



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

February 3, 1997

The Wisser Oil Company
c/o J. O. Easley, Inc.
P. O. Box 1796
Roswell, New Mexico 88202-1796
Attention: Michael R. Burch

Administrative Order DD-164

Dear Mr. Burch:

Under the provisions of Rules 111.D and E of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10388, issued by the Oil Conservation Commission in Case 11,274 on June 13, 1995, J. O. Easley, Inc., on behalf of the operator, The Wisser Oil Company ("Wisser"), made application to the New Mexico Oil Conservation Division on January 8, 1997 for authorization to directional drill the Caprock Maljamar Unit Well No. 280 (API No. 30-025-33773), Lea County, New Mexico.

The Division Director Finds That:

- (1) The proposed wellbore is to be drilled to a pre-determined bottom-hole location to the Maljamar-grayburg-San Andres Pool within the Caprock Maljamar Unit Waterflood Project Area, established by Division Order No. R-10094, dated April 5, 1994;
- (2) The Caprock Maljamar Unit Area (approved by Division Order No. R-10093, dated April 5, 1994) and corresponding Caprock Maljamar Unit Waterflood Project Area comprises the following described 4,160-acre, more or less, area in Lea County, New Mexico:

TOWNSHIP 17 SOUTH, RANGE 32 EAST, NMPM

Section 13: SE/4
Section 24: All

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM

Section 17: All
Section 18: NE/4 and S/2
Sections 19 and 20: All
Section 21: W/2 NW/4, SE/4 NW/4, W/2 SW/4, and SE/4 SW/4
Section 27: NW/4 SW/4
Section 28: SW/4 NE/4, W/2, and SE/4
Section 29: NE/4 NE/4
Section 33: N/2 NE/4 and SE/4 NE/4;

DD-WF. 2

Rec 1-8-97
Busj: 1-28-97
Released - 2/3/97

February 3, 1997

The Wiser Oil Company
c/o J. O. Easley, Inc.
P. O. Box 1796
Roswell, New Mexico 88202-1796

Attention: Michael R. Burch

Administrative Order DD-***¹⁶⁴

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TOWNSHIP 17 SOUTH, RANGE 32 EAST, NMPM

Section 13: SE/4

Section 24: All

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM



J.O. EASLEY, INC.
ESTABLISHED 1979

P.O. Box 1796 88202-1796
400 N. Pennsylvania, Suite 990-D
Roswell, NM 88201

1-8-97

DD 1/28/97
OIL CONSERVATION DIVISION
RECEIVED
'97 JAN 8 AM 8 52

January 6, 1997

Telephone (505) 623-3758
Fax (505) 623-3797

Mr. William Lemay
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

Re: Application for Administrative Approval to Drill a Directional Well
Caprock Maljamar Waterflood Unit #280
Lea County, New Mexico

Dear Mr. Lemay:

The Wiser Oil Company hereby applies for administrative approval to drill a directional well at a surface location of 932' FSL, 330' FWL, Unit M, with the bottom hole location at 1395' FSL, 330' FWL, Unit L, of Section 28, Township 17 South, Range 33 East, N.M.P.M. It is necessary to directionally drill this well as the prime location for drilling a straight hole is inaccessible due to the existence of pipelines running through the prime drillsite.

Attached to this application are the following:

1. Survey Plat, Form C-102
2. Plat showing the section, township, and range in which the well is to be drilled; the project area; the proposed surface & bottom-hole locations; the producing area for the proposed well; all offsetting drilling units, with the appropriate Operator; and existing wells in said offsetting drilling units
3. Schematic giving both Vertical & Horizontal Plan Views for the subject well
4. Type log for the Caprock Maljamar Unit
5. Affidavit of Mailing of notification to all offset operators, together with their names and addresses

Concurrent with this application, we have submitted the Application for Permit To Drill to the Hobbs District Office of the New Mexico Oil Conservation Division.

If you have any questions, or need additional information, please feel free to give me a call at 505-623-3758.

Sincerely,

J. O. EASLEY, INC.



Michael R. Burch, CPL
Agent for The Wiser Oil Company

/bj

Enclosures

cc/enclosure

Mr. Jerry Sexton
New Mexico Oil Conservation Division
P. O. Box 1980
Hobbs, New Mexico 88241

Mr. Matt Eagleston
The Wiser Oil Company
8115 Preston Road, Suite 400
Dallas, Texas 75225

Mr. Mike Jones
The Wiser Oil Company
P. O. Box 2568
Hobbs, New Mexico 88241

DISTRICT I
P.O. Box 1990, Hobbs, NM 88241-1990

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT III
1000 Rio Brazos Ed., Artec, NM 87410

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-	Pool Code 43329	Pool Name Maljamar Grayburg San Andres
Property Code 14578	Property Name CAPROCK MALJAMAR UNIT	Well Number 280
OGRID No. 22922	Operator Name THE WISER OIL COMPANY	Elevation 4098

Surface Location

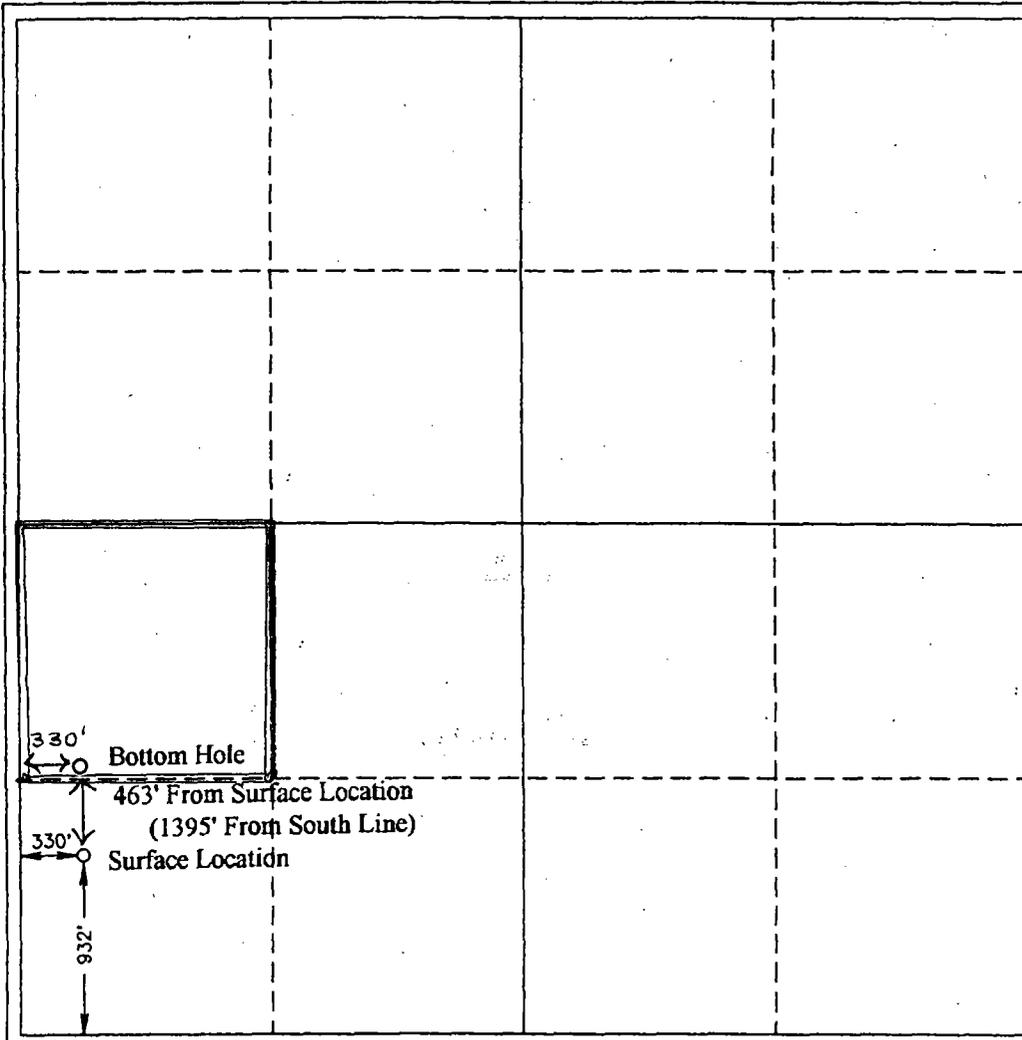
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	28	17 S	33 E		932	SOUTH	330	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	28	17S	33E		1395	South	330	West	Lea

Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.
-----------------------	-----------------	--------------------	-----------

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Michael R. Burch
Signature

Michael R. Burch, CPL

Printed Name Agent for The
Wiser Oil Company

Title
1-6-97

Date

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

DECEMBER 6, 1996

Date Surveyed DSR

Signature & Seal of
Professional Surveyor

John W. West
NEW MEXICO
96-11-1587

Certificate No. JOHN W. WEST 676
RONALD J. EIDSON 3239
EIDSON 12641

T 17 S R 33 E

Caprock Maljamar Unit #280 Directionally Drilled Well

The Wiser Oil Company

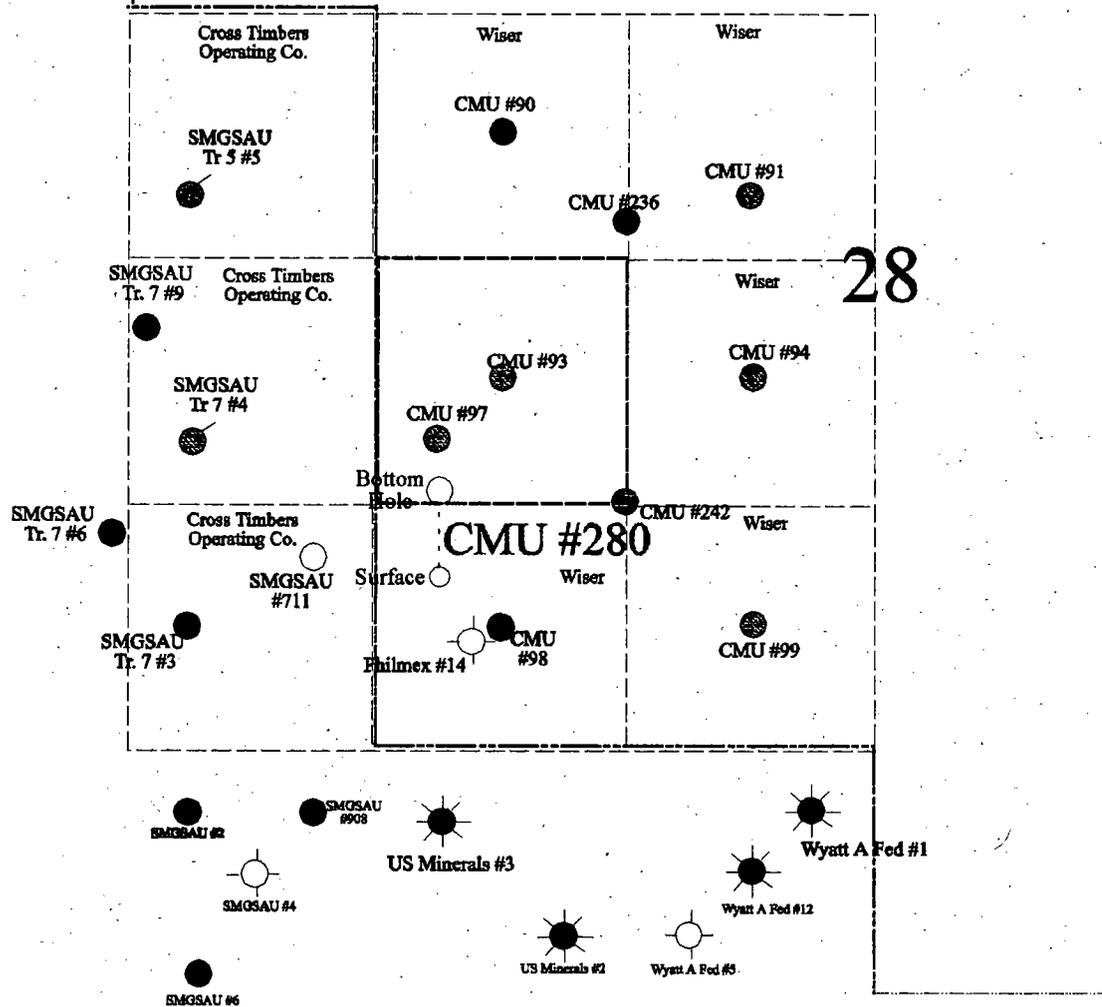
- Caprock Maljamar Unit Outline
- CMU 280 Offset Drilling Area
- CMU 280 Producing Area

Offset Operators are shown in red
(all offset tracts have been drilled)

- New CMU Water Injection Well
- Existing Water Injection Well
- Producing Oil Well
- ☼ Producing Gas Well
- * Producing Oil & Gas Well
- ◇ Plugged and Abandoned Well
- Temporarily Abandoned Well

29

28



32

33

WISER OIL CO

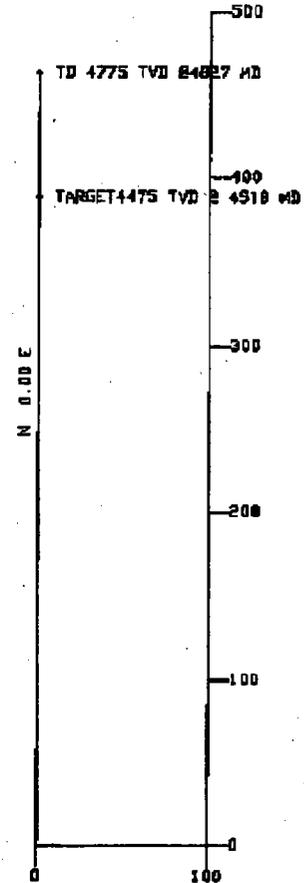
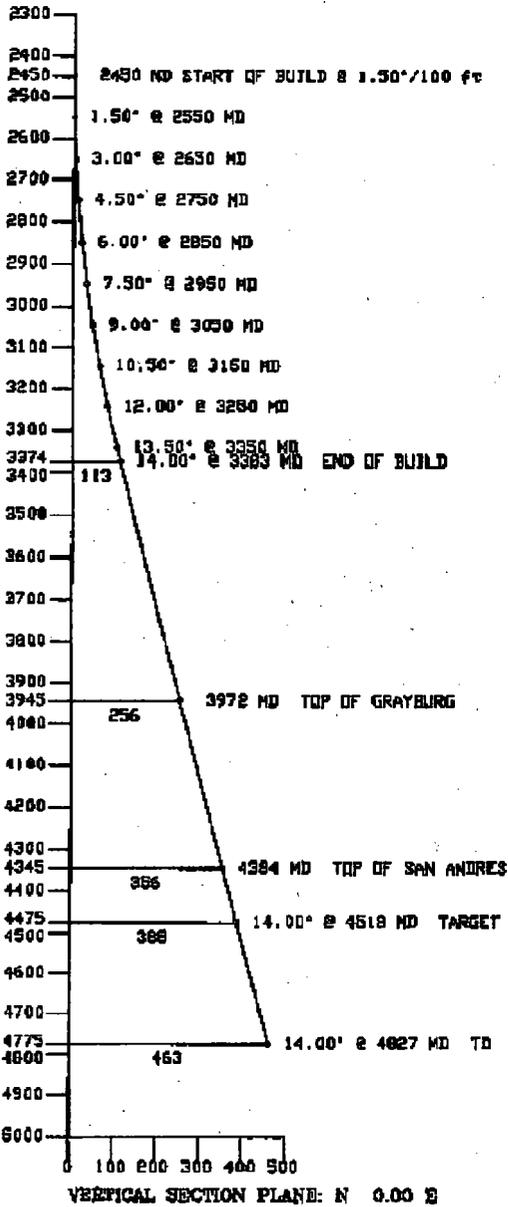
CAP ROCK MALJAMAR UNIT #280

