

DAC-3415

PWJ 0507751383



1301 Travis, Suite 2000
Houston, Texas 77002
Fax# (713) 650-6493
Log Fax# (713) 654-0701

TO:

Will Jones

FROM:

Amanda Simmons
Production Tech.

COMPANY:

NM OCD

DATE:

3-17-05

FAX NUMBER:

505-476-3462

TOTAL NO. OF PAGES INCLUDING COVER:

6

PHONE NUMBER:

PHONE NUMBER:

(713) 427-8842

EMAIL ADDRESS:

asimmons@edgepet.com

- URGENT
- FOR REVIEW
- PLEASE COMMENT
- PLEASE REPLY
- PLEASE RECYCLE

NOTES/COMMENTS:

C-107A

Southeast Lusk 34 Federal #1

District I
1625 N. French Drive, Hobbs, NM 88240

District II
1501 W. Grand Avenue, Artesia, NM 88210

District III
1000 Rio Breros Road, Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised June 10, 2003

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

APPLICATION TYPE
 Single Well
 Establish Pre-Approved Pools
EXISTING WELLBORE
 Yes No

APPLICATION FOR DOWNHOLE COMMINGLING

DAC-3415

Operator: EDGE PETROLEUM OPER. CO., INC. Address: 1301 TRAVIS, SUITE 2000 HOUSTON, TX 77002

Lease: SOUTHEAST LUSK 34 FEDERAL #1 Well No.: E-34-19S-32E LEA:

OGRID No. 224400 Property Code 300257 API No. 30-025-36439 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
	<i>UNDES.</i>		
Pool Name	LUSK ATOKA, SOUTHEAST (GAS)		LUSK; MORROW, EAST (GAS)
Pool Code	96326		80770
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	12305-12315' TO BE PERFORATED		12739-12789'
Method of Production (Flowing or Artificial Lift)	FLOWING		FLOWING
Bottomhole Pressure <small>(Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)</small>	OPEN HOLE FT TEST 9-22-04 1990 PSI		FLOWING BHP 728 PSI 1-17-05 SEE ATTACHED SURVEY
Oil Gravity or Gas BTU <small>(Degree API or Gas BTU)</small>	NA		1124
Producing, Shut-In or New Zone	BEHIND PIPE		PRODUCING
Date and Oil/Gas/Water Rates of Last Production <small>(Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)</small>	Date: BEHIND PIPE Rates: SEE WRITE UP	Date: Rates:	Date: 2-14-05 Rates: 757 MCFD, 6 BOPD FTP 150 PSI
Fixed Allocation Percentage <small>(Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)</small>	Oil Gas SEE ATTACHED % %	Oil Gas % %	Oil Gas SEE ATTACHED % %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes No

If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes No

Are all produced fluids from all commingled zones compatible with each other? Yes No

Will commingling decrease the value of production? Yes No

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes No

NMOCD Reference Case No. applicable to this well: _____

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE *Jim Keisling* TITLE V.P. PRODUCTION DATE 2-17-05

