

UNITED STATES N.M. Oil Cons. DIV-Dist. 2
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
1301 W. Grand Avenue
Artesia, NM 88210FORM APPROVED
OMB NO. 1004-0137
Expires March 31, 2007

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

JAN 18 2008

OCD-ARTESIA

2. Name of Operator

PARALLEL PETROLEUM CORPORATION

3a. Address

1004 N BIG SPRING, SUITE 400, MIDLAND, TX 79702

3b. Phone No. (include area code)

432-685-6563

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

SHL: 1880 FSL & 190 FEL, SEC 8, T15S, R25E

5. Lease Serial No.

NM NM 112249

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

WAR EMBLEM 1525-9 1H

FED COM

9. API Well No.

30-005-63950

10. Field and Pool, or Exploratory Area

WALNUT CREEK-WOLFCAMP GAS
97631

11. County or Parish, State

CHAVES

NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☐ Notice of Intent☒ Subsequent Report☐ Final Abandonment Notice

TYPE OF ACTION

☐ Acidize☐ Alter Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Fracture Treat☐ New Construction☐ Plug and Abandon☐ Plug Back☐ Production (Start/Resume)☐ Reclamation☐ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☐ Well Integrity☒ Other TD/PROD CSG/

SURVEYS

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 final site is ready for final inspection.)

12-29-2007: TD'D @ 9160

12-31-2007: SET 5.5 CSG, 7.875 HOLE, 17# @ 9160.

LEAD: 700 SX HALLIBURTON INTERFILL C-SEM POLY-E-FLAKE, 11.9 PPG, 2.47 YLD

TAIL: 450 SX HALLIBURTON ACID SOLUBLE, HALAD-344+50# SILICATE, 50/50

POZMIX + D-AIR 3000 + HR 601, 50# BAG, 15 PPG, 2.62 YLD

110 CENTRALIZERS

TOC: AT SURFACE, CIRCULATED 120 SX

WOC: 8 HR, TEST CSG TO 1500 PSI FOR 30 MIN

ATTACHMENTS: GYRODATA-GYRO SURVEY, PATHFINDER MWD SURVEY
NO OPEN-HOLE LOG RUN. MUD LOG TO NMCD, ARTESIA14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

KAYE MC CORMICK

Title

SR PROD & REG TECH

Date 01-11-2008

ACCEPTED FOR RECORDS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by /S/ DAVID R. GLASS

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, makes 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.

DAVID R. GLASS
PETROLEUM ENGINEER

A Gyrodata Directional Survey

Field Copy Only, not definitive

for

PARALLEL PETROLEUM CORPORATION

Location: JW # 4, War Emblem 1525-9 Fedcom # 1

Lease: War Emblem 1525-9 Fedcom # 1

Well: War Emblem 1525-9 Fedcom # 1

4.5" Drill Pipe

Job Number: MD1207GW410

Run Date: 12/18/2007

Surveyor: Dean Sheppard

Calculation Method: MINIMUM CURVATURE

Survey Latitude: 33.017778 deg. N Longitude: 104.456389 deg. W

Azimuth Correction:

Gyro: 0.07000 deg East to Grid North

Vertical Section Calculated from Well Head Location

Closure Calculated from Well Head Location

Horizontal Coordinates Calculated from Well Head Location

A Gyrodata Directional Survey

Parallel Petroleum Corporation

Location: JW # 4, War Emblem 1525-9 Fedcom # 1

Lease: War Emblem 1525-9 Fedcom # 1, Well: War Emblem 1525-9 Fedcom # 1,
4.5" Drill Pipe

Job Number: MD1207GW410

MEASURED DEPTH feet	I N C deg.	LAZIMUTH deg.	VERTICAL DEPTH feet	HORIZONTAL COORDINATES feet	VERTICAL SECTION feet	DOGLEG SEVERITY deg./ 100 ft.
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0.00	0.00	0.00	0.00	0.00 N	0.00 E	0.0	0.00
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0 - 2893' Rate gyroscopic multishot survey run in 4.5" drill pipe conveyed via Gyrodata
5/16" electric wireline

