

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED
OMB NO. 1004-0137
Expires March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

PARALLEL PETROLEUM CORPORATION

3a. Address

1104 N. BIG SPRING, SUITE 400, MIDLAND TX 79701

3b. Phone No. (include area code)

432-685-6563

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

SURFACE: 660 ENL & 660 FEL, SEC 33, T18S, R21E

EHL: 660 ENL & 660 FWL, SEC 33, T18S, R21E

5. Lease Serial No.

NM NM 108920

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

HANNAH 33 FEDERAL 4

9. API Well No.

30-015-35087

10. Field and Pool, or Exploratory Area

WILDCAT, WOLF CAMP 96086

11. County or Parish, State

EDDY COUNTY NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☐ Notice of Intent☒ Subsequent Report☐ Final Abandonment Notice

TYPE OF ACTION

☐ Acidize☐ Alter Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Fracture Treat☐ New Construction☐ Plug and Abandon☐ Plug Back☐ Production (Start/Resume)☐ Reclamation☐ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☐ Well Integrity☒ Other TD INFO

PROD CSG

SURVEYS & LOGS

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

11-13-06:

TD WELL @ 7655; MWD & GYRO SURVEYS ATTACHED; PLATFORM EXPRESS, THREE-DETECTOR LITHO-DENSITY, CN/HNGS LOG ATTACHED

11-14-06:

RUN 5.5 PRODUCTION CASING, 7.875" HOLE, 17#, SET @ 7655.

QMT W/LEAD W/500 SX 50/50 POZ + 0.2% FL-S2A + 0.2% SMS, 11.6 PPG, 2.43 YIELD;

TAIL: 445 SX C + 20# CA CO3 + 0.6% BA-10A + 0.4% CD-32 + 1% FL 62, 15.6 PPG, 1.42 YIELD.

105 CENTRALIZERS

TOC: CIRCULATED 150 SX TO SURFACE

WOC: 8 HR

TEST CASING TO 1500 PSI FOR 30 MINUTES.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

KAYE MC CORMICK

Title

SR PROD & REG TECHNICIAN

Date 12-18-2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

DEC 20 2006

Title 18 U.S.C. Section 1001, and Title 43 U.S.C. Section 1212, makes it a crime for any person knowingly and willfully to make any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

KAYE MC CORMICK
PETROLEUM ENGINEER

Page 1

HANNAH 33 FED #4 - GYRO.txt							
600.00	599.92	8.99	1.10	288.33	2.70	-8.99	0.29
700.00	699.89	11.13	1.42	276.99	3.15	-11.13	0.40
800.00	799.84	14.29	2.31	287.03	3.89	-14.29	0.94
900.00	899.73	18.89	3.08	272.72	4.61	-18.89	1.02
1000.00	999.59	24.27	3.10	274.74	4.96	-24.27	0.11
1100.00	1099.45	29.45	2.84	270.61	5.21	-29.45	0.34
1200.00	1199.35	33.94	2.39	255.50	4.71	-33.94	0.82
1300.00	1299.27	37.84	2.19	259.64	3.85	-37.84	0.26
1400.00	1399.20	41.29	1.83	259.33	3.21	-41.29	0.36
1500.00	1499.16	44.32	1.69	263.26	2.74	-44.32	0.18
1600.00	1599.12	46.80	1.21	253.63	2.27	-46.80	0.54
1700.00	1699.10	48.92	1.29	258.85	1.75	-48.92	0.14
1800.00	1799.08	50.94	1.12	250.35	1.21	-50.94	0.25
1900.00	1899.06	52.82	1.16	251.76	0.56	-52.82	0.05
2000.00	1999.04	54.70	1.11	251.07	-0.07	-54.70	0.05
2100.00	2099.02	56.53	1.13	247.14	-0.77	-56.53	0.08
2200.00	2199.00	58.11	1.07	226.23	-1.80	-58.11	0.40
2300.00	2298.99	59.37	0.93	226.55	-3.00	-59.37	0.14
2400.00	2398.97	60.51	0.97	220.16	-4.21	-60.51	0.11
2500.00	2498.96	61.62	0.98	221.36	-5.49	-61.62	0.02
2600.00	2598.94	62.77	1.00	222.56	-6.78	-62.77	0.03
2700.00	2698.93	63.80	0.66	229.05	-7.80	-63.80	0.35
2800.00	2798.93	64.62	0.46	257.13	-8.27	-64.62	0.33
2900.00	2898.93	65.25	0.29	251.10	-8.44	-65.25	0.17
3000.00	2998.92	65.72	0.26	261.42	-8.55	-65.72	0.06
3100.00	3098.92	65.81	0.22	43.84	-8.45	-65.81	0.45
3200.00	3198.92	65.49	0.25	59.38	-8.20	-65.49	0.07
3300.00	3298.92	64.93	0.43	89.72	-8.09	-64.93	0.25
3400.00	3398.92	64.44	0.78	170.64	-8.76	-64.44	0.83
3500.00	3498.90	64.29	0.98	177.58	-10.28	-64.29	0.23
3600.00	3598.89	64.14	0.92	171.23	-11.93	-64.14	0.12
3700.00	3698.88	63.70	0.64	146.35	-13.19	-63.70	0.43
3800.00	3798.88	62.95	0.57	117.85	-13.88	-62.95	0.31
3900.00	3898.87	62.16	0.48	123.11	-14.35	-62.16	0.10
4000.00	3998.87	61.51	0.46	129.79	-14.83	-61.51	0.06
4100.00	4098.86	61.09	0.38	161.65	-15.40	-61.09	0.24
4200.00	4198.86	61.12	0.26	215.49	-15.90	-61.12	0.31
4272.00	4270.86	61.59	0.77	230.38	-16.34	-61.59	0.73

