



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

December 30, 1997

The Wiser Oil Company
c/o J. O. Easley, Inc.
P. O. Box 245
Artesia, New Mexico 88210
Attention: Michael R. Burch

Devon Energy Operating Corporation
20 North Broadway, Suite 1500
Oklahoma City, Oklahoma 73102-8260
Attention: Ken Gray

Administrative Order NSL-3923

Dear Messrs. Burch and Gray:

Reference is made to several applications filed by both Wiser Oil Company ("Wiser") and Devon Energy Operating Corporation ("Devon") to drill the following described six wells at unorthodox oil well locations along a line common to two separately operated waterflood projects within the Grayburg-Jackson Pool in Eddy County, New Mexico:

Operator, Well Name, and Well Number	API No.	Unit-Section-Township-Range
Devon's Turner "B" Well No. 134	30-015-29620	H-20-17S-31E
Devon's Turner "B" Well No. 135	30-015-29621	I-20-17S-31E
Devon's Turner "B" Well No. 136	30-015-29622	I-20-17S-31E
Wiser's Skelly Unit Well No. 400	30-015-29856	M-21-17S-31E
Wiser's Skelly Unit Well No. 401	30-015-29817	D-28-17S-31E
Wiser's Skelly Unit Well No. 402	30-015-29860	E-28-17S-31E

The Division Director Finds That:

- (1) Wiser Oil Company is the operator of the Grayburg-Jackson Skelly Unit Waterflood Project Area, established by Division Order No. R-2900, as amended by Order Nos. R-3214 and R-4419. Said Skelly (Federal) Unit Area and corresponding Grayburg-Jackson Skelly Unit Waterflood Project Area comprise the

following described 4,160-acre, more or less, area in Eddy County, New Mexico:

TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM

Sections 14 and 15:	All
Sections 21 through 23:	All
Section 26:	N/2 NW/4
Section 27:	N/2
Section 28:	N/2, SW/4, and N/2 SE/4;

- (2) Devon Energy Operating Corporation is the operator of the Turner "B" (Lease) Grayburg-Jackson Waterflood Project Area, established by Division Order No. R-3185, as amended by Order Nos. R-3185-A, R-3528, and R-3528-A. Said waterflood area comprises the following described acreage in Eddy County, New Mexico:

TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM

Section 17:	NW/4 SW/4 and S/2 S/2
Section 20:	All
Section 29:	All
Section 30:	SE/4;

- (3) The Grayburg-Jackson Pool within both projects are subject to the statewide rules and regulations for oil wells, as promulgated by **Rules 104.C(1) and F(1)**, which provides for 40-acre oil spacing and proration units, or drilling units, and requires that wells be located no closer than 330 feet to the outer boundary of the lease or unitized area (pressure maintenance/waterflood project area), nor closer than 10 feet to any quarter-quarter section line or subdivision inner boundary;
- (4) Two of Wiser's proposed wells, the Skelly Unit Well Nos. 400 and 402, are to be directionally drilled to bottomhole oil well locations that are to be no closer than 10 feet from the western boundary of the Skelly Unit area [see Rule 111.A(9) of the Division's General Rules and Regulations pertaining to "project areas];
- (5) Both Devon and Wiser have entered into a lease line development agreement along the section line common to Sections 20 and 21 and Sections 28 and 29, all in Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico;
- (6) This mutual agreement benefits both projects by allowing the operators to complete an efficient and effective production/injection pattern along this common boundary line; and,

- (7) Approval of these applications is in the best interest of conservation, will serve to prevent waste, protects correlative rights, exhibits sound engineering practices, and should allow for the recovery of additional reserves that might not otherwise be produced.

It Is Therefore Ordered That:

- (1) Wiser Oil Company ("Wiser") is hereby authorized to directionally drill:

- (A) its Skelly Unit Well No. 400 (API No. 30-015-29856) from a surface location 100 feet from the South line and 260 feet from the West line (Unit M) of Section 21, Township 17 South, Range 31 East, NMPM, Skelly (Federal) Unit Area and corresponding Grayburg-Jackson Skelly Unit Waterflood Project Area, Eddy County, New Mexico, by kicking-off to the west and drilling into the Grayburg-Jackson Pool to an unorthodox subsurface oil well location within said Unitized/Waterflood Area; and,
- (B) its Skelly Unit Well No. 402 (API No. 30-015-29860) from a surface location 2625 feet from the North line and 230 feet from the West line (Unit E) of Section 28, Township 17 South, Range 31 East, NMPM, Skelly (Federal) Unit Area and corresponding Grayburg-Jackson Skelly Unit Waterflood Project Area, Eddy County, New Mexico, by kicking-off to the west and drilling into the Grayburg-Jackson Pool to an unorthodox subsurface oil well location within said Unitized/Waterflood Area.

- (2) The applicable drilling window or "producing area" within the Grayburg-Jackson Pool for both of the above-described wells shall be that area within the subject Skelly (Federal) Unit Area that is no closer than 10 feet from the west line of Sections 21 and 28, whichever is appropriate.

It Is Further Ordered That:

- (3) The following four wells to be drilled vertically to the Grayburg-Jackson Pool are hereby approved:

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Wiser/Devon

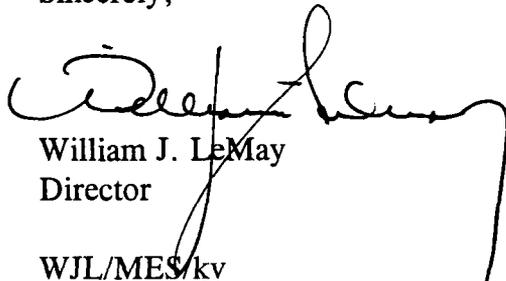
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Operator, Well Name, and Well No.	Footage Location (Unit)	API No.	Section-Township-Range	Dedicated 40-acre tract
Devon's Turner "B" Well No. 134	1350' FNL & 85' FEL (H)	30-015-29620	20-17S-31E	SE/4 NE/4
Devon's Turner "B" Well No. 135	2630' FSL & 85' FEL (I)	30-015-29621	20-17S-31E	NE/4 SE/4
Devon's Turner "B" Well No. 136	1521' FSL & 146' FEL (I)	30-015-29622	20-17S-31E	NE/4 SE/4
Wiser's Skelly Unit Well No. 401	1300' FNL & 60' FWL (D)	30-015-29817	28-17S-31E	NW/4 NW/4

(4) Wiser shall further comply with all provisions of Division General Rule 111 applicable in this matter.

Sincerely,



William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Artesia
U.S. Bureau of Land Management - Carlsbad
Jim Bruce, Counsel for Wiser - Santa Fe
Lynn Rivera, NMOCD - Santa Fe