

DATE: 10/31/2014	SUSPENSE	INITIALS: MAM	LOGGED IN: 10/31/2014	TYPE: NSL	APP NO: PMAM1430438405
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

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



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

(1) TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☒ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement

☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WEX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

NSL 7184
 - Pannelle Petroleum LLC
 230387

Well
 - Jack in the Box
 Federal #1
 30-015-34652

(2) NOTIFICATION REQUIRED TO: - Check Those Which Apply or Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

Pool
 - Four mile
 Draw, Wolfcamp
 SW
 97553

(3) SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

(4) CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is accurate and complete to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

James Bruce

Print or Type Name

Signature

Attorney

Title

Date

jamesbruce@aol.com

e-mail Address

9/10/14

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruce@aol.com

September 10, 2014

Michael McMillan
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Mr. McMillan:

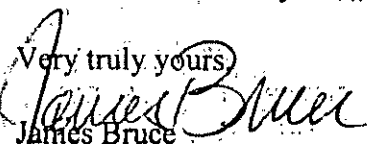
Pursuant to NMAC 19.15.15.13, Parallel Petroleum Corporation applies for approval of an unorthodox gas well location for the following well:

<u>Well:</u>	Jack In The Box Fed. Well No. 1H
<u>Surface location:</u>	660 feet FSL & 760 feet FWL
<u>Projected bottom hole location:</u>	2593 feet FSL & 704 feet FEL
<u>Well unit (project area):</u>	S½ of Section 14, Township 19 South, Range 21 East, N.M.P.M., Chaves County, New Mexico

The well was drilled and completed as a vertical well in the Morrow formation in 2006. **Exhibit A.** Applicant desires to plug and abandon the Morrow formation, come uphole, and horizontally drill the well in the Wolfcamp formation (Southwest Four Mile Draw-Wolfcamp Gas Pool). The pool is spaced on 320 acres, with wells to be located no closer than 660 feet to a quarter section line. A Form C-102 is attached as **Exhibit B.**

The well's terminus is unorthodox simply to maximize the productive length of the wellbore. The offset tracts are the N½ of Section 14 and all of Section 13. However, Sections 13 and 14 are covered by federal lease NM 103570, which has common ownership. **Exhibit C.** Therefore, there are no adversely affected parties, and notice of this application is not required.

Please contact me if you need any further information on this application.

Very truly yours,

James Bruce

Attorney for Parallel Petroleum Corporation

DISTRICT II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

DISTRICT III
1000 Rio Grande Rd., Aztec, NM 87410
Phone: (505) 334-6176 Fax: (505) 334-6170

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87506
Phone: (505) 476-3460 Fax: (505) 476-3462

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name JACK IN THE BOX FEDERAL	Well Number 1
OCRID No.	Operator Name PARALLEL PETROLEUM CORPORATION	Elevation 4200'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	14	19 S	21 E		660	SOUTH	760	WEST	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
1	14	19 S	21 E		2593	SOUTH	704	EAST	EDDY

Dedicated Acres	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	Geodetic Coordinate (NAD-27)
Jack in the Box Federal #1	X = 365,467.7	Longitude = 104°46'13.62" W
Surface Location	Y = 602,244.1	Latitude = 32°39'17.67" N
Jack in the Box Federal #1	X = 365,518.6	Longitude = 104°46'13.02" W
Penetration Point	Y = 602,274.6	Latitude = 32°39'17.98" N
Jack in the Box Federal #1	X = 369,298.7	Longitude = 104°45'28.90" W
Bottom Hole Location	Y = 604,150.7	Latitude = 32°39'36.69" N

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization neither owns a working interest or undivided mineral interest in the land underlying 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.

EXHIBIT

B

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 25, 2005

Date of Survey: _____ CLB
Signature & Seal of Professional Surveyor _____

W.O. Num. 2014-1237

Certificate No. MACON McDONALD 12185

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.

