

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

E. PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

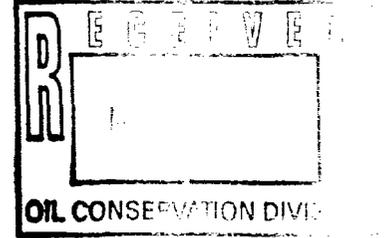
W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 9911)

TELEPHONE (505) 982-4285
TELEFAX (505) 982-2047

May 19, 1994



Mr. Michael E. Stogner
Chief Hearing Examiner
Oil Conservation Division
310 Old Santa Fe Trail, 2nd Floor
Santa Fe, New Mexico 87501

Re: Application of GECKO, Inc. for
an Unorthodox Oil Well Location,
Lea County, New Mexico

Dear Mr. Stogner:

On behalf of GECKO, Inc. please find enclosed our referenced application which we request be set for hearing on the next available Examiner's docket now scheduled for June 23, 1994. Also enclosed is our proposed advertisement of this case for the NMOCD docket.

All of the parties participating in this well's 80-acre oil spacing and proration unit are the same parties who would participate in the spacing units towards which this well encroaches. Accordingly, no notices of hearing have been provided.

Very truly yours,

A handwritten signature in black ink, appearing to read "W. Thomas Kellahin".

W. Thomas Kellahin

cc: GECKO, Inc.

PROPOSED ADVERTISEMENT

11008

CASE _____: Application of GECKO, Inc. for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location to be drilled 2414 feet from the North line and 1109 feet from the West line (Unit E) of Section 36, Township 16 South, Range 37 East, NMPM to test for production from the Casey-Strawn Pool and to be dedicated to a standard 80-acre oil spacing and proration unit consisting of the S/2NE/4 of said Section 36. Said unit is located approximately 5.5 miles north from Humble City, New Mexico.

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

IN THE MATTER OF THE APPLICATION
OF GECKO, INC. AN UNORTHODOX OIL WELL
LOCATION, LEA COUNTY, NEW MEXICO

CASE NO.: 14008

APPLICATION

Comes now GECKO, INC. by its attorneys, Kellahin and Kellahin, and applies to the New Mexico Oil Conservation Division for an exception to the Special Rules and Regulations of the Casey-Strawn Pool and for approval to drill its Gecko State "36" Well No. 1 at unorthodox oil well location 2414 feet FNL and 1109 feet FWL (Unit E) in Section 36, T16S, R37E, NMPM, Lea County, New Mexico, within an 80-acre oil spacing and proration unit consisting of the S/2NE/4 of said Section 36 to be dedicated to production from the Casey-Strawn Pool,

and in support states:

(1) GECKO, Inc. is the proposed operator for and a working interest owner in the GECKO State "36" Well No. 1 to be drilled at an unorthodox oil well location 2414 feet FNL and 1109 feet FWL (Unit E) of Section 36, T16S, R37E, NMPM, Casey-Strawn Pool, Lea County, New Mexico. See Exhibit "A" attached.

(2) The Strawn formation at this location is within the Casey-Strawn Pool which is subject to Special Rules and Regulations as set forth in Division Order R-2187-A issued January 23, 1979.

(3) The Special Rules and Regulations for the Pool provide, among other things, for 80-acre proration and spacing units for oil production with wells located within 150 feet of the center of a governmental quarter-quarter section.

(4) GECKO, Inc. requests an exception to the Special Rules and Regulations of the Casey-Strawn Pool concerning locations.

(5) The proposed unorthodox well location for the GECKO State "36" Well No. 1 is based upon geologic considerations and will afford to the applicant and the other working interest owners in this well the maximum opportunity to encounter the Strawn formation at its most favorable location in this spacing unit.

(6) The direction of encroachment is towards the N/2SW/4 of said Section 36 which involves the same owners with the same percentages as those who will participate in the subject well. Therefore, in accordance with Division notice requirements, no notifications are required.

(7) Approval of this application will afford the applicant the opportunity to produce its just and equitable share of the hydrocarbons in the affected pool and to protect its spacing unit from drainage thereby protecting correlative rights and potentially recover hydrocarbons that might otherwise not be recovered thereby preventing waste.

WHEREFORE, GECKO, Inc. requests that this application be set for hearing and that after notice and hearing as provided for by Division rules, the application be granted as requested.

