

PLAN OF OPERATIONS

**Chevron U.S.A. Inc.
100 Acre A. R. Jones Surface Lease
Containing Gas Compression Dehydration And
Salt Water Disposal Facilities
Chevron Field
Padre Island National Seashore
Kleberg County, Texas**

April 20, 1984

SUMMARY

The operations for which Chevron U.S.A. Inc. (Chevron) seeks approval consist of the continuance of support operations on the 100 acre - A. R. Jones surface lease in conjunction with four offshore wells currently on production.

These operations include the gathering through pipelines of oil and gas produced from these four wells, the compression of the gas in order to facilitate its flow, the separation of the materials through heat treatment and other operations incidental to the production, storing, processing and transporting of oil, gas and other minerals produced from Chevron's four wells.

Chevron has conducted these operations since the mid 1950's, and obtained the right to so utilize this property by lease of February, 1954. Since 1979, these operations have been conducted by authority of Special Use Permit No. 7490:36.

Chevron anticipates no additional impact on the environment from the continuation of these operations and, to Chevron's knowledge, no detrimental environmental impact has been sustained during the nearly thirty years of operation on the A. R. Jones surface lease. Chevron plans no new operations on this lease, merely a continuation of ongoing operations as previously permitted.

OWNERSHIP AND OPERATOR

The owner and operator of this surface facility is Chevron U.S.A. Inc., (Chevron) a California corporation. Chevron's offices are located at 935 Gravier Street, New Orleans, Louisiana.

Chevron obtained the right to operate on this tract by virtue of the A. R. Jones et al surface lease, which lease was executed in February, 1954. A copy of this lease is attached hereto as Exhibit "A".

MAPS

Attached hereto as Exhibit "B" is a map depicting the following:

- a. Operations site within lease area;
- b. site perimeter depicting existing access routes
- c. boundaries of existing surface disturbance
- d. all surface facilities
- e. location of "Station Quail", a permanent marker with State Coordinates as surveyed by W. E. McClung, Louisiana, Registered Professional Land Surveyor No. 2552.

EQUIPMENT AND OPERATION

Located on this lease are three compressors which are utilized to compress the gas piped in from offshore to a pressure suitable for further transmission. Currently only one of these compressors is being used.

Near the compressors is a fire pump which, if necessary, could be used for fire prevention. It may also be used for "washdown" purposes.

There is a brackish water well on the premises which furnishes water for fire prevention and "washdown" purposes. This well does not produce potable water.

A heater-treater is located on this lease which is used to treat the oil and gas. There are two 2,000 barrel galvanized water accumulation tanks on the lease.

The salt water which is accumulated in these tanks is disposed of in the Chevron A. R. Jones #1 - SWD salt water disposal well. This well was drilled and completed for salt water disposal purposes exclusively. The Texas Water Quality Board approved the drilling of this well as did the Superintendent of the Padre Island National Seashore.

The Chevron A. R. Jones #1 - SWD well was drilled in November, 1973, to a total

depth of 2,364 feet, and enters no defined geological formation, but penetrates hard sand, shale and sand. The well was cased and completed with 9-5/8" surface casing set at 58 feet and 5-1/2" long string casing set at 2,350 feet, both cemented to surface. Injection is made through 2-7/8" tubing set in a packer at 2,186 feet. Approximately eleven barrels of salt water are injected in this well daily. Groundwater considered to be of usable quality occurs in the area of this well to a subsurface depth of $\pm 1,500$ feet.

There is a salt water injection pump near the well which is used in disposal of salt water from the tanks,

There are two 2,000 barrel welded tanks which serve to collect oil. Nearby is a 250 gun barrel separator which treats and separates the oil and gas being produced.

There are several other structures located on this surface lease, including a generator building which houses two generators, one of which is utilized in emergencies. The normal source of electrical power is CP&L. An office building is located on the lease, and there is an area which is used as a heliport.

No other major equipment is used on the lease and no new equipment is planned. Access to the lease is afforded by the road between Park Road 22 and the facility, to which access is controlled by a locked gate. The surface lease is fenced around all facilities, with an adequately large gate on the access road to facilitate the entry of large equipment.

Operations at this site have been ongoing for over twenty-five years and it is contemplated that they will continue indefinitely as required to service production from Chevron's offshore facility.

HOUSEKEEPING, FIRE AND ACCIDENT PROVISIONS

Chevron includes provisions for good housekeeping in its safety training program for all employees. Moreover, each employee assigned to this installation is trained in

accident prevention in a variety of methods including monthly safety meetings, in-house training sessions and periodically issued printed materials.

Each Chevron employee is required to attend a fire-prevention training session at two-year intervals. In the unlikely event of a fire the employees assigned to this installation are trained in the use of the dry chemical system located on site which consists of two 150 pound wheeled extinguishers and 13 portable hand units. Each of the above items are covered extensively in Chevron's "Safe Practices Manual" which is distributed to each employee and becomes a part of their job responsibility.

