

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0137
Expires March 31, 2007

JUN 28 2007

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

OCD-ARTESIA

1a. Type of Well ☐ Oil Well ☒ Gas Well ☐ Dry ☐ Other		5. Lease Serial No.	
b. Type of Completion: ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr., Other		6. If Indian, Allottee or Tribe Name	
2. Name of Operator PARALLEL PETROLEUM CORPORATION		7. Unit or CA Agreement Name and No. STRONG BOX 1921-11 1	
3. Address P.O. BOX 10587, MIDLAND, TX 79702		8. Lease Name and Well No. FEDERAL	
3a. Phone No. (include area code) 432-685-6563		9. API Well No. 30-015-35143	
4. Location of Well (Report location clearly and in accordance with Federal requirements)* At surface 1460 ENL & 125 FEL, SEC 11, T-19-S, R-21-E At top prod. interval reported below 1443 ENL & 439 FEL, SEC 11, T-19-S, R-21-E At total depth 1414 ENL & 682 FWL, SEC 11, T-19-S,		10. Field and Pool, or Exploratory WOLFCAMP	
		11. Sec., T., R., M., or Block and Survey or Area SEC 11, T-19-S, R-21-E	
		12. County or Parish EDDY	13. State NM
14. Date Spudded 12-14-2006	15. Date T.D. Reached 1-06-2007	16. Date Completed ☐ D & A ☒ Ready to Prod. 01-31-2007	
17. Elevations (DF, RKB, RT, GL)* GR: 4157			

18. Total Depth: MD 8557 TVD 4277.68	19. Plug Back T.D.: MD 8455 TVD 4281	20. Depth Bridge Plug Set: MD TVD
21. Type Electric & Other Mechanical Logs Run (Submit copy of each) PLATFORM EXPRESS, THREE DETECTOR LITHO DENSITY, CN/HNGS		22. Was well cored? ☒ No ☐ Yes (Submit analysis) Was DST run ☒ No ☐ Yes (Submit report) Directional Survey? ☐ No ☒ Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt (#ft)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sks & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
COND:	16		0	80					
11	8.625	24	SURF	1505		900 SX		400 TS	
7.875	5.5	17	0	8509		1035 SX		SURF	

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2-3/8	3744							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf Status
A) WOLFCAMP	TVD: 4334	TVD: 4285	MD: 4910-5353	0.42	36	OPEN
B)	MD: 4910	MD: 8402	5720-6423	0.42	36	OPEN
C)			6920-7363	0.42	36	OPEN
D)			7600-8402	0.42	36	OPEN

26. Perforation Record

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material
4910-8402	FRAC W/15% NEEF ACID, SLICK WATER, 30/70 & 20/40 SAND, CO2

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr API	Gas Gravity	Production Method
05-09-07	05-12-07	24	→	0	168	12		.693	FLOWING
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr.	Oil BBL	Gas MCF	Water BBL	Gas: Oil Ratio	Well Status	
32/64	200	300	→	0	168	12		PRODUCING	

28a. Production-Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr.	Oil BBL	Gas MCF	Water BBL	Gas: Oil Ratio	Well Status	
			→						

28b Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr API	Gas Gravity	Production Method
Choke Size	Tbg Press Flwg SI	Csg Press	24 Hr. →	Oil BBL	Gas MCF	Water BBL	Gas Oil Ratio	Well Status	

28c. Production-Interval D

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr API	Gas Gravity	Production Method
Choke Size	Tbg Press Flwg SI	Csg Press	24 Hr. →	Oil BBL	Gas MCF	Water BBL	Gas Oil Ratio	Well Status	

29 Disposition of Gas (*Sold, used for fuel, vented, etc*)**SOLD**

30. Summary of Porous Zones (Include Aquifers).

Show all important zones of porosity and contents thereof. Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
GLORIETA	1818				
TUBB	2722				
ABO	3364				
WOLFCAMP	4338				

32. Additional remarks (include plugging procedure)

LOGS & SURVEY MAILED TO HLM 01-12-2007.