Respectfully submitted,


W. Thomas Kellahin
KELLAHIN AND KELLAHIN
P. O. Box 2265
Santa Fe, New Mexico 87504
(505) 982-4285
ATTORNEYS FOR APPLICANT

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Submit to Appropriate
District Office
State Lease-4 copies
Fee Lease-3 copies

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

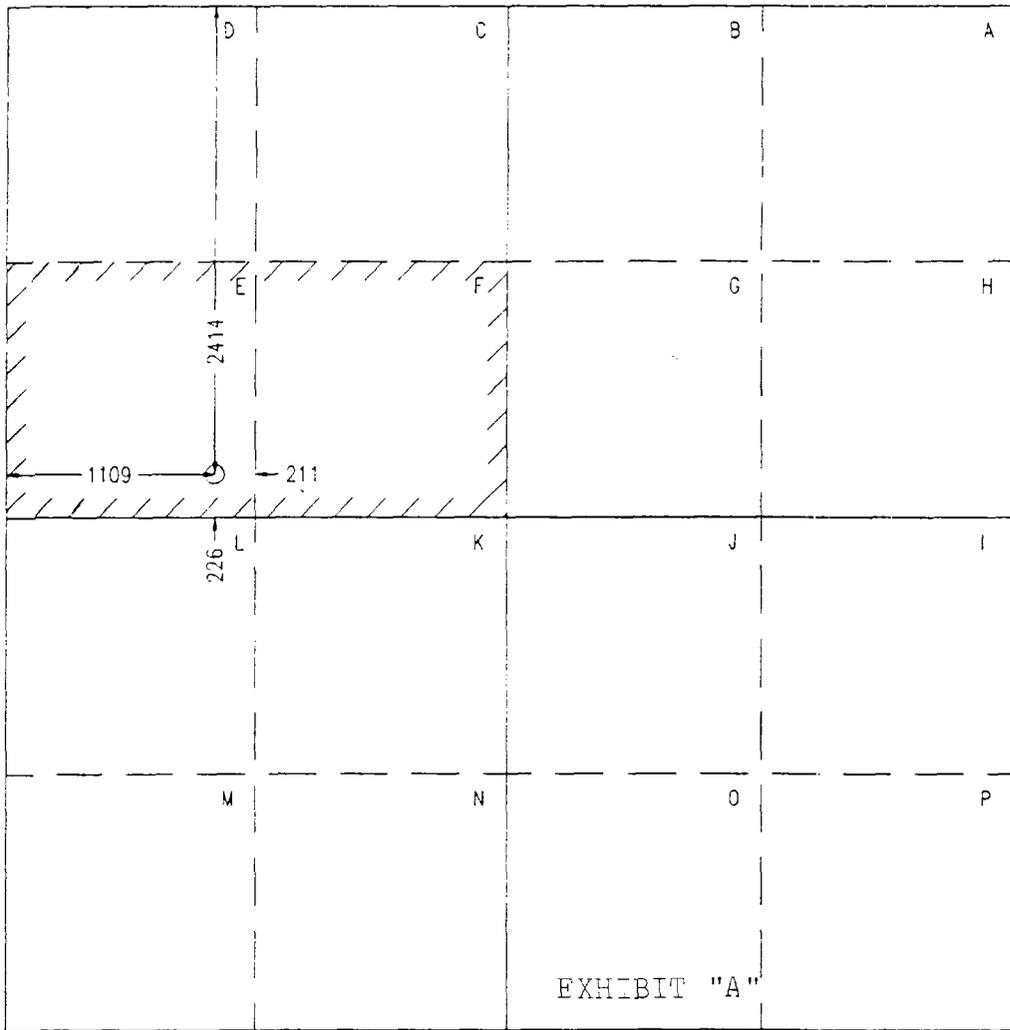
All distances must be from the outer boundaries of the Section.

Operator GECKO, INC.		Lease Gecko State 36		Well No. 1	
Unit Letter E	Section 36	Township T16S	Range R37E	County Lea	
Actual Footage Location of Well: 2414 feet from the North line and 1109 feet from the West line.					
Ground level Elev. 3751	Producing Formation STRAWN	Pool Casey (Strawn)		Dedicated Acreage: 80 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
 Yes No If answer is "yes", type of consolidation _____

If answer is "no", list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature _____

Printed Name

Steve L. Thomson

Position

President

Company

GECKO, INC.

Date

May 16, 1994

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

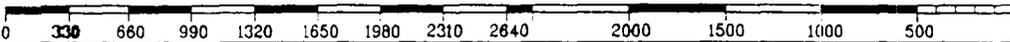
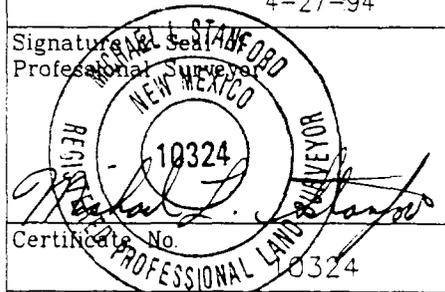
Date Surveyed

4-27-94

Signature _____
Professional Surveyor

Certificate No.

