

**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,
CHAVES COUNTY, NEW MEXICO**

RECEIVED
2007 AUG 16 PM 1 45
CASE 13964

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 CORPORATION ("Parallel"), and in accordance with Section 70-2-17(c) NMSA (1978), applies to the New Mexico Oil Conservation Division for an order pooling all mineral interests from the surface to the base of the Wolfcamp formation underlying the following described acreage in Section 8, T15S, R25E, 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 Funny Cide 1525-8 Federal Com Well No. 1 (API # 30-005-63949) which will be located at an unorthodox surface location 1880 feet FSL and 208 feet FEL (Unit I) and deviated so that when the wellbore penetrates the Wolfcamp formation it will be at a standard subsurface location not less than 1180 feet FSL and 660 feet FEL (Unit I) then drilled horizontally in a westerly direction staying within a producing area 660 feet from each of the end and side boundaries of this spacing unit and ending at a standard bottom hole location 1880 feet FSL and 660 feet FWL (Unit L). 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
Mike Gray (Consulting landman)	15-20 min	about 8

PROCEDURAL MATTERS

Applicant request that Case 13963 and 13964 be consolidated for hearing because both involved the same parties to be pooled but that separate order be issued.

KELLAHIN & KELLAHIN



W. Thomas Kellahin
706 Gonzales Road
Santa Fe, New Mexico 87501
Phone 505-982-4285
Fax 505-982-2047
E-mail: tkellahin@comcast.net