

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO.

30-005-63924

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name:

SWALE 1525-16 STATE

8. Well Number

2

9. OGRID Number

230387

10. Pool name or Wildcat

WALNUT CREEK/WOLFCAMP 97631

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:

Oil Well ☐ Gas Well ☒ Other

DEC 5 2007

2. Name of Operator

PARALLEL PETROLEUM CORPORATION

OCD-ARTESIA

3. Address of Operator

1004 N BIG SPRING, SUITE 400, MIDLAND, TX 79701

4. Well Location

Unit Letter M : 760 feet from the SOUTH line and 190 feet from the WEST lineSection 17 Township 15S Range 25E NMPM County CHAVES

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

GR: 3498

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐TEMPORARILY ABANDON ☐ CHANGE PLANS ☐PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐CASING TEST AND CEMENT JOB ☒OTHER: GYRODATA & PATHFINDER MWD SURVEYS ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

11-16-07: TD @ 9035, REACHED 9:45 PM

ACTUAL EHL: 833 FSL & 693 FEL, SEC 16, T15S, R25E

11-18-07: 5.5" CSG, 7.875" HOLE, 17# SET @ 9035

CMT: LEAD W/630 SX HALLIBURTON INTERFILL C-SEM POLY-E-FLAKE, 11.9 PPG, 2.47 YLD

TAIL W/500 SX HALLIBURTON HALDA-344+50#SILICALITE, 50/50 POZMIX + D-AIR 3000+ HR-601,

15 PPG, 2.62 YLD; 110 CENTRALIZERS; TOC: CIRCULATED 169 SX TO SURFACE; WOC: 8 HR,

TEST CSG TO 1500 PSI, 30 MIN. GYRODATA GYRO SUVERY & PATHFINDER MWD SURVEYS ATTACHED.

NO OPEN-HOLE LOGS RUN; MUD LOG ATTACHED

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐ , a general permit ☐ or an (attached) alternative OCD-approved plan ☐

SIGNATURE

TITLE SR PROD & REG TECH DATE 12-04-2007

E-mail address:

kmcormick@plll.com

Type or print name KAYE MC CORMICKTelephone No. 432-685-6563

For State Use Only

FOR RECORDS ONLY

APPROVED BY _____ TITLE _____ DATE DEC 10 2007

Conditions of Approval, if any:

Survey Report

MIN. CURVATURE CALCULATIONS (SPE-3362)

OPERATOR: Parallel Petroleum

WELL: Swale 1525-16#2

LOCATION: Chaves Co., N.M.

TIE-IN PROVIDED BY: Gyro-Data

START: 11/2/2007

FINISH:

JOB #: 101006902WTWT

Target Direction 89.33

MAG TO GRID: 8.54

STATION SURVEY								DLS/	BUILD	TURN
NUMBER	DEPTH	INC	AZ	TVD	N-S	E-W	VS	100	RATE	RATE
Tie In	3556	0.67	54.56	3555.81	18.43	21.38	21.38			
1	3701	0.97	36.81	3700.80	19.90	22.81	23.04	0.3	0.21	-12.2
2	3893	0.88	64.87	3892.77	21.83	25.11	25.37	0.2	-0.05	14.6
3	4081	1.32	76.68	4080.74	22.94	28.53	28.80	0.3	0.23	6.3
4	4208	1.41	74.31	4207.70	23.70	31.46	31.73	0.1	0.07	-1.9
5	4302	1.41	70.66	4301.67	24.40	33.66	33.94	0.1	0.00	-3.9
6	4334	1.41	74.41	4333.66	24.64	34.41	34.70	0.3	0.00	11.7
7	4366	2.29	78.12	4365.65	24.87	35.42	35.71	2.8	2.75	11.6
8	4398	5.80	84.90	4397.56	25.15	37.65	37.95	11.1	10.97	21.2
9	4429	10.11	89.05	4428.26	25.33	41.94	42.23	14.0	13.90	13.4
10	4461	14.25	90.39	4459.53	25.35	48.69	48.98	13.0	12.94	4.2
11	4493	18.55	91.75	4490.22	25.17	57.72	58.01	13.5	13.44	4.3
12	4525	21.72	95.29	4520.26	24.47	68.70	68.98	10.6	9.91	11.1
13	4557	23.39	100.76	4549.82	22.74	80.84	81.10	8.4	5.22	17.1
14	4589	25.41	102.87	4578.96	20.02	93.78	94.00	6.9	6.31	6.6
15	4621	28.23	106.79	4607.51	16.30	107.72	107.90	10.4	8.81	12.3
16	4652	31.74	108.68	4634.36	11.57	122.47	122.59	11.7	11.32	6.1
17	4684	35.09	112.00	4661.07	5.43	138.98	139.03	11.9	10.47	10.4
18	4716	38.69	110.04	4686.66	-1.45	156.91	156.88	11.8	11.25	-6.1
19	4748	42.65	105.70	4710.93	-7.81	176.75	176.65	15.2	12.38	-13.6
20	4780	46.08	100.59	4733.81	-12.86	198.53	198.36	15.5	10.72	-16.0
21	4812	49.86	96.46	4755.24	-16.36	222.02	221.82	15.2	11.81	-12.9
22	4843	53.73	91.96	4774.41	-18.12	246.30	246.08	16.9	12.48	-14.5
23	4875	57.86	88.76	4792.40	-18.27	272.76	272.53	15.3	12.91	-10.0
24	4907	62.07	88.65	4808.41	-17.64	300.45	300.22	13.2	13.16	-0.3
25	4938	67.09	87.27	4821.72	-16.64	328.42	328.20	16.7	16.19	-4.5
26	4969	71.40	85.96	4832.70	-14.93	357.35	357.15	14.5	13.90	-4.2
27	5000	74.04	83.67	4841.91	-12.25	386.82	386.65	11.1	8.52	-7.4
28	5031	76.68	79.47	4849.75	-7.84	416.48	416.36	15.6	8.52	-13.5
29	5062	79.67	79.02	4856.10	-2.18	446.29	446.23	9.7	9.65	-1.5
30	5093	81.51	78.94	4861.17	3.66	476.30	476.31	5.9	5.94	-0.3
31	5123	82.48	79.33	4865.34	9.26	505.48	505.55	3.5	3.23	1.3
32	5154	82.57	79.39	4869.38	14.94	535.69	535.83	0.3	0.29	0.2
33	5185	83.62	79.85	4873.10	20.48	565.96	566.16	3.7	3.39	1.5

