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HOBBS OCD

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H₂S Contingency Plan

H₂S Contingency Plan Holders:

Attached is an H₂S Contingency Plan for COPC Permian Drilling working in the West Texas and Southeastern New Mexico areas operated by ConocoPhillips Company.

If you have any questions regarding this plan, please call Tom Samarripa at ConocoPhillips Company, 432.368.1263.

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HYDROGEN SULFIDE (H₂S) 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 H₂S 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 H₂S release. Release of H₂S 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 H₂S could exist under specific weather conditions.

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**.

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 – Windssocks 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 Reqs 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 Reqs office. This will be used to determine if the work area is 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
620 E. Greene St.
Carlsbad, NM 88220

Office: 575.234.5972

Fax: 575.885.9264

BLM 24 Hr on call # Lea County: 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)

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 | Susan Maunder | Office: 432-688-6913 Cell: 432-556-6501 |

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) | 575-370-3186 |
| BLM Switchboard..... | 575-393-3612 |
| BLM 24 Hr on Call, Lea County..... | 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 |

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

VI. Public Media Relations

The **Public Information Officer** becomes the ConocoPhillips on-scene contact (once designated by the Phillips On-Scene Incident Commander).

Confers with Houston Office's Human Relations Representative, who is responsible for assisting in the coordination of local public relations duties.

Answer media questions honestly and **only with facts**, do not speculate about the cause, amount of damage, or the potential impact of the incident on the community, company, employees, or environment. (This information will be formally determined in the incident investigation.)

If you are comfortable answering a question or if you are unsure of the answer, use terms such as the following:

- "I do not know. I will try to find out."
- I am not qualified to answer that question, but I will try to find someone who can."
- "It is under investigation."

Note:

Do Not Say "No Comment." (This implies a cover-up.)

Do Not Disclose Names of Injured or Dead! Confer with the Houston Office's Human Relations Representative, who is responsible for providing that information.

VII. Public Notification/Evacuation

Alert and/or Evacuate People within the Exposure Area

1. Public Notification – If the escape of gas could result in a hazard to area residents, the general public, or employees, the person **first** observing the leak should take **immediate** steps to cause notification of any nearby residents. The avoidance of injury or loss of life should be of prime consideration and given top priority in all cases. If the incident is of such magnitude, or at such location as to create a hazardous situation, local authorities will be requested to assist in the evacuation and roadblocks of the designated area until the situation can be returned to normal.

Note: Bilingual employees may be needed to assist in notification of residents.

2. Evacuation Procedures – Evacuation will proceed upwind from the source of the release of H₂S. Extreme caution should be exercised in order to avoid any depressions or low-lying areas in the terrain. The public area within the radius of exposure should be evacuated in a southwesterly and southeasterly direction so as to avoid the prevailing southern wind direction.

Roadblocks and the staging area should be established as necessary for current wind conditions.

Note: In all situations, consideration should be given to wind direction and weather conditions. H₂S is heavier than air and can settle in low spots. Shifts in wind direction can also change the location of possible hazardous areas.