The Horizontal Displacement (in Feet) at
Measured Depth 4272.00 is 63.72 in a Direction of 255.14 Degrees
%%%

□

Pathfinder

Survey Report

Page 1
Job No: 101005959 WT-WT
Date: 11/13/2006
Time: 9:13 am
Wellpath ID: 1005959
Date Created: 11/2/2006
Last Revision: 11/13/2006

Calculated using the Minimum Curvature Method
Computed using PDS VER2.2.6
Vertical Section Plane: 270.25 deg.

Survey Reference: WELLHEAD
Vertical Section Reference: WELLHEAD
Closure Reference: WELLHEAD
TVD Reference: WELLHEAD

Parrallel Petroleum
Eddy Co. N.M.
Patterson #144
Hanna 33 FED #4
1005959

KBH:18'
DEC:8.71°

Pathfinder Office Supervisor:
Shawn Cook
Pathfinder Directional Driller:
Brad Long

Measured Depth (ft)	Incl (deg.)	Drift Dir. (deg.)	TVD (ft)	Course Length (ft)	Vertical Section (ft)	T O T A L Rectangular Offsets (ft)		Closure Dist. Dir. (ft) (deg.)	DLS (dg/100ft)
Tied Into Gyro									
3700.00	0.64	146.35	3698.89	0.00	63.64	13.19 S	63.70W	65.05@258.30	0.00
3742.00	7.65	251.80	3740.77	42.00	66.17	14.26 S	66.23W	67.75@257.85	18.68
3773.00	12.75	254.97	3771.27	31.00	71.43	15.79 S	71.50W	73.22@257.54	16.54
3805.00	17.85	255.93	3802.12	32.00	79.59	17.90 S	79.67W	81.66@257.34	15.96
3837.00	21.81	256.72	3832.22	32.00	90.13	20.46 S	90.22W	92.51@257.22	12.40
3868.00	24.97	258.48	3860.67	31.00	102.13	23.09 S	102.24W	104.81@257.27	10.44
3899.00	28.14	261.29	3888.40	31.00	115.77	25.51 S	115.88W	118.65@257.59	11.00
3930.00	31.92	263.23	3915.23	31.00	131.13	27.58 S	131.25W	134.11@258.13	12.59
3962.00	35.79	264.63	3941.80	32.00	148.84	29.45 S	148.97W	151.86@258.82	12.34
3994.00	39.66	265.78	3967.11	32.00	168.34	31.08 S	168.48W	171.32@259.55	12.29
4026.00	43.53	267.01	3991.03	32.00	189.53	32.41 S	189.68W	192.43@260.30	12.36
4057.00	47.40	267.71	4012.77	31.00	211.60	33.42 S	211.75W	214.37@261.03	12.59
4088.00	51.44	268.33	4032.93	31.00	235.12	34.23 S	235.27W	237.75@261.72	13.12
4119.00	55.13	268.94	4051.46	31.00	259.96	34.82 S	260.11W	262.43@262.38	12.01
4150.00	58.65	269.29	4068.39	31.00	285.91	35.22 S	286.07W	288.23@262.98	11.39
4182.00	62.34	269.12	4084.15	32.00	313.75	35.61 S	313.91W	315.92@263.53	11.54
4213.00	66.21	269.03	4097.60	31.00	341.67	36.06 S	341.83W	343.73@263.98	12.49
4244.00	70.00	269.38	4109.16	31.00	370.42	36.45 S	370.59W	372.38@264.38	12.27
4275.00	74.92	269.99	4118.50	31.00	399.97	36.61 S	400.14W	401.81@264.77	15.98
4306.00	79.67	270.17	4125.32	31.00	430.20	36.57 S	430.37W	431.92@265.14	15.33
4338.00	83.80	270.17	4129.92	32.00	461.86	36.48 S	462.03W	463.47@265.49	12.91
4371.00	84.24	269.20	4133.36	33.00	494.68	36.66 S	494.85W	496.20@265.76	3.21
4402.00	84.33	269.47	4136.44	31.00	525.53	37.02 S	525.69W	526.95@265.97	0.91
4434.00	86.61	269.47	4138.97	32.00	557.42	37.31 S	557.59W	558.84@266.17	7.12
4465.00	89.60	269.47	4139.99	31.00	588.40	37.60 S	588.57W	589.77@266.34	9.65
4496.00	91.36	269.59	4139.73	31.00	619.39	37.85 S	619.56W	620.72@266.50	5.69

