

**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)

CHEVRON'S PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Chevron USA Inc. ("Chevron") as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

Chevron USA Inc.
1400 Smith Street
Houston, Texas 77002

ATTORNEY

Michael H. Feldewert
Adam G. Rankin
Julia Broggi
Kaitlyn A. Luck
Holland & Hart, LLP
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
(505) 988-4421
(505) 983-6043 Facsimile
mfeldewert@hollandhart.com
agrarkin@hollandhart.com
jbroggi@hollandhart.com
kaluck@hollandhart.com

STATEMENT OF THE CASE

Chevron seeks an order to expand the geographic area of the Cicada Unit by approximately 640 acres of land. 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

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

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 and has received preliminary approval. The Unitized Interval for the expanded Cicada Unit will remain the same as the original Cicada Unit, which is 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”).

APPLICANT'S PROPOSED EVIDENCE

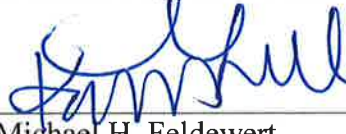
WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Christopher Cooper, Landman	Approx. 15 minutes	Approx. 8
Tonya Richardson, Geologist	Approx. 10 minutes	Approx. 4

PROCEDURAL MATTERS

None at this time.

Respectfully submitted,

HOLLAND & HART LLP



Michael H. Feldewert

Adam G. Rankin

Julia Broggi

Kaitlyn A. Luck

Post Office Box 2208

Santa Fe, New Mexico 87504-2208

(505) 988-4421

(505) 983-6043 Facsimile

mfeldewert@hollandhart.com

agrarkin@hollandhart.com

jbroggi@hollandhart.com

kaluck@hollandhart.com

ATTORNEYS FOR CHEVRON U.S.A. INC.