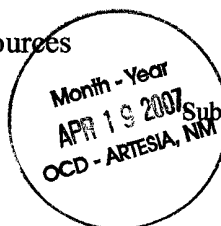


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources
OIL CONSERVATION DIVISION
220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-104
Revised June 10, 2003



☐ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

¹ Operator name and Address PARALLEL PETROLEUM CORPORATION 1004 N BIG SPRING, SUITE 400 MIDLAND, TX 79701		² OGRID Number 230387
⁴ API Number 30-0 30-015-35134		³ Reason for Filing Code/Effective Date
⁵ Pool Name Bunting Ranch, WOLF CAMP	⁶ Pool Code 97605	
⁷ Property Code	⁸ Property Name DREWFOORD'S BOOM BOX 1921-1 STATE COM	⁹ Well Number 1

II. ¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
D	19	19S	21E		710	NORTH	660	WEST	CHAVES

¹¹ Bottom Hole Location

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
A	19	19S	21E		724	NORTH	688	EAST	CHAVES
¹² Lse Code	¹³ Producing Method Code	¹⁴ Gas Connection Date	¹⁵ C-129 Permit Number	¹⁶ C-129 Effective Date	¹⁷ C-129 Expiration Date				
		02-09-2007							

III. Oil and Gas Transporters

¹⁸ Transporter OGRID	¹⁹ Transporter Name and Address	²⁰ POD	²¹ O/G	²² POD ULSTR Location and Description
36785	DCP MIDSTREAM LP 3000 N 'A', BLDG 7 MIDLAND, TX 79705		G	SEC 19, T19S, R21E

IV. Produced Water

²³ POD	²⁴ POD ULSTR Location and Description

V. Well Completion Data

²⁵ Spud Date	²⁶ Ready Date	²⁷ TD	²⁸ PBDT	²⁹ Perforations	³⁰ DHC, MC
12-03-2006	02-09-2007	MD: 7853; TVD4146	MD: 6894; TVD2959	4210 - 6832MD	
³¹ Hole Size	³² Casing & Tubing Size	³³ Depth Set	³⁴ Sacks Cement		
CONDUCTOR:	20	120	OMT TO SURF		
12.25	9.625	1530	1180 SX		
7.875	5.5	6941	1350 SX		

VI. Well Test Data

³⁵ Date New Oil	³⁶ Gas Delivery Date	³⁷ Test Date	³⁸ Test Length	³⁹ Tbg. Pressure	⁴⁰ Csg. Pressure
	02-09-2007	02-03-2007	24 HOUR		880
⁴¹ Choke Size	⁴² Oil	⁴³ Water	⁴⁴ Gas	⁴⁵ AOF	⁴⁶ Test Method
48/64	0	346	7800		FLOWING
⁴⁷ I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief. Signature: Kaye McCormick			OIL CONSERVATION DIVISION		
Printed name: KAYE MC CORMICK			Approved by: BRYAN G. ARANT		
Title: SR PROD & REG TECH			Title: DISTRICT II GEOLOGIST		
Email: kmccormick@plll.com			Approval Date: APR 19 2007		
Date: 04-18-2007		Phone: 432-685-6563			

