

## OCD-ARTESIA

Form 3160-5  
(April 2004)UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM 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 ☐ Other2. Name of Operator  
**Parallel Petroleum Corporation**3a. Address  
**1004 N. Big Spring St., Suite 400, Midland, Texas 79701**3b. Phone No. (include area code)  
**432/684-3727**

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

**SL 460' FSL and 760' FEL, SEC 10, T19S, R21E MORROW PP 813' FSL and 760' FEL  
WOLFCAMP PP 663' FSL and 1133' FEL WOLFCAMP BHL 713' FSL and 660' FWL**

5. Lease Serial No.

**NM NM 105853**

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

**Juke Box 1921-10 Federal #1**

9. API Well No.

**30-015-35026**

10. Field and Pool, or Exploratory Area

**Wildcat; Morrow**

11. County or Parish, State

**Eddy County, NM****12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input checked="" type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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 site is ready for final inspection.)

**This well is permitted as a Morrow test and a Wolfcamp horizontal to the North in the E/2 Sec 10.****Well plan attached to make the Morrow penetration point an orthodox location of 813' FSL and 760' FEL.****Alternate drilling plan (if Morrow is Non-Productive)****Well plan attached to change Wolfcamp horizontal to the West in the S/2 of Sec. 10. Orthodox penetration point and bottom hole location.****SEE ATTACHED FOR  
CONDITIONS OF APPROVAL**14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)**Deane Durham**

Title Engineer

Signature

*Gary Miller, Agent for PLLC*

Date

**10/05/2006****THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

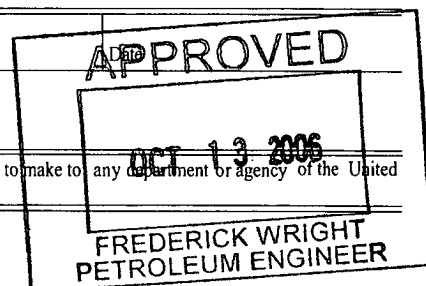
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

(Instructions on page 2)



**ATTACHMENT TO FORM 3160-5  
JUKE BOX 1921-10 FEDERAL #1  
Surface Hole Location  
460 FSL AND 760 FEL, SEC 10, 19S, 21E  
Alternate Bottom Hole Location  
660 FNL AND 760 FEL, SEC 10, 19S, 21E  
EDDY COUNTY, NEW MEXICO**

**DRILLING PROGRAM**

**This well is designed as a vertical Morrow test. In the event that the Morrow is found to be non-productive, a horizontal test in the Wolfcamp formation will be drilled.**

1. GEOLOGIC NAME OF SURFACE FORMATION

San Andres

2. ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS

Glorieta 1650'(+ 2674')  
Tubb 2660'(+1664')  
Abo Shale 3300' (+1024')  
Abo Carbonate 3420' (+904')  
Wolfcamp 4225' (+99')  
Wolfcamp Shale 4415'(-91')  
Penn Cisco 5885' (-1561')  
Canyon 6350' (-2064')  
Strawn 6765' (-2441')  
Atoka 7150' (-2865')  
Morrow 7275' (-2951')  
Miss. Chester 7525'(-3201')

3. ESTIMATED DEPTHS OF ANTICIPATED FRESH WATER, OIL, OR GAS

Fresh water                790'  
Oil and Gas                Morrow 7275' (-2951') to 7525'(-3201')  
Alternate Horizontal Completion  
Oil and Gas                Wolfcamp 4225' (+99')  
No H<sub>2</sub>S gas should be encountered

## JUKE BOX 1921-10 FEDERAL #1

### Page 2

#### 4. CASING AND CEMENTING PROGRAM

<u>Casing Size</u>	<u>From</u> <u>To</u>	<u>Weight</u>	<u>Grade</u>	<u>Joint</u>
20" conductor	0'-120'			
9 5/8"	0' - 1400'	36#	J-55	LTC
7"	0' - 7,700'	23#	J-55	LTC
Horizontal casing program for Production String				
7"	0' - 4000'	23#	J-55	LTC
4 1/2"	0' - 8202'	11.6#	N-80	LTC
Or no 7" and 5 1/2"	0' - 8202'	17#	N-80	LTC

Equivalent or adequate grades and weights of casing may be substituted at time casing is run, depending on availability.

