

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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 North Big Spring, 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 **300' FSL and 710' FEL** **Sec. 11, T19S, R21E**
At proposed production zone **PP 801' FSL and 929' FEL, BHL 700' FSL and 660' FWL**

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

5. Lease Serial No.
NM NM 98791

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
Jewelry Box Federal #1

9. API Well No.
30-015-34724

10. Field and Pool, or Exploratory Area
Wolfcamp 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	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☒ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ 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 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.)

Well originally planned as a Wolfcamp horizontal going from S to N. Change well orientation and directional drilling plan to drill directionally from the SESE section 11 to the SWSW section 11 in the Wolfcamp zone. Attached revised well plan and plot and Form C-102 location plat.

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

Deane Durham

Title **Engineer**

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0710

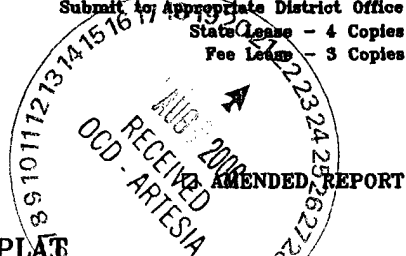
DISTRICT III
1000 Rio Brazos Rd., Artec, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised August 15, 2000
Submit to: Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies



WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name JEWELRY BOX FEDERAL	Well Number 1
OGRID No.	Operator Name PARALLEL PETROLEUM CORPORATION	Elevation 4217'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	11	19 S	21 E		300	SOUTH	710	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
M	11	19 S	21 E		700	SOUTH	660	WEST	EDDY
Dedicated Acres 320	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

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.		OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. <i>Deane Durham</i> Signature <u>Deane Durham</u> Printed Name <u>Engineer</u> Title <u>8-18-2006</u> Date															
PROJECT AREA		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. February 11, 2006 Date Surveyed <i>W.O. Num. 2006-0066</i> Signature & Seal of Professional Surveyor W.O. Num. 2006-0066 Certificate No. MACON McDONALD 12185															
PRODUCING AREA		Coordinate Table <table><thead><tr><th>Description</th><th>Plane Coordinate</th></tr></thead><tbody><tr><td>Jewelry Box Federal #1</td><td>X = 369,295.0</td></tr><tr><td>Surface Location</td><td>Y = 607,139.9</td></tr><tr><td>Jewelry Box Federal #1</td><td>X = 369,073.7</td></tr><tr><td>Penetration Point</td><td>Y = 607,643.0</td></tr><tr><td>Jewelry Box Federal #1</td><td>X = 365,376.8</td></tr><tr><td>Bottom Hole Location</td><td>Y = 607,566.5</td></tr></tbody></table>		Description	Plane Coordinate	Jewelry Box Federal #1	X = 369,295.0	Surface Location	Y = 607,139.9	Jewelry Box Federal #1	X = 369,073.7	Penetration Point	Y = 607,643.0	Jewelry Box Federal #1	X = 365,376.8	Bottom Hole Location	Y = 607,566.5
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Report Date: August 17, 2006	Survey / DLS Computation Method: Minimum Curvature / Lubinski
Client: Parallel Petroleum	Vertical Section Azimuth: 275.210°
Field: Eddy County, New Mexico (Parallel Pet.)	Vertical Section Origin: N 0.000 ft, E 0.000 ft
Structure / Slot: Sec. 11, T19S & R21E - Jewelry Box Fed. #1 / Jewelry Box Federal #1	TVD Reference Datum: KB
Well: Jewelry Box Federal #1	TVD Reference Elevation: 4217.0 ft relative to
Borehole: Jewelry Box Fed #1 ST-1	Sea Bed / Ground Level Elevation: 4217.000 ft relative to
UWVAPW: 30-015-34724	Magnetic Declination: 8.757°
Survey Name / Date: Jewelry Box Federal #1 REV2 / August 17, 2006	Total Field Strength: 49262.956 nT
Tort / AND / DOI / ERD ratio: 168.407° / 4380.36 ft / 6.155 / 1.003	Magnetic Dip: 60.521°
Grid Coordinate System: NAD27 New Mexico State Planes, Eastern Zone, US Feet	Declination Date: August 17, 2006
Location Lat/Long: N 32 40 6.273, W 104 45 29.081	Magnetic Declination Model: BGM 2006
Location Grid N/E Y/X: N 607139.900 NUS, E 369295.000 ftUS	North Reference: Grid North
Grid Convergence Angle: -0.22927010°	Total Corr Mag North -> Grid North: +8.986°
Grid Scale Factor: 0.99992866	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 / SDI Gyro SVY	3792.70	0.29	271.84	3791.90	34.10	40.34	-29.91	50.22	323.44	0.02	---
KOP / 3838' MD	3837.00	0.29	271.84	3836.20	34.32	40.35	-30.13	50.36	323.25	0.00	7.59M
	3840.00	0.28	7.59	3839.20	34.33	40.36	-30.14	50.37	323.25	13.91	48.19M
	3870.00	4.38	48.19	3869.17	33.56	41.19	-29.28	50.54	324.60	13.91	49.40M
	3900.00	8.55	49.40	3898.98	31.27	43.41	-26.73	50.98	328.38	13.91	1.27R
EOB	3930.00	12.72	49.82	3928.45	27.46	46.99	-22.51	52.10	334.40	13.91	0.86R
	3953.60	16.00	50.00	3951.31	23.42	50.76	-18.03	53.87	340.44	13.91	79.38L
	3960.00	16.18	46.94	3957.46	22.23	51.93	-16.71	54.56	342.17	13.53	76.44L
	3990.00	17.57	33.77	3986.18	17.40	58.56	-11.13	59.60	349.23	13.53	63.82L
	4020.00	19.69	22.90	4014.62	13.86	66.98	-6.65	67.31	354.33	13.53	53.52L

