EXHIBITS FOR SHAHARA OIL'S W/2 SECTION 16 UNIT

ATTACHED TO THE APPLICATION:

- Unit Agreement with Ratifications (15 all WI and ORRI owners except Dale McCarter and Norwest Bank, Trustee)
- 2. Form C-108 with following listed attachments

Statement (2 p)

- A) Map Area of Review
- A-1) Enlarged Map Development Plan
- B) Well Data and Schematic Diagrams of Proposed Injection Wells (4 p)
- C) Well Data for Wells within the Area of Review (3 p)
- D) Well Data & Schematic Diagram of Plugged and Abandoned Well Bores within the Area of Review (10 p)
- 3. Cooperative Unit Line Well and Unit Line Infill Drilling Agreement between The Wiser Oil Company and Shahara Oil, with attached Operating Agreement
- 4. Unit Operating Agreement with Ratifications (6 all WI owners except McCarter)

NEW EXHIBITS:

- 5. McCarter's Ratifications (2 Unit Agreement and Unit Operating Agreement)
- 6. Structure Map
- 7. Cross-Section (A-A')
- 8. Cross-Section (B-B')
- Area Map with injection pressures of other area wells
- 10. Applications for Permit to Drill and Well Location and Acreage Dedication Plats for Phillips State Wells Nos. 9, 10, 11, 12, 13, 14, 15, 100, 101
- 11. Approval by Wiser Oil (12/8/97) of revised locations for Wells Nos. 100 and 101
- 12. Pressurized Water Sale Agreement between Wiser Oil and Shahara Oil
- 13. Financial Summary and Summary of Redevelopment Costs

RATIFICATION OF UNIT AGREEMENT

The undersigned acknowledges receipt of a copy of that certain Unit Agreement for the Development and Operation of the Shahara State Unit Area, Lea County, New Mexico, and hereby ratifies the same for all purposes. Dated this day of FEBRUARY, 1998. STATE OF TEXAS COUNTY OF MIDLAND The foregoing instrument was acknowledged before me this ℓ^{**} day of FEBRUARY, 1998, by DALE MCCARTER. My Commission Expires: **TINA GREER** Notary Public, State of Texas My Commission Expires 02-08-96 STATE OF COUNTY OF The foregoing instrument was acknowledged before me this _ day of _____, 1997, by _____ __, a _____ corporation, on behalf of the corporation.