VIII. FORMS & REPORTS

- I. Incident Log

- II. Preliminary Emergency Information Sheet

- III. Emergency Drill Report

- IV. Onshore Hazardous Material Spill/Release Report Form

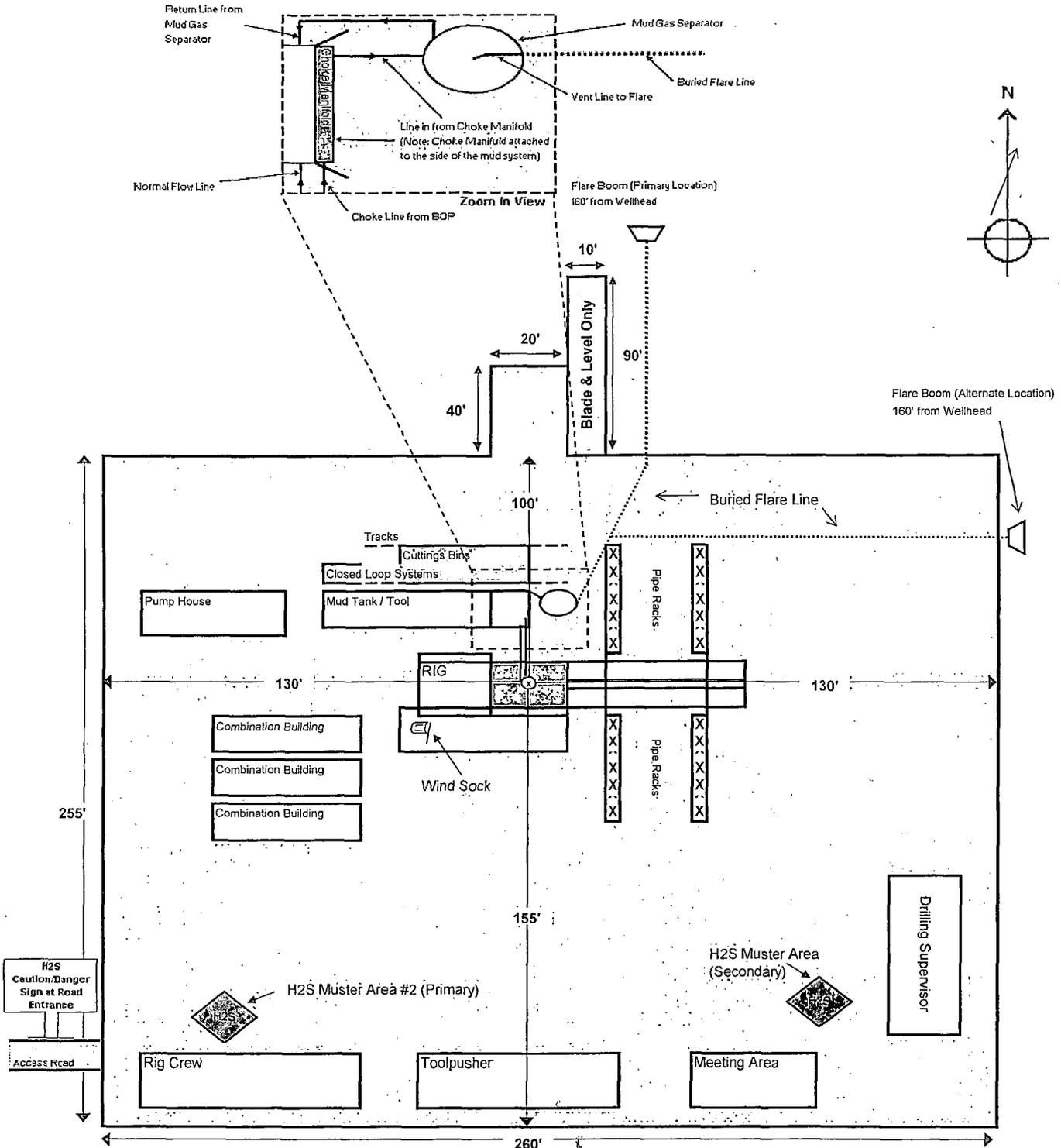
- V. Immediate Report of Occupational Injury or Illness
Report of Accident-Public Contractor
Report of Loss or Damage to Company Property
Report of Automotive Incident

ConocoPhillips

Location Schematic and Rig Layout
for Closed Loop System
Precision #822
(PICTURE NOT TO SCALE)

Drawn by:
James Chen
Drilling Engineer, ConocoPhillips Company
Date: 12-November-2012 (updated March 2013)

NOTE: There are two muster areas depending on the prevailing wind direction, generally south in this area. The muster area that is furthest upwind/crosswind will be the designated area for briefing and assessing the situation. In the event a full evacuation is deemed necessary, all personnel will exit the location via the access road. If the main access road is blocked off, they will exit via a secondary road (if available) or walk off route in the upwind/crosswind direction.