LOGS TO BE MAILED TO NMCD, ARTESIA, 06-26-07

33. Indicate which items have been attached by placing a check in the appropriate boxes:

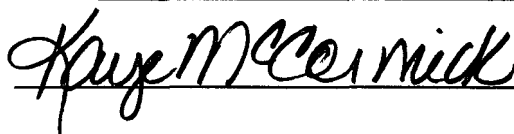
☐ Electrical/Mechanical Logs (1 full set req'd)
 ☐ Geologic Report
 ☐ DST Report
 ☒ Directional Survey

☐ Sundry Notice for plugging and cement verification
 ☐ Core Analysis
 ☒ Other.

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) KAYE MC CORMICKTitle SR PROD & REG TECH

Signature

Date 06-26-2007

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

Report Date: January 4, 2007
Client: Parallel Petroleum
Field: Eddy County, New Mexico (Parallel Pet.)
Structure / Slot: Parallel Pet. Strong Box 1921-11 Fed #1 / Strong Box 1921-11 Federal #1
Well: Strong Box Federal 1921-11 #1
Borehole: Strong Box Fed #1 Original Hole
UWI/API#:
Survey Name / Date: Strong Box SLB MWD Survey / December 26, 2006
Tort / AHD / DDI / ERD ratio: 133.014° / 4608.59 ft / 6.082 / 1.062
Grid Coordinate System: NAD27 New Mexico State Planes, Eastern Zone, US Feet
Location Lat/Long: N 32 40 41.159, W 104 45 22.454
Location Grid N/E Y/X: N 610663.100 ftUS, E 369875.500 ftUS
Grid Convergence Angle: -0.22833668°
Grid Scale Factor: 0.99992848

Survey / DLS Computation Method: Minimum Curvature / Lubinski
Vertical Section Azimuth: 270.370°
Vertical Section Origin: N 0.000 ft, E 0.000 ft
TVD Reference Datum: KB
TVD Reference Elevation: 4157.0 ft relative to
Sea Bed / Ground Level Elevation: 4157.000 ft relative to
Magnetic Declination: 8.717°
Total Field Strength: 49234.199 nT
Magnetic Dip: 60.522°
Declination Date: December 26, 2006
Magnetic Declination Model: BGGM 2006
North Reference: Grid North
Total Corr Mag North -> Grid North: +8.945°
Local Coordinates Referenced To: Well Head

