

UNITED STATES
DEPARTMENT OF THE INTERIOR **OCD-ARTESIA**
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0137
Expires March 31, 2007Month - Year
FEB 14 2007
OCD - ARTESIA, NM**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

1004 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)

SL: 300 FSL & 700 FEL, SEC 8, T19S, R21E**BHL: 660 FSL & 660 FEL, SEC 8, T19S, R21E**

5. Lease Serial No.

NM NM 104616

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
36054

8. Well Name and No.

PANDORA'S BOX 1921 1**-8 FEDERAL**

9. API Well No.

30-015-3516610. Field and Pool, or Exploratory Area
GARDNER DRAW; MORROW

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

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 recomple 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 recomple 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.)

12-27-2006:

TOTAL DEPTH ON MORROW PRIMARY TARGET @ 7500'. RUN OPEN-HOLE LOG, GYRO SURVEY & DST (ALL ATTACHED)

01-04-2007:

SET 150 SX H NEET PLUG FROM 7030 - 7410, 15.6 PPG, 1.18 YLD,

WOC: 6 HOURS; TAG TOC @ 7000.

SET 225 SX H + 0.2% H031 + 5% SALT, 18 PPG, 0.9 YLD FROM 3550 - 4000,

WOC: 24 HOURS

DRILL OUT CMT TO 3750. KICK OFF POINT

ACCEPTED FOR RECORD
FEB 12 2007
LES BABYAK
PETROLEUM ENGINEER14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)**KAYE MC CORMICK**

Title

SR PROD & REG TECHDate **01-23-2007**

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

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 to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Accepted for record - NMOCD

2/19/07



Directional Services

Job Number: 0611175051906

Company: Parallel Petroleum Corp.

Lease/Well: Pandoras Box 1921-8 Federal, Well #1

Location: Eddy County, New Mexico

Rig Name: Patterson #624

RKB: 22'

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

State/Country: New Mexico/USA

Declination: 8.96°

Grid: East To Grid

File name: F:\SURVEY\2006SU~1\PARALL~1\BOX1921.SVY

Date/Time: 28-Dec-06 / 14:40

Curve Name: Surface - 7460' M.D.

We hereby certify that our survey data from
Surface MD to 7460' MD is, to the best of
our knowledge a true and accurate account of the
well bore.

Dana Outtle
Multi-Shot

12-28-06
Date

WINSERVE SURVEY CALCULATIONS
Minimum Curvature Method
Vertical Section Plane .00
Vertical Section Referenced to Wellhead
Rectangular Coordinates Referenced to Wellhead

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	N-S FT	E-W FT	Vertical Section FT	CLOSURE Distance FT	Direction Deg	Dogleg Severity Deg/100
.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
100.00	1.00	275.81	99.99	.09	-.87	.09	.87	275.81	1.00
200.00	1.25	287.78	199.98	.51	-2.77	.51	2.82	280.41	.34
300.00	1.25	228.76	299.96	.12	-4.63	.12	4.64	271.53	1.23
400.00	2.00	271.73	399.92	-.54	-7.20	-.54	7.22	265.69	1.38
500.00	1.00	297.69	499.88	-.08	-9.72	-.08	9.72	269.50	1.18
600.00	1.00	99.66	599.88	.17	-9.63	.17	9.63	271.04	1.98
700.00	1.75	134.62	699.85	-1.04	-7.68	-1.04	7.75	262.26	1.09
800.00	2.50	126.58	799.78	-3.42	-4.84	-3.42	5.93	234.79	.81
900.00	3.75	117.54	899.63	-6.23	-.19	-6.23	6.23	181.76	1.34
1000.00	4.00	129.48	999.40	-9.96	5.40	-9.96	11.33	151.53	.84
1100.00	3.50	118.33	1099.19	-13.62	10.78	-13.62	17.37	141.65	.88

