

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
May 27, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

RECEIVED

NOV 19 2004

Submit to appropriate District Office

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

| | | |
|---|---|---|
| ¹ Operator Name and Address Edge Petroleum Operating Company, Inc. 1301 Travis, Suite 2000 Houston, Texas 77002 | | ² OGRID Number 224400 |
| | | ³ API Number 30 - 015-33739 |
| ⁴ Property Code | ⁵ Property Name Red Lake 28 N State | ⁶ Well No. 1 |
| ⁹ Proposed Pool 1 Empire Undesignated Abo | | ¹⁰ Proposed Pool 2 |

⁷ Surface Location

| | | | | | | | | | |
|--------------------|---------------|------------------|---------------|---------|----------------------|---------------------------|-----------------------|------------------------|----------------|
| UL or lot no. N | Section 28 | Township 17-S | Range 28-E | Lot Idn | Feet from the 330 | North/South line South | Feet from the 2000 | East/West line West | County Eddy |
|--------------------|---------------|------------------|---------------|---------|----------------------|---------------------------|-----------------------|------------------------|----------------|

⁸ Proposed Bottom Hole Location If Different From Surface

| | | | | | | | | | |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|

Additional Well Information

| | | | | |
|---|---------------------------------------|--|---|---|
| ¹¹ Work Type Code N | ¹² Well Type Code O | ¹³ Cable/Rotary R | ¹⁴ Lease Type Code S | ¹⁵ Ground Level Elevation 3680' |
| ¹⁶ Multiple N | ¹⁷ Proposed Depth 6200' | ¹⁸ Formation Abo | ¹⁹ Contractor United Drilling | ²⁰ Spud Date December 15, 2004 |
| Depth to Groundwater 190' | | Distance from nearest fresh water well Over 1000' | | Distance from nearest surface water Over 1000' |
| Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12_mils thick Clay <input type="checkbox"/> Pit Volume: bbls Drilling Method: Closed-Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input checked="" type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/> | | | | |

²¹ Proposed Casing and Cement Program

| | | | | | |
|-----------|-------------|--------------------|---------------|-----------------|---------------|
| Hole Size | Casing Size | Casing weight/foot | Setting Depth | Sacks of Cement | Estimated TOC |
| 12-1/4" | 8-5/8" | 24# | 650' | 300 | Surface |
| 7-5/8" | 5-1/2" | 15.5# | 6200' | 450 | 3450' |

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Drill, case and complete well in the Undesignated Abo formation.

BOP's include: 1) Hydrill Double Ram 10" X 3000 psi

2) Double Ram 10" X 3000 psi

3) Choke Manifold 3" X 3000 psi

4) Three Station Accumulator Closing Unit with Remote Control

Sources at Edge Petroleum Operating Company, Inc. advised me that they do not anticipate enough H2S from the surface to TD to meet the OCD's minimum requirements for the submission of a contingency plan per Rule 118, however H2S monitoring equipment will be on location from below surface casing to TD.

Mud program attached.

| | | | |
|--|-----------------------|--|--|
| ²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input checked="" type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> | | OIL CONSERVATION DIVISION | |
| Printed name: Randell K. Ford | | Approved by: TIM W. GUM | |
| Title: Consultant | | DISTRICT II SUPERVISOR | |
| E-mail Address: randell@rkford.com | | Approval Date: DEC 01 2004 Expiration Date: DEC 01 2005 | |
| Date: November 15, 2004 | Phone: (432) 682-0440 | Conditions of Approval Attached <input type="checkbox"/> | |

DISTRICT I

1625 N. FRENCH DR., HOBBES, NM 86240

DISTRICT II

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DISTRICT III

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DISTRICT IV

1220 S. ST. FRANCES DR., SANTA FE, NM 87505

State of New Mexico

Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102

Revised JUNE 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

| | | |
|---------------|--|---------------------------|
| API Number | Pool Code | Pool Name |
| Property Code | Property Name RED LAKE 28 N STATE | Well Number 1 |
| OGRID No. | Operator Name EDGE PETROLEUM OPERATING COMPANY, INC. | Elevation 3680' |

Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| N | 28 | 17-S | 28-E | | 330 | SOUTH | 2000 | WEST | EDDY |

Bottom Hole Location If Different From Surface

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|-----------------|-----------------|--------------------|-----------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |
| Dedicated Acres | Joint or Infill | Consolidation Code | Order No. | | | | | | |