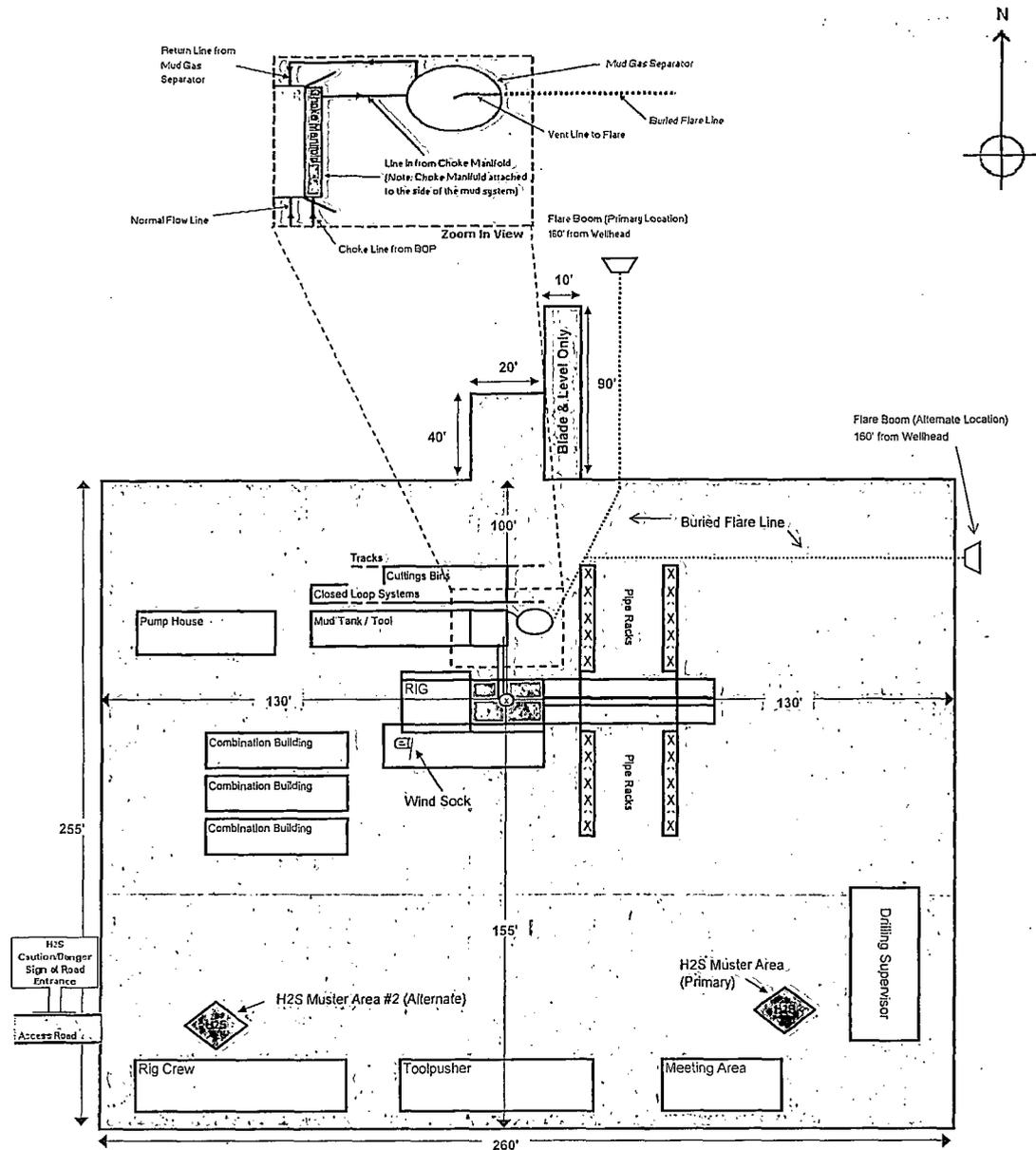
RIG LAYOUT

ConocoPhillips

Location Schematic and Rig Layout

Precision #822
(PICTURE NOT TO SCALE)

Drawn by:
James Chen
Drilling Engineer, ConocoPhillips Company
Date: 12-November-2012



RUBY FEDERAL #35
 Located 2310' FNL and 2310' FWL
 Section 18, Township 17 South, Range 32 East,
 N.M.P.M., Lea County, New Mexico.



