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**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. 14,037

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by applicant as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

Parallel Petroleum Corporation
Suite 400
1004 North Big Spring
Midland, Texas 79701

Attention: Aaron Myers
(432) 688-3699

APPLICANT'S ATTORNEY

James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

OPPONENT

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order pooling all mineral interests from the surface to the base of the Wolfcamp formation underlying the S/2 of Section 36, Township 15 South, Range 24 East, NMPM, to form a standard 320-acre gas spacing and proration unit for all formations developed on 320 acre spacing within that vertical extent, including the West Cottonwood Creek-Wolfcamp Gas Pool. The unit is to be dedicated to the proposed Old Rosebud 1524-36 A State Well No. 1, to be drilled at a surface location 760 feet from the south line and 200 feet from the east line of Section 36, with a penetration point 760 feet from the south line and 660 feet from the east line of Section 36 and a terminus 760 feet from the south line and 660 feet from the west line of Section 36. Also to be considered will be the cost of drilling and completing the well and the

allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

Aaron Myers
(landman)

20 min.

Approx. 6

IN THE ABSENCE OF OBJECTION, THIS CASE WILL BE SUBMITTED BY
AFFIDAVIT.

OPPONENT

WITNESSES

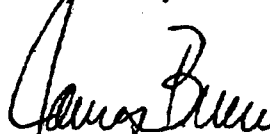
EST. TIME

EXHIBITS

PROCEDURAL MATTERS

-None-

Respectfully submitted,



James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Parallel Petroleum Corporation