

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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)

432-695-6969

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

SL: 660 ENL & 660 FWL

EHL: 660 ENL & 660 FEL SEC 23, TS 19S, RANGE 21E

5. Lease Serial No.

NM 103570

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

MAILBOX 1921-23 1

FEDERAL

9. API Well No.

30-015-35165

10. Field and Pool, or Exploratory Area

MORROW PRIM/WOLFCAMP ALTER

11. County or Parish, State

EDDY

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

- | | | | |
|---|---|--|--|
| ☐ Acidize | ☐ Deepen | ☐ Production (Start/Resume) | ☐ Water Shut-Off |
| ☐ Alter Casing | ☐ Fracture Treat | ☐ Reclamation | ☐ Well Integrity |
| ☐ Casing Repair | ☐ New Construction | ☐ Recomplete | ☐ Other <u>SURVEYS: MWD</u> |
| ☐ Change Plans | ☐ Plug and Abandon | ☐ Temporarily Abandon | <u>& GYRO & TEMP;</u> |
| ☐ Convert to Injection | ☐ Plug Back | ☐ Water Disposal | <u>5.5 CSG</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.)

11-21-06: TEMP SURVEY FOR SURFACE ATTACHED (REPORTED SURFACE CASING ON SUNDRY 12-01-06)

12-10-06: TD WELL @ 8136'. MWD & GYRO SURVEY ATTACHED. NO OPEN HOLE LOGS RAN ON THIS WELL.

12-11-06: RUN 5.5 CSG, 7.875 HOLE, 17#, SET @ 8136

CMT W/600 SX INTERFILL C SEM + 0.25# POLY FLAKE, 11.9 PPG, 2.45 YIELD

TAIL: 550 SX C + 0.7% HALAD+10# SILICALITE + 0.65 HR-601 + 0.25# D-AIR 3000,
15 PPG, 2.61 YIELD

105 CENTRALIZERS

TOC: CIRCULATED 167 SX TO SURFACE

WOC: 8 HRS, TEST CSG TO 5000 PSI FOR 30 MINUTES.

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

KAYE MC CORMICK

Title

SR PROD & REG TECHNICIAN

Date 12-19-2006

ACCEPTED FOR RECORD

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date DEC 21 2006

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

WESLEY W. INGRAM

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.

A Gyrodata Directional Survey

Field Copy Only, not definitive

for

PARALLEL PETROLEUM

Location: J W #4, EDDY COUNTY, NEW MEXICO
Lease: MAIL BOX 1921-23 Well: # 1, 4-1/2" DRILLPIPE

Job Number: MD1106G_319

Run Date: 11/29/2006 1:43:22 AM

Surveyor: THOMAS BOWDEN

Calculation Method: MINIMUM CURVATURE

Survey Latitude: 32.651667 deg. N Longitude: 104.770833 deg. E

Azimuth Correction:

Gyro: 0.24000 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

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Job Number: MD1106G_319

MEASURED DEPTH feet	INCL deg.	AZIMUTH deg.	DOGLEG SEVERITY deg./ 100 ft.	VERTICAL DEPTH feet	CLOSURE DIST. AZIMUTH feet deg.	HORIZONTAL COORDINATES feet
0.00	0.00	0.00	0.00	0.00	0.0 0.0	0.00 N 0.00 E
175.36 TO 3963 FT. RATE GYROSCOPIC MULTISHOT SURVEY RUN INSIDE 4-1/2" DRILLPIPE						
ALL MEASURED DEPTHS AND COORDINATES REFERENCED TO J W 4 R.K.B (+18')						
175.36	1.11	346.22	0.63	175.35	1.7 346.2	1.65 N 0.41 W
271.02	1.21	0.48	0.32	270.99	3.6 350.2	3.57 N 0.62 W
366.68	1.20	358.17	0.05	366.63	5.6 353.4	5.59 N 0.64 W
462.34	1.43	4.19	0.27	462.26	7.8 355.7	7.78 N 0.59 W
558.00	2.07	35.23	1.17	557.88	10.4 2.7	10.38 N 0.49 E
653.66	2.45	34.68	0.41	653.47	13.7 11.1	13.47 N 2.65 E
749.32	2.55	40.47	0.28	749.03	17.6 17.2	16.77 N 5.20 E
844.98	2.55	40.58	0.01	844.60	21.5 21.7	20.01 N 7.97 E
940.64	3.43	35.59	0.95	940.13	26.4 24.7	23.95 N 11.02 E
1036.30	3.64	33.62	0.25	1035.61	32.2 26.5	28.80 N 14.36 E
1131.96	3.55	33.58	0.09	1131.08	38.1 27.6	33.79 N 17.68 E
1227.62	3.26	33.71	0.30	1226.57	43.8 28.4	38.52 N 20.82 E
1323.28	3.59	40.10	0.53	1322.06	49.4 29.4	43.08 N 24.26 E
1418.94	3.34	37.58	0.31	1417.54	55.2 30.4	47.58 N 27.89 E
1514.60	2.41	37.81	0.97	1513.08	59.9 31.0	51.38 N 30.83 E
1610.26	2.08	39.71	0.35	1608.67	63.6 31.4	54.30 N 33.17 E
1705.92	1.78	36.06	0.35	1704.28	66.8 31.7	56.84 N 35.15 E
1801.58	1.46	32.95	0.34	1799.90	69.5 31.8	59.06 N 36.69 E
1897.24	1.14	28.29	0.35	1895.53	71.7 31.8	60.92 N 37.80 E

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Job Number: MD1106G_319

MEASURED DEPTH feet	INCL deg.	AZIMUTH deg.	DOGLEG SEVERITY deg./ 100 ft.	VERTICAL DEPTH feet	CLOSURE DIST. AZIMUTH feet deg.	HORIZONTAL COORDINATES feet
1992.90	0.94	25.12	0.22	1991.18	73.4 31.7	62.46 N 38.58 E
2088.56	0.83	25.14	0.11	2086.83	74.9 31.6	63.79 N 39.21 E
2184.22	0.50	24.60	0.34	2182.48	76.0 31.5	64.80 N 39.67 E
2279.88	0.38	51.04	0.24	2278.14	76.7 31.5	65.38 N 40.10 E
2375.54	0.38	50.97	0.00	2373.79	77.3 31.7	65.78 N 40.59 E
2471.20	0.23	85.55	0.24	2469.45	77.7 31.9	65.99 N 41.03 E
2566.86	0.39	99.25	0.19	2565.11	77.9 32.2	65.95 N 41.55 E
2662.52	0.49	71.81	0.24	2660.77	78.4 32.6	66.03 N 42.26 E
2758.18	0.51	61.25	0.10	2756.42	79.1 33.0	66.36 N 43.02 E
2853.84	0.54	46.90	0.14	2852.08	79.9 33.2	66.88 N 43.73 E
2949.50	0.34	14.96	0.33	2947.74	80.6 33.2	67.46 N 44.13 E
3045.16	0.33	3.01	0.07	3043.40	81.1 33.0	68.01 N 44.22 E
3140.82	0.30	4.03	0.04	3139.05	81.6 32.9	68.53 N 44.25 E
3236.48	0.06	173.39	0.38	3234.71	81.8 32.8	68.73 N 44.28 E
3332.14	0.14	171.63	0.08	3330.37	81.6 32.9	68.56 N 44.30 E
3427.80	0.39	208.71	0.31	3426.03	81.2 32.9	68.16 N 44.16 E
3523.46	1.03	206.68	0.66	3521.69	80.0 33.0	67.10 N 43.62 E
3619.12	1.02	205.54	0.02	3617.33	78.3 33.2	65.57 N 42.86 E
3714.78	0.92	206.66	0.11	3712.98	76.7 33.3	64.11 N 42.15 E
3810.44	0.73	211.60	0.22	3808.63	75.4 33.4	62.90 N 41.49 E
3906.10	0.65	209.43	0.09	3904.28	74.2 33.5	61.92 N 40.91 E
3938.00	0.63	201.88	0.27	3936.18	73.9 33.5	61.60 N 40.75 E

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MEASURED DEPTH feet	INCL deg.	AZIMUTH deg.	DOGLEG SEVERITY deg./ 100 ft.	VERTICAL DEPTH feet	CLOSURE DIST. AZIMUTH feet deg.	HORIZONTAL COORDINATES feet
3948.00	0.57	198.34	0.69	3946.18	73.8 33.5	61.50 N 40.72 E

Final Station Closure: Distance: 73.76 ft Az: 33.51 deg.

