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## Edge Petroleum Corp. Q4 2007 Earnings Call Transcript

### Question-and-Answer Session

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#### **Operator**

Thank you sir. (Operator instructions). And we'll take our first question from Joe Allman of J.P. Morgan.

#### **Joe Allman – J.P. Morgan**

Hi everybody. Just on terms of operations in Southeast New Mexico, if I'm not mistake you had a few issues there in Southeast New Mexico in 2007 but you're back to drilling, you've completed two wells. You know could you kind of relate what you're doing right now just on the issues you had in 2007?

#### **John Tugwell**

I guess I'm not sure Joe what you're referring to in 2007. We drilled 11 wells there in 2007 which was right on target with what our plan was for that area. We were drilling the [Prairie power] well which I mentioned we were drilling over year end and reached TD in January and have been in the process of completing that well. We found a much better than expected Morrow section in this well and are real excited about the potential that it's got and also the potential to offset the well.

#### **Joe Allman – J.P. Morgan**

Yeah if you just, I thought maybe you had some disappointing results in 2007 in Southeast New Mexico, is that right or?

#### **John Tugwell**

I don't think so Joe, actually you know we're pretty much right on target and actually exceeded slightly our expectations that we originally had in New Mexico.

#### **John Elias**

Joe you may be reflecting back on the fact that we had an exploration agreement that covered all the [shed is ed] in Lee County with two private entities scheduled to expire here I think next year. And they as well as we were looking for ways to separate ourselves from one another. They wanted, one of the parties wanted to sell some of their assets. That was causing some delays in some of our planned efforts and conflicts of interest and we had now resolved that.

That exploration agreement has been terminated and we're moving forward on a standalone basis in that area ourselves and I think one of those parties did ultimately sell their interest in a selected area.

And another thing you may be thinking about, there was a transaction that they did with another party without our agreement and we got in some discussion into what ownership we were to have in the position that they exchanged for and we ultimately worked out. So those would be only two things that I can reflect back on that we may have mentioned and that you may be alluding to.

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