

Submit 1 Copy To Appropriate District Office  
District I - (575) 393-6161  
1625 N. French Dr., Hobbs, NM 88240  
District II - (575) 748-1283  
811 S. First St., Artesia, NM 88210  
District III - (505) 334-6178  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV - (505) 476-3460  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-103  
Revised August 1, 2011

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

|  |  |   |
|--|--|---|
| <b>SUNDRY NOTICES AND REPORTS ON WELLS</b><br>(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.)  |  | WELL API NO.<br>30-015-34652  |
| 1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/>   |  | 5. Indicate Type of Lease<br>STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>     |
| 2. Name of Operator<br>PARALLEL PETROLEUM LLC (230387)   |  | 6. State Oil & Gas Lease No.<br>NM103570  |
| 3. Address of Operator<br>P. O. BOX 10587, MIDLAND, TX 79702   |  | 7. Lease Name or Unit Agreement Name<br>JACK IN THE BOX   |
| 4. Well Location<br>Unit Letter <u>M</u> : <u>660</u> feet from the <u>S</u> line and <u>760</u> feet from the <u>W</u> line<br>Section <u>14</u> Township <u>19S</u> Range <u>21E</u> NMPM County <u>EDDY</u> |  | 8. Well Number <u>1</u>   |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.)<br>4200' GL   |  | 9. OGRID Number<br>230387   |
|  |  | 10. Pool name or Wildcat<br><del>MORROW/CANYON</del><br><u>HDPG PENN, SOUTH (GAS)</u><br><u>(78600)</u> |

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 COMPL ☐  
DOWNHOLE COMMINGLE ☐

OTHER: P&A MORROW; TEST OTHER INTERVALS  
X

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ P AND A ☐  
CASING/CEMENT JOB ☐

OTHER: ☐

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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

LOG THE MORROW INTERVAL AND P&A THE MORROW. LOG THE REST OF THE WELL & TEST OTHER INTERVALS FOR COMPLETION. THE MORROW IS DEPLETED SO AFTER WE LOG IT FOR USE TO CORRELATE WITH OTHER LOGS WE WANT TO SET A CAST IRON BRIDGE PLUG JUST ABOVE THE MORROW INCASE WE WANT TO RE-ENTER THE ZONE AT A LATER DATE.

Spud Date:

Rig Release Date:

RECEIVED

OCT 11 2012

NMOCD ARTESIA

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE

*Rick Petersen*

TITLE Engineer

DATE 10/5/12

Type or print name Rick Petersen

E-mail address: rpetersen@plll.com

PHONE 432/688-3676

For State Use Only

APPROVED BY:

*T. Shigard*

TITLE

*Geologist*

DATE

*12/18/2012*

Conditions of Approval (if any):

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

State of New Mexico  
Energy, Minerals & Natural Resources Department

Form C-102  
Revised August 15, 2000  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88211-0718

DISTRICT III  
1090 Rio Brazos Rd., Artesia, NM 87410

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

DISTRICT IV  
2040 South Pacheco, Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

|                            |   |                                   |
|----------------------------|---|-----------------------------------|
| API Number<br>30-015-34652 | Pool Code<br>78600                              | Pool Name<br>Hope Penn, S (Gross) |
| Property Code<br>35469     | Property Name<br>JACK IN THE BOX FEDERAL        | Well Number<br>1                  |
| UGRID No.<br>230387        | Operator Name<br>PARALLEL PETROLEUM CORPORATION | Elevation<br>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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| D             | 14      | 19 S     | 21 E  |         | 660           | NORTH            | 760           | WEST           | EDDY   |

|                            |                 |                    |                              |
|----------------------------|-----------------|--------------------|------------------------------|
| Dedicated Acres<br>320.640 | Joint or Infill | Consolidation Code | Order No.<br>SNMAS-05NM-1951 |
|----------------------------|-----------------|--------------------|------------------------------|

