EG 11-19-201

Hydrogen Sulfide (H_2S) Contingency Plan
Pryor Federal-State COM 4H
Assumed 100ppm ROE= 3000'

100ppm H_2S concentration shall trigger activation of this plan.

This is an open drilling site. H_2S monitoring equipment and emergency response equipment will be rigged up and in use when the company drills out from under surface casing. H_2S monitors, warning signs, wind indictators, and flags will be in use.

A. All personnel shall receive proper H_2S training in accordance with Onshore Order 6, Section III.C.3a
B. Briefing Area: Two perpendicular areas will be designated by signs and readily accessible.
C. Required Emergency Equipment
   - ❖ Well Control Equipment
     i. Flare line 150' from wellhead to be ignited by flare gun
     ii. Choke manifold with a remotely operated choke
     iii. Mud/gas separator
   - ❖ Protective Equipment for Essential Personnel
     i. Breathing Apparatus
        1. Recue Packs (SCBA)
           a. One (1) unit shall be placed at each briefing area
           b. Two (2) units shall be stored in the safety trailer
        2. Work/Escape Packs
           a. Four (4) packs shall be stored on the rig floor with sufficient air hose not to restrict work activity
        3. Emergency Escape Packs
           a. Four (4) packs shall be stored in the doghouse for emergency evacuation
   - ❖ Axillary Rescue Equipment
     i. Stretcher
     ii. Two (2) OSHA fully body harness
     iii. 100ft 5/8" OSHA approved rope
     iv. One (1) 20# class ABC fire extinguisher
   - ❖ H_2S Detection and Monitoring Equipment
     i. The stationary detector with three (3) sensors will be placed in the upper doghouse, set to visually alarm at 10ppm and audible at 14ppm.

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Calibrate a minimum of every 30 days or as needed. The sensors will be placed in the following places: rig floor, bell nipple, end of flare line or where wellbore fluid is being discharged (Gas sample tubes will be stored in safety trailer).

- ❖ Visual Warning Systems
  - i. One (1) color condition sign will be placed at the entrance to the site reflecting possible conditions at the site.
  - ii. One (1) colored condition flag will be on display, reflecting the current condition, at the drilling site.
  - iii. Two (2) wind socks will be placed in strategic locations being visible from all angles.

D. Mud Program
- ❖ The mud program has been designated to minimize the volume of H_2S circulated to surface. The operator will have the necessary mud products to minimize hazards while drilling in H_2S bearing zones.

E. Metallurgy
- ❖ All drill strings, casings, tubing, wellhead, blowout preventer, drilling spool, kill lines, choke manifold and lines, shall be suitable for H_2S service.
- ❖ All elastomers used for packing and seals shall be H_2S trim.
- ❖ Wellhead equipment selected is suitable for H_2S service.

F. Communication
- ❖ Communication will be via two way radio in emergency and company vehicles.
- ❖ Cell phones and land lines where available
- ❖ Satellite-based communication with Pason Services available

H_2S Operations:

Though no H_2S is anticipated during the drilling operation, this contingency plan will provide for methods to ensure the well is kept under control in the event an H_2S reading of 100ppm or more is encountered. Once personnel are safe and proper protective gear is in place and on personnel, the operator and rig crew essential personnel will ensure the well is under control, suspend drilling operations and shut-in the well (unless pressure build up or other operational situations dictate suspending operations will prevent well control), increase the mud weight and circulate all gas from the hole utilizing the mud/gas separator downstream of the choke, the choke manifold and the emergency flare system located 150' from the well. Bring the mud system into compliance and the H_2S level below 10 ppm, then notify all emergency officers that drilling ahead is practical and safe.

Proceed with drilling ahead only after provisions of Onshore Order 6, Section III.C. have been satisfied.

Ignition of Gas Source

Should control of the well be considered lost and ignition considered, take care to protect against exposure to Sulfur Dioxide (SO_2). Intentional ignition must be coordinated with the New

Mexico Oil Conservation Division (NMOCD) and local officials. Additionally, the New Mexico State Police may become involved. New Mexico State Police shall be the Incident Command on scene of any major release. Take care to protect downwind whenever this is an ignition of the gas.

