

**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:**

2007 APR 4 AM 9 33
CASE NO. 13895

**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: Mark Wheeler
P. O. Box 10587
Midland, TX 79702
(432) 349-6267

ATTORNEY

William F. Carr, Esq.
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STATEMENT OF CASE

APPLICANT

Applicant seeks approval of the Paris Draw State Exploratory Unit from the surface to the base of the Wolfcamp formation in an area comprising 6833.48 acres of State of New Mexico lands in all or portions of Sections 13, 23, 24, 25 and 36 in Township 16 South, Range 23 East, NMPM, and Sections 16, 17, 19 through 21 and 28 through 30, Township 16 South, Range 24 East, NMPM, Eddy County, New Mexico.

PROPOSED EVIDENCE

APPLICANT

WITNESSES
(Name and Expertise)

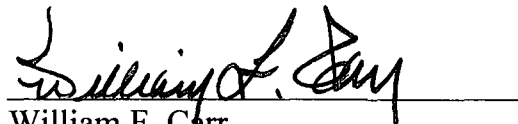
ESTIMATED TIME

EXHIBITS

Parallel lans to present this case by affidavit.

PROCEDURAL MATTERS

Parallel Petroleum Corporation has none at this time.

A handwritten signature in black ink, appearing to read "William F. Carr", is written over a horizontal line.

William F. Carr
Attorney for Parallel Petroleum Corporation