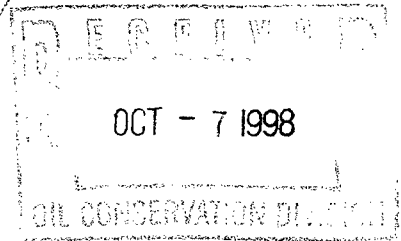


JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

SUITE B
612 OLD SANTA FE TRAIL
SANTA FE, NEW MEXICO 87501

(505) 982-2043
(505) 982-2151 (FAX)



October 6, 1998

Michael E. Stogner
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: Unorthodox location application
The Wiser Oil Company
State AZ Well No. 3
Surface Location: 10 feet FSL & 170 feet FWL
Final Bottomhole Location: 19 feet FSL & 9 feet FWL
SW $\frac{1}{4}$ SW $\frac{1}{4}$ S16, Township 17 South, Range 31 East, NMPM

Dear Mike:

As you requested, enclosed are (a) a certified directional survey, (b) a wellbore schematic, and (c) a bottomhole location report with notations concerning the top and bottom of the producing interval.

I would like to talk with you regarding the lease line agreement between Wiser and Devon Energy Corporation (Nevada).

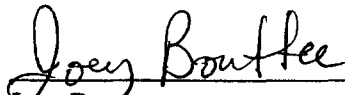
Very truly yours,

James Bruce

STATE OF NEW MEXICO

COUNTY OF EDDY

I, JOEY BOUTTE, certify that; I am employed by Drilling Measurements Inc.; that I did on the day of 01/01/98 through 01/05/98 conduct or supervise the taking of a Steering Tool Survey from a depth of 705 to a depth of 3719 that the data is true, correct, complete and within the limitations of the tool as set forth by Drilling Measurements Inc.; that I am authorized and qualified to make this report; that this survey was conducted at the request of WISER OIL COMPANY.. on their well STATE LEASE AZ. WELL #3 and that I have reviewed this report and find that it conforms to the principles and procedures as set forth by Drilling Measurements Inc.



Joey Boutte
Survey Operator

DRILLING MEASUREMENTS INC.
Directional Survey Data

Company: WISER OIL CO.
Well Name: ST. LEASE AZ WELL #3
API Number:
Side Track: 0

Field: SKELLY UNIT
Location: MALJAMAR NM.
County: EDDY
State: NM.

DMI Operator: JOEY BOUTTE
Probe Number:

Job Number: ST97-H161
Date: 01/05/1998

Calculation Method: Minimum Curvature
Proposed Azimuth: 270.00 (N90.0W)

Units: Feet/xF
Declination: 9.300 (West - / East +)