P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (575) 393-7316 - Office
 (575) 392-2206 - Fax
 basinsurveys.com

W.O. Number: JMS 27139

Survey Date: 08-22-2012

Scale: 1" = NONE

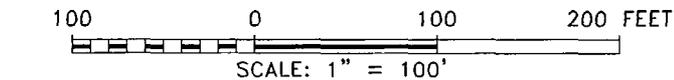
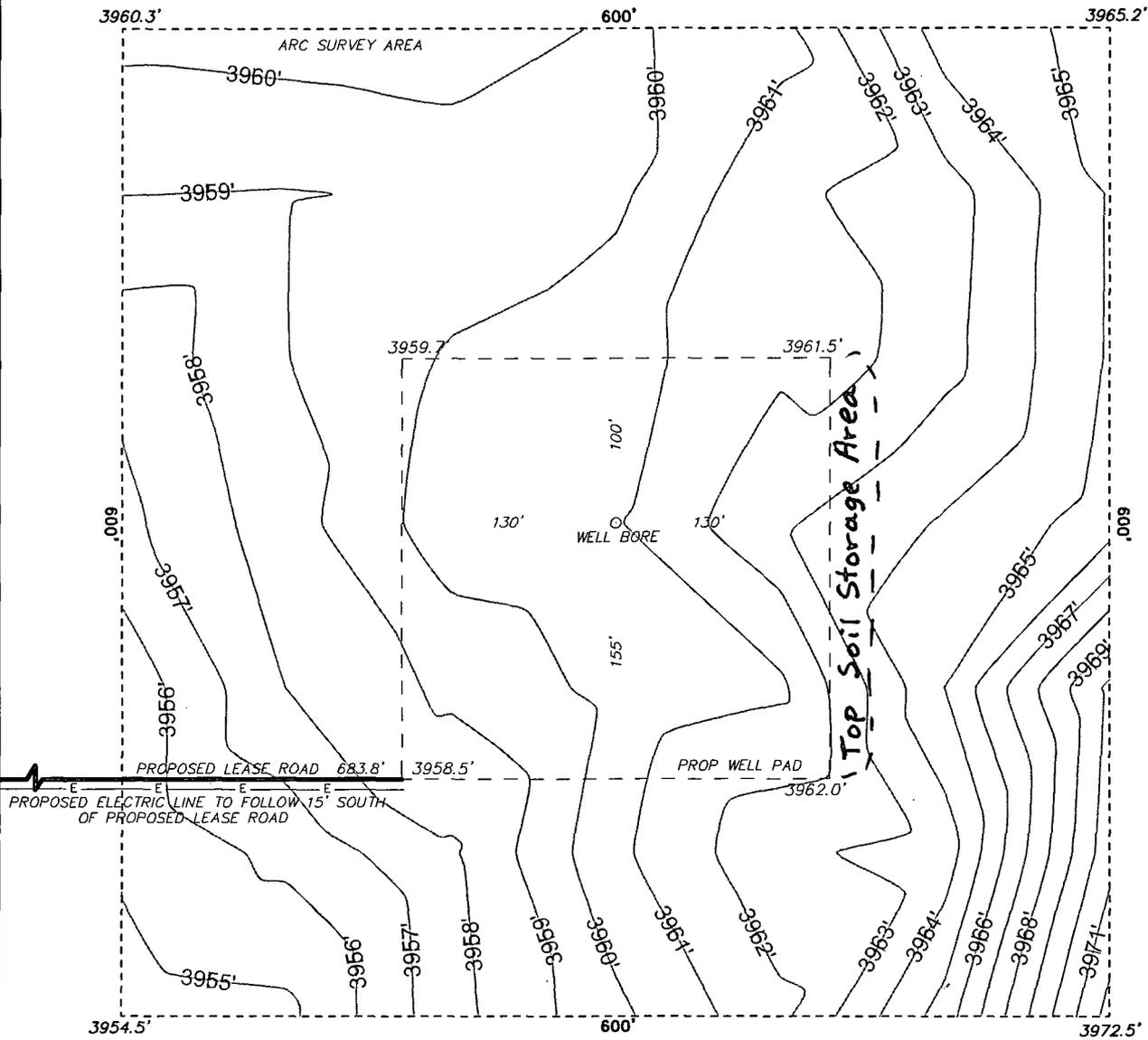
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Sheet 8 of 10 Sheets

SECTION 18, TOWNSHIP 17 SOUTH, RANGE 32 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.

