Form 3160-5
(June 2015)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Operator

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018

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 page 2

5. Lease Serial No.
NMNM103570

6. If Indian, Allottee or Tribe Name

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

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No.
AMMO BOX FEDERAL 1

2. Name of Operator
PARALLEL PETROLEUM CORPORATION
Contact: DAVID A EYLER
Email: DEYLER@MILAGRO-RES.COM

9. API Well No.
30-015-34958-00-S1

3a. Address
1004 NORTH BIG SPRING SUITE 400
MIDLAND, TX 79702

3b. Phone No. (include area code)
Ph: 432-687-3033

10. Field and Pool or Exploratory Area
FOUR MILE DRAW WOLFCAMP, SW

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 11 T19S R21E NENW 285FSL 721FEL

11. County or Parish, State
EDDY COUNTY, NM

12. CHECK THE 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	☐ Hydraulic Fracturing	☐ 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 recomplete 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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

07/28/20: SET 5-1/2" CIBP @ 5,127'(PER BLM); CIRC. WELL W/ M.L.F.
07/29/20: PRES. TEST CIBP X CSG. TO 550# - HELD OK; PUMP 25 SXS.CMT. @ 5,127'-4,927'; PUMP 25 SXS.CMT. @ 4,420'-4,270'(PER BLM); PUMP 25 SXS.CMT. @ 3,449'-3,309'; PUMP 25 SXS.CMT. @ 1,920'-1,800'(PER BLM).
08/04/20: PUMP 130 SXS.CMT. @ 1,580'-300'; MIX X CIRC. TO SURF. 30 SXS.CMT. @ 300'-3'.
08/05/20: DIG OUT X CUT OFF WELLHEAD 3' B.G.L.; WELD ON STEEL PLATE TO CSGS. X INSTALL DRY HOLE MARKER.
WELL PLUGGED AND ABANDONED 08/05/20.

RECLAMATION PROCEDURE ATTACHED

RECLAMATION DUE 2-4-'21

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #524384 verified by the BLM Well Information System
For PARALLEL PETROLEUM CORPORATION, sent to the Carlsbad
Committed to AFMSS for processing by PRISCILLA PEREZ on 08/06/2020 (20PP1955SE)

Name *(Printed/Typed)* DAVID A EYLER — Title AGENT

Signature (Electronic Submission) — Date 08/05/2020

ACCEPTED FOR RECORD
AUG 7 2020
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

Accepted for record – NMOCD gc 6/16/2023

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, 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)

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

Carlsbad Field Office
620 E. Greene St.
Carlsbad, New Mexico 88220-6292
www.blm.gov/nm

In Reply Refer To: 1310

Reclamation Objectives and Procedures

Reclamation Objective: Oil and gas development is one of many uses of the public lands and resources. While development may have a short- or long-term effect on the land, successful reclamation can ensure the effect is not permanent. During the life of the development, all disturbed areas not needed for active support of production operations should undergo "interim" reclamation in order to minimize the environmental impacts of development on other resources and uses. At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land and water are restored.

The long-term objective of final reclamation is to set the course for eventual ecosystem restoration, including the restoration of the natural vegetation community, hydrology, and wildlife habitats. In most cases this means returning the land to a condition approximating or equal to that which existed prior to the disturbance. The final goal of reclamation is to restore the character of the land and water to its pre-disturbance condition. The operator is generally not responsible for achieving full ecological restoration of the site. Instead, the operator must achieve the short-term stability, visual, hydrological, and productivity objectives of the surface management agency and take steps necessary to ensure that long-term objectives will be reached through natural processes.

To achieve these objectives, remove any and all contaminants, scrap/trash, equipment, pipelines and powerlines (**Contact service companies, allowing plenty of time to have the risers and power lines and poles removed prior to reclamation, don't wait till the last day and try to get them to remove infrastructure**). Strip and remove caliche, contour the location to blend with the surrounding landscape, re-distribute the native soils, provide erosion control as needed, rip and seed as specified in the original APD COA. This will apply to well pads, facilities, and access roads. Barricade access road at the starting point. If reserve pits have not reclaimed due to salts or other contaminants, submit a plan for approval, as to how you propose to provide adequate restoration of the pit area.