Survey Report

MIN. CURVATURE CALCULATIONS (SPE-3362)

OPERATOR: Parallel Petroleum

WELL: Swale 1525-16#2

LOCATION: Chaves Co., N.M.

START: 11/2/2007

FINISH:

JOB #: 101006902WTWT

TIE-IN PROVIDED BY: Gyro-Data

Target Direction 89.33

MAG TO GRID: 8.54

STATION SURVEY									BUILD RATE	TURN RATE
NUMBER	DEPTH	INC	AZ	TVD	N-S	E-W	VS	DLS/ 100		
34	5216	85.21	80.15	4876.12	25.84	596.34	596.60	5.2	5.13	1.0
35	5247	87.85	81.37	4878.00	30.81	626.88	627.20	9.4	8.52	3.9
36	5278	90.13	84.84	4878.54	34.53	657.64	658.00	13.4	7.35	11.2
37	5309	90.57	86.95	4878.36	36.75	688.56	688.94	7.0	1.42	6.8
38	5401	90.22	87.56	4877.72	41.15	780.45	780.88	0.8	-0.38	0.7
39	5493	88.37	89.09	4878.85	43.84	872.40	872.85	2.6	-2.01	1.7
40	5587	88.64	89.50	4881.31	45.00	966.36	966.82	0.5	0.29	0.4
41	5679	87.14	88.90	4884.69	46.28	1058.29	1058.76	1.8	-1.63	-0.7
42	5772	86.61	88.80	4889.76	48.14	1151.13	1151.61	0.6	-0.57	-0.1
43	5866	88.02	88.86	4894.17	50.06	1245.00	1245.50	1.5	1.50	0.1
44	5961	88.81	89.09	4896.79	51.76	1339.95	1340.47	0.9	0.83	0.2
45	6057	89.60	89.55	4898.13	52.90	1435.94	1436.46	1.0	0.82	0.5
46	6152	88.11	89.39	4900.02	53.78	1530.91	1531.43	1.6	-1.57	-0.2
47	6248	91.01	90.78	4900.76	53.64	1626.89	1627.41	3.3	3.02	1.4
48	6343	88.37	89.41	4901.27	53.48	1721.88	1722.39	3.1	-2.78	-1.4
49	6438	91.36	91.46	4901.50	52.76	1816.86	1817.36	3.8	3.15	2.2
50	6565	88.46	90.69	4901.70	50.37	1943.83	1944.28	2.4	-2.28	-0.6
51	6629	88.64	90.22	4903.32	49.87	2007.80	2008.25	0.8	0.28	-0.7
52	6692	90.48	90.58	4903.80	49.43	2070.80	2071.23	3.0	2.92	0.6
53	6788	89.60	88.85	4903.73	49.90	2166.79	2167.23	2.0	-0.92	-1.8
54	6883	89.08	87.67	4904.83	52.79	2261.74	2262.20	1.4	-0.55	-1.2
55	6977	89.87	88.41	4905.69	56.00	2355.68	2356.17	1.2	0.84	0.8
56	7072	88.90	87.09	4906.71	59.73	2450.60	2451.13	1.7	-1.02	-1.4
57	7168	88.46	85.92	4908.92	65.58	2546.39	2546.98	1.3	-0.46	-1.2
58	7263	89.87	86.87	4910.31	71.56	2641.19	2641.85	1.8	1.48	1.0
59	7359	88.37	86.75	4911.78	76.90	2737.03	2737.74	1.6	-1.56	-0.1
60	7422	89.43	87.02	4912.99	80.32	2799.92	2800.67	1.7	1.68	0.4
61	7454	89.60	87.38	4913.26	81.88	2831.88	2832.65	1.2	0.53	1.1
62	7549	89.82	91.49	4913.74	82.82	2926.86	2927.62	4.3	0.23	4.3
63	7581	88.90	91.52	4914.10	81.98	2958.84	2959.60	2.9	-2.87	0.1
64	7613	90.84	92.90	4914.17	80.74	2990.82	2991.56	7.4	6.06	4.3
65	7644	89.96	92.92	4913.95	79.17	3021.77	3022.49	2.8	-2.84	0.1
66	7676	88.02	91.27	4914.52	78.00	3053.75	3054.45	8.0	-6.06	-5.2
67	7708	86.00	90.14	4916.19	77.61	3085.70	3086.39	7.2	-6.31	-3.5

