



Chevron Canada Limited
500 - 5th Avenue S.W.
CALGARY, Alberta
T2P 0L7
Tel 403-234-5452
Drose@chevron.com

July 20, 2017

Town of Fox Creek

102 Kaybob Drive, Box 149
Fox Creek, Alberta T0H 1P0

Attention: Mayor and Councillors

**RE: NOTIFICATION OF A PROPOSED CROWN WELLSITE
CHEVRON CANADA LIMITED
CHEVRON FOX CREEK 6-21-62-19 W5M (SURFACE) MULTI-WELL PAD
AER APPLICATION TYPE: CATEGORY C TYPE 370**

Please be advised that Chevron Canada Limited (Chevron) will be applying to the Alberta Energy Regulator (AER) for approval to construct, drill, complete and produce gas and associated liquids from a multi-well directionally drilled pad. This notice is being provided pursuant to AER Directive 056 requirements. The surface location of the multi-well pad is as shown on the attached plan.

H₂S Release Rate: **0.1656 m3/Sec**

H₂S Content: **Montney 6.00%, Debolt/Shunda 3.80%, Blueridge 17.70%**

Emergency Planning Zone Radius (EPZ): **0.24 km (240 meters)**

The well pad is located within an unpopulated area of existing oil and gas operations. There are no residences within the EPZ and the closest surface development or residence is located approximately **± 1.22 km NNE**.

Project Description and Need

Chevron intends on drilling the first two directional wells from a centrally located pad to explore, assess and produce natural gas and associated hydrocarbon liquids from the **Duvernay** formation. The wells will be licensed for a total measured depth of approximately 6,400 meters and a true vertical depth of approximately 3,050 meters. Additional wells may be licensed at a later date.

We anticipate that it may take up to six weeks to construct the well site lease. Construction is expected to commence in the second half of 2017. Drilling and completion operations are tentatively planned over a period of approximately three months starting in the second half of 2018.

Drilling & Completions

These wells will be drilled as directional wells utilizing one drilling rig to drill the two wells sequentially. Completions operations are planned to commence shortly after the second well has been drilled. The completions phase may include a flow back or cleanup period when the wells will be flared. If this well is successful, it may lead to additional well pads in this area.

Surface Facilities

Typical infrastructure on the site following drilling and completions include separation equipment prior to tying into existing pipelines.

Flaring

Flaring is not planned during the production of the wells. Flaring may be required after completion activities, during the initial tie in of the wells (anticipated for 9-12 days if required).

Setbacks

There are regulated setbacks put in place to maintain a minimum distance between an energy facility and a dwelling, public facility, rural housing project or urban centre. Setbacks provide safeguards to prevent populated areas from developing too close to energy facilities, and energy facilities from encroaching too closely to the public. This well will have the standard minimum separation distance of 100 meters from surface improvements, which includes individual dwellings, urban centers and public facilities.

Vehicle Traffic

During construction, drilling, and completing of the well, there will be additional heavy truck traffic in the area. If dust control is a concern, a water truck may be used to spray the roads. When operations are complete traffic will be limited to periodic visits by maintenance personnel.

Noise/Odour

In the area of our activities the community may experience the common noises associated with drilling and completions operations, such as gas/diesel engines, traffic, clanging of pipe, etc. These noise impacts are intermittent and of short duration. Chevron does not anticipate odours associated with our operations under normal circumstances.

If there are any concerns please contact us and we will work with you to address your concern.

Safety

Chevron is committed to protecting the environment, and the health and safety of the public as well as its employees and contractors. All operations will be conducted in accordance with good oilfield practice and in compliance with all applicable technical standards and regulations.

Emergency Response Plan

Chevron maintains a company level Emergency Response Plan and undertakes drills and exercises to ensure an appropriate response in the unlikely event of an incident. Chevron meets all AER requirements for emergency response planning.

24 Hour Emergency Contact Number

IN THE EVENT OF AN EMERGENCY YOU CAN CONTACT CHEVRON TOLL FREE AT 1-877-770-6966. NOTE THAT THIS NUMBER IS FOR EMERGENCY PURPOSES ONLY. If you have any project or application related queries please use the contacts provided below during normal business hours.

Additional Information

Included in this information package are several documents to assist you in understanding our activities and the oil and gas industry. In addition to this specific information provided, we have also included a list of other AER publications that can be provided to you and are available upon request.

Notice

This notice is being provided to you pursuant to the AER Energy Development Application Directive 56 requirements. Should you require further information or clarification regarding this proposed development by Chevron Canada Limited, please contact Duane Rose at 403 234-5452 during normal business hours.

If you wish to express your concerns or object to the proposed project, please call me collect and follow up with a written statement of your concerns or objection within 14 days.

Sincerely,



Duane Rose
Senior Land Representative

Enclosed:

- Project Description (this letter)
- Survey Plan
- A Letter from the Chief Executive Officer of the Alberta Energy Regulator
- AER Brochure: Understanding Oil and Gas Development in Alberta
- EnerFAQs No. 7: Proposed Oil and Gas Development: A Landowner's Guide
- Emergency Preparedness in the Energy Industry

Other AER publications available from the AER website at www.aer.ca are:

- AER EnerFAQ's: What is the Alberta Energy Regulator?
- AER EnerFAQ's: Have Your Say at an AER Hearing
- AER EnerFAQ's: Inspections and Enforcement of Energy Developments in Alberta
- AER EnerFAQ's: All About Critical Sour Wells
- AER EnerFAQ's: Explaining AER Setbacks
- AER EnerFAQ's: Flaring and Incineration
- AER EnerFAQ's: The AER and You: Agreements, Commitments, and Conditions
- AER EnerFAQ's: All about Alternative Dispute Resolution (ADR)
- AER EnerFAQ's: Oil Sands
- AER EnerFAQ's: How to Register a Private Surface Agreement

Should you wish to contact the AER, please call 403-297-8311 (use the Rite System toll free 310-0000) or write to Alberta Energy Regulator, Suite 1000, 250 – 5th Avenue S.W, Calgary, Alberta T2P 0R4.