Salemit 2 Conice To Annuousiat	- District				
Submit 3 Copies To Appropriat Office		State of New M			Form C-103
District I 1625 N. French Dr., Hobbs, NN		gy, Minerals and Nat	ural Resources	WELL A	May 27, 2004
District II		CONSERVATIO	NDIVISION	30-015-34	
1301 W. Grand Ave., Artesia, District III	NM 88210 OIL			te Type of Lease	
1000 Rio Brazos Rd., Aztec, N	M 87410	Santa Fe NM		ATE X FEE	
District IV 1220 S. St. Francis Dr., Santa F	e. NM	1220 South St. Fra Santa Fe, NMS	56	6. State (Dil & Gas Lease No.
87505		<u>^22</u>			
(DO NOT USE THIS FORM F DIFFERENT RESERVOIR. U	OD DDODOGALS TO DD	REPORTS ÓN WELL ILL OR TO DEEPEN OR R PERMIT" (FORM C-101)	TP 2006 TO . 3	7. Lease Box O Cl	Name or Unit Agreement Name hocolates 1923-5 State Com
PROPOSALS.) 1. Type of Well: Oil We			- ARTESIA	8. Well N	Jumber 1
2. Name of Operator			C. C. S.	9. OGRI	D Number
Parallel Petroleum Cor	р				
3. Address of Operator		515	0261811130		name or Wildcat
1004 N. Big Spring, Mie	dland, Texas 79705			Wildcat,	96086
4. Well Location					
Unit Letter <u>M</u>	: <u>760</u> _fe	et from the <u>South</u>	line and		et from the <u>West</u> line
Section 5		Township 19S	Range 23E		MPM Eddy County
	GR. 405	ation (Show whether D.	R, RKB, RT, GR, etc	c.)	
Pit or Below-grade Tank App		<u> </u>			
Pit type Depth	to Groundwater I	Distance from nearest fresh	water well Di	istance from ne	arest surface water
Pit Liner Thickness:		Grade Tank: Volume		Construction M	
12.	Check Appropria	te Box to Indicate	Nature of Notice	, Report or	Other Data
NOTIC	E OF INTENTIO	N TO:	SU	BSEQUE	NT REPORT OF:
PERFORM REMEDIAL \	1 1		REMEDIAL WO		
TEMPORARILY ABAND	ON 🗌 CHANGI	E PLANS X	COMMENCE D	RILLING OPI	NS. 🗍 PANDA 🛄
PULL OR ALTER CASIN	IG 🗌 MULTIPI	LE COMPL	CASING/CEMEI	NT JOB	
OTHER: Move surfa	no location	x	OTHER:		
				nd give perti	nent dates, including estimated date
					ore diagram of proposed completion
or recompletion.					
This sundry notice i	a to move the our	face and bettern b	ala logation of t	ho well	revised C 101 and C 102
and drilling plan are		face and bottom in	ole location of t	ine wen. A	revised C-101 and C-102
and urnning plan are	e attacheu.				
			· · ·		
I hereby certify that the ir	formation above is tr	and complete to the	best of my knowled	lge and belie	f. I further certify that any pit or below- hed) alternative OCD-approved plan \Box .
grade tank has been/will be co	Instructed or closed abco	aing to NMOCD guidenne	s , a general permit (_) or an (attac	ned) alternative OCD-approved plan
SIGNATURE <u>Gary Mil</u>	ler		E <u>Agent</u>		DATE
T	0/0/				
Type or print name For State Use Only			address:		Telephone No.
For State Use Only	BRYAN G. ARR	ANT			SEP 0 5 2006
APPROVED BY:	DISTRICT II GE	EOLOGIST TITLE			DATE
Conditions of Approval (if any):	<u> </u>	·····		
					1

