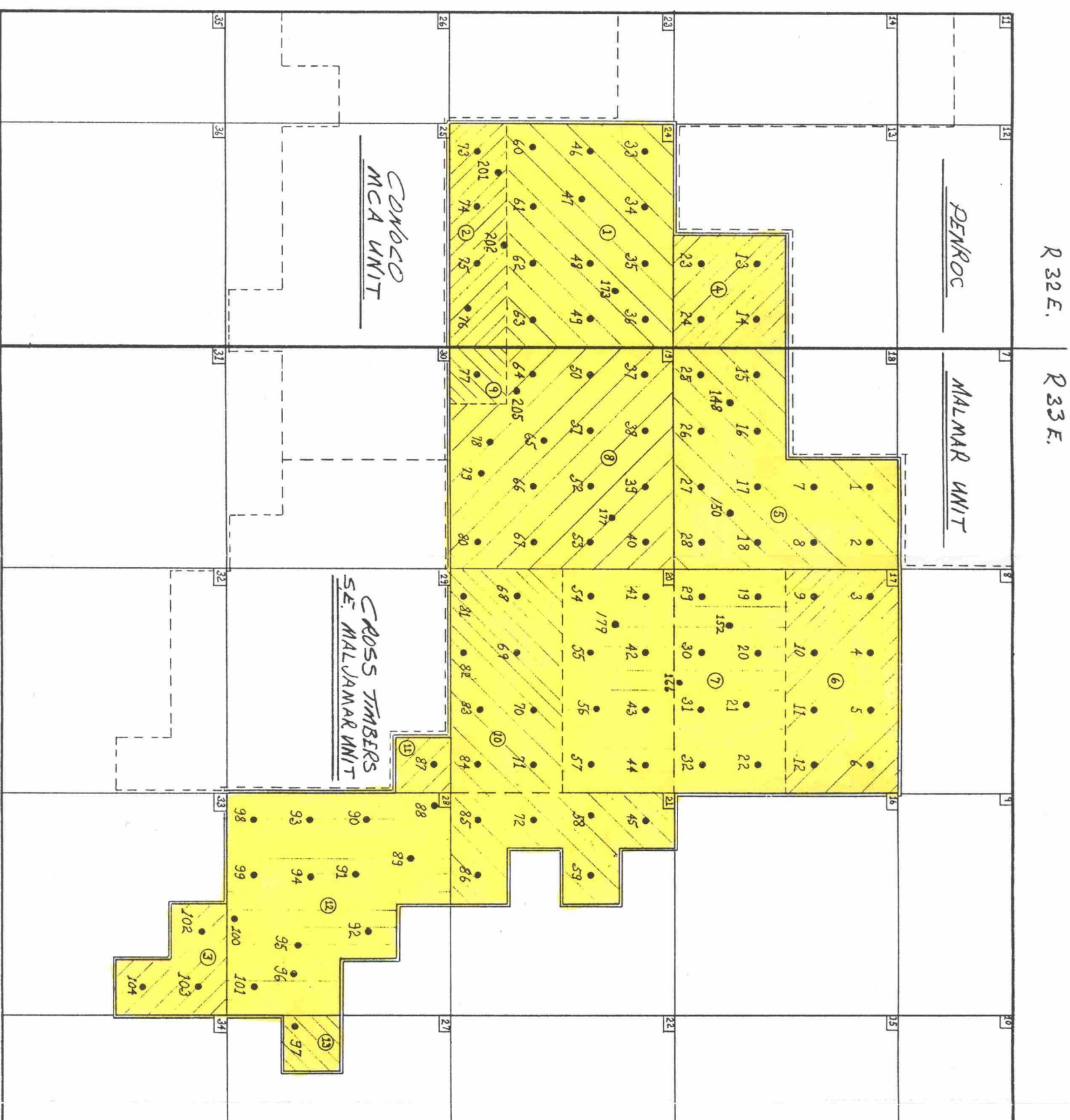


T 17 S



BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION

EXHIBIT NO. 2

CASE NO. 10930

EXHIBIT "A"-1

UNIT AGREEMENT

CARROCK MALJAMAR UNIT
LEA COUNTY, NEW MEXICO

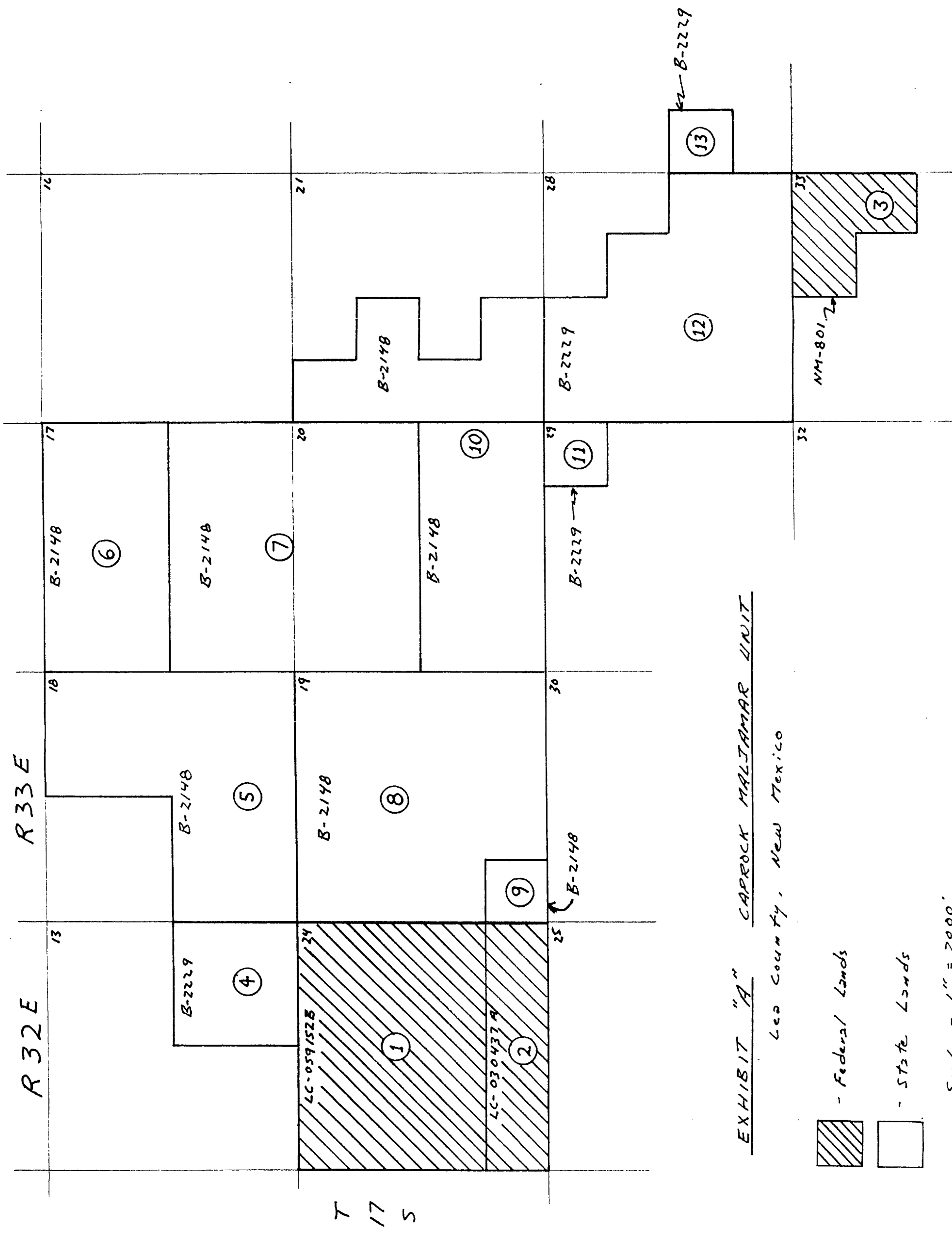


EXHIBIT "A" CAPROCK MALJAMAR UNIT

Lea County, New Mexico

- Federal Lands
- State Lands

Scale - 1" = 2000'

EXHIBIT "B"
CAPROCK MALJAMAR UNIT AREA
LEA COUNTY, NEW MEXICO

Tract No.	Land Description	Acres	Lease No.	Basic Royalty	Lessee of Record	Overriding Royalties	WI Owner and Amount (NRI)
1	T-17-S, R-32-E Sec. 24: N1½,N1½S½	480	LC-059152B (HBP)	.125 USA	Hondo Oil & Gas Co.	.0354166 .0008681 .0008680 .0008681 .0026042 .0026042 .0078124 .0062500 .0052084 .0032* .0032* .0032* .0032* .0032* .0032* <u>.0008</u> .0825	Hudson NM Mineral Trust Iverson III, Inc. Donald S. Iverson PAI, Inc. Jewell D. Iverson Revocable Intervivos Trust Estate of Dorothy C. Moore I.J. Iverson Trust Moore & Shelton Co., Ltd. Marjorie Iverson Perry L. Hughes B.G. Davis R.M. Williams H. Wade White Barry L. Antweil BarMar, Inc. Melanie J. Parker The Wiser Oil Co...100% (.7925 NRI)

