

COG Operating LLC

NOV 05 2013

Hydrogen Sulfide Drilling Operation Plan

RECEIVED

I. HYDROGEN SULFIDE TRAINING

All personnel, whether regularly assigned, contracted, or employed on an unscheduled basis, will receive training from a qualified instructor in the following areas prior to commencing drilling operations on this well:

1. The hazards and characteristics of hydrogen sulfide (H₂S)
2. The proper use and maintenance of personal protective equipment and life support systems.
3. The proper use of H₂S detectors, alarms, warning systems, briefing areas, evacuation procedures, and prevailing winds.
4. The proper techniques for first aid and rescue procedures.

In addition, supervisory personnel will be trained in the following areas:

1. The effects of H₂S on metal components. If high tensile tubular are to be used, personnel will be trained in their special maintenance requirements.
2. Corrective action and shut-in procedures when drilling or reworking a well and blowout prevention and well control procedures.
3. The contents and requirements of the H₂S Drilling Operations Plan and Public Protection Plan.

There will be an initial training session just prior to encountering a known or probable H₂S zone (within 3 days or 500 feet) and weekly H₂S and well control drills for all personnel in each crew. The initial training session shall include a review of the site specific H₂S Drilling Operations Plan and the Public Protection Plan. **The concentrations of H₂S of wells in this area from surface to TD are low enough that a contingency plan is not required.**

NOV 07 2013

II. H2S SAFETY EQUIPMENT AND SYSTEMS

Note: All H2S safety equipment and systems will be installed, tested, and operational when drilling reaches a depth of 500 feet above, or three days prior to penetrating the first zone containing or reasonable expected to contain H2S.

1. Well Control Equipment:

- A. Flare line.
- B. Choke manifold with minimum of one remotely operated choke.
- C. Closed Loop Blow Down Tank
- D. Blind rams and pipe rams to accommodate all pipe sizes with properly sized closing unit.
- E. Auxiliary equipment may include if applicable: mud-gas separator, annular preventer & rotating head.

2. Protective equipment for essential personnel:

- A. SCBA (Self contained breathing apparatus) 30-minute units located in the doghouse and at briefing areas, as indicated on well site diagram.

3. H2S detection and monitoring equipment:

- A. Portable H2S monitors positioned on location for best coverage and response. These units have warning lights and audible sirens when H2S levels of 20 PPM are reached.

4. Visual warning systems:

- A. Wind direction indicators as shown on well site diagram.
- B. Caution/Danger signs (Exhibit #7) shall be posted on roads providing direct access to location. Signs will be painted a high visibility yellow with black lettering of sufficient size to be readable at a reasonable distance from the immediate location. Bilingual signs will be used, when appropriate. See example attached.

5. Mud program:

- A. The mud program has been designed to minimize the volume of H2S circulated to surface. Proper mud weight, safe drilling practices, and the use of H2S scavengers will minimize hazards when penetrating H2S bearing zones.
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6. Metallurgy:

- A. All drill strings, casings, tubing, wellhead, blowout preventer, drilling spool, kill lines, choke manifold and lines, and valves shall be suitable for H₂S service.
- B. All elastomers used for packing and seals shall be H₂S trim.

7. Communication:

- A. Radio communications in company vehicles including cellular telephone and 2-way radio.
- B. Land line (telephone) communication at Office.

8. Well testing:

- A. Drill stem testing will be performed with a minimum number of personnel in the immediate vicinity, which are necessary to safely and adequately conduct the test. The drill stem testing will be conducted during daylight hours and formation fluids will not be flowed to the surface. All drill-stem-testing operations conducted in an H₂S environment will use the closed chamber method of testing.
- B. There will be no drill stem testing.

EXHIBIT #7

WARNING

YOU ARE ENTERING AN H₂S

AUTHORIZED PERSONNEL ONLY

- 1. BEARDS OR CONTACT LENSES NOT ALLOWED
- 2. HARD HATS REQUIRED
- 3. SMOKING IN DESIGNATED AREAS ONLY
- 4. BE WIND CONSCIOUS AT ALL TIMES
- 5. CHECK WITH COG OPERATING FOREMAN AT

COG OPERATING LLC

1-432-683-7443

1-575-746-2010

EDDY COUNTY EMERGENCY NUMBERS

ARTESIA FIRE DEPT. 575-746-5050
ARTESIA POLICE DEPT. 575-746-5000
EDDY CO. SHERIFF DEPT. 575-746-9888

LEA COUNTY EMERGENCY NUMBERS

HOBBS FIRE DEPT. 575-397-9308
HOBBS POLICE DEPT. 575-397-9285
LEA CO. SHERIFF DEPT. 575-396-1196

COG Operating LLC

Sneed 9 Fed Com #5- H2S Safety Equipment Diagram

Secondary Egress

Pad Orientation

N

Fluid Storage Tanks

Roll Off Cutting Containers on Tracks

Mud House

Water Tanks

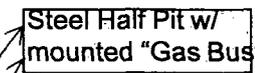
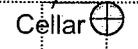
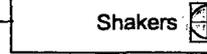
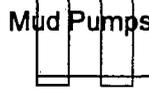
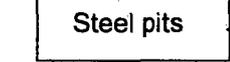
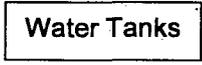
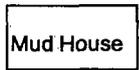
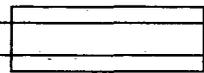
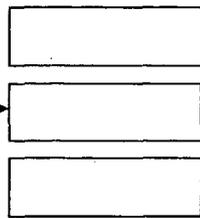
Water Tanks

