

FORM 2A Rev 04/01

State of Colorado Oil and Gas Conservation Commission 1120 Lincoln Street, Suite 801, Denver, Colorado 80205 Phone: (303) 894-2100 Fax: (303) 894-2109



Table with 4 columns: DE, ET, OE, ES

Document Number: 400133072

Oil and Gas Location Assessment

New Location Amend Existing Location Location#: 316645

Submit original plus one copy. This form is to be submitted to the COGCC prior to any ground disturbance activity associated with oil and gas development operations.

Location ID: 316645 Expiration Date: 04/16/2014

This location assessment is included as part of a permit application.

1. CONSULTATION

- This location is included in a Comprehensive Drilling Plan. CDP #
This location is in a sensitive wildlife habitat area.
This location is in a wildlife restricted surface occupancy area.
This location includes a Rule 306.d.(1)A.ii. variance request.

2. Operator

Operator Number: 16700 Name: CHEVRON PRODUCTION COMPANY Address: 100 CHEVRON RD City: RANGELY State: CO Zip: 81648

3. Contact Information

Name: DIANE PETERSON Phone: (970) 675-6842 Fax: (970) 675-6800 email: DLPE@CHEVRON.COM

4. Location Identification:

Name: MC HAGOOD Number: B2 County: RIO BLANCO Quarter: NE NW Section: 22 Township: 2N Range: 103W Meridian: 6 Ground Elevation: 5623 Define a single point as a location reference for the facility location. Footage at surface: 814 feet FNL, from North or South section line, and 2229 feet FWL, from East or West section line. Latitude: 40.133653 Longitude: -108.944044 PDOP Reading: 1.9 Date of Measurement: 11/30/2011 Instrument Operator's Name: J FLOYD

5. Facilities (Indicate the number of each type of oil and gas facility planned on location):

Special Purpose Pits: 0 Drilling Pits: 1 Wells: 1 Production Pits: 0 Dehydrator Units: 0 Condensate Tanks: 0 Water Tanks: 0 Separators: 0 Electric Motors: 0 Multi-Well Pits: 0 Gas or Diesel Motors: 0 Cavity Pumps: 0 LACT Unit: 0 Pump Jacks: 0 Pigging Station: 0 Electric Generators: 0 Gas Pipeline: 0 Oil Pipeline: 1 Water Pipeline: 0 Flare: 0 Gas Compressors: 0 VOC Combustor: 0 Oil Tanks: 0 Fuel Tanks: 0 Other: 0

6. Construction:

Date planned to commence construction: 03/15/2011 Size of disturbed area during construction in acres: 3.39
Estimated date that interim reclamation will begin: 09/01/2011 Size of location after interim reclamation in acres: 2.50
Estimated post-construction ground elevation: 5621 Will a closed loop system be used for drilling fluids: Yes
Will salt sections be encountered during drilling: Yes No Is H2S anticipated? Yes No
Will salt (>15,000 ppm TDS Cl) or oil based muds be used: Yes No
Mud disposal: Offsite Onsite Method: Land Farming Land Spreading Disposal Facility
Other: _____

7. Surface Owner:

Name: _____ Phone: _____
Address: _____ Fax: _____
Address: _____ Email: _____
City: _____ State: _____ Zip: _____ Date of Rule 306 surface owner consultation: _____
Surface Owner: Fee State Federal Indian
Mineral Owner: Fee State Federal Indian
The surface owner is: the mineral owner committed to an oil and gas lease
 is the executer of the oil and gas lease the applicant
The right to construct the location is granted by: oil and gas lease Surface Use Agreement Right of Way
 applicant is owner
Surface damage assurance if no agreement is in place: \$2000 \$5000 Blanket Surety ID _____

8. Reclamation Financial Assurance:

Well Surety ID: _____ Gas Facility Surety ID: _____ Waste Mgmt. Surety ID: _____

9. Cultural:

Is the location in a high density area (Rule 603.b.): Yes No
Distance, in feet, to nearest building: 6029, public road: 2225, above ground utilit: 596
, railroad: 15840, property line: 7038

10. Current Land Use (Check all that apply):

Crop Land: Irrigated Dry land Improved Pasture Hay Meadow CRP
Non-Crop Land: Rangeland Timber Recreational Other (describe): _____
Subdivided: Industrial Commercial Residential

11. Future Land Use (Check all that apply):

Crop Land: Irrigated Dry land Improved Pasture Hay Meadow CRP
Non-Crop Land: Rangeland Timber Recreational Other (describe): _____
Subdivided: Industrial Commercial Residential

12. Soils:

List all soil map units that occur within the proposed location. Attach the National Resource Conservation Service (NRCS) report showing the "Map Unit Description" report listing the soil typical vertical profile. This data is to used when segregating topsoil.

