Form 3160-5
(April 2004)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SEP 10 2007
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.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

5. Lease Serial No.
NM NM 112251

6. If Indian, Allottee or Tribe Name

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

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No.
ALSAB 1525-21 1 FEDERAL

2. Name of Operator
PARALLEL PETROLEUM CORPORATION

9. API Well No.
30-005-63938

3a. Address
1004 N BIG SPRING, SUITE 400, MIDLAND, TX 79701

3b. Phone No. (*include area code*)
432-685-6563

10. Field and Pool, or Exploratory Area
WILDCAT, WOLFCAMP

4. Location of Well (*Footage, Sec., T., R., M., or Survey Description*)
SL: 760 FNL & 208 FWL, SEC 21, T15S, R25E
BHL: 760 FNL & 660 FEL, SEC 21, T15S, R25E

11. County or Parish, State
CHAVES NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other RUN 5.5" CSG CMT
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

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.)

09-01-07 REACHED TD @ 9056'
09-03-07 SET 5.5" CSG, 7-7/8" HOLE, 17# @ 9054', CMT LEAD: 600 SX HALLIBURTON INTERFILL C + SBM POLY-E-FLAKE, 11.9 PPG, 2.47 YIELD TAIL: 450 SX HALLIBURTON ACID SOLUABLE HALAD-344 + 50# SILICATE 50:50 POZ MIX + D-AIR 3000 + HR-601 50# BAG, 15 PPG, 2.62 YIELD, 93 CENTRALIZERS, toc: CIRC 155 SX TO SURFACE WOC: 8 HRS, TEST CSG TO 1500 PSI FOR 30 MIN.

ATTACHMENTS: OPEN HOLE LOG (NMOCD - MR. ARRANT)
MULTI-SHOT GYRO SURVEY
PATHFINDER MUD SURVEY

ALSO INCLUDED 1 COPY OF NSL APPLICATION (NMOCD - MR. ARRANT)

14. I hereby certify that the foregoing is true and correct
Name (*Printed/Typed*)
SHELLI FINCHER

Title
PRODUCTION TECH.

Signature: Shelli Fincher

Date 09-07-07

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	Date
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	

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.

Job Number: 101006677 WT-WT	**State/Country: New Mexico**
Company: Parallel Petroleum	**Declination: 8.5**
Lease/Well: Alsab 1525-21 Fed. #1	**Grid: -0.07**
Location: Chaves N.M.	**File name: C:\WINSERVE\1006677.SVY**
Rig Name: JW #4	**Date/Time: 01-Sep-07 / 21:40**
RKB: 15	**Curve Name: Work**
G.L. or M.S.L.: 3494	

Scientific Drilling

WINSERVE SURVEY CALCULATIONS
Minimum Curvature Method
Vertical Section Plane 89.33
Vertical Section Referenced to Wellhead
Rectangular Coordinates Referenced to Wellhead

Measured Depth FT	*Incl Angle Deg*	*Drift Direction Deg*	*True Vertical Depth*	*N-S FT*	*E-W FT*	*Vertical Section FT*	*CLOSURE Distance FT*	*CLOSURE Direction Deg*	*Dogleg Severity Deg/100*
Tied Into Multi Shot Gyro									
4300.00	1.25	77.34	4299.83	6.52	15.13	15.21	16.48	66.69	.00
4373.00	3.52	87.32	4372.76	6.80	18.15	18.22	19.38	69.46	3.15
4405.00	7.74	88.02	4404.60	6.92	21.28	21.36	22.38	71.99	13.19
4437.00	11.87	90.31	4436.13	6.98	26.73	26.81	27.62	75.37	12.96
4468.00	16.09	91.71	4466.20	6.83	34.21	34.29	34.89	78.71	13.66
4500.00	20.22	92.68	4496.60	6.44	44.18	44.25	44.64	81.71	12.94
4532.00	23.65	91.71	4526.28	5.99	56.12	56.18	56.44	83.91	10.78
4564.00	26.91	89.43	4555.21	5.87	69.78	69.84	70.03	85.19	10.63
4596.00	29.99	88.11	4583.35	6.21	85.02	85.08	85.24	85.82	9.82
4628.00	33.24	87.23	4610.59	6.89	101.77	101.85	102.01	86.12	10.26
4660.00	36.76	87.23	4636.80	7.78	120.11	120.19	120.36	86.29	11.00
4692.00	40.45	87.41	4661.80	8.71	140.05	140.14	140.32	86.44	11.54

