

COG Operating LLC

Hydrogen Sulfide Drilling Operation Plan

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

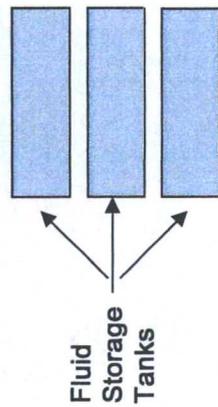
HOBBS FIRE DEPT. 575-397-9308
HOBBS POLICE DEPT. 575-397-9285
LEA CO. SHERIFF DEPT. 575-396-1196

COG Operating LLC

Drilling Location - H2S Safety Equipment Diagram

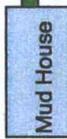
EXHIBIT 8- Ragnar Fed Com 16H

Road Access with H2S sign



Fluid Storage Tanks

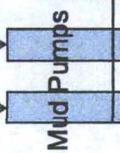
Roll Off Cutting Containers on Tracks



Mud House



Steel pits



Mud Pumps



Centrifuge or Solids Sep.



Shakers

Flow line



Choke Manifold *



Transfer Pump



2" choke line to pit



2" choke line to gas buster



Steel Half Pit w/ mounted "Gas Buster"

Automatic Ignition

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

*If necessary will add a remote operated choke

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

Pipe Racks

Substructure

Dog House

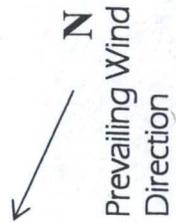
Cellar

Trailer

Primary

Secondary

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



Primary

Secondary

Egress & Briefing

Trailer

Water Tanks

Water Tanks

Substructure

Dog House

Cellar

Pipe Racks

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

*If necessary will add a remote operated choke

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

Automatic Ignition

Steel Half Pit w/ mounted "Gas Buster"

2" choke line to gas buster

2" choke line to pit

Transfer Pump

Choke Manifold *

Flow line

Shakers

Centrifuge or Solids Sep.

Mud Pumps

Steel pits

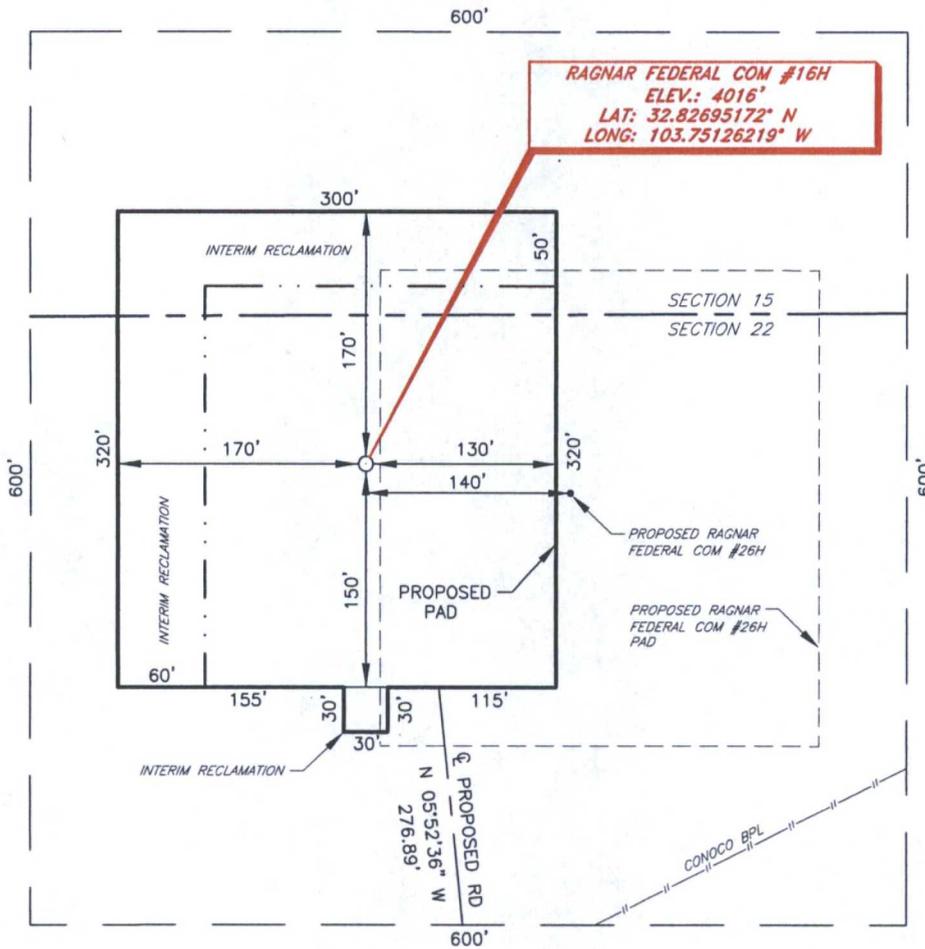
Mud House

Roll Off Cutting Containers on Tracks

Fluid Storage Tanks

Road Access with H2S sign

COG OPERATING, LLC
 INTERIM RECLAMATION
 RAGNAR FEDERAL COM #16H
 (100' FNL & 1870' FEL)
 SECTION 22, T17S, R32E
 N. M. P. M., LEA CO., NEW MEXICO



DIRECTIONS TO LOCATION

From the intersection of CR-126 (Conoco Rd.) and CR-126A (Maljamar Rd.);
 Go North on CR-126A approx. 0.6 miles to a lease road on the right;
 Turn right and go Southeast approx. 0.7 miles to a lease road on the left;
 Turn left and go Northeast approx. 415 feet to the JC Federal #10;
 Location is approx. 500 feet Northwest of the JC Federal #10



SCALE: 1" = 100'
 0 50 100
 BEARINGS ARE
 NAD 27 GRID - NM EAST
 DISTANCES ARE
 GROUND.

Firm No.: TX 10193838 NM 4655451

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NO.	REVISION	DATE
JOB NO.: LS1508434		
DWG. NO.: 1508434PAD		



308 W. BROADWAY ST., HOBBS, NM 88240 (575) 964-8200

SCALE: 1" = 100'
DATE: 8-4-2015
SURVEYED BY: GB
DRAWN BY: RMH
APPROVED BY: RMH
SHEET : 1 OF 1