

AMMO BOX REV2 08/31/06 Proposal

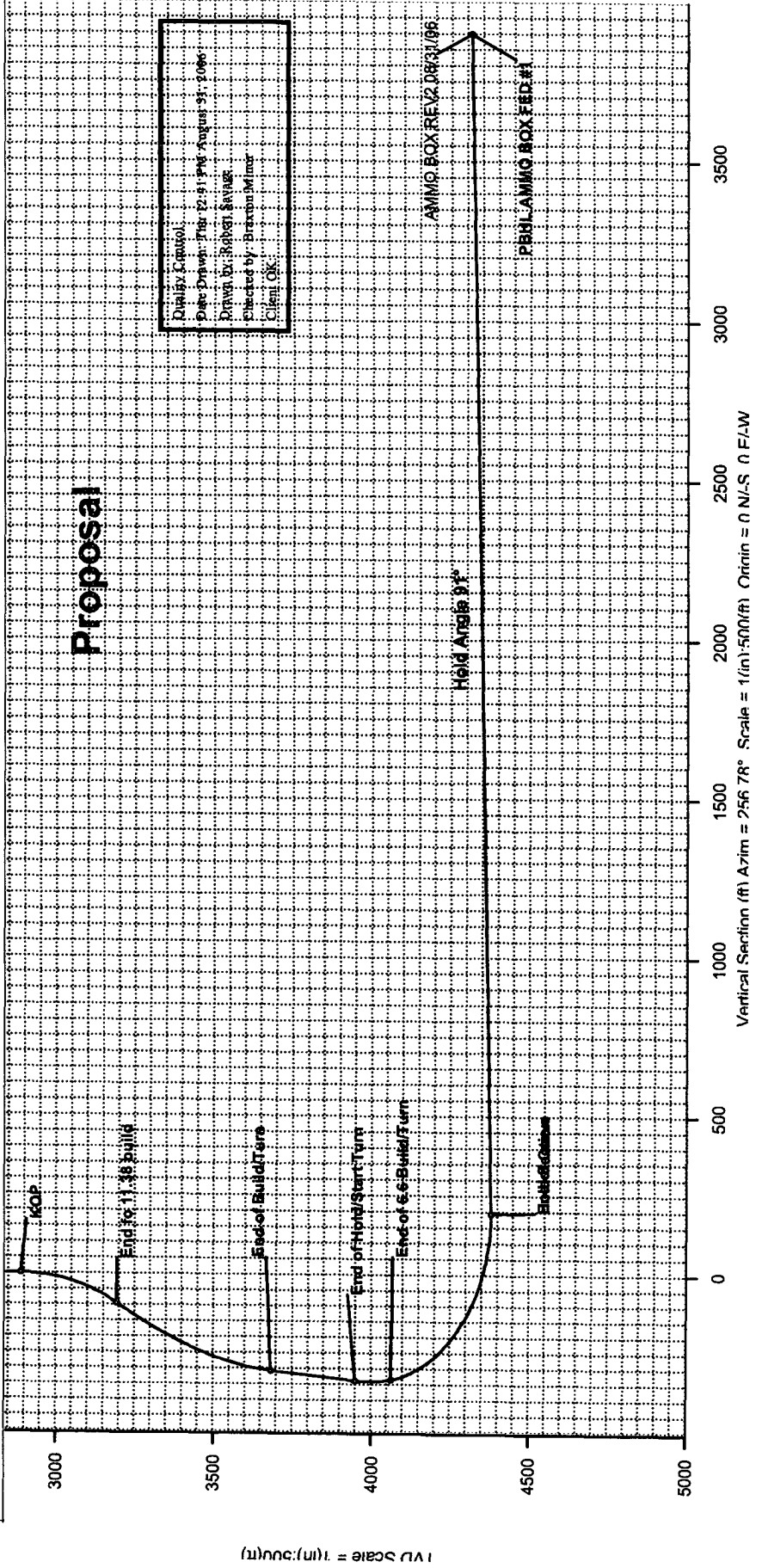
Report Date: August 31, 2006 Client: Parallel Petroleum Field: Eddy County, New Mexico (Parallel Pet.) Structure / Slot: Sec. 11, T19S & R21E - Parallel Petroleum / Ammo Box Federal #1 Well: Ammo Box Federal #1 Borehole: Original Hole UNWAP#: Survey Name / Date: AMMO BOX REV2 08/31/06 / August 31, 2006 Tort / AHD / DOI / ERD ratio: 185.964" / 5403.95 ft / 6.314 / 1.234 Grid Coordinate System: NAD27 New Mexico State Planes, Eastern Zone, US Feet Location Lat/Long: N 32 40 6.126, W 104 45 29.204 Location Grid N/E Y/X: N 607125.100 ftUS, E 369284.400 ftUS Grid Convergence Angle: -0.22928834° Grid Scale Factor: 0.99992866	Survey / DLS Computation Method: Minimum Curvature / Lubinski Vertical Section Azimuth: 256.780° Vertical Section Origin: N 0.000 ft, E 0.000 ft TVD Reference Datum: KB TVD Reference Elevation: 4218.0 ft relative to Sea Bed / Ground Level Elevation: 4217.000 ft relative to Magnetic Declination: 8.753° Total Field Strength: 49259.137 nT Magnetic Dip: 60.520° Declination Date: August 31, 2006 Magnetic Declination Model: BGGM 2006 North Reference: Grid North Total Corr Mag North -> Grid North: +8.982° Local Coordinates Referenced To: Well Head
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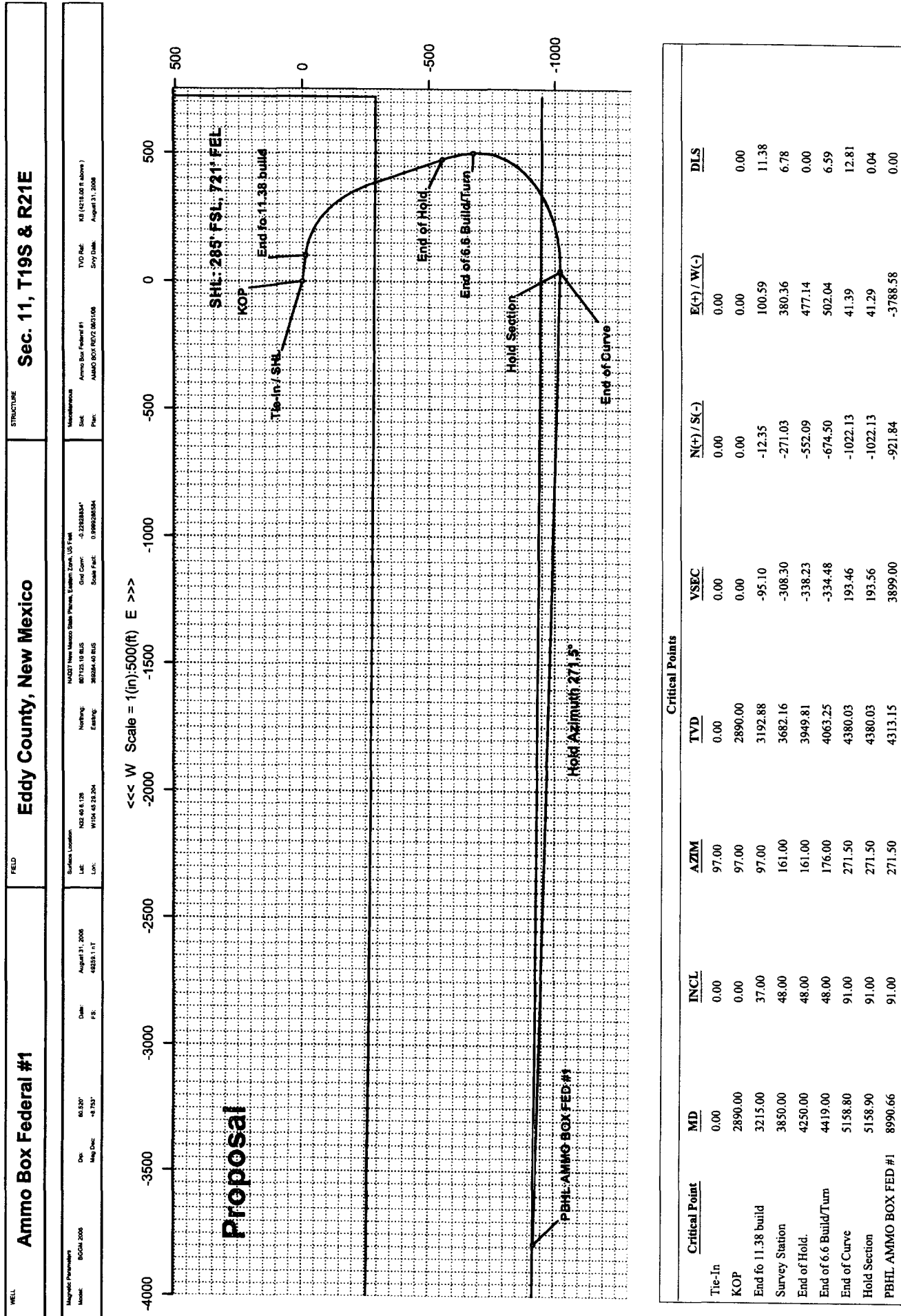
Comments	Measured Depth (ft)	Inclination (deg)	Azimuth (deg)	TVD (ft)	Vertical Section (ft)	NS (ft)	EW (ft)	Closure (ft)	Closure Azimuth (deg)	DLS (deg/100 ft)	Mag / Grav Tool Face (deg)
Tie-In	0.00	0.00	97.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	---
KOP	2890.00	0.00	97.00	2890.00	0.00	0.00	0.00	0.00	0.00	0.00	97.00M
	2900.00	1.14	97.00	2900.00	-0.09	-0.01	0.10	0.10	97.00	11.38	97.00M
