

30-025-41090

Hydrogen Sulfide Drilling Operations Plan
Lynch 25 Federal 2
Cimarex Energy Co.
Unit P, Section 25
T20S-R34E, Lea County, NM

- 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.

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H₂S Contingency Plan
Lynch 25 Federal 2
 Cimarex Energy Co.
 Unit P, Section 25
 T20S-R34E, Lea County, NM

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
Lynch 25 Federal 2
 Cimarex Energy Co.
 Unit P, Section 25
 T20S-R34E, Lea County, NM

| Cimarex Personnel | Office | Mobile |
|--------------------------------------|---------------------|--------------|
| Doug Park Drilling Manager | 432-620-1934 | 972-333-1407 |
| 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 | |

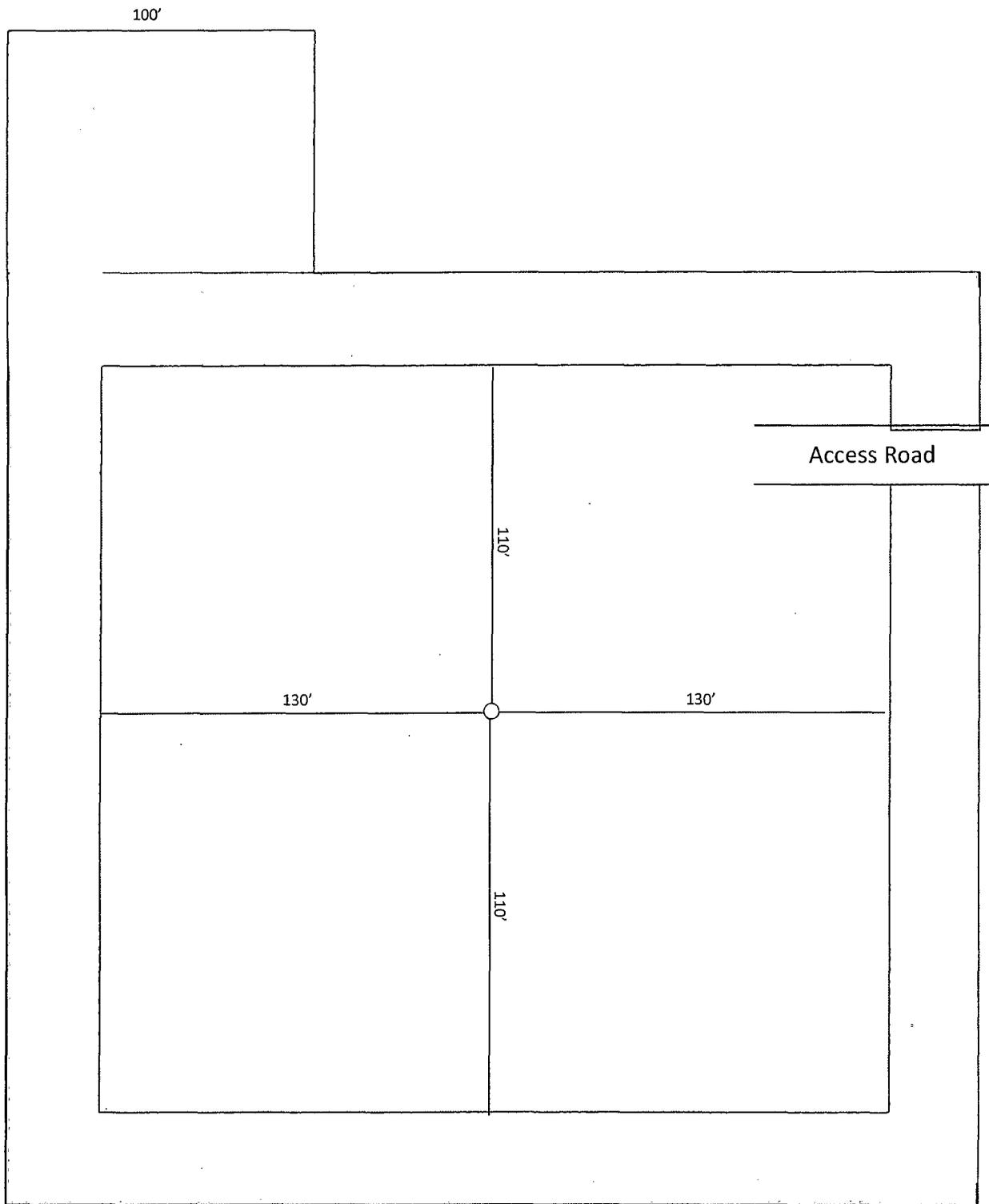


Exhibit D-1
Production Facilities Layout Diagram
Lynch 25 Federal 2
 Cimarex Energy Co. of Colorado
 25-20S-34E
 SHL 660 FSL & 150 FEL
 BHL 660 FSL & 330 FWL
 Lea County, NM

