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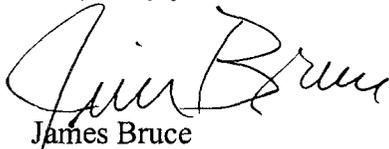
April 12, 2005

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 for compulsory pooling, together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please set this matter for the 2005 Cinco de Mayo hearing. Ole'.

Very truly yours,



James Bruce

Attorney for Edge Petroleum Exploration Company

2005 APR 12 PM 2 25

Case 13484

PROPOSED ADVERTISEMENT

Case No. 13484 : **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, NMPM, 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/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 unit is located approximately 6 miles north-northwest of Halfway, New Mexico.

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BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

2005 APR 12 PM 2 25

Case No. 13484

APPLICATION

Edge Petroleum Exploration Company applies for an order pooling all mineral interests in the Atoka and Morrow formations 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:

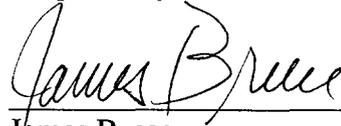
1. Applicant is a working interest owner in the S $\frac{1}{2}$ of Section 28, and has the right to drill a well thereon.
2. Applicant proposes to drill its South Lusk 28 "H" Fed. Com. Well No. 1, at an orthodox location in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 28, to a depth sufficient to test the Morrow formation, and seeks to dedicate the S $\frac{1}{2}$ of Section 28 to the well 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 Lusk-Morrow Gas Pool and Undesignated Southeast Lusk-Atoka 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 S $\frac{1}{2}$ of Section 28, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the S½ of Section 28 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 S½ of Section 28, as to the Atoka and Morrow formations;
- 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,



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Attorney for Edge Petroleum Exploration
Company