District I 1625 N French Dr., Hobbs, NM 88240 District II 1301 W Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Road, Aztec, NM 87410 District IV 1220 S St. Francis Dr., Santa Fe, NM 87505

State of New Mexico Energy Minerals and Natural Resources

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

June 1, 2004

Form C-144

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fc office

Pit or Below-Gra	ade Tank Registration or Closi	ure 0 X 2 0 1 12 13 14 15 16 2 16
Is pit or below-grade ta	nk covered by a "general plan"? Yes \(\sime\) N or below-grade tank \(\sime\) Closure of a pit or below-gr	o X ade tank X Co A O T
Operator Parallel Petroleum Corporation Telephone. Address: 1004 N. Big Spring Street, Suite 400, Midland, Texas 79 Facility or well name: Ammo Box Federal #1, Jewelry Box Federal	432-684-3905 e-mail address gr 9701 30-015-34724	miller@hec-thiro.com JAN RECEIVED RECEIVED ARTESIA OF Qtr/Qtr Unit P SeOGD 198 R 216
Pit Type. Drilling X Production Disposal Workover Emergency Lined X Unlined Liner type Synthetic X Thickness 12 mil Clay Pit Volume 25,000 bbl	Below-grade tank Volumebbl Type of fluid Construction material: Double-walled, with leak detection? Yes If no	IIII - 3 ZUU
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.) 750°	Less than 50 feet 50 feet or more, but less than 100 feet 100 feet or more	(20 points) (10 points) (0 points)
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes ·	(20 points) (0 points) 0
Distance to surface water (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet 200 feet or more, but less than 1000 feet 1000 feet or more	(20 points) (10 points) (0 points)
	Ranking Score (Total Points)	0
If this is a pit closure: (1) Attach a diagram of the facility showing the pit' your are burying in place) onsite offsite If offsite, name of facility remediation start date and end date. (4) Groundwater encountered No (5) Attach soil sample results and a diagram of sample locations and excava Additional Comments: This well shares a location pad and pit with the The two wells were drilled back to back, using the same reserve pit an procedure. [I hereby certify that the information above is true and complete to the best has been/will be constructed or closed according to NMOCD guideline.]	. (3) Attach a general Yes If yes, show depth below ground surface tions. e Parallel Petroleum Corp., Jewelry Box Federal # d pad. This closure will be used for both wells and of my knowledge and belief I further certify that	ft and attach sample results ft. d will be closed according to the attached Charles and Charles (1) the above-described pit or below-grade tank
Date 1-15-07 Printed Name/Title Gary Miller, Agent Phone 432/682/4559 Your certification and NMOCD approval of this application/closure does rotherwise endanger public health or the environment. Nor does it relieve to regulations. Approval: Printed Name/Title	Signature not relieve the operator of hability should the contents the operator of its responsibility for compliance with a	s of the pit or tank contaminate ground water or



Highlander Environmental Corp.

Midland, Texas

JUL - 3 ZUU/ OCD-ARTESIA

June 28, 2007

Mr. Mike Bratcher State Of New Mexico, Oil Conservation Division 1301 W. Grand Ave. Artesia, New Mexico 88210

Re: Parallel Petroleum Corporation, Pit Closures Eddy and Chaves Counties, New Mexico

The attached are copies of the approved C-144 pit closures for several wells drilled by Parallel Petroleum Corporation. These pits were closed over the course of the past 6 months. The contractor, Sweat Construction performed all of the closures and in conversation with you last month I found that while they had contracted your office that they were closing the sites, no paper work had been forwarded to you. On the attached C-144's I have noted the date of the closure and if the pit contents were taken to disposal or trench buried. This should catch us up on paperwork for the pits that have been closed to date.

Should you need additional information regarding this issue, please contact me at 432-682-4559 or my email address at gmiller@hec-enviro.com.

Sincerely,

Gary Miller, Agent

Highlander Environmental Corp.