

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

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 115995 (03570)**

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.  
**BLACK BOX 1921-23 #1**

9. API Well No.  
**30-015-35595**

10. Field and Pool, or Exploratory Area  
**FOUR MILE DRAW, WOLFECAMP, SW**

11. County or Parish, State  
**EDDY NM**

**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, SUITE 400, MIDLAND, TX 79701**

3b. Phone No. (Include Area Code)  
**432-685-6563**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**SL: 760 FSL & 300 FEL, SEC 23, T19S, R21E**  
**EHL: 760 FSL & 660 FWL, SEC 23, T19S, R21E**

APR 08 2008

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 recomplete 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 final site is ready for final inspection.)

**REQUEST THE APPROVED PERMIT FOR THIS WELL BE EXTENDED FOR 2 YEARS.**

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

APPROVED FOR 24 MONTH PERIOD  
ENDING 5-2-10

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed) **KAYE MC CORMICK** Title **SR PROD & REG TECH**

*Kaye McCormick* Date **03-12-2008**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by **1st Don Peterson** Title **FIELD MANAGER** Date **APR 08 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, 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.

Accepted for record - NMOCD

**PECOS DISTRICT  
CONDITIONS OF APPROVAL**

OPERATOR'S NAME:	Parallel Petroleum Corporation
LEASE NO.:	NM103570
WELL NAME & NO.:	Black Box 1921-23 Federal #1
SURFACE HOLE FOOTAGE:	760' FSL & 300' FEL
BOTTOM HOLE FOOTAGE:	760' FSL & 660' FWL
LOCATION:	Section 23, T19S., R21E., NMPM
COUNTY:	Eddy 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. BOP/BOPE tests

**Eddy County**

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

1. **Although there are no measured amounts of Hydrogen Sulfide reported in this Section, minor amounts have been measured in Section 7 at less than 10 ppm in STV's. If Hydrogen Sulfide is encountered, please report measured amounts and formations 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

**Note: All casing shall meet or exceed API standards for new casing. Onshore Order #2. III. B. 1. a (Any casing substitutions must have prior approval)**

**Centralizers required on surface casing per Onshore Order 2.III.B.1.f.**

**Medium cave/karst.**

**Possible lost circulation in the San Andres, Glorieta, and Wolfcamp formations.**

**Possible high pressure gas kicks in the Wolfcamp formations.**

1. The **8-5/8 inch** surface casing shall be set at **1500 feet** and cemented to the surface.
  - 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. **Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing.**
  - 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.**
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.
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.
  - e. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the **Wolfcamp** formation, **if the time between the setting of the intermediate casing and reaching this depth exceeds 20 days**. This test does not exclude the test prior to drilling out the casing shoe as per Onshore Order No. 2.

### D. DRILLING MUD

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the **Wolfcamp** formation, and shall be used until production casing is run and cemented.

### E. DRILL STEM TEST

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

JDW 3/31/08

*[Handwritten signature]* 4/4/08