Note: After 100,000 barrels of oil have been produced from Tracts Nos. 1 and 2, the ORIs of Perry L. Hughes et al (marked with an *) increase from .0032 to .0048 - Melanie J. Parker from .0008 to .0012, and Wiser Oil's WI decreases from .7925 to .7825 NRI.

<u>Tract No.</u>	<u>Land Description</u>	<u>Acres</u>	<u>Lease No.</u>	<u>Basic Royalty</u>	<u>Lessee of Record</u>	<u>Overriding Royalties</u>	<u>WI Owner and Amount (NRI)</u>
2	T-17-S, R-32-E Sec. 24: S½S½	160	LC-030437A (HBP)	.05 USA	Atlantic Ritchfield Co.	.0375000 .0442708 .0004340 .0004341 .0004340 .0013021 .0187500 .0187500 .0013021 .0039062 .0078125 .0026042 .0032* .0032* .0032* .0032* .0032* .0032* .0008 1575	John W. Bockman Hudson NM Mineral Trust Iverson III, Inc. Donald S. Iverson PAL, Inc. Jewell D. Iverson Revocable Intervivos Trust Martha Johns Densmore Nancy Johns Kent Estate of Dorothy C. Monroe I.J. Iverson Trust Moore & Shelton Co. Ltd. Marjorie Iverson Perry L. Hughes B. G. Davis R.M. Williams H. Wade White Barry L. Antweil BarMar, Inc. Melanie J. Parker
							The Wiser Oil Co...100% (.7925 NRI)

Note: After 100,000 barrels of oil have been produced from Tracts Nos. 1 & 2, the ORIs of Perry L. Hughes et al (marked with an *) increase from .0032 to .0048 - Melanie J. Parker from .0008 to .0012, and Wiser Oil's WI decreases from .7925 to .7825 NRI.

<u>Tract No.</u>	<u>Land Description</u>	<u>Acres</u>	<u>Lease No.</u>	<u>Basic Royalty</u>	<u>Lessee of Record</u>	<u>Overriding Royalties</u>	<u>WI Owner and Amount (NRI)</u>
3	T-17-S, R-33-E Sec. 33; N½NE¼, SE¼NE¼	120	NM-801 (HBP)	.037 USA	Phillips Petroleum Co.	.0546875 .0031250 .0010417 .0010417 .0020834 .0020832 .0020832 .0083334 .0010416 .0032* .0032* .0032* .0032* .0008 .0934375	The Wiser Oil Co...100% (.8695625 NRI)
						Southwest Royalties, Inc. David H. and Gay B. Bell Trust Billy Frank Bunting Robert H. Bunting Charles Brice Dowaliby James M. Dowaliby Mary Evelyn Roberts Betty B. Thompson Perry L. Hughes B. G. Davis R.M. Williams H. Wade White Barry L. Antweil BarMar, Inc. Melanie J. Parker	
						Notes:	
						(1) After 800,000 barrels of oil have been produced from Tracts Nos. 3, 7, 8, 12 and 13, the ORIs of Perry L. Hughes et al (marked with an *) increase from .0032 to .0048 - Melanie J. Parker from .0008 to .0012, and Wiser Oil's WI decreases from .8695625 to .8595625 NRI.	
						(2) The stated .037 RI of the USA is for oil only; its RI on gas is .125, and Wiser Oil's WI is then .7815625 NRI.	
						(3) Tracts Nos. 1, 2 and 3 are Federal Lands which total 760 acres and 14.7938% participation in the Unit.	

