

13895



RECEIVED

2007 DEC 20 PM 12:43

PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760
Fax (505) 827-5766
www.nmstatelands.org

December 17, 2007

Parallel Petroleum Corporation
1004 N. Big Spring, Suite 400
Midland, Texas 79701

Attn: Mr. Michael M. Gray

Re: 2007 Plan of Development
Paris Draw Exploratory Unit
Eddy County, New Mexico


Dear Mr. Gray

The Commissioner of Public Lands has, of this date, approved the referenced Plan of Development. Our approval is subject to like approval by all other appropriate agencies. The possibility of drainage by wells outside the unit area, and the need for further development of the unit may exist; therefore, we may contact you at a later date regarding these possibilities.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY: 
JAMI BAILEY, Director
Oil, Gas and Minerals Division

PL/JB/jm

xc: Reader File

OCD

-State Land Office Beneficiaries -

Carrie Tingley Hospital • Charitable Penal & Reform • Common Schools • Eastern NM University • Rio Grande Improvement • Miners' Hospital of NM • NM Boys School • NM Highlands University • NM Institute of Mining & Technology • New Mexico Military Institute • NM School for the Deaf • NM School for the Visually Handicapped • NM State Hospital • New Mexico State University • Northern NM Community College • Penitentiary of New Mexico • Public Buildings at Capital • State Park Commission • University of New Mexico • UNM Saline Lands • Water Reservoirs • Western New Mexico University



PARALLEL
Petroleum Corporation

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

13895

MICHAEL M. GRAY

December 5, 2007

New Mexico Oil Conservation Division
1220 S. St. Francis Dr.
Santa Fe, NM 87505

Attention Mr. Mark E. Fesmire

Re: Paris Draw Exploratory Unit
Plan of Development

Gentlemen:

Pursuant to the terms of the State Land Office Unit Agreement covering the Paris Draw Exploratory Unit, enclosed is the Plan of Development for the Unit for calendar year 2008.

Yours truly,


Michael M. Gray

Enclosure

word1319

RECEIVED
2007 DEC 10 PM 1 47

mgray@pili.com
www.pili.com



**PARIS DRAW EXPLORATORY UNIT
PLAN OF DEVELOPMENT
CALENDAR YEAR 2008**

Parallel Petroleum Corporation, the Operator of the Paris Draw Exploratory Unit, presents this Plan of Development for the calendar year 2008.

Parallel drilled and completed the Paris Draw State Unit 1624-21 No. 1 well, as a horizontal gas well in the Wolfcamp formation. The surface location for the well is in the SE/4SE/4 of Section 20-16S-24E, Eddy Co. NM and the production unit for the well consists of the S/2 of Section 21-16S-24E. This was the first well drilled within the boundaries of the Unit. The Commissioner of Public Lands by letter dated November 27, 2007, (copy attached) made a determination that the Paris Draw State Unit 1624-21 No. 1 is a commercial well in the Wolfcamp formation.

Parallel has received approved permits from the OCD for seven additional horizontal Wolfcamp wells within the Unit boundaries. The wells and producing areas allocated to them are:

Paris Draw State Unit 1624-16 No. 9, S/2 Sec.16-16S-24E
Paris Draw State Unit 1624-16 No. 13, N/2 Sec.16-16S-24E
Paris Draw State Unit 1624-17 No. 14, N/2 Sec.17-16S-24E
Paris Draw State Unit 1624-17 No. 10, S/2 Sec. 17-16S-21E
Paris Draw State Unit 1624-20 No. 2, S/2 Sec. 20-16S-24E
Paris Draw State Unit 1624-20 No. 8, N/2 Sec. 20-16S-24E
Paris Draw State Unit 1624-21 No. 7, N/2 Sec. 21-16S-24E

Copies of form C-101 and the first page of form C-102 for each of these wells are attached hereto.

Parallel, as Operator of the Paris Draw Exploratory Unit plans to drill one or more of the permitted wells in calendar year 2008. The number of wells drilled in 2008 will be dictated by the results of the wells drilled and by availability of equipment. Infrastructure will be developed as needed for the wells as they are drilled and completed.



PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

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Fax (505) 827-5766
www.nmstatelands.org

November 27, 2007

Parallel Petroleum Corporation
1004 N. Big Spring, Suite 400
Midland, Texas 79701

Attn: Mr. Michael M. Gray

Re: Commercial Well Determination
Paris Draw State Unit Well No. 1
S/2 Sec. 21-16S-24E
Eddy County, New Mexico

Dear Mr. Gray:

We received your letter of November 15, 2007 together with data that supports your commercial determination regarding the Paris Draw State Unit Well No. 1.

