Form 3160-3 (March 2012) JUL 2 3 2012	ų.	OBBS			APPROVED lo. 1004-0137 Detober 31, 2014
RECEIVED DUNITED STATE	INTERIOR			5. Lease Serial No NM 0534	•
BUREAU OF LAND MAN				6. If Indian, Allotee	
la. Type of work: 🖌 DRILL 🗌 REENT	ſER	<u>.                                    </u>	- <u>*</u>	7 If Unit or CA Agree NM70976B LEA U	ement, Name and No. UNIT BONE SPRING
Ib. Type of Well: 🗹 Oil Well 🗌 Gas Well 🛄 Other	Si	ingle Zone 🔲 Multi	ple Zone	8. Lease Name and V LEA UNIT #31F	
2. Name of Operator LEGACY RESERVES OPERATING L		240974	7	9. API Well No.	- 40699
3a. Address         P.O. BOX 10848           MIDLAND, TX 79702	3b. Phone No 432-689	). (include area code) )-5200		10. Field and Pool, or E LEA; BONE SF	1-2
4. Location of Well (Report location clearly and in accordance with a At surface         SHL: 330' FNL & 1916' FWL	nty State requiren	ments.*)		11. Sec., T. R. M. or BI SEC 13, T20S,	-
At proposed prod. zone BHL: 330' FSL & 1916' FWL 14. Distance in miles and direction from nearest town or post office*				12. County or Parish LEA	13. State NM
15. Distance from proposed <sup>*</sup> SHL: ~330'	16. No. of a	acres in lease	17. Spacin	g Unit dedicated to this w	
property or lease line, ft. BHL: ~330' (Also to nearest drig. unit line, if any)	405	520		0 ACRES	
<ol> <li>Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.</li> <li>SHL: ~850' BHL: ~450'</li> </ol>	19. Propose PHD: 11,1 15,304' MI	30'		BIA Bond No. on file 100394	
<ol> <li>Elevations (Show whether DF, KDB, RT, GL, etc.) 3651' GL</li> </ol>	22. Approxi 08/01/201	mate date work will sta 2	rt*	23. Estimated duration 45 DAYS	1
The following, completed in accordance with the requirements of Onsho	24. Attac		Hached to the	s form:	
<ol> <li>Well plat certified by a registered surveyor.</li> <li>A Drilling Plan.</li> <li>A Surface Use Plan (if the location is on National Forest System SUPO must be filed with the appropriate Forest Service Office).</li> </ol>		<ol> <li>Bond to cover the left of the</li></ol>	ne operation		existing bond on file (see may be required by the
25. Signature D. Fabric Hul		(Printed/Typed) ATRICK DARDEN,	P.E.	i	Date 05/02/2012
				······	
Approved by (Signature) /s/ Don Peterson	Name	(Printed/Typed)		J	UL 1 8 201
Title FIELD MANAGER	Office	CARLSBAD	FIELD OF	FICE	
Application approval does not warrant or certify that the applicant hole conduct operations thereon. Conditions of approval, if any, are attached.	ds legal or equi	table title to those righ	-	ect lease which would en PROVAL FOR	••
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a c States any false, fictitious or fraudulent statements or representations as	crime for any period to any matter w	erson knowingly and w vithin its jurisdiction.	/illfully to m	ake to any department or	agency of the United
(Continued on page 2)		2 07/25	le C	*(Instr apitan Controlle	uctions on page 2) ed Water Basin

Approval Subject to General Requirements & Special Stipulations Attached

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# APPLICATION TO DRILL LEA UNIT #31H LEGACY RESERVES OPERATING, L.P. SHL: Unit C, Section 13 T20S-R34E, Lea County New Mexico

(REVISED 5/02/12)

#### 12. Pressure Control Eqpt/BOP:

Jest BOP per Onshure Order #2

Legacy plans on using a 13-5/8" 5000 psi working pressure BOP system consisting of one set of blind rams and one set of pipe rams and a 5000 psi annular type preventer. A choke manifold and 80 gallon accumulator with floor and remote operating stations and auxiliary power system. Rotating head as needed. A kelly cock will be installed and maintained in operable condition and a drill string safety valve in the open position will be available on the rig floor. A mud gas separator will be available for use if needed.

