

## District I

1625 N. French Dr., Hobbs, NM 88240

## District II

1301 W. Grand Avenue, Artesia, NM 88210

## District III

1000 Rio Brazos Road, Aztec, NM 87410

## District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

NOTIFY OCD OF SPUD & TIME TO  
WITNESS CEMENTING OF  
SURFACE & INTERMEDIATE  
CASING

rces

Form C-101

May 27, 2004

RECEIVED

Submit to appropriate District Office

NOV 10 2005

☐ AMENDED REPORT

OCD-ARTESIA

APPLICATION FOR PERMIT TO **DRILL**, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address Parallel Petroleum Corp. 1004 N. Big Spring Street, Suite 400, Midland, TX. 79701		OGRID Number 230387
Property Code 35237		API Number 30-005-63785
Property Name Dash for Cash		Well No. 1
Proposed Pool 1 Wildcat, Wolfcamp, Gss 97489		Proposed Pool 2

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	4	15S	26E		400	N	1880'	E	Chaves

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	4	15S	26E		660'	S	1880'	E	Chaves

## Additional Well Information

Work Type Code N	Well Type Code O & G	Cable/Rotary R	Lease Type Code P	Ground Level Elevation 3451
Multiple No	Proposed Depth 9295MD, 5239TVD	Formation Wolfcamp	Contractor NA	Spud Date NA
Depth to Groundwater 65'		Distance from nearest fresh water well 1500'		Distance from nearest surface water 3500'
Pit: Liner: Synthetic X 12_mils thick Clay <input type="checkbox"/> Pit Volume: 10,000 bbls Drilling Method: Closed-Loop System <input type="checkbox"/> Fresh Water X Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

## 21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
# 17-1/2"	13-3/8"	48#	300'	440	Surface
# 12-1/4"	9-5/8"	36#	1300'	325	Surface
8-3/4"	5-1/2"	17#	TVD 5239'	NA	100' Above
			MD 9295'		Glorieta

22 Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

**Well to be Drilled as a Horizontal Wolfcamp test. The attached drilling plan will be utilized for this test and contains details on the cement and mud programs as well as the directional information. The following is a summary of this plan.**

1. Prepare surface location. Move in and rig up drilling rig, spud well and drill and set conductor. Install and test BOP's.
2. Drill 17 1/2" surface hole with rotary equipment to a minimum depth of 300'. Set 13 3/8" casing and cement.
3. Drill 12 1/4" intermediate hole to a minimum depth of 1300'. Set 9 5/8" casing and cement.
4. Drill 8 3/4" production hole 5500' TD and evaluate running mud logs as well as DLL/CNL/LDT/CAL/GR to TD.
5. Set Kickoff point at 4858' drill and advance hole to a Wolfcamp penetration point at approximately 700' S and 1880' W of the NE corner of the section and continue drilling to BHL. (9295' MD & 5239' TVD)
6. Set 5 1/2" to TD and cement to a point 100' above Glorieta around 2555'. Perforate porosity and stimulate as necessary (specific procedure to be determined).
7. Place well on test.

23 I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines X, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Printed name: Deane Durham

Title: Drilling Engineer

E-mail Address: ddurham@plll.com

Date: 11-8-05

Phone: 432-684-3727

## OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date: NOV 16 2005

Expiration Date: NOV 16 2006

Conditions of Approval Attached ☒

Fresh Water Mud to 1300' BGL

p.3

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	97489	Pool Code	C	Pool Name	
Property Code		Property Name	DASH FOR CASH		Well Number
					1
OGRID No.		Operator Name	PARALLEL PETROLEUM CORPORATION		Elevation
					3446'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	4	15 S	26 E		400	NORTH	1880	EAST	CHAVES

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
O	4	15 S	26 E		660	SOUTH	1880	EAST	CHAVES

