

SHACKELFORD OIL COMPANY

LUSK FEDERAL #8-A HYDROGEN SULFIDE (H₂S) CONTINGENCY DRILLING PLAN

HOBBS OCD

MAY 16 2017

Assumed 100 ppm ROE = 3000'

100 ppm H₂S concentration shall trigger activation of this plan.

RECEIVED

This is an open drilling site. H₂S monitoring equipment and emergency response equipment will be rigged up and in use when the company drills out from under surface casing. H₂S monitors, warning signs, wind indicators and flags will be in use.

- A. All personnel shall receive proper H₂S training in accordance with Onshore Order 6 III.C.3.a
- B. Briefing Area: Two perpendicular areas will be designated by signs and readily accessible.
- C. Required Emergency Equipment:
 - Well control equipment
 - a. Flare line 150' from wellhead to be ignited by flare gun.
 - b. Choke manifold with a remotely operated choke.
 - c. Mud/Gas Separator.
 - Protective Equipment for essential personnel.
Breathing apparatus:
 - a. Rescue Packs (SCBA) – 1 unit shall be placed at each briefing area. 2 units shall be stored in the safety trailer.
 - b. Work/Escapes packs – 4 packs shall be stored on the rig floor with sufficient air hose not to restrict work activity.
 - c. Emergency Escape Packs – 4 packs shall be stored in the doghouse for emergency evacuation.
 - Auxiliary Rescue Equipment:
 - a. Stretcher
 - b. Two OSHA full body harness
 - c. 100 ft. 5/8" OSHA approved rope
 - d. One 20# class ABC fire extinguisher
 - H₂S detection and monitoring Equipment:
The stationary detector with three sensors will be placed in the upper doghouse, set to visually alarm @ 10 ppm and audible @ 14 ppm. Calibrate a minimum of every 30 days or as needed. The sensors will be placed in the following places: Rig floor, Bell nipple, end of flare line or where well bore fluid is being discharged (Gas sample tubes will be stored in the safety trailer).

- Visual warning systems.
 - a. One color code condition sign will be placed at the entrance to the site reflecting the possible conditions at the site.
 - b. A colored condition flag will be on display, reflecting the current condition, at the drilling site.
 - c. Two wind socks will be placed in strategic locations being visible from all angles.
- Mud Program:
The mud program has been designated to minimize the volume of H₂S circulated to surface. The operator will have the necessary mud products to minimize hazards while drilling in H₂S bearing zones.
- Metallurgy:
 - a. All drill strings, casings, tubing, wellhead, blowout preventer, drilling spool, kill lines, choke manifold and lines, shall be suitable for H₂S service.
 - b. All elastomers used for packing and seals shall be H₂S trim.
- Communication:
Communication will be via two way radio in emergency and company vehicles. Cell phones and land lines where available.

Contacting Authorities

Shackelford Oil Company personnel must liaison with local and state agencies to ensure a proper response to a major release. Additionally, the OCD must be notified of the release as soon as possible but no later than 4 hours. Agencies will ask for information such as type and volume of release, wind direction, location of release, etc. Be prepared with all information available including directions to site. The following call list of essential and potential responders has been prepared for use during a release. Shackelford Oil Company's response must be in coordination with the State of New Mexico's "Hazardous Materials Emergency Response Plan" (HMER) and BLM Onshore Order #6.

H₂S Operations

Though no H₂S is anticipated during the drilling operation, this contingency plan will provide for methods to ensure the well is kept under control in the event an H₂S reading of 100 ppm or more are encountered. Once personnel are safe and the proper protective gear is in place and on personnel, the operator and rig crew essential personnel will ensure the well is under control, suspend drilling operations and shut-in the well (unless pressure build up or other operational situations dictate suspending operations will prevent well control), increase the mud weight and circulate all gas from the hole utilizing the mud/gas separator downstream of the choke, the choke manifold and the emergency flare system located 150' from the well. Bring the mud system into compliance and the H₂S level below 10 ppm, then notify all emergency officers that drilling ahead is practical and safe.

Proceed with drilling ahead only after all provisions of Onshore Order 6, Section III.C. have been satisfied.

H2S CONTINGENCY DRILLING PLAN EMERGENCY CONTACTS

Company Offices - Shackleford Oil Co. Office

432-682-9784

KEY PERSONNEL					
Name	Title	Location	Phone #		
BOB SHACKELFORD	PRODUCTION ENGINEER	MIDLAND	432-682-9784	432-813-7090	
DON SHACKELFORD	PRESIDENT	MIDLAND	432-682-9784		

