

Submit 1 Copy To Appropriate District Office
 District I - (575) 393-6161
 1625 N. French Dr., Hobbs, NM 88240
 District II - (575) 748-1283
 811 S. First St., Artesia, NM 88210
 District III - (505) 334-6178
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV - (505) 476-3460
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised August 1, 2011

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-015-34652
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. NM103570
7. Lease Name or Unit Agreement Name JACK IN THE BOX.
8. Well Number 1
9. OGRID Number 230387
10. Pool name or Wildcat MORROW/CANYON HDPG PENN, SOUTH (GAS) (78600)

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well Gas Well Other

2. Name of Operator
PARALLEL PETROLEUM LLC (230387)

3. Address of Operator
P. O. BOX 10587, MIDLAND, TX 79702

4. Well Location
 Unit Letter M : 660 feet from the S line and 760 feet from the W line
 Section 14 Township 19S Range 21E NMPM County EDDY

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
4200' GL

RECEIVED
 NOV 13 2012
 NMOCD ARTESIA

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

- PERFORM REMEDIAL WORK PLUG AND ABANDON
 TEMPORARILY ABANDON CHANGE PLANS
 PULL OR ALTER CASING MULTIPLE COMPL
 DOWNHOLE COMMINGLE

SUBSEQUENT REPORT OF:

- REMEDIAL WORK ALTERING CASING
 COMMENCE DRILLING OPNS. P AND A
 CASING/CEMENT JOB

OTHER: P&A MORROW; TEST OTHER INTERVALS
 X

OTHER:

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

LOG THE MORROW INTERVAL AND P&A THE MORROW. LOG THE REST OF THE WELL & TEST OTHER INTERVALS FOR COMPLETION. THE MORROW IS DEPLETED SO AFTER WE LOG IT FOR USE TO CORRELATE WITH OTHER LOGS WE WANT TO SET A CAST IRON BRIDGE PLUG JUST ABOVE THE MORROW INCASE WE WANT TO RE-ENTER THE ZONE AT A LATER DATE.

Spud Date:

Rig Release Date:

RECEIVED
 OCT 11 2012
 NMOCD ARTESIA

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE *Rick Petersen* TITLE Engineer DATE 10/5/12

Type or print name Rick Petersen E-mail address: rpetersen@p111.com PHONE 432/688-3676

APPROVED BY: *T. Sheward* TITLE Geologist DATE 12/18/2012
 Conditions of Approval (if any):

DISTRICT I
1825 N. Front Dr., Hobbs, NM 88240

State of New Mexico
Energy, Minerals & Natural Resources Department

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

DISTRICT II
P.O. Drawer DD, Artesa, NM 88211-0718

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

AMENDED REPORT

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

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-34652	Pool Code 78600	Pool Name Hope Penn, S (Gross)
Property Code 35469	Property Name JACK IN THE BOX FEDERAL	Well Number 1
OGRID No. 230387	Operator Name PARALLEL PETROLEUM CORPORATION	Elevation 4200'

