

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Cons. Div-Dist. 2
1301 W. Grand Avenue
Alhambra, NM 88210

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)

432-685-6563

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

SL: 1880 FSL & 208 FEL, SEC 8, T15S, R25E

BL: 1880 FSL & 660 FWL, SEC 8, T15S, R25E

5. Lease Serial No.

NM NM 112249

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

FUNNY CIDE 1525-8 1H

FED COM

9. API Well No.

30-005-63949

10. Field and Pool, or Exploratory Area

WALNUT CREEK - WOLF CAMP GAS
97631

11. County or Parish, State

CHAVES

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 PROD CSG//
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	MWD SURVEY//
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	GYRO SURVEY

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.)

12-04-2007: TOTAL DEPTH REACHED @ 1 PM @ 8482 MD

12-12-2007: SET 5.5" CSG, 7-7/8" HOLE, 17# SET # 8345

LEAD: 700 SX HALLIBURTON INTERFILL C+SEM POLY-E-FLAKE, 11.9 PPG, 2.47 YLD

TAIL: 450 SX HALLIBURTON HALAD-344+50# SILICALITE + 50/50 POZMIX+D-AIR3000

+HR-601 50# BAG, 15 PPG, 2.62 YIELD

64 CENTRALIZERS

TOC: CIRCULATED 120 SX TO PIT @ SURFACE

WOC: 8 HR, TEST CSG 50 1500 PSI FOR 30 MINUTES

ATTACHED: PATHFINDER MWD SURVEY

GYRO DATA GYRO SURVEY

TO: NMCD: PLATFORM EXPRESS/THREE DETECTOR LITHO-DENSITY/CN/HNGS LOG W/SURVEY COPIES

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

KAYE MC CORMICK

Title

SR PROD & REG TECH

Date 12-26-2007

ACCEPTED FOR RECORD

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

DAVID R. GLASS

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.

DAVID R. GLASS
PETROLEUM ENGINEER



Job Number: 101006952 WT-WT State/Country: New Mexico
 Company: Parallel Petroleum Declination: 8.53
 Lease/Well: Funny Cide 1525-8 Fed Com #1H Grid: .07
 Location: N. Artesia File name: C:\WINSERVE\6952.SVY
 Rig Name: JW #4 Date/Time: 04-Dec-07 / 15:08
 RKB: 13 Curve Name: Surveys
 G.L. or M.S.L.: GL

Pathfinder Energy Services

WINSERVE SURVEY CALCULATIONS
 Minimum Curvature Method
 Vertical Section Plane 270.02
 Vertical Section Referenced to Wellhead
 Rectangular Coordinates Referenced to Wellhead

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	N-S FT	E-W FT	Vertical Section FT	CLOSURE Distance FT	Direction Deg	Dogleg Severity Deg/100
4300.00	.83	156.67	4299.61	-10.72	47.86	-47.86	49.05	102.63	.00
4340.00	3.69	264.09	4339.58	-11.12	46.69	-46.70	48.00	103.39	10.04
4372.00	7.91	268.69	4371.41	-11.28	43.47	-43.47	44.91	104.54	13.26
4404.00	12.22	269.54	4402.91	-11.35	37.88	-37.88	39.54	106.69	13.48
4435.00	16.53	268.90	4432.93	-11.46	30.18	-30.19	32.29	110.80	13.91
4467.00	20.93	268.75	4463.23	-11.68	19.91	-19.92	23.08	120.39	13.75
4499.00	25.41	269.40	4492.64	-11.87	7.33	-7.33	13.95	148.32	14.02
4531.00	29.19	269.57	4521.07	-12.00	-7.35	7.34	14.07	211.47	11.82
4563.00	32.98	270.87	4548.47	-11.93	-23.87	23.86	26.68	243.44	12.03
4595.00	36.93	271.01	4574.70	-11.63	-42.19	42.19	43.77	254.59	12.35
4626.00	40.45	270.34	4598.89	-11.40	-61.57	61.56	62.61	259.51	11.43
4658.00	43.26	269.99	4622.72	-11.34	-82.92	82.91	83.69	262.21	8.81
4690.00	45.64	270.15	4645.56	-11.32	-105.32	105.32	105.93	263.87	7.45
4722.00	48.10	270.35	4667.44	-11.21	-128.68	128.67	129.16	265.02	7.70
4754.00	50.65	270.99	4688.27	-10.93	-152.96	152.96	153.35	265.91	8.11
4786.00	54.34	271.20	4707.75	-10.44	-178.34	178.33	178.64	266.65	11.54
4818.00	57.86	271.66	4725.60	-9.78	-204.88	204.88	205.12	267.27	11.06
4850.00	61.38	271.58	4741.78	-9.00	-232.47	232.47	232.65	267.78	11.00
4882.00	64.81	271.23	4756.26	-8.30	-261.00	260.99	261.13	268.18	10.76
4913.00	67.97	270.24	4768.67	-7.94	-289.40	289.39	289.50	268.43	10.61
4944.00	70.08	269.23	4779.77	-8.07	-318.34	318.34	318.44	268.55	7.46
4975.00	72.37	268.48	4789.74	-8.66	-347.68	347.68	347.79	268.57	7.73

