

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING NOVEMBER 2, 2023**

CASE NO. 23924

CICADA UNIT

EDDY COUNTY, NEW MEXICO



**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.**

**CASE NO. 23924
ORDER NO. R-22488**

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**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.**

**CASE NO. 23924
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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

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A
Submitted by: Chevron U.S.A. Inc.
Hearing Date: November 2, 2023
Case No. 23924**

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:  _____

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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 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]. The subject area is approximately 17 miles south of Loving, New Mexico.

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.

CASE NO. 23924
ORDER NO. R-22488

SELF-AFFIRMED STATEMENT OF DEIRDRE DEVERY

1. My name is Deirdre Devery. I work for Chevron U.S.A. Inc. (“Chevron”) as a Facilities Engineer.

2. I have not previously testified before the New Mexico Oil Conservation Division (“Division”) as an expert witness in facilities engineering matters. I have included a copy of my resume as **Chevron Exhibit B-1** for the Division to review and respectfully request that my credentials be accepted as a matter of record, and that I be tendered as an expert in facilities engineering matters.

3. I am familiar with the application filed by Chevron in this case, and I am familiar with the status of the lands in the subject area.

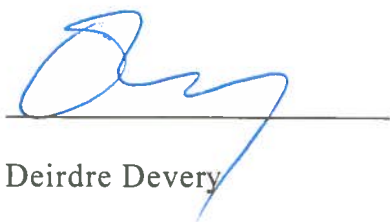
4. Chevron seeks to amend Order No. R-22488, attached as **Chevron Exhibit B-2**, to dismiss from the order approval to surface commingle oil production from Wolfcamp and Bone Spring formations within its Cicada Unit (“Unit”). For administrative efficiency, the Division has requested that Chevron dismiss the commingling authority granted under Order R-22488 and amend PLC-887-A, attached as **Chevron Exhibit B-3**, to authorize commingling of Unit and non-unit *oil* production. 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

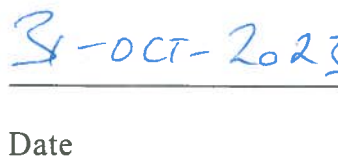
surface commingling authority under PLC-887-A with its forthcoming administrative amendment application. Given that this request for dismissal and the administrative amendment are being pursued simultaneously, Chevron requests that the Division not dismiss the commingling authority granted under Order R-22488 until the amendment to PLC 887-A is authorized and made effective, in order to avoid any gap in surface commingling authority.

5. The granting of this application is in the best interest of conservation, the prevention of waste, and the protection of correlative rights.

6. **Chevron Exhibits B-1 through B-3** were either prepared by me or compiled under my direction and supervision.

7. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.


Deirdre Devery


Date

Deirdre Devery

Midland, TX

deirdre.devery@gmail.com

Education

Masters of Engineering – Civil, Texas A&M University, 2012 – Specialization in Ocean and Coastal Engineering

Bachelor of Engineering – Civil, University College Cork, Ireland 2004 – Emphasis on Structural Engineering and Construction (First Class Honors)

Employment History

Chevron

Facilities Engineer

Location: Midland TX, USA (2021 to present)

- Lead planning and execution of drilling pads, field infrastructure and production facilities in several development areas in the Delaware Basin
- Contribute facilities layouts for drilling permit packages to New Mexico regulatory bodies
- Ensure production facilities and takeaway capacities can support new production
- Liaise with third party takeaway companies for oil and water
- Supports the development and execution of initiatives such as electrification of facilities, rigs and field gas for drilling and frac
- Develop AFEs for projects and oversee capital cost management.
- Mentor and coach early career facilities engineers

Planning Advisor

Location: Angola (2019 – 2021)

- Coordinate reserves submission for the SASBU Business Plan
- Coordinate and execute SASBU CAPEX outlook process
- Coordinate project funding requests and corporate reporting to the SASBU MD/Region - MEASA/Upstream/ExCom
- Co-ordinate lower carbon story and roadmap for SASBU
- Mentor Angolan colleague (high technical focus) with the objective that she assumes my responsibilities in the future
- Prepare executive communication and briefing material

Project Engineer

Location: Angola (2015 – 2019)

- Facilities engineer in the FE Department – Projects Team
- Key projects – South Nemba Jacket Repair - \$38MM, Sanha Waste Heat Recovery Unit replacement - \$26MM, Malongo Existing Dock Replacement Project (2015 – 2017) - \$190MM
- Mentor to national structural engineer (2018)
- Mentor to national engineer in Horizons program (2017)

South Nemba Jacket Repair

- Ensured diving contractor adhered to comprehensive demolition procedure to safely remove Conductor Guide Frame (CGF) from the -50ft elevation
- Developed project using CPMS tools: constructability review, cost and schedule review, execution risk assessment, contingency calculator workshop, HAZID/PSRRMP, project execution plan
- Managed diving contractor to complete CGF removal
- Collaborated with engineering contractor to develop plan to execute leg and horizontal member repairs in Q1/2 2019 including development and writing of installation procedures
- Developed and managed near-term execution plan with Operations to shut-in 16" pipeline (critical source of Block 14 gas in Area A) including the preparation of operating procedures
- Developed detailed cost and schedule estimates with project controls team
- Ensured costs stayed within approved budget and executed as per endorsed schedule
- Tracked cost/schedule on monthly basis
- Interfaced with ETC SCME in Houston to execute repair solutions
- Provided weekly progress updates to management and to partners in FE technical workshops
- Sanha Waste Heat Recovery Unit (WHRU) Replacement Project:
- Completed Phase 4 deliverables with deliverable writers (HAZID, constructability review etc.)

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. B-1

Submitted by: Chevron U.S.A. Inc.

Hearing Date: November 2, 2023

Case No. 23924

Deirdre Devery

Midland, TX

deirdre.devery@gmail.com

- Supported design review of contractor lifting and rigging equipment needed in transport/installation of WHRU units and misc. components
- Prepared work orders for installation of units
- Collaborated with equipment transportation contractor to offload 33 WHRU components from transport vessel to dock using engineered lifting and rigging equipment and procedures in Soyo, Angola

Malongo Existing Dock Replacement Project (2015 – 2017)

- Communicated to stakeholders on project progress.
- Acted as a liaison with ETC SME team in case of any technical clarification during the construction phase.
- Interfaced and coordinated with the project's design engineering company (AECOM).
- Participated in weekly site meetings with Contractor.
- Liaised with SASBU Contract and Legal departments to address Contractor requests for change in main or design contract and multiple claims.
- Coordinated with QA/QC engineer and discussed any QA/QC discrepancy during the construction phase.
- Reviewed and ensures all required phase 4 (CPMS) deliverables are in place

Facilities Engineer (2011 – 2015)

Location: Houston, Texas (2011 – 2015)

- Civil, structural and marine engineering group:
 - Facilities engineer in the marine terminals engineering group of ETC CSME (Civil Structural and Marine Engineering)
 - Met Chevron's OE objectives and CSME's HES/financial metrics
 - Combined civil, structural, ocean and coastal engineering knowledge in work
 - Reviewed contractors'/consultants'/other Chevron groups' design work/tender proposals. This included quality assurance and compliance.
 - Developed cost estimates/schedules/plans/RFPs for design support work
 - Collaborated with other Chevron business units and groups such as Chevron Shipping/ Metocean/ Offshore Special Projects/ Geotechnical etc.
 - Interfaced with external companies/regulatory bodies/project stakeholders
 - Key projects included:
 - Wheatstone Downstream LNG Plant
 - Singapore Oronite Berth Upgrade and Utilization Studies
 - ALNG Permanent Tug Berth Design Review
 - Las Minas South Jetty Upgrade Project
 - Asset retirement Team: Prepared detailed decommissioning cost estimates for fixed and floating facilities which included: basis of estimate; schedule; execution plan, and a review of regulations