IMPORTANT: SOME DATA FIELDS HAVE BEEN MODIFIED.

The required information can be obtained from the NRCS web site at <http://soildatamart.nrcs.usda.gov/> or from the COGCC web site GIS Online map page found at <http://colorado.gov/cogcc>. Instructions are provided within the COGCC web site help section.

NRCS Map Unit Name: 16- Chipeta silty clay loam 3 to 25 percent slopes

NRCS Map Unit Name: 7- Billings silty clay loam 0 to 5 percent slopes

NRCS Map Unit Name: _____

13. Plant Community:

Complete this section only if any portion of the disturbed area of the location's current land use is on non-crop land.

Are noxious weeds present: Yes No

Plant species from: NRCS or, field observation Date of observation: _____

List individual species: _____

Check all plant communities that exist in the disturbed area.

- Disturbed Grassland (Cactus, Yucca, Cheatgrass, Rye)
- Native Grassland (Bluestem, Grama, Wheatgrass, Buffalograss, Fescue, Oatgrass, Brome)
- Shrub Land (Mahogany, Oak, Sage, Serviceberry, Chokecherry)
- Plains Riparian (Cottonwood, Willow, Aspen, Maple, Poplar, Russian Olive, Tamarisk)
- Mountain Riparian (Cottonwood, Willow, Blue Spruce)
- Forest Land (Spruce, Fir, Ponderosa Pine, Lodgepole Pine, Juniper, Pinyon, Aspen)
- Wetlands Aquatic (Bullrush, Sedge, Cattail, Arrowhead)
- Alpine (above timberline)
- Other (describe): _____

14. Water Resources:

Rule 901.e. may require a sensitive area determination be performed. If this determination is performed the data is to be submitted with the Form 2A.

Is this a sensitive area: No Yes Was a Rule 901.e. Sensitive Areas Determination performed: No Yes

Distance (in feet) to nearest surface water: 287, water well: 5280, depth to ground water: 4468

Is the location in a riparian area: No Yes Was an Army Corps of Engineers Section 404 permit filed No Yes

Is the location within a Rule 317B Surface Water Suppl Area buffer zone:

No 0-300 ft. zone 301-500 ft. zone 501-2640 ft. zone

If the location is within a Rule 317B Surface Water Supply Area buffer have all public water supply systems within 15 miles been notified: No Yes

15. Comments:

From COGCC website the nearest water well is Permit 2559-F - depth 5394'.

I hereby certify that the statements made in this form are, to the best of my knowledge, true, correct and complete.

Signed: _____ Date: 02/14/2011 Email: dlpe@chevron.com

Print Name: Diane L Peterson Title: Regulatory Specialist

IMPORTANT: SOME DATA FIELDS HAVE BEEN MODIFIED.

Based on the information provided herein, this Application for Permit-to-Drill complies with COGCC Rules and applicable orders and is hereby approved.

COGCC Approved: _____

David S. Nesline

Director of COGCC

Date: 4/17/2011

CONDITIONS OF APPROVAL, IF ANY:

All representations, stipulations and conditions of approval stated in this Form 2A for this location shall constitute representations, stipulations and conditions of approval for any and all subsequent operations on the location unless this Form 2A is modified by Sundry Notice, Form 4 or an Amended Form 2A.

GENERAL SITE COAs:

Operator must implement best management practices to contain any unintentional release of fluids, including any fluids conveyed via pipeline.

Operator must ensure 110 percent secondary containment for any volume of fluids contained at well site during drilling and completion operations; including, but not limited to, construction of a berm or diversion dike, diversion/collection trenches within and/or outside of berms/dikes, site grading, or other comparable measures (i.e., BMPs associated with stormwater management) sufficiently protective of the nearby surface water.

The moisture content of any drill cuttings in a cuttings pit, trench, or pile shall be as low as practicable to prevent accumulation of liquids greater than de minimis amounts. At the time of closure, the drill cuttings must also meet the applicable standards of Table 910-1.

No portion of any pit that will be used to hold liquids shall be constructed on fill material, unless the pit and fill slope are designed and certified by a professional engineer, subject to review and approval by the director prior to construction of the pit. The construction and lining of the pit shall be supervised by a professional engineer or their agent. The entire base of the pit must be in cut.

Flowback and stimulation fluids must be sent to tanks to allow the sand to settle out before the fluids can be placed into any pipeline or pit located on the well pad. The flowback and stimulation fluid tanks must be placed on the well pad in an area with additional downgradient perimeter berming. The area where flowback fluids will be stored/reused must be constructed to be sufficiently impervious to contain any spilled or released material (per Rule 604.a.(4)).

