

**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 PURPOSES OF CONSIDERING:**

**CASE NO. 13864**

**APPLICATION OF PARALLEL PETROLEUM CORPORATION  
FOR COMPULSORY POOLING  
CHAVES COUNTY, NEW MEXICO.**

*Before the Oil Conservation Division  
Exhibit No. 1  
Parallel Petroleum Corp  
OCD CASE 13864  
Hearing: May 10, 2007*

**AFFIDAVIT OF DEANE DURHAM AND AARON L. MYERS**

STATE OF TEXAS                   §  
  § ss.  
COUNTY OF MIDLAND         §

Before me, the undersigned authority, personally appeared Deane Durham (ENGINEER), and Aaron L. Myers (CONSULTING LANDMAN) who being fully sworn stated:

A. Our names and qualifications as experts are as follows:

Deane Durham

Title: Petroleum Engineer

Education: University of Texas at Austin, B.S. Petroleum Engineering, 1987.

Experience: 19 Years

Aaron L. Myers

Title: Consulting Landman

Education: Texas A&M University, B.A. History, 2000

St. Mary's University School of Law, J.D., 2004

Experience: 2 Years, 2 months

B. We are over the age of majority and competent to make this Affidavit.

We are each responsible for and involved in preparing the necessary documents for submittal to the New Mexico Oil Conservation Division for this case.

We are each personally knowledgeable and familiar with the facts and circumstances of this case and the following factual statements.

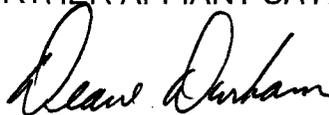
This affidavit has been prepared in accordance with the New Mexico Oil Conservation Division Rule 1207.A(1)(b).

C. Our expert opinion are based on the following facts and events:

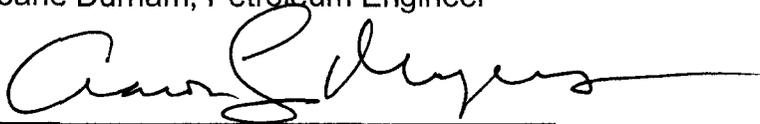
#### CHRONOLOGICAL SUMMARY OF SIGNIFICANT EVENTS

1. On February 15, 2007, the Division heard Parallel's application for a compulsory pooling order to pool the N/2 of Section 33, T15S, R25E, Chaves County, New Mexico for the drilling of its Personally 1525-33 Well No. 1, (API #30-005-63852) a horizontal wellbore to test for production in the Wolfcamp formation in the N/2 of Section 33 but with a surface location located in the adjoining Section 32 at a point 760 feet FNL and 147 FEL (Unit A) of Section 32 (the "original surface location").
2. The original surface location was to be on the same drill pad as the Gate Dancer 1525-32 Well No. 1-Y (API #30-005-63885).
3. As a result of the successful completion of the Gate Dancer well, Parallel's engineers are concerned that it may be unsafe to now drill the Personally wellbore on the same pad with a producing well, and have recommend that the Personally wellbore's surface location to change by moving it into Section 33 as an unorthodox surface location 760 feet NSL and 235 feet FWL (Unit D) of Section 33. **See Exhibit "A" Attached**
4. In addition, the original AFE contemplated a vertical pilot hole through the Wolfcamp and then coming back to a kick off point in the Wolfcamp for the horizontal portion of the wellbore. Based upon the information gained from the Gate Dancer, Parallel now proposes to drill the Personally well without a pilot hole and without obtaining electric logs. Drilling this pilotless hole will save an estimated \$120,000. **See Exhibit "B" attached.**

FURTHER AFFIANT SAYETH NOT:



Deane Durham, Petroleum Engineer



Aaron L. Myers, Consulting Landman

**ACKNOWLEDGMENT**

STATE OF TEXAS                    )  
  )SS:  
COUNTY OF MIDLAND            )

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this 25<sup>th</sup> day of April personally appeared Deane Durham and Aaron L. Myers, persons who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that they executed the same as their free and voluntary act and deed for the uses and purposes therein set forth.

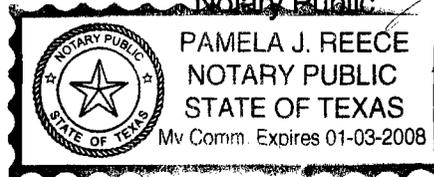
Given under my hand and seal the day and year last above written.



