



PARALLEL
Petroleum Corporation

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DENNIS J. HOPKINS, CPL
Direct (432) 687-8663

November 18, 2008

New Mexico Oil Conservation Division
1220 S. St. Francis Dr.
Santa Fe, New Mexico 87505

Attention: Mr. Mark E. Fesmire

Re: Paris Draw Exploratory Unit
Operations Summary for 2008 and
Plan of Development for 2009

Gentlemen:

Pursuant to the terms of the Unit Agreement covering the Paris Draw Exploratory Unit, enclosed is the Plan of Development for the Unit for calendar year 2009 and an Operations Summary for 2008.

If there are any questions, please contact our office at your convenience.

Yours truly,



Dennis J. Hopkins, CPL
Land Manager

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PARIS DRAW EXPLORATORY UNIT
PLAN OF DEVELOPMENT
CALENDAR YEAR 2009

Parallel Petroleum Corporation ("Parallel"), as Operator of the Paris Draw Exploratory Unit, presents this summary of 2008 operations and Plan of Development for the year commencing January 1, 2009 through December 31, 2009.

Parallel drilled and completed the Paris Draw State Unit No. 1 (formerly known as the Paris Draw State Unit 1624-21 No. 1) well in 2007 as a horizontal gas well in the Wolfcamp Formation. The surface location for the well is in the SE/4SE/4 of Section 20-16S-24E, NMPM, Chaves County, New Mexico, with the production unit for the well comprising the S/2 of Section 21-16S-24E, NMPM. The well was determined to be a commercial well by the Commissioner of Public Lands by letter dated November 27, 2007.

On March 30, 2008, Parallel commenced drilling the Paris Draw State Com 1624-21 No. 7 well. The well was completed and first sales commenced on May 20, 2008. The surface location for this well is located in Section 20-16S-24E, NMPM, Chaves County, New Mexico, with the well having its terminus in the NE/4NE/4 of Section 21-16S-24E, NMPM as a horizontal Wolfcamp well. The production unit for the well comprises the N/2 of Section 21-16S-24E, NMPM. This was the second unit well.

On April 16, 2008, Parallel commenced drilling the Paris Draw State Unit No. 8 well (formerly known as the Paris Draw State Unit 1624-20 No. 8). The well was both completed and first sales commenced on June 1, 2008. The surface location for this well is located in Section 20-16S-24E, NMPM, with the well having its terminus in the NW/4NW/4 of said Section 20 as a horizontal Wolfcamp well. The production unit for the well comprises the N/2 of said Section 20. This was the third unit well.

Parallel continues to monitor the performance of the three (3) existing completions and geological evaluation of any additional wells for a 2009 program. At present, 2009 development is dependent upon product pricing, lower drilling costs, equipment availability and the associated infrastructure resulting from ongoing development.