

TOO-HOBBS RECEIVED

Form 3160-5  
(September 2001)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCT 07 2010  
HOBBSOCD

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.**

<b>SUBMIT IN TRIPLICATE- Other instructions on reverse side.</b>		5. Lease Serial No. NMNM 111963
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name N/A
2. Name of Operator Edge Petroleum Operating Company, Inc.		7. If Unit or CA/Agreement, Name and/or No N/A
3a. Address POB 51937 Midland, TX 79710	3b. Phone No. (include area code) 432-682-1002	8. Well Name and No. South Lusk 28 #1
4. Location of Well (Footage, Seq., T., R., M., or Survey Description) 660' FSL & 830' FWL Sec. 28, T- 19S, R- 32E		9. API Well No. 30-025-36992
		10. Field and Pool, or Exploratory Area Lusk Morrow Gas
		11. County or Parish, State Lea Co. NM

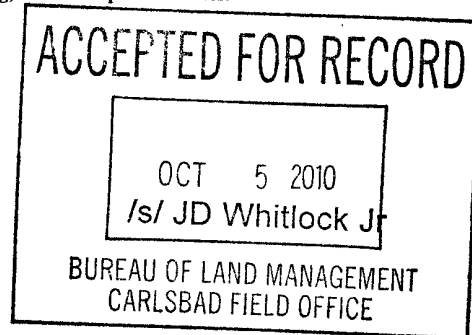
**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

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 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 checked="" 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 recomplate 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 recompletion 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.)

The Morrow is the formation producing water on this location. Approx. 5 BWPd is produced. A current water analysis is attached. There is a storage tank on location to hold produced water. Water is hauled from location by Horizon Trucking, LLC to disposal facilities.

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL



14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Angela Lightner angela@rkford.com		Title Consultant 432-682-0440 office
Signature Angela Lightner	Date 09/28/2010	

**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	PETROLEUM ENGINEER Office	Date OCT 08 2010
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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)

# Pro-Kem, Inc.

## WATER ANALYSIS REPORT

### SAMPLE

Oil Co. : Edge Petroleum  
Lease : Southeast Lusk  
Well No.: 28  
Location:  
Attention:

Date Sampled : 13-September-2010  
Date Analyzed: 23-September-2010  
Lab ID Number: Sep2310.001- 2  
Salesperson :  
File Name : Sep2310.001

### ANALYSIS

1. Ph 6.500
2. Specific Gravity 60/60 F. 1.048
3. CACO3 Saturation Index @ 80F
- @140F

-0.303 Negligible  
0.607 Moderate

#### Dissolved Gasses

- |                     | MG/L.          | EQ. WT. | *MEQ/L |
|---------------------|----------------|---------|--------|
| 4. Hydrogen Sulfide | 0              |         |        |
| 5. Carbon Dioxide   | 100            |         |        |
| 6. Dissolved Oxygen | Not Determined |         |        |

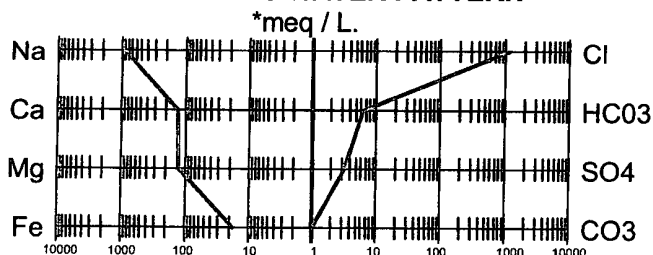
#### Cations

- |                              |          |          |        |
|------------------------------|----------|----------|--------|
| 7. Calcium (Ca++)            | 2,534    | / 20.1 = | 126.07 |
| 8. Magnesium (Mg++)          | 1,484    | / 12.2 = | 121.64 |
| 9. Sodium (Na+) (Calculated) | 20,431   | / 23.0 = | 888.30 |
| 10. Barium (Ba++)            | Below 10 |          |        |

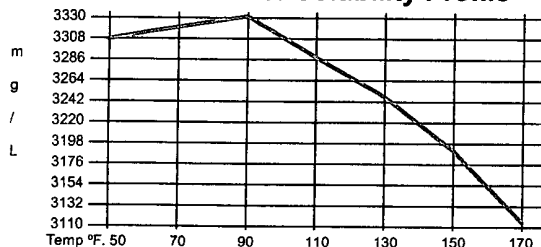
#### Anions

- |                                      |                    |          |          |
|--------------------------------------|--------------------|----------|----------|
| 11. Hydroxyl (OH-)                   | 0                  | / 17.0 = | 0.00     |
| 12. Carbonate (CO3=)                 | 0                  | / 30.0 = | 0.00     |
| 13. Bicarbonate (HCO3-)              | 373                | / 61.1 = | 6.10     |
| 14. Sulfate (SO4=)                   | 150                | / 48.8 = | 3.07     |
| 15. Chloride (Cl-)                   | 39,991             | / 35.5 = | 1,126.51 |
| 16. Total Dissolved Solids           | 64,963             |          |          |
| 17. Total Iron (Fe)                  | 307.00             | / 18.2 = | 16.87    |
| 18. Manganese (Mn++)                 | Not Determined     |          |          |
| 19. Total Hardness as CaCO3          | 12,437             |          |          |
| 20. Resistivity @ 75 F. (Calculated) | 0.147 Ohm · meters |          |          |