The Commissioner of Public Lands concurs with Parallel Petroleum Corporation's determination that the above-mentioned well is a commercial well in the Wolfcamp formation.

Since this unit also contains Federal lands, please seek concurrence from the Bureau of Land Management.

Pursuant to Article 10 of the unit agreement, please submit your 2008 Plan of Development to this office for approval.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY:

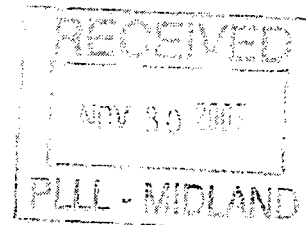
JAMI BAILLY, Director

Oil, Gas and Minerals Division
PL/JB/pm

cc: Reader File

OCD-Attention: Mr. Ed Martin

BLM-Roswell, Attn: Mr. John Simitz



-State Land Office Beneficiaries -

Carme Tingley Hospital • Charitable Penal & Reform • Common Schools • Eastern NM University • Rio Grande Improvement • Miners' Hospital of NM • NM Boys School • NM Highlands University • NM Institute of Mining & Technology • New Mexico Military Institute • NM School for the Deaf • NM School for the Visually Handicapped • NM State Hospital • New Mexico State University • Northern NM Community College • Penitentiary of New Mexico • Public Buildings at Capital •

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 CASING

Form C-101
May 27, 2004

Submit to appropriate District Office

1220 South St. Francis Dr. UCI 11 2007
Santa Fe, NM 87505

☐ 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 36794	Property Name Paris Draw State Unit 1624-16	API Number 30-015-35858
Proposed Pool 1 Wolfcamp	Proposed Pool 2	

Surface Location									
UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	17	16S	24E		760'	S	195'	E	Eddy

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
P	16	16S	24E		760'	S	660'	E	Eddy

Additional Well Information

Work Type Code N	Well Type Code O & G	Cable/Rotary R	Lease Type Code P	Ground Level Elevation 3660'
Multiple No	Proposed Depth 8907MD, 4435TVD	Formation Wolfcamp	Contractor NA	Spud Date NA
Depth to Groundwater 250'		Distance from nearest fresh water well 5000'		Distance from nearest surface water 1200'
Pit: Liner Synthetic <input checked="" type="checkbox"/> 12_mils thick Clay <input type="checkbox"/> Pit Volume: 25,000 bbls				
Drilling Method: Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				
Closed-Loop System <input type="checkbox"/>				

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
11"	8-5/8"	24#	1500' / 11c	325	Surface
7-7/8"	5-1/2"	17#	TVD 4435'	NA	Tie back
			MD 8907'		To surface
					casing

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 1500'. Set 8 5/8" casing and cement.
3. Drill 7 7/8" production hole 5000' TD and evaluate running mud logs as well as DLL/CNL/LDT/CAL/GR to TD.
4. Set Kickoff point at 3580' and drill and advance hole to a Wolfcamp penetration point at approximately 760' FSL and 660' FWL of section 16 and continue drilling to BHL. (8907' MD & 4435' 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. No H2S is anticipated during the drilling of this well.
7. Well will share a pad and common reserve pit with the Paris Draw State Unit 1624-17 #10.

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: 10-8-07

Phone: 432-684-3727

OIL CONSERVATION DIVISION

Approved by:

BRYAN G. ARRANT

DISTRICT II GEOLOGIST

Title:

Approval Date: OCT 15 2007

Expiration Date:

OCT 15 2008

Conditions of Approval Attached ☐

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, 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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 75260	UNDES.	Pool Name Cottonwood Creek, Wolfcamp, West
Property Code	Property Name PARIS DRAW STATE UNIT 1624-16		Well Number 9
OCRD No.	Operator Name PARALLEL PETROLEUM CORPORATION		Elevation 3660'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	17	16 S	24 E		760	SOUTH	195	EAST	EDDY