SEC. 28, 17S, 33E
LEA COUNTY, NM.
DIRECTIONAL PROPOSAL



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

HORIZONTAL VIEW
SCALE 100 ft. / DIVISION
SURVEY REF: WELLHEAD



CRITICAL POINT DATA						
	MD	Inc	Azi.	TVD	N/S	E/W
TIE IN	0	0.00°	N 0° E	0	0 N	0 E
START OF BUILD @ 1.50°/100 ft	2450	0.00°	N 0° E	2450	0 N	0 E
END OF BUILD	3383	14.00°	N 0° E	3374	113 N	0 E
TOP OF GRAYBURG	3972	14.00°	N 0° E	3945	256 N	0 E
TOP OF SAN ANDRES	4384	14.00°	N 0° E	4346	366 N	0 E
TARGET	4518	14.00°	N 0° E	4475	366 N	0 E
TD	4827	14.00°	N 0° E	4775	463 N	0 E

HALLIBURTON DRILLING SYSTEMS

Proposal Report

Date: 12/26/96
 Time: 11:30 am
 Wellpath ID: wise260
 Last Revision: 12/26/96

Calculated using the Minimum Curvature Method
 Computed using WIN-CADDS REV2.2.2
 Vertical Section Plane: N 0.00 E

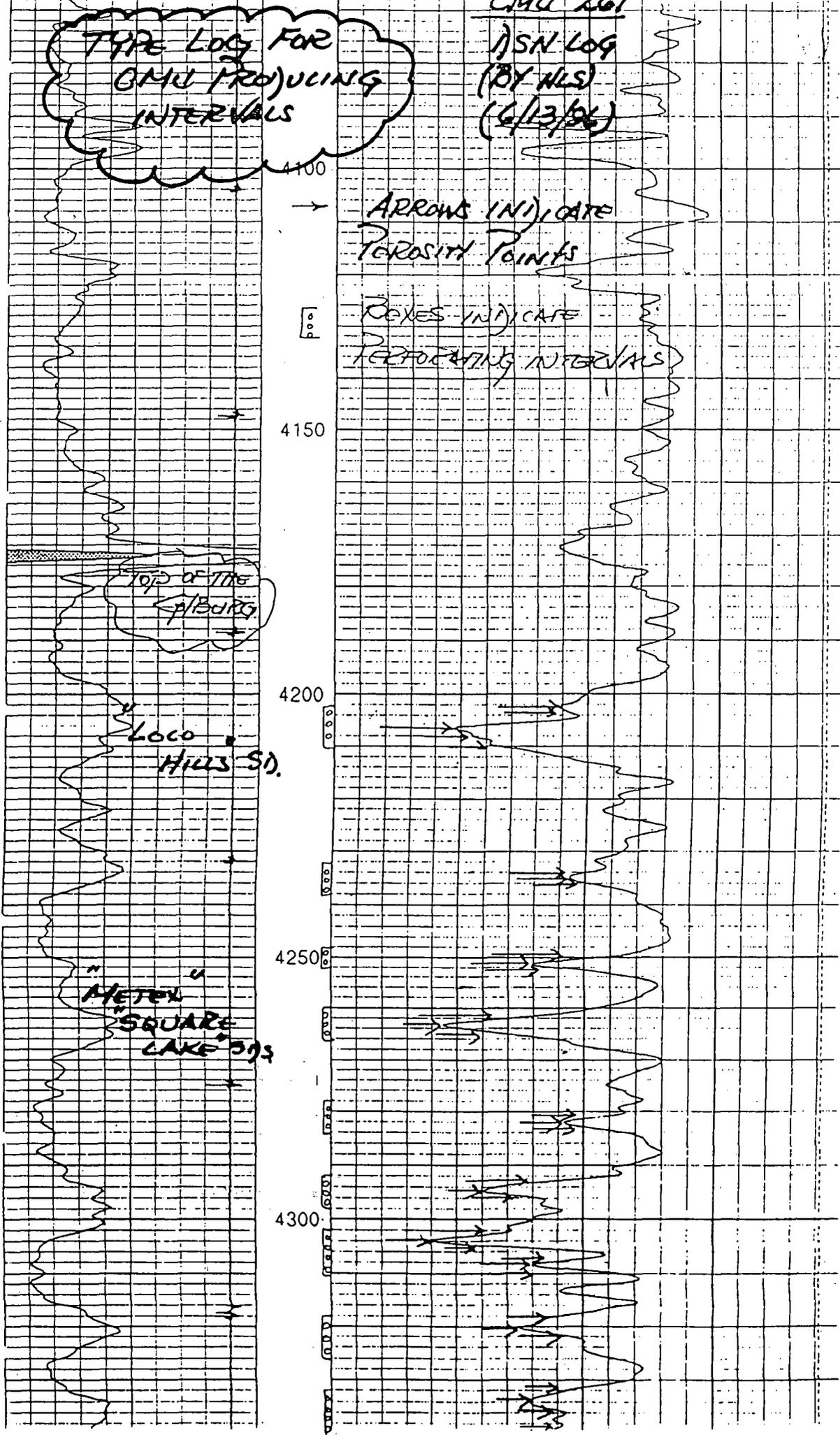
Survey Reference: WELLHEAD
 Vertical Section Reference: WELLHEAD
 Closure Reference: WELLHEAD
 WVD Reference: WELLHEAD

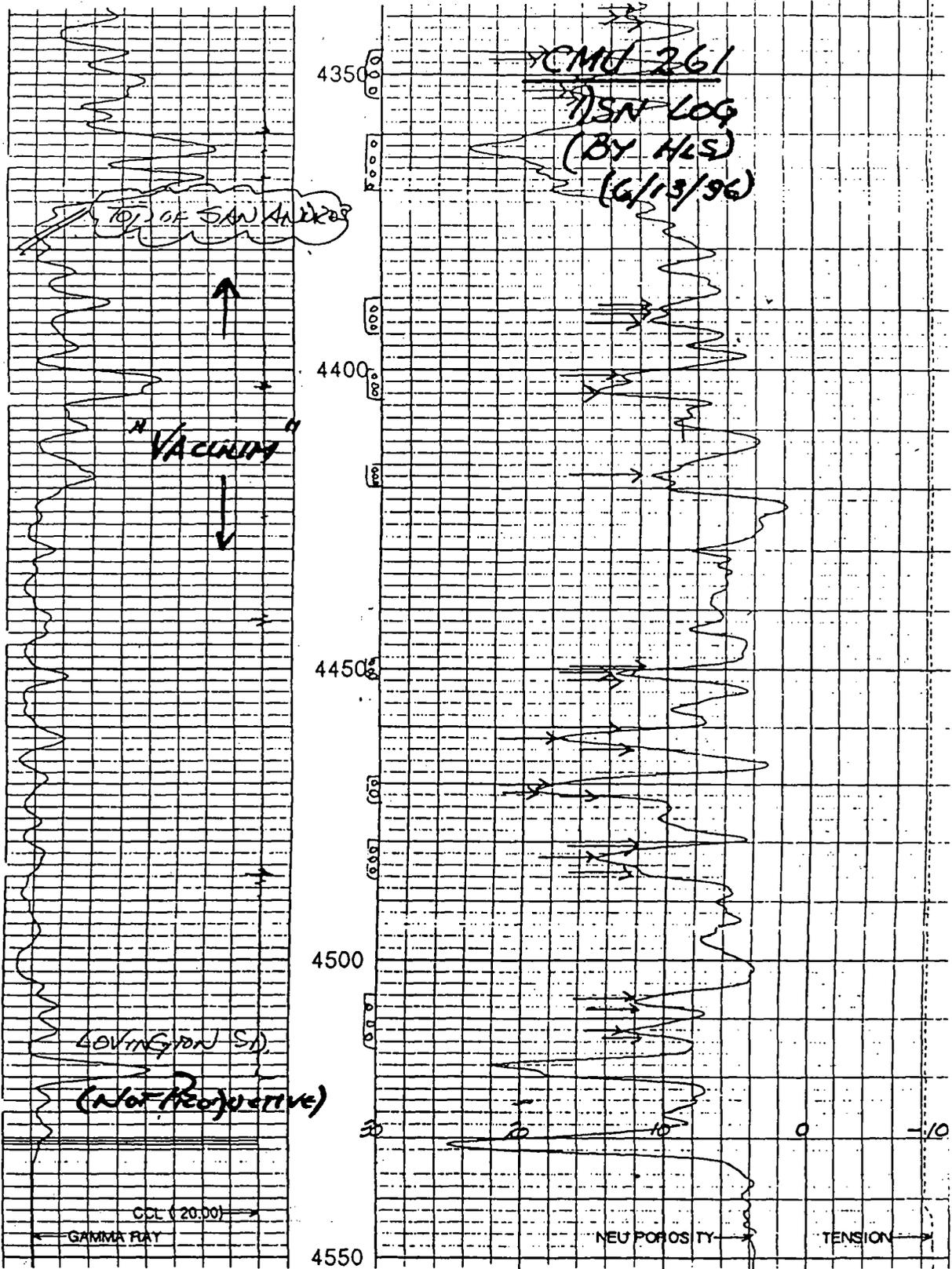
WISER OIL CO
 CAP ROCK MALLINAR UNIT #280
 SEC. 29, 178, 33E
 IFA COUNTY, NM.
 DIRECTIONAL PROPOSAL

Measured Depth (ft)	Incl (deg.)	Drift Dir. (deg.)	Course Length (ft)	FVD (ft)	Vertical Section (ft)	TOTAL Rectangular Offsets (ft)		DLS (dg/100ft)	
TIE IN									
0.00	0.00	N 0.00 E	0.00	0.00	0.00	0.00 N	0.00 E	0.00	
ROP / START OF BUILD @ 1.50 deg/100 ft									
2449.81	0.00	N 0.00 E	2449.81	2449.81	0.00	0.00 N	0.00 E	0.00	
2549.81	1.50	N 0.00 E	100.00	2549.80	1.31	1.31 N	0.00 E	1.50	
2649.81	3.00	N 0.00 E	100.00	2649.72	5.23	5.23 N	0.00 E	1.50	
2749.81	4.50	N 0.00 E	100.00	2749.51	11.77	11.77 N	0.00 E	1.50	
2849.81	6.00	N 0.00 E	100.00	2849.08	20.92	20.92 N	0.00 E	1.50	
2949.81	7.50	N 0.00 E	100.00	2948.39	32.68	32.68 N	0.00 E	1.50	
3049.81	9.00	N 0.00 E	100.00	3047.35	47.03	47.03 N	0.00 E	1.50	
3149.81	10.50	N 0.00 E	100.00	3145.90	63.96	63.96 N	0.00 E	1.50	
3249.81	12.00	N 0.00 E	100.00	3243.98	83.47	83.47 N	0.00 E	1.50	
3349.81	13.50	N 0.00 E	100.00	3341.51	105.54	105.54 N	0.00 E	1.50	
END OF BUILD									
3383.15	14.00	N 0.00 E	33.33	3373.89	113.46	113.46 N	0.00 E	1.50	
TOP OF GRAYSON									
3971.74	14.00	N 0.00 E	588.60	3945.00	255.86	255.86 N	0.00 E	0.00	
TOP OF SAN ANDRES									
4383.99	14.00	N 0.00 E	412.25	4345.00	355.59	355.59 N	0.00 E	0.00	
TARGET									
4517.97	14.00	N 0.00 E	133.88	4475.00	388.00	388.00 N	0.00 E	0.00	
TD									
4827.15	14.00	N 0.00 E	309.18	4775.00	462.80	462.80 N	0.00 E	0.00	

TYPE LOG FOR
GML PRODUCING
INTERVALS

WML 101
1) SN LOG
(BY HLS)
(6/13/86)





0	CCL (20.00)	100	3000	NEUTRON POROSITY	5000 LBS	0
0	MV	100				
0	GAMMA RAY					
0	API COUNTS	100				



Version No: 2.00 | hrc2.0
 Data File: 0613_1854_r0411.5.xls
 Control File: plot_01_1.apc
 Raster File: 0613_1854_r0411.plot_01_1

Top Depth: —
 Bottom Depth: 4551.75
 Database Time: 06-13-96 16.03.41

EXHIBIT "F"

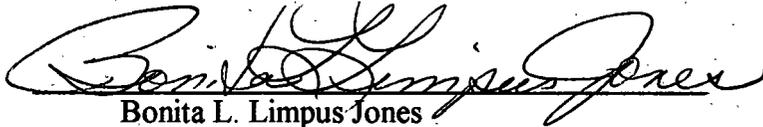
AFFIDAVIT OF MAILING

STATE OF NEW MEXICO

COUNTY OF CHAVES

SS.

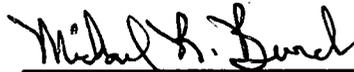
I, Bonita L. Limpus Jones, do solemnly swear that a copy of this Application was mailed on January 6, 1997, by certified mail, return-receipt requested, to Cross Timbers Operating Company, P. O. Box 52070, Midland, Texas 79710, being the only operator (other than The Wiser Oil Company) of spacing units in the Maljamar Grayburg San Andres Pool offsetting the Wiser's proposed CMU #280 Directionally Drilled Well. All such spacing units have been drilled.



Bonita L. Limpus Jones
Consulting Landman with J. O. Easley, Inc.
on behalf of The Wiser Oil Company

SWORN AND SUBSCRIBED TO before me this 6th day of January, 1997.

My Commission Expires: 6-19-97



Notary Public



J.O. EASLEY, INC.

ESTABLISHED 1979

P.O. Box 1796 88202-1796
400 N. Pennsylvania, Suite 990-D
Roswell, NM 88201

January 6, 1997

Telephone (505) 623-3758
Fax (505) 623-3797

Mr. William Lemay
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

Re: Application for Administrative Approval to Drill a Directional Well
Caprock Maljamar Waterflood Unit #280
Lea County, New Mexico

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Attached to this application are the following:

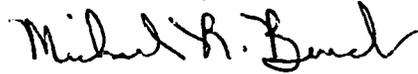
1. Survey Plat, Form C-102
2. Plat showing the section, township, and range in which the well is to be drilled; the project area; the proposed surface & bottom-hole locations; the producing area for the proposed well; all offsetting drilling units, with the appropriate Operator; and existing wells in said offsetting drilling units
3. Schematic giving both Vertical & Horizontal Plan Views for the subject well
4. Type log for the Caprock Maljamar Unit
5. Affidavit of Mailing of notification to all offset operators, together with their names and addresses

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If you have any questions, or need additional information, please feel free to give me a call at 505-623-3758.

