



AUTHORITY FOR EXPENDITURE

OPERATOR		LEASE/WELL NAME		AFE NUMBER	
Parallel Petroleum		Bold Venture #1		4050055	
LOCATION		COUNTY	STATE	DOCUMENT DATE	
NWNE Sec 27, T14S, R26E		Chaves	New Mexico	29-Dec-05	
PURPOSE			TYPE WELL	TO BE STARTED	
Drill & Complete Wolfcamp Horizontal Gas Well			gas	MAR 06	
PRODUCING LEASE NUMBER / PROSPECT NAME / FIELD NAME				PROPOSED DEPTH	
5009xx / Racehorse / Wildcat(Wolfcamp Gas)				9305 MD, 5249 TVD	

INTANGIBLE WELL COSTS					BCP	ACP	TOTAL
830.020 PERMIT	\$ 2,000	830.030 SURVEY LOC	\$ 2,500		\$ 4,500		\$ 4,500
830.040 SURF DAMAGES	\$ 4,000	830.050 INSURANCE	\$ -	830.020 TITLE	\$ 10,000		\$ 14,000
830.110 LOC & PITS	\$ 40,000	830.110 ROADS	\$ 6,000		\$ 46,000		\$ 46,000
830.130 DRLG - DAYWORK	31.0 DAYS @		\$11,700 /DAY		\$ 362,700		\$ 362,700
830.130 DRILLING	0 FEET @		\$0.00 /FT	830.130 TURNKEY	\$ -		
830.120 DRILLING RIG - MOB	\$ 49,000				\$ 49,000		\$ 49,000
830.200 BITS	\$ 65,000	830.250 WELDING	\$ 3,000		\$ 68,000		\$ 68,000
830.180 WATER - BCP	\$ 12,000	830.190 MUD & CHEM	\$ 48,000	840.140 WTR - ACP	\$ 35,000		\$ 95,000
830.140 TRUCKING - BCP	\$ 21,400	840.140 TRUCKING - ACP	\$ 8,000		\$ 21,400	\$ 8,000	\$ 29,400
830.170 POWER & FUEL	\$ 50,000	830.135 DIRECTIONAL	\$ 140,000		\$ 190,000		\$ 190,000
830.270 MUD LOGGING	\$ 15,000	830.270 DST	\$ -		\$ 15,000		\$ 15,000
830.230 CEMENTING: SURF	\$ 15,000	830.230 INTERMED.	\$ 35,000	850.080 FLOAT EQ	\$ 6,000		\$ 56,000
840.190 PRODUCTION	\$ 30,000	860.080 FLOAT EQUIP	\$ 3,000			\$ 33,000	\$ 33,000
830.270 CORING	\$ -	830.270 CORE ANAL.	\$ -				
830.290 WL LOGGING: OH	\$ 32,000	840.200 CSD. HOLE	\$ 7,000	840.200 PERF	\$ 70,000		\$ 109,000
840.100 COMPLETION UNIT	5 DAYS @		\$3,500 /DAY			\$ 17,500	\$ 17,500
830.150 BCP - RENTALS: SURF	\$ 20,000	830.160 BCP - SUBSURFACE	\$ 35,000		\$ 55,000		\$ 55,000
840.150 ACP - RENTALS: SURF	\$ 15,000	840.160 ACP - SUBSURFACE	\$ 20,000			\$ 35,000	\$ 35,000
840.220 STIMULATE: ACID	\$ 25,000	840.220 FRACTURE	\$ 275,000			\$ 300,000	\$ 300,000
		840.140 COMPL. FLUID	\$ 5,000			\$ 5,000	\$ 5,000
830.240 ENVIRON. COST - BCP	\$ 15,000	840.260 ENV. COST - ACP	\$ 15,000		\$ 15,000	\$ 15,000	\$ 30,000
830.320 DRLG OVERHEAD	\$ 6,000	830.070 GEOL SUPR	\$ 5,000	830.080 ENGR SUPP	\$ 10,000		\$ 21,000
830.090 LABOR: CO. - BCP	\$ 31,000	830.250 CONTRACT - BCP	\$ 15,000		\$ 46,000		\$ 46,000
840.030 LABOR: CO. - ACP	\$ 5,000	840.020 CONTRACT - ACP	\$ 5,000			\$ 10,000	\$ 10,000
830.240 CLEAN UP SITE	\$ 50,000	830.250 FENCE LOC	\$ 3,000		\$ 50,000	\$ 3,000	\$ 53,000
830.250 MISC. INTANG. COST	\$ 20,000	840.120 MISC. COST - ACP	\$ 10,000		\$ 20,000	\$ 10,000	\$ 30,000
830.340 CONTINGENCY: BCP	5.00%	840.280 CONTING: ACP	5.00%		\$ 53,600	\$ 30,100	\$ 83,700
TOTAL INTANGIBLE WELL COSTS					\$ 1,126,200	\$ 631,600	\$ 1,757,800