Bottom Hole Location If Different From Surface

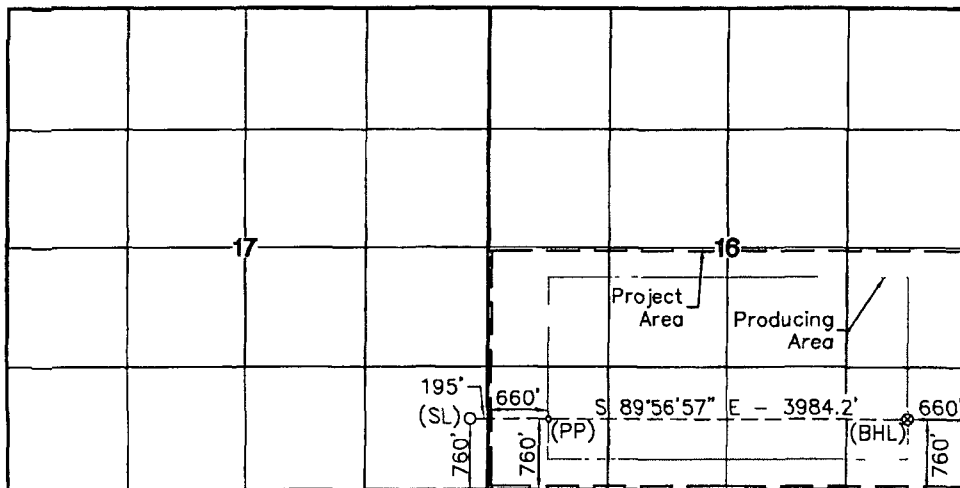
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	16	16 S	24 E		760	SOUTH	660	EAST	EDDY

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

NOTE:

- 1) Plane Coordinates and Bearings shown hereon are Transverse Mercator Grid and Conform to the "New Mexico Coordinate System", New Mexico East Zone, North American Datum of 1983. Distances shown hereon are mean horizontal surface values.



Surface Location
Plane Coordinate
X = 458,506.1
Y = 697,617.6
Geodetic Coordinate
Lat. 32°55'02.52\" N
Long. 104°36'09.86\" W
(NAD '27)

Penetration Point
Plane Coordinate
X = 459,360.9
Y = 697,616.9
Geodetic Coordinate
Lat. 32°55'02.53\" N
Long. 104°35'59.84\" W
(NAD '27)

Bottom Hole Location
Plane Coordinate
X = 463,344.1
Y = 697,613.3
Geodetic Coordinate
Lat. 32°55'02.59\" N
Long. 104°35'13.11\" W
(NAD '27)

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 is a voluntary pooling agreement or a compulsory pooling order heretofore entered by the court.

Deane Durkin 10-8-07
Signature Date
Deane Durkin
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.

September 17, 2007

Date of Survey
Signature & Seal of Professional Surveyor

MAJOR AGUIRRE
NEW MEXICO
12185
W.O. Num. 2007-0926
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 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 CASING

Form C-101

May 27, 2004

Submit to appropriate District Office

1220 SOUTH ST. FRANCIS DR.

Santa Fe, NM 87505

OCD-ARTESIA

☐ AMENDED REPORT

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 36794	Property Name Paris Draw State Unit 1624-16	API Number 30-015-35860
Well No. 13	Proposed Pool 1 Wolfcamp, West	
Proposed Pool 2		

Surface Location

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	17	16S	24E		1880'	N	195'	E	Eddy

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
H	16	16S	24E		1880'	N	660'	E	Eddy

Additional Well Information

Work Type Code N	Well Type Code O & G	Cable/Rotary R	Lease Type Code P	Ground Level Elevation 3671'
Multiple No	Proposed Depth 8900MD, 4435TVD	Formation Wolfcamp	Contractor NA	Spud Date NA
Depth to Groundwater 250'		Distance from nearest fresh water well 6200'		Distance from nearest surface water 4200'
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12_mils thick Clay <input type="checkbox"/> Pit Volume: 25,000 bbls Drilling Method: Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				
Closed-Loop System <input type="checkbox"/>				

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
11"	8-5/8"	24#	1500'	325	Surface
7-7/8"	5-1/2"	17#	TVD 4435'	NA	Tie back
			MD 8900'		To surface
					casing

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 11" surface hole to a minimum depth of 1500'. Set 8 5/8" casing and cement.
3. Drill 7 7/8" production hole 5000' TD and evaluate running mud logs as well as DLL/CNL/LDT/CAL/GR to TD.
4. Set Kickoff point at 3580' and drill and advance hole to a Wolfcamp penetration point at approximately 1800' FNL and 660' FWL of section 16 and continue drilling to BHL. (8900' MD & 4435' 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. No H2S is anticipated during the drilling of this well.
7. Well will share a pad and common reserve pit with the Paris Draw State Unit 1624-17 #14.

