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OCD-ARTESIA

November 7, 2007

New Mexico Energy, Minerals
& Natural Resources Department
Oil Conservation Division
1301 W. Grand
Artesia, New Mexico 88210

ATTENTION: Mr. Ron Harvey

REFERENCE: Letter of Violation
Inspection No. iREH0726348678
Red Lake 36 'C' State No. 004
C36-17S-27E - 30-015-35213-00-00

Dear Mr. Harvey:


Edge Petroleum Operating Company, Inc. is in receipt of your letter of violation dated September 20, 2007 regarding the open drilling pit for the referenced well.

It was the intent of Edge to close the drilling pit by mid summer; however the process has been delayed due to the high chloride levels that exist in the area. Our field agent is currently working with the Artesia Oil Conservation Division to resolve this issue and proceed with the pit closing operations.

Edge Petroleum strives to be a prudent operator and will continue to remain aware of the Oil Conservation rules and regulations to be compliant in our operations.

Should you require additional information or haven any questions, please do not hesitate to contact me at 713.427.8842 or dgordon@edgepet.com. As always your assistance and consideration is greatly appreciated.

Sincerely,



Debra J. Gordon
Staff Engineering Analyst

Work to close pit will
start as soon as Red
Lake 36 A#4 is closed
RSG

Cc/ R. Price - Engineering
D. Pittman - Field Foreman
J. Robinson - Field Ops
Well Regulatory File