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320			

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>Project Area</p> <table><tr><th>Description</th><th>Plane Coordinate</th></tr><tr><td>Dash for Cash #1</td><td>X = 497,529.2</td></tr><tr><td>Surface Location</td><td>Y = 746,027.1</td></tr><tr><td>Dash for Cash #1</td><td>X = 497,528.6</td></tr><tr><td>Penetration Point</td><td>Y = 745,727.2</td></tr><tr><td>Dash for Cash #1</td><td>X = 497,520.4</td></tr><tr><td>Bottom Hole Location</td><td>Y = 741,747.5</td></tr></table>	Description	Plane Coordinate	Dash for Cash #1	X = 497,529.2	Surface Location	Y = 746,027.1	Dash for Cash #1	X = 497,528.6	Penetration Point	Y = 745,727.2	Dash for Cash #1	X = 497,520.4	Bottom Hole Location	Y = 741,747.5	<p>Producing Area</p> <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><i>Deane Durham</i> Signature</p> <p><i>Deane Durham</i> Printed Name</p> <p><i>Drilling Eng.</i> Title</p> <p><i>11-8-05</i> Date</p> <p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of ual surveys made by me or under my ervision and that the same is true and rect to the best of my belief.</p> <p>October 6, 2005 Date Surveyed</p> <p><i>[Signature]</i> Signature &amp; Seal of Professional Surveyor</p> <p>12185 W.O. Num. 2005-0972 Certificate, No.</p>
Description	Plane Coordinate															
Dash for Cash #1	X = 497,529.2															
Surface Location	Y = 746,027.1															
Dash for Cash #1	X = 497,528.6															
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Dash for Cash #1	X = 497,520.4															
Bottom Hole Location	Y = 741,747.5															

**PARALLEL PETROLEUM CORPORATION**  
**DASH FOR CASH #1**  
**SL: 1880' FEL AND 400' FNL, BHL: 1880' FEL AND 660' FSL**  
**SEC 4, T15S, R26E**  
**CHAVES COUNTY, NEW MEXICO**

**Objective**

Drill a vertical well through the Wolfcamp pay. Log and evaluate for a sidetrack to horizontal in the Wolfcamp.

**Expected Geologic Tops**

Est GL from topo: 3446', KB 3458'.  
Glorieta 2555'  
Tubb 3565'  
Abo Shale 4315'  
Wolfcamp 5240'  
Wolfcamp Shale 5415'

**Well Geometry**

- 13 3/8" casing at 300'
- 9 5/8" casing at 1300'
- Set kick-off plug for horizontal through the zone of interest
- 5 1/2" casing through the horizontal Wolfcamp; Cement per completion.

**Casing Program**

<u>Hole</u>	<u>MD (ft)</u>	<u>Casing</u>	<u>Weight</u>	<u>Grade</u>	<u>Coupling</u>	<u>COMMENT</u>
17-1/2"	0 – 300	13-3/8"	48	H40	ST&C	Must be below 300' (+KB).
12-1/4"	0 – 1300	9-5/8"	36	J55	LT&C	
8-3/4"	0 – 5500'	5-1/2"	17	N80	LT&C	Run through the horizontal lateral.

### Casing Cementing Program

13-3/8" slurry: 440 sacks Class C + 2% bwoc Calcium Chloride + 0.25 lbs/sack Cello Flake + 56.3% fresh water

9-5/8" slurry: Lead: 125 sacks (50:50) Poz (Fly Ash): Class C + 5% bwow Sodium Chloride + 10% bwoc Bentonite + 151.7% fresh water. Tail: 200 sacks Class C + 1% bwoc Calcium Chloride + 56.3% fresh water