Sincerely,

J. O. EASLEY, INC.



Michael R. Burch, CPL
Agent for The Wiser Oil Company

/bj

Enclosures

cc/enclosure Mr. Jerry Sexton
New Mexico Oil Conservation Division
P. O. Box 1980
Hobbs, New Mexico 88241

Mr. Matt Eagleston
The Wiser Oil Company
8115 Preston Road, Suite 400
Dallas, Texas 75225

Mr. Mike Jones
The Wiser Oil Company
P. O. Box 2568
Hobbs, New Mexico 88241

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer DD, Artesia, NM 86211-0719

DISTRICT III
1000 Rio Brazos Ed., Artesia, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-	Pool Code 43329	Pool Name Maljamar Grayburg San Andres
Property Code 14578	Property Name CAPROCK MALJAMAR UNIT	Well Number 280
OGRID No. 22922	Operator Name THE WISER OIL COMPANY	Elevation 4098

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	28	17 S	33 E		932	SOUTH	330	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	28	17S	33E		1395	South	330	West	Lea

Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.
-----------------------	-----------------	--------------------	-----------

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Michael R. Burch</i> Signature Michael R. Burch, CPL Printed Name Agent for The Wiser Oil Company Title 1-6-97 Date</p>
	<p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.</p> <p>DECEMBER 6, 1996</p> <p>Date Surveyed _____ DSR Signature & Seal of _____ Professional Surveyor NEW MEXICO <i>Ronald F. Edson</i> 12/6/96 96-11-15274 Certificate No. JOHN W. WEST 676 RONALD F. EDSON 3239 EDSON 12641</p>

T 17 S R 33 E

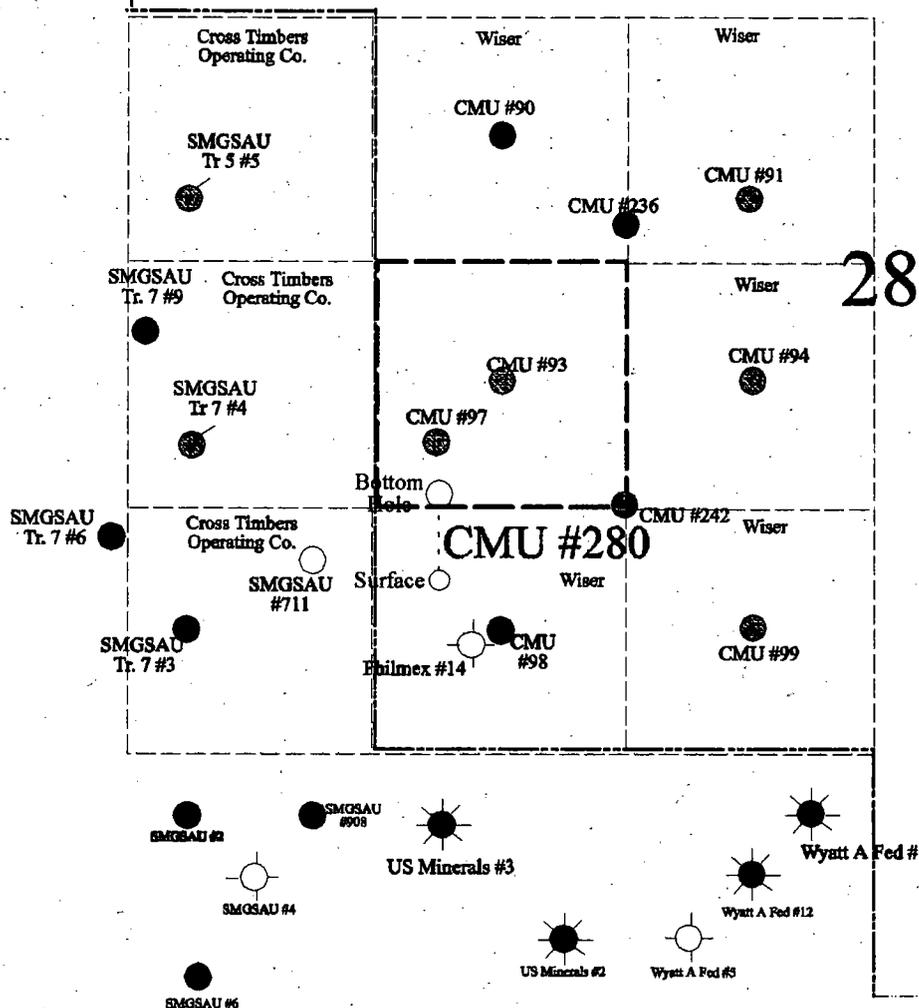
Caprock Maljamar Unit #280 Directionally Drilled Well

The Wiser Oil Company

- Caprock Maljamar Unit Outline
- CMU 280 Offset Drilling Area
- CMU 280 Producing Area

Offset Operators are shown in red
(all offset tracts have been drilled)

- New CMU Water Injection Well
- Existing Water Injection Well
- Producing Oil Well
- ☼ Producing Gas Well
- * Producing Oil & Gas Well
- ◇ Plugged and Abandoned Well
- Temporarily Abandoned Well



29

28

32

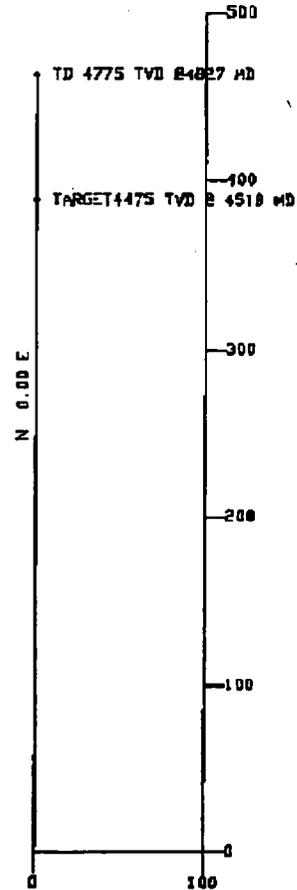
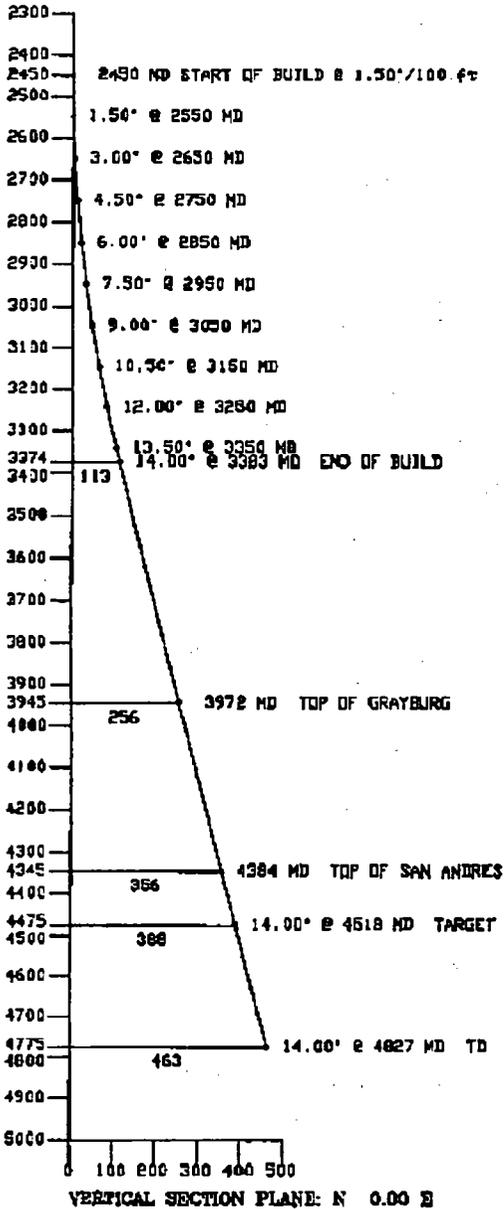
33

WISER OIL CO
CAP ROCK MALJAMAR UNIT #280
 SEC. 28, 17S, 33E
 LEA COUNTY, NM.
DIRECTIONAL PROPOSAL



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

HORIZONTAL VIEW
 SCALE 100 ft. / DIVISION
 SURVEY REF: WELLHEAD



CRITICAL POINT DATA						
	MD	Inc	Azi.	TVD	N/S	E/W
TIE IN	0	0.00'	N 0° E	0	0 N	0 E
START OF BUILD @ 1.50°/100 ft	2450	0.00'	N 0° E	2450	0 N	0 E
END OF BUILD	3374	14.00'	N 0° E	3374	113 N	0 E
TOP OF GRAYBURG	3972	14.00'	N 0° E	3945	256 N	0 E
TOP OF SAN ANDRES	4384	14.00'	N 0° E	4345	366 N	0 E
TARGET	4518	14.00'	N 0° E	4475	388 N	0 E
TD	4827	14.00'	N 0° E	4775	463 N	0 E

HALLIBURTON DRILLING SYSTEMS

Proposal Report

Date: 12/26/96
 Time: 11:30 am
 Wellpath ID: wise280
 Last Revision: 12/26/96

Calculated using the Minimum Curvature Method
 Computed using WIN-CRMS REV2.2.2
 Vertical Section Plane: N 0.00 E

Survey Reference: WELLHEAD
 Vertical Section Reference: WELLHEAD
 Closure Reference: WELLHEAD
 FVD Reference: WELLHEAD

WISER OIL CO
 CAP ROCK HALLIMAR UNIT #280
 SEC. 28, 178, 33E
 IRA COUNTY, NM.
 DIRECTIONAL PROPOSAL

Measured Depth (ft)	Incl (deg.)	Drift Dir. (deg.)	Course Length (ft)	FVD (ft)	Vertical Section (ft)	TOTAL Rectangular Offsets (ft)		DLR (dg/100ft)	
TIE IN									
0.00	0.00	N 0.00 E	0.00	0.00	0.00	0.00 N	0.00 E	0.00	
ROP / START OF BUILD @ 1.50 deg/100 ft									
2449.81	0.00	N 0.00 E	2449.81	2449.81	0.00	0.00 N	0.00 E	0.00	
2549.81	1.50	N 0.00 E	100.00	2549.80	1.31	1.31 N	0.00 E	1.50	
2649.81	3.00	N 0.00 E	100.00	2649.72	5.23	5.23 N	0.00 E	1.50	
2749.81	4.50	N 0.00 E	100.00	2749.51	11.77	11.77 N	0.00 E	1.50	
2849.81	6.00	N 0.00 E	100.00	2849.08	20.92	20.92 N	0.00 E	1.50	
2949.81	7.50	N 0.00 E	100.00	2948.39	32.68	32.68 N	0.00 E	1.50	
3049.81	9.00	N 0.00 E	100.00	3047.35	47.03	47.03 N	0.00 E	1.50	
3149.81	10.50	N 0.00 E	100.00	3145.90	63.96	63.96 N	0.00 E	1.50	
3249.81	12.00	N 0.00 E	100.00	3243.98	83.47	83.47 N	0.00 E	1.50	
3349.81	13.50	N 0.00 E	100.00	3341.51	105.54	105.54 N	0.00 E	1.50	
END OF BUILD									
3383.15	14.00	N 0.00 E	33.33	3373.89	113.46	113.46 N	0.00 E	1.50	
TOP OF GRAYBORG									
3971.74	14.00	N 0.00 E	588.60	3945.00	255.86	255.86 N	0.00 E	0.00	
TOP OF SAN ANDRES									
4383.99	14.00	N 0.00 E	412.25	4345.00	355.59	355.59 N	0.00 E	0.00	
TARGET									
4517.97	14.00	N 0.00 E	133.98	4473.00	388.00	388.00 N	0.00 E	0.00	
TD									
4827.15	14.00	N 0.00 E	309.18	4775.00	462.80	462.80 N	0.00 E	0.00	

TYPE LOG FOR
GMD PRODUCING
INTERVALS

CMU LOG
1) SN LOG
(BY NLS)
(6/13/84)

4100



ARROWS INDICATE
PEROSITY POINTS



BOXES INDICATE
PERFORMING INTERVALS

4150

TOP OF THE
SHELF

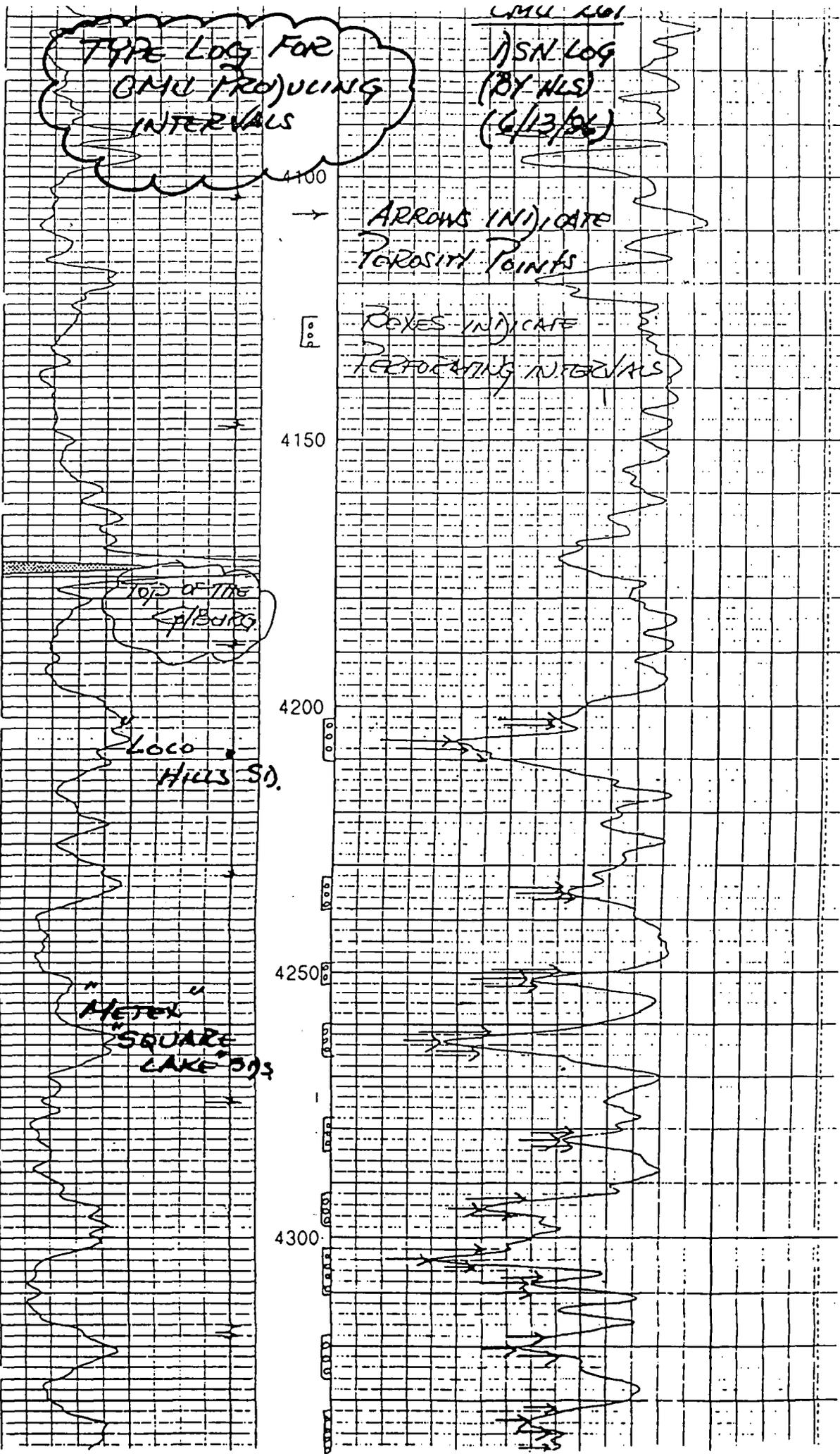
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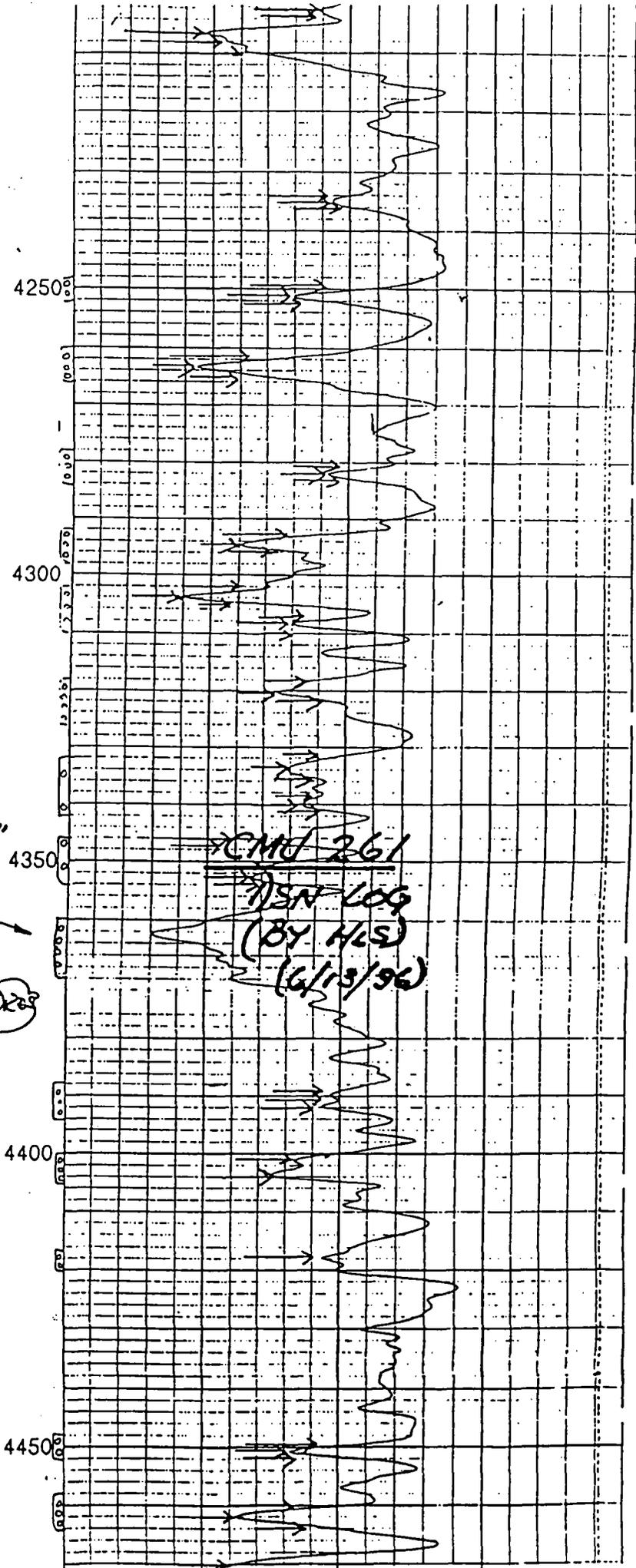
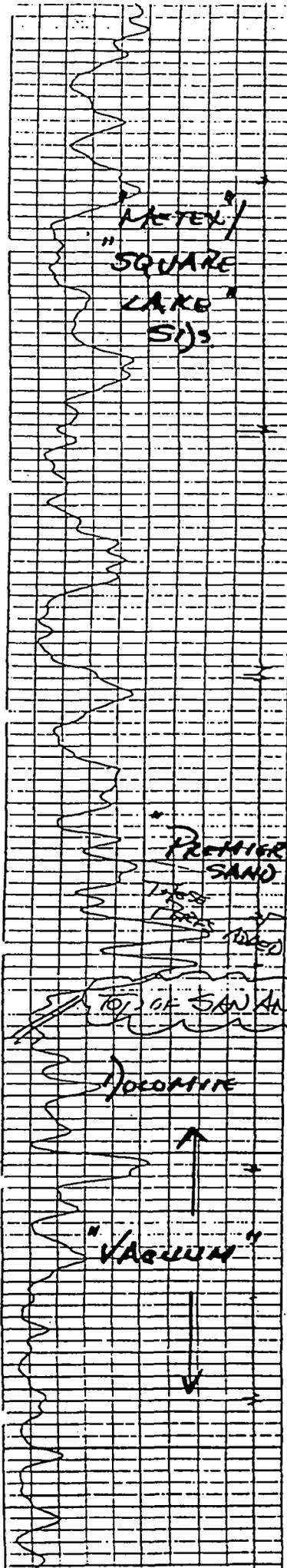
LOCO
HILLS SD.

