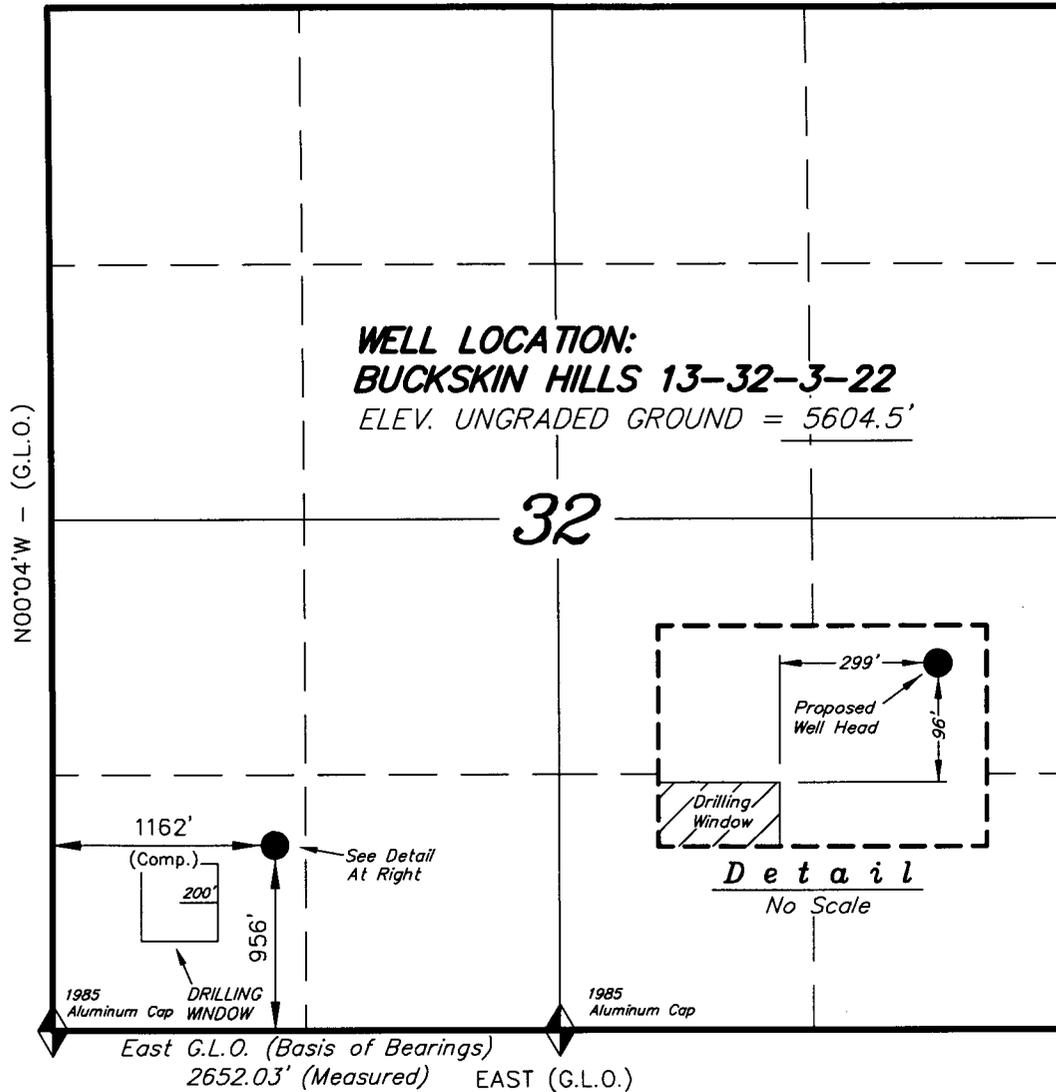


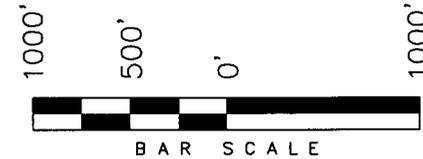
T3S, R22E, S.L.B.&M.

PARALLEL PETROLEUM CORP.

N89°59'W - 79.96 (G.L.O.)



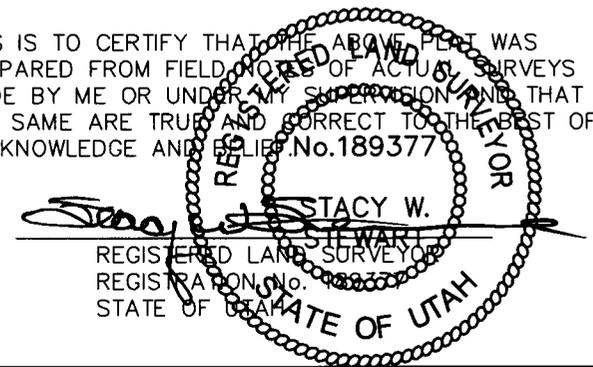
WELL LOCATION, BUCKSKIN HILLS
13-32-3-22, LOCATED AS SHOWN IN
THE SW 1/4 SW 1/4 OF SECTION 32,
T3S, R22E, S.L.B.&M. UNITAH COUNTY,
UTAH.



Note:

The Proposed Well head bears
N50°31'46"E 1503.89' from the
Southwest Corner of Section 32.

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS
PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS
MADE BY ME OR UNDER MY SUPERVISION AND THAT
THE SAME ARE TRUE AND CORRECT TO THE BEST OF
MY KNOWLEDGE AND BELIEF. No. 189377



◆ = SECTION CORNERS LOCATED

BASIS OF ELEV;
U.S.G.S. 7-1/2 min QUAD (DONKEY FLAT)

BUCKSKIN HILLS 13-32-3-22
(Surface Location) NAD 83
LATITUDE = 40° 30' 37.99"
LONGITUDE = 109° 28' 35.31"

TRI STATE LAND SURVEYING & CONSULTING

180 NORTH VERNAL AVE. - VERNAL, UTAH 84078
(435) 781-2501

DATE SURVEYED: 12-20-05	SURVEYED BY: K.S.
DATE DRAWN: 01-05-06	DRAWN BY: F.T.M.
REVISED:	SCALE: 1" = 1000'

June 14, 2006

RE: Parallel Petroleum Corp.
Buckskin Hills 13-32-3-22
Sec. 32, T3S, R22E

Utah Division of Oil, Gas and Mining
1549 West North Temple, Suite 1210
Salt Lake City, UT 84114

Dear Sir or Madam,

Parallel Petroleum Corp respectfully requests a spacing exception for the subject location. The well has been moved from the center of the forty-acre spacing.

