



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

WELL API NO.

30-005-63881

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name:

WAR CLOUD STATE COM 1425-36

8. Well Number

1

9. OGRID Number

230387

10. Pool name or Wildcat

WILDCAT, WOLF CAMP

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 P: 760 feet from the SOUTH line and 255 feet from the EAST lineSection 36 Township 14S Range 25E NMPM CHAVES County NM

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

GR: 3481

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: PROD CSG, LOGS, SURVEYS ☒

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.

02-05-07: TD'D WELL @ 9235 @ 8:30 PM

02-07-07: RUN 5.5 PROD CSG, 7.875 HOLE, 17# SET @ 9234

LEAD: 750 SX 50/50/10 C + 0.2% FL52A + 0.2% SMS, 11.6 PPG, 2.43 YLD

TAIL: 800 SX H + 2-# CA CO3 + 1.4% FL62 + 0.4% CD32 + 0.2% SMS + 0.1%

ASA30 ACID SOLUBLE, 15.6 PPG, 1.42 YLD, 111 CENTRALIZERS

TOC: SURFACE, CIRCULATED 268 SX TO SURFACE

WOC: 7 DAYS, TEST CSG TO 5000 PSI FOR 30 MIN

ATTACHED: SCHLUMBERGER MWD SURVEY, GYRODATA GYRO SURVEY, OPEN-HOLE LOGS

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 NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐SIGNATURE Kaye McCormick TITLE SR PROD & REG TECH DATE 03-08-2007Type or print name KAYE MC CORMICKE-mail address: kmccormick@plll.comTelephone No. 432-685-6563

For State Use Only

FOR RECORDS ONLY

MAR 19 2007

APPROVED BY _____ TITLE _____ DATE _____

Conditions of Approval, if any:



Comments	Measured Depth (ft)	Inclination (deg)	Azimuth (deg)	Sub-Sea TVD (ft)	TVD (ft)	Vertical Section (ft)	NS (ft)	EW (ft)	Closure (ft)	Closure Azimuth (deg)	DLS (deg/100 ft)	Mag / Grav Tool Face (deg)
Tie-In	4600.00	0.36	147.20	1103.19	4599.69	35.08	-7.55	-35.07	35.88	257.85	0.16	254.38M
	4626.00	2.71	254.38	1129.18	4625.68	35.62	-7.79	-35.62	36.46	257.67	10.92	261.63M
	4657.00	6.79	261.63	1160.07	4656.57	38.14	-8.25	-38.14	39.02	257.79	13.28	4.15R
	4689.00	11.59	263.36	1191.65	4688.15	43.21	-8.90	-43.21	44.11	258.36	15.02	1.60R
	4721.00	16.20	263.82	1222.70	4719.20	50.85	-9.75	-50.84	51.77	259.14	14.41	13.44R
	4754.00	20.51	266.74	1254.02	4750.52	61.20	-10.57	-61.20	62.10	260.20	13.35	13.93R
	4786.00	25.00	269.36	1283.52	4780.02	73.57	-10.97	-73.56	74.37	261.52	14.38	8.51R
	4818.00	28.81	270.54	1312.05	4808.55	88.04	-10.97	-88.04	88.72	262.90	12.02	14.74R
	4850.00	32.05	272.14	1339.64	4836.14	104.24	-10.58	-104.24	104.77	264.20	10.44	2.15L
	4881.00	35.28	271.93	1365.44	4861.94	121.41	-9.97	-121.41	121.82	265.30	10.43	15.65L
	4913.00	39.00	270.28	1390.94	4887.44	140.72	-9.61	-140.72	141.05	266.09	12.03	6.98L
	4946.00	43.14	269.54	1415.82	4912.32	162.40	-9.65	-162.40	162.68	266.60	12.63	0.39R

