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July 6, 2005

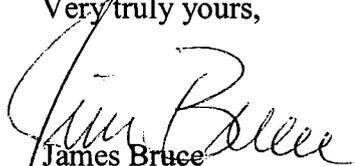
Florene Davidson
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Case 13525

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 July 28, 2005 Examiner hearing. Thank you.

Very truly yours,


James Bruce

Attorney for Edge Petroleum Exploration Company

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PERSONS BEING POOLED

Occidental Permian, Ltd.
Suite 6000
6 Desta Drive
Midland, Texas 79705

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

2005 JUL 6 PM 1 26

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

Case No. 13525

APPLICATION

Edge Petroleum Exploration Company applies for an order pooling all mineral interests from the base of the Bone Spring formation to the base Morrow formation underlying the N½ of Section 29, Township 20 South, Range 30 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

1. Applicant is a working interest owner in the N½ of Section 29, and has the right to drill a well thereon.
2. Applicant proposes to drill its Golden Lane 29 State Well No. 1, from a surface location 2520 feet from the north line and 1130 feet from the west line of Section 28, Township 20 South, Range 30 East, N.M.P.M., to an orthodox bottomhole location 710 feet from the north line and 1700 feet from the east line of Section 29, to a depth sufficient to test the Morrow formation, and seeks to dedicate the N½ of Section 29 to the well to form a standard 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 Golden Lane-Strawn Gas Pool and Undesignated Dos Hermanos-Morrow Gas Pool.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the N½ of Section 29 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

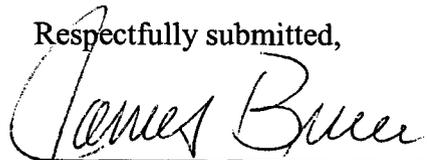
the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the N½ of Section 29, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the N½ of Section 29 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 N½ of Section 29, from the base of the Bone Spring formation 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,



James Bruce
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Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Edge Petroleum Exploration
Company

PROPOSED ADVERTISEMENT

Case No. 13525 : **Application of Edge Petroleum Exploration Company for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the base of the Bone Spring formation to the base of the Morrow formation underlying the N/2 of Section 29, Township 20 South, Range 30 East, NMPM, to form a 320-acre gas spacing and proration unit for all formations and/or pools developed on 320 acre spacing within that vertical extent, including the Undesignated Golden Lane-Strawn Gas Pool and Undesignated Dos Hermanos-Morrow Gas Pool. The unit is to be dedicated to a well to be drilled from a surface location 2520 feet from the north line and 1130 feet from the west line of Section 28, Township 20 South, Range 30 East, N.M.P.M., to an orthodox bottomhole location 710 feet from the north line and 1700 feet from the east line of Section 29. 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 16-1/2 miles northeast of Carlsbad, New Mexico.

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