	2950.00	6.83	97.00	2949.86	-3.35	-0.44	3.55	3.57	97.00	11.38	HS
	3000.00	12.52	97.00	2999.13	-11.24	-1.46	11.88	11.97	97.00	11.38	HS
	3050.00	18.22	97.00	3047.32	-23.67	-3.07	25.03	25.22	97.00	11.38	HS
	3100.00	23.91	97.00	3093.96	-40.52	-5.26	42.86	43.18	97.00	11.38	HS
	3150.00	29.60	97.00	3138.59	-61.63	-8.00	65.19	65.68	97.00	11.38	HS
	3200.00	35.29	97.00	3180.77	-86.79	-11.27	91.80	92.49	97.00	11.38	HS
End to 11.38 build	3215.00	37.00	97.00	3192.88	-95.10	-12.35	100.59	101.34	97.00	11.38	102.04R
	3250.00	36.57	100.90	3220.91	-114.50	-15.61	121.28	122.28	97.33	6.78	98.92R
	3300.00	36.18	106.58	3261.18	-140.90	-22.64	150.06	151.75	98.58	6.78	94.34R
	3350.00	36.06	112.33	3301.59	-165.69	-32.44	177.82	180.75	100.34	6.78	89.70R
	3400.00	36.21	118.08	3341.98	-188.76	-44.99	204.47	209.36	102.41	6.78	85.05R
	3450.00	36.64	123.75	3382.22	-210.04	-60.23	229.91	237.67	104.68	6.78	80.49R
	3500.00	37.33	129.27	3422.18	-229.46	-78.13	254.06	265.80	107.09	6.78	76.08R
	3550.00	38.27	134.59	3461.70	-246.94	-98.60	276.82	293.86	109.60	6.78	71.87R
	3600.00	39.43	139.67	3500.64	-262.43	-121.58	298.13	321.97	112.19	6.78	67.92R
	3650.00	40.81	144.48	3538.89	-275.87	-146.99	317.91	350.24	114.81	6.78	64.23R
	3700.00	42.37	149.02	3576.29	-287.21	-174.74	336.08	378.79	117.47	6.78	60.84R
	3750.00	44.11	153.28	3612.72	-296.41	-204.74	352.58	407.71	120.14	6.78	57.74R
	3800.00	45.99	157.26	3648.05	-303.45	-236.87	367.36	437.10	122.81	6.78	54.92R
Survey Station	3850.00	48.00	161.00	3682.16	-308.30	-271.03	380.36	467.05	125.47	6.78	---
End of Hold.	4250.00	48.00	161.00	3949.81	-338.23	-552.09	477.14	729.70	139.17	0.00	95.03R
	4300.00	47.80	165.43	3983.34	-340.54	-587.59	487.85	763.72	140.30	6.59	92.06R
