

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

**APPLICATION OF CHEVRON U.S.A. INC.
TO REOPEN CASE NO. 16436 TO MODIFY THE
VERTICAL LIMITS OF THE JAVELINA UNIT,
IN EDDY COUNTY, NEW MEXICO.**

CASE NO. 16436 (Reopened)

APPLICATION

Chevron U.S.A. Inc. ("Chevron") by and through its attorneys, Modrall, Sperling, Roehl, Harris & Sisk, P.A., files this application with the Oil Conservation Division for an order reopening Case No. 16436 to modify the vertical limits of the Javelina Unit approved by the Division in Order No. R-20250. In support of its application, Chevron states:

1. By its Order R-20250, the Division approved the establishment of the Javelina Unit, comprised of approximately 5,119.76 acres of state and federal lands situated in Eddy County, New Mexico, described as follows:

Township 24 South, Range 31 East, N.M.P.M.:

| | |
|-------------|-----|
| Section 1: | All |
| Section 2: | All |
| Section 9: | All |
| Section 10: | All |
| Section 11: | All |
| Section 12: | All |
| Section 15: | All |
| Section 16: | All |

2. The unitized interval approved in Order No. R-20250 ordering ¶10 includes all oil and gas in any and all formations of the unitized land from the top of the Bone Spring formation defined as the stratigraphic equivalent of the top of the Bone Spring Lime, as seen at 8,400 feet beneath the surface in that certain Schlumberger Gamma Ray and Dual Laterolog/MSFL, dated November 13, 1980, in the Sotol Federal 1 (API # 30-015-23459), located 1980' FNL and 1980' FWL (Unit F) of in Section 12, Township 24 South, Range 31 East, Eddy County, New Mexico, to the center of the earth.

3. Applicant seeks to reduce the lower vertical limit of the Unit from: (a) the center of the earth, to: (b) the base of the Woodford Shale, defined as the stratigraphic equivalent of a depth of 16,367 feet beneath the surface in that certain Pan Geo Atlas Corp. Laterolog survey dated May 13, 1967, in the Cotton Draw Unit 65 well (API # 30-015-10843), located in Section 2, Township 25 South, Range 31 East, Eddy County, New Mexico.

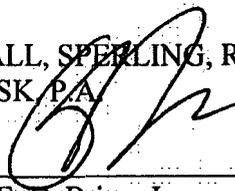
4. Chevron received preliminary approval of the Revised Unit Agreement with the reduced unitized interval from the New Mexico State Land Office on December 18, 2018 and the Bureau of Land Management on December 10, 2019.

5. Approval of this Application will be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Chevron requests that this Application be approved administratively by the Division or, if required, set for hearing before an Examiner of the Oil Conservation Division on February 7, 2019, and that after notice and hearing as required by law, the Division enter its order granting this Application.

Respectfully submitted,

MODRALL, SPEERLING, ROEHL, HARRIS
& SISK, P.A.

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Case No. 16436 (Reopened): **Application of Chevron U.S.A. Inc. to Reopen Case No. 16436 to Modify the Vertical Limits of the Javelina Unit, in Eddy County, New Mexico.** Applicant seeks approval to reopen Case No. 16431 to modify the vertical limits of the Javelina Unit consisting of approximately 5,119.76 acres of state and federal lands situated in all of Sections 1, 2, 9, 10, 11, 12, 15 and 16 of Township 24 South, Range 31 East, N.M.P.M., Eddy County, New Mexico. Applicant seeks to reduce the vertical limits of the Unit from the center of the earth to the base of the Woodford Shale, defined as the stratigraphic equivalent of a depth of 16,367 feet beneath the surface in that certain Pan Geo Atlas Corp. Laterolog survey dated May 13, 1967, in the Cotton Draw Unit 65 well (API # 30-015-10843), located in Section 2, Township 25 South, Range 31 East, Eddy County, New Mexico. The subject unit is located approximately 20 miles East of Loving, New Mexico.