

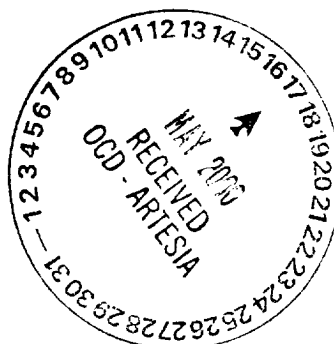


**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

May 12, 2000

James Bruce
P. O. Box 1056
Santa Fe, New Mexico 87504



Telefax No. (505) 982-2151

Administrative Order NSL-4448

Dear Mr. Bruce:

Reference is made to the following: (i) your joint application dated May 10, 2000 filed on behalf of **The Wiser Oil Company** ("Wiser") and **W. A. & E. R. Hudson, Inc.** ("Hudson"); (ii) a letter of application from Mr. E. Randall Hudson, III dated April 18, 2000; (iii) a telephone conversation on April 24, 2000 between Mr. Michael E. Stogner, Engineer with the New Mexico Oil Conservation Division (ADivision) in Santa Fe and Mr. E. Randall Hudson, III; and (iv) the records of the Division in Santa Fe: all concerning both Wiser's and Hudson's request to drill the following described five wells at unorthodox oil well locations along lease-lines separating three waterflood projects within the Grayburg-Jackson Pool in Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico:

Well Name and Number	API Number	Footage Location	Unit	Section	Dedicated 40-Acre Tract
<i>Wiser's Lea "D" Well No. 24</i>	<i>N/A</i>	<i>10' FN & EL</i>	<i>A</i>	<i>26</i>	<i>NE/4 NE/4</i>
<i>Wiser's Lea "D" Well No. 26</i>	<i>N/A</i>	<i>2630' FNL & 10' FEL</i>	<i>H</i>	<i>26</i>	<i>SE/4 NE/4</i>
<i>Wiser's Skelly Unit Well No. 403</i>	<i>30-015-31069</i>	<i>1330' FSL & 20' FEL</i>	<i>I</i>	<i>23</i>	<i>NE/4 SE/4</i>
<i>Hudson's Puckett "A" WH Well No. 1</i>	<i>30-015-31081</i>	<i>2630' FSL - 10' FWL</i>	<i>L</i>	<i>24</i>	<i>NW/4 SW/4</i>
<i>Hudson's Puckett "A" WH Well No. 2</i>	<i>30-015-31082</i>	<i>1330' FNL & 10' FWL</i>	<i>E</i>	<i>24</i>	<i>SW/4 NW/4</i>

The Division Director Finds That:

- (1) Wiser is the operator of the Skelly Grayburg-Jackson Lea AD \equiv Waterflood Project, established by Division Order No. R-3952. The Lea AD \equiv Federal lease and corresponding Skelly Grayburg-Jackson Lea AD \equiv Waterflood Project Area comprise the following described acreage in Eddy County, New Mexico:

TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM
Section 26: NE/4, S/2 NW/4, and S/2;