

PARALLEL PETROLEUM CORP  
Form 4  
October 26, 2009

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
POAGE RAY M

2. Issuer Name and Ticker or Trading Symbol  
PARALLEL PETROLEUM CORP  
[PLLL]

5. Relationship of Reporting Person(s) to Issuer  
  
(Check all applicable)

(Last) (First) (Middle)  
1004 N. BIG SPRING, SUITE 400  
  
(Street)

3. Date of Earliest Transaction  
(Month/Day/Year)  
10/22/2009

Director  10% Owner  
 Officer (give title below)  Other (specify below)

MIDLAND, TX 79701

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock, \$.01 par value	10/22/2009		D		20,068	D	\$ 3.15
					0	I	
Common Stock, \$.01 par value	10/22/2009		D		25,781	D	\$ 3.15
					0	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Security (Instr. 3 and 4)	8. An or Nu of	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	
Non-Employee Director Stock Option (right to buy)	\$ 2.61	10/22/2009		D	50,000	04/28/2004	04/28/2013	Common Stock	50
Non-Employee Director Stock Option (right to buy)	\$ 12.27	10/22/2009		D	50,000	08/23/2006	08/23/2015	Common Stock	50
Non-Employee Director Stock Option (right to buy)	\$ 22.89	10/22/2009		D	17,500	03/27/2008	03/27/2017	Common Stock	17,500

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
POAGE RAY M 1004 N. BIG SPRING, SUITE 400 MIDLAND, TX 79701	X			

## Signatures

/s/ Ray M. Poage 10/23/2009

\*\*Signature of Reporting Person Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

In connection with the transactions contemplated by an Agreement and Plan of Merger, dated as of September 15, 2009, by and among Parallel Petroleum Corporation, PLLL Acquisition Co. and PLLL Holdings, LLC, as amended by Amendment No. 1 to Agreement and Plan of Merger, dated as of October 13, 2009 (the "Merger"), this option was canceled in exchange for a cash payment of \$27,000, representing the difference between the exercise price of the option and the offer price of \$3.15, multiplied by the aggregate number of shares into which the option was exercisable.

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(2) In accordance with the terms of the Merger, these options were canceled in exchange for a lump sum cash payment equal to \$10.00.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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