

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

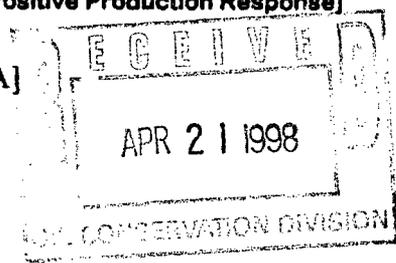
- [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
- [DD-Directional Drilling] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Directional Drilling
- NSL NSP DD SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
- DHC CTB PLC PC OLS OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
- WFX PMX SWD IPI EOR PPR



[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

JAMES BRUCE
P.O. BOX 1056
SANTA FE, NM 87504

Note: Statement must be completed by an individual with supervisory capacity.

James Bruce

 Signature

Attorney for Applicant

 Title

4/21/98

 Date

Print or Type Name

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)

April 21, 1998

Hand Delivered

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

Dear Mr. Stogner:

Pursuant to Division Rules 104.F.(1) and 104.F.(2), The Wiser Oil Company ("Wiser") applies for administrative approval of the following unorthodox oil well location:

State AZ Well No. 3
Surface Location: 10 feet FSL & 170 feet FWL
Bottomhole Location: 10 feet FSL & 10 feet FWL
SW $\frac{1}{4}$ SW $\frac{1}{4}$ §16, Township 17 South, Range 31 East, NMPM

The well will be drilled to test the Grayburg-Jackson Pool, and is necessary to permit the completion of an efficient production and injection pattern for several waterflood projects.

This well is being drilled as part of a cooperative lease line agreement between Wiser and Devon Energy Corporation (Nevada) ("Devon"). Portions of the agreement, and the operating agreement incorporated therein, are attached as Exhibit A. The agreement, as amended for purposes of the above, allocates production as follows:

<u>Lease</u>	<u>Operator</u>	<u>Acreage</u>	<u>Allocation of Production</u>
State B-1565-9	Wiser	SW $\frac{1}{4}$ SW $\frac{1}{4}$ §16	25%
Fed. LC 029420(b) ¹	Wiser	NW $\frac{1}{4}$ NW $\frac{1}{4}$ §21	25%
Fed. LC 029395(b)	Devon	SE $\frac{1}{4}$ SE $\frac{1}{4}$ §17 + NE $\frac{1}{4}$ NE $\frac{1}{4}$ §20	50%

¹Lease LC 029420(b) is committed to the Skelly Unit, a 100% federal unit.

We ask that the order approving the location require that production be allocated per the agreement.

Because of the agreement between Wiser and Devon, notice of this application has not been mailed to anyone. Please call me if you need anything further on this matter.

Very truly yours,

A handwritten signature in cursive script that reads "James Bruce". The signature is written in dark ink and is positioned above the printed name.

James Bruce

Attorney for The
Wiser Oil Company

**COOPERATIVE UNIT LINE INJECTION WELL
AND UNIT LINE INFILL DRILLING AGREEMENT**

**SKELLY WATERFLOOD UNIT
TURNER "B" WATERFLOOD PROJECT**

THIS AGREEMENT is entered into by The Wiser Oil Company as Operator of the Skelly Waterflood Unit, hereafter referred to as "Wiser", and Devon Energy Corporation (Nevada), as Operator of the Turner "B" Waterflood Project, hereafter referred to as "Devon".

RECITALS:

1. Wiser is the Operator of the Skelly Waterflood Unit under the terms of the applicable Unit Agreement and the Unit Operating Agreement for said Unit (the "Unit") and the owner of 100% working interest therein.
2. Devon is the Operator of the Turner "B" Waterflood Project as approved by State of New Mexico Oil Conservation Division Order No. R-3185 (the "Project") and the owner of 100% working interest therein.
3. The Unit Area of the Skelly Waterflood Unit includes, among other lands, the W/2 W/2 of Section 21, the W/2 NW/4 and NW/4 SW/4 of Section 28, all in Township 17 South, Range 31 East, Eddy County, New Mexico, and the Project Area for the Turner "B" Waterflood Project, includes, among other lands, the E/2 E/2 of Section 20, the NE/4 SE/4 and E/2 NE/4 of Section 29, all in Township 17 South, Range 31 East, Eddy County, New Mexico.
4. Wiser and Devon desire to enter into an agreement to provide for the continued operation of existing injection wells, the reactivation of existing shut-in injection wells, and the conversion of additional wells to injection as provided in Article 1, along the common boundary of the above described lands for the injection of water into one or more of the Seven Rivers, Queen, Grayburg, and San Andres formations underlying said lands in order to enhance the recovery of hydrocarbons from their respective Unit/Project. Wiser and Devon also desire to enter into an agreement to drill up to six infill producing wells on 20 acre spacing units along the common boundary line of the Skelly Waterflood Unit and the Turner "B" Waterflood Project in accordance with Article 7 below.

NOW, THEREFORE, in consideration of the mutual benefits to be derived from the covenants and obligations herein contained, Wiser and Devon agree as follows:

ARTICLE 1

INJECTION WELLS

- 1.1 Wiser has made application before the New Mexico Oil Conservation Division to convert to injection or reactivate existing shut-in injection wells as follows:

Skelly Unit #62 Located in NW/4 NW/4 of Section 21-T17S-R31E
Skelly Unit #63 Located in SW/4 NW/4 of Section 21-T17S-R31E
Skelly Unit #69 Located in NW/4 SW/4 of Section 21-T17S-R31E
Skelly Unit #74 Located in SW/4 SW/4 of Section 21-T17S-R31E
Skelly Unit #91 Located in NW/4 NW/4 of Section 28-T17N-R31E
Skelly Unit #92 Located in SW/4 NW/4 of Section 28-T17N-R31E
Skelly Unit 100 Located in NW/4 SW/4 of Section 28-T17N-R31E



Within one hundred twenty (120) days of receipt of approval by the New Mexico Oil Conservation Division, Wiser shall convert, reactivate and equip the above wells as necessary, for the injection of water into one or more of the Seven Rivers, Queen, Grayburg, and San Andres formations. These wells shall be equipped, maintained and operated under this agreement, and the

covenants of Wisser under this agreement shall be performed at the expense of Wisser as an item of unit expense under the Unit Operating Agreement for the Skelly Waterflood Unit.

1.2 Devon, within thirty (30) days after execution of this agreement, shall make application before the New Mexico Oil Conservation Division to convert to injection or reactivate existing shut-in injection wells as follows:

Turner "B" #11 Located in SE/4 NE/4 of Section 20-T17S-R31E
Turner "B" #9 Located in NE/4 NE/4 of Section 20-T17S-R31E
Turner "B" #51 Located in NE/4 SE/4 of Section 20-T17S-R31E
Turner "B" #59 Located in NE/4 NE/4 of Section 29-T17S-R31E
Turner "B" #62 Located in NE/4 SE/4 of Section 29-T17S-R31E

Within one hundred twenty (120) days of receipt of approval by the New Mexico Oil Conservation Division, Devon shall convert, reactivate, and equip the above wells as necessary, for the injection of water into one or more of the Seven Rivers, Queen, Grayburg, and San Andres formations. These wells shall be equipped, maintained and operated under this agreement, and the covenants of Devon under this agreement shall be performed at the sole expense and risk of Devon.

1.2.1 Wisser and Devon recognize that the following Devon operated wells have previously been converted to injection and are currently injecting water into one or more of the Seven Rivers, Queen, Grayburg and San Andres formations:

Turner "B" #46 Located in SE/4 SE/4 of Section 20-T17S-R31E
Turner "B" #55 Located in SE/4 NE/4 of Section 29-T17S-R31E

The above wells shall continue to be operated in accordance with the terms of this agreement and more specifically in accordance with Article 2.2 hereof.