1. The Application for Permit to Drill or Reenter (APD, Form 3160-3), Surface Use Plan of Operations must include adequate measures for stabilization and reclamation of disturbed lands. Oil and Gas operators must plan for reclamation, both interim and final, up front in the APD process as per Onshore Oil and Gas Order No. 1

2. For wells and/or access roads not having an approved plan, or an inadequate plan for surface reclamation (either interim or final reclamation), the operator must submit a proposal describing the procedures for reclamation. For interim reclamation, the appropriate time for submittal would be when filing the Well Completion or Recompletion Report and Log (Form 3160-4). For final reclamation, the appropriate time for submittal would be when filing the Notice of Intent, or the Subsequent Report of Abandonment, Sundry Notices and Reports on Wells (Form 3160-5). Interim reclamation is to be completed within 6 months of well completion, and final reclamation is to be completed within 6 months of well abandonment.

3. The operator must file a Subsequent Report Plug and Abandonment (Form 3160-5) following the plugging of a well.

4. Previous instruction had you waiting for a BLM specialist to inspect the location and provide you with reclamation requirements. If you have an approved Surface Use Plan of Operation and/or an approved Sundry Notice, you are free to proceed with reclamation as per approved APD. If you

specialist to assist you. It would be in your interest to have a BLM specialist look at the location and access road prior to the removal of reclamation equipment to ensure that it meets BLM objectives. Upon conclusion submit a Form 3160-5, Subsequent Report of Reclamation. This will prompt a specialist to inspect the location to verify work was completed as per approved plans.

5. The approved Subsequent Report of Reclamation will be your notice that the native soils, contour and seedbed have been reestablished. If the BLM objectives have not been met the operator will be notified and corrective actions may be required.

6. It is the responsibility of the operator to monitor these locations and/or access roads until such time as the operator feels that the BLM objective has been met. If after two growing seasons the location and/or access roads are not showing the potential for successful revegetation, additional actions may be needed. When you feel the BLM objectives have been met submit a Final Abandonment Notice (FAN), Form 3160-5, stating that all reclamation requirements have been achieved and the location and/or access road is ready for a final abandonment inspection.

7. At this time the BLM specialist will inspect the location and/or access road. If the native soils and contour have been restored, and the revegetation is successful, the FAN will be approved, releasing the operator of any further liability of the location and/or access road. If the location and/or access road have not achieved the objective, you will be notified as to additional work needed or additional time being needed to achieve the objective.

If there are any questions, please feel free to contact any of the following specialists:

Jim Amos
Supervisory Petroleum Engineering Tech
575-234-5909 (Office), 575-361-2648 (Cell)

Arthur Arias
Environmental Protection Specialist
575-234-6230

Crisha Morgan
Environmental Protection Specialist
575-234-5987

Melissa Horn
Environmental Protection Specialist
575-234-5951

Kelsey Wade
Environmental Protection Specialist
575-234-2220

Trishia Bad Bear, Hobbs Field Station
Natural Resource Specialist
575-393-3612

Complete Well Summary

AMMO BOX FEDERAL NO. 001

API/UWI	Operator
30-015-34958	Parallel Petroleum, LLC

Original KB Elevation (ft)	KB-Ground Distance (ft)	Spud Date	Rig Release Date
4,238.00	21.00	9/13/2006	10/17/2006

Surface Legal Location	Latitude (°)	Longitude (°)
Sec. 11, T19S, R21E		

Original Hole

Wellbore API/UWI	Bottom Hole Legal Location	Profile Type	VS Dir (°)
30-015-34958		Horizontal	

Proposed Deviation Survey	Actual Deviation Survey
	<des>, Proposed? No

Size (in)	Act Top (ftKB)	Act Btm (ftKB)
12 1/4	0.0	1,530.0
7 7/8	1,530.0	8,964.0

Plug Back Total Depths

Date	Depth (ftKB)	Method	Com

Formations

Formation Name	Geologic Age	Element Type	H2S Conc (%)	Final Top MD (ftKB)	Final Top (TVD) (ftKB)

Deviation Surveys

Date	Des	Proposed?	Definitive?
9/22/2006	2912' 1.97/85.42	No	Yes
9/27/2006	4336' 49.63/172.77, 4553'-49.66/194.51	No	Yes
10/2/2006	5274' 103.04 inc. 253 az	No	Yes
10/16/2006	8659, 91.27, 269.84 TVD 4308.75	No	No
10/16/2006		No	No

Reservoirs

Res Name	Top (ftKB)	Btm (ftKB)	Res Datum Depth (ft)

