

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 & INTERMEDIATE
CASING

Form C-101
May 27, 2004

RECEIVED Submit to appropriate District Office

NOV 10 2005 ☐ 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 35235	⁴ Property Name Bold Venture	⁵ API Number 30-005-63783
⁹ Proposed Pool 1 Wildcat; Wolfcamp Gas 97489		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
B	27	14S	26E		400	N	1880'	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
O	27	14S	26E		660'	S	1880'	E	Chaves

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 3414'
¹⁶ Multiple No	¹⁷ Proposed Depth 9305MD, 5249TVD	¹⁸ Formation Wolfcamp	¹⁹ Contractor NA	²⁰ Spud Date NA
Depth to Groundwater 65'		Distance from nearest fresh water well 1600'		Distance from nearest surface water 2500'
²¹ Proposed Casing and Cement Program				

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
* 17-1/2"	13-3/8"	48#	300'	440	Surface
* 12-1/4"	9-5/8"	36#	1300'	325	Surface
8-3/4"	5-1/2"	17#	TVD 5249'	NA	100' Above
			MD 9305'		Glorieta

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 17 1/2" surface hole with rotary equipment to a minimum depth of 300'. Set 13 3/8" casing and cement.
3. Drill 12 1/4" intermediate hole to a minimum depth of 1300'. Set 9 5/8" casing and cement.
4. Drill 8 3/4" production hole 5500' TD and evaluate running mud logs as well as DLL/CNL/LDT/CAL/GR to TD.
5. Set Kickoff point at 4868' and drill and advance hole to a Wolfcamp penetration point at approximately 700' S and 1880' W of the NE corner of the section and continue drilling to BHL. (9305' MD & 5249' TVD)
6. Set 5 1/2" to TD and cement to a point 100' above Glorieta around 2565'. Perforate porosity and stimulate as necessary (specific procedure to be determined).
7. Place well on test.

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: 11-8-05
Phone: 432-684-3727

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date: NOV 16 2005

Expiration Date: NOV 16 2006

Conditions of Approval Attached ☒

Fresh water muds
13cc pg. 3

9.5

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 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Artec, 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	Pool Code	Pool Name
97489		
Property Code	Property Name	Well Number
	BOLD VENTURE	1
OGRID No.	Operator Name	Elevation
	PARALLEL PETROLEUM CORPORATION	3414'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	27	14 S	26 E		400	NORTH	1880	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
O	27	14 S	26 E		660	SOUTH	1880	EAST	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

<p>Project Area</p> <p>Producing Area</p> <p>NOTE:</p> <p>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.</p>	<table><tr><th>Description</th><th>Plane Coordinate</th></tr><tr><td>Bold Venture #1</td><td>X = 502,790.6</td></tr><tr><td>Surface Location</td><td>Y = 756,666.6</td></tr><tr><td>Bold Venture #1</td><td>X = 502,791.6</td></tr><tr><td>Penetration Point</td><td>Y = 756,366.7</td></tr><tr><td>Bold Venture #1</td><td>X = 502,804.6</td></tr><tr><td>Bottom Hole Location</td><td>Y = 752,427.7</td></tr></table> <p>770' 700' 400' 1880' 770' 1880' 772' 660' 1880'</p> <p>#1 (SL) (PP) (BHL)</p>	Description	Plane Coordinate	Bold Venture #1	X = 502,790.6	Surface Location	Y = 756,666.6	Bold Venture #1	X = 502,791.6	Penetration Point	Y = 756,366.7	Bold Venture #1	X = 502,804.6	Bottom Hole Location	Y = 752,427.7	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Deane Durham</i> Signature</p> <p>Deane Durham Printed Name</p> <p>Drilling Exs. Title</p> <p>11-8-05 Date</p> <p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of ual surveys made by me or under my ervision and that the same is true and rect to the best of my belief.</p> <p>October 12, 2005 Date Surveyed</p> <p>Signature & Seal of Professional Surveyor LVA</p> <p>W.O. Num. 2005-0974 Certificate No.</p>
Description	Plane Coordinate															
Bold Venture #1	X = 502,790.6															
Surface Location	Y = 756,666.6															
Bold Venture #1	X = 502,791.6															
Penetration Point	Y = 756,366.7															
Bold Venture #1	X = 502,804.6															
Bottom Hole Location	Y = 752,427.7															