Calibre Rail

Project Engineer

Project: Solomon Mine Project (February 2010 – August 2010)

Client: Fortescue Metal Group (FMG)

Location: Perth, Australia

- Responsible for the design and specification of four temporary construction camps and one permanent village for 4,500 people located in northern Western Australia for the Solomon iron ore mine
- Selected camp locations based on several requirements and constraints (e.g. client, environmental, cultural)
- Developed budgetary cost and schedule for the camps
- Prepared reports, drawings, scope of work, schedule, specifications, design criteria, and layouts for the camps
- Organized geotechnical inspections of potential camp sites

Deirdre Devery

Midland, TX

deirdre.devery@gmail.com

Arup Consulting Engineers

Structural Engineer

Project: Downtown Line 3 Underground Rail Project (March 2009 – September 2009)

Client: Singapore Land Transport Authority

Location: Singapore

- Lead engineer for the building damage assessment associated with the construction of the new Downtown Line subway
- Coordinated foundation and structural damage assessment for approximately 1,200 buildings with varying foundation types
- Responsible for supervision and checking of engineering work by junior staff engineers
- Provided client with regular updates on progress and potential building damage issues with weekly reports and phone calls
- Prepared structural scheme designs for subway stations
- Prepared first submission of building damage assessment for client review documenting preliminary checks on all 1,200 buildings

Structural Engineer

Project: Browse Concrete Gravity Substructure (CGS) (April 2008 – February 2009)

Client: Woodside Energy Limited

Location: Perth, Australia

- Concept design and screening studies for offshore LNG storage and processing facilities on the North West Shelf of Australia supported on a CGS
- Involved in soil-structure interaction studies, CGS optimization and wave impact loading studies
- Involved in 4d construction planning of CGS and casting basin
- Dedicated Arup representative located in the client project office
- Prepared technical and weekly reports, technical presentations, drawings, cost estimates and programmes for client submission
- Managed the naval architecture analysis, structural and geotechnical engineering associated with the CGS study

Structural Engineer

Project: Turkmenistan Gas Full Field Development Phase 1A (August 2007 – March 2008)

Client: Petronas Carigali

Location: Perth, Australia

- Detailed design for steel Gravity Base Structure (GBS) located in the Caspian Sea, offshore Turkmenistan
- Carried out structural design of load-out support structure, flat plates, mooring and towing structures
- Prepared calculation packages and construction drawings

Project Engineer

Project: Health Sciences Complex Phase 3 (July 2006 – July 2007)

Client: University College Dublin

Location: Dublin, Ireland

- Third phase (€15million) of University College Dublin Health Sciences Complex- four-storey reinforced concrete building
- Roles included project management; liaising with client, contractor and design team; and structural design
- Planned structural design, drawing, and reinforced concrete detailing schedules
- Arup representative for site meetings and site inspections
- Carried out detailed design of main reinforced concrete structural elements including columns, flat slabs, beams, corbels, pad footings

Structural Engineer

Project: NUIG Engineering Building (March 2007 – July 2007)

Client: National University of Ireland Galway

Location: Dublin, Ireland

Deirdre Devery

Midland, TX

deirdre.devery@gmail.com

- New 5 storey building for NUI Galway's Engineering school facilities to combine all laboratories, offices and teaching spaces from the 14 separate locations previously used
- Carried out concept design for structural and civil works
- Prepared structural scheme drawings

Graduate Structural Engineer

Project: Sports / CRANN University Building, (August 2004 – February 2006)

Client: Trinity College Dublin

Location: Dublin, Ireland

- €40m sports building development at Trinity College Dublin completed in 2007
- Carried out detailed design of structural elements
- Involved in site inspections during and on completion of construction

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

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION TO CONSIDER:**

**Case No. 22873
Order No. R-22488**

**APPLICATION OF CHEVRON USA, INC. FOR AUTHORITY TO VERTICALLY
EXPAND THE UNITIZED INTERVAL OF THE CICADA UNIT TO INCLUDE THE
BONE SPRING FORMATION AND TO COMMINGLE PRODUCTION AT THE
SURFACE, EDDY COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on July 7, 2022, and after considering the testimony, evidence, and the recommendations of the Hearing Examiner,

FINDS THAT:

(1) Due public notice has been given, and the OCD has jurisdiction over this case and its subject matter.

(2) The Cicada Unit (“Unit”) was approved by the OCD on October 6, 2017, through Order No. R-14459 issued in Case No. 15845. The Unit consisted of the Wolfcamp formation underlying 5,760 acres (more or less) of the following Federal and State lands 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: W/2

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Section 12: All
Section 14: W/2
Section 15: All

(3) The Unit was approved by the OCD to be expanded on September 13, 2019, though Order No. R-20858 issued in Case No. 15845. The Unit was expanded to include the Wolfcamp formation underlying the following lands, resulting in a total of 6,400 (more or less) acres:

Township 26 South, Range 27 East, N.M.P.M
Section 11: E/2
Section 14: E/2

(4) Chevron U.S.A. Inc. ("Applicant") is seeking approval from the U.S. Bureau of Land Management ("BLM") and the Commissioner of Public Lands ("SLO") of an expansion to the Unit to include the Bone Spring formation underlying 6,400 acres of the following lands situated in Eddy County, New Mexico ("Unit Area"):

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

(5) Unitized Interval: The proposed unitized interval for the Unit is all formations from the top of the Bone Spring formation to the base of the Wolfcamp formation, which is encountered at a true vertical depth of 6,064 feet to a true vertical depth of 11,235 feet in the Hay Hollow Unit No. 2 well located in the SW/4 NW/4 of Section 12 of Township 26 South, Range 27 East, N.M.P.M in Eddy County, New Mexico (API No. 30-015-21549).

(6) Authorization to commingle gas production from the Wolfcamp formation underlying the Unit produced from forty (40) wells with gas production from the Wolfcamp formation from outside the Unit produced from twenty-nine (29) wells was approved by the OCD on June 11, 2020, in Order CTB-947.

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(7) Applicant initially sought approval from the OCD to commingle production from the Bone Spring and Wolfcamp formations underlying the Unit. Applicant withdrew their request to commingle the gas production on January 17, 2023 and is now seeking approval to commingle the oil production only in this proceeding.

(8) The Bone Spring and Wolfcamp formations underlying the Unit are currently designated by the OCD as the Hay Hollow; Bone Spring, North Pool (Pool Code 30216), the Delaware River; Bone Spring Pool (Pool Code 16800), the Welch; Bone Spring Pool (Pool Code 64010), and the Purple Sage; Wolfcamp (Gas) Pool (Pool Code 98220).

