



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop
Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

August 18, 2003

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

Attention: Mary Jo Turner

Administrative Order NSL-4927-A (SD)

Dear Ms. Turner:

Reference is made to the following: (i) your application dated June 18, 2003 (***administrative application reference No. pMES0-319254821***), 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; (iii) Mr. Stogner's initial response by letter dated July 14, 2003 requesting information of notice to effected offsetting mineral interests; (iv) Mr. Dave Harper's telephone conversation with Mr. Stogner on Monday, July 21, 2003; (v) Mr. Harper's telefax of July, 21, 2003 with additional information; (vi) Mr. Harper's two telephone conversations with Mr. Stogner on Tuesday, July 22, 2003; (vii) Mr. Harper's telefax of July 29, 2003 with the necessary information to complete this application; and (viii) the Division's records in Santa Fe, including the file on Division Administrative Order NSL-4927 (BHL) (SD): 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 SW/4 (Unit M) 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 simultaneously dedicated to Wiser's:

- (i) State "AZ" Well No. 1 (API No. 30-015-05163), located at a standard oil well location 990 feet from the South and West lines of Section 16;
- (ii) State "AZ" Well No. 2 (API No. 30-015-05175), located at a standard oil well location 330 feet from the South line and 990 feet from the West line of Section 16; and

(iii) State "AZ" Well No. 3 (API No. 30-015-29969), a directionally drilled well located on the surface 10 feet from the South line and 170 feet from the West line (Unit M) of Section 16 and completed in the Grayburg-Jackson Pool at an unorthodox subsurface infill oil well location 19 feet from the South line and 9 feet from the West line (Unit M) of Section 16 [approved by Division Administrative Order NSL-4927 (BHL) (SD), dated July 25, 2003].

It is the Division's understanding that this unorthodox infill oil well location is being sought in order to minimize drainage effects in that this location is approximately equidistance, more or less, to other offsetting Grayburg-Jackson oil producers within the immediate area. The proposed infill oil well location will enable Wiser to further develop and deplete this pool's reserves within the State "AZ" 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 SW/4 (Unit M) of Section 16, Township 17 South, Range 31 East, NMPM, Grayburg-Jackson (Seven Rivers-Queen-Grayburg-San Andres) Pool (28509), Eddy County, New Mexico, is hereby approved:

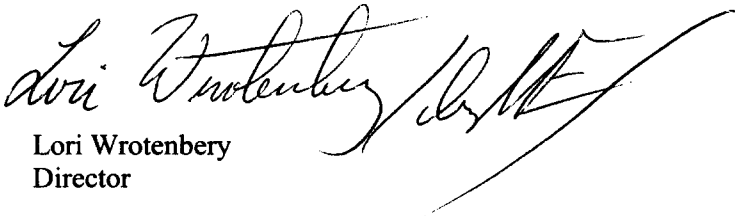
**State "AZ" Well No. 4
1310' FSL & 330' FWL.**

Further, the existing State "AZ" Wells No. 1, 2, and 3 and the proposed State "AZ" Well No. 4 are to be simultaneously dedicated to the subject 40-acre unit.

It is further ordered that all provisions applicable to Wiser's State "AZ" Well No. 3 included in Division Administrative Order No. NSL-4927 (BHL) (SD), not in conflict with this order, shall remain in full force and affect until further notice.

Jurisdiction of this matter shall be further retained for the entry of any such subsequent orders as the Division may deem necessary.

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
Dave Harper, (The) Wiser Oil Company – Dallas, TX
File: NSL-4927 (BHL) (SD)