1.3 Well Log: Upon execution of this agreement and upon request, each party shall provide the other party with a copy of a porosity log on each of the wells contemplated by this agreement, indicating perforation depth. Each party, upon request, shall also provide the other party with details of workover operations on each of the wells, including stimulation and squeezing operations.

1.4 Replacement and Substitute Wells: It is recognized by the parties that the incremental recovery of hydrocarbons reasonably expected from each Unit/Project Area as a result of the injection operations contemplated by this agreement may not justify the drilling of a replacement well in the event a party is unable to continue operations of existing injection wells or is unable to convert its well to an injection well or to obtain governmental authorization to inject fluids into the well. If, as a result of a lack of wellbore integrity or other condition in the hole or formations penetrated, either party is unable after exercising reasonable diligence as would a prudent operator to continue operations of existing injection wells or to convert the wells described in Articles 1.1, 1.2 and 1.2.1 herein to injection wells or to obtain governmental authorization to inject fluids into the Seven Rivers, Queen, Grayburg and San Andres formations, said party shall, within thirty (30) days, notify the other party hereto in writing of the condition of such well and shall have the option but not the obligation to propose either to substitute an existing well therefor, or to drill a replacement well at a location within three hundred (300) feet of the well to be replaced.

If the notifying party has elected to drill a replacement well, it shall, within a reasonable time after giving the above described notice, begin operations for the drilling of the replacement well. If it has chosen to propose a substitute well, the remaining party hereto may either accept or reject the proposed substitute well. If the notifying party proposes a substitute well that is acceptable to the remaining party hereto, the notifying party shall drill and equip said well within one hundred twenty (120) days after receiving the remaining party's written acceptance thereof. If the remaining party hereto rejects the proposed substitute well, such remaining party shall have the option to cease operating any adjacent injection well covered by this agreement.

ARTICLE 9

INDEMNITY

Each party hereto agrees to protect, defend, indemnify and hold harmless the other party from and against any claims, demands, causes of action, losses and/or liabilities of every kind and character arising out of, incident to, or in connection with such other party's water injection operations pursuant to the provisions of this agreement excepting, however, any claim, demand, cause of action, loss and/or liability which may result from the gross negligence or willful misconduct of such other party, its agents, officers, or employees. Such indemnity shall include, without limitation, reasonable attorney's fees, court costs and similar expenses. Each party hereby releases the other party from any liability for damages to the releasing party's interest in and to the releasing party's land described herein, arising out of, incident to, or in connection with the operations contemplated by this agreement, provided such operations are conducted in accordance with the terms and conditions of this agreement and such damage is not the result of gross negligence or willful misconduct of such other party.

ARTICLE 10

MISCELLANEOUS

10.1 Entire Agreement: This agreement embodies the entire agreement between the parties relating to the subject matter hereof and shall supersede all other agreements, assurances, conditions, covenants or terms relating hereto, whether written or verbal or antecedent or contemporaneous with the execution thereof. This agreement may be modified or amended only by an instrument in writing signed by both parties.

10.2 Captions: Captions have been inserted for reference purposes only and shall not define or limit the terms of this agreement.

10.3 Binding Effect: This agreement shall be binding upon and shall inure to the benefit of the parties hereto and to their respective successors, legal representatives and assigns.

WITNESS EXECUTION this 25th day of April, 1997.

ATTEST:

THE WISER OIL COMPANY

By: _____

By: W. B. Phillips

**W. B. Phillips
Attorney-in-Fact**

ATTEST:

DEVON ENERGY CORPORATION (NEVADA)

By: Steve Cromwell

By: J. M. Lacey

**STEVE CROMWELL
Assistant Secretary**

**J. M. Lacey
Vice President**

*RDC
KLT
RL*

EXHIBIT "B"

Attached to and made a part of that certain Cooperative Unit Line Injection Well and Unit Line Infill Drilling Agreement dated January 1, 1997 by and between The Wiser Oil Company, and Devon Energy Corporation (Nevada).