All horizontal coordinates referenced to War Emblem 1525-9 Fedcom # 1

All vertical coordinates referenced to JW # 4 RKB

100.00	0.20	97.13	100.00	0.02 S	0.17 E	-0.0	0.20
200.00	0.17	65.47	200.00	0.02 N	0.48 E	0.0	0.11
300.00	0.03	155.95	300.00	0.06 N	0.63 E	0.1	0.17
400.00	0.05	230.33	400.00	0.01 N	0.60 E	0.0	0.05
500.00	0.05	323.93	500.00	0.01 N	0.54 E	0.0	0.07
600.00	0.46	326.26	600.00	0.38 N	0.30 E	0.4	0.42
700.00	0.54	321.94	699.99	1.08 N	0.22W	1.1	0.09
800.00	0.57	344.87	799.99	1.94 N	0.64W	1.9	0.22
900.00	0.69	351.94	899.98	3.01 N	0.85W	3.0	0.14
1000.00	0.55	346.51	999.98	4.08 N	1.05W	4.1	0.16
1100.00	0.52	340.26	1099.97	4.97 N	1.32W	5.0	0.06
1200.00	0.46	342.88	1199.97	5.78 N	1.59W	5.8	0.07
1300.00	0.44	341.80	1299.97	6.52 N	1.82W	6.5	0.02
1400.00	0.29	322.90	1399.96	7.08 N	2.09W	7.1	0.19
1500.00	0.19	287.79	1499.96	7.33 N	2.40W	7.3	0.17
1600.00	0.08	283.73	1599.96	7.40 N	2.63W	7.4	0.11
1700.00	0.05	58.81	1699.96	7.44 N	2.66W	7.4	0.12
1800.00	0.13	53.61	1799.96	7.52 N	2.54W	7.5	0.08
1900.00	0.19	317.93	1899.96	7.71 N	2.56W	7.7	0.24
2000.00	0.42	319.73	1999.96	8.12 N	2.92W	8.1	0.23

A Gyrodata Directional Survey

Parallel Petroleum Corporation

Location: JW # 4, War Emblem 1525-9 Fedcom # 1

Lease: War Emblem 1525-9 Fedcom # 1, Well: War Emblem 1525-9 Fedcom # 1,
4.5" Drill Pipe

Job Number: MD1207GW410

MEASURED DEPTH feet	I deg.	N C deg.	LAZIMUTH DEPTH feet	HORIZONTAL COORDINATES feet	VERTICAL SECTION feet	DOGLE SEVERITY deg./ 100 ft.
2100.00	0.38	303.23	2099.96	8.58 N 3.43 W	8.6	0.12
2200.00	0.28	298.29	2199.96	8.88 N 3.92 W	8.9	0.10
2300.00	0.32	338.47	2299.96	9.25 N 4.23 W	9.3	0.21
2400.00	0.29	281.37	2399.95	9.56 N 4.58 W	9.6	0.29
2500.00	0.36	277.77	2499.95	9.65 N 5.13 W	9.7	0.08
2600.00	0.38	267.38	2599.95	9.68 N 5.77 W	9.7	0.07
2700.00	0.23	323.96	2699.95	9.83 N 6.22 W	9.8	0.32
2800.00	0.25	297.37	2799.95	10.09 N 6.54 W	10.1	0.11
2893.00	0.43	318.44	2892.95	10.45 N 6.95 W	10.4	0.23

Final Station Closure: Distance: 12.55 ft Az: 326.38 deg.