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	N-S FT	E-W FT	Vertical Section FT	CLOSURE		Dogleg Severity Deg/100
							Distance FT	Direction Deg	
1200.00	2.75	129.31	1199.04	-16.59	15.32	-16.59	22.59	137.28	.96
1300.00	2.50	121.29	1298.94	-19.25	19.04	-19.25	27.07	135.30	.44
1400.00	2.00	109.27	1398.86	-20.95	22.55	-20.95	30.79	132.89	.68
1500.00	1.25	107.25	1498.82	-21.85	25.24	-21.85	33.39	130.88	.75
1600.00	1.25	85.23	1598.80	-22.09	27.37	-22.09	35.17	128.90	.48
1700.00	1.75	92.20	1698.76	-22.05	29.98	-22.05	37.22	126.34	.53
1800.00	1.50	99.16	1798.72	-22.32	32.80	-22.32	39.68	124.23	.32
1900.00	1.00	162.13	1898.70	-23.36	34.36	-23.36	41.55	124.21	1.37
2000.00	.75	46.11	1998.70	-23.74	35.10	-23.74	42.37	124.07	1.49
2100.00	.25	266.08	2098.69	-23.30	35.36	-23.30	42.34	123.38	.96
2200.00	1.00	85.10	2198.69	-23.24	36.01	-23.24	42.85	122.84	1.25
2300.00	1.00	78.12	2298.67	-22.98	37.73	-22.98	44.18	121.35	.12
2400.00	1.00	114.14	2398.66	-23.16	39.38	-23.16	45.69	120.46	.62
2500.00	1.00	175.16	2498.65	-24.39	40.25	-24.39	47.06	121.21	1.02
2600.00	1.00	103.16	2598.64	-25.46	41.17	-25.46	48.41	121.73	1.18
2700.00	1.00	221.21	2698.63	-26.31	41.45	-26.31	49.09	122.41	1.71
2800.00	1.00	3.23	2798.62	-26.10	40.92	-26.10	48.54	122.53	1.89
2900.00	4.00	352.21	2898.52	-21.77	40.50	-21.77	45.98	118.26	3.02
3000.00	5.00	2.25	2998.21	-13.96	40.20	-13.96	42.55	109.15	1.27
3100.00	7.50	8.31	3097.61	-3.14	41.31	-3.14	41.43	94.35	2.58
3200.00	10.50	7.33	3196.36	12.35	43.42	12.35	45.14	74.12	3.00
3300.00	14.00	358.20	3294.08	33.49	44.20	33.49	55.46	52.85	3.99
3400.00	12.50	357.25	3391.42	56.39	43.30	56.39	71.10	37.52	1.52
3500.00	12.50	356.24	3489.05	78.00	42.07	78.00	88.62	28.34	.22
3600.00	12.00	356.28	3586.77	99.17	40.69	99.17	107.20	22.31	.50
3700.00	12.50	357.31	3684.49	120.36	39.51	120.36	126.67	18.17	.55
3800.00	13.00	359.36	3782.03	142.41	38.87	142.41	147.62	15.27	.67
3900.00	13.00	358.36	3879.46	164.90	38.43	164.90	169.32	13.12	.22
4000.00	13.00	.43	3976.90	187.39	38.19	187.39	191.25	11.52	.47
4100.00	12.50	.47	4074.43	209.46	38.36	209.46	212.95	10.38	.50
4200.00	12.75	.48	4172.02	231.32	38.54	231.32	234.51	9.46	.25
4300.00	12.50	358.46	4269.60	253.17	38.34	253.17	256.06	8.61	.51

