

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

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 checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	5 Lease Serial No NM01135
2 Name of Operator Edge Petroleum Operating Company, Inc.	6 If Indian, Allottee or Tribe Name N/A
3a. Address 1301 Travis, Suite 2000 Houston, TX 77002	7. If Unit or CA/Agreement, Name and/or No N/A
3b. Phone No (include area code) 713-427-8883	8. Well Name and No. Southeast Lusk 34 Federal #5
4 Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec. 34, T-19S, R-32E 990' FNL & 1650' FWL	9. API Well No. 30-025-37680
	10 Field and Pool, or Exploratory Area Lusk Delaware
	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 checked="" 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 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 recompleat 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 recompleat 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.)

This well was permitted to use 4 1/2", 11.6#, N-80, LT&C production casing

Edge requests to change the production casing to 5 1/2", 17#, L-80, Ultra FJ

TO NEW TD

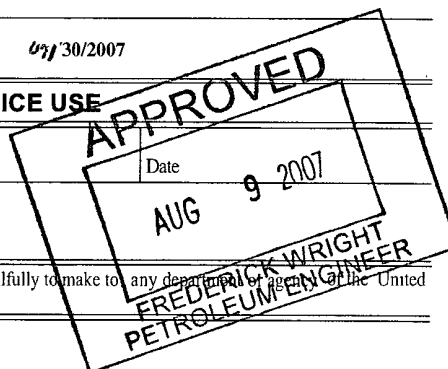
SEE ATTACHED FOR
CONDITIONS OF APPROVAL



14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Angela Lightner		Title Consultant
Signature <i>Angela Lightner</i>		Date 8/30/2007
THIS SPACE FOR FEDERAL OR STATE OFFICE USE		
Approved by <i>Chris Williams</i>		Title Office
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.		Date AUG 9 2007

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)



CONDITIONS OF APPROVAL - DRILLING

Operator's Name: Edge Petroleum Operating Co.
Well Name & No. Southeast Lusk 34 Federal # 5
Location: 990'FNL, 1650'FWL, SEC34, T19S, R32E, Lea County, NM
Lease: NM-01135

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I. DRILLING OPERATIONS REQUIREMENTS:

- A. The Bureau of Land Management (BLM) is to be notified a minimum of 4 hours in advance for a representative to witness:
1. Spudding well
 2. Setting and/or Cementing of all casing strings
 3. BOPE tests
- Lea County call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (505) 393-3612
- B. A Hydrogen Sulfide (H₂S) Drilling Plan should be activated 500 feet prior to drilling into the Yates formation.
- C. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
- D. If floor controls are required, (3M or Greater) controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.

II. CASING:

- A. The 13.375 inch surface casing shall be set above the salt at least 25 feet into the Rustler Anhydrite @ approximately 890 feet and cemented to the surface.
1. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with a surface log readout will be used or a cement bond log shall be run to verify the top of the cement.
 2. Wait on cement (WOC) time for a primary cement job will be a minimum of 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compression strength, whichever is greater. (This is to include the lead cement)
 3. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compression strength, whichever is greater.
 4. If cement falls back, remedial action will be done prior to drilling out that string.
- B. The minimum required fill of cement behind the 10.75 inch intermediate casing is circulating cement to the surface. If cement does not circulate see A.1 thru 4. This string will be set 30 feet above the Capitan Reef @ approximately 3080 feet.

- C. The minimum required fill of cement behind the 7.625 inch intermediate casing is circulating cement to the surface. If cement does not circulate see A.1 thru 4. This string will be set at the base of the Capitan Reef @ approximately 4270 feet.
- D. The minimum required fill of cement behind the 5.5 inch production casing is circulating cement to 200 feet above the shoe of the 7.625 inch intermediate casing, unless circulation is lost while drilling the well bore for that string, in which case cement will be brought up to at least 200 feet above the most shallow lost circulation zone. **This 5.5 inch, 17#, L-80, Ultra FJ casing is only approved to the new proposed setting depth of approximately 5000'; provided by Ryan Price.**
- E. If hardband drill pipe is rotated inside casing; returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.

III. PRESSURE CONTROL:

- A. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2.
- B. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be 2000 psi.
- C. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the 7.625 inch Intermediate casing shoe shall be 3000 psi.
- D. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
 - 1. The tests shall be done by an independent service company.
 - 2. The results of the test shall be reported to the appropriate BLM office.
 - 3. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.
 - 4. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi in accordance with API RP 53, section 17. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug.

IV. Hazards:

- 1. Our geologist has indicated that there is potential for lost circulation in the Artesia group and the Capitan Reef.
- 2. Our geologist has indicated that there is potential for flows in the Artesia and Salado groups.

Engineering can be reached at 505-706-2779 for variances.

FWright 8/7/07