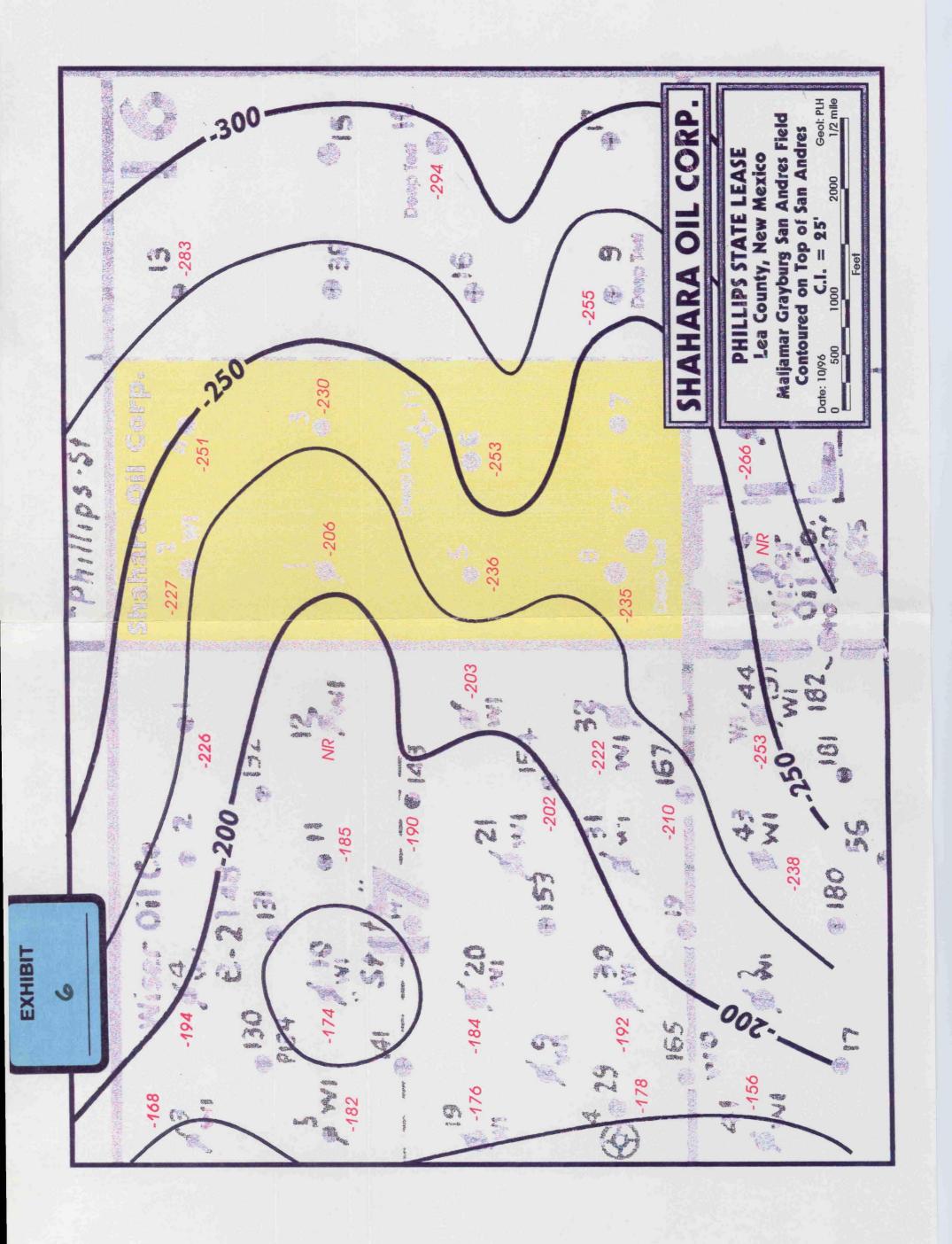


My Commission Expires:

Notary Public

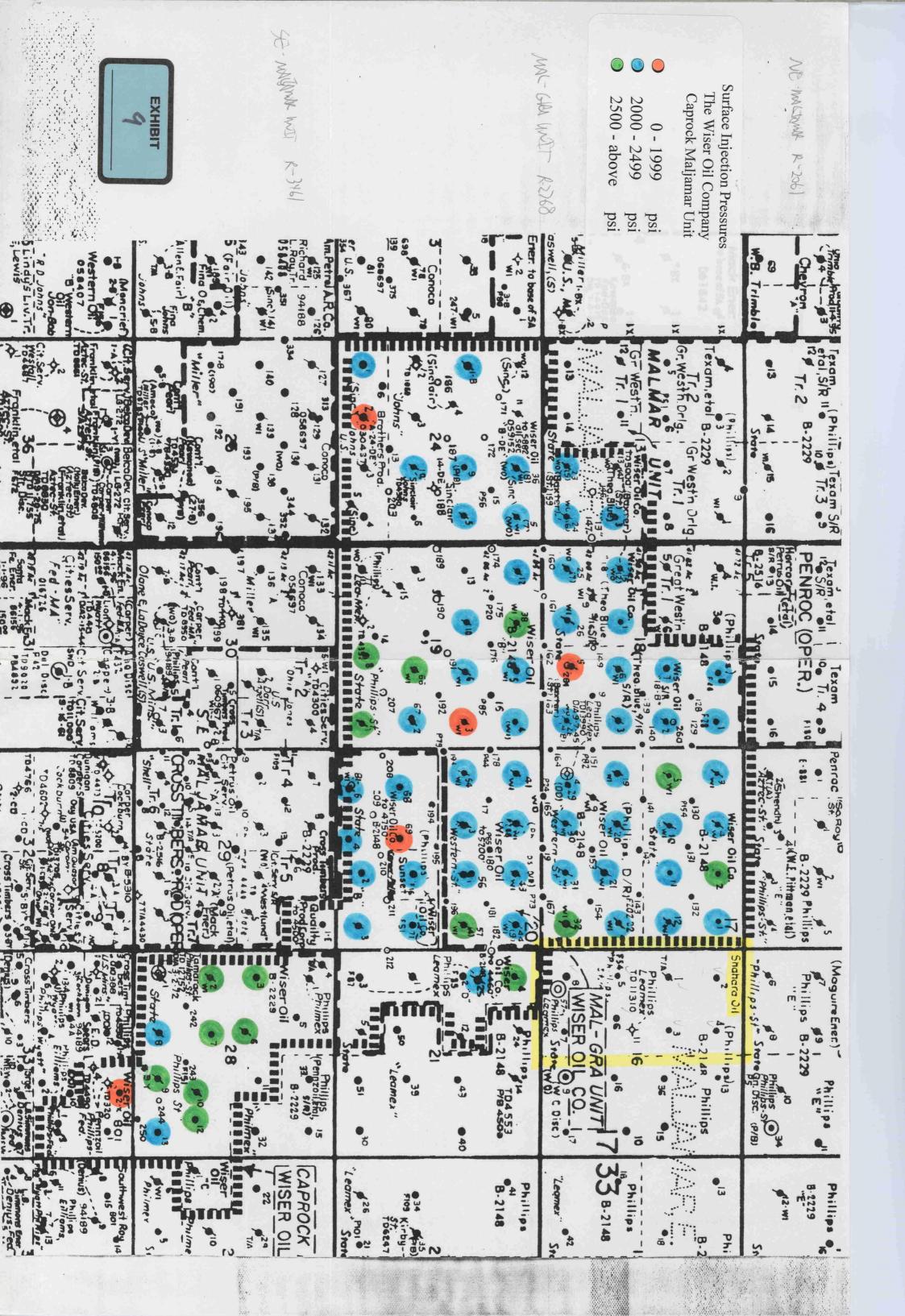
RATIFICATION OF UNIT OPERATING AGREEMENT

The undersigned acknowledge	ges receipt of a copy of that certain
Unit Operating Agreement for	the Shahara State Unit Area, Lea
A 1A	ratifies the same for all purposes.
Dated this day of	EBRUARY, 1998.
	A. M.
	Man Maria
	(Signature)
	DAVE Mª CANTON
	(Printed Name)
STATE OF TEXAS COUNTY OF MIDLAND	
The foregoing instrument day of FEBRUARY , 1	was acknowledged before me this <u>{</u> ** 99 8 , by <u>DALE McCARTER</u> .
W. Committee Tourism	Tina Drew
My Commission Expires:	Notary Public
2-4-98	TINA GREER Notary Public, State of Texas My Commission Expires 02-09-98
STATE OF COUNTY OF	(
	was acknowledged before me this
day of, 19	97, by, of, on
behalf of the corporation.	
My Commission Expires:	Notary Public
my Commission Dapites.	notary rabite



LARGE FORMAT EXHIBIT HAS BEEN REMOVED AND IS LOCATED IN THE NEXT FILE

LARGE FORMAT EXHIBIT HAS BEEN REMOVED AND IS LOCATED IN THE NEXT FILE



State of New Mexico

Energy, Minerals & Natural Resources Department

PO Box 1980, Hobbs, NM 88241-1980

Form C-101

Revised February 10, 1994

na ii			OIL (CONSERV	/ATION D	IVISION		instru	ctions on back
S. First St., Artesia, N	IM 88210			2040 S.	Pacheco :	St.	S	ubmit to Appropriate	District Office
unat III				Santa Fe	, NM 975	504		State Le	ase - 6 Copies
O Rio Brazos Rd., Azt	ec, NM 87410							Fee Le	ase - 5 Copies
trict IV									
0 S. Pacheco St., Sar	nta Fe, NM 87504							AMENI	DED REPORT
PPLICATIO	N FOR PE	RMIT TO I	ORILL, R	E-ENTER	, DEEPEN	I, PLUGBAC	K OR ADI	O A ZONE	
	/		1. Operator Nan	ne and Address				2. OGRID	iumber
	Shahara Oi	I, LLC						1431	19
	207 W. McH	(ay						3. API N	mber
	Carlsbad, N	NM 88220						30-025-	
4. Proper	ry Code				5. Property	Name			6. Well No.
167	70	l :		Phillips :	State				9
				7. Surf	ace Location				
Ut, or lot no.	Section	Township	Range	Lot idn.	Feet From the	North/South Line	Fest From the	East/West Line	County
F	16	17S	33E		1335	North	1335	West	Lea
Ut. or lot no.	Section	Township	Range	Lot idn.	Feet From the	rent From Surface North/South Line	Feet From the	East/West Line	County
	Maljamar G	9. Proposed Po		res			10. Pro	iosed Pool 2	
11. Work 1	ype Code	12. Well T	'ype Code	13. Ca	ole/Rotary	14. Leese	Type Code	15. Ground Le	vel Elevation
N	1)		R	S	;	419	3'
18. M	Alpie	17. Propo	sed Depth	18. F	ormation	19. Cor	tractor	20. Spu	Date
N	0	48	50'	San A	ndres	L&ME	rilling	Septembe	r 1, 1997
			21.	Proposed Casi	ng and Cemen	t Program			
Hole Size	Casing Size	Casing w	eight/foot	Settin	g Depth	Sacks of	Cement	Estimate	TOC
12 1/4"	8 5/8"	24#		500'		300)	Circulate	
7 7/8"	5 1/2"	17#		4850	·	970		Circ 100' ab	ove 8 5/8
								casing sho	е
i									
. Describe the propos	ed program, if this app	plication is to DEEPE	N or PLUG BACI	C, give the data on	he present producti	ve zone and proposed n	w productive zone.	Describe the blowout	
	ry. Use additional she			•		, ,			
-									

It is proposed to drill the above captioned well to a total depth of 4850' with rotary tools. If commercial production is indicated, the well will be perforated and stimulated as necessary

