

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTOCD-ARTESIA
APR 28 2009FORM 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

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

PARALLEL PETROLEUM CORPORATION

3a. Address

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

3b. Phone No. (include area code)

432-685-6563

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

SL: 300 FSL & 700 FEL, SEC 8, T19S, R21E

ACTUAL: PP: 605 FSL & 553 FEL, SEC 8, T19S, R21E

BHL: 710 FSL & 690 FWL, SEC 8, T19S, R21E

5. Lease Serial No.

NM NM 104616

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
36054

8. Well Name and No.

PANDORA'S BOX 1921 1
-8 FEDERAL

9. API Well No.

30-015-35166

10. Field and Pool, or Exploratory Area
4 MILE DRAW, WOLFCAMP,
S/W, 97553

11. County or Parish, State

EDDY COUNTY NM

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

TYPE OF SUBMISSION

- ☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- | | | | |
|---|---|--|---|
| <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other <u>ADDITIONAL</u> |
| <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | <u>INFORMATION FOR</u> |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input checked="" type="checkbox"/> Water Disposal | <u>WATER DISP FAC</u> |

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 final site is ready for final inspection.)

AS PER YOUR REQUEST FOR ADDITIONAL INFORMATION, PLEASE SEE ATTACHMENT WITH ITEMS 1 THRU 7 ADDRESSED

Accepted for record
NMOCB *rs*

APPROVED

APR 25 2009

JAMES A. AMOS
SUPERVISOR-EPS14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

KAYE MC CORMICK

Title

SR PROD & REG TECH

Date 04-13-2009

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

I & E CFO

Number 09RH10W

Page 1 of 2

☒ Certified Mail - Return
Receipt Requested
70071490000279735595

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NOTICE OF WRITTEN ORDER

IDENTIFICATION	
IID	
Lease	NMNM104616
CA	
Unit	
PA	

Bureau of Land Management Office CARLSBAD FIELD OFFICE	Operator PARALLEL PETROLEUM CORPORATION
Address 620 E GREENE STREET CARLSBAD NM 88220	Address 1004 N BIG SPRING STE 400 MIDLAND TX 79702
Telephone 575-234-5966	Attention
Inspector HOSKINSON	Attn Addr

Site Name PANDORAS BOX 1921-8 FEDERAL	Well or Facility 1	1/4 1/4 Section SESE 8	Township 19S	Range 21E	Meridian NMP	County EDDY	State NM
Site Name PANDORAS BOX	Well or Facility BOX #1	1/4 1/4 Section SESE 8	Township 19S	Range 21E	Meridian NMP	County EDDY	State NM
Site Name	Well or Facility	1/4 1/4 Section	Township	Range	Meridian	County	State

The following condition(s) were found by Bureau of Land Management Inspectors on the date and at the site(s) listed above.

Date	Time (24-hour clock)	Corrective Action to be Completed by	Date Corrected	Authority Reference
03/24/2009	13:00	04/24/2009		43CFR3162.1(a) 43CFR3162.5-1

Remarks:

NO APPROVAL FOR WATER DISPOSAL ON FILE.

SUBMIT 3160-5 SUNDRY NOTICE WITH NECESSARY INFORMATION. (SEE ATTACHMENT)

When the Written Order is complied with, sign this notice and return to above address.

Company Representative Title **SR PROD & REG TECH**

Signature Kaye M Carmack Date **04-13-2009**

Company Comments **COMPLETE INFORMATION ATTACHED**

Warning

The Authorized Officer has authority to issue a Written Order in accordance with 43 CFR 3161.2. Written Order correction and reporting time frames begin upon receipt of this Notice or 7 business days after the date it is mailed, whichever is earlier. Each stipulation must be corrected within the prescribed time from receipt of this Notice and reported to the Bureau of Land Management Office at the address shown above. If you do not comply as noted above under "Corrective Action to be Completed By", you shall be issued an Incident of Noncompliance (INC) in accordance with 43 CFR 3163.1(a). Failure to comply with the INC may result in assessments as outlined in 43 CFR 3163.1 and may also incur civil penalties (43 CFR 3163.2). All self-certified corrections must be postmarked no later than the next business day after the prescribed time frame for correction.

Section 109(d)(1) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3163.2(f)(1), provides that any person who "knowingly or willfully" prepares, maintains, or submits false, inaccurate, or misleading reports, notices, affidavits, records, data, or other written information required by this part shall be liable for a civil penalty of up to \$25,000 per violation for each day such violation continues, not to exceed a maximum of 20 days.