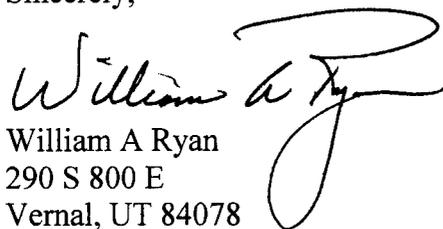
The well is located at 1162' FWL & 956' FSL, which has changed from the proposed location at 660' FWL & 660' FSL.

The location was moved due to a drainage and topography. Please find the attached plat maps.

Parallel Petroleum Corp is the only lease owner within a 460 foot radius.

If you have additional questions, please feel free to contact me.

Sincerely,



William A Ryan
290 S 800 E
Vernal, UT 84078
435-789-0968

RECEIVED
JUN 22 2006

DIV. OF OIL, GAS & MINING

Ten Point Plan

Parallel Petroleum Corporation

Buckskin Hills 13-32-3-22

Surface Location SW ¼ SW ¼, Section 32, T. 3S., R. 22E.

1. Surface Formation

Mancos

2. Estimated Formation Tops and Datum:

<u>Formation</u>	<u>Depth</u>	<u>Datum</u>
Mancos	Surface	+5,604.5' G.L.
Frontier	1,500	+4,104.5
TD	1,800	+3,804.5'

3. Producing Formation Depth:

Formation objective includes the Frontier and its sub-members.

Off Set Well information:

None

4. Proposed Casing:

No Casing is planned.

5. BOP and Pressure Containment Data:

None

6. Mud Program:

<u>Interval</u>	<u>Mud weight lbs./gal.</u>	<u>Viscosity Sec./OT.</u>	<u>Fluid Loss Ml/30 Mins.</u>	<u>Mud Type</u>
0-TD	Clear Water	NA	No Control	Gel/Water

7. Auxiliary Equipment

None

8. Testing, Coring, Sampling and Logging:

- a) Test: None are anticipated.
- b) Coring: Surface to TD
- c) Sampling: Core is sample
- d) Logging: natural gamma, neutron density and resistivity, and electric logs from TD to surface

9. Abnormalities (including sour gas):

No abnormal pressures, temperatures or other hazards are anticipated.

10. Drilling Schedule:

The anticipated starting date is 8/1/06. Duration of operations is expected to be 30 days.

PARALLEL PETROLEUM CORP

13 POINT SURFACE USE PLAN

FOR WELL

BUCKSKIN HILLS 13-32-3-22

LOCATED IN SW $\frac{1}{4}$ SW $\frac{1}{4}$

SECTION 32, T.3S, R22E, S.L.B.&M.

UINTAH COUNTY, UTAH

LEASE NUMBER: ML-49000

SURFACE OWNERSHIP: STATE

1. Existing Roads:

To reach Parallel Petroleum Corporation test well, Buckskin Hills 13-32-3-22, in Section 32, T3S, R22E, Starting in Vernal, Utah:

Proceed in an easterly direction approximately 0.6 miles on Main Street to the junction of this road and 1500 East, exit left and proceed in a northerly direction approximately 0.6 miles to the junction of this road and 500 North; exit right and proceed in an easterly, then northeasterly direction to the junction of this road and an existing road to the north; exit left and proceed in a northerly direction approximately 3.35 miles to the proposed access road to the east; follow road flags in a northeasterly direction approximately 115' to the proposed location.

Total distance from Vernal, Utah to the proposed test well location is approximately 5.97 miles.

All existing roads to the proposed location are State of Utah, BLM maintained or County Class D roads. Please see the attached map for additional details.

2. Planned access road

The proposed access road will be approximately 115' of new construction on lease. The road will be graded once per year minimum and maintained.

- A) Approximate length 115 ft
- B) Right of Way width 30 ft
- C) Running surface 18 ft
- D) Surface material Native soil
- E) Maximum grade 8%
- F) Fence crossing None
- G) Culvert None
- H) Turnouts None
- I) Major cuts and fills None
- J) Road Flagged Yes
- K) Access road surface ownership State
- L) All new construction on lease Yes
- M) Pipe line crossing None

Please see the attached location plat for additional details.

An off lease right-of-way will not be required.

All surface disturbances for the road and location will be within the lease boundary.

3. Location of existing wells

The following wells are located within a one-mile radius of the location site.

- A) Producing well None
- B) Water well None
- C) Abandoned well None
- D) Temp. abandoned well None
- E) Disposal well None
- F) Drilling /Permitted well None
- G) Shut in wells None
- H) Injection well None

- I) Monitoring or observation well None

Please see the attached map for additional details.

4. Location and type of water supply

Water for drilling and cementing will come from Dalbo/A-1 Tank Vernal City Tap.

5. Source of construction materials

All construction material for this location site and access road shall be borrow material accumulated during construction of the location site and access road. Additional road gravel or pit lining material will be obtained from private resources.

6. Methods for handling waste disposal

A) Pit construction and liners:

The reserve pit will be approximately **5 ft.** deep and most of the depth shall be below the surface of the existing ground. Please see the attached plat for details.

The reserve pit will be lined.

The reserve pit will be used to store water for drilling. A semi-closed system will be used to drill the well. All fresh water for drilling will come from a frac tank placed on location and from the rig tank. The pit will be used to hold non-flammable materials such as cuttings, salt, drilling fluids, chemicals, produced fluids, etc.

B) Produced fluids:

Produced water will be confined to the reserve pit or, if deemed necessary, a storage tank for a period not to exceed 90 days after initial production. During the 90-day period an application for approval for permanent disposal method and location will be submitted to the authorized officer. **Evaporation may be used instead of trucking to facilitate closing and reclamation of the reserve pit. A pumping system would be used for evaporation.**

C) Garbage:

A trash cage fabricated from expanded metal will be used to hold trash on location and will be removed to an authorized landfill location.

D) Sewage:

A portable chemical toilet will be supplied for human waste.

E) Site clean-up:

After the rig is moved off the location the well site area will be cleaned and all refuse removed.

7. Ancillary facilities

There are no ancillary facilities planned at this time and none are foreseen for the future.

8. Well-site layout

Location dimensions are as follows:

- A) Pad length **125 ft.**
- B) Pad width **125 ft.**
- C) Pit depth **5 ft.**
- D) Pit length **30 ft.**
- E) Pit width **15 ft.**
- F) Max cut **11.3 ft.**
- G) Max fill **6.5 ft.**
- H) Total cut yds. **1,050 cu yds**
- I) Pit location **West end**
- J) Top soil location **North end**
- K) Access road location **South end**
- L) Flare Pit **None**

Please see the attached location diagram for additional details.

