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PATRICK H. LYONS  
COMMISSIONER

*State of New Mexico*  
*Commissioner of Public Lands*

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COMMISSIONER'S OFFICE

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March 1, 2007

Parallel Petroleum Corporation  
1004 N. Big Spring, Suite 400  
Midland, TX, 79701

Attn: Mr. Michael M. Gray

Re: Final Approval  
Hope State Exploratory Unit  
Eddy County, New Mexico

Dear Mr. Gray:

Thank you for your letter of February 27, 2007 requesting final approval of the Hope State Exploratory Unit Agreement, Eddy County, New Mexico.

It is our understanding that all tracts are committed to the unit agreement at this time.

The Commissioner of Public Lands has this date granted final approval to the Hope State Exploratory Unit Agreement effective March 1, 2007.

Enclosed are five (5) Certificates of Approval.

Please submit a \$90.00 filing fee.

Please notify this office when drilling operations are commenced.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS  
COMMISSIONER OF PUBLIC LANDS

BY:

JAMI BAILEY  
Oil, Gas & Minerals Division  
PL/JB/pm

pc: Reader File,  
OCD-Santa Fe, Attn: Mr. David Catanach  
TRD-Attn: Mr. Valdean Severson

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**-State Land Office Beneficiaries -**

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