Penetration Point
691' FSL & 811' FWL

$$1'' = 2000'$$

UNIT
DEPARTMENT
BUREAU OF L

OCD-ARTESIA

RECEIVED
OCD-ARTESIA

APPROVED
IO. 1004-0137
March 31, 2007

WELL COMPLETION OR RE

- 1a. Type of Well ☐ Oil Well ☒ Gas Well
b. Type of Completion: ☒ New Well ☐
Other

Tribe Name

ment Name and No.

2. Name of Operator

PARALLEL PETROLEUM CORPORATION

3a. Phone No. (include area code)

P.O. BOX 10587, MIDLAND, TX 79702

432-685-6563

8. Lease Name and Well No.

JACK IN THE BOX FEDERAL #1

9. API Well No.

30-015-34652

4. Location of Well (Report location clearly and in accordance with Federal requirements)*

At surface 660 FSL & 760 FWL

At top prod. interval reported below

At total depth

10. Field and Pool, or Exploratory

WILDCAT, MORROW GAS

11. Sec., T., R., M., or Block and Survey or Area

SEC 14, T19S, R21E

12. County or Parish

EDDY

13. State

NM

14. Date Spudded

05-04-06

15. Date T.D. Reached

06-09-06

16. Date Completed

☐ D & A

08-04-06

☒ Ready to Prod.

17. Elevations (DF, RKB, RT, GL)*

GR: 4200

18. Total Depth: MD

7850

TVD

7850

19. Plug Back T.D.: MD

7802

TVD

7802

20. Depth Bridge Plug Set: MD

TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)

22. Was well cored? ☒ No ☐ Yes (Submit analysis)

Was DST run ☐ No ☒ Yes (Submit report)

Directional Survey? ☒ No ☐ Yes (Submit copy)

H RES LATEROLOG/HNGS/CEL

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
17.5	13.375	48	SURF	520		440 SX		SURFACE	
12.25	9.625	36	SURF	1424		550 SX		SURF	
8.75	7	26	SURF	7846		1441 SX		800 TEMP	SURVEY

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2-3/8	SN @ 7531							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) MORROW	7654	7694	7654 - 7682		145	OPEN
B)						
C)						
D)						

26. Perforation Record

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval

APPROVED FOR RECORD

DAVID R. GLASS

AUG 23 2006

EXHIBIT

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
08-04-06	08-06-06	9.5		0	364	7	NA	.6229	FLOWING
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr.	Oil BBL	Gas MCF	Water BBL	Gas: Oil Ratio	Well Status	
25/64	310	0		0	1025	7	NA	FLOWING	

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
08-04-06	08-12-06	24		0	1080	3	NA	.6229	FLOWING
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr.	Oil BBL	Gas MCF	Water BBL	Gas: Oil Ratio	Well Status	
25/64	280	0		0	1080	3	NA	FLOWING THRU SALES METER	

(See instructions and spaces for additional data on page 2)