#### Primary Drilling Procedure

- Set 20" conductor pipe at 120' with a rathole unit.
- Drill 12 1/4" surface hole to an approximate depth of 1400', using fresh water and viscous sweeps for hole cleaning. Set 9 5/8", 36# J-55 casing with 460 sx, Class C cement (lead will be 50/50 Poz, circulate to surface, 1" if necessary).
- Set slips on 9 5/8. Cut 9 5/8 and NU WH & BOP.
- Drill 8 3/4" production hole to 7700', using cut brine to an approximate depth of 3200' and a starch mud system to TD.
- Log and Test Morrow zone of interest.
- Set 7" 23# J-55 casing at TD with 1070 sx Class C cement with the estimated top of cement at 3100' (lead 50/50 Poz).

#### Alternate Drilling Procedure ( if Morrow is Non-Productive)

- Plug lower portion of the hole, per OCD/BLM specifications.
- Set 18 ppg CMT kick-off plug across Wolfcamp zone.
- Dress CMT to kick off point at approximately 3800', oriented at 0 degree (grid) azimuth.
- Build angle in 8-3/4" hole at 13.5 degrees per 100' to 90 degrees and hold.
- Drill 7-7/8" horizontal drain hole to a terminus of 660' FNL (8202' MD).
- Run 5 1/2" 17# N-80 Casing from TD back to surface, cement with acid soluble cement per completion
- Rig Down Rotary Tools

5. MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL

The BOP stack will consist of a 3,000 psi working pressure, dual ram type preventer and annular.

A BOP sketch is attached.

6. TYPES AND CHARACTERS OF THE PROPOSED MUD SYSTEM

- a. Spud and drill to 1400' with fresh water gel spud mud for surface string.
- b. The production section from 1,400' to 3,100' will utilize a cut brine mud system.
- c. The remaining production section from 3,100' to TD will be a starch mud system with mud weight sufficient to control formation pressures.

7. AUXILIARY WELL CONTROL AND MONITORING EQUIPMENT

None required.

8. LOGGING, TESTING, AND CORING PROGRAM

Mud logs as well as DLL/CNL/LDT/CAL/GR logging is planned. Drill stem tests, cores and sidewall cores are possible.

9. ABNORMAL CONDITIONS, PRESSURES, TEMPERATURES & POTENTIAL HAZARDS

None anticipated.

BHP expected to be 1,100 psi.

10. ANTICIPATED STARTING DATE:

It is planned that operations will commence around forth quarter of 2006 with drilling and completion operation lasting about 30 days.

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 Department

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

Form C-102  
Revised October 12, 2005  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

X AMENDED REPORT

Primary - if drilled in Morrow

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name JUKE BOX 1921-10 FEDERAL	Well Number 1
OGRID No.	Operator Name PARALLEL PETROLEUM CORPORATION	Elevation 4324'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	10	19 S	21 E		460	SOUTH	760	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	10	19 S	21 E		813	SOUTH	760	EAST	EDDY

Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

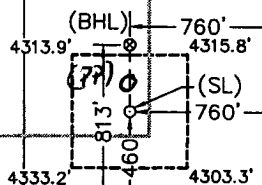
NOTE:

- 1) Plane Coordinates shown hereon are Transverse Mercator Grid and Conform to the "New Mexico Coordinate System", New Mexico East Zone, North American Datum of 1927. Distances shown hereon are mean horizontal surface values.

Coordinate Table	
Description	Plane Coordinate
Juke Box Federal #1	X = 363,956.8
Surface Location	Y = 607,329.3
Juke Box Federal #1	X = 363,956.8
Bottom Hole Location	Y = 607,682.3

Project Area

Producing Area



OPERATOR CERTIFICATION

I hereby certify the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a competitive pooling order heretofore entered by the division.

Signature

Date

Printed Name

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.

May 24, 2006

Date of Survey

Signature & Seal of Professional Surveyor

W.O. Num: 2006-0307

Certificate No. MACON McDONALD 12185

DISTRICT I  
1825 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 Department

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

Form C-102  
Revised October 12, 2005  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

*Alternate if Drilled in Well Camp*

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name JUKE BOX 1921-10 FEDERAL	Well Number 1
GRID No.	Operator Name PARALLEL PETROLEUM CORPORATION	Elevation 4324'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	10	19 S	21 E		460	SOUTH	760	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	10	19 S	21 E		715	SOUTH	660	WEST	EDDY

Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.
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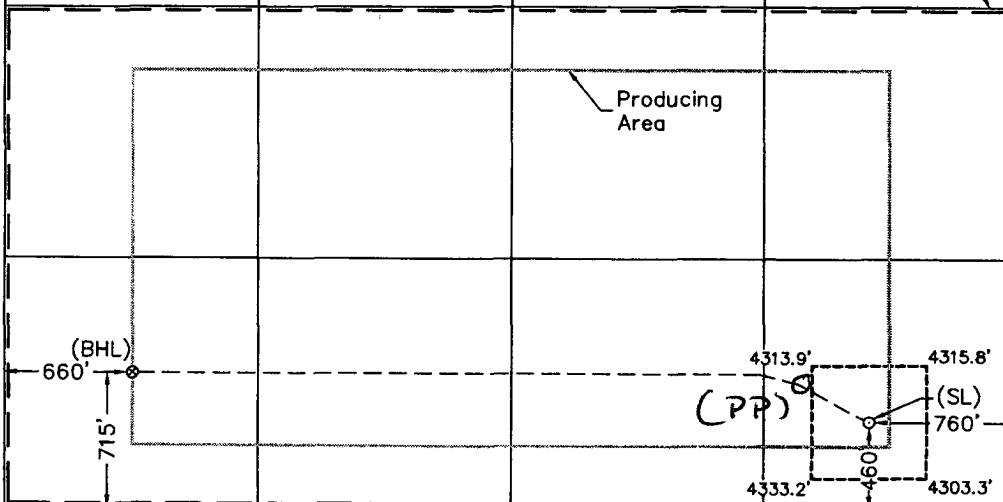
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

NOTE:

- 1) Plane Coordinates shown hereon are Transverse Mercator Grid and Conform to the "New Mexico Coordinate System", New Mexico East Zone, North American Datum of 1927. Distances shown hereon are mean horizontal surface values.

Coordinate Table	
Description	Plane Coordinate
Juke Box Federal #1	X = 363,956.8
Surface Location	Y = 607,329.3
Juke Box Federal #1	X = 360,123.1
Bottom Hole Location	Y = 607,582.2

Project Area



OPERATOR CERTIFICATION

I hereby certify the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature

Date

Printed Name

Agent - PLLC

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.

May 24, 2006

Date of Survey

Signature & Seal of Professional Surveyor

W.O. Num. 2006-0301

Certificate No. MACON McDONALD 12185

# **PARALLEL** SURVEY CALCULATION PROGRAM PETROLEUM CORPORATION

OPERATOR:	Parallel Petroleum Corporation		Supervisors:	
WELL:	Juke Box 1921-10 Federal #1			
LOCATION:	Sec. 10 T-19-S R-21-E			
API NUMBER:				
COMMENTS:				

	MAG DEC. (-/+)	
	GRID CORR. (-/+)	
	TOTAL CORR. (-/+)	0.0

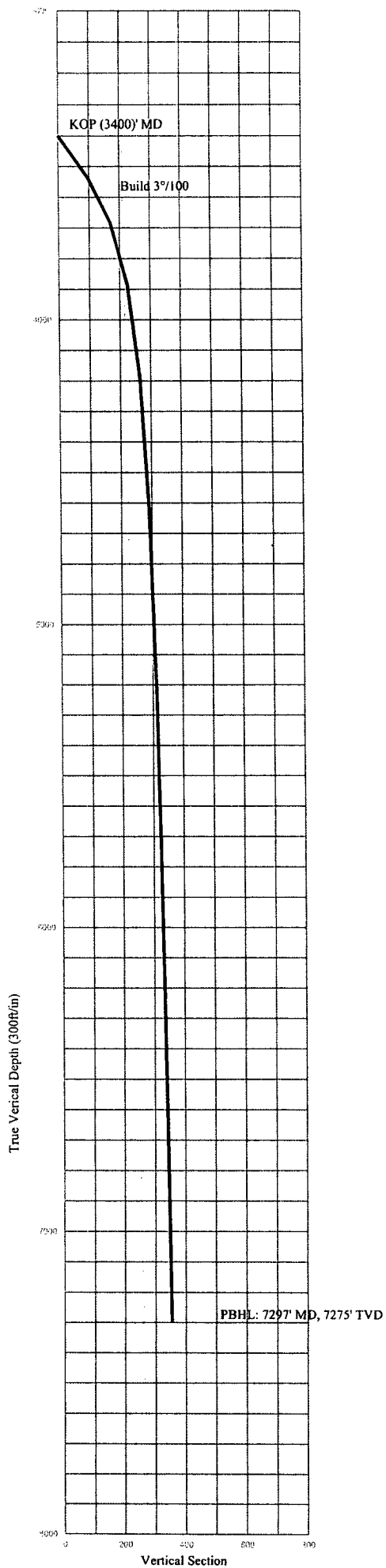
DATE: 10/05/06	TIME: 3:13 PM	TRUE TO GRID	▼
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MINIMUM CURVATURE CALCULATIONS(SPE-3362)					PROPOSED DIRECTION		0.0	TARGET TRACKING TO CENTER	
SVY	MD	INC	GRID	VERT	N-S	E-W	DLS/100	ABOVE(+)	RIGHT(+)
NUM			AZM	TVD				BELOW(-)	LEFT(-)

