

UNITED STATES
DEPARTMENT OF THE INTERIOR **OCD-ARTESIA**
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

Month - Year
FEB - 5 2007
OCD - ARTESIA, NM

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

PARALLEL PETROLEUM CORPORATION

3a. Address

P.O. BOX 10587, MIDLAND, TX 79702

3b. Phone No. (include area code)

432-685-6563

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

SL: 1460 ENL & 125 FEL, SEC 11, T-19-S, R-21-E

EHL: 1456 ENL & 660 FWL, SEC 11, T-19-S, R-21-E

5. Lease Serial No.

NM NM 98791

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

STRONG BOX 1921-22 1

9. API Well No.

30-015-35143

10. Field and Pool, or Exploratory Area

WOLF CAMP

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☐ Alter Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Fracture Treat☐ New Construction☐ Plug and Abandon☐ Plug Back☐ Production (Start/Resume)☐ Reclamation☐ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☐ Well Integrity☒ Other SPUD, CSGINFO. SURVEYS

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 recomple 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 recomple 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.)

12-31-06: SET 16" CONDUCTOR @ 80' W/RATHOLE UNIT

12-14-06: MIRU DRILLING RIG. SPUD @ 5:30 PM

12-17-06: RUN 8.625" SURF CSG, 11" HOLE, 24# SET @ 1505.

LEAD 1: 100 SX C + 1% THICKSET + 0.25% WG17, 14 PPG, 1.53 YLD,

LEAD 2: 380 SX C + 5# GILSONITE + 2% CACL2, 12.4 PPG, 2.04 YLD,

TAIL: 420 SX C + 2% CACL2, 14.8 PPG, 1.34 YLD

5 CENTRALIZERS; DID NOT CIRCULATE

TOC: 400' BY TEMP SURVEY, TAGGED @ 531. TOP OUT TO SURFACE W/1";

WOC: 15 HOURS, TEST CSG @ 1000 PSI FOR 30 MINUTES

01-05-07: RUN 5.5" CSG, 7.875" HOLE, 17# SET @ 8509.

LEAD: 535 SX INTERFILL C-SEM + POLYFLAKE, 11.9 PPG, 2.45 YLD

TAIL: 500 SX ACID SOLUBLE CMT + 0.7% HALAD + 10 LEM SILICALITE

+ 0.6 HR-601 + 0.25 LEM D-AIR 3000, 15 PPG, 2.61 YLD

109 CENTRALIZERS

TOC: CIRCULATE 229 SX TO SURFACE; WOC: 12.5 HRS, TEST TO 1500 PSI FOR 30 MINUTES

ATTACHED ARE GYRODATA - GYRO SURVEY; SCHLUMBERGER MWD SURVEY; OPEN HOLE LOG

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

KAYE MC CORMICK

Title

SR PROD & REG TECH

Date

01-12-2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Office

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 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.

ACCEPTED FOR RECORD

Date

FEB 1 2007

FEDERICK WRIGHT
PETROLEUM ENGINEER

Approved for record - NMOC

2/5/07

SLB MWD Survey Survey Report

Report Date: January 4, 2007	Survey / DLS Computation Method: Minimum Curvature / Lubinski
Client: Parallel Petroleum	Vertical Section Azimuth: 270.370°
Field: Eddy County, New Mexico (Parallel Pet.)	Vertical Section Origin: N 0.000 ft, E 0.000 ft
Structure / Slot: Parallel Pet. Strong Box 1921-11 Fed #1 / Strong Box 1921-11 Federal #1	TVD Reference Datum: KB
Well: Strong Box Federal 1921-11 #1	TVD Reference Elevation: 4157.0 ft relative to
Borehole: Strong Box Fed #1 Original Hole	Sea Bed / Ground Level Elevation: 4157.000 ft relative to
UWI/API#:	Magnetic Declination: 8.717°
Survey Name / Date: Strong Box SLB MWD Survey / December 26, 2006	Total Field Strength: 49234.199 nT
Tort / AHD / DDI / ERD ratio: 133.014° / 4608.59 ft / 6.082 / 1.062	Magnetic Dip: 60.522°
Grid Coordinate System: NAD27 New Mexico State Planes, Eastern Zone, US Feet	Declination Date: December 26, 2006
Location Lat/Long: N 32 40 41.159, W 104 45 22.454	Magnetic Declination Model: BGGM 2006
Location Grid N/E Y/X: N 610683.100 ftUS, E 369875.500 ftUS	North Reference: Grid North
Grid Convergence Angle: -0.22833668°	Total Corr Mag North -> Grid North: +8.945°
Grid Scale Factor: 0.99992848	Local Coordinates Referenced To: Well Head

