

Submit 3 Appropriate District
Office
District I
1625 N. French Hobbs, NM 87240
District II
1301 W. 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 and Natural Resources

Form C-103
May 27, 2004

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

WELL API NO. 30-005-63830
5. Indicate Type of Lease STATE ☒ FEE ☐
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name: FOREGO 1525-16B
8. Well Number 1
9. OGRID Number 230387
10. Pool name or Wildcat WILDCAT, WOLF CAMP

SUNDRY NOTICES AND REPORTS ON WELLS
(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.)

1. Type of Well: Oil Well ☐ Gas Well ☒ Other
2. Name of Operator PARALLEL PETROLEUM CORPORATION
3. Address of Operator 1004 N BIG SPRING, SUITE 400, MIDLAND, TX 79701
4. Well Location Unit Letter <u>B</u> : <u>300</u> feet from the <u>NORTH</u> line and <u>1880</u> feet from the <u>EAST</u> line Section <u>16</u> Township <u>15S</u> Range <u>25E</u> NMPM County <u>CHAVES</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) GR: 3424
Pit or Below-grade Tank Application ☐ or Closure ☐ Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____ Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data	
NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐	REMEDIAL WORK ☐ ALTERING CASING ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐	COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐	CASING TEST AND CEMENT JOB ☒
OTHER: ☐	OTHER: LOGS & SURVEYS ATTACHED ☒

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

10-14-2006:

RUN 5.5 CASING, 7.875 HOLE, 17# SET @ 7310; CMT LEAD 650 SX 50/50/10+0.2% FL52+0.2% SMS, 11.6 PPG, 2.43 YIELD. TAIL 700 SX H+0.6% BA10+0.4% CD32+1% FL62+0.1% ASA301+0.4% SM ACID SOLUBLE, 15.6 PPG, 1.42 YIELD. 120 CENTRALIZERS TOTAL. TOC: CIRCULATED TO SURFACE: 298 SX TO PIT. WOC: 11.75 HRS; TEST CSG TO 500 # PSI FOR 30 MINUTES

LOG, GYRO AND MWD ATTACHED

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐ , a general permit ☐ or an (attached) alternative OCD-approved plan ☐

SIGNATURE Kaye Mc Cormick TITLE SR PROD & REG TECHNICIAN DATE 11-16-2006
E-mail address: kmccormick@plll.com
Type or print name KAYE MC CORMICK Telephone No. 432-685-6563

For State Use Only FOR RECORDS ONLY

APPROVED BY _____ TITLE _____ DATE NOV 20 2006
Conditions of Approval, if any:

A Gyrodata Directional Survey

Field Copy Only, not definitive

for

PARALLEL PETROLEUM

Location: J&W DRILLING #6, EDDY COUNTY, NEW MEXICO
Lease: FOREGO 1525-16 STATE B Well: # 1, 4-1/2 DRILLPIPE

Job Number: MD0906GW274

Run Date: 9/18/2006 11:23:30 PM

Surveyor: JAMES KING

Calculation Method: MINIMUM CURVATURE

Survey Latitude: 33.021667 deg. N Longitude: 104.445278 deg. E

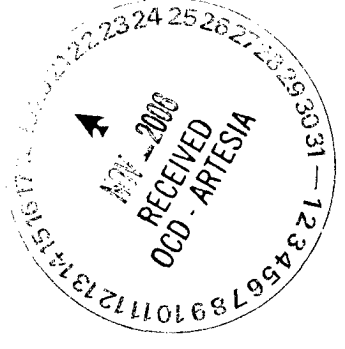
Azimuth Correction:

