

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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

MAR 13 2008

2. Name of Operator

PARALLEL PETROLEUM CORPORATION

OCD-ARTESIA

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: 1880 SOUTH & 190 WEST, SEC 21, T15S, R25E

BHL: 1880 SOUTH & 660 WEST, SEC 20, T15S, R25E

5. Lease Serial No.

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

BUBBLING OVER FED 1H

COM 1525-20

9. API Well No.

30-005-63933

10. Field and Pool, or Exploratory Area

WALNUT CREEK - WOLF CAMP GAS
97631

11. County or Parish, State

CHAVES

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 PROD CASING

TD

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 recompleting 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 recompleting 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.)

02-29-2008: SET 5.5 CSG, 7.875' HOLE, 173 @ 7653

LEAD: 525 SX INTERFILL C-SEM+1/4# POLY-E-FLAKE, 11.9 PPG, 2.47 YLD

TAIL: 350 SX HALLIBURTON ACID SOLUBLE SEM+10# SILICALITE 50/50 POZ MIX

+0.7% HALAD + 1/4# D-AIR 3000 + 0.7% HR-601, 15.02 PPG, 2.62 YLD

80 CENTRALIZERS

TOC: CIRCULATED 130 SX TO SURFACE

WOC: 8 HR, TEST CASING TO 1500 PSI FOR 30 MINUTES

PATHFINDER MWD SURVEY, GYRODATA GYRO SURVEY

TO NMOC: OPEN-HOLE PLATFORM EXPRESS 3-DETECTOR LITHO-DENSITY/COMP NEUT/HNGS LOG

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

KAYE MC CORMICK

Title

SR PROD & REG TECH

Date 03-12-2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Accepted for 10/10/08

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

NMOC

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.



DIRECTIONAL SURVEY REPORT

PARALLEL PETROLEUM
BUBBLING OVER 1525-20 FED COM #1H
CHAVES COUNTY, NEW MEXICO

PREPARED BY: CODY MEBANE

Pathfinder Energy Services, Inc.
6213 W. County Road 112 • Midland, TX • 79706
(432)681-6000

PathFinder Energy Services, Inc.

Survey Report

PARALLEL PETROLEUM
BUBBLING OVER 1525-20 FED COM #1H
CHAVES COUNTY, NEW MEXICO
Rig:JW 4
PathFinder Office Supervisor: CODY MEBANE
PathFinder Field Engineers: JAY FULTON

Survey Horiz. Reference:WELLHEAD
Ref Coordinates: LAT:32.59.55.6656 N LON:104.27.18.8892 W
Reference:NAD27 new mexico east Transverse Mercator
Ref GRID Coord: X: 462622.7904 Y: 727096.4106
North Aligned To:GRID NORTH
Total Magnetic Correction: 8.50° EAST TO GRID
Vertical Section Plane: 268.34
Survey Vert. Reference: 13.00' Rotary Table To Ground
Altitude:3490.00' Ground To MSL