WELL PAD
DETAIL



BASIN SURVEYS P.O. BOX 1786 - HOBBS, NEW MEXICO

W.O. Number: 27139 Drawn By: J. SMALL

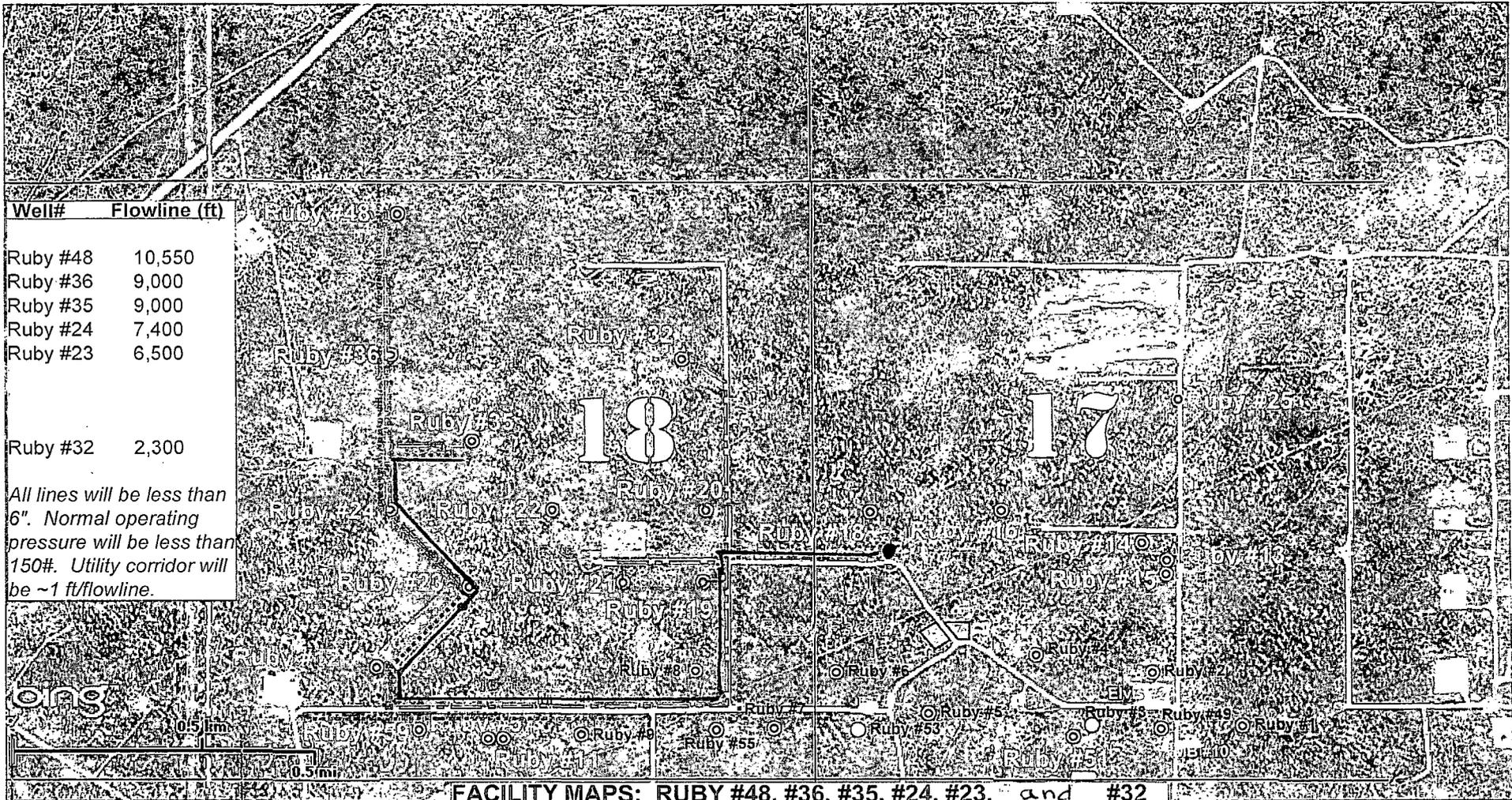
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ConocoPhillips