District II 1301 W. Gran District III 1000 Rio Braz District IV 1220 S. St. Fra	1625 N. French Dr., Hobbs, NM 88240 Energy Mineral District II III 1301 W. Grand Avenue, Artesia, NM 88210 Oil Cons District III 01 Cons 1000 Rio Brazos Road, Aztec, NM 87410 1220/Sou						vision MoDr.	101112	Form C-101 May 27, 2004 Submit to appropriate District Office		
APPL	ICATIO	ON FO	R PERMIT		ILL, RE-F	NOOPR, AD	EEPEN	PLUGBA			
100	^{operator Name and Address} Parallel Petroleum Corp. 1004 N. Big Spring Street, Suite 400, Midland, TX ^{operator Name and Address} 1004 N. Big Spring Street, Suite 400, Midland, TX							23	² OGRID Num 0 3 8 7 ³ API Numbe		
³ Prope	³ Property Code 35699 Box O Chocolates 19							30-	2815-34	4843 Vell No.	
35	688				nocolates 19		Com		10.10	1	
			Proposed Pool 1 Wolfcamp	96	086			" Prop	osed Pool 2		
			······································		⁷ Surface I	Location					
UL or lot no. M	Section 5	Township 19S	Range 23E	Lot lo	in Feet from 760		outh line	Feet from the 300"	East/West line West	County Eddy	
	L			ed Botto	m Hole Locati						
UL or lot no. P	Section 5	Township 19S	Range 23E	Lot lo	dn Feet from 760	1	South line	Feet from the 660'	East/West line East	County Eddy	
	L				ditional Wel		on		Dust		
	Type Code N		¹² Well Type Cod O & G	8	¹³ Cable/ R		14	Lease Type Code P	¹⁵ G	round Level Elevation 4055'	
¹⁶ M	lultiple		¹⁷ Proposed Deptl		¹⁸ Form	nation		19 Contractor	²⁰ Spud Date		
Depth to Grou	NO Indwater	<u> </u>	590MD,4450		Wolfe e from nearest fres		L 00'	NA Distance fro	from nearest surface water 2000'		
		X _12n	ils thick Clay		ume:25,000 bbls		Drillin <u>g M</u>		 		
Close	ed-Loop Sys	tem						X Brine 🗌 Die	sel/Oil-based	Gas/Air	
.			21	Propos	ed Casing an	nd Cement	Progra	m			
Hole S			sing Size		g weight/foot	Setting D	-	Sacks of C		Estimated TOC	
12-1/			0-5/8" 5-1/2"		36# 17#			325 NA		Surface Tie back to	
	·					MD 8588'			Surface casing		
Describe the <u>Well to be</u> <u>cement an</u> 1. Prep 2. Drill 3. Drill 4. Set I FNL 5. Set 5 be d 6. Plac 7. No F ²³ 1 hereby cc best of my ki constructed (attached) a Printed name	blowout pr Drilled a d mud pr pare surfa l 12 ¼" S l 8 ¾" pr Kickoff P of the so 5 ½" to T etermine e well on H2S if an ertify that th nowledge an according Iternative (a: Deane	evention pr as a Hori cograms ace locat urface h oduction oint at 4 ection an D and ti- d). test. ticipated he informati- nd belief. I to NMOC DCD-appr	ogram, if any. Use zontal Wolfcan as well as the d ion. Move in a ole to a minimu- hole 5500' TD 130' drill and a d continue drill a continue drill c cement back during the dri on given above is t further certify tha D guidelines X, a g poved plan am	additiona np test. irection: nd rig u um dept and ev advance ling to l to surfa (lling of rue and co at the drill	I sheets if necessa <u>The attached</u> <u>al information</u> Ip drilling rig th of 1500'. S aluate runnin thole to a Wo BHL. (8590' I ce casing. Pe <u>this well.</u> pupplete to the ling pit will be	ury. drilling plan i. The follow , spud well a et 8 5/8"casi g mud logs a lfcamp pene VID & 4450' rforate poro	will be ving is a und drill ng and c as well a etration TVD) osity and OIL C	utilized for thi summary of th and set condu- cement. s DLL/CNL/L point at appro- stimulate as p CONSERVA BRYAN G. A DISTRICT I	s test and con is plan. ictor. Instal DT/CAL/GI ximately 72 necessary (sp TION DIV RRANT I GEOLOG	0' FWL and 760' becific procedure to ISION GIST SEP or 2003	
Title: Dri	lling	Engine	er			Approval Date	FL 0 5	5 2006	Expiration Date	SEP 0 5 2007	
E-mail Addr		<u>.</u>	m]								
Date: 8 -	06	Phone: 432	-684-3	3727	Conditions of	Approval A	Attached				

