

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

**APPLICATION OF CHEVRON U.S.A. INC.  
FOR AUTHORIZATION TO EXPAND AND  
MAKE PERMANENT ITS CLOSED LOOP  
GAS CAPTURE INJECTION AUTHORITY  
INITIALLY APPROVED AS A PILOT  
PROJECT UNDER ORDER NO. R-21336,  
LEA COUNTY, NEW MEXICO.**

**CASE NO. 23174**

**NOTICE OF SUPPLEMENTAL EXHIBIT AND  
REQUEST FOR ADMINISTRATIVE APPROVAL FOR SUBSEQUENT EXTENSIONS**

Chevron U.S.A. Inc. (“Chevron”) provides notice that it is filing the attached supplemental Chevron Exhibit 26 in this case. Chevron obtained approval from the BLM on January 12, 2023, for its proposed expansion of the injection project through a BLM sundry. The sundry provides federal approval of the expansion injection project for a one-year period with monthly reporting of injected volumes to BLM. As requested at the hearing in this matter on December 1, 2022, Chevron Exhibit 26 is a copy of the approved BLM sundry.

In its application to the Division in this case and as articulated at the hearing, Chevron requests authorization to temporarily inject produced gas intermittently for an indefinite period of time. As reflected in Chevron Exhibit 26, BLM has authorized the injection for one year, subject to extension by sundry approval. In the event the Division grants Chevron authorization to temporarily inject for less than an indefinite period of time, Chevron respectfully requests that the Division authorize Chevron to file an administrative application to extend the authorization to inject prior to the end of the approved injection period, after providing an updated analysis of the area of review and notice to affected parties with an opportunity for hearing.

WHEREFORE, Chevron respectfully requests that Chevron Exhibit 26 be accepted into the record in this case and that the case be taken under advisement. In addition, if the Division authorizes injection for less than an indefinite period of time, Chevron further requests that any order the Division issues specifically provide that Chevron may file an administrative application to renew or extend its authorization to inject without a hearing, after providing an updated analysis of the area of review and notice to affected parties with an opportunity for hearing.

Respectfully submitted,

**HOLLAND & HART, LLP**



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**ATTORNEYS FOR CHEVRON U.S.A. INC.**

# CHEVRON EXHIBIT 26 CASE 23174

Form 3160-5  
(June 2019)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0137  
Expires: October 31, 2021

**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

<b>SUBMIT IN TRIPLICATE - Other instructions on page 2</b>		5. Lease Serial No. <b>MULTIPLE</b>
1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name <b>MULTIPLE</b>
2. Name of Operator <b>CHEVRON USA INCORPORATED</b>		7. If Unit of CA/Agreement, Name and/or No. <b>MULTIPLE</b>
3a. Address <b>P O BOX 1635, HOUSTON, TX 77251</b>	3b. Phone No. (include area code) <b>(661) 654-7256</b>	8. Well Name and No. <b>MULTIPLE</b>
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) <b>MULTIPLE</b>		9. API Well No. <b>MULTIPLE</b>
		10. Field and Pool or Exploratory Area <b>MULTIPLE</b>
		11. Country or Parish, State <b>MULTIPLE</b>

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Chevron is seeking approval from the Bureau of Land Management (BLM) to expand upon the successes of the pilot project to a one-year program including intermittent, short-term gas re-injection into the wells named below. The pilot project included two wells, and were now expanding the same project in the same area to (13) wells, all on Federal land.

The Project involves the occasional (short-term & intermittent) re-injection of produced gas into existing producing wells for temporary gas capture during pipeline service interruptions at the third-party gas processing facility contracted to take the gas from Chevron's gathering system.

This project prevents flaring and prevents waste created by these unplanned 3rd party gas takeaway interruptions.

Source of the produced gas is the Bone Spring (Avalon) and Wolfcamp Formations

Captured gas will be produced back through existing production equipment in the same wells once 3rd party gas takeaway is available

Continued on page 3 additional information

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) <b>CINDY HERRERA-MURILLO / Ph: (575) 263-0431</b>	Title <b>Permitting Specialist</b>
Signature	Date <b>12/20/2022</b>

**THE SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by <b>Jonathon W Shepard / Ph: (575) 234-5972 / Approved</b>	Title <b>Petroleum Engineer</b>	Date <b>01/12/2023</b>
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office <b>CARLSBAD</b>	

Title 18 U.S.C Section 1001 and Title 43 U.S.C Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

**CHEVRON EXHIBIT 26  
CASE 23174****GENERAL INSTRUCTIONS**

This form is designed for submitting proposals to perform certain well operations and reports of such operations when completed as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local area or regional procedures and practices, are either shown below, will be issued by or may be obtained from the local Federal office.