10324



9 Miles SE of Lovington, New Mexico.

File No. A-0360

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATO BUILDING

117 NORTH GUADALUPE

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W. THOMAS KELLAHIN*

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RECOGNIZED SPECIALIST IN THE AREA OF
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JASON KELLAHIN RETIRED 1991

May 31, 1994

Mr. Michael E. Stogner
Chief Hearing Examiner
Oil Conservation Division
310 Old Santa Fe Trail, 2nd Floor
Santa Fe, New Mexico 87501

11508

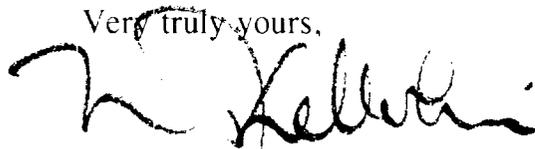
Re: FIRST AMENDED APPLICATION
Gecko State "36" Well No. 1
Application of GECKO, Inc. for
an Unorthodox Oil Well Location,
Lea County, New Mexico

Dear Mr. Stogner:

This First Amended Application corrects our application filed by letter dated May 19, 1994 in which the 80-acre oil spacing and proration unit was incorrectly identified. The correct spacing and proration unit is the S/2NW/4 of Section 36.

All of the parties participating in this well's 80-acre oil spacing and proration unit are the same parties who would participate in the spacing units towards which this well encroaches. Accordingly, no notices of hearing have been provided.

Very truly yours,



W. Thomas Kellahin

cc: GECKO, Inc.

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

IN THE MATTER OF THE APPLICATION
OF GECKO, INC. AN UNORTHODOX OIL WELL
LOCATION, LEA COUNTY, NEW MEXICO

CASE NO.: 1002

**FIRST AMENDED
APPLICATION**

Comes now GECKO, INC. by its attorneys, Kellahin and Kellahin, and applies to the New Mexico Oil Conservation Division for an exception to the Special Rules and Regulations of the Casey-Strawn Pool and for approval to drill its Gecko State "36" Well No. 1 at unorthodox oil well location 2414 feet FNL and 1109 feet FWL (Unit E) in Section 36, T16S, R37E, NMPM, Lea County, New Mexico, within an 80-acre oil spacing and proration unit consisting of the S/2NW/4 of said Section 36 to be dedicated to production from the Casey-Strawn Pool,

and in support states:

(1) GECKO, Inc. is the proposed operator for and a working interest owner in the GECKO State "36" Well No. 1 to be drilled at an unorthodox oil well location 2414 feet FNL and 1109 feet FWL (Unit E) of Section 36, T16S, R37E, NMPM, Casey-Strawn Pool, Lea County, New Mexico. See Exhibit "A" attached.

(2) The Strawn formation at this location is within the Casey-Strawn Pool which is subject to Special Rules and Regulations as set forth in Division Order R-2187-A issued January 23, 1979.

(3) The Special Rules and Regulations for the Pool provide, among other things, for 80-acre proration and spacing units for oil production with wells located within 150 feet of the center of a governmental quarter-quarter section.

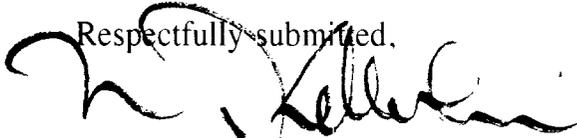
(4) GECKO, Inc. requests an exception to the Special Rules and Regulations of the Casey-Strawn Pool concerning locations.

(5) The proposed unorthodox well location for the GECKO State "36" Well No. 1 is based upon geologic considerations and will afford to the applicant and the other working interest owners in this well the maximum opportunity to encounter the Strawn formation at its most favorable location in this spacing unit.

(6) The direction of encroachment is towards the N/2SW/4 of said Section 36 which involves the same owners with the same percentages as those who will participate in the subject well. Therefore, in accordance with Division notice requirements, no notifications are required.

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WHEREFORE, GECKO, Inc. requests that this application be set for hearing and that after notice and hearing as provided for by Division rules, the application be granted as requested.

Respectfully submitted,


W. Thomas Kellahin
KELLAHIN AND KELLAHIN
P. O. Box 2265
Santa Fe, New Mexico 87504
(505) 982-4285
ATTORNEYS FOR APPLICANT

PROPOSED ADVERTISEMENT

11308

CASE _____: Application of GECKO, Inc. for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location to be drilled 2414 feet from the North line and 1109 feet from the West line (Unit E) of Section 36, Township 16 South, Range 37 East, NMPM to test for production from the Casey-Strawn Pool and to be dedicated to a standard 80-acre oil spacing and proration unit consisting of the S/2NW/4 of said Section 36. Said unit is located approximately 5.5 miles north from Humble City, New Mexico.