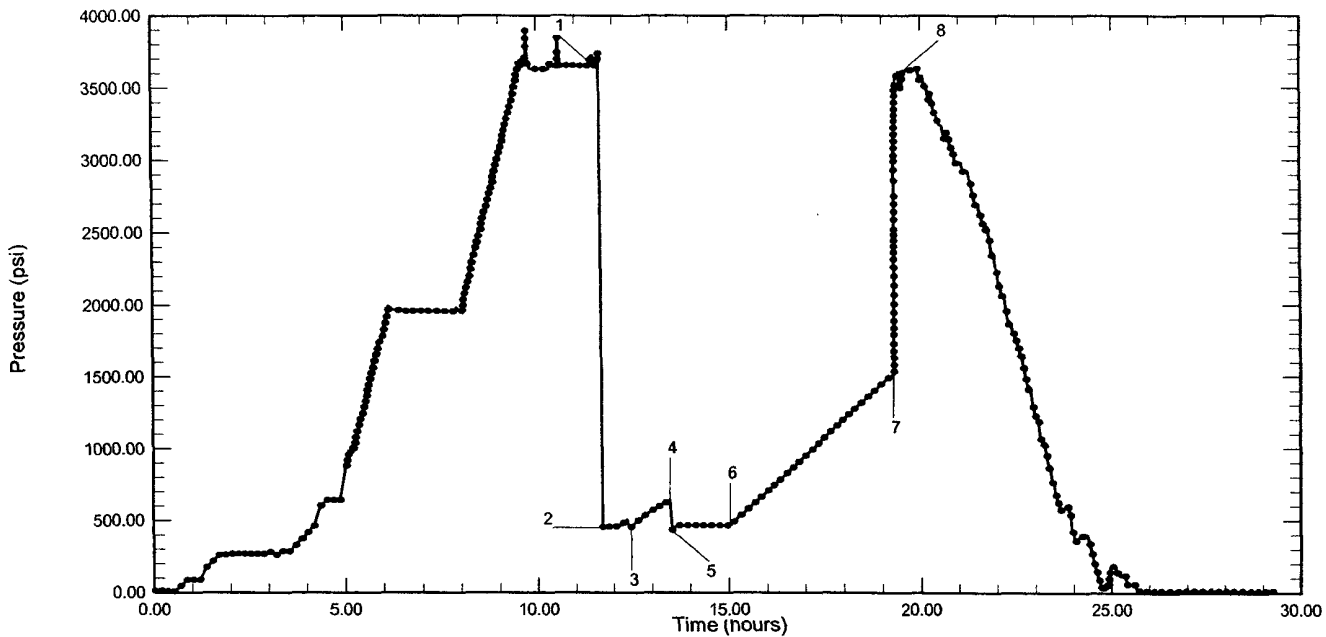
Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	N-S FT	E-W FT	Vertical Section FT	CLOSURE		Dogleg Severity Deg/100
							Distance FT	Direction Deg	
4400.00	11.50	359.43	4367.41	273.96	37.95	273.96	276.57	7.89	1.02
4500.00	9.50	5.48	4465.74	292.14	38.64	292.14	294.69	7.54	2.28
4600.00	8.00	4.40	4564.57	307.30	39.97	307.30	309.88	7.41	1.51
4700.00	7.00	356.26	4663.72	320.32	40.10	320.32	322.82	7.14	1.46
4800.00	4.00	7.26	4763.25	329.86	40.14	329.86	332.29	6.94	3.17
4900.00	1.00	354.17	4863.14	334.19	40.50	334.19	336.63	6.91	3.03
5000.00	.75	147.09	4963.14	334.51	40.76	334.51	336.98	6.95	1.70
5100.00	.75	155.02	5063.13	333.36	41.40	333.36	335.92	7.08	.10
5200.00	1.25	117.93	5163.11	332.26	42.64	332.26	334.98	7.31	.79
5300.00	1.25	152.85	5263.09	330.78	44.10	330.78	333.70	7.59	.75
5400.00	1.00	153.78	5363.07	329.02	44.98	329.02	332.09	7.78	.25
5500.00	.75	170.30	5463.06	327.60	45.48	327.60	330.74	7.90	.35
5600.00	.50	144.22	5563.05	326.60	45.84	326.60	329.80	7.99	.37
5700.00	.50	133.14	5663.05	325.95	46.42	325.95	329.23	8.10	.10
5800.00	1.00	182.06	5763.04	324.77	46.70	324.77	328.12	8.18	.77
5900.00	1.00	248.99	5863.03	323.59	45.86	323.59	326.82	8.07	1.10
6000.00	.75	92.90	5963.03	323.24	45.70	323.24	326.46	8.05	1.71
6100.00	.75	163.82	6063.02	322.58	46.53	322.58	325.92	8.21	.87
6200.00	.25	185.75	6163.01	321.74	46.69	321.74	325.11	8.26	.53
6300.00	1.25	173.66	6263.00	320.44	46.79	320.44	323.83	8.31	1.01
6400.00	1.00	205.59	6362.99	318.56	46.53	318.56	321.95	8.31	.66
6500.00	1.25	237.44	6462.97	317.19	45.24	317.19	320.40	8.12	.66
6600.00	1.50	262.21	6562.94	316.43	43.02	316.43	319.34	7.74	.64
6700.00	1.50	262.98	6662.91	316.09	40.43	316.09	318.66	7.29	.02
6800.00	1.00	262.75	6762.88	315.82	38.26	315.82	318.13	6.91	.50
6900.00	1.00	254.52	6862.87	315.48	36.55	315.48	317.59	6.61	.14
7000.00	2.00	255.30	6962.83	314.80	34.03	314.80	316.63	6.17	1.00
7100.00	1.25	277.06	7062.79	314.49	31.26	314.49	316.04	5.68	.96
7200.00	1.50	281.82	7162.76	314.89	28.89	314.89	316.22	5.24	.27
7300.00	.50	242.60	7262.75	314.96	27.22	314.96	316.13	4.94	1.16
7400.00	1.25	223.37	7362.73	313.97	26.09	313.97	315.05	4.75	.80
Last Survey Depth Recorded									
7460.00	1.50	272.14	7422.72	313.52	24.85	313.52	314.50	4.53	1.93