RECLAMATION

Chevron does not plan abandonment or completion of its operations of this surface lease within the next five years. Therefore, there are no provisions for reclamation at the present time. In the event operations are completed, however, Chevron will supplement this plan to include such reclamation provisions.

RUBBISH AND WASTE DISPOSAL

Rubbish is disposed of at a publicly-owned treating works. Solid waste is disposed of at a permitted disposal site. Any waste liquid hydrocarbons are hauled by vacuum truck to Texas Railroad Commission permitted disposal sites. Human waste is disposed of by a septic tank on location. As previously mentioned, any salt water is disposed of in the Chevron A. R. Jones #1 - SWD disposal well.

DESCRIPTION OF THE ENVIRONMENT

Chevron's surface lease facilities are situated just north of the Padre Island Ranger Station and Maintenance Area, between Park Road 22 and the beach. The facility is situated inward of the fore-island dune ridge, and is heavily vegetated by various native grasses, small shrubs and other vegetation. There is a small local pond within the boundaries of the lease, as well as sand, shell, isolated stabilized dunes and marshes.

Several local bird species have been observed within the lease area, including laughing gulls, egrets, ^herons and ducks.

There are no significant cultural environmental resources within the lease area, nor are there any social environmental resources of significance.

ENVIRONMENTAL IMPACTS, MITIGATION AND ALTERNATIVES

As these operations have been continuous and ongoing since the mid-1950s, and no detrimental environmental impact has been noticed to date, no future direct or indirect impact is anticipated. Chevron has been alert to all environmental concerns involved with this facility, and has taken appropriate precautions to insure the environment is protected. As previously mentioned, the Chevron - A. R. Jones #1 - SWD well is the only well located on this lease and is for salt water disposal only. It is cased, cemented and completed as discussed hereinabove.

For further reference, a map of all wells of public record within two miles of this facility is attached as Exhibit "C".

GENERAL MANAGEMENT PLAN

Appropriate representatives have reviewed the General Management Plan of Padre Island National Seashore, approved by the Regional Director on February 8, 1983. Chevron's operations were discussed therein, and are conducted in a manner to minimize and avoid environmental damage.

DISCUSSION OF ALTERNATIVES

The only alternative to continuing to utilize the surface facilities on this lease would be relocation to another site within the Padre Island National Seashore and erection of new facilities.

This alternative would be extremely costly and would have new and undetermined effects on the environment. Chevron feels that it is much more desirable from all concerns to continue the operations as in the past. This will result in the least possible effect on the environment.

CONCLUSION

Chevron U.S.A. Inc. has conducted ongoing activity upon this lease for thirty years and during that period there has been no significant detrimental impact to the environment. Therefore, no future impact on the environment is anticipated. No new operations are planned upon this lease; no new construction is anticipated. We feel that all interests are best served and the environment best protected by continuation of operations at this location.

Moreover, contained in the legislation authorizing the acquisition of these lands for the Padre Island National Seashore, 16 USCS 459d-3 provided as follows:

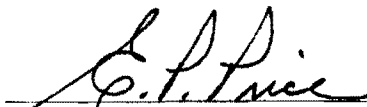
"Any acquisition hereunder shall exclude and shall not diminish any right of occupation or use of the surface under grants, leases or easements existing on April 11, 1961, which are reasonably necessary for the exploration, development, production, storing, processing, or transporting of oil and gas minerals that are removed from outside the boundaries of the national seashore and the Secretary may grant additional rights for the purposes aforesaid upon the terms and under such regulations as may be prescribed by him."

Chevron's right of occupation was created by lease of February 22, 1954, and the lease has been used since for the purposes mentioned in the above statute. At this time we seek no additional rights of occupation or use, but a continuation of the identical use we have enjoyed since 1954.

This Plan of Operation is being submitted in a spirit of cooperation with the Padre Island National Seashore in an effort to insure continued safety to the environment.

A F F I D A V I T

All operations, both present and future, being conducted by
CHEVRON U.S.A. INC. at Padre Island National Seashore (Chevron
Field Shore Facilities) will comply with all applicable Federal,
State and local laws and regulations.



E. P. PRICE

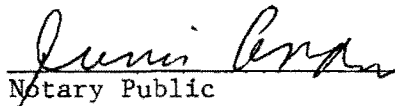
Manager - Western Production Division
Chevron U.S.A, Inc.
Eastern Region, EL&P

State of Louisiana

Parish of Lafayette

BEFORE ME, the undersigned authority in and for the jurisdiction
aforesaid, on this day personally appeared E. P. PRICE, known to me
to be the person whose name is subscribed to the foregoing instrument,
who being by me first duly sworn on oath states that he is duly auth-
orized to execute the above Affidavit and that the facts stated therein
are true and correct.

SUBSCRIBED AND SWORN to before me this the 18 day of
April, 1984.



Notary Public

In and for Lafayette Parish, Louisiana

My commission expires:

24 Dec 84