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

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-144
June 1, 2004

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☐ No ☒
Type of action: Registration of a pit or below-grade tank ☐ Closure of a pit or below-grade tank ☒

Operator: **Parallel Petroleum Corporation** Telephone: **432-684-3905** e-mail address: **ddurham@parallel-petro.com**
Address: **1004 N. Big Spring Street, Suite 400, Midland, Texas 79701**
Facility or well name: **War Cloud State Com ~~1525-32~~ #1** API #: **30-005-63881** U/L or Qtr/Qtr **P** Sec **36** T **14S** R **25E**
County **Chaves** ~~1525-36~~ Latitude **33° 3' 14.75"N** Longitude **104°23' 16.11"W** NAD: 1927 X 1983 ☐
Surface Owner Federal ☐ State ☒ Private ☐ Indian ☐

Pit	**Below-grade tank**	
Type: Drilling X Production ☐ Disposal ☐ Workover ☐ Emergency ☐ Lined X Unlined ☐ Liner type Synthetic X Thickness 12 mil Clay ☐ Pit Volume 25,000 bbl	Volume: ___ bbl Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes ☐ If not, explain why not	
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.) **120'**	Less than 50 feet 50 feet or more, but less than 100 feet 100 feet or more	(20 points) (10 points) (0 points) **0**
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes No	(20 points) (0 points) **0**
Distance to surface water. (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet 200 feet or more, but less than 1000 feet 1000 feet or more	(20 points) (10 points) (0 points) **0**
	Ranking Score (Total Points)	**0**

If this is a pit closure: (1) Attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: (check the onsite box if your are burying in place) onsite ☐ offsite X If offsite, name of facility_____ (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No X Yes ☐ If yes, show depth below ground surface_____ft and attach sample results.
(5) Attach soil sample results and a diagram of sample locations and excavations.

Additional Comments

The drilling pit for this site will be closed as per the attached Pit Closure Plan and reopened as a fresh water frac pit. A C-144 for the frac pit is attached.

DRG NET Closed
3' of Soil Removed from Center Sample Point 40 x 40. Area
Mike Bratcher NMOCD Notified in Trench, All Cuttings Placed in
On Site Trench - Pit Area Reopened as Frac Pit 9-4-07, Gary Miller

I hereby certify that the information above is true and complete to the best of my knowledge and belief. **I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines X, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.**

Date: **5-5-07**
Printed Name/Title **Gary Miller, agent, Phone 432-682-4559** Signature _____

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval.
Printed Name/Title _____ Signature **Signed By** Mike Bratcher Date **NOV 05 2007**

Highlander Environmental Corp.

