#### Form 3160-4 (February 2005)

## DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

OV 29 2007

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

NOV 29 2007 5. Lease Serial No. WELL COMPLETION OR RECOMPLETION REPORT AND LOG NM NM 112251 OCD-ARTES If Indian, Allotee or Tribe Name la. Type of Well Oil Well X Gas Well Dry Other New Well Work Over Deepen Plug Back Diff.Resvr,. b. Type of Completion: 7. Unit or CA Agreement Name and No. Other Name of Operator 8. Lease Name and Well No. PARALLEL PETROLEUM CORPORATION ALSAB 1525-21 FEDERAL #1 Address 3a. Phone No. (include area code) 9. API Well No. 432-685-6563 1104 N BIG SPRING, SUITE 400, MIDLAND TX 79701 30-005-63938 Location of Well (Report location clearly and in accordance with Federal requirements)\* 10. Field and Pool, or Exploratory At surface WILDCAT, WOLFCAMP 760 FNL & 208 FWL, SEC 21, T15S, R25E 11. Sec., T., R., M., or Block and Survey or Area At top prod. interval reported below 760 FNL & 660 FWL, SEC 21, T15S, R25E SEC 21, T15S, R25E 12. County or Parish 13. State At total depth 753 FNL & 643 FEL, SEC 21, T15S,R25E 14. Date Spudded 15. Date T.D. Reached 16. Date Completed Elevations (DF, RKB, RT, GL)\* Ready to Prod. □D&A 09-01-07 10-17-07 08-16-07 GR: 3494 18. Total Depth: MD 19. Plug Back T.D.: MD 20. Depth Bridge Plug Set: MD 9013 9056 TVD 4946 4945 21. Type Electric & Other Mechanical Logs Run (Submit copy of each) Was well cored? X No Yes (Submit analysis) Was DST run X No Yes (Submit report Directional Survey? OPEN HOLE LOG Yes (Submit copy) 23. Casing and Liner Record (Report all strings set in well) Stage Cementer Slurry Vol. (BBL) No of Sks. & Hole Size Size/Grade Wt.(#ft) Bottom (MD) Cement Top\* Top (MD) Amount Pulled Depth Type of Cement 16 0 120 CONDUCTOR 24 8.625 0 1484 990 SX SURFACE 7.875 17 5.5 0 9054 1050 SX SURFACE 24. Tubing Record Packer Depth (MD) Depth Set (MD) Packer Depth (MD) Depth Set (MD) Packer Depth (MD) Depth Set (MD) 2-7/8 SN @ 5341 25. Producing Intervals 26. Perforation Record No. Holes Formation Bottom Perforated Interval Perf. Status Top Size A) WOLFCAMP IVD: 4879 TVD: 4944 MD:5220 - 5933 0.42 36 OPEN B) MD: 5220 MD: 8972 6330 - 6853 0.42 36 MD: OPEN C) 7100 - 7873 MD: 0.42 36 D) MD: 8070 - 8972 0.42 36 27. Acid, Fracture, Treatment, Cement Squeeze, Etc Depth Interval Amount and Type of Material 5220 - 8972 STIM W/15% HCL, SLICK WATER, 40/70 & 20/40 BROWN SAND, 4 STAGES 28. Production - Interval A Oil Gravity Corr API Date First Test Water Test Hours Production Method Production BBL BBL Tested Gravity 0.64 10-19-07 10-20-07 0 2716 FLOWING Well Status Tbg. Press Csg. Gas Water Flwg Press Нг BBL MCF BBL Ratio SI 48/64 370 n 2716 173 PRODUCING 28a. Production-Interval B Date First Oil Gravity Corr API Hours Production Method Test Water Gas Gas Tested Production BBL MCF Produced Date BBL Gravity Choke Tbg. Press Csg 24  $\Omega$ 1 Gas Water Gas: Oil Well Status Flwg. Size Press Hr BBI. MCF BBL Ratio

