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	UNITED STATES EPARTMENT OF THE INTERIOI UREAU OF LAND MANAGEMENT	FORM APPROVED OM B No. 1004-0135 Expires: January 31, 2004 5. Lease Serial No.		
	NOTICES AND REPORTS O	N WELLS	NM NM 01135	
Do not use this	s form for proposals to drill or II. Use Form 3160-3 (APD) for s	to re-enter an	 If Indian, Allottee or Tribe Name N/A 	
	PLICATE- Other instructions o	n reverse side.	7. If Unit or CA/Agreement, Name and N/A	i/or No.
1: Type of Well ✓ Oil Well□□	Gas Well 🗆 🚺 Other		8. Well Name and No.	
2. Name of Operator Edge Petroleu	m Operating Company, Inc,. 🗸		Southeast Lusk 34 Federal #59. API Well No.	
a. Address 1301 Travis Suite 2000 Houst		No. (include area code) 9808	30-025-37680 / 10. Field and Pool, or Exploratory Are	<u>a</u>
Location of Well (Footage, Sec., T.	, R, M., or Survey Description)		Lusk, Delaware East	
990 660' FNL & 1650' FWL Sec. 34, T-19S, R-32E	nite		Lea Co. NM	
12. CHECK AP	PROPRIATE BOX(ES) TO INDICATE	NATURE OF NOTICE,	REPORT, OR OTHER DATA	
TYPE OF SUBMISSION		TYPE OF ACTION		
✓ Notice of Intent	Acidize Deepen		tart/Resume) Water Shut-Off Well Integrity Other Belco recon	unlation
Subsequent Report	Casing Repair New Con Change Plans Plug and		*-u-an	
Final Abandonment Notice	Convert to Injection Plug Back			
	not required by the state to have a commin	ngle permit.		
	JUN 2 7 2008	SEE ATT	ACHED FOR	
	OBBS OCD	CONDIT	IONS OF APPROVA	
14. I hereby certify that the foreg Name (Printed/Typed)	going is true and correct angela@rkford.com	Title Consultant 432-68	:2-0440 office	
Signature lingela	Highthen THIS SPACE FOR FEDERA		APPROV	
his	Williams	Title		008
Approved by Conditions of approval, if any, are a certify that the applicant holds legal which would entitle the applicant to	ttached. Approval of this notice does not warn or equitable title to those rights in the subject	rant or	WESLEY W. IN	GRAM
Title 18 U.S.C. Section 1001 and Title	43 U.S.C. Section 1212, make it a crime for ar ent statements or representations as to any mat	ny person knowingly and willful ter within its jurisdiction.	ly to make to any department or agency of	fthe United
<i>(</i>]	Creatives frequencies			
	6-13-02)		
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SE Lusk 34 Fed #5 Belco Recompletion Procedure South Lusk Field Lea County, New Mexico June 5, 2008

General Information		
API No.	30-025-37680	
AFE Number:	28RC019	
Gross AFE Amt:	\$206,535	
WI / NRI:	50%/37.5%	
Partners:	32.455%	Pure Energy Group
×	17.545%	Chisos LTD

Surface Location: 990' FNL & 1650' FWL Section 34, Township 19-S, Range 32-E LEA COUNTY, NEW MEXICO X: 677,528.6 E Y: 590,211.3 N

DIRECTIONS: From Hobbs, NM From intersection of West County Rd & US 62/180 Hobbs, travel west on US 62/180 for 35 miles. Turn right (north) on NM 243, travel 4.5 miles. Turn right (north again) on Maljamar Road (aka CR 126A), travel 3.8 miles to lease road on right, just before CR 126A makes slight turn to left. Turn right (east) on lease road, travel 1.0 mile, veer right, stay on main road another 1.4 miles to location on left.

EDGE REP WILL FAX/EMAIL THE FOLLOWING REPORTS TO:

rprice@edgepet.com tpowell@edgepet.com iserrano@edgepet.com dhurd@edgepet.com kprimeaux@edgepet.com dpittman@edgepet.com edge.reports@edgepet.com Irisley@puregp.com sueanncraddock@zianet.com angela@rkford.com

- 1. Daily Workover and Completion Report daily
- 2. Daily Cost Record daily
- 3. Complete Well Equipment Inventory end of job

Reports are to be faxed/emailed to the office daily before 7:00 AM and then followed by a phone call to the office no later than 8:00 AM. Office will also be called by 4:00 PM each day. Weekend calling schedule will be assigned on Fridays.

EDGE PETROLEUM OFFICE: 713-650-8960 FAX: 713-650-6493

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AFE: 28RC019 Last Date Revised: 6/5/08

Well Status:

- 8/5/07: Spudded well and drilled to 5,074'. Ran open hole logs, side-wall cores, and 5-1/2" casing (8/31/07). Perforated and frac'd Cherry Canyon at intervals shown below (9/6/07). Ran 2-7/8" production tubing to 5,021' (9/18/07). Ran pump and rods (9/19/07) and produced to sales.
- 11/28/07: Pump stuck, pull rods & tubing to clean out fill.
- 2/18/08: Pull rods, check for fill (no fill, tagged @5,064'). Re-run rods & tubing.
- 6/1/08: Rod part/pump failure, decided to start Belco recompletion.