Notary Public

My Commission expires:

01-03-2008



DISTRICT I  
1625 N. French Dr., Hobbs, NM 88240

State of New Mexico  
Energy, Minerals & Natural Resources Department

Form C-102  
Revised October 12, 2005  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

DISTRICT II  
1301 W. Grand Avenue, Artesia, NM 88210

OIL CONSERVATION DIVISION  
1220 South St. Frances Dr.  
Santa Fe, NM 87505

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name PERSONALLY 1525-33	Well Number 1
OGRID No.	Operator Name PARALLEL PETROLEUM CORPORATION	Elevation 3474'

Surface Location

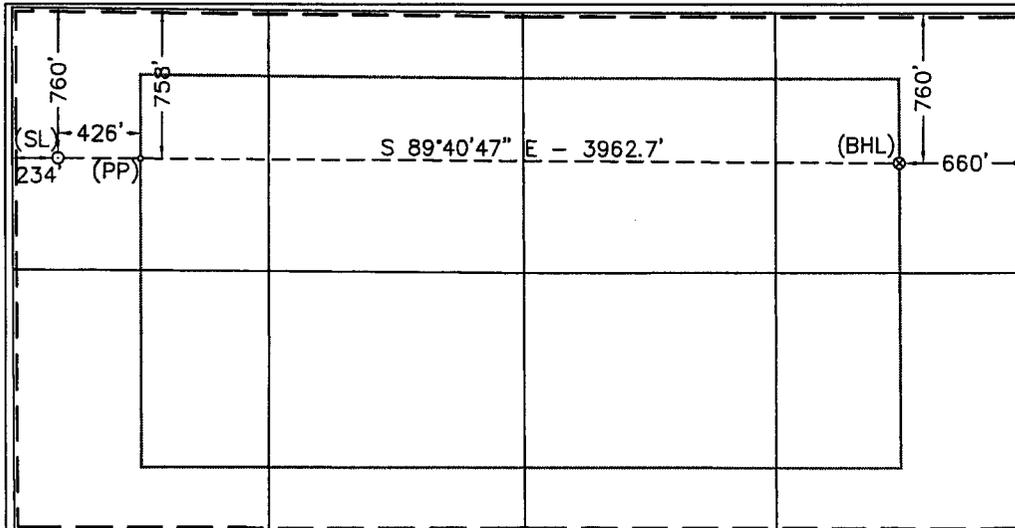
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	33	15 S	25 E		760	NORTH	234	WEST	CHAVES

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	33	15 S	25 E		760	NORTH	660	EAST	CHAVES

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



**OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature \_\_\_\_\_ Date \_\_\_\_\_

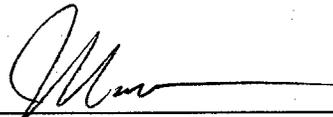
Printed Name \_\_\_\_\_

**SURVEYOR CERTIFICATION**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.

April 4, 2007

Date of Survey \_\_\_\_\_ KMT  
Signature & Seal of Professional Surveyor



W.O. Num. 2007-0464

Certificate No. MACON McDONALD 12185

<p><u>Surface Location Plane Coordinate</u> X = 462,635.2 Y = 719,112.4</p> <p><u>Geodetic Coordinate</u> Lat. 32°58'36.66" N Long. 104°27'18.63" W (NAD '27)</p>	<p><u>Penetration Point Plane Coordinate</u> X = 463,060.9 Y = 719,110.0</p> <p><u>Geodetic Coordinate</u> Lat. 32°58'36.64" N Long. 104°27'13.64" W (NAD '27)</p>	<p><u>Bottom Hole Location Plane Coordinate</u> X = 467,022.5 Y = 719,087.9</p> <p><u>Geodetic Coordinate</u> Lat. 32°58'36.47" N Long. 104°26'27.13" W (NAD '27)</p>
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NOTE:  
1) Plane Coordinates shown hereon are Transverse Mercator Grid and Conform to the "New Mexico Coordinate System", New Mexico East Zone, North American Datum of 1927. Distances shown hereon are mean horizontal surface values.

EX A