TANGIBLE WELL COSTS							
850.020 CASING: SURFACE	300 FEET OF.....	13.375 INCH CASING @	\$30.00 /FT		\$ 9,000		\$ 9,000
850.030 INTERMEDIATE	1300 FEET OF.....	9.825 INCH CASING @	\$26.00 /FT		\$ 33,800		\$ 33,800
850.030 PROTECTION	0 FEET OF.....	0.000 INCH CASING @	\$0.00 /FT				
860.040 PRODUCTION	8000 FEET OF.....	5.500 INCH CASING @	\$14.00 /FT			\$ 112,000	\$ 112,000
860.040 LINER	0 FEET OF.....	0.000 INCH CASING @	\$0.00 /FT				
830.210 INSPECT TUB. - BCP	\$ 14,000	840.170 INSP. - ACP	\$ 5,000	840.120 CSG SRVCS	\$ 9,000	\$ 20,000	\$ 28,000
850.050 CASINGHEAD	\$ 7,500	860.030 TUBINGHEAD	\$ 7,500		\$ 7,500	\$ 7,500	\$ 15,000
860.070 CHRISTMAS TREE	\$ 10,000	860.070 WH FITTINGS	\$ 5,000			\$ 15,000	\$ 15,000
860.090 TUBING	5500 FEET OF.....	2.875 INCH TUBING @	\$5.63 /FT			\$ 30,965	\$ 30,965
860.110 RODS	0 FEET OF RODS @	\$0.00 /FT (AVG)					
860.130 SUBSURFACE PUMP	\$ -	860.120 TBG ANCHOR	\$ -	860.120 PACKER	\$ 7,500	\$ 7,500	\$ 7,500
860.200 FLOWLINE	\$ 2,000	860.190 ELEC CONSTR	\$ -			\$ 2,000	\$ 2,000
860.210 TANK BATTERY	\$ 15,000	860.260 COMPRESSOR	\$ -	860.100 COAT TBG	\$ -	\$ 15,000	\$ 15,000
860.220 GAS PROD. UNIT	\$ -	860.260 DEHYDRATOR	\$ 10,000			\$ 10,000	\$ 10,000
860.220 HEATER-TREATER	\$ -	860.220 SEPARATOR	\$ 10,000			\$ 10,000	\$ 10,000
860.130 PLUNGER LIFT	\$ -	860.180 PRIME MOVER	\$ -				
860.230 SURF EQUIP FTNGS	\$ 16,000	860.250 BUILDINGS	\$ -			\$ 16,000	\$ 16,000
860.020 INSTALLATION LABOR	\$ 18,000	840.130 TRUCKING	\$ 18,200		\$ 6,400	\$ 29,800	\$ 36,200
860.170 PUMPING UNIT	\$ -	860.290 METER/CONTROLS	\$ 20,000			\$ 20,000	\$ 20,000
860.280 GAS PIPELINE/METER	\$ 50,000					\$ 50,000	\$ 50,000
860.160 CONTINGENCY	10.00%				\$ 7,700	\$ 33,335	\$ 41,035
TOTAL TANGIBLE COSTS					\$ 84,400	\$ 367,100	\$ 451,500
TOTAL WELL COSTS					\$ 1,210,600	\$ 998,700	\$ 2,209,300
PLUG & ABANDON EXPENSE					\$ -		
DRY HOLE COST					\$ 1,210,600		

TYPE		DEPARTMENT		CATEGORY	COMPANY	DECIMAL	NET ESTIMATED COST	
X	CAPITAL	BUDGETED			Parallel Petroleum	1.0000000	\$ 2,209,300	
PREPARED BY		Deane Durham - Engineer		DATE			NET AFE FOR DRY HOLE COST ONLY	
		Kleane Durham		29 DEC 05			\$ 1,210,600	
APPROVALS		Brian McCurry - Operations Manager		DATE	APPROVALS	Larry Oldham - President / CEO		DATE
		Brian McCurry		1/3/06	Larry Oldham		1/3/06	
APPROVALS		Don Tamm - Chief Operating Officer		DATE	APPROVALS			DATE
		Donald E. Tamm		1/3/06	D. J. Frost		1/3/06	
PARTICIPANT APPROVAL								
NAME OF COMPANY		AUTHORIZED REPRESENTATIVE'S SIGNATURE				TITLE		DATE

This Authorization for Expenditure (AFE) is merely an estimate of the costs and expenses for the proposed operation. The actual costs and expenses associated with the proposed operation could substantially exceed such estimates.

BEFORE THE OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
Case No. 13600 Exhibit No. 5
Submitted by:
PARALLEL PETROLEUM CORPORATION
Hearing Date: January 5, 2005