TIE	0	0.0	0.0	0.0	0.0	0.0	0.0		
1	3400	0.0	0.0	3400.0	0.0	0.0	0.0	3875.0	0.0
2	3410	0.3	0.0	3410.0	0.0	0.0	3.0	3865.0	0.0
3	3420	0.6	0.0	3420.0	0.1	0.1	3.0	3855.0	0.0
4	3800	12.0	0.0	3797.1	41.7	41.7	3.0	3477.9	0.0
5	3866	10.0	0.0	3861.9	54.3	54.3	3.0	3413.1	0.0
5	7297	0.0	0.0	7275.5	353.0	353.0	0.3	-0.5	0.0

KOP @ 3400' MD  
 BUR = 3 DEG per 100 FT  
 End Curve @ 3800' MD, 3797.1' TVD  
 BHL @ Morrow 7297' MD, 7275' TVD, 813' FSL and 760' FEL, Sec 10

*Morrow Test*

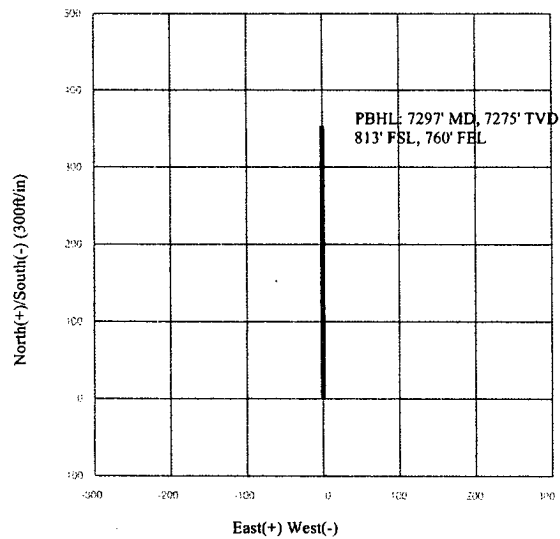


## Parallel Petroleum Corp.

**Juke Box 1921-10 Fed. #1**

**Section 10, T 19-S, R 21-E**

**Eddy County, New Mexico**





# **PARALLEL** SURVEY CALCULATION PROGRAM PETROLEUM CORPORATION

OPERATOR:	Parallel Petroleum Corporation	Supervisors:	
WELL:	Juke Box 1921-10 Federal #1		
LOCATION:	Sec. 10 T-19-S R-21-E		
API NUMBER:			

COMMENTS:		
	MAG DEC. (-/+)	
	GRID CORR. (-/+)	
	TOTAL CORR. (-/+)	0.0

DATE: 10/05/06	TIME: 3:26 PM	TRUE TO GRID	▼
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MINIMUM CURVATURE CALCULATIONS(SPE-3362)									PROPOSED DIRECTION	270.0	TARGET TRACKING TO CENTER		
SVY	MD	INC	GRID	TVD	VERT	N-S	E-W	DLS/					
NUM			AZM		SECT			100		ABOVE(+)	RIGHT(+)	BELOW(-)	LEFT(-)

TIE	0	0.0	0.0	0.0	0.0	0.0	0.0						
1	3800	0.0	0.0	3800.0	0.0	0.0	0.0	0.0	425.0	0.0			
2	3810	1.4	310.0	3810.0	0.1	0.1	-0.1	13.5	415.0	0.1			
3	3820	2.7	310.0	3820.0	0.4	0.3	-0.4	13.5	405.0	0.3			
4	4468	90.0	298.0	4225.4	373.3	203.1	-373.3	13.5	-0.4	203.1			
5	4676	90.0	270.0	4225.4	573.2	252.9	-573.2	13.5	-0.4	252.9			
5	7962	90.0	270.0	4225.4	3859.2	252.9	-3859.2	0.0	-0.4	252.9			

KOP @ 3800' MD  
 BUR = 13.5 DEG per 100 FT  
 End Curve @ 4468' MD, 4225.4' TVD  
 BHL @ 7962' MD, 4225.2' TVD, 3859.2' VS

