

**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:**

**CASE NO. 13862**

**APPLICATION OF PARALLEL PETROLEUM  
CORPORATION FOR APPROVAL OF A UNIT  
AGREEMENT, EDDY 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.  
Holland & Hart LLP  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
(505) 988.4421

2007 JUN 11 AM 11 27

**STATEMENT OF CASE**

**APPLICANT**

Applicant seeks approval of the Walnut Draw State Exploratory Unit from the surface to the base of the Wolfcamp formation in an area comprising 1040 acres of State of New Mexico lands in Sections 24 and 25 in Township 18 South, Range 21 East, NMPM, which is located approximately 6 miles South of Hope, New Mexico.

**PROPOSED EVIDENCE**

APPLICANT

WITNESSES  
(Name and Expertise)

ESTIMATED TIME

EXHIBITS

BY AFFIDAVIT

**PROCEDURAL MATTERS**

Pursuant to Division policy Parallel Petroleum Corporation will present this case by Affidavit.



Ocean Munds-Dry

Attorney for Parallel Petroleum Corporation