(9) Applicant presented testimony and exhibits as follows:

a. The Unit is a federal resource development unit and is proposed to include all formations between the top of the Bone Spring formation and base of the Wolfcamp formation. All pre-existing and future vertical wells are excluded from the agreement.

b. The Unit is comprised of twelve (12) tracts of which six (6) are federal tracts, six (6) are state tracts, and zero (0) are fee tracts.

c. The Unit obligation well for the Bone Spring formation is the Cicada Unit No. 51H well, a horizontal well with a surface location in the SW/4 SW/4 of Section 3 of Township 26 South, Range 27 East (API No. 30-015-49001) and a bottomhole location in the SW/4 SW/4 of Section 15, of Township 26 South, Range 27 East. The well will be completed in the Welch; Bone Spring Pool (Pool Code 64010).

e. Applicant presented the proposed amended Unit Agreement (“Unit Agreement”). The Unit Agreement designates Applicant as the Unit Operator and has provisions for expansion or contraction of the Unit.

f. Applicant has received a logical designation letter from the BLM, indicating the land proposed for unitization is logically subject to exploration and development. The BLM assigned NMNM 137168X as the case serial number to the Unit. Applicant has also received preliminary approval of the Unit expansion from the SLO.

g. Notice of this application was provided to the record title owners, royalty owners and overriding royalty owners within the Unit Area.

h. The participating areas once formed will have the same working, royalty, and overriding royalty owners in exactly the same percentages.

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i. Fifty-three (53) wells currently produce from the Wolfcamp formation underlying the Unit and nineteen (19) wells are currently proposed to produce from the Bone Spring formation underlying the Unit, eight (8) of which have not been approved yet.

j. Commingling will occur at the following batteries:

Central Tank Battery 10 located in Section 10, Township 26 South, Range 27 East

Central Tank Battery 35 located in Section 35, Township 25 South, Range 27 East

Central Tank Battery 12 located in Section 12, Township 26 South, Range 27 East

k. The API gravity of the oil from the Wolfcamp and Bone Spring formations underlying the Unit are similar and should not present a problem with surface commingling.

(10) No other party appeared at the hearing or otherwise opposed this application.

(11) All proposed unit acreage appears prospective for recovery of oil and gas from the target formations under the concept proposed by the Applicant. These acres should be unitized and should equally share in the benefits from future oil and gas recovery.

(12) The approval of the Unit will serve to prevent waste and protect correlative rights within the lands assigned to the Unit Area.

IT IS THEREFORE ORDERED THAT:

(1) OCD recommends approval of the Unit expansion.

(2) Applicant is authorized to surface commingle oil production from the Wolfcamp and Bone Spring formations underlying the Unit and from the participating areas within the Unit (“Commingling Project”) provided the participating areas have the same working, royalty, and overriding royalty owners in exactly the same percentages and provided an accurate account of the wells and pools from which the production is derived is maintained with the OCD.

(3) The Unit Area comprises 6,400 acres situated in Eddy County, New Mexico as described above.

(4) This Order shall become effective upon the signature of all parties to the Unit Agreement.

(5) OCD recognizes that Chevron USA, Inc. (OGRID No. 4323) is designated the Unit Operator under the Unit Agreement.

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(6) Upon the approval of the Unit Agreement and filing of the Unit Agreement with the OCD, the Unit Area will be recognized by the OCD as a “unitized area” as provided in 19.15.16 NMAC.

(7) The Unit Operator will ensure that the names of the Unit wells are uniform and include the name of the Unit.

(8) The plan contained in the Unit Agreement for the development and operation of the above-described Unit Area is hereby approved in principle; provided, however, notwithstanding any of the provisions contained in the Unit Agreement, this approval shall not be considered as waiving or relinquishing, in any manner, any right, duty, or obligation that is now, or may hereafter be, vested in the OCD to supervise and control operations for the unit and production of oil and gas therefrom.

(9) The Unit Operator shall file with the OCD the fully executed Unit Agreement within 30 days of the effective date of the Unit Agreement. In the event of (a) subsequent joinder by any other party, (b) expansion or contraction of the Unit Area, (c) change of Unit Operator, or (d) termination of the Unit or Unit Agreement, the Unit Operator shall file with OCD, within 30 days after approval or notification of BLM, the amended Unit Agreement or other documentation reflecting the changes. Each filing shall be submitted to the OCD Engineering Bureau (OCD.Engineer@emnr.dnm.gov). OCD may notify the Unit Operator of any changes to the filing process without need to amend this Order.

(10) A list of the wells and pools included in the Commingling Project at the time of issuance of this Order is detailed in Exhibit A attached to this Order. For additional future wells which produce from the included formations and participating areas, and which Applicant wishes to include in the Commingling Project, Applicant shall submit Forms C-102 and C-103 to the OCD Engineering Bureau after the well has been approved to be drilled and prior to commingling oil production from it with the production from another well. The Form C-103 shall reference this Order and identify the well, proposed method to determine the allocation of oil production to it, and the location(s) that commingling of its production will occur.

(11) A list of batteries included in the Commingling Project at the time of issuance of this Order is detailed in Exhibit A attached to this Order. Applicant may include additional batteries in the Commingling Project provided they are within the Unit by submitting Form C-103 to the OCD Engineering Bureau. The Form C-103 shall reference this Order, identify the battery, and include the location of the battery.

(12) The oil production for each well within the Commingling Project shall be allocated by conducting a minimum of one (1) well test per month. Applicant shall conduct a well test by separating and measuring the oil production from that well for a minimum of twenty-four (24) consecutive hours. The well test requirements of this Order shall be suspended for any well

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shut-in for a period that continues for more than thirty (30) days until the well commences production.

(13) Applicant shall measure and market the commingled oil at a central tank battery included within the Commingling Project in accordance with this Order and 19.15.18.15. NMAC or 19.15.23.8. NMAC.

(14) Applicant shall calibrate the meters used to measure or allocate oil production in accordance with 19.15.12.10.C.(2) NMAC.

(15) If the commingling of oil production from any pool, lease, or well reduces the value of the commingled oil production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new application to OCD to amend this Order to remove the pool, lease, or well whose oil production caused the decrease in value. If Applicant fails to submit a new application, the commingling authority granted within this Order is revoked on the following day, and if OCD denies the application, the commingling authority granted within this Order is revoked on the date of such action.

(16) Applicant shall not commence commingling oil production until approved by the BLM and SLO.

(17) Jurisdiction of this case is retained for the entry of such further orders as the OCD may deem necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**DYLAN M. FUGE
DIRECTOR (ACTING)**

Date: 1/20/23

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: R-22488

Case: 22873

Operator: Chevron USA, Inc. (4323)

Central Tank Battery: Hayhurst Central Tank Battery 10

Central Tank Battery Location: UL A, Section 10, Township 26 South, Range 27 East

Central Tank Battery: Hayhurst Central Tank Battery 35

Central Tank Battery Location: UL A, Section 35, Township 25 South, Range 27 East

Central Tank Battery: Hayhurst Central Tank Battery 12

Central Tank Battery Location: UL G, Section 12, Township 26 South, Range 27 East

Gas Title Transfer Meter Location: NE/4 Section 10, Township 26 South, Range 27 East

Pools

Pool Name	Pool Code
DELAWARE RIVER; BONE SPRING	16800
HAY HOLLOW; BONE SPRING, NORTH	30216
WELCH; BONE SPRING	64010
PURPLE SAGE; WOLFCAMP (GAS)	98220