BOP unit will be hydraulically operated. BOP will be nippled up and operated at least once a day while drilling and the blind rams will be operated when out of hole during trips. No abnormal pressure or temperature is expected while drilling. From the base of the 13-3/8" casing through the running of production casing, the well will be quipped with a 5000 psi BOP system.

The BOPs will be tested by an independent service company to 250 psi low and 5000 psi high. The Hydril will be tested to 250 psi low and 2500 psi high.

- 13. <u>Testing, Logging, and Coring Program</u>: 5e < A. Mud logging program: 2 man unit from top of Delaware to TD.
  - Β. Logging is planned from TD of pilot hole up to top of Delaware.
  - C. No DST's or cores are planned.

#### 14. Potential Hazards

No abnormal pressures or temperatures are expected in the drilling of this well. if H2S is encountered the operator will comply with provisions of Onshore Order 6. Since there will be an H2S Safety package on location, attached is an "H2S Drilling Operations Plan". Adequate flare lines will be installed off the mud/gas separator where gas may be flared safely. All personnel will be familiar with all aspects of safe operations of equipment being used. No lost circulation is expected to occur but to be prepared for any Sufficient mud materials will be kept on location at all times in order to combat lost circulation or unexpected kicks. Estimated BHP: 4800 psi, estimated BHT: 130°F.

#### 15. Road and Location

Road and location construction will begin after BLM approval of APD. Anticipated spud date is middle to late July 2012. Drilling expected to take 35-40 days and an additional 7 days for the completion.

#### 16. Additional Requirements of Project:

Completion:

The targeted Bone Spring pay zone will be perforated and stimulated by means of acid and hydraulic fracturing in multiple stages. Fresh water used in the completion of this well will be stored in an already existing fresh water frac pond on the lease.





# Legacy Reserves Operating LP

Lea County, NM (NAD27 NME) Lea Unit #31H Lea Unit #31H

ОН

Plan: Plan #1 - 8-3/4" Hole

# **Standard Planning Report**

27 April, 2012





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# Scientific Drilling International, Inc.

Planning Report



Database: Company: Project Site: Well: Wellbore: Design:	646 Y - 1	serves Operati NM (NAD27) 1H	· · · · · · · · · · · · · · · · · · ·	T M N	ocal Co-ordinate VD Reference: D Reference: orth Reference: urvey Calculatio		. Well Lea Un GL @3651	00usft (Original We 00usft (Original We	
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# Scientific Drilling International, Inc.

Planning Report

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COMPASS 5000.1 Build 40



# Scientific Drilling International, Inc.

Planning Report



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# WESTERN DRILLING, INC.



# **RIG #6 Inventory**

#### **CLASSIFICATION:**

National 100-M Modified by National Oilwell to 1,600 HP Imput

#### **DRILLING DEPTH:**

17,000'

#### **POWER SYSTEM:**

Three (3) Caterpillar D379 engines each with National Torque converters driving a Three (3) engine inline compound

#### **RIG GENERATORS:**

Two (2) Caterpillar D3412 engines with 500 KW AC generators

#### **DRAWWORKS:**

National 100M Modified by National Oilwell to 1,600 HP Imput with 1-3/8" Lebus grooving Three (3) Engine Inline Compound Single Pump Drive (3) Caterpillar 379, 550 HP w/ National/Oilworks C245 Torque Converter Parmac 60RC hydromatic

#### AAST:

Lee C. Moore 142' x 21' base, 920,000# Rating

#### **)RILL LINE:**

1-3/8" drilling line

#### UBSTRUCTURE:

Lee C. Moore Type 21'-9" high substructure, 18'-3" rotary beam clearance to ground level, 24' kelly drive bushing height, 1,000,000# rotary capacity with 500,000# setback capacity

#### **1UD PUMPS:**

Two (2) Continental Emsco D-1650 pumps One (1) Compound Driven, One (1) Driven by 398 rated at 800 HP

#### OTARY:

Hacker 27-1/2"

#### **RAVELING BLOCK:**

National 500 Ton Block BJ 5500 - 500 Ton Hook

#### WIVEL:

National N-1324 (500 Ton)

#### DRILL PIPE:

15,000', 5" Drill pipe, 25.60 E & G, 4-1/2" IF

#### DRILL COLLARS:

Eighteen (18) - 8" Drill Collars Twenty-four (24) - 6 1/2" Drill Collars

#### **KELLY:**

5-1/4" x 40' Hex

- ANNULAR PREVENTER: Cameron "D" Annulur - 5,000# Rating
- RAM PREVENTERS: Cameron "U" Double 13-5/8 5,000#

