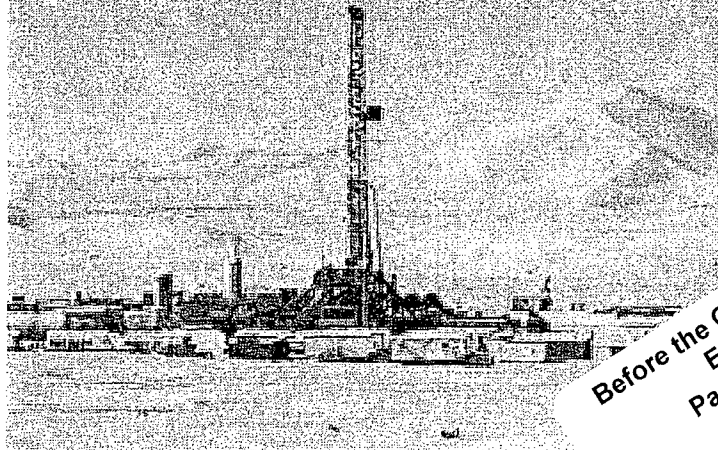


THE ERNST & YOUNG
GLOBAL OIL & GAS CENTER

Fixed-Rate Overhead Survey

2005 - 2006

 **ERNST & YOUNG**
Quality In Everything We Do



Before the Oil Conservation Division
Exhibit No. 13
Parallel Petroleum Corp
OCD CASE 13923
Hearing: June 21, 2007

Chaves

New Mexico

Monthly Drilling Well Fixed Overhead Rates

Responses	Wells	Depth
1	5	0 - 5,000
2	26	5,001 - 10,000
1	1	10,001 - 15,000
		15,001 - 20,000
		20,001 +
2	4	No Depth Limit

Minimum	Average	Median	Maximum
\$3,500	\$3,500	\$3,500	\$3,500
\$1,995	\$3,497	\$3,497	\$5,000
\$10,064	\$10,064	\$10,064	\$10,064
\$9,772	\$9,772	\$9,772	\$9,772

Monthly Producing Well Fixed Overhead Rates

Minimum	Average	Median	Maximum
\$350	\$350	\$350	\$350
\$199	\$350	\$350	\$500
\$1,006	\$1,006	\$1,006	\$1,006
\$1,027	\$1,027	\$1,027	\$1,027

Eddy

New Mexico

Monthly Drilling Well Fixed Overhead Rates

Responses	Wells	Depth
3	3	0 - 5,000
4	33	5,001 - 10,000
3	3	10,001 - 15,000
		15,001 - 20,000
		20,001 +
62	254	No Depth Limit

Minimum	Average	Median	Maximum
\$1,825	\$3,492	\$3,650	\$5,000
\$2,000	\$4,739	\$5,250	\$6,454
\$2,000	\$5,280	\$6,000	\$7,839
\$4,466	\$5,933	\$5,005	\$7,937

Monthly Producing Well Fixed Overhead Rates

Minimum	Average	Median	Maximum
\$175	\$292	\$350	\$350
\$200	\$598	\$650	\$893
\$200	\$540	\$350	\$1,071
\$118	\$667	\$620	\$1,176

Lea

New Mexico

Monthly Drilling Well Fixed Overhead Rates

Responses	Wells	Depth	Minimum	Average	Median	Maximum
7	300	0 - 5,000	\$300	\$3,034	\$3,000	\$4,871
6	52	5,001 - 10,000	\$500	\$3,870	\$4,000	\$6,454
4	66	10,001 - 15,000	\$600	\$5,430	\$6,641	\$7,839
1	1	15,001 - 20,000	\$8,880	\$8,880	\$8,880	\$8,880
		20,001 +				
269	357	No Depth Limit	\$2,300	\$15,688	\$5,000	\$78,872

Monthly Producing Well Fixed Overhead Rates

Minimum	Average	Median	Maximum
\$200	\$345	\$300	\$676
\$200	\$462	\$425	\$893
\$500	\$725	\$664	\$1,071
\$1,186	\$1,186	\$1,186	\$1,186
\$190	\$654	\$577	\$7,887

