

N.M. Oil Cons. DIV-Dist. 2
1301 W. Grand Avenue
Artesia, 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

2. Name of Operator
Parallel Petroleum Corporation

3a. Address
1004 North Big Spring, Suite 400, Midland, Texas 79705

3b. Phone No. (include area code)
432-684-3727

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

**Surface location 200' FSL and 1820' FWL, Bottom hole location, 660' FNL and 1820' FWL
Section 34, T-14-S, R-26-E**

5. Lease Serial No.

NM NM 112258

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Spectacular Bid Fed. Com #1

9. API Well No.

3000563804

10. Field and Pool, or Exploratory Area

Wildcat

11. County or Parish, State

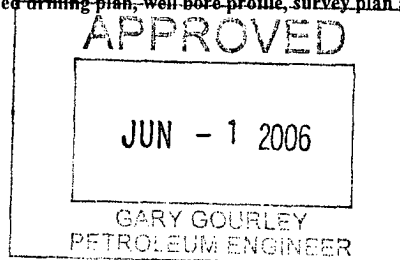
Chaves, NM

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 recomple 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 recomple 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.)

This Sundry Notice is to Change the original Drilling plan for the well. The changes from the original plan include moving the the Wolfcamp penetration point to 660' from the south line and the BHL to 660'FNL. A revised drilling plan, well bore profile, survey plan and C-102 Location and Acreage Dedication Plat are attached.



14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Deane Durham

Title **Drilling Engineer**

Signature

Deane Durham

Date

05/26/2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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.

Title

Date

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

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

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

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

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

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

RECEIVED
JUN 06 2006
AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name SPECTACULAR BID FED. COM	Well Number 1
OGRID No.	Operator Name PARALLEL PETROLEUM CORPORATION	Elevation 3441'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	34	14 S	26 E		200	SOUTH	1820	WEST	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
C	34	14 S	26 E		660	NORTH	1820	WEST	CHAVES

Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.
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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>1820' 833' 660' (BHL)</p> <p>Producing Area</p> <p>Project Area</p> <p>3446.8' 3445.7' 1820' 828' 3439.2' 3437.2'</p> <p>#1 (SL)</p>	<table><tr><th colspan="2">Coordinate Table</th></tr><tr><th>Description</th><th>Plane Coordinate</th></tr><tr><td>Spectacular Bid Fed. Com #1</td><td>X = 501,228.3</td></tr><tr><td>Surface Location</td><td>Y = 746,636.6</td></tr><tr><td>Spectacular Bid Fed. Com #1</td><td>X = 501,204.6</td></tr><tr><td>Bottom Hole Location</td><td>Y = 751,100.8</td></tr></table>	Coordinate Table		Description	Plane Coordinate	Spectacular Bid Fed. Com #1	X = 501,228.3	Surface Location	Y = 746,636.6	Spectacular Bid Fed. Com #1	X = 501,204.6	Bottom Hole Location	Y = 751,100.8	<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 Deane Durham Printed Name ENGINEER Title 26 May 2006 Date</p> <p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of real surveys made by me or under my revision and that the same is true and rect to the best of my belief.</p> <p>October 6, 2005 Date Surveyed Signature & Seal of Professional Surveyor W.O. Num 2005-0965 Certificate No.</p>
Coordinate Table														
Description	Plane Coordinate													
Spectacular Bid Fed. Com #1	X = 501,228.3													
Surface Location	Y = 746,636.6													
Spectacular Bid Fed. Com #1	X = 501,204.6													
Bottom Hole Location	Y = 751,100.8													

ATTACHMENT TO FORM 3160-3
SPECTACULAR BID FED COM #1
Surface Hole Location
200 FSL AND 1820 FWL, SEC 34, 14S, 26E
Bottom Hole Location
660 FNL AND 1820 FWL, SEC 34, 14S, 26E
CHAVES COUNTY, NEW MEXICO

DRILLING PROGRAM

This well is designed as a horizontal test in the Wolfcamp formation.

1. GEOLOGIC NAME OF SURFACE FORMATION

San Andres

2. ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS

Glorieta 2600'(+841')
Tubb 3610'(-169')
Abo Shale 4360' (-919')
Wolfcamp 5285' (-1844')
Wolfcamp Shale 5460'(-2019')

3. ESTIMATED DEPTHS OF ANTICIPATED FRESH WATER, OIL, OR GAS

Fresh water 30'
Oil and Gas Wolfcamp 5285' (-1844') - 5460'(-2019')
No H₂S gas should be encountered

4. CASING AND CEMENTING PROGRAM

<u>Casing Size</u>	<u>From</u> <u>To</u>	<u>Weight</u>	<u>Grade</u>	<u>Joint</u>
20" conductor	0'-40'			
9 5/8"	0' - 1,400'	36#	J-55	LTC
5 1/2"	0' - 9,508'	17#	N-80	LTC

Equivalent or adequate grades and weights of casing may be substituted at time casing is run, depending on availability.