**SPECIFIC INSTRUCTIONS**

*Item 4* - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

*Item 13*: Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to the top of any tubing left in the hole; method of closing top of well and date well site conditioned for final inspection looking for approval of the abandonment. If the proposal will involve **hydraulic fracturing operations**, you must comply with 43 CFR 3162.3-3, including providing information about the protection of usable water. Operators should provide the best available information about all formations containing water and their depths. This information could include data and interpretation of resistivity logs run on nearby wells. Information may also be obtained from state or tribal regulatory agencies and from local BLM offices.

**NOTICES**

The privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c) and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM collects this information to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

**BURDEN HOURS STATEMENT:** Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Collection Clearance Officer (WO-630), 1849 C St., N.W., Mail Stop 401 LS, Washington, D.C. 20240

**Additional Information**

**Additional Remarks**

Chevron has received approval from NMOCD to conduct a Gas Capture Pilot Project (Case 21020; Order R-21336).  
<http://ocdimage.emnrd.state.nm.us/imaging/CaseFileView.aspx> Case No=21020

Alexandra Fleming spoke to Chris Walls on 12/15/2022 regarding preliminary/verbal approval for Gas Capture program.  
We received word from Santa Fe that they do not feel this project needs to be a gas capture agreement. They did say they would like us to request this for 1 year period and they would like the monthly report of injected volume to be required by a COA.

**Batch Well Data**

SALADO DRAW 19 26 33 FED 4H, US Well Number: 300254228100S1, Case Number: NMNM27506, Lease Number: NMNM27506,  
Operator:CHEVRON USA INCORPORATED

SALADO DRAW 19 26 33 FED 3H, US Well Number: 300254228000S1, Case Number: NMNM27506, Lease Number: NMNM27506,  
Operator:CHEVRON USA INCORPORATED

SALADO DRAW 18 26 33 FED 4H, US Well Number: 300254227900S1, Case Number: NMNM27506, Lease Number: NMNM27506,  
Operator:CHEVRON USA INCORPORATED

SALADO DRAW 18 26 33 FED 3H, US Well Number: 300254227800S1, Case Number: NMNM27506, Lease Number: NMNM27506,  
Operator:CHEVRON USA INCORPORATED

SALADO DRAW 18 26 33 FED COM 1H, US Well Number: 300254265900S1, Case Number: NMNM135806, Lease Number: NMNM27506,  
Operator:CHEVRON USA INCORPORATED

SALADO DRAW 19 26 33 FED COM 1H, US Well Number: 300254266100S1, Case Number: NMNM135996, Lease Number: NMLC065880A,  
Operator:CHEVRON USA INCORPORATED

SALADO DRAW 19 26 33 FED COM 2H, US Well Number: 300254266200S1, Case Number: NMNM135996, Lease Number: NMLC065880A,  
Operator:CHEVRON USA INCORPORATED

PORTER BROWN 1H, US Well Number: 300254080200S1, Case Number: NMNM27506, Lease Number: NMNM27506,  
Operator:CHEVRON USA INCORPORATED

SD EA 19 FEDERAL P6 6H, US Well Number: 300254279800S1, Case Number: NMNM27506, Lease Number: NMNM27506,  
Operator:CHEVRON USA INCORPORATED

SD EA 19 FEDERAL P6 7H, US Well Number: 300254279900S1, Case Number: NMNM27506, Lease Number: NMNM27506,  
Operator:CHEVRON USA INCORPORATED

SD EA 18 FEDERAL P6 5H, US Well Number: 300254279500S1, Case Number: NMNM27506, Lease Number: NMNM27506,  
Operator:CHEVRON USA INCORPORATED

**CHEVRON EXHIBIT 26  
CASE 23174**

SD EA 19 FEDERAL P6 5H, US Well Number: 300254279700S1, Case Number: NMNM27506, Lease Number: NMNM27506,  
Operator:CHEVRON USA INCORPORATED

SD EA 18 FEDERAL P6 6H, US Well Number: 300254279600S1, Case Number: NMNM27506, Lease Number: NMNM27506,  
Operator:CHEVRON USA INCORPORATED