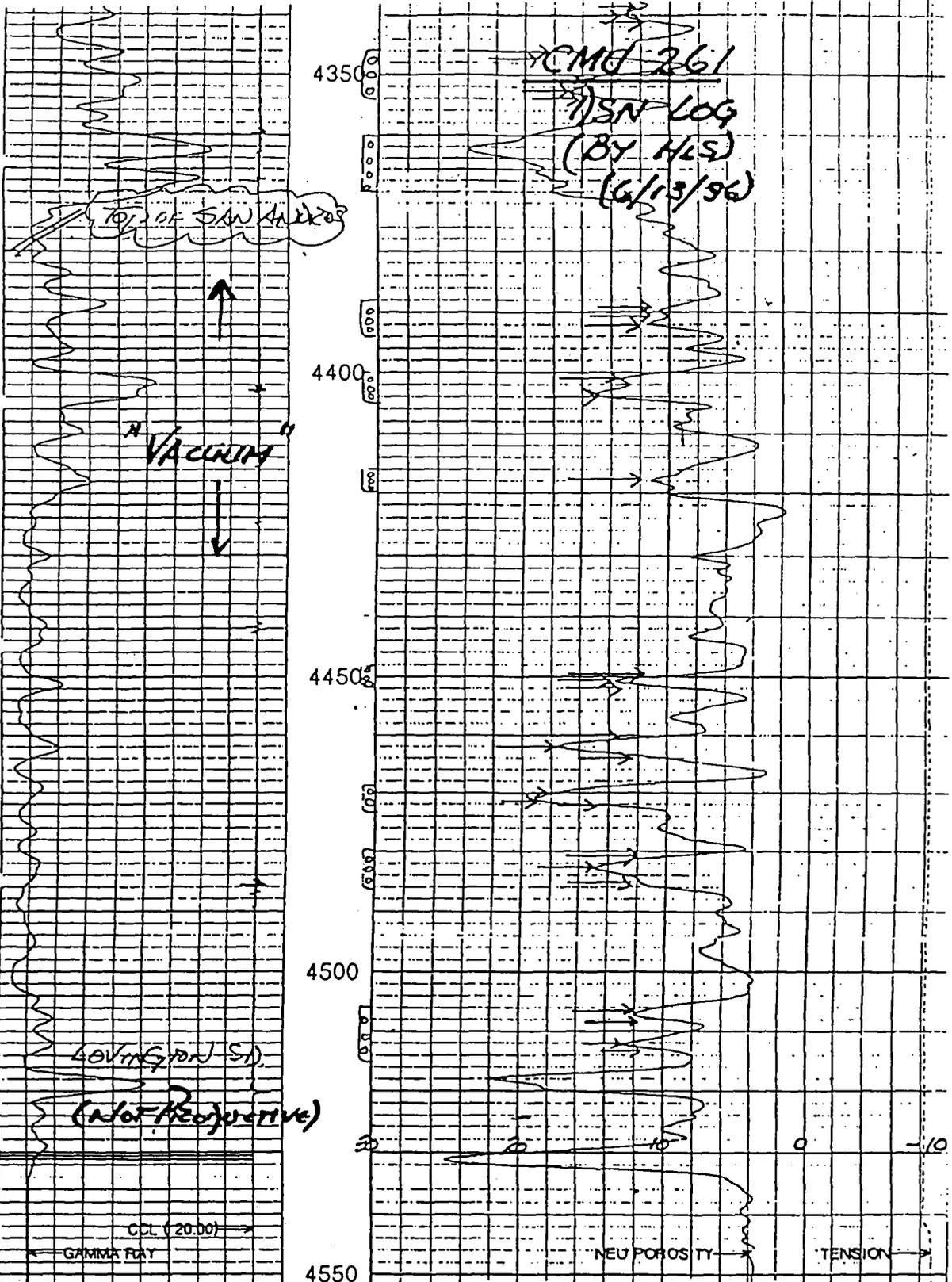
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"METER"
"SQUARE"
LAKE SD.

4300







CCL (20.00)		TENSION
0 MV 100		6000 LBS 0
GAMMA RAY	NEU POROSITY	
0 API COUNTS 100	3000 I -1000	

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EXHIBIT "F"

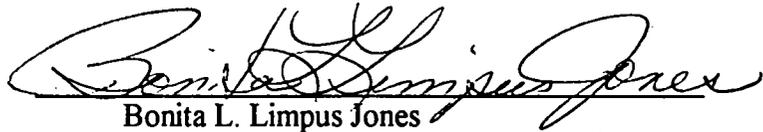
AFFIDAVIT OF MAILING

STATE OF NEW MEXICO

COUNTY OF CHAVES

SS.

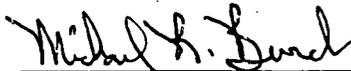
I, Bonita L. Limpus Jones, do solemnly swear that a copy of this Application was mailed on January 6, 1997, by certified mail, return-receipt requested, to Cross Timbers Operating Company, P. O. Box 52070, Midland, Texas 79710, being the only operator (other than The Wiser Oil Company) of spacing units in the Maljamar Grayburg San Andres Pool offsetting the Wiser's proposed CMU #280 Directionally Drilled Well. All such spacing units have been drilled.



Bonita L. Limpus Jones
Consulting Landman with J. O. Easley, Inc.
on behalf of The Wiser Oil Company

SWORN AND SUBSCRIBED TO before me this 6th day of January, 1997.

My Commission Expires: 6-19-97



Notary Public



J.O. EASLEY, INC.

ESTABLISHED 1979

P.O. Box 1796 88202-1796
400 N. Pennsylvania, Suite 990-D
Roswell, NM 88201

Telephone (505) 623-3758
Fax (505) 623-3797

January 6, 1997

Mr. William Lemay
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

Re: Application for Administrative Approval to Drill a Directional Well
Caprock Maljamar Waterflood Unit #280
Lea County, New Mexico

Dear Mr. Lemay:

The Wiser Oil Company hereby applies for administrative approval to drill a directional well at a surface location of 932' FSL, 330' FWL, Unit M, with the bottom hole location at 1395' FSL, 330' FWL, Unit L, of Section 28, Township 17 South, Range 33 East, N.M.P.M. It is necessary to directionally drill this well as the prime location for drilling a straight hole is inaccessible due to the existence of pipelines running through the prime drillsite.

Attached to this application are the following:

1. Survey Plat, Form C-102
2. Plat showing the section, township, and range in which the well is to be drilled; the project area; the proposed surface & bottom-hole locations; the producing area for the proposed well; all offsetting drilling units, with the appropriate Operator; and existing wells in said offsetting drilling units
3. Schematic giving both Vertical & Horizontal Plan Views for the subject well
4. Type log for the Caprock Maljamar Unit
5. Affidavit of Mailing of notification to all offset operators, together with their names and addresses

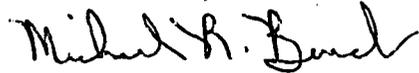


Concurrent with this application, we have submitted the Application for Permit To Drill to the Hobbs District Office of the New Mexico Oil Conservation Division.

If you have any questions, or need additional information, please feel free to give me a call at 505-623-3758.

Sincerely,

J. O. EASLEY, INC.



Michael R. Burch, CPL
Agent for The Wiser Oil Company

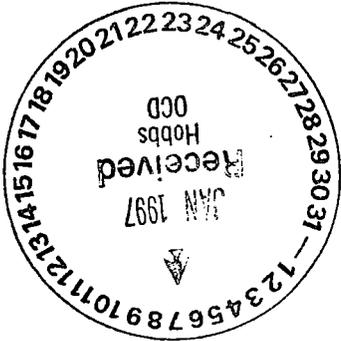
/bj

Enclosures

cc/enclosure Mr. Jerry Sexton
New Mexico Oil Conservation Division
P. O. Box 1980
Hobbs, New Mexico 88241

Mr. Matt Eagleston
The Wiser Oil Company
8115 Preston Road, Suite 400
Dallas, Texas 75225

Mr. Mike Jones
The Wiser Oil Company
P. O. Box 2568
Hobbs, New Mexico 88241



DISTRICT I
P.O. Box 1980, Hobbs, NM 88341-1980

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1984
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Ed., Artesia, NM 87410

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-	Pool Code 43329	Pool Name Maljamar Grayburg San Andres
Property Code 14578	Property Name CAPROCK MALJAMAR UNIT	Well Number 280
GRID No. 22922	Operator Name THE WISER OIL COMPANY	Elevation 4098

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	28	17 S	33 E		932	SOUTH	330	WEST	LEA

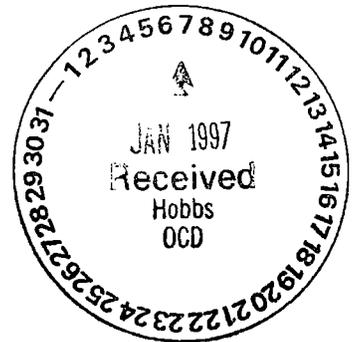
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	28	17S	33E		1395	South	330	West	Lea

Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.
-----------------------	-----------------	--------------------	-----------

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>330' Bottom Hole</p> <p>463' From Surface Location (1395' From South Line)</p> <p>330' Surface Location</p> <p>932'</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Michael R. Burch</i> Signature</p> <p>Michael R. Burch, CPL Printed Name Agent for The Wiser Oil Company</p> <p>Title</p> <p>1-6-97 Date</p>
	<p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>DECEMBER 6, 1996</p> <p>Date Surveyed DSR</p> <p>Signature & Seal of Professional Surveyor</p> <p><i>Ronald S. Edson</i> NEW MEXICO 12/06/96 96-11-1524</p> <p>Certificate No. JOHN H. WEST 676 RONALD S. EDSON 3239 RAY EDSON 12641</p>



T 17 S R 33 E

Caprock Maljamar Unit #280 Directionally Drilled Well

The Wiser Oil Company

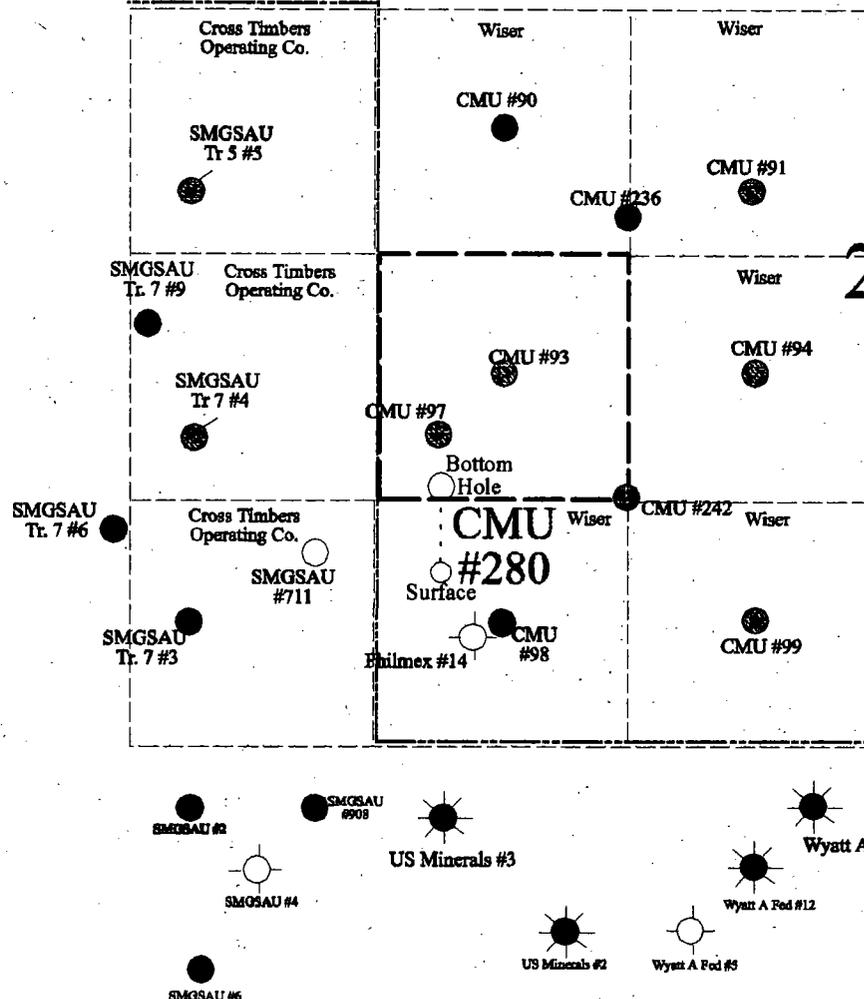
- Caprock Maljamar Unit Outline
- CMU 280 Offset Drilling Area
- CMU 280 Producing Area

Offset Operators are shown in red
(all offset tracts have been drilled)

- New CMU Water Injection Well
- Existing Water Injection Well
- Producing Oil Well
- ⊙ Producing Gas Well
- * Producing Oil & Gas Well
- ◇ Plugged and Abandoned Well
- Temporarily Abandoned Well