4978.00	47.50	269.58	1438.31	4934.81	185.15	-9.83	-185.14	185.40	266.96	13.63	48.80R
5009.00	51.13	274.73	1458.52	4955.02	208.62	-8.92	-208.62	208.81	267.55	17.19	10.19R
5041.00	54.58	275.49	1477.84	4974.34	234.02	-6.64	-234.02	234.11	268.37	10.95	21.02L
5074.00	58.06	273.92	1496.14	4992.64	261.38	-4.40	-261.38	261.42	269.04	11.26	11.31L
5106.00	61.72	273.09	1512.19	5008.69	289.01	-2.71	-289.01	289.02	269.46	11.66	11.76L
5138.00	65.44	272.24	1526.43	5022.93	317.63	-1.38	-317.63	317.63	269.75	11.87	7.23L
5170.00	68.90	271.77	1538.84	5035.34	347.10	-0.35	-347.10	347.10	269.94	10.90	1.27L
5202.00	72.33	271.69	1549.46	5045.96	377.27	0.56	-377.27	377.27	270.09	10.72	12.36L
5234.00	75.29	271.02	1558.38	5054.88	407.98	1.29	-407.98	407.99	270.18	9.47	10.09L
5266.00	78.82	270.38	1565.55	5062.05	439.16	1.67	-439.16	439.17	270.22	11.20	9.91L
5298.00	82.34	269.76	1570.79	5067.29	470.73	1.71	-470.73	470.73	270.21	11.16	12.50L
5330.00	86.35	268.87	1573.94	5070.44	502.56	1.32	-502.56	502.56	270.15	12.83	22.14L
5372.00	91.69	266.70	1574.66	5071.16	544.51	-0.30	-544.51	544.51	269.97	13.72	14.15R
5467.00	92.72	266.96	1571.00	5067.50	639.29	-5.55	-639.29	639.31	269.50	1.12	33.97R
5563.00	94.51	268.17	1564.95	5061.45	735.01	-9.62	-735.01	735.07	269.25	2.25	117.34R
5659.00	93.20	270.70	1558.50	5055.00	830.78	-10.56	-830.77	830.84	269.27	2.96	LS
5755.00	91.50	270.70	1554.56	5051.06	926.69	-9.39	-926.68	926.73	269.42	1.77	119.84R
5851.00	89.45	274.27	1553.76	5050.26	1022.57	-5.23	-1022.57	1022.58	269.71	4.29	117.73L
5947.00	89.04	273.49	1555.03	5051.53	1118.34	1.27	-1118.34	1118.34	270.06	0.92	151.94L
6042.00	88.59	273.25	1556.99	5053.49	1213.15	6.85	-1213.15	1213.17	270.32	0.54	19.52L
6138.00	90.17	272.69	1558.03	5054.53	1309.01	11.82	-1309.02	1309.07	270.52	1.75	76.76L
6234.00	90.21	272.52	1557.71	5054.21	1404.91	16.19	-1404.92	1405.01	270.66	0.18	34.08R
6330.00	91.20	273.19	1556.53	5053.03	1500.78	20.97	-1500.79	1500.94	270.80	1.25	90.00R
6426.00	91.20	273.86	1554.52	5051.02	1596.58	26.87	-1596.59	1596.81	270.96	0.70	136.76L
6522.00	90.03	272.76	1553.49	5049.99	1692.41	32.41	-1692.42	1692.73	271.10	1.67	112.20L
6618.00	89.83	272.27	1553.61	5050.11	1788.31	36.62	-1788.32	1788.70	271.17	0.55	59.96L
6714.00	90.31	271.44	1553.49	5049.99	1884.26	39.73	-1884.27	1884.69	271.21	1.00	102.92L
6810.00	90.03	270.22	1553.21	5049.71	1980.25	41.12	-1980.26	1980.69	271.19	1.30	53.57L
6906.00	90.79	269.19	1552.52	5049.02	2076.24	40.63	-2076.25	2076.65	271.12	1.33	61.04L
7002.00	91.31	268.25	1550.76	5047.26	2172.20	38.48	-2172.21	2172.55	271.01	1.12	5.19L
7098.00	92.41	268.15	1547.65	5044.15	2268.10	35.47	-2268.11	2268.39	270.90	1.15	44.97R
7194.00	92.68	268.42	1543.38	5039.88	2363.96	32.60	-2363.98	2364.20	270.79	0.40	114.46R
7217.00	92.48	268.86	1542.35	5038.85	2386.93	32.05	-2386.95	2387.16	270.77	2.10	96.14R

	7313.00	92.41	269.51	1538.25	5034.75	2482.84	30.69	-2482.85	2483.04	270.71	0.68	162.13L
	7409.00	91.79	269.31	1534.73	5031.23	2578.77	29.70	-2578.78	2578.95	270.66	0.68	159.67L
	7504.00	88.28	268.01	1534.68	5031.18	2673.73	27.48	-2673.74	2673.88	270.59	3.94	78.69R
	7600.00	88.35	268.36	1537.50	5034.00	2769.64	24.44	-2769.65	2769.75	270.51	0.37	55.38R
	7696.00	88.93	269.20	1539.78	5036.28	2865.59	22.40	-2865.60	2865.68	270.45	1.06	84.40L
	7790.00	89.04	268.08	1541.44	5037.94	2959.55	20.17	-2959.55	2959.62	270.39	1.20	144.46R
	7885.00	88.97	268.13	1543.09	5039.59	3054.48	17.03	-3054.49	3054.53	270.32	0.09	29.69R
	7980.00	89.97	268.70	1543.97	5040.47	3149.44	14.40	-3149.44	3149.48	270.26	1.21	22.11L
	8074.00	90.93	268.31	1543.23	5039.73	3243.40	11.95	-3243.41	3243.43	270.21	1.10	156.80R
	8168.00	90.79	268.37	1541.82	5038.32	3337.35	9.22	-3337.36	3337.37	270.16	0.16	141.20R
	8262.00	90.28	268.78	1540.94	5037.44	3431.32	6.89	-3431.32	3431.33	270.11	0.70	172.65L
	8358.00	89.97	268.74	1540.73	5037.23	3527.30	4.81	-3527.30	3527.30	270.08	0.33	15.25R
	8453.00	91.07	269.04	1539.87	5036.37	3622.28	2.97	-3622.28	3622.28	270.05	1.20	131.18L
	8547.00	91.00	268.96	1538.17	5034.67	3716.25	1.33	-3716.25	3716.25	270.02	0.11	80.75R
	8641.00	91.07	269.39	1536.48	5032.98	3810.22	-0.02	-3810.22	3810.22	270.00	0.46	127.88R
	8735.00	91.00	269.48	1534.78	5031.28	3904.20	-0.95	-3904.20	3904.20	269.99	0.12	35.29R
	8830.00	92.20	270.33	1532.13	5028.63	3999.16	-1.11	-3999.16	3999.16	269.98	1.55	126.48R
	8925.00	92.03	270.56	1528.62	5025.12	4094.10	-0.37	-4094.10	4094.10	269.99	0.30	104.04L
	9019.00	91.93	270.16	1525.37	5021.87	4188.04	0.22	-4188.04	4188.04	270.00	0.44	53.76R
	9114.00	92.34	270.72	1521.83	5018.33	4282.97	0.95	-4282.97	4282.97	270.01	0.73	127.59R
	9156.00	92.24	270.85	1520.15	5016.65	4324.93	1.52	-4324.93	4324.93	270.02	0.39	HS
Projection to Bit	9235.00	92.24	270.85	1517.07	5013.57	4403.86	2.69	-4403.86	4403.86	270.04	0.00	---

