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

State of New Mexico Energy Minerals and Natural Resources RECEIVED

SURFACE CASING

Form C-101 May 27, 2004

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

JUN 1 Sphmit to appropriate District Office

OOU ANTHEON AMENDED REPORT

1220 S. St. F	rancis Dr., S	Santa Fe, NM	87505		Santa	Fe, NM 875	505		.,,,,,		
APPL	ICATI	ON FOR				ENTER, D	EEPEN	N, PLUGBA		ADD A ZONE	
		Pat	Operator Name rallel Petrol	and Address	rn			2303	, OGRID No	ımber	
10	04 N. B	ig Spring	Street, Suit	e 400, N	fidland, T	X. 79701	iher.				
	erty Code	- 			³ Property N	y Name Well No.					
35	577	7		J	Forego 152	525-16 B 1					
			roposed Pool 1					¹⁰ Prope	osed Pool 2		
WILD	CAT	<u>V</u>	Volfcamp								
				⁷ Surface	Location						
UL or lot no.	Section 16	Township 15S					South line N	Feet from the 1880'	East/West li	County Chaves	
	1			sed Bottor	n Hole Locat				L		
UL or lot no.	Section	Township	Range	Lot Ide			South line	Feet from the	East/West li	ine County	
0	16	15S	25 <u>E</u>	<u> </u>	660		S	1880'	E	Chaves	
/					litional We				_		
¹¹ Work	Type Code		12 Well Type Cod	le T	13 Cable	-	14	Lease Type Code	1:	Ground Level Elevation	
16	N Multiple		O & G 17 Proposed Dept	. 	18 Form		}	P Contractor		3424 ² 20 Spud Date	
	No	938	88MD,5500		Wolfe			NA		NA	
Depth to Gro					from nearest fres	h water well 20	00'	Distance from	n nearest surfa	ace water 3000'	
			s thick Clay								
Clos	sed-Loop Sys	stem 🔲				Fresh Water X Brine Diesel/Oil-based Gas/Air					
<u> </u>	·		21	Propose	ed Casing a	nd Cement	Prograt	n	<u> </u>		
Hole	Ciro	Cogi	ng Size					Sacks of Ce	ment	Estimated TOC	
12-1			5/8"	Casing weight/foot 36#			Setting Depth 1400'		ment	Surface	
8-3/			1/2"	17#		TVD 5		325 NA		Tie back	
						MD 93				To surface	
,	_									casing	
Verit	-4 TU	beck	w CBL	er To	emp Si	1149					
			this application gram, if any. Use				ta on the p	resent productive z	one and prop	osed new productive zone.	
							will be u	ıtilized for this	test and c	ontains details on the	
								summary of th			
						· -			ctor. Insta	all and test BOP's.	
			to a minimu	_			U		DODUCE A T. 16		
								S DLL/CNL/L			
	4. Set Kickoff point at 4825' and drill and advance hole to a Wolfcamp penetration point at approximately 725' FNL and 1880' FEL of the section 16 and continue drilling to BHL. (9388' MD & 5250' TVD)										
									ecessary (specific procedure to	
	be determined).										
6. Place well on test.											
7. No H2S is anticipated during the drilling of this well. 23 I hereby certify that the information given above is true and complete to the											
best of my k	nowledge a	nd belief. I fu i	given above is t rther certify tha	tue and con it the drillin	ipicie to the ig pit will be		OIL C	ONSERVAT	TION DIV	VISION	
			guidelines X, a g	eneral peri	mit 🔲, or an 📗	Approved by:					
(attached) a	(attached) alternative OCD-approved plan							BRYAN (
Printed name	e: Deane	e Durham	Many	Sivu		Title:		DISTRIC	T II GEO	OLOGIST	
Title: Dri	lling	Engineer				Approval Date: JUN 1 6 2007					
E-mail Addr	ress: ddurh	am@pill.com	· · · · · · · · · · · · · · · · · · ·					-499			
Date: 12 J	2 JUNE 2006 Phone: 432-684-3727					Conditions of Approval Attac TO WITNESS CEMENTING OF					

