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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SEP 23 2009

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 98791

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.
SQUEEZE BOX 1 FEDERAL

2. Name of Operator
PARALLEL PETROLEUM CORPORATION

9. API Well No.
30-015-34725

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

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

10. Field and Pool, or Exploratory Area
WALNUT CREEK, WOLFCAMP

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
SL: 300 FSL & 710 FEL
PP: 660 FSL & 710 FEL BHL: 660 FNL & 710 FEL SEC 12, T19S, R21E

11. County or Parish, State
EDDY 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 ADDITIONAL INFORMATION FOR WATER DISPOSAL FAC |
| | ☐ 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.)

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

ACCEPTED FOR RECORD
SEP 18 2009
/s/ Myles Kristof
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

RF
10/01/09

14. I hereby certify that the foregoing is true and correct
Name *(Printed/Typed)* KAYE MC CORMICK
Kaye McCormick
Title SR PROD & REG TECH
Date 8-26-2009

**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 | |

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.

## WATER PRODUCTION & DISPOSAL INFORMATION

## FOLLOWING FOR: SQUEEZE BOX FEDERAL #1, API 30-015-34725

1. Name of formations producing water on the lease:
   **WOLFCAMP**
2. Amount of water produced from all formations in barrels per day:
   **1 BWPD**
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 04-08-09 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: SQUEEZEBOX FED, 1

| | | | |
|---|---|---|---|
| Lab Test No: | 2009119230 | Sample Date: | 04/08/2009 |
| Specific Gravity: | 1.027 | | |
| TDS: | 39321 | | |
| pH: | 9.30 | | |

| Cations: | mg/L | as: |
|---|---|---|
| Calcium | 3550 | ($Ca^{++}$) |
| Magnesium | 782 | ($Mg^{++}$) |
| Sodium | 7130 | ($Na^{+}$) |
| Iron | 50.00 | ($Fe^{++}$) |
| Potassium | 75.3 | ($K^{+}$) |
| Barium | 0.14 | ($Ba^{++}$) |
| Strontium | 68.10 | ($Sr^{++}$) |
| Manganese | 1.44 | ($Mn^{++}$) |
| **Anions:** | **mg/L** | **as:** |
| Bicarbonate | 464 | ($HCO_3^{-}$) |
| Sulfate | 2400 | ($SO_4^{=}$) |
| Chloride | 24800 | ($Cl^{-}$) |
| **Gases:** | | |
| Carbon Dioxide | 310 | ($CO_2$) |
| Hydrogen Sulfide | 136 | ($H_2S$) |

**PARALLEL PETROLEUM NM** **Lab Test No: 2009119230**
**LEASES ONLY**

## DownHole SAT™ Scale Prediction @ 100 deg. F

BJ Chemical Services

| Mineral Scale | Saturation Index | Momentary Excess (lbs/1000 bbls) |
|---|---|---|
| Calcite (CaCO3) | 105.75 | 10.10 |
| Strontianite (SrCO3) | 3.89 | 10.78 |
| Anhydrite (CaSO4) | 0.95 | -77.84 |
| Gypsum (CaSO4*2H2O) | 1.29 | 356.94 |
| Barite (BaSO4) | 1.23 | 0.05 |
| Celestite (SrSO4) | 0.58 | -91.53 |
| Siderite (FeCO3) | 1490.36 | 11.80 |
| Halite (NaCl) | 0.00 | -532919.94 |
| Iron sulfide (FeS) | 465537.03 | 8.55 |

**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.**