Road Access with H2S sign

Prevailing Wind Direction

Trailer

Primary



Automatic Ignition

4" "Panic Line" to gas buster 150' f/wellhead (buried under Closed Loop Equipment)



Approx. 120' from flare

2" choke line to pit

Transfer Pump

2" Choke Line 150' f/ wellhead (buried under Closed Loop Equipment)

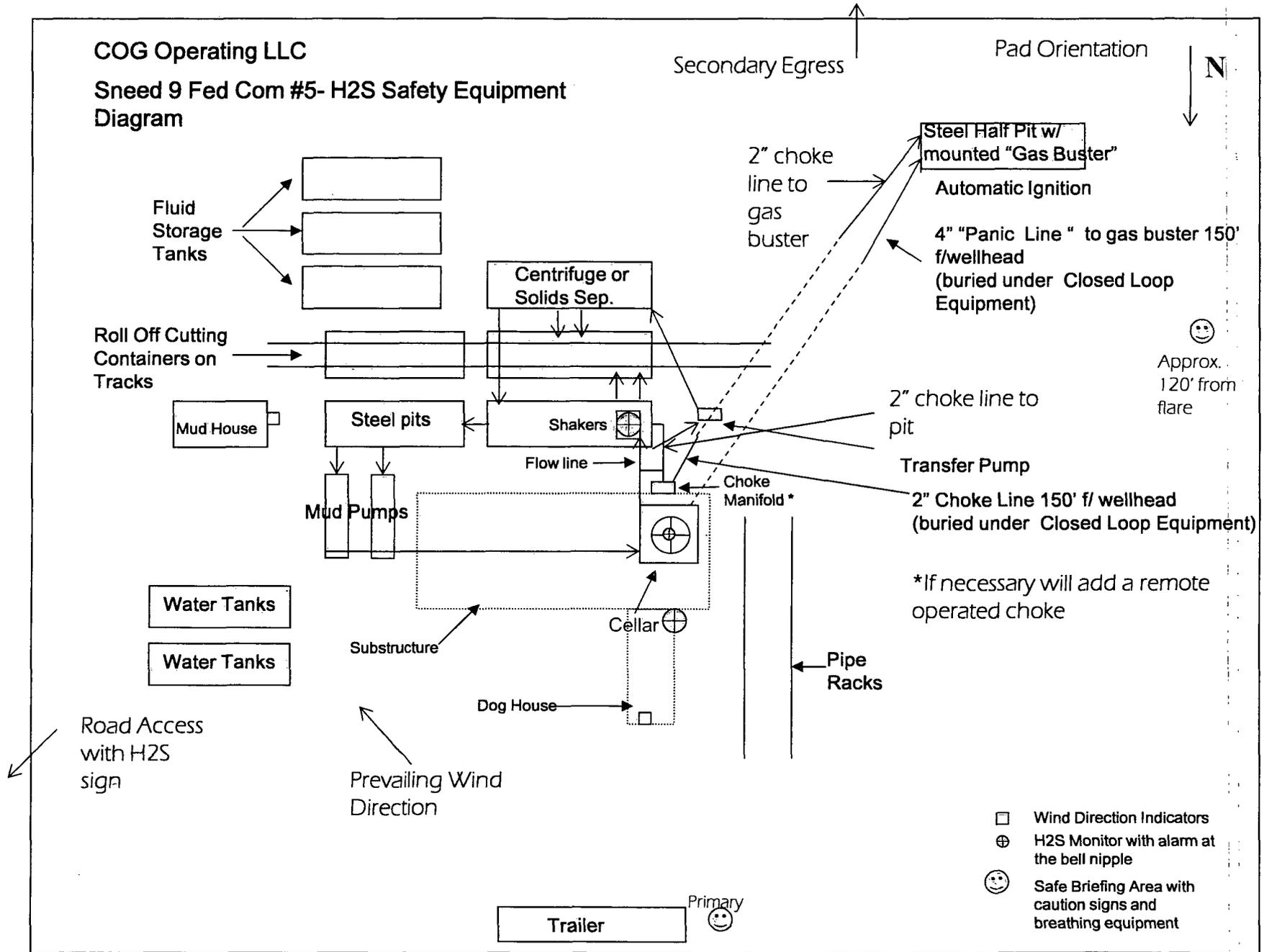
*If necessary will add a remote operated choke