Surface Location

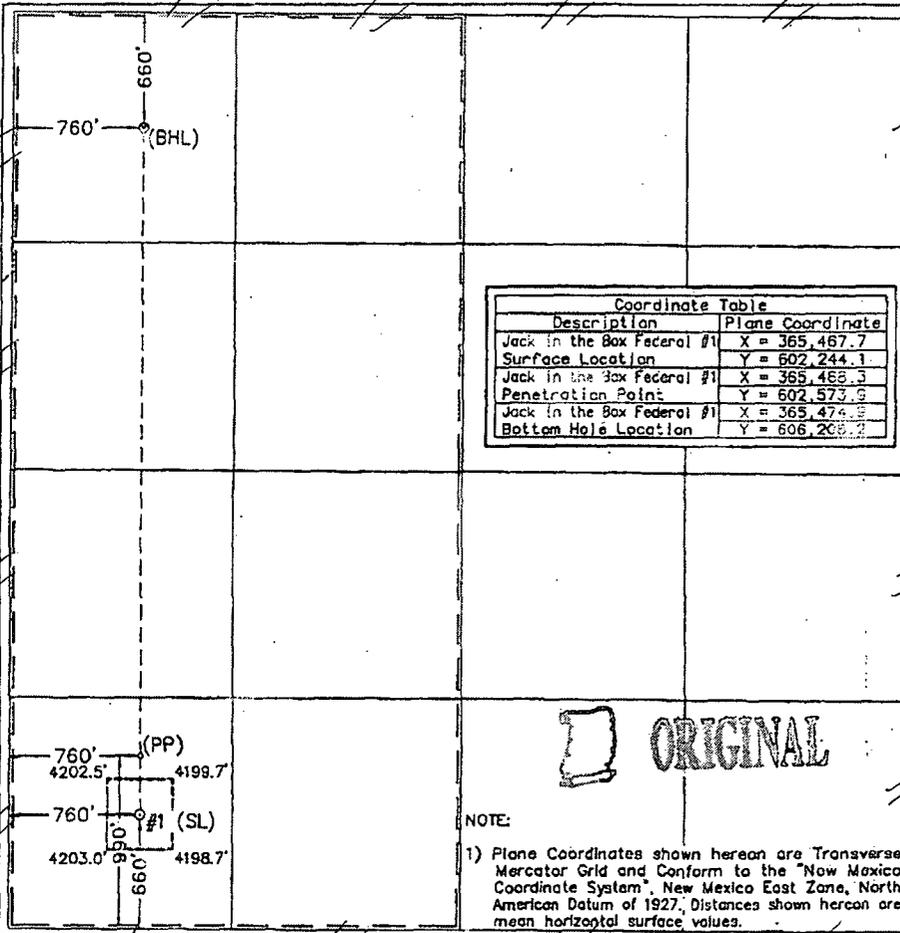
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	14	19 S	21 E		660	SOUTH	760	WEST	EDDY

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
D	14	19 S	21 E		660	NORTH	760	WEST	EDDY

Dedicated Acres 320640	Joint or Infill	Consolidation Code	Order No. SNMAS-05NM-1951
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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



OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

Terry Nevans
Signature

TERRY NEVANS
Printed Name

VP BUSINESS DEV
Title

12/18/12
Date

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.

October 25, 2005

Date Surveyed
Signature & Seal of Professional Surveyor

[Signature]

W.O. Num. 2005-0968

Certificate No. MACON-McDONALD 12185

ORIGINAL

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.

SECTION 14, TOWNSHIP 19 SOUTH, RANGE 21 EAST, N.M.P.M.