Survey Calculations by RX4 using Minimum Curvature

Measured Depth (ft)	Incl (deg)	Drift Dir. (deg)	TVD (ft)	Course Length (ft)	Vertical Section (ft)	TOTAL Rectangular Offsets (ft) (ft)		Closure Dist Dir (ft) (deg)		DLS (dg/100ft)
TIE-IN PROVIDED BY GYRODATA DIRECTIONAL SURVEY.										
4000.00	1.09	90.02	3999.56	0.00	-13.40	36.37 S	14.46 E	39.14@	158.32	0.00
THE FOLLOWING ARE PATHFINDER MWD SURVEYS.										
4021.00	0.70	263.52	4020.56	21.00	-13.47	36.38 S	14.53 E	39.18@	158.23	8.51
4053.00	4.13	271.29	4052.53	32.00	-12.13	36.38 S	13.19 E	38.70@	160.08	10.74
4085.00	7.83	272.35	4084.35	32.00	-8.80	36.27 S	9.85 E	37.58@	164.80	11.57
4116.00	11.26	276.11	4114.91	31.00	-3.69	35.86 S	4.73 E	36.17@	172.48	11.24
4148.00	13.54	275.98	4146.16	32.00	3.12	35.13 S	2.10 W	35.20@	183.42	7.13
4178.00	15.48	275.42	4175.21	30.00	10.57	34.39 S	9.58 W	35.70@	195.56	6.48
4210.00	17.24	272.85	4205.91	32.00	19.54	33.75 S	18.57 W	38.52@	208.82	5.95
4242.00	18.99	268.63	4236.32	32.00	29.47	33.64 S	28.51 W	44.09@	220.28	6.83
4274.00	21.10	267.22	4266.38	32.00	40.44	34.04 S	39.47 W	52.12@	229.22	6.76
4305.00	22.51	267.20	4295.16	31.00	51.95	34.60 S	50.97 W	61.61@	235.83	4.55
4337.00	24.18	268.16	4324.54	32.00	64.63	35.11 S	63.64 W	72.68@	241.11	5.35
4369.00	26.03	267.52	4353.52	32.00	78.20	35.63 S	77.21 W	85.03@	245.23	5.84
4401.00	28.14	267.04	4382.01	32.00	92.77	36.32 S	91.76 W	98.68@	248.40	6.63
4433.00	29.99	266.43	4409.98	32.00	108.31	37.21 S	107.28 W	113.55@	250.87	5.86
4465.00	31.66	266.79	4437.46	32.00	124.70	38.18 S	123.65 W	129.40@	252.84	5.25
4497.00	33.68	266.98	4464.39	32.00	141.97	39.11 S	140.89 W	146.22@	254.48	6.32
4528.00	35.88	267.82	4489.85	31.00	159.65	39.91 S	158.56 W	163.50@	255.87	7.26
4560.00	37.81	269.12	4515.46	32.00	178.83	40.42 S	177.74 W	182.27@	257.19	6.51
4592.00	40.01	270.11	4540.36	32.00	198.93	40.55 S	197.83 W	201.95@	258.42	7.14
4624.00	41.86	269.89	4564.53	32.00	219.88	40.55 S	218.80 W	222.53@	259.50	5.80
4656.00	43.70	269.40	4588.02	32.00	241.61	40.69 S	240.53 W	243.95@	260.40	5.84

PathFinder Energy Services, Inc.

Survey Report

PARALLEL PETROLEUM
BUBBLING OVER 1525-20 FED COM #1H
CHAVES COUNTY, NEW MEXICO
RIG:JW 4

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Measured Depth (ft)	Incl (deg)	Drift Dir. (deg)	TVD (ft)	Course Length (ft)	Vertical Section (ft)	TOTAL Rectangular Offsets (ft) (ft)		Closure Dist Dir (ft) (deg)		DLS (dg/100ft)
4687.00	45.64	269.05	4610.06	31.00	263.40	40.98 S	262.32 W	265.50@	261.12	6.31
4719.00	47.75	269.33	4632.01	32.00	286.68	41.31 S	285.61 W	288.58@	261.77	6.62
4750.00	49.86	269.25	4652.43	31.00	310.00	41.60 S	308.93 W	311.72@	262.33	6.81
4781.00	51.53	268.79	4672.06	31.00	333.99	42.01 S	332.91 W	335.55@	262.81	5.51
4811.00	53.11	268.43	4690.40	30.00	357.73	42.59 S	356.65 W	359.18@	263.19	5.35
4842.00	54.69	268.06	4708.67	31.00	382.78	43.36 S	381.68 W	384.14@	263.52	5.19
4873.00	56.45	268.04	4726.19	31.00	408.35	44.23 S	407.24 W	409.63@	263.80	5.68
4904.00	58.12	268.42	4742.95	31.00	434.43	45.03 S	433.30 W	435.64@	264.07	5.49
4935.00	59.88	268.52	4758.91	31.00	461.00	45.74 S	459.87 W	462.14@	264.32	5.68
4966.00	61.73	269.06	4774.03	31.00	488.06	46.31 S	486.92 W	489.12@	264.57	6.16
4997.00	63.40	269.11	4788.31	31.00	515.57	46.75 S	514.43 W	516.55@	264.81	5.39
5028.00	65.16	269.16	4801.77	31.00	543.49	47.17 S	542.35 W	544.40@	265.03	5.68
5058.00	67.09	269.37	4813.91	30.00	570.92	47.52 S	569.78 W	571.76@	265.23	6.47
5089.00	68.85	269.37	4825.54	31.00	599.65	47.84 S	598.52 W	600.43@	265.43	5.68
5120.00	71.05	269.48	4836.16	31.00	628.77	48.13 S	627.63 W	629.48@	265.61	7.10
5151.00	72.81	268.86	4845.78	31.00	658.23	48.56 S	657.10 W	658.89@	265.77	5.99
5182.00	74.74	268.55	4854.44	31.00	688.00	49.23 S	686.86 W	688.62@	265.90	6.30
5213.00	76.41	267.61	4862.16	31.00	718.02	50.24 S	716.86 W	718.62@	265.99	6.14
5244.00	78.44	267.18	4868.91	31.00	748.27	51.62 S	747.09 W	748.87@	266.05	6.69
5275.00	80.28	266.39	4874.64	31.00	778.72	53.33 S	777.50 W	779.33@	266.08	6.44
5306.00	82.57	266.21	4879.26	31.00	809.35	55.30 S	808.09 W	809.98@	266.08	7.41
5337.00	84.42	266.48	4882.77	31.00	840.13	57.27 S	838.83 W	840.78@	266.09	6.03
5368.00	86.44	266.30	4885.24	31.00	871.02	59.21 S	869.67 W	871.68@	266.10	6.54
5461.00	94.35	267.84	4884.60	93.00	963.91	63.96 S	962.47 W	964.59@	266.20	8.67
5553.00	91.45	267.10	4879.94	92.00	1055.78	68.02 S	1054.25 W	1056.44@	266.31	3.25
5646.00	88.99	265.61	4879.59	93.00	1148.71	73.93 S	1147.05 W	1149.43@	266.31	3.09
5741.00	89.52	265.68	4880.82	95.00	1243.60	81.14 S	1241.77 W	1244.41@	266.26	0.56

