

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

Form C-101  
May 27, 2004

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

Submit to appropriate District Office

AMENDED REPORT

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

Operator Name and Address Parallel Petroleum Corp. 1004 N. Big Spring Street, Suite 400, Midland, TX. 79701		OGRID Number 230387
Property Code 35689	Property Name Press Box 1923-5 State Com.	API Number 30-015-34844
Proposed Pool 1 Wildcat	Proposed Pool 2 Wolfcamp	Well No. 1

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	5	19S	23E		300	South	1798"	East	Eddy

Proposed 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
B	5	19S	23E		660'	North	1798'	East	Eddy

Additional Well Information

Work Type Code N	Well Type Code G	Cable/Rotary R	Lease Type Code P	Ground Level Elevation 4000'
Multiple No	Proposed Depth 8688MD,4527TVD	Formation Wolfcamp	Contractor NA	Spud Date NA
Depth to Groundwater 500'		Distance from nearest fresh water well 7000'		Distance from nearest surface water 2000'

Pit: Liner: Synthetic X 12\_mils thick Clay  Pit Volume:25,000 bbls Drilling Method:  
Closed-Loop System  Fresh Water X Brine  Diesel/Oil-based  Gas/Air

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12-1/4"	8-5/8"	24#	1300'	225	Surface
8-3/4"	5-1/2"	17#	TVD 5500'	NA	100' Above Glorieta
			MD 8688'		

Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

**Well to be Drilled as a Horizontal Wolfcamp test. The attached drilling plan will be utilized for this test and contains details on the cement and mud programs as well as the directional information. The following is a summary of this plan.**

1. Prepare surface location. Move in and rig up drilling rig, spud well and drill and set conductor. Install and test BOP's.
2. Drill 12 1/4" Surface hole to a minimum depth of 1300'. Set 8 5/8" casing and cement.
3. Drill 8 3/4" production hole 5500' TD and evaluate running mud logs as well as DLL/CNL/LDT/CAL/GR to TD.
4. Set Kickoff point at 4130' drill and advance hole to a Wolfcamp penetration point at approximately 419' FSL and 1798' FWL of the SE corner of the section and continue drilling to BHL. (8688' MD & 4527' TVD)
5. Set 5 1/2" to TD and cement to a point 100' above 1300'. Perforate porosity (first perforations will be 660' FSL of Section) and stimulate as necessary (specific procedure to be determined).
6. Place well on test.
7. No H2S if anticipated during the drilling of this well.

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines X, a general permit , or an (attached) alternative OCD-approved plan .

Printed name: Deane Durham  
Title: Drilling Engineer  
E-mail Address: ddurham@plll.com]

Date: 5-4-06 Phone: 432-684-3727

OIL CONSERVATION DIVISION

Approved by:

**BRYAN G. ARRANT**  
DISTRICT II GEOLOGIST

Title:

Approval Date: MAY 08 2006

Expiration Date: MAY 08 2007

Conditions of Approval Atta

NOTIFY OCD OF SPUD & TIME TO WITNESS CEMENTING OF SURFACE CASING

>9.5

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State of New Mexico  
Energy, Minerals & Natural Resources Department

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

Form C-102  
Revised October 12, 2005  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 96086	Pool Name Wildcat; Wolfcamp
Property Code	Property Name PRESS BOX 1923-5 STATE COM	Well Number 1
OGRID No.	Operator Name PARALLEL PETROLEUM CORPORATION	Elevation 4000'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	5	19 S	23 E		300	SOUTH	1798	EAST	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
B	5	19 S	23 E		660	NORTH	1798	EAST	EDDY

Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.
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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

**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.

**OPERATOR CERTIFICATION**

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*[Signature]* 5-4-06  
Signature Date

Deady Digham  
Printed Name

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**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.

April 19, 2006

Date of Survey

LVA  
Signature & Seal of Professional Surveyor

W.O. Num. 2006-0297  
Certificate No. MACON McDONALD 12185

**PARALLEL PETROLEUM CORPORATION  
 PRESS BOX 1923-5 STATE COM #1  
 SL: 1798' FEL AND 300' FSL, BHL: 1798' FEL AND 660' FNL  
 SEC 5, T19S, R23E  
 EDDY COUNTY, NEW MEXICO**

**Objective**

Drill a vertical well through the Wolfcamp pay. Log and evaluate for a sidetrack to horizontal in the Wolfcamp.

