

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

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

**CASE NO. 13760**

**APPLICATION OF PARALLEL PETROLEUM  
CORPORATION FOR COMPULSORY POOLING  
AND AN UNORTHODOX WELL LOCATION,  
CHAVES COUNTY, NEW MEXICO.**

**PRE-HEARING STATEMENT**

This Pre-Hearing Statement is submitted by Holland & Hart LLP as required by the Oil Conservation Division.

**APPEARANCES OF PARTIES**

**APPLICANT**

Parallel Petroleum Corp.  
Attn: Michael Gray  
P. O. Box 10587  
Midland, TX 79702  
(432) 349-7033

**ATTORNEY**

Ocean Munds-Dry, Esq.  
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Santa Fe, New Mexico 87504  
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**STATEMENT OF CASE**

**APPLICANT**

Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface to the base of the ~~Marlow~~ <sup>W.C.</sup> formation in the following described spacing and proration units 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 spacing 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 the Hagerman, New Mexico.

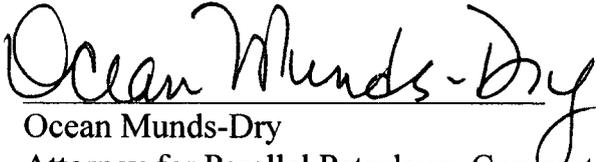
**PROPOSED EVIDENCE**

APPLICANT

WITNESSES (Name and Expertise)	ESTIMATED TIME	EXHIBITS
Michael Gray	Approx. 30 min.	Approx. 8

**PROCEDURAL MATTERS**

Parallel Petroleum Corporation has none at this time.

  
Ocean Munds-Dry  
Attorney for Parallel Petroleum Corporation