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 Survey	3689.50	0.72	327.63	3688.16	-44.22	3.99	44.24	44.42	84.85	0.41	311.09M
	3712.00	0.84	311.09	3710.66	-44.02	4.22	44.04	44.25	84.53	1.13	286.07M
	3744.00	4.41	286.07	3742.62	-42.65	4.71	42.69	42.94	83.70	11.46	285.32M
	3776.00	9.70	285.32	3774.37	-38.86	5.76	38.90	39.33	81.57	16.53	HS
	3807.00	14.58	285.37	3804.66	-32.57	7.49	32.62	33.46	77.07	15.74	4.35L
	3838.00	18.83	284.37	3834.35	-23.94	9.77	24.00	25.91	67.86	13.74	4.88L
	3870.00	20.74	283.91	3864.46	-13.42	12.41	13.50	18.34	47.41	5.99	53.40L
	3902.00	22.48	278.14	3894.21	-1.85	14.64	1.94	14.77	7.55	8.58	22.75L
	3934.00	25.65	275.10	3923.43	11.12	16.12	-11.02	19.53	325.65	10.63	16.30L
	3965.00	29.15	273.01	3950.95	25.35	17.11	-25.24	30.50	304.14	11.71	10.37L
	3996.00	32.12	271.99	3977.62	41.14	17.80	-41.02	44.72	293.45	9.73	17.86L
	4028.00	33.60	271.13	4004.50	58.50	18.27	-58.38	61.17	287.38	4.85	20.41L
	4060.00	35.56	269.88	4030.84	76.66	18.42	-76.54	78.73	283.53	6.51	22.93L
	4092.00	38.05	268.18	4056.46	95.82	18.09	-95.70	97.40	280.70	8.41	5.86R
	4124.00	40.72	268.60	4081.19	116.11	17.52	-116.00	117.32	278.59	8.39	2.61R
	4155.00	43.44	268.78	4104.20	136.87	17.05	-136.77	137.83	277.11	8.78	13.51R
	4188.00	46.21	269.70	4127.60	160.13	16.74	-160.03	160.90	275.97	8.62	8.39L
	4220.00	48.92	269.17	4149.19	183.74	16.51	-183.64	184.38	275.14	8.56	14.66R
	4252.00	51.81	270.13	4169.60	208.38	16.36	-208.28	208.92	274.49	9.32	8.75R
	4284.00	54.40	270.62	4188.81	233.97	16.53	-233.87	234.45	274.04	8.19	19.31R
	4316.00	55.77	271.20	4207.13	260.21	16.95	-260.10	260.66	273.73	4.53	11.76L
	4348.00	58.39	270.56	4224.52	287.07	17.36	-286.96	287.48	273.46	8.36	14.68L
	4379.00	60.86	269.82	4240.19	313.81	17.45	-313.70	314.19	273.18	8.23	2.75R
	4411.00	62.90	269.93	4255.28	342.03	17.38	-341.92	342.37	272.91	6.38	8.61L
	4443.00	64.45	269.67	4269.47	370.71	17.28	-370.60	371.01	272.67	4.90	8.48R
	4475.00	67.11	270.10	4282.59	399.89	17.23	-399.78	400.16	272.47	8.40	2.08R
	4507.00	69.95	270.21	4294.30	429.66	17.31	-429.56	429.91	272.31	8.88	10.38R
	4539.00	72.45	270.69	4304.62	459.95	17.55	-459.85	460.18	272.19	7.94	3.08L
	4571.00	74.78	270.56	4313.64	490.65	17.88	-490.55	490.87	272.09	7.29	2.57R
	4603.00	77.83	270.70	4321.22	521.74	18.22	-521.63	521.95	272.00	9.54	8.21R
	4635.00	80.98	271.16	4327.10	553.19	18.73	-553.08	553.39	271.94	9.94	10.40R
	4667.00	83.69	271.66	4331.37	584.89	19.52	-584.78	585.10	271.91	8.61	5.57L
	4699.00	86.35	271.40	4334.15	616.76	20.37	-616.64	616.98	271.89	8.35	5.07L
	4731.00	89.28	271.14	4335.36	648.73	21.07	-648.61	648.95	271.86	9.19	41.91R
	4763.00	90.45	272.19	4335.44	680.72	22.00	-680.59	680.95	271.85	4.91	90.00L
	4795.00	90.45	271.70	4335.19	712.71	23.09	-712.58	712.95	271.86	1.53	42.51R
	4827.00	90.69	271.92	4334.87	744.70	24.10	-744.56	744.95	271.85	1.02	27.07R
	4921.00	91.14	272.15	4333.37	838.65	27.44	-838.49	838.93	271.87	0.54	110.43L
	4985.00	90.76	271.13	4332.31	902.62	29.27	-902.45	902.92	271.86	1.70	118.49L
	5049.00	90.38	270.43	4331.67	966.62	30.14	-966.44	966.91	271.79	1.24	176.99L
	5112.00	89.24	270.37	4331.88	1029.61	30.58	-1029.44	1029.89	271.70	1.81	169.81R