Pathfinder Survey Report

Page 2
Date: 11/13/2006
Wellpath ID: 1005959

Measured Depth (ft)	Incl (deg.)	Drift Dir. (deg.)	TVD (ft)	Course Length (ft)	Vertical Section (ft)	T O T A L Rectangular Offsets (ft)		Closure Dist. Dir. (ft) (deg.)	DLS (dg/100ft)
4527.00	91.63	269.82	4138.93	31.00	650.38	38.01 S	650.55W	651.66@266.66	1.14
4559.00	92.51	270.35	4137.77	32.00	682.36	37.96 S	682.53W	683.55@266.82	3.21
4591.00	92.59	270.17	4136.35	32.00	714.33	37.82 S	714.50W	715.50@266.97	0.62
4622.00	92.59	270.26	4134.95	31.00	745.30	37.70 S	745.47W	746.42@267.10	0.29
4652.00	92.42	270.35	4133.63	30.00	775.27	37.54 S	775.44W	776.35@267.23	0.64
4714.00	92.15	270.61	4131.16	62.00	837.22	37.03 S	837.39W	838.20@267.47	0.60
4775.00	91.80	271.14	4129.06	61.00	898.18	36.09 S	898.34W	899.07@267.70	1.04
4837.00	91.28	270.52	4127.39	62.00	960.15	35.20 S	960.31W	960.96@267.90	1.30
4898.00	91.28	269.91	4126.03	61.00	1021.13	34.97 S	1021.30W	1021.90@268.04	1.00
4959.00	90.92	269.38	4124.86	61.00	1082.12	35.35 S	1082.28W	1082.86@268.13	1.05
5020.00	91.10	269.20	4123.79	61.00	1143.10	36.10 S	1143.27W	1143.84@268.19	0.42
5081.00	91.89	268.77	4122.19	61.00	1204.07	37.18 S	1204.24W	1204.81@268.23	1.47
5142.00	92.59	269.12	4119.81	61.00	1265.00	38.30 S	1265.18W	1265.76@268.27	1.28
5202.00	92.07	269.20	4117.37	60.00	1324.94	39.18 S	1325.13W	1325.70@268.31	0.88
5262.00	91.28	269.12	4115.62	60.00	1384.91	40.06 S	1385.09W	1385.67@268.34	1.32
5323.00	90.40	269.03	4114.72	61.00	1445.89	41.05 S	1446.08W	1446.66@268.37	1.45
5382.00	91.89	269.56	4113.54	59.00	1504.86	41.77 S	1505.06W	1505.64@268.41	2.68
5442.00	90.92	268.85	4112.07	60.00	1564.83	42.60 S	1565.03W	1565.61@268.44	2.00
5504.00	91.36	269.03	4110.84	62.00	1626.81	43.75 S	1627.01W	1627.60@268.46	0.77
5566.00	91.45	268.77	4109.32	62.00	1688.77	44.94 S	1688.98W	1689.56@268.48	0.44
5630.00	91.45	268.50	4107.70	64.00	1752.72	46.47 S	1752.94W	1753.56@268.48	0.42
5694.00	91.54	268.06	4106.03	64.00	1816.66	48.39 S	1816.89W	1817.54@268.47	0.70
5758.00	91.71	268.06	4104.21	64.00	1880.59	50.55 S	1880.83W	1881.51@268.46	0.27
5823.00	91.45	267.62	4102.42	65.00	1945.51	53.00 S	1945.76W	1946.48@268.44	0.79
