

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

2005 SEP 6 PM 1 51

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

Case No. 13552

AMENDED 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, or its replacement well, from a surface location in the NW¼ 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

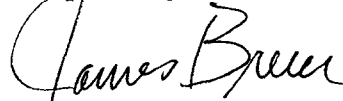
the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the N½ of Section 29, pursuant to NMSA 1978 §70-2-17.

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
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Edge Petroleum Exploration
Company

PROPOSED ADVERTISEMENT

Case No. 13552: 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 in the NW¼ 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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JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

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August 16, 2005

Hand Delivered

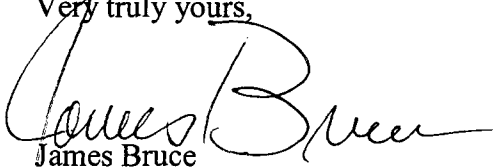
Florene Davidson
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Case 13552

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 September 8, 2005 Examiner hearing. Thank you.

Very truly yours,


James Bruce

Attorney for Edge Petroleum Exploration Company

PERSONS BEING POOLED

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

BE618 75-1492567
M. BRAD BENNETT, INC.
P.O. BOX 51510
MIDLAND, TX 79710-1510

BE618 75-1492567
M. BRAD BENNETT, INC.
P.O. BOX 51510
MIDLAND, TX 79710-1510

HU254 75-6278787
EDWARD R. HUDSON TRUSTS 1,2,3
616 TEXAS STREET
FT. WORTH, TX 76102

HU255 75-6197898
THE EDWARD R. HUDSON TRUST #4
MARY T. ARD, TRUSTEE
222 W. 4TH STREET, PH-5
FT. WORTH, TX 76102

HU256 455-50-0190
EDWARD R. HUDSON, JR.
616 TEXAS STREET
FT. WORTH, TX 76102

HU258 455-50-0675
WILLIAM A. HUDSON II
616 TEXAS STREET
FT. WORTH, TX 76102

LE961 22-6928275
DELMAR HUDSON LEWIS LIVING TRU
6300 RIDGLEA PLACE, SUITE 1005-A
FORT WORTH, TX 76116-5736

LI650 452-80-8190
FRANCIS HILL HUDSON
FBO LINDY'S LIVING TRUST
6300 RIDGLEA PLACE, STE. 1005-A
FT. WORTH, TX 76116

MO702 76-0185037
MOORE & SHELTON CO., LTD.
P.O. BOX 3070
GALVESTON, TX 77552

YA812 85-0154842
YATES PETROLEUM CORPORATION
P.O. BOX 1395
ARTESIA, NM 88211-1395

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

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APPLICATION

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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.
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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.

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Respectfully submitted,



James Bruce
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Attorney for Edge Petroleum Exploration
Company

PROPOSED ADVERTISEMENT

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