

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

**APPLICATION OF CHEVRON U.S.A. INC. FOR
APPROVAL OF THE JAVELINA UNIT AND
APPROVAL OF SURFACE COMMINGLING, IN
EDDY COUNTY, NEW MEXICO.**

SEP 04 2018 PM 05:00

CASE NO. 16436

APPLICATION

Chevron U.S.A. Inc. ("Chevron") by and through its attorneys, Modrall, Sperling, Roehl, Harris & Sisk, P.A., files this application with the Oil Conservation Division for an order approving its Javelina Unit and approving surface commingling of production from pools within the Bone Spring and Wolfcamp formations underlying the unit. In support of its application, Chevron states:

1. The proposed Unit Area for the Unit consists of approximately 5,119.76 acres of state and federal lands situated in Eddy County, New Mexico, described as follows:

Township 24 South, Range 31 East, N.M.P.M.:

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

2. Chevron (OGRID No. 4323) is the designated operator under the Unit Agreement. 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/MSFL, dated November 13, 1980, in the Sotol Federal 1 (API # 30-015-23459), located in Section 12, Township 24 South, Range 31 East, Eddy County, New Mexico, to the center of the earth.

3. The Unit Agreement has been approved by a sufficient percentage of the interest owners within the proposed Unit Area to provide effective control of unit operations.

4. Chevron has received preliminary approval of the Unit Agreement from the New Mexico State Land Office and the Bureau of Land Management.

5. Pursuant to 19.15.20.14 NMAC, after notice and hearing, the Division may approve the combining of contiguous spacing units into a unitized area.

6. The Bone Spring and Wolfcamp formations underlying the unit are included within separate pools.

7. Chevron seeks surface commingling approval for production from the Bone Spring and Wolfcamp formations underlying the unit so that it can use common facilities.

8. Approval of this Application will be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Chevron Corporation requests that this Application be set for hearing before an Examiner of the Oil Conservation Division on October 4, 2018, and that after notice and hearing as required by law, the Division enter its order granting this Application.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.

By: _____


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Case No. 16436 : **Application of Chevron Corporation for Approval of the Javelina Unit and Surface Commingling, Eddy County New Mexico.** Applicant seeks approval of its Javelina Unit consisting of approximately 5,119.76 acres of state and federal lands situated in all of Sections 1, 2, 9, 10, 11, 12, 15 and 16 of Township 24 South, Range 31 East, N.M.P.M., Eddy County, New Mexico. 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/MSFL, dated November 13, 1980, in the Sotol Federal 1 (API # 30-015-23459), located in Section 12, Township 24 South, Range 31 East, Eddy County, New Mexico, to the center of the earth. In addition, Applicant seeks approval to surface commingle production from the Bone Spring and Wolfcamp formations underlying the unit. The subject acreage is located approximately 20 miles East of Loving, New Mexico.

SEP 04 2018 11:05:00