Survey Report

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START: 11/2/2007

FINISH:

JOB #: 101006902WTWT

Target Direction 89.33

MAG TO GRID: 8.54

STATION SURVEY NUMBER	DEPTH	INC	AZ	TVD	N-S	E-W	VS	DLS/ 100	BUILD RATE	TURN RATE
68	7802	86.61	90.20	4922.25	77.33	3179.50	3180.19	0.7	0.65	0.1
69	7897	86.70	90.10	4927.79	77.08	3274.34	3275.02	0.1	0.09	-0.1
67	7992	89.08	90.45	4931.29	76.63	3369.27	3369.93	2.5	2.51	0.4
68	8087	88.20	89.42	4933.54	76.73	3464.24	3464.90	1.4	-0.93	-1.1
69	8182	90.57	91.48	4934.56	75.99	3559.22	3559.86	3.3	2.49	2.2
70	8278	88.46	90.63	4935.37	74.22	3655.19	3655.81	2.4	-2.20	-0.9
71	8373	88.81	90.66	4937.64	73.15	3750.16	3750.76	0.4	0.37	0.0
72	8469	90.75	90.76	4938.01	71.96	3846.15	3846.72	2.0	2.02	0.1
73	8564	89.34	89.83	4937.93	71.47	3941.14	3941.71	1.8	-1.48	-1.0
74	8660	89.34	89.72	4939.04	71.85	4037.13	4037.70	0.1	0.00	-0.1
75	8756	88.64	89.58	4940.73	72.43	4133.12	4133.68	0.7	-0.73	-0.1
76	8852	88.99	88.90	4942.71	73.71	4229.09	4229.66	0.8	0.36	-0.7
77	8966	90.10	90.60	4943.62	74.20	4343.08	4343.65	1.8	0.97	1.5
TD	9035	90.10	90.60	4943.50	73.48	4412.07	4412.63	0.0	0.00	0.0

A Gyrodata Directional Survey

Field Copy Only, not definitive

for

PARALLEL

Location: JW 4, CHAVES COUNTY, NEW MEXICO

Lease: SWALE 1525-16 Well: #2, 4-1/2" DRILLPIPE

Job Number: MD1107G_370

Run Date: 11/3/2007 8:09:08 PM

Surveyor: THOMAS BOWDEN
JEREMY TARTER

Calculation Method: MINIMUM CURVATURE

Survey Latitude: 33.009722 deg. N Longitude: 104.455556 deg. W

Azimuth Correction:

Gyro: 0.07000 deg East to Grid North

Vertical Section Calculated from Well Head Location

Closure Calculated from Well Head Location

Horizontal Coordinates Calculated from Well Head Location

A Gyrodata Directional Survey

PARALLEL

Location: JW 4, CHAVES COUNTY, NEW MEXICO

Lease: SWALE 1525-16 Well: #2, 4-1/2" DRILLPIPE

Job Number: MD1107G_370

MEASURED DEPTH feet	INCL deg.	AZIMUTH deg.	VERTICAL SECTION feet	DOGLEG SEVERITY deg./ 100 ft.	VERTICAL DEPTH feet	CLOSURE DIST. feet	AZIMUTH deg.	HORIZONTAL COORDINATES feet	
0.00	0.00	0.00	0.0	0.00	0.00	0.0	0.0	0.00 N	0.00 E

0 TO 3556 FT. RATE GYROSCOPIC MULTISHOT SURVEY RUN INSIDE 4-1/2" DRILLPIPE									
ALL MEASURED DEPTHS AND COORDINATES REFERENCED TO JW 4 R.K.B.									