A.A.P.L. FORM 610-1982

MODEL FORM OPERATING AGREEMENT

OPERATING AGREEMENT

DATED

January 1 , 19 97 ,

OPERATOR See Exhibit "A"

CONTRACT AREA Limited to the infill development wells as set forth in Exhibit "A" attached hereto.

COUNTY ~~OR PARISH~~ OF Eddy STATE OF New Mexico

OPERATING AGREEMENT

THIS AGREEMENT, entered into by and between The Wiser Oil Company and Devon Energy Corporation (Nevada) both parties hereinafter designated and referred to as "Operator", and ~~the signator party or parties other than Operator~~ ^{both parties} sometimes hereinafter referred to individually herein as "Non-Operator", and collectively as "Non-Operators", in accordance with Exhibit "A" attached hereto.

WITNESSETH:

WHEREAS, the parties to this agreement are owners of oil and gas leases and/or oil and gas interests in the land identified in Exhibit "A", and the parties hereto have reached an agreement to explore and develop these leases and/or oil and gas interests for the production of oil and gas to the extent and as hereinafter provided.

NOW, THEREFORE, it is agreed as follows:

ARTICLE I.
DEFINITIONS

As used in this agreement, the following words and terms shall have the meanings here ascribed to them:

- A. The term "oil and gas" shall mean oil, gas, casinghead gas, gas condensate, and all other liquid or gaseous hydrocarbons and other marketable substances produced therewith, unless an intent to limit the inclusiveness of this term is specifically stated.
B. The terms "oil and gas lease", "lease" and "leasehold" shall mean the oil and gas leases covering tracts of land lying within the Contract Area which are owned by the parties to this agreement.
C. The term "oil and gas interests" shall mean unleased fee and mineral interests in tracts of land lying within the Contract Area which are owned by parties to this agreement.
D. The term "Contract Area" shall mean all of the lands, oil and gas leasehold interests and oil and gas interests intended to be developed and operated for oil and gas purposes under this agreement. Such lands, oil and gas leasehold interests and oil and gas interests are described in Exhibit "A".
E. The term "drilling unit" shall mean the area fixed for the drilling of one well by order or rule of any state or federal body having authority. If a drilling unit is not fixed by any such rule or order, a drilling unit shall be the drilling unit as established by the pattern of drilling in the Contract Area or as fixed by express agreement of the Drilling Parties.
F. The term "drillsite" shall mean the oil and gas lease or interest on which a proposed well is to be located.
G. The terms "Drilling Party" and "Consenting Party" shall mean a party who agrees to join in and pay its share of the cost of any operation conducted under the provisions of this agreement.
H. The terms "Non-Drilling Party" and "Non-Consenting Party" shall mean a party who elects not to participate in a proposed operation.

Unless the context otherwise clearly indicates, words used in the singular include the plural, the plural includes the singular, and the neuter gender includes the masculine and the feminine.

ARTICLE II.
EXHIBITS

The following exhibits, as indicated below and attached hereto, are incorporated in and made a part hereof:

- [X] A. Exhibit "A", shall include the following information:
(1) Identification of lands subject to this agreement.
(2) Restrictions, if any, as to depths, formations, or substances.
(3) Percentages or fractional interests of parties to this agreement.
(4) Oil and gas leases and/or oil and gas interests subject to this agreement.
(5) Addresses of parties for notice purposes.
[] B. Exhibit "B", Form of Lease.
[X] C. Exhibit "C", Accounting Procedure.
[X] D. Exhibit "D", Insurance.
[X] E. Exhibit "E", Gas Balancing Agreement.
[X] F. Exhibit "F", Non-Discrimination and Certification of Non-Segregated Facilities.
[] G. Exhibit "G", Tax Partnership.

If any provision of any exhibit, except Exhibits "E" and "G", is inconsistent with any provision contained in the body of this agreement, the provisions in the body of this agreement shall prevail.