• DISTRICT J 1625 N. French Dr., DISTRICT II 1301 W. Grand Avenu DISTRICT III 1000 Rio Brazos Rd. DISTRICT IV 1220 S. St. Francis API	ue, Artesia, N , Aztec, NM (M 88210 37410 9, NM 87505	ELL LOC	ergy, Miner OIL CO 1220 S San	als & Na PNSERV outh ata Fe	VATION St. Fr e, NM	Mexico ources Department DIVISION rances Dr. 87505 E DEDICATIO	(80 MU	0,00 10,000 10,0000 10,0000 10,00000000	For Review Ortobe Appropriate Dis State Lease Fee Lease SEP 2006 RECEIVED CD - CARAMENTED	Copies Copies Copies Copies
								3			
Property (Code		BOX	о сно	-	perty Nam FS 19	23–5 STATE (COM		Well Nun	aber
OGRID No	».				Оре	rator Nam	8	:		Elevatio	
			PA	RALLEL			CORPORATION			405	5′
UL or lot No.	Section	Township	Range	Lot Idn		om the	North/South line	Feet from	n the	East/West line	County
M	5	19 S	23 E			60	SOUTH	30		WEST	EDDY
L		<u>.</u>	Bottom	Hole Lo	cation	If Diffe	rent From Sur	face		J	i
UL or lot No.	Section	Township	Range	Lot Idn	Feet fr	om the	North/South line	Feet fro		East/West line	County
P	5	19 S	23 E			60	SOUTH	66	D	EAST	EDDY
Dedicated Acres 320	Joint of	r Infill C	pisolidation	Code Or	der No.						
Coordinate S	id and Con System", New um of 1927.	form to the w Mexico Eas Distances sho	I [*] New Mexico t Zone, North wri hereon are	De Box 0 Chocs Surface	escriptic alates 1923 Location lates 1923 Hole Loca	5 State Com	Plane Coordinat 1 X = 380,772.0 Y = 612,901.0	I hereby co the best of working in the divident with the a contract within hele a contract within the a contract within the Signal Print Signal Print Signal Print Signal Print actual super correct Date	rthy the the imp knowledge errst or unlead location of unlead with an own with an own with an own with an own with an own with an own oblig greene iton. 2020 2020 2020 2020 2020 2020 2020 2	COR CERTIFICA information contained herein is bi and beiling, and that this organis and mineral interestive the load in as a right to drill this well at this as a right to drill this well at this as a right to drill this well at this many or a compulsory pooling order to function of a compulsory pooling order to pool the the set of a computer to the best of my beli as a plotted from field and that the same i the best of my beli as a plotted for the set of a computer to function of professional as a computer to the set of the set o	us and complete to atton either owns a istuing the proposed tocation parameters g interest, or to a seretofore entered by
300' (SL) 	(PP-72 O	0 [*] # <i>UL</i> 7	50'F5()		Star Star Street S					15 100000000000000000000000000000000000	

			<u> </u>	PORATIO						
	ATOR:		Parallel Pe				Supervisor	S:		
WELL	1	<u></u>	Box O Ch			te Com #1	'		·····	
	TION:		Sec. 5 T-1	<u>9-S R-23-E</u>						
APT N			I COMM	ENTO			2 			
			CONN	ENTJ.	<u></u>			MAGD	EC.(-/+)	
									ORR.(-/+)	
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		DATE:	08/28/06		TIME;	4:13 PM	TRUE TO GRI	D		-
MINIM	UM CURV	ATURE C	ALCULATION	VS(SPE-3362	!) PF	ROPOSED	DIRECTION	90.0	TARGET T	RACKING
									TO CE	
SVY NUM	MD	INC	GRID AZM	тур	VERT	N-S	E-W	DLS/ 100	ABOVE(+) BELOW(-)	
TIE	0	0.0	0.0	0.0	0.0	0.0	0.0		BELOW(-)	{EEFI(=) :
1	4030	0.0	0.0	4030.0	0.0	0.0	0.0	0.0	420.0	0.0
2	4041	1.5	90.0	4041.0	0.1	0.0	0.0	13.6	409.0	0.0
3	4052	3.0	90.0	4052.0	0.6	0.0	0.6	13.6	398.0	0.0
4	4690	90.0	90.0	4450.2	420.2	0.0	420.2	13.6	-0.2	0.0

,

KOP @ 4030' MD BUR = 13.6 DEG per 100 FT End Curve @ 4690' MD, 4450' TVD BHL @ 8590' MD, 4450' TVD, 4320' VS

Parallel Petroleum Corp.