Schlumberger

Label Point Data Parallel Petroleum Openhole Drillstem Test

Pandora's Box 1921-8 Fed.
Wildcat

11279950
02-Jan-07



Label Point / Comments	Date (dd-mmm-yy)	Time (hh:mm:ss)	Gauge ET (hours)	BHP (psia)	Rate (0)
Label Point Summary					
1) Hydrostatic Pressure	02-Jan-07	17:34:42	11.528	3655.08	0
2) Start Flow	02-Jan-07	17:45:39	11.711	446.97	1
3) End Flow & Start Shut-in	02-Jan-07	18:30:39	12.461	455.59	0
4) End Shut-in	02-Jan-07	19:31:29	13.475	641.04	0
5) Start Flow	02-Jan-07	19:33:51	13.514	428.05	1
6) End Flow & Start Shut-in	02-Jan-07	21:05:12	15.037	466.55	0
7) End Shut-in	03-Jan-07	1:19:40	19.278	1516.07	0
8) Hydrostatic Pressure	03-Jan-07	1:37:43	19.579	3623.26	0

Schlumberger

Gauge Data
Parallel Petroleum
Openhole Drillstem Test

Pandora's Box 1921-8 Fed.
Wildcat

Gauge Serial # SLSR-1231

11279950
January 2, 2007

Date (dd-mmm-yy)	Time (hh:mm:ss)	Elapsed Time (hrs)	BHP (psia)	BHT (Deg F)	Comments
Initial Flow					
02-Jan-07	17:45:39	11.71083	446.969	134.69	
02-Jan-07	18:00:52	11.96444	458.029	135.57	
02-Jan-07	18:16:01	12.21694	473.770	136.02	
Initial Shut-in					
02-Jan-07	18:30:39	12.46083	455.585	136.38	
02-Jan-07	18:31:10	12.46944	458.198	136.38	
02-Jan-07	18:42:55	12.66528	504.878	136.60	
02-Jan-07	18:54:31	12.85861	542.664	136.76	
02-Jan-07	19:06:41	13.06139	578.677	136.89	
02-Jan-07	19:19:26	13.27389	611.874	136.98	
Second Flow					
02-Jan-07	19:33:51	13.51417	428.048	137.07	
02-Jan-07	19:52:08	13.81889	464.104	137.14	
02-Jan-07	20:10:36	14.12667	466.533	137.23	
02-Jan-07	20:29:27	14.44083	466.697	137.30	
02-Jan-07	20:47:44	14.74556	466.769	137.35	
Second Shut-in					
02-Jan-07	21:05:12	15.03667	466.547	137.43	
02-Jan-07	21:05:38	15.04389	466.570	137.43	
02-Jan-07	21:28:01	15.41694	558.984	137.52	
02-Jan-07	21:51:10	15.80278	652.734	137.61	
02-Jan-07	22:15:09	16.20250	750.341	137.70	
02-Jan-07	22:40:01	16.61694	854.619	137.80	
02-Jan-07	23:04:57	17.03250	959.641	137.91	
02-Jan-07	23:30:21	17.45583	1066.130	138.02	
02-Jan-07	23:57:00	17.90000	1180.979	138.13	