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**ARTICLE III.
INTERESTS OF PARTIES**

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A. Oil and Gas Interests:

If any party owns an oil and gas interest in the Contract Area, that interest shall be treated for all purposes of this agreement and during the term hereof as if it were covered by the form of oil and gas lease attached hereto as Exhibit "B", and the owner thereof shall be deemed to own both the royalty interest reserved in such lease and the interest of the lessee thereunder.

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B. Interests of Parties in Costs and Production:

Unless changed by other provisions, all costs and liabilities incurred in operations under this agreement shall be borne and paid, and all equipment and materials acquired in operations on the Contract Area shall be owned, by the parties as their interests are set forth in Exhibit "A". In the same manner, the parties shall also own all production of oil and gas from the Contract Area subject to the payment of royalties to the extent of total burdens due which shall be borne as hereinafter set forth.

Regardless of which party has contributed the lease(s) and/or oil and gas interest(s) hereto on which royalty is due and payable, each party entitled to receive a share of production of oil and gas from the Contract Area shall bear and shall pay or deliver, or cause to be paid or delivered, to the extent of its interest in such production, the royalty amount stipulated hereinabove and shall hold the other parties free from any liability therefor. No party shall ever be responsible, however, on a price basis higher than the price received by such party, to any other party's lessor or royalty owner, and if any such other party's lessor or royalty owner should demand and receive settlement on a higher price basis, the party contributing the affected lease shall bear the additional royalty burden attributable to such higher price.

Nothing contained in this Article III.B. shall be deemed an assignment or cross-assignment of interests covered hereby.

C. Excess Royalties, Overriding Royalties and Other Payments:

Unless changed by other provisions, if the interest of any party in any lease covered hereby is subject to any royalty, overriding royalty, production payment or other burden on production in excess of the amount stipulated in Article III.B., such party so burdened shall assume and alone bear all such excess obligations and shall indemnify and hold the other parties hereto harmless from any and all claims and demands for payment asserted by owners of such excess burden.

D. Subsequently Created Interests:

If any party should hereafter create an overriding royalty, production payment or other burden payable out of production attributable to its working interest hereunder, or if such a burden existed prior to this agreement and is not set forth in Exhibit "A", or was not disclosed in writing to all other parties prior to the execution of this agreement by all parties, or is not a jointly acknowledged and accepted obligation of all parties (any such interest being hereinafter referred to as "subsequently created interest" irrespective of the timing of its creation and the party out of whose working interest the subsequently created interest is derived being hereinafter referred to as "burdened party"), and:

1. If the burdened party is required under this agreement to assign or relinquish to any other party, or parties, all or a portion of its working interest and/or the production attributable thereto, said other party, or parties, shall receive said assignment and/or production free and clear of said subsequently created interest and the burdened party shall indemnify and save said other party, or parties, harmless from any and all claims and demands for payment asserted by owners of the subsequently created interest; and,
2. If the burdened party fails to pay, when due, its share of expenses chargeable hereunder, all provisions of Article VII.B. shall be enforceable against the subsequently created interest in the same manner as they are enforceable against the working interest of the burdened party.

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**ARTICLE IV.
TITLES**

A. Title Examination:

Title examination shall be made on the drillsite of any proposed well prior to commencement of drilling operations or, if the Drilling Parties so request, title examination shall be made on the leases and/or oil and gas interests included, or planned to be included, in the drilling unit around such well. The opinion will include the ownership of the working interest, minerals, royalty, overriding royalty and production payments under the applicable leases. At the time a well is proposed, each party contributing leases and/or oil and gas interests to the drillsite, or to be included in such drilling unit, shall furnish to Operator all abstracts (including federal lease status reports), title opinions, title papers and curative material in its possession free of charge. All such information not in the possession of or made available to Operator by the parties, but necessary for the examination of the title, shall be obtained by Operator. Operator shall cause title to be examined by attorneys on its staff or by outside attorneys. Copies of all title opinions shall be furnished to each party hereto. The cost incurred by Operator in this title program shall be borne as follows:

Option No. 1: Costs incurred by Operator in procuring abstracts and title examination (including preliminary, supplemental, shut-in gas royalty opinions and division order title opinions) shall be a part of the administrative overhead as provided in Exhibit "C", and shall not be a direct charge, whether performed by Operator's staff attorneys or by outside attorneys.