Gyro: 0.06000 deg East to Grid North

Vertical Section Calculated from Well Head Location

Closure Calculated from Well Head Location

Horizontal Coordinates Calculated from Well Head Location



A Gyrodata Directional Survey

PARALLEL PETROLEUM

Location: J&W DRILLING #6, EDDY COUNTY, NEW MEXICO

Lease: FOREGO 1525-16 STATE B Well: # 1, 4-1/2 DRILLPIPE

Job Number: MD0906GW274

MEASURED DEPTH feet	INCL deg.	AZIMUTH deg.	VERTICAL SECTION feet	DOGLEG SEVERITY deg./ 100 ft.	VERTICAL DEPTH feet	CLOSURE DIST. AZIMUTH feet deg.	HORIZONTAL COORDINATES feet
0.00	0.00	0.00	0.0	0.00	0.00	0.0 0.0	0.00 N 0.00 E
0 - 5160 FT RATE GYROSCOPIC MULTISHOT SURVEY RUN INSIDE 4-1/2 DRILLPIPE							
ALL MEASURED DEPTHS AND COORDINATES REFERENCED TO JW DRILLING RIG # 6 RKB(+13 FT)							
100.00	0.42	346.49	0.4	0.42	100.00	0.4 346.5	0.36 N 0.09 W
200.00	0.43	346.69	1.1	0.00	200.00	1.1 346.6	1.08 N 0.26 W
300.00	0.60	355.94	2.0	0.19	299.99	2.0 349.0	1.96 N 0.38 W
400.00	0.26	341.10	2.7	0.35	399.99	2.7 349.7	2.70 N 0.49 W
500.00	0.32	11.17	3.2	0.16	499.99	3.2 350.9	3.19 N 0.51 W
600.00	0.15	16.67	3.6	0.17	599.99	3.6 353.3	3.60 N 0.42 W
700.00	0.15	11.67	3.9	0.01	699.99	3.9 354.7	3.85 N 0.35 W
800.00	0.75	122.54	3.6	0.82	799.98	3.6 3.6	3.63 N 0.23 E
900.00	0.91	123.23	2.8	0.16	899.97	3.2 27.0	2.84 N 1.45 E
1000.00	0.96	131.48	1.9	0.14	999.96	3.3 56.0	1.85 N 2.74 E
1100.00	0.94	136.71	0.7	0.09	1099.95	4.0 80.0	0.69 N 3.93 E
1200.00	1.13	131.25	-0.6	0.21	1199.93	5.3 96.1	0.56 S 5.23 E
1300.00	1.09	134.38	-1.9	0.07	1299.91	6.9 105.7	1.87 S 6.65 E
1400.00	0.94	135.23	-3.1	0.15	1399.90	8.5 111.5	3.11 S 7.91 E
1500.00	0.87	124.27	-4.1	0.18	1499.88	10.0 114.3	4.12 S 9.11 E
1600.00	0.69	123.11	-4.9	0.18	1599.87	11.3 115.5	4.88 S 10.24 E
1700.00	0.58	118.40	-5.5	0.12	1699.87	12.4 116.0	5.45 S 11.19 E
1800.00	0.57	123.19	-6.0	0.05	1799.86	13.4 116.3	5.96 S 12.05 E
1900.00	0.50	117.01	-6.4	0.09	1899.86	14.4 116.6	6.43 S 12.86 E
2000.00	0.48	112.34	-6.8	0.05	1999.85	15.2 116.5	6.79 S 13.63 E

A Gyrodata Directional Survey

PARALLEL PETROLEUM

Location: J&W DRILLING #6, EDDY COUNTY, NEW MEXICO
 Lease: FOREGO 1525-16 STATE B Well: # 1, 4-1/2 DRILLPIPE
 Job Number: MD0906GW274