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 ☒ a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

Printed name: Deane Durham

Title: Drilling Engineer

E-mail Address: ddurham@plll.com

Date: 10-8-07

Phone: 432-684-3727

OIL CONSERVATION DIVISION

Approved by:

BRYAN G. ARANT

Title:

DISTRICT II GEOLOGIST

Approval Date:

OCT 15 2007

Expiration Date:

OCT 15 2008

Conditions of Approval Attached ☐

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Artec, 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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 75260	Pool Name UNDES. Cottonwood Creek; Wolfcamp, West
Property Code	Property Name PARIS DRAW STATE UNIT 1624-16	Well Number 13
OGRID No.	Operator Name PARALLEL PETROLEUM CORPORATION	Elevation 3671'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	17	16 S	24 E		1880	NORTH	195	EAST	EDDY

Bottom Hole Location If Different From Surface

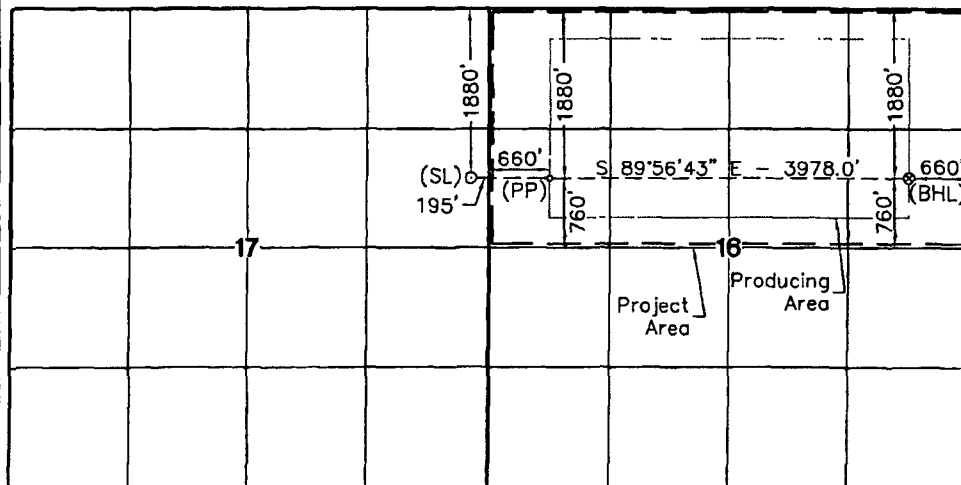
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	16	16 S	24 E		1880	NORTH	660	EAST	EDDY

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:

- 1) Plane Coordinates and Bearings shown hereon are Transverse Mercator Grid and Conform to the "New Mexico Coordinate System", New Mexico East Zone, North American Datum of 1983. Distances shown hereon are mean horizontal surface values.



<u>Surface Location</u> <u>Plane Coordinate</u> X = 458,526.6 Y = 700,263.8 <u>Geodetic Coordinates</u> Lat. 32°55'28.70" N Long. 104°36'09.70" W (NAD '27)	<u>Penetration Point</u> <u>Plane Coordinate</u> X = 459,381.4 Y = 700,263.0 <u>Geodetic Coordinates</u> Lat. 32°55'28.71" N Long. 104°35'59.68" W (NAD '27)	<u>Bottom Hole Location</u> <u>Plane Coordinate</u> X = 463,358.4 Y = 700,259.2 <u>Geodetic Coordinates</u> Lat. 32°55'28.77" N Long. 104°35'13.02" W (NAD '27)
--	---	--

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.

Deane Durham 10-8-07
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

September 17, 2007

Date of Survey
Signature & Seal of Professional Surveyor

MAURIN McDONALD
NEW MEXICO
12185
W.O. Num 2007-0928
Certificate No. MAON 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 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 CASING**

Form C-101
May 27, 2004

S

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

JUL 11 2007

Submit to appropriate District Office

☐ AMENDED REPORT

OCD-ARTESIA

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 Property Code 36795	⁴ Property Name Paris Draw State Unit 1624-17	⁵ API Number 30-015-35859
⁶ Well No. 10		
⁹ Proposed Pool 1 Wolfcamp, West		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
P	17	16S	24E		760'	S	213'	E	Eddy

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
M	17	16S	24E		760'	S	660'	W	Eddy

