

MODE = MEMORY TRANSMISSION

START=APR-12 13:33

END=APR-12 13:35

FILE NO.=792

STN NO.	COMM.	ABBR NO.	STATION NAME/TEL NO.	PAGES	DURATION
001	OK	2	8118174240031	008/008	00:01:35

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EDGE PETROLEUM CORPORATION

April 12, 2005

VIA FACSIMILE FOLLOWED BY U.S. MAIL

Magnum-Hunter Resources, Inc.
3500 Williams D. Tate Avenue, Suite 200
Grapevine, TX 76051-8734

Attn: Robert Daws

RE Well proposal
Edge - S. Lusk 28 "H" Fed Com #1
SW4SW4 Section 28, T19S-R32E
S. Lusk Field
Lea County, New Mexico

Dear Robert:

Edge Petroleum Exploration Company ("Edge") plans to drill the S. Lusk 28 "H" Federal No. 1 well (the "proposed well") at an orthodox location in the SW4SW4 of Section 28 19S-32E, to test the Atoka/Morrow sands to a total depth of approximately 12,729 feet ("first objective"). Public records reflect Magnum-Hunter ("MH") owning 58.33347% of the operating rights in the Strawn formation, which is a secondary objective in the proposed well. Edge owns or controls 100% of the leasehold and/or operating rights from the base of the Strawn down to 12,729 feet in the S2 of Section 28, which includes the Atoka/Morrow sands. In support of our well, Edge respectfully requests Magnum Hunter's participation under the following terms:

1. The parties shall enter into an AAPL Model Form 610-1989 Joint Operating Agreement (the "JOA") naming Edge as operator.
2. All costs of drilling the proposed well to its first objective shall initially be borne by Edge.
3. If within 120 days of reaching the first objective Edge completes the proposed well in the Atoka/Morrow as a commercially productive well, then the JOA shall terminate as to the interest of MH.
4. If upon reaching the first objective Edge elects not to attempt a completion in the Atoka/Morrow, or if within 120 days of reaching the first objective a completion is attempted but the Atoka/Morrow is found to be non-productive, Edge shall provide MH with all well data and logs and will notify MH of its recommendation to attempt a completion in the Strawn formation. In return for Edge providing such information to MH prior to MH having to incur any costs associated with drilling the well, MH shall deliver to Edge 50% of MH's working interest in the Strawn formation, free of cost or proration. Thereafter, elections to participate or not participate in the proposed Strawn completion shall be governed by the JOA. Should MH elect to participate in the Strawn completion attempt, MH shall promptly pay Edge for its proportionate share of actual drilling and completion costs from the surface to 100' below the base of the Strawn formation.
5. In the event a Strawn completion is made, the well shall be dedicated to the Lusk-Strawn Pool (OCD Order R-2175-B), which requires wells to be located on units containing 160 acres.

In the alternative, Edge would be agreeable to a one (1) year term of MH interest, with MH retaining a proportionately reduced 25% working interest at well payout (to 100 feet below the base of the Strawn). Enclosed for your use in evaluating this proposal is Edge's AFE for drilling and completing the first objective along with a land plat, lease takeoff, and a copy of our approved APD for the well.

MODE = MEMORY TRANSMISSION

START=APR-12 13:15

END=APR-12 13:19

FILE NO.=788

STN NO.	COMM.	ABBR NO.	STATION NAME/TEL NO.	PAGES	DURATION
001	OK	2	8112143683377	009/009	00:03:20

***** - ***** - *****



April 12, 2005

VIA FACSIMILE FOLLOWED BY U.S. MAIL

Amity Oil Company, Inc.
6116 North Central Expressway, Suite 1000
Dallas, Texas 75206

214-368-3377

Attn: Robert Pulliam

RE Well proposal
Edge - S. Lusk 28 "H" Fed Com #1
SW4SW4 Section 28, T19S-R32E
S. Lusk Field
Lea County, New Mexico

Dear Robert:

Edge Petroleum Exploration Company ("Edge") plans to drill the S. Lusk 28 "H" Federal No. 1 well (the "proposed well") at an orthodox location in the SW4SW4 of Section 28-19S-32E, to test the Atoka/Morrow sands a total depth of approximately 12,729 feet ("first objective"). Public records reflect Amity Oil Company, Inc. ("Amity") owning 12.50% of the operating rights in the Strawn formation, which is a secondary objective in the proposed well. Edge owns or controls 100% of the leasehold and/or operating rights from the base of the Strawn down to 12,729 feet in the S2 of Section 28, which includes the Atoka/Morrow sands. In support of our well, Edge respectfully requests Amity's participation under the following terms:

