

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Cons. Division
1625 N. French Dr.
Hobbs, NM 88240

FORM APPROVED
OMB No. 1004-0135
Expires: January 31, 2004

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NM-01135
2. Name of Operator Edge Petroleum Oper. Co., Inc.		6. If Indian, Allottee or Tribe Name NA
3a. Address 1301 Travis, Suite 2000 Houston, TX	3b. Phone No. (include area code) 713-427-8883	7. If Unit or CA/Agreement, Name and/or No. NA
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Surface: 1530' FNL & 40' FWL BHL: 1500' FNL & 660' FWL Sec. 34, T19S, R32E		8. Well Name and No. Southeast Lusk 34 Federal #1
		9. API Well No. 30-025-36439
		10. Field and Pool, or Exploratory Area Lusk, Morrow
		11. County or Parish, State Lea County, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input checked="" type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomple horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recomple in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Edge Petroleum Oper. Co., Inc. proposes to change the casing design to the following:

Hole Size	Interval	Casing Size	Weight
36"	0-40'	30"	
26"	0-890'	18 5/8"	87.5#
17.5"	0-2550'	13 3/8"	68#
12.25"	0-4300'	9 5/8"	43.5#
8.5"	0-13200'	5 1/2"	23#

The change to the casing design is necessary due to results of Edge drilling the South Lusk 33 Federal #1. We expected loss circulation in the Capitan Reef interval below 2960' and requested permission to set 13 3/8" casing at 2570'. The 13 3/8" casing was set at 2570'. We drilled ahead and lost circulation at 2960' and dry drilled to 4360' where we set 9 5/8" casing. Also, we plan to run 18 5/8" 87.5# J-55, BTC for the surface casing versus 20" 94# due to cost and availability.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Jim Keisling

Title Vice President, Production

Signature

Jim Keisling

Date

7/14/04

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title

Office

APPROVED

Date

JUL 14 2004

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

KZ

Jim Keisling
Edge Petroleum Operating Company
FAX : 1- 713-650-6493

07/13/04

From: Gary Gourley, BLM 505-627-0249

In reference to the approval of casing design change for the **Southeast Lusk "34" Federal 01 in Sec. 34 T. 19 S., R. 32 E. Lea County , New Mexico**, primarily setting the 13 3/8 " at about 2570 Ft. to avoid the lost circulation zone: 1) the 13 3/8 must be set below the Salt, 2) the REEF section must be drilled with Fresh water only (3110 to 4270 mol), and the 9 5/8 must be set above the Delaware.