PAGE 1

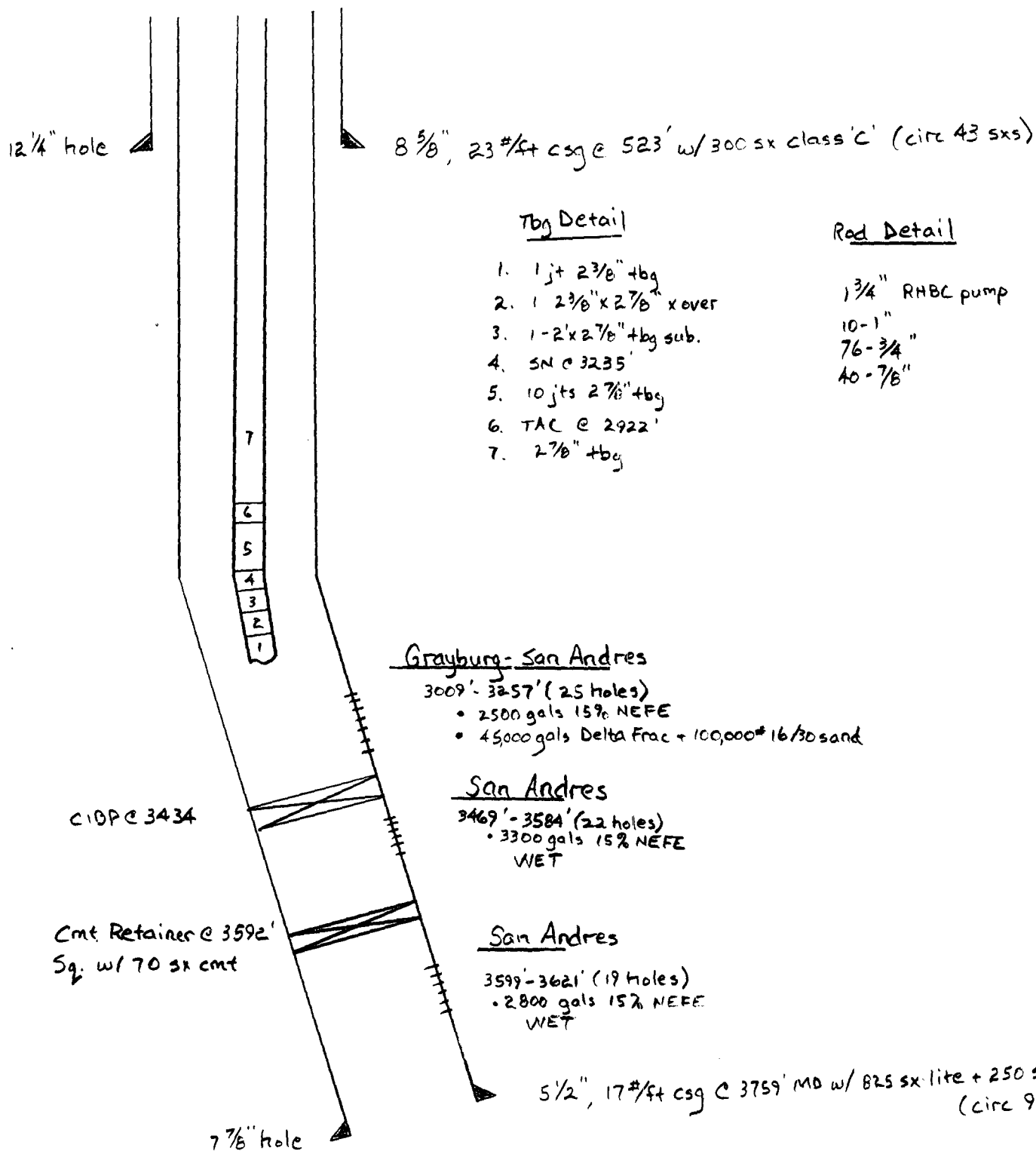
SURVEY DATA AND CLOSURE INFORMATION

MD	AZ	INC	DLEG	TVD	VS	NORTH	EAST	TEMP	DATE
621.0	299.4	1.3	0.0	621.0	-0.0	0.0	-0.0	(TIE-IN)	
705.0	307.0	1.0	0.4	704.9	1.4	0.9	-1.4	57.3	01/01/1998
784.0	338.5	1.5	1.1	783.9	2.3	2.3	-2.3	63.9	01/01/1998
871.0	332.7	1.3	0.3	870.9	3.2	4.2	-3.2	64.8	01/01/1998
965.0	359.5	0.4	1.0	964.9	3.7	5.5	-3.7	65.8	01/01/1998
1057.0	9.7	1.0	0.7	1056.9	3.6	6.6	-3.6	66.2	01/01/1998
1151.0	20.9	1.8	0.9	1150.8	2.9	8.8	-2.9	68.2	01/01/1998
1246.0	23.4	2.5	0.7	1245.8	1.6	12.1	-1.6	68.6	01/01/1998
1340.0	37.9	2.8	0.8	1339.7	-0.7	15.8	0.7	70.3	01/01/1998
1432.0	32.2	2.6	0.4	1431.6	-3.2	19.3	3.2	70.9	01/01/1998
1527.0	18.6	2.2	0.7	1526.5	-4.9	22.9	4.9	70.2	01/01/1998
1621.0	8.6	1.9	0.5	1620.4	-5.7	26.1	5.7	71.2	01/01/1998
1714.0	352.6	1.5	0.7	1713.4	-5.8	28.9	5.8	71.0	01/01/1998
1809.0	327.8	1.1	0.7	1808.4	-5.1	30.9	5.1	71.7	01/01/1998
1903.0	306.6	0.9	0.4	1902.4	-4.1	32.1	4.1	72.7	01/01/1998
1996.0	276.1	0.6	0.5	1995.3	-3.0	32.6	3.0	73.1	01/01/1998
2090.0	284.3	0.3	0.3	2089.3	-2.3	32.7	2.3	71.3	01/01/1998
2153.0	252.5	0.4	0.3	2152.3	-1.9	32.6	1.9	72.3	01/01/1998
2190.0	230.4	0.7	1.0	2189.3	-1.6	32.5	1.6	71.4	01/01/1998
2220.0	255.5	1.0	1.6	2219.3	-1.2	32.3	1.2	70.0	01/01/1980
2313.0	272.1	2.1	1.3	2312.3	1.3	32.1	-1.3	73.2	01/01/1998
2405.0	271.1	3.6	1.6	2404.2	5.9	32.3	-5.9	73.5	01/02/1998
2499.0	272.6	5.0	1.5	2497.9	12.9	32.5	-12.9	73.1	01/02/1998
2592.0	272.3	6.1	1.2	2590.5	21.9	32.9	-21.9	74.9	01/02/1998
2686.0	271.9	6.9	0.9	2683.9	32.5	33.3	-32.5	78.9	01/02/1998
2780.0	265.7	7.4	1.0	2777.1	44.2	33.0	-44.2	73.8	01/02/1998
2874.0	252.0	7.0	1.9	2870.4	55.7	30.8	-55.7	79.6	01/03/1998
2967.0	259.5	6.9	1.0	2962.7	66.6	28.0	-66.6	75.0	01/03/1998
3062.0	252.0	6.7	1.0	3057.1	77.5	25.3	-77.5	76.0	01/03/1998
3156.0	256.3	7.1	0.7	3150.4	88.3	22.2	-88.3	77.6	01/03/1998
3251.0	253.8	6.5	0.7	3244.7	99.2	19.3	-99.2	82.3	01/03/1998
3343.0	251.7	6.6	0.3	3336.1	109.2	16.2	-109.2	81.6	01/04/1998
3438.0	256.2	7.1	0.8	3430.4	120.1	13.1	-120.1	82.7	01/04/1998
3533.0	252.0	5.5	1.8	3524.9	130.1	10.3	-130.1	83.3	01/04/1998
3626.0	257.7	7.3	2.1	3617.3	140.1	7.6	-140.1	82.0	01/04/1998
3719.0	266.4	6.1	1.7	3709.6	150.8	6.1	-150.8	77.6	01/05/1998