Pit Closure Sampling Report

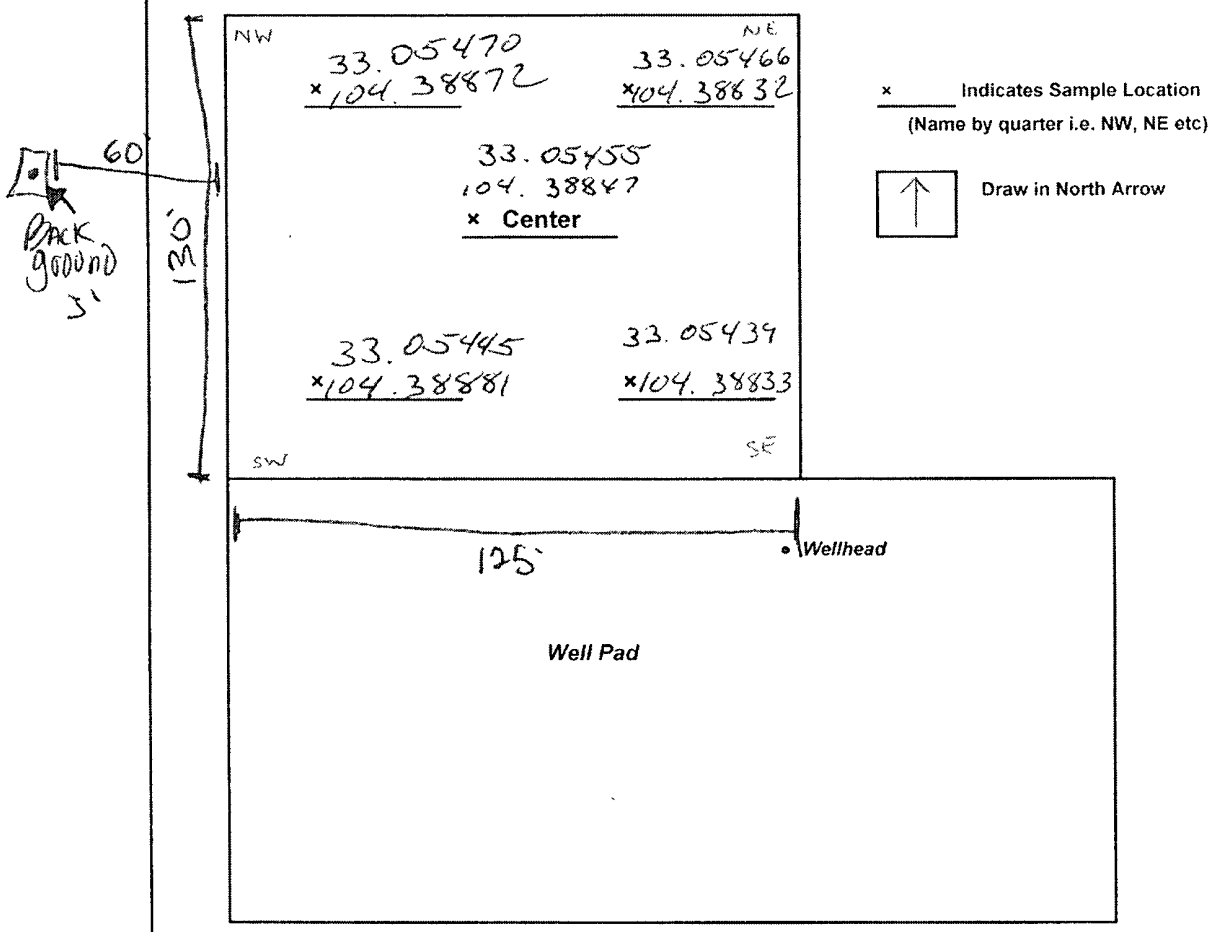
Job Number: 2817
Client: Parallel Petro Co.
Well Name WarCloud State Com 1425-36 #1
API# 30-005-63831
Depth of Pit 8
Location and Depth of Background sample

All pit sample depths are *below pit bottom* (BPB)

Sample Location	Depth (BPB)	Field Chloride Results (ppm)	Lab Chloride Results (ppm)
Center	2	3840	
	5	800	
	10	320	
	15	240	<50
South East	2	640	
	5	400	
	10	320	
	15	240	<50
South West	2	320	
	5	400	
	10	280	74.5
North West	2	400	
	5	280	98.4
North East	2	240	55.6
Back Ground			50.8

DNR- Did not run at lab.
BGS- Below Ground Surface
BPB- Below Pit Bottom

Pit Sample Location Plat



× _____ Indicates Sample Location
(Name by quarter i.e. NW, NE etc)

Draw in North Arrow

Client: Parallel Petroleum Corp.

Well Name: War Cloud state com #1

API# 30-005-63881

Summary Report

Gary Miller
Highlander Environmental Services
1910 N. Big Spring Street
Midland, TX, 79705

Report Date: July 11, 2007

Work Order: 7070316

Project Location: Chaves Co. NM
Project Name: Parallel-War Cloud
Project Number: 2817

Sample	Description	Matrix	Date Taken	Time Taken	Date Received
129051	Center 15'	soil	2007-07-02	00:00	2007-07-03
129052	Southeast 15'	soil	2007-07-02	00:00	2007-07-03
129053	Southwest 10'	soil	2007-07-02	00:00	2007-07-03
129054	Northwest 5'	soil	2007-07-02	00:00	2007-07-03
129055	Northeast 2'	soil	2007-07-02	00:00	2007-07-03
129056	Background 3'	soil	2007-07-02	00:00	2007-07-03

Sample: 129051 - Center 15'

Param	Flag	Result	Units	RL
Chloride		<50.0	mg/Kg	2.00

Sample: 129052 - Southeast 15'

Param	Flag	Result	Units	RL
Chloride		<50.0	mg/Kg	2.00

Sample: 129053 - Southwest 10'

Param	Flag	Result	Units	RL
Chloride		**74.5**	mg/Kg	2.00

Sample: 129054 - Northwest 5'

Param	Flag	Result	Units	RL
Chloride		**98.4**	mg/Kg	2.00

Sample: 129055 - Northeast 2'

Param	Flag	Result	Units	RL
Chloride		**55.6**	mg/Kg	2.00

Sample: 129056 - Background 3'

Param	Flag	Result	Units	RL
Chloride		**50.8**	mg/Kg	2.00

TRACEANALYSIS, INC.