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/Gyro Survey	3689.50	0.72	327.63	3688.16	-44.22	3.99	44.24	44.42	84.85	0.41	311.09M
	3712.00	0.84	311.09	3710.66	-44.02	4.22	44.04	44.25	84.53	1.13	286.07M
	3744.00	4.41	286.07	3742.62	-42.65	4.71	42.69	42.94	83.70	11.46	285.32M
	3776.00	9.70	285.32	3774.37	-38.86	5.76	38.90	39.33	81.57	16.53	HS
	3807.00	14.58	285.37	3804.66	-32.57	7.49	32.62	33.46	77.07	15.74	4.35L
	3838.00	18.83	284.37	3834.35	-23.94	9.77	24.00	25.91	67.86	13.74	4.88L
	3870.00	20.74	283.91	3864.46	-13.42	12.41	13.50	18.34	47.41	5.99	53.40L
	3902.00	22.48	278.14	3894.21	-1.85	14.64	1.94	14.77	7.55	8.58	22.75L
	3934.00	25.65	275.10	3923.43	11.12	16.12	-11.02	19.53	325.65	10.63	16.30L
	3965.00	29.15	273.01	3950.95	25.35	17.11	-25.24	30.50	304.14	11.71	10.37L
	3996.00	32.12	271.99	3977.62	41.14	17.80	-41.02	44.72	293.45	9.73	17.86L
	4028.00	33.60	271.13	4004.50	58.50	18.27	-58.38	61.17	287.38	4.85	20.41L
	4060.00	35.56	269.88	4030.84	76.86	18.42	-76.54	78.73	283.53	6.51	22.93L
	4092.00	38.05	268.18	4056.46	95.82	18.09	-95.70	97.40	280.70	8.41	5.86R
	4124.00	40.72	268.60	4081.19	116.11	17.52	-116.00	117.32	278.59	8.39	2.61R
	4155.00	43.44	268.78	4104.20	136.87	17.05	-136.77	137.83	277.11	8.78	13.51R
	4188.00	46.21	269.70	4127.60	160.13	16.74	-160.03	160.90	275.97	8.62	8.39L
	4220.00	48.92	269.17	4149.19	183.74	16.51	-183.64	184.38	275.14	8.56	14.66R
	4252.00	51.81	270.13	4169.60	208.38	16.36	-208.28	208.92	274.49	9.32	8.75R
	4284.00	54.40	270.62	4188.81	233.97	16.53	-233.87	234.45	274.04	8.19	19.31R
	4316.00	55.77	271.20	4207.13	260.21	16.95	-260.10	260.66	273.73	4.53	11.76L
	4348.00	58.39	270.56	4224.52	287.07	17.36	-286.96	287.48	273.46	8.36	14.68L
	4379.00	60.86	269.82	4240.19	313.81	17.45	-313.70	314.19	273.18	8.23	2.75R
	4411.00	62.90	269.93	4255.28	342.03	17.38	-341.92	342.37	272.91	6.38	8.61L
	4443.00	64.45	269.67	4269.47	370.71	17.28	-370.60	371.01	272.67	4.90	8.48R
	4475.00	67.11	270.10	4282.59	399.89	17.23	-399.78	400.16	272.47	8.40	2.08R
	4507.00	69.95	270.21	4294.30	429.66	17.31	-429.56	429.91	272.31	8.88	10.38R
	4539.00	72.45	270.69	4304.62	459.95	17.55	-459.85	460.18	272.19	7.94	3.08L
	4571.00	74.78	270.56	4313.64	490.65	17.88	-490.55	490.87	272.09	7.29	2.57R
	4603.00	77.83	270.70	4321.22	521.74	18.22	-521.63	521.95	272.00	9.54	8.21R
	4635.00	80.98	271.16	4327.10	553.19	18.73	-553.08	553.39	271.94	9.94	10.40R
	4667.00	83.69	271.66	4331.37	584.89	19.52	-584.78	585.10	271.91	8.61	5.57L
	4699.00	86.35	271.40	4334.15	616.76	20.37	-616.64	616.98	271.89	8.35	5.07L
	4731.00	89.28	271.14	4335.36	648.73	21.07	-648.61	648.95	271.86	9.19	41.91R
	4763.00	90.45	272.19	4335.44	680.72	22.00	-680.59	680.95	271.85	4.91	90.00L
	4795.00	90.45	271.70	4335.19	712.71	23.09	-712.58	712.95	271.86	1.53	42.51R
	4827.00	90.69	271.92	4334.87	744.70	24.10	-744.56	744.95	271.85	1.02	27.07R
	4921.00	91.14	272.15	4333.37	838.65	27.44	-838.49	838.93	271.87	0.54	110.43L
	4985.00	90.76	271.13	4332.31	902.62	29.27	-902.45	902.92	271.86	1.70	118.49L
	5049.00	90.38	270.43	4331.67	966.62	30.14	-966.44	966.91	271.79	1.24	176.99L
	5112.00	89.24	270.37	4331.88	1029.61	30.58	-1029.44	1029.89	271.70	1.81	169.81R