SLB MWD Survey Survey Report

Report Date: December 28, 2006	Survey / DLS Computation Method: Minimum Curvature / Lubinski
Client: Parallel Petroleum	Vertical Section Azimuth: 90.500°
Field: Eddy County, New Mexico (Parallel Pet.)	Vertical Section Origin: N 0.000 ft, E 0.000 ft
Structure / Slot: Parallel Pet. Drewford's Boom Box 1921-19 State Com #1 / Parallel Pet. Drewford's Boom Box 1921-19 State Com #1	Reference Datum: Rotary Table
Well: Drewford's Boom Box 1921-19 State Com #1	TVD Reference Elevation: 4460.0 ft relative to
Borehole: Horizontal	Sea Bed / Ground Level Elevation: 4448.000 ft relative to
UWI/API#:	Magnetic Declination: 8.753°
Survey Name / Date: SLB MWD Survey BoomBox Fed #1 / December 18, 2006	Total Field Strength: 49206.580 nT
Tort / AHD / DDI / ERD ratio: 159.892° / 4051.37 ft / 6.089 / 0.977	Magnetic Dip: 60.482°
Grid Coordinate System: NAD27 New Mexico State Planes, Eastern Zone, US Feet	Declination Date: December 18, 2006
Location Lat/Long: N 32 39 4.320, W 104 50 22.438	Magnetic Declination Model: BGGM 2006
Location Grid N/E Y/X: N 600989.200 ftUS, E 344188.900 ftUS	North Reference: Grid North
Grid Convergence Angle: -0.27312950°	Total Corr Mag North -> Grid North: +9.026°
Grid Scale Factor: 0.99993689	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 Data Gyro SVY	3575.00	1.06	322.84	3573.58	28.85	-59.34	28.33	65.76	154.48	0.18	79.13M
	3648.00	2.63	79.13	3646.55	30.08	-58.49	29.57	65.54	153.18	4.44	90.66M
	3680.00	6.03	90.66	3678.46	32.48	-58.37	31.97	66.55	151.29	10.91	7.70R
	3712.00	9.69	93.59	3710.15	36.85	-58.56	36.34	68.92	148.18	11.50	5.53R
	3744.00	13.41	95.14	3741.50	43.24	-59.06	42.73	72.89	144.12	11.66	HS
	3776.00	17.31	95.07	3772.35	51.69	-59.81	51.17	78.71	139.45	12.19	1.20L
	3807.00	21.32	94.84	3801.60	61.91	-60.70	61.38	86.32	134.68	12.94	5.65L
	3839.00	25.71	93.84	3830.94	74.64	-61.65	74.11	96.40	129.76	13.77	3.76L
	3871.00	30.15	93.26	3859.20	89.61	-62.57	89.06	108.85	125.09	13.90	5.55L
	3903.00	34.66	92.49	3886.21	106.74	-63.43	106.19	123.69	120.85	14.15	4.82L
	3934.00	38.58	91.96	3911.09	125.22	-64.14	124.66	140.19	117.23	12.69	6.72L
	3966.00	43.05	91.19	3935.30	146.12	-64.71	145.56	159.30	113.97	14.06	5.22L
	3998.00	47.76	90.61	3957.76	168.90	-65.06	168.34	180.48	111.13	14.78	5.44L
	4030.00	52.34	90.06	3978.30	193.43	-65.20	192.87	203.59	108.68	14.37	1.94R
	4062.00	56.27	90.22	3996.97	219.41	-65.27	218.85	228.37	106.61	12.29	6.48R
	4093.00	60.09	90.72	4013.31	245.75	-65.49	245.18	253.78	104.95	12.40	HS
	4125.00	63.48	90.70	4028.44	273.94	-65.83	273.38	281.19	103.54	10.59	6.60R
	4157.00	66.74	91.11	4041.91	302.96	-66.29	302.40	309.58	102.37	10.25	0.76R
	4189.00	71.03	91.17	4053.43	332.81	-66.89	332.23	338.90	101.38	13.41	1.43L
	4220.00	75.70	91.05	4062.30	362.50	-67.46	361.92	368.16	100.56	15.07	HS
	4252.00	80.39	91.07	4068.93	393.79	-68.04	393.21	399.06	99.82	14.66	5.61R
	4284.00	84.65	91.49	4073.09	425.51	-68.75	424.93	430.45	99.19	13.38	0.82L
	4316.00	88.14	91.44	4075.11	457.44	-69.57	456.85	462.11	98.66	10.91	50.74L
	4376.00	89.17	90.18	4076.51	517.42	-70.42	516.82	521.60	97.76	2.71	129.71R
	4471.00	88.73	90.71	4078.25	612.40	-71.15	611.80	615.93	96.63	0.73	134.10R
	4566.00	88.42	91.03	4080.62	707.37	-72.60	706.76	710.48	95.86	0.47	84.28L
	4662.00	88.76	87.66	4082.98	803.31	-71.50	802.71	805.89	95.09	3.53	91.58L
	4757.00	88.69	85.07	4085.09	898.03	-65.48	897.49	899.88	94.17	2.73	105.91R
	4853.00	88.32	86.37	4087.60	993.66	-58.31	993.19	994.90	93.36	1.41	79.70L
	4948.00	88.86	83.41	4089.94	1088.17	-49.86	1087.77	1088.91	92.62	3.17	95.05R
	5043.00	88.31	89.73	4092.29	1182.87	-44.18	1182.52	1183.35	92.14	6.68	41.28L
	5138.00	89.21	88.94	4094.34	1277.82	-43.07	1277.49	1278.22	91.93	1.26	125.68L
	5234.00	88.93	88.55	4095.90	1373.76	-40.97	1373.46	1374.07	91.71	0.50	95.76L
	5297.00	88.52	84.45	4097.30	1436.58	-37.13	1436.31	1436.79	91.48	6.54	17.26R
	5393.00	89.55	84.77	4098.92	1532.06	-28.11	1531.87	1532.13	91.05	1.12	86.55R
	5456.00	89.72	87.58	4099.32	1594.87	-23.91	1594.72	1594.90	90.86	4.47	52.37R
	5520.00	90.83	89.02	4099.01	1658.82	-22.01	1658.69	1658.84	90.76	2.84	48.20R
	5583.00	92.17	90.52	4097.36	1721.79	-21.76	1721.67	1721.80	90.72	3.19	124.55L
	5647.00	91.75	89.91	4095.17	1785.75	-22.00	1785.63	1785.76	90.71	1.16	138.27R
	5710.00	89.72	91.72	4094.37	1848.74	-22.89	1848.61	1848.75	90.71	4.32	87.21R

