

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.**

HOBBS OCD

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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-

Sneed 9

Federal Com

11H

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

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 *

Cellar

Substructure

Dog House

Pipe
Racks

Water Tanks

Water Tanks

N

Secondary
Egress &
Briefing

Prevaling Wind
Direction

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

Pad Orientation

Primary

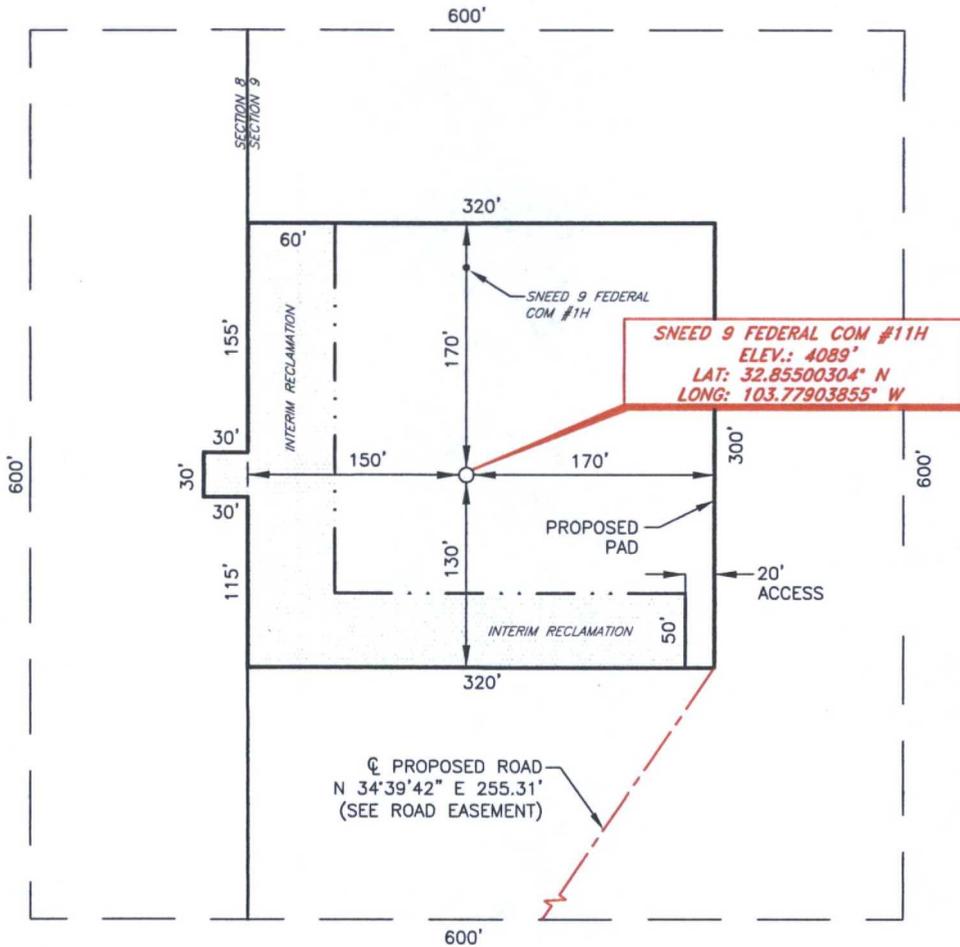
Trailer

Secondary

Briefing

Trailer

COG OPERATING, LLC
 INTERIM RECLAMATION
 SNEED 9 FEDERAL COM #11H
 (470' FNL & 150' FWL)
 SECTION 9, T17S, R32E
 N. M. P. M., LEA CO., NEW MEXICO



DIRECTIONS TO LOCATION

From the intersection U. S. Hwy. 82 and L-126 (Maljamar Road);
 Go South on L-126 approx. 0.6 miles to a lease road on the right;
 Turn right on lease road and go Southwest approx. 0.8 miles to a lease road on the right;
 Turn right and go North approx. 0.5 miles to a lease road on the left;
 Turn left and go West for approx. 0.2 miles to a lease road on the right;
 Turn right and go Northwest approx. 0.2 miles to the Sneed 9 Federal Com #2H.
 Location is approx. 400 feet North of existing well.

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.: LS1504164		
DWG. NO.: 1504164REC		



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

SCALE: 1" = 100'
DATE: 4-28-2015
SURVEYED BY: GB/ER
DRAWN BY: CMJ
APPROVED BY: RMH
SHEET : 1 OF 1

SWD Well Exhibit

Well Name	API Number	Section	TwN (S)	Rng (E)	County
Aid State 14 #1 SWD	30-015-29569	14	17	28	Eddy
Bate Federal #3 SWD	30-025-22597	35	19	33	Lea
Big George #3 SWD	30-015-28759	12	17	28	Eddy
Biscuit Hills #1 SWD	30-015-28142	29	17	31	Eddy
Burch Keely Unit #113 SWD	30-015-03068	24	17	29	Eddy
Chase 21 State Com #1 SWD	30-015-30874	21	17	29	Eddy
Curly Fed #2 SWD	30-025-38442	34	17	32	Lea
Delta Wing Fed #1 SWD	30-015-26309	15	17	29	Eddy
Durango 15 State Com #1 SWD	30-015-31557	15	17	29	Eddy
Empire Federal #3 SWD	30-015-37831	10	17	29	Eddy
Empire Fed 10 #5 SWD	30-015-39446	10	17	29	Eddy
Empire State 2 SWD	30-015-37787	9	17	29	Eddy
Empire State 9 #4 SWD	30-015-38972	9	17	29	Eddy
Empire State SWD 15 #1	30-015-39771	15	17	29	Eddy
Empire State SWD 8 #1	30-015-38973	8	17	29	Eddy
Federal 18-4 SWD	30-025-01671	18	19	33	Lea
Federal BI #1 SWD	30-025-27068	28	17	32	Lea
Loco Hills 33 #4 SWD	30-015-37269	33	17	30	Eddy
Loco Hills 33 #6 SWD	30-015-39478	33	17	30	Eddy
Loco Hills 34 #3 SWD	30-015-37270	34	17	30	Eddy
Loco Hills 34 #5 SWD	30-015-39477	34	17	30	Eddy
Loco Hills 35 #1 SWD	30-015-31635	36	17	30	Eddy
Loco Hills 35 #2 SWD	30-015-37268	35	17	30	Eddy
Maljamar 29 #1 SWD	30-025-39519	29	17	32	Lea
Maljamar SWD 30 #2	30-025-40310	30	17	32	Lea
Mary Dodd A #47 SWD	30-015-20408	22	17	29	Eddy
Mary Dodd B Deep Fed #2 SWD	30-015-31041	14	17	29	Eddy
Muskegon 16 State Com #1	30-015-27108	16	17	29	Eddy
Oxy Spumoni St #1 SWD	30-015-33089	16	17	31	Eddy
Pronghorn SWD #1	30-025-32735	24	19	32	Lea
Saber Fed #1SWD	30-015-27882	11	17	29	Eddy

Water Well Description

LOCO HILLS WATER SOLUTIONS

OSE #	SEC	TWNSHP	RNGE	COUNTY
L-5125-S1		21 15S	32E	LEA
L-5125-S2		21 15S	32E	LEA
L-5125-S5		31 15S	32E	LEA
L-5125-S11		20 15S	32E	LEA
L-5125-S12		21 15S	32E	LEA
L-5125-S14		20 15S	32E	LEA
L-5125-S16		20 15S	32E	LEA
L-5125-S17		20 15S	32E	LEA
L-5125-S19		20 15S	32E	LEA
L-5125-S20		21 15S	32E	LEA