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

| <p>760' (BHL)</p> <p>760' (PP)</p> <p>760' (SL)</p> <p>4202.5'</p> <p>4199.7'</p> <p>4203.0'</p> <p>4198.7'</p>   | <table border="1"><caption>Coordinate Table</caption><thead><tr><th>Description</th><th>Plane Coordinate</th></tr></thead><tbody><tr><td>Jack in the Box Federal #1</td><td>X = 365,467.7</td></tr><tr><td>Surface Location</td><td>Y = 602,244.1</td></tr><tr><td>Jack in the Box Federal #1</td><td>X = 365,468.3</td></tr><tr><td>Penetration Point</td><td>Y = 602,573.9</td></tr><tr><td>Jack in the Box Federal #1</td><td>X = 365,474.9</td></tr><tr><td>Bottom Hole Location</td><td>Y = 606,205.2</td></tr></tbody></table> | Description      | Plane Coordinate | Jack in the Box Federal #1 | X = 365,467.7 | Surface Location | Y = 602,244.1 | Jack in the Box Federal #1 | X = 365,468.3 | Penetration Point | Y = 602,573.9 | Jack in the Box Federal #1 | X = 365,474.9 | Bottom Hole Location | Y = 606,205.2 | <p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><br/>Signature<br/>TERRY NEVANS<br/>Printed Name<br/>VP BUSINESS DEV<br/>Title<br/>12/18/12<br/>Date</p> |
|---|--|------------------|------------------|----------------------------|---------------|------------------|---------------|----------------------------|---------------|-------------------|---------------|----------------------------|---------------|----------------------|---------------|--|
|   | Description  | Plane Coordinate |                  |                            |               |                  |               |                            |               |                   |               |                            |               |                      |               |  |
| Jack in the Box Federal #1  | X = 365,467.7  |                  |                  |                            |               |                  |               |                            |               |                   |               |                            |               |                      |               |  |
| Surface Location  | Y = 602,244.1  |                  |                  |                            |               |                  |               |                            |               |                   |               |                            |               |                      |               |  |
| Jack in the Box Federal #1  | X = 365,468.3  |                  |                  |                            |               |                  |               |                            |               |                   |               |                            |               |                      |               |  |
| Penetration Point   | Y = 602,573.9  |                  |                  |                            |               |                  |               |                            |               |                   |               |                            |               |                      |               |  |
| Jack in the Box Federal #1  | X = 365,474.9  |                  |                  |                            |               |                  |               |                            |               |                   |               |                            |               |                      |               |  |
| Bottom Hole Location  | Y = 606,205.2  |                  |                  |                            |               |                  |               |                            |               |                   |               |                            |               |                      |               |  |
| <p><b>SURVEYOR CERTIFICATION</b></p> <p>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.</p> <p>October 25, 2005<br/>Date Surveyed<br/>Signature &amp; Seal of Professional Surveyor<br/>W.O. Num. 2005-0968<br/>Certificate No. MACON-McDONALD 12185</p> |  |                  |                  |                            |               |                  |               |                            |               |                   |               |                            |               |                      |               |  |

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.