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
PA Wolfcamp NMNM 137168A	All	23-25S-27E
	All	26-25S-27E
	All	35-25S-27E
	All	1-26S-27E
	All	2-26S-27E
	All	10-26S-27E
	All	11-26S-27E
	All	12-26S-27E
	All	14-26S-27E
	All	15-26S-27E
PA Bone Spring for NMNM 137168X	All	23-25S-27E
	All	26-25S-27E
	All	35-25S-27E
	All	1-26S-27E
	All	2-26S-27E
	All	10-26S-27E
	All	11-26S-27E
	All	12-26S-27E
	All	14-26S-27E
All	15-26S-27E	

Wells				
Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-015-43929	Cicada Unit #1H	E/2	10-26S-27E	98220
		E/2	15-26S-27E	
30-015-43930	Cicada Unit #2H	W/2	10-26S-27E	98220
		W/2	15-26S-27E	
30-015-43937	Cicada Unit #3H	E/2	10-26S-27E	98220
		E/2	15-26S-27E	
30-015-43936	Cicada Unit #4H	W/2	10-26S-27E	98220
		W/2	15-26S-27E	
30-015-43926	Cicada Unit #5H	E/2	10-26S-27E	98220
		E/2	15-26S-27E	
30-015-43932	Cicada Unit #6H	W/2	10-26S-27E	98220
		W/2	15-26S-27E	
30-015-44347	Cicada Unit #7H	E/2	35-25S-27E	98220
		E/2	2-26S-27E	
30-015-44346	Cicada Unit #8H	E/2	35-25S-27E	98220
		E/2	2-26S-27E	
30-015-44350	Cicada Unit #9H	E/2	35-25S-27E	98220
		E/2	2-26S-27E	
30-015-44349	Cicada Unit #10H	E/2	35-25S-27E	98220
		E/2	2-26S-27E	
30-015-44345	Cicada Unit #11H	E/2	35-25S-27E	98220
		E/2	2-26S-27E	
30-015-44348	Cicada Unit #12H	E/2	35-25S-27E	98220
		E/2	2-26S-27E	
30-015-44367	Cicada Unit #13H	W/2	10-26S-27E	98220
		W/2	15-26S-27E	
30-015-44371	Cicada Unit #14H	W/2	10-26S-27E	98220
		W/2	15-26S-27E	
30-015-44353	Cicada Unit #15H	W/2	10-26S-27E	98220
		W/2	15-26S-27E	
30-015-44351	Cicada Unit #16H	W/2	10-26S-27E	98220
		W/2	15-26S-27E	
30-015-44354	Cicada Unit #17H	W/2	10-26S-27E	98220
		W/2	15-26S-27E	
30-015-44352	Cicada Unit #18H	W/2	10-26S-27E	98220
		W/2	15-26S-27E	
30-015-45602	Cicada Unit #23H	E/2	23-25S-27E	98220
		E/2	26-25S-27E	
30-015-45720	Cicada Unit #24H	E/2	23-25S-27E	98220
		E/2	26-25S-27E	
30-015-45601	Cicada Unit #25H	W/2	23-25S-27E	98220
		W/2	26-25S-27E	
30-015-45600	Cicada Unit #26H	W/2	23-25S-27E	98220
		W/2	26-25S-27E	
30-015-45426	Cicada Unit #19H	W/2	23-25S-27E	98220
		W/2	26-25S-27E	

30-015-45425	Cicada Unit #20H	W/2	23-25S-27E	98220
		W/2	26-25S-27E	
30-015-45424	Cicada Unit #21H	W/2	23-25S-27E	98220
		W/2	26-25S-27E	
30-015-45423	Cicada Unit #22H	W/2	23-25S-27E	98220
		W/2	26-25S-27E	
30-015-46468	Cicada Unit #27H	E/2	10-26S-27E	98220
		E/2	15-26S-27E	
30-015-46469	Cicada Unit #28H	E/2	10-26S-27E	98220
		E/2	15-26S-27E	
30-015-46470	Cicada Unit #29H	E/2	10-26S-27E	98220
		E/2	15-26S-27E	
30-015-46342	Cicada Unit #33H	W/2	35-25S-27E	98220
		W/2	2-26S-27E	
30-015-46343	Cicada Unit #34H	W/2	35-25S-27E	98220
		W/2	2-26S-27E	
30-015-46344	Cicada Unit #35H	E/2	35-25S-27E	98220
		E/2	2-26S-27E	
30-015-46345	Cicada Unit #36H	E/2	35-25S-27E	98220
		E/2	2-26S-27E	
30-015-46346	Cicada Unit #37H	W/2	35-25S-27E	98220
		W/2	2-26S-27E	
30-015-46347	Cicada Unit #38H	W/2	35-25S-27E	98220
		W/2	2-26S-27E	
30-015-46348	Cicada Unit #39H	W/2	35-25S-27E	98220
		W/2	2-26S-27E	
30-015-46898	Cicada Unit #30H	W/2	11-26S-27E	98220
		W/2	14-26S-27E	
30-015-46901	Cicada Unit #31H	W/2	11-26S-27E	98220
		W/2	14-26S-27E	
30-015-46913	Cicada Unit #32H	W/2	11-26S-27E	98220
		W/2	14-26S-27E	
30-015-48782	Cicada Unit #41H	E/2	23-25S-27E	98220
		E/2	26-25S-27E	
30-015-48783	Cicada Unit #43H	NE/4	35-25S-27E	98220
		E/2	23-25S-27E	
30-015-49465	Cicada Unit #45H	E/2	26-25S-27E	98220
		E/2	14-26S-27E	
30-015-49466	Cicada Unit #47H	NE/4	35-25S-27E	98220
		E/2	23-25S-27E	
30-015-49467	Cicada Unit #48H	E/2	26-25S-27E	98220
		E/2	14-26S-27E	
30-015-49468	Cicada Unit #50H	E/2	11-26S-27E	98220
		E/2	14-26S-27E	
30-015-49469	Cicada Unit #56H	W/2	1-26S-27E	98220
		W/2	12-26S-27E	

30-015-49470	Cicada Unit #57H	W/2 W/2	1-26S-27E 12-26S-27E	98220
30-015-49471	Cicada Unit #58H	W/2 W/2	1-26S-27E 12-26S-27E	98220
30-015-49472	Cicada Unit #59H	W/2 W/2	1-26S-27E 12-26S-27E	98220
30-015-49624	Cicada Unit #60H	E/2 E/2	1-26S-27E 12-26S-27E	98220
30-015-49625	Cicada Unit #61H	E/2 E/2	1-26S-27E 12-26S-27E	98220
30-015-49626	Cicada Unit #62H	E/2 E/2	1-26S-27E 12-26S-27E	98220
30-015-49627	Cicada Unit #63H	E/2 E/2	1-26S-27E 12-26S-27E	98220
30-015-49001	Cicada Unit #51H	W/2 W/2	10-26S-27E 15-26S-27E	64010
30-015-49000	Cicada Unit #52H	W/2 W/2	10-26S-27E 15-26S-27E	64010
30-015-48999	Cicada Unit #53H	W/2 W/2	10-26S-27E 15-26S-27E	64010
30-015-49598	Macallan 12 1 Federal State Com 23 #2H	W/2 W/2	1-26S-27E 12-26S-27E	16800
30-015-49603	Wild Turkey 12 1 Federal Com 24 #1H	E/2 E/2	1-26S-27E 12-26S-27E	16800
30-015-49602	Wild Turkey 12 1 Federal Com 24 #2H	E/2 E/2	1-26S-27E 12-26S-27E	16800
30-015-49604	Wild Turkey 12 1 Federal Com 24 #3H	E/2 E/2	1-26S-27E 12-26S-27E	16800
30-015-49684	Tito 26 23 Federal State Com 25 #1H	W/2 W/2	23-25S-27E 26-25S-27E	30216
30-015-49685	Tito 26 23 Federal State Com 25 #2H	W/2 W/2	23-25S-27E 26-25S-27E	30216
30-015-49686	Tito 26 23 Federal State Com 25 #3H	W/2 W/2	23-25S-27E 26-25S-27E	30216
30-015-49687	Tito 26 23 Federal State Com 25 #4H	W/2 E/2 W/2 E/2	23-25S-27E 26-25S-27E	30216

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

**APPLICATION FOR SURFACE COMMINGLING
SUBMITTED BY CHEVRON USA, INC.**

ORDER NO. PLC-887-A

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having considered the application and the recommendation of the OCD Engineering Bureau, issues the following Order.

