



July 20, 2017

**Attention: Mayor and Councillors**

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

**Re: Update on Proposed Chevron Canada Limited 6-21-62-19 W5 Well Pad**

Thank you for meeting with Chevron representatives and allowing us to present the proposed program for the 6-21-62-19 W5 well pad to Town Council on May 8, and to town residents at the Chevron open house on May 9, 2017. We appreciate the comments and input provided to us. Chevron has carefully considered that input and has reshaped our plans in an effort to mitigate concerns.

The expiry date for the lands that would be retained by wells drilled from the 6-21-62-19 W5 well pad is July 2019. Chevron is proposing a revised program and schedule that seeks to retain our mineral rights in that area while addressing concerns of Fox Creek residents.

The following changes and clarifications are proposed for the 6-21-62-19 W5 well pad:

- Reduce the initial number of wells drilled from the pad from six to two wells (the additional four wells will be drilled at a later time; we will notify you when we know the timing)
- Both well drill paths will be entirely outside of the town limits
- Conduct continuous seismic monitoring while drilling and during hydraulic fracturing operations
- Continue to seek land tenure extension to defer drilling and completions

**Project Timing**

Our proposed schedule is as follows:

Drilling Licence:	Summer 2017
Lease Construction:	September 2017
Drilling:	August 2018
Completions:	Q3-Q4 2018

Our mitigation efforts reflect concerns we heard from residents while enabling Chevron to demonstrate safe resource development in the region. Should you have any concerns or questions regarding these changes, feel free to contact me. Please note that I will be away until August 1, but you can contact Paul Ringrose if you require immediate assistance.

We look forward to ongoing engagement with the residents of Fox Creek and continuing to build a mutually-beneficial relationship in the community as we move forward with operations in the region.

Regards,

A handwritten signature in black ink, appearing to read "Jim Navratil". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Jim Navratil  
Kaybob Duvernay Asset Manager