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September 14, 2004

Hand Delivered

Florene Davidson  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Dear Florene:

Enclosed for filing, on behalf of Edge Petroleum Exploration Company, are an original and one copy of an application to restrict the effect of special pool rules, together with a proposed advertisement. Please set this matter for the October 7, 2004 Examiner hearing.

The proposed advertisement has also been e-mailed to you.

Very truly yours,



James Bruce

Attorney for Edge Petroleum Exploration Company

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SEP 14 2004

Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, NM 87505

Case 13351

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BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

SEP 14 2004

APPLICATION OF EDGE PETROLEUM EXPLORATION  
COMPANY TO RESTRICT THE EFFECT OF THE  
SPECIAL RULES AND REGULATIONS FOR THE  
DOS HERMANOS-MORROW GAS POOL, LEA COUNTY,  
NEW MEXICO.

Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, NM 87505  
Case No. 13351

APPLICATION

Edge Petroleum Exploration Company applies for an order limiting the effect of the special rules and regulations for the Dos Hermanos-Morrow Gas Pool (the "Pool") to its current boundaries, and in support thereof, states:

1. Applicant is a working interest owner or operator in the N $\frac{1}{2}$  of Section 29, Township 20 South, Range 30 East, N.M.P.M.

2. The Pool was created by Commission Order No. R-2938, and currently covers the following lands in Lea County, New Mexico:

Township 20 South, Range 30 East, N.M.P.M.

Section 21: All  
Section 22: All  
Section 27: All  
Section 28: All

3. Commission Order No. R-3351 instituted special rules and regulations for the Pool, providing for 640 acre spacing, with wells to be located no closer than 1650 feet to the outer boundary of the section, nor closer than 330 feet to a quarter-quarter section line.

4. Applicant proposes to drill a well in the N $\frac{1}{2}$  of Section 29, to test the Morrow formation. The proposed well is located between the Pool and the Golden Lane-Morrow Gas Pool, which covers, among other lands, the E $\frac{1}{2}$  of Section 31, Township 20 South, Range 30 East, N.M.P.M. The Golden Lane-Morrow Gas Pool is spaced and

developed on the Division's statewide rules.

5. Applicant desires that its proposed well be spaced and developed on the Division's statewide rules, which provide for 320 acre well units, with wells to be located no closer than 660 feet to a quarter section line.

6. Applicant requests that the special rules and regulations for the Pool be limited to their current horizontal extent, so that wells drilled to test the Morrow formation outside of said Sections 21, 22, 27, and 28 may be developed on statewide rules.

7. The granting of this application is in the interests of conservation, the prevention of waste, and the protection of correlative rights.

**WHEREFORE**, applicant requests that, after notice and hearing, the relief requested above be granted.

Respectfully submitted,



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James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

Attorney for Edge Petroleum  
Exploration Company

Proposed Advertisement

**Case 13351** : Application of Edge Petroleum Exploration Company to restrict the effect of the special rules and regulations for the Dos Hermanos-Morrow Gas Pool, Eddy County, New Mexico. Applicant seeks an order limiting the effect of the special rules and regulations for the Dos Hermanos-Morrow Gas Pool, which provide for 640-acre spacing, one well per spacing and proration unit, and special well location requirements, to its current horizontal extent. The pool covers all of Sections 21, 22, 27, and 28, Township 20 South, Range 30 East, N.M.P.M. The pool is centered approximately 17½ miles northeast of Carlsbad, New Mexico.

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SEP 14 2004

Oil Conservation Division  
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Santa Fe, NM 87505