EDDY COUNTY

NEW MEXICO

L-2005-0968-A

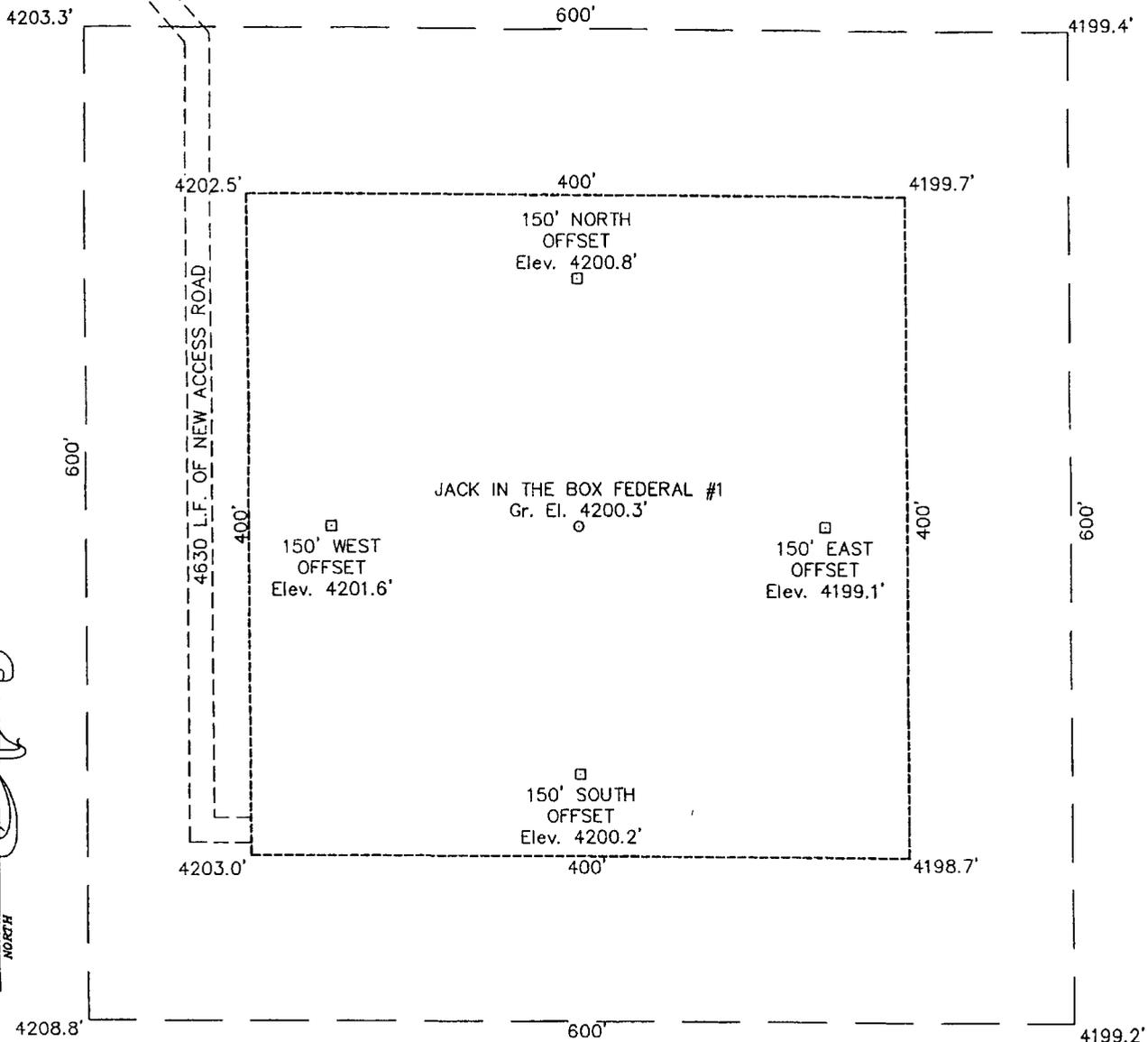
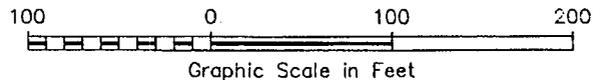


Exhibit "C"

DRIVING DIRECTIONS

FROM THE INTERSECTION OF U.S. HIGHWAY 82 AND STATE HIGHWAY 449 IN HOPE, NM GO SOUTH ON SAID STATE HIGHWAY 449 2.2 MILES TO THE END OF SAID STATE HIGHWAY 449 AND THE BEGINNING OF COUNTY ROAD 12, THEN CONTINUE SOUTH ANOTHER 4.8 MILES (7.0 TOTAL) TO A FORK IN THE ROAD, THE INTERSECTION OF SAID COUNTY ROAD 12 AND COUNTY ROAD 20 (BRONC ROAD), THEN GO SOUTHWEST ALONG SAID COUNTY ROAD 20 (BRONC ROAD) 4.8 MILES TO A POINT WHERE AN ACCESS ROAD BEGINS ON EAST (LEFT SIDE OF SAID COUNTY ROAD 20, THEN GO SOUTHEAST ALONG NORTH SIDE OF A FENCE AND SAID ACCESS ROAD 0.5 MILE, THEN GO SOUTHEAST ACROSS FENCE AND CREEK 0.1 MILE, THEN GO NORTHEAST AND SOUTH ALONG SAID NEW ACCESS ROAD 0.3 MILE TO THE PROPOSED LOCATION.



PARALLEL PETROLEUM CORPORATION

JACK IN THE BOX FEDERAL #1

Located 660' FSL & 760' FWL, Section 14
Township 19 South, Range 21 East, N.M.P.M.
Eddy County, New Mexico

**WEST
COMPANY**
of Midland, Inc.

110 W. LOUISIANA, STE. 110
MIDLAND TEXAS, 79701
(432) 687-0865 - (432) 687-0868 FAX

Drawn By: LVA	Date: November 1, 2005
Scale: 1"=100'	Field Book: 303 / 61-71
Revision Date:	Quadrangle: Holt Tank
W.O. No: 2005-0968	Dwg. No.: L-2005-0968-A

Jack in the Box Federal #1

Bunting Ranch Field

OBJECTIVE:

Abandon Morrow, Run Cased Hole Sonic & Test Canyon Sands

WELL DATA:

API No. 30-015-34652

Legal Location: 660' FSL 7 760' FWL, Sec. 14, Township 19 South, Range 21 East, NMPM, Eddy Co., N.M.

