

**CASE 13229:** Continued from August 5, 2004, Examiner Hearing

**Application of Yates Petroleum Corporation for an Unorthodox Gas Well Location, an Exception to Division Rule 104.C (2) (b), and a Retroactive Approval Date for any order Issued in this case, Chaves County, New Mexico.** Applicant seeks an exception to Division Rule 104.C (2) for an unorthodox deep gas well location in the Wolfcamp formation and in the Palma Mesa-Pennsylvanian Gas Pool (82550) for Yates Petroleum Corporation's existing Hanlad "AKZ" State Well No. 2 (API No. 30-005-62911), located 330 feet from the South line and 1225 feet from the West line (Unit M) of Section 13, Township 8 South, Range 27 East [which well was the subject of Division Order No. R-9721, issued in Case No. 10489 on June 11, 1992, approving this well as an unorthodox gas well location in the Palma Mesa Siluro-Ordovician Gas Pool (82550) within a standard 320-acre deep gas spacing unit comprising the S/2 of Section 13], this well to be dedicated to the S/2 of Section 13 being a standard 320-acre lay-down deep gas spacing unit for both zones. This well is located approximately eight miles southwest of Elkins, New Mexico. **APPLICANT FURTHER SEEKS** an exception to Division Rule 104.C (2) (b) in order to recomplete the Hanlad "AKZ" State Well No. 2 as an infill Pennsylvanian gas well within the same quarter section (SW/4 of Section 13) as an existing well producing from the Palma Mesa-Pennsylvanian Gas Pool. The S/2 of Section 13, being a standard 320-acre lay-down deep gas spacing unit in the Palma Mesa-Pennsylvanian Gas Pool is currently dedicated to the applicant's Hanlad "AKZ" State Well No. 1 (API No. 30-005-61493), located at a standard deep gas well location 660 feet from the South and West lines (Unit M) of Section 13. **FURTHERMORE**, applicant seeks an effective date for any order issued in this case is made retroactive to October 15, 2003.