Additional Well Information

¹¹ Work Type Code N	¹² Well Type Code O & G	¹³ Cable/Rotary R	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 3660'
¹⁶ Multiple No	¹⁷ Proposed Depth 8668MD, 4435TVD	¹⁸ Formation Wolfcamp	¹⁹ Contractor NA	²⁰ Spud Date NA
Depth to Groundwater 250'		Distance from nearest fresh water well 5000'		Distance from nearest surface water 1200'
Pit: Liner. Synthetic <input checked="" type="checkbox"/> 12_mils thick Clay <input type="checkbox"/> Pit Volume: 25,000 bbls				
Drilling Method: Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				
Closed-Loop System <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#	1500' / 1000'	325	Surface
7-7/8"	5-1/2"	17#	TVD 4435'	NA	Tie back
			MD 8668'		To surface
					casing

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 11" surface hole to a minimum depth of 1500', Set 8 5/8" casing and cement.
3. Drill 7 7/8" production hole 5000' TD and evaluate running mud logs as well as DLL/CNL/LDT/CAL/GR to TD.
4. Set Kickoff point at 3986' and drill and advance hole to a Wolfcamp penetration point at approximately 760' FSL and 660' FEL of section 16 and continue drilling to BHL. (8668' MD & 4435' 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. No H2S is anticipated during the drilling of this well.
7. Well will share a pad and common reserve pit with the Paris Draw State Unit 1624-16 #9.

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: 10-8-07

Phone: 432-684-3727

OIL CONSERVATION DIVISION

Approved by:

BRYAN G. ARANT

DISTRICT II GEOLOGIST

Title:

Approval Date: OCT 15 2007

Expiration Date:

Conditions of Approval Attached ☐

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210

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

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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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 75260	UNDEP. Cottonwood Creek, Wolfcamp, West	Pool Name
Property Code	Property Name PARIS DRAW STATE UNIT 1624-17		Well Number 10
OGRID No.	Operator Name PARALLEL PETROLEUM CORPORATION		Elevation 3660'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	17	16 S	24 E		760	SOUTH	213	EAST	EDDY

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
M	17	16 S	24 E		760	SOUTH	660	WEST	EDDY

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: 1) Plane Coordinates and Bearings shown hereon are Transverse Mercator Grid and Conform to the "New Mexico Coordinate System", New Mexico East Zone, North American Datum of 1983. Distances shown hereon are mean horizontal surface values.				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: <i>Deane Durham</i> Date: 10-2-07 Printed Name: Deane Durham
Bottom Hole Location Plane Coordinate X = 454,060.6 Y = 697,612.4 Geodetic Coordinate Lat. 32°55'02.35" N Long. 104°37'02.02" W (NAD '27)		Penetration Point Plane Coordinate X = 458,041.2 Y = 697,617.1 Geodetic Coordinate Lat. 32°55'02.50" N Long. 104°36'15.32" W (NAD '27)	Surface Location Plane Coordinate X = 458,488.1 Y = 697,617.7 Geodetic Coordinate Lat. 32°55'02.52" N Long. 104°36'10.08" W (NAD '27)	
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. September 17, 2007 Date of Survey Signature & Seal of Professional Surveyor: <i>W.O. Num</i> W.O. Num: 2007-0927 Certificate No. MAÇON MEDONALD 12185				

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

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

Month - Year
APR 16 2007
OCD - ARTESIA, NM

Submit to appropriate District Office

☐ AMENDED REPORTAPPLICATION 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 36461	Property Name Paris Draw State Unit 1624-20	API Number 30-015-35555
Proposed Pool 1 Eagle Creek	Proposed Pool 2 Wolfcamp	Well No. 2

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	20	16S	24E		760'	S	168'	E	Eddy

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
M	20	16S	24E		760'	S	660'	W	Eddy

Additional Well Information

Work Type Code N	Well Type Code O & G	Cable/Rotary R	Lease Type Code P	Ground Level Elevation 3685'
Multiple No	Proposed Depth 8654MD, 4435TVD	Formation Wolfcamp	Contractor NA	Spud Date NA
Depth to Groundwater 250'		Distance from nearest fresh water well 5000'		Distance from nearest surface water 600'
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12_mils thick Clay <input type="checkbox"/> Pit Volume: 25,000 bbls Drilling Method: Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				
Closed-Loop System <input type="checkbox"/>				