Agency Call List		
City	Agency or Office	Telephone Number
Artesia	Ambulance	911
Artesia	State Police	575-746-2703
Artesia	Sheriff's Office	575-746-9888
Artesia	City Police	575-746-2703
Artesia	Fire Department	575-746-2701
Artesia	Local Emergency Planning Committee	575-746-2122
Artesia	New Mexico OCD District II	575-748-1283
Carlsbad	Ambulance	911
Carlsbad	State Police	575-885-3137
Carlsbad	Sheriff's Office	575-887-7551
Carlsbad	City Police	575-885-2111
Carlsbad	Fire Department	575-885-2111
Carlsbad	Local Emergency Planning Committee	575-887-3798
Carlsbad	US DOI Bureau of Land Management	575-887-6544
State Wide	New Mexico Emergency Response Commission ("NMERC")	505-476-9600
State Wide	NMERC 24 hour Number	505-827-9126
State Wide	New Mexico State Emergency Operations Center	505-476-9635
National	National Emergency Response Center (Washington, D.C.)	800-424-8802

H2S CONTINGENCY DRILLING PLAN EMERGENCY CONTACTS

Emergency Services				
Name	Service	Location	Telephone Number	Alternate Number
Boots & Coots International Well Control	Well Control	Houston / Odessa	1-800-256-9688	281-931-8884
Cudd Pressure Control	Well Control & Pumping	Odessa	915-699-0139	915-563-3356
Baker Hughes Inc.	Pumping Service	Artesia, Hobbs and Odessa	575-746-2757	SAME
Total Safety	Safety Equipment and Personnel	Artesia	575-746-2847	SAME
Cutter Oilfield Services	Drilling Systems Equipment	Midland	432-488-6707	SAME
Assurance Fire & Safety	Safety Equipment and Personnel	Artesia	575-396-9702	575-441-2224
Flight for Life	Emergency Helicopter Evacuation	Lubbock	806-743-9911	SAME
Aerocare	Emergency Helicopter Evacuation	Lubbock	806-747-8923	SAME
Med Flight Air Ambulance	Emergency Helicopter Evacuation	Albuquerque	505-842-4433	SAME
Artesia General Hospital	Emergency Medical Care	Artesia	575-748-3333	702 North 13 Street



