

4/6/98 12:40 PM [Signature]

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

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

Application Acronyms:

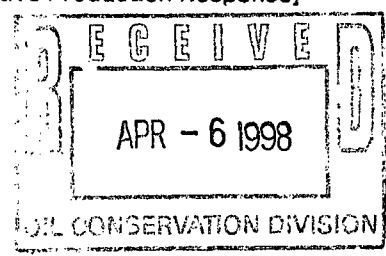
- [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
- [DD-Directional Drilling] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion]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

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

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

Check One Only for [B] or [C]

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



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

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

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

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

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

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

[Signature] Signature

Attorney for Applicant Title

4/6/98 Date

Print or Type Name

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

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

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

April 6, 1998

Hand Delivered

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

Dear Mr. Stogner:

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

Caprock Maljamar Unit Well No. 400
1330 feet FSL & 110 feet FEL
NE¼SE¼ §17, Township 17 South, Range 33 East, NMPM

Caprock Maljamar Unit Well No. 401
110 feet FSL & 110 feet FEL
SE¼SE¼ §17, Township 17 South, Range 33 East, NMPM

(These applications may have been previously submitted to you. See Exhibit A.)

The wells will be drilled to test the Maljamar Grayburg-San Andres Pool, and are necessary to permit the completion of an efficient production and injection pattern for a secondary recovery project. Copies of the Form C-101, Form C-102, and related documents for each well are attached as Exhibits B and C.

Also included in Exhibits B and C are waivers from the offset operator, Shahara Oil, L.L.C. ("Shahara"). As a result, notice of this application has not been mailed to anyone. These wells, and several Shahara wells, are being drilled as part of a cooperative lease line agreement.¹ Portions of the agreement, and the

¹The agreement has been signed by Wiser and all working interest owners in the Shahara acreage.


operating agreement incorporated therein, are attached as Exhibit D. Pursuant to that agreement, production from the above two wells will be allocated as follows:

<u>Well</u>	<u>Wiser</u>	<u>Shahara</u>
CMU No. 400	50%	50%
CMU No. 401	75%	25%

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

Please call me if you need anything further on this matter.

Very truly yours,


James Bruce

Attorney for The
Wiser Oil Company

December 9, 1997

Mr. William Lemay
New Mexico OCD
2040 South Pacheco
Santa Fe, New Mexico 87505

RE: Application for Administrative Approval
Non-Standard Location
Caprock Maljamar Unit # 400 & 401
Unit I & P Section 17-T17S-R33E
Lea County, New Mexico

Dear Mr. Lemay

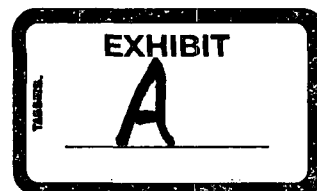
Please find enclosed copies of approved Applications to Drill the above captioned wells with attached waiver letter from the offset operator. This application has been approved to drill only and we herein seek your approval to produce same. Upon review, should you have any questions or need additional information, please feel free to give me a call. Thank you for your attention to this request.

Sincerely,
J. O. Easley, Inc.
Agent for The Wiser Oil Company

Michael R. Burch, CPL

mr/s
enclosures

COPY



NSL 1/2/98



J.O. EASLEY INC.

ESTABLISHED 1979

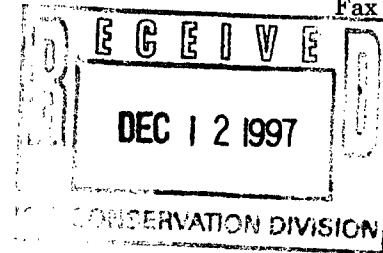
P.O. Box 245 88211-0245
119 South Roselawn, Suite 302
Artesia, New Mexico 88210

December 9, 1997

Telephone (505) 746-1070

Fax (505) 746-1073

Mr. William Lemay
New Mexico OCD
2040 South Pacheco
Santa Fe, New Mexico 87505



RE: Application for Administrative Approval
Non-Standard Location
Caprock Maljamar Unit # 400 & 401
Unit I & P Section 17-T17S-R33E
Lea County, New Mexico

Dear Mr. Lemay

Please find enclosed copies of approved Applications to Drill the above captioned wells with attached waiver letter from the offset operator. This application has been approved to drill only and we herein seek your approval to produce same. Upon review, should you have any questions or need additional information, please feel free to give me a call. Thank you for your attention to this request.

Sincerely,
J. O. Easley, Inc.
Agent for The Wiser Oil Company

Michael R. Burch, CPL

mr/s
enclosures

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, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

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

Form C-101
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address. The Wiser Oil Company C/O J. O. Easley, Inc. P. O. Box 245 Artesia, NM 88211-0245		² OGRID Number 022922
		³ API Number 30-025- 34224
⁴ Property Code 014578	⁵ Property Name Caprock Maljamar Unit	⁶ Well No. 400

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West line	County
I	17	17S	33E		1330'	South	110	East	Lea

⁸ Proposed 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

⁹ Proposed Pool 1 Maljamar Grayburg San Andres 43329	¹⁰ Proposed Pool 2
--	-------------------------------

¹¹ Work Type Code N	¹² Well Type Code P	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 4197
¹⁶ Multiple	¹⁷ Proposed Depth 5500'	¹⁸ Formation San Andres	¹⁹ Contractor	²⁰ Spud Date ASAP

²¹ Proposed Casing and Cement Program

Hole size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4"	8 5/8" J-55	20#	350'	300 Class "C"	circulate to surf.
7 7/8"	5 1/2" J-55	17#	5500'	700 Halli. Lite	circulate to 100'
				650 Prem.Plus	above 85/8"
					casing shoe

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Propose to drill above captioned well to a total depth of 5500' with rotary rig. If commercial production is indicated, well will be perforated and stimulated as necessary. This APD is being forwarded to Santa Fe for administrative approval of Unorthodox Well Location.

APPROVAL for Drilling ONLY -- CANNOT produce until Non-Standard Location is approved in Santa Fe.

Blow Out Prevention: 10" Series 900 Type "E" Shaffer Hydraulic BOP will be used.

Permit Expires 1 Year From Approval
Date Unless Drilling Underway

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>Michael R. Burch</i>		OIL CONSERVATION DIVISION	
Printed name: Michael R. Burch, CPL		Approved by: ORIGINAL SIGNED BY	
Title: Agent for The Wiser Oil Company		Title: GARY WINK	
Date: 12-09-97		Approval Date: DEC 09 1997 Expiration Date:	
Phone: 505-746-1070		Conditions of Approval: Attached <input type="checkbox"/>	

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, NM 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 30-025-34224	Pool Code 43329	Pool Name MALJAMAR GRAYBURG SAN ANDRES
Property Code 014578	Property Name CAPROCK MALJAMAR UNIT	Well Number 400
OGRID No. 022922	Operator Name THE WISER OIL COMPANY	Elevation 4197

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	17	17 S	33 E		1330	SOUTH	110	EAST	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

Dedicated Acres 40.00	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 the the information contained herein is true and complete to the best of my knowledge and belief. <u>Michael R. Burch</u> Signature <u>MICHAEL R. BURCH</u> Printed Name <u>AGENT FOR THE WISER OIL CO.</u> Title <u>12-9-97</u> 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. <u>DECEMBER 1, 1997</u> Date Surveyed <u>JLP</u> Signature & Seal of Professional Surveyor W.O. Num. 87-12-1959 Certificate No. RONALD J. EDSON, 3239 STATE OF NEW MEXICO, 12641



WISER

December 4, 1997

Shahara Oil L.L.C.
Attention: Mr. Perry Hughes
207 W. McKay
Carlsbad, NM 88220

RE: Unorthodox Locations
CMU #400 & #401
Caprock Maljamar Unit
Lea County, New Mexico


Gentlemen:

The Wiser Oil Company, as operator of the Caprock Maljamar Unit, shall apply to the New Mexico Oil Conservation Division for administrative approval of the following unorthodox well locations.

	<u>Surface Location & BHL</u>	
CMU #400	1330' FSL and 110' FEL	Section 17-17S-33E
CMU #401	110' FSL and 110' FEL	Section 17-17S-33E


In accordance with Article 7 of our Cooperative Unit Line Injection Well and Unit Line Infill Drilling Agreement effective November 1, 1997, please indicate your waiver, as offset operator, of the above unorthodox locations by signing and returning one copy of this letter as soon as possible.

Yours very truly,
THE WISER OIL COMPANY


Lami Block
Sr. Landman

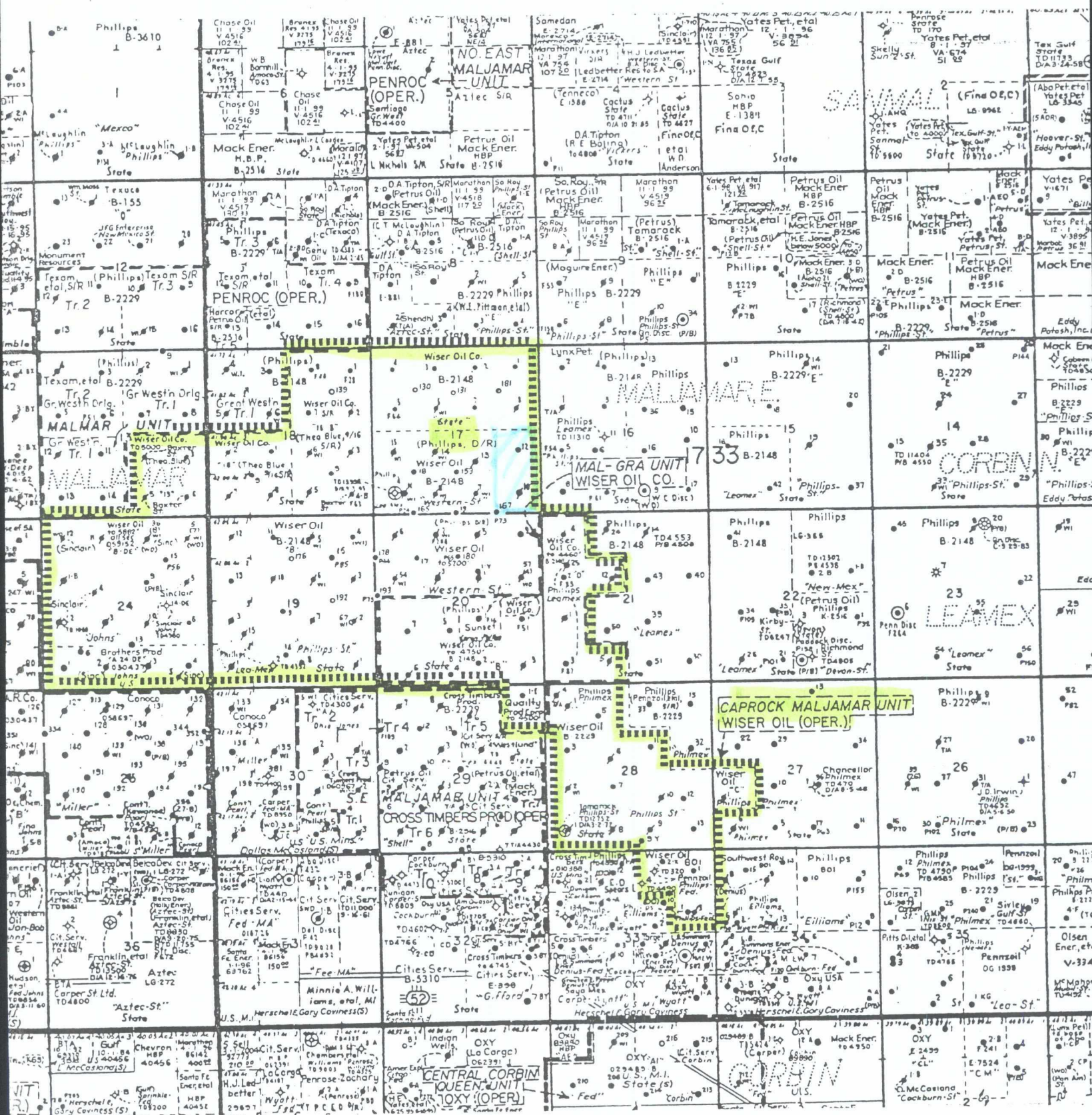
Agreed to accept this 8TH day of December, 1997.