BOTTOM HOLE CLOSURE 151.0 FEET AT 272.30 (N87.7W)

6/1/98

State AZ #3 Eddy County, NM



TD - 3759' MD
3749' TVD

Halliburton Drilling Systems

Page 1

BHL Report

Date: 1/5/98

Time: 2:51 am

Wellpath ID: State "AZ" #3

Date Created: 12/31/97

Last Revision: 1/5/98

Calculated using the Minimum Curvature Method

Computed using PDS VER2.2.4

Vertical Section Plane: N 90.00 W

Survey Reference: WELLHEAD

Reference World Coordinates: Lat. 32.50.0 N - Lon. 103.50.0 W

Reference GRID System: UTM Zone: 13, Cent. Merid.: 105.0.0 W

Reference GRID Coordinates: (ft.): 11920828.97 N 1998679.37 E

North Aligned to: TRUE NORTH

Vertical Section Reference: WELLHEAD

Closure Reference: WELLHEAD

TVD Reference: WELLHEAD

Wiser Oil Co.

Skelly Unit

Eddy Co., NM

Sec.16-T17S-R31E

State "AZ" #3

Measured Depth	3759.00	(ft)	
Inclination	5.50	(deg)	
Azimuth	N 90.00 W	(deg)	
True Vertical Depth	3749.43	(ft)	
Vertical Section	161.02	(ft)	
Grid Coordinates			
Northing	11920836.57	(ft)	
Easting	1998518.30	(ft)	
Rectangular Offsets			
North/South	9.38 N	(ft)	19' FSL & 9' FWL
East/West	161.02 W	(ft)	
Closure Dist & Dir	161.25 @ N 86.67 W	(deg)	
Dogleg Severity	1.75	(deg/100ft)	
Build Rate	-1.50	(deg/100ft)	
Walk Rate	9.00	(deg/100ft)	

Top Producing Interval	3009.00' MD	
	30.24 N	40' FSL & 92' FWL
	77.52 W	
Bottom Producing Interval	3257.00' MD	
	22.55 N	33' FSL & 64' FWL
	105.97 W	

