

N.M. Oil Cons. DIV-Dist. 2  
1301 W. Grand Avenue

Form 3160-5  
(April 2004)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

Artesia, NM 88210

FORM 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.*

5. Lease Serial No.  
**NM NM 115997**

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.  
**Hoss Cartwright 2020-5 Federal #1H**

9. API Well No.  
**30-005-63901**

10. Field and Pool, or Exploratory Area  
**Wildcat; Wolfcamp**

11. County or Parish, State  
**Chaves, New Mexico**

**S**

**SUBMIT IN TRIPLICATE- Other instructions on reverse side.**

1. Type of Well  
 Oil Well     Gas Well     Other

2. Name of Operator  
**Parallel Petroleum Corporation**

3a. Address  
**1004 N. Big Spring St., Suite 400, Midland, Texas 79701**

3b. Phone No. (include area code)  
**432/684-3727**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**SL 1598' FSL and 94' FWL, Sec 4, T20S-R20E**  
**BHL 1598' FSL and 660' FWL, Sec 5, T20S-R20E**

**JAN 28 2008**

**OCD-ARTESIA**

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

| TYPE OF SUBMISSION                                   | TYPE OF ACTION                                |   |  |
|--|---|---|--|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize              | <input type="checkbox"/> Deepen           | <input type="checkbox"/> Production (Start/Resume)                                     |
| <input type="checkbox"/> Subsequent Report           | <input type="checkbox"/> Alter Casing         | <input type="checkbox"/> Fracture Treat   | <input type="checkbox"/> Reclamation   |
| <input type="checkbox"/> Final Abandonment Notice    | <input type="checkbox"/> Casing Repair        | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete  |
|  | <input type="checkbox"/> Change Plans         | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon   |
|  | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back        | <input type="checkbox"/> Water Disposal  |
|  |   |   | <input type="checkbox"/> Water Shut-Off  |
|  |   |   | <input type="checkbox"/> Well Integrity  |
|  |   |   | <input checked="" type="checkbox"/> Other <b>Extension of approved drilling permit</b> |

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 recomplate 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 recompletion 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 site is ready for final inspection.)

**Request the approved permit for this well be extended for 2 years.**

**APPROVED FOR 24 MONTH PERIOD**  
**ENDING 2-26-10**

14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)

**Deane Durham**

Title **Engineer**

Signature

*Deane Durham*

Date

**12/17/2007**

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by **ISI DAVID D. EVANS**

FOR

Title **FIELD MANAGER**

Date **JAN 22 2008**

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

**CARLSBAD FIELD 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)

**PECOS DISTRICT  
CONDITIONS OF APPROVAL**

|                       |                                       |
|-----------------------|---------------------------------------|
| OPERATOR'S NAME:      | Parallel Petroleum Corp.              |
| LEASE NO.:            | NM115997                              |
| WELL NAME & NO.:      | Hoss Cartwright 2020-5 Federal #1     |
| SURFACE HOLE FOOTAGE: | 1598' FSL & 94' FWL Sec. 4 T20S, R20E |
| BOTTOM HOLE FOOTAGE:  | 1598' FSL & 660' FWL                  |
| LOCATION:             | Section 5, T. 20 S., R 20 E., NMPM    |
| COUNTY:               | Chavez County, New Mexico             |

**I. DRILLING**

**A. DRILLING OPERATIONS REQUIREMENTS**

The BLM is to be notified a minimum of 4 hours in advance for a representative to witness:

- a. Spudding well
- b. Setting and/or Cementing of all casing strings
- c. BOPE tests

**Eddy County**

Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220,  
(575) 361-2822

1. **Although Hydrogen Sulfide has not been reported in this section, it is always a possible hazard. Only minor concentrations of H<sub>2</sub>S have been measured in the area, in three wells producing from the Little Box Canyon Morrow in the Section 7. If Hydrogen Sulfide is encountered, please report measured amounts to the BLM.**
2. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
3. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.

## B. CASING

1. The 8 5/8 inch surface casing shall be set at 1500 feet and cemented to the surface.

### **Possible loss of circulation in the San Andres, Glorieta, and Wolfcamp Formations.**

- a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement.
  - b. Wait on cement (WOC) time for a primary cement job will be a **minimum 18 hours for a water basin**, 24 hours in the potash area, **or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement).**
  - c. **Please provide WOC times to inspector for cement slurries.**
  - d. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
  - e. If cement falls back, remedial action will be done prior to drilling out that string.
2. The minimum required fill of cement behind the 5 1/2 inch production casing is:
    - Cement should tie-back at least 200 feet into previous casing string. Operator shall provide method of verification.
    - a. **Please provide WOC times to inspector for cement slurries.**
  3. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.

## C. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.

2. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be 3000 (3M) psi. As submitted in APD.
3. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
  - a. The tests shall be done by an independent service company.
  - b. The results of the test shall be reported to the appropriate BLM office.
  - c. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.
  - d. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug.

**D. DRILL STEM TEST**

If drill stem tests are performed, Onshore Order 2.III.D shall be followed.

**Engineer on call phone (after hours only): Carlsbad: (575) 706-2779**

JDW/1/15/2008 (date)