



PARALLEL

Petroleum Corporation

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

November 6, 2006

Sent via CMRRR# 7006 0100 0001 2440 1860

Sacramento Partners Limited Partnership
105 South 4th Street
Artesia, NM 88210

Re: Personally 1525-33 No. 1
T-15-S, R-25-E
Section 33: N/2
Chaves County, New Mexico

DIVISION CASE # 13864
EXHIBIT # 11
Submitted By: Parallel Petroleum
2/15/07

To Whom It May Concern:

Parallel Petroleum Corporation proposes the drilling of the above-captioned well to horizontally test the Wolfcamp formation in the N/2 of Section 33, Township 15 South, Range 25 East, N.M.P.M. in Chaves County, New Mexico. The well will be commenced at an off lease location in the NE/4 NE/4 of Section 32, Township 15 South, Range 25 East, N.M.P.M. and will be drilled to an approximate vertical depth of 4,750'. The well will then be drilled horizontally to encounter the Wolfcamp objective at a legal location in the NW/4 NW/4 of Section 33 and to a projected orthodox terminus in the NE/4 NE/4 of Section 33.


This well will share a drilling pad with a well operated by Parallel Petroleum in the NE/4 NE/4 of Section 32, Township 15 South, Range 25 East, N.M.P.M. The cost of facilities used by both wells will be allocated equally.

Based on an examination of the mineral ownership records located in Chaves County, New Mexico, it appears that your interest in the proposed well would be 0.018965445%.

Enclosed please find an Authority for Expenditure estimating the cost of the proposed well. The total cost for the proposed well is estimated to be \$2,601,300.00. Please mark the appropriate space provided below indicating whether or not you intend to join in the drilling of the well. Should you elect to join in the drilling of the well you will be liable for your proportionate share of the actual cost of drilling which is estimated to be \$49,334.81. If you elect to join, please return a signed copy of the Authority

for Expenditure. Additionally, if you elect to join, please furnish us with your well information requirements.

Yours truly,



Michael M. Gray
Land Manager, New Mexico

SACRAMENTO PARTNERS LIMITED PARTNERSHIP

_____ I/We elect to participate in the proposed Personally 1525-33 No. 1 well and enclose an executed Authority for Expenditure.

_____ I/We elect not to participate in the proposed well.

SACRAMENTO PARTNERS LIMITED PARTNERSHIP

By: _____
Name

Title: _____

Date: _____

SACRAMENTO PARTNERS LIMITED PARTNERSHIP

_____ I/We elect to participate in the proposed Personally 1525-33 No. 1 well and enclose an executed Authority for Expenditure.

_____ I/We elect not to participate in the proposed well.

SACRAMENTO PARTNERS LIMITED PARTNERSHIP

By: _____
Name

Title: _____

Date: _____

2440 1860

TO THE RIGHT
DOTTED LINE

U.S. Postal ServiceTM
CERTIFIED MAILTM RECEIPT
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Sent To SACRAMENTO PARTNERS LTD. P'SHIP
Street, Apt. No.,
or PO Box No. 105 S. 4th St.
City, State, ZIP+4 ARTESIA, NM 88210

PS Form 3800, June 2002

See Reverse for Instructions

IS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

SACRAMENTO PARTNERS
LIMITED PARTNERSHIP
105 S. 4th St.
ARTESIA, NM 88210

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

SACRAMENTO PARTNERS
LIMITED PARTNERSHIP
105 S. 4th St.
ARTESIA, NM 88210

Article Number

(Transfer from service label)

3 Form 3811, February 2004

7006 0100 0001 2440 1860

Domestic Return Receipt

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Total Postage & Fees	\$

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Sent To SACRAMENTO PARTNERS LTD. P'SHIP
Street, Apt. No.,
or PO Box No. 105 S. 4th St.
City, State, ZIP+4 ARTESIA, NM 88210

PS Form 3800, June 2002

See Reverse for Instructions

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A. Signature

X

☐ Agent

☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes

If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail

☐ Express Mail

☐ Registered

☐ Return Receipt for Merchandise

☐ Insured Mail

☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X Melissa Stewart

☐ Agent

☐ Addressee

B. Received by (Printed Name)

MELISSA STEWART

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes

If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail

☐ Express Mail

☐ Registered

☐ Return Receipt for Merchandise

☐ Insured Mail

☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

102595-02-M-1540