

DISTRICT I  
1625 N. Francisco Ave., Santa Fe, NM 87505

DISTRICT II  
1301 W. Grand Ave., Santa Fe, NM 87505

DISTRICT III  
1000 Rio Brazos Hwy, Artesia, NM 87410

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

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  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

RECEIVED  
OCD - ARTESIA

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 97489	Pool Name Wildcat; Wolfcamp
Property Code	Property Name JOHN TOWN 1525-29	Well Number 1
OGRID No.	Operator Name PARALLEL PETROLEUM CORPORATION	Elevation 3481'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	29	15 S	25 E		1880	SOUTH	255	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
L	29	15 S	25 E		1880	SOUTH	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

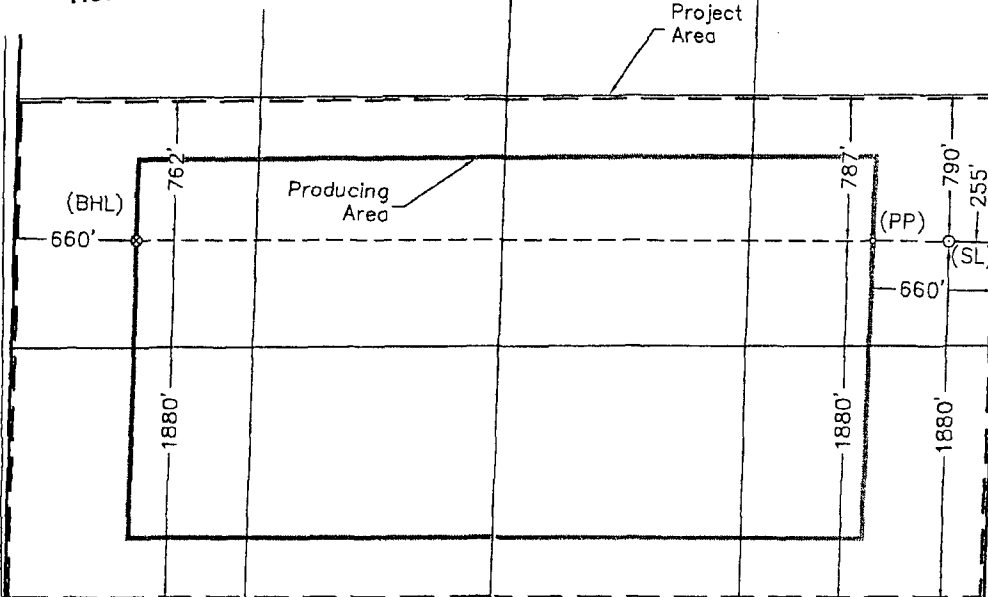
NOTE:

- 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.

Before the Oil Conservation Division  
Exhibit No. 2  
Parallel Petroleum Corp  
OCD CASE 13919  
Hearing: July 26, 2007

Coordinate Table	
Description	Plane Coordinate
John Town 1525-29 #1	X = 462,169.1
Surface Location	Y = 721,749.3
John Town 1525-29 #1	X = 461,763.9
Penetration Point	Y = 721,742.8
John Town 1525-29 #1	X = 457,772.8
Bottom Hole Location	Y = 721,670.6

Project Area



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 undivided 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.

Signature: *[Signature]* Date: 11-30-06  
Printed Name: Gary E. M. Hu. Agent

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.

October 11, 2006

Date of Survey: KMT  
Signature & Seal of Professional Surveyor

*[Signature]*

W.O. Num. 2006-1010

Certificate No. MACON McDONALD 12185

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos, Aztec, NM 87410  
District IV  
1220 S. St. Francis, Santa Fe, NM 87505

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

Form C-101  
May 27, 2004

Santa Fe, NM 87505 - ARTESIA

Submit to appropriate District Office

☐ AMENDED REPORT

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

<sup>1</sup> Operator Name and Address Parallel Petroleum Corp. 1004 N. Big Spring Street, Suite 400, Midland, TX. 79701		<sup>2</sup> OGRID Number 230387
<sup>3</sup> Property Code 36190	<sup>4</sup> Property Name John Town 1525-29	<sup>5</sup> API Number 30 - Oes - 63880
<sup>9</sup> Proposed Pool 1 Wildcat; Wolfcamp		<sup>10</sup> 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
I	29	15S	25E		1880'	S	255'	E	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
L	29	15S	25E		1880'	S	660'	W	Chaves

**Additional Well Information**

<sup>11</sup> Work Type Code N	<sup>12</sup> Well Type Code O & G	<sup>13</sup> Cable/Rotary R	<sup>14</sup> Lease Type Code P	<sup>15</sup> Ground Level Elevation 3481'
<sup>16</sup> Multiple No	<sup>17</sup> Proposed Depth 8932MD, 4750TVD	<sup>18</sup> Formation Wolfcamp	<sup>19</sup> Contractor NA	<sup>20</sup> Spud Date NA
Depth to Groundwater 65'		Distance from nearest fresh water well 800'		Distance from nearest surface water 4000'
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12_mils thick Clay <input type="checkbox"/> Pit Volume: 25,000 bbls Drilling Method:				
Closed-Loop System <input type="checkbox"/> Fresh Water <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
11"	8-5/8"	24#	1400' @ 1050'	325	Surface
7-7/8"	5-1/2"	17#	TVD 4750'	NA	Tie back
			MD 8932'		To surface casing

<sup>22</sup> 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 11" surface hole to a minimum depth of 1400'. Set 8 5/8" casing and cement.
3. Drill 7 7/8" production hole 5500' TD and evaluate running mud logs as well as DLL/CNL/LDT/CAL/GR to TD.
4. Set Kickoff point at 4325' and drill and advance hole to a Wolfcamp penetration point at approximately 1880' FSL and 660' FEL of the section 29 and continue drilling to BHL. (8932' MD & 4750' TVD)
5. Set 5 1/2" to TD and tie cement back to surface casing. Perforate porosity and stimulate as necessary (specific procedure to be determined).
6. Place well on test.
7. No H2S is anticipated during the drilling of this well. Well will share location with the Unbridled 1525-28 #1

<sup>23</sup> 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 NMOC guidelines X, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Printed name: Gary Miller, for Deane Durhame

Title: Agent

E-mail Address: ddurham@plll.com

Date: NOV. 30, 2006

Phone: 432-684-3727

**OIL CONSERVATION DIVISION**

Approved by:

**BRYAN G. ARRANT  
DISTRICT II GEOLOGIST**

Title:

Approval Date: DEC 07 2006

Expiration Date: DEC 07 2007

Conditions of Approval Attached ☐