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

APPLICATION OF 3BEAR FIELD SERVICES, LLC FOR APPROVAL OF A SALT WATER DISPOSAL WELL, LEA COUNTY, NEW MEXICO

Case No. 20586

V-F PETROLEUM INC.'S PRE-HEARING STATEMENT

V-F Petroleum Inc. ("V-F") submits its Pre-Hearing Statement pursuant to rules of the Oil

Conservation Division.

APPEARANCES

APPLICANT

3Bear Field Services, LLC

OPPONENTS

V-F Petroleum Inc.

APPLICANT'S ATTORNEY

Candace Callahan Beatty & Wozniak, P.C. 500 Don Gaspar Avenue Santa Fe, NM 87505 Tel (505) 983-8764 ccallahan@bwenergylaw.com

OPPONENTS' ATTORNEYS

Gary W. Larson Dana S. Hardy P.O. Box 2068 Santa Fe, NM 87504-2068 Phone: (505) 982-4554 Facsimile: (505) 982-8623 glarson@hinklelawfirm.com dhardy@hinklelawfirm.com Commissioner of Public Lands and New Mexico State Land Office Andrea Antillon Associate Counsel New Mexico State land Office P.O. Box 1148 310 Old Santa Fe Trail Santa Fe, NM 87504 (505) 827-5752 (505) 827-4262 (fax) aantillon@slo.state.nm.us

STATE OF THE CASE

3Bear Field Services, LLC ("3Bear") seeks an order authorizing the injection of produced water for disposal purposes through its proposed Grama State SWD No. 2 Well (API pending) which will be located 351 feet from the north line and 215 feet from the west line (Lot 4, Unit D), Section 2, Township 22 South, Range 34 East, N.M.P.M., Lea County, New Mexico. The proposed injection interval will be within the Devonian, Fusselman formation (SWD; Devonian-Silurian, Pool Code 97869) between 14,400 feet and 15,500 feet below the ground through an open hole completion.

V-F opposes 3Bear's application because there may be producible hydrocarbons in the proposed injection internal and, if there are, V-F's correlative rights would be violated if 3Bear's application is granted.

PROPOSED EVIDENCE

WITNESSES	EST. TIME	<u>EXHIBIT</u>
Dale S. Lubinski (geologist)	30 minutes	Approximately 5
Jason Lodge (geologist)	30 Minutes	Approximately 5

V-F reserve its right to call a rebuttal witness(es) if appropriate.

PROCEDURAL MATTERS

V-F will be filing a motion requesting a continuance of the hearing to the August 22 docket. V-F is aware that 3Bear opposes a continuance, but has not been advised of the State Land Office's position. V-F agrees with 3Bear's request for a pre-hearing conference on July 9, 2019 to address V-F's request for a continuance.

Respectfully submitted,

HINKLE SHANOR LLP

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Counsel for V-F Petroleum Inc.

CERTIFICATE OF SERVICE

I hereby certify that on this 5th day of July, 2019 I served a true and correct copy of the foregoing *V-F Petroleum Inc.'s Pre-Hearing Statement* via email to:

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Counsel for the State Land and Office

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