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

| | | |
|--|--|---|
| | <p>GEODETIC COORDINATES NAD 27 NME</p> <p>Y=654421.4 N X=546371.5 E</p> <p>LAT.=32°47'56.41" N LONG.=104°10'56.72" W</p> | <p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p></p> <p>Signature</p> <p>Randell K. Ford</p> <p>Printed Name</p> <p>Consultant</p> <p>Title</p> <p>November 11, 2004</p> <p>Date</p> |
| | | <p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>NOVEMBER 2, 2004</p> <p>Date Surveyed</p> <p>Signature & Seal of Professional Surveyor</p> <p></p> <p>04.11.1455</p> <p>Certificate No. GARY EDSON 12641</p> |
| | | |
| | | |



Newpark Drilling Fluids, LLC



Edge Petroleum Corporation

Red Lake "28" N State No. 1

Section 28, T-17-S, R-28-E

Eddy County, New Mexico

Mud Program Summary

| <u>Depth</u> | <u>Hole Size</u> | <u>Casing Size</u> | <u>Mud Wt.</u> | <u>Viscosity</u> | <u>Fluid Loss</u> | <u>pH</u> |
|-----------------|----------------------|------------------------|--------------------|------------------|-----------------------|-----------|
| 0' – 400' | 12-1/4" | 8-5/8" | 8.6-9.0 | 34-36 | N/C | N/C |
| 400' – 5,500' | 7-7/8" | - | 9.0-9.5 | 28-38 | N/C | 9-10 |
| 5,500' – 6,200' | 7-7/8" | 5-1/2" | 9.4-9.5 | 30-38 | 10-8 | 9-10 |

Potential Problems

Surface Interval 0 – 400'

- Moderate seepage
- Poorly consolidated formations, may require higher than normal viscosity.

Open Hole Interval 400' – 5,500'

- Moderate seepage.

Production Interval 5,500' – 6,200'

- Moderate seepage.

EDGE PETROLEUM OPERATING COMPANY INC.
WELL SUMMARY

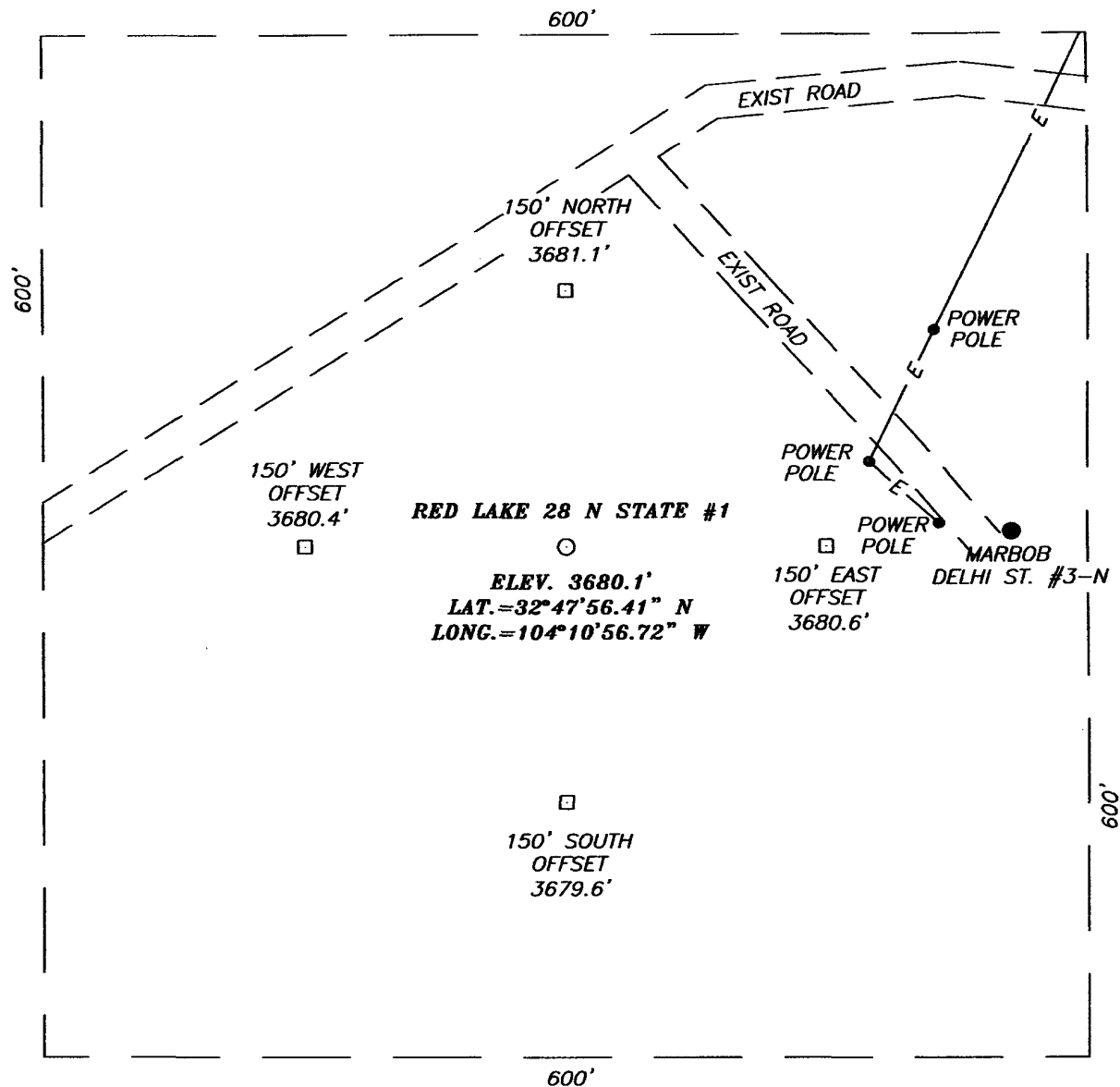
LEASE: RED LAKE 28 N STATE
WELL: No. 1
AREA: EDDY CO., NM
FIELD: RED LAKE SHALLOW

