

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

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

CASE NO. 13862

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

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Holland & Hart LLP as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Parallel Petroleum Corp.
Attn: Michael Gray
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(432) 349-7033

ATTORNEY

Ocean Munds-Dry, Esq.
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2007 JUN 11 AM 11 27

STATEMENT OF CASE

APPLICANT

Applicant seeks approval of the Walnut Draw State Exploratory Unit from the surface to the base of the Wolfcamp formation in an area comprising 1040 acres of State of New Mexico lands in Sections 24 and 25 in Township 18 South, Range 21 East, NMPM, which is located approximately 6 miles South of Hope, New Mexico.

PROPOSED EVIDENCE

APPLICANT

WITNESSES
(Name and Expertise)

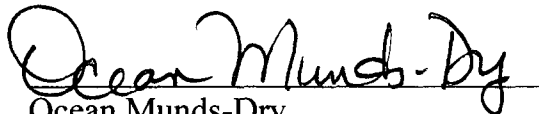
ESTIMATED TIME

EXHIBITS

BY AFFIDAVIT

PROCEDURAL MATTERS

Pursuant to Division policy Parallel Petroleum Corporation will present this case by Affidavit.

A handwritten signature in cursive script that reads "Ocean Munds-Dry". The signature is written in black ink and is positioned above the printed name and title.

Ocean Munds-Dry

Attorney for Parallel Petroleum Corporation