TYPE OR PRINT NAME JIM KEISLING TELEPHONE NO. (713) 427-8883

E-MAIL ADDRESS jkeisling@edgepet.com

EDGE PETROLEUM OPERATING CO., INC.
SE LUSK 34 FEDERAL NO. 1
NW/4 SECTION 34 T19S R32E
LEA COUNTY, NM
API # 30-025-36439

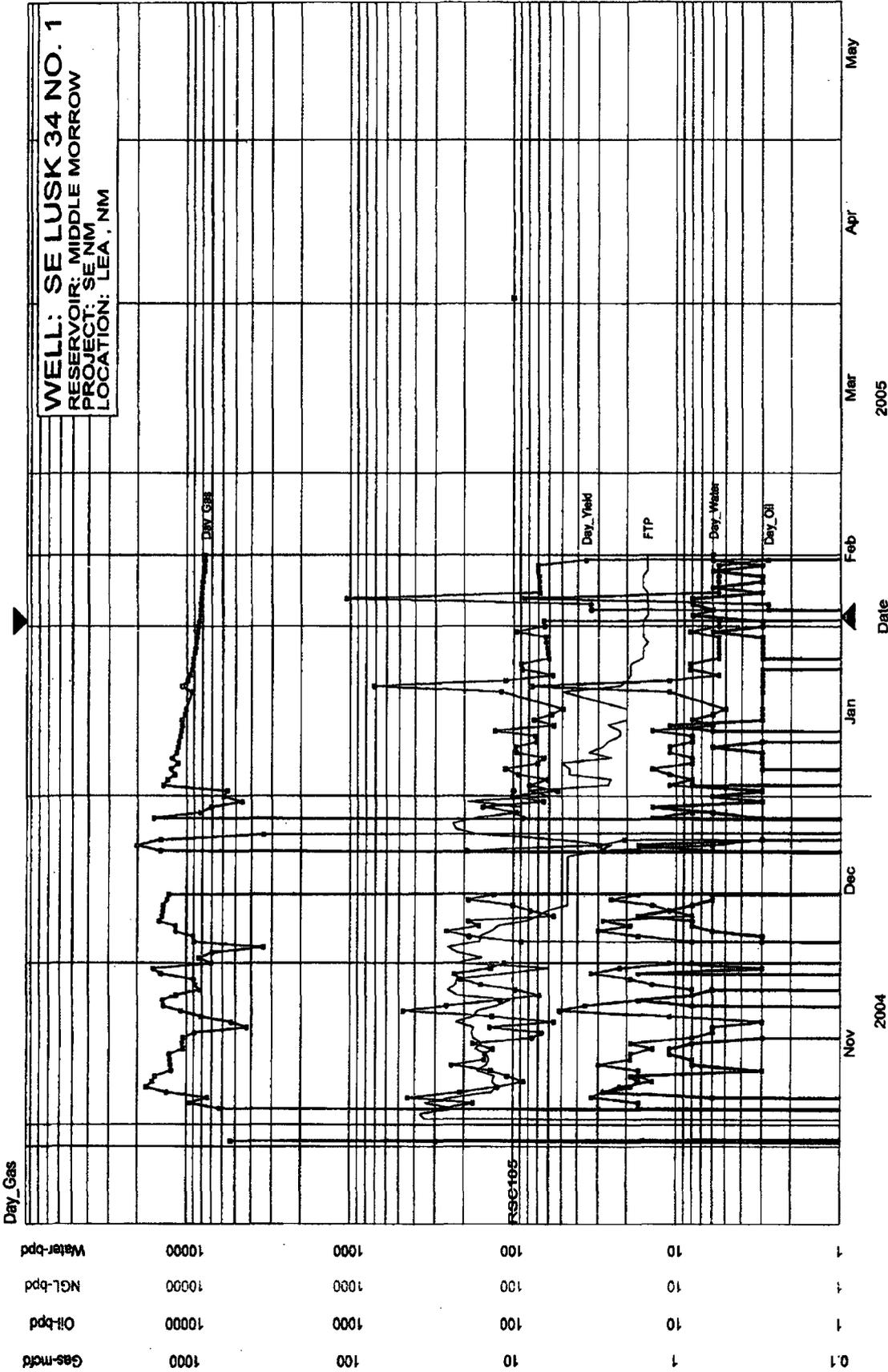
Subject: Request for downhole commingling.

The well is currently completed in the Middle Morrow interval. The well was perforated from 12,739' to 12,741' and 12,780' to 12,789' and was fracture stimulated with 96,800 gal 65Q CO2 foam with 79,000 20/40 sintered bauxite down 5 ½" casing on 10/27/04. The well is currently flowing at a rate of 757 MCFD, 6 BOPD, 3 BWPD with FTP 150 psi. A flowing BHP survey was taken on January 17, 2005 that showed the flowing bottom hole pressure was 728 psi.

The Atoka zone was identified from open hole logs from 12,304' to 12,315'. A formation pressure test was taken at 12,308' during the open hole logging and found to be 1990 psi, which shows pressure depletion. The Atoka interval from 12,304' to 12,315' in the SE Lusk 34 Federal No. 1 is correlative to the Chisos - Federal HH 33 No. 1, located approximately 2,800' west. Attached is a production decline curve from the Chisos - Federal HH 33 No. 1 showing its production history from the Atoka perforations from 12,040' to 12,049'. The well reported production at a rate of 495 MCFD, 4 BOPD in November 2004.

Edge expects the production from the SE Lusk 34 Federal No. 1 to have similar rates as the Chisos - Federal HH 33 No. 1 well. Edge proposes that the allocation percentage be calculated after the Atoka zone is perforated and the well is tested.

NGL Yield,B/MM	1e+06	100000	10000	1000	100
FTP-psig	100000	10000	1000	100	10
Yield,B/MM	1000	100	10	1	0.1



WELL: SE LUSK 34 NO. 1
 RESERVOIR: MIDDLE MORROW
 PROJECT: SE NM
 LOCATION: LEA, NM

Water-bpd	2/2005	448	Cum=	0	2/2005	95967	Cum=	0
NGL-bpd	2/2005	448	Cum=	0	2/2005	95967	Cum=	0
Oil-bpd	2/2005	0	Cum=	0	2/2005	95967	Cum=	0
Gas-mcfd	2/2005	1097	Cum=	85789	2/2005	95967	Cum=	0
Yield,B/MM	2/2005	0	Qual=	2.408	2/2005	95967	Cum=	0
FTP-psig	2/2005	0	EUR=	0.3	2/2005	95967	Cum=	0
RSC-105	2/2005	0	Yres=	0.000120	2/2005	95967	Cum=	0
Day_Yield	2/2005	0	Qret=	0.000000	2/2005	95967	Cum=	0
Day_Water	2/2005	0	Dmin=	0.000000	2/2005	95967	Cum=	0
Day_Oil	2/2005	0	b=	0.000000	2/2005	95967	Cum=	0
Day_Gas	2/2005	0	Qab=	0.3	2/2005	95967	Cum=	0