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	N-S FT	E-W FT	Vertical Section FT	CLOSURE Distance FT	CLOSURE Direction Deg	Dogleg Severity Deg/100
4724.00	43.62	87.67	4685.57	9.63	161.45	161.55	161.74	86.59	9.92
4756.00	46.60	88.11	4708.15	10.46	184.10	184.21	184.40	86.75	9.36
4786.00	49.42	86.88	4728.22	11.44	206.38	206.50	206.69	86.83	9.88
4818.00	52.50	87.14	4748.37	12.74	231.19	231.33	231.54	86.85	9.65
4850.00	55.84	87.76	4767.10	13.89	257.11	257.25	257.48	86.91	10.55
4882.00	58.92	88.29	4784.35	14.82	284.04	284.20	284.43	87.01	9.73
4914.00	62.08	88.90	4800.11	15.50	311.88	312.04	312.27	87.16	10.01
4946.00	64.98	89.78	4814.37	15.82	340.52	340.68	340.89	87.34	9.39
4978.00	68.06	88.73	4827.12	16.21	369.87	370.03	370.22	87.49	10.08
5010.00	70.52	88.11	4838.43	17.03	399.78	399.96	400.15	87.56	7.90
5042.00	73.34	88.55	4848.36	17.92	430.19	430.37	430.56	87.61	8.91
5074.00	76.85	89.08	4856.59	18.56	461.10	461.29	461.47	87.70	11.08
5106.00	80.99	89.08	4862.73	19.06	492.49	492.68	492.86	87.78	12.94
5138.00	81.69	89.43	4867.55	19.47	524.13	524.32	524.49	87.87	2.44
5170.00	81.51	89.69	4872.23	19.72	555.78	555.97	556.13	87.97	.98
5202.00	83.89	89.25	4876.29	20.01	587.52	587.71	587.86	88.05	7.56
5234.00	85.47	88.46	4879.26	20.65	619.37	619.57	619.72	88.09	5.52
5266.00	86.53	89.08	4881.49	21.33	651.29	651.49	651.64	88.12	3.84
5298.00	86.70	88.90	4883.38	21.90	683.23	683.44	683.58	88.16	.77
5330.00	86.44	87.94	4885.30	22.78	715.16	715.37	715.52	88.18	3.10
5362.00	90.84	89.34	4886.06	23.54	747.13	747.35	747.50	88.20	14.43
5394.00	92.59	89.96	4885.10	23.73	779.11	779.34	779.47	88.26	5.80
5490.00	92.15	91.10	4881.13	22.84	875.03	875.23	875.32	88.50	1.27
5585.00	89.98	91.36	4879.36	20.80	969.98	970.16	970.20	88.77	2.30
5677.00	88.46	91.10	4880.61	18.83	1061.95	1062.10	1062.12	88.98	1.68
5770.00	86.97	90.66	4884.32	17.40	1154.86	1154.99	1154.99	89.14	1.67
5862.00	88.20	91.36	4888.20	15.78	1246.76	1246.86	1246.86	89.27	1.54
5955.00	88.55	90.66	4890.84	14.14	1339.71	1339.78	1339.79	89.40	.84
6078.00	88.81	90.48	4893.67	12.92	1462.67	1462.72	1462.73	89.49	.26
6201.00	90.66	89.69	4894.24	12.74	1585.66	1585.70	1585.71	89.54	1.64
6325.00	90.57	89.25	4892.91	13.88	1709.65	1709.70	1709.71	89.53	.36

