

Hydrogen Sulfide Drilling Operations Plan

1. Company and Contract personnel admitted on location should 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.
 - 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 Blooie Line (mud pit) and on Derrick floor or doghouse.
3. Windsock and/or Wind Streamers
 - A. Windsock at Mud Pit Area Should be High Enough to be Visible.
 - B. Windsock at Briefing Area Should be High Enough to be Visible.
 - C. There Should be a Windsock at Entrance to Location.
4. Condition Flags and Signs
 - A. Warning Sign on Access Road to Location.
 - B. Flags to be Displayed on Sign at Entrance to Location.
 1. Green Flag, Normal Safe Condition.
 2. Yellow Flag, Indicates Potential Pressure and Danger.
 3. Red Flag, Danger H₂S Present in Dangerous Concentration Only Emergency Personnel Admitted to Location.
5. Well Control Equipment
 - A. See Attached Diagram.
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 or Cell Phone will be Used to Communicate off Location in Case of Available at Most Drilling Foreman's Trailer or Living Quarters.
7. Drillstem Testing
 - A. Exhausts will be Watered.
 - B. Flare Line will be Equipped with an Electric Igniter or a propane pilot light in case gas reaches the surface.
 - C. If Location is near any Dwelling a Closed DST will be Performed.
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 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.

HOBBS OCD

AUG 07 2013

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AUG 16 2013



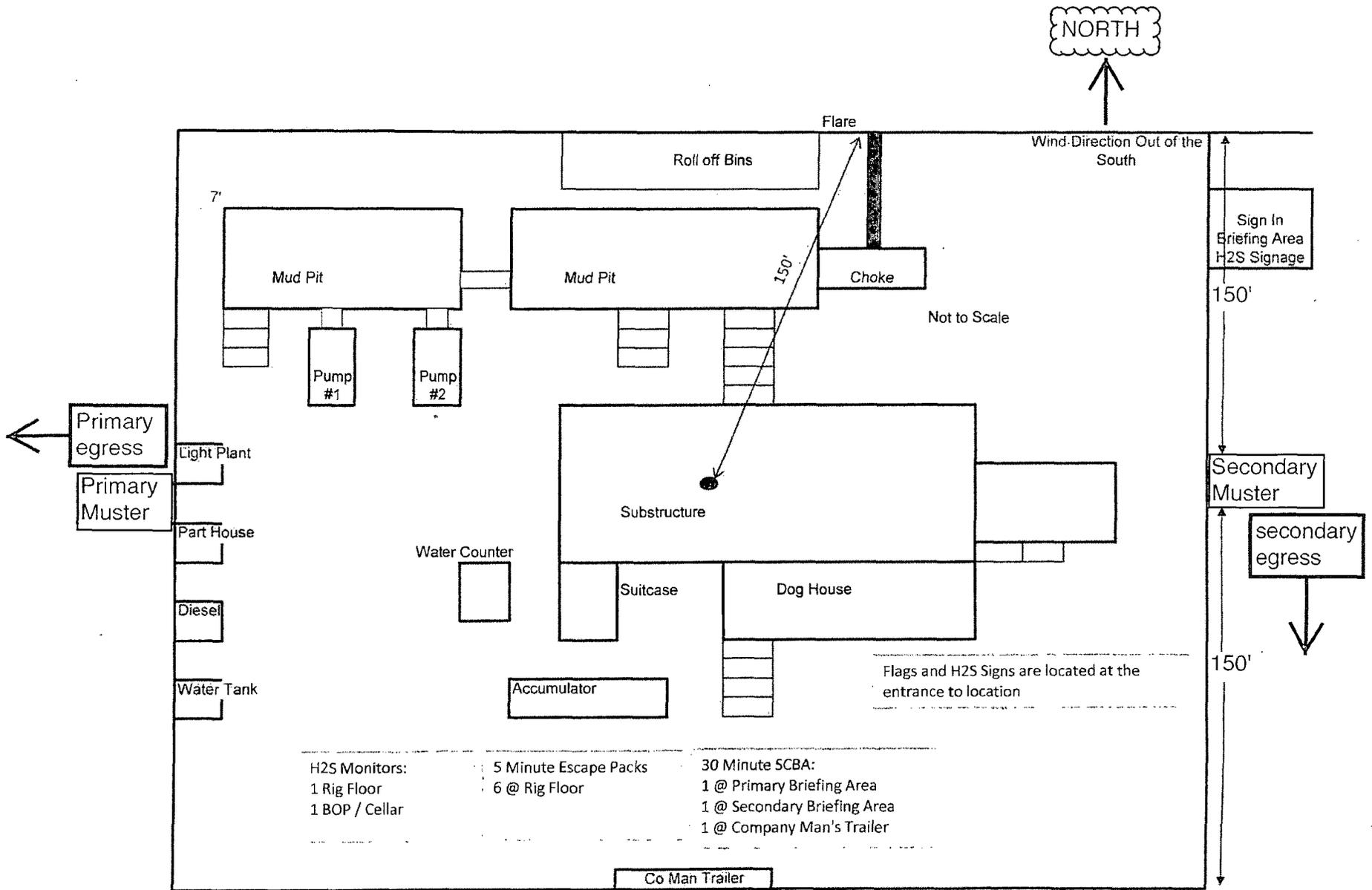
Company Contact List:

<u>New Mexico Operations:</u>	<u>Name:</u>	<u>Cellular:</u>	<u>Office:</u>
Drilling Superintendent	Chris Bryan	405-538-7458	432-653-1265
Drilling Superintendent	Duane Winkler	970-769-4187	432-653-1265
Drilling Manager	Jonathan Nix	432-296-8956	432-688-3127
HSE Manager	David Carrillo	432-664-2095	432-688-3391
Project Manager	Malcolm Kintzing	432-212-2628	432-688-3125
Drilling Engineer	Michael Mataalii	432-271-2230	432-688-3392

<u>Lea County (Hobbs):</u>	<u>Contact Number:</u>
State Police	575-392-5588
City Police	575-397-9265
Sheriff's Office	575-393-2515
Ambulance	911
Fire Department	575-397-9308
Local Emergency Planning Committee	575-393-2870
NMOCD	575-393-6161
US Bureau of Land Management	575-393-3612

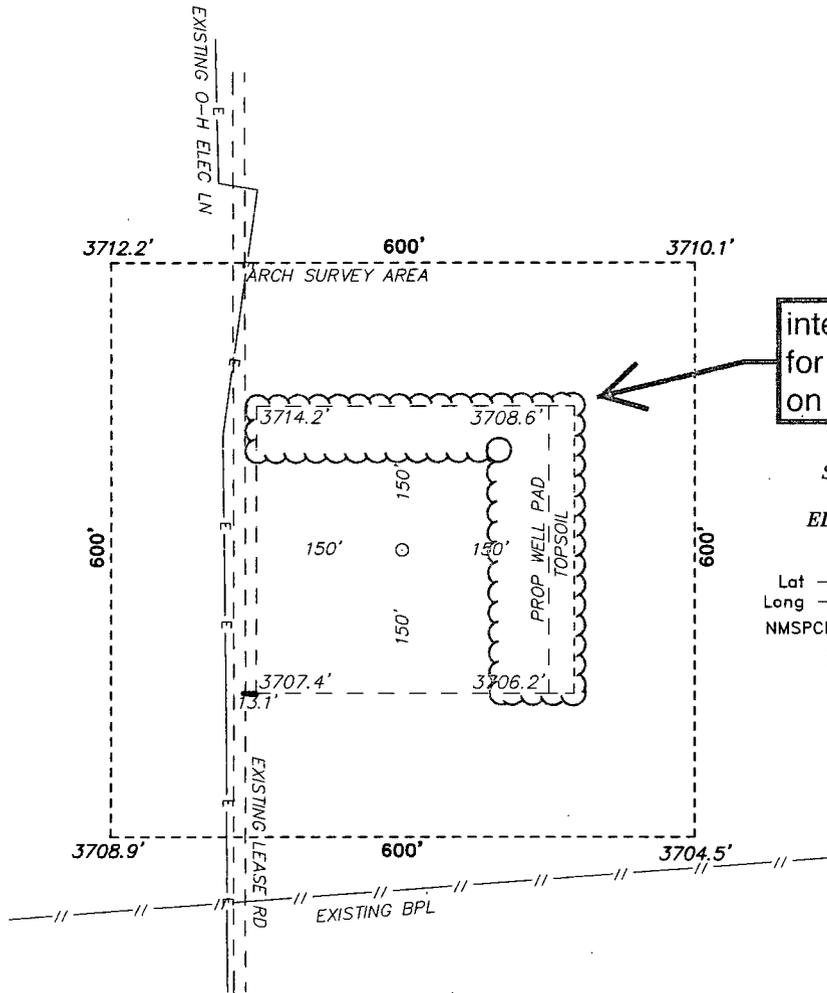
<u>Eddy County (Carlsbad)</u>	<u>Contact Number:</u>
State Police	575-885-3137
City Police	575-855-2111
Sheriff's Office	575-887-7551
Ambulance	911
Fire Department	575-885-2111
Local Emergency Planning Committee	575-887-3798
US Bureau of Land Management	575-887-6544