PARALLEL PETROLEUM CORPORATION
BOLD VENTURE #1
SL: 1880' FEL AND 400' FNL, BHL: 1880' FEL AND 660' FSL
SEC 27, T14S, R26E
CHAVES COUNTY, NEW MEXICO

Objective

Drill a vertical well through the Wolfcamp pay. Log and evaluate for a sidetrack to horizontal in the Wolfcamp.

Expected Geologic Tops

Est GL from topo: 3414', KB 3426'.
Glorieta 2565'
Tubb 3575'
Abo Shale 4325'
Wolfcamp 5250'
Wolfcamp Shale 5425'

Well Geometry

- 13 3/8" casing at 300'
- 9 5/8" casing at 1300'
- Set kick-off plug for horizontal through the zone of interest
- 5 1/2" casing through the horizontal Wolfcamp; Cement per completion.

Casing Program

<u>Hole</u>	<u>MD</u> <u>(ft)</u>	<u>Casing</u>	<u>Weight</u>	<u>Grade</u>	<u>Coupling</u>	<u>COMMENT</u>
17-1/2"	0 – 300	13-3/8"	48	H40	ST&C	Must be below 300' (+KB).
12-1/4"	0 – 1300	9-5/8"	36	J55	LT&C	
8-3/4"	0 – 5500'	5-1/2"	17	N80	LT&C	Run through the horizontal lateral.

Casing Cementing Program

13-3/8" slurry: 440 sacks Class C + 2% bwoc Calcium Chloride + 0.25 lbs/sack Cello Flake + 56.3% fresh water

9-5/8" slurry: Lead: 125 sacks (50:50) Poz (Fly Ash): Class C + 5% bwow Sodium Chloride + 10% bwoc Bentonite + 151.7% fresh water. Tail: 200 sacks Class C + 1% bwoc Calcium Chloride + 56.3% fresh water

Note: If cement does not circulate to surface, notify OCD. A temperature survey will most likely be required. Top out to surface with 1" pipe in the annulus.

Note: 5-1/2" Cement per completion procedure. Top of Cement should be a minimum of 100' above Glorieta at 2565'.

Mud Program

<u>Depth</u>	<u>Hole</u>	<u>MW</u>	<u>Visc.</u>	<u>WL</u>	<u>Synopsis</u>
0 - 300	17-1/2"	8.4	32 - 38	No control	Fresh gel Lime floc.(outer) reserve. Fresh gel sweeps, paper & cotton seed hulls for losses.
300 - 1300	12-1/4"	8.4 - 8.6	28 - 29	No control 1300	FRESH WATER mud only to 1200 ft. Severe loss potential. Circulate inner reserve. LCM: paper, fiber, cotton seed hulls.
1300 - 4100	8-3/4"	8.6 - 9.2	28 - 29	No control	Cut brine. Start w/existing & add brine t/80K-120K chlorides
4100 - TD	8-3/4"	8.9 - 9.5	38 - 45	6 - 10	XCD/Starch polymer as req'd for hole cleaning. Lubricants.
KOP - TD Horizontal	8-3/4" & 7-7/8"	8.9 - 9.5	38 - 45	6 - 10	XCD/Starch polymer as req'd for hole cleaning. Lubricants.

