

30005 63925

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	

28c. Production-Interval D

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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 BUREAU OF LAND MGMT OASIS FIELD OFFICE RECEIVED

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 CORMICKTitle SR PROD & REG TECH

Signature

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.



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL R ICIARDSON

Governor

Joanna Irukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

June 14, 2007

Parallel Petroleum Corporation
c/o Ms. Ocean Munds-Dry
Holand & 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-acres 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).

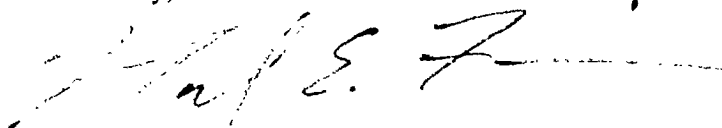
It is our understanding that Parallel is seeking this location because of an unintended diversion of this well to a point of penetration outside the producing area.

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