<u>Emergency Services</u>	<u>Contact Numbers:</u>
Boots & Coots IWC	1-800-256-9688 or 281-931-8884
Cudd Pressure Control	915-699-0139 or 915-563-3356
Halliburton	575-746-2757
B.J. Services	575-746-3569
Flight for Life Lubbock TX	806-743-9911
Aerocare Lubbock TX	806-747-8923
Med Flight Air Ambulance Albuquerque NM	575-842-4433
Lifeguard Air Med Albuquerque NM	575-272-3115



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|----------------|-----------------------|-----------------------------|
| H2S Monitors: | 5 Minute Escape Packs | 30 Minute SCBA: |
| 1 Rig Floor | 6 @ Rig Floor | 1 @ Primary Briefing Area |
| 1 BOP / Cellar | | 1 @ Secondary Briefing Area |
| | | 1 @ Company Man's Trailer |

SECTION 19, TOWNSHIP 18 SOUTH, RANGE 32 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.



interim reclamation
for 50' wide swath
on N & W sides

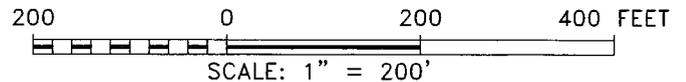
SM ENERGY
ESDU #32
ELEV. - 3707'

6-7-18-2013

Lat - N 32°44'03.01"
Long - W 103°48'31.96"
NMSPCE- N 631221.7
E 702604.8
(NAD-83)



LOCO HILLS IS ±11 MILES TO THE NORTHWEST OF LOCATION.



Directions to Location:

FROM HWY 529 AND MALJAMAR ROAD, GO SOUTH ON MALJAMAR FOR 4.1 MILES TO LEASE ROAD, GO WEST ON LEASE ROAD 1.1 MILES TURNING SOUTH 0.5 MILES THENCE SOUTHEAST 0.3 MILES TURNING EAST AGAIN FOR 0.3 MILES TURNING SOUTH 0.1 MILES TO PROPOSED LEASE ROAD.

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

W.O. Number: 28703

Drawn By: J. SMALL

Date: 06-03-2013

Disk: JMS 28703

SM ENERGY	
REF: ESDU #32 / WELL PAD TOPO	
THE ESDU #32 LOCATED 2250'	
FROM THE NORTH LINE AND 1700' FROM THE WEST LINE OF	
SECTION 19, TOWNSHIP 18 SOUTH, RANGE 32 EAST,	
N.M.P.M., LEA COUNTY, NEW MEXICO.	
Survey Date: 05-17-2013	Sheet 1 of 1 Sheets