

**STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES  
OIL CONSERVATION DIVISION**

**APPLICATION OF OXY U.S.A. INC.  
AND OCCIDENTAL PERMIAN, LTD FOR A  
CLOSED LOOP GAS CAPTURE PILOT  
PROJECT, EDDY COUNTY, NEW MEXICO.**

**CASE NO. 24983**

**ENTRY OF APPEARANCE AND NOTICE OF LIMITED OBJECTION**

Modrall, Sperling, Roehl, Harris & Sisk, P.A. hereby enters its appearance on behalf of Chevron U.S.A. Inc. ("Chevron") in the above-referenced matter and provides notice of objection to the application being granted. For its entry of appearance and notice of objection, Chevron states as follows:

1. In their application, OXY U.S.A. Inc. and Occidental Permian, LTD ("OXY") seek authority from the Division to operate a Closed Loop Gas Capture Project covering portions of sixteen sections within Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico.

2. Chevron holds mineral leases in Sections 33 and 34, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico, which it intends to develop. As part of its future development plans, Chevron intends to develop the Second Bone Spring interval.

3. Sections 33 and 34 are directly adjacent to certain wells with respect to which OXY seeks authority to inject produced gas into the Second Bone Spring interval.

4. Chevron has concerns that OXY's proposed injection of produced gas into the Second Bone Spring interval with respect to wells directly adjacent to Chevron's leasehold interests could negatively impact Chevron's recovery of production from its current and planned future wells.

5. Chevron's concerns are limited to the wells directly adjacent to Chevron's acreage; Chevron does not object to OXY's application with respect to the other wells identified in the application.

6. The two wells Chevron has concerns about are the Cedar Canyon 29 Fed Com 26H and the Cedar Canyon 28 Federal 0007H. These wells are approximately 636 feet and 936 feet from Sections 33 and 34 respectively.

7. Chevron only recently learned of OXY's application, and immediately upon learning of it, Chevron contacted OXY to discuss the potential negative impacts on Chevron's operations.

8. While OXY responded positively to Chevron's request, OXY has indicated that, due to the holidays, it will not be able to have detailed conversations until after January 2, 2025.

9. As a result, Chevron is filing this entry of appearance and notice of objection to allow time for Chevron and OXY to have further discussions.

10. This case was heard on December 5, 2024, and OXY only recently submitted supplemental exhibits, on December 18, 2024, and no order has yet been issued.

11. Chevron will assert that, based on publicly available data, the evaluation as to whether OXY's proposed project will have impacts on Chevron's recovery of production is more nuanced than the issues presented in OXY's exhibits and at the hearing. Given the potential implications to Chevron's future development, and Chevron's hope that the interests of both OXY and Chevron can be accommodated, Chevron submits this entry of appearance and notice of limited objection.

Respectfully submitted,  
MODRALL, SPERLING, ROEHL, HARRIS  
& SISK, P.A.

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**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing was served on the following counsel of record by electronic mail on December 23, 2024:

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