

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

2007 FEB 7 PM 2:45

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

PRE-HEARING STATEMENT

Parallel Petroleum Corporation. submits this 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:

Parallel Petroleum Corp, in accordance with Section 70-1-17.C seeks a compulsory pooling order pooling all mineral interest from the surface to the base of the Wolfcamp formation underlying a standard 320-acre spacing unit consisting of the N/2 of Section 33, T15S, R25E, Chaves County, New Mexico for its Personally 1525-33 Well No. 1 to be drilled as an unorthodox surface location in Unit A to a standard subsurface location in Unit A of this section and the designation of Parallel Petroleum Corp. as the operator plus the standard provisions of the Division's compulsory pooling order including a 200% risk factor penalty in accordance with Commission Order R-11992, effective August 15, 2003.

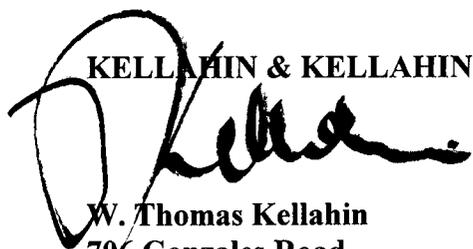
PROPOSED EVIDENCE

APPLICANT

| WITNESSES | EST. TIME | EST. EXHIBITS |
|---------------------|------------------|----------------------|
| Mike Gray (landman) | 15-20 min | about 8 |

PROCEDURAL MATTERS

None


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