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

DISTRICT II
1301 W. Grand Avenue, Artesia, NM 86210

DIOMOTON III

1000 Rio Brazos Rd., Aztec, NM 87410

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

DISTRICT IV 1220 S. St. Francis Dr., Santa Fe, NM 67505

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 96086	Pool Name Wildcat: Wolfcamp					
Property Code	Prope	Property Name					
	FOREGO 152	FOREGO 1525-16 STATE B					
OGRID No.		Operator Name Ele					
	PARALLEL PETRO	DLEUM CORPORATION	3503'				

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
В	16	15 S	25 E		300	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
0	16	15 S	25 E		660	SOUTH	1880	EAST	CHAVES
Dedicated Acres	Joint or	Infill Co	nsolidation	Code Or	der 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

		
Producing Area	3504.0' 3501.6' 1880' 3501.5'	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my thnouledge and besief, and that this organization either owns a working interest or undesced mineral interestin the lend including the proposed bottom hale 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.
Project Area	THE PARTY OF THE P	Signature Deane Durham Printed Name SURVEYOR CERTIFICATION
Coordinate Table		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 31, 2006
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.	(BHL) -768' - 1880'	Date of Surveyor LVA Signature We Seal of Officesional Surveyor W.O. Num. 2006 0456 Certificate Not MACON MEDONALD 12185



1004 North Big Spring, Suite 400 • Midland, TX 79701 • Ph: 432-684-3727 • Fax: 432-685-6580

June 12, 2006

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

Re: Hydrogen Sulfide Potential

Hagerman Area Wolfcamp Program

Forego 1525-16 B#1

Chaves 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. There are no occupied dwellings within 2 miles of this well.

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

Sincerely,

Deane Durham Drilling Engineer

PARALLEL PETROLEUM CORPORATION FOREGO 1525-16 STATE B #1

SL: 1880' FEL AND 300' FNL, BHL: 1880' FEL AND 660' FSL SEC 16, T15S, R25E 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

GL: 3503', KB 3515'. Glorieta 2565' Tubb 3575' Abo Shale 4325' Wolfcamp 5250' Wolfcamp Shale 5425'

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 – TD'	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.

<u>Note</u>: 5-1/2" Cement per completion procedure. Top of Cement should be a minimum depth to tie-back to 9-5/8" casing.

Mud Program

Depth	<u>Hole</u>	MW	Visc.	<u>WL</u>	Synopsis
0 - 1400	12-1/4"	8.4 –	28 - 29	No	FRESH WATER mud only to
	1	8.6		control	1200 ft. Severe loss potential.
					Circulate inner reserve. LCM:
					paper, fiber, cotton seed hulls.
1400 - 4100	8-3/4"	8.6 –	28 -29	No	Cut brine. Start w/existing & add
		9.2		control	brine t/80K-120K chlorides
4100 - 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"				

11	PET	A R	A L	LE		RVEY C	ALCUL	ATION	I PROGR	RAM
OPER	ATOR:		Parallel Po	etroleum C	orporation	on	Superviso	rs:		
WELL			Forego 15							
	TION		Sec. 16 T-	15-S R-25	Ε					
API N	UMBER									
			COMM	ENTS:				TECOSO 'SA'		
								MAG D		
									ORR.(-/+)	
								IIOIAL	CORR.(-/+)	0.0
		DATE:	06/13/06		TIME:	11:12 AM	TRUE TO GRI	ID		▼
MINIM	JM CURV	ATURE C	ALCULATIO	NS(SPE-3362) P)	ROPOSEDI	DIRECTION	180.0	TARGET T	
SVY NUM	MD	INC	GRID AZM	TVD	VERT SECT	N-S	E-W	DLS/ 100	ABOVE(+) BELOW(-)	
TIE	0	0.0	0.0	0.0	0.0	0.0	0.0			
1	4825	0.0	0.0	4825.0	0.0	0.0	0.0	0.0	425.0	0.0
2	4835	1.4	180.0	4835.0	0.1	-0.1	0.0	13.5	415.0	0.0
3	4845	2.7	180.0	4845.0	0.5	-0.5	0.0	13.5	405.0	0.0
4	5493	90.0	180.0	5250.2	425.3	-425.3	0.0	13.5	-0.2	0.0
5	9388	90.0	180.0	5250.2	4320.3	-4320.3	0.0	0.0	-0.2	0.0

