

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. Lease Serial No.

NM 112249

1a. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Dry <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name	
b. Type of Completion: <input checked="" type="checkbox"/> New Well <input type="checkbox"/> Work Over <input type="checkbox"/> Deepen <input type="checkbox"/> Plug Back <input type="checkbox"/> Diff. Resvr., Other		7. Unit or CA Agreement Name and No.	
2. Name of Operator PARALLEL PETROLEUM CORPORATION		8. Lease Name and Well No. ALL ALONG 1525-17 #1 H FED COM	
3. Address 1004 N BIG SPRING, SUITE 400, MIDLAND, TX 79701		9. API Well No. 30-005-63925	
3a. Phone No. (include area code) 432-685-6563		10. Field and Pool, or Exploratory WILDCAT; WOLFCAMP GAS	
4. Location of Well (Report location clearly and in accordance with Federal requirements)* At surface 1880 FSL & 190 FWL, SEC 16, T-15S, R25E At top prod. interval reported below 1854 ENL & 598 FEL, SEC 17, T-15S, R25E ** At total depth 1851 FSL & 776 FWL, SEC 17, T-15S, R25E		11. Sec., T., R., M., or Block and Survey or Area SEC 16, T15S, R25E	
14. Date Spudded 05-05-2007		15. Date T.D. Reached 05-18-2007	
16. Date Completed <input type="checkbox"/> D & A <input checked="" type="checkbox"/> Ready to Prod. 06-26-2007		17. Elevations (DF, RKB, RT, GL)* GR: 3501	
18. Total Depth: MD 9205 TVD 4769		19. Plug Back T.D.: MD 9158 TVD 4771	
20. Depth Bridge Plug Set: MD TVD		21. Type Electric & Other Mechanical Logs Run (Submit copy of each) NO OPEN HOLE LOGS RUN (WELL OFFSET TO SWALE #1)	

22. Was well cored? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis) Was DST run <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit report) Directional Survey? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes (Submit copy)	
23. Casing and Liner Record (Report all strings set in well)	

Hole Size	Size/Grade	Wt. (#ft.)	Top (MD)	Bottom (MD)	Stage Cement Depth	No. of Sks & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
COND:	16		0	120					
11	8.625	24	0	1412		1080 SX		SURFACE	
7.875	5.5	11	0	9202		1150 SX		SURFACE	

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2-3/8	4260							

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) WOLFCAMP	TVD: 539	TVD: 476	MD: 5390-6013	0.42	36	OPEN
B)	MD: 4837	MD: 4773	6260-6883	0.42	36	OPEN
C)			7300-7913	0.42	36	OPEN
D)			8180-9062	0.42	36	OPEN

Depth Interval	Amount and Type of Material
5390-9062	FRAC W/15% HCL, SLICK WATER, 30/70 & 20/40 BROWN SAND, CO2

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr API	Gas Gravity	Production Method
07-01-07	07-02-07	24	→	0	1200	120		.6642	FLOWING
Choke Size	Tbg. Press Flwg. SI	Csg. Press.	24 Hr. →	Oil BBL	Gas MCF	Water BBL	Gas: Oil Ratio	Well Status	
48/64	NA	250	→	0	1200	120		PRODUCING	

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. →	Oil BBL	Gas MCF	Water BBL	Gas: Oil Ratio	Well Status	
			→						

ACCEPTED FOR RECORD

JUL 19 2007

ALEXIS C. SWOBODA
PETROLEUM ENGINEER

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Fwlg. SI	Csg. Press.	24 Hr.	Oil BBL	Gas MCF	Water BBL	Gas: Oil Ratio	Well Status	

28c. Production-Interval D

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Fwlg. SI	Csg. Press.	24 Hr.	Oil BBL	Gas MCF	Water BBL	Gas: Oil Ratio	Well Status	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

SOLD

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top Meas. Depth
SEE REMARKS: GLORIETA TUBB ABO WOLF CAMP	2208 3212 3952 4842				2007 JUL 16 AM 11:53 BENT TOP OF FORM

32. Additional remarks (include plugging procedure):

NO LOGS RUN, TOPS FROM SWALE #1, API #30-005-63886; SURVEYS MAILED 05-22-2007

33. Indicate which items have been attached by placing a check in the appropriate boxes:

- ☐ Electrical/Mechanical Logs (1 full set req'd)
 ☐ Geologic Report
 ☐ DST Report
 ☐ Directional Survey
 ☐ Sundry Notice for plugging and cement verification
 ☐ Core Analysis
 ☐ Other:

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) KAYE MC CORMICK

Title SR PROD & REG TECH

Signature

Kaye McCormick

Date 07-12-2007

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.

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

Form C-104
Revised June 10, 2003

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

Submit to Appropriate District Office
5 Copies

☐ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

¹ Operator name and Address PARALLEL PETROLEUM CORPORATION 1004 N BIG SPRING, SUITE 400 MIDLAND, TX 79701		² OGRID Number 230387
⁴ API Number 30-0 05-63925	⁵ Pool Name WILDCAT, WOLF CAMP GAS	⁶ Pool Code
⁷ Property Code	⁸ Property Name ALL ALONG 1525-17	⁹ Well Number 1 H

II. ¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
L	16	15S	25E		1880	SOUTH	190	WEST	CHAVES

¹¹ Bottom Hole Location

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
L	17	15S	25E		1851	SOUTH	776	WEST	CHAVES
¹² Lse Code	¹³ Producing Method Code	¹⁴ Gas Connection Date	¹⁵ C-129 Permit Number	¹⁶ C-129 Effective Date	¹⁷ C-129 Expiration Date				
		07-01-2007							