VERTICAL VIEW
SCALE 100 ft. / DIVISION
TVD REF: WELLHEAD
VERTICAL SECTION REF: WELLHEAD



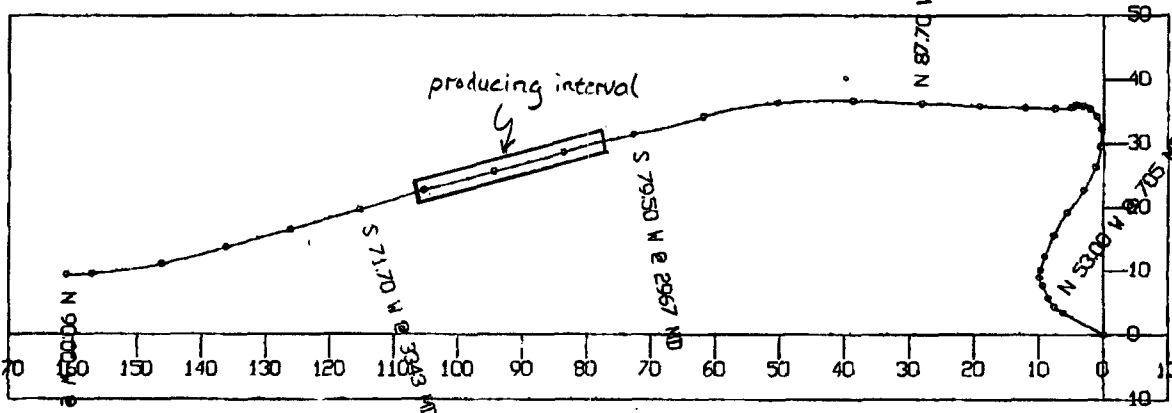
1/5/98 2:23 am

Wiser Oil Co.
Skelly Unit
Eddy Co., NM
Sec.16-T17S-R31E
State "AZ" #3

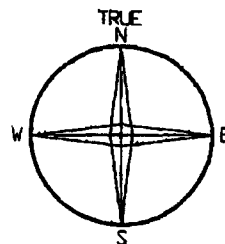
400
500 8 5/8 in OD, @ 500 MD, 500 TVD

600 1.30° @ 621 MD
700 1.00° @ 705 MD
800 1.50° @ 784 MD
900 1.30° @ 871 MD
1000 0.40° @ 965 MD
1100 1.00° @ 1057 MD
1200 1.80° @ 1151 MD
1300 2.50° @ 1246 MD
1400 2.80° @ 1340 MD
1500 2.60° @ 1432 MD
1600 2.20° @ 1527 MD
1700 1.90° @ 1621 MD
1800 1.50° @ 1714 MD
1900 1.10° @ 1809 MD
2000 0.90° @ 1903 MD
2100 0.60° @ 1996 MD
2200 0.30° @ 2090 MD
2300 0.40° @ 2153 MD
2400 0.70° @ 2190 MD

HORIZONTAL VIEW
SCALE 10 ft. / DIVISION
SURVEY REF: WELLHEAD



2500 5.00° @ 2499 MD
2600 6.10° @ 2592 MD
2700 6.90° @ 2686 MD
2800 7.40° @ 2780 MD
2900 7.00° @ 2874 MD
3000 6.90° @ 2967 MD
3100 6.70° @ 3062 MD
3200 7.10° @ 3156 MD
3300 6.50° @ 3251 MD
3400 6.60° @ 3343 MD
3500 7.10° @ 3438 MD
3600 5.50° @ 3533 MD
3700 7.30° @ 3626 MD
3800 6.10° @ 3719 MD
5.50° @ 3759 MD



9.26° East Magnetic Declination (BGGM)

Surface Location
10' FSL & 170' FWL

VERTICAL SECTION PLANE: N 90.00 W

Halliburton Drilling Systems

Page 1

Survey Report

Date: 1/5/98
Time: 2:51 am
Wellpath ID: State "AZ" #3
Date Created: 12/31/97
Last Revision: 1/5/98

Calculated using the Minimum Curvature Method
Computed using PDS VER2.2.4
Vertical Section Plane: N 90.00 W

Survey Reference: WELLHEAD
Reference World Coordinates: Lat. 32.50.0 N - Lon. 103.50.0 W
Reference GRID System: UTM Zone: 13, Cent. Merid.: 105.0.0 W
Reference GRID Coordinates: (ft.): 11920828.97 N 1998679.37 E
North Aligned to: TRUE NORTH
Vertical Section Reference: WELLHEAD
Closure Reference: WELLHEAD
TVD Reference: WELLHEAD