Survey Type: Non-Def Survey

Survey Error Model: SLB ISCWSA version 24 *** 3-D 95.00% Confidence 2.7955 sigma

Surveying Prog:

MD From (ft)

MD To (ft)

EOU Freq

Survey Tool Type

Borehole -> Survey

0.00

15.50

Act-Stns SLB_CNSG+DPIPE-Depth Only

Pilot -> War Cloud 1425-36 State Com #1 Gyros 0' to 5342'

15.50

4600.00

Act-Stns SLB_CNSG+DPIPE

Pilot -> War Cloud 1425-36 State Com #1 Gyros 0' to 5342'

4600.00

9156.00

Act-Stns SLB_MWD-STD

Horizontal -> War Cloud 1425-36 State Com #1 Gyro + MWD

A Gyrodata Directional Survey

for

PARALLEL PETROLEUM

Lease: Warcloud State Com 1425-36 Well: No. 1, 4-1/2" Drillpipe
Location: Jw #4, Chaves County, New Mexico

Job Number: MD0107GW103

Run Date: 14 Jan 2007

Surveyor: Junior Pena; Thomas Bowden; Cody Dutton

Calculation Method: MINIMUM CURVATURE

Survey Latitude: 33.054167 deg. N Longitude: 104.387500 deg. W

Azimuth Correction:

Gyro: 0.03000 deg East to Grid North

Vertical Section Calculated from Well Head Location

Closure Calculated from Well Head Location

Horizontal Coordinates Calculated from Well Head Location

A Gyrodata Directional Survey

Parallel Petroleum

Lease: Warcloud State Com 1425-36 Well: No. 1, 4-1/2" Drillpipe

Location: Jw #4, Chaves County, New Mexico

Job Number: MD0107GW103

MEASURED DEPTH feet	I N C L deg.	AZIMUTH deg.	BORE HOLE BEARING deg. min.	DOGLEG SEVERITY deg./ 100 ft.	VERTICAL DEPTH feet	CLOSURE DIST. feet	AZIMUTH deg.	HORIZONTAL COORDINATES feet	
0.00	0.00	0.00	N 0 0 E	0.00	0.00	0.0	0.0	0.00 N	0.00 E

0 TO 5400 FT RATE GYROSCOPIC MULTISHOT SURVEY RUN INSIDE OF 4-1/2" DRILLPIPE									
ALL MEASURED DEPTHS AND COORDINATES REFERENCED TO J W 4 R.K.B. (+15.5')									

100.00	0.01	154.18	S 25 49 E	0.01	100.00	0.0	154.2	0.01 S	0.00 E
200.00	0.02	157.81	S 22 12 E	0.00	200.00	0.0	155.6	0.03 S	0.01 E
300.00	0.08	179.32	S 0 41 E	0.07	300.00	0.1	170.1	0.12 S	0.02 E
400.00	0.06	185.41	S 5 25 W	0.03	400.00	0.2	176.1	0.24 S	0.02 E
500.00	0.22	224.23	S 44 14 W	0.18	500.00	0.4	195.8	0.43 S	0.12 W
600.00	0.40	250.15	S 70 9 W	0.22	600.00	0.9	220.3	0.68 S	0.58 W
700.00	0.51	263.74	S 83 45 W	0.15	700.00	1.6	237.8	0.85 S	1.34 W
800.00	0.76	257.26	S 77 16 W	0.26	799.99	2.6	246.8	1.04 S	2.43 W
900.00	0.58	256.87	S 76 52 W	0.18	899.98	3.8	250.0	1.30 S	3.57 W
1000.00	0.71	246.05	S 66 3 W	0.17	999.98	4.9	250.2	1.67 S	4.63 W
1100.00	0.75	248.72	S 68 43 W	0.06	1099.97	6.2	249.6	2.16 S	5.81 W
1200.00	0.73	247.23	S 67 14 W	0.03	1199.96	7.5	249.3	2.64 S	7.01 W
1300.00	0.58	232.38	S 52 23 W	0.23	1299.95	8.6	248.2	3.20 S	8.00 W
1400.00	0.57	232.01	S 52 1 W	0.01	1399.95	9.6	246.6	3.81 S	8.79 W
1500.00	0.62	239.92	S 59 55 W	0.10	1499.94	10.6	245.5	4.39 S	9.65 W
1600.00	0.81	265.25	S 85 15 W	0.37	1599.93	11.8	246.4	4.72 S	10.82 W
1700.00	0.64	264.93	S 84 56 W	0.18	1699.93	13.0	248.2	4.83 S	12.08 W
1800.00	0.47	259.29	S 79 18 W	0.18	1799.92	13.9	249.2	4.95 S	13.04 W
1900.00	0.42	268.69	S 88 42 W	0.09	1899.92	14.7	250.0	5.03 S	13.80 W
2000.00	0.48	273.69	N 86 19 W	0.07	1999.92	15.4	251.0	5.02 S	14.58 W