5887.00	91.28	267.10	4100.90	64.00	2009.41	55.95 S	2009.67W	2010.45@268.41	0.85
5952.00	91.63	267.62	4099.25	65.00	2074.31	58.94 S	2074.58W	2075.42@268.37	0.96
6016.00	91.80	267.89	4097.33	64.00	2138.22	61.45 S	2138.50W	2139.35@268.35	0.50
6080.00	90.84	268.06	4095.86	64.00	2202.15	63.71 S	2202.45W	2203.37@268.34	1.52
6144.00	90.31	267.97	4095.22	64.00	2266.10	65.92 S	2266.40W	2267.36@268.33	0.84
6208.00	90.22	269.03	4094.92	64.00	2330.06	67.60 S	2330.38W	2331.36@268.34	1.66
6273.00	90.48	269.29	4094.52	65.00	2395.05	68.55 S	2395.37W	2396.35@268.36	0.57
6337.00	90.75	269.12	4093.84	64.00	2459.04	69.44 S	2459.36W	2460.34@268.38	0.50
6401.00	90.92	268.77	4092.90	64.00	2523.01	70.62 S	2523.35W	2524.33@268.40	0.61
6466.00	91.01	268.50	4091.81	65.00	2587.98	72.17 S	2588.32W	2589.32@268.40	0.44
6563.00	90.75	268.68	4090.32	97.00	2684.93	74.55 S	2685.28W	2686.31@268.41	0.33
6659.00	90.57	268.41	4089.21	96.00	2780.88	76.99 S	2781.24W	2782.30@268.41	0.34
6755.00	91.71	269.64	4087.30	96.00	2876.83	78.62 S	2877.20W	2878.28@268.43	1.75
6851.00	91.45	269.38	4084.66	96.00	2972.79	79.44 S	2973.16W	2974.22@268.47	0.38
6947.00	91.10	268.94	4082.52	96.00	3068.75	80.85 S	3069.13W	3070.15@268.49	0.59
7044.00	91.36	269.82	4080.44	97.00	3165.71	81.90 S	3166.10W	3167.16@268.52	0.95
7140.00	91.28	269.73	4078.23	96.00	3261.68	82.28 S	3262.07W	3263.11@268.56	0.13
7237.00	90.92	268.85	4076.36	97.00	3358.65	83.48 S	3359.05W	3360.06@268.58	0.98
7333.00	90.22	266.83	4075.41	96.00	3454.55	87.10 S	3454.97W	3456.07@268.56	2.23
7398.00	90.92	268.77	4074.76	65.00	3519.49	89.59 S	3519.91W	3521.05@268.54	3.17
7494.00	91.10	268.77	4073.07	96.00	3615.44	91.65 S	3615.88W	3617.04@268.55	0.19
7591.00	91.01	268.59	4071.28	97.00	3712.39	93.89 S	3712.83W	3714.02@268.55	0.21

Straight line projection to bit

Pathfinder

Survey Report

Page 3

Date: 11/13/2006

Wellpath ID: 1005959

Measured Depth (ft)	Incl (deg.)	Drift Dir. (deg.)	TVD (ft)	Course Length (ft)	Vertical Section (ft)	T O T A L Rectangular Offsets (ft) (ft)		Closure Dist. (ft)	Dir. (deg.)	DLS (dg/100ft)
7655.00	91.01	268.59	4070.16	64.00	3776.35	95.46 S	3776.8CW	3778.01@	268.55	0.00