All pits will be fenced according to the following minimum standards:

- A) Thirty nine inch net wire shall be used with at least one strand of wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.
- B) The net wire shall be no more than 2 inches above the ground. The barbed wire shall be 3 inches above the net wire. Total height of the fence shall be at least 42 inches.
- C) Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.

- D) Standard steel, wood or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16 ft.
- E) All wire shall be stretched by using a stretching device before it is attached to the corner posts.

9. Plans for restoration of the surface

Prior to construction of the location, the top 6 inches of soil material will be stripped off the location and the pit area. The topsoil removed and piled will amount to approximately **350** cubic yards of material. Topsoil will be stockpiled in one distinct pile. Placement of the topsoil is noted on the attached location plat. The topsoil pile from the location will be seeded as soon as the soil is stock piled with the seed mix listed. When all drilling and completion activities have been completed and the pit back-filled the topsoil from the pit area will be spread on the pit area. The pit area will be seeded when the soil has been spread. The unused portion of the location (the area outside the dead men) will be re-contoured.

The dirt contractor will be provided with an approved copy of the surface use plan prior to construction activities.

Changes to the drainage during the construction activities shall be restored to its original line of flow or as near as possible when the pit is back-filled

All disturbed areas will be re-contoured to the approximate natural contours. Prior to back filling the pit the fences around the reserve pit will be removed.

The reserve pit will be reclaimed within 90 days of well completion. If the reserve pit has not dried sufficiently to allow back filling, an extension on the time requirement for back filling the pit will be requested. Once reclamation activities have begun, they shall be completed within 30 days.

After the reserve pit has been reclaimed, no depressions in the soil covering the reserve pit will be allowed. The objective is to keep seasonal rainfall and run off from seeping into the soil used to cover the reserve pit. Diversion ditches and water bars will be used to divert the run off as needed.

When restoration activities have been completed, the location site and new access road cuts and shoulders shall be reseeded. Prior to reseeding, all disturbed areas will be scarified and left with a rough surface.

A) Seeding dates:

Seed will be spread when topsoil is stock piled and when reclamation work is performed.

The seed mix and quantity list will be used whether the seed is broadcast or drilled.

B) Seed Mix

To be determined by the Authorized Officer.

10. Surface ownership:

Access road Location	State State
---------------------------------	------------------------

11. Other information:

A) Vegetation

The vegetation coverage is Slight. The majority of the existing vegetation consists of non-native species. Rabbit brush, bitter brush. Indian Rice grass, Cedar Trees and Sagebrush are also found on the location.

B) Dwellings:

There are no dwellings or other facilities within a one-mile radius of the location.

C) Archeology:

The location has been surveyed. A copy of that survey will be forwarded to your office.

If, during operations, any archaeological or historical sites, or any objects of antiquity (subject to the antiquities act of June 8, 1906) are discovered, all operations, which would affect such sites, will be suspended and the discovery reported

promptly to the surface management agency.

D) Water:

The nearest water is Steinaker Reservoir located 3 miles to the West.

E) Chemicals:

No pesticides, herbicides or other possible hazardous chemicals will be used without prior application.

F) Notification:

- a) Location construction:
At least forty eight (48) hours prior to construction of location and access roads.
- b) Location completion:
Prior to moving on the wireline rig.
- c) Spudde notice:
At least twenty-four (24) hours prior to spudding the well.
- d) Casing string and cementing:
Not applicable.
- e) BOP and related equipment tests:
Not applicable.
- f) First production notice:
Not applicable.

G) Flare pit:

None.

12. Lessees or Operator's representative and certification

A) Representative

William A. Ryan
Rocky Mountain Consulting
290 S 800 E
Vernal, UT 84078

Office 435-789-0968
Fax 435-789-0970
Cellular 435-828-0968

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, onshore oil and gas orders, and any applicable notices to lessees. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

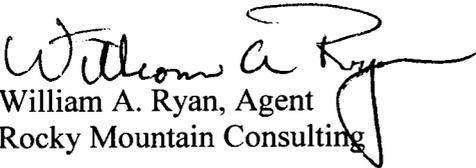
This drilling permit will be valid for a period of one year from the date of approval. After permit termination, a new application will be filed for approval for any future operations.

B) Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill-site and access route that I am familiar with the conditions which presently exist, that the statements made in this plan are, to the best of my knowledge and belief, true and correct, and that the work associated with the operation proposed herein will be

performed by Parallel
Petroleum Corp. and its
contractors and subcontractors
in conformity with this plan
and the terms and conditions
under which it is approved.

Date: June 14, 2006


William A. Ryan, Agent
Rocky Mountain Consulting

Onsite Dates:

Landowner Contact
Information is as follows:

PARALLEL PETROLEUM CORP.

