

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

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:

CASE NOS: 21020

APPLICATION OF CHEVRON USA INC. FOR A GAS CAPTURE
PILOT PROJECT INVOLVING THE OCCASIONAL INJECTION OF
PRODUCED OIL INTO THE BONE SPRING FORMATION,
LEA COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

APRIL 16, 2020

SANTA FE, NEW MEXICO

This matter came on for hearing before the New Mexico Oil Conservation Division, EXAMINERS FELICIA ORTH, DYLAN COSS and LEONARD LOWE, on Thursday, April 16, 2020, at the New Mexico Energy, Minerals, and Natural Resources Department, Wendell Chino Building, 1220 South St. Francis Drive, Porter Hall, Room 102, Santa Fe, New Mexico.

Reported by: Irene Delgado, NMCCR 253
PAUL BACA PROFESSIONAL COURT REPORTERS
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Albuquerque, NM 87102
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A P P E A R A N C E S

For the Applicant:

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Admitted

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1 HEARING EXAMINER ORTH: Let's move then to 21020.
2 This is Chevron USA, a compulsory pooling matter for a well
3 named Solado Draw. Is there an appearance from Holland &
4 Hart?

5 MR. RANKIN: Good morning, Madam Examiner.
6 Appearing on behalf of the applicant in this case, Adam
7 Rankin with the law firm of Holland & Hart.

8 HEARING EXAMINER ORTH: Are there any other
9 appearances? Let me wait just a moment.

10 (No response.)

11 HEARING EXAMINER ORTH: Okay, thank you.
12 Mr. Rankin, go ahead.

13 MR. RANKIN: (No response.)

14 HEARING EXAMINER ORTH: Mr. Rankin can you hear
15 me?

16 MR. RANKIN: I can hear you. I apologize.
17 Apparently my internet is not the strongest. Can you hear
18 me okay?

19 HEARING EXAMINER ORTH: Now I can.

20 MR. RANKIN: Okay. Shall I proceed?

21 HEARING EXAMINER ORTH: Yes, please. Please go
22 ahead.

23 MR. RANKIN: Filed on Tuesday was a copy of the
24 affidavit of Katie Halley who is the landman for Chevron.
25 Her affidavit -- she has not previously testified before the

1 Division, so included with her affidavit as Exhibit A is a
2 copy of her resume reflecting that she is a graduate of the
3 Texas Tech University in December 2006 and also of Texas
4 Tech University School of Law in 2014. She has worked as a
5 landman since 2015, and I ask at this time that she be
6 accepted as an expert in petroleum land matters.

7 HEARING EXAMINER ORTH: All right. I will so
8 accept her. Thank you.

9 MR. RANKIN: Madam Examiner, in Exhibit 32 is a
10 copy of Ms. Halley's affidavit. In it she reviews efforts
11 and steps she has taken to provide notice of this
12 application and of this hearing.

13 Exhibit B to her affidavit is an overview locator
14 map identifying the general location of Chevron's proposed
15 pilot project injection wells within the project area,
16 located in the Township 26 South, Range 33 East in Lea
17 County.

18 Exhibit C attached to her affidavit is a zoomed
19 in map showing the half mile area of review around each of
20 the proposed project injection wells. In green is the oval
21 depicting the area of review around the Salado 2H, and in
22 red is the oval depicting the area of review around the
23 Salado Draw 5-H well.

24 Also within the map, each of the separately-owned
25 tracts is identified by number and is also color coded.

1 The following the pages in Exhibit C reflect the
2 interest owners, affected parties who were entitled to
3 notice. Parties entitled to notice are identified based on
4 the determination of final and land interests in the county
5 records, and also review of New Mexico oil and gas, OCD
6 records and BLM records as operators.

7 She testifies she has undertaken a good faith
8 effort to identify and locate the correct parties and valid
9 addresses of all parties entitled to notice within the half
10 mile area of review for each of the proposed injection
11 wells, including interest owners in each case.

12 Exhibit 33 is a copy of the affidavit prepared by
13 me and my office reflecting that we have sent notice to each
14 of the parties identified to us by Chevron as entitled to
15 notice, including the surface owner, in each case that's the
16 BLM.

17 Next Exhibit 34 is a copy of the notice of
18 publication -- affidavit of publication reflecting that we
19 have published notice identifying each of the affected
20 parties entitled to notice by name including the surface
21 owner for each of the wells.

22 If there are no questions, Madam Examiner, at
23 this time I would ask that Exhibits 32 through 34 be
24 accepted into the record.

25 HEARING EXAMINER ORTH: Yes. Your exhibits are

1 accepted. Let me ask Mr. Coss if he has any questions at
2 this time.

3 EXAMINER COSS: No, I don't have any questions,
4 but I thank Mr. Rankin for getting on this docket and
5 completing as he mentioned here, the land person. I wanted
6 to let him know that we are working on the order, but that
7 we probably will request that CBLs be ran of the well that
8 hasn't had a CBL submitted. So just a heads up for you and
9 Chevron, we would like to start working on that. It will be
10 a hurdle that will be own overcome or injection --

11 HEARING EXAMINER ORTH: Okay. Thank you, Mr.
12 Coss. Mr. Lowe, do you have any --

13 EXAMINER LOWE: I don't have any questions.
14 Thank you.

15 HEARING EXAMINER ORTH: All right. Thank you.
16 Thank you very much Mr. Rankin. Your packet is accepted and
17 will be taken under advisement.

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1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO

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4 REPORTER'S CERTIFICATE

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6 I, IRENE DELGADO, New Mexico Certified Court
7 Reporter, CCR 253, do hereby certify that I reported the
8 foregoing proceedings in stenographic shorthand and that the
9 foregoing pages are a true and correct transcript of those
10 proceedings that were reduced to printed form by me to the
11 best of my ability.

12 I FURTHER CERTIFY that the Reporter's Record of
13 the proceedings truly and accurately reflects the exhibits,
14 if any, offered by the respective parties.

15 I FURTHER CERTIFY that I am neither employed by
16 nor related to any of the parties of attorneys in this case
17 and that I have no interest in the final disposition of this
18 case.

19 Dated this 16th day of April 2020.

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Irene Delgado, NMCCR 253
License Expires: 12-31-20

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