

LEASE NUMBER - **FEE**

**12 POINT SURFACE USE PLAN and
CERTIFYING STATEMENT** per 3/7/2007 Federal Register Posting
**Or
13 POINT SURFACE USE PLAN**

FOR

UNION PACIFIC 153X16

API#'s applied for with COGCC

LOCATED IN

RANGELY WEBER SAND UNIT

2048' FSL & 189' FWL (NW SW) Section 16, T2N, R102W, 6th PM

RIO BLANCO COUNTY, COLORADO

Please note this is one of three wells planned for this one location.

CHEVRON

UNION PACIFIC 153X16

LEGAL DESCRIPTION : 2048' FSL & 189' FWL (NW SW) Section 16, T2N, R102W, 6th

1. EXISTING ROADS

See attached Topographic Map "A" AND attached full Rangely Weber Sand Unit (COC 47675X) field map referenced as "ROAD MAP". New access road will be approximately 180' x 30'.

To reach CHEVRON proposed for Union Pacific 153x16 location -
Proceed west out of Rangely, Colorado on Colorado State Highway 64 for 3.1 miles, turn north on Rio Blanco Country Road #1 for 2.5 miles, turn east on lease road for 5/10's mile, turn north on lease road for 2/10's mile, turn east on lease road for 1/10th mile. (See B TOPO)

All of the improved surface roads in the area are maintained by Chevron or its subcontractors. This maintenance consists of some minor grade work for smoothing of road grades and for snow removal by road maintainers with dozer blades and other contractor's equipment as required.

2. PLANNED ACCESS ROAD

See Topographic Map "B".

The planned access road is 180' off existing lease road. There are no fences on the property. Installing gates, cattle guards, or cutting fences will not be required. The terrain that is traversed by this road is relatively flat and is vegetated with sparse amounts of sagebrush and grasses. Turn outs will not be required.

Approval shall be requested to continue operations should the surface become saturated to a depth of three (3) inches. All permanent facilities placed on the location will be painted Carlsbad Canyon Brown (Fuller Brand Colorant 31293 or equivalent) to blend with the natural environment. ("Based on any further location visits by BLM White River Office personnel, this could change" – per notification by WRO dated 12/20/2007.) The well cellar will be covered with steel grating and no hazards will exist for livestock or wildlife. Rehabilitation of the disturbed areas no longer needed for operation will meet the requirements the BLM.

3. EXISTING WELLS

See Topographic Map "C".

There are numerous wells within a one mile radius of this location. This is a long time established field.

4. **LOCATION OF EXISTING AND PROPOSED FACILITIES**

There are numerous facilities owned by Chevron within the Rangely Weber Sand Unit. **No** new facilities will be required for the production of this new well. All facilities maps are on file with the BLM – Meeker office. A set is of the injection, water (WATER INJECTION) and CO2 (CO2 INJECTION) system maps are attached with this APD.

5. **LOCATION OF AND TYPE OF WATER SUPPLY AND FUEL GAS**

Water to be used in the drilling of this well will be from existing injection line on location. Fresh water required for boilers and other needs will be trucked from Chevron's domestic water treatment plant. Diesel fuel for drilling will be kept on location in a properly installed above ground diesel tank. (see figure #3 "TYPICAL RIG LAYOUT – FUEL")

There will be no water well drilled on the location site.

6. **SOURCE OF CONSTRUCTION MATERIALS**

See "Figure #1 and Figure #2"

Materials to be used in the re-arrangement of this location will be acquired during the re-arrangement. Any extra gravels, sand, or road base will be acquired from Ace West Trucking Inc 15672 US Hwy 64, Rangely 675-2753 gravel pits, which are privately owned or leased from the Bureau of Land Management (BLM).

