

Protested SWD Application

By Chevron on 5/21/20

Lamkin, Baylen, EMNRD

From: Lamkin, Baylen, EMNRD
Sent: Wednesday, May 27, 2020 3:55 PM
To: 'hholub@riceswd.com'
Subject: Notification of Protest for Application to Inject: Rice Operating Company_B-18 SWD_ Chevron USA
Attachments: SWD-2383_Rice Operating Company_B-18 SWD_5.20.20_Chevron Protest.pdf

RE: B-18 SWD (API 30-25-Pending; Admin. Appl. No pBL2014230588) Unit B S18 T22S R37E, NMPM, Lea County

Mr. Holub,

The OCD was notified by Chevron USA that they are protesting this application. This party has been identified as an affected person for the location being considered. Because of the protest, the application can no longer be reviewed administratively. You are being notified that for this application to be considered, Rice Operating Company, currently has two options; the first is to go to hearing, the second is to negotiate a resolution with the protesting party. If the protest is withdrawn, then the application can be reviewed administratively. In the meantime, the application will be retained pending a hearing or other resolution. Please continue to provide OCD with information regarding the standing of this application and feel free to call me with any questions.

Contact for Chevron USA:

Lance D. Hough

505.848.1800

Fax: 505.848.1891

lance.hough@modrall.com

Kind regards,

Baylen Lamkin

Petroleum Engineer

Oil Conservation Division

1220 South St. Francis Drive

Santa Fe, New Mexico 87505

505-476-3401





May 21, 2020

Via E-mail Only

OCD.Engineer@state.nm.us

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Engineering Bureau
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: *Administrative Application of Rice Operating Company for
Authorization of Injection Well B-18 in Unit B, Section 18, T22S,
R37E, NMPM, Lea County, New Mexico.*

Dear Sir or Madam:

Chevron U.S.A., Inc. ("Chevron"), by and through its counsel, hereby protests the above-referenced Administrative Application to Inject filed by Rice Operating Company ("Rice"). Rice seeks to dispose of up to 45,000 BPD of fluids ostensibly into the San Andres formation at depths between 3,900' and 5,100'.

Chevron is an "affected person" under Rule 19.15.26.7(A) which was provided noticed of the application. It appears from the application that Rice published notice before it filed its application which misrepresents the timing for filing an objection to Rice's application.

Chevron believes that the location of the proposed well will impair or impede the development of its oil and gas resources by limiting the location of Chevron's wells and surface facilities such that granting the Application will cause waste and impair its correlative rights.

Additionally, the Application is incomplete in that it lacks at least the following information required by Division Rules, policies and form C-108:

1. Although the Application implies that disposal will be into zones not productive of oil or gas, no analysis of present or future productivity is provided;

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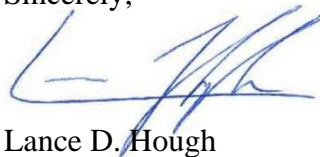
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2. The application does not include any geologic data on the injection zone with appropriate lithological detail to assess the potential for the migration of fluids nor does it provide any affirmation that the well be tested for mechanical integrity or monitoring conducted to determine if the well may be contributing to seismic activity.

Chevron hereby requests that the application be set for hearing in accordance with Rule 19.15.26.8(D) and, after appropriate notice and hearing, be denied.

Please contact me if you have any questions.

Sincerely,



Lance D. Hough

EED/ldh/W3756644.DOCX

cc: Cara Wright (Cara.Wright@chevron.com)