Objective:

Perforate and frac Belco interval 4618'-4669'. Commingle Belco and Cherry Canyon.

Elevations:

Deviation:	Vertical
RKB-GL:	15'
RKB-MSL:	3,576'
GL-MSL:	3,561'

Completion Fluid:

Current: Formation fluid

Reservoir Data: Cherry Canyon (Current Inverval)

MASP:	1,950 psi (full gas column)
Well Test:	20 BOPD, 23 MCFD, 88 BWPD (5/24/08)
Reservoir:	Cherry Canyon
	4904' - 4914'
	4837' - 4847'
BHP:	2223 psi (Used 8.7 ppg gradient)
BHT:	119° F (est temp from logs)

Reservoir Data: Proposed (Belco)

MASP:	1,850 psi (full gas column)
Reservoir:	Belco
	4618'-38', 4662'-69'
BHP:	2112 psi (Used 8.7 ppg gradient)
BHT:	116° F (est temp from logs)

Tubing Restrictions:

1) 5-1/2" casing ID (4.767" DD) once the rods, pump, and 2-7/8" tubing are removed prior to re-completion.

Casing Data:

String	Description	Depth (MD/TVD)	Burst (psi)	Collapse (psi)
Conductor	20"	40'		
Surface	13-3/8", 68#, J-55, BTC	890'	3,450	1,950
Intermediate	10-3/4", 45.5#, J-55, BTC	3,092'	3,580	2,090
Intermediate II	7-5/8", 26.4#, HCP-110, LTC	4,282'	8,280	3,920
Prod. Casing	5-1/2", 17# L-80, Ultra-FJ	5,074'	7,740	6,290

Current Production Tubing & Work String Data:

Description	Length	Depth (MD/TVD)	Burst	Collapse (psi)
KB Correction	15'	15'		
150 jts 2-7/8", 4.7#, J-55, 8rd	4710'		7,260	7,680
Tubing Anchor Catcher	2.84'			
6 jts 2-7/8", 4.7#, J-55, 8rd	192'			
Seating Nipple	1.10'			
Perforated Sub	4.05'			
1 jt 2-3/8" tubing (MA)	32'			
EOT		4957'		

Dimensions & Capacities:

String	ID	Drift ID	Сар	acity
5-1/2" Production Casing	4.892"	4.767"	0.02325 bbl/ft	64.3375 ft/bbl
Production Tubing	2.441"	2.347"	0.00579 bbl/ft	172.711 ft/bbl

Procedure

1. Check the pressure on all annuli before starting any work. Record all pressures and include daily pressure readings on every morning report. Bleed off all pressures prior to performing any work.

NOTE: EDGE company rep will be responsible for calling out all rental equipment and will shut-down operations before encountering anything that might jeopardize the safety of any personnel, equipment, or the well itself.

- 2. MIRU workover rig. RD pumping unit and prepare to pull the pump and rods. Pump 3% KCI water down the tubing to kill the well if necessary.
- 3. POH with rods and pump.
- 4. Prepare to pull tubing. ND wellhead and NU BOPs. Release tubing anchor catcher (TAC). POH with 2-7/8" tubing.
- 5. Check pressures and kill well with 3% KCl if necessary. RIH w/ retrievable bridge plug on tbg and set RTBP in the middle of a casing joint at ~4,785'. Spot 30' of sand on top of BP. Test RBP to 3,000 psi. POH with tubing.
- 6. RU wireline and 5,000 psi lubricator and test to 3,000 psi.
- RIH with 3-1/8" casing gun assembly loaded 2 spf, correlate on depth using the original open hole log. (Halliburton Spectral Density – Dual Spaced Neutron log dated 8/29/07), and perforate the Belco with 2 spf, 0.32" minimum hole diameter, maximum penetration shots (~25"), and 60° phasing as follows:

4662' – 4669' (7 ft, 14 shots) 4618' – 4638' (20 ft, 40 shots)

- 8. RD e-line. Record the reaction of the formation to the perforation.
- 9. Frac the Belco zone down 5-1/2" casing as per the Schlumberger frac design (TBD). Max pressure 3000 psi.
- 10. RIH w/ 2-7/8" tubing and packer. RU swab unit and recover the frac load water. Once the well cleans up, establish steady-state swab rate and oil cut. Record same on morning report.
- 11. Release packer and TOH w/ tubing. RIH w/ tbg, wash sand off RTBP set @ 4785', release BP. POH with tubing and RTBP.
- 12. RIH w/ 2-7/8" mud anchor, anchor catcher, seating nipple, production tubing. Set the 2-7/8" tubing @ 4580'. RIH w/ pump and rods and turn well over to production.

Southeast Lusk 34 Federal 5 Edge Petroleum Operating Company, Inc. June 12, 2008 Conditions of Approval

- 1. Test BOP prior to releasing tubing anchor.
- 2. Submit subsequent report with new production test within 30 days of completing work.

WWI 061208
