

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

RECEIVED

OCT 28 1996

Oil Conservation Division

**IN THE MATTER OF THE APPLICATION  
OF GECKO, INC. FOR APPROVAL OF  
ITS STATE-35 LEASEHOLD PRESSURE  
MAINTENANCE PROJECT AND TO QUALIFY  
SAID PROJECT FOR THE RECOVERED OIL TAX  
RATE PURSUANT TO THE "NEW MEXICO ENHANCED  
OIL RECOVERY ACT," LEA COUNTY, NEW MEXICO**

**CASE NO** 11663

**A P P L I C A T I O N**

Comes now GECKO, INC. ("GECKO"), by its attorneys, Kellahin & Kellahin, and pursuant to the New Mexico "Enhanced Oil Recovery Act" and to Division Rule 701(F) applies to the New Mexico Oil Conservation Division for authority to institute a Pressure Maintenance Project in its proposed State-35 Leasehold by the injection of water into the Strawn formation of the Casey-Strawn Pool ("Pressure Maintenance Project") and for the recovered oil tax rate for enhanced oil recovery for the use of enhanced oil recovery technology within said pressure maintenance project, a new EOR project and in support states:

(1) GECKO is the proposed operator of the proposed State-35 Leasehold Pressure Maintenance Project ("proposed EOR Project") which is intended to recovery additional oil by means of water injection into the Strawn formation of the Casey-Strawn Pool within a project area containing 160-acres and consisting of one injection well and one producing well within the following described area:

Township 16 South, Range 37 East, NMPM

Section 35: NE/4

GECKO, INC.  
NMOCD Application  
Page 2

(2) As of July 1, 1996, cumulative primary oil recovery from the Project Area has been 141,000 barrels of oil with an estimated additional 93,200 barrels of oil to be recovered under the current mode of operations.

(3) The Project is currently producing at 85 BOPD at approximately 74% water cut from two active producers.

(4) GECKO seeks to institute a Pressure Maintenance Project for this Project Area by means of a significant change in the process used for the displacement of crude by the initiation of the injection of water under the following described method: convert the Gecko State 35 Well No. 1 to a water injection well and re-inject water produced by two Gecko operated wells in Section 35 and 36, T16S, R37E, NMPM.

(5) The estimated amount of recoverable oil attributable to a Positive Production Response from the use of enhanced oil recovery technology for this proposed EOR Project is 46,840 barrels of additional oil.

(6) In accordance with Division Order R-9708, the following is submitted:

a. Operator's name and address:

GECKO, INC.  
310 W. Wall  
Suite 702-LB 106  
Midland, Texas 79701

b. Description of the Project Area:

(1) Plat outlining Project Area:

See Exhibit "A"

(2) Description of the Project Area:

T16S, R37E NMPM  
Sec 35: NE/4

(3) Total acres in Project Area:

160-acres, more or less

(4) Name of the subject Pool and formation:

Strawn formation of  
the Casey-Strawn Pool

c. Status of operations in the project area:

(1) N/A [if unitized, name of unit, date of  
unit approval and order number]

(2) N/A  
[if application for unit approval  
pending, supply date of filing]

(3) State of New Mexico Lease V-4119  
[if not unitized, identify each lease]

d. Method of recovery to be used:

(1) injected fluids: produced water

(2) N/A [if project has already been  
approved, provide reference]

(3) 10/29/96  
[if project not approved provide  
date application was filed]

e. Description of the Project:

(1) a list of producing wells:

Gecko State 35 Well No. 1  
343 feet FNL and 1762 feet FEL of Section 35

(2) a list of injection wells:

Gecko State 35 Well No. 2  
1874 feet FNL and 1874 feet FEL of Section 35

(3) Capital cost of additional facilities:  
\$10,000

(4) Total Project Costs:  
\$68,000

(5) Estimated total value of the additional production that will be recovered as a result of this Project Area:

An additional 46,840 barrels of oil with a current undiscounted value of approximately \$189,000 dollars

(6) Anticipated date of commencement of injection:  
December 15, 1996

(7) the type of fluid to be injected and the anticipated volumes:

Strawn produced water--approximately 500 BWPD

(8) Explanation of changes in technology:

(a) See C-108 for well status

(b) summary of changes in technology and the process to be used for displacement of oil:

The proposed project provides for one producing well and one injection well,

construction of water injection facilities. The estimated costs of this project is approximately \$68,000

f. Production data:

See attached graphs, charts and supporting data to show the production history and production forecast of oil (Exhibit "B"), gas (Exhibit "C"), and water (Exhibit "D") from the project area.

(7) GECKO requests that the Division authorize a Project Allowable of 440 BOPD in order to provide operational flexibility to maximize recovery from the unit and thereby prevent waste and protect correlative rights.

(8) Pursuant to Division Rule 701, GECKO has enclosed as Exhibit "F" a completed Division Form C-108 with attachments and requests that the Division authorize the utilization of the injection well set forth herein.

Wherefore, Applicant requests that this application be set for hearing and that after said hearing, the Division enter its order approving this application.

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 87504  
(505) 982-4285