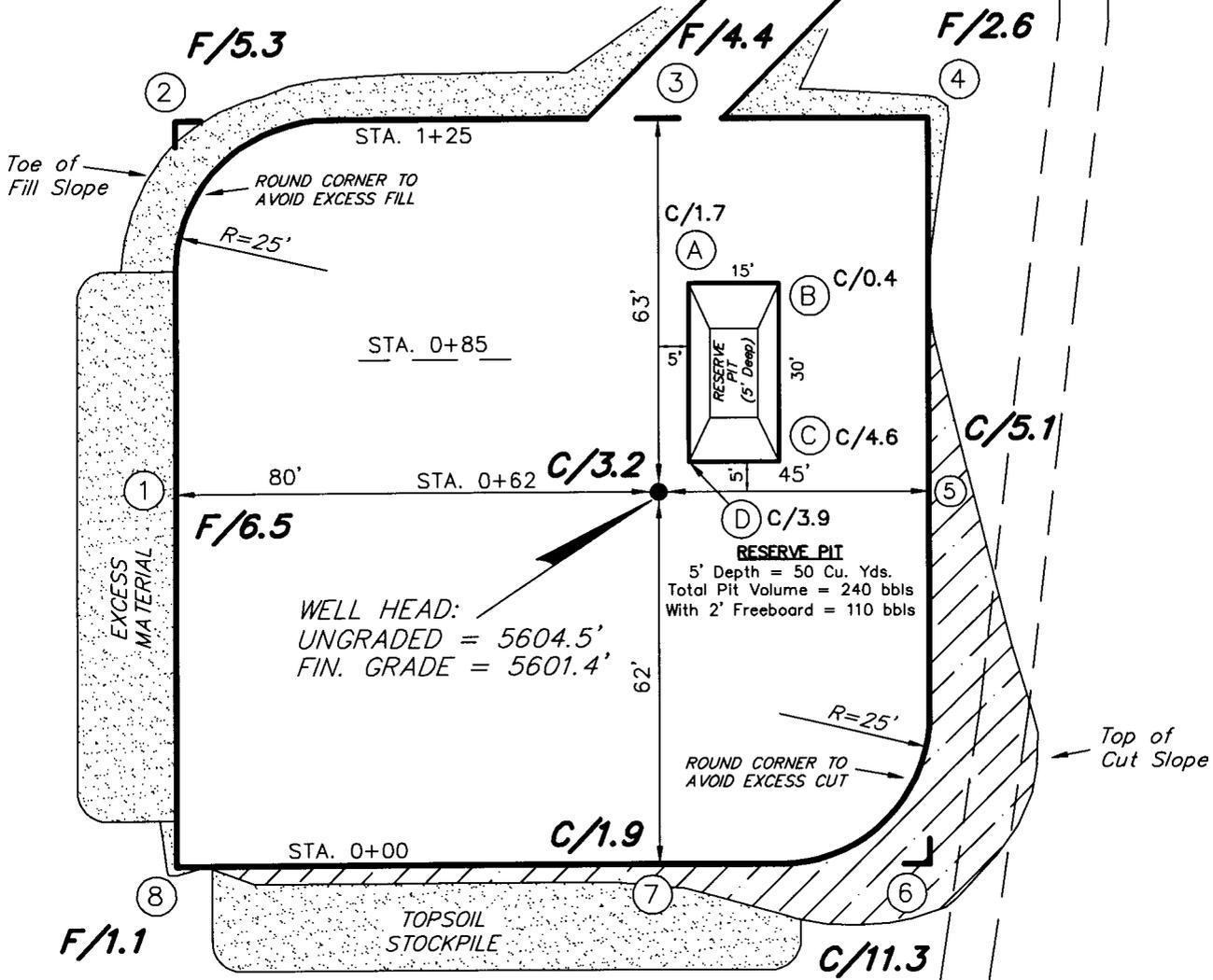
BUCKSKIN HILLS 13-32-3-22

Section 32, T3S, R22E, S.L.B.&M.



PROPOSED ACCESS ROAD

Existing 2 Track Road



REFERENCE POINTS

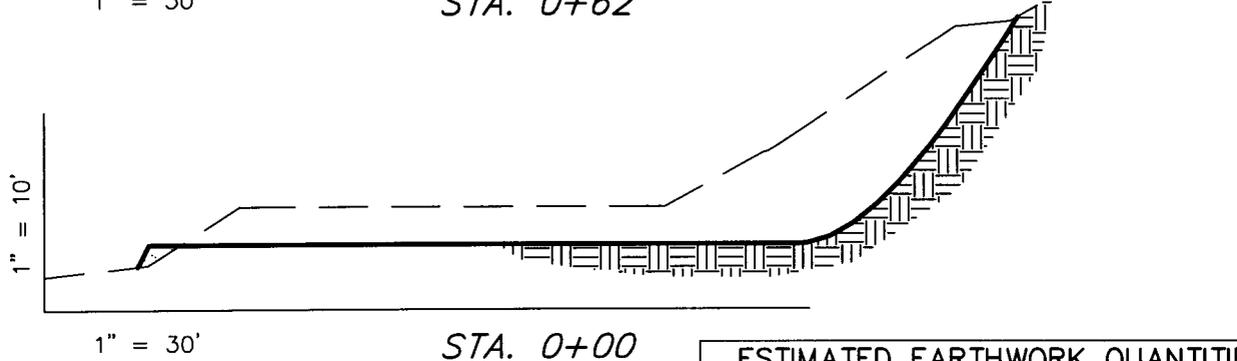
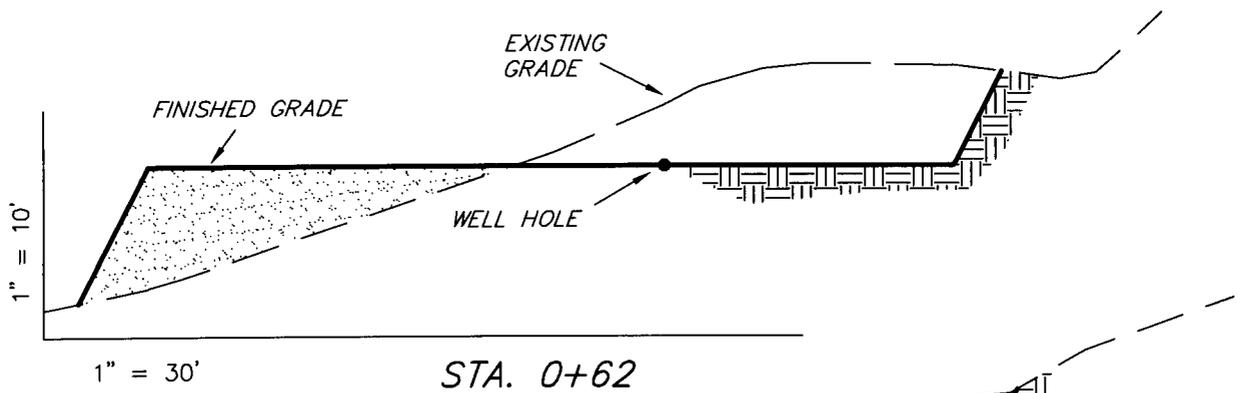
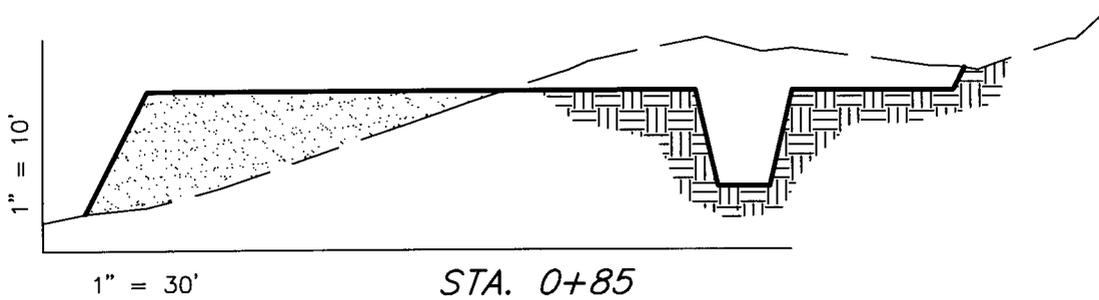
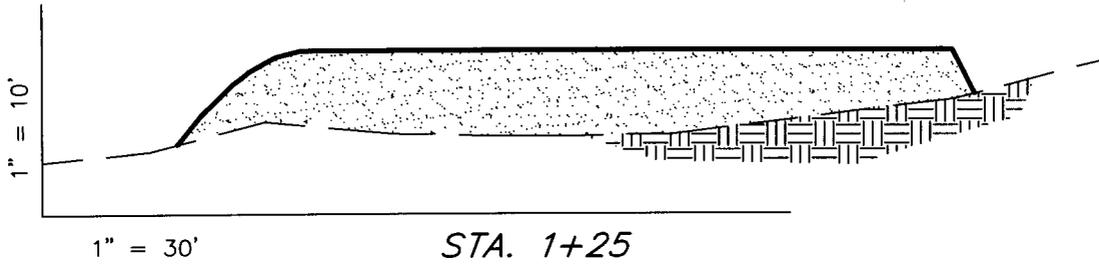
- 130' EAST = 5591.4'
- 180' EAST = 5589.6'
- 112.5' NORTH = 5609.9'
- 162.5' NORTH = 5618.7'