**Expected Geologic Tops**

GL: 4000', KB 4012'.  
 Glorieta 1880'  
 Tubb 2890'  
 Abo Shale 3535'  
 Wolfcamp 4550'  
 Wolfcamp Shale 4660'

**Well Geometry**

- 8 5/8" casing at 1300'
- Set kick-off plug for horizontal through the zone of interest
- 5 1/2" casing through the horizontal Wolfcamp; Cement per completion.

**Casing Program**

<u>Hole</u>	<u>MD (ft)</u>	<u>Casing</u>	<u>Weight</u>	<u>Grade</u>	<u>Coupling</u>	<u>COMMENT</u>
12-1/4"	0 – 1300	8-5/8"	24	J55	ST&C	
8-3/4"	0 – 5500'	5-1/2"	17	N80	LT&C	Run through the horizontal lateral.

**Casing Cementing Program**

8-5/8" slurry: Lead: 125 sacks (50:50) Poz (Fly Ash): Class C + 5% bwow Sodium Chloride + 10% bwoc Bentonite + 151.7% fresh water. Tail: 200 sacks Class C + 1% bwoc Calcium Chloride + 56.3% fresh water

Note: If cement does not circulate to surface, notify OCD. A temperature survey will most likely be required. Top out to surface with 1" pipe in the annulus.

Note: 5-1/2" Cement per completion procedure. Top of Cement should be a minimum

*Tie back*

**Mud Program**

<u>Depth</u>	<u>Hole</u>	<u>MW</u>	<u>Visc.</u>	<u>WL</u>	<u>Synopsis</u>
0 - 1300	12-1/4"	8.4 – 8.6	28 - 29	No control	FRESH WATER mud only to 1200 ft. Severe loss potential. Circulate inner reserve. LCM: paper, fiber, cotton seed hulls.
1300 – 3400	7-7/8"	8.6 – 9.2	28 -29	No control	Cut brine. Start w/existing & add brine t/80K-120K chlorides
3400 – TD	7-7/8"	8.9 – 9.5	38 - 45	6 - 10	XCD/Starch polymer as req'd for hole cleaning. Lubricants.
KOP – TD Horizontal	7-7/8"	8.9 – 9.5	38 - 45	6 - 10	XCD/Starch polymer as req'd for hole cleaning. Lubricants.

# **PARALLEL** SURVEY CALCULATION PROGRAM PETROLEUM CORPORATION

OPERATOR:	Parallel Petroleum Corporation	Supervisors:	
WELL:	Press Box 1923-5 State Com #1		
LOCATION:	Sec. 5 T-19-S R-23-E		
API NUMBER:			
COMMENTS:			
		MAG DEC. (-/+)	
		GRID CORR. (-/+)	
		TOTAL CORR. (-/+)	0.0

DATE: 05/01/06      TIME: 7:55 AM      TRUE TO GRID

MINIMUM CURVATURE CALCULATIONS(SPE-3382)								PROPOSED DIRECTION	0.0	TARGET TRACKING TO CENTER	
SVY NUM	MD	INC	GRID AZM	TVD	VERT SECT	N-S	E-W	DLS/100	ABOVE(+) BELOW(-)	RIGHT(+) LEFT(-)	
TIE	0	0.0	0.0	0.0	0.0	0.0	0.0				
1	4130	0.0	0.0	4130.0	0.0	0.0	0.0	0.0	420.0	0.0	
2	4141	1.5	0.0	4141.0	0.1	0.1	0.0	13.6	409.0	0.0	
3	4152	3.0	0.0	4152.0	0.6	0.6	0.0	13.6	398.0	0.0	
4	4788	90.3	0.0	4547.6	419.6	419.6	0.0	13.7	0.3	0.0	
5	8688	90.3	0.0	4527.1	4319.5	4319.5	0.0	0.0	0.3	0.0	

KOP @ 4130' MD  
 BUR = 13.6 DEG per 100 FT  
 End Curve @ 4788' MD, 4547.6' TVD  
 BHL @ 8688' MD, 4527.1' TVD, 4319.5' VS

# Parallel Petroleum Corp.

Press Box 1923-5 State Com #1  
Section 5, T 19-S, R 23-E  
Eddy County, New Mexico

## COMPANY DETAILS

Parallel Petroleum Corp.  
1004 N. Big Spring, Ste 400  
Midland, Texas 79701