5773.00	89.76	90.74	4094.65	1911.71	-25.24	1911.57	1911.73	90.76	1.30	156.86L
5837.00	88.52	90.70	4095.61	1975.67	-27.78	1975.51	1975.70	90.81	2.11	70.71R
5900.00	88.59	90.71	4097.20	2038.63	-30.09	2038.44	2038.67	90.85	0.34	111.36L
5964.00	88.25	91.34	4098.97	2102.59	-32.08	2102.39	2102.63	90.87	1.46	107.42L
6027.00	88.04	90.67	4101.01	2165.55	-33.18	2165.35	2165.60	90.88	1.11	43.00R
6091.00	88.93	91.50	4102.70	2229.53	-34.39	2229.31	2229.58	90.88	1.90	102.46R
6154.00	88.76	92.27	4103.97	2292.49	-36.46	2292.26	2292.55	90.91	1.25	146.78L
6249.00	88.18	91.89	4106.50	2387.42	-39.91	2387.17	2387.50	90.96	0.73	91.66L
6345.00	88.14	90.49	4109.59	2483.37	-41.90	2483.09	2483.45	90.97	1.46	13.60R
6409.00	88.76	90.64	4111.32	2547.34	-42.53	2547.07	2547.42	90.96	1.00	114.69L
6472.00	88.42	89.90	4112.87	2610.32	-42.83	2610.05	2610.40	90.94	1.29	122.09L
6535.00	87.90	89.07	4114.89	2673.28	-42.27	2673.01	2673.35	90.91	1.55	108.05R
6630.00	87.76	89.50	4118.49	2768.19	-41.08	2767.94	2768.24	90.85	0.48	34.63L
6726.00	88.73	88.83	4121.43	2864.12	-39.68	2863.88	2864.15	90.79	1.23	112.31R
6821.00	88.14	90.27	4124.02	2959.06	-38.94	2958.84	2959.09	90.75	1.64	110.92R
6947.00	87.93	90.82	4128.34	3084.99	-40.13	3084.76	3085.02	90.75	0.47	28.99R
7043.00	88.76	91.28	4131.12	3180.94	-41.89	3180.70	3180.98	90.75	0.99	104.44L
7107.00	88.49	90.23	4132.65	3244.92	-42.74	3244.67	3244.96	90.75	1.69	66.43L
7234.00	89.04	88.97	4135.39	3371.88	-41.85	3371.64	3371.90	90.71	1.08	133.12L
7329.00	88.31	88.19	4137.59	3466.80	-39.50	3466.58	3466.81	90.65	1.12	79.62R
7425.00	88.42	88.79	4140.33	3562.70	-36.97	3562.51	3562.70	90.59	0.64	46.63L
7520.00	89.45	87.70	4142.09	3657.60	-34.06	3657.45	3657.60	90.53	1.58	---
7589.00	89.45	87.70	4142.75	3726.52	-31.29	3726.39	3726.52	90.48	0.00	108.15L
7615.00	89.07	86.54	4143.09	3752.47	-29.98	3752.35	3752.47	90.46	4.69	31.61R
7711.00	89.59	86.86	4144.21	3848.25	-24.46	3848.19	3848.26	90.36	0.64	109.95L
7784.00	89.14	85.62	4145.02	3921.05	-19.67	3921.02	3921.07	90.29	1.81	---
7853.00	89.14	85.62	4146.06	3989.79	-14.40	3989.81	3989.84	90.21	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)

