

**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. 13916

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

2007 MAY 3 PM 2 54

PRE-HEARING STATEMENT

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

APPEARANCES OF PARTIES

APPLICANT

Mr. Michael Gray
Parallel Petroleum Corp.
Post Office Box 10587
Midland, Texas 79702
(432) 684-3727

ATTORNEY

Ocean Munds-Dry
Holland & Hart, LLP
P.O. Box 2208
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 Wolfcamp formation in the following described spacing and proration units located in the S/2 of Section 28, Township 15 South, Range 25 East, N.M.P.M., Chaves County, New Mexico: the S/2 for all formations and/or pools developed on 320-acre spacing. Said unit is to be dedicated to its Unbridled 1525-28 Well No. 1 to be drilled at a surface location 1880 feet from the South line and 237 feet from the East line and a bottomhole location 1880 feet from the East line and 660 feet from the East line of Section 28, Township 15 South, Range 25 East, NMPM, Chaves County, New Mexico to an approximate depth of 4750 feet to test any and all formations from the surface to the base of the Wolfcamp formation. 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 5 miles southwest of Lake Arthur, New Mexico.

PROPOSED EVIDENCE

APPLICANT

WITNESSES

ESTIMATED TIME

EXHIBITS

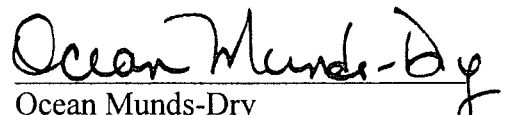
By Affidavit

Approx. 15 minutes

Approx. 10

PROCEDURAL MATTERS

Parallel Petroleum Corporation has none at this time.


Ocean Munds-Dry
Attorney for Parallel Petroleum Corp.