#### ACCUMULATOR SYSTEM:

Koomey six (6) station, 80 gallon capacity with dual air pumps and one (1) electric pump Cameron Station

#### MUD TANK SYSTEM:

Four (4) tank 1,600 barrel total - BBL Pre-mix pit, Vortex Fluid System Shale Shaker

#### **MUD MIXING PUMPS:**

Two (2) 5" x 6" centrifugal pumps, each driven by 60 HP electric motors

#### AUXILIARY EQUIPMENT:

One (1) Tool Pusher Quarters Two (2) 500 BBL Water Tanks One (1) Automatic Driller Two (2) Air Hoists One (1) Drilling Recorder HOBBS OCD JUL 2 3 2012 RECEIVED

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# LEA UNIT #31H

H2S Drilling Operations Plan

April 2012

# TABLE OF CONTENTS

#### I. H2S Contingency Plan

A. Scope

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- B. Objective
- C. Discussion of Plan

# **II. Emergency Procedures**

- A. Emergency Procedures
- B. Emergency Reaction Steps
- C. Simulated Blowout Control Drills

## **III. Ignition Procedures**

- A. Responsibility
- B. Instructions

#### **IV. Training Requirements**

# V. Emergency Equipment

#### **VI. Check Lists**

- A. Status Check List
- B. Procedural Check List

# **VII. Briefing Procedures**

#### VIII. Evacuation Plan

- A. General Plan
- B. Emergency Phone Lists

#### IX. Maps and Plats

- A. Location Plat
- B. Map to Location
- C. Radius of Exposure

#### X. General Information

- A. Drilling/Re-entry Permits
- B. BLM Permit
- C. H2S Toxicity Table

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D. Respirator Use E. Emergency Rescue

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### H<sub>2</sub>S CONTINGENCY PLAN SECTION

#### Scope:

This contingency plan provides an organized plan of action for alerting and protecting the public within an area of exposure prior to an intentional release, or following the accidental release of a potentially hazardous volume of hydrogen sulfide. The plan establishes guidelines for all personnel whose work activity may involve exposure to Hydrogen Sulfide Gas ( $H_2S$ ).

#### **Objective:**

Prevent any and all accidents, and prevent the uncontrolled release of  $H_2S$  into the atmosphere.

Provide proper evacuation procedures to cope with emergencies.

Provide immediate and adequate medical attention should an injury occur.

#### Discussion of Plan:

#### Suspected Problem Zones:

*Implementation:* This plan, with all details, is to be fully implemented 1000' before drilling into the first sour zone.

*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 1000' before drilling into the first sour zone.

*Emergency call lists:* Included are the telephone numbers of all persons that would need to be contacted, should an H2S emergency occur.

*Briefing:* This section deals with the briefing of all persons involved with the drilling of this well.

**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 ensure adherence to the plan.

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*General Information:* A general information section has been included to supply support information.

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- I. In the event of any evidence of H<sub>2</sub>S 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 H<sub>2</sub>S 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 the New Mexico Oil & Gas 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 measures.
- 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 PROCEDURE IMPLEMENTATION**

#### I. Drilling or Tripping

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- A. All Personnel
  - 1. 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.
  - 4. Wait for orders 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  $H_2S$ .
  - 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 the Driller (buddy system).
  - 3. Determine the concentration.
  - 4. Assess the situation and take appropriate control measures.
- D. Driller
  - 1. Check the status of other personnel (in a rescue attempt, always use the buddy system).
  - 2. Assign the least essential person to notify the Drilling Foreman and Tool Pusher, in the event of their absence.

- 3. Assume the responsibility of the Drilling Foreman and the Tool Pusher until they arrive, in the event of their absence.
- E. Derrick Man and Floor Hands
  - 1. Remain in the upwind Safe Briefing Area until otherwise instructed by a supervisor.
- F. Mud Engineer
  - 1. Report to the upwind Safe Briefing Area.
  - 2. When instructed, begin check of mud for pH level and  $H_2S$  level.
- G. Safety Personnel
  - 1. Don Breathing Apparatus.
  - 2. Check status of all personnel.
  - 3. Wait for instructions from Drilling Foreman or Tool Pusher.