REF: RUBY FEDERAL #35 / WELL PAD DETAIL

THE RUBY FEDERAL #35 LOCATED 2310'
FROM THE NORTH LINE AND 2310' FROM THE WEST LINE OF
SECTION 18, TOWNSHIP 17 SOUTH, RANGE 32 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.

Survey Date: 08-22-2012 Sheet 3 of 9 Sheets



| Well# | Flowline (ft) |
|----------|---------------|
| Ruby #48 | 10,550 |
| Ruby #36 | 9,000 |
| Ruby #35 | 9,000 |
| Ruby #24 | 7,400 |
| Ruby #23 | 6,500 |

Ruby #32 2,300

All lines will be less than 6". Normal operating pressure will be less than 150#. Utility corridor will be ~1 ft/flowline.

FACILITY MAPS: RUBY #48, #36, #35, #24, #23, and #32

2003.07 ft

- 2000 Wells
- 2000 Wells
- 2000 Wells
- Proposed locations for new Ruby CTB (400'x 250')
- Existing Facility

Gemstone Development Map

..... Powerline (follows roads)

Area will be walked

Flowlines (NPS 6 in or less) to new Ruby CTB (follow roads)

Completion flow line (follows road)



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Well# Flowline (ft):

| | |
|----------|-------|
| Ruby #48 | 3,700 |
| Ruby #36 | 2,250 |
| Ruby #35 | 2,350 |
| Ruby #24 | 950 |
| Ruby #23 | - |

All lines will be less than 6". Normal operating pressure will be less than 150#. Utility corridor will be ~1 ft/flowline.



RUBY #23 TEMPORARY FACILITY MAP

2003.07 ft



-  Proposed locations for Temporary Facility (Ruby #23) Well pad
-  Existing Facility