Wiser Oil Co.
Skelly Unit
Eddy Co., NM
Sec.16-T17S-R31E
State "AZ" #3

Measured Depth (ft)	Incl (deg.)	Drift Dir. (qdeg)	Course Length (ft)	TVD (ft)	Vertical Section (ft)	T O T A L Rectangular Offsets (ft) (ft)		DLS (dg/100ft)
Tie-in at surf.:								
0.00	0.00	N 0.00 E	0.00	0.00	0.00	0.00 N	0.00 E	0.00
1st DMI surv.:								
621.00	1.30	N 60.60 W	621.00	620.95	6.14	3.46 N	6.14W	0.21
705.00	1.00	N 53.00 W	84.00	704.93	7.55	4.37 N	7.55W	0.40
784.00	1.50	N 21.50 W	79.00	783.91	8.48	5.74 N	8.48W	1.05
871.00	1.30	N 27.30 W	87.00	870.89	9.35	7.68 N	9.35W	0.28
965.00	0.40	N 0.50 W	94.00	964.87	9.84	8.96 N	9.84W	1.02
1057.00	1.00	N 9.70 E	92.00	1056.87	9.71	10.07 N	9.71W	0.66
1151.00	1.80	N 20.90 E	94.00	1150.84	9.05	12.26 N	9.05W	0.90
1246.00	2.50	N 23.40 E	95.00	1245.77	7.69	15.55 N	7.69W	0.74
1340.00	2.80	N 37.90 E	94.00	1339.67	5.47	19.25 N	5.47W	0.78
1432.00	2.60	N 32.20 E	92.00	1431.57	2.98	22.78 N	2.98W	0.36
1527.00	2.20	N 18.60 E	95.00	1526.49	1.25	26.34 N	1.25W	0.73
1621.00	1.90	N 8.60 E	94.00	1620.43	0.44	29.59 N	0.44W	0.50
1714.00	1.50	N 7.40 W	93.00	1713.39	0.36	32.32 N	0.36W	0.66
1809.00	1.10	N 32.20 W	95.00	1808.36	1.01	34.32 N	1.01W	0.72

Halliburton Drilling Systems

Page 2

Date: 1/5/98

Survey Report

Wellpath ID: State "AZ" #3

Measured Depth (ft)	Incl (deg.)	Drift Dir. (qdeg)	Course Length (ft)	TVD (ft)	Vertical Section (ft)	TOTAL Rectangular Offsets (ft)		DLS (dg/100ft)
1903.00	0.90	N 53.40 W	94.00	1902.35	2.08	35.53 N	2.08W	0.44
1996.00	0.60	N 83.90 W	93.00	1995.34	3.15	36.01 N	3.15W	0.53
2090.00	0.30	N 75.70 W	94.00	2089.34	3.88	36.13 N	3.88W	0.33
2153.00	0.40	S 72.50 W	63.00	2152.34	4.25	36.10 N	4.25W	0.34
2190.00	0.70	S 50.40 W	37.00	2189.33	4.55	35.92 N	4.55W	0.98
BHA #1-2213' MD: 6½" F2000S, 1½" BH w/F27P								
2220.00	1.00	S 75.50 W	30.00	2219.33	4.94	35.74 N	4.94W	1.57
2313.00	2.10	N 87.90 W	93.00	2312.30	7.43	35.60 N	7.43W	1.27
2405.00	3.60	N 88.90 W	92.00	2404.18	12.00	35.71 N	12.00W	1.63
2499.00	5.00	N 87.40 W	94.00	2497.91	19.05	35.95 N	19.05W	1.49
2592.00	6.10	N 87.70 W	93.00	2590.48	28.03	36.34 N	28.03W	1.18
2686.00	6.90	N 88.10 W	94.00	2683.87	38.67	36.72 N	38.67W	0.85
2780.00	7.40	S 85.70 W	94.00	2777.14	50.35	36.46 N	50.35W	0.98
2874.00	7.00	S 72.00 W	94.00	2870.41	61.83	34.23 N	61.83W	1.87
2967.00	6.90	S 79.50 W	93.00	2962.72	72.71	31.46 N	72.71W	0.98
3062.00	6.70	S 72.00 W	95.00	3057.06	83.60	28.71 N	83.60W	0.96
3156.00	7.10	S 76.30 W	94.00	3150.38	94.46	25.64 N	94.46W	0.69
3251.00	6.50	S 73.80 W	95.00	3244.71	105.32	22.75 N	105.32W	0.70
3343.00	6.60	S 71.70 W	92.00	3336.11	115.34	19.64 N	115.34W	0.28
3438.00	7.10	S 76.20 W	95.00	3430.43	126.23	16.52 N	126.23W	0.77
3533.00	5.50	S 72.00 W	95.00	3524.85	136.26	13.72 N	136.26W	1.75
3626.00	7.30	S 77.70 W	93.00	3617.27	146.27	11.08 N	146.27W	2.05
Last DMI surv.:								
3719.00	6.10	S 86.40 W	93.00	3709.64	156.98	9.51 N	156.98W	1.69
Projected to bit at TD:								
3759.00	5.50	N 90.00 W	40.00	3749.43	161.02	9.38 N	161.02W	1.75