SURVEYED BY: K.S.	SCALE: 1" = 30'	Tri State Land Surveying, Inc. 180 NORTH VERNAL AVE. VERNAL, UTAH 84078	(435) 781-2501
DRAWN BY: F.T.M.	DATE: 01-05-06		

PARALLEL PETROLEUM CORP.

CROSS SECTIONS

BUCKSKIN HILLS 13-32-3-22



NOTE:
UNLESS OTHERWISE NOTED
ALL CUT/FILL SLOPES ARE
AT 1.5:1

ESTIMATED EARTHWORK QUANTITIES (No Shrink or swell adjustments have been used) (Expressed in Cubic Yards)				
ITEM	CUT	FILL	6" TOPSOIL	EXCESS
PAD	1,000	1,000	Topsoil is not included in Pad Cut	0
PIT	50	0		50
TOTALS	1,050	1,000	350	50

SURVEYED BY: K.S.

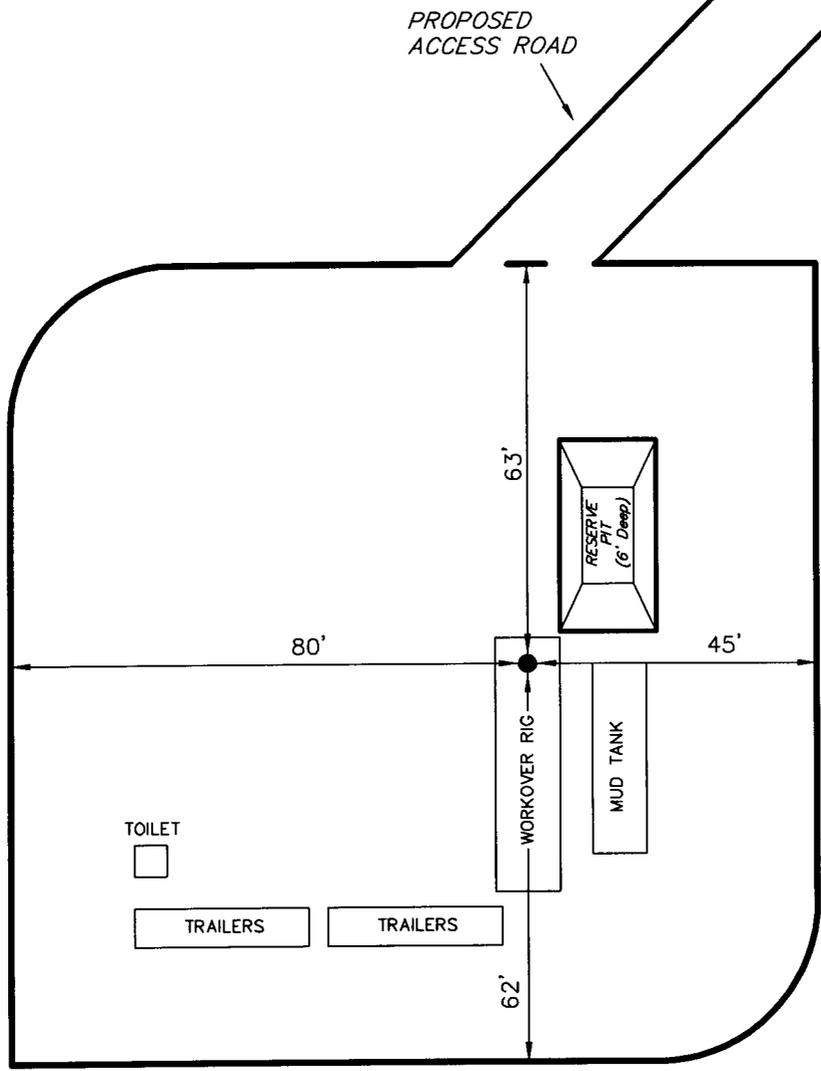
SCALE: 1" = 30'

DRAWN BY: F.T.M.

DATE: 01-05-06

Tri State
Land Surveying, Inc.
180 NORTH VERNAL AVE. VERNAL, UTAH 84078
(435) 781-2501