7. **METHODS FOR HANDLING WASTE DISPOSAL**

See location layout sheet. A reserve pit will be constructed. (see location layout Figure 1)

The reserve pit will be approximately 8' deep and at least one half of this depth shall be below the surface of the existing ground. The reserve pit will be used as a storage area during the drilling of this well to store non-flammable materials such as cuttings, salts, drilling fluids, chemicals, produced fluids, etc. The pits will be fenced with 32" to 48" high woven wire to protect wildlife and domestic animals. Netting will be installed to prevent access by migratory birds.

Trash will be confined in a covered container. After the rig is moved off the location the well site will be cleaned and all refuse removed by Rangely Trash Service 675-2878, and hauled to the approved landfill in Rio Blanco County.

After the completion rig finishes, the reserve pit is covered and the surface is contoured to conform to surrounding terrain.

A portable toilet will be supplied for human waste. Redi Services LLC, 235 County Rd 15, Meeker Colorado 970-878-4444 services toilets and removes portable toilet waste.

8. ANCILLARY FACILITIES

There are no ancillary facilities planned for at the present time and none foreseen in the near future.

9. WELL SITE LAYOUT

See Figure #1 and Figure #2

The White River Resource Area Manager shall be notified 24 hours in advance before any construction begins on the proposed location site. Well site construction will be done by Weldons Construction (2260 N 250 W, Vernal Utah 435-789-3324), supervised by Chevron Construction Rep Dennis Medina 970-629-1753 or Randy Bakken 970-629-8911)

10. PLANS FOR RESTORATION OF SURFACE

When all drilling and production activities have been completed, the location site will be reshaped to the original contour.

Any drainage re-routed during the construction activities shall be restored to their original line of flow as near as possible. Cuttings and drilling fluids will be buried in the reserve pit. Prior to burial of cutting and mud, any liquid oil or water will be trucked to the Recovery Plant.

The disturbed area not needed for well operation and access roads will be re-vegetated and rehabilitated per the remainder of this season.

The White River Resource Area Manager will be notified at least 24 hours prior to commencing reclamation work.

				97 RMP LBS	
COMMON NAME	CULTIVAR	GENUS	SPECIES	PLS/ACRE	PERCENTAGE
Annual Sunflower	VNS	Helianthus	annus	2	12.50%
Western Wheatgrass	Arriba	Agropyron	smithii	4	25.00%
Crested Wheatgrass	Nordan	Agropyron	cristatum	3	18.75%
Pubescent Wheatgrass	Luna	Agropyron	intermedium	4	25.00%
Russian Wildrye	Vinall	Psathyrostachys	juncus	3	18.75%
					100.00%

The seedbed will be prepared by disking following the natural contour. Drill seed on contour at a depth no greater than 1/2 inch. In areas that cannot be drilled, broadcast at double the seeding rate and harrow seed into soil. Certified seed will be used. Fall seeding must be completed after September 1, and prior to prolonged ground frost.

The access roads will be upgraded and maintained as necessary to prevent soil erosion, and accommodate year round traffic. Reshape areas unnecessary to

operations, distribute topsoil, disk and seek all disturbed areas outside the work area according to the seed mixture chart. Perennial vegetation must be established. Additional work will be required in case of seeding failures, etc.1

When the well is abandoned, the location will be restored to approximately the original contours. During reclamation of the site, push the fill material into cuts and up over the back slope. Depressions will not be left that will trap water or form ponds. Distribute topsoil evenly over the location, and seed according to the seed mixture chart. The access road and location will be disked prior to seeding. Perennial vegetation must be established.

Clean up and rehabilitation operations will begin as soon as the well is completed and should be finished within 6 months after well completion (weather permitting).

The permit holder will treat noxious weeds associated with the project by using Best Management Practices identified in Appendix D of the White River RMP of 1997.

Final reclamation at the completion of well plugging for this location is as follows:

Procedure for the Reclamation of Plug and Abandon well site [Union Pacific 153x16](#).

Chevron will notify the WRFO 24 hours prior to any reclamation activities.