Job Number: 101007005WTWT
 Company: Parallel Petroleum Corporation
 Lease/Well: War Emblem 1525-9 Fed Com #1H
 Location: 9-T15S-R25E
 Rig Name: JW #4
 RKB: 13'
 G.L. or M.S.L.: 3524'

State/Country: New Mexico USA
 Declination: 8.53
 Grid: -0.07
 File name: C:\WINSERVE\7005.SVY
 Date/Time: 29-Dec-07 / 07:58
 Curve Name: War Emblem 1525-9 Fed Com #1H

Pathfinder Energy Services

WINSERVE SURVEY CALCULATIONS
Minimum Curvature Method
Vertical Section Plane 90.36
Vertical Section Referenced to Wellhead
Rectangular Coordinates Referenced to Wellhead

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	N-S FT	E-W FT	Vertical Section FT	CLOSURE Distance FT	Direction Deg	Dogleg Severity Deg/100
Gyro tie-in									
2893.00	.43	318.44	2892.95	10.45	-6.95	-7.02	12.55	326.37	.00
2966.00	.44	303.32	2965.95	10.81	-7.37	-7.44	13.08	325.72	.16
3062.00	.44	320.36	3061.95	11.30	-7.91	-7.98	13.79	324.99	.14
3253.00	.88	237.60	3252.94	11.08	-9.62	-9.69	14.67	319.03	.49
3348.00	.70	236.27	3347.93	10.36	-10.72	-10.78	14.91	314.04	.19
3444.00	.79	206.18	3443.92	9.44	-11.50	-11.56	14.88	309.40	.41
3539.00	.62	222.55	3538.91	8.48	-12.13	-12.19	14.80	304.94	.28
3635.00	.70	201.86	3634.91	7.55	-12.70	-12.75	14.78	300.73	.26
3731.00	.62	203.66	3730.90	6.53	-13.13	-13.17	14.66	296.44	.09

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	N-S FT	E-W FT	Vertical Section FT	C L O S U R E		Dogleg Severity Deg/100
							Distance FT	Direction Deg	
3826.00	.44	192.59	3825.89	5.70	-13.42	-13.45	14.58	293.03	.22
3890.00	.53	180.80	3889.89	5.17	-13.47	-13.51	14.43	290.98	.21
3921.00	.53	133.81	3920.89	4.93	-13.37	-13.40	14.25	290.22	1.36
3953.00	1.32	114.01	3952.89	4.67	-12.93	-12.96	13.75	289.87	2.63
3985.00	4.48	107.65	3984.84	4.14	-11.40	-11.43	12.13	289.98	9.91
4017.00	7.74	105.65	4016.66	3.18	-8.13	-8.15	8.73	291.37	10.21
4048.00	10.55	104.74	4047.26	1.90	-3.38	-3.39	3.87	299.33	9.08
4144.00	18.03	101.47	4140.22	-3.30	19.71	19.73	19.99	99.50	7.83
4176.00	19.79	97.31	4170.50	-4.97	29.94	29.97	30.35	99.43	6.93
4208.00	21.37	94.74	4200.45	-6.15	41.13	41.16	41.58	98.50	5.69
4240.00	22.69	94.13	4230.12	-7.07	53.09	53.14	53.56	97.59	4.19
4271.00	24.18	94.46	4258.56	-8.00	65.39	65.44	65.87	96.97	4.83
4303.00	25.94	93.09	4287.55	-8.88	78.91	78.96	79.41	96.42	5.79
4335.00	28.14	91.61	4316.05	-9.47	93.44	93.50	93.92	95.79	7.19
4367.00	30.07	89.53	4344.01	-9.62	109.01	109.06	109.43	95.04	6.81
4399.00	32.27	87.66	4371.38	-9.20	125.56	125.62	125.90	94.19	7.51
4431.00	34.12	87.98	4398.16	-8.54	143.07	143.12	143.32	93.42	5.81
4462.00	36.14	88.33	4423.51	-7.97	160.89	160.94	161.09	92.83	6.55
4494.00	37.99	89.43	4449.05	-7.59	180.18	180.22	180.34	92.41	6.14
4526.00	39.83	90.48	4473.95	-7.58	200.27	200.32	200.42	92.17	6.11
4558.00	41.33	91.18	4498.25	-7.88	221.09	221.13	221.23	92.04	4.90
4590.00	42.91	91.64	4521.99	-8.41	242.54	242.59	242.69	91.99	5.03
4622.00	44.41	91.31	4545.14	-8.98	264.63	264.68	264.78	91.94	4.74
4654.00	45.99	90.59	4567.68	-9.36	287.33	287.38	287.48	91.86	5.19
4686.00	47.75	90.00	4589.56	-9.47	310.68	310.73	310.83	91.75	5.66
4718.00	48.98	90.25	4610.82	-9.53	334.60	334.65	334.73	91.63	3.89
4750.00	50.91	91.01	4631.41	-9.80	359.09	359.14	359.22	91.56	6.30
4781.00	53.11	91.79	4650.49	-10.40	383.51	383.57	383.65	91.55	7.37
4813.00	55.93	92.57	4669.06	-11.39	409.55	409.61	409.70	91.59	9.03
4845.00	59.62	92.70	4686.12	-12.64	436.58	436.65	436.77	91.66	11.54