<u>Tract No.</u>	<u>Land Description</u>	<u>Acres</u>	<u>Lease No.</u>	<u>Basic Royalty</u>	<u>Lessee of Record</u>	<u>Overriding Royalties</u>	<u>WI Owner and Amount (NRI)</u>
4	T-17-S, R-32-E Sec. 13: SE¼	160	B-2229 (HBP)	.125 NM	Phillips Petroleum Co.	.0546875 .0136719 .0001068 .0001068 .0001810 .0001068 .0001810 .0021717 .0021717 .0008144 .0000854 .0002714 .0002715 .0002715 .0001810 .0023925 .0000569 .0000570 .0000570 .0017089 .0008545 .0000855 .0008544 .0006836 .0032* .0032* .0032* .0032* .0032* .0032* .0008 .1020307	The Wiser Oil Co...100% (.7729693 NRI)
						Phillips Petroleum Company Dan P. Black Howard Coghlan Katherine Martin Comer Janet J. Day Estate of E. L. Johnson Edgar S. Johnston Helen M. and E. C. Johnston, Jr. Living Trust Mildred M. and Gordon C. Johnston Jane W. Johnston Jeffrey Ross Johnston Janet Day Trust Edgar S. Johnston Trust Laura Virginia Johnston Trust Laura Johnston M.O. Johnston, Jr. Scott Johnston Stephen D. Johnston Trace Johnston W. C. Johnston Lillian Mordica Trust Linda Susan Seibert Lillian Warren Trust Warren Trust Perry L. Hughes B. G. Davis R. M. Williams H. Wade White Barry L. Antweil BarMar, Inc. Melanie J. Parker	

Note: After 270,000 barrels of oil have been produced from Tracts Nos. 4, 5 and 6, the ORIs of Perry L. Hughes et al (marked with an *) increase from .0032 to .0048 - Melanie J. Parker from .0008 to .0012, and Wiser Oil’s WI decreases from .7729693 to .7629693 NRI.

<u>Tract No.</u>	<u>Land Description</u>	<u>Acres</u>	<u>Lease No.</u>	<u>Basic Royalty</u>	<u>Lessee of Record</u>	<u>Overriding Royalties</u>	<u>WI Owner and Amount (NRI)</u>	
5	T-17-S, R-33-E Sec. 18: E½, SW¼	480	B-2148 (HBP)	.125 NM	Phillips Petroleum Co.	.0546875 .0136719 .0001068 .0001068 .0001810 .0001068 .0001810 .0021717 .0021717 .0008144 .0000854 .0002714 .0002715 .0002715 .0001810 .0023925 .0000569 .0000570 .0000570 .0017089 .0008545 .0000855 .0008544 .0006836 .0032* .0032* .0032* .0032* .0032* .0032* .0008 .1020307	Phillips Petroleum Company Dan P. Black Howard Coghlan Katherine Martin Comer Janet J. Day Estate of E. L. Johnson Edgar S. Johnston Helen M. and E.C. Johnston, Jr. Living Trust Mildren M. and Gordon C. Johnston Jane W. Johnston Jeffrey Ross Johnston Janet Day Trust Edgar S. Johnston Trust Laura Virginia Johnston Trust Laura Johnston M.O. Johnston, Jr. Scott Johnston Stephen D. Johnston Trace Johnston W. C. Johnston Lillian Mordica Trust Linda Susan Seibert Lillian Warren Trust Warren Trust Perry L. Hughes B. G. Davis R.M. Williams H. Wade White Barry L. Antweil BarMar, Inc. Melanie J. Parker	The Wiser Oil Co...100% (.7729693 NRI)

Note: After 270,000 barrels of oil have been produced from Tracts Nos. 4, 5 and 6, the ORIs of Perry L. Hughes et al (marked with an *) increase from .0032 to .0048 - Melanie J. Parker from .0008 to .0012, and Wiser Oil's WI decreases from .7729693 to .7629693 NRI.

<u>Tract No.</u>	<u>Land Description</u>	<u>Acres</u>	<u>Lease No.</u>	<u>Basic Royalty</u>	<u>Lessee of Record</u>	<u>Overriding Royalties</u>	<u>WI Owner and Amount (NRI)</u>
6	T-17-S, R-33-E Sec. 17: N½	320	B-2148 (HBP)	.125 NM	Phillips Petroleum Co.	.0546875 .0032 .0032 .0032 .0032 .0032 .0032 <u>.0008</u> .0746875	Phillips Petroleum Company Perry L. Hughes B. G. Davis R.M. Williams H. Wade White Barry L. Antweil BarMar, Inc. Melanie J. Parker
Note: After 270,000 barrels of oil have been produced from Tracts Nos. 4, 5 and 6, the ORIs of Perry L. Hughes et al (but not Phillips Petroleum) increase from .0032 to .0048 - Melanie J. Parker from .0008 to .0012, and Wiser Oil's WI decreases from .8003125 to .7903125 NRI.							
7	T-17-S, R-33-E Sec. 17: S½ Sec. 20: N½	640	B-2148 (HBP)	.125 NM	Phillips Petroleum Co.	.03125 .0082 .0082 .0082 .0082 .0082 .0082 <u>.00205</u> .0825	The Wiser Oil Co...100% (.7925 NRI)

- Notes:
- (1)

Wiser Oil's ORI is .03125 when production averages less than 40 barrels of oil per well per day, but increases to .0625 when production averages more than 40 barrels per day, and on gas. Similarly, the ORIs of Perry L. Hughes et al increase from 0082 to .0132 - Melanie J. Parker from .00205 to .0033. During that period when this larger ORI is paid, Wiser Oil's WI is .73 NRI.