2" choke line to gas buster

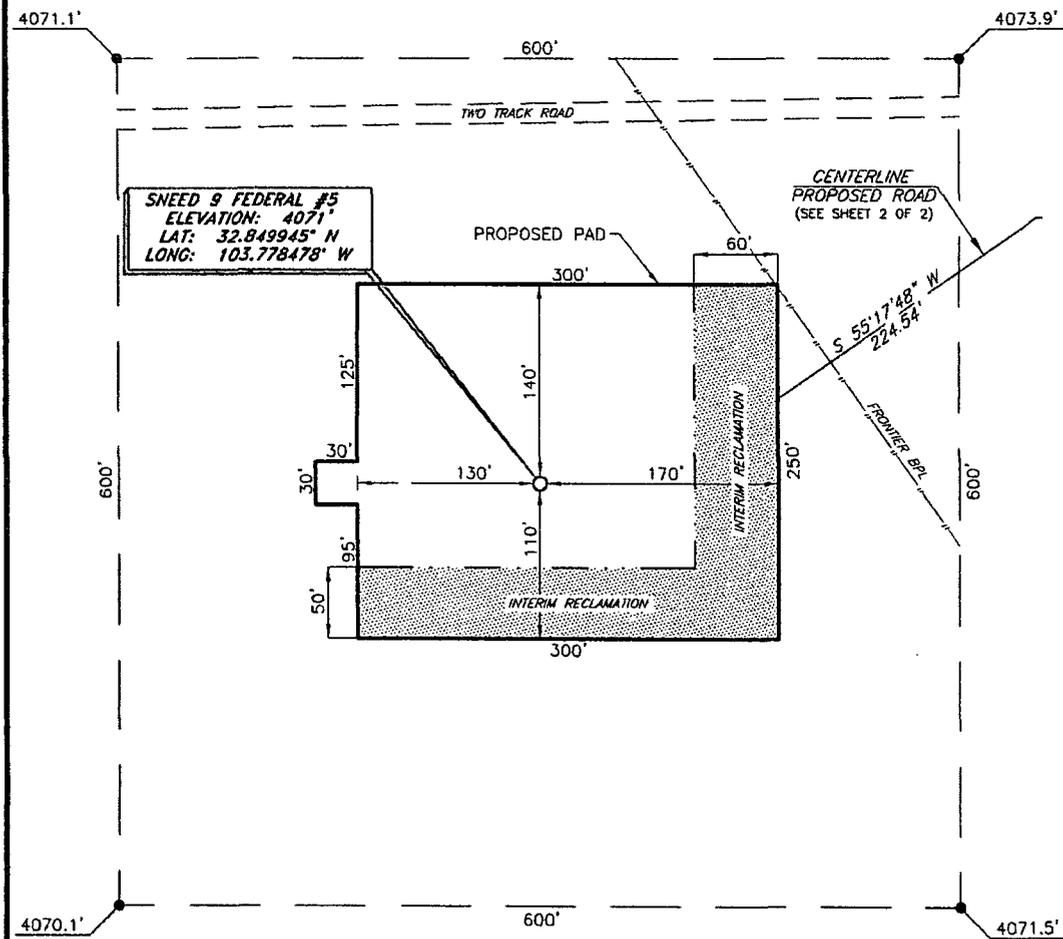
Choke Manifold *

Pipe Racks

- Wind Direction Indicators
- ⊕ H2S Monitor with alarm at the bell nipple
- 😊 Safe Briefing Area with caution signs and breathing equipment



COG OPERATING, LLC
 Interim Reclamation
 Sneed 9 Federal #5
 (2310' FNL & 330' FWL)
 Section 9, T-17-S, R-32-E,
 N. M. P. M., Lea Co., New Mexico



SNEED 9 FEDERAL #5
 ELEVATION: 4071'
 LAT: 32.849945° N
 LONG: 103.778478° W

DIRECTIONS TO LOCATION

From U.S. Hwy. #82 and L-126 (Maljamar Rd.):
 Go South on L-126 (Maljamar Rd.) approx. 0.6 mile.
 Turn right on a lease road and go Southwest approx. 0.8 mile.
 Turn right and go North approx. 0.6 mile to the proposed road.
 Turn left and follow proposed road West approx. 0.2 mile.
 Turn left and follow proposed road Southwest approx. 400 feet to this location.



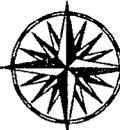
SCALE: 1" = 100'
 0 50 100

BEARINGS ARE
 NAD 27 - NM EAST
 DISTANCES ARE
 GROUND.

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NO.	REVISION	DATE
JOB NO.: LS130179		
DWG. NO.: 130179REC		

PROSPERITY CONSULTANTS, LLC



2251 Double Creek Drive, Suite 602, Round Rock, Texas 78664

☎ (512) 992-2087 | (512) 251-2518

SCALE: 1" = 100'
DATE: 5/22/13
SURVEYED BY: GB/SM
DRAWN BY: AF
APPROVED BY: LWB
SHEET : 1 OF 1