

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

2007 MAY 1 AM 8 22

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF HEARING:

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

CASE 13864

SUPPLEMENTAL PRE-HEARING STATEMENT

Parallel Petroleum Corporation. submits this supplemental pre-hearing statement
as required by the New Mexico Oil Conservation Division.

APPEARANCES OF THE PARTIES

APPLICANT

Parallel Petroleum Corp.
P.O. Box 10587
Midland, TX 79702
Attn: Mike Gray
432-349-7033

ATTORNEY

Thomas Kellahin, Esq.
706 Gonzales Road
Santa Fe, New Mexico 87501
505-982-4285

OPPONENT

none

ATTORNEY

STATEMENT OF THE CASE

APPLICANT:

On February 15, 2007, the Division heard Parallel's application for a compulsory pooling order to pool the N/2 of Section 33, T15S, R25E, Chaves County, New Mexico for the drilling of its Personally 1525-33 Well No. 1, (API #30-005-63852) a horizontal wellbore to test for production in the Wolfcamp formation in the N/2 of Section 33 but with a surface location located in the adjoining Section 32 at a point 760 feet FNL and 147 FEL (Unit A) of Section 32 (the "original surface location").

The original surface location was to be on the same drill pad as the Gate Dancer 1525-32 Well No. 1-Y (API #30-005-63885).

As a result of the successful completion of the Gate Dancer well, Parallel's engineers are concerned that it may be unsafe to now drill the Personally wellbore on the same pad with a producing well, and have recommend that the Personally wellbore's surface location to change by moving it into Section 33 as an unorthodox surface location 760 feet NSL and 235 feet FWL (Unit D) of Section 33.

In addition, the original AFE contemplated a vertical pilot hole through the Wolfcamp and then coming back to a kick off point in the Wolfcamp for the horizontal portion of the wellbore. Based upon the information gained from the Gate Dance, Parallel now proposes to drill the Personally well without a pilot hole and without obtaining electric logs. Drilling this pilotless hole will save an estimated \$120,000.

PROPOSED EVIDENCE

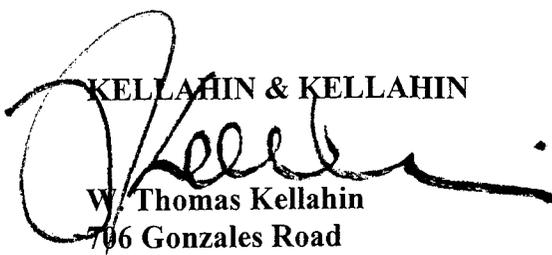
APPLICANT

WITNESSES	EST. TIME	EST. EXHIBITS
By Affidavit of:	10-15 min	about 8
Deane Durham, petroleum engineer and Aaron L. Myers (landman)		

PROCEDURAL MATTERS

None

KELLAHIN & KELLAHIN



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