PathFinder Energy Services, Inc.

Survey Report

PARALLEL PETROLEUM
BUBBLING OVER 1525-20 FED COM #1H
CHAVES COUNTY, NEW MEXICO
RIG:JW 4

Page 03/03

Measured Depth (ft)	Incl (deg)	Drift Dir. (deg)	TVD (ft)	Course Length (ft)	Vertical Section (ft)	TOTAL Rectangular Offsets (ft) (ft)		Closure Dist Dir (ft) (deg)		DLS (dg/100ft)
5836.00	91.71	267.23	4879.80	95.00	1338.53	87.02 S	1336.57 W	1339.40@	266.28	2.82
5932.00	90.48	265.75	4877.97	96.00	1434.46	92.89 S	1432.37 W	1435.38@	266.29	2.00
6027.00	92.77	267.39	4875.27	95.00	1529.36	98.58 S	1527.15 W	1530.33@	266.31	2.97
6123.00	92.77	267.62	4870.63	96.00	1625.24	102.75 S	1622.95 W	1626.20@	266.38	0.24
6219.00	91.28	268.36	4867.24	96.00	1721.18	106.11 S	1718.82 W	1722.10@	266.47	1.73
6314.00	90.66	267.80	4865.63	95.00	1816.16	109.30 S	1813.76 W	1817.05@	266.55	0.88
6410.00	91.54	268.16	4863.79	96.00	1912.14	112.68 S	1909.68 W	1913.00@	266.62	0.99
6506.00	91.10	267.43	4861.58	96.00	2008.11	116.37 S	2005.58 W	2008.95@	266.68	0.89
6601.00	90.66	267.47	4860.12	95.00	2103.09	120.60 S	2100.48 W	2103.93@	266.71	0.46
6697.00	91.10	267.85	4858.65	96.00	2199.07	124.52 S	2196.38 W	2199.91@	266.76	0.61
6792.00	89.78	267.59	4857.92	95.00	2294.06	128.30 S	2291.30 W	2294.89@	266.80	1.42
6887.00	91.10	268.06	4857.19	95.00	2389.05	131.90 S	2386.23 W	2389.87@	266.84	1.48
6982.00	91.19	267.56	4855.29	95.00	2484.03	135.53 S	2481.14 W	2484.84@	266.87	0.53
7076.00	91.01	267.11	4853.48	94.00	2577.99	139.90 S	2575.02 W	2578.82@	266.89	0.52
7171.00	92.51	267.74	4850.57	95.00	2672.93	144.17 S	2669.88 W	2673.77@	266.91	1.71
7266.00	91.19	266.67	4847.50	95.00	2767.86	148.80 S	2764.71 W	2768.71@	266.92	1.79
7361.00	89.52	266.40	4846.91	95.00	2862.81	154.54 S	2859.53 W	2863.71@	266.91	1.78
7456.00	92.59	267.36	4845.16	95.00	2957.75	159.71 S	2954.36 W	2958.68@	266.91	3.39
7551.00	91.80	268.40	4841.52	95.00	3052.68	163.22 S	3049.23 W	3053.59@	266.94	1.37
STRAIGHT LINE PROJECTION TO BIT @ 7653' MD.										
7653.00	91.80	268.40	4838.32	102.00	3154.63	166.07 S	3151.14 W	3155.51@	266.98	0.00

PathFinder Energy Services, Inc.

