

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

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

**CASE NO. 21020**

**CHEVRON U.S.A. INC.'S PRE-HEARING STATEMENT**

Chevron U.S.A. Inc. ("Chevron") (OGRID No. 4323), the applicant in the above-captioned case, submits this Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

**APPEARANCES**

**APPLICANT**

Chevron U.S.A. Inc.

**ATTORNEY**

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## APPLICANT'S STATEMENT OF CASE

Chevron seeks authorization to engage in a gas capture pilot project in the Avalon Shale interval of the Bone Spring formation ("pilot project"). Chevron is the operator of the following horizontal wells currently producing from the Bone Spring formation, WC-025 G-06 S263319P; BONE SPRING Pool (97955) in Section 19, Township 26 South, Range 33 East, NMPM, Lea County, New Mexico:

- The **Salado Draw 19 26 33 Federal Com #2H** (API No. 30-025-42662) located in the NW/4 NW/4 (Unit D) of Section 19; and
- The **SD EA 19 Federal P 6 #005H** (API No. 30-025-42797) located in the NW/4 NE/4 (Unit B) of Section 19.

Chevron seeks to authority to utilize these producing wells to occasionally inject produced gas into the Avalon Shale interval of the Bone Spring formation at a total vertical depth of approximately 9,122 feet to 9,196 feet along the horizontal portion of the wellbores at surface injection pressures of no more than 1,250 psi. The source of the produced gas will be the Bone Spring and Wolfcamp formations delivered to the three central tank batteries located in Section 23, Township 26 South, Range 32 East, and Sections 19 & 29, Township 26 South, Range 33 East, NMPM, Lea County, New Mexico. Chevron seeks authority for this pilot project to avoid the shut-in of producing wells or the temporary flaring of gas during pipeline capacity constraints, mechanical difficulties, plant shut downs, or other events impacting the ability to deliver gas into a pipeline.

**APPLICANT'S PROPOSED EVIDENCE**

<b>WITNESS Name and Expertise</b>	<b>ESTIMATED TIME</b>	<b>EXHIBITS</b>
Katie Halley, Landman	Approx. 10	Approx. 3
Jason Parizek, Geologist	Approx. 20	Approx. 4
Yula Tang, Reservoir & Petroleum Engineer	Approx. 20	Approx. 5
Edgar Acero, Production Engineer	Approx. 20	Approx. 5

**PROCEDURAL MATTERS**

None at this time.

Respectfully submitted,

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By: 

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