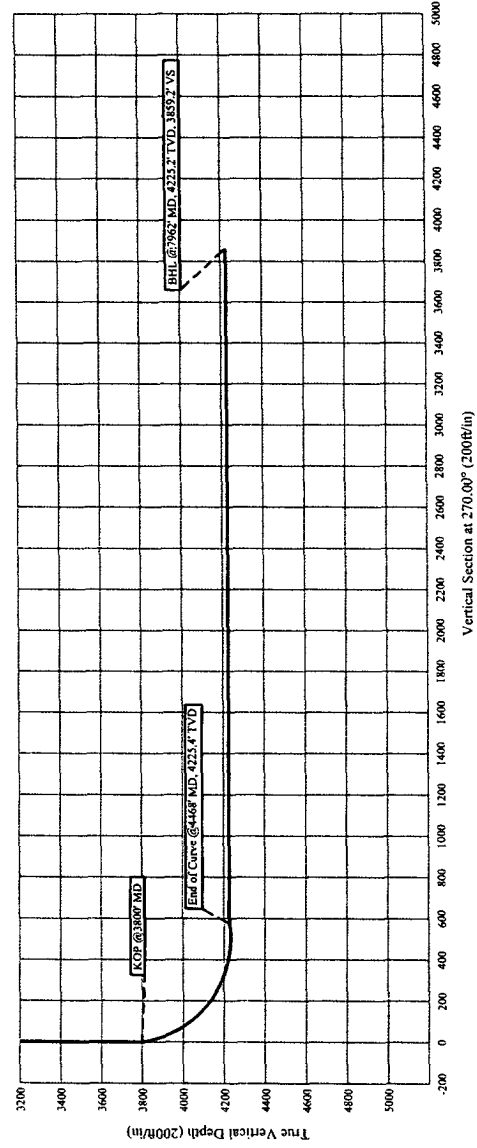
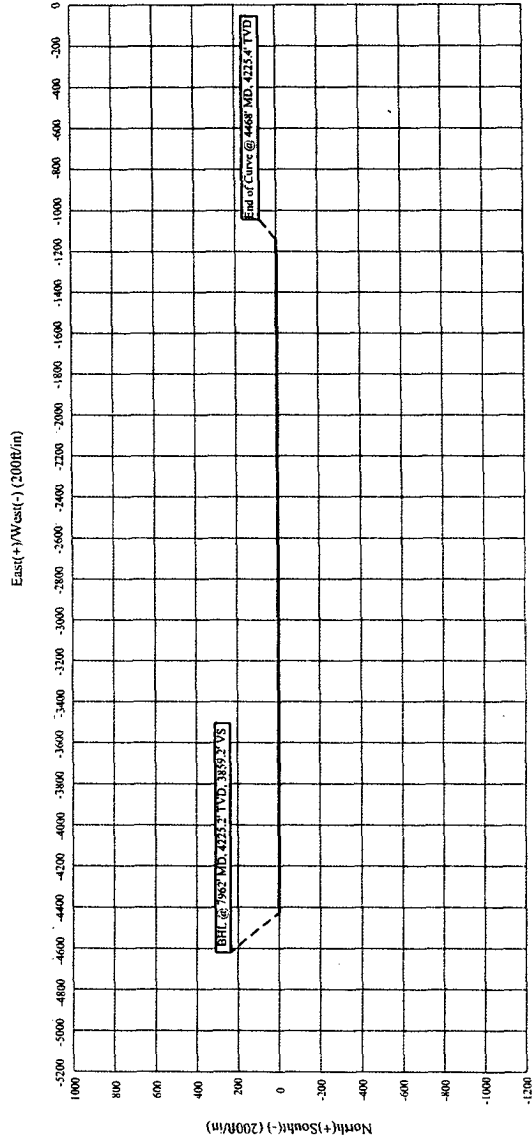
*Alternate  
 Wellcamp Test*

# Parallel Petroleum Corp.

Juke Box 1921-10 Federal #1  
Section 10, T 19-S, R 21-E  
Eddy County, New Mexico

## COMPANY DETAILS

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



### **SUNDRY NOTICE SPECIAL STIPULATIONS**

1. The change in bottom hole locations for the Morrow formation from 460' FSL, 760' FEL to 813' FSL, 760' FEL and for the Wolfcamp formation from 660' FNL, 760' FEL to 713' FSL, 660' FWL are approved subject to the following conditions.
- 
2. The production casing will be cemented up to at least 200 feet above the base of the intermediate casing.

**Engineering**  
**can be reached at 505-706-2779 for any variances that might be necessary.**

