



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

March 27, 2006

Ms. Ocean Munds-Dry
Holland & Hart
Attorneys at Law
Post Office Box 2208
Santa Fe, New Mexico 87504-2208

Dear Ms. Munds-Dry:

Based upon the reasons stated in your letter of March 24, 2006, and in accordance with the provisions of Division Order No. R-12475, Parallel Petroleum Corporation is hereby granted an extension of time until July 15, 2006, in which to commence the drilling of the well pooled by this order.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark E. Fesmire".

Mark E. Fesmire, P.E.

Director

fd/

cc: Case No. 13600
OCD - Artesia



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March 24, 2006

HAND-DELIVERED

Mark E. Fesmire, P. E.
Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Oil Conservation Division Case No. 13600: Application of Parallel Petroleum Corporation for compulsory pooling, Chaves County, New Mexico.

Dear Mr. Fesmire;

On January 9, 2006, the Division entered Order No. R-12475 which granted the application of Parallel Petroleum Corporation in the above-referenced case pooling all uncommitted interests from the surface to the base of the Wolfcamp formation underlying the E/2 of Section 27, Township 14 South, Range 26 East, NMPM, Chaves County, New Mexico.

Order R-12475 provides that in the event Parallel does not commence drilling the proposed well on or before April 15, 2006, this pooling order shall be of no effect unless Parallel obtains a time extension from the Division Director for good cause shown.

Parallel plans to drill the Bold Venture Well No. 1 but has encountered delays in obtaining a rig and has determined that it will not be able to commence drilling prior to April 15, 2006. Since it will be unable to commence drilling prior to the current deadline set by this pooling order, Parallel Petroleum Corporation hereby requests an extension of Order No. R-12475 from April 15, 2006 until July 15, 2006.

Your attention to this request is appreciated.

Sincerely,

Ocean Munds-Dry
Ocean Munds-Dry

cc: Mr. Michael Gray
Parallel Petroleum Corp.