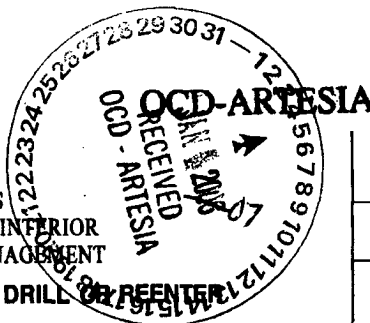




UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
APPLICATION FOR PERMIT TO DRILL OR REENTER



FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NM NM 105853
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator Parallel Petroleum Corporation		7. If Unit or CA Agreement, Name and No.
3a. Address 1004 North Big Spring, Suite 400 Midland, Texas 79701		8. Lease Name and Well No. 35863 Juke Box 1921-10 Federal #1Y
3b. Phone No. (include area code) 432/684-3727		9. API Well No. 30-015-35347
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 450' FSL and 760' FEL BHL Actual PBTD = 659' FSL and 1380' FWL At proposed prod. zone Actual = 718' FSL and 1616' FEL		10. Field and Pool, or Exploratory Four Mile Draw; Wolfcamp SW
11. Sec., T. R. M. or Blk. and Survey or Area 10-19S-21E		12. County or Parish Eddy
13. State NM		14. Distance in miles and direction from nearest town or post office* 9 miles south of Hope, New Mexico
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 450' at surface	16. No. of acres in lease 640	17. Spacing Unit dedicated to this well 320
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 5280'	19. Proposed Depth Actual PBTD 7364' MD	20. BLM/BIA Bond No. on file NMB000265
21. Elevations (Show whether DF, KDB, RT, GL, etc.) GL 4324'	22. Approximate date work will start* 10/19/2006	23. Estimated duration Actual finish drill date 11/30/2006

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature <i>Deane Durham</i>	Name (Printed/Typed) Deane Durham	Date 12/14/2006
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Title
Drilling Engineer, Parallel Petroleum Corporation

Approved by (Signature) <i>/s/ James Stovall</i>	Name (Printed/Typed) JAMES STOVALL	Date JAN - 4 2007
Title FIELD MANAGER	Office CARLSBAD FIELD OFFICE	

Application approval 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.
Conditions of approval, if any, are attached.

APPROVAL FOR 1 YEAR

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)

ROSWELL CONTROLLED WATER BASIN

If earthen pits are used in association with the drilling of this well, an OCD pit permit must be obtained prior to pit construction.

**APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED**

**PARALLEL**
PETROLEUM CORPORATION**FAX**

1004 N. Big Spring, Suite 400 • Midland, TX 79701 • Ph: 432-684-3727 • Fax:

432-685-6580

To: *Dinah Negrete* From: *Deane Durham*
Fax: *505-234-5927* Pages: *4*, including cover
Phone: *505-234-5952* Date: *1-4-07*
Re: *Juke Box Revised Plat*

☐ Urgent☒ For Review☐ Please Comment☐ Please Reply

COMMENTS: *Thanks for the call. Attached is the new plat showing new SL and actual PBSD BHL. The surveyor drew a straight line between the 2 points. The actual well path is curved to be orthodox at the penetration point. The actual (pp) is 718' FSL and 1616' FEL. Also attached is the supporting MWD survey as the well was drilled.*

*Thanks,**Deane***IMPORTANT NOTICE**

The information contained in the facsimile message is privileged and confidential, intended only for the use of the individual or entity to whom it is addressed. If the reader of this message is not the intended recipient, or the employee or agent responsible to deliver it to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is unauthorized and strictly prohibited. If you receive this communication in error, please notify us immediately by telephone, and return the original message to us at the above address via the U.S. Postal Service, or if authorization is granted by the sender, destroyed.

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