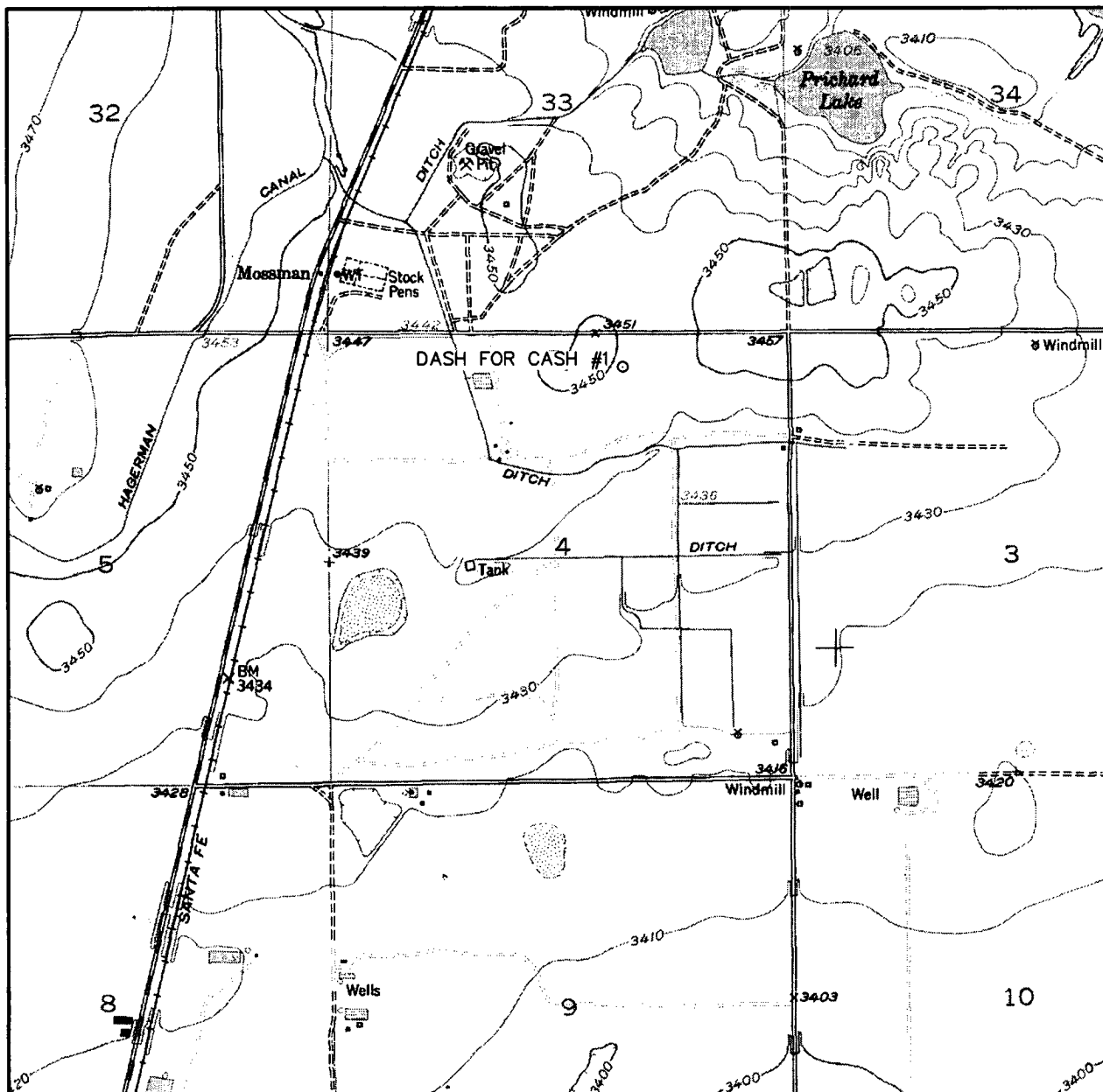
Note: If cement does not circulate to surface, notify OCD. A temperature survey will most likely be required. Top out to surface with 1" pipe in the annulus.

Note: 5-1/2" Cement per completion procedure. Top of Cement should be a minimum of 100' above Glorieta at 2555'.

### Mud Program

<u>Depth</u>	<u>Hole</u>	<u>MW</u>	<u>Visc.</u>	<u>WL</u>	<u>Synopsis</u>
0 – 300	17-1/2"	8.4	32 - 38	No control	Fresh gel Lime flocc.(outer) reserve. Fresh gel sweeps, paper & cotton seed hulls for losses.
300 - 1300	12-1/4"	8.4 – 8.6	28 - 29	No control 13% 30	FRESH WATER mud only to <del>1200</del> 1300 ft. Severe loss potential. Circulate inner reserve. LCM: paper, fiber, cotton seed hulls.
1300 – 4100	8-3/4"	8.6 – 9.2	28 -29	No control	Cut brine. Start w/existing & add brine t/80K-120K chlorides
4100 – TD	8-3/4"	8.9 – 9.5	38 - 45	6 - 10	XCD/Starch polymer as req'd for hole cleaning. Lubricants.
KOP – TD Horizontal	8-3/4" & 7-7/8"	8.9 – 9.5	38 - 45	6 - 10	XCD/Starch polymer as req'd for hole cleaning. Lubricants.

# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:  
HAGERMAN - 10'

SEC. 4 TWP. 15-S RGE. 26-E

SURVEY N.M.P.M.

COUNTY CHAVES

DESCRIPTION 400' FNL & 1880' FEL

ELEVATION 3446'

OPERATOR PARALLEL PETROLEUM CORPORATION

LEASE DASH FOR CASH

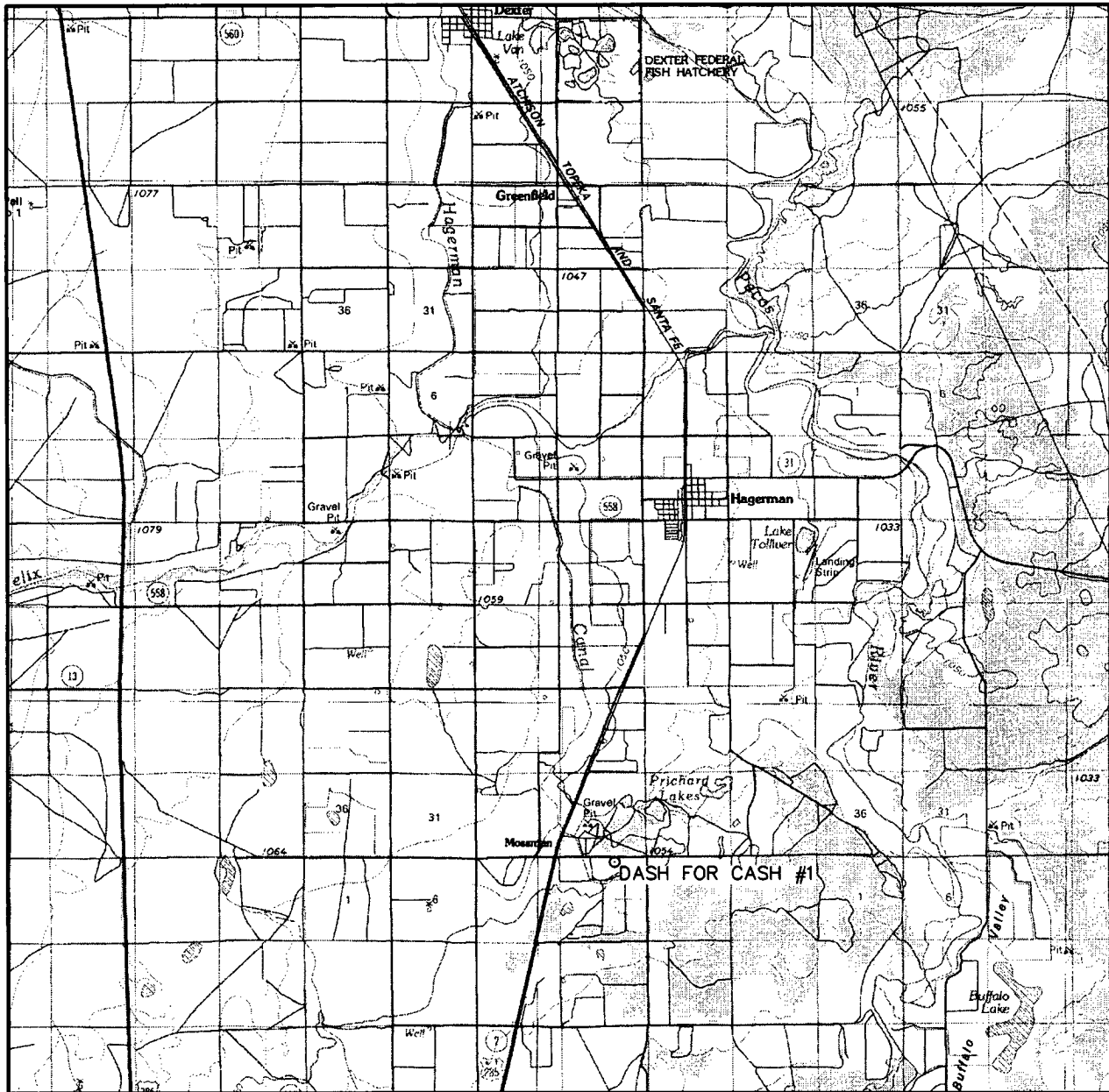
U.S.G.S. TOPOGRAPHIC MAP  
HAGERMAN, N.M.



