materials are uncovered, ConocoPhillips Company will suspend all operations that might further disturb such materials and immediately contact the Authorized Officer, Bureau of Land Management.

Within five (5) working days the Authorized Officer will inform ConocoPhillips Company as to whether the materials appear eligible for the National Register of Historic Places; the mitigation measures the operator will likely have to undertake before the site can be used (assuming in site preservation is not necessary); and a time frame for the Authorized officer to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the Authorized Officer are correct and that mitigation is appropriate.

C. ConocoPhillips Company will protect, in place, all public land survey monuments, private property corner, and Forest service boundary markers. In the event that any such land markers or monuments are destroyed in the exercise of their rights, depending on the type of monument destroyed, the operator shall see that they are reestablished or referenced in accordance with (1) the procedures outlined in the "Manual of Instructions for the Survey of the Public Land of the United States", (2) the specifications of the county surveyor, or (3) the specification of the BLM.

D. ConocoPhillips Company will comply with the additional Conditions of Approval provided by the BLM.

Operator Certification

ConocoPhillips

Certification:

- I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access rout; that I am familiar with the conditions which presently exist; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by ConocoPhillips Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. I also certify responsibility for the operations conducted on that portion of the leased lands associated with this application with bond coverage provided by Nationwide Bond ES-0085. This statement is subject to the provisions of 18 U.S.C. 1001 for filling a false statement

Date: 12/12/11

Brian D. Maiorino
Regulatory Specialist
PO Box 51810
Midland, TX 79710

Field Representative: (If not above signatory) Rudy Quiroz, Production Supervisor
Address: 1410 NW CR, Hobbs, NM 88240
575-391-3147