ARTICLE V.
OPERATOR

A. Designation and Responsibilities of Operator:

See Exhibit "A" _____ shall be the Operator of the Contract Area, and shall conduct and direct and have full control of all operations on the Contract Area as permitted and required by, and within the limits of this agreement. It shall conduct all such operations in a good and workmanlike manner, but it shall have no liability as Operator to the other parties for losses sustained or liabilities incurred, except such as may result from gross negligence or willful misconduct.

B. Resignation or Removal of Operator and Selection of Successor:

1. Resignation or Removal of Operator: Operator may resign at any time by giving written notice thereof to Non-Operators. If Operator terminates its legal existence, no longer owns an interest hereunder in the Contract Area, or is no longer capable of serving as Operator, Operator shall be deemed to have resigned without any action by Non-Operators, except the selection of a successor. Operator may be removed if it fails or refuses to carry out its duties hereunder, or becomes insolvent, bankrupt or is placed in receivership, by the affirmative vote of two (2) or more Non-Operators owning a majority interest based on ownership as shown on Exhibit "A" remaining after excluding the voting interest of Operator. Such resignation or removal shall not become effective until 7:00 o'clock A.M. on the first day of the calendar month following the expiration of ninety (90) days after the giving of notice of resignation by Operator or action by the Non-Operators to remove Operator, unless a successor Operator has been selected and assumes the duties of Operator at an earlier date. Operator, after effective date of resignation or removal, shall be bound by the terms hereof as a Non-Operator. A change of a corporate name or structure of Operator or transfer of Operator's interest to any single subsidiary, parent or successor corporation shall not be the basis for removal of Operator.

2. Selection of Successor Operator: Upon the resignation or removal of Operator, a successor Operator shall be selected by the parties. The successor Operator shall be selected from the parties owning an interest in the Contract Area at the time such successor Operator is selected. The successor Operator shall be selected by the affirmative vote of two (2) or more parties owning a majority interest based on ownership as shown on Exhibit "A"; provided, however, if an Operator which has been removed fails to vote or votes only to succeed itself, the successor Operator shall be selected by the affirmative vote of two (2) or more parties owning a majority interest based on ownership as shown on Exhibit "A" remaining after excluding the voting interest of the Operator that was removed.

C. Employees:

The number of employees used by Operator in conducting operations hereunder, their selection, and the hours of labor and the compensation for services performed shall be determined by Operator, and all such employees shall be the employees of Operator.

D. Drilling Contracts:

All wells drilled on the Contract Area shall be drilled on a competitive contract basis at the usual rates prevailing in the area. If it so desires, Operator may employ its own tools and equipment in the drilling of wells, but its charges therefor shall not exceed the prevailing rates in the area and the rate of such charges shall be agreed upon by the parties in writing before drilling operations are commenced, and such work shall be performed by Operator under the same terms and conditions as are customary and usual in the area in contracts of independent contractors who are doing work of a similar nature.

ARTICLE VI.
DRILLING AND DEVELOPMENT

A. Initial Well:

On or before the _____ day of _____, 19____, Operator shall commence the drilling of a well for oil and gas at the following location:

Six (6) infill development wells to be drilled in accordance with the terms of the Cooperative Unit Line Injection Well and Unit Line Infill Drilling Agreement dated January 1, 1997 between The Wiser Oil Company and Devon Energy Corporation... (Nevada) and shall thereafter continue the drilling of the well with due diligence to

unless granite or other practically impenetrable substance or condition in the hole, which renders further drilling impractical, is encountered at a lesser depth, or unless all parties agree to complete or abandon the well at a lesser depth.

Operator shall make reasonable tests of all formations encountered during drilling which give indication of containing oil and gas in quantities sufficient to test, unless this agreement shall be limited in its application to a specific formation or formations, in which event Operator shall be required to test only the formation or formations to which this agreement may apply.

