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

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

DEC | 5

CASE NO. 10884

APPLICATION OF GECKO, INC. FOR APPROVAL OF AN UNORTHODOX LOCATION, EDDY COUNTY, NEW MEXICO

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Gecko, Inc. as required by the Oil Conservation Division

APPEARANCE OF PARTIES

APPLICANT

GECKO, INC.
310 W. Wall
Midland, Texas
ATTENTION: Steve Thompson

ATTORNEY

Rod J. MacDonald 300 W. Texas, Suite 524 Midland, Texas 79701 (915) 688-3939; and/or

W. Thomas Kellahin KELLAHIN AND KELLAHIN P. O. Box 2265 Santa Fe, NM 87504 (505) 982-4285

OPPOSITION OR OTHER PARTY

ATTORNEY

N/A

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STATEMENT OF CASE

Applicant

Applicant, Gecko, Inc., requests authorization, based upon geological reasons, to drill an oil well at an unorthodox location, to be situated 434 feet from the North line and 1,762 feet from the East line of Section 35, Township 16 South, Range 37 East, N.M.P.M., Lea County, New Mexico. The well shall be drilled to test the Casey-Strawn Pool, with an expected total depth of approximately 12,000 feet below the surface. The Special Rules for the Casey-Strawn Pool, as set forth in Oil Conservation Commission Order No. R-4992, require that each well shall be located within 150 feet of the center of a governmental quarter-quarter section. The proposed location will be approximately 78 feet further to the North and approximately 68 feet further to the West than required by the field rules.

OPPOSITION OR OTHER PARTY

N/A

PROPOSED EVIDENCE

APPLICANT

| WITNESSES | EST. TIME | EXHIBITS |
|------------------------------------|------------|------------|
| Benny Barton Petroleum Engineer | 25 Minutes | 2 Exhibits |

OPPOSITION

WITNESSES EST. TIME EXHIBITS

SEE OPPOSITION FILING

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PROCEDURAL MATTERS

None applicable at this time.

Rod J. MacDonald 300/W. Texas Midland, Texas 79701

(915) 688-3939

ATTORNEY FOR APPLICANT