Figure 1

Figure 1

Monthly Producing Well Fixed Overhead Rates

Monthly Producing Well Fixed Overhead Rates

McKinley

New Mexico

		Monthly Drilling Well Fixed Overhead Rates					Monthly Producing Well Fixed Overhead Rates				
Responses	Wells	Depth	Minimum	Average	Median	Maximum	Minimum	Average	Median	Maximum	
		0 – 5,000									
		5,001 – 10,000									
		10,001 – 15,000									
		15,001 – 20,000									
		20,001 +									
		No Depth Limit	\$250	\$250	\$250	\$250	\$45	\$45	\$45	\$45	
1	2										

Rio Arriba

New Mexico

Monthly Drilling Well Fixed Overhead Rates

Responses	Wells	Depth	Minimum	Average	Median	Maximum
2	403	0 - 5,000	\$3,500	\$4,490	\$4,490	\$5,480
2	372	5,001 - 10,000	\$3,500	\$4,454	\$4,454	\$5,409
1	1	10,001 - 15,000	\$5,961	\$5,961	\$5,961	\$5,961
		15,001 - 20,000				
		20,001 +				
1	2	No Depth Limit	\$4,169	\$4,169	\$4,169	\$4,169

Monthly Producing Well Fixed Overhead Rates

Minimum	Average	Median	Maximum
\$219	\$384	\$384	\$548
\$400	\$470	\$470	\$541
\$596	\$596	\$596	\$596
\$417	\$417	\$417	\$417

Roosevelt

New Mexico

Monthly Drilling Well Fixed Overhead Rates

Responses	Wells	Depth
2	6	0 - 5,000
		5,001 - 10,000
		10,001 - 15,000
		15,001 - 20,000
		20,001 +
		No Depth Limit

Minimum	Average	Median	Maximum
\$6,454	\$7,190	\$7,337	\$7,337

Monthly Producing Well Fixed Overhead Rates

Minimum	Average	Median	Maximum
\$734	\$761	\$734	\$893

San Juan

New Mexico

Monthly Drilling Well Fixed Overhead Rates

Responses	Wells	Depth
2	332	0 - 5,000
2	157	5,001 - 10,000
		10,001 - 15,000
		15,001 - 20,000
		20,001 +
1	1	No Depth Limit

Minimum	Average	Median	Maximum
\$3,500	\$4,649	\$4,649	\$5,797
\$3,500	\$4,794	\$4,794	\$6,087
\$6,417	\$6,417	\$6,417	\$6,417

Monthly Producing Well Fixed Overhead Rates

Minimum	Average	Median	Maximum
\$290	\$435	\$435	\$580
\$400	\$400	\$400	\$400
\$642	\$642	\$642	\$642

Sandoval

New Mexico

Monthly Drilling Well Fixed Overhead Rates

Responses	Wells	Depth
2	22	0 - 5,000
2	25	5,001 - 10,000
		10,001 - 15,000
		15,001 - 20,000
		20,001 +
		No Depth Limit

Minimum	Average	Median	Maximum
\$3,500	\$4,426	\$4,426	\$5,352
\$3,500	\$4,779	\$4,779	\$6,057

Monthly Producing Well Fixed Overhead Rates

Minimum	Average	Median	Maximum
\$219	\$377	\$377	\$535
\$400	\$503	\$503	\$606

Various

New Mexico

Monthly Drilling Well Fixed Overhead Rates

Responses	Wells	Depth	Minimum	Average	Median	Maximum
1	1	0 - 5,000	\$3,000	\$3,000	\$3,000	\$3,000
2	6	5,001 - 10,000	\$4,000	\$4,500	\$4,500	\$5,000
2	21	10,001 - 15,000	\$5,400	\$5,700	\$5,700	\$6,000
1	48	15,001 - 20,000				
		20,001 +				
		No Depth Limit				

Monthly Producing Well Fixed Overhead Rates

Minimum	Average	Median	Maximum
\$300	\$300	\$300	\$300
\$400	\$475	\$475	\$550
\$540	\$570	\$570	\$600
\$600	\$600	\$600	\$600

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