#### II. Taking a Kick

- A. All personnel report to the upwind 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 the air horn, for ACTUAL and SIMULATED Blowout Control Drills. This operation will be performed by the Drilling Foreman or Tool Pusher 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 to Shut-In:	minutes,	secono
Total Time to Complete Assignment:	minutes,	secon

#### I. Drill Overviews

- A. Drill No. 1- Bottom Drilling
  - 1. Sound the alarm immediately.
  - 2. Stop the rotary and hoist kelly joint above the rotary table.
  - 3. Stop the circulatory pump.
  - 4. Close the drill pipe rams.
  - 5. 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 the slips.

- 3. Install a full opening valve or inside blowout preventor tool in order to close the drill pipe.
- 4. Close the drill pipe rams.
- 5. Record the shut-in annular pressure.

#### II. Crew Assignments

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- 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) 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 rams 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 H<sub>2</sub>S 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

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- 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
    - a) 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.
  - d) Stop all welding operations.
  - e) Report to Driller for further instructions.
- 3. Floor Man # 1
  - a) Pick up full opening valve or inside blowout preventor tool 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 high pressure 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 preventor tool 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.
  - e) 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

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- a) Report to the rig floor.
- b) Have a meeting with all of the crews.
- c) Compile and summarize all information.
- d) 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.

#### **IGNITION PROCEDURES**

#### 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 must use a full body harness and attach a retrievable safety line to the D-Ring in the back. One man must monitor the atmosphere for explosive gases with the LEL monitor, 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.

# TRAINING PROGRAM

When working in an area where Hydrogen Sulfide ( $H_2S$ ) might be encountered, definite training requirements must be carried out. The Company Supervisor will ensure that all personnel, at the well site, have had adequate training in the following:

- 1. Hazards and Characteristics of Hydrogen Sulfide.
- 2. Physicals effects of Hydrogen Sulfide on the human body.
- 3. Toxicity of Hydrogen Sulfide and Sulfur Dioxide.
- 4. H<sub>2</sub>S detection, emergency alarm and sensor location.
- 5. Emergency rescue.
- 6. Resuscitators.
- 7. First aid and artificial resuscitation.
- 8. The effects of Hydrogen Sulfide on metals.
- 9. Location safety.

Service company personnel and visiting personnel must be notified if the zone contains  $H_2S$ , and each service company must provide adequate training and equipment for their employees before they arrive at the well site.

# EMERGENCY EQUIPMENT REQUIREMENTS

#### Lease Entrance Sign:

Should be located at the lease entrance with the following information:

# CAUTION-POTENTIAL POISON GAS HYDROGEN SULFIDE NO ADMITTANCE WITHOUT AUTHORIZATION

#### **Respiratory Equipment:**

- Fresh air breathing equipment should be placed at the safe briefing areas and should include the following:
- Two SCBA's at each briefing area.

#### Windsocks or Wind Streamers:

- A minimum of two 10" windsocks located at strategic locations so that they may be seen from any point on location.
- Wind streamers (if preferred) should be placed at various locations on the well site to ensure wind consciousness at all times. (Corners of location).

#### Hydrogen Sulfide Detector and Alarms:

- 1-Three channel H<sub>2</sub>S monitor with alarms.
- Three (3) sensors located as follows: # 1 Rig Floor, # 2 Bell Nipple, # 3 – Mud Pits

#### Well Condition Sign and Flags:

The Well Condition Sign w/flags should be placed a minimum of 150' before you enter the location. It should have three (3) color coded flags (green, yellow and red) that will be used to denote the following location conditions:

GREEN – Normal Operating Conditions YELLOW – Potential Danger RED – Danger, H2S Gas Present

# Auxiliary Rescue Equipment:

- Stretcher (drilling contractor)
- 2 100' Rescue lines (drilling contractor)
- First Aid Kit properly stocked. (drilling contractor)

# Mud Inspection Equipment:

Garret Gas Train or Hach Tester for inspection of Hydrogen Sulfide in the drilling mud system.

#### Fire Extinguishers:

Adequate fire extinguishers shall be located at strategic locations.

# **Blowout Preventor:**

- The well shall have hydraulic BOP equipment for the anticipated BHP.
- The BOP should be tested upon installation.
- BOP, Choke Line and Kill Line will be tested as specified by Operator.

