

**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**

**CASE 13985**

**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**

WVJ 9/13/07

## STATEMENT OF THE CASE

### APPLICANT:

Parallel Petroleum Corporation seeks an order pooling all mineral interests from the surface to the base of the Wolfcamp formation underlying the following described acreage in Section 28, 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 Native Dancer 1525-8 Well No. 1 (API#30-005-63916) which will be located at an unorthodox surface location 760 feet FNL and 168 feet FWL (Unit D) and deviated so that when the wellbore penetrates the Wolfcamp formation it will be at a standard subsurface location, 760 feet FNL and 660 feet FWL (Unit D) then drilled horizontally in an 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 standard bottom hole location 760 feet FNL and 660 feet FEL (Unit A). 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

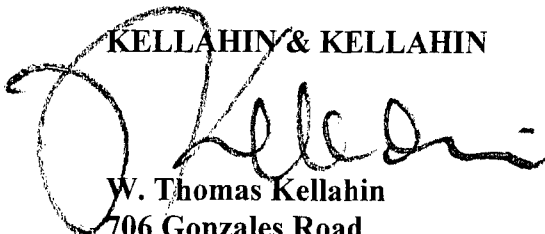
#### APPLICANT

WITNESSES	EST. TIME	EST. EXHIBITS
Aaron Myers (Consulting landman)	15-20 min	about 8

### PROCEDURAL MATTERS

None

KELLAHIN & KELLAHIN

  
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