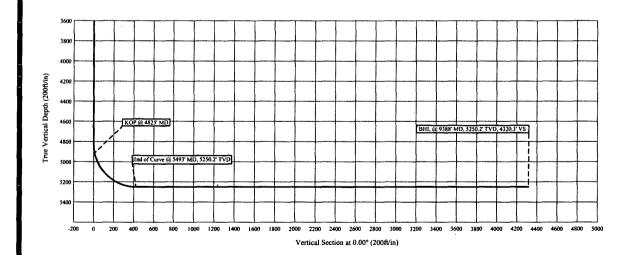
KOP @ 4825' MD BUR = 13.5 DEG per 100 FT End Curve @ 5493' MD, 5250.2' TVD BHL @ 9388' MD, 5250.2' TVD, 4320.3' VS

Parallel Petroleum Corp.

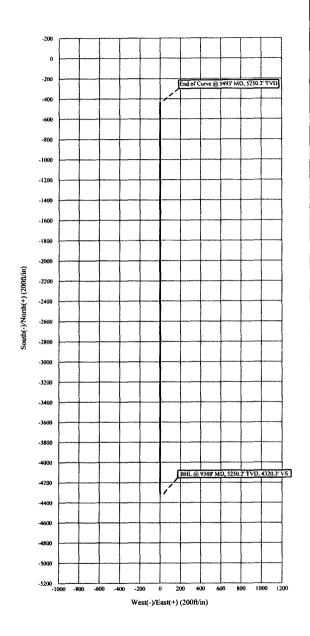
Forego 1525-16 State B #1 Section 16, T 15-S, R 25-E Chaves County, New Mexico

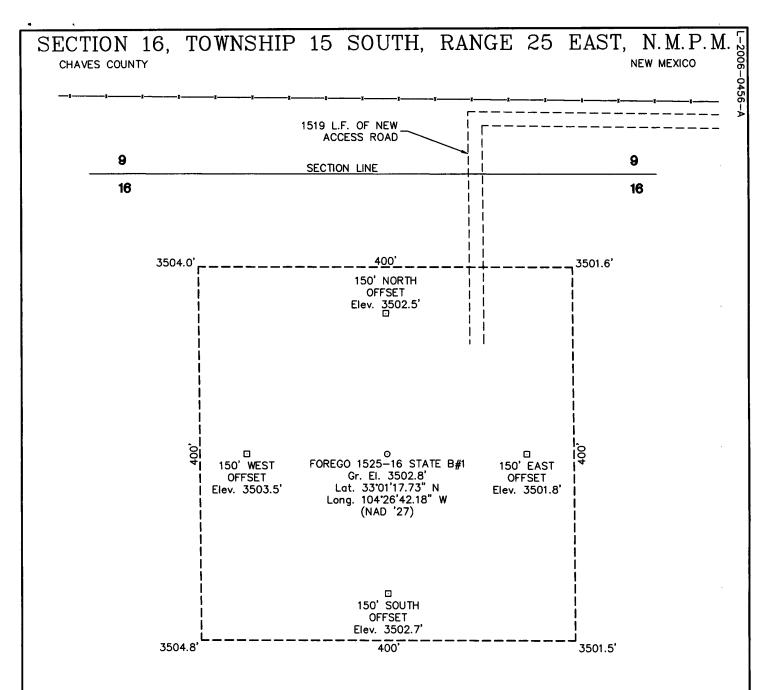
COMPANY DETAILS

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



1 1





DRIVING DIRECTIONS

FROM THE INTERSECTION OF U.S. HIGHWAYS 380 and 285 IN ROSWELL, NM GO SOUTH ON SAID U.S. HIGHWAY 285 ABOUT 27 MILES TO A POINT WHERE A NEW ACCESS ROAD BEGINS ON THE WEST (RIGHT SIDE OF SAID HIGHWAY 285, THEN GOE WEST ON SAID ACCESS ROAD 0.3 MILE TO A POINT, THEN SOUTH 242 FEET TO THE PROPOSED LOCATION.