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	N-S FT	E-W FT	Vertical Section FT	CLOSURE		Dogleg Severity Deg/100
							Distance FT	Direction Deg	
4877.00	62.08	93.12	4701.71	-14.06	464.49	464.57	464.71	91.73	7.77
4908.00	64.02	93.24	4715.76	-15.59	492.08	492.17	492.33	91.81	6.27
4940.00	65.33	92.63	4729.45	-17.07	520.97	521.06	521.25	91.88	4.44
4972.00	66.74	92.19	4742.44	-18.30	550.18	550.29	550.49	91.90	4.58
5003.00	67.71	90.76	4754.44	-19.03	578.75	578.86	579.07	91.88	5.28
5035.00	68.06	90.35	4766.49	-19.32	608.40	608.51	608.71	91.82	1.61
5067.00	68.59	89.98	4778.31	-19.41	638.14	638.25	638.43	91.74	1.97
5099.00	68.76	89.72	4789.95	-19.33	667.95	668.05	668.22	91.66	.92
5131.00	71.31	89.60	4800.87	-19.15	698.02	698.13	698.28	91.57	7.98
5162.00	74.22	90.06	4810.06	-19.06	727.62	727.73	727.87	91.50	9.49
5194.00	76.94	90.70	4818.03	-19.27	758.61	758.72	758.86	91.46	8.72
5226.00	77.21	90.91	4825.18	-19.71	789.80	789.91	790.04	91.43	1.06
5257.00	77.82	91.26	4831.88	-20.28	820.06	820.17	820.31	91.42	2.26
5288.00	78.44	91.61	4838.26	-21.04	850.39	850.50	850.65	91.42	2.28
5319.00	78.79	91.86	4844.38	-21.96	880.76	880.88	881.04	91.43	1.38
5350.00	80.20	90.83	4850.03	-22.68	911.23	911.36	911.52	91.43	5.60
5381.00	82.83	90.21	4854.61	-22.95	941.89	942.02	942.17	91.40	8.71
5412.00	85.91	90.00	4857.65	-23.01	972.74	972.86	973.01	91.36	9.96
5473.00	88.55	89.56	4860.59	-22.78	1033.66	1033.78	1033.91	91.26	4.39
5566.00	88.99	89.08	4862.59	-21.67	1126.63	1126.74	1126.84	91.10	.70
5658.00	89.69	89.72	4863.65	-20.71	1218.62	1218.72	1218.79	90.97	1.03
5752.00	87.23	87.18	4866.18	-18.17	1312.54	1312.62	1312.66	90.79	3.76
5844.00	91.28	90.05	4867.37	-15.95	1404.47	1404.54	1404.56	90.65	5.39
5937.00	92.15	91.30	4864.59	-17.04	1497.42	1497.50	1497.52	90.65	1.64
6030.00	90.22	89.45	4862.67	-17.65	1590.39	1590.47	1590.49	90.64	2.87
6123.00	90.84	89.63	4861.81	-16.90	1683.38	1683.46	1683.47	90.58	.69
6217.00	87.58	88.78	4863.10	-15.60	1777.35	1777.41	1777.42	90.50	3.58
6312.00	87.58	88.67	4867.11	-13.49	1872.24	1872.29	1872.29	90.41	.12
6408.00	87.05	88.38	4871.61	-11.02	1968.11	1968.14	1968.14	90.32	.63
6503.00	89.69	89.40	4874.31	-9.18	2063.04	2063.06	2063.06	90.25	2.98

