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

APPLICATION OF CHEVRON U.S.A., INC
TO AMEND ORDER NO. R-22488,
EDDY COUNTY, NEW MEXICO.

<div align="right">

CASE NO. _____

ORDER NO. R-22488

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APPLICATION

Chevron U.S.A. Inc. ("Chevron" or "Applicant") (OGRID No. 4323), through its undersigned counsel, hereby files this application with the Oil Conservation Division ("Division") to amend Order No. R-22488 to dismiss from the order approval to surface commingle oil production from Wolfcamp and Bone Spring formations within its Cicada Unit ("Unit"). In support of this application, Chevron states:

1.　　　　Chevron is the designated operator of the Unit.

2.　　　　The Unit was approved by the Division on October 6, 2017, through Order No. R-14459.

3.　　　　Unit expansion was approved by the Division on January 20, 2023, through Order No. R-22488. The Unit currently consists of approximately 6,400 acres of the following Federal and State acreage situated in Eddy County, New Mexico:

TOWNSHIP 25 SOUTH – RANGE 27 EAST, N.M.P.M.

Section 23: All
Section 26: All
Section 35: All

TOWNSHIP 26 SOUTH, RANGE 27 EAST, N.M.P.M.

Section 1: All
Section 2: All
Section 10: All

Section 11: All
Section 12: All
Section 14: All
Section 15: All

4.   Order No. R-22488 also authorizes surface commingling of Unit *oil* production from Delaware River; Bone Spring Pool [16800], Hay Hollow; Bone Spring, North Pool [30216], Welch; Bone Spring Pool [64010], and the Purple Sage; Wolfcamp (Gas) Pool [98220].

5.   PLC-887-A authorizes surface commingling of Unit and non-unit *gas* production from these same pools.

6.   The Division has requested that Chevron dismiss the commingling authority granted under Order R-22488 and amend PLC-887-A to authorize commingling of Unit and non-unit *oil* production for administrative efficiency.

7.   Chevron therefore requests that Order No. R-22488 be amended to dismiss only the surface commingling authority granted under the order so that Chevron can expand the surface commingling authority under PLC-887-A with its forthcoming administrative amendment application. Both this request for dismissal and the administrative amendment are being pursued simultaneously, and Chevron requests that the Division not dismiss the commingling authority granted under Order R-22488 until the amendment to PLC 887-A is authorized in order to avoid any gap in surface commingling authority.

8.   Approval is in the best interest of conservation, the prevention of waste, and the protection of correlative rights.

WHEREFORE, Chevron U.S.A., Inc. requests that this application be set before an Examiner of the Oil Conservation Division on November 2, 2023, and, after notice and hearing as required by law, that the Division enter an order granting this Application.

Respectfully submitted,

HOLLAND & HART LLP

By:_____

    Michael H. Feldewert
    Adam G. Rankin
    Paula M. Vance
    Post Office Box 2208
    Santa Fe, NM 87504
    505-988-4421
    505-983-6043 Facsimile
    mfeldewert@hollandhart.com
    agrankin@hollandhart.com
    pmvance@hollandhart.com

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

Application of Chevron U.S.A., Inc. to Amend Order No. R-22488, Eddy County, New Mexico. Chevron seeks to amend Order No. R-22488 to dismiss the authority to surface commingle oil production from Wolfcamp and Bone Spring formations within its Cicada Unit ("Unit"). The Unit is comprised of approximately 6,400 acres of the following Federal and State acreage situated in Eddy County, New Mexico:

TOWNSHIP 25 SOUTH – RANGE 27 EAST, N.M.P.M.

> Section 23: All
> Section 26: All
> Section 35: All

TOWNSHIP 26 SOUTH, RANGE 27 EAST, N.M.P.M.

> Section 1: All
> Section 2: All
> Section 10: All
> Section 11: All
> Section 12: All
> Section 14: All
> Section 15: All

Order No. R-22488 authorizes surface commingling of Unit <u>oil production</u> from Delaware River; Bone Spring Pool [16800], Hay Hollow; Bone Spring, North Pool [30216], Welch; Bone Spring Pool [64010], and the Purple Sage; Wolfcamp (Gas) Pool [98220]. The subject area is approximately 17 miles south of Loving, New Mexico.