	4350.00	47.76	169.88	4016.95	-339.98	-623.75	495.76	796.77	141.52	6.59	89.07R
	4400.00	47.90	174.32	4050.53	-336.54	-660.44	500.85	828.87	142.82	6.59	86.09R
End of 6.6 Build/Turn	4419.00	48.00	176.00	4063.25	-334.48	-674.50	502.04	840.83	143.34	6.59	92.94R
	4450.00	47.92	181.35	4084.02	-329.74	-697.50	502.57	859.70	144.23	12.81	89.36R
	4500.00	48.31	189.94	4117.44	-317.72	-734.48	498.91	887.90	145.81	12.81	83.62R
	4550.00	49.33	198.34	4150.39	-300.44	-770.90	489.72	913.30	147.57	12.81	78.08R
	4600.00	50.94	206.42	4182.47	-278.11	-806.33	475.10	935.88	149.49	12.81	72.90R
	4650.00	53.08	214.08	4213.27	-251.01	-840.30	455.24	955.69	151.55	12.81	68.18R
	4700.00	55.68	221.28	4242.41	-219.47	-872.40	430.39	972.79	153.74	12.81	63.98R
	4750.00	58.68	228.02	4269.53	-183.91	-902.23	400.86	987.28	156.04	12.81	60.32R
	4800.00	62.00	234.32	4294.29	-144.74	-929.42	367.02	999.26	158.45	12.81	57.20R
	4850.00	65.60	240.23	4316.38	-102.48	-953.62	329.29	1008.87	160.95	12.81	54.59R
	4900.00	69.41	245.80	4335.52	-57.63	-974.54	288.13	1016.24	163.53	12.81	52.45R
	4950.00	73.39	251.10	4351.48	-10.77	-991.91	244.08	1021.50	166.18	12.81	50.76R
	5000.00	77.50	256.18	4364.05	37.53	-1005.51	197.66	1024.76	168.88	12.81	49.48R
	5050.00	81.70	261.09	4373.09	86.65	-1015.19	149.47	1026.13	171.62	12.81	48.59R
	5100.00	85.96	265.90	4378.47	135.99	-1020.80	100.11	1025.70	174.40	12.81	48.07R
	5150.00	90.24	270.66	4380.12	184.93	-1022.30	50.19	1023.53	177.19	12.81	47.92R
End of Curve	5158.80	91.00	271.50	4380.03	193.46	-1022.13	41.39	1022.97	177.68	12.81	HS
Hold Section	5158.90	91.00	271.50	4380.03	193.56	-1022.13	41.29	1022.96	177.69	0.04	---
PBHL AMMO BOX FED #1	8990.66	91.00	271.50	4313.15	3899.00	-921.84	-3788.58	3899.12	256.32	0.00	---