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
11"	8-5/8"	24#	1500' / 1000'	325	Surface
7-7/8"	5-1/2"	17#	TVD 4435'	NA	* Tie back
			MD 8654'		To surface
					casing

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 11" surface hole to a minimum depth of 1500'. Set 8 5/8" casing and cement.
3. Drill 7 7/8" production hole 5000' TD and evaluate running mud logs as well as DLL/CNL/LDT/CAL/GR to TD.
4. Set Kickoff point at 3942' and drill and advance hole to a Wolfcamp penetration point at approximately 760' FSL and 660' FEL of the section 20 and continue drilling to BHL. (8654' MD & 4435' 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. No H2S is anticipated during the drilling of this well.
7. Well will share a pad and common reserve pit with the Paris Draw State Unit 1624-21 #1.

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@pili.com

Date: 4-12-07

Phone: 432-684-3727

OIL CONSERVATION DIVISION

Approved by:

BRYAN G. ARANT

Title:

DISTRICT II GEOLOGIST

Approval Date: APR 17 2007

Expiration Date: APR 17 2008

Conditions of Approval Attached ☐

		NOTE: 1) Plane Coordinates and Bearings shown hereon are Transverse Mercator Grid and Conform to the "New Mexico Coordinate System", New Mexico East Zone, North American Datum of 1983. Distances shown hereon are mean horizontal surface values.	
<u>Bottom Hole Location</u> <u>Plane Coordinate</u> X = 454,032.8 Y = 692,324.8 <u>Geodetic Coordinate</u> Lat. 32°54'10.03" N Long. 104°37'02.18" W (NAD '27)	<u>Penetration Point</u> <u>Plane Coordinate</u> X = 458,015.5 Y = 692,334.7 <u>Geodetic Coordinate</u> Lat. 32°54'10.23" N Long. 104°36'15.46" W (NAD '27)	<u>Surface Location</u> <u>Plane Coordinate</u> X = 458,507.4 Y = 692,337.0 <u>Geodetic Coordinate</u> Lat. 32°54'10.26" N Long. 104°36'09.69" W (NAD '27)	

660'

492'

660'

760'

660'

760'

168'

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.	
Signature	4-12-07 Date
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.	
April 4, 2007 Date of Survey	
Signature & Seal of Professional Surveyor	
W.O. Num. 2007-0452	
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 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 CASING

25

Form C-101

May 27, 2004

Submit to appropriate District Office

1220 South St. Francis Dr.

Santa Fe, NM 87505

OCT 11 2007

☐ AMENDED REPORT

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 36441 UNDES	Property Name Paris Draw State Unit 1624-20	API Number 30-015-35857
Proposed Pool 1 Cottonwood Creek, Wolfcamp, West		Well No 8
Proposed Pool 2		

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	20	16S	24E		760'	N	213'	E	Eddy

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	20	16S	24E		760'	N	660'	E	Eddy

Additional Well Information

Work Type Code N	Well Type Code O & G	Cable/Rotary R	Lease Type Code P	Ground Level Elevation 3638'
Multiple No	Proposed Depth 8668MD, 4435TVD	Formation Wolfcamp	Contractor NA	Spud Date NA
Depth to Groundwater 250'		Distance from nearest fresh water well 5000'		Distance from nearest surface water 600'
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"/>				

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
11"	8-5/8"	24#	1500' / 1100'	325	Surface
7-7/8"	5-1/2"	17#	TVD 4435'	NA	Tie back
			MD 8668'		To surface casing

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 11" surface hole to a minimum depth of 1500'. Set 8 5/8" casing and cement.
3. Drill 7 7/8" production hole 5000' TD and evaluate running mud logs as well as DLL/CNL/LDT/CAL/GR to TD.
4. Set Kickoff point at 3986' and drill and advance hole to a Wolfcamp penetration point at approximately 760' FNL and 660' FEL of section 20 and continue drilling to BHL. (8668' MD & 4435' 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. No H2S is anticipated during the drilling of this well.
7. Well will share a pad and common reserve pit with the Paris Draw State Com 1624-21 #7.