Prevailing Winds
Direction SW

H2S Briefing Areas and Alarm Locations

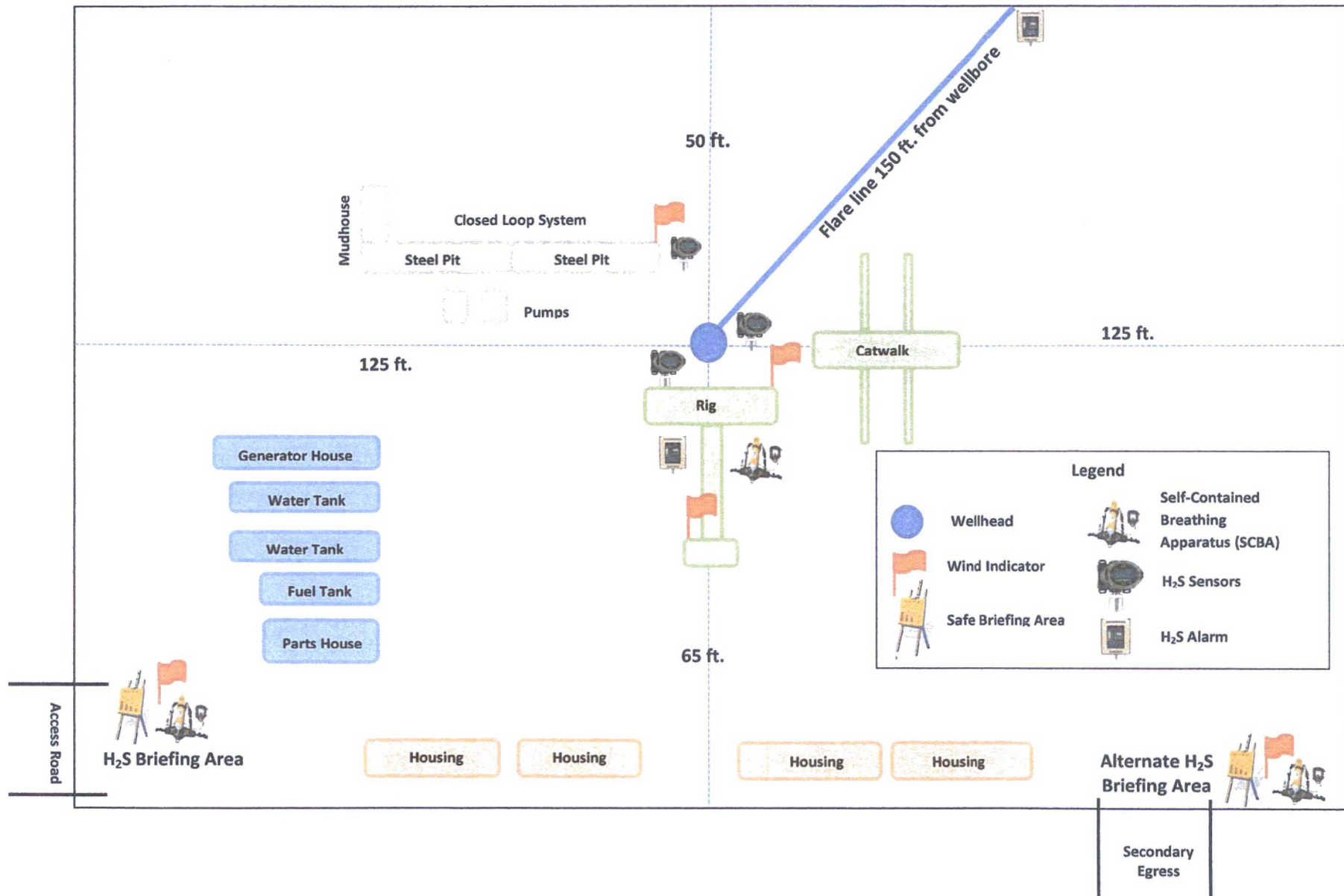
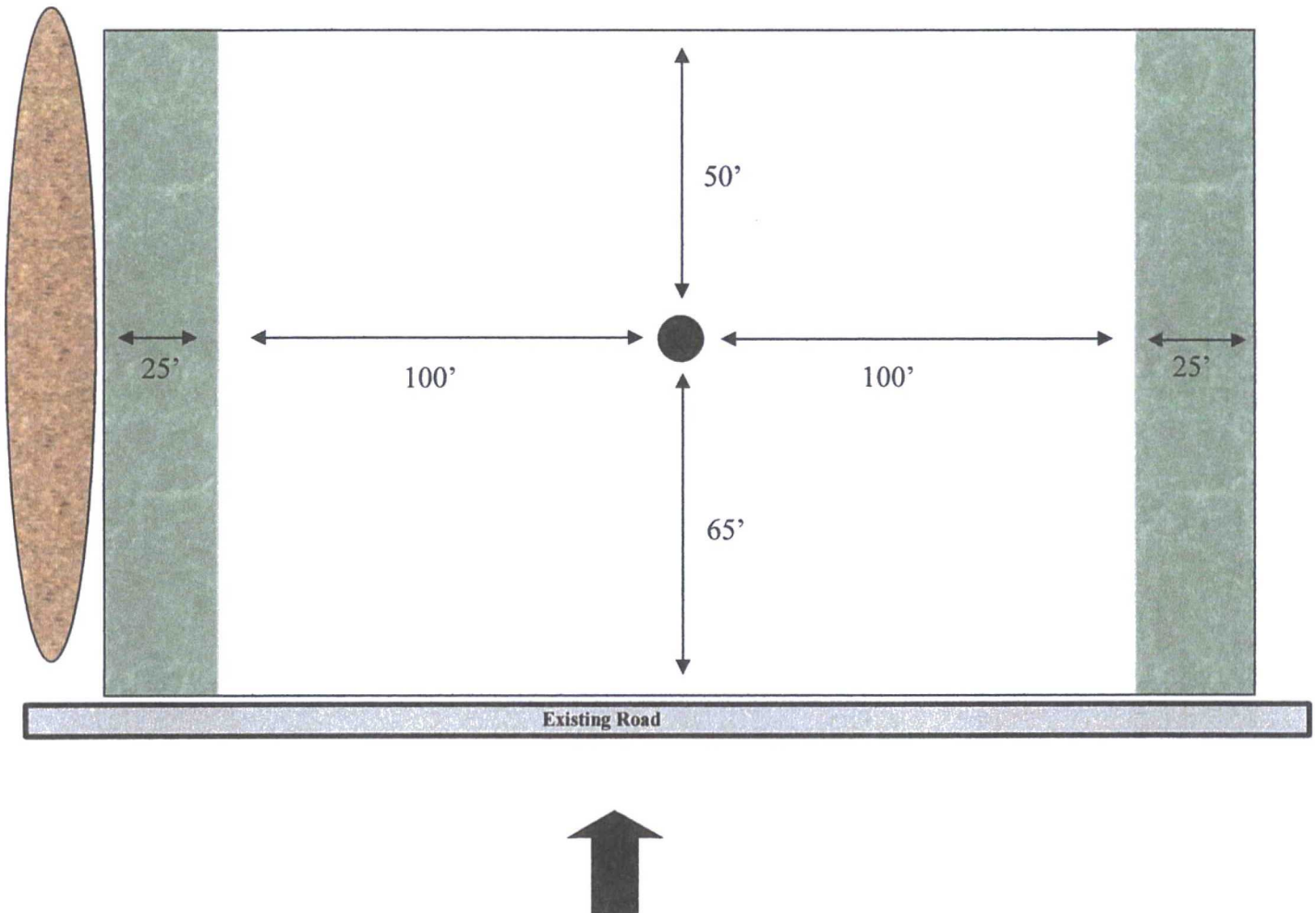


EXHIBIT C

Interim Reclamation & Production Facilities LUSK FEDERAL #8-A V-DOOR EAST



LEGEND



Well Bore



Topsoil



Interim Reclamation



Production Facilities



Berm



NORTH