

Hydrogen Sulfide Drilling Operations Plan
Double X 25 Federal No. 4
Cimarex Energy Co.
Unit C, Section 25
T24S-R32E, Lea County, NM

30-025-40690

HOBBS OCD

JUL 16 2012

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- 1 All Company and Contract personnel admitted on location must be trained by a qualified H₂S safety instructor to the following:
 - A. Characteristics of H₂S
 - B. Physical effects and hazards
 - C. Proper use of safety equipment and life support systems.
 - D. Principle and operation of H₂S detectors, warning system and briefing areas.
 - E. Evacuation procedure, routes and first aid.
 - F. Proper use of 30 minute pressure demand air pack.
- 2 H₂S Detection and Alarm Systems:
 - A. H₂S detectors and audio alarm system to be located at bell nipple, end of flow line (mud pit) and on derrick floor or doghouse.
- 3 Windsock and/or wind streamers:
 - A. Windsock at mudpit area should be high enough to be visible.
 - B. Windsock at briefing area should be high enough to be visible.
- 4 Condition Flags and Signs:
 - A. Warning sign on access road to location.
 - B. Flags to be displayed on sign at entrance to location. Green flag indicates normal safe condition. Yellow flag indicates potential pressure and danger. Red flag indicates danger (H₂S present in dangerous concentration). Only emergency personnel admitted to location.
- 5 Well control equipment:
 - A. See exhibit "E"
- 6 Communication:
 - A. While working under masks chalkboards will be used for communication.
 - B. Hand signals will be used where chalk board is inappropriate.
 - C. Two way radio will be used to communicate off location in case of emergency help is required. In most cases cellular telephones will be available at most drilling foreman's trailer or living quarters.
- 7 Drillstem Testing:

No DSTs or cores are planned at this time.
- 8 Drilling contractor supervisor will be required to be familiar with the effects H₂S has on tubular goods and other mechanical equipment.
- 9 If H₂S is encountered, mud system will be altered if necessary to maintain control of formation. A mud gas separator will be brought into service along with H₂S scavengers if necessary.

H₂S Contingency Plan
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Emergency Procedures

In the event of a release of gas containing H₂S, the first responder(s) must:

- ★ Isolate the area and prevent entry by other persons into the 100 ppm ROE.
- ★ Evacuate any public places encompassed by the 100 ppm ROE.
- ★ Be equipped with H₂S monitors and air packs in order to control the release.
- ★ Use the "buddy system" to ensure no injuries occur during the response.
- ★ Take precautions to avoid personal injury during this operation.
- ★ Contact operator and/or local officials to aid in operation. See list of phone numbers attached.
- ★ Have received training in the:
 - ♦ Detection of H₂S, and
 - ♦ Measures for protection against the gas,
 - ♦ Equipment used for protection and emergency response.

Ignition of Gas Source

Should control of the well be considered lost and ignition considered, take care to protect against exposure to Sulfur Dioxide (SO₂). Intentional ignition must be coordinated with the NMOCD and local officials. Additionally, the NM State Police may become involved. NM State Police shall be the Incident Command on scene of any major release. Take care to protect downwind whenever there is an ignition of the gas.

Characteristics of H₂S and SO₂

Common Name	Chemical Formula	Specific Gravity	Threshold Limit	Hazardous Limit	Lethal Concentration
Hydrogen Sulfide	H ₂ S	1.189 Air=1	10 ppm	100 ppm/hr	600 ppm
Sulfur Dioxide	SO ₂	2.21 Air=1	2 ppm	N/A	1000 ppm

Contacting Authorities

Stata Production Company's personnel must liaise with local and state agencies to ensure a proper response to a major release. Additionally, the OCD must be notified of the release as soon as possible but no later than 4 hours. Agencies will ask for information such as type and volume of release, wind direction, location of release, etc. Be prepared with all information available including directions to site. The following call list of essential and potential responders has been prepared for use during a release. Stata Production Company's response must be in coordination with the State of New Mexico's "Hazardous Materials Emergency Response Plan" (HMER).

H₂S Contingency Plan Emergency Contacts
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Strata Personnel		Office	Mobile
Doug Park, Drilling Manager		432-620-1934	972-333-1407
Scott Lucas			432-894-5572
Roy Shirley			432-634-2136
Sheriff's Departments			
Eddy County		575-887-1888	
Lea County		575-396-3611	
New Mexico State Police		575-392-5588	
Fire Departments		911	
Carlsbad		575-885-3125	
Eunice		575-394-2111	
Hobbs		575-397-9308	
Jal		575-395-2221	
Lovington		575-396-2359	
Hospitals		911	
Carlsbad Medical Emergency		575-887-4100	
Eunice Medical Emergency		575-394-2112	
Hobbs Medical Emergency		575-397-9308	
Jal Medical Emergency		575-395-2221	
Lovington Medical Emergency		575-396-2359	
Agent Notifications			
Bureau of Land Management		575-393-3612	
New Mexico Oil Conservation Division		575-393-6161	
Mosaic Potash - Carlsbad		575-887-2871	

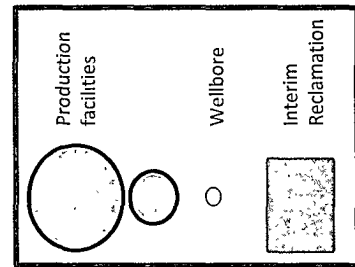


Exhibit D-1

Production Facilities Layout Diagram

Double X 25 Fed 4

Cimarex Energy Co. of Colorado

25-24S-32E

SHL 330 FNL & 2055 FWL

BHL 330 FSL & 2310 FWL

Lea County, NM