6701 Aberdeen Avenue, Suite 9 Lubbock, Texas 79424 800•378•1296 806•794•1296 FAX 806•794•1298
2501 Las Sunset Road, Suite E El Paso, Texas 79922 888•588•3443 915•585•3443 FAX 915•585•4944
5002 Basin Street, Suite A1 Midland, Texas 79703 432•689•6301 FAX 432•689•6313
6015 Harris Parkway, Suite 110 Ft. Worth, Texas 76132 817•201•5760
E-Mail: lab@traceanalysis.com

Analytical and Quality Control Report

Gary Miller
Highlander Environmental Services
1910 N. Big Spring Street
Midland, TX, 79705

Report Date: July 11, 2007

Work Order: 7070316

Project Location: Chaves Co. NM
Project Name: Parallel-War Cloud
Project Number: 2817

Enclosed are the Analytical Report and Quality Control Report for the following sample(s) submitted to TraceAnalysis, Inc.

Sample	Description	Matrix	Date Taken	Time Taken	Date Received
129051	Center 15'	soil	2007-07-02	00:00	2007-07-03
129052	Southeast 15'	soil	2007-07-02	00:00	2007-07-03
129053	Southwest 10'	soil	2007-07-02	00:00	2007-07-03
129054	Northwest 5'	soil	2007-07-02	00:00	2007-07-03
129055	Northeast 2'	soil	2007-07-02	00:00	2007-07-03
129056	Background 3'	soil	2007-07-02	00:00	2007-07-03

These results represent only the samples received in the laboratory. The Quality Control Report is generated on a batch basis. All information contained in this report is for the analytical batch(es) in which your sample(s) were analyzed.

Blair Leftwich

Dr. Blair Leftwich, Director

Standard Flags

B - The sample contains less than ten times the concentration found in the method blank.

Analytical Report

Sample: 129051 - Center 15'

Analysis:	Chloride (Titration)	Analytical Method:	SM 4500-Cl B	Prep Method:	N/A
QC Batch	38918	Date Analyzed:	2007-07-10	Analyzed By	AR
Prep Batch:	33684	Sample Preparation:		Prepared By:	AR

Parameter	Flag	Result	RL Units	Dilution	RL
Chloride		<50.0	mg/Kg	25	2.00

Sample: 129052 - Southeast 15'

Analysis:	Chloride (Titration)	Analytical Method:	SM 4500-Cl B	Prep Method:	N/A
QC Batch:	38918	Date Analyzed:	2007-07-10	Analyzed By:	AR
Prep Batch:	33684	Sample Preparation:		Prepared By:	AR

Parameter	Flag	Result	RL Units	Dilution	RL
Chloride		<50.0	mg/Kg	25	2.00

Sample: 129053 - Southwest 10'

Analysis:	Chloride (Titration)	Analytical Method:	SM 4500-Cl B	Prep Method:	N/A
QC Batch.	38918	Date Analyzed.	2007-07-10	Analyzed By:	AR
Prep Batch:	33684	Sample Preparation:		Prepared By:	AR

Parameter	Flag	Result	RL Units	Dilution	RL
Chloride		**74.5**	mg/Kg	25	2.00

Sample: 129054 - Northwest 5'

Analysis:	Chloride (Titration)	Analytical Method:	SM 4500-Cl B	Prep Method:	N/A
QC Batch	38918	Date Analyzed:	2007-07-10	Analyzed By:	AR
Prep Batch	33684	Sample Preparation:		Prepared By:	AR

Parameter	Flag	Result	RL Units	Dilution	RL
Chloride		**98.4**	mg/Kg	25	2.00

Sample: 129055 - Northeast 2'

Analysis:	Chloride (Titration)	Analytical Method:	SM 4500-Cl B	Prep Method:	N/A
QC Batch:	38919	Date Analyzed:	2007-07-10	Analyzed By:	AR
Prep Batch:	33685	Sample Preparation:		Prepared By:	AR

Parameter	Flag	RL Result	Units	Dilution	RL
Chloride		**55.6**	mg/Kg	25	2.00

Sample: 129056 - Background 3'

