



Doc # 2618933

Lee Smitherman
Land Representative

February 4, 2019

Bob Koehler
Colorado Oil & Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, Colorado 80203

via email (bob.koehler@state.co.us)

Re: Union Pacific #113X22
(API: 103-08606)
Form 31 and 33 Conversion to Disposal Injector
Section 22, T2N, R102W
Rangely Weber Sand Unit
Rio Blanco County, Colorado

Dear Mr. Koehler:

This letter is in response to your email dated January 18, 2019, regarding requirements for Forms 31 and 33, for the Union Pacific #113X22 well, and Chevron's right to dispose in the Navajo formation. According to Paragraph 8 of the enclosed Unit Agreement for the Rangely Weber Sand Unit, Chevron, as Unit Operator, is granted the exclusive right, privilege, and duty, to exercise any and all rights, including surface rights, which are necessary or convenient for producing, storing, allocating, and distributing Unitized Substances. This express language provides the basis for Chevron's right to use the surface here to dispose of water associated with production from the Rangely Unit into the Union Pacific #113X22 in the Navajo formation. In addition, Chevron as Unit Operator has the general right to reasonable use of the surface for mineral development.

In accordance with COGCC Rule 325.i., on November 1, 2018, Chevron sent written notice of application for a dedicated injection well to each surface owner within one-quarter (1/4) mile of the proposed dedicated injection well, as well as to each operator of an oil and gas well within one-quarter (1/4) mile of the proposed dedicated injection well, since the Navajo injection zone does not produce. The contents of the notice met the requirements of Rule 325.i. Importantly, Chevron's notification to surface owners and operators in accordance with Rule 325.i, in this instance, is consistent with the process Chevron has followed in the past, including with respect to the Emerald 79X well permitted for conversion in 2018.

Chevron has the same surface use rights in connection with the Union Pacific #113X22 well, as with the Emerald 79X well. Therefore, the same notice procedure under COGCC Rules should be sufficient here.

Should you desire to discuss this further, please do not hesitate to contact me.

Best Regards,

Lee Smitherman
Land Representative
Chevron U.S.A. Inc.

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