

Protested SWD Application

Chevron USA Inc. 11/18/19

Lamkin, Baylen, EMNRD

From: Lamkin, Baylen, EMNRD
Sent: Tuesday, November 26, 2019 4:05 PM
To: 'ramona@lonquist.com'
Cc: Goetze, Phillip, EMNRD; Rose-Coss, Dylan H, EMNRD
Subject: Notification of Protest for Application to Inject: Bear Tracker SWD No. 1 _ Chevron USA Inc.
Attachments: 3Bear Bear Tracker SWD No_Chevron USA Inc Protest Email.pdf; 3Bear Bear Tracker SWD No_Chevron USA Inc Protest.pdf

RE: Bear Tracker SWD No.1 (API 30-15-Pending; Admin. Appl. No pDHR1930950543) Unit D S16 T26S R27E, NMPPM, Eddy County

Ramona,

The OCD was notified by Chevron USA Inc. 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, 3Bear Field Service, LLC 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 If the protest is withdrawn, then the application can be reviewed administratively.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 Inc.:
Kathleen Allen
Legal Assistant to Earl E. DeBrine, Jr., Chris Killion & Bayard Roberts
Modrall Sperling | www.modrall.com
P.O. Box 2168 | Albuquerque, NM 87103-2168
500 4th St. NW, Ste. 1000 | Albuquerque, NM 87102
O: 505.848.1800 Ext. 1671 | F: 505.848.9710

Regards,
Baylen Lamkin

Petroleum Specialist
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

(505) 476-3477



Lamkin, Baylen, EMNRD

From: Kathleen Allen <KATA@modrall.com>
Sent: Monday, November 18, 2019 4:12 PM
To: Rose-Coss, Dylan H, EMNRD
Cc: Goetze, Phillip, EMNRD; Earl E. DeBrine; Lance D. Hough; 'cara.wright@chevron.com'; 'McEniry, Kerry'
Subject: [EXT] FW: Chevron's Protest of Administrative Application of 3 Bear Energy for Authorization to Inject Bear Tracker SWD No. 1
Attachments: Chevron's Protest of 3 Bear's Administrative Application for Authorization to Inject Bear Tracker SWD No. 1.pdf

I am resending this email with the correct email address for Mr. Rose-Coss. I apologize for any confusion.

Kat

From: Kathleen Allen
Sent: Monday, November 18, 2019 4:05 PM
To: 'Phillip.Goetze@state.nm.us'
Cc: Earl E. DeBrine ; Lance D. Hough ; 'Dylan.H.Rose-Coss@state.nm.us' ; 'cara.wright@chevron.com' ; 'McEniry, Kerry'
Subject: Chevron's Protest of Administrative Application of 3 Bear Energy for Authorization to Inject Bear Tracker SWD No. 1

Mr. Goetz: Attached is a letter dated today to you from Earl DeBrine regarding Chevron's Protest of the Administrative Application of 3 Bear Energy LLC for Authorization to Inject Bear Tracker SWD No. 1. This letter is also being sent to you today by U.S. mail.

Please contact me if you have any questions or trouble opening the attachment.

Thank you,
Kat



Kathleen Allen
Legal Assistant to Earl E. DeBrine, Jr., Chris Killion & Bayard Roberts
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This e-mail may be a confidential attorney-client communication. If you received it in error, please delete it without forwarding it to others and notify the sender of the error.



MODRALL SPERLING

L A W Y E R S

November 18, 2019

Via E-mail & U.S. Mail

Phillip.Goetze@state.nm.us

Earl E. DeBrine, Jr.
505.848.1800
Fax: 505.848.1891
edebrine@modrall.com

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

Re: *In the Matter of the Administrative Application of 3 Bear
Energy LLC's for Authorization to Inject Bear Tracker SWD
No. 1*

Dear Mr. Goetze:

Chevron USA Inc., by and through its counsel, hereby protests the above-referenced Administration Application to Inject filed by 3 Bear Energy, LLC ("3 Bear"). Applicant seeks to dispose of up to 25,000 BPD of fluids into the Devonian, Fusselman and Montoya formations at various intervals between 13,650' and 15,150'.