A Gyrodata Directional Survey

Parallel Petroleum

Lease: Warcloud State Com 1425-36 Well: No. 1, 4-1/2" Drillpipe

Location: Jw #4, Chaves County, New Mexico

Job Number: MD0107GW103

MEASURED DEPTH feet	I N C L deg.	AZIMUTH deg.	BORE HOLE BEARING deg. min.	DOGLEG SEVERITY deg./ 100 ft.	VERTICAL DEPTH feet	CLOSURE DIST. AZIMUTH feet deg.	HORIZONTAL COORDINATES feet
2100.00	0.53	276.51	N 83 30 W	0.06	2099.91	16.2 252.3	4.94 S 15.46 W
2200.00	0.63	274.18	N 85 49 W	0.10	2199.91	17.2 253.6	4.84 S 16.46 W
2300.00	0.46	292.95	N 67 3 W	0.24	2299.90	18.0 255.0	4.65 S 17.37 W
2400.00	0.49	294.63	N 65 22 W	0.04	2399.90	18.6 256.6	4.32 S 18.12 W
2500.00	0.54	287.34	N 72 39 W	0.08	2499.90	19.4 258.1	4.00 S 18.96 W
2600.00	0.74	284.51	N 75 30 W	0.20	2599.89	20.4 259.5	3.70 S 20.04 W
2700.00	0.79	277.42	N 82 35 W	0.11	2699.88	21.6 260.8	3.45 S 21.34 W
2800.00	0.84	282.82	N 77 11 W	0.09	2799.87	23.0 262.0	3.19 S 22.75 W
2900.00	1.00	280.60	N 79 24 W	0.16	2899.86	24.5 263.3	2.87 S 24.31 W
3000.00	1.15	270.07	N 89 56 W	0.25	2999.84	26.3 264.1	2.71 S 26.17 W
3100.00	1.32	276.28	N 83 43 W	0.22	3099.82	28.4 264.8	2.58 S 28.32 W
3200.00	1.22	271.55	N 88 27 W	0.15	3199.79	30.6 265.5	2.43 S 30.53 W
3300.00	1.20	269.75	S 89 45 W	0.04	3299.77	32.7 265.8	2.40 S 32.64 W
3400.00	1.02	265.33	S 85 20 W	0.20	3399.75	34.7 265.9	2.48 S 34.58 W
3500.00	0.65	257.34	S 77 20 W	0.39	3499.74	36.1 265.7	2.68 S 36.02 W
3600.00	0.72	253.91	S 73 55 W	0.09	3599.73	37.3 265.4	2.97 S 37.17 W
3700.00	0.53	269.41	S 89 25 W	0.25	3699.73	38.4 265.3	3.15 S 38.24 W
3800.00	0.19	246.80	S 66 48 W	0.36	3799.72	39.0 265.3	3.22 S 38.85 W
3900.00	0.15	205.71	S 25 43 W	0.12	3899.72	39.2 265.0	3.41 S 39.06 W
4000.00	0.06	172.30	S 7 42 E	0.11	3999.72	39.3 264.8	3.57 S 39.11 W
4100.00	0.86	124.31	S 55 41 E	0.83	4099.72	38.7 264.0	4.05 S 38.48 W
4200.00	1.01	113.07	S 66 56 E	0.23	4199.71	37.4 262.6	4.82 S 37.05 W
4300.00	0.54	136.80	S 43 12 E	0.56	4299.70	36.3 261.3	5.51 S 35.91 W
4400.00	0.40	165.70	S 14 18 E	0.27	4399.69	36.0 260.1	6.19 S 35.50 W

