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April 6, 2004

Hand Delivered

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

Re: Case No. 13240

Dear Florene:

Enclosed for filing, on behalf of Edge Petroleum Exploration Company, are an original and one copy of an amended application for compulsory pooling, together with a proposed advertisement. Please set this matter for the April 29, 2004 Examiner hearing. (The original application, set for April 1st, was continued to April 29th.)

The parties being pooled are listed on Exhibit A.

The proposed advertisement is also on the enclosed disk.

Very truly yours,


James Bruce

Attorney for Edge Petroleum Exploration Company

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

Case

EXHIBIT A

Catherine B. Berg
6731 St. Andrews Drive
Tucson, AZ 85718

James R. Biddick Trust
2300 Riverside Drive, #12H
Tulsa, OK 74114

Biddick Properties, Inc.
10 W. Main, Suite 212
Ardmore, OK 73401

Cynthia Jane Coleman
P.O. Box 405
Stillwater, OK 74676

Lincoln D. Dickson
9218 Balcones Club Drive #2721
Austin, Texas 78750

Wilburne A. Dickson II
18072 Brookfield Drive
Justin, Texas 76247

HAD, an Oklahoma General Partnership
3501 NW 63rd St., Suite 206
Oklahoma City, OK 73116

Destiny Dickson Hooks
801 Canyonwood Drive
Drilling Springs, Texas 78620

JaneAnn Corporation
3344 Stone Brook Court
Oklahoma City, OK 73120

Jetta X2
777 Taylor Street, Suite PI-D
Fort Worth, Texas 76102

LUBCO, L.L.C.
1701 Stanley Avenue
Ardmore, OK 73401

Clara Francis McCoy
603 Glendale Street
Queen City, TX 75572

Patricia Ann Revard Family Trust
P.O. Box 702068
Tulsa, OK 74170

Martha E. Rhynes Revocable Trust
Martha E. Rhynes & Willard E. Rhynes,
Trust u/t/a dated 5/19/96
Route 1, Box 192
Stonewall, OK 74871-9756

Lee Ann Rust
5464 FM 605
Hawley, Texas 79525

Sagacity, Inc.
202 West Lillie Blvd.
Madill, OK 73446

Helen Dickson Walker
16720 Stuebner Airline PMB 234
Spring, Texas 77379-7318

Beverly Westheimer Wellnitz
P.O. Box 2192
Ardmore, OK 73402

Jerome M. Westheimer, Trustee
u/t/a dated 4/13/88, as amended
P.O. Box 42B
Ardmore, OK 73402

Jerome M. Westheimer Trustee of
the Westheimer Property Trust
Dated 4/13/88, as amended
P.O. Box 42B
Ardmore, OK 73402

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CASE NO. 13240

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF EDGE PETROLEUM
EXPLORATION COMPANY FOR COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.

AMENDED APPLICATION

Edge Petroleum Exploration Company applies for an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the N $\frac{1}{2}$ of Section 28, Township 16 South, Range 34 East, N.M.P.M., Lea County, New Mexico, and in support thereof, states:

1. Applicant is a working interest owner in the N $\frac{1}{2}$ of Section 28, and has the right to drill a well thereon.

2. Applicant proposes to drill its Kemnitz "28" State Well No. 1, at an orthodox location in the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 28, to a depth sufficient to test the Morrow formation (approximately 13,400 feet subsurface), and seeks to dedicate the following acreage to the well:

- (a) the N $\frac{1}{2}$ of Section 28 to form a standard 320 acre gas spacing and proration unit for any pools and/or formations developed on 320 acre spacing within that vertical extent, including the South Kemnitz Atoka-Morrow Gas Pool; and
- (b) the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 28 to form a standard 40 acre oil spacing and proration unit for any pools and/or formations developed on 40 acre spacing within that vertical extent, including the Kemntiz-

Lower Wolfcamp Pool, Undesignated Kemnitz-Cisco Pool, and Undesignated Kemnitz-Strawn Pool.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the N $\frac{1}{2}$ of Section 28 for the purposes set forth herein.

4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well, or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the N $\frac{1}{2}$ of Section 28 pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the N $\frac{1}{2}$ of Section 28, as set forth above, will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order:

- A. Pooling all mineral interests in the N $\frac{1}{2}$ of Section 28, from the surface to the base of the Morrow formation;
- B. Naming Edge Petroleum Operating Company as operator of the well;
- C. Considering the cost of drilling and completing the well, and allocating the cost thereof to the well's working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates as provided in the COPAS accounting procedure; and

E. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "James Bruce", written over a horizontal line.

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

Attorney for Edge Petroleum
Exploration Company

PROPOSED ADVERTISEMENT

Case 13240: Application of Edge Petroleum Exploration Company for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 28, Township 16 South, Range 34 East, NMPM, and in the following manner: The N½ to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within that vertical extent, including but not limited to the South Kemnitz Atoka-Morrow Gas Pool; and the SW¼NE¼ to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within that vertical extent, including but not limited to the Kemnitz-Lower Wolfcamp Pool, Undesignated Kemnitz-Cisco Pool, and Undesignated Kemnitz-Strawn Pool. The units are to be dedicated to the proposed Kemnitz "28" State Well No. 1, to be drilled at an orthodox location in the SW¼NE¼ (Unit G) of Section 28. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Edge Petroleum Operating Company as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The units are located approximately 10½ miles east-northeast of Maljamar, New Mexico.

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