

March 13, 2007

HAND-DELIVERED

Mark E. Fesmire, P.E.
Director
Oil Conservation Division
New Mexico Energy, Minerals and
Natural Resources Department
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Case 13895

2007 MAR 13 PM 12:17

Re: Application of Parallel Petroleum Corporation for approval of a unit agreement, Eddy County, New Mexico.

Dear Mr. Fesmire:

Enclosed is the application of Parallel Petroleum Corporation in the above-referenced case as well as a copy of a legal advertisement. Parallel requests that this matter be placed on the docket for the April 12, 2007 Examiner hearings.

Very truly yours,



William F. Carr

Enclosures

cc: Mr. Mark Wheeler

**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION**

**APPLICATION OF PARALLEL PETROLEUM
CORPORATION FOR APPROVAL
OF A UNIT AGREEMENT,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 13895

2007 MAR 13 PM 12 17

APPLICATION

Parallel Petroleum Corporation ("Parallel"), through its undersigned attorneys, hereby makes application for an order approving its Paris Draw State Exploratory Unit and in support of this application states:

1. The proposed Unit Area consists of 6833.48 acres, more or less, of Federal and State of New Mexico lands, situated in Eddy County, New Mexico. The unitized interval will be from the surface to the base of the Wolfcamp formation and the horizontal limits of said unit are described as follows:

Township 16 South, Range 23 East, N.M.P.M.

Section 13: E/2
Section 23 : E/2
Section 24: E/2, SW/4
Sections 25 and 36: All

Township 16 South, Range 24 East, N.M.P.M.

Section 16: W/2
Section 17: All
Sections 19 and 20: All
Section 21: W/2 NE/4, SE/4 NE/4, W/2, SE/4
Section 28 : All
Section 29 : E/2
Section 30: W/2, NE/4, N/2 SE/4, SW/4 SE/4

2. The Unit Agreement has been approved by a sufficient percentage of the interest owners within the proposed Unit Area to provide effective control of unit operations.

3. The Applicant, Parallel Petroleum Corporation, is designated as Unit Operator in said Unit Agreement and all oil and gas in all formations are unitized.

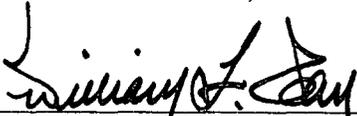
4. The unit boundaries are consistent and substantially supported by the geological limits of the unitized formations.

5. Said Unit Agreement and the unitized operation and management of the Unit Area will be in the interest of conservation and the prevention of waste, and it will protect the correlative rights of all parties concerned.

WHEREFORE, Parallel requests that this application be set for hearing before an Examiner of the Oil Conservation Division on April 12, 2007, that notice be given as required by law and the rules of the Division, and that the Paris Draw State Exploratory Unit be approved.

Respectfully submitted,

HOLLAND & HART, LLP

By: 

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ATTORNEYS FOR PARALLEL PETROLEUM
CORPORATION

CASE NO. 13895:

Application of Parallel Petroleum Corporation for approval of a Unit Agreement, Eddy County, New Mexico. Applicant seeks approval of the Paris Draw State Exploratory Unit from the surface to the base of the Wolfcamp formation in an area comprising 6833.48 acres of State of New Mexico lands in all or portions of Sections 13, 23, 24, 25 and 36 in Township 16 South, Range 23 East, NMPM, and Sections 16, 17, 19 through 21 and 28 through 30 which is located approximately 12 miles Northwest of Artesia, New Mexico.