Surface, 1,530.0ftKB

Run Date	Centralizers	Scratchers	Drift Mi...
9/17/2006			

OD (in)	Item Des	Btm (ftKB)	Jts	ID (in)	Wt (kips)	Grade	Top Thread
8 5/8	Casing Joints	1,530.0		8.10	36.7	J-55	

Production, 8,964.0ftKB

Run Date	Centralizers	Scratchers	Drift Mi...
10/16/2006			

OD (in)	Item Des	Btm (ftKB)	Jts	ID (in)	Wt (kips)	Grade	Top Thread
5 1/2	Casing Joints	8,964.0		4.89	152.4	J-55	

Surface Casing Cement, Casing, <dttmstart>

Cementing Company	Evaluation Method	Cement Evaluation Results

Stg #	Description	Top (ftKB)	Btm (ftKB)	Full Return?
1	Surface Casing Cement	0.0	1,530.0	No

Fluid	Class	Amount (sacks)	Yield (ft³/sack)	Mix H20 Ratio (gal/sack)	Vol Pumped (bbl)	Fluid Des

Production Casing Cement, Casing, <dttmstart>

Cementing Company	Evaluation Method	Cement Evaluation Results

Stg #	Description	Top (ftKB)	Btm (ftKB)	Full Return?
1	Production Casing Cement	0.0	8,964.0	No

Fluid	Class	Amount (sacks)	Yield (ft³/sack)	Mix H20 Ratio (gal/sack)	Vol Pumped (bbl)	Fluid Des

Cement Plug, Plug, 7/29/2020 06:00

Cementing Company	Evaluation Method	Cement Evaluation Results

Stg #	Description	Top (ftKB)	Btm (ftKB)	Full Return?
1	Cement Plug	4,927.0	5,127.0	No

Fluid	Class	Amount (sacks)	Yield (ft³/sack)	Mix H20 Ratio (gal/sack)	Vol Pumped (bbl)	Fluid Des

Stg #	Description	Top (ftKB)	Btm (ftKB)	Full Return?
2		4,270.0	4,420.0	No

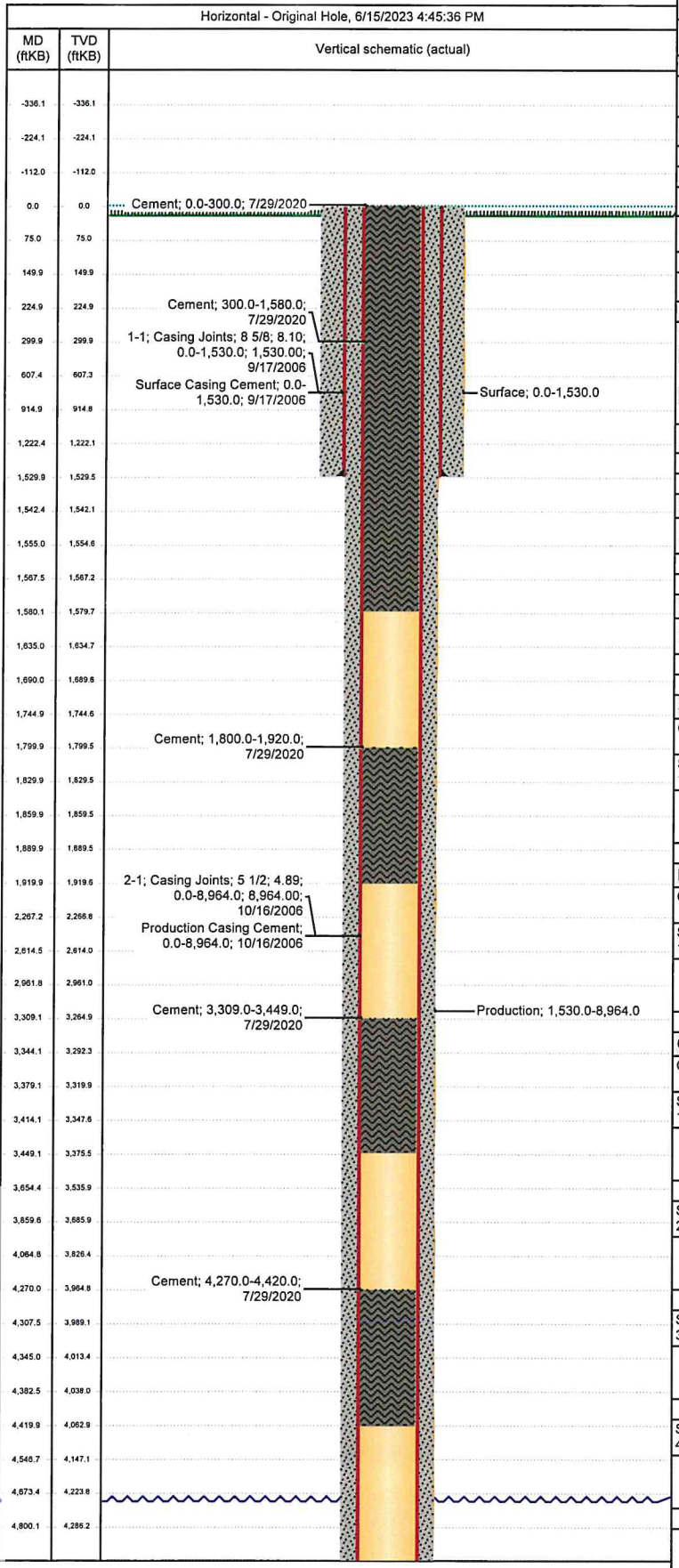
Fluid	Class	Amount (sacks)	Yield (ft³/sack)	Mix H20 Ratio (gal/sack)	Vol Pumped (bbl)	Fluid Des