**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page**

Run Time: 09:59 AM

Page 1 of 2

Run Date: 10/31/2014

01 12-22-1987;101STAT1330;30USC181 ET SE

Total Acres

Serial Number

Case Type 312021: O&G LSE COMP PD -1987

2,560.000

NMNM-- - 103570

Commodity 459: OIL & GAS L

Case Disposition: AUTHORIZED

Serial Number: NMNM-- - 103570

Name & Address			Int Rel	% Interest
ADKINS WARD N JR	5519 TUPPER LAKE DR	HOUSTON TX 770561626	OPERATING RIGHTS	0.000000000
CAPSTONE OIL & GAS CO LP	PO BOX 10187	MIDLAND TX 797027187	OPERATING RIGHTS	0.000000000
CHEVRON MIDCONTINENT LP	PO BOX 2100	HOUSTON TX 772522100	OPERATING RIGHTS	0.000000000
ECHO PROD INC	PO BOX 1210	GRAHAM TX 76450	LESSEE	100.000000000
ELGER EXPL INC	PO BOX 2623	MIDLAND TX 79702	OPERATING RIGHTS	0.000000000
GILES ENERGY INC	5902 CORINTHIAN PARK DR	SPRING TX 773792960	OPERATING RIGHTS	0.000000000
HENDERSON KATHLEEN P	5519 TUPPER LAKE	HOUSTON TX 77056	OPERATING RIGHTS	0.000000000
LATIGO PETROLEUM INC	15 W 6TH ST #1100	TULSA OK 74119	OPERATING RIGHTS	0.000000000
OXY USA INC	5 GREENWAY PLZ #110	HOUSTON TX 770460521	OPERATING RIGHTS	0.000000000
PARALLEL PETROLEUM LLC	1004 N BIG SPRING ST STE 400	MIDLAND TX 797013383	OPERATING RIGHTS	0.000000000
PLL E&P LLC	PO BOX 10587	MIDLAND TX 797027587	OPERATING RIGHTS	0.000000000
QUANTUM PROPERTIES INC	14760 MEMORIAL DR STE 204	HOUSTON TX 770795232	OPERATING RIGHTS	0.000000000
SHIDLER MARK L	911 WALKER #565	HOUSTON TX 77002	OPERATING RIGHTS	0.000000000
SHIDLER MITZI	1313 CAMPBELL RD STE D	HOUSTON TX 770556429	OPERATING RIGHTS	0.000000000
TALUS INC	PO BOX 1210	GRAHAM TX 76450	OPERATING RIGHTS	0.000000000
THE ALLAR CO	PO BOX 1567	GRAHAM TX 76450	OPERATING RIGHTS	0.000000000
TWIN MONTANA INC	BOX 1210	GRAHAM TX 76450	OPERATING RIGHTS	0.000000000
VROOMAN ENERGY LLC	10510 S KINGSTON AVE	TULSA OK 74137	OPERATING RIGHTS	0.000000000
WESTSTAR OG INC	1601 SE 19TH ST	EDMOND OK 73013	OPERATING RIGHTS	0.000000000
ZEUS PETROLEUM INC	PO BOX 458	BELLAIRE TX 774020458	OPERATING RIGHTS	0.000000000

Serial Number: NMNM-- - 103570

Mer Twp Rng Sec	STyp	SNr Suff	Subdivision	District/Field Office	County	Mgmt Agency
23 0190S 0210E 013	ALL		ENTIRE SECTION	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0190S 0210E 014	ALL		ENTIRE SECTION	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0190S 0210E 023	ALL		ENTIRE SECTION	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0190S 0210E 024	ALL		ENTIRE SECTION	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 103570

Act Date	Code	Action	Action Remark	Pending Office
10/19/1999	387	CASE ESTABLISHED	9910032	
10/20/1999	191	SALE HELD		
10/20/1999	267	BID RECEIVED	\$199680.00;	
10/20/1999	392	MONIES RECEIVED	\$5120.00;	
10/28/1999	392	MONIES RECEIVED	\$194560.00;	
11/24/1999	237	LEASE ISSUED		
11/24/1999	974	AUTOMATED RECORD VERIF	MCS	
12/01/1999	496	FUND CODE	05:145003	
12/01/1999	530	RLTY RATE - 12 1/2%		
12/01/1999	868	EFFECTIVE DATE		
01/18/2000	899	TRF OF ORR FILED		
02/04/2000	084	RENTAL RECEIVED BY ONRR	\$3840;11/MULTIPLE	
03/02/2000	932	TRF OPER RGTS FILED	ECHO/KUKUI	
05/19/2000	933	TRF OPER RGTS APPROVED	EFF 04/01/2000	
05/19/2000	974	AUTOMATED RECORD VERIF	ANN	
10/10/2000	084	RENTAL RECEIVED BY ONRR	\$3840;21/413	
01/15/2002	963	CASE MICROFILMED		
04/30/2003	817	MERGER RECOGNIZED	KUKUI INC/ANIMAS ENE	
06/27/2003	932	TRF OPER RGTS FILED	ANIMAS/SAGA;	

EXHIBIT 

NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT INTENDED BY BLM