Characteristics of H_2S and SO_2

Common Name	Chemical Formula	Specific Gravity	Threshold Limit	Hazardous Limit	Lethal Concentration
Hydrogen Sulfide	H_2S	1.189 Air = 1	10ppm	100 ppm/hr	600ppm
Sulfur Dioxide	SO_2	2.21 Air = 1	2ppm	N/A	1000ppm

GMT's personnel must liaison with local and state agencies to ensure a proper response to a major release. Additionally, the NMOCD must be notified of the release as soon as possible but no later than four (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 including directions to site. The following call list of essential and potential responders has been prepared for use during a release. GMT's response must be in coordination with the State of New Mexico's "Hazardous Materials Emergency Response Plan" (HMER).

Eunice Office - Eddy & Lea Counties

EMSU at Oil Center, NM, 8/10ths mile west of Hwy 175
Eunice, NM 757-394-2089

Buckeye Office at Lea County: From Hobbs, NM take Hwy 20/180
West approx.. 10 miles to SH 529, turn NM on SH 529 for 3 miles,
Turn North on Hwy 238, proceed North approx. 8 miles to Buckeye
Field office (1/4 North of Buckeye store) 757-396-0542

GMT Exploration Company, LLC Personnel

BJ Cox, GMT Senior Production Superintendent	307-354-8895
Willie Dean, Dean's Pumping, Inc.	757-394-3123
Keith Kress, VP Operations	303-586-9281

Sheriff Departments

Eddy County	575-887-7551
Lea County	575-396-3611

New Mexico State Police 575-392-5588

Fire Departments	911
Carlsbad	575-885-2111
Eunice	575-394-2111
Hobbs	575-397-9308
Jal	575-395-2221
Lovington	575-396-2359
Hospitals	911
Carlsbad Medical Emergency	575-885-2111
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
Contactors	
Sierra Engineering	432-683-8000
Forklift Enterprises	575-397-6431
Assurance Safety	575-396-9855
Gandy Corp – Dirt	575-396-4948
Champion – Chemical	575-393-7726

August 10, 2012

Exhibit 1

Statement of Proper H2S Training for Personnel
Pryor State 4H

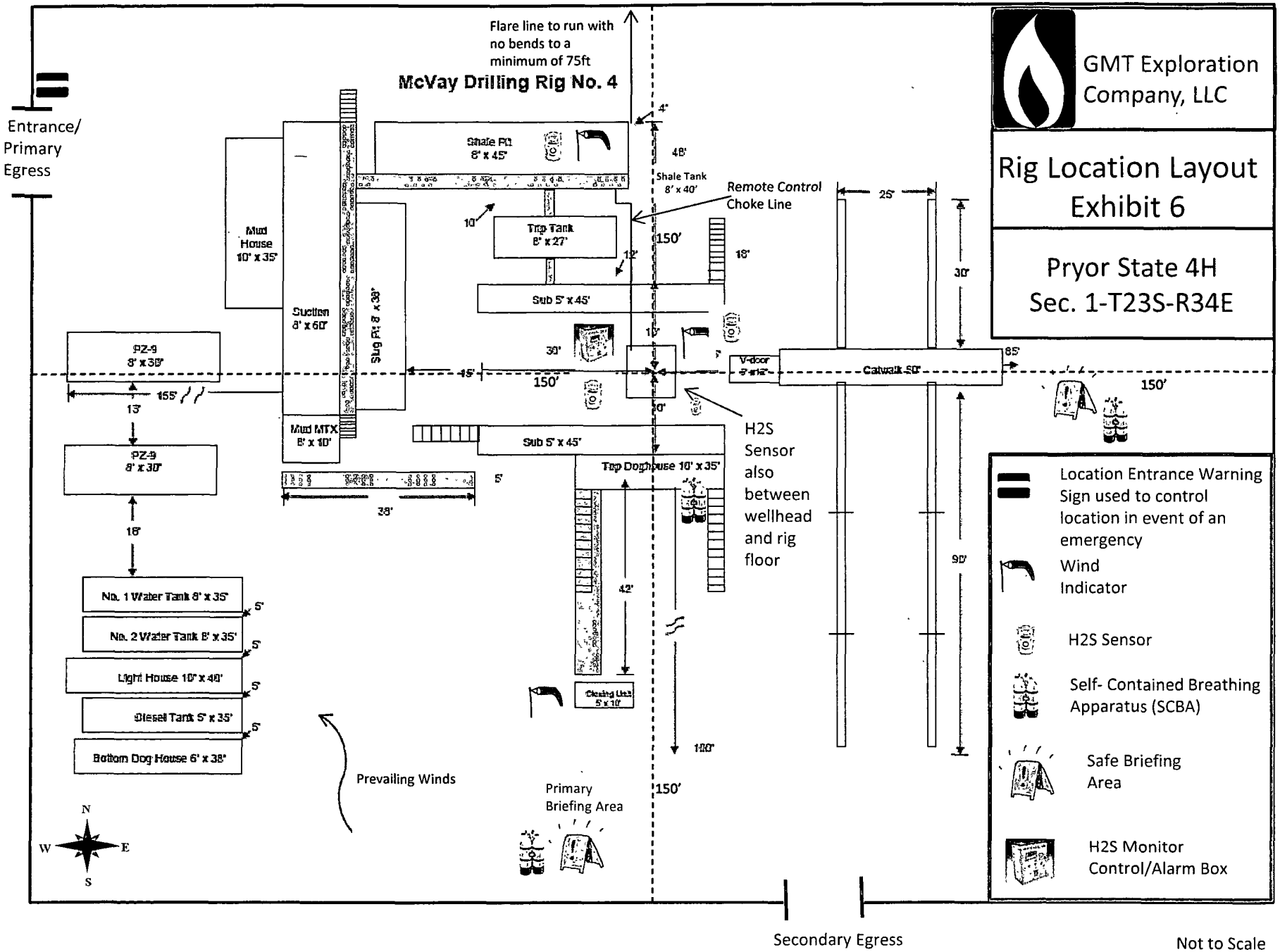
GMT Exploration Company, LLC ("GMT") will ensure that all personnel working on the Pryor State 4H shall receive the proper H2S training in accordance with Onshore Order 6: Section III.C.3a.

