

HOLLAND & HART^{LLP}



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May 22, 2012

HAND DELIVERY

Ms. Jami Bailey
Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Case 14864

2012 MAY 22 PM 4:07
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Re: Application of Parallel Petroleum LLC for approval of a unit agreement, Eddy County, New Mexico.

Dear Director Bailey:

Enclosed in triplicate is the Application of Parallel Petroleum LLC in the above-referenced case as well as a copy of the legal advertisement. Parallel requests that this matter be placed on the June 25, 2012 Examiner Hearing docket.

Very truly yours,

William F. Carr
Attorney for Parallel Petroleum LLC

Enclosures

cc: Mr. Dennis J. Hopkins, CPL
Parallel Petroleum LLC
1004 North Big Spring Street
Midland, Texas 79701

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

**APPLICATION OF PARALLEL PETROLEUM LLC
FOR APPROVAL OF A UNIT AGREEMENT,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 14864

APPLICATION

Parallel Petroleum LLC, through its undersigned attorneys, hereby makes application for an order approving its High Hopes Exploratory Unit and in support of this application states:

1. The proposed Unit Area for the High Hopes Exploratory Unit consists of 12,482.52 acres, more or less, of Federal, State of New Mexico, and Fee Lands, situated in Eddy County, New Mexico. The horizontal limits of said unit are described as follows:

Township 18 South, Range 21 East, N.M.P.M.

| | |
|----------------|---|
| Section 1: | W/2, E/2 NE/4, NE/4 NE/4 and NW/4 SE/4 |
| Section 2 - 4: | All |
| Section 8-11: | All |
| Section 14-17: | All |
| Section 20-22: | All |
| Section 27-29: | All |
| Section 32-33: | All |

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2. The Unit Agreement has been approved by a sufficient percentage of the interest owners within the proposed Unit Area to provide effective control of unit operations.

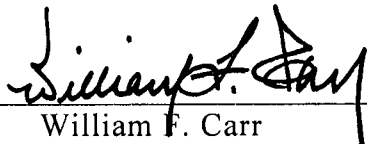
3. The Applicant, Parallel Petroleum LLC, is designated Unit Operator in said Unit Agreement and proposes the formation of the Unit to test all oil and gas in all formations under the unit area from the surface to the base of the Mississippi Lime formation or 7,500 feet, whichever is deeper.

4. The proposed Unit Area covers all of the formations and geological structures in the Unit Area.

5. Said Unit Agreement and the unitized operation and management of the Unit Area will be in the interest of conservation and the prevention of waste, and will protect the correlative rights of all parties concerned.

WHEREFORE, Parallel Petroleum LLC requests that this application be set for hearing before an Examiner of the Oil Conservation Division on June 25, 2012, that notice be given as required by law and the rules of the Division, and that the High Hopes Exploratory Unit be approved.

Respectfully submitted,
HOLLAND & HART, LLP

By: 
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Adam Rankin
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ATTORNEYS FOR PARALLEL PETROLEUM LLC

CASE NO. 17864

Application of Parallel Petroleum LLC for approval of a Unit Agreement, Eddy County, New Mexico. Applicant seeks approval of the High Hopes Exploratory Unit for all formations and geological structures from the surface to the base of the Mississippian Lime formation or 7,500 feet whichever is deeper in an area comprising 12,482.52 acres, more or less, of Federal, State of New Mexico and Fee Lands in all or portions of Sections 1-4, 8-11, 14-17, 20-22, 27-29 and 32-33, of Township 18 South, Range 21 East, NMPM which is located approximately 6 miles south southwest of Hope, New Mexico.