#### LOGARITHMIC WATER PATTERN



#### Calcium Sulfate Solubility Profile

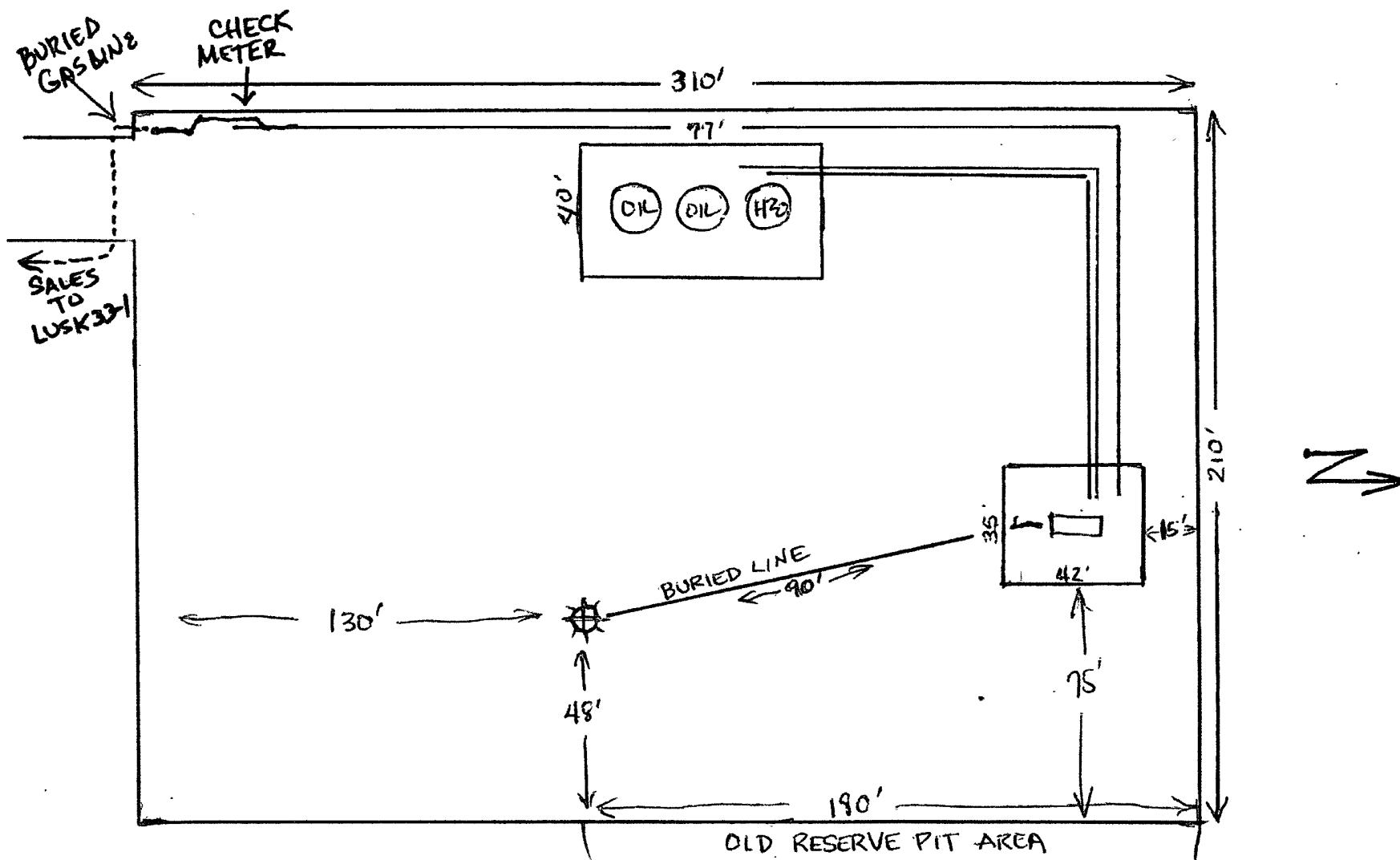


#### PROBABLE MINERAL COMPOSITION

COMPOUND	*meq/L	X	EQ. WT.	=	mg/L.
Ca(HCO3)2	6.10		81.04		495
CaSO4	3.07		68.07		209
CaCl2	116.89		55.50		6,487
Mg(HCO3)2	0.00		73.17		0
MgSO4	0.00		60.19		0
MgCl2	121.64		47.62		5,792
NaHCO3	0.00		84.00		0
NaSO4	0.00		71.03		0
NaCl	887.98		58.46		51,911

\* milliequivalents per Liter

Tony Abernathy, Analyst



S. LUSK 28 FEDERAL No. 1

**BUREAU OF LAND MANAGEMENT**  
**Carlsbad Field Office**  
**620 East Greene Street**  
**Carlsbad, New Mexico 88220**  
**575-234-5972**

**Disposal of Produced Water From Federal Wells**  
**Conditions of Approval**

Approval of the produced water disposal methodology is subject to the following conditions of approval:

1. This agency shall be notified of any change in your method or location of disposal.
2. Compliance with all provisions of Onshore Order No. 7.
3. This agency shall be notified of any spill or discharge as required by NTL-3A.
4. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
5. All above ground structures on the lease shall be painted Shale Green (5Y 4/2), or as per approved APD stipulations. This is to be done within 90 days, if you have not already done so.
6. Any on-lease open top storage tanks shall be covered with a protective cover to prevent entry by birds and other wildlife.
7. This approval should not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.
8. If water is transported via a pipeline that extends beyond the lease boundary, then you need to submit within 30 days an application for right-of-way approval to the Realty Section in this office if you have not already done so.
9. Disposal at any other site will require prior approval.
10. Subject to like approval by NMOCD.

11. *Submit NMOCD Disposal permit ~~it~~ within 30 days*

9/30/2010