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	N-S FT	E-W FT	Vertical Section FT	CLOSURE		Dogleg Severity Deg/100
							Distance FT	Direction Deg	
6598.00	88.29	88.34	4875.99	-7.31	2158.00	2158.01	2158.02	90.19	1.85
6694.00	89.16	88.75	4878.12	-4.87	2253.95	2253.93	2253.95	90.12	1.00
6790.00	89.34	88.51	4879.38	-2.58	2349.91	2349.88	2349.91	90.06	.31
6885.00	90.75	89.86	4879.31	-1.22	2444.90	2444.86	2444.90	90.03	2.05
6981.00	89.34	87.96	4879.23	.60	2540.87	2540.82	2540.87	89.99	2.46
7077.00	87.49	87.74	4881.89	4.20	2636.76	2636.69	2636.77	89.91	1.94
7172.00	87.93	90.12	4885.68	5.97	2731.67	2731.57	2731.67	89.87	2.55
7267.00	90.04	92.44	4887.36	3.85	2826.61	2826.53	2826.62	89.92	3.30
7363.00	88.46	90.92	4888.62	1.04	2922.56	2922.50	2922.56	89.98	2.28
7459.00	87.93	91.94	4891.65	-1.36	3018.48	3018.43	3018.48	90.03	1.20
7554.00	89.87	93.22	4893.47	-5.63	3113.36	3113.33	3113.37	90.10	2.45
7649.00	90.04	92.35	4893.54	-10.25	3208.25	3208.25	3208.26	90.18	.93
7744.00	90.04	91.88	4893.48	-13.75	3303.18	3303.20	3303.21	90.24	.49
7839.00	89.87	91.23	4893.55	-16.33	3398.15	3398.18	3398.19	90.28	.71
7934.00	90.04	90.69	4893.63	-17.92	3493.13	3493.18	3493.18	90.29	.60
8029.00	90.04	90.73	4893.56	-19.10	3588.13	3588.17	3588.18	90.31	.04
8124.00	91.54	91.39	4892.25	-20.86	3683.10	3683.15	3683.16	90.32	1.72
8220.00	87.41	89.67	4893.13	-21.75	3779.06	3779.13	3779.13	90.33	4.66
8315.00	90.48	89.96	4894.88	-21.44	3874.04	3874.09	3874.10	90.32	3.25
8410.00	88.46	89.35	4895.76	-20.87	3969.02	3969.08	3969.08	90.30	2.22
8505.00	89.16	89.47	4897.73	-19.89	4064.00	4064.04	4064.05	90.28	.75
8599.00	89.43	89.03	4898.89	-18.66	4157.98	4158.02	4158.03	90.26	.55
8695.00	88.55	88.82	4900.58	-16.86	4253.95	4253.97	4253.98	90.23	.94
8791.00	87.85	88.25	4903.59	-14.41	4349.87	4349.88	4349.89	90.19	.94
8886.00	88.64	87.93	4906.50	-11.24	4444.77	4444.76	4444.79	90.14	.90
8982.00	88.46	87.11	4908.93	-7.09	4540.65	4540.61	4540.66	90.09	.87
9090.00	89.16	87.21	4911.18	-1.74	4648.49	4648.41	4648.49	90.02	.65
Projection to Bit @ TD									
9160.00	89.16	87.21	4912.20	1.67	4718.40	4718.30	4718.40	89.98	.00