Gemstone Development Map

Area will be walked



..... Powerline

--- Flowlines (NPS 6 in or less) to Temporary Facility



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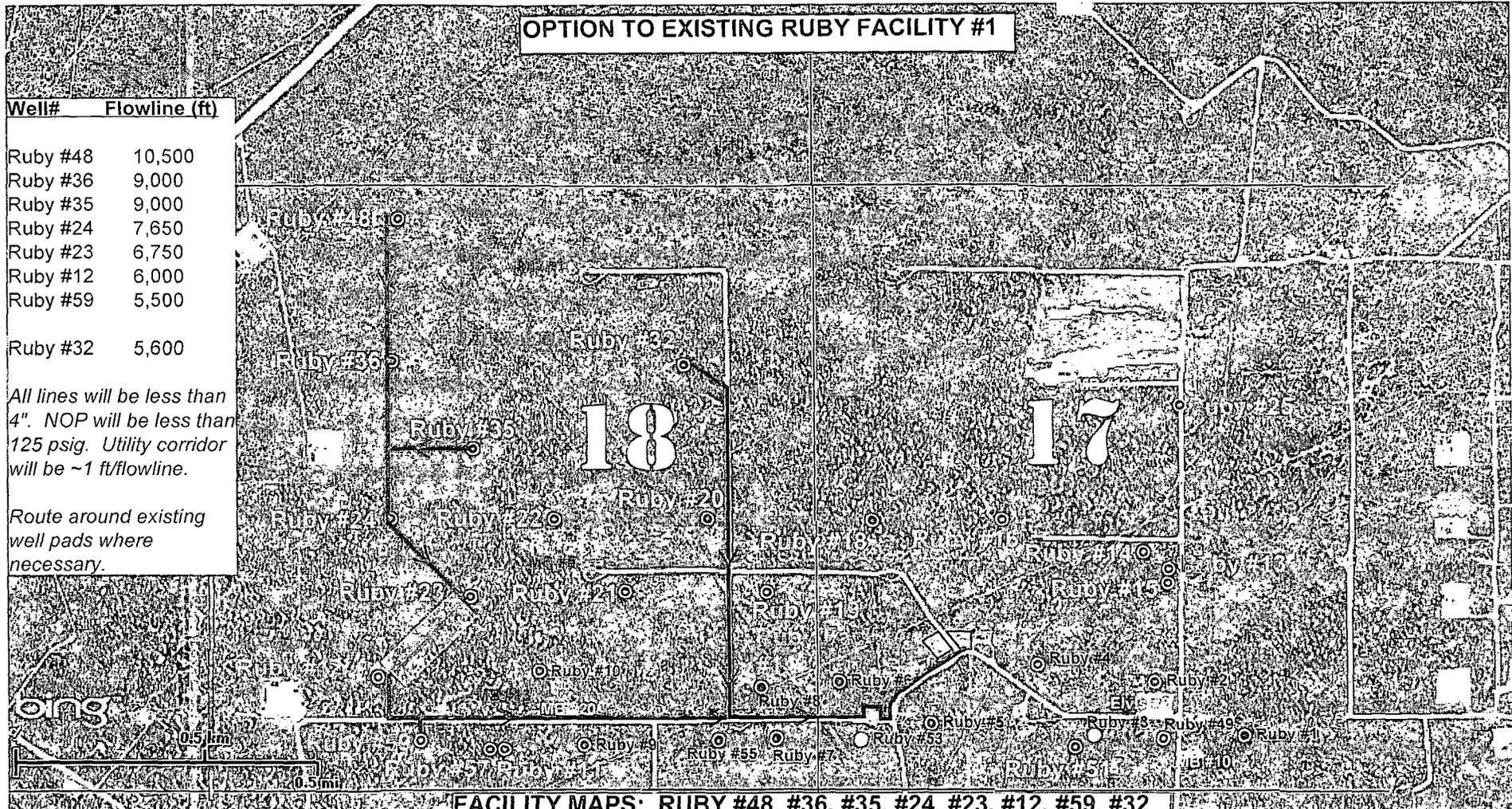
OPTION TO EXISTING RUBY FACILITY #1

| Well# | Flowline (ft) |
|-------|---------------|
|-------|---------------|

| | |
|----------|--------|
| Ruby #48 | 10,500 |
| Ruby #36 | 9,000 |
| Ruby #35 | 9,000 |
| Ruby #24 | 7,650 |
| Ruby #23 | 6,750 |
| Ruby #12 | 6,000 |
| Ruby #59 | 5,500 |
| Ruby #32 | 5,600 |

All lines will be less than 4". NOP will be less than 125 psig. Utility corridor will be ~1 ft/flowline.

Route around existing well pads where necessary.