Report Date: December 11, 2006 Client: Parallel Petroleum Corp. Field: Eddy County, New Mexico (Parallel Pet.) Structure / Slot: Sec. 23, T19S & R21E - Mail Box 1921 - 23 Fed. #1 / Mail Box 1921-23 Federal #1 Well: Mail Box 1921 - 23 Fed. #1 Borehole: Mail Box Fed #1 (Original Hole) UWI/API#: Survey Name / Date: Mail Box Fed. #1 SLB MWD SVY. / November 30, 2006 Tort / AHD / DDI / ERD ratio: 145.549° / 4030.44 ft / 6.031 / 0.908 Grid Coordinate System: NAD27 New Mexico State Planes, Eastern Zone, US Feet Location Lat/Long: N 32 39 4.613, W 104 46 14.751 Location Grid N/E Y/X: N 600924.700 #US, E 365385.400 #US Grid Convergence Angle: -0.23600804° Grid Scale Factor: 0.99992985	Survey / DLS Computation Method: Minimum Curvature / Lubinski Vertical Section Azimuth: 90.000° Vertical Section Origin: N 0.000 ft, E 0.000 ft TVD Reference Datum: KB TVD Reference Elevation: 4238.0 ft relative to Sea Bed / Ground Level Elevation: 4238.000 ft relative to Magnetic Declination: 8.729° Total Field Strength: 49222.277 nT Magnetic Dip: 60.496° Declination Date: November 30, 2006 Magnetic Declination Model: BGGM 2006 North Reference: Grid North Total Corr Mag North -> Grid North: +8.965° Local Coordinates Referenced To: Well Head
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Comments	Measured Depth (ft)	Inclination (deg)	Azimuth (deg)	TVD (ft)	Vertical Section (ft)	NS (ft)	EW (ft)	Closure (ft)	Closure Azimuth (deg)	DLS (deg/100 ft)	Mag / Grav Tool Face (deg)
Tie-In/Gyro Data SVY.	3948.00	0.57	198.34	3946.18	40.72	61.50	40.72	73.76	33.51	0.69	106.49M
	3973.00	2.10	106.49	3971.17	41.12	61.25	41.12	73.77	33.87	8.78	94.13M
	4005.00	5.83	94.13	4003.09	43.30	60.97	43.30	74.78	35.38	11.89	4.96L
	4037.00	10.29	91.97	4034.77	47.78	60.75	47.78	77.29	38.18	13.97	2.42L
	4068.00	15.03	91.20	4065.00	54.57	60.57	54.57	81.53	42.02	15.30	3.10L
	4100.00	20.04	90.41	4095.51	64.21	60.45	64.21	88.18	46.73	15.67	0.68L
	4131.00	25.47	90.26	4124.08	76.19	60.38	76.19	97.21	51.61	17.52	10.31R
	4163.00	29.99	91.90	4152.40	91.07	60.08	91.07	109.11	56.59	14.32	18.64R
	4195.00	33.79	94.19	4179.57	107.95	59.16	107.95	123.10	61.27	12.46	18.34R
	4227.00	37.42	96.16	4205.58	126.50	57.47	126.50	138.94	65.57	11.90	19.28R
	4259.00	40.86	97.99	4230.40	146.53	54.97	146.53	156.51	69.44	11.34	16.48R
	4290.00	44.37	99.47	4253.21	167.27	51.78	167.27	175.10	72.80	11.77	11.50R
	4321.00	48.66	100.63	4274.54	189.41	47.85	189.41	195.36	75.82	14.10	12.02R
	4352.00	53.83	101.99	4293.94	213.11	43.10	213.11	217.42	78.57	17.02	12.48R