Stg #	Description	Top (ftKB)	Btm (ftKB)	Full Return?
3		3,309.0	3,449.0	No

Fluid	Class	Amount (sacks)	Yield (ft³/sack)	Mix H20 Ratio (gal/sack)	Vol Pumped (bbl)	Fluid Des

Stg #	Description	Top (ftKB)	Btm (ftKB)	Full Return?
4		1,800.0	1,920.0	No

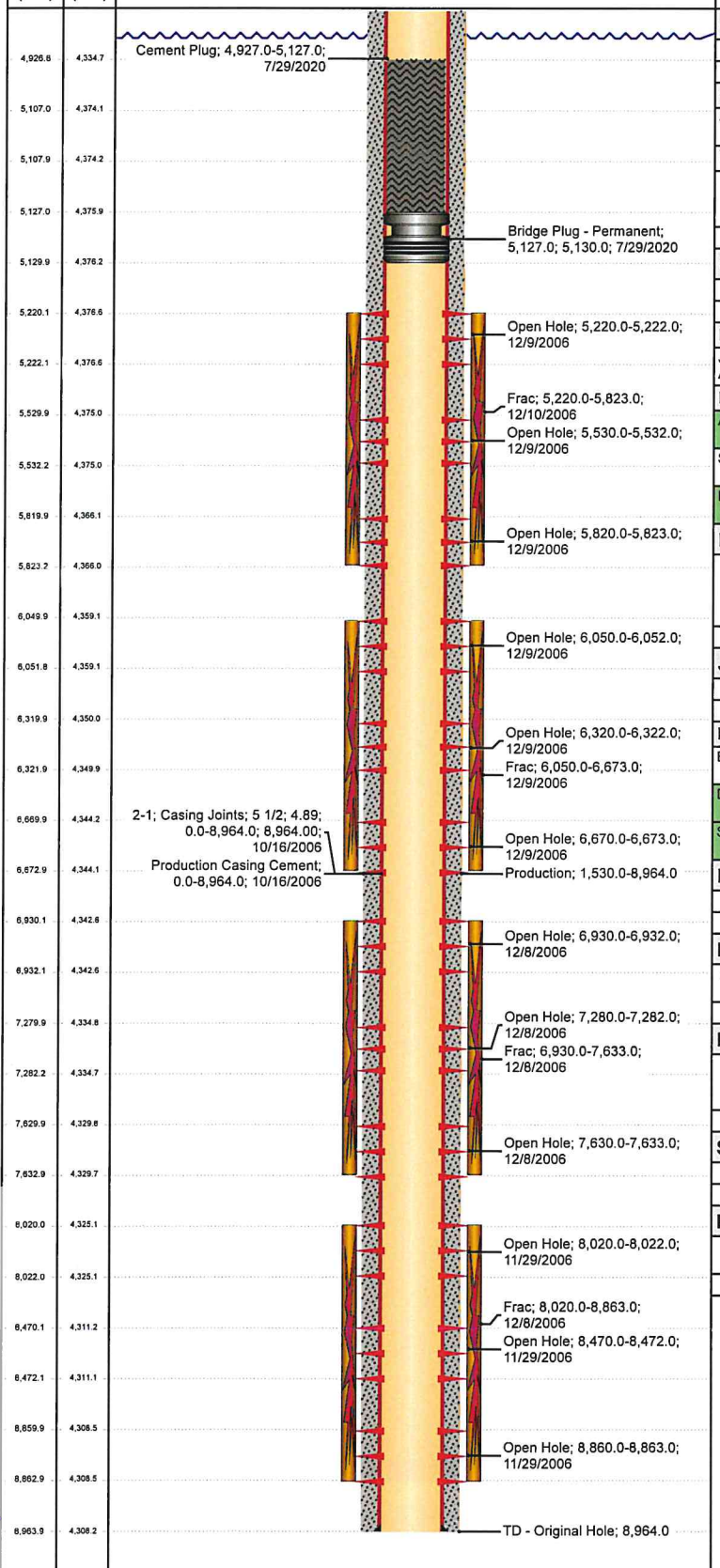
Fluid	Class	Amount (sacks)	Yield (ft³/sack)	Mix H20 Ratio (gal/sack)	Vol Pumped (bbl)	Fluid Des