# SECTION 14, TOWNSHIP 19 SOUTH, RANGE 21 EAST, N.M.P.M.

EDDY COUNTY

NEW MEXICO

L-2005-0968-A

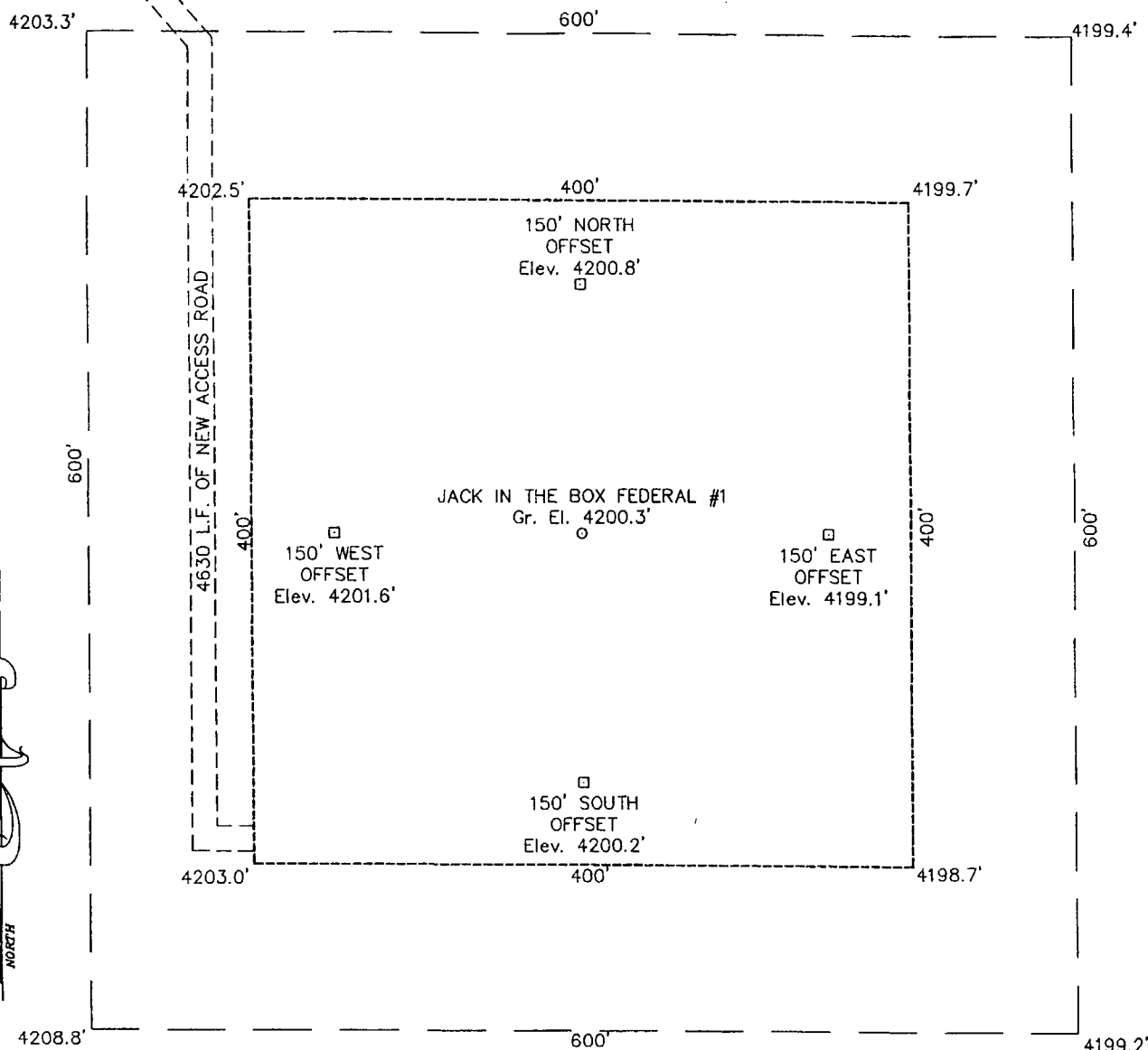


Exhibit "C"

## DRIVING DIRECTIONS

FROM THE INTERSECTION OF U.S. HIGHWAY 82 AND STATE HIGHWAY 449 IN HOPE, NM GO SOUTH ON SAID STATE HIGHWAY 449 2.2 MILES TO THE END OF SAID STATE HIGHWAY 449 AND THE BEGINNING OF COUNTY ROAD 12, THEN CONTINUE SOUTH ANOTHER 4.8 MILES (7.0 TOTAL) TO A FORK IN THE ROAD, THE INTERSECTION OF SAID COUNTY ROAD 12 AND COUNTY ROAD 20 (BRONC ROAD), THEN GO SOUTHWEST ALONG SAID COUNTY ROAD 20 (BRONC ROAD) 4.8 MILES TO A POINT WHERE AN ACCESS ROAD BEGINS ON EAST (LEFT SIDE OF SAID COUNTY ROAD 20, THEN GO SOUTHEAST ALONG NORTH SIDE OF A FENCE AND SAID ACCESS ROAD 0.5 MILE, THEN GO SOUTHEAST ACROSS FENCE AND CREEK 0.1 MILE, THEN GO NORTHEAST AND SOUTH ALONG SAID NEW ACCESS ROAD 0.3 MILE TO THE PROPOSED LOCATION.



**WEST  
COMPANY**  
of Midland, Inc.

110 W. LOUISIANA, STE. 110  
MIDLAND TEXAS, 79701  
(432) 687-0865 - (432) 687-0868 FAX

## PARALLEL PETROLEUM CORPORATION

### JACK IN THE BOX FEDERAL #1

Located 660' FSL & 760' FWL, Section 14  
Township 19 South, Range 21 East, N.M.P.M.  
Eddy County, New Mexico

|                    |                         |
|--------------------|-------------------------|
| Drawn By: LVA      | Date: November 1, 2005  |
| Scale: 1"=100'     | Field Book: 303 / 61-71 |
| Revision Date:     | Quadrangle: Holt Tank   |
| W.O. No: 2005-0968 | Dwg. No.: L-2005-0968-A |

# Jack in the Box Federal #1

## Bunting Ranch Field

### **OBJECTIVE:**

### **Abandon Morrow, Run Cased Hole Sonic & Test Canyon Sands**

#### **WELL DATA:**

API No. 30-015-34652

Legal Location: 660' FSL 7 760' FWL, Sec. 14, Township 19 South, Range 21 East, NMPM, Eddy Co., N.M.