FINDINGS OF FACT

1. Chevron USA, Inc. (“Applicant”) submitted a complete application to surface commingle the gas production from the pools, leases, and wells identified in Exhibit A (“Application”).
2. Applicant proposed a method to allocate the gas production to the pools, leases, and wells to be commingled.
3. To the extent that ownership is diverse, Applicant provided notice of the Application to all persons owning an interest in the gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
4. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
5. Applicant certified the commingling of gas production from the pools, leases, and wells will not in reasonable probability reduce the value of the gas production to less than if it had remained segregated.
6. Applicant in the notice for the Application stated that it sought authorization to prospectively include additional pools, leases, and wells in accordance with 19.15.12.10.C.(4)(g) NMAC.
7. Applicant stated that it sought authorization to surface commingle and off-lease measure, as applicable, gas production from wells which have not yet been approved to be drilled, but will produce from a pool and lease identified in Exhibit A.

CONCLUSIONS OF LAW

8. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, 19.15.12. NMAC, and 19.15.23. NMAC.
9. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10.A.(2) NMAC, 19.15.12.10.C.(4)(c) NMAC, and 19.15.12.10.C.(4)(e) NMAC, as applicable.

10. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9.A.(5) NMAC and 19.15.23.9.A.(6) NMAC, as applicable.
11. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10.B.(1) NMAC or 19.15.12.10.C.(1) NMAC, as applicable.
12. Commingling of gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10.B.(3) NMAC and 19.15.12.10.C.(4)(h) NMAC.
13. Applicant satisfied the notice requirements for the subsequent addition of pools, leases, and wells in the notice for the Application, in accordance with 19.15.12.10.C.(4)(g) NMAC. Subsequent additions of pools, leases, and wells within Applicant's defined parameters, as modified herein, will not, in reasonable probability, reduce the commingled production's value or otherwise adversely affect the interest owners in the production to be added.
14. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

ORDER

1. Applicant is authorized to surface commingle gas production from the pools, leases, and wells identified in Exhibit A.

Applicant is authorized to store and measure gas production off-lease from the pools, leases, and wells identified in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

Applicant is authorized to surface commingle gas production from wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A.

Applicant is authorized to store and measure gas production off-lease from wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

2. This Order supersedes Order PLC-887.
3. The allocation of gas production to wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A shall be determined in the same manner as to wells identified in Exhibit A that produce from that pool and lease, provided that if more than one allocation method is being used or if there are no wells identified in Exhibit A that produce from the pool and lease, then allocation of gas production to each well not included in Exhibit A shall be determined by OCD prior to commingling production from it with the production from another well.
4. The allocation of gas production shall be based on the production life of each well as measured for three periods: (a) the initial production period shall be measured from the first production until the earlier of either the peak production rate or thirty (30) days after the first production; (b) the plateau period shall be measured from the end of the initial production

period to the peak decline rate; and (c) the decline period shall be measured from the end of the plateau period until the well is plugged and abandoned.

During the initial production period, the gas production for each well identified in Exhibit A shall be allocated using a production curve calculated from a minimum of ten (10) well tests per month, except that any day in which a well test cannot achieve an accurate result due to a temporary change in gas production shall not be included in the computation of time determining the well test schedule. The production curve shall be calculated by interpolating daily production for each day using the known daily production obtained by well tests and shall use a method of interpolation that is at minimum as accurate as maintaining a constant rate of change for each day's production between the known daily production values.

During the plateau period, the gas production for each well identified in Exhibit A shall be allocated using a minimum of three (3) well tests per month.

During the decline period, the gas production for each well identified in Exhibit A shall be allocated as follows: (a) a minimum of three (3) well tests per month when the decline rate is greater than twenty-two percent (22%) per month; (b) a minimum of two (2) well tests per month when the decline rate is between twenty-two percent (22%) and ten percent (10%) per month; and (c) a minimum of one (1) well test per month when the decline rate is less than ten percent (10%) per month.

Upon OCD's request, Applicant shall submit a Form C-103 to the OCD Engineering Bureau that contains the decline rate curve and other relevant information demonstrating the production life of a well.

Applicant shall conduct a well test by separating and metering the gas production from that well for either (a) a minimum of twenty-four (24) consecutive hours; or (b) a combination of nonconsecutive periods that meet the following conditions: (i) each period shall be a minimum of six (6) hours; and (ii) the total duration of the nonconsecutive periods shall be a minimum of eighteen (18) hours.

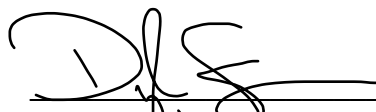
The well test requirements of this Order shall be suspended for any well shut-in for a period that continues for more than fifteen (15) days until the well commences production.

5. Applicant shall measure and market the commingled gas at a well pad, central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9. NMAC, provided however that if the gas is vented or flared, and regardless of the reason or authorization pursuant to 19.15.28.8.B. NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8.E. NMAC.
6. Applicant shall calibrate the meters used to measure or allocate gas production in accordance with 19.15.12.10.C.(2) NMAC.
7. If the commingling of gas production from any pool, lease, or well reduces the value of the commingled gas production to less than if it had remained segregated, no later than sixty (60)

days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.

- 8. Applicant may submit an application to amend this Order to add pools, leases, and subsequently drilled wells with spacing units adjacent to or within the tracts commingled by this Order by submitting a Form C-107-B in accordance with 19.15.12.10.C.(4)(g) NMAC, provided the pools, leases, and subsequently drilled wells are within the identified parameters included in the Application.
- 9. If a well is not included in Exhibit A but produces from a pool and lease identified in Exhibit A, then Applicant shall submit Forms C-102 and C-103 to the OCD Engineering Bureau after the well has been approved to be drilled and prior to off-lease measuring or commingling oil or gas production from it with the production from another well. The Form C-103 shall reference this Order and identify the well, proposed method to determine the allocation of gas production to it, and the location(s) that commingling of its production will occur.
- 10. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
- 11. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
- 12. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



 DYLAN M. FUGE
 DIRECTOR (ACTING)

DATE: 3/30/23

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: PLC-887-A
Operator: Chevron USA, Inc. (4323)
Central Tank Battery: Hayhurst Central Tank Battery 10
Central Tank Battery Location: UL A, Section 10, Township 26 South, Range 27 East
Central Tank Battery: Hayhurst Central Tank Battery 35
Central Tank Battery Location: UL A, Section 35, Township 25 South, Range 27 East
Central Tank Battery: Hayhurst Central Tank Battery 12
Central Tank Battery Location: UL G, Section 12, Township 26 South, Range 27 East
Central Tank Battery: Hayhurst Central Tank Battery 9
Central Tank Battery Location: UL M, Section 9, Township 26 South, Range 27 East
Gas Title Transfer Meter Location: UL A, Section 10, Township 26 South, Range 27 East

Pools

Pool Name	Pool Code
DELAWARE RIVER; BONE SPRING	16800
HAY HOLLOW; BONE SPRING, NORTH	30216
WELCH; BONE SPRING	64010
PURPLE SAGE; WOLFCAMP (GAS)	98220

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
PA Wolfcamp NMNM 137168A	All	23-25S-27E
	All	26-25S-27E
	All	35-25S-27E
	All	1-26S-27E
	All	2-26S-27E
	All	10-26S-27E
	All	11-26S-27E
	All	12-26S-27E
	All	14-26S-27E
	All	15-26S-27E
PA Bone Spring for NMNM 137168X	All	23-25S-27E
	All	26-25S-27E
	All	35-25S-27E
	All	1-26S-27E
	All	2-26S-27E
	All	10-26S-27E
	All	11-26S-27E
	All	12-26S-27E
	All	14-26S-27E
	All	15-26S-27E
CA Wolfcamp NMNM 138618	All	5-26S-27E
	All	8-26S-27E
	All	17-26S-27E
	All	20-26S-27E

Wells				
Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-015-43929	Cicada Unit #1H	E/2	10-26S-27E	98220
		E/2	15-26S-27E	
30-015-43930	Cicada Unit #2H	W/2	10-26S-27E	98220
		W/2	15-26S-27E	
30-015-43937	Cicada Unit #3H	E/2	10-26S-27E	98220
		E/2	15-26S-27E	
30-015-43936	Cicada Unit #4H	W/2	10-26S-27E	98220
		W/2	15-26S-27E	
30-015-43926	Cicada Unit #5H	E/2	10-26S-27E	98220
		E/2	15-26S-27E	
30-015-43932	Cicada Unit #6H	W/2	10-26S-27E	98220
		W/2	15-26S-27E	
30-015-44367	Cicada Unit #13H	W/2	10-26S-27E	98220
		W/2	15-26S-27E	
30-015-44371	Cicada Unit #14H	W/2	10-26S-27E	98220
		W/2	15-26S-27E	
30-015-44353	Cicada Unit #15H	W/2	10-26S-27E	98220
		W/2	15-26S-27E	
30-015-44351	Cicada Unit #16H	W/2	10-26S-27E	98220
		W/2	15-26S-27E	
30-015-44354	Cicada Unit #17H	W/2	10-26S-27E	98220
		W/2	15-26S-27E	
30-015-44352	Cicada Unit #18H	W/2	10-26S-27E	98220
		W/2	15-26S-27E	
30-015-46468	Cicada Unit #27H	E/2	10-26S-27E	98220
		E/2	15-26S-27E	
30-015-46469	Cicada Unit #28H	E/2	10-26S-27E	98220
		E/2	15-26S-27E	
30-015-46470	Cicada Unit #29H	E/2	10-26S-27E	98220
		E/2	15-26S-27E	
30-015-46898	Cicada Unit #30H	W/2	11-26S-27E	98220
		W/2	14-26S-27E	
30-015-46901	Cicada Unit #31H	W/2	11-26S-27E	98220
		W/2	14-26S-27E	
30-015-46913	Cicada Unit #32H	W/2	11-26S-27E	98220
		W/2	14-26S-27E	
30-015-49001	Cicada Unit #51H	W/2	10-26S-27E	64010
		W/2	15-26S-27E	
30-015-49000	Cicada Unit #52H	W/2	10-26S-27E	64010
		W/2	15-26S-27E	
30-015-48999	Cicada Unit #53H	W/2	10-26S-27E	64010
		W/2	15-26S-27E	
30-015-44347	Cicada Unit #7H	E/2	35-25S-27E	98220
		E/2	2-26S-27E	
30-015-44346	Cicada Unit #8H	E/2	35-25S-27E	98220
		E/2	2-26S-27E	

30-015-44350	Cicada Unit #9H	E/2 E/2	35-25S-27E 2-26S-27E	98220
30-015-44349	Cicada Unit #10H	E/2 E/2	35-25S-27E 2-26S-27E	98220
30-015-44345	Cicada Unit #11H	E/2 E/2	35-25S-27E 2-26S-27E	98220
30-015-44348	Cicada Unit #12H	E/2 E/2	35-25S-27E 2-26S-27E	98220
30-015-45602	Cicada Unit #23H	E/2 E/2	23-25S-27E 26-25S-27E	98220
30-015-45720	Cicada Unit #24H	E/2 E/2	23-25S-27E 26-25S-27E	98220
30-015-45601	Cicada Unit #25H	W/2 W/2	23-25S-27E 26-25S-27E	98220
30-015-45600	Cicada Unit #26H	W/2 W/2	23-25S-27E 26-25S-27E	98220
30-015-45426	Cicada Unit #19H	W/2 W/2	23-25S-27E 26-25S-27E	98220
30-015-45425	Cicada Unit #20H	W/2 W/2	23-25S-27E 26-25S-27E	98220
30-015-45424	Cicada Unit #21H	W/2 W/2	23-25S-27E 26-25S-27E	98220
30-015-45423	Cicada Unit #22H	W/2 W/2	23-25S-27E 26-25S-27E	98220
30-015-46342	Cicada Unit #33H	W/2 W/2	35-25S-27E 2-26S-27E	98220
30-015-46343	Cicada Unit #34H	W/2 W/2	35-25S-27E 2-26S-27E	98220
30-015-46344	Cicada Unit #35H	E/2 E/2	35-25S-27E 2-26S-27E	98220
30-015-46345	Cicada Unit #36H	E/2 E/2	35-25S-27E 2-26S-27E	98220
30-015-46346	Cicada Unit #37H	W/2 W/2	35-25S-27E 2-26S-27E	98220
30-015-46347	Cicada Unit #38H	W/2 W/2	35-25S-27E 2-26S-27E	98220
30-015-46348	Cicada Unit #39H	W/2 W/2	35-25S-27E 2-26S-27E	98220
30-015-48782	Cicada Unit #41H	E/2 E/2 NE/4	23-25S-27E 26-25S-27E 35-25S-27E	98220
30-015-48783	Cicada Unit #43H	E/2 E/2 NE/4	23-25S-27E 26-25S-27E 35-25S-27E	98220
30-015-49465	Cicada Unit #45H	E/2 E/2	11-26S-27E 14-26S-27E	98220
30-015-49466	Cicada Unit #47H	E/2 E/2	11-26S-27E 14-26S-27E	98220
30-015-49467	Cicada Unit #48H	E/2 E/2	11-26S-27E 14-26S-27E	98220