(2)

After 800,000 barrels have been produced from Tracts Nos. 3, 7, 8, 12 and 13, the ORIs of Perry L. Hughes et al (but not Wiser Oil's ORI) increase from .0082 to .0098 NRI - Melanie J. Parker from .00205 to .00245, and Wiser Oil's WI decreases from .7925 to .7825 NRI.

(3)

Caspen Oil, Inc. owns a net profits interest payable from 35% of 81.25% (75% when all of the larger ORIs are paid) of production from the surface to a depth of 5,200 feet, as provided for in that certain (i) Contract of Sale and (ii) Net Profits Operating Agreement, both dated June 26, 1961 by and between Western Oil Fields, Inc. and Zapata Petroleum Corporation.

<u>Tract No.</u>	<u>Land Description</u>	<u>Acres</u>	<u>Lease No.</u>	<u>Basic Royalty</u>	<u>Lessee of Record</u>	<u>Overriding Royalties</u>	<u>WI Owner and Amount (NRI)</u>
8	T-17-S, R-33-E Sec. 19: N ¹ / ₂ SE ¹ / ₄ N ¹ / ₂ SW ¹ / ₄ SE ¹ / ₄ SW ¹ / ₄	600	B-2148 (HBP)	.125 NM	Phillips Petroleum Co.	.0273438 The Wiser Oil Company .007575 Perry L. Hughes .007575 B. G. Davis .007575 R.M. Williams .007575 H. Wade White .007575 Barry L. Antweil .007575 BarMar, Inc. <u>.0018937</u> Melanie J. Parker .0746875	The Wiser Oil Co...100% (.8003125 NRI)

Note: After 800,000 barrels of oil have been produced from Tracts Nos. 3, 7, 8, 12 and 13, the ORIs of Perry L. Hughes et al (but not Wiser Oil's ORI) increase from .007575 to .009175 - Melanie J. Parker from .0018937 to .0022937, and Wiser Oil's WI decreases from .8003125 to .7903125 NRI.

9	T-17-S, R-33-E Sec. 19: SW ¹ / ₄ SW ¹ / ₄	40	B-2148 (HBP)	.125 NM	Phillips Petroleum Co.	.0546875 Phillips Petroleum Company .0032 Perry L. Hughes .0032 B. G. Davis .0032 R. M. Williams .0032 H. Wade White .0032 Barry L. Antweil .0032 BarMar, Inc. <u>.0008</u> Melanie J. Parker .0746875	The Wiser Oil Co...100% (.8003125 NRI)
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<u>Tract No.</u>	<u>Land Description</u>	<u>Acres</u>	<u>Lease No.</u>	<u>Basic Royalty</u>	<u>Lessee of Record</u>	<u>Overriding Royalties</u>	<u>WI Owner and Amount (NRI)</u>
10	T-17-S, R-33-E Sec. 20:S½ Sec. 21:W½W½, SE¼NW¼, SE¼SW¼,	560	B-2148 (HBP)	.125 NM	Phillips Petroleum Co.	.02000000 Phillips Petroleum Company .022467148 The Wiser Oil Company .00040000 Helen L. Crowder .00030000 Edwin Dale McCarter .00010000 Richard A. Vannoy .00920000 Texas Crude Energy, Inc. .00250000 EnCap Investments, Inc. .00250000 Eugene C. Fiedorek .00549475 Perry L. Hughes .00399475 B. G. Davis .00399475 R.M. Williams .00399475 H. Wade White .00499475 Barry L. Antweil .00399475 BarMar, Inc. <u>.00099869</u> Melanie J. Parker .08493437	The Wiser Oil Co...100% (.79006563 NRI)

Note: After 125,000 barrels of oil have been produced from Tracts Nos. 10 and 11, the ORIs of all owners except Phillips Petroleum and Wiser Oil shall increase to the following percentages, to-wit:

Helen L. Crowder	.0006
Edwin Dale McCarter	.00045
Richard A. Vannoy	.00015
Texas Crude Energy, Inc.	.0138
EnCap Investments, Inc.	.00375
Eugene C. Fiedorek	.00375
Perry L. Hughes	.00644475
B. G. Davis	.00419475
R. M. Williams	.00419475
H. Wade White	.00419475
Barry L. Antweil	.00569475
BarMar, Inc.	.00419475
Melanie J. Parker	.00104869

and Wiser Oil's WI decreases from .79006563 to .78006563 NRI.