Box O Chocolates 1923-5 #1 Sec. 5, T-19-S, R-23-E Eddy County, New Mexico

COMPANY DETAILS

Parallel Petroleum Corp. 1004 N. Big Spring, Ste 400 Midland, Texas 79701





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PARALLEL PETROLEUM CORPORATION BOX O CHOCOLATES 1923-5 STATE COM #1 SL: 760' FSL AND 300' FWL, BHL: 760' FSL AND 660' FEL SEC 5, T19S, R23E EDDY COUNTY, NEW MEXICO

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Objective

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Drill a vertical well through the Wolfcamp pay. Log and evaluate for a sidetrack to horizontal in the Wolfcamp.

Expected Geologic Tops

GL: 4055', KB 4067'. Glorieta 1780' Tubb 2790' Abo Shale 3435' Wolfcamp 4450' Wolfcamp Shale 4560'

Well Geometry

- 9 5/8" casing at 1500'
- Set kick-off plug for horizontal through the zone of interest
- 5 1/2" casing through the horizontal Wolfcamp; Cement per completion.

Casing Program

Hole	<u>MD</u> (ft)	Casing	Weight	Grade	Coupling	COMMENT
12-1/4"	0 – 1500	9-5/8"	36	J55	ST&C	
8-3/4"	0 – TD'	5-1/2"	17	N80	LT&C	Run through the horizontal lateral.

Casing Cementing Program

9-5/8" slurry: Lead: 125 sacks (50:50) Poz (Fly Ash): Class C + 5% bwow Sodium Chloride + 10% bwoc Bentonite + 151.7% fresh water. Tail: 200 sacks Class C + 1% bwoc Calcium Chloride + 56.3% fresh water

<u>Note</u>: If cement does not circulate to surface, notify OCD. A temperature survey will be required. Top out to surface with 1" pipe in the annulus.

Note: 5-1/2" Cement per completion procedure. Top of Cement should be tied back to surface casing at a minimum.

Depth	Hole	MW	Visc.	WL	Synopsis
0 - 1500	12-1/4"	8.4 –	28 - 29	No	FRESH WATER mud only to
		8.6		control	1200 ft. Severe loss potential.
			1		Circulate inner reserve. LCM:
					paper, fiber, cotton seed hulls.
1500 - 3400	8-3/4"	8.6 -	28 - 29	No	Cut brine. Start w/existing & add
		9.2		control	brine t/80K-120K chlorides
3400 – TD	8-3/4"	8.9 –	38 - 45	6 - 10	XCD/Starch polymer as req'd
		9.5			for hole cleaning. Lubricants.
KOP – TD	8-3/4 &	8.9 –	38 - 45	6 - 10	XCD/Starch polymer as req'd
Horizontal	7-7/8"	9.5			for hole cleaning. Lubricants.

Mud Program



1004 North Big Spring, Suite 400 • Midland, TX 79701 • Ph: 432-684-3727 • Fax: 432-684-3905

November 9, 2005

Mr. Bryan Arrant State Of New Mexico, Oil Conservation Division 1301 W. Grand Ave. Artesia, New Mexico 88210

Re: Hydrogen Sulfide Potential Parallel Petroleum Corporation, Box Area wells, T-19-S, R-21-E Eddy County, New Mexico

Dear Mr. Arrant;

The Box Top Federal 19 21-1 #1 site which is being drilled seven miles south of Hope, New Mexico was reviewed for its potential for hydrogen sulfide. Mr. John Simitz, Geologist for the Bureau of Land Management, Roswell, New Mexico reviewed the site and stated that no potential for gas was found a Morrow test in this area. Based on this information we believe the potential H_2S at well locations in this area are negligible.

Should you need additional information regarding this issue, please contact me at the address or phone number listed above or my email address at <u>ddurham@plll.com</u>.

Sincerely,

Dusham

Deane Durham Engineer

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. <u>5</u> TWP. <u>19+</u> S RGE. <u>23-E</u>
SURVEY N.M.P.M.
COUNTYEDDY
DESCRIPTION 760' FSL & 300' FWL
ELEVATION 4055'
OPERATOR PARALLEL PETROLEUM CORPORATION
LEASE BOX O CHOCOLATES 1923-5 STATE COM



COMPANY 110 W. LOUISIANA, STE. 110 MIDLAND TEXAS, 79701 of Midland, Inc. (432) 687-0865 - (432) 687-0868 FAX

LOCATION VERIFICATION MAP