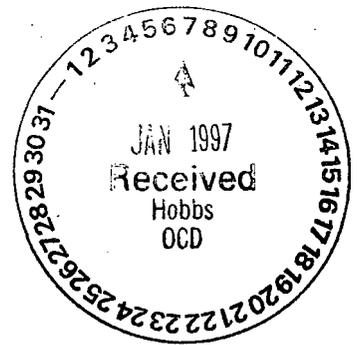
29

28



32

33

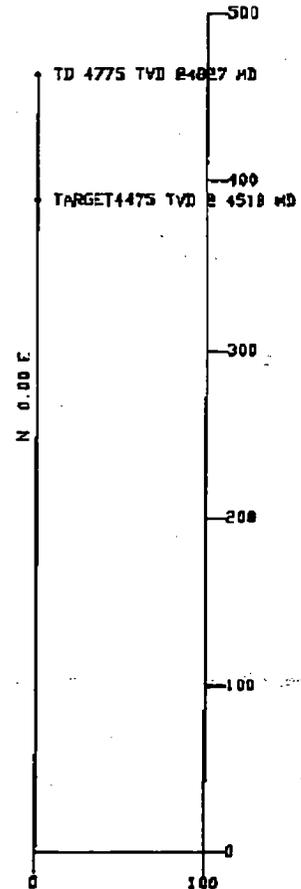
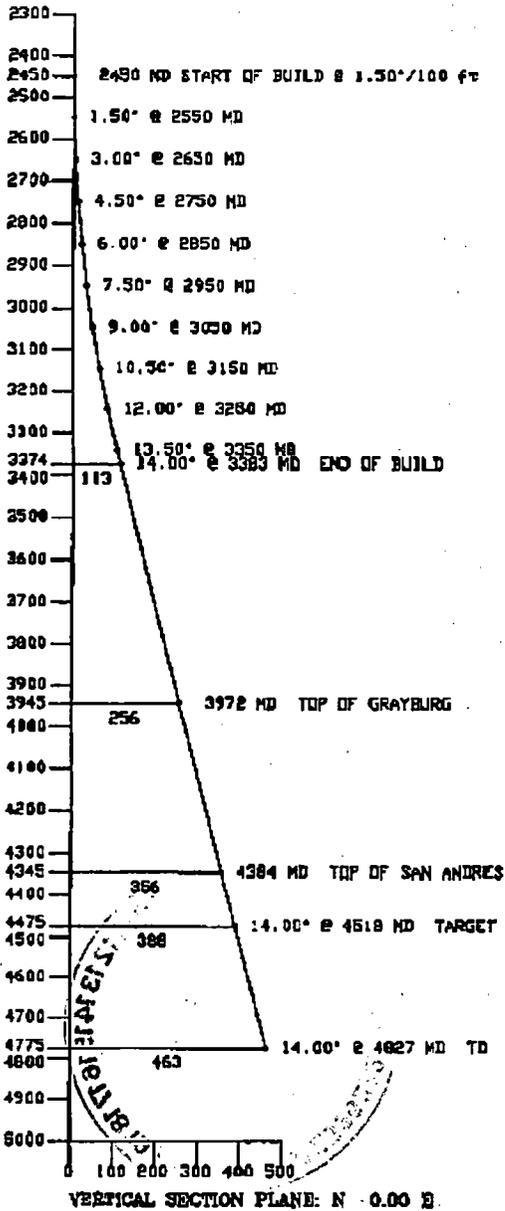


WISER OIL CO
CAP ROCK MALJAMAR UNIT #280
SEC. 28, 17S, 33E
LEA COUNTY, NM.
DIRECTIONAL PROPOSAL

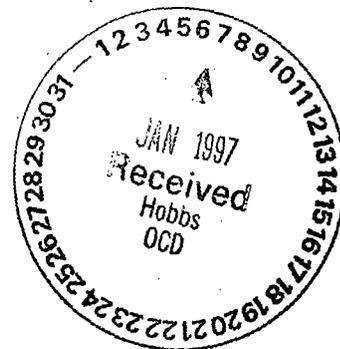


VERTICAL VIEW
 SCALE 100 FT. / DIVISION
 TVD REF: WELLHEAD
 VERTICAL SECTION REF: WELLHEAD

HORIZONTAL VIEW
 SCALE 100 FT. / DIVISION
 SURVEY REF: WELLHEAD



CRITICAL POINT DATA					
	MD	Inc	Azi.	TVD	N/S E/W
TIC IN	0	0.00'	N 0 E	0	0 N 0 E
START OF BUILD @ 1.50°/100 FT	2450	0.00'	N 0 E	2450	0 N 0 E
END OF BUILD	3374	14.00'	N 0 E	3374	113 N 0 E
TOP OF GRAYBURG	3972	14.00'	N 0 E	3972	256 N 0 E
TOP OF SAN ANDRES	4384	14.00'	N 0 E	4384	366 N 0 E
TARGET	4475	14.00'	N 0 E	4475	388 N 0 E
TD	4827	14.00'	N 0 E	4827	463 N 0 E



HALLIBURTON DRILLING SYSTEMS

Proposal Report

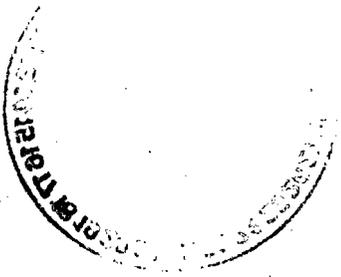
Date: 12/26/96
 Time: 11:30 am
 Wellpath ID: wisac280
 Last Revision: 12/26/96

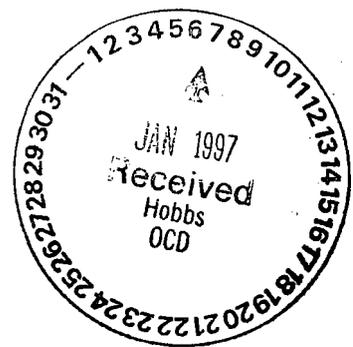
Calculated using the Minimum Curvature Method
 Computed using WIN-CADDS REV2.2.2
 Vertical Section Plane: N 0.00 E

Survey Reference: WELLHEAD
 Vertical Section Reference: WELLHEAD
 Closure Reference: WELLHEAD
 FVD Reference: WELLHEAD

WISER OIL CO
 CAP ROCK MALLINAR UNIT #280
 SEC. 29, 178, 33E
 IBA COUNTY, NM.
 DIRECTIONAL PROPOSAL

Measured Depth (ft)	Incl (deg.)	Drift Dir. (deg.)	Course Length (ft)	FVD (ft)	Vertical Section (ft)	TOTAL Rectangular Offsets (ft)		DLS (dg/100ft)	
TIE IN									
0.00	0.00	N 0.00 E	0.00	0.00	0.00	0.00 N	0.00 E	0.00	
WOP / START OF BUILD @ 1.50 deg/100 ft									
2449.81	0.00	N 0.00 E	2449.81	2449.81	0.00	0.00 N	0.00 E	0.00	
2549.81	1.50	N 0.00 E	100.00	2549.80	1.31	1.31 N	0.00 E	1.50	
2649.81	3.00	N 0.00 E	100.00	2649.72	5.23	5.23 N	0.00 E	1.50	
2749.81	4.50	N 0.00 E	100.00	2749.51	11.77	11.77 N	0.00 E	1.50	
2849.81	6.00	N 0.00 E	100.00	2849.08	20.92	20.92 N	0.00 E	1.50	
2949.81	7.50	N 0.00 E	100.00	2948.39	32.68	32.68 N	0.00 E	1.50	
3049.81	9.00	N 0.00 E	100.00	3047.35	47.03	47.03 N	0.00 E	1.50	
3149.81	10.50	N 0.00 E	100.00	3145.90	63.96	63.96 N	0.00 E	1.50	
3249.81	12.00	N 0.00 E	100.00	3243.98	83.47	83.47 N	0.00 E	1.50	
3349.81	13.50	N 0.00 E	100.00	3341.51	105.54	105.54 N	0.00 E	1.50	
END OF BUILD									
3383.15	14.00	N 0.00 E	33.33	3373.89	113.46	113.46 N	0.00 E	1.50	
WOP OF GRAYBORG									
3971.74	14.00	N 0.00 E	588.60	3945.00	255.86	255.86 N	0.00 E	0.00	
WOP OF SAN ANDRES									
4383.99	14.00	N 0.00 E	412.25	4345.00	355.59	355.59 N	0.00 E	0.00	
TARGET									
4517.97	14.00	N 0.00 E	133.98	4475.00	388.00	388.00 N	0.00 E	0.00	
TD									
4827.15	14.00	N 0.00 E	309.18	4775.00	462.80	462.80 N	0.00 E	0.00	





TYPE LOG FOR
GMI PRODUCING
INTERVALS

CMU 101
1) SN LOG
(BY WLS)
(6/13/96)

4100



ARROWS INDICATE
POROSITY POINTS



BOXES INDICATE
PERFORMING INTERVALS

4150

TOP OF THE
CLAYBANK

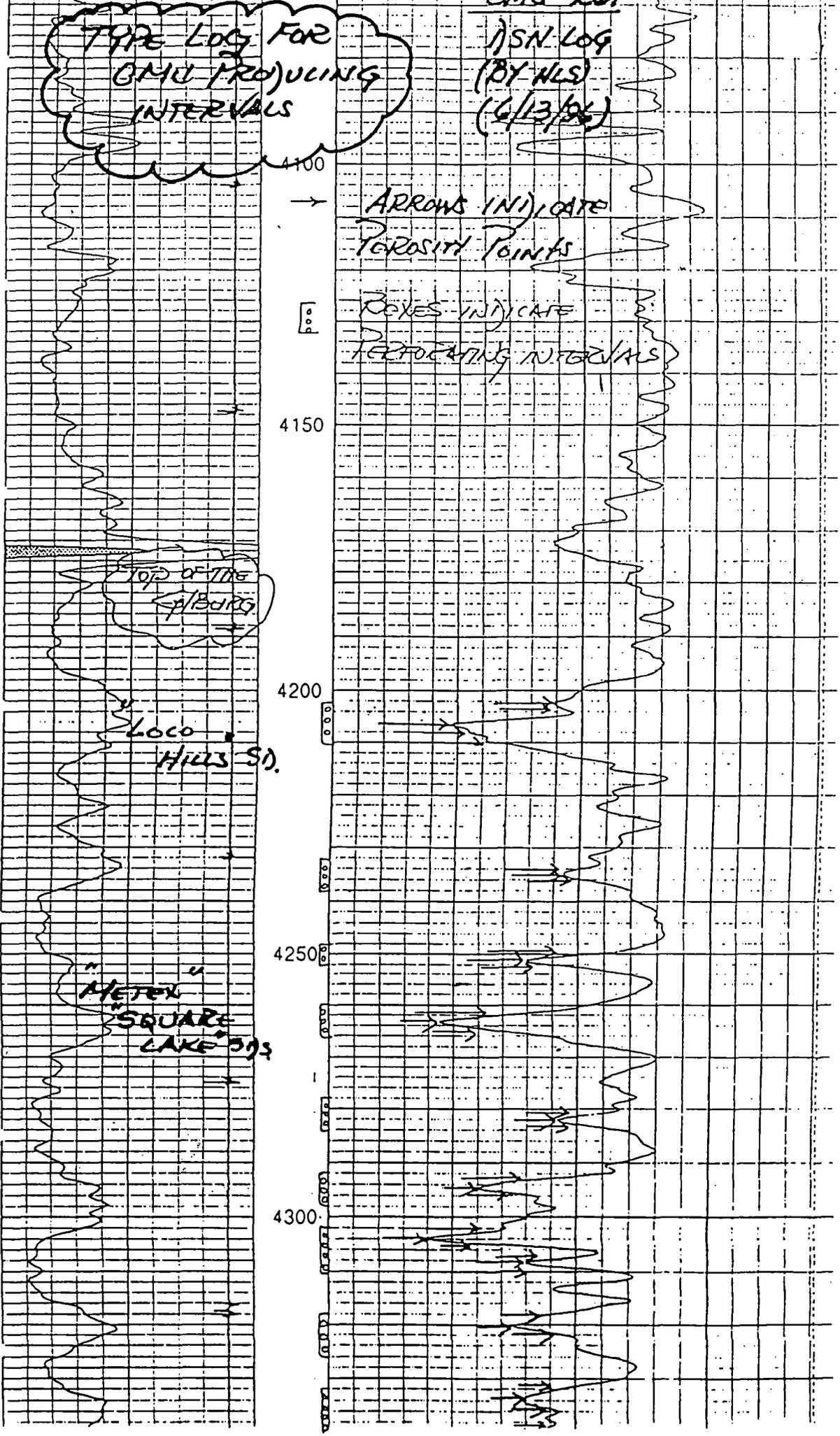
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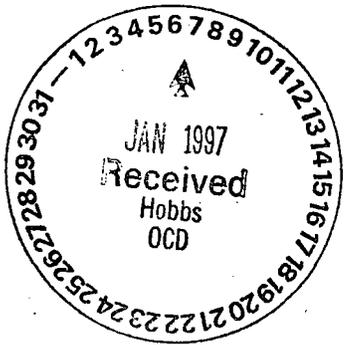
Loco
Hills SD.

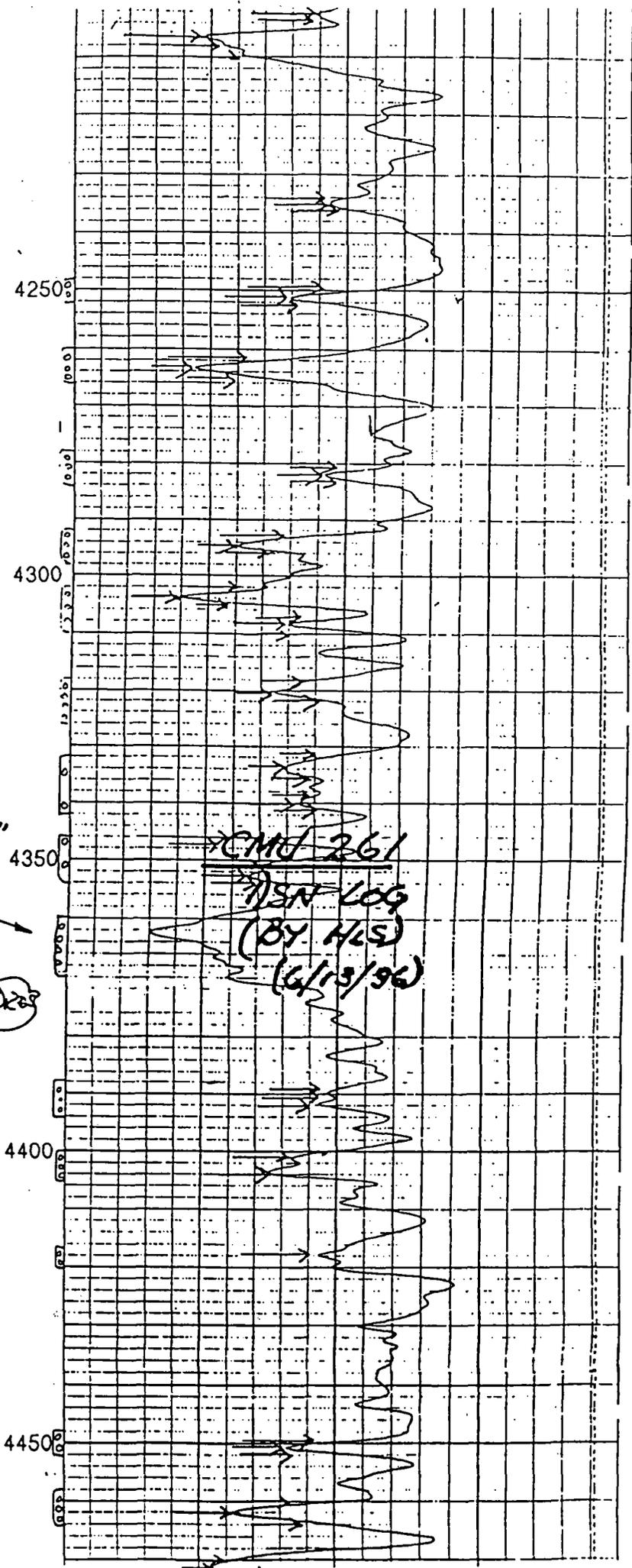
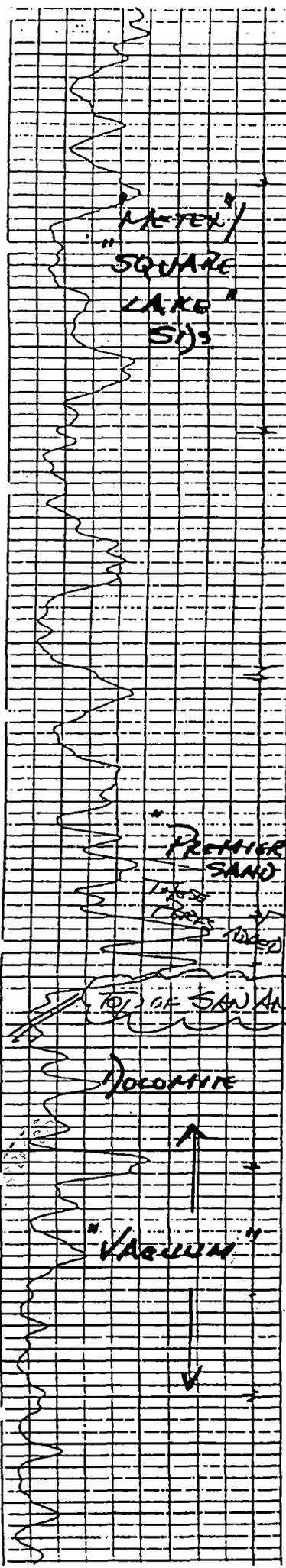
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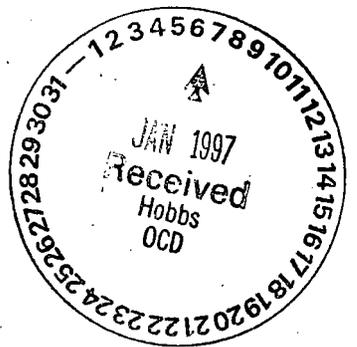
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LAKE" SD.