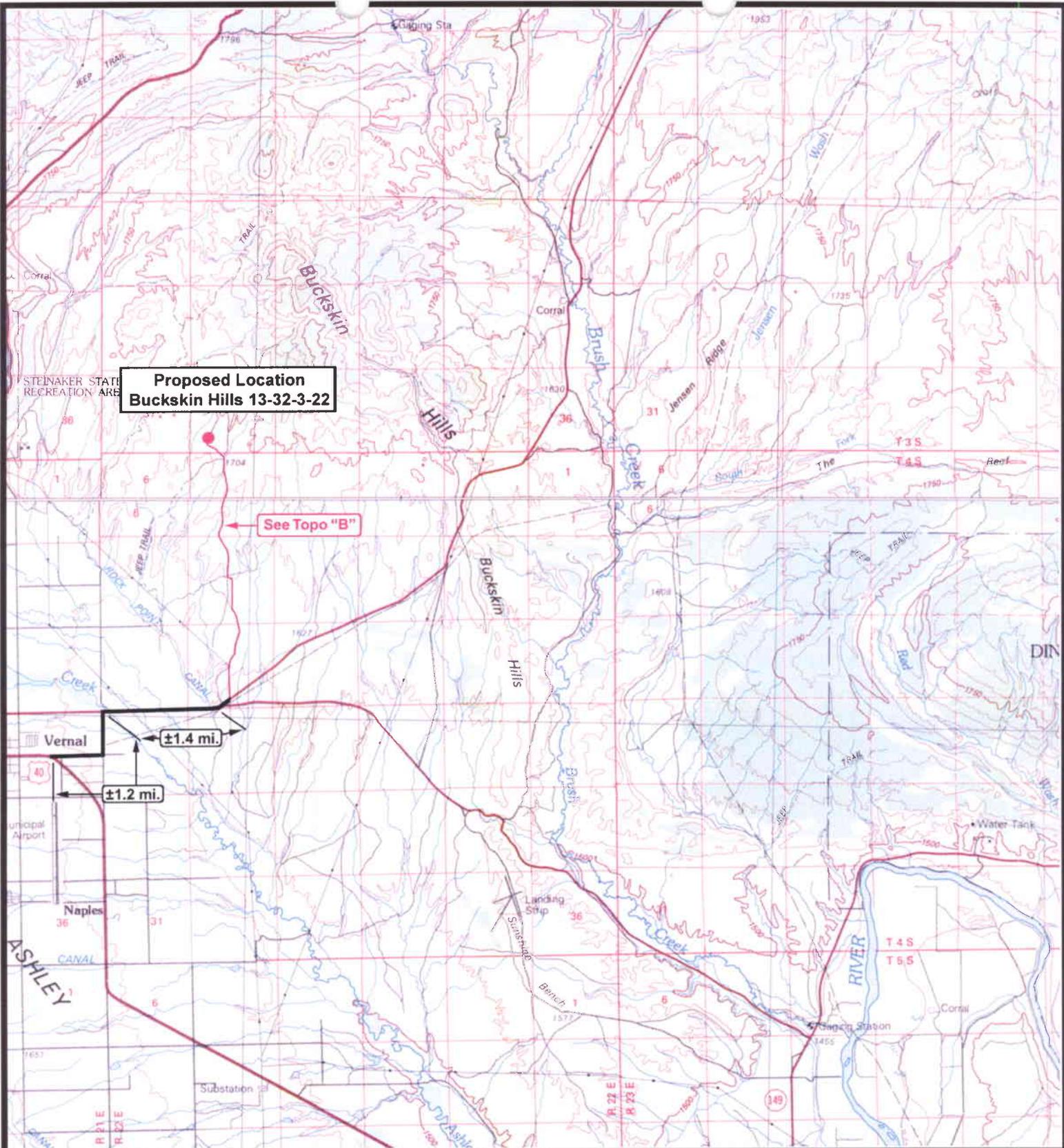
PARALLEL PETROLEUM CORP.
 TYPICAL RIG LAYOUT
 BUCKSKIN HILLS 13-32-3-22



Existing 2 Track Road

SURVEYED BY: K.S.	SCALE: 1" = 30'
DRAWN BY: F.T.M.	DATE: 01-05-06

Tri State (435) 781-2501
 Land Surveying, Inc.
 180 NORTH VERNAL AVE. VERNAL, UTAH 84078



**Proposed Location
Buckskin Hills 13-32-3-22**

See Topo "B"

±1.4 mi.

±1.2 mi.

PARALLEL PETROLEUM CORP.

**Buckskin Hills 13-32-3-22
SEC. 32, T3S, R22E, S.L.B.&M.**

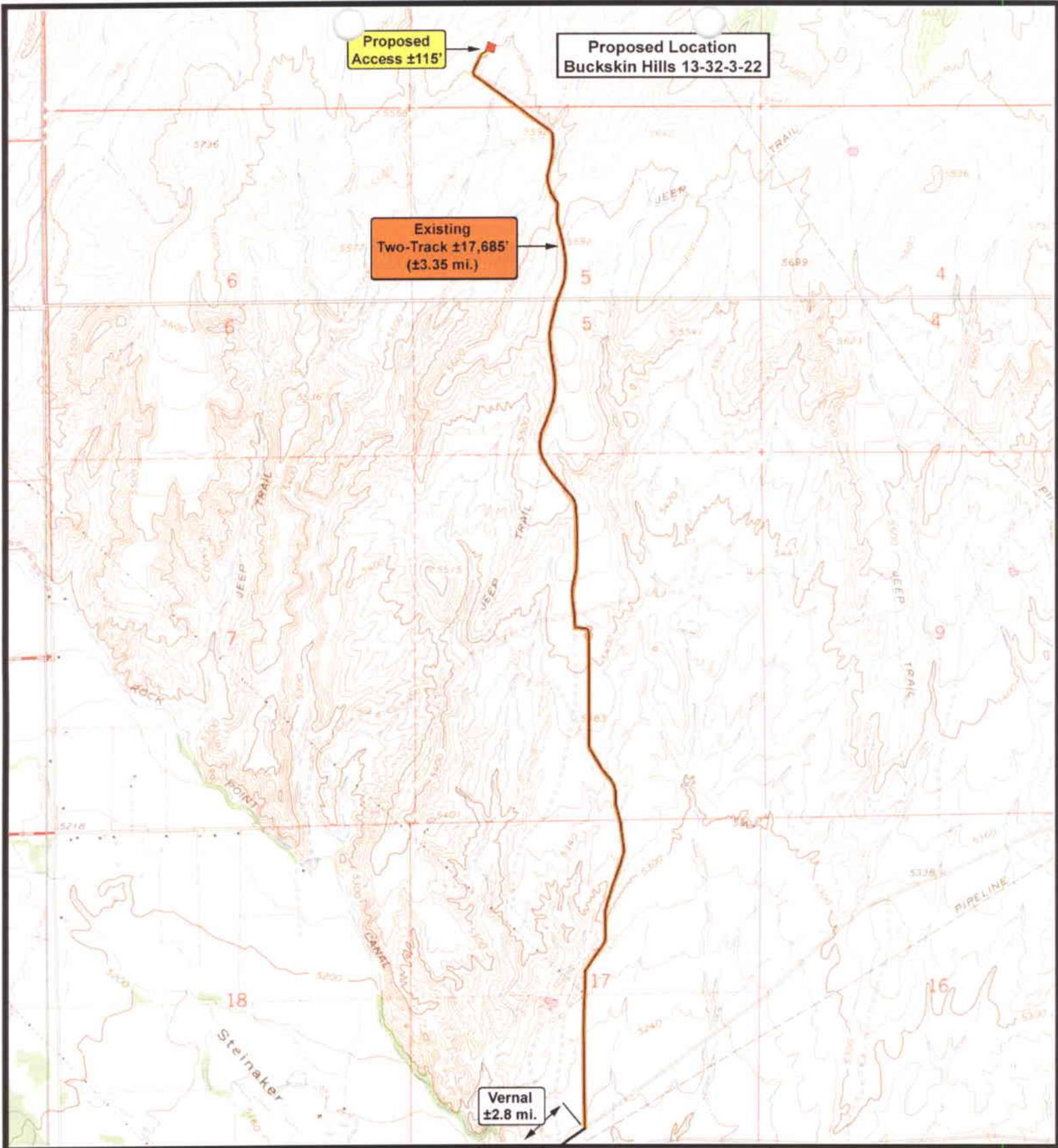


**Tri-State
Land Surveying Inc.**
(435) 781-2501
180 North Vernal Ave. Vernal, Utah 84078

SCALE: 1 : 100,000
DRAWN BY: bgm
DATE: 01-16-2006

Legend
Existing Road
Proposed Access

**TOPOGRAPHIC MAP
"A"**



PARALLEL PETROLEUM CORP.