SPECTACULAR BID FED COM #1

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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 BLM. 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 tied-back to surface casing.

Drilling Procedure

- a. Set 20" conductor pipe at 40' with a rathole unit.
- b. Drill 12 1/4" surface hole to an approximate depth of 1400', 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).
- c. Set slips on 9 5/8" CSG. Cut 9 5/8" CSG and NU & test BOP.
- d. Drill 8-3/4" production hole to 5400', using cut brine to an approximate depth of 4300' and a starch mud system to TD.
- e. Plug lower portion of the hole, per OCD/BLM specifications.
- f. Set kick-off cement plug to cover Wolfcamp zone +200'.
- g. Dress CMT to kick off point at approximately 4825', oriented at 0 degree (grid) azimuth.
- h. Build angle at 12.4 degrees per 100' to 90 degrees and hold.
- i. Drill 7-7/8" horizontal drain hole to a terminus of 660' FNL (9508' MD).
- j. Run 5 1/2" 17# N-80 long-string, cement with 500 sx 50:50 Poz, 500 sx Class C
- k. Rig Down Rotary Tools

SPECTACULAR BID FED COM #1

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5. MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL

The BOP stack will consist of a 3,000 psi working pressure, dual ram type preventer and annular.

A BOP sketch is attached.

6. TYPES AND CHARACTERS OF THE PROPOSED MUD SYSTEM

- a. Spud and drill to 1,400' with fresh water gel spud mud for surface string.
- b. The intermediate section from 300' to 1,400' will be 8.3 ppg Fresh Water system and viscous sweeps for hole cleaning.
- c. The production section from 1,400' to 4,300' will utilize a cut brine mud system.
- d. The remaining production section from 4,300' to TD will be a starch mud system with mud weight sufficient to control formation pressures.

7. AUXILIARY WELL CONTROL AND MONITORING EQUIPMENT

None required.

8. LOGGING, TESTING, AND CORING PROGRAM

Mud logs as well as DLL/CNL/LDT/CAL/GR logging is planned. Drill stem tests, cores and sidewall cores are possible.

9. ABNORMAL CONDITIONS, PRESSURES, TEMPERATURES & POTENTIAL HAZARDS

None anticipated.

BHP expected to be 1,100 psi.

10. ANTICIPATED STARTING DATE:

Is planned that operations will commence around third quarter of 2006 with drilling and completion operation lasting about 30 days.

PARALLEL SURVEY CALCULATION PROGRAM PETROLEUM CORPORATION

OPERATOR:	Parallel Petroleum Corporation	Supervisors:	
WELL:	Spectacular Bid Fed. Com. #1		
LOCATION:	Sec. 34 T-14-S R-26-E		
API NUMBER:			
COMMENTS:			
		MAG DEC. (-/+)	
		GRID CORR. (-/+)	
		TOTAL CORR. (-/+)	0.0

DATE: 05/25/06 TIME: 7:48 AM TRUE TO GRID ☐

MINIMUM CURVATURE CALCULATIONS(SPE-3362)					PROPOSED DIRECTION		0.0	TARGET TRACKING TO CENTER	
SVY	MD	INC	GRID	VERT	N-S	E-W	DLS/100	ABOVE(+)	RIGHT(+)
NUM			AZM	TVD	SECT			BELOW(-)	LEFT(-)

TIE	0	0.0	0.0	0.0	0.0	0.0	0.0		
1	4825	0.0	0.0	4825.0	0.0	0.0	0.0	460.0	0.0
2	4835	1.2	0.0	4835.0	0.1	0.1	12.5	450.0	0.0
3	4845	2.5	0.0	4845.0	0.4	0.4	12.4	440.0	0.0
4	5548	90.0	0.0	5285.3	460.3	460.3	12.4	-0.3	0.0
5	9508	90.0	0.0	5285.3	4420.3	4420.3	0.0	-0.3	0.0

KOP @ 4825' MD
 BUR = 12.4 DEG per 100 FT
 End Curve @ 5548' MD, 5285.3' TVD
 BHL @ 9508' MD, 5285.3' TVD, 4420' VS

Parallel Petroleum Corp.

Spectacular Bid Fed. Com. #1
Section 34, T 14-S, R 26-E
Chaves County, New Mexico

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