Elevation: 4188' GL

Surface Casing: 13 3/8" 48# H-40 @ 520'. Cmted w/ 440 sks.

Intermediate Casing: 9 5/8" 36# J-55 @ 1424'. Cmted w/ 550 sks.

Production Casing: 7" 26# J-55 @ 7847'. Cmted w/ 1441 sks. TOC @ 800'.

Open Perfs: 7654'-7660'; 7662'-7670'; 7672'-7682' @ 6 spf. (145 holes)

PBTD approx. 7802'

TD: 7850'

Volumetric Capacities:

- Tubing = .00579 bbl/ft
- Annular = .03022 bbl/ft
- Casing = .03825 bbl/ft

#### **Tubing (top to bottom)**

(240) 2 7/8" 6.5# N-80 (7495')

(1) Marker Sub (7500')

(1) 2 7/8" 6.5# N-80 (7531')

(1) XL ON/OFF w/ 2.313 "X"

(1) 7" 290-29# PLS 10K Packer (@ 7537')

(1) 2 7/8" 6.5# N-80 (7568')

(1) 2.313 "XN" NIPPLE w/ 2.205 NO-GO (7570')

(1) 2 7/8" N-80 SUB (7580')

(1) 2 7/8" TBG. RELEASE w/ 2.25 (7581')

(1) 2 7/8" 6.5# N-80 (7612')

(1) 3 3/8" KV FIRER-DUAL SUB-COLLAR (7615')

(1) PROP GUNS-BLANK-TANDEM (7654')

(1) LOADED SECTION (7682')

(1) BULL PLUG AND BLANK SECTION (7688')

## **PROCEDURE:**

1. MIRUPU. Set (1) 500 bbl frac tank and one 120 bbl pump truck w/ 2%KCL water.
2. ND WH & NU BOP.
3. MIRU Pro Wireline and RIH w/ blanking plug and set in 2.313 "XN" w/ 2.205 NO-GO profile nipple at approx. 7570'.
4. POOH w/ wireline tools and load tubing with approx. 44 bbls of 2% KCL water. This should fill the hole completely from plug to surface.
5. Proceed to release ON/OFF tool @ approx. 7533' and pull tubing about one to two feet above the packer(7537'), approx. 7535'.
6. Swab to a fluid level of 6600' about 238 bbls.
7. TIH with tubing and set ON/OFF tool, RIs 7" 290-29# PLS Mechanical Set Perma-Lach Retrievable Packer and let the remaining fluid fall to bottom, POOH w/ tbg.
  - NOTE: Volume needed to kill the well (BHP 441#) is about 45 bbl which is what should fall to bottom after swabbing. Be conscious & cautious of the casing pressure, if the pressure starts to rise more fluid might need to be added to control the well. We are expecting it to drink some fluid.
8. MIRU Schlumberger Wireline Services and run sonic scanner/GR/CCL (PNS & CBL) log & gauge ring from PBTD of approx. 7802' across the Morrow interval to the top of the fluid level at approx. 6600'.
  - NOTE: Correlate depth to marker joint @ 7500' per log dated 6/10/2006.
9. POOH & lay down logging tools. PU CIBP and RIH w/ WL and set at 7600'.
  - NOTE: If gauge run is successful proceed, if not then RIH w/ 6 1/4" bit & 7" scrapper & CO to approx. 7600'.
10. POOH, grab cement dump bailer and RIH on WL, dump 20 feet of cement on top of CIBP.
11. Load Casing
12. RIH with Schlumberger Wireline Services and continue logging w/ sonic scanner/GR/CCL (PNS & CBL) from approx. 7600' to surface.
13. RDMO Schlumberger Wireline Services.
14. ND BOP & NU WH, RDMOPU. Send tubing for inspection.
15. Confirm and process logs to refine Canyon Sand completion attempt.

