

# Protested SWD Application Chevron

## Rose-Coss, Dylan H, EMNRD

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**From:** Lamkin, Baylen, EMNRD  
**Sent:** Friday, January 3, 2020 3:53 PM  
**To:** 'nallem@all-llc.com'  
**Cc:** Goetze, Phillip, EMNRD; Rose-Coss, Dylan H, EMNRD  
**Subject:** Notification of Protest for Application to Inject: Karen Federal SWD #2 \_ Chevron USA Inc.  
**Attachments:** VistaDisposalSolutionsLLC\_Karen Federal SWD #2\_Chevron protest.pdf

RE: Karen Federal SWD #2 (API 30-25-Pending; Admin. Appl. No pBL1935132692) Unit K S5 T26S R34E, NMPM, Lea County

Mr. Alleman,

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, Vista Disposal Solutions, 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 If the protest is withdrawn, then the application can be reviewed administratively.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

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Regards,

**Baylen Lamkin**

*Petroleum Specialist*

Oil Conservation Division

1220 South St. Francis Drive

Santa Fe, New Mexico 87505





MODRALL SPERLING

L A W Y E R S

January 3, 2020

**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: Administrative Application of Vista Disposal Solutions, LLC  
Karen Federal SWD #2 Class 11D injection well  
T26S R34E, S5 Unit K, NMPM, Lea County, New Mexico.

Dear Mr. Goetze:

Chevron U.S.A., Inc. ("Chevron"), by and through its counsel, hereby protests the above-referenced Administration Application to Inject filed by Vista Disposal Solutions, LLC ("Vista"). Vista seeks to dispose of up to 25,000 BPD of fluids ostensibly into the Devonian - Silurian formations at a depth of 5,355 feet to 6,165 feet.

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 Vista published notice before it filed its application which misrepresents the timing for filing an objection to Vista'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 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 and the stated depths for the proposed

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injection do not comport with known depths of the Devonian-Silurian formation in Lea County;

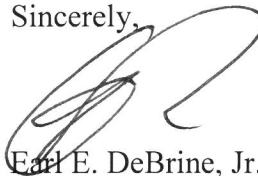
2. The application does not include any geologic data on the injection zone with appropriate lithologic detail to assess the potential for the migration of fluids nor does it provide any affirmation that the well be tested for mechanical integrity or monitoring conducted to determine if the well may be contributing to seismic activity.
3. 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
4. The Application provides no chemical analyses of fresh water from any fresh water wells in the vicinity.

Vista'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 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,



Earl E. DeBrine, Jr.

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cc: Dillon Rose-Coss ([DylanH.Rose-Coss@state.nm.us](mailto:DylanH.Rose-Coss@state.nm.us))  
Dan Arthur, ALL Consulting (*via U.S. mail*)  
Stephen M. Pesce ([SPesce@chevron.com](mailto:SPesce@chevron.com))