Attachment Check List

Att Doc Num	Name
2033642	CORRESPONDENCE
400133072	FORM 2A SUBMITTED
400133078	PROPOSED BMPs
400133079	H2S CONTINGENCY PLAN
400133081	NRCS MAP UNIT DESC
400133083	HYDROLOGY MAP B, AERIAL
400133084	REFERENCE AREA PICTURES
400133085	WELL LOCATION PLAT
400133086	LOCATION PICTURES
400133087	CONST. LAYOUT DRAWINGS
400133090	LOCATION DRAWING
400133097	REFERENCE AREA MAP
400133100	TOPO MAP
400133101	ACCESS ROAD MAP
400133104	DRILLING PLAN
400133105	FED. DRILLING PERMIT
400133107	SURFACE PLAN
400133495	LOCATION DRAWING
400133496	HYDROLOGY MAP A, TOPO
400133850	MULTI-WELL PLAN

Total Attach: 20 Files

General Comments

User Group	Comment	Comment Date
Permit	Chevron has applied for bottom hole location exception from Rule 318 d (3) by their letter of 3/17/2011 to COGCC. Well McHagood B-2 is well involved.	3/18/2011 8:48:12 AM
OGLA	Initiated/Completed OGLA Form 2A review on 03-08-11 by Dave Kubeczko; requested acknowledgement of fluid containment, spill/release BMPs, flowback to tanks, tank berming, no pit in fill, and cuttings low moisture content COAs from operator on 03-08-11; received acknowledgement of COAs from operator on 03-08-10; changed SW and GW data; no CDOW; passed OGLA Form 2A review on 03-10-11 by Dave Kubeczko; fluid containment, spill/release BMPs, flowback to tanks, tank berming, no pit in fill, and cuttings low moisture content COAs.	3/8/2011 11:08:19 AM
Permit	Opr-Diane corrected and resubmitted. sf	2/16/2011 3:40:56 PM
Permit	Back to draft for location drawing and hydrology map to be corrected. sf	2/15/2011 12:07:15 PM

Total: 4 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Interim Reclamation	Any moisture content of the drill cuttings pit will be de-watered and at the time of closure the drill cuttings will meet the standards in table 910-1. The disturbed area not needed for well operation will be revegetated after the site has been properly prepared - recontouring the area to blend with surrounding topography. Broadcast certified seed using seed blend recommended by BLM, in fall (Sept 2011) seeding prior to prolonged ground frost.
Construction	Chevron will ensure 110 percent secondary containment for any volume of fluids contained at the well site during the drilling and completion operations, including construction of a berm or diversion dike, collection trench, and the use of site grading to protect the nearby drainage wash.
Pre-Construction	The cuttings pit will be constructed to the BLM Gold Book standards. No portion of the drilling pit will be constructed on any fill material, the entire base of the pit will be in the cut.
Storm Water/Erosion Control	Top soil salvage and storage. Top soil will be stockpiled where no vehicle traffic will cross the mound. The stock piles will be protected from the wind and water erosion through the use of suitable weed free mulch and seeding.
Site Specific	This well site was selected to utilize one location for 2 directionally drilled wells, this location is located along an existing lease road. These two production wells will have two flowlines (using only one trench) to a centralized production facility offsite, no large haul trucks will be needed to collect produced fluids. There will be no holding tanks on this location.
Wildlife	Powerlines will be designed to minimize raptor electrocutions by incorporating designs to minimize risks. The cutting pit will be fenced with 32" high woven wire to protect wildlife and domestic animals. Netting will be installed to prevent access by migratory birds.
Drilling/Completion Operations	A closed loop system will be implemented during drilling, using a cuttings catch pit, dewatering system, centrifuge system. Any skim out will be truck to Chevron Main Water Plant (4 miles) and pipelined to an oil gathering collection station.
Planning	Any waste products will be handled by RN Industries, trash will be confined in a covered container. After the rig is off the location the well site will be cleaned and all refused removed by Rangely Trash Service, and hauled to the approved landfill in Rio Blanco County. A portable toilet will be supplied for human waste.
General Housekeeping	Chevron trains all employees in safe work practices, good environmental stewardship, health and wellness issues and to ensure that proper personal protective equipment is available and is being used. Chevron has a up to date Spill Protection Control and Countermeasure Plan for the Rangely Field. Chevron has a zero tolerance policy regarding drug usage, with education and compliance programs to help reinforce these policies.

Total: 9 comment(s)