Production Hub Page

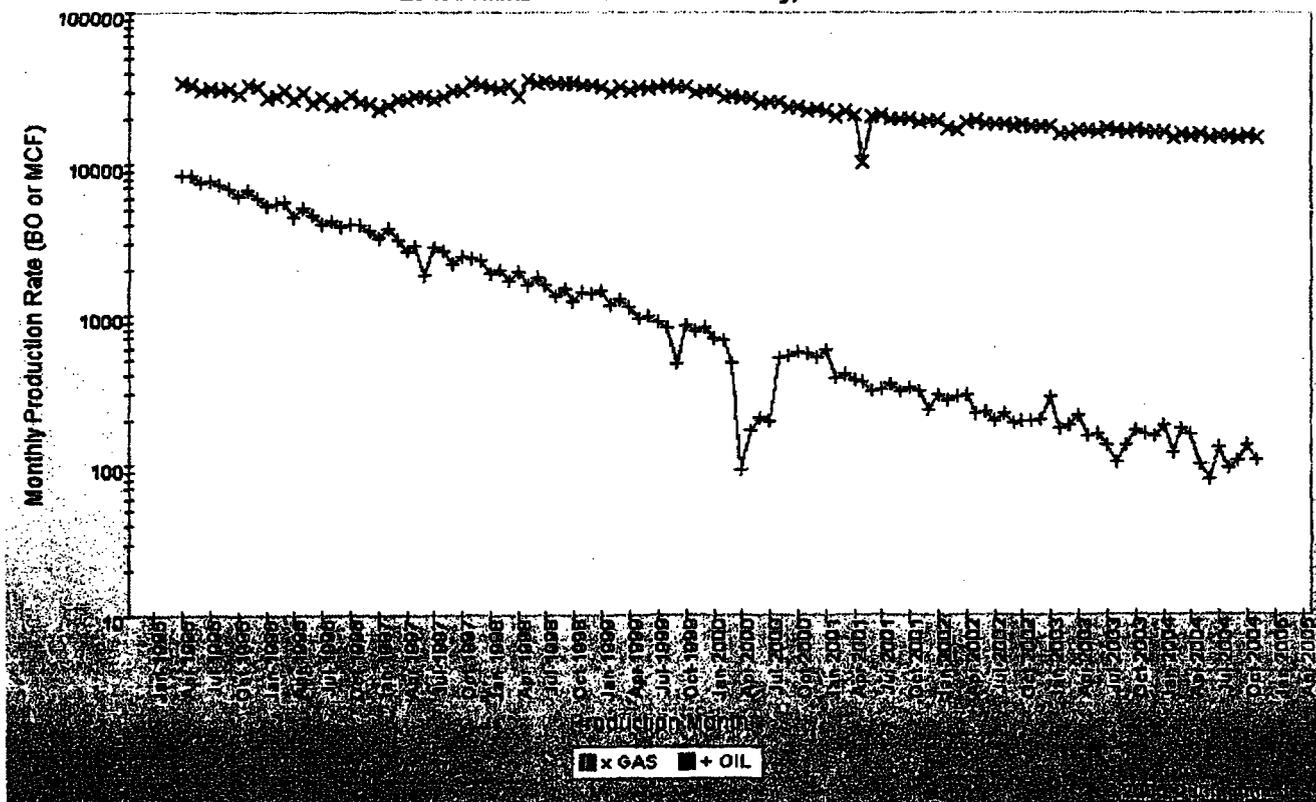


Field LUSK, ATP KA	Operator CHISOS, LTD	Location LEA County, New Mexico
Lease Name FEDERAL HH 33	Gas ID Number 030727	Cumulative (since 1995) 2,884 MMCF; 198,153 BO
Wells 025-27612 (001)		

Production Summary for Lease 030727 - LEA County, New Mexico

Monthly Production Rate (Logarithmic) vs. Time

Lease Number: 030727 - LEA County, New Mexico



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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-36439		² Pool Code 96326		³ Pool Name LUSK; ATOKA, SOUTHEAST (GAS)	
⁴ Property Code 300257		⁵ Property Name SOUTHEAST LUSK "34" FEDERAL			⁶ Well Number 1
⁷ OGRID No. 224400		⁸ Operator Name EDGE PETROLEUM OPER. CO., INC.			⁹ Elevation 3557' GR

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
E	34	19S	32E		1530	NORTH	40	WEST	LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
E	34	19S	32E		1506	NORTH	721	WEST	LEA

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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

<p>16</p>  BHL W/2 SECTION 34	<p>17 OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p><i>Amanda Simmons</i> Signature</p> <p>AMANDA SIMMONS Printed Name</p> <p>PRODUCTION ASST. asimmons@edgepet.com Title and Email Address</p> <p>2-25-05 Date</p>					
				<p>18 SURVEYOR CERTIFICATION</p> <p><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></p>		
				<p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p>Certificate Number</p>		

TRANSACTION REPORT

P.01

MAR-17-2005 THU 01:43 PM

FOR: .

RECEIVE

DATE	START	SENDER	RX TIME	PAGES	TYPE	NOTE	M#	DP
MAR-17	01:41 PM	7136506493	1'52"	6	RECEIVE	OK		