A Gyrodata Directional Survey

Parallel Petroleum

Lease: Warcloud State Com 1425-36 Well: No. 1, 4-1/2" Drillpipe

Location: Jw #4, Chaves County, New Mexico

Job Number: MD0107GW103

MEASURED DEPTH feet	I N C L deg.	AZIMUTH deg.	BORE HOLE BEARING deg. min.	DOGLEG SEVERITY deg./ 100 ft.	VERTICAL DEPTH feet	CLOSURE DIST. AZIMUTH feet deg.	HORIZONTAL COORDINATES feet
4500.00	0.44	167.24	S 12 46 E	0.05	4499.69	36.0 258.9	6.91 S 35.33 W
4600.00	0.36	147.20	S 32 48 E	0.16	4599.69	35.9 257.9	7.55 S 35.07 W
4700.00	0.62	121.46	S 58 32 E	0.33	4699.69	35.4 256.8	8.10 S 34.44 W
4800.00	0.37	107.02	S 72 59 E	0.27	4799.68	34.7 255.9	8.47 S 33.67 W
4900.00	0.25	108.42	S 71 35 E	0.12	4899.68	34.3 255.4	8.64 S 33.15 W
5000.00	0.34	86.74	N 86 45 E	0.14	4999.68	33.8 255.1	8.69 S 32.65 W
5100.00	0.49	100.08	S 79 55 E	0.18	5099.68	33.1 254.7	8.75 S 31.93 W
5200.00	0.27	332.79	N 27 12 W	0.69	5199.68	32.8 254.8	8.61 S 31.62 W
5300.00	0.42	309.98	N 50 1 W	0.20	5299.67	33.0 255.7	8.16 S 32.01 W
5342.00	0.45	312.08	N 47 55 W	0.09	5341.67	33.2 256.1	7.95 S 32.25 W

Final Station Closure: Distance: 33.22 ft Az: 256.15 deg.

A Gyrodata Directional Survey

for

PARALLEL PETROLEUM

Lease: Warcloud State Com 1425-36 Well: No. 1, 4-1/2" Drillpipe
Location: Jw #4, Chaves County, New Mexico

Job Number: MD0107GW103

Run Date: 14 Jan 2007

Surveyor: Junior Pena; Thomas Bowden; Cody Dutton

Calculation Method: MINIMUM CURVATURE

Survey Latitude: 33.054167 deg. N Longitude: 104.387500 deg. W

Azimuth Correction:

Gyro: 0.03000 deg East to Grid North

Vertical Section Calculated from Well Head Location

Closure Calculated from Well Head Location

Horizontal Coordinates Calculated from Well Head Location

A Gyrodata Directional Survey

Parallel Petroleum

Lease: Warcloud State Com 1425-36 Well: No. 1, 4-1/2" Drillpipe

Location: Jw #4, Chaves County, New Mexico

Job Number: MD0107GW103

MEASURED DEPTH feet	I N C L deg.	AZIMUTH deg.	BORE HOLE BEARING deg. min.	DOGLEG SEVERITY deg./ 100 ft.	VERTICAL DEPTH feet	CLOSURE DIST. AZIMUTH feet deg.	HORIZONTAL COORDINATES feet
0.00	0.00	0.00	N 0 0 E	0.00	0.00	0.0 0.0	0.00 N 0.00 E

0 TO 5400 FT RATE GYROSCOPIC MULTISHOT SURVEY RUN INSIDE OF 4-1/2" DRILLPIPE							
ALL MEASURED DEPTHS AND COORDINATES REFERENCED TO J W 4 R.K.B. (+15.5')							

100.00	0.01	154.18	S 25 49 E	0.01	100.00	0.0 154.2	0.01 S 0.00 E
200.00	0.02	157.81	S 22 12 E	0.00	200.00	0.0 155.6	0.03 S 0.01 E
300.00	0.08	179.32	S 0 41 E	0.07	300.00	0.1 170.1	0.12 S 0.02 E
400.00	0.06	185.41	S 5 25 W	0.03	400.00	0.2 176.1	0.24 S 0.02 E
500.00	0.22	224.23	S 44 14 W	0.18	500.00	0.4 195.8	0.43 S 0.12 W
600.00	0.40	250.15	S 70 9 W	0.22	600.00	0.9 220.3	0.68 S 0.58 W
700.00	0.51	263.74	S 83 45 W	0.15	700.00	1.6 237.8	0.85 S 1.34 W
800.00	0.76	257.26	S 77 16 W	0.26	799.99	2.6 246.8	1.04 S 2.43 W
900.00	0.58	256.87	S 76 52 W	0.18	899.98	3.8 250.0	1.30 S 3.57 W
1000.00	0.71	246.05	S 66 3 W	0.17	999.98	4.9 250.2	1.67 S 4.63 W
1100.00	0.75	248.72	S 68 43 W	0.06	1099.97	6.2 249.6	2.16 S 5.81 W
1200.00	0.73	247.23	S 67 14 W	0.03	1199.96	7.5 249.3	2.64 S 7.01 W
1300.00	0.58	232.38	S 52 23 W	0.23	1299.95	8.6 248.2	3.20 S 8.00 W
1400.00	0.57	232.01	S 52 1 W	0.01	1399.95	9.6 246.6	3.81 S 8.79 W
1500.00	0.62	239.92	S 59 55 W	0.10	1499.94	10.6 245.5	4.39 S 9.65 W
1600.00	0.81	265.25	S 85 15 W	0.37	1599.93	11.8 246.4	4.72 S 10.82 W
1700.00	0.64	264.93	S 84 56 W	0.18	1699.93	13.0 248.2	4.83 S 12.08 W
1800.00	0.47	259.29	S 79 18 W	0.18	1799.92	13.9 249.2	4.95 S 13.04 W
1900.00	0.42	268.69	S 88 42 W	0.09	1899.92	14.7 250.0	5.03 S 13.80 W
2000.00	0.48	273.69	N 86 19 W	0.07	1999.92	15.4 251.0	5.02 S 14.58 W

