

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

2008 JUL 31 PM 3 31  
RECEIVED

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

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

**Case No. 14,158**

**PRE-HEARING STATEMENT**

This pre-hearing statement is submitted by applicant as required by the Oil Conservation Division.

**APPEARANCES**

**APPLICANT**

Parallel Petroleum Corporation  
Suite 400  
1004 North Big Spring  
Midland, Texas 79701

Attention: Aaron Myers  
(432) 688-3699

**APPLICANT'S ATTORNEY**

James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

**OPPONENT**

**OPPONENT'S ATTORNEY**

**STATEMENT OF THE CASE**

**APPLICANT**

Applicant seeks an order pooling all mineral interests from the surface to the base of the Wolfcamp formation underlying Lots 1-4 and the S/2N/2 (the N/2 equivalent) of Section 5, Township 15 South, Range 25 East, NMPM, to form a standard 321-acre gas spacing and proration unit for all formations developed on 320 acre spacing within that vertical extent. The unit is to be dedicated to the proposed Charismatic 1525-5 Fed. Com. No. 1, to be drilled from a surface location 760 feet from the north line and 208 feet from the east line of Section 5, with a penetration point 760 feet from the north line and 660 feet from the east line, and a terminus 760 feet from the north line and 660 feet from the west line, of Section 5. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as

actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well.

OPPONENT

**PROPOSED EVIDENCE**

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

Aaron Myers  
(landman)

20 min.

Approx. 6

OPPONENT

WITNESSES

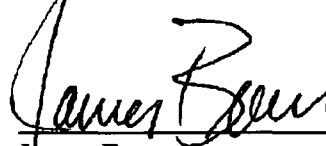
EST. TIME

EXHIBITS

**PROCEDURAL MATTERS**

-None-

Respectfully submitted,



James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

Attorney for Parallel Petroleum Corporation