

**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 HEARING:**

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

CASE 13914

2007 MAY 1 AM 8 28

PRE-HEARING STATEMENT

**Parallel Petroleum Corporation. submits this pre-hearing statement as required by
the New Mexico Oil Conservation Division.**

APPEARANCES OF THE PARTIES

APPLICANT

**Parallel Petroleum Corp.
P.O. Box 10587
Midland, TX 79702
Attn: Mike Gray
432-349-7033**

ATTORNEY

**Thomas Kellahin, Esq.
706 Gonzales Road
Santa Fe, New Mexico 87501
505-982-4285**

OPPONENT

none

ATTORNEY

STATEMENT OF THE CASE

APPLICANT:

Parallel Petroleum Corp, in accordance with Section 70-1-17.C seeks a compulsory pooling order pool all mineral interests from the surface to the base of the Wolfcamp formation underlying the following described acreage in Section 5, T19S, R23E, NMPM, in the following manner: the S/2 to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre gas spacing within that vertical extent. This unit is to be dedicated to its Box O Chocolates 1923-5 State Com Well No. 1 (API # 30-015-34843) which will be located at an unorthodox surface location 760 feet FSL and 300 feet FWL (Unit M) and when the vertical wellbore penetrates the Wolfcamp formation then drilled horizontally in a ~~north~~^{easterly} direction staying within a producing area 660 feet from each of the end and side boundaries of this spacing unit and ending at a bottom hole location 760 feet FSL and 660 feet FEL. Also to be considered will be the costs of drilling and completing this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of the applicant as the operator of the well and a 200% charge for risk involved in this well.

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EST. EXHIBITS

By affidavit of

Aaron L. Myers (Consulting landman)

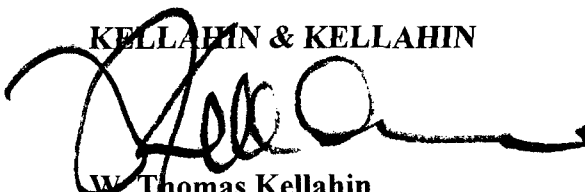
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PROCEDURAL MATTERS

None

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