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

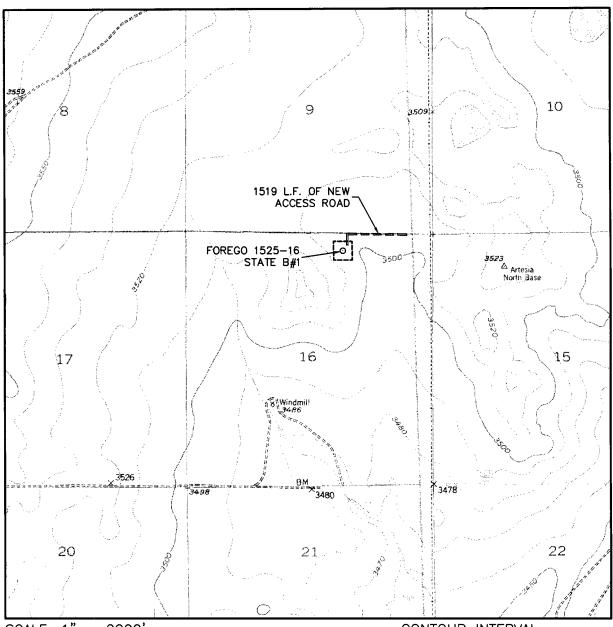
PARALLEL PETROLEUM CORPORATION

FOREGO 1525-16 STATE B*1

Located 300' FNL & 1880' FEL, Section 16 Township 15 South, Range 25 East, N.M.P.M. Chaves County, New Mexico

Drawn By: LVA	Date: June 5, 2006				
Scale: 1"=100'	Field Book: 254 / 26-27				
Revision Date:	Quadrangle: Hagerman SW				
W.O. No: 2006-0456	Dwg. No.: L-2006-0456-A				

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: HAGERMAN SW - 10'

SEC. 16 TWP. 15-S RGE. 25-E SURVEY N.M.P.M. COUNTY CHAVES DESCRIPTION 300' FNL & 1880' FEL ELEVATION 3503' OPERATOR PARALLEL PETROLEUM CORPORATION LEASE FOREGO 1525-16 STATE B U.S.G.S. TOPOGRAPHIC MAP HAGERMAN SW

COMPANY

110 W. LOUISIANA, STE. 110

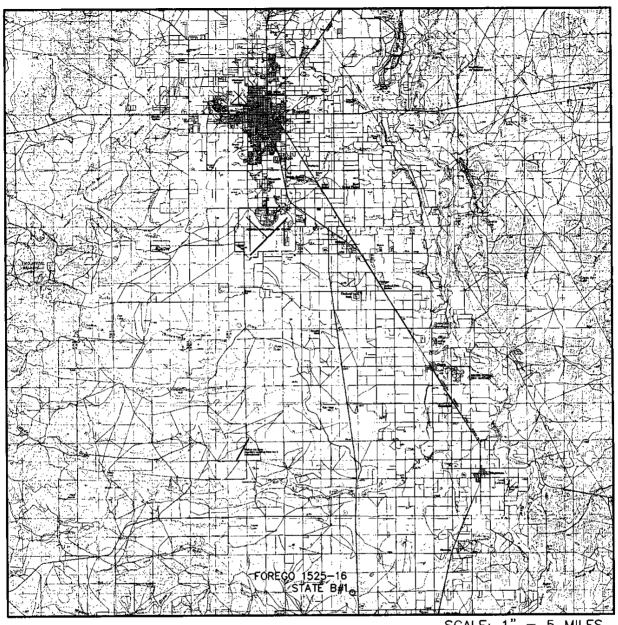
MIDLAND TEXAS, 79701

of Midland, Inc. (432) 687–0865 – (432) 687–0868 FAX

LEASE FOREGO 1525-16 STATE B



VICINITY MAP



SCALE: 1" = 5 MILES

SEC. 16 TWP. 15-S RGE. 25-E SURVEY N.M.P.M. COUNTY CHAVES DESCRIPTION 300' FNL & 1880' FEL ELEVATION 3503' OPERATOR PARALLEL PETROLEUM CORPORATION LEASE FOREGO 1525-16 STATE B



COMPANY 110 W. LOUISIANA, STE. 110
MIDLAND TEXAS, 79701

67 Midland, Inc. (432) 687-0865 - (432) 687-0868 FAX