

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

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING**

**RE-OPENED
CASE NO. 16436
ORDER NO. R-20488**

**APPLICATION OF CHEVRON U.S.A. INC. TO REOPEN CASE NO. 16436 TO MODIFY
THE VERTICAL LIMITS OF THE JAVELINA UNIT, EDDY COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This case come on for hearing at 8:15 a.m. on October 4, 2018, before Examiner Michael A. McMillan and again on February 7, 2019, before Examiner Scott A. Dawson

NOW, on this 26th day of April 2019, the Division Director, having considered the testimony, the record and the recommendations of Examiner Dawson.

FINDS THAT

(1) Due public notice has been given, and the Division has jurisdiction of this case and of the subject matter.

(2) Chevron U.S.A. Inc. ("Chevron" or "Applicant"), in Hearing Order No. R-20250, issued on November 27, 2018 approved the establishment of the Javelina Unit (the "Unit"), a federal exploratory unit, comprising 5119.76 acres (more or less) of Federal and State lands in Eddy County, New Mexico, described as follows:

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM

Section 1:	All
Section 2:	All
Section 9:	All
Section 10:	All
Section 11:	All
Section 12:	All
Section 15:	All
Section 16:	All

(3) In Hearing Order No. R-20250, the Unitized Interval includes all oil and gas in any and all formations of the unitized land, from the top of the Bone Spring formation defined as the stratigraphic equivalent of the top of the Bone Spring Lime as seen at 8,400 feet beneath the surface in that certain Schlumberger Gamma Ray and Dual Laterolog/MFSL, dated November 13, 1980, in the Superior Oil Company Sotol A Federal Well No.1 (API. No. 30-015-23459), located 1980 feet from the North line and 1980 feet from the West line, (Unit F), Section 12, Township 24 South, Range 31 East, Eddy County, New Mexico to the center of the earth.

(4) Chevron seeks to reduce the lower vertical limit of the Unit from the center of the Earth to the base of the Woodford Shale as defined as the stratigraphic equivalent of a depth of 16,367 feet beneath the surface in that certain Pan Geo Atlas Corp. Laterolog survey dated May 13, 1967, in the Cotton Draw Unit Well No. 65 (API# 30-015-10843), located in Section 2, Township 25 South, Range 31 East, Eddy County, New Mexico.

(5) Douglas McLeod, Petrogulf Corporation, and Titus Oil & Gas, LLC made an entry of appearance, but did not appear at hearing or otherwise object to the granting of this application.

(6) Applicant appeared at hearing through counsel and presented the following testimony through affidavit:

- (a) The unitized area should include all oil and gas in any and all formations of the unitized land, from the top of the Bone Spring formation defined as the stratigraphic equivalent of the top of the Bone Spring Lime as seen at 8,400 feet beneath the surface in that certain Schlumberger Gamma Ray and Dual Laterolog/MFSL, dated November 13, 1980, in the Superior Oil Company Sotol A Federal Well No.1 (API. No. 30-015-23459), located 1980 feet from the North line and 1980 feet from the West line, (Unit F), Section 12, Township 24 South, Range 31 East, Eddy County, New Mexico to the base of the Woodford Shale as defined as the stratigraphic equivalent of a depth of 16,637 feet beneath the surface in that certain Pan Geo Atlas Corp. Laterolog survey dated May 13, 1967, in the Cotton Draw Unit Well No. 65 (API# 30-015-10843), located in Section 2, Township 25 South, Range 31 East, Eddy County, New Mexico.
- (b) Applicant has received preliminary approval from the Bureau of Land Management (BLM) and New Mexico State Land Office (NMSLO), prior to the Hearing.
- (c) All other terms and conditions of the original order should remain in full force and effect.

The Division concludes as follows:

- (7) Applicant has provided proper and adequate notice of this application and hearing;

(8) With exception of the vertical limit of the Unit, the previous order should remain in full force and effect.

(9) This application, which only changes the vertical limit of the Unit, should be granted.

IT IS THEREFORE ORDERED THAT

(1) As per the application of Chevron U.S.A. Inc. ("Applicant" or "Chevron"), the Javelina Unit (the "Unit") consisting of 5119.76-acres (more or less) of Federal and State lands located in Eddy County, New Mexico, is hereby approved.

(2) This order shall be effective on the first day of the month following the later of (i) the entry date of this order or (ii) the date on which final approval of the Javelina Unit is obtained by Applicant from the Bureau of Land Management ("BLM"), and the New Mexico State Land Office ("NMSLO"). The final approval letter by the BLM and the NMSLO shall be provided to the Division.

(3) The Unit shall comprise the following-described acreage in Eddy County, New Mexico:

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM

Section 1:	All
Section 2:	All
Section 9:	All
Section 10:	All
Section 11:	All
Section 12:	All
Section 15:	All
Section 16:	All

(4) Chevron U.S.A. Inc. (OGRID 4323) is hereby designated the Unit operator.

(5) Pursuant to the Unit Agreement, The unitized area should include all oil and gas in any and all formations of the unitized land, from the top of the Bone Spring formation defined as the stratigraphic equivalent of the top of the Bone Spring Lime as seen at 8,400 feet beneath the surface in that certain Schlumberger Gamma Ray and Dual Laterolog/MFSL, dated November 13, 1980, in the Superior Oil Company Sotol A Federal Well No.1 (API. No. 30-015-23459), located 1980 feet from the North line and 1980 feet from the West line, (Unit F), Section 12, Township 24 South, Range 31 East, Eddy County, New Mexico to the base of the Woodford Shale as defined as the stratigraphic equivalent of a depth of 16,637 feet beneath the surface in that certain Pan Geo Atlas Corp. Laterolog survey dated May 13, 1967, in the Cotton Draw Unit 65 Well (API# 30-015-10843), located in Section 2, Township 25 South, Range 31 East, Eddy County, New Mexico.

(6) All other terms and conditions of the original Hearing Order shall remain in full force and effect.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



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STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Handwritten signature of Adrienne Sandoval in blue ink.

ADRIENNE SANDOVAL
Director