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November 18, 2008

Case 14259

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

Dear Florene:

Enclosed for filing, on behalf of Edge Petroleum Operating Company, Inc., are an original and one copy of an application to expand the horizontal limits of the Lovington-Upper Pennsylvanian Pool. *etc.*, together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please set the application for the December 18, 2008 Examiner hearing. Thank you.

Very truly yours,


James Bruce

Attorney for Edge Petroleum Operating Company, Inc.

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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APPLICATION OF EDGE PETROLEUM OPERATING
COMPANY, INC. TO EXPAND THE HORIZONTAL
LIMITS OF THE LOVINGTON-UPPER PENNSYLVANIAN
POOL, OR IN THE ALTERNATIVE FOR APPROVAL OF A
NON-STANDARD OIL SPACING AND PRORATION UNIT
AND AN UNORTHODOX OIL WELL LOCATION IN THE
NORTHEAST LOVINGTON-UPPER PENNSYLVANIAN
POOL, LEA COUNTY, NEW MEXICO.

Case No. 14259

APPLICATION

① Edge Petroleum Operating Company, Inc. applies for an order (i) expanding the horizontal limits of the Lovington-Upper Pennsylvanian Pool, or in the alternative (ii) approving a non-standard 40 acre oil spacing and proration unit in the Northeast Lovington-Upper Pennsylvanian Pool comprised of the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 25, Township 16 South, Range 36 East, N.M.P.M., Lea County, New Mexico, and approving an unorthodox oil well location in said well unit. In support thereof, applicant states:

1. Applicant is the operator of the South Lovington 25 Well No. 1, located 1977 feet from the north line and 330 feet from the west line of Section 25.


2. Applicant drilled the South Lovington 25 Well No. 1 to a depth sufficient to test the Devonian formation (Wildcat Devonian), and the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 25 was dedicated to the well. The well was unsuccessful in the Devonian formation, but it was completed uphole in the Strawn (Upper Pennsylvanian) formation.


3. There are two Upper Pennsylvanian pools within one mile of the South Lovington 25 Well No. 1: (a) the Lovington-Upper Pennsylvanian Pool, which is developed on statewide rules providing for 40 acre spacing and wells to be located no closer than 330 feet to a quarter-quarter section line; and (b) the Northeast Lovington-Upper Pennsylvanian Pool, which under

Order No. R-3816, as amended, is developed on 80 acre spacing with wells to be located within 150 feet of the center of a quarter-quarter section.

4. The Lovington-Upper Pennsylvanian Pool includes the SW $\frac{1}{4}$ of adjoining Section 23, while the Northeast Lovington-Upper Pennsylvanian Pool includes, among other acreage, the E $\frac{1}{2}$ of adjoining Section 24.

5. The Division's Hobbs District Office has placed the well in the Northeast Lovington-Upper Pennsylvanian Pool, although the operator requested that it be placed in the Lovington-Upper Pennsylvanian Pool.

6. Applicant requests that the horizontal limits of the Lovington-Upper Pennsylvanian Pool be expanded to include the NW $\frac{1}{4}$ of Section 25. This will allow a standard 40 acre oil spacing and proration unit to be dedicated to the South Lovington 25 Well No. 1, which is at an orthodox oil well location. 

7. In the alternative, applicant requests approval of a non-standard 40 acre oil spacing and proration unit in the Northeast Lovington-Upper Pennsylvanian Pool, comprised of the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 25. The non-standard unit will be dedicated to the South Lovington 25 Well No. 1, located at an unorthodox oil well location in said pool. Applicant also requests approval of the unorthodox location. 

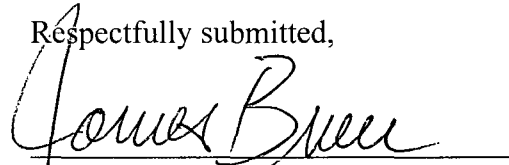
8. Applicant's request is based on the following factors: (a) the well nearest the South Lovington 25 Well No. 1 which produced from the Upper Pennsylvanian formation was in the Lovington-Upper Pennsylvanian Pool, in the SW $\frac{1}{4}$ of Section 23; (b) pressure and flow data gathered by applicant on the South Lovington 25 Well No. 1 indicates a limited reservoir, which supports it being developed on 40 acre spacing; (c) geology indicates that the Strawn reservoir in the South Lovington 25 Well No. 1 is separate from the Strawn reservoir in the Northeast

Lovington-Upper Pennsylvanian Pool; and (d) applicant drilled the South Lovington 25 Well No. 1 on a 40 acre basis, and re-spacing the well will adversely affect existing equities in the well.

9. Approval of this application will prevent waste and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order approving the relief requested above.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "James Bruce", is written over a horizontal line.

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

Attorney for Edge Petroleum Operating
Company, Inc.

PROPOSED ADVERTISEMENT

Case No. 14259: Application of Edge Petroleum Operating Company, Inc. to expand the horizontal limits of the Lovington-Upper Pennsylvanian Pool, or in the alternative for approval of a non-standard oil spacing and proration unit and an unorthodox oil well location in the Northeast Lovington-Upper Pennsylvanian Pool, Lea County, New Mexico. Applicant seeks an order expanding the horizontal limits of the Lovington-Upper Pennsylvanian Pool, which is developed on statewide spacing rules, to include the NW¼ of Section 25, Township 16 South, Range 36 East, N.M.P.M., and the formation of a standard 40 acre oil spacing and proration unit comprised of the SW/4NW/4 of Section 25, to be dedicated to the South Lovington 25 Well No. 1, located at an orthodox oil well location 1977 feet from the north line and 330 feet from the west line of Section 25. In the alternative, applicant requests approval of a non-standard 40 acre oil spacing and proration unit in the Northeast Lovington-Upper Pennsylvanian Pool, which is spaced on 80 acres under Order No. R-3816, comprised of the SW/4NW/4 of Section 25. The non-standard unit will be dedicated to the South Lovington 25 Well No. 1, located at an unorthodox oil well location in said pool. Applicant also requests approval of the unorthodox location. The unit is located approximately 4 miles southwest of Lovington, New Mexico.

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