Training Program. GMT shall ensure that all personnel who will be working at the wellsite will be properly trained in H2S drilling and contingency procedures in accordance with the general training requirements outlined in the American Petroleum Institute's (API) Recommended Practice (RP) 49 (April 15, 1987 or subsequent editions) for Safe Drilling of Wells Containing Hydrogen Sulfide, Section 2. GMT also shall ensure that the training will be accomplished prior to a well coming under the terms of this Order (i.e., 3 days or 500 feet of known or probable H2S zone). In addition to the requirements of API RP-49, a minimum of an initial training session and weekly H2S and well control drills for all personnel in each working crew shall be conducted. The initial training session for each well shall include a review of the site specific Drilling Operations Plan and, if applicable, the Public Protection Plan.

All training sessions and drills shall be recorded on the driller's log or its equivalent.

At least 2 briefing areas shall be designated for assembly of personnel during emergency conditions, located a minimum of 150 feet from the well bore and 1 of the briefing areas shall be upwind of the well at all times. The briefing area located most normally upwind shall be designated as the "Primary Briefing Area."

One person (by job title) shall be designated and identified to all on-site personnel as the person primarily responsible for the overall operation of the on-site safety and training programs.


Flare line to run with no bends to a minimum of 75ft
McVay Drilling Rig No. 4
GMT Exploration Company, LLC
Rig Location Layout
Exhibit 6
Pryor State 4H
Sec. 1-T23S-R34E
Entrance/ Primary Egress
Shale Pit 8' x 45'
Shale Tank 8' x 40'
Remote Control Choke Line
Trip Tank 8' x 27'
Mud House 10' x 35'
Suction 8' x 60'
Slug Pit 8' x 38'
Sub 5' x 45'
PZ-9 8' x 38'
Mud MIX 8' x 10'
Trip Doghouse 10' x 35'
V-door
Catwalk 50'
H2S Sensor also between wellhead and rig floor
No. 1 Water Tank 8' x 35'
No. 2 Water Tank 8' x 35'
Light House 10' x 40'
Diesel Tank 5' x 35'
Bottom Dog House 6' x 38'
Prevailing Winds
Primary Briefing Area
Secondary Egress
Not to Scale
N
W
E
S
Location Entrance Warning Sign used to control location in event of an emergency
Wind Indicator
H2S Sensor
Self- Contained Breathing Apparatus (SCBA)
Safe Briefing Area
H2S Monitor Control/Alarm Box