A Gyrodata Directional Survey

Field Copy Only, not definitive

for

PARALLEL PETROLEUM

Location: JW #4, EDDY COUNTY, NEW MEXICO

Lease: STRONG BOX 1921-11 Well: FED #1, 4-1/2" DRILLPIPE

Job Number: MD1206G_335

Run Date: 12/22/2006 1:27:00 PM

Surveyor: THOMAS BOWDEN

Calculation Method: MINIMUM CURVATURE

Survey Latitude: 32.676944 deg. N Longitude: 104.757222 deg. W

Azimuth Correction:

Gyro: 0.23000 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: JW #4, EDDY COUNTY, NEW MEXICO

Lease: STRONG BOX 1921-11 Well: FED #1, 4-1/2" DRILLPIPE

Job Number: MD1206G_335

MEASURED DEPTH feet	INCL deg.	AZIMUTH deg.	DOGLEG SEVERITY deg./ 100 ft.	VERTICAL DEPTH feet	CLOSURE DIST. feet	AZIMUTH deg.	HORIZONTAL COORDINATES feet	
0.00	0.00	0.00	0.00	0.00	0.0	0.0	0.00 N	0.00 E
O TO 4332" FT. RATE GYROSCOPIC MULTISHOT SURVEY RUN INSIDE 4-1/2" DRILLPIPE ALL MEASURED DEPTHS AND COORDINATES REFERENCED TO JW 4 R.K.B. (+22')								
31.30	1.83	74.80	5.85	31.29	0.5	74.8	0.13 N	0.48 E
112.30	1.83	74.56	0.01	112.25	3.1	74.7	0.82 N	2.98 E
193.30	1.99	71.99	0.22	193.21	5.8	74.0	1.59 N	5.57 E
274.30	1.99	72.28	0.01	274.16	8.6	73.4	2.46 N	8.24 E
355.30	1.99	72.13	0.01	355.11	11.4	73.1	3.31 N	10.91 E
436.30	1.98	72.32	0.01	436.06	14.2	72.9	4.17 N	13.58 E
517.30	1.99	72.20	0.01	517.01	17.0	72.8	5.03 N	16.25 E
598.30	1.98	72.27	0.00	597.97	19.8	72.7	5.88 N	18.93 E
679.30	1.99	72.30	0.00	678.92	22.6	72.7	6.74 N	21.60 E
760.30	1.99	72.20	0.00	759.87	25.4	72.6	7.59 N	24.27 E
841.30	1.99	72.28	0.00	840.82	28.2	72.6	8.45 N	26.95 E
922.30	1.99	72.30	0.00	921.77	31.1	72.6	9.30 N	29.63 E
1017.72	1.98	72.27	0.00	1017.13	34.4	72.5	10.31 N	32.77 E
1113.14	1.98	72.20	0.00	1112.50	37.7	72.5	11.32 N	35.92 E
1208.56	2.10	75.90	0.19	1207.86	41.1	72.6	12.25 N	39.18 E
1303.98	2.32	83.07	0.37	1303.20	44.7	73.2	12.91 N	42.80 E
1399.40	2.64	87.89	0.40	1398.53	48.7	74.3	13.22 N	46.92 E
1494.82	2.54	92.22	0.23	1493.86	52.9	75.5	13.22 N	51.23 E
1590.24	2.28	104.15	0.59	1589.19	56.6	77.1	12.67 N	55.18 E
1685.66	1.92	110.10	0.44	1684.55	59.7	78.7	11.66 N	58.52 E
1781.08	1.36	114.29	0.61	1779.93	62.0	80.1	10.64 N	61.06 E
1876.50	0.78	142.22	0.80	1875.33	63.2	81.2	9.67 N	62.48 E
1971.92	0.56	164.56	0.35	1970.75	63.6	82.1	8.71 N	63.00 E
2067.34	0.59	194.52	0.31	2066.16	63.5	83.0	7.79 N	63.00 E
2162.76	0.56	202.79	0.09	2161.58	63.1	83.7	6.88 N	62.70 E
2258.18	0.57	203.11	0.00	2256.99	62.6	84.5	6.02 N	62.33 E
2353.60	0.56	202.90	0.00	2352.41	62.2	85.2	5.15 N	61.96 E
2449.02	0.65	257.22	0.58	2447.82	61.4	85.7	4.60 N	61.26 E
2544.44	0.55	247.22	0.15	2543.24	60.5	85.9	4.31 N	60.31 E
2639.86	0.90	246.58	0.37	2638.65	59.3	86.3	3.83 N	59.21 E
2735.28	1.23	241.67	0.35	2734.05	57.7	87.0	3.05 N	57.62 E
2830.70	1.09	253.65	0.29	2829.46	55.9	87.6	2.31 N	55.85 E
2926.12	1.04	259.99	0.13	2924.86	54.2	88.0	1.90 N	54.12 E