# VANNSYSTEM INSTALLATION

COMPANY

DATE \_\_\_\_\_

08/03/06

PARALLEL

|  |                                      |                 |               |                           |                                  |   |  |
|--|--------------------------------------|-----------------|---------------|---------------------------|----------------------------------|---|--|
| WELL NAME<br>JACK IN THE BOX FEDERAL # 1 |                                      | FIELD NAME<br>0 |               | COUNTY<br>EDDY            |                                  | STATE<br>N.M.   |  |
| CAS                                      | SIZE<br>7                            | WEIGHT<br>26#   | DEPTH<br>7802 | KLC TO TOP SHOT<br>159.82 | STAGE<br>1                       | RKB<br>12FT   |  |
| TBG                                      | SIZE<br>2 7/8                        | WEIGHT<br>6.5#  | DEPTH<br>7494 | LENGTH OF FISH<br>107.17  | FLUID LEVEL IN TUBING<br>7312.42 |   |  |
| P.B.T.D.<br>7802                         | PERFORATION INTERVAL<br>7654 TO 7682 |                 | JSPF<br>6     | B.H. TEMP.<br>132F        |                                  | <input checked="" type="radio"/> NEW<br><input type="radio"/> DST<br><input type="radio"/> COMPLETION<br><input type="radio"/> WORKOVER |  |

| ITEM | DESCRIPTION                                    | I.D.  | O.D.  | LENGTH  | DEPTH   |
|------|--|-------|-------|---------|---------|
|      | KB   |       |       | 12.00   | 12.00   |
| 16   | LANDING JT                                     | 2.441 | 2.875 | 31.05   | 43.05   |
| 15   | SUBS 8.14 6.06 6.13 2.23                       | 2.441 | 2.875 | 22.56   | 65.61   |
|      |  |       |       |         |         |
|      | 242 JTS ABOVE PACKER                           |       |       |         |         |
|      | 244 TOTAL JTS IN HOLE                          |       |       |         |         |
|      |  |       |       |         |         |
|      |  |       |       |         |         |
|      |  |       |       |         |         |
|      |  |       |       |         |         |
| 14   | 240 2 7/8 IN 6.5 # TBG JOINTS                  | 2.441 | 2.875 | 7428.57 | 7494.18 |
|      |  |       |       |         |         |
|      |  |       |       |         |         |
|      |  |       |       |         |         |
|      |  |       |       |         |         |
| 13   | KLC MARKER SUB                                 | 2.441 | 2.875 | 6.04    | 7500.22 |
|      |  |       |       |         |         |
|      |  |       |       |         |         |
|      |  |       |       |         |         |
|      |  |       |       |         |         |
| 12   | 1 JT 2 7/8 N-80 TUBING                         | 2.441 | 2.875 | 31.07   | 7531.29 |
| 11   | XL ON/OFF W/ 2.313 "X"                         | 2.313 | 5.500 | 1.98    | 7533.27 |
| 10   | 7" 20-29# PLS 10K                              | 2.360 | 6.020 | 3.82    | 7537.09 |
| 9    | 1 JT 2 7/8 N-80 TUBING                         | 2.441 | 2.875 | 31.07   | 7568.16 |
| 8    | 2.313 "XN" NIPPLE W/ 2.205 NO-GO               | 2.205 | 2.875 | 1.38    | 7569.54 |
| 7    | 2 7/8 N-80 SUB                                 | 2.441 | 2.875 | 10.21   | 7579.75 |
| 6    | 2 7/8 TBG. RELEASE W/ 2.25                     | 2.250 | 3.380 | 1.67    | 7581.42 |
| 5    | 1 JT 2 7/8 N-80 TUBING                         | 2.441 | 2.875 | 31.00   | 7612.42 |
| 4    | 3 3/8 KV FIRER-DUAL SUB-COLLAR                 | N/A   | 3.375 | 2.64    | 7615.06 |
|      |  |       |       |         |         |
| 3    | PROP GUNS-BLANK-TANDEM                         | N/A   | 3.375 | 38.94   | 7654.00 |
|      |  |       |       |         |         |
| 2    | LOADED SECTION                                 | N/A   | 3.375 | 28.00   | 7682.00 |
|      | 7654-7650 7662-7670 7672-7682 MAKING 145 HOLES |       |       |         |         |
|      | WITH 12' OF STIM SLEEVE                        |       |       |         |         |
| 1    | BULL PLUG AND BLANK SECTION                    | N/A   | 3.375 | 5.59    |         |

**TOP  
SHOT**