Magnetic & Grid Calculations

PARALLEL PETROLEUM
BUBBLING OVER 1525-20 FED COM #1H
CHAVES COUNTY, NEW MEXICO
Rig:JW 4

Fri Feb 08 14:04:35 2008

Coordinates

Latitude: 32.998796 N (32 deg. 59 min. 55.6655 sec.)
Longitude: 104.455247 W (-104 deg. 27 min. 18.8903 sec.)
Elevation: 3490.00 feet.
Calculation Date: Feb/08/2008

Magnetic Calculations

Model: IGRF2005
Dip Angle: 60.8397 degrees
Total Magnetic Field: 0.49339 gauss
Magnetic Declination: 8.438108 degrees
Horizontal Intensity: 0.240408 gauss
To Convert a Magnetic Dir. to a TRUE North Dir. Add 8.438108 Degr

Transverse Mercator Grid Calculations NAD27

Grid System: Transverse Mercator: new mexico east
Ellipsoid: Clarke 1866
X: 462622.7000 feet
Y: 727096.4000 feet
True to Grid: (convergence) 0.066397 degrees
Magnetic to Grid: 8.504505 degrees
To Convert a Magnetic Dir. to a GRID dir. Add 8.504505 Degr.

A Gyrodata Directional Survey

Field Copy Only, not definitive

for

PARALLEL

**Location: JW 4, CHAVES COUNTY, NEW MEXICO,
Lease: BUBBLING OVER 1525-20 FED COMM Well: #1 H, 4-1/2 DRILLPIPE**

Job Number: MD0208GW124

Run Date: 2/12/2008 10:00:25 PM

Surveyor: JAMES KING

Calculation Method: MINIMUM CURVATURE

Survey Latitude: 32.998980 deg. N Longitude: 104.456150 deg. E

Azimuth Correction:

Gyro: 0.07000 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

Location: JW 4, CHAVES COUNTY, NEW MEXICO

Lease: BUBBLING OVER 1525-20 FED COMM

Well: #1 H, 4-1/2 DRILLPIPE

Job Number: MD0208GW124

MEASURED DEPTH feet	I N C L deg.	AZIMUTH deg.	VERTICAL SECTION feet	DOGLEG SEVERITY deg./ 100 ft.	VERTICAL DEPTH feet	CLOSURE DIST. AZIMUTH feet deg.	HORIZONTAL COORDINATES feet
3500.00	0.86	182.09	-34.0	0.26	3499.63	34.8 167.6	33.95 S 7.44 E
3550.00	0.84	168.63	-34.7	0.40	3549.62	35.5 167.8	34.69 S 7.50 E
3600.00	0.92	146.63	-35.4	0.69	3599.62	36.2 167.6	35.38 S 7.79 E
3650.00	0.94	120.49	-35.9	0.84	3649.61	36.9 166.9	35.92 S 8.36 E
3700.00	0.94	103.28	-36.2	0.56	3699.61	37.4 165.9	36.23 S 9.11 E
3750.00	1.01	99.79	-36.4	0.20	3749.60	37.7 164.7	36.39 S 9.94 E
3800.00	0.98	93.62	-36.5	0.22	3799.59	38.1 163.5	36.50 S 10.81 E
3850.00	1.06	87.72	-36.5	0.27	3849.58	38.3 162.2	36.51 S 11.70 E
3900.00	1.10	86.92	-36.5	0.08	3899.57	38.6 160.9	36.46 S 12.64 E
3950.00	0.99	85.55	-36.4	0.24	3949.57	38.8 159.6	36.40 S 13.55 E
4000.00	1.09	90.02	-36.4	0.27	3999.56	39.1 158.3	36.37 S 14.46 E
4050.00	1.05	113.11	-36.5	0.86	4049.55	39.6 157.2	36.55 S 15.36 E
4100.00	1.28	109.01	-36.9	0.50	4099.54	40.4 156.2	36.91 S 16.31 E
4150.00	1.57	102.00	-37.2	0.67	4149.52	41.1 154.8	37.24 S 17.51 E
4200.00	1.58	104.82	-37.5	0.16	4199.50	42.0 153.4	37.55 S 18.84 E
4250.00	1.64	101.77	-37.9	0.21	4249.48	42.9 151.9	37.88 S 20.21 E
4300.00	1.68	101.13	-38.2	0.09	4299.46	43.9 150.5	38.16 S 21.63 E
4350.00	1.77	94.70	-38.4	0.42	4349.44	44.8 148.9	38.37 S 23.12 E
4400.00	1.63	87.69	-38.4	0.50	4399.42	45.6 147.4	38.40 S 24.60 E
4450.00	1.42	91.51	-38.4	0.47	4449.40	46.3 146.0	38.39 S 25.93 E
4500.00	1.56	113.68	-38.7	1.18	4499.38	47.3 144.9	38.68 S 27.18 E
4550.00	1.94	94.17	-39.0	1.40	4549.36	48.4 143.7	39.02 S 28.64 E
4600.00	1.54	96.77	-39.2	0.80	4599.34	49.4 142.4	39.16 S 30.15 E
4650.00	1.95	113.00	-39.6	1.28	4649.32	50.6 141.4	39.57 S 31.61 E