5177.00	88.35	270.53	4333.25	1094.60	31.09	-1094.42	1094.86	271.63	1.39	69.27L
5271.00	88.49	270.16	4335.84	1188.56	31.66	-1188.38	1188.80	271.53	0.42	53.75R
5368.00	88.93	270.76	4338.02	1285.54	32.44	-1285.35	1285.76	271.45	0.77	36.03R
5464.00	89.59	271.24	4339.26	1381.52	34.11	-1381.33	1381.75	271.41	0.85	28.61L
5559.00	90.14	270.94	4339.49	1476.51	35.92	-1476.31	1476.75	271.39	0.66	90.00L
5655.00	90.14	270.85	4339.25	1572.51	37.42	-1572.30	1572.75	271.36	0.09	114.16L
5750.00	89.66	269.78	4339.42	1667.51	37.94	-1667.30	1667.73	271.30	1.23	95.34L
5846.00	89.59	269.03	4340.05	1763.49	36.94	-1763.29	1763.68	271.20	0.78	23.79R
5942.00	91.20	269.74	4339.38	1859.47	35.91	-1859.28	1859.63	271.11	1.83	28.06R
6037.00	91.65	269.98	4337.02	1954.44	35.68	-1954.25	1954.57	271.05	0.54	102.00L
6133.00	91.45	269.04	4334.43	2050.39	34.86	-2050.21	2050.50	270.97	1.00	9.68R
6228.00	91.86	269.11	4331.68	2145.33	33.33	-2145.16	2145.42	270.89	0.44	53.50R
6323.00	92.37	269.80	4328.18	2240.25	32.42	-2240.09	2240.32	270.83	0.90	123.70R
6418.00	92.13	270.16	4324.45	2335.17	32.39	-2335.01	2335.24	270.79	0.46	158.28L
6514.00	90.90	269.67	4321.91	2431.13	32.25	-2430.98	2431.19	270.76	1.38	31.13R
6610.00	91.38	269.96	4320.00	2527.11	31.94	-2526.96	2527.16	270.72	0.58	90.00R
6705.00	91.38	270.08	4317.71	2622.08	31.97	-2621.93	2622.12	270.70	0.13	52.29L
6801.00	91.72	269.64	4315.11	2718.04	31.74	-2717.89	2718.08	270.67	0.58	163.05L
6886.00	90.21	269.18	4313.68	2803.02	30.86	-2802.87	2803.04	270.63	1.86	135.79L
6982.00	89.11	268.11	4314.25	2898.97	28.59	-2898.84	2898.98	270.57	1.60	71.78R
7078.00	89.38	268.93	4315.52	2994.91	26.11	-2994.80	2994.92	270.50	0.90	48.89R
7174.00	89.86	269.48	4316.15	3090.89	24.78	-3090.79	3090.89	270.46	0.76	38.16L
7269.00	90.00	269.37	4316.27	3185.87	23.83	-3185.79	3185.87	270.43	0.19	3.91L
7365.00	91.17	269.29	4315.29	3281.85	22.70	-3281.77	3281.85	270.40	1.22	6.95R
7461.00	91.58	269.34	4312.99	3377.81	21.56	-3377.74	3377.81	270.37	0.43	38.52R
7556.00	92.17	269.81	4309.88	3472.75	20.85	-3472.68	3472.75	270.34	0.79	26.54R
7651.00	92.51	269.98	4306.00	3567.66	20.68	-3567.60	3567.66	270.33	0.40	118.13R
7747.00	92.20	270.56	4302.05	3663.58	21.13	-3663.52	3663.58	270.33	0.68	142.91R
7842.00	90.93	271.52	4299.46	3758.54	22.85	-3758.47	3758.54	270.35	1.68	21.31R
7938.00	91.34	271.68	4297.56	3854.49	25.53	-3854.41	3854.49	270.38	0.46	56.30R
8034.00	91.38	271.74	4295.28	3950.44	28.40	-3950.34	3950.44	270.41	0.08	29.39R
8129.00	91.93	272.05	4292.54	4045.37	31.54	-4045.25	4045.37	270.45	0.66	155.81L
8224.00	91.24	271.74	4289.91	4140.30	34.68	-4140.16	4140.30	270.48	0.80	26.55R
8319.00	91.86	272.05	4287.34	4235.23	37.82	-4235.07	4235.24	270.51	0.73	2.54L
8415.00	92.31	272.03	4283.85	4331.12	41.23	-4330.95	4331.14	270.55	0.47	9.45R
8487.00	92.55	272.07	4280.79	4403.03	43.81	-4402.84	4403.05	270.57	0.34	—
8557.00	92.55	272.07	4277.68	4472.93	46.33	-4472.72	4472.96	270.59	0.00	—

