

N.M. Oil Cons. DIV-Dist. 2

1301 W. Grand Avenue

Form 3160-5
(April 2004)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Alamosa, NM 88210

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.1. Type of Well ☐ Oil Well ☒ Gas Well ☐ Other

RECEIVED

2. Name of Operator **Parallel Petroleum Corporation**

NOV 01 2005

3a. Address
1004 Norht Big Spring, Midland, Texas 797013b. Phone No. (include area code)
432-684-3727

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

860' FEL and 760' FSL, Section 1-19S-21E

5. Lease Serial No.

NM NM 98791

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

Box Top 19 21-1 Federal #1

9. API Well No.

30-015-34374

10. Field and Pool, or Exploratory Area

Morrow, Wolfcamp

11. County or Parish, State

Eddy County, New Mexico

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other _____
	<input checked="" type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Well was originally permitted as a vertical Morrow Test. If well is non-productive in the Morrow the well is to be Plugged back and a Horizontal Wolfcamp lateral will be drilled and tested. The attached alternate drilling plan will be utilized for this test. The following is a summary of this plan.

Current Surface Location: 760' FSL & 860' FWL, Sec 1, T-19-S, R-21-E

Contingency Horizontal BHL: 660' FNL & 860'FWL, Sec 1, T-19-S, R-21-E

Primary Objective: Drill and test the productive potential of the Morrow Formation

Contingency Objective: In the event of a non-productive Morrow, a horizontal test in the Wolfcamp formation will be drilled.

Please see attached detailed drilling plan for additional information.

APPROVED

OCT 27 2005

LES BABYAK
PETROLEUM ENGINEER14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)**Gary E. Miller, Highlander Environmental Corp**Title **Agent, Parallel Petroleum Corporation**

Signature

Date

10/17/2005**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by _____

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised August 15, 2000
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name BOXTOP 19 21-1 FEDERAL	Well Number 1
OGRID No.	Operator Name PARALLEL PETROLEUM CORPORATION	Elevation 4170'

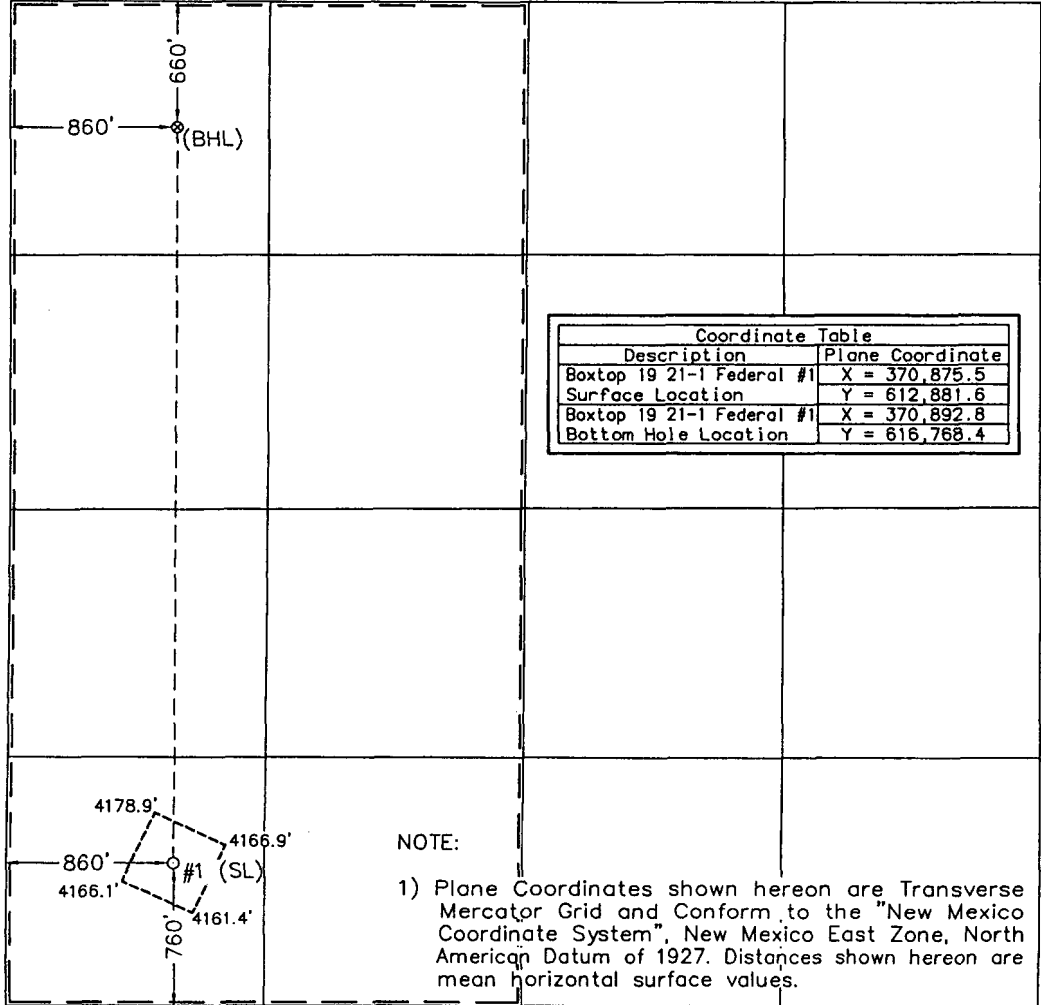
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	1	19 S	21 E		760	SOUTH	860	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	1	19 S	21 E		660	NORTH	860	WEST	EDDY
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						
320	N								