A Gyrodata Directional Survey

Parallel Petroleum

Lease: Warcloud State Com 1425-36 Well: No. 1, 4-1/2" Drillpipe

Location: Jw #4, Chaves County, New Mexico

Job Number: MD0107GW103

MEASURED DEPTH feet	I N C L deg.	AZIMUTH deg.	BORE HOLE BEARING deg. min.	DOGLEG SEVERITY deg./ 100 ft.	VERTICAL DEPTH feet	CLOSURE DIST. AZIMUTH feet deg.	HORIZONTAL COORDINATES feet
2100.00	0.53	276.51	N 83 30 W	0.06	2099.91	16.2 252.3	4.94 S 15.46 W
2200.00	0.63	274.18	N 85 49 W	0.10	2199.91	17.2 253.6	4.84 S 16.46 W
2300.00	0.46	292.95	N 67 3 W	0.24	2299.90	18.0 255.0	4.65 S 17.37 W
2400.00	0.49	294.63	N 65 22 W	0.04	2399.90	18.6 256.6	4.32 S 18.12 W
2500.00	0.54	287.34	N 72 39 W	0.08	2499.90	19.4 258.1	4.00 S 18.96 W
2600.00	0.74	284.51	N 75 30 W	0.20	2599.89	20.4 259.5	3.70 S 20.04 W
2700.00	0.79	277.42	N 82 35 W	0.11	2699.88	21.6 260.8	3.45 S 21.34 W
2800.00	0.84	282.82	N 77 11 W	0.09	2799.87	23.0 262.0	3.19 S 22.75 W
2900.00	1.00	280.60	N 79 24 W	0.16	2899.86	24.5 263.3	2.87 S 24.31 W
3000.00	1.15	270.07	N 89 56 W	0.25	2999.84	26.3 264.1	2.71 S 26.17 W
3100.00	1.32	276.28	N 83 43 W	0.22	3099.82	28.4 264.8	2.58 S 28.32 W
3200.00	1.22	271.55	N 88 27 W	0.15	3199.79	30.6 265.5	2.43 S 30.53 W
3300.00	1.20	269.75	S 89 45 W	0.04	3299.77	32.7 265.8	2.40 S 32.64 W
3400.00	1.02	265.33	S 85 20 W	0.20	3399.75	34.7 265.9	2.48 S 34.58 W
3500.00	0.65	257.34	S 77 20 W	0.39	3499.74	36.1 265.7	2.68 S 36.02 W
3600.00	0.72	253.91	S 73 55 W	0.09	3599.73	37.3 265.4	2.97 S 37.17 W
3700.00	0.53	269.41	S 89 25 W	0.25	3699.73	38.4 265.3	3.15 S 38.24 W
3800.00	0.19	246.80	S 66 48 W	0.36	3799.72	39.0 265.3	3.22 S 38.85 W
3900.00	0.15	205.71	S 25 43 W	0.12	3899.72	39.2 265.0	3.41 S 39.06 W
4000.00	0.06	172.30	S 7 42 E	0.11	3999.72	39.3 264.8	3.57 S 39.11 W
4100.00	0.86	124.31	S 55 41 E	0.83	4099.72	38.7 264.0	4.05 S 38.48 W
4200.00	1.01	113.07	S 66 56 E	0.23	4199.71	37.4 262.6	4.82 S 37.05 W
4300.00	0.54	136.80	S 43 12 E	0.56	4299.70	36.3 261.3	5.51 S 35.91 W
4400.00	0.40	165.70	S 14 18 E	0.27	4399.69	36.0 260.1	6.19 S 35.50 W