MEASURED DEPTH feet	INCL deg.	AZIMUTH deg.	VERTICAL SECTION feet	DOGLEG SEVERITY deg./ 100 ft.	VERTICAL DEPTH feet	CLOSURE DIST. AZIMUTH feet deg.	HORIZONTAL COORDINATES feet
2100.00	0.69	92.07	-7.0	0.30	2099.85	16.2 115.5	6.97 S 14.62 E
2200.00	0.77	85.21	-6.9	0.11	2199.84	17.3 113.6	6.93 S 15.90 E
2300.00	0.66	75.88	-6.7	0.16	2299.83	18.4 111.5	6.74 S 17.13 E
2400.00	0.59	69.21	-6.4	0.10	2399.83	19.3 109.4	6.41 S 18.17 E
2500.00	0.61	48.23	-5.9	0.22	2499.82	19.9 107.1	5.87 S 19.05 E
2600.00	0.58	28.26	-5.1	0.21	2599.82	20.3 104.5	5.07 S 19.69 E
2700.00	0.89	1.52	-3.9	0.45	2699.81	20.3 100.9	3.85 S 19.94 E
2800.00	0.59	353.26	-2.6	0.32	2799.80	20.1 97.4	2.57 S 19.91 E
2900.00	0.63	355.88	-1.5	0.05	2899.80	19.9 94.4	1.52 S 19.81 E
3000.00	0.73	355.10	-0.3	0.11	2999.79	19.7 91.0	0.33 S 19.71 E
3100.00	0.70	357.74	0.9	0.05	3099.78	19.7 87.3	0.92 N 19.63 E
3200.00	0.82	344.34	2.2	0.21	3199.77	19.5 83.5	2.21 N 19.42 E
3300.00	0.79	357.55	3.6	0.19	3299.76	19.5 79.4	3.58 N 19.20 E
3400.00	0.68	359.81	4.9	0.11	3399.75	19.8 75.8	4.86 N 19.16 E
3500.00	0.38	0.77	5.8	0.30	3499.75	20.0 73.2	5.79 N 19.17 E
3600.00	0.57	41.47	6.5	0.37	3599.75	20.6 71.6	6.49 N 19.50 E
3700.00	0.69	50.34	7.3	0.16	3699.74	21.5 70.3	7.25 N 20.29 E
3800.00	0.78	48.88	8.1	0.09	3799.73	22.8 69.2	8.08 N 21.27 E
3900.00	1.24	57.10	9.1	0.49	3899.72	24.5 68.1	9.11 N 22.69 E
4000.00	1.32	69.38	10.1	0.29	3999.69	26.7 67.7	10.11 N 24.68 E
4100.00	1.33	71.05	10.9	0.04	4099.66	29.0 67.9	10.89 N 26.85 E
4200.00	1.46	78.40	11.5	0.22	4199.63	31.4 68.5	11.52 N 29.20 E
4300.00	1.41	80.23	12.0	0.07	4299.60	33.9 69.3	11.99 N 31.66 E
4400.00	1.33	68.07	12.6	0.30	4399.58	36.2 69.6	12.63 N 33.95 E

A Gyrodata Directional Survey

PARALLEL PETROLEUM

Location: J&W DRILLING #6, EDDY COUNTY, NEW MEXICO

Lease: FOREGO 1525-16 STATE B Well: # 1, 4-1/2 DRILLPIPE

Job Number: MD0906GW274

MEASURED DEPTH feet	INCL deg.	AZIMUTH deg.	VERTICAL SECTION feet	DOGLEG SEVERITY deg./ 100 ft.	VERTICAL DEPTH feet	CLOSURE DIST. AZIMUTH feet deg.	HORIZONTAL COORDINATES feet
4500.00	1.33	69.53	13.5	0.03	4499.55	38.5 69.5	13.47 N 36.11 E
4600.00	1.44	71.75	14.3	0.12	4599.52	41.0 69.6	14.27 N 38.39 E
4700.00	1.24	65.70	15.1	0.24	4699.49	43.3 69.6	15.10 N 40.56 E
4800.00	1.26	63.42	16.0	0.06	4799.47	45.5 69.3	16.04 N 42.53 E
4900.00	1.17	83.46	16.6	0.43	4899.45	47.5 69.5	16.65 N 44.53 E
5000.00	1.03	66.34	17.1	0.35	4999.43	49.4 69.7	17.13 N 46.37 E
5100.00	1.20	80.41	17.7	0.32	5099.41	51.4 69.9	17.66 N 48.22 E
5160.00	0.97	80.72	17.9	0.39	5159.40	52.5 70.1	17.85 N 49.35 E

Final Station Closure: Distance: 52.47 ft Az: 70.11 deg.



Job Number: 101005836

State/Country: New Mexico / USA

Company: Parallel

Declination: 8.61

Lease/Well: Forego / 1525-16 St. B #1

Grid: .06

Location: Chaves County

File name: C:\WINSERVE\15836.SVY

Rig Name: JW Rig 6

Date/Time: 14-Oct-06 / 19:26

RKB:

Curve Name: MWD Surveys

G.L. or M.S.L.: GL

Pathfinder

WINSERVE SURVEY CALCULATIONS
Minimum Curvature Method
Vertical Section Plane 255.67
Vertical Section Referenced to Wellhead
Rectangular Coordinates Referenced to Wellhead

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	Vertical Section FT	Course Length FT	N-S FT	E-W FT	BUILD RATE Deg/100	WALK RATE Deg/100	Dogleg Severity Deg/100
Tie In										
4200.00	1.46	78.40	4199.63	-31.14		11.52	29.20	.00	.00	.00
4232.00	3.25	118.09	4231.60	-32.22	32.00	11.17	30.40	5.59	124.03	7.26
4295.00	9.94	139.01	4294.16	-35.98	63.00	6.22	35.55	10.62	33.21	11.11
4327.00	13.81	141.74	4325.47	-38.77	32.00	1.14	39.73	12.09	8.53	12.22
4358.00	18.11	142.79	4355.27	-42.15	31.00	-5.61	44.93	13.87	3.39	13.90
4389.00	22.51	141.74	4384.33	-46.43	31.00	-14.11	51.53	14.19	-3.39	14.24
4420.00	26.56	140.86	4412.53	-51.75	31.00	-24.15	59.58	13.06	-2.84	13.12
4451.00	31.13	139.54	4439.67	-58.19	31.00	-35.63	69.16	14.74	-4.26	14.88
4483.00	35.61	138.75	4466.39	-66.05	32.00	-48.93	80.67	14.00	-2.47	14.07
4515.00	39.75	138.13	4491.71	-75.01	32.00	-63.56	93.65	12.94	-1.94	12.99
4546.00	44.41	137.61	4514.71	-84.70	31.00	-78.96	107.59	15.03	-1.68	15.07
4577.00	48.98	137.17	4535.97	-95.38	31.00	-95.56	122.86	14.74	-1.42	14.78
4609.00	53.82	136.90	4555.93	-107.37	32.00	-113.85	139.90	15.13	-.84	15.14
4640.00	57.07	138.48	4573.51	-119.34	31.00	-132.73	157.08	10.48	5.10	11.29
4672.00	58.30	140.77	4590.62	-131.21	32.00	-153.33	174.59	3.84	7.16	7.17
4703.00	58.21	140.68	4606.93	-142.32	31.00	-173.74	191.28	-.29	-.29	.38
4735.00	58.21	140.77	4623.79	-153.80	32.00	-194.80	208.50	.00	.28	.24
4766.00	59.27	142.26	4639.87	-164.64	31.00	-215.54	224.98	3.42	4.81	5.35
4797.00	61.03	145.96	4655.31	-174.51	31.00	-237.32	240.74	5.68	11.94	11.81
4828.00	61.73	150.44	4670.16	-182.67	31.00	-260.44	255.07	2.26	14.45	12.88
4859.00	62.52	154.74	4684.66	-188.87	31.00	-284.76	267.67	2.55	13.87	12.52
4889.00	63.40	159.32	4698.30	-192.87	30.00	-309.36	278.09	2.93	15.27	13.91
4920.00	62.26	163.62	4712.46	-194.90	31.00	-335.49	286.86	-3.68	13.87	12.88
4952.00	58.21	167.93	4728.35	-194.87	32.00	-362.40	293.70	-12.66	13.47	17.23
4983.00	54.08	171.79	4745.62	-193.01	31.00	-387.73	298.25	-13.32	12.45	16.86
5014.00	51.44	176.72	4764.39	-189.35	31.00	-412.26	300.74	-8.52	15.90	15.25
5045.00	50.03	183.22	4784.02	-183.44	31.00	-436.24	300.77	-4.55	20.97	16.85
5077.00	49.33	189.81	4804.74	-174.77	32.00	-460.46	298.01	-2.19	20.59	15.85