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	N-S FT	E-W FT	Vertical Section FT	CLOSURE Distance FT	CLOSURE Direction Deg	Dogleg Severity Deg/100
6448.00	88.64	87.32	4893.76	17.57	1832.58	1832.66	1832.67	89.45	2.22
6545.00	88.20	86.70	4896.43	22.62	1929.41	1929.54	1929.54	89.33	.78
6638.00	88.46	87.50	4899.14	27.33	2022.25	2022.43	2022.44	89.23	.90
6734.00	89.34	88.02	4900.98	31.08	2118.16	2118.38	2118.39	89.16	1.06
6829.00	89.52	88.81	4901.93	33.71	2213.12	2213.36	2213.37	89.13	.85
6925.00	88.81	89.25	4903.33	35.33	2309.09	2309.35	2309.36	89.12	.87
7021.00	89.08	89.61	4905.10	36.28	2405.07	2405.33	2405.35	89.14	.47
7117.00	87.76	89.78	4907.74	36.80	2501.03	2501.29	2501.30	89.16	1.39
7212.00	86.97	89.08	4912.11	37.74	2595.93	2596.19	2596.20	89.17	1.11
7308.00	88.29	90.22	4916.08	38.33	2691.84	2692.10	2692.11	89.18	1.82
7403.00	87.49	90.13	4919.58	38.04	2786.77	2787.03	2787.03	89.22	.85
7595.00	89.60	91.01	4924.45	36.13	2978.69	2978.91	2978.91	89.31	1.19
7690.00	90.48	92.07	4924.39	33.57	3073.65	3073.83	3073.83	89.37	1.45
7785.00	89.60	91.28	4924.32	30.80	3168.61	3168.75	3168.76	89.44	1.24
7881.00	89.78	90.04	4924.84	29.69	3264.60	3264.72	3264.73	89.48	1.31
7977.00	88.90	89.17	4925.95	30.35	3360.59	3360.71	3360.73	89.48	1.29
8072.00	89.25	88.73	4927.48	32.09	3455.56	3455.70	3455.71	89.47	.59
8168.00	89.87	88.90	4928.22	34.08	3551.54	3551.69	3551.70	89.45	.67
8263.00	90.40	89.43	4927.99	35.46	3646.53	3646.69	3646.70	89.44	.79
8359.00	89.08	88.81	4928.43	36.94	3742.51	3742.69	3742.69	89.43	1.52
8454.00	88.55	88.73	4930.39	38.97	3837.47	3837.66	3837.67	89.42	.56
8550.00	88.64	88.55	4932.75	41.25	3933.41	3933.63	3933.63	89.40	.21
8646.00	88.11	87.32	4935.47	44.71	4029.31	4029.56	4029.56	89.36	1.39
8774.00	88.37	87.50	4939.40	50.49	4157.12	4157.42	4157.42	89.30	.25
8869.00	88.64	87.41	4941.88	54.71	4251.99	4252.34	4252.34	89.26	.30
8992.00	88.72	87.41	4944.71	60.27	4374.83	4375.24	4375.25	89.21	.07
TD WELL									
9056.00	88.76	87.41	4946.12	63.16	4438.75	4439.19	4439.20	89.18	.06

MULTI-SHOT
Directional Services

Job Number: 0711175051460
Company: Parallel Petroleum Corporation
Lease/Well: Alsab 1525-21 Federal, Well #1H
Location: Chaves County, New Mexico
Rig Name: JW #4
RKB: 16'
G.L. or M.S.L.: □

State/Country: New Mexico/USA
Declination: 8.56°
Grid: East To Grid
File name: F:\SURVEY\2007SU~1\PARALLEL\ALSAB1H.SVY
Date/Time: 23-Aug-07 / 14:33
Curve Name: Surface - 5050' M.D.

SEP 10 2007
OCD-ARTESIA

We hereby certify that our survey data from Surface MD to 5,050' MD is, to the best of our knowledge a true and accurate account of the well bore.

Dan Dutile 8/23/07
Multi-Shot Date

WINSERVE SURVEY CALCULATIONS
Minimum Curvature Method
Vertical Section Plane 90.00
Vertical Section Referenced to Wellhead
Rectangular Coordinates Referenced to Wellhead

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	N-S FT	E-W FT	Vertical Section FT	CLOSURE Distance FT	CLOSURE Direction Deg	Dogleg Severity Deg/100
.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
100.00	.25	82.74	100.00	.03	.22	.22	.22	82.74	.25
200.00	.25	239.15	200.00	-.06	.25	.25	.25	103.01	.49
300.00	.25	188.36	300.00	-.38	.03	.03	.39	176.05	.21
400.00	.25	253.56	400.00	-.66	-.21	-.21	.70	197.95	.27
500.00	.25	16.77	500.00	-.51	-.36	-.36	.63	215.02	.44
600.00	.25	100.97	600.00	-.35	-.08	-.08	.36	193.53	.34
700.00	.25	66.18	700.00	-.30	.33	.33	.45	132.35	.15
800.00	.25	144.41	800.00	-.39	.66	.66	.76	120.72	.32
900.00	.25	169.61	899.99	-.78	.82	.82	1.14	133.54	.11
1000.00	.25	37.81	999.99	-.82	1.00	1.00	1.29	129.61	.46