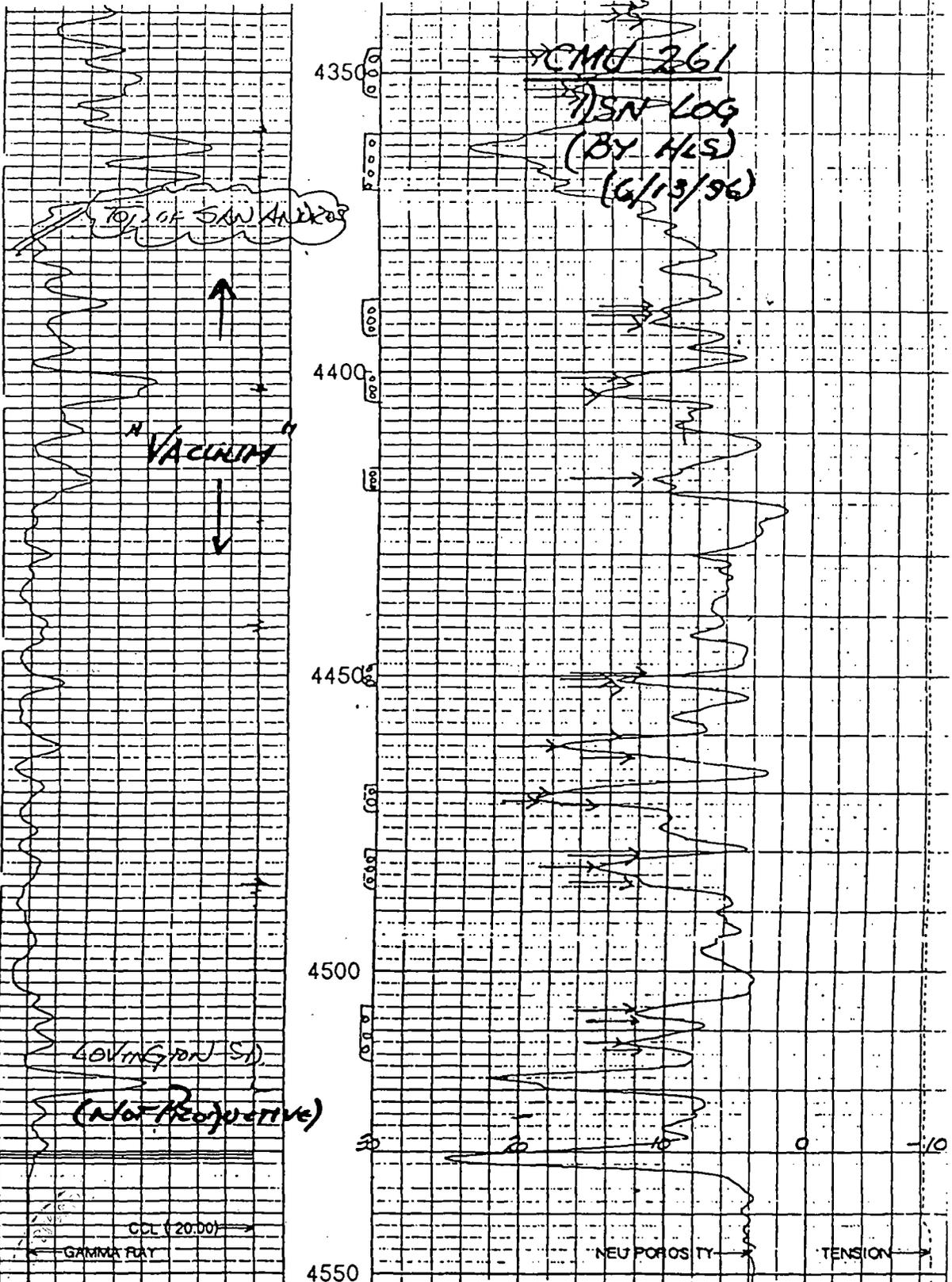
4300











0	CCL (20.00)	100			TENSION	0
	MV				5000 LBS	
0	GAMMA RAY			NEU POROSITY		
	API COUNTS	100	3000	%		-1000

	Version No: 2.001 hc2.0	Top Depth: _____
	Data File: 0613_1654_r0411.5.ds	Bottom Depth: 4551.75
	Control File: plot_01_1.apc	
	Header File: 0613_1654_r0411.plot_01_1	Database Time: 06-13-96 16.03.41

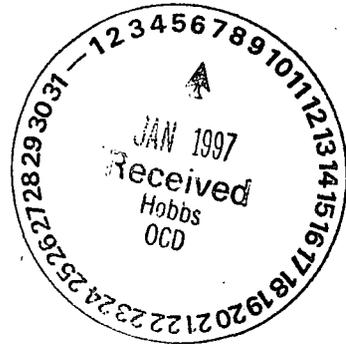


EXHIBIT "F"

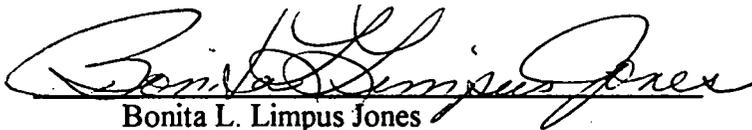
AFFIDAVIT OF MAILING

STATE OF NEW MEXICO

COUNTY OF CHAVES

SS.

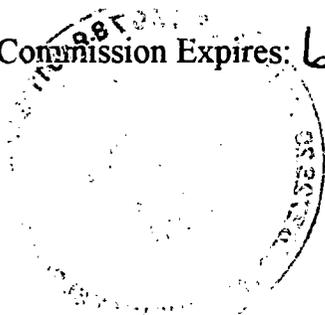
I, Bonita L. Limpus Jones, do solemnly swear that a copy of this Application was mailed on January 6, 1997, by certified mail, return-receipt requested, to Cross Timbers Operating Company, P. O. Box 52070, Midland, Texas 79710, being the only operator (other than The Wiser Oil Company) of spacing units in the Maljamar Grayburg San Andres Pool offsetting the Wiser's proposed CMU #280 Directionally Drilled Well. All such spacing units have been drilled.



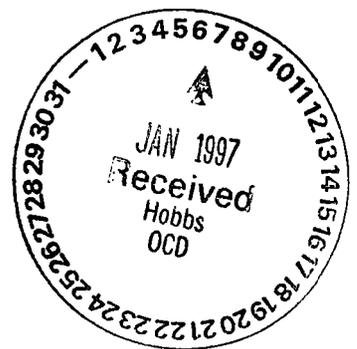
Bonita L. Limpus Jones
Consulting Landman with J. O. Easley, Inc.
on behalf of The Wiser Oil Company

SWORN AND SUBSCRIBED TO before me this 6th day of January, 1997.

My Commission Expires: 6-19-97



Notary Public



**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:**

**Case No. 10930
Order No. R-10093**

**APPLICATION OF THE WISER OIL
COMPANY FOR STATUTORY UNITIZATION,
LEA COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on March 3, 1994, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 5th day of April, 1994, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

- (1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) Division Case Nos. 10930, 10931 and 10932 were consolidated at the time of the hearing for the purpose of testimony.
- (3) The applicant, The Wisser Oil Company, seeks the statutory unitization, pursuant to the "Statutory Unitization Act", Sections 70-7-1 through 70-7-21, NMSA, (1978), of all mineral interests underlying 4,160 acres, more or less, of State and Federal lands comprising portions of Sections 13 and 24, Township 17 South, Range 32 East, NMPM, and portions of Sections 17 through 21, 27 through 29, and Section 33, Township 17 South, Range 33 East, NMPM, and embracing a portion of the Maljamar Grayburg-San Andres Pool, Lea County, New Mexico, said unit to be known as the Caprock Maljamar Unit Area; the applicant further seeks the approval of the Unit Agreement which was submitted in evidence as applicant's Exhibit No. 4 in this case.

(4) By Order No. R-2768 dated September 16, 1964, the Division, upon application of Sunset International Petroleum Corporation, established the Mal-Gra Unit Area, a 600-acre unit established for the purpose of conducting secondary recovery operations within the Maljamar Grayburg-San Andres Pool.

(5) The Mal-Gra Unit Area, which encompasses the following described acreage, is embraced within the proposed Caprock Maljamar Unit Area:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM

Section 20: S/2

Section 21: W/2 W/2, SE/4 NW/4, SE/4 SW/4

Section 29: NE/4 NE/4

(6) The applicant, being the successor operator of the Mal-Gra Unit, requested at the hearing that the subject unit be terminated.

(7) The Mal-Gra Unit should be terminated, provided however that the applicant, pursuant to the provisions of the Mal-Gra Unit Agreement, should request in writing that the Commissioner of Public Lands for the State of New Mexico also terminate such unit.

(8) The proposed unit area should be designated the Caprock Maljamar Unit Area, and the horizontal limits of said unit area should be comprised of the following described State and Federal lands in Lea County, New Mexico:

TOWNSHIP 17 SOUTH, RANGE 32 EAST, NMPM

Section 13: SE/4

Section 24: All

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM

Section 17: All

Section 18: E/2, SW/4

Sections 19 and 20: All

Section 21: W/2 W/2, SE/4 NW/4, SE/4 SW/4

Section 27: NW/4 SW/4

Section 28: W/2, SE/4, SW/4 NE/4

Section 29: NE/4 NE/4

Section 33: N/2 NE/4, SE/4 NE/4

(9) Said unit has been approved by the United States Bureau of Land Management (BLM) and the Commissioner of Public Lands for the State of New Mexico, subject to the approval of the statutory unitization by the Division.

(10) The vertical limits of the Caprock Maljamar Unit Area, as described within the Unit Agreement, should comprise that interval from the surface to a depth of 5,500 feet.

(11) The unit area contains thirteen (13) separate tracts. The applicant is the sole working interest owner within the proposed Caprock Maljamar Unit.

(12) As of the date of hearing, the owners of approximately eighty-two (82) percent of the royalty interest were effectively committed to the unit or have balloted to support the unit.

(13) All interested parties who have not agreed to unitization were notified of the hearing by the applicant, but no interest owner appeared at the hearing in opposition to the unitization nor to the vertical limits of the proposed unit area.

(14) The portion of the Maljamar Grayburg-San Andres Pool underlying the unit area has reasonably been defined by development.

(15) The applicant proposes to institute an enhanced recovery project for the secondary recovery of oil, gas and associated liquefiable hydrocarbons within and to be produced from the proposed unit area (being the subject of Case Nos. 10931 and 10932).

(16) According to applicant's evidence and testimony, five different areas within the proposed Caprock Maljamar Unit, including the aforesaid Mal-Gra Unit Area, have previously been subject to waterflood operations.

(17) Further testimony indicates that these lease or unit waterflood operations were conducted within the Maljamar Grayburg- San Andres Pool on 80-acre five spot injection patterns.

(18) Unitized management of the unit area and a reduction to a 40-acre five spot injection pattern should enable the applicant to recover an additional 6.8 million barrels of oil from the Caprock Maljamar Unit Area.

(19) The unitized management, operation and further development of the Caprock Maljamar Unit Area, as proposed, is feasible and reasonably necessary to effectively and efficiently carry on enhanced recovery operations and should substantially increase the ultimate recovery of oil and gas from a portion of the Maljamar-Grayburg San Andres Pool.

(20) The proposed unitized method of operation as applied to the unit area is feasible and will result with reasonable probability in the increased recovery of substantially more oil from the unitized portion of the pool than would otherwise be recovered without unitization.

(21) The estimated additional cost of the proposed unitized operations within the unit area will not exceed the estimated value of the additional oil and gas plus a reasonable profit.

(22) The applicant, designated operator of the unit area pursuant to the Unit Agreement, has made a good faith effort to secure voluntary unitization within the unit area.

(23) The participation formula contained in the Unit Agreement allocates the produced and saved unitized substances to the separately owned tracts in the unit area, on a fair, reasonable and equitable basis.

(24) Unitization and the adoption of the proposed unitized methods of operation will benefit the working, royalty and overriding royalty interest owners of the oil and gas rights within the Caprock Maljamar Unit Area.

(25) The applicant's Exhibit No. 4 in this case, being the Unit Agreement, should be incorporated by reference into this order.

(26) The Caprock Maljamar Unit Agreement, as applied to the unit area, provides for unitization of the Caprock Maljamar Unit Area upon terms and conditions that are fair, reasonable, equitable, and which include:

- (a) an allocation to the separately owned tracts in the unit area of all oil and gas that is produced from the unit area and which is saved, being the production that is not used in the conduct of unit operations or not unavoidably lost;
- (b) a provision designating the unit operator and providing for the supervision and conduct of the unit operations, including the selection, removal or substitution of an operator from among the working interest owners to conduct the unit operations;
- (c) the time when the unit operations shall commence and the manner in which, and the circumstances under which, the unit operations shall terminate and for the settlement of accounts upon such termination.

(27) The statutory unitization of the Caprock Maljamar Unit Area is in conformity with the above findings, and will prevent waste and will protect the correlative rights of all interest owners within the proposed unit area, and should be approved.

IT IS THEREFORE ORDERED THAT:

(1) The Caprock Maljamar Unit Area comprising 4,160 acres, more or less, of State and Federal lands in the Maljamar Grayburg- San Andres Pool, Lea County, New Mexico, is hereby approved for statutory unitization pursuant to the Statutory Unitization Act, Sections 70-7-1 through 70-7-21, NMSA, (1978).

(2) The lands included within the Caprock Maljamar Unit Area shall comprise:

TOWNSHIP 17 SOUTH, RANGE 32 EAST, NMPM

Section 13: SE/4

Section 24: All

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM

Section 17: All

Section 18: E/2, SW/4

Sections 19 and 20: All

Section 21: W/2 W/2, SE/4 NW/4, SE/4 SW/4

Section 27: NW/4 SW/4

Section 28: W/2, SE/4, SW/4 NE/4

Section 29: NE/4 NE/4

Section 33: N/2 NE/4, SE/4 NE/4

(3) The vertical limits of the Caprock Maljamar Unit Area, as described within the Unit Agreement, shall comprise that interval from the surface to a depth of 5,500 feet.