Elevation: 4188' GL

Surface Casing: 13 3/8" 48# H-40 @ 520'. Cmt'd w/ 440 sks.

Intermediate Casing: 9 5/8" 36# J-55 @ 1424'. Cmt'd w/ 550 sks.

Production Casing: 7" 26# J-55 @ 7847'. Cmt'd w/ 1441 sks. TOC @ 800'.

Open Perfs: 7654'-7660'; 7662'-7670'; 7672'-7682' @ 6 spf. (145 holes)

PBTD approx. 7802'

TD: 7850'

Volumetric Capacities:

- Tubing = .00579 bbl/ft
- Annular = .03022 bbl/ft
- Casing = .03825 bbl/ft

Tubing (top to bottom)

(240) 2 7/8" 6.5# N-80 (7495')

(1) Marker Sub (7500')

(1) 2 7/8" 6.5# N-80 (7531')

(1) XL ON/OFF w/ 2.313 "X"

(1) 7" 290-29# PLS 10K Packer (@ 7537')

(1) 2 7/8" 6.5# N-80 (7568')

(1) 2.313 "XN" NIPPLE w/ 2.205 NO-GO (7570')

(1) 2 7/8" N-80 SUB (7580')

(1) 2 7/8" TBG. RELEASE w/ 2.25 (7581')

(1) 2 7/8" 6.5# N-80 (7612')

(1) 3 3/8" KV FIRER-DUAL SUB-COLLAR (7615')

(1) PROP GUNS-BLANK-TANDEM (7654')

(1) LOADED SECTION (7682')

(1) BULL PLUG AND BLANK SECTION (7688')

PROCEDURE:

1. MIRUPU. Set (1) 500 bbl frac tank and one 120 bbl pump truck w/ 2%KCL water.
2. ND WH & NU BOP.
3. MIRU Pro Wireline and RIH w/ blanking plug and set in 2.313 "XN" w/ 2.205 NO-GO profile nipple at approx. 7570'.
4. POOH w/ wireline tools and load tubing with approx. 44 bbls of 2% KCL water. This should fill the hole completely from plug to surface.
5. Proceed to release ON/OFF tool @ approx. 7533' and pull tubing about one to two feet above the packer(7537'), approx. 7535'.
6. Swab to a fluid level of 6600' about 238 bbls.
7. TIH with tubing and set ON/OFF tool, RIs 7" 290-29# PLS Mechanical Set Perma-Lach Retrievable Packer and let the remaining fluid fall to bottom, POOH w/ tbg.
 - NOTE: Volume needed to kill the well (BHP 441#) is about 45 bbl which is what should fall to bottom after swabbing. Be conscious & cautious of the casing pressure, if the pressure starts to rise more fluid might need to be added to control the well. We are expecting it to drink some fluid.
8. MIRU Schlumberger Wireline Services and run sonic scanner/GR/CCL (PNS & CBL) log & gauge ring from PBTD of approx. 7802' across the Morrow interval to the top of the fluid level at approx. 6600'.
 - NOTE: Correlate depth to marker joint @ 7500' per log dated 6/10/2006.
9. POOH & lay down logging tools. PU CIBP and RIH w/ WL and set at 7600'.
 - NOTE: If gauge run is successful proceed, if not then RIH w/ 6 1/4" bit & 7" scrapper & CO to approx. 7600'.
10. POOH, grab cement dump bailer and RIH on WL, dump 20 feet of cement on top of CIBP.
11. Load Casing
12. RIH with Schlumberger Wireline Services and continue logging w/ sonic scanner/GR/CCL (PNS & CBL) from approx. 7600' to surface.
13. RDMO Schlumberger Wireline Services.
14. ND BOP & NU WH, RDMOPU. Send tubing for inspection.
15. Confirm and process logs to refine Canyon Sand completion attempt.