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	N-S FT	E-W FT	Vertical Section FT	CLOSURE Distance FT	CLOSURE Direction Deg	Dogleg Severity Deg/100
1100.00	.25	359.02	1099.99	-.43	1.13	1.13	1.21	111.07	.17
1200.00	.25	306.22	1199.99	-.09	.95	.95	.95	95.25	.22
1300.00	.25	130.43	1299.99	-.10	.94	.94	.94	96.06	.50
1400.00	.25	348.63	1399.99	-.03	1.06	1.06	1.06	91.46	.47
1500.00	.25	15.84	1499.99	.40	1.08	1.08	1.15	69.76	.12
1600.00	.25	229.04	1599.99	.46	.97	.97	1.08	64.48	.48
1700.00	.25	158.25	1699.99	.12	.89	.89	.89	82.43	.29
1800.00	.25	57.40	1799.99	.03	1.15	1.15	1.15	88.37	.39
1900.00	.25	284.56	1899.99	.21	1.12	1.12	1.14	79.66	.46
2000.00	.25	68.71	1999.99	.34	1.12	1.12	1.17	73.10	.48
2100.00	.25	17.87	2099.99	.63	1.39	1.39	1.52	65.70	.21
2200.00	.25	69.02	2199.99	.91	1.66	1.66	1.89	61.18	.22
2300.00	.50	321.18	2299.98	1.33	1.59	1.59	2.07	50.04	.62
2400.00	.25	340.33	2399.98	1.88	1.24	1.24	2.25	33.48	.28
2500.00	.25	219.49	2499.98	1.91	1.03	1.03	2.17	28.27	.43
2600.00	.25	206.64	2599.98	1.55	.79	.79	1.74	27.07	.06
2700.00	.50	193.80	2699.98	.93	.59	.59	1.10	32.37	.26
2800.00	.25	13.72	2799.98	.72	.54	.54	.90	36.80	.75
2900.00	.25	307.88	2899.98	1.06	.42	.42	1.14	21.39	.27
3000.00	.25	194.03	2999.98	.99	.19	.19	1.01	11.01	.42
3100.00	.25	328.19	3099.98	.96	.02	.02	.96	1.43	.46
3200.00	.50	117.34	3199.98	.95	.30	.30	.99	17.42	.73
3300.00	.25	28.50	3299.97	.94	.79	.79	1.22	40.08	.55
3400.00	.50	33.65	3399.97	1.49	1.13	1.13	1.87	37.25	.25
3500.00	.75	73.81	3499.97	2.04	2.00	2.00	2.86	44.53	.49
3600.00	.25	58.96	3599.96	2.33	2.82	2.82	3.66	50.41	.51
3700.00	.50	58.12	3699.96	2.68	3.38	3.38	4.31	51.62	.25
3800.00	1.25	65.32	3799.95	3.36	4.74	4.74	5.81	54.65	.76
3900.00	1.50	71.52	3899.92	4.23	6.97	6.97	8.16	58.74	.29
4000.00	1.00	82.73	3999.89	4.76	9.08	9.08	10.25	62.35	.55
4100.00	1.25	70.93	4099.88	5.22	10.97	10.97	12.15	64.55	.34
4200.00	1.25	71.14	4199.85	5.93	13.04	13.04	14.32	65.53	.00

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	N-S FT	E-W FT	Vertical Section FT	CLOSURE Distance FT	CLOSURE Direction Deg	Dogleg Severity Deg/100
4300.00	1.25	77.34	4299.83	6.52	15.13	15.13	16.48	66.68	.14
4400.00	1.50	71.54	4399.80	7.18	17.44	17.44	18.86	67.63	.29
4500.00	2.00	80.74	4499.75	7.87	20.40	20.40	21.87	68.90	.57
4600.00	1.50	69.95	4599.71	8.60	23.36	23.36	24.89	69.78	.60
4700.00	1.50	71.16	4699.67	9.47	25.82	25.82	27.51	69.85	.03
4800.00	1.00	74.60	4799.65	10.13	27.90	27.90	29.69	70.05	.51
4900.00	1.25	68.00	4899.63	10.77	29.76	29.76	31.65	70.11	.28
5000.00	.75	85.42	4999.61	11.23	31.42	31.42	33.37	70.33	.58
Last Survey Depth Recorded									
5050.00	.50	95.83	5049.61	11.23	31.96	31.96	33.88	70.64	.55