N. M. Oil Cons. Prision

-orm 3160-3 (July 1992)

UNITED STATES

SUBMIT IN TRIPLIC (Other Instructions on reverse side)

FORM APPROVED OMB NO. 1004-0136

Expires: February 28, 1995 DEPARTMENT OF THE INTERIOR 5..LEASE DESIGNATION AND SERIAL NO. 1397 **BUREAU OF LAND MANAGEMENT** LC-029418-B APPLICATION FOR PERMIT TO DRILL OR DEEPEN 6..IF INDIAN, ALLOTTEE OR TRIBE NAM 1a TYPE OF WORK N/A DRILL DEEPEN 7. UNIT AGREEMENT NAME Skelly Unit (17540) b. TYPE OF WELL 8. FARM OR LEASE NAME, WELL NO. Off GAS SINGLE MULTIPLE Skelly Lea "D" #3 WEL WELI OTHER ZONE ZONE 2. NAME OF OPERATOR 9. API WELL NO. The Wiser Oil Company (22922) 30-015-3. ADDRESS AND TELEPHONE NO. 10. FIELD AND POOL OR WILDCAT c/o J. O. Easley, Inc., P. O. Box 245, Artesia, NM 88211-0245 Grayburg Jackson 7-Rivers-QN-GB-SA (28509) 4. LOCATION OF WELL (Report location clearly and in accordance with any State re-11. SEC., T., R., M., OR BLK. 1296' FNL & 2615' FWL, Unit C AND SURVEY OR AREA 1296' FNL & 2615' FWL, Unit C At proposed prod. Zone 26, 17S-31E, N.M.P.M. 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 12. COUNTY FOR PARISH 13.STATE Eddy **NM** 7.5 miles east of Loco Hills, New Mexico NO. OF ACRES ASSIGNED LOCATION TO NEAREST TO THIS WELL 2615' PROPERTY OR LEASE LINE, FT. 40 1920.00 (Also to nearest drlg. unit line, if any) 18. DISTANCE FROM PROPOSED LOCATION * 19. PROPOSED DEPTH 20. ROTARY OR CABLE TOOLS TO NEAREST WELL, DRILLING, COMPLETED 857' 4800' Rotary OR APPLIED FOR, ON THIS LEASE, FT. 21. ELEVATIONS (Show whether DF, RT, GR, etc.) 22. APPROX. DATE WORK WILL START * 3761 5-1-97 23. PROPOSED CASING AND CEME TTACONTROLLED WATER BASIN SIZE OF HOLE GRADE, SIZE OF CASING WEIGHT PER FOOT 12 1/4" 8 5/8" 8RD X-42 20# Circulate to surface TNESS 7 7/8" 5 1/2" J-55 17# Circulate APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND Duration of Program: Drilling - Nine (9) days SPECIAL STIPULATIONS Completion - Thirty (30) days

See attached for complete Drilling Program

ATTACHED BLM

ROSWELL, NM **EXHIBITS**

Exhibit "A": Drilling Program

Exhibit "D": Land Survey Plat

Exhibit "G": Rig Layout

Exhibit "B": H2S Plan

Exhibit "E": Vicinity Plat

Exhibit "H": BOP Layout

Exhibit "C": Surface Use Plan

Exhibit "F": Existing Well Plat

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24 SIGNED Michael R. Burch, CPL

Agent for The Wiser Oil Company

(This space for Federal or State office use)

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

HORIG SCHOOL TORY OF HOUSE APPROVED BY

6/30/97

*See Instructions On Reverse Side