# **Confined Space Monitor:**

There should be a portable multi-gas monitor with at least 3 sensors ( $O_2$ , LEL & H2S). This instrument should be used to test the atmosphere of any confined space before entering. It should also be used for atmospheric testing for LEL gas before beginning any type of Hot Work. Proper calibration documentation will need to be provided.

#### **Communication Equipment:**

- Proper communication equipment such as cell phones or 2 way radios should be available at the rig.
- Radio communication shall be available for communication between the company man's trailer, rig floor and the tool pusher's trailer.
- Communication equipment shall be available on the vehicles.

# **Special Control Equipment:**

- Hydraulic BOP equipment with remote control on the ground.
- Rotating head at the surface casing point.

# **Evacuation Plan:**

- Evacuation routes should be established prior to spudding the well.
- Should be discussed with all rig personnel.

# **Designated Areas:**

# Parking and Visitor area:

- All vehicles are to be parked at a pre-determined safe distance from the wellhead.
- Designated smoking area.

# Safe Briefing Areas:

- 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.
- Personal protective equipment should be stored at both briefing areas or if a moveable cascade trailer is used, it should be kept upwind of existing winds. When wind is from the prevailing direction, both briefing areas should be accessible.

#### NOTE:

- Additional equipment will be available at the nearest TOTAL SAFETY U.S.Office.
- Additional personal H<sub>2</sub>S monitors are available for all employees on location.
- Automatic Flare Igniters are recommended for installation on the rig.

# CHECK LISTS

# **Status Check List**

Note: Date each item as they are implemented.

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1.	Sign at location entrance.	
2.	Two (2) wind socks (in required locations).	<u></u>
3.	Wind Streamers (if required).	
4.	SCBA's on location for all rig personnel and mud loggers.	
5.	Air packs, inspected and ready for use.	<u></u>
6.	Spare bottles for each air pack (if required).	
7.	Cascade system for refilling air bottles.	
8.	Cascade system and hose line hook up.	
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 tested (before drilling out surface casing).	
12.	Mud engineer on location with equipment to test mud for $H_2S$ .	
13.	Safe Briefing Areas set-up.	
14.	Well Condition sign and flags on location and ready.	
15.	Hydrogen Sulfide detection system hooked-up & tested.	
16.	Hydrogen Sulfide alarm system hooked-up & tested.	
17.	Stretcher on location at Safe Briefing Area.	
18.	2-100' Life Lines on location.	

19.	1-20# Fire Extinguisher in safety trailer.	
20.	Confined Space Monitor on location and tested.	
21.	All rig crews and supervisor trained (as required).	
22.	Access restricted for unauthorized personnel.	
23.	Drills on H <sub>2</sub> S and well control procedures.	
24.	All outside service contractors advised of potential $H_2S$ on the well.	
25.	NO SMOKING sign posted.	
26.	H <sub>2</sub> S Detector Pump w/tubes on location.	
27	25mm Flare Gun on location w/flares.	
28.	Automatic Flare Ignitor installed on rig.	

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Perform the following on each tour:

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

Perform the following each week:

- 1. Check each piece of breathing equipment to make sure that they are fully charged and operational. This requires that the air cylinder be opened and the mask assembly be put on and tested to make sure that the regulators and masks are properly working. Negative and Positive pressure should be conducted on all masks.
- 2. BOP skills.
- 3. Check supply pressure on BOP accumulator stand-by source.
- 4. Check all breathing air mask assemblies to see that straps are loosened and turned back, ready to use.
- 5. Check pressure on cascade air cylinders to make sure they are fully charged and ready to use for refill purposes if necessary.
- 6. Check all cascade system regulators to make sure they work properly.
- 7. Perform breathing drills with on-site personnel.
- 8. Check the following supplies for availability:
  - Stretcher
  - Safety Belts and ropes.
  - Spare air bottles.
  - Spare oxygen bottles (if resuscitator required).
  - Gas Detector Pump and tubes.
  - Emergency telephone lists.

9. Test the Confined Space Monitor to verify the batteries are good and that the unit is in good working condition and has been properly calibrated according to manufacturer's recommendations.

