



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Bill Richardson
Governor
Joanna Prukop
Cabinet Secretary

July 14, 2003

Lori Wrotenbery
Director
Oil Conservation Division

The Wiser Oil Company
P. O. Box 2568
Hobbs, New Mexico 88240

Attention: Mary Jo Turner



30-015-32874

Administrative Order NSL-4915 (SD)

Dear Ms. Turner:

Reference is made to the following: (i) your application dated June 18, 2003 (*administrative application reference No. pMES0-319252697*), which was received by the New Mexico Oil Conservation Division ("Division") in Santa Fe on July 11, 2003; (ii) Mr. Michael E. Stogner's, Engineer/Chief Hearing Officer with the Division in Santa Fe, New Mexico, telephone conversation with Mr. James Bruce, Legal Counsel for The Wiser Oil Company ("Wiser") on Friday afternoon, July 11, 2003; and (iii) the Division's records in Santa Fe: all concerning Wiser's request for an unorthodox infill oil well location within an existing standard 40-acre oil spacing and proration unit comprising the SW/4 SE/4 (Unit O) of Section 16, Township 17 South, Range 31 East, NMPM, Grayburg Jackson (Seven Rivers-Queen-Grayburg-San Andres) Pool (28509), Eddy County, New Mexico.

This application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

This 40-acre Grayburg Jackson unit is currently dedicated to Wiser's State "B" Well No. 2 (API No. 30-015-05171) located at a standard oil well location 990 feet from the South line and 2310 feet from the East line of Section 16.

It is our understanding that the 160-acre area comprising the SE/4 of Section 16 is a single state lease issued by the New Mexico State Land Office (State Lease No. B-02613) with common ownership in which Wiser is the leasehold operator; therefore, there are no adversely effected offsets to the subject 40-acre tract within the Seven Rivers-Queen-Grayburg-San Andres producing interval.

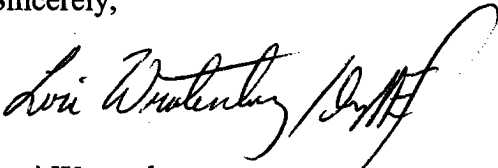
It is further understood that such unorthodox location is being sought in order to minimize drainage effects in that this location is approximately equidistance to other offsetting Grayburg Jackson oil producers within this lease. The proposed infill oil well location will enable Wiser to further develop and deplete this pool's reserves within the State "B" State lease that might not otherwise be recovered.

By the authority granted me under the provisions of Division Rule 104.F (2), the following described well to be drilled at an unorthodox infill oil well location within the SW/4 SE/4 (Unit O) of Section 16 is hereby approved:

**State "B" Well No. 5
1310' FSL & 1330' FEL.**

Further, both the existing State "B" Well No. 2 and the proposed State "B" Well No. 5 are to be simultaneously dedicated to the subject 40-acre unit.

Sincerely,



Lori Wrotenbery
Director

LW/mes

cc: New Mexico Oil Conservation Division – Artesia ✓
New Mexico State Land Office – Santa Fe
James Bruce, Legal Counsel for The Wiser Oil Company – Santa Fe