8b. Producti	on - Interv	The second of the second of	10000000 AND TWO AND THE STREET	and the co		m	region and bearing in the con-	the second succession of the second	<b>新聞記念後 水水水の300元のハン キーュ・ド ジール・シュ</b>	entrementation of the second
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			24 Hr.	Oil BBL	Gas MCF	Water BBL	Gas: Oil Ratio	Well Status	Well Status	
8c. Product	tion-Interv	al D								
ate First Test roduced Date		Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr API	Gas Gravity	Production Method	
choke Size	Flwg. Press.		24 Hr.	Oil BBL	Gas MCF	Water BBL	Gas: Oil Ratio	Well Status		
9. Dispositi	SI ion of Gas (	Sold, used for j	fuel, vented, et	c.)		SOLD				
0. Summa	ry of Poro	us Zones (Incl	lude Aquifers):					31. Format	ion (Log) Markers	
tests, i	all importa neluding es and rec	depth interval	orosity and co tested, cushi	ntents th ion used	ereof: Co , time too	red interva ol open, f	als and all drill-stem flowing and shut-in			
Format	tion	Тор	Bottom		Descr	iptions, Co	ontents, etc.		Name	Тор
		001.5	ļ	+				<del></del>		Meas.Depth
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TUBB		3210	1							
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WOLFCAM	e	4842								
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2. Additio	nal remarl	cs (include plu	gging procedur	re):						
			gging procedur		22-07, 2	admin o	ROER #NSL-5702	2		
					22-07, 2	admin o	ROER #NSI-570:	2		
ATTA	CHED IS	S NSL APPI	ROVAL DATE	D 10-2				2		
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ATTA  3. Indicate	CHED IS	s NSL APPE	ROVAL DATE	D 10-2	ck in the a	ppropriate	boxes:		onal Survey	
3. Indicate Electric Sunda	e which ite rical/Mech	ems have bee an anical Logs (1 for plugging an	ttached by place full set req'd) and cement verifi	ing a che	ck in the a Geole Core	ppropriate ogic Repor Analysis	boxes: t DST Report Other:	t Direct	onal Survey ble records (see attached in	structions)*
3. Indicate Electric Sunda 4. I hereby	e which ite rical/Mech ry Notice i	ms have bee at anical Logs (1 for plugging ar	ttached by place full set req'd) and cement verifi	ing a che	ck in the a Geole Core	ppropriate ogic Repor Analysis	boxes: t DST Report Other: correct as determined	t Direct		structions)*
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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 Department

### OIL CONSERVATION DIVISION 1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-10'2 Revised October 12, 2005 Submit to Appropriate District Office State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

			WEL	L LO	CAT	ON AND	<u>ACRI</u>	EAGE DEDIC	ATION PLA	Τ			
					Pool C								
30-005-63938				WILDCAT, WOLFCAMP									
<sup>4</sup> Property Code				Property Name							'Well Number		
				ALSAB 1525-21 FEDERAL						11			
'OGRID! 230387	io.	Operator Name PARALLEL PETROLEUM CORPORATION							GR: 3494				
10 Surface Location													
UL or lot no.	Section	Township	,	Range	Lot	Idm Feet fi	rom the	North/South line	Feet from the	Eas	t/West line	County	
D	21	158	3   2	25E		760	Ĭ	NORTH	208	WEST	WEST CHAVES		
11 Bottom Hole Location If Different From Surface													
UL or lot no. Section		Township	, ] _	Range	Lot	Idn Feet fi	rom the	North/South line	Feet from the	East/West line		County	
A	21	15S	2	25E	[	753		NORTH	643	EAST		CHAVES:	
" Dedicated Acres	Dedicated Acres Doint or Infill Com			didation (	Code	de "Order No.							
320	1	ļ	ł		1								

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.

760 , 760 SL PP 208 660		753 BHE 643	17 OPERATOR CERTIFICATION  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 herefore entered by the abusion.
	AC C 21		Fay MCO NUCL 1-28-2007 Signature  KAYE MC CORMICK Printed Name
			18 SURVEYOR CERTIFICATION 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.
			Date of Survey Signature and Seal of Professional Surveyor:  Certificate Number



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

October 22, 2007

RECEIVED

OCT 2 5 2007

Ms. Kristina Martinez Holland & Hart LLP P.O. Box 2208 Santa Fe, NM 87504

**HOLLAND & HART LLP** 

Administrative Order NSL-5702

Re: Alsab Well No. 1525-21 Federal #1H

API No. 30-005-63938 Unit D, Section 21-15S-25E Chaves County

Chaves Count

Dear Ms Martinez:

Reference is made to the following:

(a) your application (administrative application reference No. pTDS07-26837118) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico, on behalf of Parallel Petroleum Corporation (Parallel), on September 24, 2007, and

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

Parallel has requested to complete the above-referenced well as a horizontal well in the Wolfcamp formation, at a location that will be unorthodox under Division Rule 111. The proposed surface location, point of penetration and terminus of the well are as follows:

Surface Location: 760 feet from the North line and 208 feet from the West line

(Unit D) of Section 21, Township 15S, Range 25E, NMPM

Chaves County, New Mexico

Point of Penetration: 760 feet from the North line and 660 feet from the West line

(Unit D) of said Section 21.

Terminus 753 feet from the North line and 643 feet from the East line

(Unit A) of said Section 21,

The N/2 of Section 21 will be dedicated to the proposed well to form a standard 320-acre wildcat Wolfcamp gas spacing unit and project area. This pool 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. This location is unorthodox because a portion of the producing interval will be less than 660 feet from the eastern boundary of the project area, and therefore outside the producing area.

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

It is our understanding that you are seeking this location because the driller inadvertently continued the horizontal shaft beyond the intended terminus.

It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 1210.A(2), in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by 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 - Roswell