



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

September 11, 2007

SEP 17 2007

OCD-ARTESIA

Parallel Petroleum Corporation
c/o Mr. W. Thomas Kellahin
Kellahin & Kellahin
706 Gonzales Rd
Santa Fe, NM 87501

Administrative Order SD-200723

Re: Parallel Petroleum Corporation
Swale 1525-16 State Well No. 2
API No. 30-005-63924
Unit M, Section 16, Twsp 15S, Range 25E
Chaves County

Dear Mr. Kellahin:

Reference is made to the following:

(a) your application (**administrative SD application reference No. pTDS07-22952201**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on August 17, 2007, on behalf of Parallel Petroleum Corporation (Parallel); and

(b) the Division's records pertinent to Parallel's request.

Parallel has requested to simultaneously dedicate the S/2 of Section 16, Township 15 South, Range 25 East, NMPM, in Chaves County to its proposed Swale 1525-16 State Well No. 2 (API No. 30-0015-63924) and to its existing Swale 1525-16 Well No. 1 (API No. 30-005-63886). The S/2 of Section 16 of Township 15 South, Range 25 East is a standard wildcat Wolfcamp gas spacing unit.

cc: New Mexico Oil Conservation Division - Artesia
New Mexico State Land Office - Santa Fe