**Buckskin Hills 13-32-3-22
SEC. 32, T3S, R22E, S.L.B.&M.**

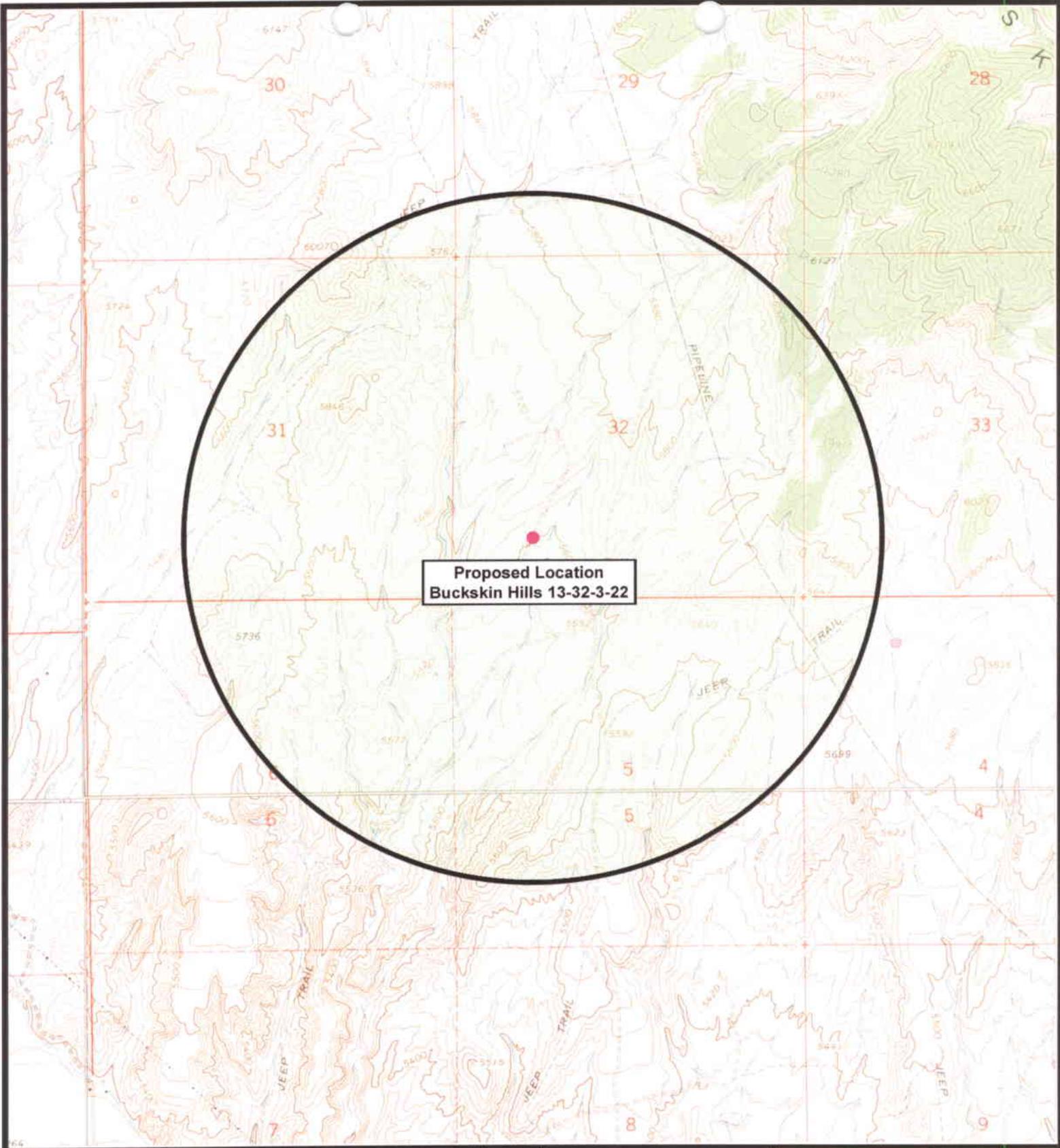


*Tri-State
Land Surveying Inc.*
(435) 781-2501
180 North Vernal Ave. Vernal, Utah 84078

SCALE: 1" = 2,000'
DRAWN BY: bgm
DATE: 01-17-2006

Legend	
	Existing Road
	Proposed Access
	Existing Two-Track

TOPOGRAPHIC MAP
"B"



**Proposed Location
Buckskin Hills 13-32-3-22**

PARALLEL PETROLEUM CORP.

**Buckskin Hills 13-32-3-22
SEC. 32, T3S, R22E, S.L.B.&M.**



*Tri-State
Land Surveying Inc.*
(435) 781-2501
180 North Vernal Ave. Vernal, Utah 84078