1. The parties shall enter into an AAPL Model Form 610-1989 Joint Operating Agreement (the "JOA") naming Edge as operator.
2. All costs of drilling the proposed well to its first objective shall initially be borne by Edge.
3. If within 120 days of reaching the first objective Edge completes the proposed well in the Atoka/Morrow as a commercially productive well, then the JOA shall terminate as to the interest of Amity.
4. If upon reaching the first objective Edge elects not to attempt a completion in the Atoka/Morrow, or if within 120 days of reaching the first objective a completion is attempted but the Atoka/Morrow is found to be non-productive, Edge shall provide Amity with all well data and logs and will notify Amity of its recommendation to attempt a completion in the Strawn formation. In return for Edge providing such information to Amity prior to Amity having to incur any costs associated with drilling the well, Amity shall deliver to Edge 50% of Amity's working interest in the Strawn formation, free of cost or promote. Thereafter, elections to participate or not participate in the proposed Strawn completion shall be governed by the JOA. Should Amity elect to participate in the Strawn completion attempt, Amity shall promptly pay Edge for its proportionate share of actual drilling and completion costs from the surface to 100' below the base of the Strawn formation.
5. In the event a Strawn completion is made, the well shall be dedicated to the Lusk-Strawn Pool (OCD Order R-2175-B), which requires wells to be located on units containing 160 acres.

In the alternative, Edge would be agreeable to a one (1) year farmin of Amity interest, with Amity retaining a proportionately reduced 25% working interest at well payout (to 100 feet below the base of the Strawn). Enclosed for your use in evaluating this proposal is Edge's AFE for drilling and completing the first objective along with a land plat, lease takeoff, and a copy of our approved APD for the well.



VIA FACSIMILE FOLLOWED BY U.S. MAIL

Magnum Hunter Production, Inc.
600 E. Las Colinas Blvd., Suite 1100
Irving, Texas 75039
Attn: Tony Cervi

RE Strawn rights proposal
Edge – S. Lusk 28 "H" Fed Com #1
S/2 of Section 28, T19S-R32E Spacing Unit
S. Lusk Field
Lea County, New Mexico

Dear Tony:

Pursuant to our recent conversation and subsequent to my letter to Magnum Hunter dated April 12, 2005, Edge Petroleum Exploration Company ("Edge") plans to drill the S. Lusk 28 "H" Federal No. 1 well (the "well") at an orthodox location in the SW/4SW/4 of Section 28-19S-32E, to test the Morrow/Atoka sands a total depth of approximately 12,729 feet. Edge plans to drill the well on a S/2 Section 28 Spacing Unit. Public records reflect Magnum Hunter or entities it has acquired ("Magnum Hunter"), owning 58.33% of the operating rights in the Strawn formation in the S/2 of Section 28, less and except the SW/4SW/4, which is owned by Edge as to all depths. In the event Edge attempts an original completion in the Strawn formation in the well, or attempts a re-completion in the Strawn at a later date, Edge and Magnum Hunter agree to the following:

1. The parties agree to enter into a mutually agreeable AAPL Model Form 610-1989 Joint Operating Agreement (the "JOA") naming Edge as operator.
2. All costs and risks of drilling the well to the Morrow/Atoka shall be borne by Edge.
3. Edge shall provide all well data and logs to Magnum Hunter.
4. If at any time subsequent to Edge's completion in the Morrow/Atoka, Edge proposes to attempt a completion in the Strawn formation, Edge shall provide written notice to Magnum Hunter and Magnum Hunter shall promptly assign 50% of its Strawn rights to Edge free of any burdens other than those currently of record. Magnum Hunter shall then have 15 days (48 hours if a rig is on location) in which to elect to participate in the Strawn completion attempt by paying its proportionate share of all completion costs associated therewith. If no completion is attempted in the Morrow/Atoka, and should the first initial completion attempt in the well be in the Strawn, and should Magnum Hunter elect to participate therein, Magnum Hunter shall also pay its proportionate share of the production string from the surface to the base of the Strawn. Thereafter, operations shall be governed by the JOA.
5. Should Magnum Hunter elect not to participate in a Strawn completion attempt, Magnum Hunter shall promptly assign its remaining 50% interest in the Strawn to Edge free of any burdens other than those currently of record.
6. In the event a Strawn completion is made, the well shall be dedicated to the Lusk -Strawn Pool (OCD Order R-2175-B).