FACILITY MAPS: RUBY #48, #36, #35, #24, #23, #12, #59, #32



Existing Facility

Flowlines (NPS 4 in or less) to existing Ruby #1 Facility

Area will be walked

MAY 2013

Gemstone Development Map



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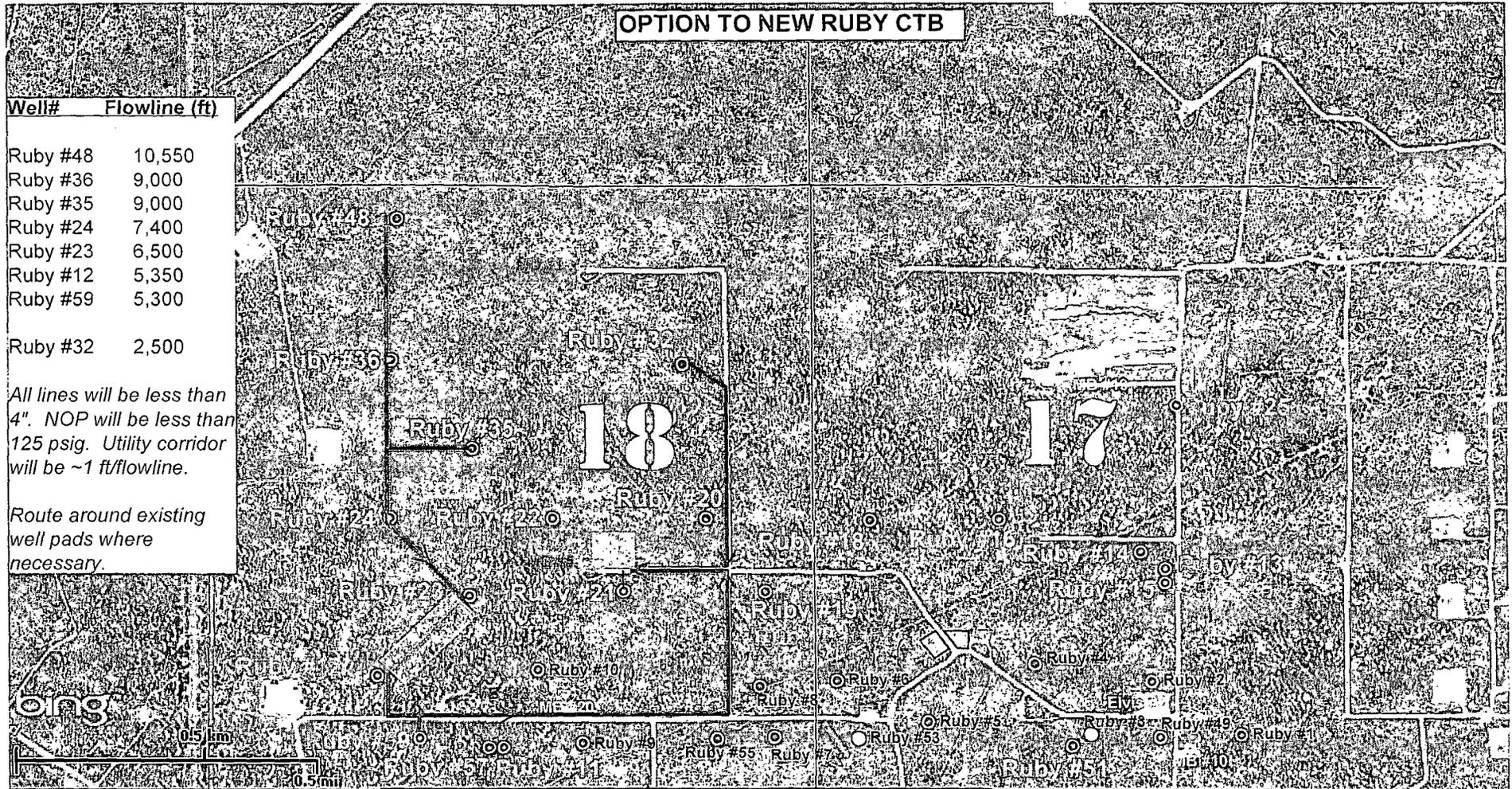
OPTION TO NEW RUBY CTB

Well# Flowline (ft)

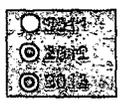
| | |
|----------|--------|
| Ruby #48 | 10,550 |
| Ruby #36 | 9,000 |
| Ruby #35 | 9,000 |
| Ruby #24 | 7,400 |
| Ruby #23 | 6,500 |
| Ruby #12 | 5,350 |
| Ruby #59 | 5,300 |
| Ruby #32 | 2,500 |

All lines will be less than 4". NOP will be less than 125 psig. Utility corridor will be ~1 ft/flowline.

Route around existing well pads where necessary.



FACILITY MAPS: RUBY #48, #36, #35, #24, #23, #12, #59, #32



Proposed locations for new Ruby CTB (400'x300')
Existing Facility

Flowlines (NPS 4 in or less) to new Ruby CTB

Area will be walked

MAY 2013

Gemstone Development Map



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