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DEC 17 2001

December 14, 2001

David Catanach
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: The Wiser Oil Company

Case No. 12733 (Application of the Division for an order requiring operators to bring wells into compliance with Rule 201.B, etc.)

Dear Mr. Catanach:

The Wiser Oil Company ("Wiser") has received the Division attorney's proposed order in the above matter. Wiser requests that no penalty be assessed against it, for the following reasons:

1. Wiser met with OCD personnel in December 2000, and submitted a work plan to the Division in January 2001. **Wiser Exhibit 4.**¹
2. Wiser commenced work on its wells in early 2001, and continued work throughout the spring and summer. **Wiser Exhibit 3.** Any delay in the work was, as testified, simply due to waiting on experienced workover crews. Wiser wanted the work done properly.
3. As to the Lea "C" Lease, Wiser submitted a request to the Division in May 2001, to which it received no response. **Wiser Exhibit 5.**
4. Wiser was admittedly not in compliance with Division reporting requirements. This was due to (a) surgery on, and an extended absence for, the person in Wiser's Hobbs

¹The plan was mailed to the Artesia District Office at its old post office box, which Mr. Gum testified has not been used in 8-9 years. However, my rule book continued to list that box as the district office's address until recently.

office who handles Division reporting requirements, and (b) changes in Wiser's Dallas office computer system, which led to reporting shortfalls. This problem has been corrected.

Wiser's lapses were not intentional, and therefore no penalty should be assessed against it.

In addition, Wiser believes that its Skelly Unit injection authority has not expired. Rule 705.C.1 states that if no water is injected into an "injection project" for one year, its injection authorization expires. While several wells in the Skelly Unit may have ceased injection, injection did continue within the project area via other wells, and thus the injection authority should not have expired.

Very truly yours,

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

James Bruce

Attorney for The Wiser Oil Company

cc: David K. Brooks