30-015-49468	Cicada Unit #50H	E/2 E/2	11-26S-27E 14-26S-27E	98220
30-015-49469	Cicada Unit #56H	W/2 W/2	1-26S-27E 12-26S-27E	98220
30-015-49470	Cicada Unit #57H	W/2 W/2	1-26S-27E 12-26S-27E	98220
30-015-49471	Cicada Unit #58H	W/2 W/2	1-26S-27E 12-26S-27E	98220
30-015-49472	Cicada Unit #59H	W/2 W/2	1-26S-27E 12-26S-27E	98220
30-015-49624	Cicada Unit #60H	E/2 E/2	1-26S-27E 12-26S-27E	98220
30-015-49625	Cicada Unit #61H	E/2 E/2	1-26S-27E 12-26S-27E	98220
30-015-49626	Cicada Unit #62H	E/2 E/2	1-26S-27E 12-26S-27E	98220
30-015-49627	Cicada Unit #63H	E/2 E/2	1-26S-27E 12-26S-27E	98220
30-015-45100	HH SO 17 20 Federal 1 #1H	W/2 W/2	17-26S-27E 20-26S-27E	98220
30-015-45101	HH SO 17 20 Federal 1 #2H	W/2 W/2	17-26S-27E 20-26S-27E	98220
30-015-45154	HH SO 17 20 Federal 1 #3H	W/2 W/2	17-26S-27E 20-26S-27E	98220
30-015-45155	HH SO 17 20 Federal 1 #4H	W/2 W/2	17-26S-27E 20-26S-27E	98220
30-015-45102	HH SO 17 20 Federal 1 #5H	W/2 W/2	17-26S-27E 20-26S-27E	98220
30-015-45103	HH SO 17 20 Federal 1 #6H	W/2 W/2	17-26S-27E 20-26S-27E	98220
30-015-45115	HH SO 8 5 Federal 3 #1H	E/2 E/2	5-26S-27E 8-26S-27E	98220
30-015-45116	HH SO 8 5 Federal 3 #2H	W/2 W/2	5-26S-27E 8-26S-27E	98220
30-015-45117	HH SO 8 5 Federal 3 #3H	W/2 W/2	5-26S-27E 8-26S-27E	98220
30-015-45118	HH SO 8 5 Federal 3 #4H	E/2 E/2	5-26S-27E 8-26S-27E	98220
30-015-45119	HH SO 8 5 Federal 3 #5H	W/2 W/2	5-26S-27E 8-26S-27E	98220
30-015-45120	HH SO 8 5 Federal 3 #6H	E/2 E/2	5-26S-27E 8-26S-27E	98220
30-015-43935	HH SO 8 P2 #5H	W/2 W/2	5-26S-27E 8-26S-27E	98220
30-015-43934	HH SO 8 P2 #6H	W/2 W/2	5-26S-27E 8-26S-27E	98220
30-015-43933	HH SO 8 P2 #13H	W/2 W/2	5-26S-27E 8-26S-27E	98220
30-015-43931	HH SO 8 P2 #14H	W/2 W/2	5-26S-27E 8-26S-27E	98220

30-015-43927	HH SO 8 P2 #21H	W/2 W/2	5-26S-27E 8-26S-27E	98220
30-015-43928	HH SO 8 P2 #22H	W/2 W/2	5-26S-27E 8-26S-27E	98220
30-015-45104	HH SO 17 20 Federal 2 #1H	E/2 E/2	17-26S-27E 20-26S-27E	98220
30-015-45105	HH SO 17 20 Federal 2 #2H	E/2 E/2	17-26S-27E 20-26S-27E	98220
30-015-45106	HH SO 17 20 Federal 2 #3H	E/2 E/2	17-26S-27E 20-26S-27E	98220
30-015-45107	HH SO 17 20 Federal 2 #4H	E/2 E/2	17-26S-27E 20-26S-27E	98220
30-015-45108	HH SO 17 20 Federal 2 #5H	E/2 E/2	17-26S-27E 20-26S-27E	98220
30-015-45109	HH SO 17 20 Federal 2 #6H	E/2 E/2	17-26S-27E 20-26S-27E	98220
30-015-45987	HH SO 8 5 Federal 4 #1H	E/2 E/2	5-26S-27E 8-26S-27E	98220
30-015-45988	HH SO 8 5 Federal 4 #2H	E/2 E/2	5-26S-27E 8-26S-27E	98220
30-015-45989	HH SO 8 5 Federal 4 #3H	E/2 E/2	5-26S-27E 8-26S-27E	98220
30-015-45990	HH SO 8 5 Federal 4 #4H	E/2 E/2	5-26S-27E 8-26S-27E	98220
30-015-45991	HH SO 8 5 Federal 4 #5H	E/2 E/2	5-26S-27E 8-26S-27E	98220
30-015-45992	HH SO 8 5 Federal 4 #6H	E/2 E/2	5-26S-27E 8-26S-27E	98220
30-015-48353	HH SO 17 20 Federal 3 #401H	W/2 W/2	17-26S-27E 20-26S-27E	98220
30-015-48356	HH SO 17 20 Federal 3 #402H	W/2 W/2	17-26S-27E 20-26S-27E	98220
30-015-48355	HH SO 17 20 Federal 3 #403H	W/2 W/2	17-26S-27E 20-26S-27E	98220
30-015-48354	HH SO 17 20 Federal 3 #404H	W/2 W/2	17-26S-27E 20-26S-27E	98220
30-015-50181	Macallan 12 1 Federal State Com 23 #1H	W/2 W/2	1-26S-27E 12-26S-27E	16800
30-015-49598	Macallan 12 1 Federal State Com 23 #2H	W/2 W/2	1-26S-27E 12-26S-27E	16800
30-015-49603	Wild Turkey 12 1 Federal Com 24 #1H	E/2 E/2	1-26S-27E 12-26S-27E	16800
30-015-49602	Wild Turkey 12 1 Federal Com 24 #2H	E/2 E/2	1-26S-27E 12-26S-27E	16800
30-015-49604	Wild Turkey 12 1 Federal Com 24 #3H	E/2 E/2	1-26S-27E 12-26S-27E	16800
30-015-49684	Tito 26 23 Federal State Com 25 #1H	W/2 W/2	23-25S-27E 26-25S-27E	30216
30-015-49685	Tito 26 23 Federal State Com 25 #2H	W/2 W/2	23-25S-27E 26-25S-27E	30216

30-015-49686	Tito 26 23 Federal State Com 25 #3H	W/2	23-25S-27E	30216
		W/2	26-25S-27E	
30-015-49687	Tito 26 23 Federal State Com 25 #4H	W/2 E/2	23-25S-27E	30216
		W/2 E/2	26-25S-27E	
30-015-50182	Smoke Wagon 10 15 Federal Com 28 #1H	E/2	10-26S-27E	64010
		E/2	15-26S-27E	
30-015-50183	Smoke Wagon 10 15 Federal Com 28 #2H	W/2	10-26S-27E	64010
		W/2	15-26S-27E	
30-015-53225	Eagle Rare 11 14 Federal 30 #1H	W/2	11-26S-27E	16800
		W/2	14-26S-27E	
30-015-53224	Eagle Rare 11 14 Federal 30 #2H	W/2	11-26S-27E	16800
		W/2	14-26S-27E	
30-015-53226	Eagle Rare 11 14 Federal 30 #3H	W/2	11-26S-27E	16800
		W/2	14-26S-27E	
30-015-53393	Buffalo Trace 11 14 Federal 31 #1H	E/2	11-26S-27E	16800
		E/2	14-26S-27E	
30-015-53599	Buffalo Trace 11 14 Federal 31 #2H	E/2	11-26S-27E	16800
		E/2	14-26S-27E	

**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.**

**CASE NO. 23924
ORDER NO. R-22488**

**SELF-AFFIRMED STATEMENT OF
PAULA M. VANCE**

1. I am attorney in fact and authorized representative of Chevron U.S.A. Inc. (“Chevron”), the Applicant herein. I have personal knowledge of the matter addressed herein and am competent to provide this self-affirmed statement.

2. The above-referenced application and notice of the hearing on this application was sent by certified mail to the locatable affected parties on the date set forth in the letter attached hereto.

3. The spreadsheet attached hereto contains the names of the parties to whom notice was provided.

4. The spreadsheet attached hereto contains the information provided by the United States Postal Service on the status of the delivery of this notice as of October 30, 2023.

5. I caused a notice to be published to all parties subject to this proceeding. An affidavit of publication from the publication’s legal clerk with a copy of the notice publication is attached herein.

6. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C
Submitted by: Chevron U.S.A. Inc.
Hearing Date: November 2, 2023
Case No. 23924**



Paula M. Vance

10/31/23

Date



Paula M. Vance
Associate Attorney
Phone (505) 988-4421
Email pmvance@hollandhart.com

October 13, 2023

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: INTEREST OWNERS

Re: Application of Chevron U.S.A Inc. to Amend Order No. R-22488, Eddy County, New Mexico.

Ladies & Gentlemen:

This letter is to advise you that Chevron U.S.A., Inc. has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on November 2, 2023, and the status of the hearing can be monitored through the Division’s website at <https://www.emnrd.nm.gov/ocd/>.

Due to the remodeling of the state building where the New Mexico Oil Conservation Division is located, hearings will be conducted remotely beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>.

You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date. Parties appearing in cases are required to file a Pre-hearing Statement four business days in advance of a scheduled hearing that complies with the provisions of NMAC 19.15.4.13.B.

If you have any questions about this matter, please contact Gregg Pazer at (713) 372-9915 or at gpazer@chevron.com.

Sincerely,

Paula M. Vance
ATTORNEY FOR CHEVRON U.S.A., INC.

T 505.988.4421 F 505.983.6043
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208
www.hollandhart.com

Alaska	Montana	Utah
Colorado	Nevada	Washington, D.C.
Idaho	New Mexico	Wyoming

Chevron - Cicada Unit to Amend Order No. R-22488
Case no. 23924 - Postal Delivery Report

9414811898765492405337	Mewbourne Oil Company	500 W Texas Ave Ste 1020	Midland	TX	79701-4279	Your item was delivered to an individual at the address at 1:43 pm on October 16, 2023 in
9414811898765492405450	Bureau of Land Management	301 Dinosaur Trl	Santa Fe	NM	87508-1560	Your item was delivered to the front desk, reception area, or mail room at 12:19 pm on October 16,
9414811898765492405467	New Mexico State Land Office	310 Old Santa Fe Trl	Santa Fe	NM	87501-2708	Your item was picked up at a postal facility at 6:48 am on October 17, 2023 in SANTA FE,
9414811898765492405054	New Mexico State Land Office	PO Box 1148	Santa Fe	NM	87504-1148	Your item was picked up at a postal facility at 7:31 am on October 16, 2023 in SANTA FE,
9414811898765492405061	Bureau of Land Management	620 E Greene St	Carlsbad	NM	88220-6292	Your item has been delivered to an agent for final delivery in CARLSBAD, NM 88220 on October
9414811898765492405092	OXY Y-1 Company	5 Greenway Plz Ste 110	Houston	TX	77046-0521	Your item has been delivered to an agent for final delivery in HOUSTON, TX 77046 on October
9414811898765492405047	EOG Resources, Inc.	5509 Champions Dr	Midland	TX	79706-2843	Your item was delivered to an individual at the address at 8:43 am on October 17, 2023 in
9414811898765492405085	Horton Royalty, LLC	PO Box 50938	Midland	TX	79710-0938	Your item was picked up at a postal facility at 3:15 pm on October 25, 2023 in MIDLAND, TX
9414811898765492405030	John and Theresa HillmanFamily Properties, LP	PO Box 1981	Midland	TX	79702-1981	Your item was delivered to the front desk, reception area, or mail room at 9:23 am on October 23,
9414811898765492405078	Robert G. Shelton	2200 N L St	Midland	TX	79705-8636	Your item was delivered to an individual at the address at 4:25 pm on October 16, 2023 in
9414811898765492405412	Doug Shultz	PO Box 973	Santa Fe	NM	87504-0973	Your item was picked up at the post office at 10:11 am on October 19, 2023 in SANTA FE,

Carlsbad Current Argus.

PART OF THE USA TODAY NETWORK

Affidavit of Publication

Ad # 0005844961

This is not an invoice

HOLLAND AND HART

PO BOX 2208

SANTA FE, NM 87504-2208

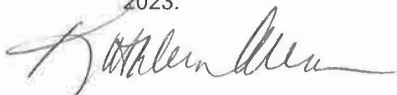
I, a legal clerk of the **Carlsbad Current Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof in editions dated as follows:

10/17/2023

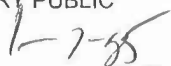


Legal Clerk

Subscribed and sworn before me this October 17, 2023:



State of WI, County of Brown
NOTARY PUBLIC



My commission expires

KATHLEEN ALLEN
Notary Public
State of Wisconsin

Ad # 0005844961

PO #: 23924

of Affidavits 1

This is not an invoice

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. D

Submitted by: Chevron U.S.A. Inc.

Hearing Date: November 2, 2023

Case No. 23924

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

The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the following cases. The hearings will be conducted remotely on Thursday, November 2, 2023, beginning at 8:15 a.m. To participate in the hearings, see the instructions posted below. The docket may be viewed at <https://www.emnrd.nm.gov/ocd/hearing-info/> or obtained from Marlene Salvidrez, at Marlene.Salvidrez@emnrd.nm.gov. Documents filed in these cases may be viewed at <https://ocdimage.emnrd.nm.gov/Imaging/Default.aspx>. If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in a hearing, contact Marlene Salvidrez at Marlene.Salvidrez@emnrd.nm.gov, or the New Mexico Relay Network at 1-800-659-1779, no later than October 22, 2023.

Persons may view and participate in the hearings through the following link: <https://nmemnrd.webex.com/nmemnrd/j.php?MTID=m2782857f226867528004f8664692193a>

Webinar number: 2480 928 8744

Join by video system: 24809288744@nmemnrd.webex.com
You can also dial 173.243.2.68 and enter your webinar number

Join by phone: 1-844-992-4726 United States Toll Free
+1-408-418-9388 United States Toll

Access code: 2480 928 8744
Panelist password: gVU2PbUBJ68 (48827282 from phones and video systems)

**STATE OF NEW MEXICO TO:
All named parties and persons
having any right, title, interest
or claim in the following case
and notice to the public.**

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

To: All affected interest owners, including: Mewbourne Oil Company; New Mexico State Land Office; Bureau of Land Management; OXY Y-1 Company; EOG Resources, Inc.; Horton Royalty, LLC; John and Theresa Hillman Family Properties, LP; Robert G. Shelton, his heirs and devisees; and Doug Shultz, his heirs and devisees.

Case No. 23924: 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 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]. The subject area is approximately 17 miles south of Loving, New Mexico #5844961, Current Argus, October 17, 2023