Chevron is an "affected person" under Rule 19.15.26.7(A) which only recently learned of the application from another affected working interest owner. Chevron also previously filed a protest to 3 Bears' administrative application for this same well filed last year and 3 Bear was informed by the Division to submit its application for a hearing before an Examiner. A copy of that letter is enclosed. 3 Bear failed to file an application for hearing and instead submitted a new administrative 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 and that proposed injection intervals for this well may contain faults that could allow for the migration of fluids into formations that are productive for oil and gas such that granting the Application will cause waste and impair its correlative rights.

Modrall Sperling
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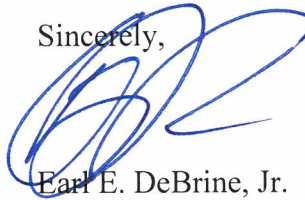
Tel: 505.848.1800
www.modrall.com

Phillip Goetz
Oil Conservation Division
November 18, 2019
Page 2

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,

A handwritten signature in blue ink, appearing to read "E. DeBrine, Jr.", with a stylized flourish at the end.

Earl E. DeBrine, Jr.

EED/hta/W3309300.DOCXv2

Enclosure

cc w/encl.: Dillon Rose-Coss (Dylan.H.Rose-Coss@state.nm.us)

Cara Wright

Kerry McEniry



MODRALL SPERLING

L A W Y E R S

November 13, 2018

Via E-mail & U.S. Mail

Phillip.Goetze@state.nm.us

Earl E. DeBrine, Jr.
505.848.1800
Fax: 505.848.1891
edebrine@modrall.com

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

Re: *In the Matter of the Administrative Application of 3 Bear
Energy LLC's for Authorization to Inject Bear Tracker SWD
No. 1*

Dear Mr. Goetze:

Chevron USA Inc., by and through its counsel, hereby protests the above-referenced Administration Application to Inject filed by 3 Bear Energy, LLC ("3 Bear"). Applicant seeks to dispose of up to 25,000 BPD of fluids into the Devonian, Fusselman and Montoya formations at various intervals between 13,650' and 15,150'.

Chevron is an "affected person" under Rule 19.15.26.7(A) which was provided notice of the Application.

Chevron believes that the proposed injection intervals for this well contains faults that could allow for the migration of fluids into formations that are productive for oil and gas and that granting the Application will cause waste and impair its correlative rights. Additionally, the Application is incomplete in that it lacks the following information required by Division form C-108:

1. Although the Application identifies the sources of the proposed injection water in the most general terms, there is no analysis of compatibility of the proposed injection with the receiving formation;
2. 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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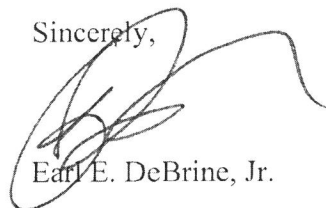
3. The application does not include sufficient geologic data on the injection zone with appropriate lithologic detail to demonstrate that there is no faulting which will allow for the migration of fluids and fails to affirm that there is no evidence of faults or hydraulic connection between the disposal zone and any underground sources of drinking water;
4. The application does not give the depth to bottom of all underground sources of drinking water overlying the proposed injection zone, nor does it give any such sources known to be immediately underlying the injection interval; and
5. The Application provides no chemical analyses of fresh water from any fresh water wells in the vicinity.

3 Bear's application also provides no showing that the well will be equipped, operated, monitored and maintained to facilitate periodic testing or to assure continued mechanical integrity which will result in no significant leak in the casing, and no significant fluid movement. The Application also makes no mention of the equipment that will be used to ensure that the injection pressure and annular pressure may be determined at the wellhead and accurately reported monthly.

Chevron hereby requests that the applications 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,



Earl E. DeBrine, Jr.

EED/kta/Y:\dox\client\83420\0029\CORRES\W3309300.DOCX
cc: Christopher Cooper
Kevin Burns