

PARALLEL PETROLEUM CORP
Form 4
May 15, 2007

FORM 4

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

OMB APPROVAL

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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 *
CAMBRIDGE THOMAS R

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)
2201 CIVIC CIRCLE, SUITE 216
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
05/11/2007

Director 10% Owner
 Officer (give title below) Other (specify below)
Chairman of the Board

AMARILLO, TX 79109

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 Indirect Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock, \$.01 par value					726,545	I	See Footnote (1)
Common Stock, \$.01 par value	05/11/2007		M		100,000	A	\$ 4.09
					100,000	D	

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

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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 Underlying Security (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title
Non-Employee Director Stock Option (right to buy)	\$ 4.09	05/11/2007		M	100,000	05/17/1998 05/17/2007	Common Stock
Non-Employee Director Stock Option (right to buy)	\$ 3.6					08/04/1999 08/04/2008	Common Stock
Non-Employee Director Stock Option (right to buy)	\$ 1.82					10/28/2000 10/28/2009	Common Stock
Non-Employee Director Stock Option (right to buy)	\$ 4.97					12/21/2001 06/20/2011	Common Stock

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
CAMBRIDGE THOMAS R 2201 CIVIC CIRCLE SUITE 216 AMARILLO, TX 79109	X			Chairman of the Board

Signatures

/s/ Thomas R.
Cambridge
05/14/2007
Date

**Signature of Reporting Person

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).
- (1) Such shares are held directly by Cambridge Collateral Services, Ltd., a Texas limited partnership of which Mr. Cambridge and his wife are the general partners.

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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