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	Vertical Section FT	Course Length FT	N-S FT	E-W FT	BUILD RATE Deg/100	WALK RATE Deg/100	Dogleg Severity Deg/100
5108.00	51.97	196.67	4824.41	-163.67	31.00	-483.76	292.50	8.52	22.13	19.11
5139.00	58.21	201.77	4842.15	-149.59	31.00	-507.73	284.10	20.13	16.45	24.22
5171.00	63.84	206.60	4857.65	-132.15	32.00	-533.23	272.61	17.59	15.09	21.99
5202.00	69.12	211.87	4870.02	-112.56	31.00	-558.00	258.72	17.03	17.00	23.08
5233.00	74.30	217.15	4879.76	-90.40	31.00	-582.22	242.04	16.71	17.03	23.25
5264.00	78.52	223.12	4887.05	-65.89	31.00	-605.23	222.62	13.61	19.26	23.14
5296.00	80.46	229.71	4892.89	-38.46	32.00	-626.91	199.84	6.06	20.59	21.13
5328.00	83.01	236.57	4897.49	-9.22	32.00	-645.89	174.51	7.97	21.44	22.66
5359.00	87.79	241.23	4899.98	20.35	31.00	-661.83	148.07	15.42	15.03	21.50
5391.00	91.89	245.36	4900.07	51.59	32.00	-676.21	119.49	12.81	12.91	18.18
5439.00	91.98	256.87	4898.44	99.33	48.00	-691.71	74.18	.19	23.98	23.97
5502.00	91.89	263.29	4896.31	162.07	63.00	-702.55	12.19	-.14	10.19	10.19
5564.00	92.07	262.94	4894.17	223.52	62.00	-709.98	-49.33	.29	-.56	.63
5627.00	90.13	263.55	4892.96	285.95	63.00	-717.39	-111.87	-3.08	.97	3.23
5689.00	89.34	266.72	4893.25	347.10	62.00	-722.64	-173.64	-1.27	5.11	5.27
5752.00	90.04	267.24	4893.59	408.87	63.00	-725.96	-236.55	1.11	.83	1.38
5815.00	91.45	270.32	4892.77	470.22	63.00	-727.30	-299.52	2.24	4.89	5.38
5877.00	91.54	270.06	4891.15	530.22	62.00	-727.10	-361.50	.15	-.42	.44
5939.00	90.92	271.64	4889.82	590.04	62.00	-726.18	-423.48	-1.00	2.55	2.74
6002.00	91.10	272.17	4888.71	650.51	63.00	-724.09	-486.43	.29	.84	.89
6066.00	91.10	273.22	4887.48	711.70	64.00	-721.08	-550.35	.00	1.64	1.64
6128.00	90.92	273.31	4886.39	770.79	62.00	-717.55	-612.24	-.29	.15	.32
6191.00	91.01	273.84	4885.33	830.73	63.00	-713.62	-675.11	.14	.84	.85
6255.00	90.92	273.75	4884.25	891.54	64.00	-709.38	-738.96	-.14	-.14	.20
6318.00	90.92	274.19	4883.24	951.35	63.00	-705.02	-801.80	.00	.70	.70
6382.00	90.75	274.10	4882.31	1012.05	64.00	-700.40	-865.63	-.27	-.14	.30
6444.00	90.57	273.92	4881.59	1070.89	62.00	-696.06	-927.47	-.29	-.29	.41
6508.00	91.80	274.36	4880.27	1131.58	64.00	-691.44	-991.29	1.92	.69	2.04
