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JASON KELLAHIN (RETIRED 1991)

January 29, 1996

HAND DELIVERED

Mr. William J. LeMay, Director
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

Re: GECKO's Wilks "28" Well No. 1
SE/4NE/4 Section 28, T15S, R37E, NMPM
Application of GECKO
for Compulsory Pooling,
Lea County, New Mexico

Dear Mr. LeMay:

On behalf of GECKO, please find enclosed our application for compulsory pooling which we request be set for hearing on the Examiner's docket now scheduled for February 22, 1996. Also enclosed is our proposed notice of publication for this case.

Very truly yours,



W. Thomas Kellahin

cc: Gecko

Attn: Steve Thomson

RECEIVED

JAN 29 1996

Oil Conservation Division

11471

RECEIVED

JAN 9 1995

Oil Conservation Division

CASE 11471: Application of GECKO for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Strawn formation underlying the following described acreage in Section 28, T15S, R37E, NMPM, Lea County, New Mexico, and in the following manner: the SE/4NE/4 to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent and the E/2NE/4 to form a standard 80-acre oil spacing and proration unit for any and all formations and/or pools within said vertical extent. Said unit(s) is to be dedicated to its proposed GECKO Wilks "28" Well No. 1 to be drilled at a standard location in the SE/4NE/4 of said Section 28. Also to be considered will be the costs of drilling, completing and operating said well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well.

Said well is located approximately 9 miles northeast from Lovington, New Mexico.

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

OIL CONSERVATION DIVISION

JAN 11 1986

Oil Conservation Division

IN THE MATTER OF THE APPLICATION
OF GECKO FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

CASE NO. 11471

A P P L I C A T I O N

Comes now GECKO, by its attorneys, Kellahin & Kellahin, and in accordance with Section 70-2-17(c) (1978) applies to the New Mexico Oil Conservation Division for an order pooling all mineral interests from the surface to the base of the Strawn formation underlying the following described acreage in Section 28, T15S, R37E, NMPM, Lea County, New Mexico, and in the following manner: the SE/4NE/4 to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent and the E/2NE/4 to form a standard 80-acre oil spacing and proration unit for any and all formations and/or pools within said vertical extent. Said unit(s) is to be dedicated to its proposed GECKO Wilks "28" Well No. 1 to be drilled at a standard location in the SE/4NE/4 of said Section 28. Also to be considered will be the costs of drilling, completing and operating said well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well.

In support of its application, GECKO states:

1. GECKO has a working interest ownership in the oil and gas minerals underlying the NE/4 of Section 28, T15S, R37E, NMPM, Lea County, New Mexico.

2. On July 5, 1995, GECKO proposed to all working interest and unleased mineral owners in the spacing unit(s) a voluntary agreement for their participation in the drilling and completion of the proposed GECKO Wilks "28" Well No. 1 to be located at a standard well location in the SE/4NE/4 of said Section 28 as a potential Strawn oil well.

3. GECKO has obtained the voluntary agreement of 92.44643 % of the working interest owners in a spacing unit to consists of either the SE/4NE/4 or the E/2NE/4.

4. Despite its good faith efforts, GECKO has been unable to obtain a written voluntary agreement from the interest owners set forth in Exhibit "A" attached.

5. Pursuant to Section 70-2-17(c) NMSA (1978) and in order to obtain its just and equitable share of potential production underlying this spacing unit, GECKO needs an order of the Division pooling the identified and described mineral interests involved in order to protect correlative rights and prevent waste.

6. In accordance with the Division's notice requirements, a copy of this application has been sent to the interested parties listed in paragraph (3) above notifying it of this case and of the applicant's request for a hearing of this matter before the Division on the next available Examiner's docket now scheduled for February 22, 1996.

WHEREFORE, GECKO, as applicant, requests that this application be set for hearing on February 22, 1996 before the Division's duly appointed examiner, and that after notice and hearing as required by law, the Division enter its order pooling the mineral interest described in this spacing unit(s) for the subject well at a standard well location upon terms and conditions which include:

(1) GECKO be named operator;

(2) The order make provisions for applicant and all working interest owners to participate in the costs of drilling, completing, equipping and operating the well;

(3) In the event a working interest owner fails to elect to participate, then provision be made to recover out of production, the costs of the drilling, completing, equipping and operating the well, including a risk factor penalty of 200 %;

(4) A provision for overhead rates and a method for adjusting those rates in accordance with COPAS accounting procedures;

(5) For such other and further relief as may be proper.

RESPECTFULLY SUBMITTED:

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', written in a cursive style.

W. THOMAS KELLAHIN
KELLAHIN & KELLAHIN
P. O. Box 2265
Santa Fe, New Mexico 87501
(505) 982-4285

EXHIBIT "A"

AnSon Company
Anson Gas Corporation
P. O. Box 24060
Oklahoma City, Oklahoma 73118
Attn: Daniel W. Fischer

Devises of Leslie
Graydon Caudill, Sr.
(addresses unknown)

Sylvia Janie Sumruld, individually
and as Personal representative of the
Estate of LeRoy Sumruld
and as Trustee of the LeRoy and Janie
Sumruld Trust, U/T/A dated February 27, 1987

The L and J Sumruld, Ltd,
a New Mexico Limited Partnership