New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson Governor

Joanna Prukop Cabinet Secretary Reese Fullerton Deputy Cabinet Secretary Mark Fesmire Division Director Oil Conservation Division



March 5, 2008

Ms. Ocean Munds-Dry Holland & Hart Post Office Box 2208 Santa Fe, New Mexico 87504-2208

Dear Ms. Munds-Dry:

Based upon the reasons stated in your letter of March 4, 2008, and in accordance with the provisions of Division Order No. R-12780-A, Parallel Petroleum Corporation is hereby granted an extension of time until May 20, 2008 in which to commence drilling the well pooled by this order.

Sincerely Mark É. Fesmire, P.E.

Director

fd/ cc: Case No. 13916 OCD – Artesia





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March 4, 2008

HAND-DELIVERED

Mark E. Fesmire, P. E. Director Oil Conservation Division New Mexico Department of Energy, Minerals and Natural Resources 1220 South Saint Francis Drive Santa Fe, New Mexico 87505

Re: <u>Oil Conservation Division Case No. 13916</u>: Application of Parallel Petroleum Corp. for compulsory pooling, Chaves County, New Mexico.

Dear Mr. Fesmire;

On December 20, 2007, the Division entered Order No. R-12780-A which granted the application of Parallel Petroleum Corporation in the above-referenced case pooling all uncommitted interests from the surface to the base of the Wolfcamp formation underlying the S/2 of Section 28, Township 15 South, Range 25 East, NMPM, Chaves County, New Mexico.

Order R-12780-A provides that in the event Parallel "does not commence drilling the proposed well on or before March 15, 2008" the Order "shall be of no effect, unless the operator obtains a time extension from the Division Director for good cause."

Parallel plans to drill the Unbridled 1525-28 Well No. 1 but has encountered delays in obtaining a rig and has determined that it will not be able to commence drilling prior to March 20, 2008. Since it will be unable to commence drilling prior to the current deadline set by this pooling order, Parallel hereby requests an extension of Order No. R-12780-A from March 20, 2008 until May 20, 2008. Your attention to this request is appreciated.

Sincerely, Ocean Munds-Dry

cc: Mr. Aaron Myers

Holland & Hart LLP