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	N-S FT	E-W FT	Vertical Section FT	C L O S U R E		Dogleg Severity Deg/100
				FT	FT	FT	Distance FT	Direction Deg	
5006.00	74.66	267.97	4798.54	-9.58	-377.39	377.39	377.51	268.55	7.55
5037.00	76.59	267.89	4806.24	-10.67	-407.40	407.40	407.54	268.50	6.23
5068.00	78.35	268.35	4812.96	-11.66	-437.64	437.64	437.80	268.47	5.86
5098.00	80.11	268.85	4818.57	-12.38	-467.11	467.10	467.27	268.48	6.09
5129.00	82.48	268.47	4823.26	-13.09	-497.74	497.73	497.91	268.49	7.74
5160.00	84.59	268.11	4826.75	-14.01	-528.52	528.52	528.71	268.48	6.90
5283.00	89.69	267.41	4832.88	-18.82	-651.24	651.23	651.51	268.35	4.19
5376.00	91.63	269.02	4831.81	-21.71	-744.18	744.17	744.49	268.33	2.71
5469.00	91.98	267.34	4828.88	-24.66	-837.08	837.07	837.44	268.31	1.84
5561.00	91.89	267.98	4825.78	-28.42	-928.95	928.94	929.39	268.25	.70
5654.00	92.42	267.86	4822.28	-31.79	-1021.82	1021.81	1022.32	268.22	.58
5746.00	92.15	268.74	4818.61	-34.52	-1113.71	1113.70	1114.24	268.22	1.00
5840.00	89.52	268.97	4817.24	-36.40	-1207.67	1207.66	1208.22	268.27	2.81
5935.00	90.22	269.62	4817.46	-37.56	-1302.66	1302.65	1303.21	268.35	1.01
6031.00	90.75	269.12	4816.65	-38.62	-1398.65	1398.64	1399.19	268.42	.76
6127.00	90.04	268.33	4815.98	-40.76	-1494.63	1494.61	1495.18	268.44	1.11
6222.00	90.48	268.78	4815.55	-43.15	-1589.60	1589.58	1590.18	268.44	.66
6318.00	90.75	269.00	4814.52	-45.01	-1685.57	1685.56	1686.17	268.47	.36
6413.00	91.63	269.43	4812.55	-46.31	-1780.54	1780.52	1781.14	268.51	1.03
6508.00	90.57	269.51	4810.73	-47.19	-1875.52	1875.50	1876.11	268.56	1.12
6604.00	90.57	269.38	4809.77	-48.12	-1971.51	1971.49	1972.10	268.60	.14
6699.00	89.34	268.16	4809.84	-50.16	-2066.48	2066.47	2067.09	268.61	1.82
6795.00	92.68	270.04	4808.15	-51.67	-2162.44	2162.42	2163.06	268.63	3.99
6890.00	92.07	269.50	4804.22	-52.05	-2257.36	2257.34	2257.96	268.68	.86
6986.00	90.57	268.63	4802.00	-53.62	-2353.31	2353.29	2353.92	268.69	1.81
7082.00	91.36	269.39	4800.39	-55.27	-2449.28	2449.26	2449.91	268.71	1.14
7177.00	90.75	268.99	4798.64	-56.62	-2544.26	2544.24	2544.89	268.73	.77
7272.00	91.98	268.48	4796.38	-58.71	-2639.21	2639.18	2639.86	268.73	1.40
7367.00	91.63	267.19	4793.38	-62.30	-2734.09	2734.07	2734.80	268.69	1.41
7462.00	91.89	266.00	4790.47	-67.94	-2828.87	2828.85	2829.69	268.62	1.28
7557.00	89.60	264.36	4789.23	-75.92	-2923.52	2923.49	2924.51	268.51	2.96
7652.00	91.54	266.26	4788.28	-83.69	-3018.19	3018.16	3019.35	268.41	2.86
7748.00	90.75	265.07	4786.37	-90.94	-3113.89	3113.86	3115.22	268.33	1.49
7843.00	91.98	265.71	4784.10	-98.58	-3208.56	3208.52	3210.07	268.24	1.46
8033.00	89.69	268.16	4781.33	-108.73	-3398.24	3398.20	3399.98	268.17	1.76
8128.00	89.16	267.15	4782.29	-112.62	-3493.15	3493.11	3494.97	268.15	1.20
8223.00	87.23	269.44	4785.28	-115.44	-3588.05	3588.01	3589.91	268.16	3.15
8318.00	86.53	268.46	4790.45	-117.18	-3682.89	3682.85	3684.76	268.18	1.27
8413.00	87.41	269.31	4795.47	-119.03	-3777.74	3777.70	3779.61	268.20	1.29
Projection To Bit									
8482.00	87.41	269.31	4798.59	-119.86	-3846.66	3846.62	3848.53	268.22	.00