**WEST  
COMPANY**  
of Midland, Inc.

110 W. LOUISIANA, STE. 110  
MIDLAND TEXAS, 79701  
(432) 687-0865 - (432) 687-0868 FAX

## VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 4 TWP. 15-S RGE. 26-E

SURVEY N.M.P.M.

COUNTY CHAVES

DESCRIPTION 400' FNL & 1880' FEL

ELEVATION 3446'

OPERATOR PARALLEL PETROLEUM CORPORATION

LEASE            DASH FOR CASH



**WEST**  
**COMPANY**  
of Midland, Inc.

110 W. LOUISIANA, STE. 110  
MIDLAND TEXAS, 79701  
(432) 687-0865 - (432) 687-0868 FAX

# **PARALLEL** SURVEY CALCULATION PROGRAM PETROLEUM CORPORATION

OPERATOR:	Parallel Petroleum Corporation		Supervisors:	
WELL:	Dash For Cash #1			
LOCATION:	Sec. 4 T-15-S R-26-E			
API NUMBER:				
COMMENTS:				
			MAG DEC. (-/+)	
			GRID CORR. (-/+)	
			TOTAL CORR. (-/+)	0.0

DATE: 11/04/05      TIME: 2:05 PM      TRUE TO GRID ☐

MINIMUM CURVATURE CALCULATIONS(SPE-3362)						PROPOSED DIRECTION		180.0	TARGET TRACKING TO CENTER	
SVY			GRID		VERT			DLS/	ABOVE(+)	RIGHT(+)
NUM	MD	INC	AZM	TVD	SECT	N-S	E-W	100	BELOW(-)	LEFT(-)
TIE	0	0.0	0.0	0.0	0.0	0.0	0.0			
1	4858	0.0	0.0	4858.0	0.0	0.0	0.0	0.0	382.0	0.0
2	4868	1.5	180.0	4868.0	0.1	-0.1	0.0	15.0	372.0	0.0
3	4878	3.0	180.0	4878.0	0.5	-0.5	0.0	15.0	362.0	0.0
4	5457	90.0	180.0	5239.3	381.3	-381.3	0.0	15.0	0.7	0.0
5	9295	90.0	180.0	5239.3	4219.3	-4219.3	0.0	0.0	0.7	0.0

KOP @ 4858' MD  
 BUR = 15 DEG per 100 FT  
 End Curve @ 5457' MD, 5239.3' TVD  
 BHL @ 9295' MD, 5239.3' TVD, 4219.3' VS