A Gyrodata Directional Survey

Parallel Petroleum

Lease: Warcloud State Com 1425-36 Well: No. 1, 4-1/2" Drillpipe

Location: Jw #4, Chaves County, New Mexico

Job Number: MD0107GW103

MEASURED DEPTH feet	I N C L deg.	AZIMUTH deg.	BORE HOLE BEARING deg. min.	DOGLEG SEVERITY deg./ 100 ft.	VERTICAL DEPTH feet	CLOSURE DIST. AZIMUTH feet deg.	HORIZONTAL COORDINATES feet
4500.00	0.44	167.24	S 12 46 E	0.05	4499.69	36.0 258.9	6.91 S 35.33 W
4600.00	0.36	147.20	S 32 48 E	0.16	4599.69	35.9 257.9	7.55 S 35.07 W
4700.00	0.62	121.46	S 58 32 E	0.33	4699.69	35.4 256.8	8.10 S 34.44 W
4800.00	0.37	107.02	S 72 59 E	0.27	4799.68	34.7 255.9	8.47 S 33.67 W
4900.00	0.25	108.42	S 71 35 E	0.12	4899.68	34.3 255.4	8.64 S 33.15 W
5000.00	0.34	86.74	N 86 45 E	0.14	4999.68	33.8 255.1	8.69 S 32.65 W
5100.00	0.49	100.08	S 79 55 E	0.18	5099.68	33.1 254.7	8.75 S 31.93 W
5200.00	0.27	332.79	N 27 12 W	0.69	5199.68	32.8 254.8	8.61 S 31.62 W
5300.00	0.42	309.98	N 50 1 W	0.20	5299.67	33.0 255.7	8.16 S 32.01 W
5342.00	0.45	312.08	N 47 55 W	0.09	5341.67	33.2 256.1	7.95 S 32.25 W

Final Station Closure: Distance: 33.22 ft Az: 256.15 deg.

A Gyrodata Directional Survey

Field Copy Only, not definitive

for

PARALLEL PETROLEUM

Location: JW #4, CHAVES COUNTY

Lease: WARCLOUD STATE COM 1425-36 Well: #1, 4-1/2" DRILLPIPE

Job Number: MD0107G_103

Run Date: 1/16/2007 4:45:22 PM

Surveyor: THOMAS BOWDEN
CODY DUTTON

Calculation Method: MINIMUM CURVATURE

Survey Latitude: 33.054167 deg. N Longitude: 104.387500 deg. W

Azimuth Correction:

Gyro: 0.03000 deg East to Grid North

Vertical Section Calculated from Well Head Location

Closure Calculated from Well Head Location

Horizontal Coordinates Calculated from Well Head Location

A Gyrodata Directional Survey

PARALLEL PETROLEUM

Location: JW #4, CHAVES COUNTY

Lease: WARCLOUD STATE COM 1425-36 Well: #1, 4-1/2" DRILLPIPE

Job Number: MD0107G_103

MEASURED DEPTH feet	INCL deg.	AZIMUTH deg.	VERTICAL SECTION feet	DOGLEG SEVERITY deg./ 100 ft.	VERTICAL DEPTH feet	CLOSURE DIST. AZIMUTH feet deg.	HORIZONTAL COORDINATES feet
0.00	0.00	0.00	0.0	0.00	0.00	0.0 0.0	0.00 N 0.00 E

0 TO 5400 FT RATE GYROSCOPIC MULTISHOT SURVEY RUN INSIDE OF 4-1/2" DRILLPIPE							
ALL MEASURED DEPTHS AND COORDINATES REFERENCED TO J W 4 R.K.B. (+15.5')							

100.00	0.01	154.18	-0.0	0.01	100.00	0.0 154.2	0.01 S 0.00 E
200.00	0.02	157.81	-0.0	0.00	200.00	0.0 155.6	0.03 S 0.01 E
300.00	0.08	179.32	-0.1	0.07	300.00	0.1 170.1	0.12 S 0.02 E
400.00	0.06	185.41	-0.2	0.03	400.00	0.2 176.1	0.24 S 0.02 E
500.00	0.22	224.23	-0.4	0.18	500.00	0.4 195.8	0.43 S 0.12 W
600.00	0.40	250.15	-0.7	0.22	600.00	0.9 220.3	0.68 S 0.58 W
700.00	0.51	263.74	-0.8	0.15	700.00	1.6 237.8	0.85 S 1.34 W
800.00	0.76	257.26	-1.0	0.26	799.99	2.6 246.8	1.04 S 2.43 W
900.00	0.58	256.87	-1.3	0.18	899.98	3.8 250.0	1.30 S 3.57 W
1000.00	0.71	246.05	-1.7	0.17	999.98	4.9 250.2	1.67 S 4.63 W
1100.00	0.75	248.72	-2.2	0.06	1099.97	6.2 249.6	2.16 S 5.81 W
1200.00	0.73	247.23	-2.6	0.03	1199.96	7.5 249.3	2.64 S 7.01 W
1300.00	0.58	232.38	-3.2	0.23	1299.95	8.6 248.2	3.20 S 8.00 W
1400.00	0.57	232.01	-3.8	0.01	1399.95	9.6 246.6	3.81 S 8.79 W
1500.00	0.62	239.92	-4.4	0.10	1499.94	10.6 245.5	4.39 S 9.65 W
1600.00	0.81	265.25	-4.7	0.37	1599.93	11.8 246.4	4.72 S 10.82 W
1700.00	0.64	264.93	-4.8	0.18	1699.93	13.0 248.2	4.83 S 12.08 W
1800.00	0.47	259.29	-5.0	0.18	1799.92	13.9 249.2	4.95 S 13.04 W
1900.00	0.42	268.69	-5.0	0.09	1899.92	14.7 250.0	5.03 S 13.80 W