Analysis:	Chloride (Titration)	Analytical Method:	SM 4500-Cl B	Prep Method:	N/A
QC Batch:	38919	Date Analyzed:	2007-07-10	Analyzed By:	AR
Prep Batch:	33685	Sample Preparation:		Prepared By:	AR

Parameter	Flag	RL Result	Units	Dilution	RL
Chloride		**50.8**	mg/Kg	25	2.00

Method Blank (1) QC Batch: 38918

QC Batch:	38918	Date Analyzed:	2007-07-10	Analyzed By:	AR
Prep Batch:	33684	QC Preparation:	2007-07-10	Prepared By:	AR

Parameter	Flag	MDL Result	Units	RL
Chloride		<0.500	mg/Kg	2

Method Blank (1) QC Batch: 38919

QC Batch:	38919	Date Analyzed:	2007-07-10	Analyzed By:	AR
Prep Batch	33685	QC Preparation:	2007-07-10	Prepared By:	AR

Parameter	Flag	MDL Result	Units	RL
Chloride		<0.500	mg/Kg	2

Laboratory Control Spike (LCS-1)

QC Batch:	38918	Date Analyzed:	2007-07-10	Analyzed By:	AR
Prep Batch:	33684	QC Preparation:	2007-07-10	Prepared By:	AR

Param	LCS Result	Units	Dil.	Spike Amount	Matrix Result	Rec.	Rec. Limit
Chloride	97.1	mg/Kg	1	100	<0.500	97	85 - 115

Percent recovery is based on the spike result. RPD is based on the spike and spike duplicate result.

Param	LCSD Result	Units	Dil.	Spike Amount	Matrix Result	Rec.	Rec. Limit	RPD	RPD Limit
Chloride	98.2	mg/Kg	1	100	<0.500	98	85 - 115	1	20

Percent recovery is based on the spike result. RPD is based on the spike and spike duplicate result.

Laboratory Control Spike (LCS-1)

QC Batch: 38919 | Date Analyzed: 2007-07-10 | Analyzed By: AR
Prep Batch: 33685 | QC Preparation: 2007-07-10 | Prepared By: AR

Param	LCS Result	Units	Dil.	Spike Amount	Matrix Result	Rec.	Rec. Limit
Chloride	97.0	mg/Kg	1	100	<0.500	97	85 - 115

Percent recovery is based on the spike result. RPD is based on the spike and spike duplicate result.

Param	LCSD Result	Units	Dil.	Spike Amount	Matrix Result	Rec.	Rec. Limit	RPD	RPD Limit
Chloride	98.0	mg/Kg	1	100	<0.500	98	85 - 115	1	20

Percent recovery is based on the spike result. RPD is based on the spike and spike duplicate result.

Matrix Spike (MS-1) Spiked Sample: 129054

QC Batch: 38918 | Date Analyzed: 2007-07-10 | Analyzed By: AR
Prep Batch: 33684 | QC Preparation: 2007-07-10 | Prepared By: AR

Param	MS Result	Units	Dil.	Spike Amount	Matrix Result	Rec.	Rec. Limit
Chloride	2720	mg/Kg	25	2500	98.404	105	85 - 115

Percent recovery is based on the spike result. RPD is based on the spike and spike duplicate result.

Param	MSD Result	Units	Dil.	Spike Amount	Matrix Result	Rec.	Rec. Limit	RPD	RPD Limit
Chloride	2740	mg/Kg	25	2500	98.404	106	85 - 115	1	20

Percent recovery is based on the spike result. RPD is based on the spike and spike duplicate result.

Matrix Spike (MS-1) Spiked Sample: 129124

QC Batch: 38919 | Date Analyzed: 2007-07-10 | Analyzed By: AR
Prep Batch: 33685 | QC Preparation: 2007-07-10 | Prepared By: AR

Param	MS Result	Units	Dil.	Spike Amount	Matrix Result	Rec.	Rec Limit
Chloride	3420	mg/Kg	25	2500	1095.26	93	85 - 115

Percent recovery is based on the spike result. RPD is based on the spike and spike duplicate result.

Param	MSD Result	Units	Dil.	Spike Amount	Matrix Result	Rec.	Rec. Limit	RPD	RPD Limit
Chloride	3440	mg/Kg	25	2500	1095.26	94	85 - 115	1	20

Percent recovery is based on the spike result. RPD is based on the spike and spike duplicate result.

