

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 Grand Avenue, Artesia, NM 88210
District III
10000 Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-101
May 27, 2004

Submit to appropriate District Office

X AMENDED REPORT

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

¹ Operator Name and Address Parallel Petroleum Corp. 1004 N. Big Spring Street, Suite 400, Midland, TX. 79701		² OGRID Number 230387	³ API Number 230387
⁴ Property Code 35994	⁵ Property Name Gate Dancer 1525-32	⁶ Well No. 1-Y	
⁹ Proposed Pool 1 Wildcat		¹⁰ Proposed Pool 2	

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	32	15 S	25 E		780	North	165	East	Chaves

⁸ Proposed 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	32	15 S	25 E		780	North	660	West	Chaves

Additional Well Information

¹¹ Work Type Code E	¹² Well Type Code O & G	¹³ Cable/Rotary R	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 3476'
¹⁶ Multiple No	¹⁷ Proposed Depth 8992MD, 4750TVD	¹⁸ Formation Wolfcamp	¹⁹ Contractor NA	²⁰ Spud Date 11-29-06
Depth to Groundwater 65'		Distance from nearest fresh water well 800'		Distance from nearest surface water 6000'
^{Pit:} Liner: Synthetic X <input checked="" type="checkbox"/> 12 mils thick Clay <input type="checkbox"/> Pit Volume: 25000 bbls Drilling Method: Closed-Loop System <input type="checkbox"/> Fresh Water X <input checked="" type="checkbox"/> 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
12 1/4"	9 5/8"	36#	1054'	950	Surface by 1"
8 3/4" - 7 7/8"	5 1/2"	17#	8992' MD	800	To Surface CSG
					Verify by CBL or
					Temp Survey

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.

Attached is: 1) C-103 to plug old hole and move rig over new surface location at 20' to south of original
2) C-102 new plat with new surface location of 780 FNL and 165 FEL, new well name of Y after well number.
3) C-103 to spud and set surface pipe on new location

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: 12-21-06

Phone: 432) 684-3727

OIL CONSERVATION DIVISION

Approved by:

BRYAN G. ARANT

DISTRICT II GEOLOGIST

Title:

Approval Date: DEC 28 2006

Expiration Date: DEC 28 2007

Conditions of Approval Attached ☐

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State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
1220 South St. Frances Dr.
Santa Fe, NM 87505

Form C-102
Revised October 12, 2005
Submitted to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies
RECEIVED
OCD-ARTESIA
12-21-06
AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 97489	Pool Name wildcat; Wolfcamp
Property Code	Property Name GATE DANCER 1525-32	Well Number 1Y
OGRID No.	Operator Name PARALLEL PETROLEUM CORPORATION	Elevation 3476'

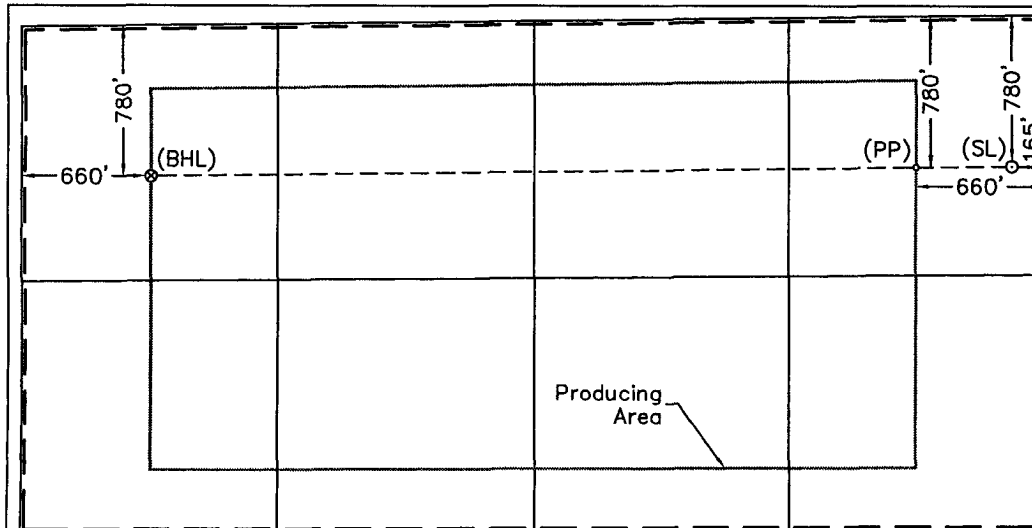
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	32	15 S	25 E		780	NORTH	165	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
D	32	15 S	25 E		780	NORTH	660	WEST	CHAVES
Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.						

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



Coordinate Table	
Description	Plane Coordinate
Gate Dancer 1525-32 #1	X = 462,235.7
Surface Location	Y = 719,091.3
Gate Dancer 1525-32 #1	X = 461,741.3
Penetration Point	Y = 719,082.7
Gate Dancer 1525-32 #1	X = 457,773.2
Bottom Hole Location	Y = 719,010.9

NOTE:

- 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.

T-15-S

OPERATOR CERTIFICATION

I hereby certify the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Deane Durham 12-21-06
Signature Date
Deane Durham
Printed Name

SURVEYOR CERTIFICATION

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.

August 21, 2006

Date of Survey LVA
Signature & Seal of Professional Surveyor

W.O. Num. 2006-0875

W.O. Num. 2006-0875

Certificate No. MAÇON McDONALD 12185

Submit 3 Copies To Appropriate District
Office
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State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
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Santa Fe, NM 87505

Form C-103
May 27, 2004

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH
PROPOSALS.)

1. Type of Well:
Oil Well ☐ Gas Well ☒ Other

2. Name of Operator
PARALLEL PETROLEUM CORPORATION

3. Address of Operator
1004 N BIG SPRING, SUITE 400, MIDLAND, TX 79701

4. Well Location

Unit Letter A : 760 feet from the NORTH line and 165 feet from the EAST line

Section 32 Township 15S Range 25E NMPM County CHAVES

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
GR: 3476

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐ CHANGE PLANS ☐

PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☒ PLUG AND ABANDONMENT ☐

CASING TEST AND CEMENT JOB ☒

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

11-29-06: 20" CONDUCTOR SET @ 120'; CMT TO SURFACE; MIRU & SPUD.

12-01-06: RUN 9.625 CSG, 12.25 HOLE, 36#, SET @ 1054; CMT W/

LEAD 1: 200 SX PREMIUM PLUS + 10# DIAMOND SEAL, 9.5 PPG, 7.65 YLD,

LEAD 2: 100 SX PREMIUM PLUS THIXSET COMPOUND A + 0.25% WG-17, 14 PPG, 1.53 YLD,

LEAD 3: 350 SX LIGHT PP + 5# GILSONITE + 2% CACL2, 12.4 PPG, 2.04 YLD

TAIL: 300 SX PP + 2% CACL2, 14.8 PPG, 1.34 YLD

5 CENTRALIZERS; TOC: DID NOT CIRCULATE, 480' BY TEMP SURVEY; CIRCULATE 6 BEL TO SURFACE W/1"

WOC: 28 HRS; TEST CSG 1200 PSI FOR 30 MIN

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOC guidelines ☐ , a general permit ☐ or an (attached) alternative OCD-approved plan ☐

SIGNATURE Kaye McCormick TITLE SR PROD & REG TECH DATE 12-19-2006

Type or print name KAYE MC CORMICK

E-mail address: kmccormick@plll.com

Telephone No. 432-685-6563

For State Use Only

FOR RECORDS ONLY

APPROVED BY _____ TITLE _____ DATE DEC 28 2006

Conditions of Approval, if any: