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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

MAY 31 1994

Re: Gecko State "26" Well No. 1
Application of GECKO, Inc. for
an Unorthodox Oil Well Location,
Lea County, New Mexico

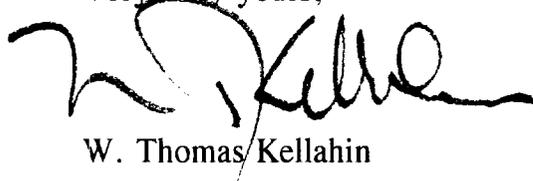
11009

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.

The well is unorthodox as to the interior governmental quarter-quarter section within this proposed 80-acre oil spacing and proration unit. Accordingly, no notices of hearing have been provided.

Very truly yours,



W. Thomas Kellahin

cc: GECKO, Inc.

1001

PROPOSED ADVERTISEMENT

CASE 11009: 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 for its GECKO State "26" Well No. 1 to be drilled 555 feet from the South line and 1648 feet from the West line (Unit N) of Section 26, 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/2SW/4 of said Section 26. Said unit is located approximately 6 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

. 1 1994

CASE NO.: 11009

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 "26" Well No. 1 at unorthodox oil well location 555 feet FSL and 1648 feet FWL (Unit N) in Section 26, T16S, R37E, NMPM, Lea County, New Mexico, within an 80-acre oil spacing and proration unit consisting of the S/2SW/4 of said Section 26 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 "26" Well No. 1 to be drilled at an unorthodox oil well location 555 feet FSL and 1648 feet FWL (Unit N) of Section 26, 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 "26" 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 SW/4SW/4 of said Section 26 which is to be included in this 80-acre oil spacing and proration unit. 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

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

OIL CONSERVATION DIVISION

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

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

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

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

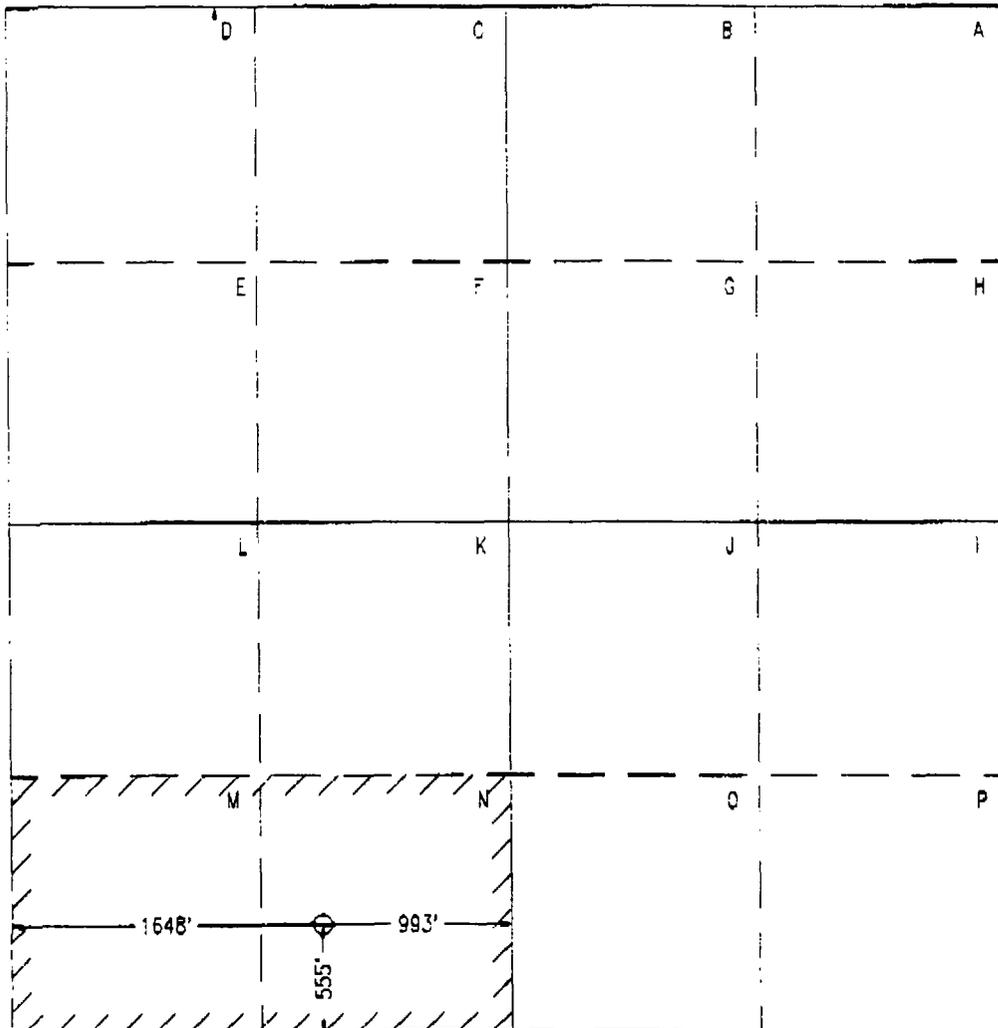
Operator GECKO, INC.			Lease GECKO State 26			Well No. 1		
Unit Letter N	Section 26	Township T16S	Range R37E	NMPM		County Lea		
Actual Footage Location of Well: 555 feet from the South line and 1648 feet from the West line.								
Ground level Elev. 3768		Producing Formation Strawn		Pool Casey (Strawn)			Dedicated Acreage: 80 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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 _____

Position _____

Company

GECKO, INC.

Date _____

SURVEYOR CERTIFICATION

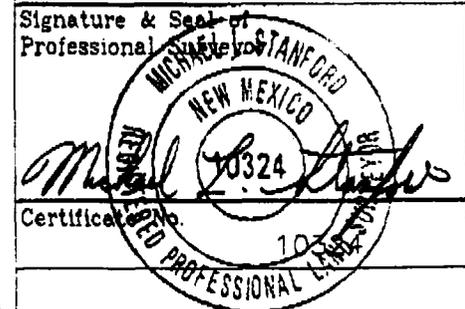
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

5-24-94

Signature & Seal of Professional _____

Certificate No. _____



9 Miles **SE** of **Lovington**, New Mexico.

File No. **A-0365**