

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

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 #2000 HOUSTON , TX 77002		2. OGRID Number 224400
		3. API Number 30-025-37732
4. Property Code 35306	5. Property Name SOUTH LOVINGTON 25	6. Well No. 001

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
E	25	16S	36E	E	1977	N	329	W	LEA

8. Pool Information

Wildcat Devonian	0
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Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type Private	13. Ground Level Elevation 3848
14. Multiple N	15. Proposed Depth 12800	16. Formation Devonian	17. Contractor	18. Spud Date
Depth to Ground water 52		Distance from nearest fresh water well > 1000		Distance to nearest surface water > 1000
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 miles thick Clay <input type="checkbox"/> Pit Volume: 5000 bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	455	378	0
Int1	12.25	9.625	36	4400	815	0
Prod	8.5	5.5	20	12800	1350	4300

Casing/Cement Program: Additional Comments

The mud program consist of: 0-455 Bentonite slurry using fresh water, Mud Wt. 8.4-9.4, Viscosity 32-34, Filtrate NC, PH 9.0; 455-4400 Fresh Water, Mud Wt. 8.4-10.5, Viscosity 32-34, Filtrate N/C, Oil% by vol. 3-5, Chlorides 440-1850 3-10K & 1850-4400 10-140K; 4400-9800 Fresh Water, Mud Wt. 8.4-9.5, Viscosity 28, Filtrate N/C, PH 10, Chlorides 4400-8500 3-20K & 8500-9800 120-130K; 9800-12800 Existing Fluid, Mud Wt. 9.3-9.5, Viscosity 34-32, Filtrate 6-10, PH 10.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Hydrl	3000	3000	

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	
	Approved By: Paul Kautz	
	Title: Geologist	
	Approved Date: 2/28/2006	Expiration Date: 2/28/2007
	Conditions of Approval Attached	

Printed Name: Electronically filed by Jim Keisling	
Title: Vice President, Production	
Email Address: jkeisling@edgepet.com	
Date: 2/28/2006	Phone: 713-427-8883

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(505) 393-6161 Fax:(505) 393-0720

District II
 1301 W. Grand Ave., Artesia, NM 88210
 Phone:(505) 748-1283 Fax:(505) 748-9720

District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
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Santa Fe, NM 87505

Form C-102
 Permit 19271

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-37732	2. Pool Code	3. Pool Name Wildcat Devonian
4. Property Code 35306	5. Property Name SOUTH LOVINGTON 25	6. Well No. 001
7. OGRID No. 224400	8. Operator Name EDGE PETROLEUM OPERATING COMPANY, INC.	9. Elevation 3848

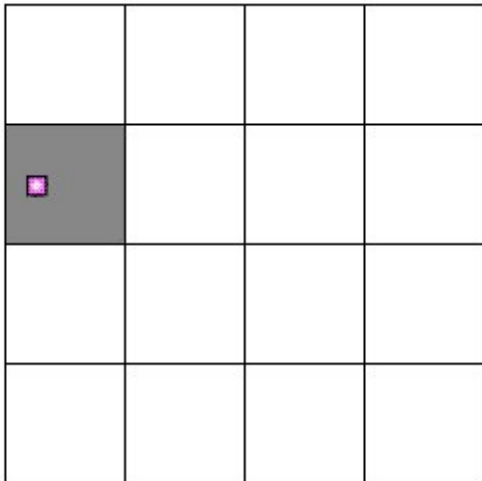
10. Surface Location

UL - Lot E	Section 25	Township 16S	Range 36E	Lot Idn	Feet From 1977	N/S Line N	Feet From 329	E/W Line W	County LEA
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11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 40.00	13. Joint or Infill	14. Consolidation Code	15. 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

	OPERATOR CERTIFICATION	
	<i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i> E-Signed By: Jim Keisling Title: Vice President, Production Date: 2/28/2006	
	SURVEYOR CERTIFICATION	
	<i>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.</i> Surveyed By: Gary Eidson Date of Survey: 2/11/2006 Certificate Number: 12641	

Permit Comments

Operator: EDGE PETROLEUM OPERATING COMPANY, INC. , 224400

Well: SOUTH LOVINGTON 25 #001

API: 30-025-37732

Created By	Comment	Comment Date
JKEISLING	Sources at Edge Petroleum Operating Co. 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.	12/14/2005
DMULL	Talked with Daniel Hurd about NSL. Hold until OCD Santa fe approves NSL.	12/19/2005
DMULL	Talked with Jim Keisling. Edge is preparing NSL application.	1/3/2006
DMULL	Rejecting, Need correction on Location. Moving to a Standard location.	1/18/2006

Permit Conditions of Approval

Operator: EDGE PETROLEUM OPERATING COMPANY, INC. , 224400

Well: SOUTH LOVINGTON 25 #001

API: 30-025-37732

OCD Reviewer	Condition
pkautz	Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines
pkautz	prior to any pit construction notify Gary Wink at 505-393-6161 ext 114