Review and Appeal Rights

A person contesting a decision shall request a State Director review of the Written Order. This request must be filed within 20 working days of receipt of the Notice with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 801 North Quincy Street, Suite 300, Arlington, VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

Signature of Bureau of Land Management Authorized Officer <u>[Signature]</u>	Date 3/21/09	Time 13:30
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FOR OFFICE USE ONLY

Number 53	Date	Type of Inspection PI
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I & E CFO

WATER PRODUCTION & DISPOSAL INFORMATION

FOLLOWING FOR: PANDORA'S BOX 1921-8 FED #1, API 30-015-35166

1. Name of formations producing water on the lease:
WOLFCAMP
2. Amount of water produced from all formations in barrels per day:
1 BWPB
3. Attach a current water analysis of produced water from all zones showing at least the total dissolved solids, ph and the concentrations of chlorides and sulfates.
(One sample will suffice if water is commingled.)
**PRODUCED WATER ANALYSIS DATED 4-1-09 BY BJ
CHEMICAL ATTACHED**
4. How water is stored on lease.
ABOVE GROUND CLOSED TOP FIBERGLASS TANKS
5. How water is moved to the disposal facility.
TRANSPORTED BY COMMERCIAL TANK-TRUCK VENDOR
6. Identify the Disposal Facility by:
 - A. Facility Operators Name.
ROEMANN SWD INC.
 - B. Name of facility or well name and number
FANNING SWD #1
 - C. Type of facility or well (WDW) (WIW) etc.
DISPOSAL WELL (WDW)
 - D. Location by ¼ ¼
**1980FSL & 1980 FWL
UNIT K SECTION 4 TS 19S RANGE 26E
API # 30-015-20920**
7. Attach a copy of the State issued permit for the Disposal Facility.
**COPY OF PERMIT AND OPERATORSHIP APPROVAL
ATTACHED**

Submit to this office: **620 EAST GREENE ST, CARLSBAD NM 88220**, the above required information on a Sundry Notice 3160-5. Submit 1 original and 5 copies within abatement period. (This form may be used as an attachment to the Sundry Notice.) If you need further direction on this matter, feel free to call Robert E. Hoskinson Sr @ (575)-234-5966 (office) or (575) 361-0106 (Cell).

Analytical Laboratory Report for:

**PARALLEL PETROLEUM NM LEASES
ONLY**



BJ Chemical Services
Account Representative:
Richard D Nailon

Production Water Analysis

Listed below please find water analysis report from: Pandera Box, 1

Lab Test No: 2009116015
Specific Gravity: 1.085

Sample Date: 04/01/2009

TDS: 129110
pH: 5.75

Cations:	mg/L	as:
Calcium	12000	(Ca ⁺⁺)
Magnesium	3339	(Mg ⁺⁺)
Sodium	36200	(Na ⁺)
Iron	75.48	(Fe ⁺⁺)
Potassium	355.0	(K ⁺)
Barium	1.84	(Ba ⁺⁺)
Strontium	286.00	(Sr ⁺⁺)
Manganese	3.41	(Mn ⁺⁺)
Anions:	mg/L	as:
Bicarbonate	49	(HCO ₃ ⁻)
Sulfate	1500	(SO ₄ ⁼)
Chloride	75300	(Cl ⁻)
Gases:		
Carbon Dioxide	220	(CO ₂)
Hydrogen Sulfide	0	(H ₂ S)

PARALLEL PETROLEUM NM Lab Test No: 2009116015
LEASES ONLY

DownHole SAT™ Scale Prediction
@ 100 deg. F



Chemical Services

Mineral Scale	Saturation Index	Momentary Excess (lbs/1000 bbls)
Calcite (CaCO3)	0.08	-0.02
Strontianite (SrCO3)	0.00	-1.79
Anhydrite (CaSO4)	0.81	-90.08
Gypsum (CaSO4*2H2O)	0.99	-3.78
Barite (BaSO4)	1.70	1.28
Celestite (SrSO4)	0.26	-553.36
Siderite (FeCO3)	0.44	-0.00
Halite (NaCl)	0.05	-392922.00
Iron sulfide (FeS)	0.00	-1.02

Interpretation of DHSat Results:

The Saturation Index is calculated for each mineral species independently and is a measure of the *degree of supersaturation (driving force for precipitation)* under the conditions modeled. This value ranges from 0 to infinity with 1.0 representing a condition of equilibrium where scale will neither dissolve nor precipitate. Values less than 1.0 are undersaturated and values greater than 1.0 are supersaturated. The scale is logarithmic, i.e. a Saturation Index of 3 is 10 times more saturated than a value of 2.

The Momentary excess is a measure of how much scale would have to precipitate to bring the system back to a non-scaling condition. This value ranges from *negative (dissolving)* to *positive (precipitating)* values. The Momentary Excess represents the amount of scale possible while the Saturation Level represents the probability that scale will form.

District II
1301 W. Grand Ave., Artesia, NM 88210
Phone: (505) 748-1283 Fax: (505) 748-9720

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-145
Permit 21289

Change of Operator

Previous Operator Information

OGRID: 148530
Name: FDW, INC
Address: 5447 GLEN LAKES DRIVE
Address:
City, State, Zip: DALLAS, TX 75382

New Operator Information

Effective Date: 10/1/2005
OGRID: 239190
Name: ROEMANN SWD, INC.
Address: 3425 Ferguson Rd
Address:
City, State, Zip: Carlsbad, NM 88220

I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information on this form and the certified list of wells is true to the best of my knowledge and belief.

