CASE 13971: Application of XTO Energy, Inc. for Simultaneous Dedication and an exception to the well density requirements of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool. Applicant seeks an exception to the well density requirements of Rule I.B of this pool and approval for the simultaneous dedication of a fifth producing well to a 409.25-acre non-standard gas proration and spacing unit in the northern 3/4th of Section 19, T29N, R9W, San Juan County, New Mexico. These wells are located approximately 2-1/2 miles southeast of Blanco, New Mexico.

4. *CASE 13963:* (Continued from the August 9, 2007 Examiner Hearing)

3.

6.

(b)

Application of Parallel Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant seeks 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 N/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 Giacomo 1525-8 Federal Com Well No. 1 (API#30-005-63946) which will be located at an unorthodox surface location 760 feet FNL and 208 feet FEL (Unit A) and deviated so that when the wellbore penetrates the Wolfcamp formation it will be at a standard subsurface location, 660 feet FEL and 760 feet FNL (Unit A) 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 760 feet FNL and 660 feet FWL (Unit D). 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. This unit is located approximately 6 miles northwest of Lake Arthur, New Mexico.

5. <u>CASE 13964</u>: (Continued from the August 9, 2007 Examiner Hearing)

Application of Parallel Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant seeks 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. This unit is located approximately 6 miles northwest of Lake Arthur, New Mexico.

CASE 13965: (Continued from the August 9, 2007 Examiner Hearing)

Application of Parallel Petroleum Corporation for authorization to simultaneously

dedicate a standard gas spacing and proration unit in the Wolfcamp formation to two horizontal wellbores including an exemption to the well density requirements of Rule 104.D, Chaves County, New Mexico. Applicant seeks authorization to dedicate a standard 320-acre spacing and proration unit comprised of the S/2 of Section 16, Township 15 South, Range 25 East, Chaves County, New Mexico in the Wolfcamp formation to the following two wells:

- (a) The Swale 1525-16 State Well No. 2 (API #3000563924) to be drilled at an unorthodox surface location 760 feet FSL and 190 feet FWL (Unit M) and then to penetrate the Wolfcamp formation within the standard producing area window at a standard subsurface location approximately 660 feet FWL and 760 feet FSL (Unit M) and then drilled horizontally in an easterly direction staying within the producing area not less than 660 feet from each of the end and side boundaries of this spacing unit and ending at a standard bottom hole location 760 feet FSL and 660 feet FEL, and
 - The Swale 1525-16 State Well No. 1 (API #3000563886) that has been drilled at an unorthodox surface location 1880 feet FSL and 208 feet FWL (Unit L) and penetrated the Wolfcamp formation within the standard producing area window at a standard subsurface location approximately 660 feet FWL and 660 feet FSL (Unit L) and then was drilled horizontally in an