SHAHARA OIL, L.L.C.

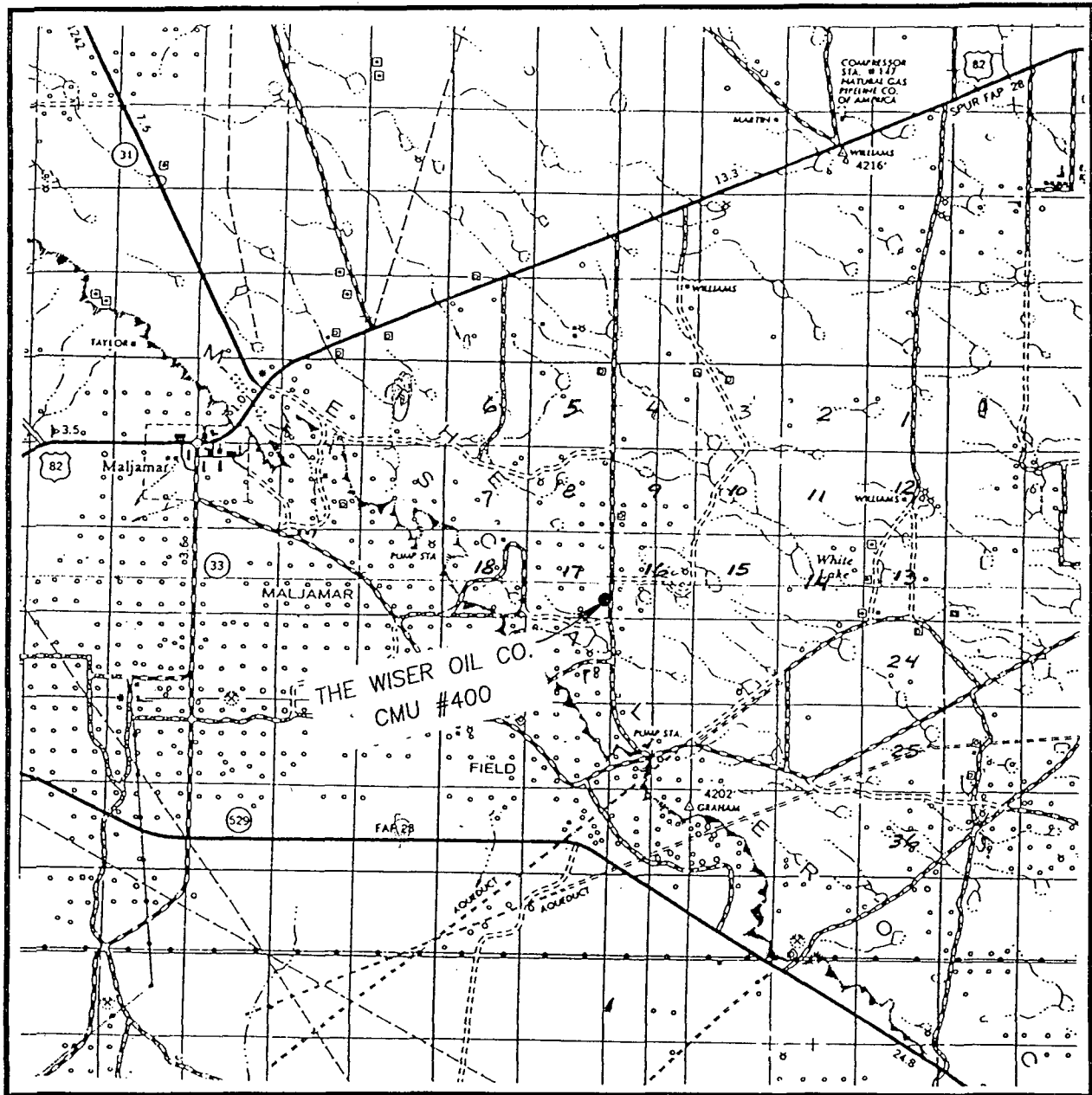
By: 
Name: Perry L. Hughes
Title: President

The Wiser Oil Company

8115 Preston Road / Suite 400 / Dallas, Texas 75225 / Tel: 214 269 0080 / Fax: 214 373 3610 / Web: <http://www.wiseroil.com>



VICINITY MAP

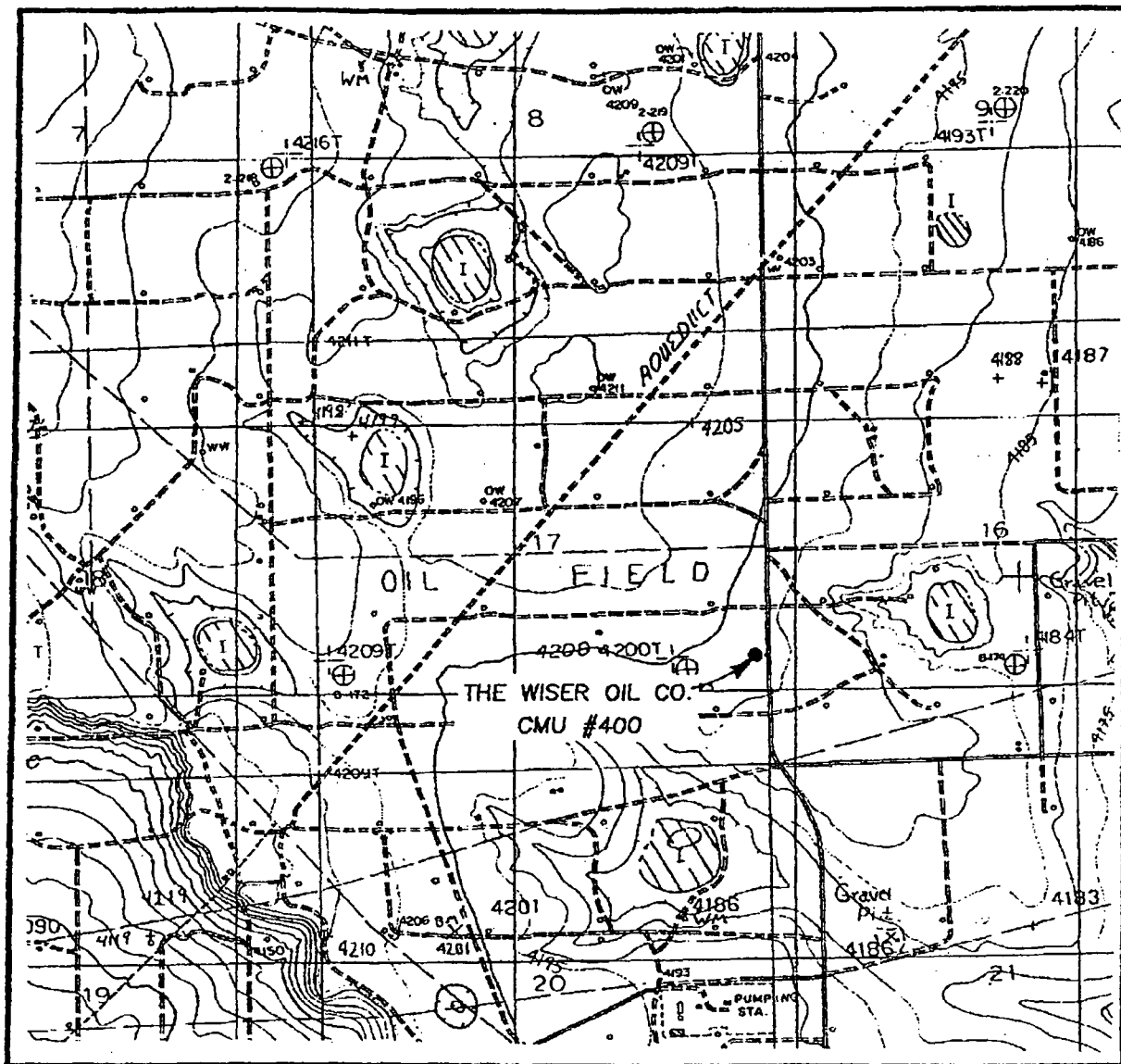


SCALE: 1" = 2 MILES

SEC. 17 TWP. 17-S RGE. 33-E
 SURVEY N.M.P.M.
 COUNTY LEA
 DESCRIPTION 1330' FSL & 110' FEL
 ELEVATION 4197'
 OPERATOR THE WISER OIL CO.
 LEASE CAPROCK MALJAMAR UNIT

JOHN WEST ENGINEERING
HOBBS, NEW MEXICO
(505) 393-3117

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL - 10'
SUPPLEMENTAL CONTOUR INTERVAL - 5'

SEC. 17 TWP. 17-S RGE. 33-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 1330' FSL & 110' FEL

ELEVATION 4197'

OPERATOR THE WISER OIL CO.

LEASE CAPROCK MALJAMAR UNIT

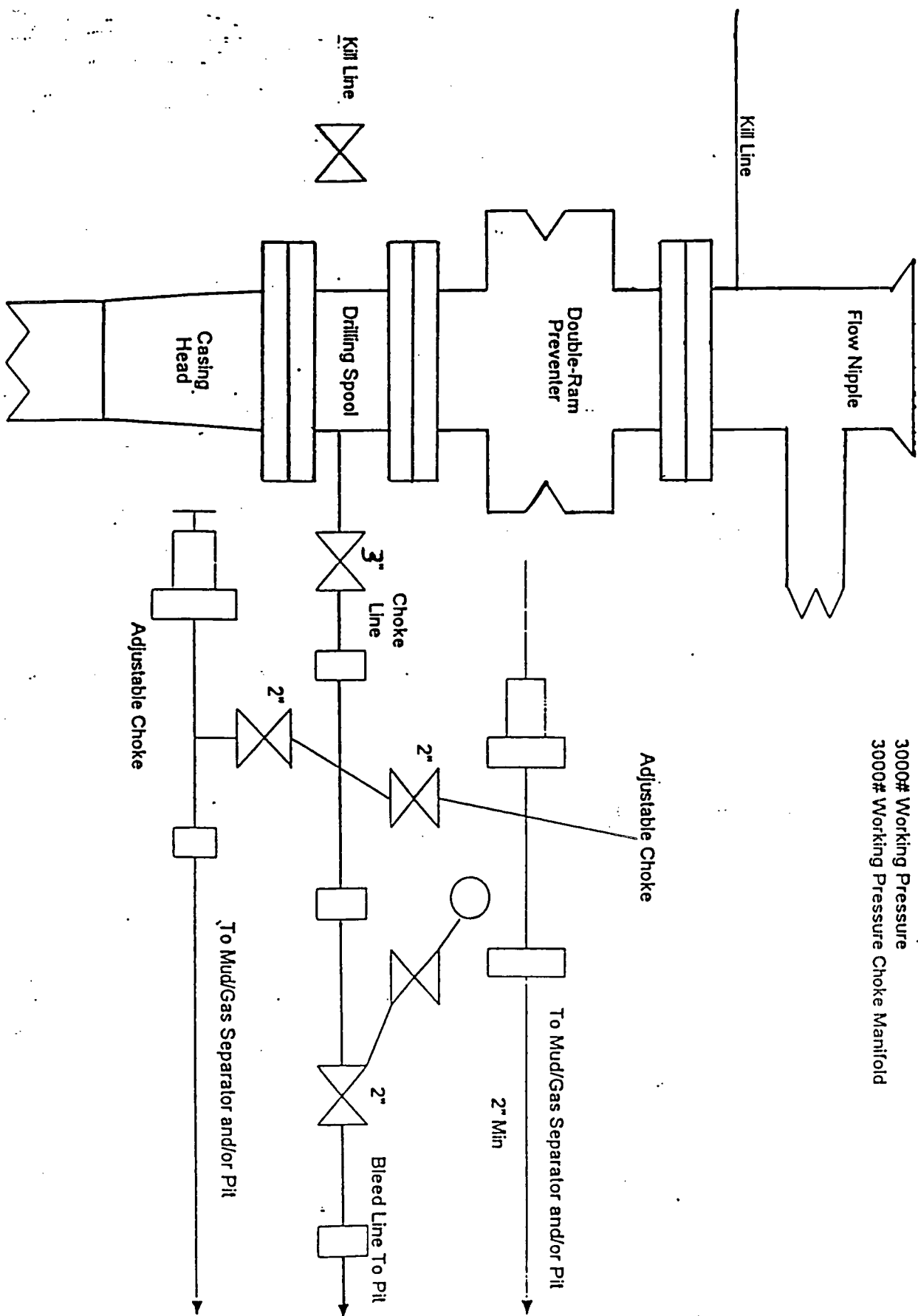
U.S.G.S. TOPOGRAPHIC MAP

DOG LAKE, N.M.

JOHN WEST ENGINEERING
HOBBS, NEW MEXICO
(505) 393-3117

BOP & CHOKE MANIFOLD

12"/900 Cameron SS Space Saver
3000# Working Pressure
3000# Working Pressure Choke Manifold



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, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

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

Form C-101
Revised February 10, 1994

Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address. The Wiser Oil Company C/O J. O. Easley, Inc. P. O. Box 245 Artesia, NM 88211-0245		² OGRID Number 022922
		³ API Number 30-025-34225
⁴ Property Code 014578	⁵ Property Name Caprock Maljamar Unit	⁶ Well No. 401

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West line	County
P	17	17S	33E		110'	South	110	East	Lea

⁸ Proposed 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

⁹ Proposed Pool 1 Maljamar Grayburg San Andres 43329	¹⁰ Proposed Pool 2
--	-------------------------------

¹¹ Work Type Code N	¹² Well Type Code P	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 4193
¹⁶ Multiple	¹⁷ Proposed Depth 5500'	¹⁸ Formation San Andres	¹⁹ Contractor	²⁰ Spud Date ASAP

²¹ Proposed Casing and Cement Program

Hole size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4"	8 5/8" J-55	20#	350'	300 Class "C"	circulate to surf.
7 7/8"	5 1/2" J-55	17#	5500'	700 Halli. Lite	circulate to 100'
				650 Prem. Plus	above 85/8"
					casing shoe

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Propose to drill above captioned well to a total depth of 5500' with rotary rig. If commercial production is indicated, well will be perforated and stimulated as necessary. This APD is being forwarded to Santa Fe for administrative approval of Unorthodox Well Location.

Permit Expires 1 Year From Approval
Date Unless Drilling Underway

Blow Out Prevention: 10" Series 900 Type "E" Shaffer Hydraulic BOP will be used.

Approval for Drilling ONLY -- CANNOT produce until Non-Standard Location is approved in Santa Fe.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Michael R. Burch*

Printed name: Michael R. Burch, CPL

Title: Agent for The Wiser Oil Company

Date: 12-09-97

Phone: 505-746-1070

OIL CONSERVATION DIVISION

Approved by: ORIGINAL SIGNED BY

Title: GARY WINK
FIELD REP. II

Approval Date: DEC 09 1997

Expiration Date:

Conditions of Approval:
Attached ☐

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

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0710

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

DISTRICT IV
P.O. Box 2088, Santa Fe, NM 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 30-025-34225	Pool Code 43329	Pool Name MALJAMAR GRAYBURG SAN ANDRES
Property Code 014578	Property Name CAPROCK MALJAMAR UNIT	Well Number 401
OGRID No. 022922	Operator Name THE WISER OIL COMPANY	Elevation 4193

Surface Location

UL or lot No. P	Section 17	Township 17 S	Range 33 E	Lot Idn	Feet from the 110	North/South line SOUTH	Feet from the 110	East/West line EAST	County 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
---------------	---------	----------	-------	---------	---------------	------------------	---------------	----------------	--------

Dedicated Acres 40.00	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 the information contained herein is true and complete to the best of my knowledge and belief. Michael R. Burch Signature MICHAEL R. BURCH Printed Name AGENT FOR THE WISER OIL CO. Title 12-9-97 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 1, 1997 Date Surveyed Signature & Seal of Professional Surveyor RONALD EIDSON NEW MEXICO P.O. Num. 97-12-1960 Certificate No. RONALD EIDSON, 3239 GARY EIDSON, 12641



WISER

December 4, 1997

Shahara Oil L.L.C.
Attention: Mr. Perry Hughes
207 W. McKay
Carlsbad, NM 88220

RE: Unorthodox Locations
CMU #400 & #401
Caprock Majamar Unit
Lea County, New Mexico

Gentlemen:

The Wiser Oil Company, as operator of the Caprock Majamar Unit, shall apply to the New Mexico Oil Conservation Division for administrative approval of the following unorthodox well locations.

	<u>Surface Location & BHL</u>	
CMU #400	1330' FSL and 110' FEL	Section 17-17S-33E
CMU #401	110' FSL and 110' FEL	Section 17-17S-33E


In accordance with Article 7 of our Cooperative Unit Line Injection Well and Unit Line Infill Drilling Agreement effective November 1, 1997, please indicate your waiver, as offset operator, of the above unorthodox locations by signing and returning one copy of this letter as soon as possible.

Yours very truly,
THE WISER OIL COMPANY


Lami Block
Sr. Landman

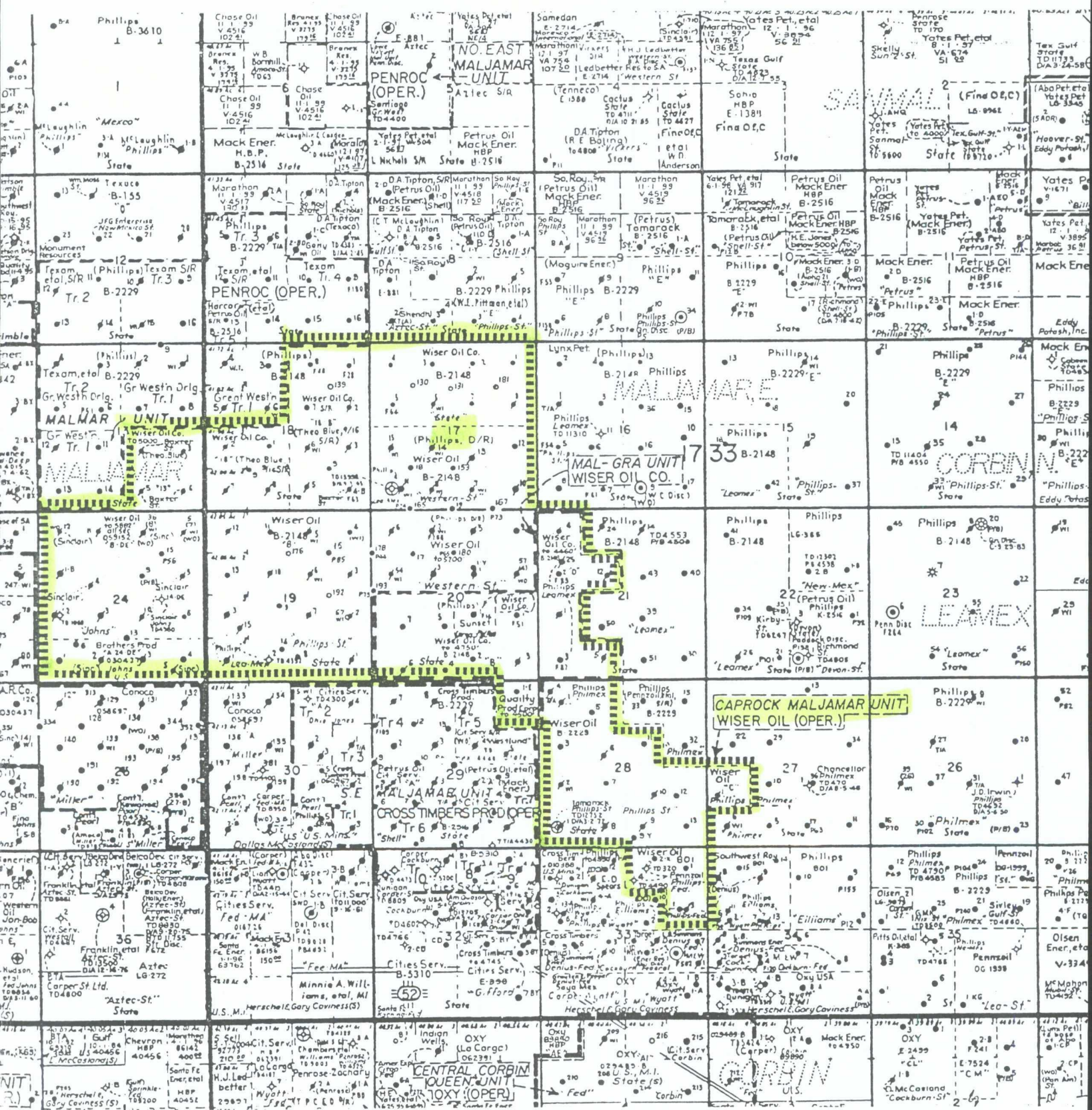
Agreed to accept this 8TH day of December, 1997.

SHAHARA OIL, L.L.C.

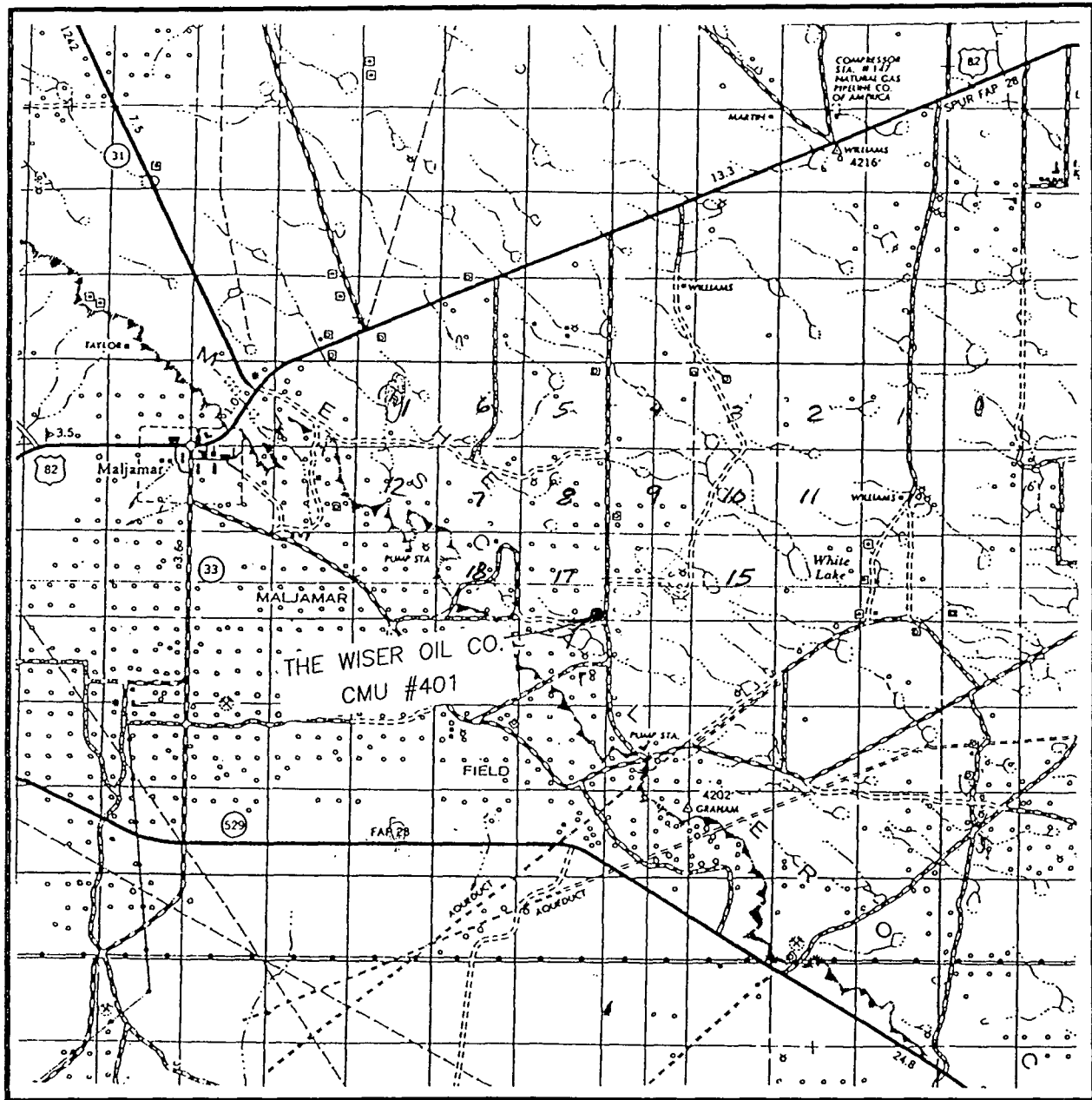
By: 
Name: Perry L. Hughes
Title: President

The Wiser Oil Company

8115 Preston Road / Suite 400 / Dallas, Texas 75225 / Tel: 214 265 0080 / Fax: 214 373 3610 / Web: <http://www.wiseroil.com>



VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 17 TWP. 17-S RGE. 33-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 110' FSL & 110' FEL

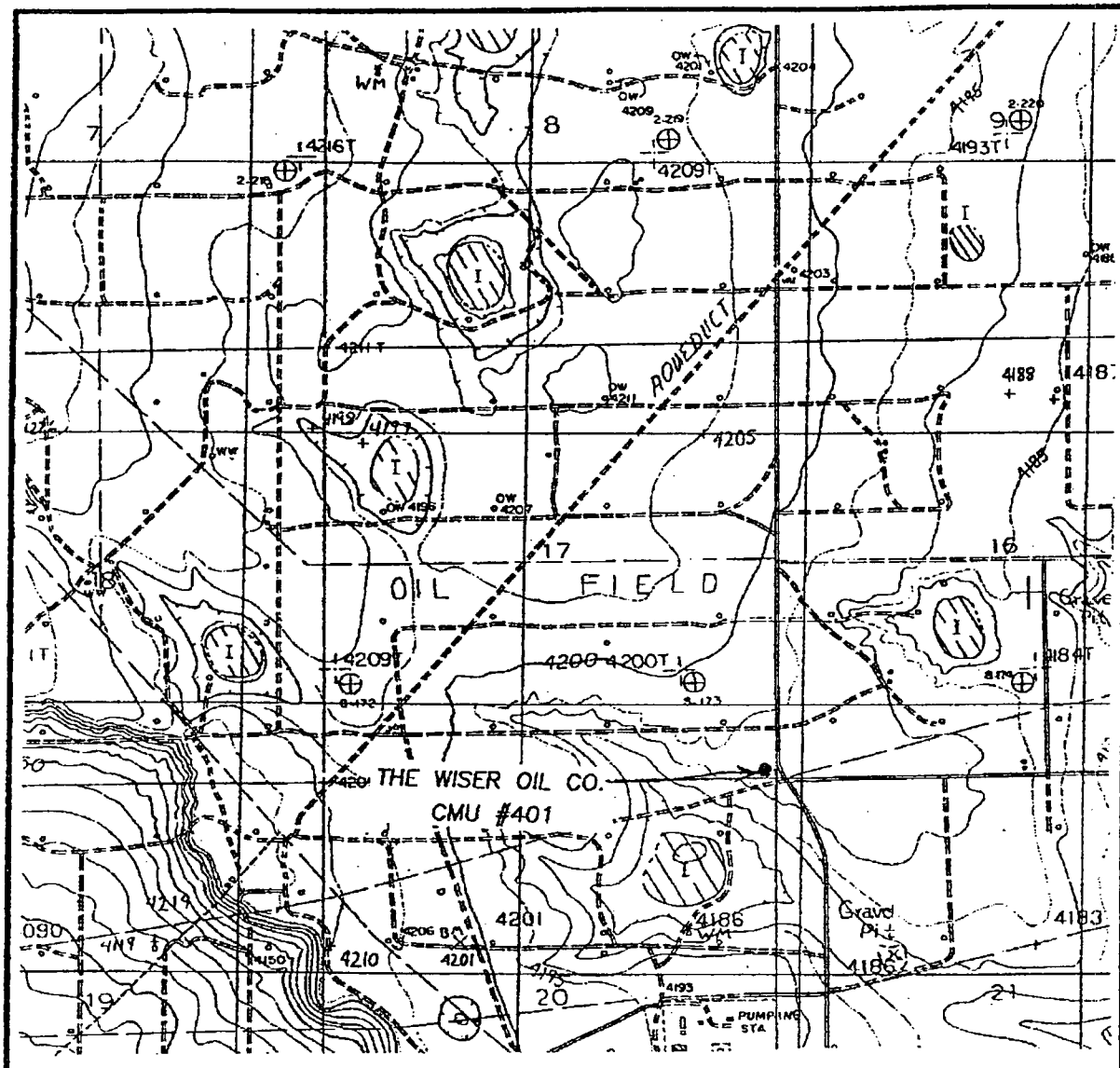
ELEVATION 4193'

OPERATOR THE WISER OIL CO.

LEASE CAPROCK MALJAMAR UNIT

JOHN WEST ENGINEERING
HOBBS, NEW MEXICO
(505) 393-3117

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL - 10'

SUPPLEMENTAL CONTOUR INTERVAL - 5'

SEC. 17 TWP. 17-S RGE. 33-ESURVEY N.M.P.M.COUNTY LEADESCRIPTION 110' FSL & 110' FELELEVATION 4193'OPERATOR THE WISER OIL CO.LEASE CAPROCK MALJAMAR UNIT

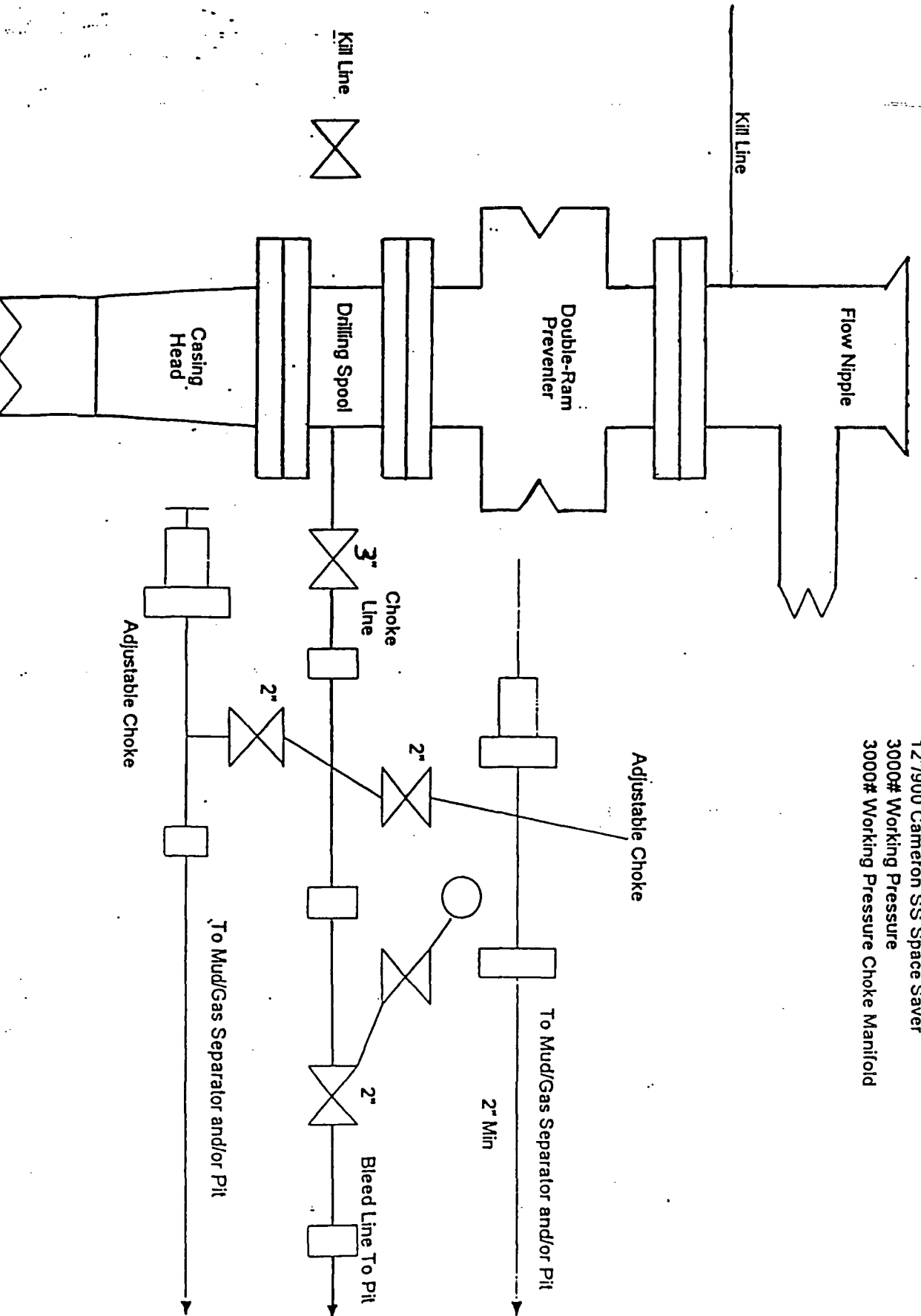
U.S.G.S. TOPOGRAPHIC MAP

DOG LAKE, N.M.

JOHN WEST ENGINEERING
HOBBS, NEW MEXICO
(505) 393-3117

BOP & CHOKE MANIFOLD

12"/900 Cameron SS Space Saver
3000# Working Pressure
3000# Working Pressure Choke Manifold



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, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

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

Form C-101
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address. The Wiser Oil Company C/O J. O. Easley, Inc. P. O. Box 245 Artesia, NM 88211-0245		² OGRID Number 022922
		³ API Number 30-025- 34224
⁴ Property Code 014578	⁵ Property Name Caprock Maljamar Unit	⁶ Well No. 400

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West line	County
I	17	17S	33E		1330'	South	110	East	Lea

⁸ Proposed 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

⁹ Proposed Pool 1

Maljamar Grayburg San Andres 43329

¹⁰ Proposed Pool 2

¹¹ Work Type Code N	¹² Well Type Code P	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation. 4197
¹⁶ Multiple	¹⁷ Proposed Depth 5500'	¹⁸ Formation San Andres	¹⁹ Contractor	²⁰ Spud Date ASAP

²¹ Proposed Casing and Cement Program

Hole size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4"	8 5/8" J-55	20#	350'	300 Class "C"	circulate to surf.
7 7/8"	5 1/2" J-55	17#	5500'	700 Halli. Lite	circulate to 100'
				650 Prem.Plus	above 85/8"
					casing shoe

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Propose to drill above captioned well to a total depth of 5500' with rotary rig. If commercial production is indicated, well will be perforated and stimulated as necessary. This APD is being forwarded to Santa Fe for administrative approval of Unorthodox Well Location.

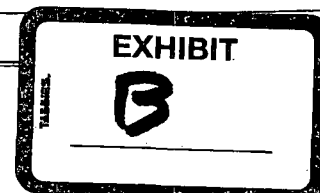
APPROVAL for Drilling ONLY -- CANNOT produce until Non-Standard Location is approved in Santa Fe.

Blow Out Prevention: 10" Series 900 Type "E" Shaffer Hydraulic BOP will be used.

Permit Expires 1 Year From Approval
Date Unless Drilling Underway

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>Michael R. Burch</i>		OIL CONSERVATION DIVISION	
Printed name: Michael R. Burch, CPL		Approved by: <i>GARY WINK</i>	
Title: Agent for The Wiser Oil Company		Approval Date: <i>DEC 09 1997</i> Expiration Date:	
Date: 12-09-97	Phone: 505-746-1070	Conditions of Approval: Attached <input type="checkbox"/>	

COPY



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

DISTRICT II
P.O. Drawer 88, Artesia, NM 88211-0719

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

DISTRICT IV
P.O. Box 2088, Santa Fe, NM 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 30-025-34224	Pool Code 43329	Pool Name MALJAMAR GRAYBURG SAN ANDRES
Property Code 014578	Property Name CAPROCK MALJAMAR UNIT	Well Number 400
GRID No. 022922	Operator Name THE WISER OIL COMPANY	Elevation 4197

Surface Location

UL or lot No. 1	Section 17	Township 17 S	Range 33 E	Lot Idn	Feet from the 1330	North/South line SOUTH	Feet from the 110	East/West line EAST	County 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
---------------	---------	----------	-------	---------	---------------	------------------	---------------	----------------	--------

Dedicated Acres 40.00	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>Michael R. Burch Signature MICHAEL R. BURCH Printed Name AGENT FOR THE WISER OIL CO. Title 12-9-97 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 1, 1997 Date Surveyed JLP</p>
	<p>Signature & Seal of Professional Surveyor RONALD O. EDSON 12-08-97 P.O. Num. 87-1959</p>
	<p>Certificate No. RONALD O. EDSON. 3239 12841</p>



WISER

December 4, 1997

Shahara Oil L.L.C.
Attention: Mr. Perry Hughes
207 W. McKay
Carlsbad, NM 88220

RE: Unorthodox Locations
CMU #400 & #401
Caprock Majamar Unit
Lea County, New Mexico

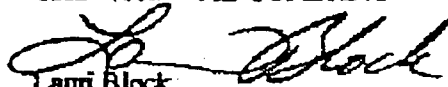
Gentlemen:

The Wiser Oil Company, as operator of the Caprock Majamar Unit, shall apply to the New Mexico Oil Conservation Division for administrative approval of the following unorthodox well locations.

	<u>Surface Location & BHL</u>	
CMU #400	1330' FSL and 110' FEL	Section 17-17S-33E
CMU #401	110' FSL and 110' FEL	Section 17-17S-33E


In accordance with Article 7 of our Cooperative Unit Line Injection Well and Unit Line Infill Drilling Agreement effective November 1, 1997, please indicate your waiver, as offset operator, of the above unorthodox locations by signing and returning one copy of this letter as soon as possible.

Yours very truly,
THE WISER OIL COMPANY


Lami Block
Sr. Landman

Agreed to accept this 8TH day of December, 1997.

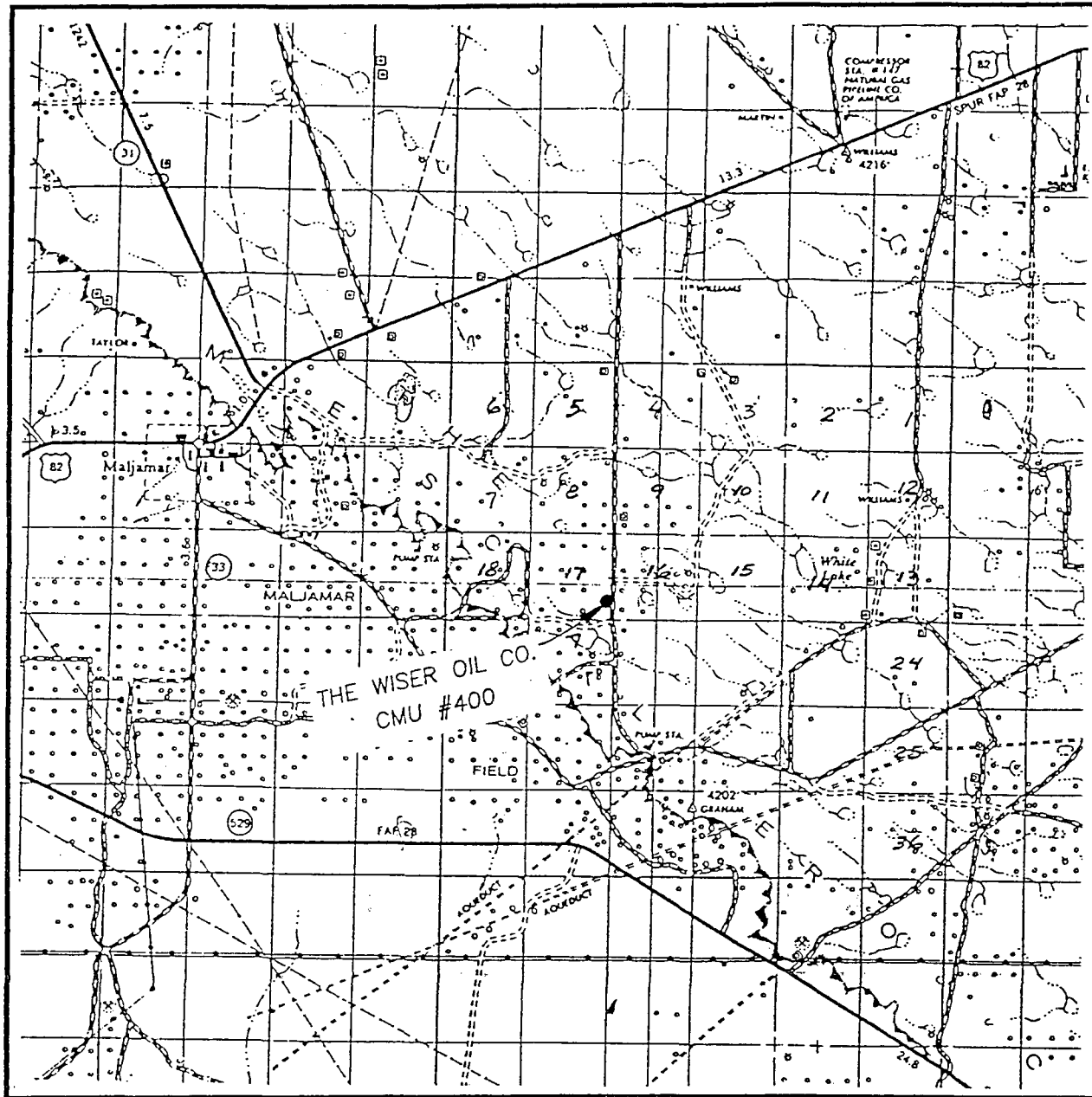
SHAHARA OIL, L.L.C.

By: 
Name: Perry L. Hughes
Title: President

The Wiser Oil Company

8115 Preston Road / Suite 400 / Dallas, Texas 75225 / Tel. 214 265 0080 / Fax: 214 373 3610 / Web: <http://www.wiseroil.com>

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 17 TWP. 17-S RGE. 33-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 1330' FSL & 110' FEL

ELEVATION 4197'

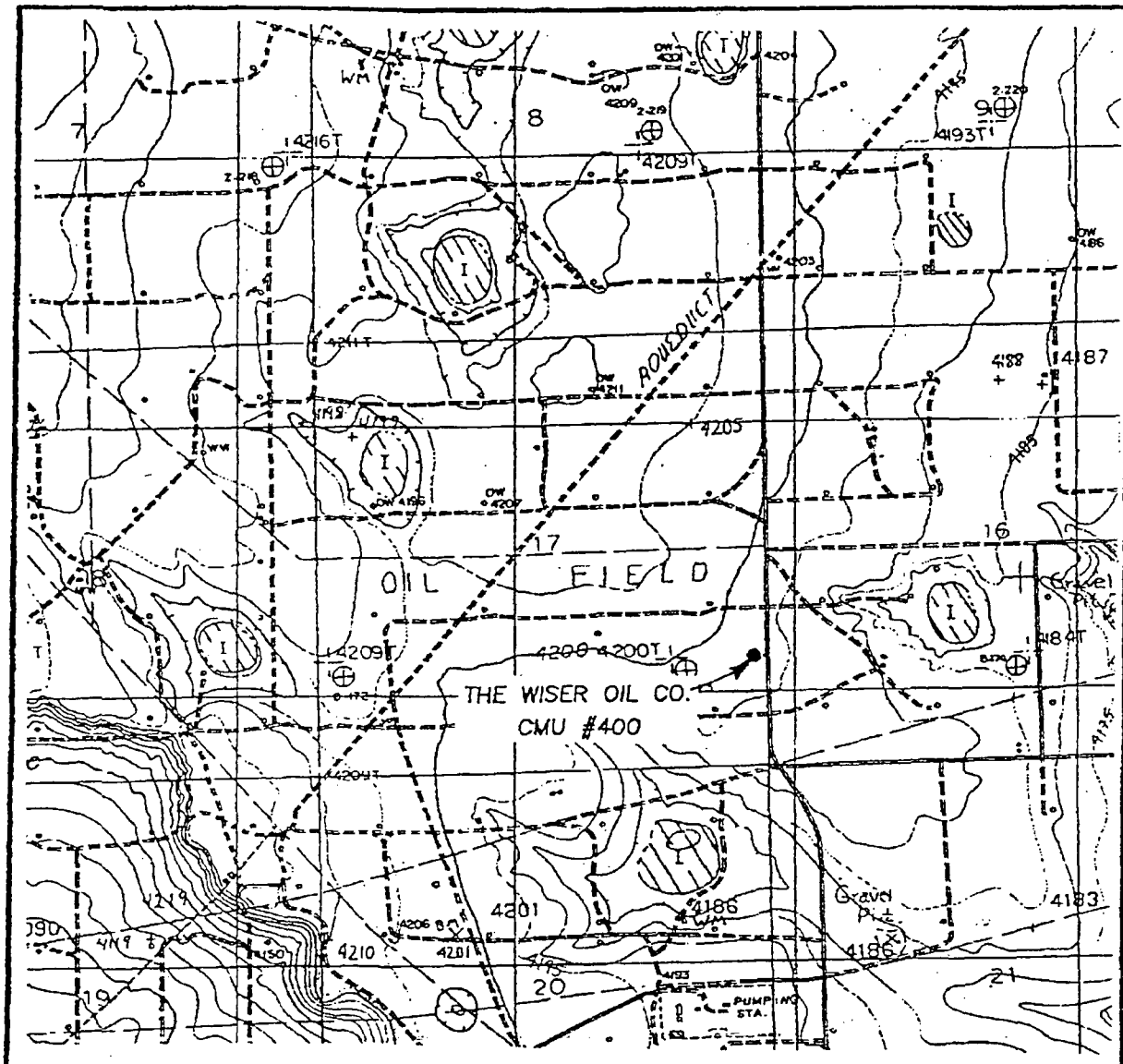
OPERATOR THE WISER OIL CO.

LEASE CAPROCK MALJAMAR UNIT

JOHN WEST ENGINEERING
HOBBS, NEW MEXICO

(505) 393-3117

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL - 10'

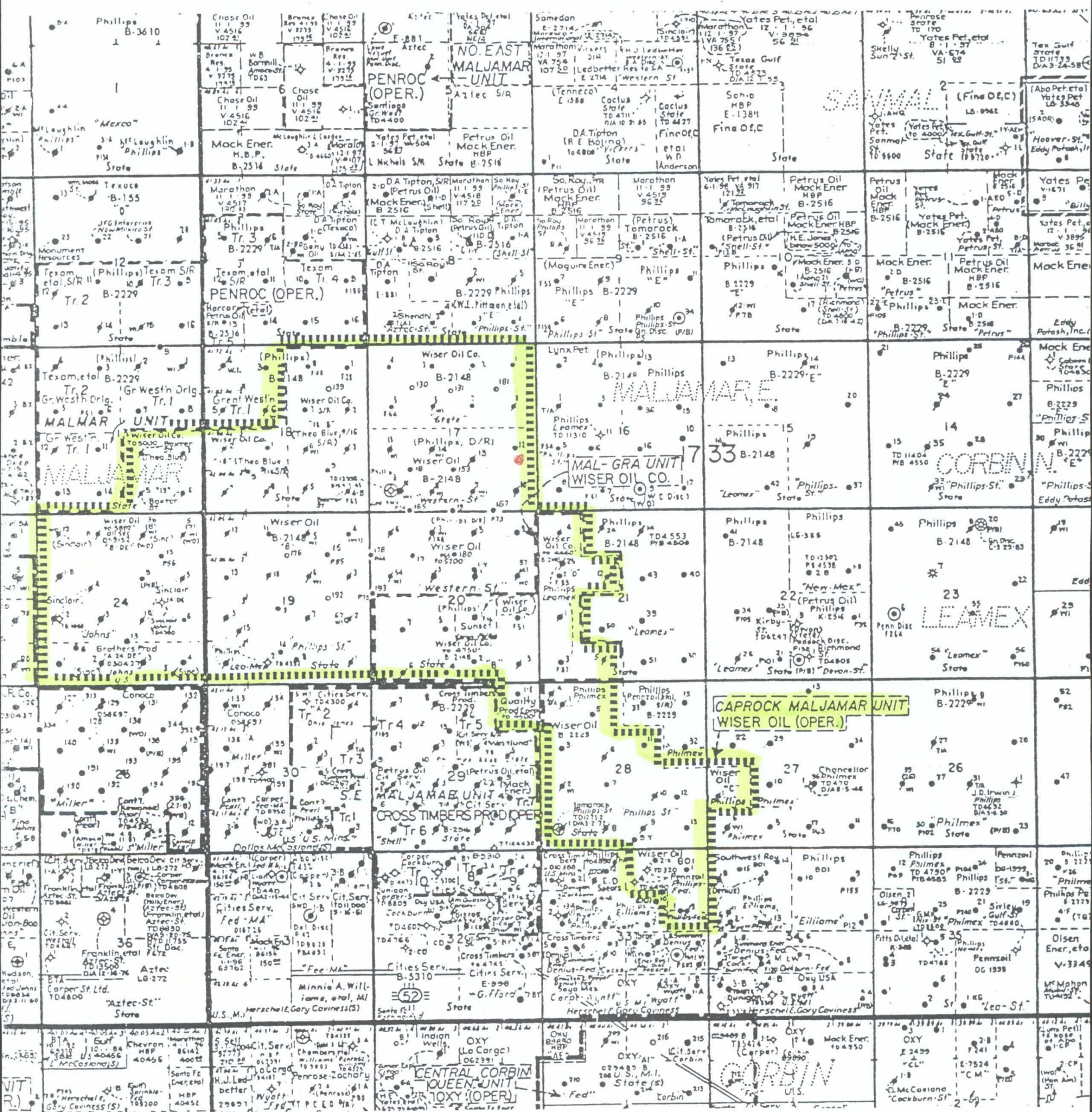
SUPPLEMENTAL CONTOUR INTERVAL - 5'

SEC. 17 TWP. 17-S RGE. 33-ESURVEY N.M.P.M.COUNTY LEADESCRIPTION 1330' FSL & 110' FELELEVATION 4197'OPERATOR THE WISER OIL CO.LEASE CAPROCK MALJAMAR UNIT

U.S.G.S. TOPOGRAPHIC MAP

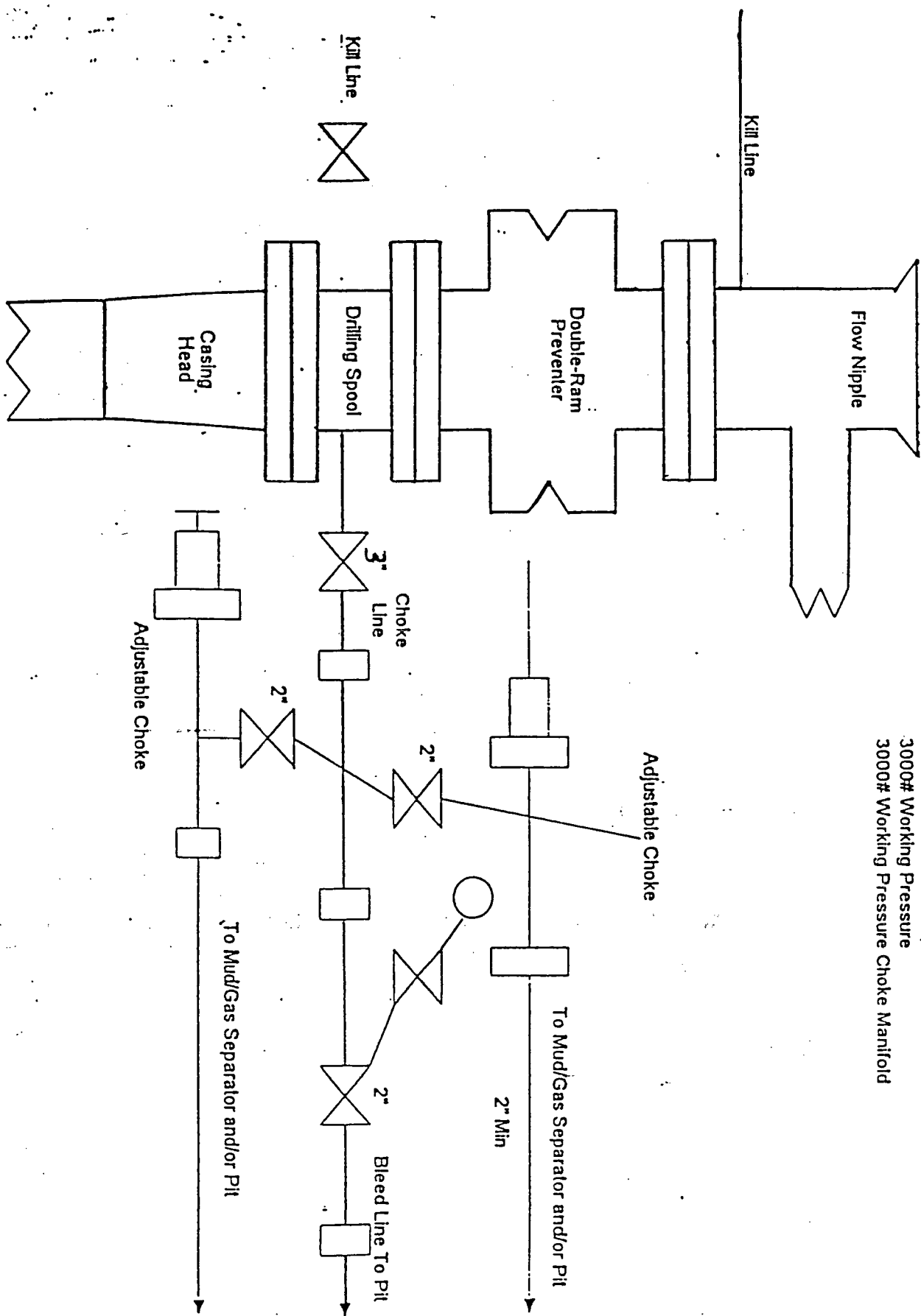
DOG LAKE, N.M.

JOHN WEST ENGINEERING
HOBBS, NEW MEXICO
(505) 393-3117



BOP & CHOKE MANIFOLD

12"/900 Cameron SS Space Saver
3000# Working Pressure
3000# Working Pressure Choke Manifold



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, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

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

Form C-101
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address The Wiser Oil Company C/O J. O. Easley, Inc. P. O. Box 245 Artesia, NM 88211-0245		² OGRID Number 022922
		³ API Number 30-025-34225
⁴ Property Code 014578	⁵ Property Name Caprock Maljamar Unit	⁶ Well No. 401

⁷ Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West line	County
P	17	17S	33E		110'	South	110	East	Lea

⁸ Proposed 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

⁹ Proposed Pool 1 Maljamar Grayburg San Andres 43329	¹⁰ Proposed Pool 2
--	-------------------------------

¹¹ Work Type Code N	¹² Well Type Code P	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 4193
¹⁶ Multiple	¹⁷ Proposed Depth 5500'	¹⁸ Formation San Andres	¹⁹ Contractor	²⁰ Spud Date ASAP

²¹ Proposed Casing and Cement Program

Hole size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4"	8 5/8" J-55	20#	350'	300 Class "C"	circulate to surf.
7 7/8"	5 1/2" J-55	17#	5500'	700 Halli. Lite	circulate to 100'
				650 Prem.Plus	above 85/8"
					casing shoe

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Propose to drill above captioned well to a total depth of 5500' with rotary rig. If commercial production is indicated, well will be perforated and stimulated as necessary. This APD is being forwarded to Santa Fe for administrative approval of Unorthodox Well Location.

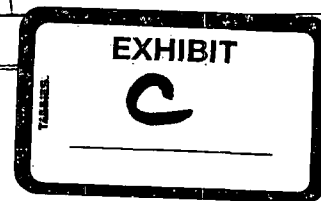
Permit Expires 1 Year From Approval
Date Unless Drilling Underway

Blow Out Prevention: 10" Series 900 Type "E" Shaffer Hydraulic BOP will be used.

Approval for Drilling ONLY -- CANNOT produce until Non-Standard Location is approved in Santa Fe.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>Michael R. Burch</i>		OIL CONSERVATION DIVISION	
Printed name: Michael R. Burch, CPL		Approved by: ORIGINAL SIGNED BY	
Title: Agent for The Wiser Oil Company		Title: GARY WINK FIELD REP. II	
Date: 12-09-97		Approval Date: DEC 09 1997	Expiration Date:
Phone: 505-746-1070		Conditions of Approval: Attached <input type="checkbox"/>	

COPY



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

DISTRICT II
P.O. Drawer 88, Artesia, NM 88211-0719

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

DISTRICT IV
P.O. Box 2088, Santa Fe, NM 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 30-025-34225	Pool Code 43329	Pool Name MALJAMAR GRAYBURG SAN ANDRES
Property Code 014578	Property Name CAPROCK MALJAMAR UNIT	Well Number 401
OGED No. 022922	Operator Name THE WISER OIL COMPANY	Elevation 4193

Surface Location

UL or lot No. P	Section 17	Township 17 S	Range 33 E	Lot Idn	Feet from the 110	North/South line SOUTH	Feet from the 110	East/West line EAST	County 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
					Dedicated Acres 40.00	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 the the information contained herein is true and complete to the best of my knowledge and belief.	
				Signature MICHAEL R. BURCH	
				Printed Name AGENT FOR THE WISER OIL CO.	
				Title 12-9-97	
				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 1, 1997	
				Date Surveyed JLP	
				Signature & Seal Professional Surveyor RONALD E. EDSON 12-08-97	
				Certificate No. RONALD E. EDSON, 3239 GARY C. EDSON, 12841	



WISER

December 4, 1997

Shahara Oil L.L.C.
Attention: Mr. Perry Hughes
207 W. McKay
Carlsbad, NM 88220

RE: Unorthodox Locations
CMU #400 & #401
Caprock Maljamar Unit
Lea County, New Mexico

Gentlemen:

The Wiser Oil Company, as operator of the Caprock Maljamar Unit, shall apply to the New Mexico Oil Conservation Division for administrative approval of the following unorthodox well locations.

	<u>Surface Location & BHL</u>	
CMU #400	1330' FSL and 110' FEL	Section 17-17S-33E
CMU #401	110' FSL and 110' FEL	Section 17-17S-33E

In accordance with Article 7 of our Cooperative Unit Line Injection Well and Unit Line Infill Drilling Agreement effective November 1, 1997, please indicate your waiver, as offset operator, of the above unorthodox locations by signing and returning one copy of this letter as soon as possible.

Yours very truly,
THE WISER OIL COMPANY


Lanni Block
Sr. Landman

Agreed to accept this 8TH day of December, 1997.

SHAHARA OIL, L.L.C.

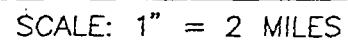
By: 

Name: Perry L. Hughes

Title: President

The Wiser Oil Company

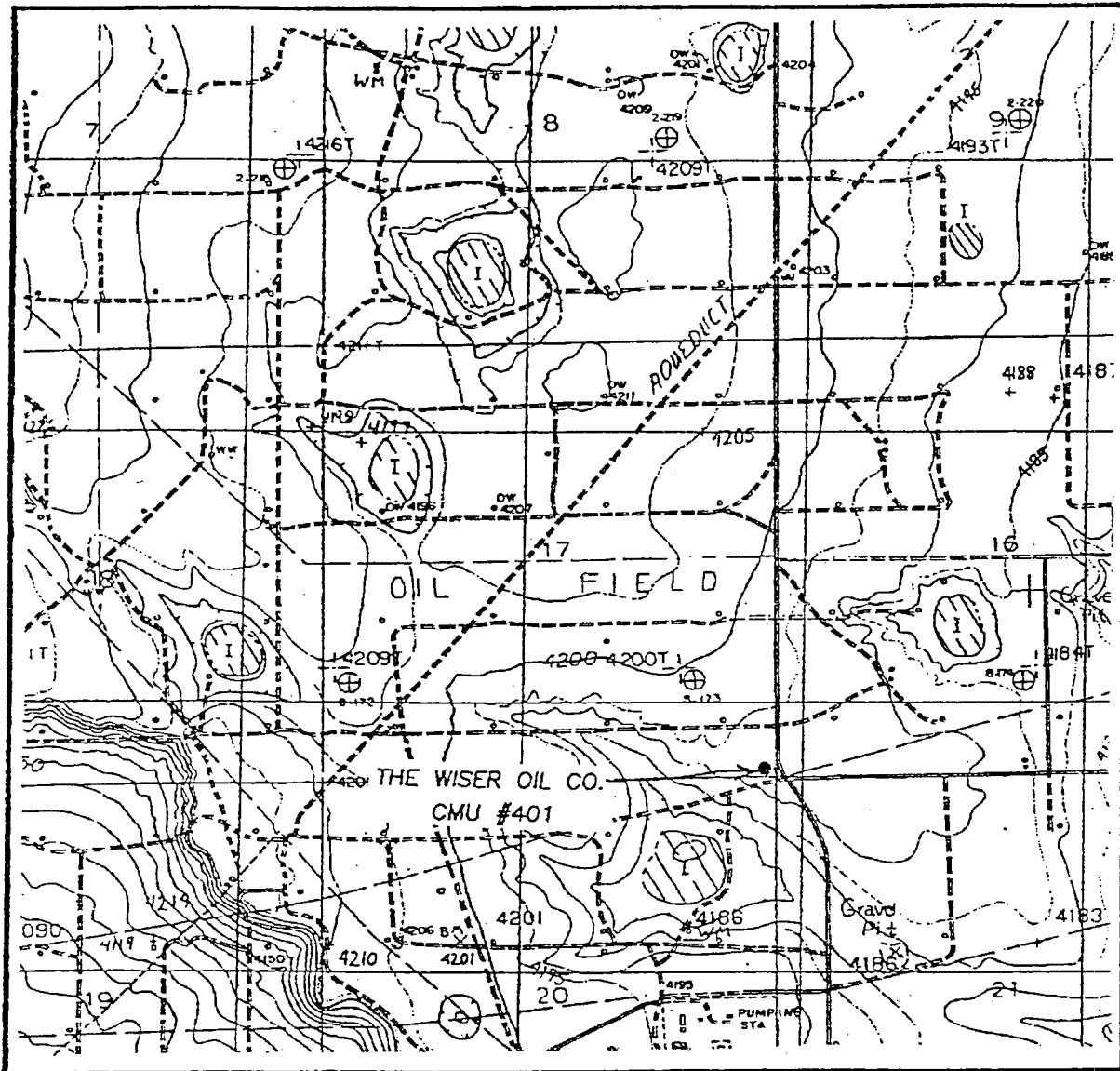
8115 Preston Road / Suite 400 / Dallas, Texas 75225 / Tel: 214 265 0080 / Fax: 214 373 3610 / Web: <http://www.wiseroil.com>



LEASE CAPROCK MALJAMAR UNIT

(505) 393-3117

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL - 10'

SUPPLEMENTAL CONTOUR INTERVAL - 5'

SEC. 17 TWP. 17-S RGE. 33-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 110' FSL & 110' FEL

ELEVATION 4193'

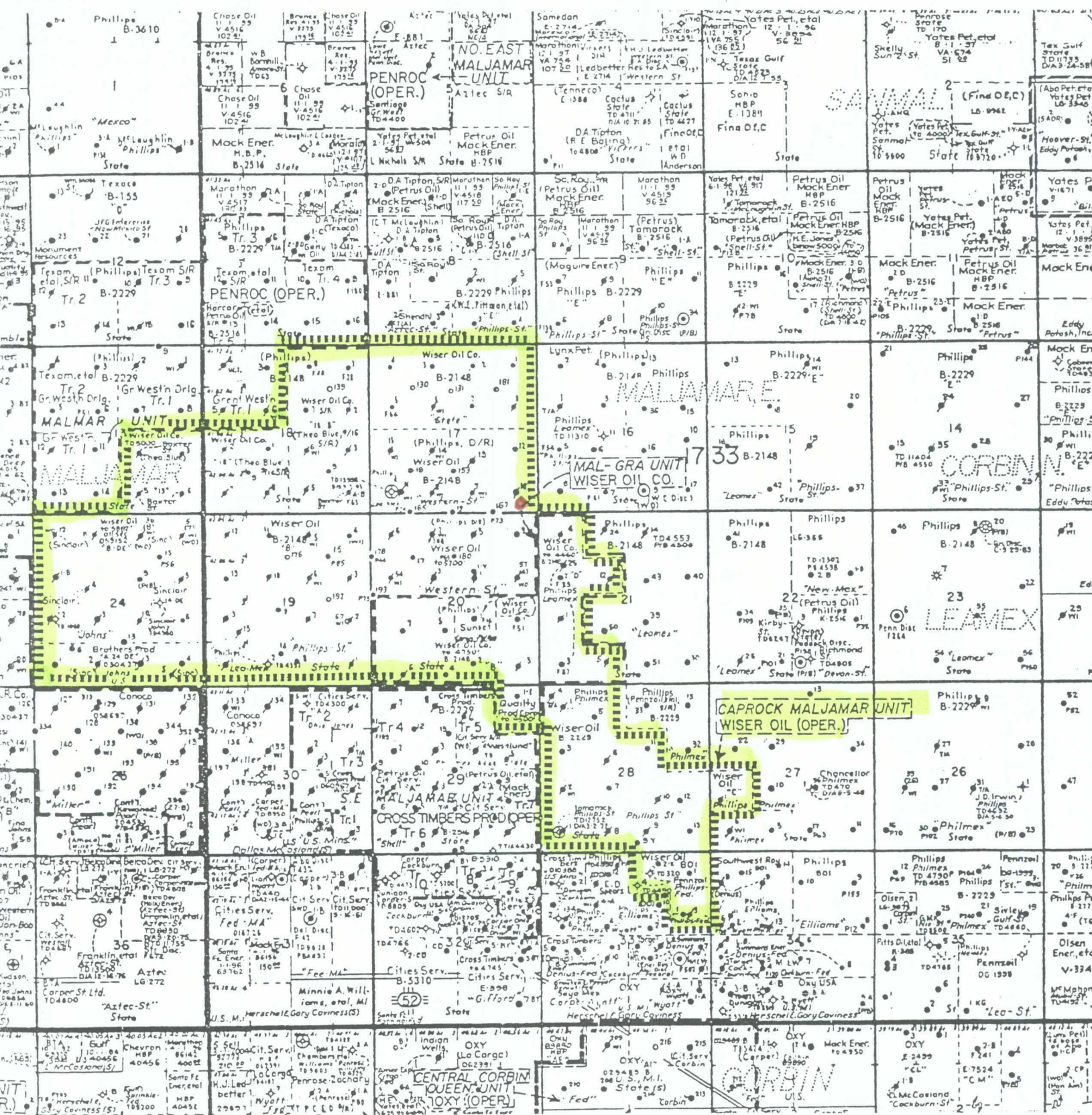
OPERATOR THE WISER OIL CO.

LEASE CAPROCK MALJAMAR UNIT

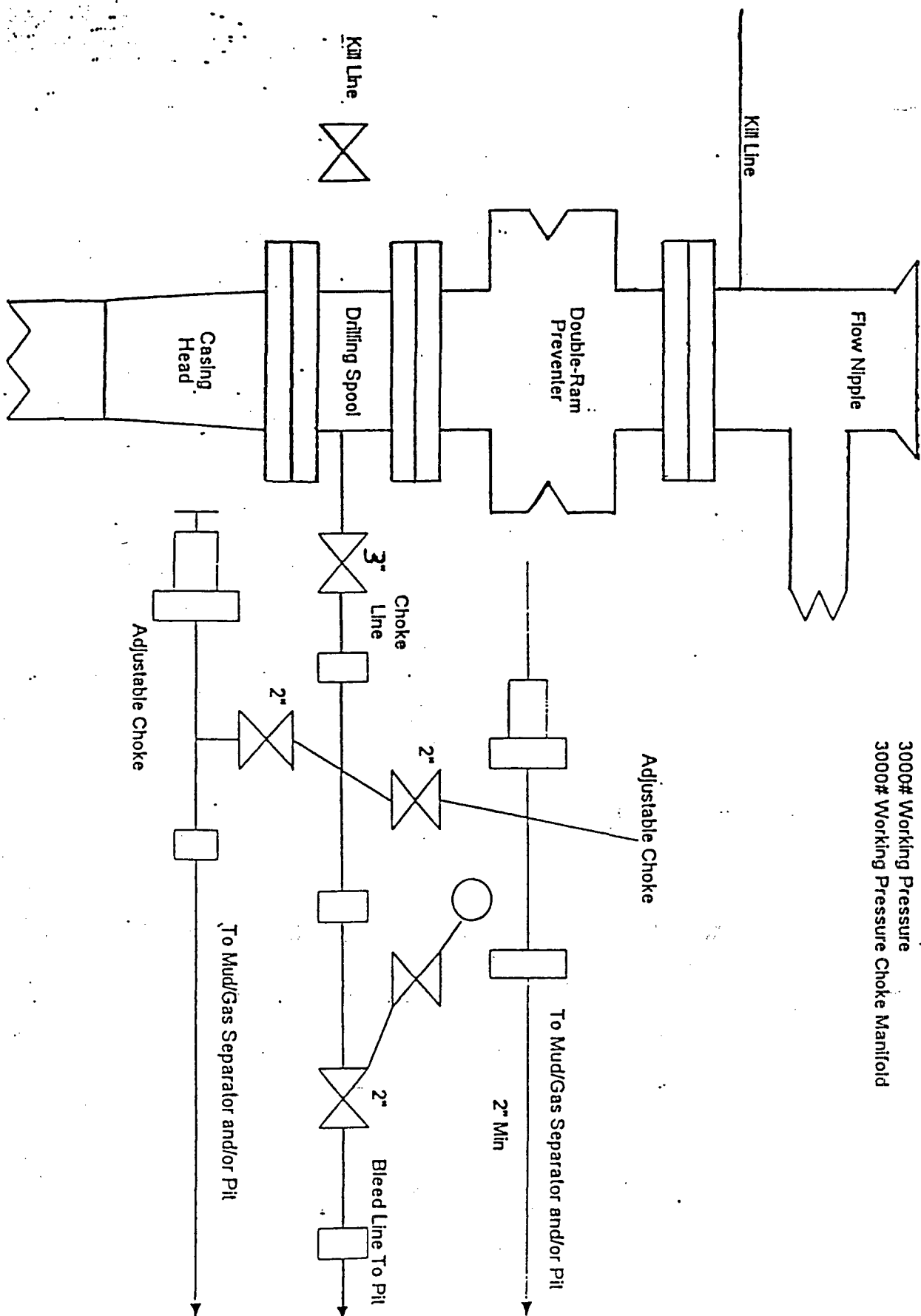
U.S.G.S. TOPOGRAPHIC MAP

DOG LAKE, N.M.

JOHN WEST ENGINEERING
HOBBS, NEW MEXICO
 (505) 393-3117



12" / 900 Cameron SS Space Saver
3000# Working Pressure
3000# Working Pressure Choke Manifold



COOPERATIVE UNIT LINE INJECTION WELL
AND UNIT LINE INFILL DRILLING AGREEMENT

CAPROCK MALJAMAR UNIT
PHILLIPS STATE WATERFLOOD PROJECT

THIS AGREEMENT is entered into by The Wiser Oil Company as Operator of the Caprock Maljamar Unit, hereafter referred to as "Wiser", and Shahara Oil, L.L.C., as Operator of the Phillips State Project, hereafter referred to as "Shahara".

RECITALS:

1. Wiser is the Operator of the Caprock Maljamar Unit under the terms of the applicable Unit Agreement and the Unit Operating Agreement for said Unit (the "Unit") and the owner of 100% working interest therein.
2. Shahara is the Operator of the Phillips State Lease NM-2148 (the "Project") and Shahara, et al are the owners of 100% working interest therein.
3. The Unit Area of the Caprock Maljamar Unit includes, among other lands, the E/2 of Section 17, the NE/4 of Section 20 and the NW/4 NW/4 of Section 21, all in Township 17 South, Range 33 East, Lea County, New Mexico, and the Project Area for the Phillips State Project, includes the W/2 of Section 16, in Township 17 South, Range 33 East, Lea County, New Mexico.
4. Wiser and Shahara desire to enter into an agreement to provide for the continued operation of existing injection wells, the reactivation of existing shut-in injection wells, and the conversion of additional wells to injection as provided in Article 1, along the common boundary of the above described lands for the injection of water into one or more of the Grayburg and San Andres formations underlying said lands in order to enhance the recovery of hydrocarbons from their respective Unit/Project. Wiser and Shahara also desire to enter into an agreement to drill up to four infill producing wells on 20 acre spacing units along the common boundary line of the Caprock Maljamar Unit and the Phillips State Project in accordance with Article 7 below.

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

ARTICLE 1

INJECTION WELLS

- 1.1 Wiser currently operates the following active injection wells:

Caprock Maljamar Unit #6 Located in NE/4 NE/4 of Section 17-T17S-R33E
Caprock Maljamar Unit #12 Located in SE/4 NE/4 of Section 17-T17S-R33E
Caprock Maljamar Unit #22 Located in NE/4 SE/4 of Section 17-T17S-R33E
Caprock Maljamar Unit #32 Located in SE/4 SE/4 of Section 17-T17S-R33E
Caprock Maljamar Unit #44 Located in NE/4 NE/4 of Section 20-T17N-R33E
Caprock Maljamar Unit #45 Located in NW/4 NW/4 of Section 21-T17N-R33E

These wells shall be equipped, maintained and operated under this agreement, and the covenants of Wiser under this agreement shall be performed at the expense of Wiser as an item of unit expense under the Unit Operating Agreement for the Caprock Maljamar Unit.

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



Phillips State #2 Located in NW/4 NW/4 of Section 16-T17S-R33E
Phillips State #1 Located in SW/4 NW/4 of Section 16-T17S-R33E
Phillips State #5 Located in NW/4 SW/4 of Section 16-T17S-R33E
Phillips State #8 Located in SW/4 SW/4 of Section 16-T17S-R33E

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

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

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

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

ARTICLE 2

OPERATION

2.1 Water Supply: Each party either has constructed or shall construct and maintain facilities necessary for delivery of water to its injection wells and shall furnish water suitable for injection therein. Each party, upon request, shall provide the other party with a water analysis of its injection water.

2.2 Injection: Except as otherwise provided in Article 1.4 herein ("Replacement and Substitute Wells"), water injection into each of the proposed conversion injection wells and re-activated injection wells shall commence within one hundred twenty (120) days after receipt of approval by the New Mexico Oil Conservation Division. Injection of water into each injection well covered by this agreement, shall be at rates and pressures mutually agreed upon, preferably below the fracturing pressure of the formation as determined by periodic step-rate injectivity tests. Prior to running a step-rate test, the operating pressure on the well shall be set at a level lower than the lowest fracturing pressures measured by step-rate tests in nearby injection wells completed in the formation. If the rates and pressures cannot be mutually agreed upon, the rate shall be at least 200 barrels of water a day, provided the rate does not result in a bottomhole pressure which is greater than the formation fracturing pressure. Each party, upon request, shall provide the other party details of the

the execution thereof. This agreement may be modified or amended only by an instrument in writing signed by both parties.

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

10.3 **Binding Effect:** This agreement shall be binding upon and shall inure to the benefit of the parties hereto and to their respective successors, legal representatives and assigns. This agreement may be executed in any number of counterparts, each of which shall be deemed an original instrument, but all of which together shall constitute one and the same instrument.

WITNESS EXECUTION this 19th day of NOVEMBER, 1997.

THE WISER OIL COMPANY

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

SHAHARA OIL, L.L.C.

By: Perry L. Hughes
Title: Executive Officer

LOMETA HUDNALL COX TRUST #2

By: Lometa Hudnall Cox
Lometa Hudnall Cox, Trustee

OGDEN SHARON HUDNALL TRUST #2

By: _____

LOMETA ANNE COX

Lometa Anne Cox
Lometa Anne Cox

OGDEN SHARON HUDNALL

DALE McCARTER

the execution thereof. This agreement may be modified or amended only by an instrument in writing signed by both parties.

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

10.3 Binding Effect: This agreement shall be binding upon and shall inure to the benefit of the parties hereto and to their respective successors, legal representatives and assigns. This agreement may be executed in any number of counterparts, each of which shall be deemed an original instrument, but all of which together shall constitute one and the same instrument.

WITNESS EXECUTION this 19th day of NOVEMBER, 1997.

THE WISER OIL COMPANY

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

SHAHARA OIL, L.L.C.

By: Perry C. Hughes
Title: Executive Officer

LOMETA HUDNALL COX TRUST #2

By: _____

OGDEN SHARON HUDNALL TRUST #2

By: Ogden Sharon Hudnall

LOMETA ANNE COX

OGDEN SHARON HUDNALL

Ogden Sharon Hudnall

DALE McCARTER

the execution thereof. This agreement may be modified or amended only by an instrument in writing signed by both parties.

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

10.3 Binding Effect: This agreement shall be binding upon and shall inure to the benefit of the parties hereto and to their respective successors, legal representatives and assigns. This agreement may be executed in any number of counterparts, each of which shall be deemed an original instrument, but all of which together shall constitute one and the same instrument.

WITNESS EXECUTION this 19th day of NOVEMBER, 1997.

THE WISER OIL COMPANY

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

SHAHARA OIL, L.L.C.

By: Perry L. Hughes
Title: Executive Officer

LOMETA HUDNALL COX TRUST #2

By: _____

OGDEN SHARON HUDNALL TRUST #2

By: _____

LOMETA ANNE COX

OGDEN SHARON HUDNALL

DALE McCARTER

Dale McCarter

EXHIBIT "B"

Attached to and made a part of that certain Cooperative Unit Line Injection Well and Unit Line Infill Drilling Agreement dated November 1, 1997 by and between The Wiser Oil Company, and Shahara Oil, L.L.C.

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

MODEL FORM OPERATING AGREEMENT

OPERATING AGREEMENT

DATED

November 1 , 19 97 ,

OPERATOR See Exhibit "A"

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

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

OPERATING AGREEMENT

THIS AGREEMENT, entered into by and between The Wiser Oil Company and Shahara Oil, L.L.C.
both parties ^{both parties}, hereinafter designated and
 referred to as "Operator", and the signatory party or parties other than Operator, sometimes hereinafter referred to individually herein
 as "Non-Operator", and collectively as "Non-Operators", in accordance with Exhibit "A" attached
 hereto.

WITNESSETH:

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

NOW, THEREFORE, it is agreed as follows:

ARTICLE I.
DEFINITIONS

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

A. The term "oil and gas" shall mean oil, gas, casinghead gas, gas condensate, and all other liquid or gaseous hydrocarbons
 and other marketable substances produced therewith, unless an intent to limit the inclusiveness of this term is specifically stated.

B. The terms "oil and gas lease", "lease" and "leasehold" shall mean the oil and gas leases covering tracts of land
 lying within the Contract Area which are owned by the parties to this agreement.

C. The term "oil and gas interests" shall mean unleased fee and mineral interests in tracts of land lying within the
 Contract Area which are owned by parties to this agreement.

D. The term "Contract Area" shall mean all of the lands, oil and gas leasehold interests and oil and gas interests intended to be
 developed and operated for oil and gas purposes under this agreement. Such lands, oil and gas leasehold interests and oil and gas interests
 are described in Exhibit "A".

E. The term "drilling unit" shall mean the area fixed for the drilling of one well by order or rule of any state or
 federal body having authority. If a drilling unit is not fixed by any such rule or order, a drilling unit shall be the drilling unit as establish-
 ed by the pattern of drilling in the Contract Area or as fixed by express agreement of the Drilling Parties.

F. The term "drillsite" shall mean the oil and gas lease or interest on which a proposed well is to be located.

G. The terms "Drilling Party" and "Consenting Party" shall mean a party who agrees to join in and pay its share of the cost of
 any operation conducted under the provisions of this agreement.

H. The terms "Non-Drilling Party" and "Non-Consenting Party" shall mean a party who elects not to participate
 in a proposed operation.

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

ARTICLE II.
EXHIBITS

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

☒ A. Exhibit "A", shall include the following information:

- (1) Identification of lands subject to this agreement,
- (2) Restrictions, if any, as to depths, formations, or substances,
- (3) Percentages or fractional interests of parties to this agreement,
- (4) Oil and gas leases and/or oil and gas interests subject to this agreement,
- (5) Addresses of parties for notice purposes.

☐ B. Exhibit "B", Form of Lease.

☒ C. Exhibit "C", Accounting Procedure.

☒ D. Exhibit "D", Insurance.

☒ E. Exhibit "E", Gas Balancing Agreement.

☒ F. Exhibit "F", Non-Discrimination and Certification of Non-Segregated Facilities.

☐ G. Exhibit "G", Tax Partnership.

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

ARTICLE III.
INTERESTS OF PARTIES

A. Oil and Gas Interests:

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

B. Interests of Parties in Costs and Production:

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

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

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

C. Excess Royalties, Overriding Royalties and Other Payments:

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

D. Subsequently Created Interests:

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

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

ARTICLE IV.
TITLES

A. Title Examination:

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

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

ARTICLE V. OPERATOR

A. Designation and Responsibilities of Operator:

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

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

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

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

C. Employees:

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

D. Drilling Contracts:

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

ARTICLE VI. DRILLING AND DEVELOPMENT

A. Initial Well:

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

Four (4) infill development wells to be drilled in accordance with the terms of the Cooperative Unit Line Injection Well and Unit Line Infill Drilling Agreement dated November 1, 1997 between The Wiser Oil Company and Shahara Oil, L.L.C.

and shall thereafter continue the drilling of the well with due diligence to

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

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

EXHIBIT "A"

attached to and made a part of that certain Joint Operating Agreement dated November 1, 1997 by and between The Wiser Oil Company and Shahara Oil, L.L.C.

CONTRACT AREA:

OPERATOR:

CMU #400	1330' FSL & 110' FEL Sec. 17-T17S-R33E	Wiser
CMU #401	110' FSL & 110' FEL Sec. 17-T17S-R33E	Wiser
PHILLIPS STATE #100	1320' FNL & 10' FWL Sec. 16-T17S-R33E	Shahara
PHILLIPS STATE #101	2640' FNL & 10' FWL Sec. 16-T17S-R33E	Shahara

ADDRESSES FOR NOTICE PURPOSES:

The Wiser Oil Company	Shahara Oil, L.L.C.
8115 Preston Road, Ste. 400	207 W. McKay
Dallas, Texas 75225	Carlsbad, NM 88220
Attn: Matt Eagleston	Attn: Perry Hughes
Project Manager	

I. PERCENTAGE WORKING INTERESTS OF THE PARTIES:

<u>Wells</u>	<u>Parties</u>	<u>Percentage Working Interest in Contract Area</u>
CMU #400	The Wiser Oil Company	50.00%
	Shahara Oil, L.L.C.	<u>50.00%</u>
	Total	100.00%
CMU #401	The Wiser Oil Company	75.00%
	Shahara Oil, L.L.C.	<u>25.00%</u>
	Totals	100.00%
PHILLIPS STATE #100	The Wiser Oil Company	50.00%
	Shahara Oil, L.L.C.	<u>50.00%</u>
	Totals	100.00%
PHILLIPS STATE #101	The Wiser Oil Company	50.00%
	Shahara Oil, L.L.C.	<u>50.00%</u>
	Totals	100.00%

V. DESCRIPTION OF COMMITTED LEASEHOLD:

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

LESSOR	LESSEE	LEASE DATE	LESSOR ROY.
NM-B-2148	Phillips Petroleum	9-11-33	12.5%
NM-B-2148-03			
NM-B-2148-04			

B. Leases committed by Shahara Oil, L.L.C. (100%):

LESSOR	LESSEE	LEASE DATE	LESSOR ROY.
NM-B-2148	Phillips Petroleum	9-11-31	12.5%