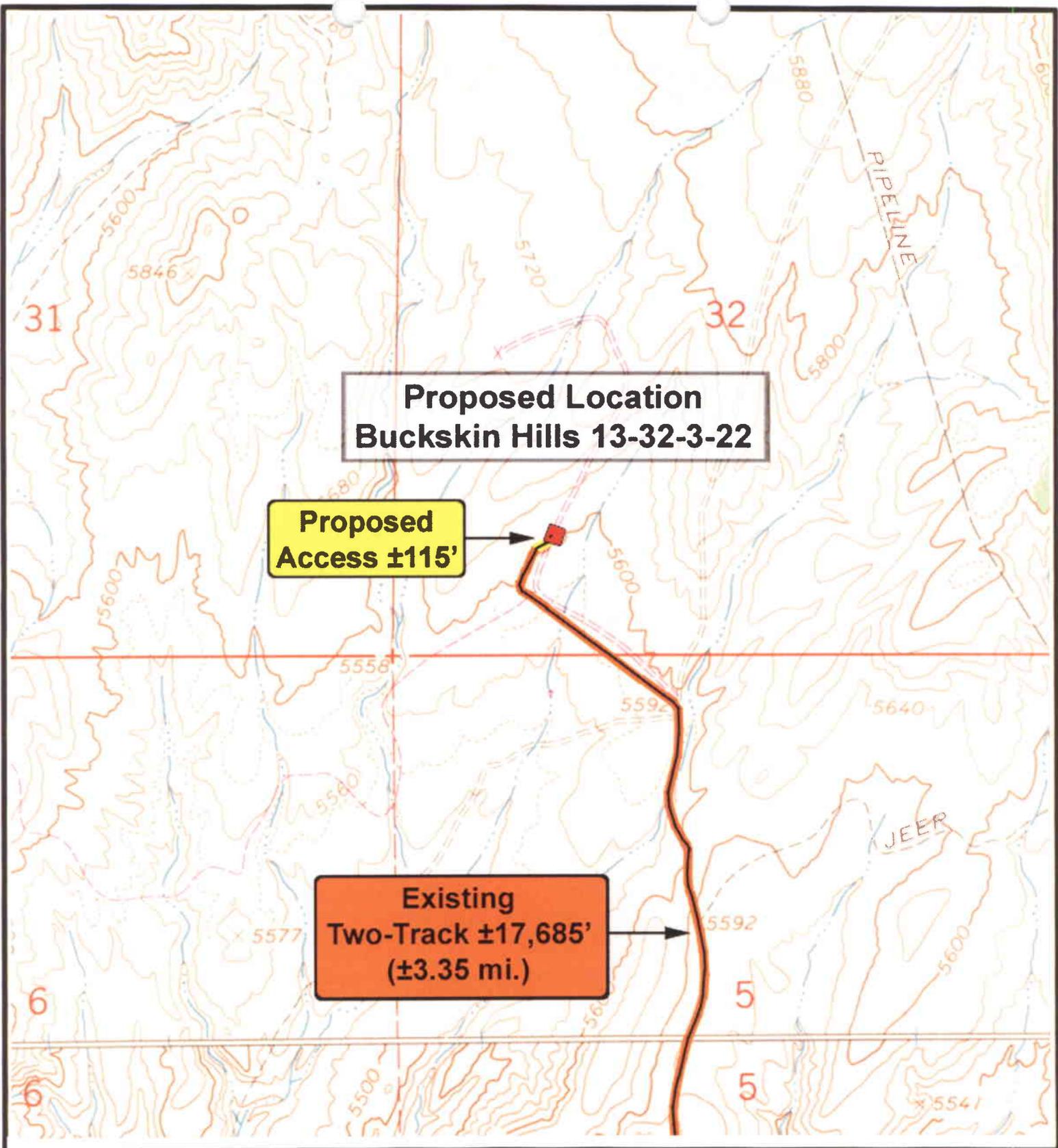
SCALE: 1" = 2,000'
DRAWN BY: bgm
DATE: 01-17-2006

Legend

- Location
- One-Mile Radius

TOPOGRAPHIC MAP

"C"



**Proposed Location
Buckskin Hills 13-32-3-22**

**Proposed
Access ±115'**

**Existing
Two-Track ±17,685'
(±3.35 mi.)**

PARALLEL PETROLEUM CORP.

**Buckskin Hills 13-32-3-22
SEC. 32, T3S, R22E, S.L.B.&M.**



*Tri-State
Land Surveying Inc.*
(435) 781-2501
180 North Vernal Ave. Vernal, Utah 84078

SCALE: 1" = 1,000'
DRAWN BY: bgm
DATE: 04-05-2006

Legend	
	Existing Road
	Proposed Access
	Existing Two-Track

Exhibit "A"

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

ROUTING
1. DJJ
2. CDW

Change of Operator (Well Sold)

X - Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:

1/1/2010

FROM: (Old Operator): N2720-Parallel Petroleum, Corporation 1004 Big Springs St, Suite 400 Midland, TX 79701 Phone: 1 (432) 685-6568	TO: (New Operator): N3625-Parallel Petroleum, LLC 1004 Big Springs St, Suite 400 Midland, TX 79701 Phone: 1 (432) 682-6568
---	---

CA No.

Unit:

WELL NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
SUNSHINE BENCH #1	34	040S	220E	4304736732		Fee	OW	LA
TRAIL CREEK ANTICLINE 1-2-6-25	02	060S	250E	4304738324		State	TW	APD
BUCKSKIN HILLS 13-32-3-22	32	030S	220E	4304738325		State	TW	RET
TULLY ST 15-13-5-22	13	050S	220E	4304739310		State	GW	APD C
FEDERAL PIPELINE 13-17-4-23	17	040S	230E	4304739910		Federal	GW	APD C

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 1/26/2010
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 1/26/2010
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 2/4/2010
- Is the new operator registered in the State of Utah: Business Number: 5956493-0161
- (R649-9-2) Waste Management Plan has been received on: IN PLACE
- Inspections of LA PA state/fee well sites complete on: ok DJJ
- Reports current for Production/Disposition & Sundries on: ok
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM not yet BIA n/a
- Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: n/a
- Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
- Underground Injection Control ("UIC")** The Division has approved UIC-Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: n/a

DATA ENTRY:

- Changes entered in the **Oil and Gas Database** on: 1/28/2010
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 1/28/2010
- Bond information entered in RBDMS on: 1/28/2010
- Fee/State wells attached to bond in RBDMS on: 1/28/2010
- Injection Projects to new operator in RBDMS on: n/a
- Receipt of Acceptance of Drilling Procedures for APD/New on: n/a

BOND VERIFICATION:

- Federal well(s) covered by Bond Number: 61648852
- Indian well(s) covered by Bond Number:
- (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number 61645284
- The **FORMER** operator has requested a release of liability from their bond on: n/a

LEASE INTEREST OWNER NOTIFICATION:

- (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: n/a

COMMENTS: Parallel Petroleum changed their business from a Corporation to an LLC. Since their bond remains the same, state and fee wells with LA needed to go to the new operator number.

Parallel Petroleum, LLC

P.O. Box 10587 • Midland, TX 79702 • 432-684-3727 •

January 1, 2010

Field Manager
Vernal Field Office Manager
Bureau of Land Management
170 S. 500 E
Vernal, UT 84078

Re: Oil & Gas Operations
Parallel Petroleum LLC
State of Utah

Dear Sirs:

Parallel Petroleum LLC is hereby authorizing Ginger Bowden of Paradigm Consulting, Inc. to act on behalf of Parallel Petroleum LLC in all aspects of the permit process for potential new wells proposed on Federal and State oil and gas leases as required under Onshore Oil and Gas Order Number One.

This authority would include preparing and submitting applications to drill wells, preparing and submitting applications for road and pipeline right-of-ways and submitting various sundry notices. In addition, she is an authorized Parallel Petroleum LLC agent in all discussions with local, State or Federal regulatory agencies regarding proposed drill sites, routing of roads or pipeline and other matters pertaining to our planned operations in Utah.

If you have questions regarding this designation of an agent on our behalf, please call 432-685-6577.

Sincerely,



Donald E. Tiffin
Chief Operations Officer
Parallel Petroleum

RECEIVED

JAN 26 2010

DIV. OF OIL, GAS & MINING