A Gyrodata Directional Survey

PARALLEL

Location: JW 4, CHAVES COUNTY, NEW MEXICO

Lease: BUBBLING OVER 1525-20 FED COMM Well: #1 H, 4-1/2 DRILLPIPE

Job Number: MD0208GW124

MEASURED DEPTH feet	I N C L deg.	AZIMUTH deg.	VERTICAL SECTION feet	DOGLEG SEVERITY deg./ 100 ft.	VERTICAL DEPTH feet	CLOSURE DIST. AZIMUTH feet deg.	HORIZONTAL COORDINATES feet
4700.00	1.97	95.18	-40.0	1.22	4699.29	52.0 140.3	39.98 S 33.25 E
4750.00	1.50	91.83	-40.1	0.98	4749.26	53.1 139.1	40.08 S 34.76 E
4800.00	1.62	114.42	-40.4	1.24	4799.25	54.1 138.2	40.39 S 36.06 E
4850.00	1.84	98.31	-40.8	1.06	4849.22	55.4 137.4	40.80 S 37.49 E
4900.00	1.20	98.46	-41.0	1.28	4899.21	56.4 136.6	40.99 S 38.80 E
4950.00	1.35	107.02	-41.2	0.48	4949.19	57.4 136.0	41.24 S 39.88 E
5000.00	1.50	115.56	-41.7	0.52	4999.18	58.5 135.5	41.69 S 41.03 E
5004.39	1.50	115.68	-41.7	0.07	5003.57	58.6 135.4	41.74 S 41.13 E

Final Station Closure: Distance: 58.60 ft Az: 135.42 deg.



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

N.M. Oil Cons. DIV-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210

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

Month-Year
APRIL - ARTESIA, NM

1a. Type of work: ☒ DRILL ☐ REENTER		5. Lease Serial No. NM NM 112249
1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator Parallel Petroleum Corporation		7. If Unit or CA Agreement, Name and No.
3a. Address 1004 North Big Spring, Suite 400 Midland, Texas		8. Lease Name and Well No. 36502 Bubbling Over 1525-20 Fed Com #14
3b. Phone No. (include area code) 432/684-3727 Wildcat		9. API Well No. 30-005-63933
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface SHL 1880' FSL AND 190' FWL Sec 21, T-15S-R25E At proposed prod. zone BHL 1880' FSL AND 660' FWL Sec 20, T-15-S-R25E		10. Field and Pool, or Exploratory Wolfcamp
14. Distance in miles and direction from nearest town or post office* 5 miles North of Artesia, New Mexico		11. Sec., T. R. M. or Blk. and Survey or Area 20, T15S, R25E
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 660'	16. No. of acres in lease 2435.41	17. Spacing Unit dedicated to this well 320 total, 160 acres federal from this lease
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 2500'	19. Proposed Depth 5500'	20. BLM/BIA Bond No. on file NMB000265
21. Elevations (Show whether DF, KDB, RT, GL, etc.) GL 3490'	22. Approximate date work will start* 05/15/2007	23. Estimated duration 30 days
24. Attachments ROSWELL CONTROLLED WATER BASIN		

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature 	Name (Printed/Typed) Deane Durham	Date 3-19-07
Title Engineer, Parallel Petroleum Corporation		

Approved by (Signature) DAVID R. GLASS	Name (Printed/Typed) DAVID R. GLASS	Date MAY 08 2007
Title Asst. Assistant Field Manager, Lands And Minerals	Office ROSWELL FIELD OFFICE	APPROVED FOR 1 YEARS

Application approval 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.
Conditions of approval, if any, are attached.

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.

*(Instructions on page 2)

DECLARED WATER BASIN

CEMENT BEHIND THE 95"
CASING MUST BE CIRCULATED
WITNESS

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS ATTACHED

If earthen pits are used in
association with the drilling of this
well, an OCD pit permit must be
obtained prior to pit construction.