

PARALLEL
Petroleum Corporation

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

January 8, 2007

Sent via CMRRR# 7006 0100 0001 2440 2522

Sharbro Oil Ltd.
Attn: Chuck Moran
105 S. Fourth 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 # 22
Submitted By: Parallel Petroleum
2/15/07

Mr. Moran,

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 a .0072691 decimal interest.

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

\$18,909.10. 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.

Also enclosed with this letter please find a copy of our pro forma operating agreement for the drilling of this well. A completed "Exhibit A" and signature pages will be provided to all participating parties upon the completion of our compulsory pooling hearing.

If you have any questions or need anything further, please feel free to contact me at the above listed telephone number. Thank you.

Yours truly,

A handwritten signature in black ink, appearing to read "Aaron L. Myers", with a long horizontal flourish extending to the right.

Aaron L. Myers
Consulting Landman

Sharbro Oil, Ltd.

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.

Sharbro Oil, Ltd.

By: _____
Name

Title: _____

Date: _____

Sharbro Oil, Ltd.

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.

Sharbro Oil, Ltd.

By: _____
Name

Title: _____

Date: _____

PLACE STICKER IN TOP RIGHT CORNER OF THE RETURN ADDRESS FIELD AT THE LINE

CERTIFIED MAIL

2522 0442 2440 2522
7006 0100 0001 2440 2522

U.S. Postal Service™
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OFFICIAL USE

Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

Sent To SHARPO OIL LTD.
 Street, Apt. No. or PO Box No. 105 S. 4th
 City, State, ZIP+4 ARTESIA NM 88210

PS Form 3800, June 2002 See Reverse for Instructions

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:
SHARPO OIL LTD.
CHUCK MORAN

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent Addressee
 X

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below:

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:
SHARPO OIL LTD.
ATTN: CHUCK MORAN
105 S. 4th St.
ARTESIA NM 88210

COMPLETE THIS SECTION ON DELIVERY

3. Service Type Certified Mail Express Mail Return Receipt for Merchandise C.O.D. Yes

A. Signature Agent Addressee
 X Kathy Donaghy

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below:

2. Article Number (Transfer from service label)

PS Form 3811, February 2004

PS Form 3800 June 2002

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Domestic Return Receipt PERSONALLY

102595-02-M-1540