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#### **BRIEFING PROCEDURES**

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

Pre-Spud Meeting

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Date: Prior to spudding the well. Attendance: Drilling Supervisor Drilling Engineer Drilling Foreman Rig Tool Pushers Rig Drillers Mud Engineer All Safety Personnel Key Service Company Personnel

Purpose: Review and discuss the well program, step-by-step, to insure complete understanding of assignments and responsibilities.

# **EVACUATION PLAN**

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# General Plan

The direct lines of action prepared by TOTAL SAFETY U.S., to protect the public from hazardous gas situations are as follows:

- 1. When the company approved supervisor (Drilling Foremen, Tool Pusher or Driller) determine that 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 need to be implemented.
- 3. Company approved safety personnel that have been trained in the use of the proper emergency equipment will be utilized.
- 4. Law enforcement personnel (State Police, Local Police Department, Fire Department, and the Sheriff's Department) will be called to aid in setting up and maintaining road blocks. 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 Action Plan

# **Emergency Assistance Telephone List**

PUBLIC SAFETY:	911 or
Lea County Sheriff or Police	(575) 396-3611
Fire Department	(575) 397-9308
Hospital	(575) 492-5000
Ambulance	911
Department of Public Safety	(392) 392-5588
Oil Conservation Division	(575) 748-1823
New Mexico Natural Resource	(575) 748-1283
LEGACY RESERVES OPERATING, LP	
Legacy Reserves Operating LP	Office (432)-689-5200
Drilling Manager:	Office (432)689-5200
Mike Parish	Cell (432)664-2150
Senior Engineer:	Office (432)689-5200
Patrick Darden	Cell (432)296-0070
Production Manager:	Office (432)689-5200
Ernie Hanson	Cell (432)230-9009
Executive Vice President of Operations Paul Horne	Office (432)689-5200
Safety Coordinator	Office (432) 689-5200
Randy Williams	Cell (432) 260-5566

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Drilling Contractor Unknown at this time. This will be in drilling prognosis and will be provided to the BLM when a drilling contract is executed.

TOTAL SAFETY U.S.

Hobbs (575) 392-2973

The geologic zones that will be encountered during drilling are known to contain hazardous quantities of  $H_2S$ . 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, conditions of evacuation, evacuation drill siren alarms and other precautionary measures.

Evacuee Description: Residents: THERE ARE NO RESIDENTS WITHIN 3000' ROE.

Notification Process:

. -

A continuos siren audible to all residence 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 home bound or highly susceptible individuals and make special evacuation preparations, interfacing with the local and emergency medical service as necessary. See attached map showing 3000' ROE clarification.

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Operator - Landowner Agreement

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Company:	Legacy Reserves Operating, LP
Proposed Well:	Lea Unit #31H
Federal Lease Number:	SHL NM-053434, BHL NM-053434

This is to advise that Legacy Reserves Operating LP has an agreement with: Kenneth Smith Inc. 267 Ranch Road Hobbs NM 88240, the surface owner, concerning entry and, surface restoration after completion of drilling operations at the above described well.

After abandonment of the well, all equipment and trash will be removed from the well site. No other requirements were made concerning restoration of the well site.

<u>\_\_\_\_May 02, 2012</u> Date

Signature Matt Sears Landman



# **APPLICATION TO DRILL** LEA UNIT #31H LEGACY RESERVES OPERATING, L.P. SHL: Unit C, Section 13 T20S-R34E, Lea County New Mexico (REVISED 5/02/12)

To satisfy requirements of Onshore Oil and Gas Order No. 1, Legacy Reserves Operating, L.P. submits the following for your consideration:

1.	Location:	SHL:	330' FN	IL & 1916'	FWL,	Sec 13, T20S-R3	34E			
		BHL:	330' FSL & 1916' FWL, Sec 13, T20S-R34E							
2.	Elevations:	3,651'	GL							
		3,675'	КВ							
3.	Geological Nam	ne of Su	rface Fo	rmation:		Quaternery Al	luvium D	eposits		
4.	4. Drilling Tools and Associated Eqpt:					Rotary Drilling Rig using fluid as a means for				
						removal of sol	id cutting	gs from the well.		
5.	Proposed Drillin	n <mark>g</mark> Dept	<u>h:</u>	15,304' N	/ID	10,947' TVD				
6.	Estimated Tops	of Geo	logical N	<u>larkers:</u>						
	Rustler		1,600'			Queen		4,620'		
	Top Salt		1,960'			Delaware		5,150′		
	Bottom Salt		3,400'			Bone Spring		8,150'		
	Yates		3,450'			Wolfcamp		11,000'		
	Seven Rivers/Ca	pitan	3,650'							
7.	Possible minera	l bearin	ig forma	<u>tion:</u>						
	Bone Spring	Oil.	Delawai	re Oi	il.	Fresh Water	<b>~125'</b> .			

