

Paula D. Graham, CPL  
Contract Landman  
Direct Line (214) 360-3543

February 18, 2000

Estate of Henry & Nettie Louise Belfi  
Friend & Friend  
Mr. Gerald Friend  
P. O. Box 797  
Clifton, New Jersey 07013



**WISER**

RE: Proposed 4,500' Grayburg/San Andres Test  
**CASWELL NO. 1**  
660' FSL & 560' FWL Section 33, T16S-R32E  
Lea County, New Mexico  
New Mexico Prospect

Dear Sir:

This letter is a follow-up to the January 26<sup>th</sup> and February 15<sup>th</sup> letters sent to you regarding the referenced well proposal. Please be informed that the well location proposed has been revised to place the well approximately 100' to the west due to an existing power line. I am enclosing a corrected AFE and land plat reflecting this corrected legal location, for your information and records. If you need any further information or have questions, please feel free to call me.

I look forward to hearing from you. Your consideration of this proposal is appreciated.

Very truly yours,

**THE WISER OIL COMPANY**

Paula D. Graham

/enc.

cc: Bill Phillips

NEW MEXICO  
OIL CONSERVATION DIVISION

EXHIBIT 3

CASE NO. 12366

The Wiser Oil Company

8115 Preston Road Suite 400 Dallas, Texas 75225 Tel: 214 265 0980 / Fax: 214 373 3610 / Web: <http://www.wiseroil.com>

January 26, 2000

Estate of Henry & Nettie Louise Belfi  
Friend & Friend  
Mr. Gerald Friend  
P. O. Box 797  
Clifton, New Jersey 07013



RE: Proposed 4,500' Grayburg/San Andres Test  
**CASWELL NO. 1**  
**660' FS&WL, Section 33, T16S-R33E**  
**Lea County, New Mexico**  
**New Mexico Prospect**

Dear Sir or Madam:

The Wiser Oil Company (Wiser) hereby proposes the drilling of a 4,500' Grayburg/San Andres Test at a location of 660' FSL & 660' FWL of Section 33, T16S-R33E, Lea County, New Mexico. If the well is successfully completed in the Grayburg/San Andres Formation, we anticipate a 40-acre proration unit covering the SW/4 SW/4 Section 33. Wiser, with assistance from Mr. Kenton Hammond of J. O. Easley, Inc. has attempted to secure all open acreage in the SW/4 of Section 33 and identified owners where they are known. Based upon our most current title information, you appear to own a working interest in the anticipated proration unit.

We respectfully request that you support Wiser's effort to drill this well by agreeing to either, participate for your proportionate interest or, grant an oil and gas lease as outlined below.

In this regard, enclosed for your review are two (2) copies of the AFE Well Cost Estimate for this well. A copy of the AAPL 1989 Model Form Operating Agreement we propose to govern operations in the SW/4 of said Section 33 will be provided if you elect to participate.

Should you choose not to participate, we propose that you grant and oil and gas lease of your interest within the SW/4 SW/4 Section 33 to Wiser for a bonus consideration of \$100.00 per net mineral acre, a term of three (3) years and a 1/5<sup>th</sup> (20.00%) royalty.

Please indicate your election by executing and returning to the undersigned one copy of this letter. Should you elect to Participate, please also execute and return one (1) copy of the enclosed AFE Well Cost Estimate.

Thank you for your consideration of this proposal. If you have any questions, please feel free to call.

THE WISER OIL COMPANY

Paula D. Graham

\_\_\_\_\_ I/We hereby ELECT TO PARTICIPATE in the Caswell No. 1 Well.

\_\_\_\_\_ I/WE hereby ELECT TO LEASE based on the terms described herein.

COMPANY/INDIVIDUAL NAME: \_\_\_\_\_

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

EDDY, East

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T 17 S

