

**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:**

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

CASE NO. 13960

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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 Corporation
Attn: Mike Gray
P.O. Box 10587
Midland Texas 79702
(432) 349-7033

ATTORNEY

Ocean Munds-Dry
Holland & Hart LLP
Post Office Box 2208
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(505) 988-4421

6/30/07
JIM

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 9, 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 War Emblem 1525-9 Fed Com Well No. 1 to be drilled at a surface location 1880 feet from the South line and 190 feet from the East line of Section 8, Township 15 South, Range 25 East, a penetration point 1880 feet from the South line and 660 feet from the West line and a bottomhole location 1880 feet from the South line and 660 feet from the East line of Section 9, Township 15 South, Range 25 East, NMPM, Chaves County, New Mexico 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 northwest of Lake Arthur, New Mexico.

PROPOSED EVIDENCE

APPLICANT

WITNESSES
Mike Gray, Landman

ESTIMATED TIME
30 minutes

EXHIBITS
Approx. 10

PROCEDURAL MATTERS

Parallel Petroleum Corporation has none at the time.

Respectfully submitted,

HOLLAND & HART LLP

By: Ocean Munds-Dry

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**ATTORNEYS FOR
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