SURF LOC: SESESW SEC 28 T17S R28E
BHL: STRAIGHT HOLE
X:
Y:

ENGR: JIM KEISLING
RIG:
ELEV. 3650'
KB:

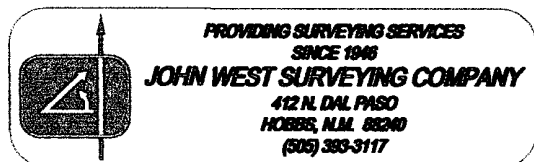
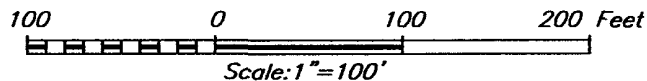
| DIRECTIONAL | OPEN HOLE LOGGING | SANDS/ MARKERS | DEPTH | | CASING PROFILE | | HOLE SIZE | CASING DETAILS | MUD WT. & TYPE | MAXIMUM DOGLEG SEVERITY |
|------------------|---|-------------------|--------------|--------------|-------------------|--|--------------|---|-----------------------------|-------------------------------|
| | | | TVD | MD | | | | | | |
| | | | 40' | 40' | | | PRESET | 16" Conductor | | |
| | | Yates | 623' 650' | 623' 650' | | | 12-1/4" | 8-5/8", 24.0 ppf J-55, STC | SPUD MUD 8.8 PPG | 1°/100' |
| | | Queen | 1230' | 1230' | | | | | 9.0-9.5 ppg nondispersed | |
| | | Grayburg | 1675' | 1675' | | | | | | |
| | | Premier | 1930' | 1930' | | | 7 7/8" | | | |
| | | San Andres | 1960' | 1960' | | | | | | |
| | | Glorieta | 3350' | 3350' | | | | | | |
| | | Yeso | 3400' | 3400' | | | | | | |
| | | Abo | 5630' | 5630' | | | | | | |
| STRAIGHT HOLE | E-LOGS Triple Combo 650' to 6200' | TD | 6200' | 6200' | | | | 5 1/2", 15.5#, K-55, STC 0'-6200' | 9.5 ppg | 2°/100' |

SECTION 28, TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF U.S. HWY #82 AND ST. HWY. #360, GO WEST ON U.S. HWY. #82 FOR APPROX. 0.4 MILES TO RED LAKE ROAD ON THE RIGHT. TURN RIGHT (NORTH) AND GO APPROX. 0.1 MILES TO A CALICHE ROAD ON THE LEFT. TURN LEFT (WEST) AND GO APPROX. 0.4 MILES. PROPOSED LOCATION IS APPROX. 200' SOUTH.