<u>Tract No.</u>	<u>Land Description</u>	<u>Acres</u>	<u>Lease No.</u>	<u>Basic Royalty</u>	<u>Lessee of Record</u>	<u>Overriding Royalties</u>	<u>WI Owner and Amount (NRI)</u>
11	T-17-S, R-33-E Sec. 29; NE¼NE¼	40	B-2229 (HBP)	.125 NM	Phillips Petroleum Co.	.02000000 .02246718 .00040000 .00030000 .00010000 .00920000 .00250000 .00250000 .00549475 .00399475 .00399475 .00399475 .00399475 .00499475 .00399475 <u>.00099869</u> .08493437	Phillips Petroleum Company The Wiser Oil Company Helen L. Crowder Edwin Dale McCarter Richard A. Vannoy Texas Crude Energy, Inc. EnCap Investments, Inc. Eugene C. Fiedorek Perry L. Hughes B. G. Davis R.M. Williams H. Wade White Barry L. Antweil BarMar, Inc. Melanie J. Parker The Wiser Oil Co...100% (.79006563)

Note: After 125,000 barrels of oil have been produced from Tracts Nos. 10 and 11, the ORIs of all owners except Phillips Petroleum and Wiser Oil shall increase to the following percentages, to-wit:

Helen L. Crowder	.0006
Edwin Dale McCarter	.00045
Richard A. Vannoy	.00015
Texas Crude Energy, Inc.	.0138
EnCap Investments, Inc.	.00375
Eugene C. Fiedorek	.00375
Perry L. Hughes	.00644475
B. G. Davis	.00419475
R.M. Williams	.00419475
H. Wade White	.00419475
Barry L. Antweil	.00569475
BarMar, Inc.	.00419475
Melanie J. Parker	.00104869

and Wiser Oil's WI decreases from .79006563 to .78006563 NRI.

<u>Tract No.</u>	<u>Land Description</u>	<u>Acres</u>	<u>Lease No.</u>	<u>Basic Royalty</u>	<u>Lessee of Record</u>	<u>Overriding Royalties</u>	<u>WI Owner and Amount (NRI)</u>
12	T-17-S, R-33-E Sec. 28: W½, SE¼, SW¼NE¼	520	B-2229 (HBP)	.125 NM	Phillips Petroleum Co.	.0546875 .0032 .0032 .0032 .0032 .0032 .0032 <u>.0008</u> .00746875	Phillips Petroleum Company Perry L. Hughes B. G. Davis R.M. Williams H. Wade White Barry L. Antweil BarMar, Inc. Melanie J. Parker
							The Wiser Oil Co...100% (.8003125 NRI)

Note: After 800,000 barrels of oil have been produced from Tracts Nos. 3, 7, 8, 12 and 13, the ORIs of Perry L. Hughes et al (but not Phillips Petroleum) increase from .0032 to .0048 - Melanie J. Parker from .0008 to .0012, and Wiser Oil's WI decreases from .8003125 to .7903125 NRI.

13	T-17-S, R-33-E Sec 27: NW¼SW¼	40	B-2229 (HBP)	.125 NM	Phillips Petroleum Co.	.0546875 .0032 .0032 .0032 .0032 .0032 .0032 <u>.0008</u>	Phillips Petroleum Company Perry L. Hughes B. G. Davis R.M. Williams H. Wade White Barry L. Antweil BarMar, Inc. Melanie J. Parker
							The Wiser Oil Co...100% (.8003125 NRI)

Notes: (1) After 800,000 barrels of oil have been produced from Tracts Nos. 3, 7, 8, 12 and 13, the ORIs of Perry L. Hughes, et al (but not Phillips Petroleum) increase from .0032 to .0048 - Melanie J. Parker from .0008 to .0012, and Wiser Oil's WI decreases from .8003125 to .7903125 NRI.

(2) Tracts Nos. 4 through 13 are State Lands which total 3,400 acres and 85.2062% participation in the Unit.