This topographic map depicts the Bold Venture #1 area, characterized by its rugged terrain and numerous contour lines. The map is divided into sections by a grid, with section numbers 21, 22, 23, 26, 27, 28, 33, 34, and 35 visible. Key features include:

- Topography:** Contour lines indicate elevations ranging from approximately 3350 to 3450 feet. Notable peaks and ridges are shown with hachured contour lines.
- Water Features:** Several bodies of water are present, including "Lakes" (likely a group of small lakes or ponds) and "Pritchard Lake".
- Infrastructure:** A network of roads is shown, including a major road labeled "TOPE" and a road labeled "ATCHINSON". A dashed line, possibly a pipeline or boundary, runs across the map.
- Landmarks:** Several windmills are marked, with elevations such as 3418, 3395, 3406, and 3408. A "Tank" is also indicated. A "Well" is located near section 28. A benchmark (BM) is marked with an elevation of 3443.
- Other Features:** A crosshair symbol is present in the upper central area. The text "BOLD VENTURE #1" is prominently displayed in the center of the map.

CONTOUR INTERVAL:
HAGERMAN - 10'

U.S.G.S. TOPOGRAPHIC MAP
HAGERMAN, N.M.



**WEST
COMPANY**
of Midland, Inc.

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

This is a detailed topographic map of the Hagerman, Idaho area. The map features a grid system with various labels for towns, landmarks, and geographical features. Key locations include Hagerman, Greenfield, and Boise. The Snake River is shown flowing through the area, with several bridges marked. The Boise River is also visible, flowing into the Snake River. Other features include the DEXTER FEDERAL FISH HATCHERY, the Hagerman Canal, and the Boise River. The map includes contour lines indicating elevation and various labels for pits, wells, and other points of interest. The overall layout is a standard topographic map with a grid overlay.

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

PARALLEL SURVEY CALCULATION PROGRAM PETROLEUM CORPORATION

OPERATOR:	Parallel Petroleum Corporation		Supervisors:	
WELL:	Bold Venture #1			
LOCATION:	Sec. 27 T-14-S R-26-E			
API NUMBER:				
COMMENTS:				
			MAG DEC. (-/+)	
			GRID CORR. (-/+)	
			TOTAL CORR. (-/+)	0.0

DATE: 10/21/05 TIME: 1:38 PM TRUE TO GRID ☐

MINIMUM CURVATURE CALCULATIONS(SPE-3362)									TARGET TRACKING TO CENTER	
PROPOSED DIRECTION								180.0		
SVY	MD	INC	GRID	VERT				DLS/	ABOVE(+)	RIGHT(+)
NUM			AZM	TVD	SECT	N-S	E-W	100	BELOW(-)	LEFT(-)
TIE	0	0.0	0.0	0.0	0.0	0.0	0.0			
1	4868	0.0	0.0	4868.0	0.0	0.0	0.0	0.0	382.0	0.0
2	4878	1.5	180.0	4878.0	0.1	-0.1	0.0	15.0	372.0	0.0
3	4888	3.0	180.0	4888.0	0.5	-0.5	0.0	15.0	362.0	0.0
4	5467	90.0	180.0	5249.3	381.3	-381.3	0.0	15.0	0.7	0.0
5	9305	90.0	180.0	5249.3	4219.3	-4219.3	0.0	0.0	0.7	0.0

KOP @ 4868' MD
 BUR = 15 DEG per 100 FT
 End Curve @ 5467' MD, 5249.3' TVD
 BHL @ 9305' MD, 5249.3' TVD, 4219.3' VS

