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Attorney at Law

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May 8, 2007

CERTIFICATE MAIL-RETURN RECEIPT REQUESTED
NOTICE OF THE HEARING OF THE FOLLOWING
NEW MEXICO OIL CONSERVATION DIVISION CASE:

*Re: Application of Parallel Petroleum Corporation for Compulsory
 Pooling Chaves County, New Mexico*

On behalf of Parallel Petroleum Corporation, please find enclosed our application for an compulsory pooling for N/2 of Section 34, T15S, R25E, Chaves County, NM to be dedicate to its Codex 1525-34 Well No. 1 which has been set for hearing on the New Mexico Oil Conservation Division Examiner's docket now scheduled for at 8:15 am on June 7, 2007. The hearing will be held at the Division hearing room located at 1220 South St. Francis Drive, Santa Fe, New Mexico.

You are not required to attend this hearing, but as an interest owner who may be affected by this application, we are notifying you of your right to appear at the hearing and participate in this case, including the right to present evidence either in support of or in opposition to the application. Failure to appear at the hearing may preclude you from any involvement in this case at a later date.

Pursuant to the Division's Rule 1208.B, parties appearing in cases are required to file a Pre-Hearing Statement with the Division not later than 5:00 pm on Thursday, May 31, 2007, with a copy delivered to the undersigned. This statement must include: a summary of your position, the names of all witnesses the party will call to testify at the hearing, the approximate time the party will need to present its case, and the identification of any procedural matters that are to be resolved prior to the hearing. In addition, the Division will impose a 200% risk charge unless you declare in this Pre-Hearing Statement that you intend to oppose it. Please note that the burden of proof as to this issue will be yours. If you have any questions about this case you may contact Michael M. Gray at 432-684-3727.

Very truly yours,

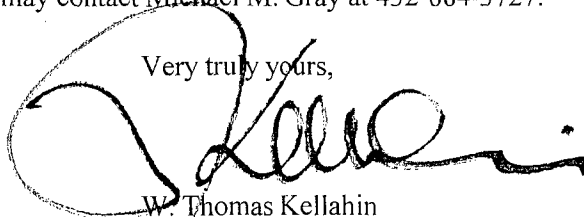

W. Thomas Kellahin

EXHIBIT "B"

New Mexico Department of Transportation
Attn: Rhonda Faught, Secretary
1120 Cerillos Road
Santa Fe, NM 87501

ABO Petroleum
105 S. Fourth Street
Artesia, NM 88210

EOG Resources, Inc.
Attn: Rick Lanning
P.O. Box 2267
Midland, TX 79702

MYCO Industries, Inc.
105 S. Fourth Street
Artesia, NM 88210

Yates Drilling
105 S. Fourth Street
Artesia, NM 88210

Yates Petroleum
105 S. Fourth Street
Artesia, NM 88210

SENDER: COMPLETE THIS SECTION Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. Article Addressed to: New Mexico Department of Transportation Attn: Rhonda Faight, Secretary 120 Cerillos Road Santa Fe, NM 87501		COMPLETE THIS SECTION ON DELIVERY A. Signature <u>[Signature]</u> <input type="checkbox"/> Agent B. Received by (Printed Name) <u>Donna</u> <input type="checkbox"/> Addressee C. Date of Delivery <u>5/11/07</u> D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: 3. Service Type <input type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D. 4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
Article Number (Transfer from service label) 7005 1820 0003 8431 8392		Domestic Return Receipt PS Form 3811, February 2004 102595-02-M-1540	
SENDER: COMPLETE THIS SECTION Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. Article Addressed to: OG Resources, Inc. Attn: Rick Lanning O. Box 2267 Midland, TX 79702		COMPLETE THIS SECTION ON DELIVERY A. Signature <u>[Signature]</u> <input type="checkbox"/> Agent B. Received by (Printed Name) <u>Dee</u> <input type="checkbox"/> Addressee C. Date of Delivery <u>5/11/07</u> D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: 3. Service Type <input type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D. 4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
Article Number (Transfer from service label) 7005 1820 0003 8431 8378		Domestic Return Receipt PS Form 3811, February 2004 102595-02-M-1540	
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Article Number (Transfer from service label) 7005 1820 0003 8431 8422		Domestic Return Receipt PS Form 3811, February 2004 102595-02-M-1540	

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- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

Article Addressed to:

Yates Drilling
05 S. Fourth Street
Artesia, NM 88210

A. Signature

- ☐ Agent
- ☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address same as item 1? ☐ Yes

If YES, enter delivery address below: ☐ No

3. Service Type

- ☐ Certified Mail
- ☐ Registered
- ☐ Insured Mail
- ☐ Express Mail
- ☐ Return Receipt for Merchandise
- ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

Article Number 7005 1820 0003 8431 8415

Transfer from service label

PS Form 3811, February 2004

102595-07

COMPLETE THIS SECTION ON DELIVERY

A. Signature

- ☐ Agent
- ☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address same as item 1? ☐ Yes

If YES, enter delivery address below: ☐ No

3. Service Type

- ☐ Certified Mail
- ☐ Registered
- ☐ Insured Mail
- ☐ Express Mail
- ☐ Return Receipt for Merchandise
- ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

Article Number 7005 1820 0003 8431 8415

Transfer from service label

PS Form 3811, February 2004

102595-07

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- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Yates Petroleum
105 S. Fourth Street
Artesia, NM 88210

COMPLETE THIS SECTION ON DELIVERY

- ☐ Agent
- ☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes

If YES, enter delivery address below: ☐ No

3. Service Type

- ☐ Certified Mail
- ☐ Registered
- ☐ Insured Mail
- ☐ Express Mail
- ☐ Return Receipt for Merchandise
- ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

Article Number 7005 1820 0003 8431 8408

Transfer from service label

PS Form 3811, February 2004

102595-02-M