Examiner Hearing – September 14, 2006 Docket No. 29-06 Page 2 of 9

feet from the West line of Section 27 (set Kickoff point at 4177' and drill and advance hole to a Wolfcamp penetration pent at approximately 662' FSL and 744' FWL of the Section 22 and continue drilling to BHL [9799' MD and 5235' TVD]) and a bottomhole location of 660 feet from the North line and 744 feet from the West line of Section 22, Township 14 South, Range 26 East to an approximate depth of 9,799 feet to test any and all formations from the surface to the base of the Wolfcamp. Also to be considered will be the cost of drilling and completing said well and the albication of the cost thereof as well as actual operating costs and charges for supervision, designation of Parallel Peroleum Corporation as operator of the well and a charge for risk involved in drilling said well. Said area is located 2 miles South of Hagerman, New Mexico.

CASE NO. 13760: Continued from August 17, 2006 Examiner Hearing.

Application of Parallel Petroleum Corporation for compulsory pooling and an unorthodox well location, Chaves County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation in the following described spacing and proration unit located in the E/2 of Section 22, Township 14 South, Range 26 East, N.M.P.M., Chaves County, New Mexico: the E/2 for all formations and/or pools developed on 320-acre spicing which includes but is not necessarily limited to the Wolfcamp Gas Pool. Said unit is to be dedicated to its Barbaro 1426-22 O Well No. 1 to be drilled at an unorthodox surface location 399 feet from the North line and 1910 feet from the East line of Section 27 (Set Kickoff point at 4192' and drill and advance hole to a Wolfcamp penetration point at approximately 662' FSL and 1910 FEL of the Section 22 and continue drilling to BHL [9814' MD and 5250' TVD]) and a bottomhole location of 660 feet from the North line and 1910 feet from the East line of Section 22, Township 14 South, Range 26 East to an approximate depth of 9,814 feet to test any and all formations from the surface to the base of the Wolfcamp. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Parallel Petroleum Corporation as operator of the well and a charge for risk involved in drilling said well. Said area is located 2 miles South of Hagerman, New Mexico.

CASE NO. 13772: Application of OXY USA WTP Limited Partnership for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation in the N/2 of Section 16, Township 24 South, Range 28 East, N.M.P.M., Eddy County, New Mexico for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the West Malaga-Morrow Gas Pool and the Undesignated West Malaga-Atoka Gas Pool. OXY proposes to dedicate the above-referenced spacing or proration units to its Big Spender State Com Well No. 1 to be drilled at a standard gas well location 660 feet from the North line and 700 feet from the West line (Unit D) of said Section 16. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of OXY USA WTP Limited Partnership as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 2 miles West of Malaga, New Mexico.

CASE NO. 13773: Application of OXY USA WTP Limited Partnership for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation in the following described spacing and proration units located in the S/2 of Section 29, Township 16 South, Range 32 East. N.M.P.M., Lea County, New Mexico: the S/2 for all formations and/or pools developed on 320-acre spacing; the SW/4 for all formations and/or pools developed on 160-acre spacing, and the E/2 SW/4 for all formations and/pools developed on 80-acre spacing. OXY proposes to dedicate the above-referenced spacing or proration units to its Oxy Miss Kite State Com Well No. 1 to be drilled at a standard gas well location 1980 feet from the South and West lines (Unit K) of said Section 29. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of OXY USA WTP Limited Partnership as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 3 miles NW of Maljamar, New Mexico.

CASE NO. 13774: Application of OXY USA WTP Limited Partnership for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation in the following described spacing and proration units located in the N/2 of Section 29, Township 16 South, Range 32 East, N.M.P.M., Lea County, New Mexico: the N/2 for all formations and/or pools developed on 320-acre spacing; the NW/4 for all formations and/or pools developed on 160-acre spacing, and the E/2 NW/4 for all formations and/pools developed on 80-acre spacing. OXY proposes to dedicate the above-referenced spacing or proration units to its Oxy Bat Hawk State Com Well No. 1 to be drilled at a standard gas well location 1650 feet from the North line and 1980 feet from the West line (Unit F) of said Section 29. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision.