



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

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

March 31, 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-165

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 Wiser Oil Company ("Wiser"), made application to the New Mexico Oil Conservation Division on March 19, 1997 for authorization to directional drill the Skelly Unit Well No. 276 (API No. 30-015-29225), Eddy 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 Grayburg-Jackson Pool within 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;
- (2) The Skelly (Federal) Unit Area and corresponding Grayburg-Jackson Skelly Unit Waterflood Project Area comprises the following described 4,160-acre, more or less, area in Lea 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;

- (3) The Grayburg-Jackson Pool within the Grayburg-Jackson Skelly Unit Waterflood Project Area is 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) The surface area of the proposed well location dictates the necessity for deviating this well in a predetermined direction. The existence of a small playa lake requires the well to be located at a surface location 687 feet from the North line and 1183 feet from the West line (Unit D) of said Section 27;
- (5) The proposed bottom-hole location within the Grayburg-Jackson Pool, 1290 feet from the North line and 1226 feet from the West line (Unit D) of said Section 27, is necessary to complete an effective and efficient injection/production pattern for the current secondary recovery operations within the Grayburg-Jackson Skelly Unit Waterflood Project Area;
- (6) The "target or project area" for said directional drilling should be within a reasonable radius of the projected bottom-hole location of 1290 feet from the North line and 1226 feet from the West line of said Section 27; and,
- (7) It appearing the applicant has satisfied all of the appropriate requirements prescribed in said **Rules 111.D and E and 104.C(1) and F(1)**, the subject application should be approved and the well should be governed by the provisions contained within this order and all other applicable provisions of **Division General Rules 104 and 111**.

IT IS THEREFORE ORDERED THAT:

(1) The Wiser Oil Company ("Wiser") is hereby authorized to drill its Skelly Unit Well No. 276 (API No. 30-025-29225) from a surface location 687 feet from the North line and 1183 feet from the West line (Unit D) of Section 27, Township 17 South, Range 31 East, NMPM, Skelly (Federal) Unit Area and corresponding Grayburg-Jackson Skelly Unit Waterflood Project Area, Eddy County, New Mexico, kick-off to the south and directionally drill into the Grayburg-Jackson Pool as close as is reasonably possible to the targeted bottom-hole location of 1290 feet from the North line and 1226 feet from the West line (Unit D) of said Section 27.

PROVIDED HOWEVER THAT prior to commencing directional drilling operations in said wellbore, the operator shall establish the location of the kick-off point by means of a directional survey acceptable to the Division.

PROVIDED FURTHER THAT during or upon completion of said directional drilling operations, the operator shall conduct an accurate wellbore survey from the kick-off point to total depth in order that the subsurface bottom-hole location, as well as the wellbore's true depth and course, may be determined.

(2) The operator shall notify the supervisor of the Hobbs District office of the Division of the date and time said wellbore surveys are to be conducted so that they may be witnessed. The operator shall further provide a copy of said wellbore surveys to the Santa Fe and Hobbs offices of the Division upon completion.

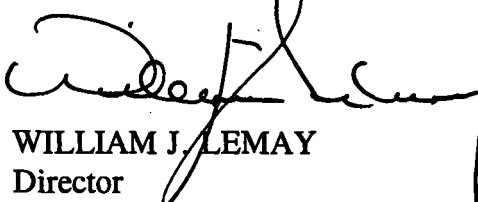
(3) The operator shall comply with all requirements and conditions set forth in **Division General Rule 111.E(2)** and any applicable requirements in **111.D** and **F** and **104.C(1)** and **104.F(2)**.

(4) Form C-105 shall be filed in accordance with **Division Rule 1105** and the operator shall indicate thereon true vertical depth in addition to measured depths.

(5) 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

cc: New Mexico Oil Conservation Division - Hobbs
U. S. Bureau of Land Management - Santa Fe

DD-WF, 3

Rec: 3-19-97

Susp: VM

Released: 3-31-97

March 31, 1997

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

Attention: Michael R. Burch

165
Administrative Order DD-***

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 Wiser Oil Company ("Wiser"), made application to the New Mexico Oil Conservation Division on March 19, 1997 for authorization to directional drill the Skelly Unit Well No. 276 (API No. 30-015-29225), Eddy 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 Grayburg-Jackson Pool within 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;
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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;

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- (6) The "target or project area" for said directional drilling should be within a reasonable radius of the projected bottom-hole location of 1290 feet from the North line and 1226 feet from the West line of said Section 27; and,
- (7) It appearing the applicant has satisfied all of the appropriate requirements prescribed in said **Rules 111.D and E and 104.C(1) and F(1)**, the subject application should be approved and the well should be governed by the provisions contained within this order and all other applicable provisions of **Division General Rules 104 and 111**.

IT IS THEREFORE ORDERED THAT:

(1) The Wiser Oil Company ("Wiser") is hereby authorized to drill its Skelly Unit Well No. 276 (**API No. 30-025-29225**) from a surface location 687 feet from the North line and 1183 feet from the West line (Unit D) of Section 27, Township 17 South, Range 31 East, NMPM, Skelly (Federal) Unit Area and corresponding Grayburg-Jackson Skelly Unit Waterflood Project Area, Eddy County, New Mexico, kick-off to the south and directionally drill into the Grayburg-Jackson Pool as close as is reasonably possible to the targeted bottom-hole location of 1290 feet from the North line and 1226 feet from the West line (Unit D) of said Section 27.

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PROVIDED FURTHER THAT during or upon completion of said directional drilling operations, the operator shall conduct an accurate wellbore survey from the kick-off point to total depth in order that the subsurface bottom-hole location, as well as the wellbore's true depth and course, may be determined.

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(3) The operator shall comply with all requirements and conditions set forth in **Division General Rule 111.E(2)** and any applicable requirements in **111.D** and **F** and **104.C(1)** and **104.F(2)**.

(4) Form C-105 shall be filed in accordance with **Division Rule 1105** and the operator shall indicate thereon true vertical depth in addition to measured depths.

(5) 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

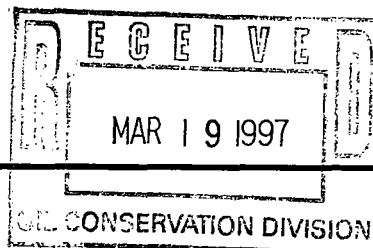
cc: New Mexico Oil Conservation Division - Hobbs
U. S. Bureau of Land Management - Santa Fe

DD 4/8/97



J.O. EASLEY INC.

ESTABLISHED 1979
P.O. Box 245 88211-0245
119 South Roselawn, Suite 302
Artesia, New Mexico 88210



March 17, 1997

Telephone (505) 746-1070
Fax (505) 746-1073

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
Skelly Unit #276
Eddy 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 687' FNL, 1183' FWL, Unit D, with the bottom hole location at 1290' FNL, 1226' FWL, Unit D, of Section 27, Township 17 South, Range 31 East, N.M.P.M. It is necessary to directionally drill this well as the prime location for drilling a straight hole is in the middle of Playa Lake.

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 which is generally representative of the Skelly Unit. Wells have been drilled which have come in right on target as illustrated on this type log from the Caprock Maljamar Unit, but there is a tendency for Skelly Unit wells to come in anywhere from 200' shallower to an extreme of 1000' shallower than illustrated on these logs.

5. Affidavit of Mailing stating that The Wiser Oil Company is the only offset operator; no mailing, therefore, was necessary.

Concurrent with this application, we have submitted a Sundry Notice to directionally drill this well, which has already been permitted as a straight hole, to the Bureau of Land Management, Roswell District Office.

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. Tim Gum
New Mexico Oil Conservation Division
811 South 1st Street
Artesia, New Mexico 88210

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

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

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

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

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

OIL CONSERVATION DIVISION

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|--------------------------------|---|--|
| API Number 30-015- | Pool Code 28509 | Pool Name Grayburg Jackson 7-Rivers QN GB SA |
| Property Code 017540 | Property Name SKELLY UNIT "D" | Well Number 276 |
| OGRID No. 022922 | Operator Name THE WISER OIL COMPANY | Elevation 3815' |

Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| D | 27 | 17 S | 31 E | | 687 | NORTH | 1183 | WEST | EDDY |

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 |
|------------------------------|-----------------|--------------------|-----------|---------|---------------|------------------|---------------|----------------|--------|
| D | 27 | 17S | 31E | | 1290 | North | 1226 | West | Eddy |
| 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>Bottom Hole (603' South & 43' East)</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 <u>Michael R. Burch, CPL</u></p> <p>Printed <u>Agent for The Wisser Oil Company</u></p> <p>Title <u>4-5-96</u></p> <p>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>AUGUST 15, 1996</p> <p>Date Surveyed _____ CDG</p> <p>Signature & Seal of Professional Surveyor <i>Ronald J. Eidson</i> Professional Surveyor NEW MEXICO 3239 96-11-0975 8-20-96</p> <p>Certificate No. <u>JOHN W. WEST</u> 676 <u>RONALD J. EIDSON</u> 3239 <u>RONALD J. EIDSON</u> 12641</p> |
|--|--|

21

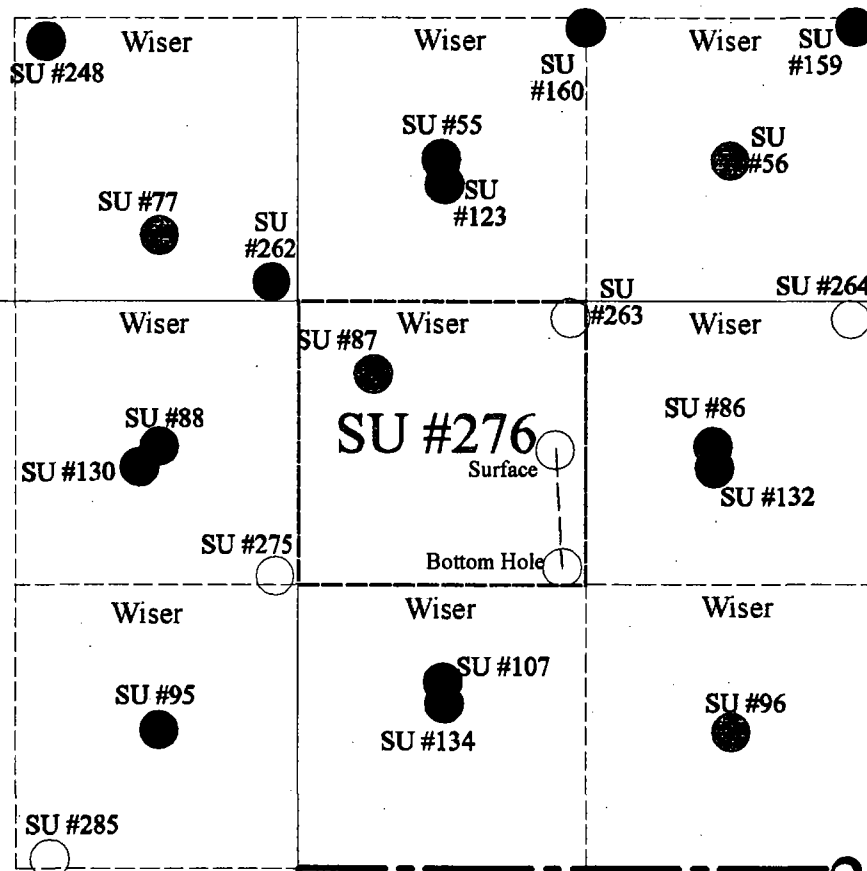
22

Skelly Unit #276 Directionally Drilled Well

The Wiser Oil Company

- • — Skelly Unit Outline
- Skelly #276 Producing Area
- Skelly #276 Offset Drilling Units

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



- New Water Injection Well
- Existing Water Injection Well
- Producing Oil Well
- ☀ Producing Gas Well
- ★ Producing Oil & Gas Well
- Plugged and Abandoned Well
- Temporarily Abandoned Well

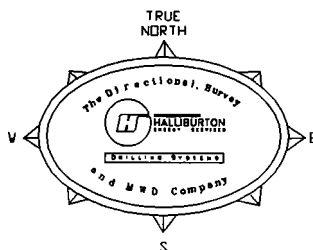
28

27

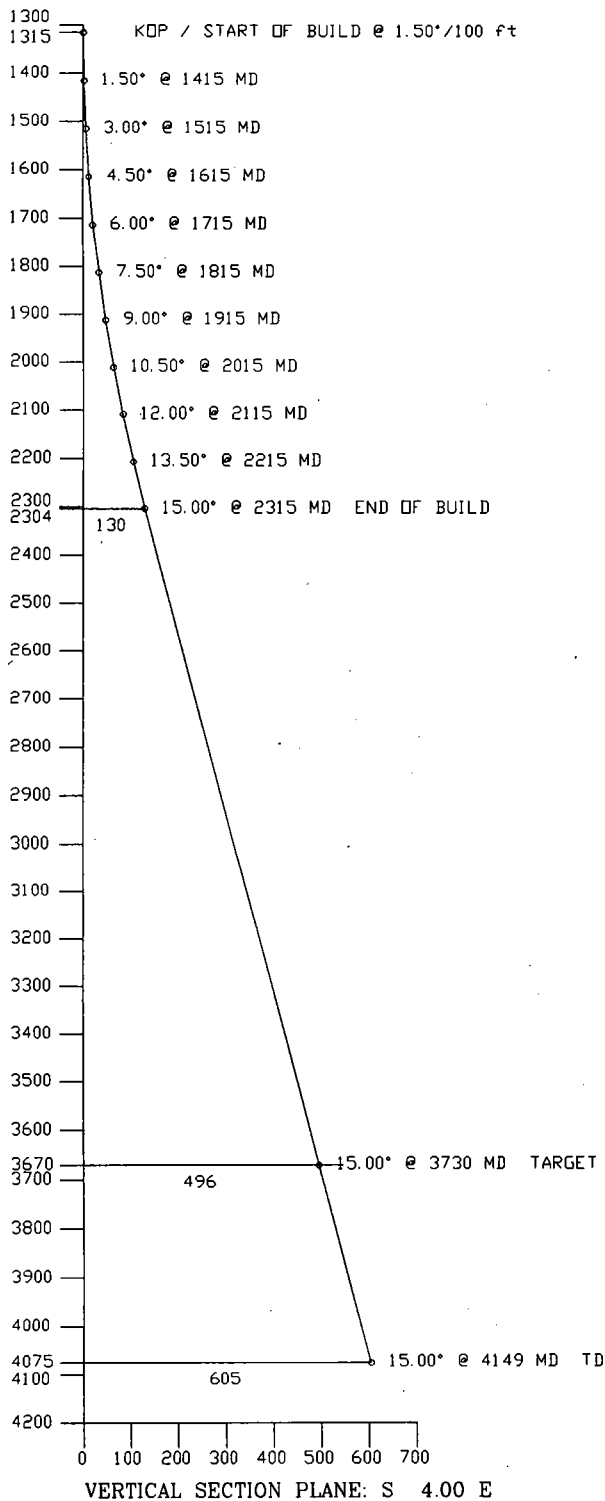
WISER OIL COMPANY
SKELLY UNIT #276
SEC. 27, T17S, R31E
EDDY COUNTY, NEW MEXICO
DIRECTIONAL PROPOSAL



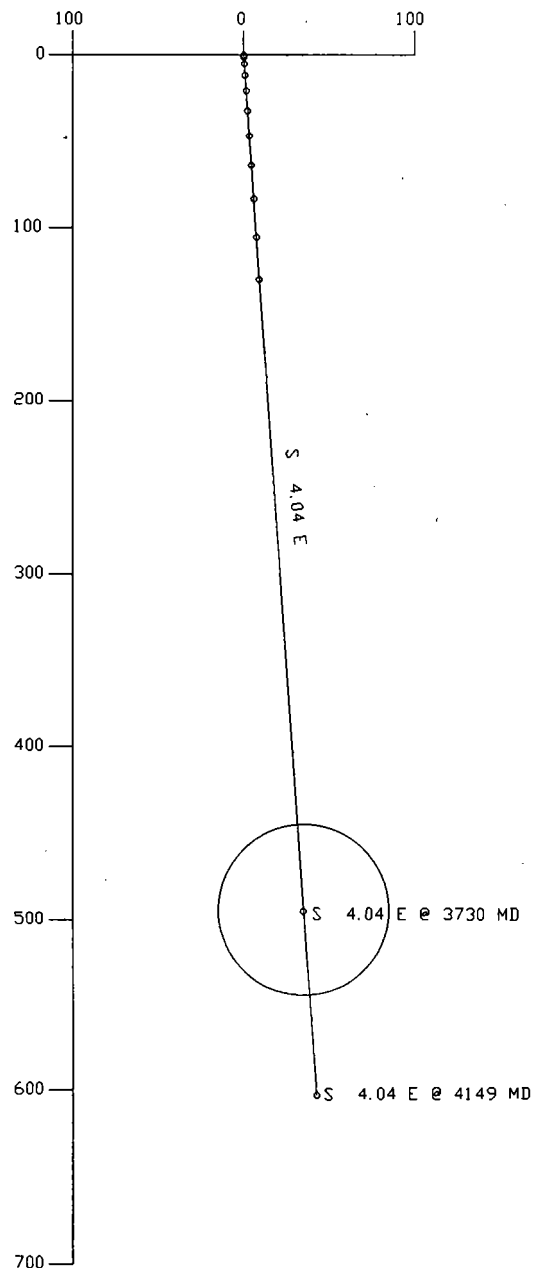
DRILLING SYSTEMS



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 |
|-------------------------------------|------|--------|-------|------|-------|------|
| KOP / START OF BUILD @ 1.50°/100 ft | 1315 | 0.00° | S 4 E | 0 | 0 N | 0 E |
| END OF BUILD | 2315 | 15.00° | S 4 E | 2304 | 130 S | 9 E |
| TARGET | 3730 | 15.00° | S 4 E | 3670 | 495 S | 35 E |
| TD | 4149 | 15.00° | S 4 E | 4075 | 603 S | 43 E |

HALLIBURTON DRILLING SYSTEMS

Page 1

Proposal Report

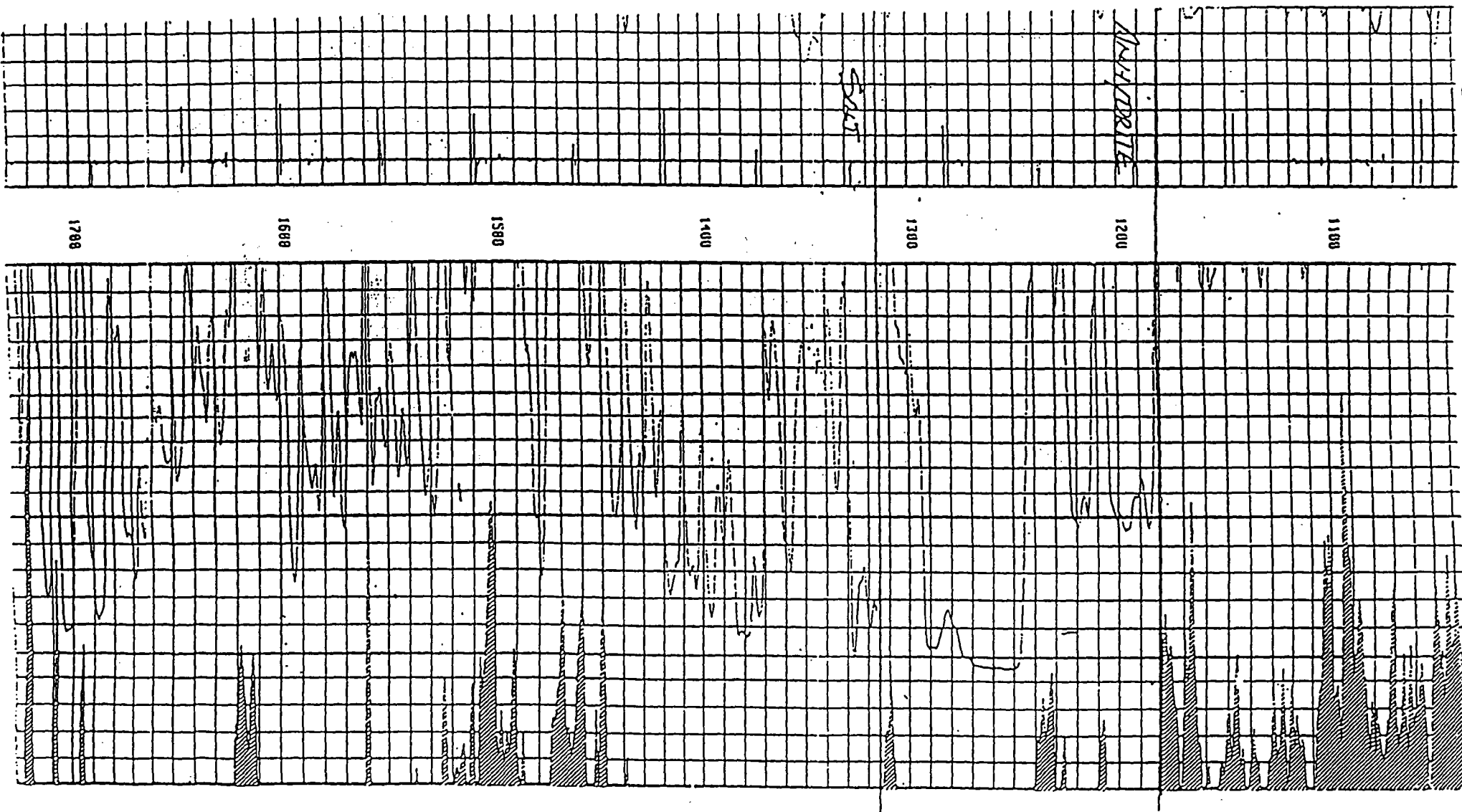
Date: 3/11/97
Time: 1:06 pm
Wellpath ID: DIRECTIONAL PROPOSAL
Last Revision: 3/11/97

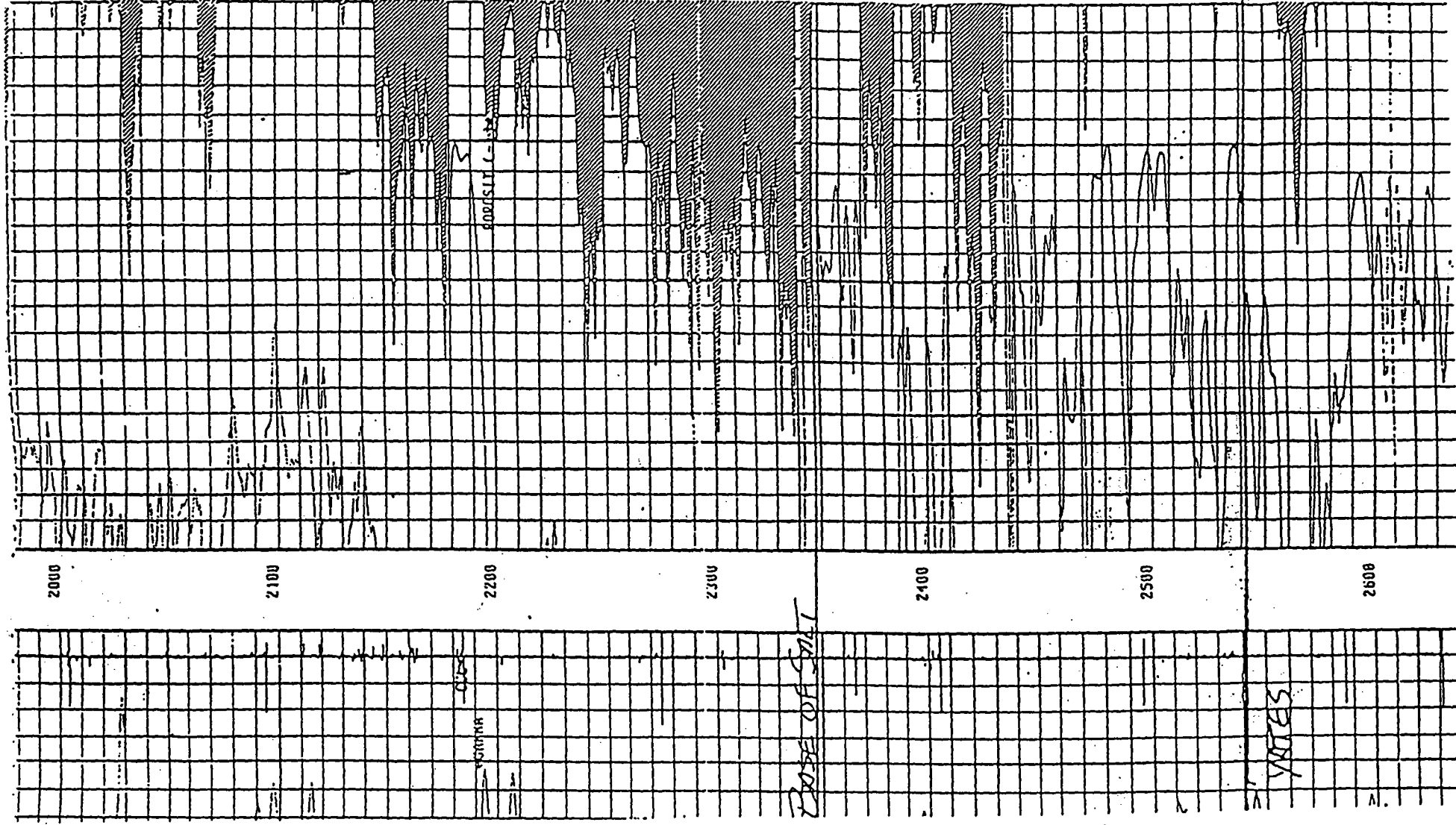
Calculated using the Minimum Curvature Method
Computed using WIN-CADDS REV2.2.2
Vertical Section Plane: S 4.00 E

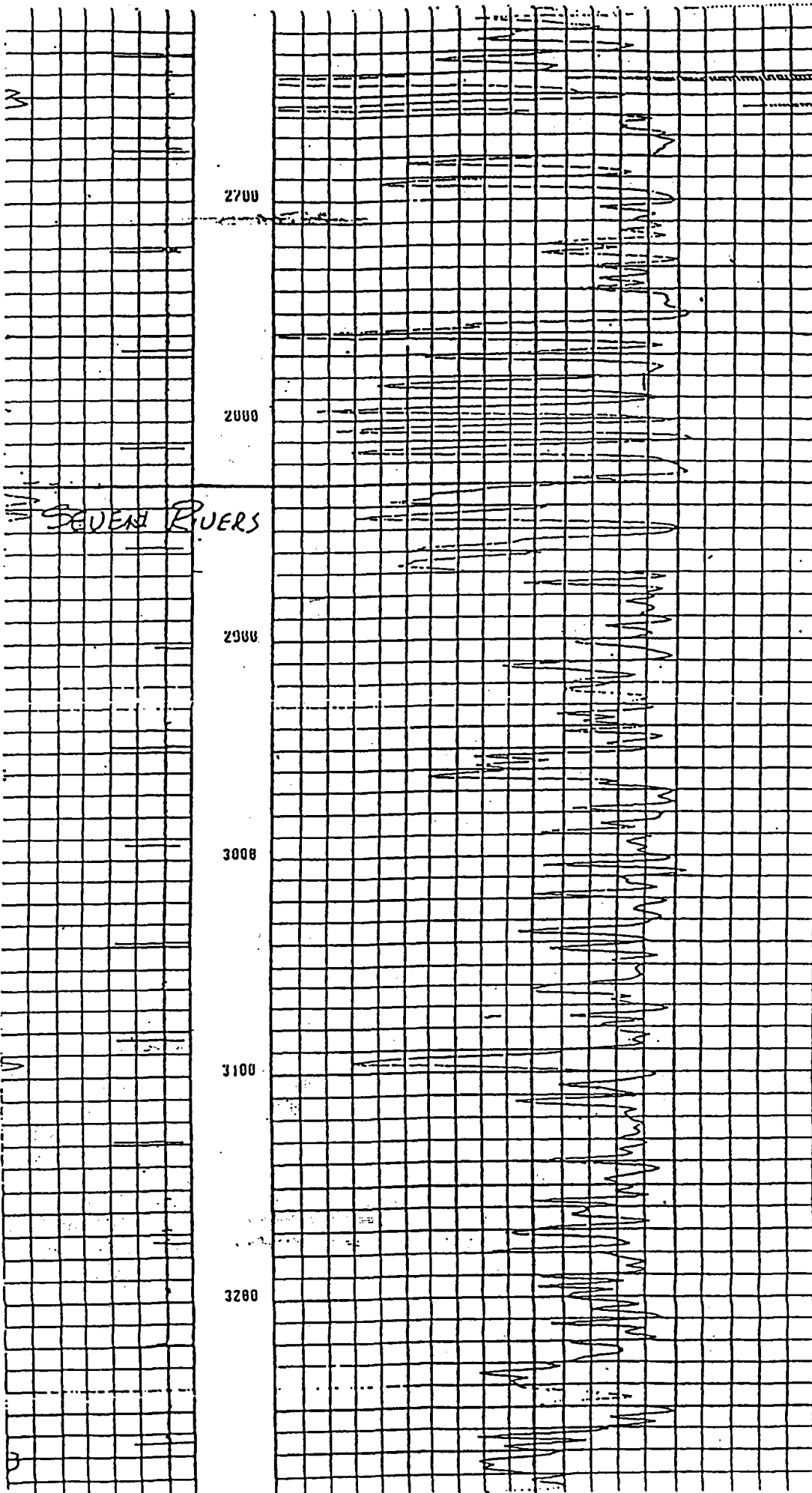
Survey Reference: WELLHEAD
Vertical Section Reference: WELLHEAD
Closure Reference: WELLHEAD
TVD Reference: WELLHEAD

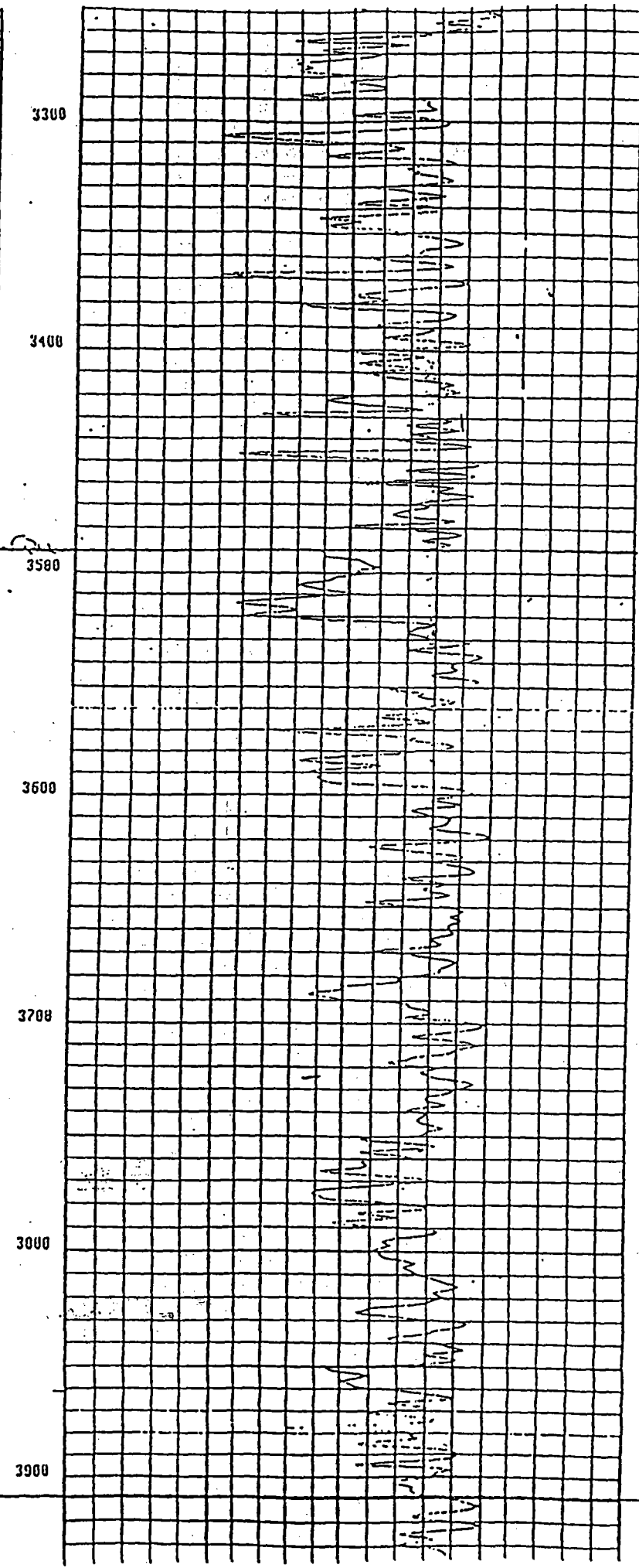
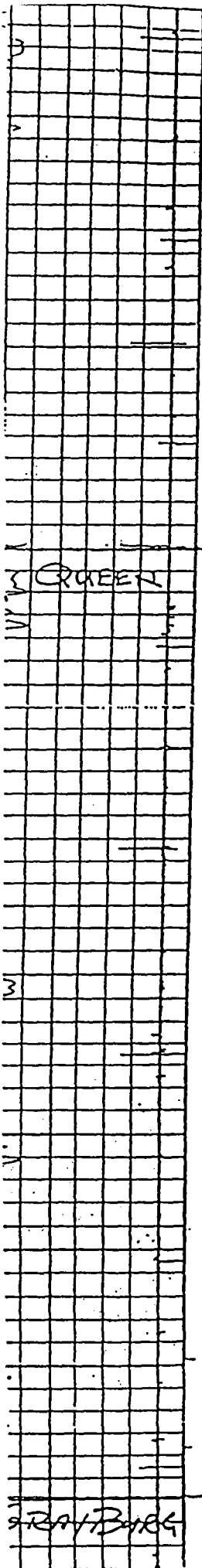
WISER OIL COMPANY
SKELLY UNIT #276
SEC. 27, T17S, R31E
EDDY COUNTY, NEW MEXICO
DIRECTIONAL PROPOSAL

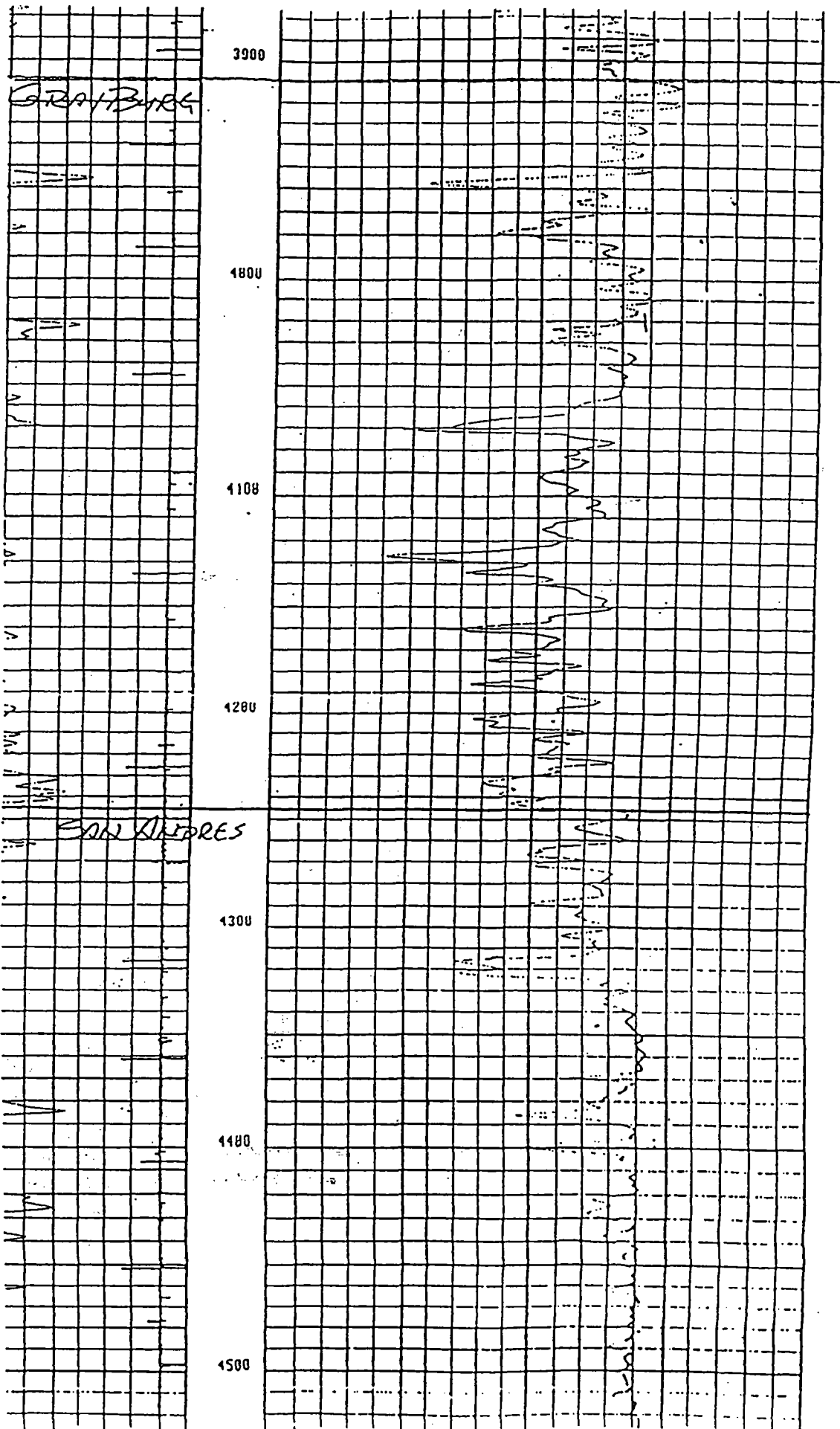
| Measured Depth (ft) | Incl (deg.) | Drift Dir. (deg.) | Course Length (ft) | TVD (ft) | TOTAL Rectangular Offsets (ft) | | Vertical Section (ft) | DLS (dg/100ft) |
|--|----------------|-------------------------|--------------------------|-------------|--------------------------------------|---------|-----------------------------|-------------------|
| 0.00 | 0.00 | S 4.00 E | 0.00 | 0.00 | 0.00 N | 0.00 E | 0.00 | 0.00 |
| KOP / START OF BUILD @ 1.50 deg/100 ft | | | | | | | | |
| 1315.00 | 0.00 | S 4.00 E | 1315.00 | 1315.00 | 0.00 N | 0.00 E | 0.00 | 0.00 |
| 1415.00 | 1.50 | S 4.04 E | 100.00 | 1414.99 | 1.31 S | 0.09 E | 1.31 | 1.50 |
| 1515.00 | 3.00 | S 4.04 E | 100.00 | 1514.91 | 5.22 S | 0.37 E | 5.23 | 1.50 |
| 1615.00 | 4.50 | S 4.04 E | 100.00 | 1614.69 | 11.75 S | 0.83 E | 11.77 | 1.50 |
| 1715.00 | 6.00 | S 4.04 E | 100.00 | 1714.27 | 20.87 S | 1.48 E | 20.92 | 1.50 |
| 1815.00 | 7.50 | S 4.04 E | 100.00 | 1813.57 | 32.60 S | 2.30 E | 32.68 | 1.50 |
| 1915.00 | 9.00 | S 4.04 E | 100.00 | 1912.54 | 46.91 S | 3.32 E | 47.03 | 1.50 |
| 2015.00 | 10.50 | S 4.04 E | 100.00 | 2011.09 | 63.80 S | 4.51 E | 63.96 | 1.50 |
| 2115.00 | 12.00 | S 4.04 E | 100.00 | 2109.16 | 83.26 S | 5.89 E | 83.47 | 1.50 |
| 2215.00 | 13.50 | S 4.04 E | 100.00 | 2206.70 | 105.28 S | 7.44 E | 105.54 | 1.50 |
| END OF BUILD | | | | | | | | |
| 2314.90 | 15.00 | S 4.04 E | 99.90 | 2303.52 | 129.80 S | 9.18 E | 130.13 | 1.50 |
| TARGET | | | | | | | | |
| 3729.57 | 15.00 | S 4.04 E | 1414.68 | 3670.00 | 495.00 S | 35.00 E | 496.24 | 0.00 |
| TD | | | | | | | | |
| 4148.86 | 15.00 | S 4.04 E | 419.28 | 4075.00 | 603.24 S | 42.65 E | 604.74 | 0.00 |











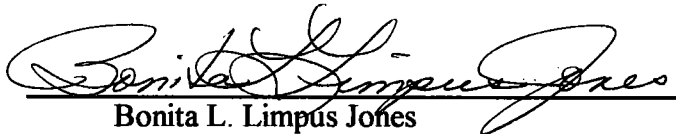
AFFIDAVIT OF MAILING

STATE OF NEW MEXICO

COUNTY OF CHAVES

SS.

I, Bonita L. Limpus Jones, do solemnly swear that The Wiser Oil Company is the only operator on tracts offsetting the Skelly #276 well. No mailing, therefore, was necessary.

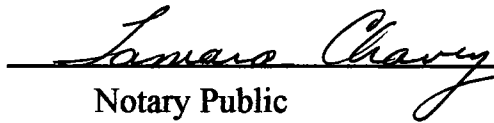


Bonita L. Limpus Jones
Consulting Landman with J. O. Easley, Inc.
on behalf of The Wiser Oil Company

SWORN AND SUBSCRIBED TO before me this 17th day of March, 1997.

My Commibision Expires:

December 18, 1999



Notary Public

CMD : ONGARD 03/31/97 09:40:04
OG6C101 C101-APPLICATION FOR PERMIT TO DRILL OGOMES -EME3

OGRID Idn : 22922 API Well No: 30 15 29225 APD Status(A/C/P): A
Opr Name, Addr: WISER OIL CO Aprvl/Cncl Date : 10-11-1996
8115 PRESTON RD
STE 400
DALLAS, TX 75225
Prop Idn: 17540 SKELLY UNIT Well No: 276

| | U/L | Sec | Township | Range | Lot | Idn | North/South | East/West |
|------------------|-----|-----|--------------|-------|-----|-----|-------------|--------------|
| Surface Locn : D | 27 | 17S | 31E | | | | FTG 687 F N | FTG 1183 F W |
| OCD U/L : D | | | API County : | 15 | | | | |

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): F Ground Level Elevation : 3815

State Lease No: Multiple Comp (Y/N) : N
Prpsd Depth : 4800 Prpsd Frmtn : SAN ANDRES

E0009: Enter data to modify record

| | | | | | |
|-----------|------|------------|-----------|--------------|--------------|
| PF01 HELP | PF02 | PF03 EXIT | PF04 GoTo | PF05 | PF06 CONFIRM |
| PF07 | PF08 | PF09 PRINT | PF10 C102 | PF11 HISTORY | PF12 |



J.O. EASLEY INC.

ESTABLISHED 1979
P.O. Box 245 88211-0245
119 South Roselawn, Suite 302
Artesia, New Mexico 88210

March 17, 1997

Telephone (505) 746-1070

Fax (505) 746-1073

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
Skelly Unit #276
Eddy 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 687' FNL, 1183' FWL, Unit D, with the bottom hole location at 1290' FNL, 1226' FWL, Unit D, of Section 27, Township 17 South, Range 31 East, N.M.P.M. It is necessary to directionally drill this well as the prime location for drilling a straight hole is in the middle of Playa Lake.

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5. Affidavit of Mailing stating that The Wiser Oil Company is the only offset operator; no mailing, therefore, was necessary.

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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. Tim Gum
New Mexico Oil Conservation Division
811 South 1st Street
Artesia, New Mexico 88210

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 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

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

OIL CONSERVATION DIVISION

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|--------------------------------|---|--|
| API Number 30-015- | Pool Code 28509 | Pool Name Grayburg Jackson 7-Rivers QN GB SA |
| Property Code 017540 | Property Name SKELLY UNIT "D" | Well Number 276 |
| OGRID No. 022922 | Operator Name THE WISER OIL COMPANY | Elevation 3815' |

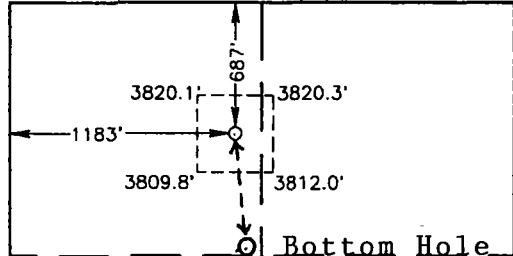
Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| D | 27 | 17 S | 31 E | | 687 | NORTH | 1183 | WEST | EDDY |

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 |
|------------------------------|-----------------|--------------------|-----------|---------|---------------|------------------|---------------|----------------|--------|
| D | 27 | 17S | 31E | | 1290 | North | 1226 | West | Eddy |
| 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>Bottom Hole (603' South & 43' East)</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 <u>Michael R. Burch, CPL</u></p> <p>Printed Agent for The Wisser Oil Company</p> <p>Title <u>4-5-96</u></p> <p>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>AUGUST 15, 1996</p> <p>Date Surveyed _____ CDG</p> <p>Signature & Seal of Professional Surveyor <i>Ronald J. Eidson</i> 8-20-96 96-11-0979</p> <p>Certificate No. JOHN W. WEST 676 RONALD J. EIDSON 3239 PROFESSIONAL SURVEYOR 12641</p> |
|---|---|

21

22

Skelly Unit #276 Directionally Drilled Well

The Wiser Oil Company

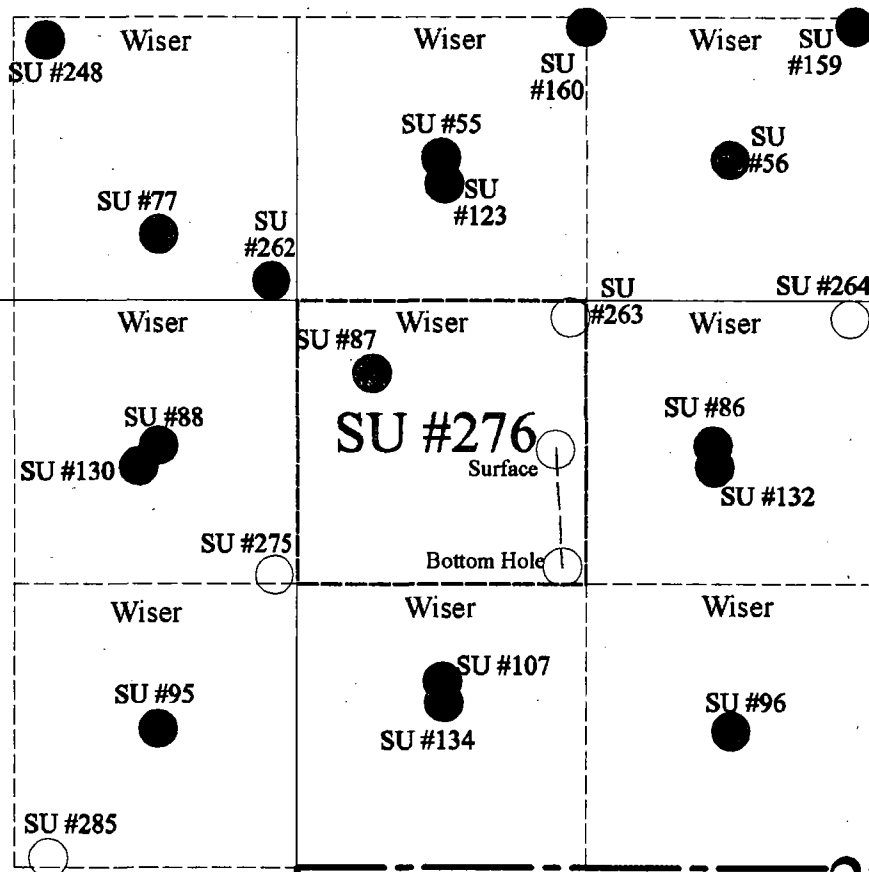
- • — Skelly Unit Outline
- Skelly #276 Producing Area
- Skelly #276 Offset Drilling Units

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

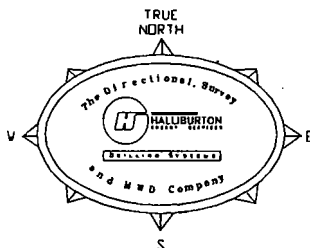
- New Water Injection Well
- Existing Water Injection Well
- Producing Oil Well
- ☀ Producing Gas Well
- ✱ Producing Oil & Gas Well
- Plugged and Abandoned Well
- Temporarily Abandoned Well

28

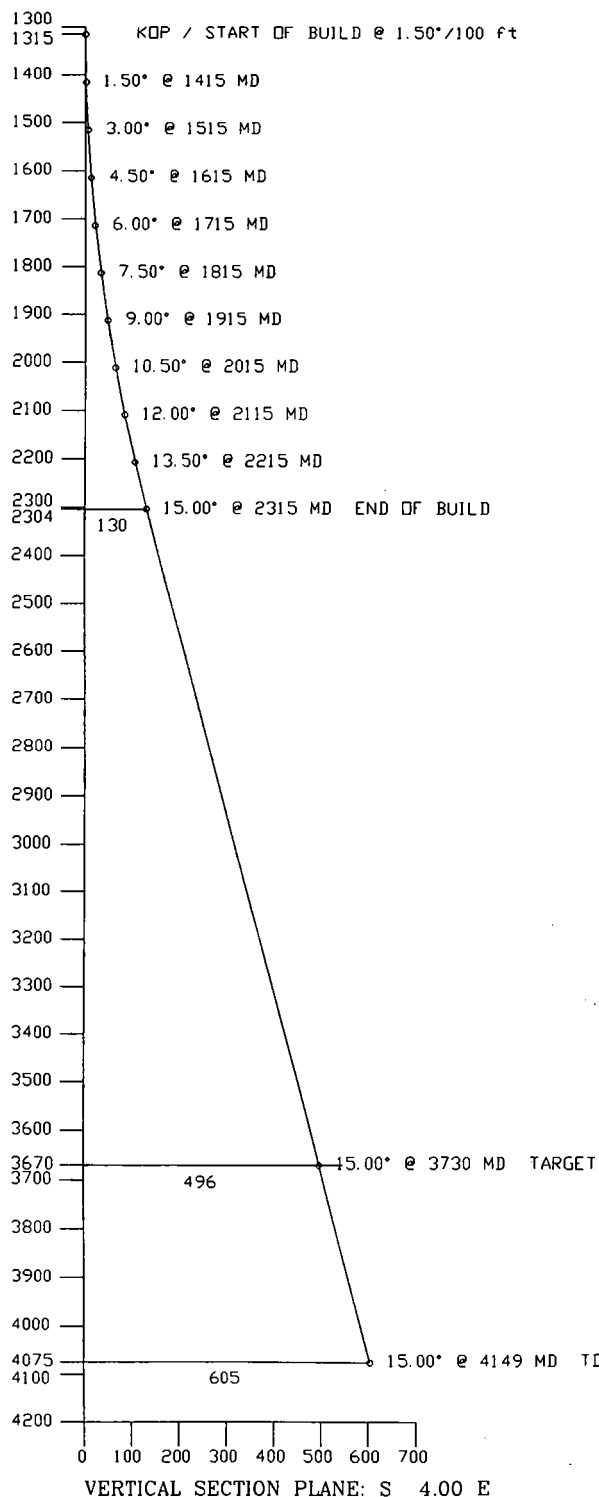
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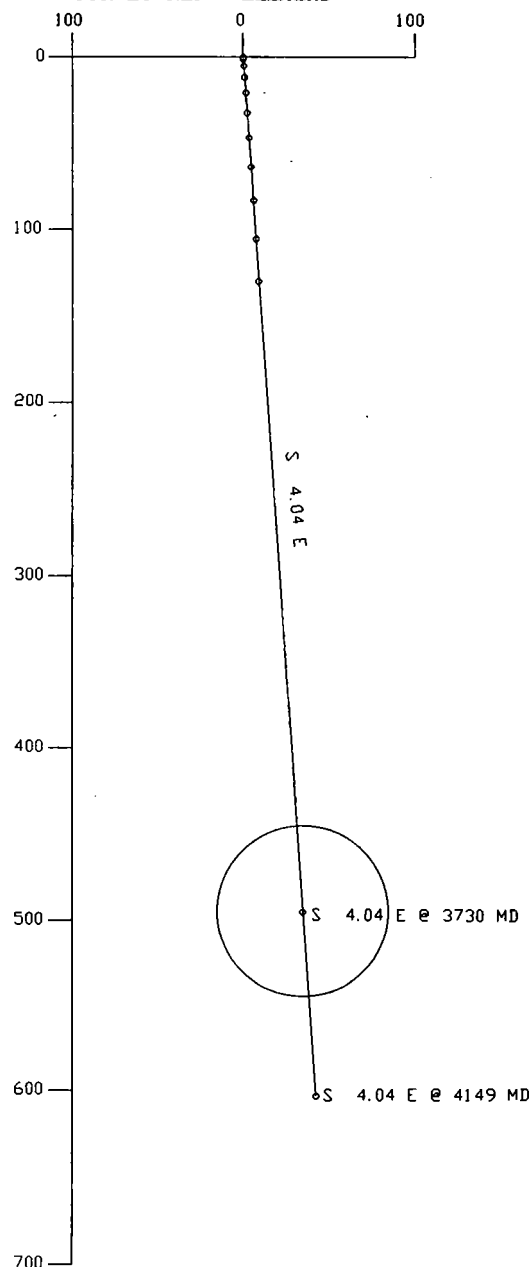
WISER OIL COMPANY
SKELLY UNIT #276
SEC. 27, T17S, R31E
EDDY COUNTY, NEW MEXICO
DIRECTIONAL PROPOSAL



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 |
|-------------------------------------|------|--------|-------|------|-------|------|
| KOP / START OF BUILD @ 1.50°/100 ft | 1315 | 0.00° | S 4 E | 1315 | 0 N | 0 E |
| END OF BUILD | 2315 | 15.00° | S 4 E | 2304 | 130 S | 9 E |
| TARGET | 3730 | 15.00° | S 4 E | 3670 | 495 S | 35 E |
| TD | 4149 | 15.00° | S 4 E | 4075 | 603 S | 43 E |

HALLIBURTON DRILLING SYSTEMS

Page 1

Proposal Report

Date: 3/11/97
Time: 1:06 pm
Wellpath ID: DIRECTIONAL PROPOSAL
Last Revision: 3/11/97

Calculated using the Minimum Curvature Method
Computed using WIN-CADDS REV2.2.2
Vertical Section Plane: S 4.00 E

Survey Reference: WELLHEAD
Vertical Section Reference: WELLHEAD
Closure Reference: WELLHEAD
TVD Reference: WELLHEAD

WISER OIL COMPANY
SKELLY UNIT #276
SEC. 27, T17S, R31E
EDDY COUNTY, NEW MEXICO
DIRECTIONAL PROPOSAL

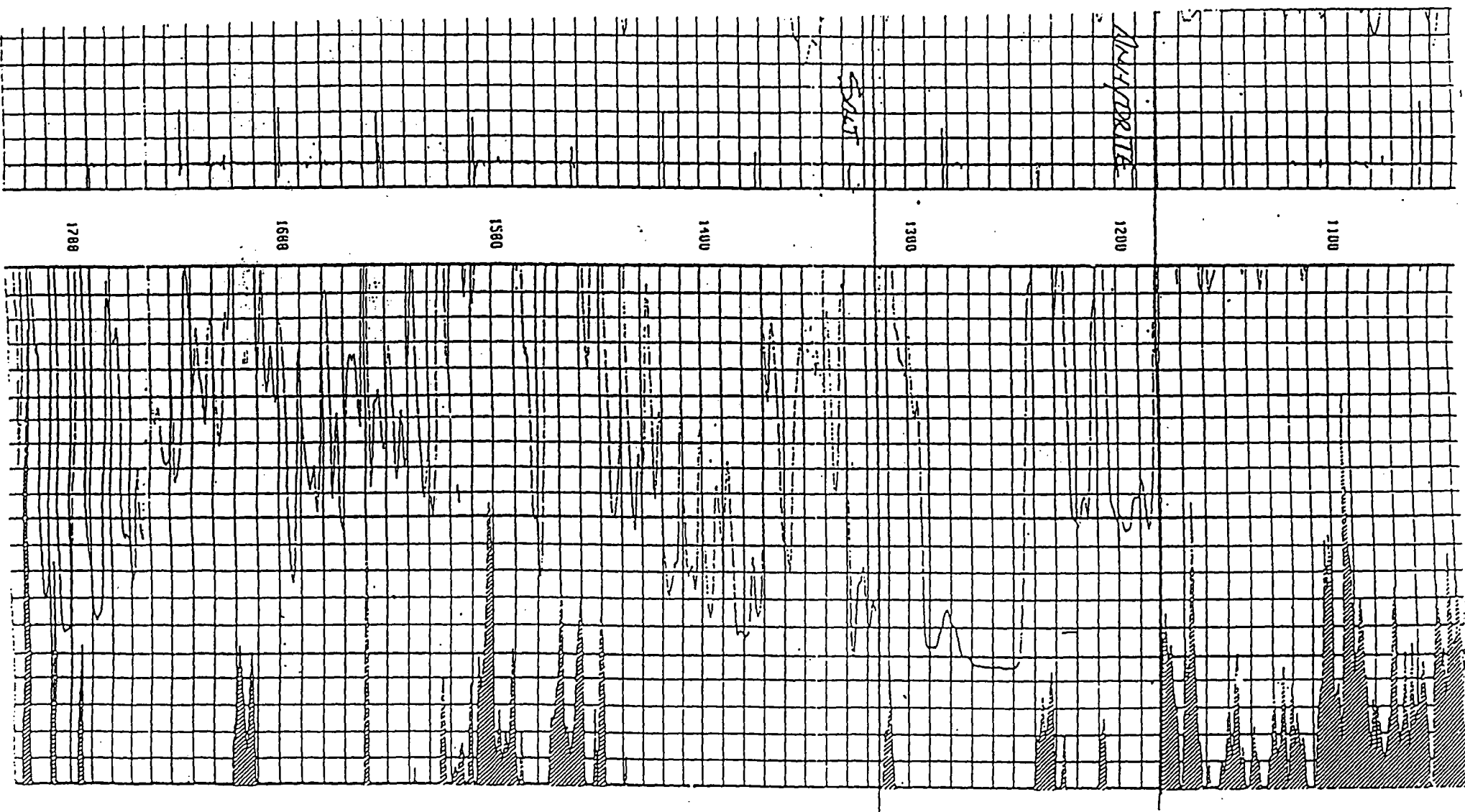
| Measured Depth (ft) | Incl (deg.) | Drift Dir. (deg.) | Course Length (ft) | TVD (ft) | TOTAL Rectangular Offsets (ft) | | Vertical Section (ft) | DLS (dg/100ft) |
|--|----------------|-------------------------|--------------------------|-------------|--------------------------------------|---------|-----------------------------|-------------------|
| 0.00 | 0.00 | S 4.00 E | 0.00 | 0.00 | 0.00 N | 0.00 E | 0.00 | 0.00 |
| KOP / START OF BUILD @ 1.50 deg/100 ft | | | | | | | | |
| 1315.00 | 0.00 | S 4.00 E | 1315.00 | 1315.00 | 0.00 N | 0.00 E | 0.00 | 0.00 |
| 1415.00 | 1.50 | S 4.04 E | 100.00 | 1414.99 | 1.31 S | 0.09 E | 1.31 | 1.50 |
| 1515.00 | 3.00 | S 4.04 E | 100.00 | 1514.91 | 5.22 S | 0.37 E | 5.23 | 1.50 |
| 1615.00 | 4.50 | S 4.04 E | 100.00 | 1614.69 | 11.75 S | 0.83 E | 11.77 | 1.50 |
| 1715.00 | 6.00 | S 4.04 E | 100.00 | 1714.27 | 20.87 S | 1.48 E | 20.92 | 1.50 |
| 1815.00 | 7.50 | S 4.04 E | 100.00 | 1813.57 | 32.60 S | 2.30 E | 32.68 | 1.50 |
| 1915.00 | 9.00 | S 4.04 E | 100.00 | 1912.54 | 46.91 S | 3.32 E | 47.03 | 1.50 |
| 2015.00 | 10.50 | S 4.04 E | 100.00 | 2011.09 | 63.80 S | 4.51 E | 63.96 | 1.50 |
| 2115.00 | 12.00 | S 4.04 E | 100.00 | 2109.16 | 83.26 S | 5.89 E | 83.47 | 1.50 |
| 2215.00 | 13.50 | S 4.04 E | 100.00 | 2206.70 | 105.28 S | 7.44 E | 105.54 | 1.50 |
| END OF BUILD | | | | | | | | |
| 2314.90 | 15.00 | S 4.04 E | 99.90 | 2303.52 | 129.80 S | 9.18 E | 130.13 | 1.50 |
| TARGET | | | | | | | | |
| 3729.57 | 15.00 | S 4.04 E | 1414.68 | 3670.00 | 495.00 S | 35.00 E | 496.24 | 0.00 |
| TD | | | | | | | | |
| 4148.86 | 15.00 | S 4.04 E | 419.28 | 4075.00 | 603.24 S | 42.65 E | 604.74 | 0.00 |

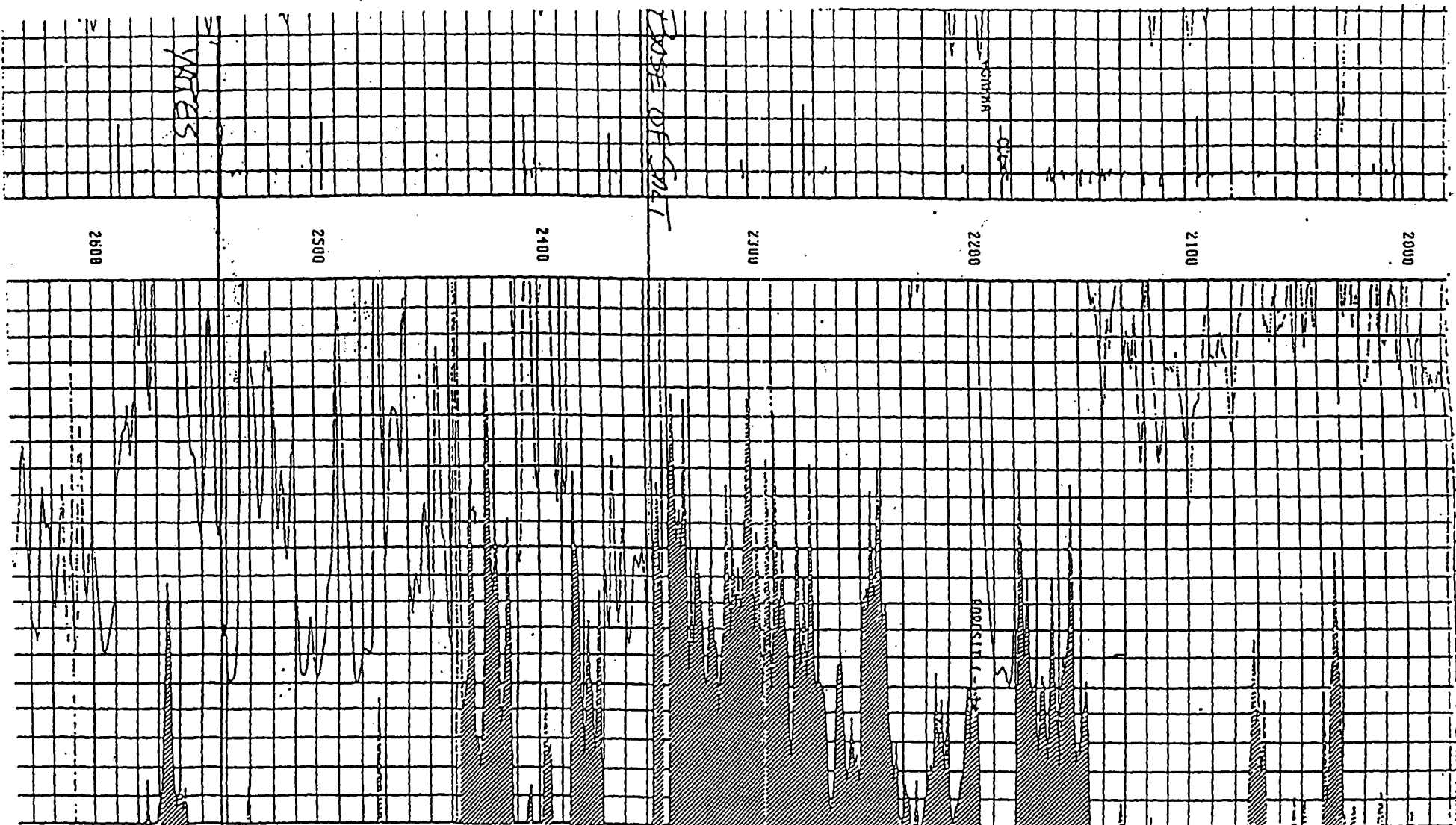
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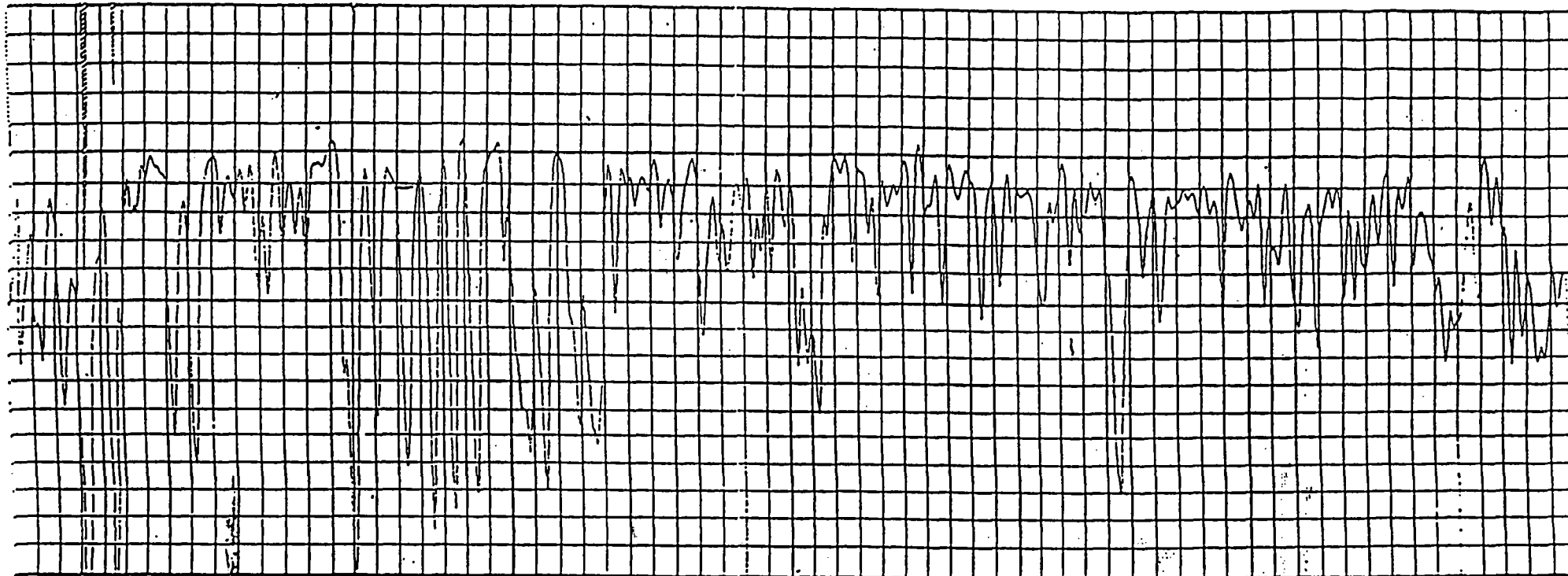
HALLIBURTON

NSO

| | | | | | | | |
|--|--|--|--|--|--|--|--|
| COMP. : HALLIBURTON OIL COMPANY INC. | | FIELD : HALLIBURTON | | COUNTY : LEA | | ST. H. N. | |
| HCL : CHU #160 | | HCL : CHU #160 | | HCL : CHU #160 | | HCL : CHU #160 | |
| SEC. 10 | | SEC. 10 | | SEC. 10 | | SEC. 10 | |
| APL NO. 32-025-32927 | | APL NO. 32-025-32927 | | APL NO. 32-025-32927 | | APL NO. 32-025-32927 | |
| COUNTY : LEA | | COUNTY : LEA | | COUNTY : LEA | | COUNTY : LEA | |
| STATE : N.M. | | STATE : N.M. | | STATE : N.M. | | STATE : N.M. | |
| SAN ANDRES | | SAN ANDRES | | SAN ANDRES | | SAN ANDRES | |
| HCL : CHU #160 | | HCL : CHU #160 | | HCL : CHU #160 | | HCL : CHU #160 | |
| COMPANY : HALLIBURTON OIL COMPANY INC. | | COMPANY : HALLIBURTON OIL COMPANY INC. | | COMPANY : HALLIBURTON OIL COMPANY INC. | | COMPANY : HALLIBURTON OIL COMPANY INC. | |







2700

2000

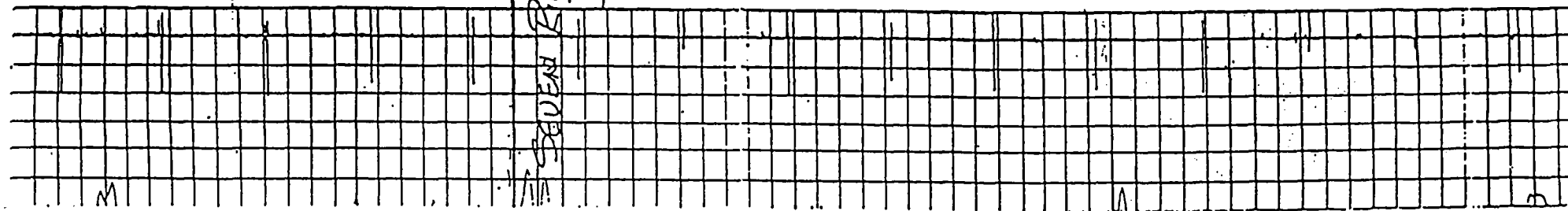
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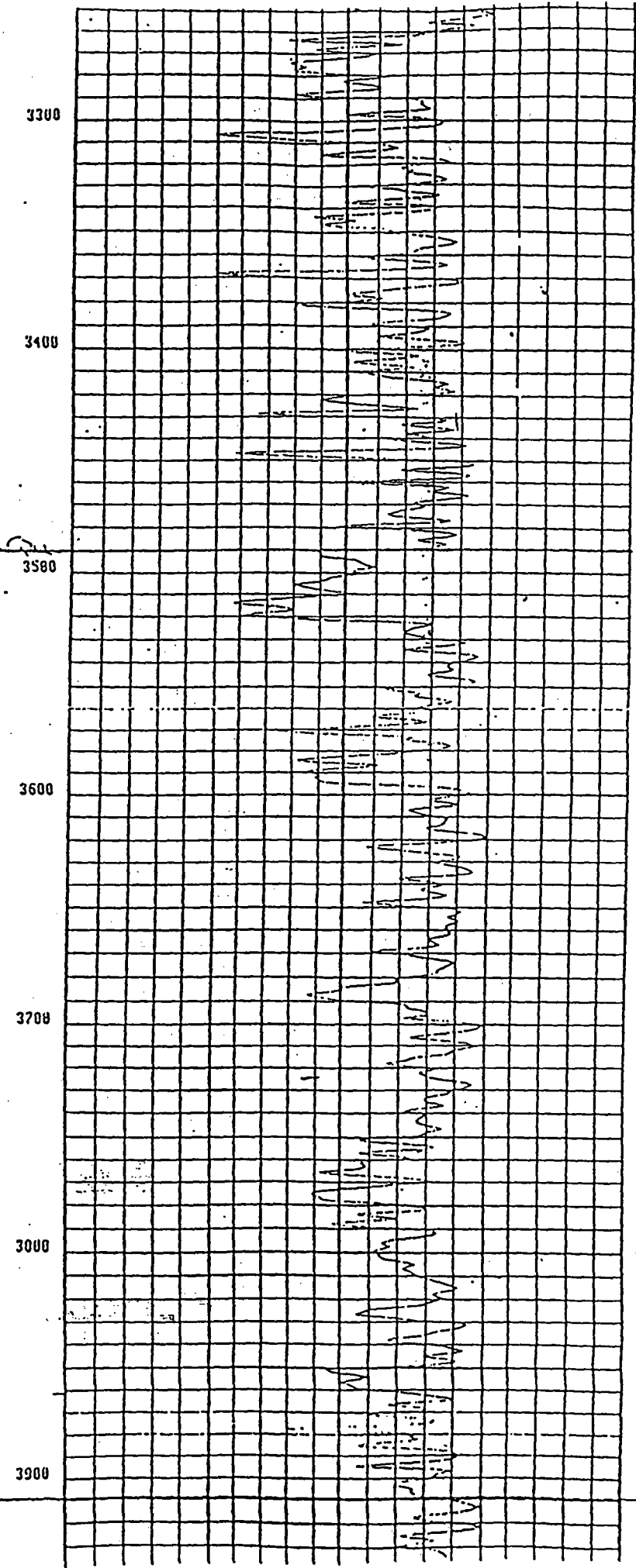
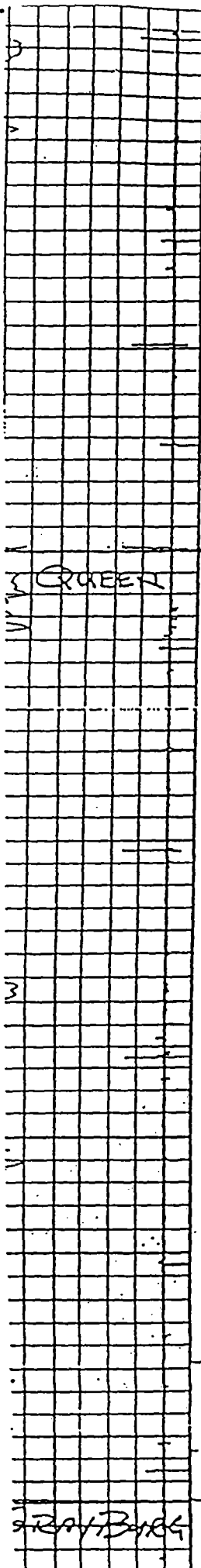
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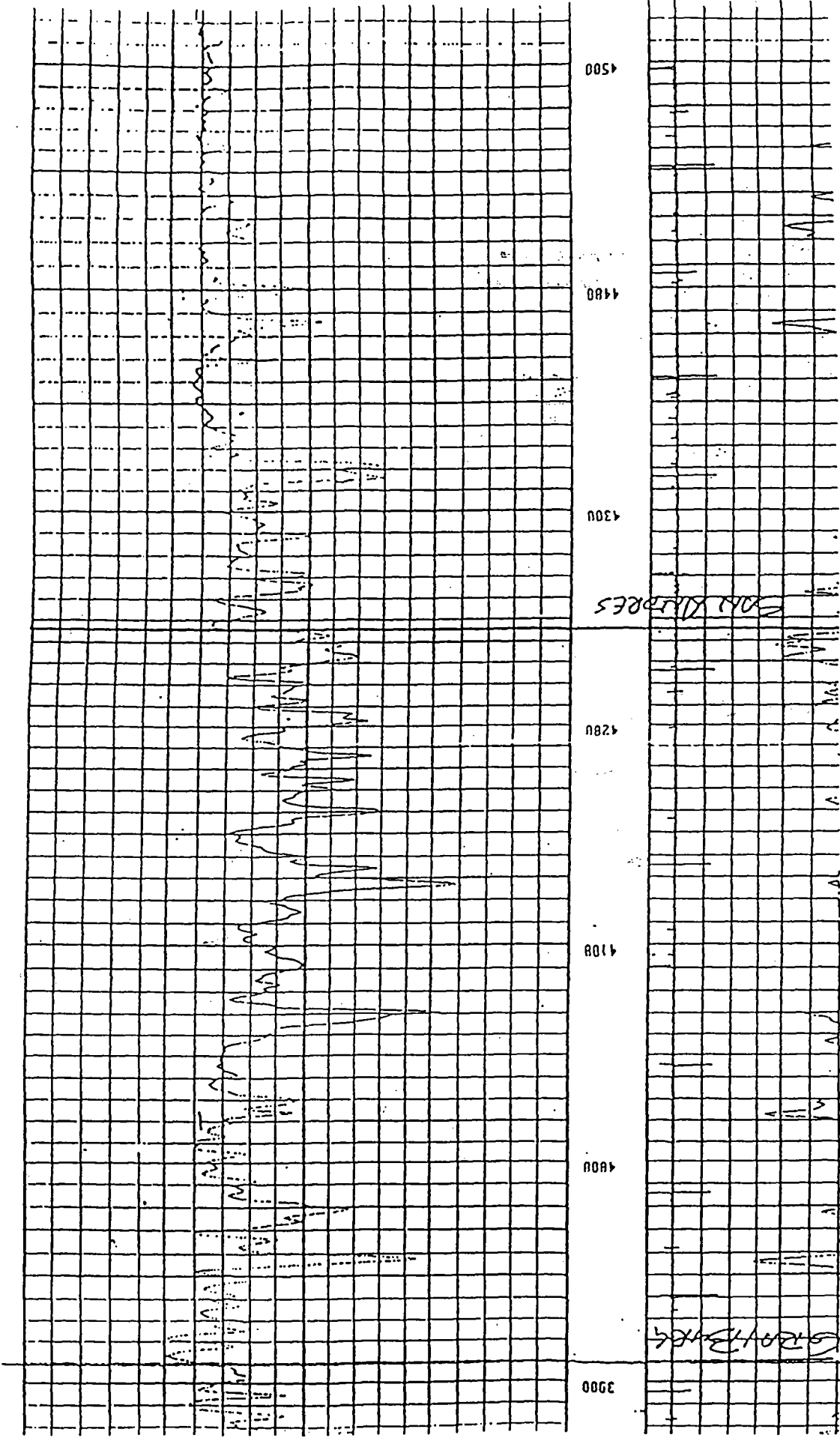
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3200







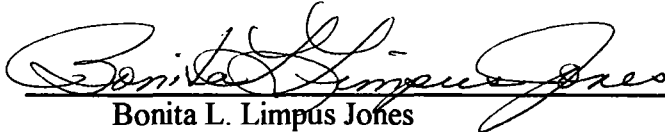
AFFIDAVIT OF MAILING

STATE OF NEW MEXICO

COUNTY OF CHAVES

SS.

I, Bonita L. Limpus Jones, do solemnly swear that The Wiser Oil Company is the only operator on tracts offsetting the Skelly #276 well. No mailing, therefore, was necessary.

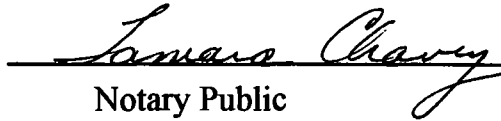


Bonita L. Limpus Jones
Consulting Landman with J. O. Easley, Inc.
on behalf of The Wiser Oil Company

SWORN AND SUBSCRIBED TO before me this 17th day of March, 1997.

My Commibision Expires:

December 18, 1998



Notary Public