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 NMOC guidelines X, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Printed name: Deane Durham

Title, Drilling Engineer

E-mail Address: ddurham@p11.com

Date: 10-8-07

Phone: 432-684-3727

OIL CONSERVATION DIVISION

Approved by:

BRYAN G. ARANT
DISTRICT II GEOLOGIST

Title:

Approval Date: OCT 15 2007

Expiration Date:

OCT 15 2008

Conditions of Approval Attached ☐

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, 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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	UNDES.	Pool Name
	75260		Cottonwood Creek; Wolfcamp, West
Property Code	Property Name	Well Number	
	PARIS DRAW STATE UNIT 1624-20	8	
OGRID No.	Operator Name	Elevation	
	PARALLEL PETROLEUM CORPORATION	3638'	

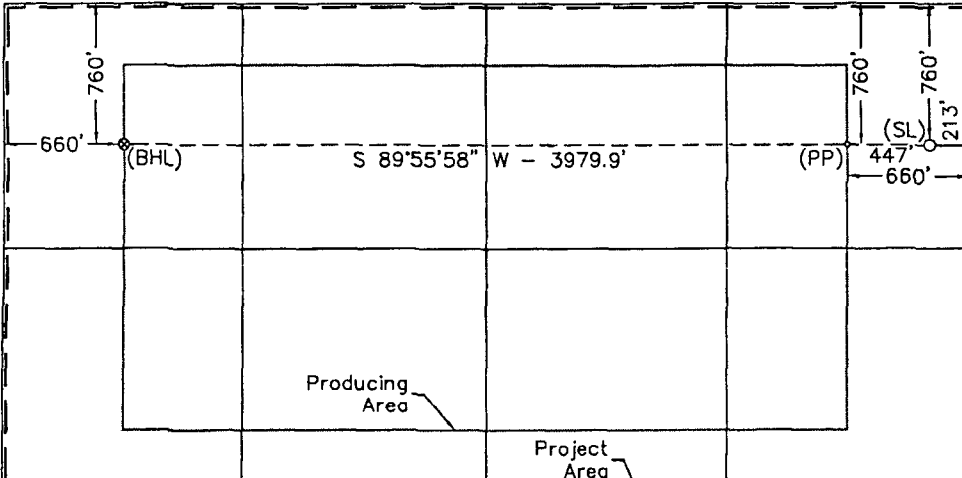
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	20	16 S	24 E		760	NORTH	213	EAST	EDDY

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	20	16 S	24 E		760	NORTH	660	WEST	EDDY
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

				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 is a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature: <i>Deane Durham</i> Date: 10-8-07 Printed Name: Deane Durham	
Bottom Hole Location Plane Coordinate X = 454,052.9 Y = 696,092.6 Geodetic Coordinate Lat. 32°54'47.31" N Long. 104°37'02.06" W (NAD '27)		Penetration Point Plane Coordinate X = 458,031.8 Y = 696,097.3 Geodetic Coordinate Lat. 32°54'47.46" N Long. 104°36'15.38" W (NAD '27)		Surface Location Plane Coordinate X = 458,478.6 Y = 696,097.8 Geodetic Coordinate Lat. 32°54'47.48" N Long. 104°36'10.14" W (NAD '27)	
NOTE: 1) Plane Coordinates and Bearings shown hereon are Transverse Mercator Grid and Conform to the "New Mexico Coordinate System", New Mexico East Zone, North American Datum of 1983. Distances shown hereon are mean horizontal surface values.					
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. September 17, 2007 Date of Survey Signature & Seal of Professional Surveyor: <i>W.O. Num</i> W.O. Num: 2007-0925 Certificate No. MACON McDONALD 12185					

District I
1625 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 CASING**

Form C-101
May 27, 2004

Submit to appropriate District Office

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

OCT 11 2007

☐ AMENDED REPORT

OCD-ARTESIA

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 3001535856
⁴ Property Code 36793	⁵ Property Name Paris Draw State COM 1624-21	⁶ Well No 7
⁹ Proposed Pool 1 Wolfcamp, West		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	20	16S	24E		760'	N	195'	E	Eddy

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
A	21	16S	24E		760'	N	660'	E	Eddy

Additional Well Information

¹¹ Work Type Code N	¹² Well Type Code O & G	¹³ Cable/Rotary R	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 3638'
¹⁶ Multiple No	¹⁷ Proposed Depth 8912MD,4435TVD	¹⁸ Formation Wolfcamp	¹⁹ Contractor NA	²⁰ Spud Date NA
Depth to Groundwater 250'		Distance from nearest fresh water well 5000'		Distance from nearest surface water 600'
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#	1500'	325	Surface
7-7/8"	5-1/2"	17#	TVD 4435'	NA	Tie back
			MD 8912'		* To surface casing

* Verify & Submit CBL & Temp Survey

²² Describe the proposed program. If this application is to DEEPEN or PLUGBACK, 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 1500'. Set 8 5/8" casing and cement.
3. Drill 7 7/8" production hole 5000' TD and evaluate running mud logs as well as DLL/CNL/LDT/CAL/GR to TD.
4. Set Kickoff point at 3580' and drill and advance hole to a Wolfcamp penetration point at approximately 760' FNL and 660' FWEL of section 21 and continue drilling to BHL. (8912' MD & 4435' 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. No H2S is anticipated during the drilling of this well.
7. Well will share a pad and common reserve pit with the Paris Draw State Unit 1624-20 #8.