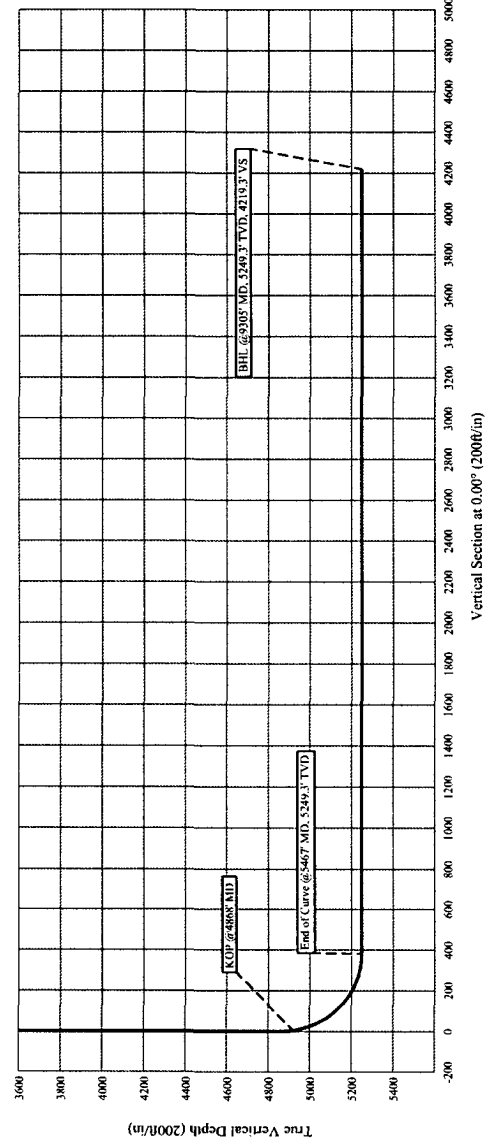
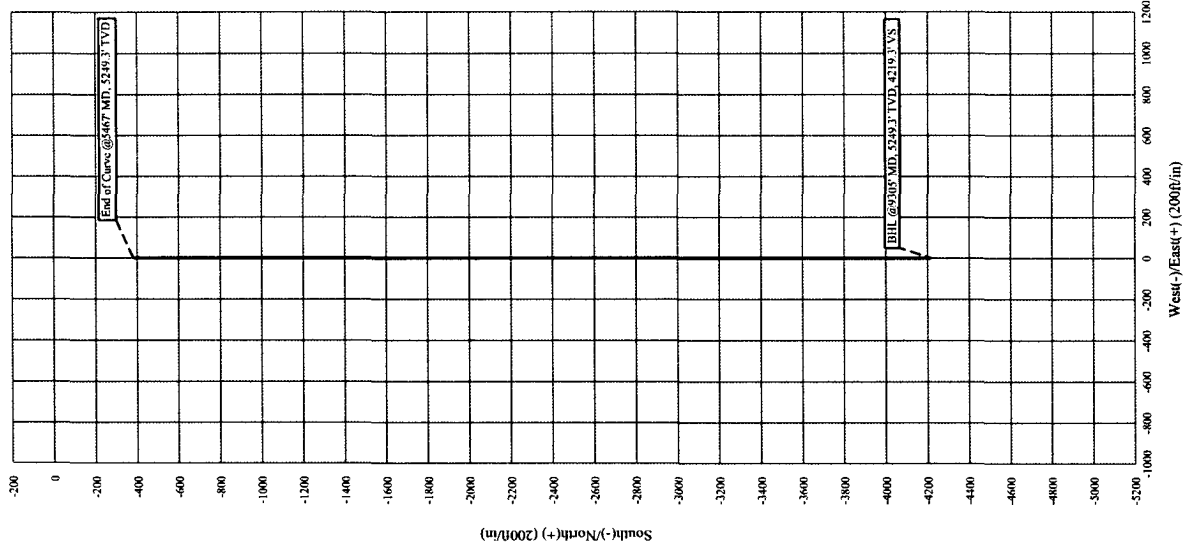
Parallel Petroleum Corp.

Bold Venture #1

Section 27, T 14-S, R 26-E
Chaves County, New Mexico

COMPANY DETAILS

Parallel Petroleum Corp.
1004 N. Big Spring, Ste 400
Midland, Texas 79701





PARALLEL

Petroleum Corporation

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

October 21, 2005

New Mexico Oil conservation Division
1301 W. Grand Ave.
Artesia, New Mexico 88210

Re: Hydrogen Sulfide Potential
Hagerman Area Wolfcamp Program
Chavez County, New Mexico

Gentlemen:

Parallel Petroleum Corporation operates the Seabiscuit #1 well located in Section 33, T-14-S, R-26-E. The well which was tested in the Wolfcamp formation did not have any indications of hydrogen sulfide from this formation. We believe the potential for it on locations in this area are negligible.

Should you need any additional information regarding this issue, please contact me at the address or phone number listed above.

Sincerely,

Deane Durham
Drilling Engineer