



# PARALLEL

Petroleum Corporation

1004 North Big Spring, Suite 400 • Midland, TX 79701 • Ph: 432-684-3727 • Fax: 432-684-3905

January 23, 2007

**Sent via CMRRR# 7006 0100 0001 2440 2775**

Betty J. Hadsell  
c/o Karen A. Allen, her Agent and  
Attorney-in-Fact  
315 Chapel Street  
Cashmere, WA 98815

Re: Personally 1525-33 No. 1  
T-15-S, R-25-E  
Section 33: N/2  
Chaves County, New Mexico

DIVISION CASE # 13864  
EXHIBIT # 10  
Submitted By: Parallel Petroleum  
2/15/07

Ms. Hadsell:

Parallel Petroleum Corporation proposes the drilling of the above-captioned well to horizontally test the Wolfcamp formation in the N/2 of Section 33, Township 15 South, Range 25 East, N.M.P.M. in Chaves County, New Mexico. The well will be commenced at an off lease location in the NE/4 NE/4 of Section 32, Township 15 South, Range 25 East, N.M.P.M. and will be drilled to an approximate vertical depth of 4, 750'. The well will then be drilled horizontally to encounter the Wolfcamp objective at a legal location in the NW/4 NW/4 of Section 33 and to a projected orthodox terminus in the NE/4 NE/4 of Section 33.

This well will share a drilling pad with a well operated by Parallel Petroleum in the NE/4 NE/4 of Section 32, Township 15 South, Range 25 East, N.M.P.M. The cost of facilities used by both wells will be allocated equally.

Based on an examination of the mineral ownership records it appears that you have taken in leases in Chaves County, New Mexico, covering the above referenced tract of land and that your interest in the proposed well would be a .0010609084 decimal interest.

Enclosed please find an Authority for Expenditure estimating the cost of the proposed well. The total cost for the proposed well is estimated to be \$2,601,300.00. Please mark the appropriate space provided below indicating whether or not you intend to join in the drilling of the well. Should

you elect to join in the drilling of the well you will be liable for your proportionate share of the actual cost of drilling which is estimated to be \$2,760.00. If you elect to join, please return a signed copy of the Authority for Expenditure. Additionally, if you elect to join, please furnish us with your well information requirements.

Also enclosed with this letter please find a copy of our pro forma operating agreement for the drilling of this well. A completed "Exhibit A" and signature pages will be provided to all participating parties upon the completion of our compulsory pooling hearing.

If you have any questions or need anything further, please feel free to contact me at the above listed telephone number. Thank you.

Yours truly,

A handwritten signature in black ink, appearing to read "Aaron L. Myers", written over a horizontal line.

Aaron L. Myers  
Consulting Landman

**Betty J. Hadsell**

\_\_\_\_\_ I/We elect to participate in the proposed Personally 1525-33 No. 1 well and enclose an executed Authority for Expenditure.

\_\_\_\_\_ I/We elect not to participate in the proposed well.

**Betty J. Hadsell**

By: \_\_\_\_\_  
Name

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Betty J. Hadsell**

\_\_\_\_\_ I/We elect to participate in the proposed Personally 1525-33 No. 1 well and enclose an executed Authority for Expenditure.

\_\_\_\_\_ I/We elect not to participate in the proposed well.

**Betty J. Hadsell**

By: \_\_\_\_\_  
Name

Title: \_\_\_\_\_

Date: \_\_\_\_\_

- Complete items 1, 2, and 3, also complete item 4 if Restricted Delivery is desired.
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Berry Hasel  
c/o Karen Allen  
315 CHAPEL ST.  
CASHWANE WA 98815

2. Article Number  
(Transfer from service label)

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PS Form 3811, February 2004

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 Addressee

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 Insured Mail  C.O.D.

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City, State, ZIP+4 CASHWANE WA 98815

PS Form 3800, June 2002 See Reverse for Instructions

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