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

 <p>NOTE:</p> <p>1) Plane Coordinates shown hereon are Transverse Mercator Grid and Conform to the "New Mexico Coordinate System", New Mexico East Zone, North American Datum of 1927. Distances shown hereon are mean horizontal surface values.</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature: <i>[Signature]</i></p> <p>Printed Name: <i>Gregory E. A. Hall</i></p> <p>Title: <i>Agent</i></p> <p>Date: <i>10-18-05</i></p> <p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.</p> <p>Date Surveyed: <i>August 2, 2005</i></p> <p>Signature & Seal of Professional Surveyor: <i>[Signature]</i> LVA</p> <p>W.O. Num. 2005-0681</p> <p>Certificate No. <i>MACON McDONALD</i> 12185</p>
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**Boxtop 19 21-1 Federal #1
Eddy County, New Mexico**

Proposed Generalized Drilling Procedure

Location: 760' FSL & 860' FWL
Sec 1, T-19-S, R-21-E

Contingency BHL: 660' FNL & 860' FWL
Sec 1, T-19-S, R-21-E

Primary Objective: Drill and test the productive potential of the Morrow Formation

Contingency Objective: In the event of a non-productive Morrow, a horizontal test in the Wolfcamp formation will be drilled.

Potential Drilling Hazards: Lost circulation in the surface and intermediate holes.


Data Collection: Mud logs, open-hole logs, possible DST's

Primary Procedure

1. Set 20" conductor pipe at 40' with a rathole unit.
2. Drill 17 1/2" surface hole with rotary equipment to a minimum depth of 300', using a fresh water gel spud mud. Set 13 3/8", 40# H-40 casing with 440 sx Class C cement (circulate to surface, 1" if necessary).
3. Drill 12 1/4" intermediate hole to a minimum depth of 1300', using fresh water and viscous sweeps for hole cleaning. Set 9 5/8", 36# J-55 casing with 460 sx, Class C cement (lead will be 50/50 Poz, circulate to surface, 1" if necessary).
4. Drill 8 1/2" production hole to 7700', using cut brine to an approximate depth of 4150' and a starch mud system to TD. Set 5 1/2" 17# N-80 casing at TD with 1070 sx Class C cement (lead be 50/50 Poz)

Contingency Procedure

1. Plug lower portion of the hole, per OCD/BLM specifications.
2. Set 7" 26# J-55 casing through the Wolfcamp zone of interest at an approximate depth of 4400' with 600 sx, Class C.
3. Set whipstock for kick off point at approximately 4700', oriented at 0 degree (grid) azimuth.
4. Mill window and build angle at 15 degrees per 100' to 90 degrees and hold.
5. Drill 6" horizontal drain hole to a terminus of 330' FNL (8000' MD).
6. Run 4 1/2" 11.6# N-80 liner from TD back to 3700', cement with 500 sx Class C
7. Rig Down Rotary Tools.

 PARALLEL SURVEY CALCULATION PROGRAM PETROLEUM CORPORATION										
OPERATOR:		Parallel Petroleum Corporation				Supervisors:				
WELL:		Boxtop 1921-1 Federal #1								
LOCATION:		Sec. 1 T-19-S R-21-E								
API NUMBER:		30-015-34374								
COMMENTS:										
						MAG DEC. (-/+)				
						GRID CORR. (-/+)				
						TOTAL CORR. (-/+)		0.0		
DATE: 10/12/05		TIME: 4:17 PM		TRUE TO GRID						
MINIMUM CURVATURE CALCULATIONS(SPE-3382)				PROPOSED DIRECTION		0.0		TARGET TRACKING TO CENTER		
SVY NUM	MD	INC	TRUE AZM	TVD	VERT SECT	N-S	E-W	DLS/ 100	ABOVE(+) BELOW(-)	RIGHT(+) LEFT(-)
TIE	0	0.0	0.0	0.0	0.0	0.0	0.0			
1	4700	0.0	0.0	4700.0	0.0	0.0	0.0	0.0	320.0	0.0
2	4710	3.0	0.0	4710.0	0.3	0.3	0.0	30.0	310.0	0.0
3	4720	4.8	0.0	4720.0	0.9	0.9	0.0	18.0	300.0	0.0
4	5190	90.0	0.0	5009.6	315.9	315.9	0.0	18.1	10.4	0.0
5	8734	90.0	0.0	5009.6	3859.9	3859.9	0.0	0.0	10.4	0.0

KOP @ 4700' MD
 BUR = 18 DEG per 100 FT
 End Curve @ 5190' MD, 5009.6' TVD
 BHL @ 8734' MD, 5009.6' TVD, 3859.9' VS

Parallel Petroleum Corp.

Boxtop 1921-1 Federal #1
Section 1, T 19-S, R 21-E
Eddy County, New Mexico
Plan #1 082605

COMPANY DETAILS

Parallel Petroleum Corp.
1004 N. Big Spring, Ste 400
Midland, Texas 79701