MD To (ft)

EOU Freq Survey Tool Type

Borehole -> Survey

0.00	12.00	Act-Stns SLB_ZERO-Depth Only	Pilot Hole -> Drewford's Boom Box 1921-19 State Com #1 Gy
12.00	100.00	Act-Stns SLB_ZERO	Pilot Hole -> Drewford's Boom Box 1921-19 State Com #1 Gy
100.00	3575.00	Act-Stns SLB_CNSG+DPIPE	Pilot Hole -> Drewford's Boom Box 1921-19 State Com #1 Gy
3575.00	3648.00	Act-Stns SLB_CNSG+DPIPE	Horizontal -> SLB MWD Survey BoomBox Fed #1
3648.00	7853.00	Act-Stns SLB_UNKNOWN (default tool used)	Horizontal -> SLB MWD Survey BoomBox Fed #1

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

A Gyrodata Directional Survey

Field Copy Only, not definitive

for

PARALLEL PETROLEUM

Location: PATRIOT 1, EDDY COUNTY, NEW MEXICO

Lease: DREWFORD'S BOOMBOX 1921-19 Well: STATE COM #1, 4-1/2" DRILLPIPE

Job Number: MD1206G__

Run Date: 12/11/2006 6:41:19 PM

Surveyor: THOMAS BOWDEN

Calculation Method: MINIMUM CURVATURE

Survey Latitude: 32.652500 deg. N Longitude: 104.839167 deg. W

Azimuth Correction:

Gyro: 0.27000 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: PATRIOT 1, EDDY COUNTY, NEW MEXICO

Lease: DREWFOED'S BOOMBOX 1921-19 Well: STATE COM #1, 4-1/2" DRILLPIPE

Job Number: MD1206G_

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

4305 TO 100 FT RATE GYROSCOPIC OUTRUN MULTISHOT SURVEY RUN INSIDE 4-1/2" DRILLPIPE						
ALL MEASURED DEPTHS AND COORDINATES REFERENCED TO PATRIOT #1 R.K.B. (+24')						

100.00	1.08	141.03	1.08	99.99	0.9 141.0	0.73 S 0.59 E
200.00	1.51	137.45	0.44	199.97	3.2 139.6	2.43 S 2.08 E
300.00	1.82	143.09	0.35	299.93	6.1 140.0	4.68 S 3.92 E
400.00	1.78	148.74	0.18	399.88	9.2 142.0	7.28 S 5.69 E
500.00	1.88	153.05	0.17	499.83	12.4 144.3	10.07 S 7.24 E
600.00	2.12	160.14	0.34	599.76	15.8 147.0	13.27 S 8.61 E
700.00	2.48	156.98	0.38	699.68	19.8 149.3	17.00 S 10.08 E
800.00	2.65	145.58	0.54	799.58	24.2 149.7	20.90 S 12.23 E
900.00	2.78	145.85	0.14	899.47	28.9 149.0	24.81 S 14.90 E
1000.00	2.88	145.94	0.10	999.35	33.9 148.6	28.90 S 17.67 E
1100.00	2.99	145.06	0.12	1099.22	39.0 148.2	33.13 S 20.58 E
1200.00	2.81	147.48	0.22	1199.09	44.1 147.9	37.34 S 23.39 E
1300.00	2.57	151.24	0.30	1298.98	48.8 148.1	41.37 S 25.79 E
1400.00	2.29	151.75	0.28	1398.89	53.0 148.3	45.10 S 27.81 E
1500.00	1.95	147.97	0.37	1498.82	56.7 148.4	48.30 S 29.66 E
1600.00	1.48	144.13	0.49	1598.78	59.7 148.3	50.79 S 31.32 E
1700.00	1.09	156.09	0.47	1698.75	61.9 148.4	52.70 S 32.46 E
1810.82	0.79	164.48	0.30	1809.56	63.7 148.7	54.40 S 33.09 E
1903.69	0.78	158.69	0.09	1902.42	64.9 148.9	55.61 S 33.49 E