Standard (ICV-1)

QC Batch: 38918 | Date Analyzed: 2007-07-10 | Analyzed By: AR

Param	Flag	Units	ICVs True Conc.	ICVs Found Conc	ICVs Percent Recovery	Percent Recovery Limits	Date Analyzed
Chloride		mg/Kg	100	101	101	85 - 115	2007-07-10

Standard (CCV-1)

QC Batch: 38918 Date Analyzed 2007-07-10 Analyzed By: AR

Param	Flag	Units	CCVs True Conc.	CCVs Found Conc.	CCVs Percent Recovery	Percent Recovery Limits	Date Analyzed
Chloride		mg/Kg	100	99.2	99	85 - 115	2007-07-10

Standard (ICV-1)

QC Batch: 38919 Date Analyzed: 2007-07-10 Analyzed By: AR

Param	Flag	Units	ICVs True Conc.	ICVs Found Conc.	ICVs Percent Recovery	Percent Recovery Limits	Date Analyzed
Chloride		mg/Kg	100	101	101	85 - 115	2007-07-10

Standard (CCV-1)

QC Batch: 38919 Date Analyzed 2007-07-10 Analyzed By: AR

Param	Flag	Units	CCVs True Conc	CCVs Found Conc	CCVs Percent Recovery	Percent Recovery Limits	Date Analyzed
Chloride		mg/Kg	100	98.9	99	85 - 115	2007-07-10

work order: 7070316

Analysis Request and Chain of Custody Record

HIGHLANDER ENVIRONMENTAL CORP.

1910 N. Big Spring St.
Midland, Texas 79705

(432) 682-4559 Fax (432) 682-3946

PAGE: 1 OF: 1

CLIENT NAME: Parallel

SITE MANAGER: Gary Miller

PROJECT NO.: 2817

PROJECT NAME: Parallel - War Cloud 1425-36 State Com #1 Chaves Co. NM

LAB I.D. NUMBER	DATE	TIME	MATRIX	COMP.	GRAB	SAMPLE IDENTIFICATION	NUMBER OF CONTAINERS	FILTERED (Y/N)	PRESERVATIVE METHOD: HCL	HNO3	ICE	NONE
129051	7-2-07		S		X	Center 15'	1				X	
052			S		X	Southeast 15'	1				X	
053			S		X	Southwest 10'	1				X	
054			S		X	Northwest 5'	1				X	
055			S		X	Northeast 2'	1				X	
056	—		S		X	Back Ground 3'	1				X	

ANALYSIS REQUEST (Circle or Specify Method No.)

BTEX 8020/602	MTBE 8020/602	TPH 418.1 8015 MOD. TX1005	PAH 8270	RCRA Metals Ag As Ba Cd Cr Pb Hg Se	TCLP Metals Ag As Ba Cd Cr Pd Hg Se	TCLP Volatiles	TCLP Semi Volatiles	RCI	GC-MS Vol. 8240/8260/624	GC-MS Semi. Vol. 8270/625	PCB's 8080/608	Pest. 808/608	BOD, TSS, pH, TDS, Chloride	Gamma Spec.	Alpha Beta (Air)	PLM (Asbestos)
													X			
													X			
													X			
													X			
													X			
													X			

RELINQUISHED BY: (Signature) Date: Time:

RECEIVED BY: (Signature) Date: Time:

RELINQUISHED BY: (Signature) Date: Time:

RECEIVED BY: (Signature) Date: Time:

RELINQUISHED BY: (Signature) Date: Time:

RECEIVED BY: (Signature) Date: Time:

SAMPLED BY: (Print & Sign) J. Jones / S. Ramsso Date: 7-2-07 Time:

SAMPLE SHIPPED BY: (Circle)
FEDEX BUS AIRBILL #
HAND DELIVERED UPS OTHER:

RECEIVING LABORATORY: Trace
ADDRESS:
CITY: Midland STATE: TX ZIP:
CONTACT: PHONE:

RECEIVED BY: (Signature)
DATE: 7.3.07 TIME: 10:25

HIGHLANDER CONTACT PERSON: Gary Miller

Results by:

RUSH Charges Authorized: Yes No

SAMPLE CONDITION WHEN RECEIVED: 2.0°C w-ice

MATRIX: W-Water A-Air SD-Solid S-Soil SL-Sludge O-Other

REMARKS:

Please Fill out all copies – Laboratory retains yellow copy – Return original copy to Highlander Enviromental Corp. – Project Manager retains pink copy – Accounting receives Gold copy.