Rig anchors will be pulled and removed from location. The well pad will be re-contoured to original contour that blends with the surrounding landform and topsoil re-spread over the entire disturbed site to ensure successful re-vegetation. The topsoiled site will be prepared to provide a seedbed for re-establishment of vegetation. Water breaks will installed only if absolutely necessary to prevent erosion. The seedbed will be prepared by disking following the natural contour. Drill seed on contour at a depth no greater than 1/2 inch. In areas that cannot be drilled, broadcast at double the seeding rate and harrow seed into soil. Certified seed will be used. Fall seeding must be completed after September 1, and prior to prolonged ground frost.

Seed blend to be used.:

Annual Sunflower VNS Helianthus annus 2 LBS PLS/ACRE -12.50%

Western Wheatgrass Arriba Agropyron smithii 4 LBS PLS/ACRE -25.00%

Crested Wheatgrass Nordan Agropyron cristatum 3 LBS PLS/ACRE -18.75%

Pubescent Wheatgrass Luna Agropyron intermedium 4 LBS PLS/ACRE -25.00%

Russian Wildrye Vinall Psathyrostachys junceus 3 LBS PLS/ACRE -18.75%

Chevron will monitor reclaimed area and repair or reseed if necessary.

11. SURFACE OWNERSHIP

A check of the records indicates that the surface owner is *Merit Energy Partners*.

12. OTHER INFORMATION

a) The Chevron will contact either the petroleum engineer or petroleum engineering technician 24 hours prior to the following operations:

- construction of access road and well site
- spudding (including dry hole digger or rat hole rig)
- running and cementing of all casing strings
- pressure testing of BOPE or any casing string
- surface reclamation work.
- commencing completion operations.

b) Chevron will be responsible for informing all persons who are associated with the project operations that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. During operations, if discoveries of any cultural remains, monuments or sites, or any object of antiquity

subject to the Antiquities Act of June, 1906 (34 Stat. 225; 16 U.S.C. Secs 431-433), the Archaeological Resources Protection Act of 1979 (PL 96-95), and 43 CFR, Part 3, operations will immediately cease and will be reported directly to the Area Manager. In cases where salvage excavation is necessary, the cost of such excavation shall be borne by the Operator, unless otherwise agreed upon. There are no known archeological, historic, or cultural sites in the immediate area. Much of the Unit area, over the past ninety three years, has been subjected to surface disturbance by roads, pipelines, and other producing surface facilities, and the probability of finding any artifactual remains or architecture of archeological significance is remote. **An archeological study of the Rangely Unit area has been conducted and clearance given.** An archaeologist's report of federal land within the Unit boundary is on file with the BLM.

c) Pursuant to 43 CFR 10.4(g) Chevron will notify the authorized officer (AO), by telephone, with written confirmation, immediately upon the discovery of human remains, funerary items, sacred objects, or objects of cultural patrimony. Further, pursuant to 43 CFR 10.4 (c) and (d), Chevron will stop activities in the vicinity of the discovery and protect it for 30 days or until notified to proceed by the authorized officer.

d) If paleontological materials (fossils) are uncovered during project activities, Chevron will immediately stop activities that might further disturb such materials, and contact the authorized officer (AO). The operator and the authorized officer will consult and determine the best option for avoiding or mitigating paleontological site damage.

e) An H₂S Contingency Plan for this field is on file with the BLM.

13. LESSEE'S OR OPERATOR'S REPRESENTATIVE and CERTIFICATION

**Application for Permit to Drill
Certifying Statement**

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of state and Federal laws applicable to this operation; that the statements made in the APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S. C. 1001 for the filing of false statements.

Executed this Day: May - BSN 25, 2008

Name: [Signature]

Printed Name: Jeff Roedell

Position Title: Technical Team Leader

Address: 100 Chevron Road, Chevron Rd, Rangely CO 81648

Telephone: 970-675-3816

Field Representative: Luke Allred - Operations Supervisor

Address: 100 Chevron Rd, Rangely CO

Telephone: 970-675-3846-