A Gyrodata Directional Survey

PARALLEL PETROLEUM

Location: PATRIOT 1, EDDY COUNTY, NEW MEXICO

Lease: DREWFOED'S BOOMBOX 1921-19 Well: STATE COM #1, 4-1/2" DRILLPIPE

Job Number: MD1206G_

MEASURED DEPTH feet	INCL deg.	AZIMUTH deg.	DOGLEG SEVERITY deg./ 100 ft.	VERTICAL DEPTH feet	CLOSURE DIST. AZIMUTH feet deg.	HORIZONTAL COORDINATES feet
1996.56	1.06	161.28	0.30	1995.28	66.4 149.2	57.01 S 34.00 E
2089.43	1.02	167.70	0.13	2088.13	68.0 149.6	58.63 S 34.45 E
2182.30	0.86	175.00	0.21	2180.99	69.4 150.0	60.13 S 34.69 E
2275.17	0.74	189.14	0.25	2273.85	70.5 150.6	61.42 S 34.65 E
2368.04	0.84	190.59	0.11	2366.71	71.5 151.2	62.68 S 34.43 E
2460.91	0.76	197.72	0.14	2459.57	72.5 151.9	63.94 S 34.12 E
2553.78	0.53	200.39	0.24	2552.43	73.2 152.5	64.93 S 33.78 E
2646.65	0.23	180.05	0.35	2645.30	73.6 152.8	65.52 S 33.63 E
2739.52	0.37	177.72	0.16	2738.17	74.1 153.0	66.01 S 33.65 E
2832.39	0.30	215.92	0.25	2831.04	74.5 153.3	66.50 S 33.52 E
2925.26	0.30	251.00	0.19	2923.91	74.6 153.6	66.78 S 33.14 E
3018.13	0.66	353.17	0.85	3016.78	74.0 153.7	66.32 S 32.85 E
3111.00	0.76	353.72	0.11	3109.64	72.9 153.3	65.17 S 32.72 E
3203.87	0.90	333.35	0.35	3202.50	71.6 153.2	63.91 S 32.32 E
3296.74	0.95	316.08	0.30	3295.36	70.2 153.4	62.71 S 31.46 E
3389.61	0.93	313.04	0.06	3388.22	68.7 153.8	61.64 S 30.38 E
3482.48	0.91	318.21	0.09	3481.07	67.3 154.2	60.58 S 29.34 E
3575.35	1.06	322.84	0.18	3573.93	65.8 154.5	59.34 S 28.33 E
3668.22	1.15	328.24	0.15	3666.78	64.0 154.7	57.86 S 27.32 E
3761.09	1.04	333.85	0.17	3759.64	62.2 154.8	56.31 S 26.45 E
3853.96	0.95	329.46	0.13	3852.49	60.6 154.9	54.89 S 25.69 E
3946.83	0.82	333.60	0.15	3945.35	59.2 155.0	53.63 S 25.00 E
4039.70	0.72	337.89	0.13	4038.21	57.9 155.0	52.49 S 24.49 E

A Gyrodata Directional Survey

PARALLEL PETROLEUM

Location: PATRIOT 1, EDDY COUNTY, NEW MEXICO

Lease: DREWFORD'S BOOMBOX 1921-19 Well: STATE COM #1, 4-1/2" DRILLPIPE

Job Number: MD1206G_

MEASURED DEPTH feet	INCL deg.	AZIMUTH deg.	DOGLEG SEVERITY deg./ 100 ft.	VERTICAL DEPTH feet	CLOSURE DIST. AZIMUTH feet deg.	HORIZONTAL COORDINATES feet
4132.57	0.74	328.32	0.13	4131.07	56.7 155.0	51.44 S 23.95 E
4224.44	1.02	321.47	0.32	4222.93	55.4 155.3	50.30 S 23.13 E
4257.22	1.06	321.25	0.13	4255.71	54.8 155.5	49.84 S 22.76 E
4289.00	1.01	315.63	0.35	4287.48	54.2 155.6	49.41 S 22.38 E
4305.00	1.02	313.52	0.23	4303.48	54.0 155.7	49.21 S 22.18 E

Final Station Closure: Distance: 53.98 ft Az: 155.74 deg.