A Gyrodata Directional Survey

**FIELD COPY, NOT DEFINITIVE
for**

PARALLEL PETROLEUM

Location: J W # 4, CHAVES COUNTY, NEW MEXICO
Lease: FUNNYCIDE 1525-8 FED COM Well: # 1, 4-1/2 DRILLPIPE

Job Number: MD1107G_390

Run Date: 11/24/2007 9:59:03 PM

Surveyor: JAMES KING

Calculation Method: MINIMUM CURVATURE

Survey Latitude: 33.027360 deg. N Longitude: 104.456580 deg. E

Azimuth Correction:

Gyro: 0.35000 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: J W # 4, CHAVES COUNTY, NEW MEXICO

Lease: FUNNYCIDE 1525-8 FED COM Well: # 1, 4-1/2 DRILLPIPE

Job Number: MD1107G_390

MEASURED DEPTH feet	I N C L deg.	AZIMUTH deg.	VERTICAL SECTION feet	DOGLEG SEVERITY deg./ 100 ft.	VERTICAL DEPTH feet	CLOSURE DIST. AZIMUTH feet deg.	HORIZONTAL COORDINATES feet
0.00	0.00	0.00	0.0	0.00	0.00	0.0 0.0	0.00 N 0.00 E

0 - 4558 FT RATE GYROSCOPIC MULTISHOT SURVEY RUN INSIDE 4-1/2 DRILLPIPE							
ALL MEASURED DEPTHS AND COORDINATES REFERENCED TO J W #4 RKB (+13)							

100.00	0.10	21.85	0.1	0.10	100.00	0.1 21.9	0.08 N 0.03 E
200.00	0.23	37.05	0.3	0.13	200.00	0.4 29.8	0.33 N 0.19 E
300.00	0.25	40.95	0.7	0.03	300.00	0.8 34.7	0.65 N 0.45 E
400.00	0.38	65.80	0.9	0.18	400.00	1.3 43.2	0.95 N 0.90 E
500.00	0.56	69.71	1.3	0.18	499.99	2.1 52.7	1.26 N 1.65 E
600.00	0.64	75.48	1.6	0.10	599.99	3.1 59.4	1.57 N 2.66 E
700.00	0.73	76.34	1.9	0.09	699.98	4.2 64.0	1.86 N 3.82 E
800.00	0.80	82.93	2.1	0.11	799.97	5.5 67.8	2.10 N 5.13 E
900.00	0.78	79.98	2.3	0.05	899.96	6.9 70.5	2.30 N 6.50 E
1000.00	0.84	82.08	2.5	0.06	999.95	8.3 72.3	2.52 N 7.89 E
1100.00	0.96	78.62	2.8	0.13	1099.94	9.8 73.6	2.79 N 9.43 E
1200.00	0.98	82.87	3.1	0.08	1199.93	11.5 74.6	3.06 N 11.11 E
1300.00	0.94	79.17	3.3	0.07	1299.91	13.2 75.4	3.32 N 12.77 E
1400.00	0.93	82.43	3.6	0.05	1399.90	14.8 76.0	3.58 N 14.38 E
1500.00	0.96	81.47	3.8	0.03	1499.88	16.5 76.6	3.81 N 16.01 E
1600.00	0.93	80.70	4.1	0.03	1599.87	18.1 77.0	4.07 N 17.64 E
1700.00	0.97	79.23	4.4	0.05	1699.86	19.8 77.3	4.36 N 19.28 E
1800.00	0.96	78.92	4.7	0.01	1799.84	21.5 77.4	4.68 N 20.93 E
1900.00	0.88	82.00	4.9	0.10	1899.83	23.1 77.6	4.94 N 22.52 E
2000.00	0.88	86.63	5.1	0.07	1999.82	24.6 78.0	5.10 N 24.04 E

