

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

**APPLICATION OF CHEVRON U.S.A. 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.**

**CASE NO. 22873  
(formerly Case 15845)**

**CHEVRON'S PARTIAL DISMISSAL OF THE REQUESTED RELIEF**

The application filed by Chevron U.S.A. Inc. ("Chevron") in this matter requests authority to (a) vertically expand the unitized interval of the Cicada Unit to include the Bone Spring formation, and (b) to commingle "production" at the surface from the Bone Spring and Wolfcamp formations underlying the Cicada Unit. The Bone Spring formation underlying the Cicada Unit is currently subject to the following three pools: North Hay Hollow: Bone Spring Pool (30216); Delaware River: Bone Spring Pool (16800); and Welch: Bone Spring Pool (64101). The Wolfcamp formation underlying the Cicada Unit is subject to the Purple Sage Wolfcamp (Gas) Pool (98220).

Since the hearing in this matter, Chevron has determined that the request to commingle "production" from the Bone Spring and Wolfcamp formations underlying the Cicada Unit should be limited to oil production. Chevron intends to seek authority to commingle gas production from these formations and the associated pools by separately filing an application to amend Administrative Order CTB-947. This current order authorizes the commingling of gas production from the Cicada Unit with gas production from non-unit acreage. A separate application to amend Order CTB-947 to add gas produced from the Bone Spring formation will

more efficiently address the gas commingling issues, avoid overlapping commingling orders and avoid confusion.

WHEREFORE, Chevron hereby dismisses its request to commingle gas production at the surface from the Bone Spring and Wolfcamp formations underlying the Cicada Unit and instead seeks authority under this matter to (a) vertically expand the unitized interval of the Cicada Unit to include the Bone Spring formation, and (b) to commingle oil production at the surface from the Bone Spring and Wolfcamp formations underlying the Cicada Unit..

Respectfully submitted,

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