1001 W. Grand Avenue, Artisia, NM 8210 Oil Conservation Division PECEMSED to appropriate District Office 1000 Roberson Road, Azner, NM 87400 1220 South St. Francis Dr. Santa Fe, NM 87505 MAY 16 2006 AMENDED REPORT 1220 South St. Francis Dr., Santa Fe, NM 87505 Santa Fe, NM 87505 MAY 16 2006 AMENDED REPORT APPLICATION FOR PERMIT TO DENLL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE Parallel Petroleum Corp. 230 30 80 mber 300 0 0 0 1 30 0 0 0 1 10 0 0 0 1 10 0 0 0	<u>District I</u> 1625 N. Frenc District II	ch Dr., Hob	bs, NM 8	8240	Er	State of New MexicoForm C-101Energy Minerals and Natural ResourcesMay 27, 2004							Form C-101 May 27, 2004	
District M 1220 SUII St. Francis Dr., Santa Fe, NM 87505 1220 SUI St. Francis Dr., Santa Fe, NM 87505 Santa Fe, NM 87505 APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE Parallel Petroleum Corp. 230 237 1004 N. Big Spring Street, Suite 400, Midland, TX. 79701 30 30 30 30 30 30 30 30 30 30 30 30 30 3	1301 W. Gran District III		-			Oil C	conservat	ion Di	vision	RECEN		appropr	• •	
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								surface	casing so	et at 1400'. P	erforate	poros	ity and	
7. No H2S if anticipated during the drilling of this well.	6. Plac	e well on	test.											
²³ I hereby certify that the information given above is true and complete to the OIL CONSERVATION DIVISION	²³ I hereby ce	ertify that th	ne inform	ation given above	is true and o	complete to the	he		OIL C	ONSERVAT	TION D	IVISI	ON	
best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelinesX, a general permit , or an Approved by:	constructed	according	to NMO	CD guidelines X,			L L	oved by:						
(attached) alternative OCD-approved plan	(attached) a	lternative	OCD-app		6/1	/								
Printed name: Deane Durham Manhulum Title: DISTRICT II GEOLOGIST					encube	<u> </u>			48.834	·····				
Title: Drilling Engineer Approval Date: MAY 1 9 2005 Expiration Dates Ay 1 9 2007							Аррі	oval Date	MAY 1	9 2005 E	xpiration	DateMA	Y 1 9 2007	
E-mail Address: ddurham@plll.com			am@plll.		37-601	.3707		litions of t		tashad			-	
	Date: 5-15-2	2006		Phone: 4	32-684-	3727	Conc	litions of A	Approval At	tached				

DISTRICT J 1625 N. French Dr., Hobbs, NM 68240

DISTRICT D

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

□ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT Pool Code Pool Name **API** Number 41 ς blfca D m. tour **Property** Code **Property** Name Well Number ICE BOX 1823-30 STATE 1 **Operator** Name OGRID No. Elevation PARALLEL PETROLEUM CORPORATION 4066

	Surface Location											
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County			
1	30	18 S	23 E		300	NORTH	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				
4	30	18 S	23 E		660	SOUTH	760	WEST	EDDY				
Dedicated Acres	Joint or	Infill Co	nsolidation	Code Or	der No.		<u> </u>						
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

760'-000 #1 (SL) 1 X P.	P.=725'	Coording Description Ice Box 1823-30 State Surface Location Ice Box 1823-30 State Bottom Hole Location	Y = 627,687.5	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief, and that this ergonization rither owns a working interest or undessed mineral interestivin the land including the proposed boltom hate location we have a right is drill this well at this location pursuant to a contract with an ouncer of such a mineral or working inferent, or to a working agreement or a computery pooling order hereisfore entered by the division
2		Project Area		Allachakan Signature Date Deane Dutham Printed Name
3 Prod	aucing Area			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 supervison and that the same is true and correct to the best of my belief. May 8, 2006
760'		Coordinate System", Ne	form to the "New Mexico w Mexico East Zone, North Distances shown hereon are	Date of Surveys Signature & Seal of Professional Surveyor (12185) W.O.: Num: 2006-0428 Certificate No: MACON MCDONALD 12185

PARALLEL PETROLEUM CORPORATION ICE BOX 1823-30 STATE #1 SL: 760' FWL AND 300' FNL, BHL: 760' FWL AND 660' FSL SEC 30, T18S, R23E EDDY 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: 4066', KB 4078'. Glorieta 1825' Tubb 2835' Abo Shale 3425' Wolfcamp 4550' Wolfcamp Shale 4740'

Well Geometry

- 9 5/8" casing at 1400'
- 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> (ft)	Casing	Weight	Grade	Coupling	COMMENT
12-1/4"	0 - 1400	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

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

<u>Note</u>: 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 200' above base of the surface casing at 1400'.