Complete Well Summary

AMMO BOX FEDERAL NO. 001

Horizontal - Original Hole, 6/15/2023 4:45:36 PM



Stg #	Description	Top (ftKB)	Btm (ftKB)	Full Return?
5		300.0	1,580.0	No

Fluid	Class	Amount (sacks)	Yield (ft³/sack)	Mix H20 Ratio (gal/sack)	Vol Pumped (bbl)	Fluid Des

Stg #	Description	Top (ftKB)	Btm (ftKB)	Full Return?
6		0.0	300.0	No

Fluid	Class	Amount (sacks)	Yield (ft³/sack)	Mix H20 Ratio (gal/sack)	Vol Pumped (bbl)	Fluid Des

Other In Hole

OD (in)	Des	Top (ftKB)	Btm (ftKB)	ID (in)	Make	Model
5 1/2	Bridge Plug - Permanent	5,127.0	5,130.0			

<typ>, <make> on <dttmstart>

Start Date	Type	Make	WP (psi)	Size (in)	Overhaul Date

Vertical Components

Make	Model	Section	Top Conn Type	Top Sz (in)	Btm Conn Type	Btm Sz (in)	Des	WP (psi)

General Notes

Date	Com

PA, 7/27/2020 06:00

Job Category	Primary Job Type	Start Date	End Date
Abandon	PA	7/27/2020	8/5/2020

PA, 7/27/2020 06:00

AFE Number	AFE+Supp Amt (Cost)	Total Fld Est (Cost)	Total Final Invoice (Cost)
		3,900.00	

Summary

Poss Cost Save (Cost)	Poss Time Save (hr)	Est Prob Cost (Cost)	Est Lost Time (hr)

Phases

Section	Planned Likely Phase Cost (Cost)	Pl Cum Days ML (days)	Planned End Depth (ftKB)

Job Contacts

Contact Name	Company	Title	Office	Mobile

BHA #<stringno>, <des>

BHA #	Size (in)	Model	IADC Codes	IADC Bit Dull

Depth In (ftKB)	Depth Out (ftKB)	Drilled (ft)	Drill Time (hr)	Bit Hrs Out...	IADC Bit Dull

String Components

Logs

Date	Type	Top (ftKB)	Btm (ftKB)	Logging Company

Bottom Hole Cores

Core #	Type	Top (ftKB)	Btm (ftKB)	Recov (ft)	Wellbore

Leak Off and Formation Integrity Tests

Test Date	Last Casing String Run	P Surf Applied (psi)	Depth (ftKB)	Dens Fluid (lb/gal)	Leak off?

Schematic Annotations

Depth (ftKB)	Annotation

Production Failures

Failure Date	Failure Des	Fail Type	Cause	Resolved Date	Est Fail (Cost)

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 229211

CONDITIONS

Operator: PARALLEL PETROLEUM LLC 1004 N Big Spring Midland, TX 79701	OGRID: 230387
	Action Number: 229211
	Action Type: [C-103] Sub. Plugging (C-103P)

CONDITIONS

Created By	Condition	Condition Date
gcordero	None	6/16/2023