GMT Exploration Company, LLC

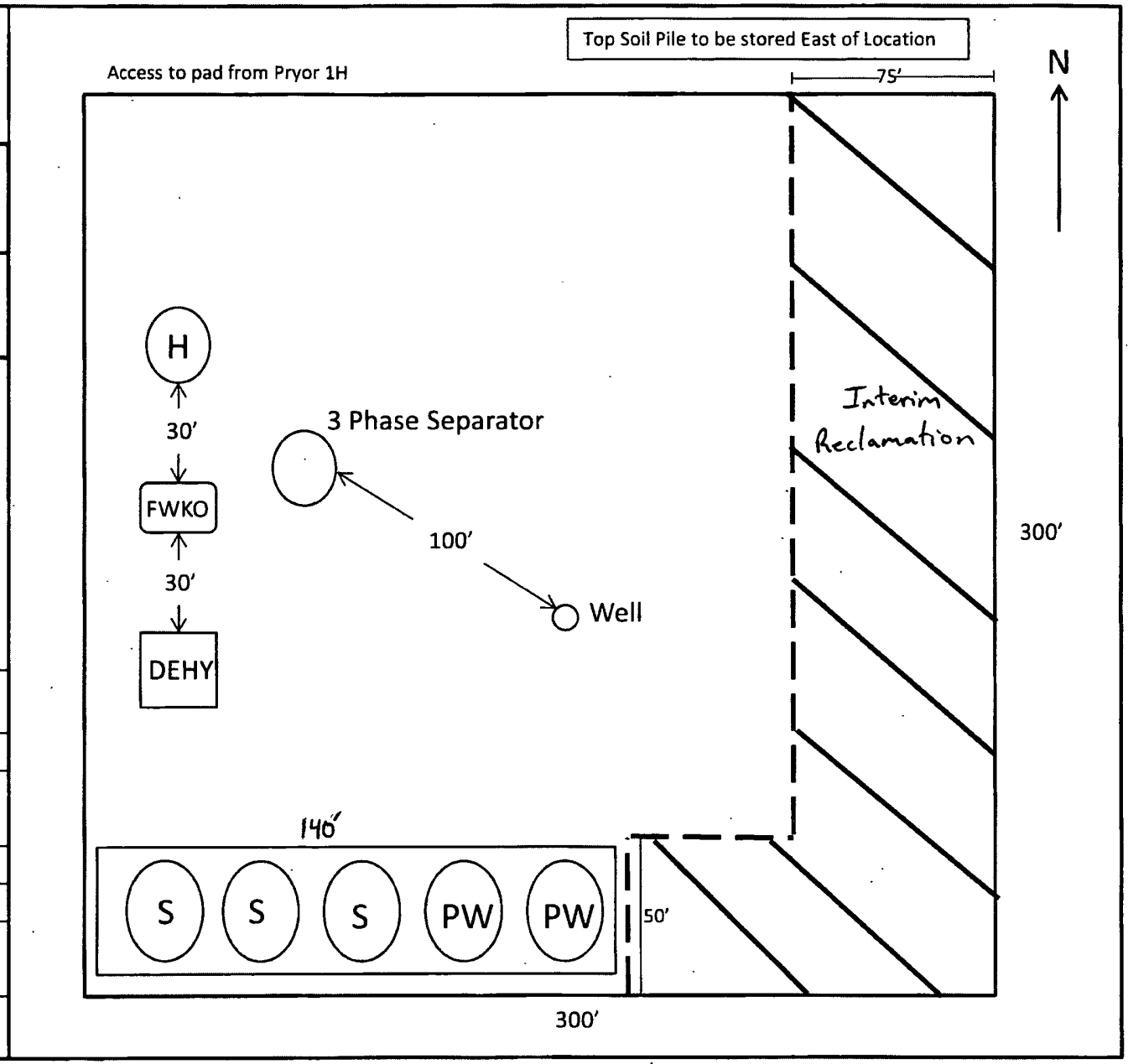
Well Site Layout Exhibit 5

Pryor Federal-State COM 4H
Sec. 1-T23S-R34E

Legend

H	Heater Treater
FWKO	Free Water Knock Out
DEHY	Dehydrator
S	Stock Tank
PW	Production Water Tank

** Not drawn to scale*



TN 11/6/12