

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

Form C-104  
Revised June 10, 2003

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Submit to Appropriate District Office  
5 Copies

☐ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

|                                                                                                                                                    |                                                                   |                                                                                |
|----------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|--------------------------------------------------------------------------------|
| <sup>1</sup> Operator name and Address<br><b>PARALLEL PETROLEUM CORPORATION</b><br><b>1004 N BIG SPRING, SUITE 400</b><br><b>MIDLAND, TX 79701</b> |                                                                   | <sup>2</sup> OGRID Number<br><b>230387</b>                                     |
|                                                                                                                                                    |                                                                   | <sup>3</sup> Reason for Filing Code/Effective Date<br><b>INITIAL POTENTIAL</b> |
| <sup>4</sup> API Number<br><b>30-0</b><br><b>05-63928</b>                                                                                          | <sup>5</sup> Pool Name<br><b>COTTONWOOD CREEK, WOLF CAMP WEST</b> | <sup>6</sup> Pool Code<br><b>75260</b>                                         |
| <sup>7</sup> Property Code<br><b>36492</b>                                                                                                         | <sup>8</sup> Property Name<br><b>OLD ROSEBUD 1524-36 A STATE</b>  | <sup>9</sup> Well Number<br><b>1</b>                                           |

II. <sup>10</sup> Surface Location

|              |           |            |            |          |               |                  |               |                |               |
|--------------|-----------|------------|------------|----------|---------------|------------------|---------------|----------------|---------------|
| UL or lot no | Section   | Township   | Range      | Lot. Idn | Feet from the | North/South Line | Feet from the | East/West line | County        |
| <b>P</b>     | <b>36</b> | <b>15S</b> | <b>24E</b> |          | <b>290</b>    | <b>SOUTH</b>     | <b>150</b>    | <b>EAST</b>    | <b>CHAVES</b> |

<sup>11</sup> 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        |
| <b>M</b>               | <b>36</b>                           | <b>15S</b>                        | <b>24E</b>                        |                                    | <b>797</b>                          | <b>SOUTH</b>     | <b>930</b>    | <b>WEST</b>    | <b>CHAVES</b> |
| <sup>12</sup> Lse Code | <sup>13</sup> Producing Method Code | <sup>14</sup> Gas Connection Date | <sup>15</sup> C-129 Permit Number | <sup>16</sup> C-129 Effective Date | <sup>17</sup> C-129 Expiration Date |                  |               |                |               |
|                        |                                     | <b>09-01-2008</b>                 |                                   |                                    |                                     |                  |               |                |               |

III. Oil and Gas Transporters

|                                 |                                                                                  |                   |                   |                                                  |
|---------------------------------|----------------------------------------------------------------------------------|-------------------|-------------------|--------------------------------------------------|
| <sup>18</sup> Transporter OGRID | <sup>19</sup> Transporter Name and Address                                       | <sup>20</sup> POD | <sup>21</sup> O/G | <sup>22</sup> POD ULSTR Location and Description |
| <b>36785</b>                    | <b>DCP MIDSTREAM LP</b><br><b>3000 N 'A', BLDG 7</b><br><b>MIDLAND, TX 79705</b> |                   | <b>G</b>          | <b>SEC 36, T15S, R24E, CHAVES CO, NM</b>         |
|                                 |                                                                                  |                   |                   |                                                  |
|                                 |                                                                                  |                   |                   |                                                  |
|                                 |                                                                                  |                   |                   |                                                  |
|                                 |                                                                                  |                   |                   |                                                  |

IV. Produced Water

|                   |                                                  |
|-------------------|--------------------------------------------------|
| <sup>23</sup> POD | <sup>24</sup> POD ULSTR Location and Description |
|                   |                                                  |

V. Well Completion Data

|                         |                                    |                         |                            |                            |                       |
|-------------------------|------------------------------------|-------------------------|----------------------------|----------------------------|-----------------------|
| <sup>25</sup> Spud Date | <sup>26</sup> Ready Date           | <sup>27</sup> TD        | <sup>28</sup> PBTD         | <sup>29</sup> Perforations | <sup>30</sup> DHC, MC |
| <b>07-01-2008</b>       | <b>09-01-2008</b>                  | <b>8953 MD/4701 TVD</b> | <b>NA-OPEN HOLE</b>        | <b>5230 - 8964 MD</b>      |                       |
| <sup>31</sup> Hole Size | <sup>32</sup> Casing & Tubing Size | <sup>33</sup> Depth Set | <sup>34</sup> Sacks Cement |                            |                       |
|                         | <b>16</b>                          | <b>120</b>              | <b>(CONDUCTOR)</b>         |                            |                       |
| <b>11</b>               | <b>8.625</b>                       | <b>1556</b>             | <b>775 SX</b>              |                            |                       |
| <b>7.875</b>            | <b>5.5</b>                         | <b>8949</b>             | <b>950 SX</b>              |                            |                       |
|                         |                                    |                         |                            |                            |                       |

VI. Well Test Data

|                            |                                 |                         |                           |                             |                             |
|----------------------------|---------------------------------|-------------------------|---------------------------|-----------------------------|-----------------------------|
| <sup>35</sup> Date New Oil | <sup>36</sup> Gas Delivery Date | <sup>37</sup> Test Date | <sup>38</sup> Test Length | <sup>39</sup> Tbg. Pressure | <sup>40</sup> Csg. Pressure |
|                            | <b>09-01-2008</b>               | <b>09-01-2008</b>       | <b>24 HOUR</b>            | <b>220</b>                  | <b>510</b>                  |
| <sup>41</sup> Choke Size   | <sup>42</sup> Oil               | <sup>43</sup> Water     | <sup>44</sup> Gas         | <sup>45</sup> AOF           | <sup>46</sup> Test Method   |
| <b>48/64</b>               |                                 | <b>31</b>               | <b>2256</b>               |                             | <b>FLOWING</b>              |

|                                                                                                                                                                                                                                              |                            |                                                                                                                                           |  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|--|
| <sup>47</sup> 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.<br>Signature: <b>Kaye McCormick</b> |                            | OIL CONSERVATION DIVISION<br>Approved by: <b>Kimberly M. Wilson</b><br>Title: <b>Compliance Officer</b><br>Approval Date: <b>10.10.08</b> |  |
| Printed name: <b>KAYE MC CORMICK</b>                                                                                                                                                                                                         |                            |                                                                                                                                           |  |
| Title: <b>SR PROD &amp; REG TECH</b>                                                                                                                                                                                                         |                            |                                                                                                                                           |  |
| Email: <b>kmccormick@plll.com</b>                                                                                                                                                                                                            |                            |                                                                                                                                           |  |
| Date: <b>09-19-2008</b>                                                                                                                                                                                                                      | Phone: <b>432-685-6563</b> |                                                                                                                                           |  |