



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201

In Reply
Refer To:
NMN118068X
3180 NM (513)

APR 11 2007

CMW Interests Inc.
Attn: Mark Wheeler
24 Smith Road, Suite 405
Midland, Texas 79705

Gentlemen:

Your application of April 5, 2007, filed with the BLM requests the designation of the proposed Paris Draw State Exploratory Unit area, embracing 6,833.48 acres more or less, located in T. 16 S., Rgs. 23 and 24 E., NMPM, Eddy County, New Mexico, as logically subject to exploration and development under the unitization provisions of the Mineral Leasing Act as amended.

Pursuant to unit plan regulations 43 CFR 3180, the land requested as outlined on your plat marked Exhibit A, Parallel Petroleum Corporation, Paris Draw State Unit Area, Eddy County, New Mexico is hereby designated as a logical unit area and has been assigned No. NMNM-118068X. This designation is valid for a period of one year from the date of this letter.

The unit agreement submitted for the area designated should provide for a well to test the Wolfcamp formation or to a depth of 4400 feet whichever is the lesser. Your proposed use of the Form of Agreement for Unproved Areas will be accepted as this is a State unit.

If conditions are such that modification of said standard form is deemed necessary, three copies of the proposed modifications with appropriate justification must be submitted to this office for preliminary approval.

In the absence of any type of land requiring special provisions or any objections not now apparent, a duly executed agreement identical with said form, modified as outlined above, will be approved if submitted in approvable status within a reasonable period of time. However, notice is hereby given that the right is reserved to deny approval of any executed agreement submitted which in our opinion, does not have the full commitment of sufficient lands to afford

ATTACHMENT
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effective control of operations in the unit area.

When the executed agreement is transmitted to the BLM for approval, include the latest status of all acreage on Exhibits "A" and "B".

Inasmuch as this unit agreement involves mostly State land, we are sending a copy of the letter to the Commissioner of Public Lands. Please contact the State of New Mexico before soliciting joinders regardless of prior contacts or clearance from the state.

Sincerely,

/s/ Larry D. Bray

Larry D Bray
Assistant Field Manager,
Lands and Minerals

cc:
MMS
Commissioner of Public Lands, Santa Fe
NM (513, Unit designation File, A. Swoboda)
NM (522)
NM (521)