A Gyrodata Directional Survey

PARALLEL PETROLEUM

Location: JW #4, CHAVES COUNTY

Lease: WARCLOUD STATE COM 1425-36 Well: #1, 4-1/2" DRILLPIPE

Job Number: MD0107G_103

MEASURED DEPTH feet	INCL deg.	AZIMUTH deg.	VERTICAL SECTION feet	DOGLEG SEVERITY deg./ 100 ft.	VERTICAL DEPTH feet	CLOSURE DIST. AZIMUTH feet deg.	HORIZONTAL COORDINATES feet
2000.00	0.48	273.69	-5.0	0.07	1999.92	15.4 251.0	5.02 S 14.58 W
2100.00	0.53	276.51	-4.9	0.06	2099.91	16.2 252.3	4.94 S 15.46 W
2200.00	0.63	274.18	-4.8	0.10	2199.91	17.2 253.6	4.84 S 16.46 W
2300.00	0.46	292.95	-4.7	0.24	2299.90	18.0 255.0	4.65 S 17.37 W
2400.00	0.49	294.63	-4.3	0.04	2399.90	18.6 256.6	4.32 S 18.12 W
2500.00	0.54	287.34	-4.0	0.08	2499.90	19.4 258.1	4.00 S 18.96 W
2600.00	0.74	284.51	-3.7	0.20	2599.89	20.4 259.5	3.70 S 20.04 W
2700.00	0.79	277.42	-3.5	0.11	2699.88	21.6 260.8	3.45 S 21.34 W
2800.00	0.84	282.82	-3.2	0.09	2799.87	23.0 262.0	3.19 S 22.75 W
2900.00	1.00	280.60	-2.9	0.16	2899.86	24.5 263.3	2.87 S 24.31 W
3000.00	1.15	270.07	-2.7	0.25	2999.84	26.3 264.1	2.71 S 26.17 W
3100.00	1.32	276.28	-2.6	0.22	3099.82	28.4 264.8	2.58 S 28.32 W
3200.00	1.22	271.55	-2.4	0.15	3199.79	30.6 265.5	2.43 S 30.53 W
3300.00	1.20	269.75	-2.4	0.04	3299.77	32.7 265.8	2.40 S 32.64 W
3400.00	1.02	265.33	-2.5	0.20	3399.75	34.7 265.9	2.48 S 34.58 W
3500.00	0.65	257.34	-2.7	0.39	3499.74	36.1 265.7	2.68 S 36.02 W
3600.00	0.72	253.91	-3.0	0.09	3599.73	37.3 265.4	2.97 S 37.17 W
3700.00	0.53	269.41	-3.1	0.25	3699.73	38.4 265.3	3.15 S 38.24 W
3800.00	0.19	246.80	-3.2	0.36	3799.72	39.0 265.3	3.22 S 38.85 W
3900.00	0.15	205.71	-3.4	0.12	3899.72	39.2 265.0	3.41 S 39.06 W
4000.00	0.06	172.30	-3.6	0.11	3999.72	39.3 264.8	3.57 S 39.11 W
4100.00	0.86	124.31	-4.0	0.83	4099.72	38.7 264.0	4.05 S 38.48 W
4200.00	1.01	113.07	-4.8	0.23	4199.71	37.4 262.6	4.82 S 37.05 W

A Gyrodata Directional Survey

PARALLEL PETROLEUM

Location: JW #4, CHAVES COUNTY

Lease: WARCLOUD STATE COM 1425-36 Well: #1, 4-1/2" DRILLPIPE

Job Number: MD0107G_103

MEASURED DEPTH feet	INCL deg.	AZIMUTH deg.	VERTICAL SECTION feet	DOGLEG SEVERITY deg./ 100 ft.	VERTICAL DEPTH feet	CLOSURE DIST. AZIMUTH feet deg.	HORIZONTAL COORDINATES feet
4300.00	0.54	136.80	-5.5	0.56	4299.70	36.3 261.3	5.51 S 35.91 W
4400.00	0.40	165.70	-6.2	0.27	4399.69	36.0 260.1	6.19 S 35.50 W
4500.00	0.44	167.24	-6.9	0.05	4499.69	36.0 258.9	6.91 S 35.33 W
4600.00	0.36	147.20	-7.5	0.16	4599.69	35.9 257.9	7.55 S 35.07 W
4700.00	0.62	121.46	-8.1	0.33	4699.69	35.4 256.8	8.10 S 34.44 W
4800.00	0.37	107.02	-8.5	0.27	4799.68	34.7 255.9	8.47 S 33.67 W
4900.00	0.25	108.42	-8.6	0.12	4899.68	34.3 255.4	8.64 S 33.15 W
5000.00	0.34	86.74	-8.7	0.14	4999.68	33.8 255.1	8.69 S 32.65 W
5100.00	0.49	100.08	-8.8	0.18	5099.68	33.1 254.7	8.75 S 31.93 W
5200.00	0.27	332.79	-8.6	0.69	5199.68	32.8 254.8	8.61 S 31.62 W
5300.00	0.42	309.98	-8.2	0.20	5299.67	33.0 255.7	8.16 S 32.01 W
5342.00	0.45	312.08	-8.0	0.09	5341.67	33.2 256.1	7.95 S 32.25 W

Final Station Closure: Distance: 33.22 ft Az: 256.15 deg.