

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

**APPLICATION OF CHEVRON U.S.A. INC.
FOR APPROVAL OF AN EXPANSION OF THE
CICADA UNIT, EDDY COUNTY, NEW MEXICO.**

CASE NO. 15845 (re-opened)

APPLICATION

Chevron U.S.A. Inc. ("Chevron"), through its undersigned attorneys, hereby files this application with the Oil Conservation Division to expand the geographic area of the Cicada Unit by approximately 640 acres of land. In support of this application, Chevron states:

1. The Cicada Unit was approved by the Oil Conservation Division on October 6, 2017 through Order No. R-14459. Order R-14459 approved the Cicada Unit Agreement and proposed unit, which consisted of approximately 5,760.0 acres of Federal and State land, comprised of the following 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: W/2
Section 12: All
Section 14: W/2
Section 15: All

2. The unitized interval for the Cicada Unit includes all oil and gas from the stratigraphic equivalent of the top of the Wolfcamp formation encountered at a true vertical depth of 9,092 feet down to the stratigraphic equivalent of the bottom of the Wolfcamp formation at a true vertical depth of 11,235 feet as encountered in the Hay Hollow Unit No. 2 Well (API #30-015-21549) in Unit F, Section 12, Township 26 South, Range 27 East, N.M.P.M., Eddy County, New Mexico ("Unitized Interval").

3. Chevron is the designated operator of the Unit under the Unit Agreement. Chevron has met with the State Land Office and the Bureau of Land Management about expanding the Cicada Unit to include an additional 640 acres of Federal lands.

4. The expansion area consists of approximately 640 acres comprised of the following Federal lands in Eddy County, New Mexico ("Cicada Expansion Area"):

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

Section 11: E/2

Section 14: E/2

The Unit Area will now consist of approximately 6,400 acres.

5. The Unitized Interval for the expanded Cicada Unit remains the same.

6. Chevron has received preliminary approval of the Unit Agreement for the expanded Cicada Unit from the State Land Office and the Bureau of Land Management.

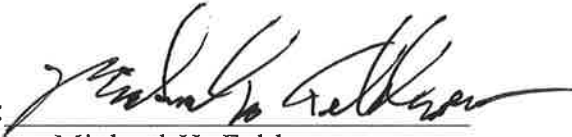
7. Notice of this Application will be provided to the working interest owners, royalty owners, and overriding royalty interest owners within the Unit Area.

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

WHEREFORE, Chevron U.S.A. Inc. requests that this Application be set for hearing before an Examiner of the Oil Conservation Division on September 5, 2019, and that after notice and hearing this Application be approved.

Respectfully submitted,

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ATTORNEYS FOR CHEVRON U.S.A. INC.

**CASE No. 15845:
(re-opened)**

Application of Chevron U.S.A. Inc. for Approval of an Expansion of the Cicada Unit, Eddy County, New Mexico. Applicant seeks approval to expand the geographic area of the Cicada Unit by 640 acres, more or less, of Federal land. Said Unit currently consists of approximately of approximately 5,760.0 acres of Federal and State land, comprised of the following 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: W/2
Section 12: All
Section 14: W/2
Section 15: All

Chevron seeks to expand the Unit to include the following Federal lands situated in Eddy County, New Mexico:

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

Section 11: E/2
Section 14: E/2

The total unit acreage will now include 6,400 acres and the unitized interval for the expanded Cicada Unit will remain from the stratigraphic equivalent of the top of the Wolfcamp formation encountered at a true vertical depth of 9,092 feet down to the stratigraphic equivalent of the bottom of the Wolfcamp formation at a true vertical depth of 11,235 feet as encountered in the Hay Hollow Unit No. 2 Well (API #30-015-21549) in Unit F, Section 12, Township 26 South, Range 27 East, N.M.P.M., Eddy County, New Mexico. The subject area is approximately 17 miles south of Loving, New Mexico.