



Petroleum Corporation
1004 N. Big Spring St., Suite 400
Midland, TX 79701

SEP - 4 2008
OCD-ARTESIA

MEMO:

**REFERENCE: Juke Box 1921-10 Federal #1Y
API 30-015-35347 (correct API)**

September 3, 2008

NMOCD District Office, Artesia, NM 88210

On August 4th, I mailed a completion package (3160-4, C-104, C-102 and NMOCD unorthodox approval letter) on above referenced wellbore to your office per your request dated July 24, 2008 (copy attached).

However, I failed to change the API number on the 3160-4 to 30-015-35347. The copy I sent you had 30-015-35026, which is an incorrect number.

When we received our PUN today, it was noticed that this wellbore has 2 320 ac assignments and 2 API numbers...I apologize for the confusion but this wellbore is for #1Y and API 35347. Could you please correct this PUN info on the ONGARD report and remove the 320 ac assignment on API 35026 (copy of 08-26-08 is attached)?

If you have any question, please let me know by email (kmccormick@ppll.com) or by phone, 432-685-6563.

Thank you for your assistance,

A handwritten signature in black ink that reads 'Kaye McCormick'.

Kaye McCormick

Sr Prod & Reg Technician



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Response Required – Deadline Enclosed

24-Jul-08

PARALLEL PETROLEUM CORPORATION

1004 N BIG SPRING

SUITE 400

MIDLAND, TX 79701-

LOV NO. 02-08-133

**LETTER OF VIOLATION
Delinquent Regulatory Filings**

Dear Operator:

Oil Conservation Division ("OCD") records indicate that you failed to file the required reports identified below, or that your filings were incomplete or inaccurate.

NON-COMPLIANT WELL DETAIL SECTION

JUKE BOX 1921-10 FEDERAL No.001

Location: 10-19S-21E

30-015-35026-00-00

Original Well Type: Gas (Producing)

Well Status: New (Not Drilled / Complete

Determination or Violation Date: 7/24/2008

**Delinquent Report or Filing(s): - Other Monitoring and Reporting
Violation**

Comments: BLM approved Completion Report (Form 3160-3 Not forwarded to OCD. Violation of Rule 1105. -

CORRECTIVE ACTION ON THIS WELL DUE BY: 8/23/2008

Please file or correct the reports identified above by the corrective action due date indicated. If you fail to file or correct the reports by that date, the OCD will take enforcement action that may include but is not limited to applying for an order assessing civil penalties and/or requiring you to plug and abandon the wells associated with those reports.

Thank you for your prompt attention to this matter and your efforts in helping to protect our environment and the infrastructure of the oil and gas industry.

Sincerely,

Artesia OCD District Office

08-04-2008

Attached please find initial potential package (copy) of 3160-4, C-102, C-104; also 3160-5 of perf/stim/tubing info. All this should have been mailed to OCD (C-104 original) same day as BLM. If this does not complete your files, please contact me at kmccormick@plll.com.

Thank you

Kaye McCormick
Kaye McCormick

Sr Prod & Reg Tech

RECEIVED

JUL 28 2008

PLLL - MIDLAND

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM 3160-4
OMB NO. 1004-0137
Expires March 31, 2007

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well ☐ Oil Well ☒ Gas Well ☐ Dry ☐ Other

b. Type of Completion: ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr.,
Other _____

2. Name of Operator
PARALLEL PETROLEUM CORPORATION

3. Address **1004 N BIG SPRING, SUITE 400, MIDLAND, TX 79701**

3a. Phone No. (include area code) **432-685-6563**

4. Location of Well (Report location clearly and in accordance with Federal requirements)*
At surface **SURFACE: 450 FSL & 760 FEL, SEC 10, T19S, R21E**
At top prod. interval reported below **ACTUAL: 718 FSL & 1616 FEL, SEC 10, T19S, R21E**
At total depth **ACTUAL: ***659 FSL & 1380 FWL*****

5. Lease Serial No.
NM NM 105853

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.

8. Lease Name and Well No.
JUKE BOX 1921-10 FEDERAL 1Y

9. API Well No.
30-015-35020-35347

10. Field and Pool, or Exploratory
FOUR MILE DRAW, WOLF CAMP

11. Sec., T., R., M., or Block and Survey or Area
SEC 10, T19S, R21E

12. County or Parish **EDDY**

13. State **NM**

14. Date Spudded **10-27-2006**

15. Date T.D. Reached **11-28-2006**

16. Date Completed ☐ D & A ☒ Ready to Prod.
01-25-2007

17. Elevations (DF, RKB, RT, GL)*
GR: 4324

18. Total Depth: MD **7406** TVD **4322**

19. Plug Back T.D.: MD **7364** TVD **4322**

20. Depth Bridge Plug Set: MD **MD** TVD **TVD**

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
3-DETECTOR LITHO DENSITY/CN/HNCS

22. Was well cored? ☒ No ☐ Yes (Submit analysis)
Was DST run ☐ No ☐ Yes (Submit report)
Directional Survey? ☐ No ☒ Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
	16 COND		0	75					
12.25	9.625J55	36	0	1515		1000 SK		750	
7.875	5.5/N80	17	0	7406		805 SK		2320 TS	

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2-3/8	4470	NA						

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) WOLF CAMP	TD: 4550	7313	4550-4992	0.54	36	OPEN
B)	MD: 4340	4320	5200-5723	0.54	36	OPEN
C)			6100-6623	0.54	36	OPEN
D)			6880-7313	0.54	36	OPEN

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material
4550-7313	FRAC W/15% ACID, SLICK WATER, 20/40 & 30/70 SAND

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
01-25-07	01-25-07	24	→	0	3088	51			FLOWING
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. →	Oil BBL	Gas MCF	Water BBL	Gas: Oil Ratio	Well Status	
32/64		800		0	3088	51		PRODUCING	

28a. Production-Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. →	Oil BBL	Gas MCF	Water BBL	Gas: Oil Ratio	Well Status	