III. Oil and Gas Transporters

¹⁸ Transporter OGRID	¹⁹ Transporter Name and Address	²⁰ POD	²¹ O/G	²² POD ULSTR Location and Description
23435	TRANSWESTERN PIPELINE P.O. BOX 1188 HOUSTON, TX 77251-1188		G	SEC 16, T-15S, R-25E

IV. Produced Water

²³ POD	²⁴ POD ULSTR Location and Description

V. Well Completion Data

²⁵ Spud Date	²⁶ Ready Date	²⁷ TD	²⁸ PBSD	²⁹ Perforations	³⁰ DHC, MC
05-05-2007	06-26-2007	MD9205;TVD4769	MD9158;TVD4881	MD:5390-9062	
³¹ Hole Size	³² Casing & Tubing Size	³³ Depth Set	³⁴ Sacks Cement		
(CONDUCTOR)	16	120			
11	8.625	1412		1080 SX	
7.875	5.5	9202		1150 SX	

VI. Well Test Data

³⁵ Date New Oil	³⁶ Gas Delivery Date	³⁷ Test Date	³⁸ Test Length	³⁹ Tbg. Pressure	⁴⁰ Csg. Pressure
	07-01-2007	07-02-2007	24 HOUR	NA	250
⁴¹ Choke Size	⁴² Oil	⁴³ Water	⁴⁴ Gas	⁴⁵ AOF	⁴⁶ Test Method
48/64	0	120	1200		FLOWING

⁴⁷ I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Kaye McCormick*

Printed name: **KAYE MC CORMICK**

Title: **SR PROD & REG TECH**

Email: **kmccormick@plll.com**

Date: **07-12-2007**

Phone: **432-685-6563**

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis 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 30-005-63925		Pool Code	Pool Name WILDCAT, WOLFCAMP, GAS
Property Code	Property Name ALL ALONG 1525-17		Well Number 1H
OGRID No. 230387	Operator Name PARALLEL PETROLEUM CORPORATION		Elevation GR; 3501

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	16	15S	25E		1880	SOUTH	190	WEST	CHAVES

11 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
L	17	15S	25E		1851	SOUTH	776	WEST	CHAVES
Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.						

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.

<p>16</p>						<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that 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.</p> <p>Signature: <i>Kaye Mc Cormick</i> Date: 07-12-07</p> <p>KAYE MC CORMICK</p> <p>Printed Name</p>	
						<p>18 SURVEYOR CERTIFICATION</p> <p>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.</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p>Certificate Number</p>	
BH 776	SEC 17	PP 598	SL 190	SEC 16			
1851		1854	1880				
	320 AC						



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL R. ICIARDSON

Governor

Joanna Brukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

June 14, 2007

Parallel Petroleum Corporation
c/o Ms. Ocean Munds-Dry
Holland & Hart, LLP
P.O. Box 2208
Santa Fe, NM 87504

Administrative Order NSL-5644

Re: All Along 1525-17 Federal Well No. 1
API No. 30-005-63925
L-16-15S-25E
Chaves County

Dear Ms Munds-Dry:

Reference is made to the following:

(a) your application (**administrative application reference No. pCLP07-13728536**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on May 15, 2007, on behalf of Parallel Petroleum Corporation (Parallel), and

(b) the Division's records pertinent to this request.

Parallel has requested approval to produce its All Along 1525-17 Federal Com. Well No. 1 (API No. 30-005-63925) at an unorthodox gas well location in the Wolfcamp formation. This well is a horizontal well, which was drilled from an unorthodox surface location 1880 feet from the South line and 190 feet from the West line (Unit L) of Section 16, Township 15 South, Range 25 East, N.M.P.M., in Chaves County, to an unorthodox point of penetration in the Wolfcamp formation, 1854 feet from the South line and 598 feet from the East line (Unit I) of Section 17, and thence to a terminus, or bottom-hole location, 1880 feet from the South line and 660 feet from the West line (Unit L) of Section 17.

The S/2 of Section 17 will be dedicated to this well in order to form a standard 320-acre wildcat Wolfcamp (97489) gas spacing unit. This location is governed by statewide Rule 104.C(2), which provides for 320-acre units, with wells located at least 660 feet from a unit outer boundary.

It is our understanding that, although Parallel does not anticipate perforating the intended production interval closer than 660 feet from the unit boundary, the point of penetration of the Wolfcamp formation is less than 660 feet from the eastern unit boundary. Hence, the location of this well is considered unorthodox under Rule 111.

Your application has been duly filed under the provisions of Division Rules 104.F and 1210.A(2).

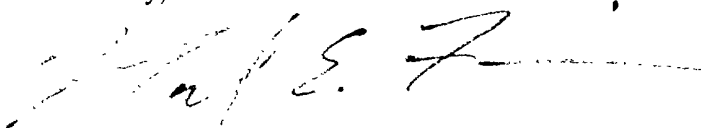
It is our understanding that Parallel is seeking this location because of an unintended diversion of this well to a point of penetration outside the producing area.

It is also understood that all working interest owners in the unit to the east, towards which this location encroaches, have consented, as evidenced by copies of consents attached to your application.

Pursuant to the authority granted me under the provisions of Division Rule 104.F(2), the above-described unorthodox location is hereby approved.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,



Mark E. Fesmire, P.E.
Director

MEF/db

cc: New Mexico Oil Conservation Division - Artesia
United States Bureau of Land Management - Carlsbad