100.00	0.03	123.92	-0.0	0.03	100.00	0.0	123.9	0.02 S	0.02 E
200.00	0.30	60.91	0.1	0.29	200.00	0.3	70.4	0.10 N	0.28 E
300.00	0.66	80.12	0.3	0.39	300.00	1.1	73.2	0.33 N	1.07 E
400.00	0.66	91.30	0.4	0.13	399.99	2.3	79.5	0.41 N	2.22 E
500.00	0.79	99.07	0.3	0.16	499.98	3.5	85.3	0.29 N	3.49 E
600.00	0.89	99.78	0.1	0.10	599.97	4.9	89.5	0.05 N	4.94 E
700.00	0.89	84.82	-0.0	0.23	699.96	6.5	90.1	0.01 S	6.48 E
800.00	0.91	61.11	0.4	0.37	799.95	8.0	86.8	0.44 N	7.95 E
900.00	0.82	54.68	1.2	0.13	899.93	9.3	82.4	1.24 N	9.23 E
1000.00	0.85	55.20	2.1	0.03	999.92	10.6	78.7	2.07 N	10.43 E
1100.00	0.65	53.88	2.8	0.21	1099.92	11.8	76.2	2.83 N	11.50 E
1200.00	0.69	58.19	3.5	0.07	1199.91	12.9	74.4	3.48 N	12.46 E
1300.00	0.67	50.61	4.2	0.09	1299.90	14.1	72.7	4.17 N	13.43 E
1400.00	0.80	50.97	5.0	0.13	1399.89	15.3	71.0	4.98 N	14.42 E
1500.00	0.65	59.27	5.7	0.18	1499.89	16.5	69.7	5.71 N	15.45 E
1600.00	0.58	45.52	6.4	0.16	1599.88	17.5	68.7	6.36 N	16.31 E
1700.00	0.60	44.11	7.1	0.02	1699.87	18.4	67.4	7.09 N	17.03 E
1800.00	0.65	34.45	7.9	0.12	1799.87	19.4	65.9	7.93 N	17.71 E
1900.00	0.68	37.75	8.9	0.05	1899.86	20.4	64.3	8.87 N	18.40 E

A Gyrodata Directional Survey

PARALLEL

Location: JW 4, CHAVES COUNTY, NEW MEXICO

Lease: SWALE 1525-16 Well: #2, 4-1/2" DRILLPIPE

Job Number: MD1107G_370

MEASURED DEPTH feet	INCL deg.	AZIMUTH deg.	VERTICAL SECTION feet	DOGLEG SEVERITY deg./ 100 ft.	VERTICAL DEPTH feet	CLOSURE DIST. AZIMUTH feet deg.	HORIZONTAL COORDINATES feet
2000.00	0.83	34.26	9.9	0.15	1999.85	21.6 62.6	9.93 N 19.17 E
2100.00	0.83	34.67	11.1	0.01	2099.84	22.9 60.9	11.13 N 19.99 E
2200.00	0.72	41.95	12.2	0.14	2199.83	24.1 59.6	12.19 N 20.82 E
2300.00	0.54	36.75	13.0	0.19	2299.83	25.2 58.8	13.04 N 21.53 E
2400.00	0.49	26.74	13.8	0.10	2399.82	26.0 57.9	13.80 N 22.00 E
2500.00	0.31	41.02	14.4	0.21	2499.82	26.6 57.2	14.39 N 22.37 E
2600.00	0.21	341.13	14.8	0.28	2599.82	26.9 56.7	14.77 N 22.49 E
2700.00	0.05	329.30	15.0	0.16	2699.82	27.0 56.2	14.99 N 22.41 E
2800.00	0.32	312.19	15.2	0.26	2799.82	26.9 55.5	15.22 N 22.18 E
2900.00	0.30	320.88	15.6	0.05	2899.82	26.8 54.4	15.61 N 21.81 E
3000.00	0.33	305.72	16.0	0.09	2999.82	26.7 53.3	15.98 N 21.41 E
3100.00	0.32	325.08	16.4	0.11	3099.81	26.6 52.1	16.38 N 21.02 E
3200.00	0.24	329.51	16.8	0.08	3199.81	26.7 51.0	16.79 N 20.75 E
3300.00	0.24	346.92	17.2	0.07	3299.81	26.8 50.2	17.17 N 20.59 E
3400.00	0.24	35.85	17.6	0.20	3399.81	27.1 49.7	17.55 N 20.67 E
3500.00	0.45	31.34	18.1	0.21	3499.81	27.7 49.3	18.05 N 21.00 E
3556.00	0.67	54.56	18.4	0.56	3555.81	28.2 49.2	18.43 N 21.38 E

Final Station Closure: Distance: 28.23 ft Az: 49.23 deg.