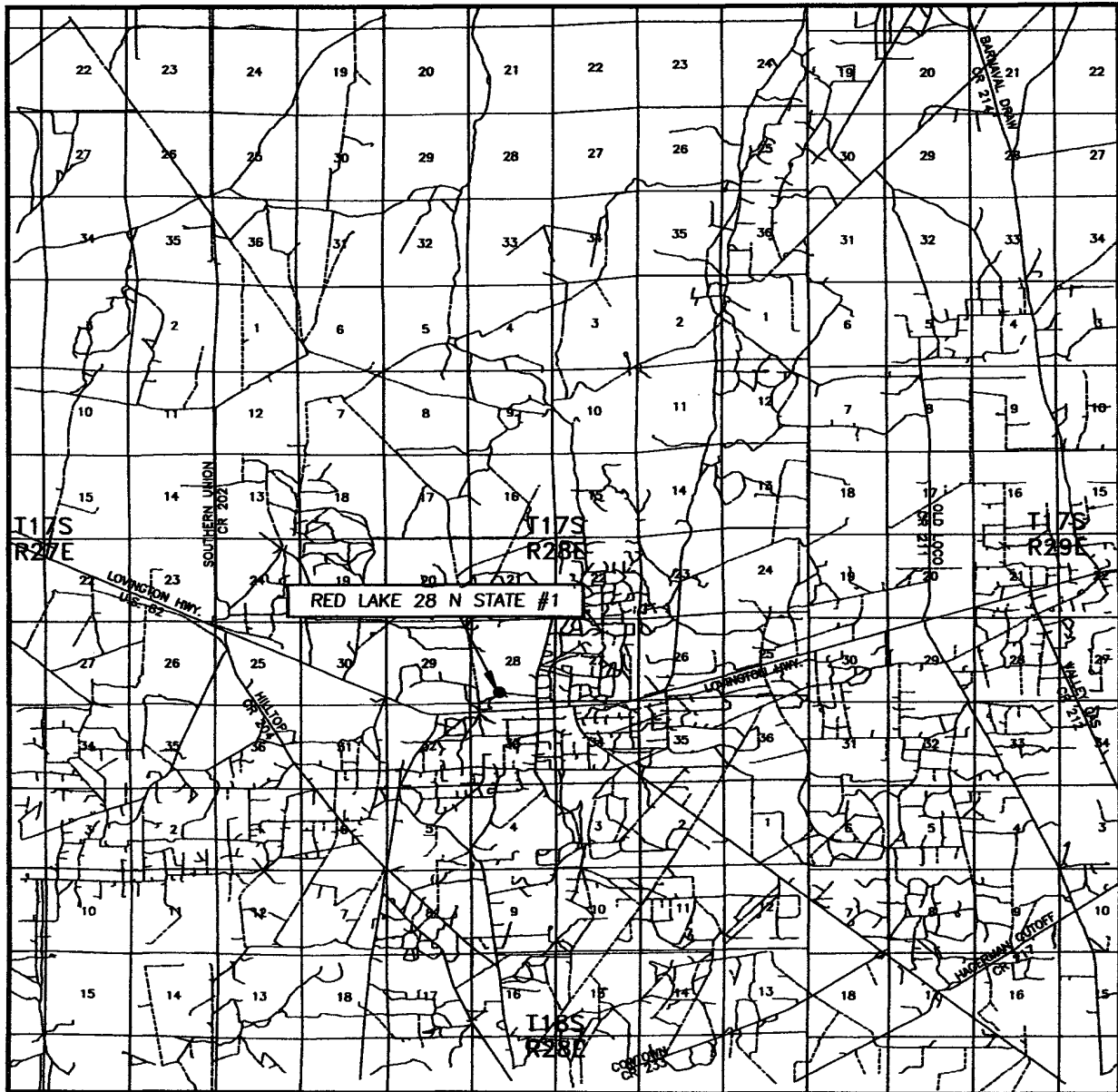


EDGE PETROLEUM OPERATING COMPANY, INC.

RED LAKE 28 N STATE #1 WELL
 LOCATED 330 FEET FROM THE SOUTH LINE
 AND 2000 FEET FROM THE WEST LINE OF SECTION 28,
 TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO.

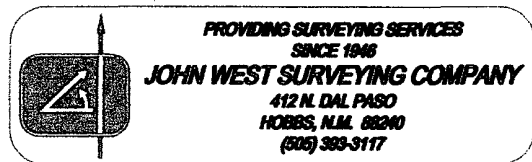
| | | | |
|-------------------------|-------------|---------------------|----------------|
| Survey Date: 11/2/04 | | Sheet 1 of 1 Sheets | |
| W.O. Number: 04.11.1455 | | Dr By: J.R. | Rev 1:N/A |
| Date: 10/5/04 | Disk: CD#10 | 04111455 | Scale: 1"=100' |