	4383.00	58.26	103.14	4311.25	238.20	37.50	238.20	241.13	81.05	14.62	15.08R
	4414.00	61.36	104.09	4326.83	264.24	31.19	264.24	266.07	83.27	10.34	9.22R
	4446.00	64.82	104.71	4341.32	291.87	24.09	291.87	292.86	85.28	10.95	5.43R
	4477.00	68.95	105.13	4353.48	319.41	16.75	319.41	319.85	87.00	13.38	3.23R
	4507.00	73.20	105.38	4363.21	346.78	9.28	346.78	346.91	88.47	14.19	1.71L
	4538.00	76.45	105.28	4371.32	375.64	1.37	375.64	375.64	89.79	10.49	7.56R
	4569.00	79.79	105.73	4377.70	404.86	-6.73	404.86	404.92	90.95	10.87	1.09R
	4585.00	81.88	105.77	4380.25	420.06	-11.02	420.06	420.21	91.50	13.06	34.37R
	4598.00	83.10	106.61	4381.95	432.44	-14.62	432.44	432.69	91.94	11.36	8.90L
	4629.00	87.38	105.94	4384.52	462.09	-23.27	462.09	462.68	92.88	13.97	44.26L
	4660.00	88.92	104.44	4385.52	491.99	-31.39	491.99	492.99	93.65	6.93	47.86L
	4691.00	89.11	104.23	4386.06	522.02	-39.06	522.02	523.48	94.28	0.91	117.65R
	4720.00	89.00	104.44	4386.54	550.11	-46.24	550.11	552.05	94.80	0.82	81.54L
	4751.00	89.14	103.50	4387.04	580.19	-53.72	580.19	582.67	95.29	3.07	60.34L
	4782.00	89.59	102.71	4387.38	610.38	-60.75	610.38	613.40	95.68	2.93	101.89L
	4813.00	89.35	101.57	4387.67	640.69	-67.27	640.69	644.21	95.99	3.76	123.32L
	4844.00	88.66	100.52	4388.21	671.11	-73.21	671.11	675.09	96.23	4.05	132.85L
	4875.00	87.90	99.70	4389.14	701.61	-78.65	701.61	706.01	96.40	3.61	19.25L
	4937.00	89.59	99.11	4390.50	762.76	-88.78	762.76	767.91	96.64	2.89	114.06L
	4999.00	88.80	97.34	4391.37	824.12	-97.65	824.12	829.88	96.76	3.13	100.26L
	5060.00	88.52	95.79	4392.79	884.70	-104.62	884.70	890.86	96.74	2.58	84.72L
	5091.00	88.62	94.71	4393.57	915.56	-107.45	915.56	921.84	96.69	3.50	123.21L
	5153.00	87.94	93.67	4395.43	977.36	-111.98	977.36	983.76	96.54	2.00	97.13L
	5215.00	87.70	91.74	4397.79	1039.24	-114.91	1039.24	1045.58	96.31	3.13	124.43L
	5278.00	86.77	90.38	4400.83	1102.16	-116.07	1102.16	1108.25	96.01	2.61	5.42R
	5340.00	88.14	90.51	4403.58	1164.09	-116.55	1164.09	1169.91	95.72	2.22	5.19L
	5402.00	88.80	90.45	4405.23	1226.07	-117.07	1226.07	1231.65	95.45	1.07	28.94R
	5465.00	90.41	91.34	4405.67	1289.06	-118.05	1289.06	1294.45	95.23	2.92	68.07L
	5529.00	90.72	90.57	4405.04	1353.05	-119.12	1353.05	1358.28	95.03	1.30	61.70L
	5593.00	90.86	90.31	4404.16	1417.04	-119.61	1417.04	1422.08	94.82	0.46	90.00L
	5657.00	90.86	90.25	4403.19	1481.03	-119.93	1481.03	1485.88	94.63	0.09	113.37L
	5721.00	90.51	89.44	4402.43	1545.02	-119.75	1545.02	1549.66	94.43	1.38	124.51R

