

Objective Criteria Review Memo - Chevron USA Inc (Chevron), Union Pacific 113X22 Well, recomplete Form 2 #401838975; No Form 2A; Form 4 #402221107 for Location ID #315500 (Chevron, Union Pacific - 62N102W / 22SWNW well pad).

This summary explains how COGCC and CPW staff conducted its technical review of the Chevron Union Pacific 113X22 Well recomplete Form 2 #401838975 and Union Pacific - 62N102W / 22SWNW Location Form 4 #402221107 (ID #315500) within the context of SB 19-181 and for the required Objective Criteria. Chevron is planning to recomplete the existing well to a dedicated salt water disposal (SWD) injection well and install an automated control skid. This Form 2 permit application met the following Objective Criteria -

1. *(Criteria 5.c) This existing (built prior to the requirement for a Form 2A) oil and gas location is in a sensitive area for water resources due to its proximity to an ephemeral drainage southeast of the pad.*
2. *(Criteria 6) This existing oil and gas location falls within CPW mapped 'sensitive wildlife habitat' (SWH) area for pronghorn winter concentration.*
3. *(Criteria 12) The existing access road (the road constructed from Rio Blanco County Road 1 to the oil and gas location) falls within CPW mapped 'sensitive wildlife habitat' (SWH) area for pronghorn winter concentration.*

COGCC staff met with the Director to discuss whether the Objective Criteria were sufficiently addressed and whether the Form 2 could be approved with the proposed Best Management Practices (BMPs) and applied Conditions of Approval (COAs). The following sections provide details regarding the evaluation of each criterion.

Criteria 5.c: Oil and Gas Locations within: c) a Sensitive Area for water resources.

Site Specific Description of Applicability of Criteria 5.c: Based on the technical review and desktop evaluation, staff determined that one (1) USGS identified unnamed ephemeral drainage is located approximately 500 feet to the southeast of the well pad's edge of disturbance.

Site Specific Measures to Address Criteria 5.c: COGCC staff's review of this existing oil and gas location indicates that the well pad was built in October 1980, the one vertical oil well was drilled in November 1980, and completed in January 1981. The well is currently temporarily abandoned and there are no facilities located onsite. There are no reported spills or releases at this location. Chevron is planning to plug back the deeper Weber Formation and convert the well to a dedicated, single zone (Navajo Formation) salt water disposal (SWD) injection well. The Form 2 was submitted on December 5, 2018, with the Form 33 being submitted on November 14, 2018.

Chevron submitted a Form 4 #402221107 on October 24, 2019 for the Union Pacific - 62N102W / 22SWNW oil and gas location. This Form 4 has a Storm Water and Erosion Control Drawing and site-specific best management practices (BMPs) for injection well operations in support of the recompletion activities.

The existing well pad has a compacted earthen perimeter berm and raised pad entrance. The access road runs along the southeast edge of the well pad and has a borrow ditch. No storage tanks are required for this location since all produced water will be piped in through existing onsite and offsite pipelines. The only equipment associated with the proposed injection well is an automated control skid. Chevron has the ability to

monitor real time pressure and injection rates through the field SCADA system on the control skid. Additionally, an alarm will be added to the tubing pressure transmitter on the control skid to notify field operations personnel should tubing pressure exceed the maximum allowable surface injection pressure to ensure a quick field response. The existing BMPs will be monitored daily and maintained to ensure site containment in the event of a potential release.

Based on the information collected during this desktop review, the closest downgradient surface water feature that could be impacted would be an ephemeral drainage located 500 feet southeast of the existing location. It is not anticipated that this drainage feature could be impacted by a potential release due to the existing storm water and erosion control measures. The existing access road borrow ditch would also prevent a potential release from entering the drainage.

Summary: During the technical review process for the recompleting Form 2, COGCC staff reviewed additional information regarding the operator's planned activities, the existing storm water and erosion control measures, the absence of any storage tanks, and the BMPs concerning the injection well operations. Based on this information, it is not anticipated that the closest downgradient ephemeral drainage (located 500 feet southeast of the existing location) could be impacted by a potential release.

Criteria 6: Oil and Gas Locations within a Colorado Parks and Wildlife ("CPW") mapped Restricted Surface Occupancy Area ("RSO") or Sensitive Wildlife Habitat ("SWH"), or locations receiving site- or species-specific CPW comments.

Criteria 12: Oil and Gas Locations with an access road (the road constructed from the public road to the Oil and Gas Location) within a RSO, SWH, 317B buffer zone, or within 200' feet of a Building Unit on lands not subject to a Surface Use Agreement.

Site Specific Description of Applicability of Criteria 6 and 12: Based on the technical review and desktop evaluation, staff determined that this existing oil and gas location and access road from Rio Blanco County Road 1 falls within a CPW-mapped 'sensitive wildlife habitat' (SWH) area for pronghorn winter concentration, which warranted a discussion with CPW concerning the Form 2 recompleting activities at this location.

Site Specific Measures to Address Criteria 6 and 12: COGCC contacted Chevron to determine the timeframe and duration of the recompleting activities, including the equipment needed for the recompleting. The activities are planned for November or December 2019 and should take no more than a week to complete.

COGCC contacted CPW to provide details on the proposed activity at the existing well pad. CPW conducted a desktop analysis to see if there would be any potential wildlife concerns. Since the location is already constructed and will not require any expansion, is located in a heavily developed and disturbed area (producing well density is roughly 13 wells per square mile and road density is 3.3 miles of roads per square mile), and the proposed timing of the activities (November or December 2019) is outside of the pronghorn winter concentration recommended avoidance period of January 1 to March 31; there are no CPW recommendations for wildlife BMPs at this time. According to CPW, the proposed project is not anticipated to have adverse impacts to wildlife or habitats within this area; and therefore, no compensatory mitigation is necessary.

Summary: During the technical review process for the recomplete Form 2, COGCC staff requested additional information and clarification regarding the applicant's proposed recompletion activities. CPW's desktop analysis indicated there are no recommendations for wildlife BMPs at this time and that the proposed project is not anticipated to have adverse impacts to wildlife or habitats within this area.

Director Determination: Staff met with the Director to discuss Objective Criteria that are met by this Oil and Gas Location.

- the Director determined Criteria 5.c. was sufficiently analyzed since the existing storm water and erosion control measures and the injection well operational BMPs meet the standard for protection of the sensitive environment and water resources; and
- the Director determined Criteria 6 and 12 were sufficiently analyzed since this is a built location within a heavily developed and disturbed area, and, according to CPW, the well recompletion activities (scheduled to be completed in November or December 2019; outside the pronghorn winter concentration avoidance period of January 1 to March 31) would not have adverse impacts to wildlife or habitats within this area.

Based on the Objective Criteria review, the Director has determined that this permit application meets the standard for protection of public health, safety, welfare, the environment and wildlife resources set by SB 19-181.