

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

**APPLICATIONS OF CHEVRON USA INC.
TO APPROVE SALT WATER DISPOSAL
WELLS IN LEA AND EDDY COUNTY,
NEW MEXICO.**

**CASE Nos. 23686 & 23687
ORDER NO. R-22827**

ORDER

This matter comes before the Director of the Oil Conservation Division (“Director”) on the Director’s initiative. The Director finds and orders that:

1. These matters involve proposals to dispose of produced water in formations within the Delaware Mountain Group, comprising ‘shallow injection’ between 2,343’ and 8,939’ below ground surface. These proposed injection intervals present possible challenges for future oil and gas development and production in the underlying Permian intervals as the preference for permitting shallow disposal increases. The cases require consideration of correlative rights, the potential for waste, and the impacts to efficient development resulting from the need for additional disposal capacity. The Director believes that this issue should be decided by the Oil Conservation Commission (“Commission”).
2. Pursuant to NMSA 1978, Section 70-2-6(B) and 19.15.4.20(B) NMAC, a hearing may be held before the Commission on any matter if the Director, in their discretion, determines that the Commission shall hear the matter.

IT IS THEREFORE ORDERED THAT:

3. Case Nos. 23686 and 23687 are referred to the Commission for possible hearing and action and shall be placed on the agenda for the September 7, 2023, Commission meeting for purposes of a status conference so that the Commission can set a hearing schedule.
4. The record in the Division proceeding shall become part of the record before the Commission.

OIL CONSERVATION DIVISION



Dylan Fuge
Director

Date: 8/2/2023