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@pili.com

Date 10-8-07

Phone: 432-684-3727

OIL CONSERVATION DIVISION

Approved by:

BRYAN G. ARANT

Title.

DISTRICT II GEOLOGIST

Approval Date. OCT 15 2007

Expiration Date OCT 15 2008

Conditions of Approval Attached ☐

DISTRICT I
1825 N. French Dr., Hobbs, NM 88240

DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, 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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 75260	Pool Name UNDES Cottonwood Creek, Wolfcamp, West
Property Code	Property Name PARIS DRAW STATE COM 1624-21	Well Number 7
OGRID No. 230387	Operator Name PARALLEL PETROLEUM CORPORATION	Elevation 3638'

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	20	16 S	24 E		760	NORTH	195	EAST	EDDY

Bottom Hole Location If Different From Surface

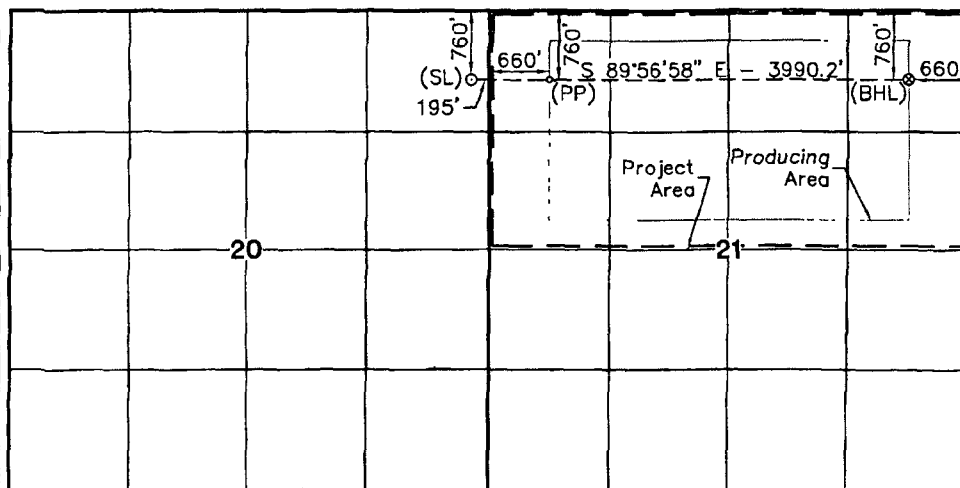
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	21	16 S	24 E		760	NORTH	660	EAST	EDDY

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

NOTE:

- 1) Plane Coordinates and Bearings shown hereon are Transverse Mercator Grid and Conform to the "New Mexico Coordinate System", New Mexico East Zone, North American Datum of 1983. Distances shown hereon are mean horizontal surface values.



Surface Location
Plane Coordinate
X = 458,496.7
Y = 696,097.8
Geodetic Coordinate
Lat. 32°54'47.48" N
Long. 104°36'09.93" W
(NAD '27)

Penetration Point
Plane Coordinate
X = 459,351.5
Y = 696,097.1
Geodetic Coordinate
Lat. 32°54'47.49" N
Long. 104°35'59.90" W
(NAD '27)

Bottom Hole Location
Plane Coordinate
X = 463,340.6
Y = 696,093.6
Geodetic Coordinate
Lat. 32°54'47.55" N
Long. 104°35'13.11" W
(NAD '27)

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.

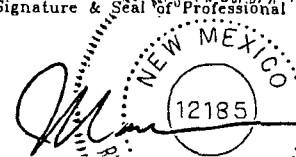
Deane Dunham 8-10-07
Signature Date
Deane Dunham
Printed Name

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.

September 17, 2007

Date of Survey LVA
Signature & Seal of Professional Surveyor



W.O. Num. 2007-0924
Certificate No. WACON McDONALD 12185