

OCD-ARTESIA

Form 3160-5
(April 2004)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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.

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		MAR 18 2008	
2. Name of Operator Parallel Petroleum Corporation		OCD-ARTESIA	
3a. Address 1004 North Big Spring, Suite 400, Midland, Texas, 79702	3b. Phone No. (include area code) 432/684-3727		
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Surface location; 285' FSL and 721' FEL, 11-19S-21E		5. Lease Serial No. NM NM 103570	
		6. If Indian, Allottee or Tribe Name	
		7. If Unit or CA/Agreement, Name and/or No.	
		8. Well Name and No. Ammo Box Federal #1	
		9. API Well No. 30-015-34958	
		10. Field and Pool, or Exploratory Area Four Mile Draw Wolfcamp, SWG97553	
		11. County or Parish, State Eddy, New Mexico	

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Surface restoration
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	
	Bond # NMB000265			

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 recompleat 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 recompleat 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 site is ready for final inspection.)

At the request of the BLM office in Carlsbad NM, this notice is for the reduction of the size of the drilling pad for the above mentioned well site. The location will be downsized to the dimensions shown on the attached drawing. Due to the fact that this is a deep, horizontal gas well and that the production equipment is located on the well site, the pad will be reduced as noted on the drawing. For safety concerns, the pad must be at a minimum the size noted on the drawing due to the location of the production facility and the potential for a large amount of equipment that will be required on the site if a workover or other stimulation work is to be performed. Additionally, there are cut and fill issues, if additional space is needed, the equipment could not be located off the pad as it could if the well were located in a flat area. Once the caliche is removed, the area will be recontoured and seeded to BLM specifications for this area.

Currently Parallel Petroleum Corp is conducting a large seismic program in this area. Upon completion and review of the data additional drilling is planned. It is therefore requested that the work to be performed be done in conjunction with the new drilling that is expected in the area. If this drilling program is not started before the second quarter of 2009, the pad work will be performed and the caliche stockpiled for use at a later date.

This is a dual well location with the Jewelry Box Federal #1, API# 30-015-34724, Federal lease # NM NM 98791. The use of this site to drill two wells and having two separate production facilities should be considered in the request to reduce the size of the location. Drilling this well as a dual well site and utilizing the reserve pit for both wells saved approximately 3.5 acres of federal lands from being used for a second location.

* NOTIFY this office prior to start

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

Deane Durham

Title Engineer

Signature

Date

2-28-08

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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.

Title

Office

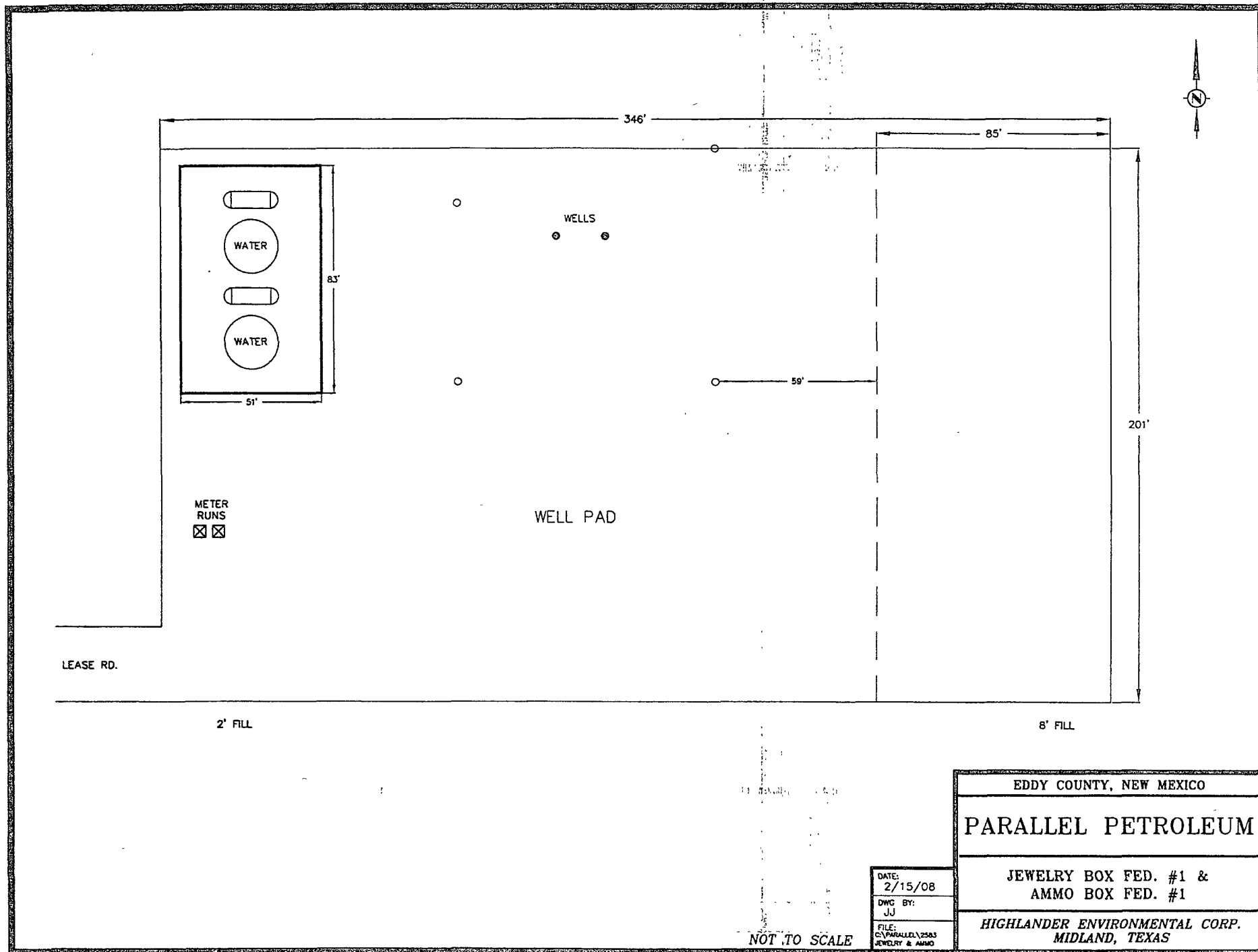
Date

MAR 15 2008

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.

(instructions on page 2)

Accepted for record - NMOCD



EDDY COUNTY, NEW MEXICO

PARALLEL PETROLEUM

JEWELRY BOX FED. #1 &
AMMO BOX FED. #1

HIGHLANDER ENVIRONMENTAL CORP.
MIDLAND, TEXAS

DATE:
2/15/08
DWG BY:
JJ
FILE:
C:\PARALLEL\2583
JEWELRY & AMMO

NOT TO SCALE