8. Proposed Mud System:

Mud Wt. Fluid Loss Type Mud Depth Visc 0' to 1750' 8.4-8.6 30-32 May lose circ FW gel spud mud 1750' to 5500' May lose circ Brine Water 28-29 5500' to 11,130' 28-29 FW & brine, use hi-vis 8.4-9.4 NC operate sweeps to clean hole 9 10,418' to 15,303' 28-29 NC Brine

Bee COM (Capitan Reef)

Sufficient mud materials will be kept on location at all times in order to combat lost circulation or unexpected kicks. In order to run OH logs and casing, the viscosity and water loss may have to be adjusted in order to meet these needs.

# APPLICATION TO DRILL LEA UNIT #31H LEGACY RESERVES OPERATING, L.P. SHL: Unit C, Section 13 T20S-R34E, Lea County New Mexico (REVISED 7/12/12 Surf & Intrmd Csg)

#### 9. Proposed Drilling Plan:

Set surface and intermediate casing and cement to surface. Drill pilot hole to ~11,130' and log well. PB pilot hole to ~10,'425 w/715 sxs class H cmt + 0.2% R-3 (16.5 ppg, 1.05 cfps, 4.25 gps wtr - 30% excess), set whipstock & drill 8-3/4" hole to TD of 15,303'. Set 5-1/2" casing from surface to TD (15,303'). Cement 5-1/2" production casing back up into intermediate casing to ~ $\frac{4,000'}{3}$ .

#### 10. Casing Information:

String	Hole size	Depth	Casing OD	Collar	Weight	Grade
Surf	17-1/2"	0' to 1,750' MD	'New 13-3/8"	STC	54.5# & 61#	J-55
Int.	12-1/4"	0' to 4,000' MD	New 9-5/8"	LTC	40#	J-55
lnt.	12-1/4"	4,000' to 5,500' MD	New 9-5/8"	LTC	40#	HCK-55
Prod	8-3/4"	0' to 15,304' MD	New 5-1/2"	LTC	17#	P-110

5-1/2", P-110:

Collapse Factor:1.125Burst Factor:1.125Tension Factor:1.60

#### 11. Cementing Information:

#### Surface Casing (100% excess on lead & 100% excess on tail):

- Lead: 1115 sxs class C cmt + 4% bentonite + 0.25 pps cello flakes + 0.005 gps FP-6L + 2% calcium chloride (13.50 ppg, 1.75 cfps, 9.16 gps wtr).
- Tail: 400 sxs class C cmt + 0.005 gps FP-6L + 0.5% calcium chloride (14.80 ppg, 1.33 cfps, 6.33 gps wtr).

#### Intermediate Casing (50% excess on lead & 20% excess on tail):

- Lead: 800 sxs (50:50) poz (fly ash) class C cmt + 10% bentonite + 5% sodium chloride + 0.25 pps cello flakes + 0.1% FL-52A + 0.005 gps FP-6L (11.90 ppg, 2.37 cf/sx, 13.52 gps wtr).
- Tail: 325 sxs class C cmt + 0.2% R-3 + 0.005 gps FP-6L (14.80 ppg, 1.33 cfps, 6.31 gps wtr).

#### Production Casing (25% excess on lead & 25% excess on tail):

- Lead: 760 sxs (50:50) poz (fly ash) class H cmt + 6% bentonite + 5% sodium chloride + 5 pps LCM-1 + 0.7% sodium metasilicate + 0.5% R-21 + 0.45% FL-52A + 0.005 gps FP-6L (11.90 ppg, 2.31 cf/sx, 12.60 gps wtr).
- Tail:
   1210 sxs (15:61:11) poz (fly ash) class C cmt CSE-2 + 4% sodium chloride + 3 pps LCM-1 + 0.6% FL-25 + 0.6 FL-52A + 0.2% sodium metasilicate + 0.15% R-21 + 0.005 gps FP-6L (13.20 ppg, 1.63 cf/sx, 7.98 gps wtr).

