Examiner Hearing –May 24, 2007 Docket No. 16-07 Page 4 of 11

Airport, New Mexico.

CASE 13918: Application of Holcomb Oil and Gas, Inc. for an unorthodox well location, San Juan County, New Mexico. Applicant seeks an order authorizing the drilling and production of its Mangum Well No. 1Y (API No. 30-045-34266) at an unorthodox well location 1985 feet from the North line and 2470 feet from the West line of Section 27, Township 29 North Range 11 West, NMPM to be dedicated to a standard 320-acre spacing unit consisting of the W/2 of this section for any production for any Basin-Fruitland Coal Gas Pool. This administrative case has been set for hearing upon the objection of XTO Energy Inc., an offsetting operator. This well is located approximately 3/4 of a mile southeast from Bloomfield, New Mexico.

CASE 13914: (Continued from the May 10, 2007, Examiner Hearing.)

Application of Parallel Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Wolfcamp formation underlying the following described acreage in Section 5, Township 19 South, Range 23 East, NMPM, in the following manner: the S/2 to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre gas spacing within that vertical extent. This unit is to be dedicated to its Box O Chocolates 1923-5 State Com Well No. 1 (API # 30-015-34843) which will be located at an unorthodox surface location 760 feet from the South line and 300 feet from the West line (Unit M) and when the vertical wellbore penetrates the Wolfcamp formation, then drilled horizontally in an easterly direction staying within a producing area 660 feet from each of the end and side boundaries of this spacing unit and ending at a bottomhole location 760 feet from the South line and 660 feet from the East line. Also to be considered will be the costs of drilling and completing this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of the applicant as the operator of the well and a 200% charge for risk involved in this well. This unit is located approximately 9 miles south of Hope, New Mexico.

CASE 13919: Application of Parallel Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Wolfcamp formation underlying the following described acreage in Section 29, Township 15 South, Range 25 East, NMPM, in the following manner: the S/2 to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre gas spacing within that vertical extent. This unit is to be dedicated to its John Town 1525-29 Well No. 1 (API#30-005-63880) which will be located at an unorthodox surface location 1880 feet FSL and 255 feet FEL (Unit I) and when the vertical wellbore penetrates the Wolfcamp formation then drilled horizontally in a westerly direction staying within a producing area 660 feet from each of the end and side boundaries of this spacing unit and ending at a bottomhole location 1880 feet FSL and 660 feet FWL (Unit L). Also to be considered will be the costs of drilling and completing this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of the applicant as the operator of the well and a 200% charge for risk involved in this well. This unit is located approximately 4 miles southwest of Lake Arthur, New Mexico.

CASE 13873: (Continued from the May 10, 2007, Examiner Hearing.)

Amended Application of LCX Energy, LLC for compulsory pooling and unorthodox well location, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Wolfcamp formation underlying the E/2 of Section 10, Township 17 South, Range 24