

COG Operating LLC

Hydrogen Sulfide Drilling Operation Plan

HOBBS OCD

MAR 07 2016

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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.**

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

Drilling Location - H2S Safety Equipment Diagram

EXHIBIT 8-

Road Access with H2S sign

Secondary Egress & Briefing



Fluid Storage Tanks

Roll Off Cutting Containers on Tracks

Mud House

Steel pits

Mud Pumps

Centrifuge or Solids Sep.

Shakers

Flow line

Water Tanks

Substructure

Dog House

Choke Manifold *

Cellar

Steel Half Pit w/ mounted "Gas Buster"

Automatic Ignition

2" choke line to gas buster

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

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

Pipe Racks

N

N

Prevailing Wind Direction

Pad Orientation

Trailer

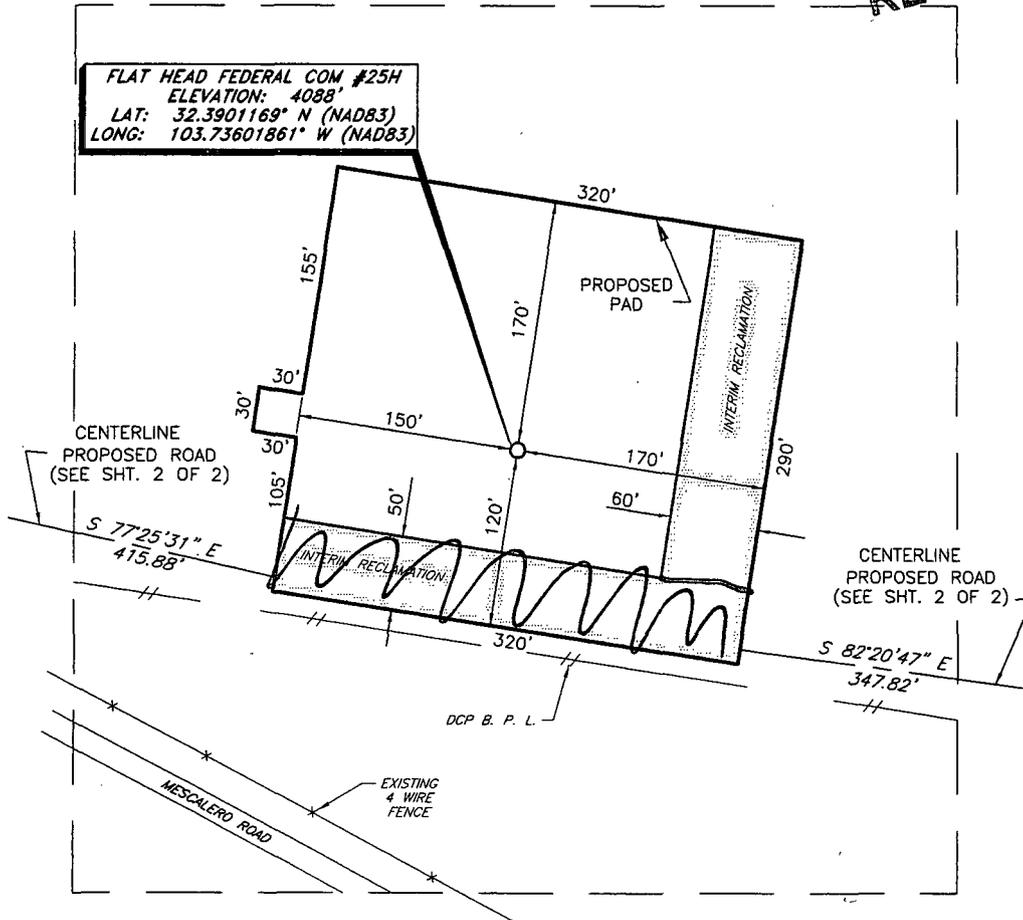
- Wind Direction Indicators
- H2S Monitor with alarm at the bell nipple
- Safe Briefing Area with caution signs and breathing equipment



Primary

COG OPERATING, LLC
 Interim Reclamation
 Flat Head Federal Com 25H
 (1015' FNL & 2310' FEL)
 Section 14, T-17-S, R-32-E,
 N. M. P. M., Lea Co., New Mexico

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FLAT HEAD FEDERAL COM #25H
 ELEVATION: 4088'
 LAT: 32.3901169° N (NAD83)
 LONG: 103.73601861° W (NAD83)

DIRECTIONS TO LOCATION

From the intersection of L-126 (Maljamar Rd.) and L-125 (Mescalero Rd):
 Go Southeast on Mescalero Rd. approx. 1.5 mi;
 Turn Left and go North thru the gate to the proposed road;
 Follow road survey approx. 0.1 mi East to this location.



SCALE: 1" = 100'
 0 50 100

BEARINGS ARE
 NAD 83 - NN EAST
 DISTANCES ARE
 GROUND.

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1	Well Name	2/4/15
NO.	REVISION	DATE
JOB NO.: LS130117		
DWG. NO.: 130117REC		

PROSPERITY CONSULTANTS, LLC



2251 Double Creek Drive, Suite 602, Round Rock, Texas 78684

• (512) 682-2037 f (512) 251-2518

SCALE: 1" = 100'
DATE: 6/14/13
SURVEYED BY: GB/SM
DRAWN BY: DR
APPROVED BY: LWB
SHEET : 1 OF 1