The arrangement has been approved by approximately 30% of the Strawn working interest. If the above is agreeable please so indicate below and return one (1) copy of this letter to Edge. If you have any questions or would like to discuss please call me at (713) 427-8843. Thank you very much.


EDGE PETROLEUM EXPLORATION COMPANY

Jeff A. Sikora, CPL
Senior Staff Landman
jsikora@edgepet.com

Agreed and Accepted

MAGNUM HUNTER PRODUCTION, INC.

By: _____

Date: _____

Name: _____

Title: _____



EDGE PETROLEUM CORPORATION

June 30, 2005

VIA FACSIMILE FOLLOWED BY U.S. MAIL

Amity Oil Company *n.s.*
61616 N. Central Expressway, Suite 1000
Dallas, Texas 75206
Attn: Robert Pulliam

RE Strawn rights proposal
Edge - S. Lusk 28 "H" Fed Com #1
S/2 of Section 28, T19S-R32E Spacing Unit
S. Lusk Field
Lea County, New Mexico

Dear Robert:

Pursuant to our recent conversation and subsequent to my letter to Amity dated April 12, 2005, Edge Petroleum Exploration Company ("Edge") plans to drill the S. Lusk 28 "H" Federal No. 1 well (the "well") at an orthodox location in the SW/4SW/4 of Section 28-19S-32E, to test the Morrow/Atoka sands a total depth of approximately 12,729 feet. Edge plans to drill the well on a S/2 Section 28 Spacing Unit. Public records reflect Amity Oil Company ("Amity") owning 12.50% of the operating rights in the Strawn formation in the S/2 of Section 28, less and except the SW/4SW/4, which is owned by Edge as to all depths. In the event Edge attempts an original completion in the Strawn formation in the well, or attempts a re-completion in the Strawn at a later date, Edge and Amity agree to the following:

1. The parties agree to enter into a mutually agreeable AAPL Model Form 610-1989 Joint Operating Agreement (the "JOA") naming Edge as operator.
2. All costs and risks of drilling the well to the Morrow/Atoka shall be borne by Edge.
3. Edge shall provide all well data and logs to Amity.
4. If at any time subsequent to Edge's completion in the Morrow/Atoka, Edge proposes to attempt a completion in the Strawn formation, Edge shall provide written notice to Amity and Amity shall promptly assign 50% of its Strawn rights to Edge free of any burdens other than those currently of record. Amity shall then have 15 days (48 hours if a rig is on location) in which to elect to participate in the Strawn completion attempt by paying its proportionate share of all completion costs associated therewith. If no completion is attempted in the Morrow/Atoka, and should the first initial completion attempt in the well be in the Strawn, and should Amity elect to participate therein, Amity shall also pay its proportionate share of the production string from the surface to the base of the Strawn. Thereafter, operations shall be governed by the JOA.
5. Should Amity elect not to participate in a Strawn completion attempt, Amity shall promptly assign its remaining 50% interest in the Strawn to Edge free of any burdens other than those currently of record.
6. In the event a Strawn completion is made, the well shall be dedicated to the Lusk -Strawn Pool (OCD Order R-2175-B).

If the above is agreeable please so indicate below and return one (1) copy of this letter to Edge. If you have any questions or would like to discuss please call me at (713) 427-8843. Thank you very much.

EDGE PETROLEUM EXPLORATION COMPANY

Jeff A. Sikora, CPL
Senior Staff Landman
jsikora@edgepet.com

Agreed and Accepted

AMITY OIL COMPANY

By: _____

Name: _____

Title: _____

Date: _____

MODE = MEMORY TRANSMISSION

START=JUL-05 14:56

END=JUL-05 14:58

FILE NO.=518

STN NO.	COMM.	ABBR NO.	STATION NAME/TEL NO.	PAGES	DURATION
001	OK	2	8112143683377	005/005	00:01:12

***** - ***** - *****



1301 TRAVIS STREET, SUITE 2000
HOUSTON, TEXAS 77002
FAX # (713) 654-7722

TO:	FROM:
Robert Pulliam	Jeff Sikota
COMPANY:	DATE:
Amity Oil Company	July 5, 2005
FAX NUMBER:	TOTAL NO. OF PAGES INCLUDING COVER:
(214) 368-3377	35
PHONE NUMBER:	PHONE NUMBER:
	(713) 427-8843
REFERENCE:	

☒ URGENT ☐ FOR REVIEW ☐ PLEASE COMMENT ☐ PLEASE REPLY ☐ PLEASE RECYCLE

NOTES/COMMENTS:

Please see the attached. Originals will follow in the mail.

Jeff

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