A Gyrodata Directional Survey

PARALLEL PETROLEUM

Location: J W # 4, CHAVES COUNTY, NEW MEXICO

Lease: FUNNYCIDE 1525-8 FED COM Well: # 1, 4-1/2 DRILLPIPE

Job Number: MD1107G_390

MEASURED DEPTH feet	I N C L deg.	AZIMUTH deg.	VERTICAL SECTION feet	DOGLEG SEVERITY deg./ 100 ft.	VERTICAL DEPTH feet	CLOSURE DIST. AZIMUTH feet deg.	HORIZONTAL COORDINATES feet
2100.00	0.85	82.87	5.2	0.06	2099.81	26.1 78.4	5.23 N 25.55 E
2200.00	0.78	86.47	5.4	0.09	2199.80	27.5 78.7	5.37 N 26.96 E
2300.00	0.78	97.69	5.3	0.15	2299.79	28.8 79.4	5.32 N 28.32 E
2400.00	0.75	94.85	5.2	0.05	2399.78	30.1 80.1	5.17 N 29.64 E
2500.00	0.68	108.14	4.9	0.18	2499.77	31.3 80.9	4.93 N 30.86 E
2600.00	0.49	112.37	4.6	0.20	2599.77	32.1 81.8	4.59 N 31.82 E
2700.00	0.63	106.14	4.3	0.15	2699.76	33.0 82.6	4.27 N 32.74 E
2800.00	0.62	114.52	3.9	0.09	2799.76	34.0 83.4	3.89 N 33.75 E
2900.00	0.62	115.48	3.4	0.01	2899.75	34.9 84.3	3.44 N 34.74 E
3000.00	0.63	118.62	2.9	0.04	2999.74	35.8 85.3	2.94 N 35.71 E
3100.00	0.65	122.41	2.4	0.05	3099.74	36.7 86.3	2.37 N 36.67 E
3200.00	0.78	120.44	1.7	0.13	3199.73	37.8 87.4	1.72 N 37.74 E
3300.00	0.79	121.81	1.0	0.02	3299.72	38.9 88.5	1.01 N 38.91 E
3400.00	0.83	134.63	0.1	0.18	3399.71	40.0 89.8	0.14 N 40.01 E
3500.00	0.85	134.94	-0.9	0.03	3499.70	41.1 91.2	0.89 S 41.05 E
3600.00	0.95	135.58	-2.0	0.10	3599.69	42.2 92.7	2.00 S 42.15 E
3700.00	0.83	140.89	-3.1	0.14	3699.68	43.3 94.2	3.15 S 43.19 E
3800.00	0.87	142.96	-4.3	0.05	3799.66	44.3 95.6	4.32 S 44.10 E
3900.00	0.90	146.62	-5.6	0.06	3899.65	45.3 97.1	5.58 S 44.99 E
4000.00	0.86	146.99	-6.9	0.04	3999.64	46.3 98.5	6.86 S 45.82 E
4100.00	0.85	152.72	-8.1	0.09	4099.63	47.3 99.9	8.14 S 46.57 E
4200.00	0.81	152.27	-9.4	0.03	4199.62	48.2 101.3	9.43 S 47.24 E
4300.00	0.83	156.67	-10.7	0.06	4299.61	49.0 102.6	10.72 S 47.86 E
4400.00	0.79	146.39	-12.0	0.15	4399.60	50.0 103.8	11.96 S 48.53 E

A Gyrodata Directional Survey

PARALLEL PETROLEUM

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Lease: FUNNYCIDE 1525-8 FED COM Well: # 1, 4-1/2 DRILLPIPE

Job Number: MD1107G_390

MEASURED DEPTH feet	I N C L deg.	AZIMUTH deg.	VERTICAL SECTION feet	DOGLEG SEVERITY deg./ 100 ft.	VERTICAL DEPTH feet	CLOSURE DIST. AZIMUTH feet deg.	HORIZONTAL COORDINATES feet
4500.00	0.67	147.89	-13.0	0.12	4499.59	50.9 104.8	13.03 S 49.22 E
4558.00	0.71	149.10	-13.6	0.07	4557.59	51.4 105.4	13.63 S 49.59 E

Final Station Closure: Distance: 51.43 ft Az: 105.37 deg.