ARTICLE XVI.
MISCELLANEOUS

This agreement shall be binding upon and shall inure to the benefit of the parties hereto and to their respective heirs, devisees, legal representatives, successors and assigns.

This instrument may be executed in any number of counterparts, each of which shall be considered an original for all purposes.

IN WITNESS WHEREOF, this agreement shall be effective as of 25th day of April, 1997.

~~OPERATOR~~

ATTEST:

Devon Energy Corporation (Nevada)
as Operator and as Non-Operator as set
forth on Exhibit "A"

By: Steve Cromwell
Steve Cromwell
Assistant Secretary

By: J. M. Lacey
J. M. Lacey
Vice President

~~NON-OPERATORS~~

ATTEST:

The Wiser Oil Company
as Operator and as Non-Operator as set
forth on Exhibit "A"

By: _____

By: W. B. Phillips
W. B. Phillips
Attorney-in-Fact

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EXHIBIT "A"

Attached to and made a part of that certain Joint Operating Agreement dated January 1, 1997 by and between The Wiser Oil Company and Devon Energy Corporation (Nevada)

I. CONTRACT AREA:

State AZ #3, 10' FSL and 170' FWL, Section 16-T17S-R31E
 Skelly Unit Well #400, 100' FSL and 260' FWL, Section 21-T17S-R31E
 Skelly Unit Well #401, 1300' FNL and 60' FWL, Section 28-T17S-R31E
 Skelly Unit Well #402, 2625' FNL and 230' FWL, Section 28-T17S-R31E
 Turner B-134, 1350' FNL and 85' FEL, Section 20-T17S-R31E
 Turner B-135, 2650' FNL and 85' FEL, Section 20-T17S-R31E
 Turner B-136, 1521' FSL and 146' FEL, Section 20-T17S-R31E

OPERATOR:

The Wiser Oil Company
 The Wiser Oil Company
 The Wiser Oil Company
 The Wiser Oil Company
 Devon Energy Corporation (Nevada)
 Devon Energy Corporation (Nevada)
 Devon Energy Corporation (Nevada)

II. ADDRESSES FOR NOTICE PURPOSES:

The Wiser Oil Company
 8115 Preston Road, Suite 400
 Dallas, TX 75225
 Attn: Matt Eagleston
 Project Manager

Devon Energy Corporation (Nevada)
 20 North Broadway, Suite 1500
 Oklahoma City, OK 73102
 Attn: Steve Cromwell
 Land Manager

III. PERCENTAGE WORKING INTERESTS OF THE PARTIES:

<u>Parties</u>	<u>Percentage Working Interest in Contract Area</u>
The Wiser Oil Company	50.00%
Devon Energy Corporation (Nevada)	<u>50.00%</u>
Totals	100.00%

IV. DESCRIPTION OF COMMITTED LEASEHOLD:

Each of the Oil, Gas and Mineral Leases, or undivided interests therein, committed to this Agreement by the parties hereto and listed hereinafter are committed INsofar AND ONLY INsofar, as each covers lands and depths within the Contract Area. All recording references are to the County Records of Eddy County, New Mexico.

A. Leases committed by The Wiser Oil Company (100%):

LESSOR	LESSEE	LEASE DATE	LESSOR ROY.	OTHER BURDENS	RECORDING REFERENCES BOOK PAGE
USA #LC-029420-B	Skelly Oil Company	4/30/38	oil - .0210000 gas - .1250000	0100000 ORRI	
State of New Mexico B-1565-9	George F. Getty Oil Company	11/20/28	.1250000		

B-01515-0009

B. Leases committed by Devon Energy Corporation (Nevada) (100%):

LESSOR	LESSEE	LEASE DATE	LESSOR ROY.	OTHER BURDENS	RECORDING REFERENCES BOOK PAGE
USA #LC-029395-B	Danraig Oil & Refining Co.	4/1/46	oil - .0210000 gas - .1250000	-0-	