Depth	Hole	MW	Visc.	WL	Synopsis
0-300	12-1/4"	8.4	32 - 38	No	Fresh gel Lime floc.(outer)
				control	reserve. Fresh gel sweeps, paper
					& cotton seed hulls for losses.
300 - 1400	12-1/4"	8:4 –	28 - 29	No	FRESH WATER mud only to
		8.6		control	1400 ft. Severe loss potential.
					Circulate inner reserve. LCM:
]				paper, fiber, cotton seed hulls.
1300 - 3400	8-3/4"	8.6 -	28 - 29	No	Cut brine. Start w/existing & add
		9.2		control	brine t/80K-120K chlorides
3400 – TD	8-3/4"	8.9 -	38 - 45	6 - 10	XCD/Starch polymer as req'd
		9.5			for hole cleaning. Lubricants.
KOP – TD	8-3/4"	8.9 -	38 - 45	6 - 10	XCD/Starch polymer as req'd
Horizontal	&	9.5			for hole cleaning. Lubricants.
	7-7/8"				

Mud Program

SURVEY CALCULATION PROGRAM

PETROLEUM CORPORATION

OPER	ATOR:		Parallel Pe	troleum C	orporati	ion	Supervisor	'S.		
WELL			Ice Box 18	23-30 Stat	te #1					
LOCA	TION:		Sec. 30 T-	18-S R-23-	E					
API N	UMBEF	b								
			COMM							
									EC.(-/+)	
								GRID C	ORR (-/+)	
								TOTAL	CORR (-/+)	0.0
		DATE	. 05/15/06		TIME	11:02 AM	TRUE TO GRI	D		-
MINIM	JM CURV	ATURE (CALCULATION	IS(SPE-3362) P	ROPOSED	DIRECTION	180.0	TARGET T TO CE	
SVY NUM	MD	INC	GRID AZM	TVD	VERT SECT	N-8	E-W	DLS/ 100	ABOVE(+) BELOW(-)	
TIE	0	0.0	0.0	0.0	0.0	0.0	0.0			
1	4125	0.0	0.0	4125.0	0.0	0.0	0.0	0.0	425.0	0.0
2	4135	1.4	180.0	4135.0	0.1	-0.1	0.0	13.5	415.0	0.0
3	4145	2.7	180.0	4145.0	0.5	-0.5	0.0	13.5	405.0	0.0
4	4792	90.0	180.0	4549.6	424.6	-424.6	0.0	13.5	0.4	0.0
5	8687	90.0	180,0	4549.6	4319.6	-4319.6	0.0	0.0	0.4	0.0

KOP @ 4125' MD BUR = 13.5 DEG per 100 FT End Curve @ 4792' MD, 4550' TVD BHL @ 8687' MD, 4550' TVD, 4320' VS



Ice Box 18-23 State #1 Section 30, T 18-S, R 23-E Eddy County, New Mexico

COMPANY DETAILS

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





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

A. Deane Durham Senior Engineer May 19, 2006

Mr. Bryan Arrant State of New Mexico Oil Conservation Division 1301 W. Grand Ave. Artesia, NM 88210

Re: Ice Box 1823-30 State #1 Sec. 30, T-18-S, R-23-E Eddy County, New Mexico

Dear Sir:

The nearest occupied dwelling to this well, to the best of my knowledge is Mr. Jim Bob Burnet's home which is 2-3/4 mile south.

Should you need additional information regarding this issue, please contact me at the address or phone number listed above or my email address at <u>ddurham@plll.com</u>.

Sincerely,

hucham

Deane Durham Engineer