Previous Operator

Signature: Robert G. Shelton
Printed Name: Robert G. Shelton
Title: Vice President
FDW, Inc.
Date: 1/16/06 Phone: (432) 686-8235

New Operator

Signature: [Signature]
Printed Name: JAMES MANN
Title: Director / Vice President
Date: 1-18-05 Phone: 505-706-0317

NMOCD Approval

Electronic Signature: Carmen Reno, District 2
Date: February 13, 2006

10-1-85
STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 8738
Order No. R-8079

APPLICATION OF CHAMA PETROLEUM
COMPANY FOR SALT WATER DISPOSAL,
EDDY COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on October 23, 1985, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 18th day of November, 1985, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Chama Petroleum Company, seeks authority to re-enter the Samedan Oil Corporation Fanning Com Well No. 1 located 1980 feet from the South and West lines (Unit K) of Section 4, Township 19 South, Range 26 East, NMPM, Eddy County, New Mexico and to utilize said well as a produced salt water disposal well, with injection into the perforated interval from approximately 8023 feet to 8136 feet in the Cisco and Canyon formations.

(3) The subject well was spudded on September 16, 1973, completed in the West Four Mile Draw-Morrow Gas Pool, and was plugged and abandoned by Samedan Oil Corporation in December, 1978.

(4) Originally said well had 9461 feet of 4 1/2-inch casing set for its production string. At the time it was plugged and abandoned 7995 feet of this casing string was recovered.

(5) The applicant proposes to recomplete the subject well by tying back into the 4 1/2-inch casing with an overshot on a 5 1/2-inch casing which casing string should be adequately cemented to specifications set by the Supervisor of the Artesia District Office; the injection should be accomplished through 2 7/8-inch plastic lined tubing installed in a packer set at approximately 7923 feet; the casing-tubing annulus should be filled with an inert fluid; and a pressure gauge or approved leak detection device should be attached to the annulus in order to determine leakage in the casing, tubing, or packer.

(6) Prior to commencing injection operations, the casing in the subject well should be pressure-tested throughout the interval from the surface down to the proposed packer setting depth, to assure the integrity of such casing.

(7) The injection well or system should be equipped with a pressure limiting switch or other acceptable device which will limit the wellhead pressure on the injection well to no more than 1600 psi.

(8) The Director of the Division should be authorized to administratively approve an increase in the injection pressure upon a proper showing by the operator that such higher pressure will not result in migration of the injected waters from the Cisco formation.

(9) The operator should give advance notification to the supervisor of the Artesia district office of the Division of the date and time of the installation of disposal equipment and of the mechanical integrity pressure test in order that the same may be witnessed.

(10) The operator should take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface.

(11) Approval of the subject application will prevent the drilling of unnecessary wells and otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Chama Petroleum Company, is hereby authorized to re-enter and utilize the Samedan Oil Corporation Fanning Com Well No. 1, located 1980 feet from the South and West lines (Unit K) of Section 4, Township 19 South, Range 26 East, NMPM, Eddy County, New Mexico, to dispose of produced salt water into the Cisco and Canyon formations, injection to

be accomplished through 2 7/8-inch tubing installed in a packer set at approximately 7923 feet, with injection into the perforated interval from approximately 8023 feet to 8136 feet;

PROVIDED HOWEVER THAT, the 5 1/2-inch casing string to be tied-back into the original 4 1/2-inch production string at approximately 7995 feet shall be adequately cemented to specifications set by the supervisor of the Division's Artesia district office;

PROVIDED HOWEVER THAT, said tubing shall be plastic-lined; the casing-tubing annulus shall be filled with an inert fluid; and a pressure gauge shall be attached to the annulus or the annulus shall be equipped with an approved leak detection device in order to determine leakage in the casing, tubing, or packer.

PROVIDED FURTHER THAT, prior to commencing injection operations, the casing in the subject well shall be pressure-tested to assure the integrity of such casing in a manner that is satisfactory to the supervisor of the Division's district office at Artesia.

(2) The injection well or system shall be equipped with a pressure limiting switch or other acceptable device which will limit the wellhead pressure on the injection well to no more than 1600 psi.

(3) The Director of the Division may authorize an increase in injection pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the injected fluid from the Cisco and Canyon formations.

(4) The operator shall notify the supervisor of the Artesia district office of the Division in advance of the date and time of the installation of disposal equipment and of the mechanical integrity pressure test in order that the same may be witnessed.

(5) The operator shall immediately notify the supervisor of the Division's Artesia district office of the failure of the tubing, casing, or packer, in said well or the leakage of water from or around said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

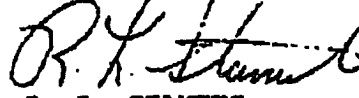
(6) The applicant shall conduct disposal operations and submit monthly reports in accordance with Rules 702, 703, 704, 705, 706, 708, and 1120 of the Division Rules and Regulations.

-4-
Case No. 8738
Order No. R-8079

(7) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


R. L. STAMETS,
Director

S E A L