VICINITY MAP

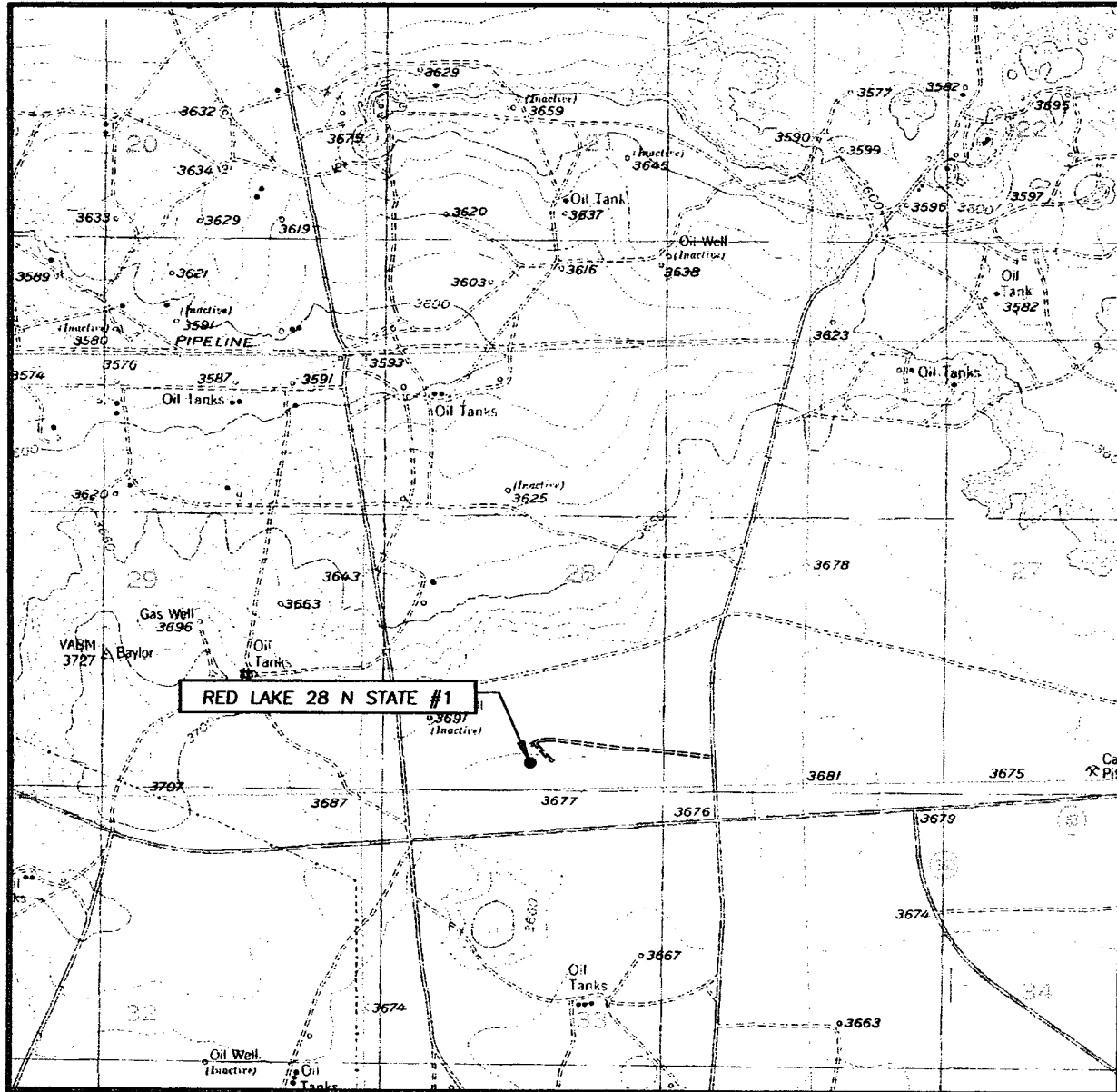


SCALE: 1" = 2 MILES

SEC. 28 TWP. 17-S RGE. 28-E
 SURVEY N.M.P.M.
 COUNTY EDDY
 DESCRIPTION 330' FSL & 2000' FWL
 ELEVATION 3680'
 OPERATOR EDGE PETROLEUM
 OPERATING COMPANY, INC.
 LEASE RED LAKE 28 N STATE



LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
RED LAKE, N.M. - 10'

SEC. 28 TWP. 17-S RGE. 28-E

SURVEY _____ N.M.P.M.

COUNTY _____ EDDY

DESCRIPTION 330' FSL & 2000' FWL

ELEVATION _____ 3680'

OPERATOR EDGE PETROLEUM
OPERATING COMPANY, INC.

LEASE RED LAKE 28 N STATE

U.S.G.S. TOPOGRAPHIC MAP

RED LAKE, N.M.

