

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 Houston, TX 77002		2. OGRID Number 224400
		3. API Number 30-015-34377
4. Property Code 34238	5. Property Name RED LAKE 36 C STATE	6. Well No. 003

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
C	36	17S	27E	C	865	N	1690	W	EDDY

8. Pool Information

RED LAKE; GLORIETA YESO, NORTHEAST	96836
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Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3606
14. Multiple N	15. Proposed Depth 3800	16. Formation Yeso Formation	17. Contractor	18. Spud Date 10/1/2005
Depth to Ground water 140		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: 20000 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	12.25	8.625	24	400	348	0
Prod	7.875	5.5	15.5	3800	518	0

Casing/Cement Program: Additional Comments

Edge Petroleum Operating Co. proposes to drill a 3,800 Yeso 40 acre development oil well. The well will be drilled through the Queen, Grayburg, Premier, San Andres and Yeso. 12-1/4 surface casing will be set and cement circulated at 400. 5-1/2 production casing will be set and cemented at 3,760. The mud program consist of: 0-550 Bentonite and Lime slurry using Fresh Water; Mud Wt. 8.4-9.4; Viscosity 32-34; Filtrate N/C and 550-3800 Cut Brine, Mud Wt. 9.0-9.4, Viscosity 28, Filtrate N/C. The well will be perforated in the Yeso and stimulated as needed for production. Well to produce on rod pump.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	2000	2000	Regan

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 NMOC guidelines <input checked="" type="checkbox"/> a general permit <input type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	OIL CONSERVATION DIVISION	
Printed Name: Electronically filed by Jim Keisling	Approved By: Bryan Arant	
Title: Vice President, Production	Title: Geologist	
Email Address: jkeisling@edgepet.com	Approved Date: 10/7/2005	Expiration Date: 10/7/2006
Date: 10/6/2005	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

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Form C-102
 Permit 16506

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-34377	2. Pool Code 96836	3. Pool Name RED LAKE; GLORIETA YESO, NORTHEAST
4. Property Code 34238	5. Property Name RED LAKE 36 C STATE	6. Well No. 003
7. OGRID No. 224400	8. Operator Name EDGE PETROLEUM OPERATING COMPANY, INC.	9. Elevation 3606

10. Surface Location

UL - Lot C	Section 36	Township 17S	Range 27E	Lot Idn C	Feet From 865	N/S Line N	Feet From 1690	E/W Line W	County EDDY
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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: 10/6/2005			
	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: 8/24/2005 Certificate Number: 12641			

Permit Comments

Operator: EDGE PETROLEUM OPERATING COMPANY, INC. , 224400

Well: RED LAKE 36 C STATE #003

API: 30-015-34377

Created By	Comment	Comment Date
JKEISLING	Sources at Edge Petroleum 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.	10/6/2005
BArrant	If earthen pits are used in association with the drilling of this well, the requirements of NMOC Rule 50 must be met.	10/6/2005

Permit Conditions of Approval

Operator: EDGE PETROLEUM OPERATING COMPANY, INC. , 224400

Well: RED LAKE 36 C STATE #003

API: 30-015-34377

OCD Reviewer	Condition
BArrant	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
BArrant	Please notify OCD time of spud and time to witness the cementing to surface of all casing strings.