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June 21, 2005

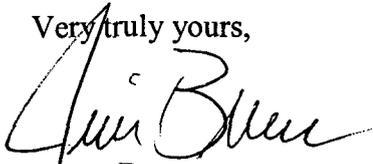
Florene Davidson
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Case 13484

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. The advertisement has also been e-mailed to the Division. Please set this matter for the July 14, 2005 Examiner hearing. Thank you.

Very truly yours,



James Bruce

Attorney for Edge Petroleum Exploration Company

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

Case No. 13,484

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 S $\frac{1}{2}$ of Section 28, Township 19 South, Range 32 East, N.M.P.M., Lea County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the S $\frac{1}{2}$ of Section 28, and has the right to drill a well thereon.
2. Applicant proposes to drill its South Lusk "28" Fed. Well No. 1, at an orthodox location in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 28, to a depth sufficient to test the Morrow formation, and seeks to dedicate the following acreage to the well:
 - (a) The SW $\frac{1}{4}$ to form a standard 160 acre oil spacing and proration unit for any formations and/or pools developed on 160 acre spacing within that vertical extent, including the Lusk-Strawn Pool; and
 - (b) The S $\frac{1}{2}$ to form a 320 acre gas spacing and proration unit for any formations and/or pools developed on 320 acre spacing within that vertical extent, including the Undesignated Southeast Lusk-Atoka Gas Pool and a non-standard unit in the Lusk-Morrow Gas Pool.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the S $\frac{1}{2}$ 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 S¹/₂ of Section 28, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the S¹/₂ 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 S¹/₂ of Section 28, from the surface to the base of the Morrow formation;
- B. Designating Edge Petroleum Operating Company as operator of the well;
- C. Considering the cost of drilling and completing the well, and allocating the cost among the well's working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to 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 black ink that reads "James Bruce". The signature is written in a cursive style with a long horizontal flourish extending to the right.

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

Attorney for Edge Petroleum Exploration
Company

PROPOSED ADVERTISEMENT

Case No. 13484 (continued and re-advertised): Application of Edge Petroleum Exploration Company for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests underlying the following described acreage in Section 28, Township 19 South, Range 32 East, NMPM, and in the following manner: The S/2 to form a 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent, including the Undesignated Southeast Lusk-Atoka Gas Pool and the Lusk-Morrow Gas Pool; and the SW/4 to form a 160-acre oil spacing and proration unit for any formations and/or pools developed on 160-acre spacing within that vertical extent, including the Lusk-Strawn Pool. The units are to be dedicated to the South Lusk 28 "H" Fed. Com. Well No. 1, to be drilled at an orthodox location in the SW/4SW/4 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 6 miles north-northwest of Halfway, New Mexico.

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Lands
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CASE 13478: *Continued from June 2, 2005, Examiner Hearing*

Application of Yates Petroleum Corporation for Compulsory Pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation under the following acreage in Section 25, Township 21 South, Range 26 East: the N/2 to form a standard 320-acre gas spacing and proration unit for all formations or pools spaced on 320 acres within this vertical extent, which presently includes but is not necessarily limited to the Burton Flat-Morrow Gas Pool, the Crozier Bluff-Atoka Gas Pool, and the Northeast Happy Valley-Strawn Gas Pool; and the NE/4 to form a standard 160-acre spacing and proration unit for all formations or pools spaced on 160 acres within this vertical extent. These spacing and proration units are to be dedicated to the Louise "AYT" Well No. 2 located 990 feet from the North line and 1550 feet from the East line of Section 25 which Yates proposes to drill at a standard location in the Morrow formation. Also to be considered will be the cost of drilling and completion of said well and the allocation of the cost thereof, the actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 1/2 mile north of Carlsbad, New Mexico.

CASE 13515: *Application of Cheney Energy Partners LLC for approval of a Unit Agreement, Chaves County, New Mexico.* Applicant seeks approval of the Mescalero Springs State Exploratory Unit for an area comprising 1280.00 acres of State of New Mexico lands in Sections 23 and 24, Township 11 South, Range 31 East, which is located approximately 4 miles southwest of the Caprock, New Mexico.

CASE 13506: *Continued from June 16, 2005, Examiner Hearing.*

Application of Edge Petroleum Exploration Company for a non-standard gas spacing and proration unit, Lea County, New Mexico. Applicant seeks an order approving a non-standard 320-acre gas spacing and proration unit in the Morrow formation (Lusk-Morrow Gas Pool) comprised of the S/2 of Section 28, Township 19 South, Range 32 East. The unit is to be dedicated to applicant's proposed South Lusk 28 "H" Fed. Com. Well No. 1, to be drilled at an orthodox location in the SW/4 SW/4 of Section 28. The unit is located approximately 6 miles north-northwest of Halfway, New Mexico.

CASE 13484: *Continued from June 16, 2005, Examiner Hearing*

Application of Edge Petroleum Exploration Company for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in the Atoka and Morrow formations underlying the S/2 of Section 28, Township 19 South, Range 32 East, to form a 320-acre gas spacing and proration unit in the Undesignated Southeast Lusk-Atoka Gas Pool and the Lusk-Morrow Gas Pool. The unit is to be dedicated to the South Lusk 28 "H" Fed. Com. Well No. 1, to be drilled at an orthodox location in the SW/4 SW/4 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 unit is located approximately 6 miles north-northwest of Halfway, New Mexico.

CASE 13516: *Application of Magnum Hunter Production, Inc. for compulsory pooling and simultaneous dedication, Lea County, New Mexico.* Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the S/2 of Section 11, Township 17 South, Range 34 East, to form a standard 320-acre gas spacing and proration unit for any and all formations or pools developed on 320-acre spacing within that vertical extent, including the North Vacuum Atoka-Morrow Gas Pool. The unit is to be simultaneously dedicated to the Bridges State Well No. 126, located in the NW/4 SE/4 of Section 11, and the proposed Bridges State Well No. 514, to be drilled at an orthodox gas well location in the SE/4 SW/4 of Section 11. 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 applicant as operator of the proposed well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 3 miles north-northwest of Buckeye, New Mexico.