

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

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

CASE NO. 15845

APPLICATION

Chevron U.S.A. Inc. ("Chevron") files this application for an order approving its Cicada Unit.

In support of its application, Chevron states:

1. The proposed Unit Area consists of approximately 5,760.00 acres 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
Section 12: All
Section 14: W/2
Section 15: All

2. Chevron is the designated operator under the Unit Agreement and the unitized interval is 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 2 well in Section 12, Township 26 South, Range 27 East, N.M.P.M., Eddy County, New Mexico (API #30-015-21549).

3. Chevron has sufficient interest within the proposed Unit Area to provide effective control of unit operations.

4. Chevron has met with the Bureau of Land Management and the State Land Office and has received preliminary approval of the Unit Agreement.

5. The Unit Area is entirely within the boundaries of the Purple Sage Wolfcamp Gas Pool (98220).

6. The Unit Agreement, and the unitized operation and management of the Unit Area, are in the best interests of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Chevron requests that this Application be set for hearing before an Examiner of the Oil Conservation Division on September 28, 2017, and that after notice and hearing as required by law, the Division enter its order granting this Application.

Respectfully submitted,

HOLLAND & HART LLP

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ATTORNEYS FOR CHEVRON U.S.A. INC.

CASE 15845: Application Of Chevron USA Inc. For Approval Of The Cicada Unit, Eddy County, New Mexico. Applicant seeks approval of its Cicada Unit consisting of approximately 5,760.00 acres 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
Section 12: All
Section 14: W/2
Section 15: All

The unitized interval is 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 2 well in Section 12, Township 26 South, Range 27 East, N.M.P.M., Eddy County, New Mexico (API #30-015-21549). The subject acreage is located approximately 15 miles southwest of Malaga, New Mexico.