WELL	FIELD	STRUCTURE	Sec. 11, T19S & R21E - Parallel Petroleum
Ammo Box Federal #1	Eddy County, New Mexico (Parallel Pet.)		

Magnetic Parameters	Dec: 86.530°	Aug 31, 2006	Surface Location	NAD27 New Mexico State Plane, Eastern Zone, US Feet	AMMO BOX FED #1	TYD Ref: 145.00 ft above
Metric: 86.530°	Mag Dec: +4.753°	48258.1 n	Lat: 34° 42' 42.8"	Northg: 867125.10 BLF	Box: 0.235283844	Aug 31, 2006
			Long: 107° 04' 45.29.204"	Eastg: 348504.40 BLF	Scale Fact: 0.989284864	Aug 31, 2006

Critical Points						
Critical Point	MD	INCL	AZIM	TVD	VSEC	N(+) / S(-)
Tie-In	0.00	0.00	97.00	0.00	0.00	0.00
KOP	2890.00	0.00	97.00	2890.00	0.00	0.00
End of 11.38 build	3215.00	37.00	97.00	3192.88	-95.10	100.59
End of Build/Turn	3850.00	48.00	161.00	3682.16	-308.30	380.36
End of Hold/Start Turn	4250.00	48.00	161.00	3949.81	-338.23	477.14
End of 6.6 Build/Turn	4419.00	48.00	176.00	4063.25	-334.48	502.04
End of Curve	5158.80	91.00	271.50	4380.03	193.46	41.39
Hold Section	5158.90	91.00	271.50	4380.03	193.56	41.29
PBHL AMMO BOX FED #1	8990.66	91.00	271.50	4313.15	3899.00	-3788.58
						0.00





Critical Points

Critical Point	MD	INCL	AZIM	TVD	VSEC	N(+)/S(-)	E(+)/W(-)	DLS
Tie-In	0.00	0.00	97.00	0.00	0.00	0.00	0.00	
KOP	2890.00	0.00	97.00	2890.00	0.00	0.00	0.00	0.00
End of 11.38 build	3215.00	37.00	97.00	3192.88	-95.10	-12.35	100.59	11.38
Survey Station	3850.00	48.00	161.00	3682.16	-308.30	-271.03	380.36	6.78
End of Hold	4250.00	48.00	161.00	3949.81	-338.23	-552.09	477.14	0.00
End of 6.6 Build/Turn	4419.00	48.00	176.00	4063.25	-334.48	-674.50	502.04	6.59
End of Curve	5158.80	91.00	271.50	4380.03	193.46	-1022.13	41.39	12.81
Hold Section	5158.90	91.00	271.50	4380.03	193.56	-1022.13	41.29	0.04
PBHL-AMMO BOX FED #1	8990.66	91.00	271.50	4313.15	3899.00	-921.84	-3788.58	0.00