(4) The applicant shall institute a secondary recovery project for the secondary recovery of oil, gas and all associated liquefiable hydrocarbons within and produced from the unit area, (said secondary recovery project being the subject of Case Nos. 10931 and 10932).

(5) The Caprock Maljamar Unit Agreement, being applicant's Exhibit No. 4 in this case, is hereby incorporated by reference into this order.

(6) The Unit Agreement for the Caprock Maljamar Unit provides for unitization of the unit area upon terms and conditions that are fair, reasonable and equitable.

(7) Since the persons owning the required statutory minimum percentage of interest in the unit area have approved or ratified the Unit Agreement, the interest of all persons within the Unit Area are hereby unitized whether or not such persons have approved the Unit Agreement in writing.

(8) The applicant as Unit Operator shall notify in writing the Division Director of any removal or substitution of said Unit Operator by any other working interest owner within the unit area.

(9) The Mal-Gra Unit Area, which encompasses the following described acreage within the Caprock Maljamar Unit Area, is hereby terminated, provided however, the applicant shall apply and also obtain approval for such termination from the Commissioner of Public Lands for the State of New Mexico:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM

Section 20: S/2

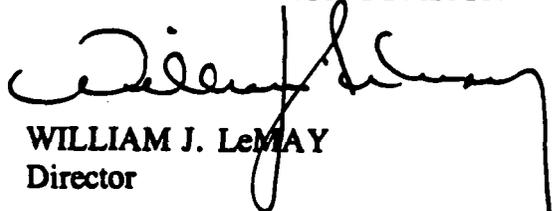
Section 21: W/2 W/2, SE/4 NW/4, SE/4 SW/4

Section 29: NE/4 NE/4

(10) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

S E A L

**STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:**

**CASE NOS. 10931 and 10932
Order No. R-10094**

**APPLICATION OF THE WISER OIL COMPANY
FOR APPROVAL OF A WATERFLOOD PROJECT,
LEA COUNTY, NEW MEXICO.**

**APPLICATION OF THE WISER OIL COMPANY
TO AUTHORIZE THE EXPANSION OF THE
MALJAMAR CAPROCK UNIT WATERFLOOD
PROJECT AND QUALIFY SAID EXPANSION
FOR THE RECOVERED OIL TAX RATE
PURSUANT TO THE "NEW MEXICO ENHANCED
OIL RECOVERY ACT," LEA COUNTY, NEW
MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on March 3, 1994, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 5th day of April, 1994, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) Division Case Nos. 10930, 10931 and 10932 were consolidated at the time of the hearing for the purpose of testimony.

Case No. 10931 and 10932

Order No. R-10094

Page -2-

(3) The applicant in Case No. 10931, The Wiser Oil Company, seeks authority to institute a waterflood project within its proposed Caprock Maljamar Unit Area (being the subject of Case No. 10930) which encompasses the following described acreage, by the injection of water into the Maljamar Grayburg-San Andres Pool, Lea County, New Mexico, through twenty-one initial injection wells located within the unit area as shown on Exhibit "A" attached hereto. The applicant further seeks to qualify the Caprock Maljamar Unit Waterflood Project as an "Enhanced Oil Recovery Project" pursuant to the "Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5).

TOWNSHIP 17 SOUTH, RANGE 32 EAST, NMPM

Section 13: SE/4

Section 24: All

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM

Section 17: All

Section 18: E/2, SW/4

Sections 19 and 20: All

Section 21: W/2 W/2, SE/4 NW/4, SE/4 SW/4

Section 27: NW/4 SW/4

Section 28: W/2, SE/4, SW/4 NE/4

Section 29: NE/4 NE/4

Section 33: N/2 NE/4, SE/4 NE/4

(4) The applicant in Case No. 10932, The Wiser Oil Company, seeks an order pursuant to the rules and procedures for Qualification of Enhanced Oil Recovery Projects and Certification for the Recovered Oil Tax Rate, as promulgated by Division Order No. R-9708, qualifying a portion of its Caprock Maljamar Unit, as described in Finding No. (3) above, Maljamar Grayburg-San Andres Pool, Lea County, New Mexico, for the recovered oil tax rate pursuant to the "Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5).

(5) Through the presentation of evidence and testimony in these cases, it appears that the applicant's request to certify the Caprock Maljamar Unit Area as an "Enhanced Oil Recovery Project" pursuant to the "Enhanced Oil Recovery Act" is duplicated in Case No. 10932 and therefore unnecessary.

(6) Division Case No. 10932 should be dismissed.

(7) The wells located within the applicant's Caprock Maljamar Unit Area are in an advanced state of depletion and should properly be classified as "stripper wells".

(8) The proposed waterflood project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

(9) Applicant estimates that secondary recovery operations within the Caprock Maljamar Unit Area will result in the recovery of an additional 6.8 million barrels of oil.

(10) Division records and testimony presented at the hearing indicates that within the Caprock Maljamar Unit Area there are five Division Orders currently in effect authorizing the injection of water for secondary recovery purposes into the Maljamar Grayburg-San Andres Pool. These division orders are as follows:

- a) Division Order No. R-2156 dated January 3, 1962 authorized Murphy H. Baxter to institute a waterflood project within the following described area, said project designated the Murphy H. Baxter Maljamar Waterflood Project:

TOWNSHIP 17 SOUTH, RANGE 32 EAST, NMPM
Section 13: SE/4

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM
Section 16: S/2, NE/4
Section 17: N/2

- b) Division Order No. R-2157 dated January 3, 1962 authorized Zapata Petroleum Corporation to institute a waterflood project within the following described area, said project designated the Zapata Maljamar Western State Waterflood Project:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM
Section 17: S/2
Section 19: NE/4
Section 20: N/2

- c) Division Order No. R-2769 dated September 16, 1964 authorized Sunset International Petroleum Corporation to institute a waterflood project within the Mal-Gra Unit Area, described as follows, said project designated the Mal-Gra Unit Waterflood Project:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM
Section 20: S/2
Section 21: W/2 W/2, SE/4 NW/4, SE/4 SW/4

- d) Division Order No. R-3011 dated December 3, 1965 authorized Sinclair Oil and Gas Company to institute a waterflood project within the following described area, said project designated the Sinclair Maljamar Johns Waterflood Project:

TOWNSHIP 17 SOUTH, RANGE 32 EAST, NMPM

Section 24: All

- e) Division Order No. R-3129 dated October 4, 1966 authorized Pennzoil Company to institute a waterflood project within the following described area, said project designated the Pennzoil Maljamar Waterflood Project:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM

Section 28: S/2, NW/4

Section 33: N/2 NE/4, SE/4 NE/4

(11) Division Order Nos. R-2156, R-2157, R-2769, R-3011 and R-3129, which orders approved, respectively, the Murphy H. Baxter Maljamar, Zapata Maljamar Western State, Mal-Gra Unit, Sinclair Maljamar Johns, and the Pennzoil Maljamar Waterflood Projects, should be superseded by this order.

(12) Division records further indicate that eleven of the proposed twenty-one injection wells, described as follows, have previously been permitted for injection into the Maljamar Grayburg-San Andres Pool:

<u>WELL NAME & NUMBER</u>	<u>WELL LOCATION</u>	<u>ORDER NUMBER</u>
Western State No. 15	Unit L, 17-17S-33E	R-2157
Western State No. 13	Unit J, 17-17S-33E	WFX-171
Western State No. 8	Unit N, 17-17S-33E	R-2157
Western State No. 10	Unit P, 17-17S-33E	WFX-200
Phillips "B" State No. 5	Unit B, 19-17S-33E	R-2157-A
Western State No. 6	Unit D, 20-17S-33E	R-2157
Western State No. 5	Unit B, 20-17S-33E	WFX-139
Phillips "B" State No. 3	Unit H, 19-17S-33E	R-2157-A
Western State No. 3	Unit F, 20-17S-33E	WFX-139
Western State No. 4	Unit H, 20-17S-33E	WFX-200
Mal-Gra Unit No. 7	Unit L, 20-17S-33E	R-2769

(13) The evidence presented indicates that the Western State Well No. 4, as described above, is currently plugged and abandoned.

(14) In order to bring these injection wells into compliance with current Division Rules and Regulations, the Division should examine Form C-108 data (Authorization to Inject) submitted for each of these wells by the applicant and should re-permit these wells under modern regulations.

(15) The applicant should take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface from injection, production, or plugged and abandoned wells.

(16) The injection of water into each of the wells shown on Exhibit "A" should be accomplished through internally plastic-lined tubing installed in a packer set within 100 feet of the uppermost injection perforation or casing shoe; the casing-tubing annulus should be filled with an inert fluid and a gauge or approved leak-detection device should be attached to the annulus in order to determine leakage in the casing, tubing or packer.

(17) Prior to commencing injection operations into the wells shown on Exhibit "A", the casing in each well should be pressure tested throughout the interval from the surface down to the proposed packer setting depth to assure the integrity of such casing.

(18) The injection wells or pressurization system should be initially equipped with a pressure control device or acceptable substitute which will limit the surface injection pressure to no more than 814 psi.

(19) The Division Director should have the authority to administratively authorize a pressure limitation in excess of the pressure limitation described in Finding No. (18) above upon a showing by the operator that such higher pressure will not result in the fracturing of the injection formation or confining strata.

(20) There is one well located within the "area of review", the Mal-Gra Unit "B" Well No. 2 located in Unit O of Section 20, which reportedly has casing leaks. The applicant should be required to consult with the supervisor of the Hobbs district office of the Division in order to determine if this well, in its present condition, provides a conduit for migration of injected fluid. If so, the applicant should conduct repairs on the well in a manner acceptable to the Division prior to conducting injection operations within one half mile.

(21) The operator should give advance notification to the supervisor of the Hobbs District Office of the Division of the date and time of the installation of injection equipment, the conductance of any remedial cement operations, and of the mechanical integrity pressure tests in order that the same may be witnessed.

(22) The application should be approved and the project should be governed by the provisions of Rule Nos. 701 through 708 of the Oil Conservation Division Rules and Regulations.

(23) At the time of the hearing, the applicant requested that the subject waterflood be certified by the Division as a qualified "Enhanced Oil Recovery Project" pursuant to the "Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5).

(24) Implementation of secondary recovery operations within the Caprock Maljamar Unit will occur in three phases.

(25) Previous waterflood operations within the proposed unit area have been conducted on 80-acre five spot injection patterns.

(26) Within the Caprock Maljamar Unit, the applicant proposes to conduct waterflood operations on 40-acre five spot injection patterns. Such action will require that the applicant drill and equip fifty-nine new producing wells, drill and equip eleven new injection wells, convert forty producing wells to injection, and conduct workovers on thirty-eight wells, as well as upgrade tank battery and injection facilities.

(27) The proposed change in operations within the project area will require a capital expenditure of approximately twenty-three million dollars.

(28) The applicant requests certification of the project area on the contention that it has or will expand the use of enhanced oil recovery technology and will increase the size of the geologic area being flooded representing a unique area of activity.

(29) Geologic variations generally indicate that the 80-acre five spot injection pattern previously utilized within the Caprock Maljamar Unit Area may have been too large and likely resulted in substantial volumes of oil being unrecovered.

(30) The reduction in the waterflood injection pattern from 80 acres to 40 acres will improve the sweep efficiency and should increase the ultimate oil recovery from the proposed project area.

(31) The evidence presented indicates that the subject waterflood meets all the criteria for certification.

(32) The certified "project area" should initially comprise the area within the Caprock Maljamar Unit, described in Finding No. (3) above, provided however, the "project area" and/or the producing wells eligible for the recovered oil tax rate may be contracted and reduced dependent upon the evidence presented by the applicant in its demonstration of the occurrence of a positive production response.

(33) To be eligible for the EOR credit, the operator should advise the Division when water injection commences within Phase I, II and III and at such time, request the Division certify such phases or areas to the New Mexico Taxation and Revenue Department.

(34) At such time as a positive production response occurs and within five years from the date of the Certificate of Qualification, the applicant must apply to the Division for certification of positive production response, which application shall identify the area actually benefitting from enhanced recovery operations, and identifying the specific wells which the operator believes are eligible for the credit. The Division may review the application administratively or set it for hearing. Based upon evidence presented, the Division will certify to The Department of Taxation and Revenue those lands and wells which are eligible for the credit.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, The Wiser Oil Company, is hereby authorized to institute a waterflood project within its Caprock Maljamar Unit Area which encompasses the following described acreage, by the injection of water into the Maljamar Grayburg-San Andres Pool, Lea County, New Mexico, through twenty-one initial injection wells located within the unit area as shown on Exhibit "A" attached hereto.

TOWNSHIP 17 SOUTH, RANGE 32 EAST, NMPM

Section 13: SE/4

Section 24: All

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM

Section 17: All

Section 18: E/2, SW/4

Sections 19 and 20: All

Section 21: W/2 W/2, SE/4 NW/4, SE/4 SW/4

Section 27: NW/4 SW/4

Section 28: W/2, SE/4, SW/4 NE/4

Section 29: NE/4 NE/4

Section 33: N/2 NE/4, SE/4 NE/4

(2) The applicant shall take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface from injection, production, or plugged and abandoned wells.

(3) Injection into the wells shown on Exhibit "A" shall be accomplished through plastic-lined tubing installed in a packer set approximately within 100 feet of the uppermost injection perforation or casing shoe; the casing-tubing annulus shall be filled with an inert fluid and a gauge or approved leak-detection device shall be attached to the annulus in order to determine leakage in the casing, tubing or packer.

(4) The injection wells or pressurization system shall be equipped with a pressure control device or acceptable substitute which will limit the surface injection pressure to no more than 814 psi.

(5) The Division Director shall have the authority to administratively authorize a pressure limitation in excess of the above upon a showing by the operator that such higher pressure will not result in the fracturing of the injection formation or confining strata.

(6) Prior to commencing injection operations into the wells shown on Exhibit "A", the casing in each well shall be pressure-tested throughout the interval from the surface down to the proposed packer setting depth, to assure the integrity of such casing.

(7) Prior to initiating injection operations within one-half mile of the Mal-Gra Unit "B" Well No. 2, located in Unit O of Section 20, the applicant shall consult with the supervisor of the Hobbs district office of the Division in order to determine if this well, in its present condition, provides a conduit for migration of injected fluid. If so, the applicant shall conduct repairs on the well in a manner acceptable to the Division.

(8) The operator shall give advance notification to the supervisor of the Hobbs District Office of the Division of the date and time of the installation of injection equipment, the conductance of remedial cement operations, and of the mechanical integrity pressure tests, in order that the same may be witnessed.

(9) The applicant shall immediately notify the supervisor of the Hobbs District Office of the Division of the failure of the tubing, casing or packer in any of the injection wells, the leakage of water or oil from or around any producing well, or the leakage of water or oil from any plugged and abandoned well within the project area, and shall take such steps as may be timely and necessary to correct such failure or leakage.

(10) The subject waterflood is hereby designated the Caprock Maljamar Unit Waterflood Project and shall be governed by the provisions of Rule Nos. 701 through 708 of the Oil Conservation Division Rules and Regulations.

(11) Monthly progress reports of the waterflood project herein authorized shall be submitted to the Division in accordance with Rule Nos. 706 and 1115 of the Division Rules and Regulations.

(12) Division Order Nos. R-2156, R-2157, R-2769, R-3011 and R-3129, which orders approved, respectively, the Murphy H. Baxter Maljamar, Zapata Maljamar Western State, Mal-Gra Unit, Sinclair Maljamar Johns, and the Pennzoil Maljamar Waterflood Projects, are hereby superseded by this order.

(13) The subject waterflood is hereby certified as a qualified "Enhanced Oil Recovery Project" pursuant to the "Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5).

(14) The certified "project area" shall initially coincide with the Caprock Maljamar Unit Area, described in Finding No. (3) above, provided however, the "project area" and/or the producing wells eligible for the recovered oil tax rate may be contracted and reduced dependent upon the evidence presented by the applicant in its demonstration of the occurrence of a positive production response.

(15) To be eligible for the EOR credit, the operator shall advise the Division when water injection commences within Phase I, II and III and at such time, request the Division certify such phases or areas to the New Mexico Taxation and Revenue Department.

