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August 30, 2007

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

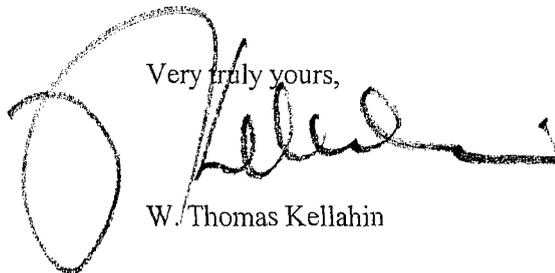
*Re: Application of Parallel Petroleum Corporation for Compulsory
Pooling Chaves County, New Mexico*

On behalf of Parallel Petroleum Corporation, please find enclosed our application for an compulsory pooling for N/2 of Section 28, T15S, R25E, Eddy County, NM to be dedicate to its Native Dancer 1525-28 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 September 20, 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, September 13, 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 Aaron L. Myers at 432-684-3727.

Very truly yours,

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', written over a large, stylized circular flourish.

W. Thomas Kellahin

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