Submit to Appropriate
District Office
State Lease-4 copies
Fee Lease-3 copies

OIL CONSERVATION DIVISION

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

WELL LOCATION AND ACREAGE DEDICATION PLAT

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

All distances must be from the outer boundaries of the Section.

Operator GECKO, INC.		Lease Gecko State 36		Well No. 1	
Unit Letter E	Section 36	Township T16S	Range R37E	County NMPM Lea	
Actual Footage Location of Well: 2414 feet from the North line and 1109 feet from the West line.					
Ground level Elev. 3751	Producing Formation STRAWN		Pool Casey (Strawn)	Dedicated Acreage: 80 Acres	

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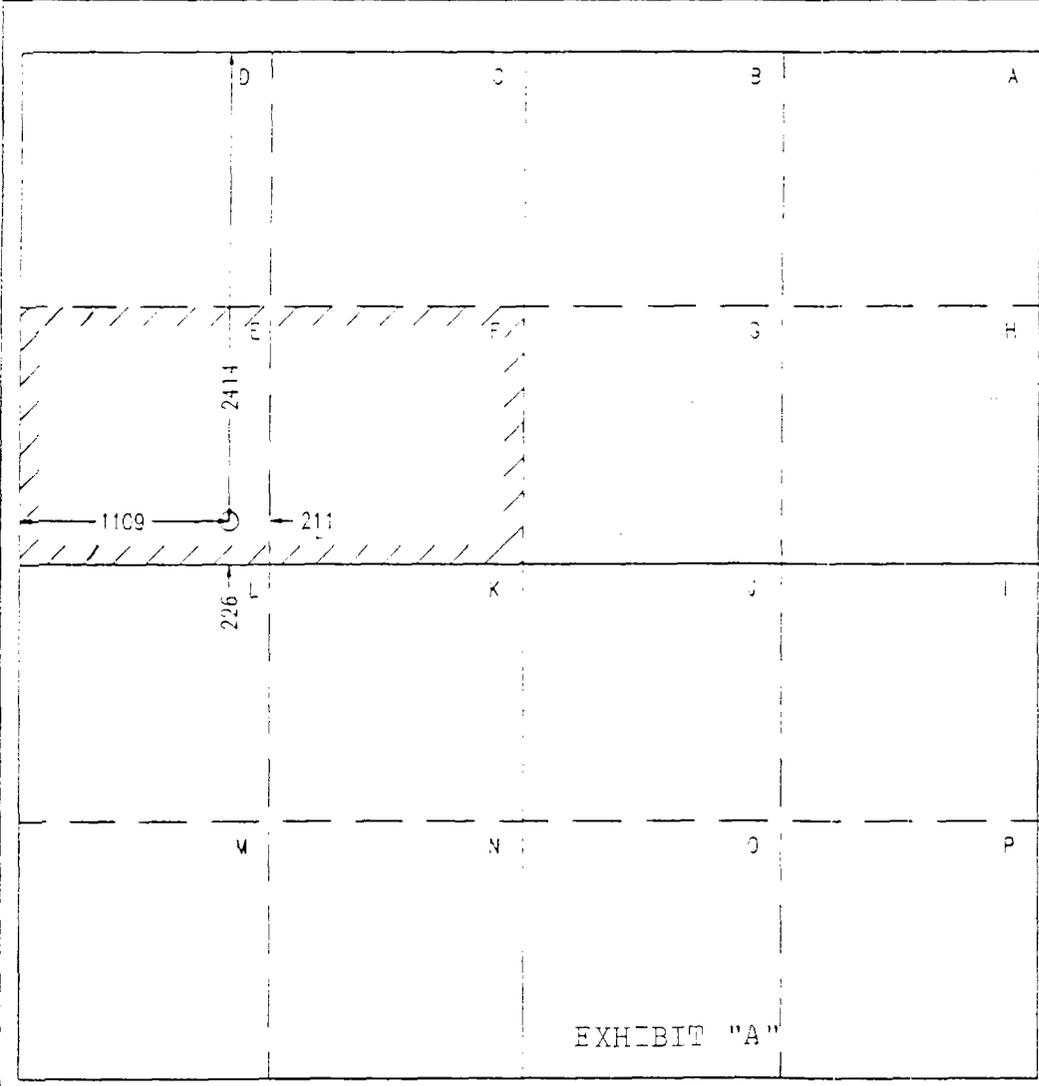


EXHIBIT "A"

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature _____
 Printed Name **Steve L. Thomson**
 Position **President**
 Company **GECKO, INC.**
 Date **May 16, 1994**

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed **4-27-94**

Signature _____
 Professional _____
 Certificate No. **10324**