Proj. to TD.

Survey Type: Non-Def Survey

Survey Error Model: SLB ISCWSA version 24 *** 3-D 95.00% Confidence 2.7955 sigma

Surveying Prog:

MD From (ft)

0.00

3689.50

MD To (ft)

3689.50

8557.00

EOU Freq Survey Tool Type

Act-Stns SLB_UNKNOWN (default tool used) Strong Box Fed #1 Original Hole -> Gyro Data SVY.

Act-Stns SLB_UNKNOWN (default tool used) Strong Box Fed #1 Original Hole -> Strong Box SLB MWD Su

Borehole -> Survey

**Italicized stations are NOT used in position calculations.*

A Gyrodata Directional Survey

Field Copy Only, not definitive

for

PARALLEL PETROLEUM

Location: JW #4, EDDY COUNTY, NEW MEXICO
Lease: STRONG BOX 1921-11 Well: FED #1, 4-1/2" DRILLPIPE

Job Number: MD1206G_335

Run Date: 12/22/2006 1:27:00 PM

Surveyor: THOMAS BOWDEN

Calculation Method: MINIMUM CURVATURE

Survey Latitude: 32.676944 deg. N Longitude: 104.757222 deg. W

Azimuth Correction:

Gyro: 0.23000 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

A Gyrodata Directional Survey

PARALLEL PETROLEUM

Location: JW #4, EDDY COUNTY, NEW MEXICO

Lease: STRONG BOX 1921-11 Well: FED #1, 4-1/2" DRILLPIPE

Job Number: MD1206G_335

MEASURED DEPTH feet	INCL deg.	AZIMUTH deg.	DOGLEG SEVERITY deg./ 100 ft.	VERTICAL DEPTH feet	CLOSURE DIST. feet	AZIMUTH deg.	HORIZONTAL COORDINATES feet	
0.00	0.00	0.00	0.00	0.00	0.0	0.0	0.00 N	0.00 E
O TO 4332" FT. RATE GYROSCOPIC MULTISHOT SURVEY RUN INSIDE 4-1/2" DRILLPIPE ALL MEASURED DEPTHS AND COORDINATES REFERENCED TO JW 4 R.K.B. (+22')								
31.30	1.83	74.80	5.85	31.29	0.5	74.8	0.13 N	0.48 E
112.30	1.83	74.56	0.01	112.25	3.1	74.7	0.82 N	2.98 E
193.30	1.99	71.99	0.22	193.21	5.8	74.0	1.59 N	5.57 E
274.30	1.99	72.28	0.01	274.16	8.6	73.4	2.46 N	8.24 E
355.30	1.99	72.13	0.01	355.11	11.4	73.1	3.31 N	10.91 E
436.30	1.98	72.32	0.01	436.06	14.2	72.9	4.17 N	13.58 E
517.30	1.99	72.20	0.01	517.01	17.0	72.8	5.03 N	16.25 E
598.30	1.98	72.27	0.00	597.97	19.8	72.7	5.88 N	18.93 E
679.30	1.99	72.30	0.00	678.92	22.6	72.7	6.74 N	21.60 E
760.30	1.99	72.20	0.00	759.87	25.4	72.6	7.59 N	24.27 E
841.30	1.99	72.28	0.00	840.82	28.2	72.6	8.45 N	26.95 E
922.30	1.99	72.30	0.00	921.77	31.1	72.6	9.30 N	29.63 E
1017.72	1.98	72.27	0.00	1017.13	34.4	72.5	10.31 N	32.77 E
1113.14	1.98	72.20	0.00	1112.50	37.7	72.5	11.32 N	35.92 E
1208.56	2.10	75.90	0.19	1207.86	41.1	72.6	12.25 N	39.18 E
