

Form 3160-5
(April 2004)
Month-Year
FEB 26 2007
OCD-ARTESIA, NM

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

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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
1004 N. Big Spring St., Suite 400, Midland, Texas 79701

3b. Phone No. (include area code)
432/684-3727

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

At surface 660' FNL and 270' FEL
At production zone 669' FNL and 660' FEL, At BHL 760' FNL and 660' FWL, Sec 22, T19S, R21E

5. Lease Serial No.
NM NM 103571

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
Toy Box 1921-22 Federal #1

9. API Well No.
30-015-35147

10. Field and Pool, or Exploratory Area

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	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input checked="" type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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 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 site is ready for final inspection.)

Originally permitted for a Morrow test and a north-south horizontal secondary target in the east half of section.

Change plans to eliminate Morrow test and go directly to a Wolfcamp horizontal well. Change spacing unit dedicated to the N/2 of section 22. Surface location stays the same. Penetration point and BHL are both orthodox/standard locations for the N/2 320 acres. See Form C-102 and directional plan attached.

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

Deane Durham

Title Engineer

Signature

Deane Durham

Date

19 JAN 2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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.

Title

Office

Date

APPROVED

FEB 21 2007

FREDERICK WRIGHT
PETROLEUM ENGINEER

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

(Instructions on page 2)

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name
Property Code	Property Name		Well Number
	TOY BOX 1921-22 A FEDERAL		1
OGRID No.	Operator Name		Elevation
	PARALLEL PETROLEUM CORPORATION		4252'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	22	19 S	21 E		660	NORTH	270	EAST	EDDY

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
D	22	19 S	21 E		760	NORTH	660	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order 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

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or an undivided mineral interest in the land including the proposed bottom hole 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.

Deane Durham 14 JAN 2007
 Signature Date
 Deane Durham
 Printed Name

SURVEYOR CERTIFICATION

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 supervision and that the same is true and correct to the best of my belief.

July 19, 2006
 Date of Survey LVA
 Signature & Seal of Professional Surveyor

[Signature]
 W.O. Num. 2006-0761
 Certificate No. MACON McDONALD 12185

Bottom Hole Location	Penetration Point	Surface Location
Plane Coordinate X = 360,102.5 Y = 600,828.5	Plane Coordinate X = 364,045.7 Y = 600,919.8	Plane Coordinate X = 364,435.6 Y = 600,928.8
Geodetic Coordinate Lat. 32°39'03.44" N Long. 104°47'16.30" W (NAD '27)	Geodetic Coordinate Lat. 32°39'04.51" N Long. 104°46'30.19" W (NAD '27)	Geodetic Coordinate Lat. 32°39'04.62" N Long. 104°46'25.63" W (NAD '27)

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.

PARALLEL SURVEY CALCULATION PROGRAM PETROLEUM CORPORATION

OPERATOR:	Parallel Petroleum Corporation		Supervisors:	
WELL:	Toy Box 1921-22 Federal #1			
LOCATION:	N/2 Sec. 22 T-19-S R-21-E			
API NUMBER:				
COMMENTS:				
			MAG DEC. (-/+)	
			GRID CORR. (-/+)	
			TOTAL CORR. (-/+)	0.0
DATE: 01/19/07		TIME: 3:29 PM	TRUE TO GRID	

MINIMUM CURVATURE CALCULATIONS(SPE-3362)						PROPOSED DIRECTION		270.0	TARGET TRACKING TO CENTER	
SVY NUM	MD	INC	GRID AZM	TVD	VERT SECT	N-S	E-W	DLS/ 100	ABOVE(+) BELOW(-)	RIGHT(+) LEFT(-)
TIE	0	0.0	0.0	0.0	0.0	0.0	0.0			
1	3965	0.0	0.0	3965.0	0.0	0.0	0.0	0.0	425.0	0.0
2	3975	1.4	268.7	3975.0	0.1	0.0	-0.1	13.5	415.0	0.0
3	3985	2.7	268.7	3985.0	0.5	0.0	-0.5	13.5	405.0	0.0
4	4633	90.0	268.7	4390.2	425.2	-9.8	-425.2	13.5	-0.2	-9.8
5	8529	90.0	268.7	4390.2	4320.1	-100.0	-4320.1	0.0	-0.2	-100.0

KOP @ 3965' MD
 BUR = 13.5 DEG per 100 FT
 End Curve @ 4633' MD, 4390' TVD
 BHL @ 8529' MD, 4390' TVD, 4320.1' VS

Parallel Petroleum Corp.

Toy Box 1921-22 Federal #1
N/2 Sec. 22, T-19-S, R-21-E
Eddy County, New Mexico

COMPANY DETAILS

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

