

PAUL BACA PROFESSIONAL COURT REPORTERS

Case No. 14185
Exhibit 2

OIL CONSERVATION

EXHIBIT 2

CASE NO. 14185

500 FOURTH STREET, NW SUITE 105, ALBUQUEQRUE, NM 87102

District I

1625 N French Blvd., 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**

ces

Form C-101

May 27, 2004

Submit to appropriate District Office

1220 South St. Francis Dr.

Santa Fe, NM 87505

AUG 08 2007 ☐ 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 30-005-63974
Property Code 34661	Property Name Go For Gin 1525-3 A	Well No 1
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	3	15S	25E		760'	S	168'	E	Chaves

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	3	15S	25E		760'	S	660'	W	Chaves

Additional Well Information

Work Type Code N	Well Type Code O & G	Cable/Rotary R	Lease Type Code P	Ground Level Elevation 3482'
Multiple No	Proposed Depth 9080MD, 4840TVD	Formation Wolfcamp	Contractor NA	Spud Date NA
Depth to Groundwater 65'		Distance from nearest fresh water well 2500'		Distance from nearest surface water 1400'
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#	1475'	325	Surface
7-7/8"	5-1/2"	17#	TVD 4840'	NA	Tie back
			MD 9080'		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 1475'. 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 4347' and drill and advance hole to a Wolfcamp penetration point at approximately 760' FSL and 660' FEL of the Section 3 and continue drilling to BHL (9080' MD & 4840' 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). Place well on test.
6. No H2S is anticipated during the drilling of this well.
7. Well will share pad and reserve pit with the Sea Hero 1525-2 A #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 NMOC guidelines X, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Printed name Deane Durham

Title Drilling Engineer

E-mail Address:

Date 8-7-2007

Oil Conservation Division

Case No.

Exhibit No. 2

OIL CONSERVATION DIVISION

Approved by:

BRYAN G. ARRANT

Title

DISTRICT II GEOLOGIST

Approval Date AUG 08 2007

Expiration Date AUG 08 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	Pool Name
Property Code	Property Name	Well Number
OGRID No.	Operator Name	Elevation
	Undes. Walnut Creek; Wolfcamp	
	GO FOR GIN 1525-3 A	1
	PARALLEL PETROLEUM CORPORATION	3482'

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	3	15 S	25 E		760	SOUTH	168	EAST	CHAVES

Bottom Hole Location If Different From Surface

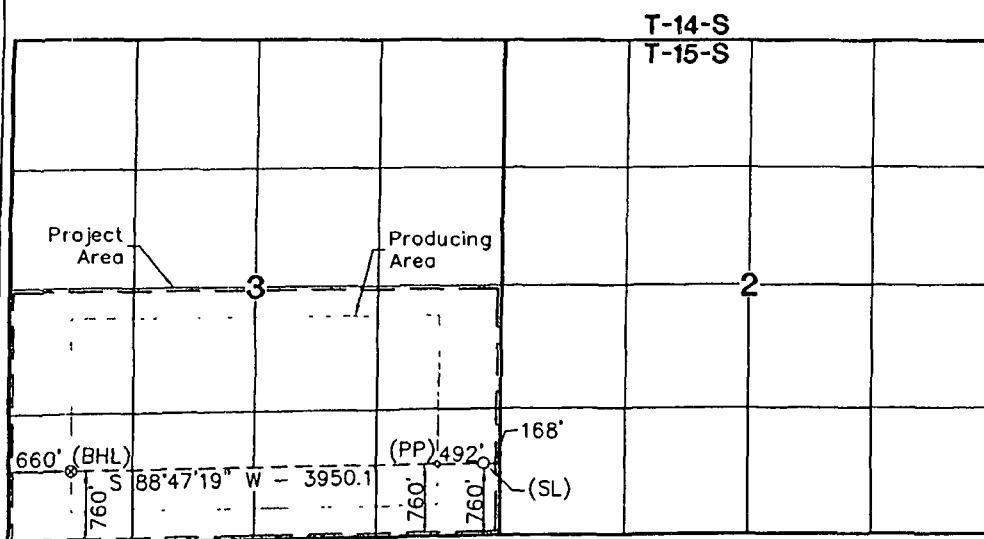
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	3	15 S	25 E		760	SOUTH	660	WEST	CHAVES

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

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.



Bottom Hole Location	Penetration Point	Surface Location
Plane Coordinate	Plane Coordinate	Plane Coordinate
X = 468,290.5	X = 472,238.7	X = 472,730.4
Y = 741,761.0	Y = 741,844.5	Y = 741,854.9
Geodetic Coordinate	Geodetic Coordinate	Geodetic Coordinate
Lat. 33°02'20.83\" N	Lat. 33°02'21.70\" N	Lat. 33°02'21.80\" N
Long. 104°26'12.51\" W	Long. 104°25'26.13\" W	Long. 104°25'20.35\" W
(NAD '27)	(NAD '27)	(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 8-707
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

January 29, 2007

Date of Survey
Signature & Seal of Professional Surveyor

MAACON McDONALD
NEW MEXICO
12185
W.O. Num. 2007-0067
Certificate No. MAACON McDONALD 12185