(16) At such time as a positive production response occurs and within five years from the date of the Certificate of Qualification, the applicant must apply to the Division for certification of positive production response, which application shall identify the area actually benefitting from enhanced recovery operations, and identifying the specific wells which the operator believes are eligible for the credit. The Division may review the application administratively or set it for hearing. Based upon evidence presented, the Division will certify to The Department of Taxation and Revenue those lands and wells which are eligible for the credit.

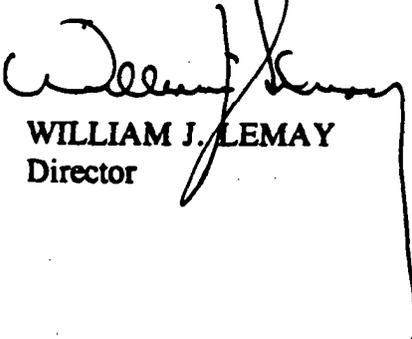
(17) The application of The Wiser Oil Company in Case No. 10932 for an order pursuant to the rules and procedures for Qualification of Enhanced Oil Recovery Projects and Certification for the Recovered Oil Tax Rate, qualifying a portion of its Caprock Maljamar Unit, Lea County, New Mexico, for the recovered oil tax rate pursuant to the "Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5), is hereby dismissed.

Case No. 10931 and 10932
Order No. R-10094
Page -10-

(18) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

S E A L

EXHIBIT "A"
CASE NO. 10932
DIVISION ORDER NO. R-10094
CAPROCK MALJAMAR UNIT WATERFLOOD PROJECT
APPROVED INJECTION WELLS

<i>Former Well Name and Number</i>	<i>New Well No. CMU</i>	<i>Location</i>	<i>Unit</i>	<i>S-T-R</i>	<i>Injection Perforations</i>	<i>Packer Depth</i>	<i>Tubing Size</i>
Western State No. 15*	19	1980' FSL & 660' FWL	L	17-17S-33E	4203' - 4396'	4146'	2 3/8"
Western State No. 14	20	1980' FSL & 1980' FWL	K	17-17S-33E	4124' - 4396'	4024'	2 3/8"
Western State No. 13*	21	1650' FSL & 1980' FEL	J	17-17S-33E	4260' - 4415'	4191'	2 3/8"
Western State No. 11	29	660' FSL & 810' FWL	M	17-17S-33E	4170' - 4380'	4070'	2 3/8"
Western State No. 8*	30	660' FSL & 1980' FWL	N	17-17S-33E	4198' - 4460'	4148'	2 3/8"
Western State No. 7	31	660' FSL & 1980' FEL	O	17-17S-33E	4238' - 4416'	4138'	2 3/8"
Western State No. 10*	32	660' FSL & 660' FEL	P	17-17S-33E	4216' - 4426'	4187'	2 3/8"
Phillips "B" State No. 5*	39	660' FNL & 1980' FEL	B	19-17S-33E	4080' - 4408'	4036'	2 3/8"
Phillips "B" State No. 4	40	660' FNL & 660' FEL	A	19-17S-33E	4166' - 4503'	4066'	2 3/8"
Western State No. 6*	41	660' FNL & 660' FWL	D	20-17S-33E	4162' - 4375'	4122'	2 3/8"
Western State No. 2	42	660' FNL & 1980' FWL	C	20-17S-33E	4200' - 4442'	4100'	2 3/8"
Western State No. 5*	43	660' FNL & 1980' FEL	B	20-17S-33E	4215' - 4468'	4143'	2 3/8"
Western State No. 9	44	660' FNL & 660' FEL	A	20-17S-33E	4228' - 4430'	4128'	2 3/8"
Phillips "B" State No. 6	52	1980' FNL & 1980' FEL	G	19-17S-33E	4098' - 4350'	3998'	2 3/8"
Phillips "B" State No. 3*	53	1980' FNL & 660' FEL	H	19-17S-33E	4080' - 4346'	4023'	2 3/8"

* Denotes wells which have previously been approved for injection.

** Currently P&A'd.

<i>Former Well Name and Number</i>	<i>New Well No. CMU</i>	<i>Location</i>	<i>Unit</i>	<i>S-T-R</i>	<i>Injection Perforations</i>	<i>Packer Depth</i>	<i>Tubing Size</i>
Western State No. 16	54	1980' FNL & 660' FWL	E	20-17S-33E	4176' - 4426'	4076'	2 3/8"
Western State No. 3	55	1980' FNL & 1980' FWL	F	20-17S-33E	4170' - 4312'	3995'	2 3/8"
Western State No. 1-Y	56	1880' FNL - 1980' FEL	G	20-17S-33E	4068' - 4380'	3968'	2 3/8"
**Western State No. 4*	57	1980' FNL - 660' FEL	H	20-17S-33E	Unknown	Unknown	2 3/8"
**Phillips "B" State No. 2	67	1980' FSL - 660' FEL	I	19-17S-33E	Unknown	Unknown	2 3/8"
Mal-Gra Unit No. 7*	68	1650' FSL & 990' FWL	L	20-17S-33E	4190' - 4355'	4090'	2 3/8"

* Denotes wells which have previously been approved for injection.

** Currently P&A'd.



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

1/9/97

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

GOVERNOR

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RE: Proposed:

MC	_____	
DHC	_____	
NSL	_____ X _____	DD
NSP	_____	
SWD	_____	
WFX	_____	
PMX	_____	

Gentlemen:

I have examined the application for the:

<u>Wiser Oil Co</u>	<u>Caprock Maljamar Unit #</u>	<u>280-M-28-175-33e</u>
Operator	Lease & Well No. Unit	S-T-R

and my recommendations are as follows:

OK

Yours very truly,

Jerry Sexton

Jerry Sexton
Supervisor, District 1

/ed

To Mike Stagner



'97 JAN 17 AM 8 52

From

Dennis

1/9/97

Energy & Minerals Department
OIL CONSERVATION DIVISION
P O Box 1980
Hobbs NM 88241

Telephone Number (505) 393-6161

- | | |
|---|---|
| <input type="checkbox"/> For Your Files | <input type="checkbox"/> Prepare a Reply for My Signature |
| <input type="checkbox"/> For Your Review and Return | <input type="checkbox"/> For Your Information |
| <input checked="" type="checkbox"/> For Your Handling | <input type="checkbox"/> For Your Approval |
| <input checked="" type="checkbox"/> As Per Your Request | <input type="checkbox"/> For Your Signature |
| <input type="checkbox"/> Please Advise | <input type="checkbox"/> For Your Attention |

CMD :
OG6C101

ONGARD
C101-APPLICATION FOR PERMIT TO DRILL

02/03/97 09:02:26
OGOMES -EMEX

OGRID Idn : 22922 API Well No: 30 25 33773 APD Status(A/C/P): A
Opr Name, Addr: WISER OIL CO Aprvl/Cncl Date : 01-10-1997
8115 PRESTON RD
STE 400
DALLAS, TX 75225

Prop Idn: 14578 CAPROCK MALJAMAR UNIT Well No: 280

	U/L	Sec	Township	Range	Lot	Idn	North/South	East/West
Surface Locn	: M	28	17S	33E			FTG 932 F S	FTG 330 F W
OCD U/L	: M		API County	: 25				

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): O Cable/Rotary (C/R) : R
Lease typ(F/S/P/N/J/U/I): S Ground Level Elevation : 4098

State Lease No: Multiple Comp (Y/N) : S
Prpsd Depth : 5500 Prpsd Frmtn : SAN ANDRES

E0009: Enter data to modify record

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PF07	PF08	PF09 PRINT	PF10 C102	PF11 HISTORY	PF12

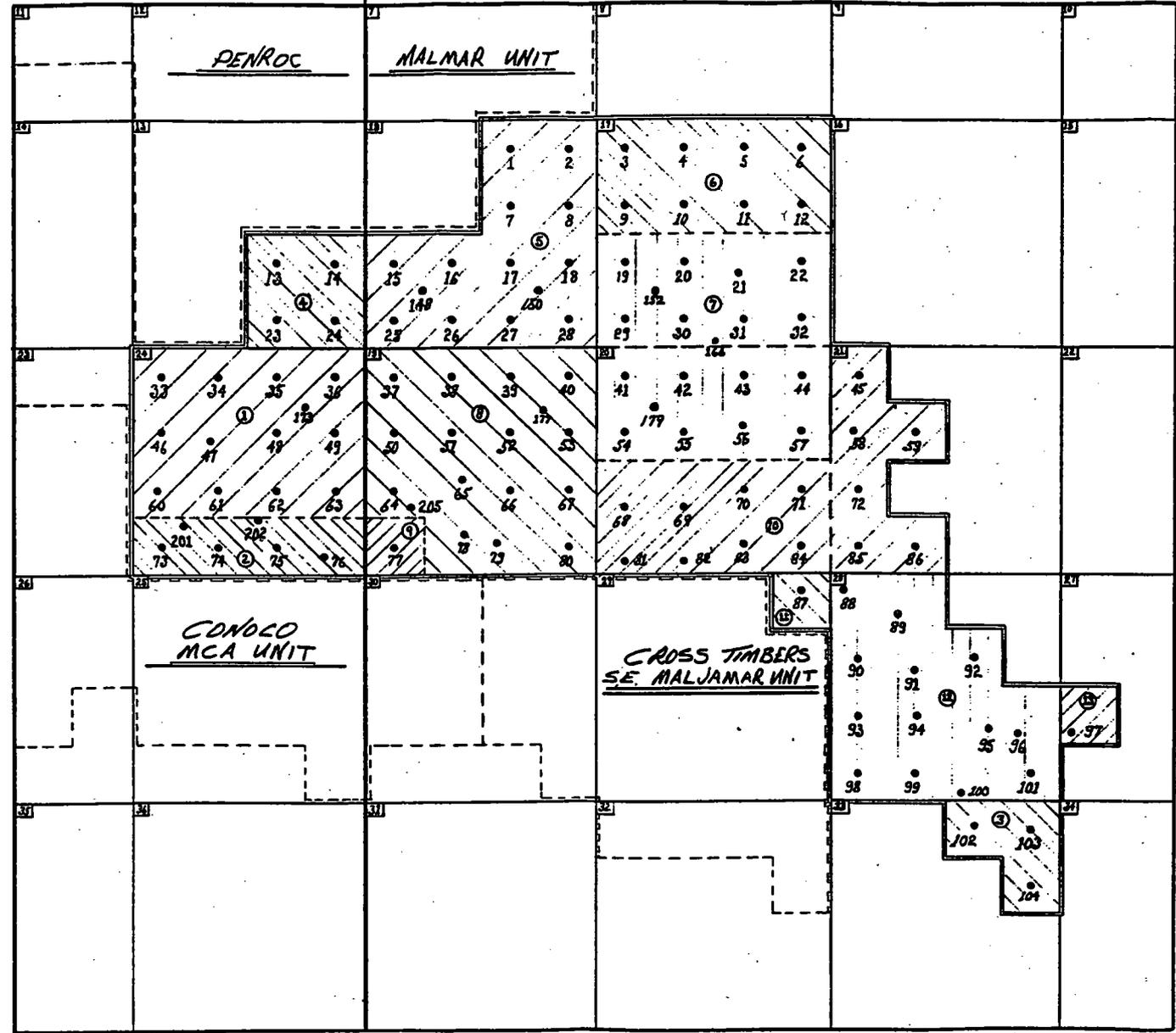
R 32 E.

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PENROC

MALMAR UNIT

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CONOCO
MCA UNIT

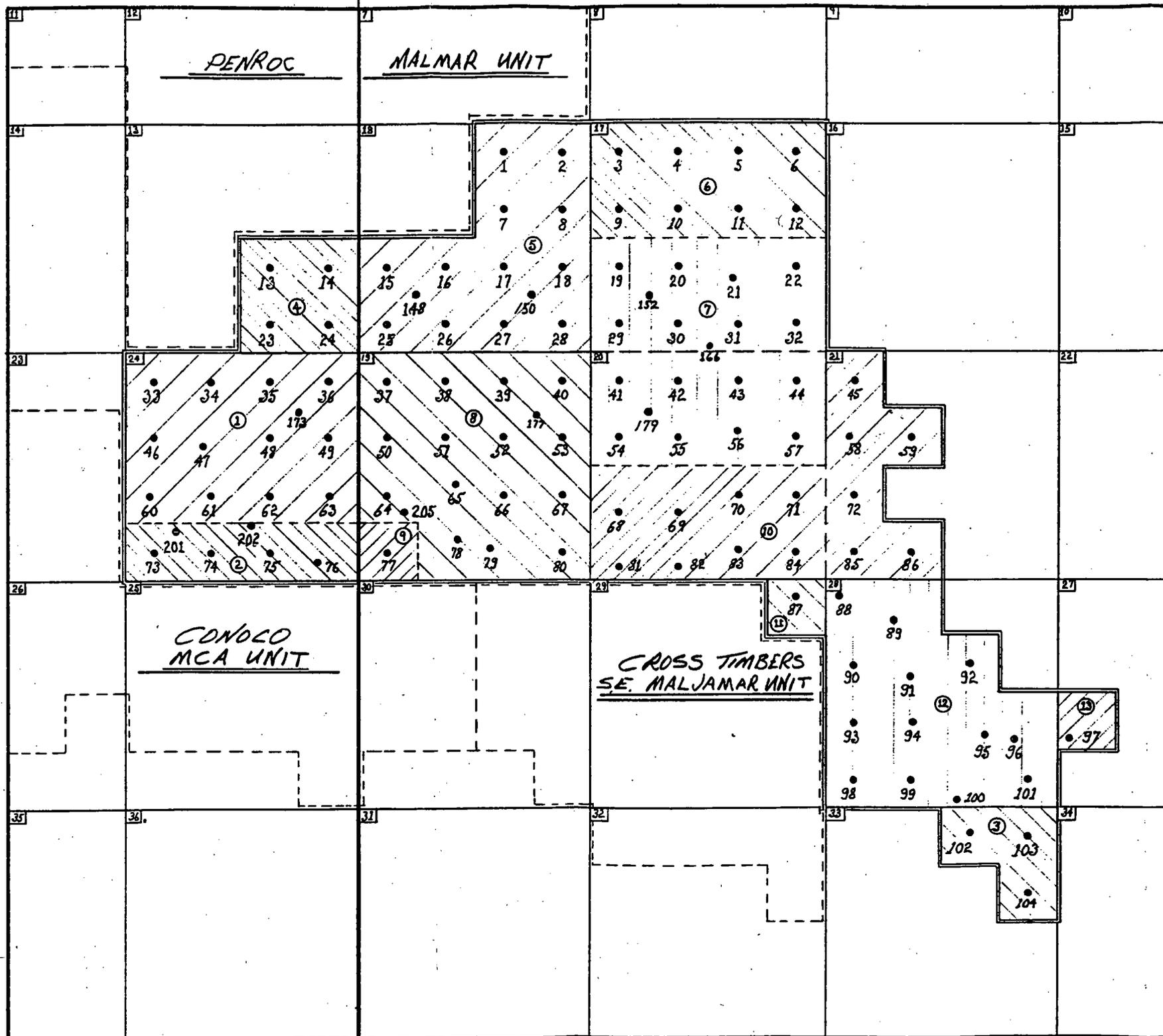
CROSS TIMBERS
SE. MALJAMAR UNIT

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EX
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BEFORE EXAMINATION
 OIL CONSERVATION
 EXHIBIT
 CASE NO. 109

EXHIBIT
 UNIT 2
 CAPROCK W.
 LEA COUNTY,

****A START JOB 611 PEVI001T PERA-JUDY-COBOL ROOM 1.06.49 PM 12 NOV 80 R15.PR1 SYS C158 JOB 611 START A****
****A START JOB 611 PEVI001T PERA-JUDY-COBOL ROOM 1.06.49 PM 12 NOV 80 R15.PR1 SYS C158 JOB 611 START A****
****A START JOB 611 PEVI001T PERA-JUDY-COBOL ROOM 1.06.49 PM 12 NOV 80 R15.PR1 SYS C158 JOB 611 START A****

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