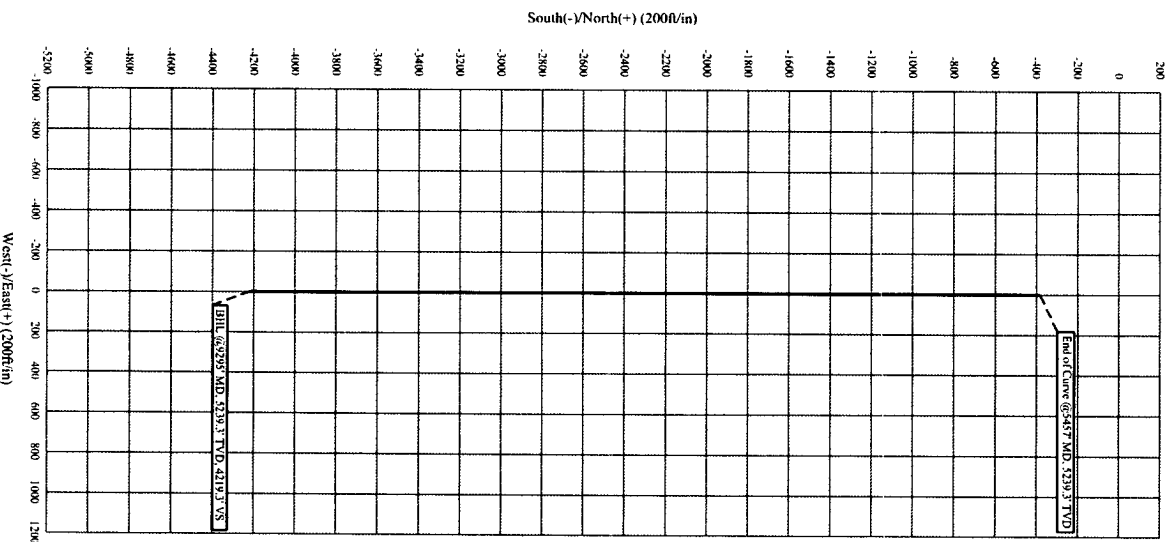
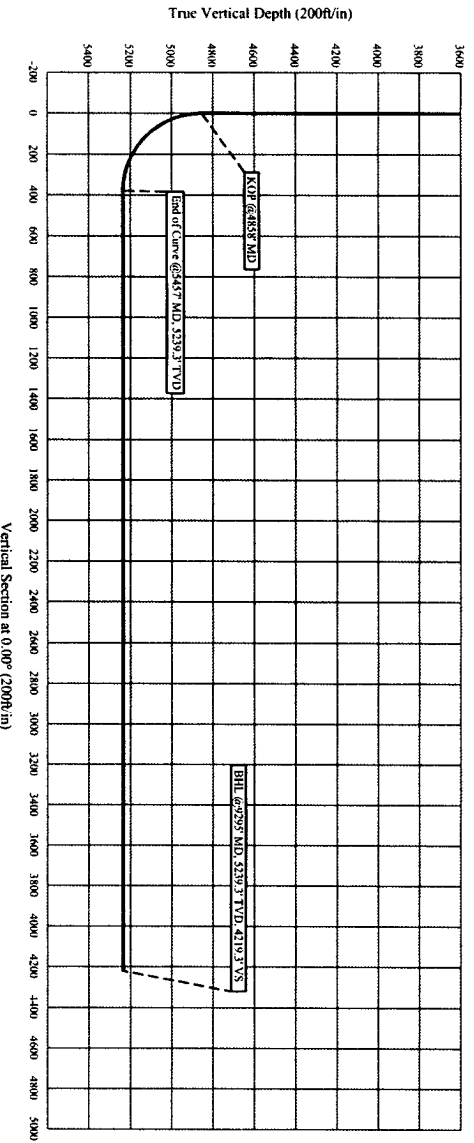
# Parallel Petroleum Corp.

Dash for Cash #1

Section 4, T 15-S, R 26-E  
Chaves County, New Mexico

## COMPANY DETAILS

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







# PARALLEL

Petroleum Corporation

1004 North Big Spring, Suite 400 • Midland, TX 79701 • Ph: 432-684-3727 • Fax: 432-684-3905

October 21, 2005

New Mexico Oil conservation Division  
1301 W. Grand Ave.  
Artesia, New Mexico 88210

Re: Hydrogen Sulfide Potential  
Hagerman Area Wolfcamp Program  
Chavez County, New Mexico

Gentlemen:

Parallel Petroleum Corporation operates the Seabiscuit #1 well located in Section 33, T-14-S, R-26-E. The well which was tested in the Wolfcamp formation did not have any indications of hydrogen sulfide from this formation. We believe the potential for it on locations in this area are negligible.

Should you need any additional information regarding this issue, please contact me at the address or phone number listed above.

Sincerely,

Deane Durham  
Drilling Engineer