A Gyrodata Directional Survey

PARALLEL PETROLEUM

Location: JW #4, EDDY COUNTY, NEW MEXICO

Lease: STRONG BOX 1921-11 Well: FED #1, 4-1/2" DRILLPIPE

Job Number: MD1206G_335

MEASURED DEPTH feet	INCL deg.	AZIMUTH deg.	DOGLEG SEVERITY deg./ 100 ft.	VERTICAL DEPTH feet	CLOSURE DIST. feet	AZIMUTH deg.	HORIZONTAL COORDINATES feet	
3021.54	1.04	261.32	0.03	3020.26	52.4	88.2	1.62 N	52.40 E
3116.96	1.00	273.77	0.24	3115.67	50.7	88.3	1.54 N	50.72 E
3212.38	0.74	266.92	0.29	3211.08	49.3	88.2	1.56 N	49.27 E
3307.80	0.59	281.25	0.24	3306.49	48.2	88.1	1.63 N	48.17 E
3403.22	0.56	297.38	0.17	3401.91	47.3	87.7	1.93 N	47.28 E
3498.64	0.76	300.41	0.21	3497.32	46.4	87.0	2.47 N	46.33 E
3594.06	0.84	300.00	0.09	3592.73	45.3	86.0	3.14 N	45.18 E
3689.48	0.72	327.63	0.41	3688.14	44.4	84.8	4.00 N	44.25 E
3784.90	0.71	349.39	0.28	3783.55	44.1	83.4	5.08 N	43.82 E
3880.32	0.91	12.98	0.40	3878.96	44.3	81.7	6.40 N	43.88 E
3975.74	1.33	21.97	0.48	3974.37	45.2	79.6	8.17 N	44.46 E
4071.16	1.52	25.29	0.21	4069.76	46.6	77.2	10.34 N	45.42 E
4166.58	1.50	23.73	0.05	4165.14	48.1	74.8	12.63 N	46.46 E
4262.00	1.46	18.59	0.15	4260.53	49.7	72.5	14.93 N	47.35 E
4294.00	1.49	17.65	0.12	4292.52	50.1	71.7	15.71 N	47.61 E
4332.00	1.58	13.32	0.40	4330.51	50.7	70.8	16.69 N	47.88 E

Final Station Closure: Distance: 50.70 ft Az: 70.79 deg.

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Artec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-35143		Pool Code	Pool Name WOLFCAMP	
Property Code	Property Name STRONG BOX 1921-11 FEDERAL			Well Number 1
OGRID No. 230387	Operator Name PARALLEL PETROLEUM CORPORATION			Elevation 4157

¹⁰ **Surface Location**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	11	19S	21E		1460	NORTH	125	EAST	EDDY

¹¹ **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
E	11	19S	21E		1414	NORTH	682	WEST	EDDY

Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.
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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.

¹⁶				¹⁷ 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 unleased 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 voluntary pooling agreement or a compulsory pooling order.	
Signature: <i>Kaye McCormick</i> Date: 06-26-2007				Printed Name: KAYE MC CORMICK	
¹⁸ 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.				Date of Survey: _____ Signature and Seal of Professional Surveyor: _____	
Certificate Number: _____					