

Hydrogen Sulfide Drilling Operations Plan
Wizard 34 Federal Com # 1H
Sec 34, T18S, R32E
Lea County N.M.

HOBBS OCD

MAR 30 2015

RECEIVED

1. Company and contract personnel admitted on location should be trained by a qualified H₂S safety instructor to the recognize and handle following:
 - A. Characteristics of H₂S gas
 - 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 knowledge
 - E. Evacuation procedure, routes and first aid support
 - F. Proper use of 30 minutes Pressure-on-Demand Air Pack

2. Supervisory personnel will be trained in the following areas:
 - A. Effects of H₂S on metal components.
 - B. Corrective action and shut in procedures, blowout prevention, and well control procedure.
 - C. Contents of Hydrogen Sulfide Drilling Operations Plan.

3. H₂S Detection and Alarm Systems will be in place before commencing any operations.
 - A. H₂S detectors and audio alarm system to be located at wellhead, shale shaker and mud pits. Will be installed and maintained by third party safety company.
 - B. Thirty minute self-contained work unit located in at briefing areas.

3. Windssock and/or Wind Streamers
 - A. Windssock at mud pit area (high enough to be visible)
 - B. Windssock on dog house (high enough to be visible)

4. Condition Flags and Signs
 - A. H₂S warning signs on lease access road into location
 - B. Flags displayed on sign at location entrance
 1. Green flag indicates "Normal Safe Conditions"
 2. Yellow Flag indicates "Potential Pressure and Danger"
 3. Red Flag indicates "Danger - H₂S Present in High Concentrations" *admit only emergency personnel*

5. Well Control Equipment
 - A. Flare line.
 - B. Choke manifold.
 - C. Blind rams and pipe rams to accommodate all pipe size with properly size closing unit.
 - D. Auxiliary equipment to include: annular preventer, mud-gas separator, rotating head.

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 radios or cell phones used to communicate off location or minimally in Drilling Foreman's trailer or living quarters
 - D.

7. Drillstem Testing (**not planned**)
 - A. Exhausts watered
 - B. Flare line equipped with electric Igniter/propane pilot light in case gas reaches surface
 - C. If location near dwelling closed DST will be performed

9. If H₂S encountered, mud system shall be addressed to maintain control of formation. A mud gas separator will be brought into service along with H₂S scavengers, if necessary. pH will be maintained at 10, to minimize H₂S in the system. Hydrogen sulfide scavengers will also be used to minimize hazards while drilling the well.

WARNING

***YOU ARE ENTERING AN H₂S AREA
AUTHORIZED PERSONNEL ONLY***

- 1. BEARDS OR CONTACT LENSES NOT ALLOWED***
 - 2. HAED HATS REQUIRED***
 - 3. SMOKING IN DESIGNATED AREAS ONLY***
 - 4. BE WIND CONSCIOUS AT ALL TIME***
- CHECK IN WITH COMPANY MAN AT MAIN OFFICE***

Nadel and Gussman HEYCO LLC

575-623-6601

PUBLIC PROTECTION PLAN FOR EMERGENCY CONTACTS

NADEL AND GUSSMAN HEYCO, LLC (432) 682-4429

Company Personnel

| | | |
|--------------|-------------------|------------------------------|
| Jason Goss | Drilling Engineer | 432-682-4429 512-784-2613 |
| Keith Cannon | Drilling Supt. | 575-623-6601 575-626-1936 |

ARTESIA N.M.

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|------------------|------------------------------|
| Ambulance | 911 |
| State Police | 575-746-5000 |
| City Police | 575-746-5000 |
| Sheriff's Office | 575-746-9888 |
| Fire Department | 575-746-5050 or 575-746-5051 |
| N.M.O.C.D | 575-748-1283 |

CARLSBAD N.M.

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|------------------|------------------------------|
| Ambulance | 911 |
| State Police | 575-885-3137 |
| City Police | 575-885-2111 |
| Sheriff's Office | 575-887-7551 |
| Fire Department | 575-885-3125 or 575-885-2111 |
| Carlsbad BLM | 575-887-6544 |

HOBBS N.M.

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|------------------|--------------|
| Ambulance | 911 |
| State Police | 575-392-5588 |
| City Police | 575-397-9265 |
| Sheriff's Office | 575-396-3611 |
| Fire Department | 575-397-9308 |
| N.M.O.C.D | 575-393-6161 |
| Hobbs BLM | 575-393-3612 |

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| Flight for Life (Lubbock Tx) | 806-743-9911 |
| Aerocare (Lubbock Tx) | 806-747-8923 |
| Med flight air Ambulance (Albuq NM) | 505-842-4433 |
| SB air Med Services (Albuq NM) | 505-842-4949 |

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|--------------------------|------------------------------|
| Boots & Coots IWC | 800-256-9688 or 281-931-8884 |
| Cudd Pressure Control | 915-699-0139 or 915-563-3356 |
| BJ Services (Artesia NM) | 575-746-3569 |
| (Hobbs NM) | 575-392-5556 |

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| New Mexico Emergency Response Commission (Santa Fe) | 505-476-9600 |
| 24 Hour | 505-827-9126 |
| New Mexico State Emergency Operations Center | 505-476-9635 |