6570.00	91.36	274.10	4878.56	1190.33	62.00	-686.87	-1053.09	-.71	-.42	.82
6633.00	90.22	274.45	4877.69	1250.03	63.00	-682.18	-1115.91	-1.81	.56	1.89
6695.00	89.69	274.19	4877.74	1308.78	62.00	-677.50	-1177.74	-.85	-.42	.95
6758.00	88.11	274.27	4878.95	1368.49	63.00	-672.86	-1240.55	-2.51	.13	2.51
6821.00	88.99	274.71	4880.54	1428.10	63.00	-667.93	-1303.34	1.40	.70	1.56
6884.00	89.25	274.89	4881.51	1487.62	63.00	-662.66	-1366.11	.41	.29	.50
6948.00	88.90	274.36	4882.54	1548.14	64.00	-657.50	-1429.89	-.55	-.83	.99
7010.00	89.08	274.63	4883.64	1606.81	62.00	-652.64	-1491.69	.29	.44	.52
7073.00	88.46	273.22	4884.99	1666.62	63.00	-648.33	-1554.53	-.98	-2.24	2.44
7137.00	89.78	273.84	4885.97	1727.53	64.00	-644.39	-1618.40	2.06	.97	2.28
7200.00	92.77	273.22	4884.57	1787.47	63.00	-640.51	-1681.25	4.75	-.98	4.85
7263.00	92.07	272.69	4881.91	1847.57	63.00	-637.27	-1744.11	-1.11	-.84	1.39
7325.00	91.01	271.82	4880.24	1906.97	62.00	-634.83	-1806.04	-1.71	-1.40	2.21
7388.00	89.69	270.50	4879.86	1967.68	63.00	-633.55	-1869.02	-2.10	-2.10	2.96
7450.00	91.45	270.06	4879.24	2027.67	62.00	-633.25	-1931.02	2.84	-.71	2.93
7513.00	90.75	269.09	4878.03	2088.81	63.00	-633.72	-1994.00	-1.11	-1.54	1.90
7576.00	89.96	268.65	4877.64	2150.14	63.00	-634.96	-2056.99	-1.25	-.70	1.44
7639.00	90.66	269.62	4877.30	2211.41	63.00	-635.91	-2119.98	1.11	1.54	1.90
7702.00	92.15	270.06	4875.76	2272.47	63.00	-636.09	-2182.96	2.37	.70	2.47
7767.00	92.77	271.20	4872.97	2335.21	65.00	-635.37	-2247.89	.95	1.75	2.00
7830.00	91.01	269.79	4870.89	2396.08	63.00	-634.83	-2310.85	-2.79	-2.24	3.58

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	Vertical Section FT	Course Length FT	N-S FT	E-W FT	BUILD RATE Deg/100	WALK RATE Deg/100	Dogleg Severity Deg/100
7893.00	88.64	268.74	4871.08	2457.31	63.00	-635.64	-2373.84	-3.76	-1.67	4.11
7957.00	89.25	269.35	4872.26	2519.56	64.00	-636.70	-2437.82	.95	.95	1.35
8019.00	89.43	269.00	4872.97	2579.84	62.00	-637.60	-2499.81	.29	-.56	.63
8083.00	89.34	268.38	4873.66	2642.19	64.00	-639.06	-2563.79	-.14	-.97	.98
8146.00	89.52	268.83	4874.29	2703.59	63.00	-640.59	-2626.77	.29	.71	.77
8180.00	89.52	268.83	4874.57	2736.70	34.00	-641.29	-2660.76	.00	.00	.00
Projection to Bit										
8235.00	89.52	268.83	4875.03	2790.25	55.00	-642.41	-2715.75	.00	.00	.00