1303.98	2.32	83.07	0.37	1303.20	44.7	73.2	12.91 N	42.80 E
1399.40	2.64	87.89	0.40	1398.53	48.7	74.3	13.22 N	46.92 E
1494.82	2.54	92.22	0.23	1493.86	52.9	75.5	13.22 N	51.23 E
1590.24	2.28	104.15	0.59	1589.19	56.6	77.1	12.67 N	55.18 E
1685.66	1.92	110.10	0.44	1684.55	59.7	78.7	11.66 N	58.52 E
1781.08	1.36	114.29	0.61	1779.93	62.0	80.1	10.64 N	61.06 E
1876.50	0.78	142.22	0.80	1875.33	63.2	81.2	9.67 N	62.48 E
1971.92	0.56	164.56	0.35	1970.75	63.6	82.1	8.71 N	63.00 E
2067.34	0.59	194.52	0.31	2066.16	63.5	83.0	7.79 N	63.00 E
2162.76	0.56	202.79	0.09	2161.58	63.1	83.7	6.88 N	62.70 E
2258.18	0.57	203.11	0.00	2256.99	62.6	84.5	6.02 N	62.33 E
2353.60	0.56	202.90	0.00	2352.41	62.2	85.2	5.15 N	61.96 E
2449.02	0.65	257.22	0.58	2447.82	61.4	85.7	4.60 N	61.26 E
2544.44	0.55	247.22	0.15	2543.24	60.5	85.9	4.31 N	60.31 E
2639.86	0.90	246.58	0.37	2638.65	59.3	86.3	3.83 N	59.21 E
2735.28	1.23	241.67	0.35	2734.05	57.7	87.0	3.05 N	57.62 E
2830.70	1.09	253.65	0.29	2829.46	55.9	87.6	2.31 N	55.85 E
2926.12	1.04	259.99	0.13	2924.86	54.2	88.0	1.90 N	54.12 E

A Gyrodata Directional Survey

PARALLEL PETROLEUM

Location: JW #4, EDDY COUNTY, NEW MEXICO

Lease: STRONG BOX 1921-11 Well: FED #1, 4-1/2" DRILLPIPE

Job Number: MD1206G_335

MEASURED DEPTH feet	INCL deg.	AZIMUTH deg.	DOGLEG SEVERITY deg./ 100 ft.	VERTICAL DEPTH feet	CLOSURE DIST. AZIMUTH feet deg.	HORIZONTAL COORDINATES feet
3021.54	1.04	261.32	0.03	3020.26	52.4 88.2	1.62 N 52.40 E
3116.96	1.00	273.77	0.24	3115.67	50.7 88.3	1.54 N 50.72 E
3212.38	0.74	266.92	0.29	3211.08	49.3 88.2	1.56 N 49.27 E
3307.80	0.59	281.25	0.24	3306.49	48.2 88.1	1.63 N 48.17 E
3403.22	0.56	297.38	0.17	3401.91	47.3 87.7	1.93 N 47.28 E
3498.64	0.76	300.41	0.21	3497.32	46.4 87.0	2.47 N 46.33 E
3594.06	0.84	300.00	0.09	3592.73	45.3 86.0	3.14 N 45.18 E
3689.48	0.72	327.63	0.41	3688.14	44.4 84.8	4.00 N 44.25 E
3784.90	0.71	349.39	0.28	3783.55	44.1 83.4	5.08 N 43.82 E
3880.32	0.91	12.98	0.40	3878.96	44.3 81.7	6.40 N 43.88 E
3975.74	1.33	21.97	0.48	3974.37	45.2 79.6	8.17 N 44.46 E
4071.16	1.52	25.29	0.21	4069.76	46.6 77.2	10.34 N 45.42 E
4166.58	1.50	23.73	0.05	4165.14	48.1 74.8	12.63 N 46.46 E
4262.00	1.46	18.59	0.15	4260.53	49.7 72.5	14.93 N 47.35 E
4294.00	1.49	17.65	0.12	4292.52	50.1 71.7	15.71 N 47.61 E
4332.00	1.58	13.32	0.40	4330.51	50.7 70.8	16.69 N 47.88 E

Final Station Closure: Distance: 50.70 ft Az: 70.79 deg.