Blow Out Prevention: 10" Series 900 Type "E" Shaffer Hydraulic BOP

23. I hereby certify that the information given above is true and complete to the best of my	OIL CONSERVATION DIVISION
knowledge and biller.	ORIGINAL SIGNED BY CHRIS WILLIAMS
Signature: Very C/ Sug Kez	Perry I. Hughes
Printed Name: Perry L. Hughes	Approved Date: AUG 08 1997 Expiration Date:
THE: President	Conditions of Approval:
Dete: 07/07/97 Phone: (505) 885-543	33 Attached: EXHIBIT

Permit Expires 1 Year From Approval Date Unless Drilling Underway

DISTRICT I P.O. Box 1980, Hobbs, NM 86341-1980

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102 Revised February 10, 1994 Submit to Appropriate District Office

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OIL CONSERVATION DIVISION

1000 Rio Brazos Rd., Axtee, NM 87410

P.O. Box 2088 Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

DISTRICT IV

DISTRICT III

P.O. Box 2088, Santa Fe, NM 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name Maljamar Grayburg San Andres				
<i>30-025-3</i> 40	<i>20</i> 431	329					
Property Code		P	roperty Name	Well Number			
16770	Phillips :	State	%% MX	9			
OGRID No.		Mevation					
143119		SHAHARA	OIL CORPORATION, LLC	4193			

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Peet from the	North/South line	Feet from the	Bast/West line	County
F	16	17 S	33 E		1335	NORTH	1335	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acre	s Joint o	or Infill Co	nsolidation (Code Or	der No.			I	<u></u>

		OPERATOR CERTIFICATION
355'=	ļ	I hereby certify the the information contained herein is true and complete to the
		best of may knowledge and belief.
4194.4' 4191.6'	i	Von PILO
		Signature
4194,1' 4191.0'	<u> </u>	Perry W. Hughes
4134,1	!	President
		107/07/97
	i	Date
		SURVEYOR CERTIFICATION
į	1	I hereby certify that the well location shown on this plat was plotted from field notes of
	!	actual surveys made by me or under my supervison, and that the same is true and
	·	correct to the best of my belief.
	!	JUNE 23, 1997
		Date Surveyed Within JLP
!	i	Protection Suiveren On
		Kapa 1 1038 V 25-97
i		100 Nam. 97-11 2 5003
\ \ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\	1	Certificate No. 100 SEST. 676
		PROFESSION 3239 ROFESSION EIDSON 12841

DISTRICT I P.O. Box 1980, Hobbs, NM 86241-1960

State of New Mexico

Energy, Minerale and Natural Resources Department

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DISTRICT III

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

AMENDED REPORT

1000 Rio Braxos Rd., Axtec, NM 87410

DISTRICT IV P.G. Box 2068, Santa Fe, NM 87504-2068

WELL LOCATION AND ACREAGE DEDICATION PLAT

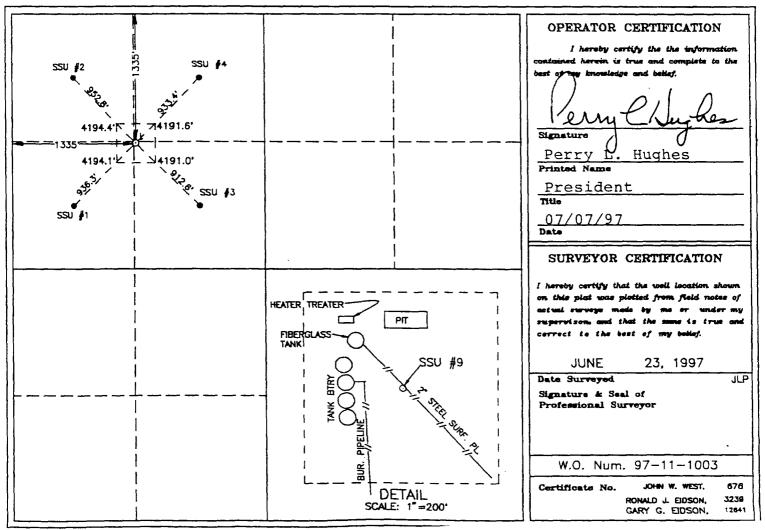
API Number	Pool Code	Pool Name	
	43329	Maljamar Grayburg San And	dres
Property Code	Pr	operty Name	Well Number
16770	Phillips State	SSU X	9
OGRID No.	Ор	Elevation	
143119	SHAHARA (OIL CORPORATION , LLC	4193

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	Bast/West line	County
F	16	17 S	33 E		1335	NORTH	1335	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint o	r Infili C	onsolidation (Code Or	ier No.	 			



State of New Mexico Energy, Minerals & Natural Resources Department

Form C-101

PO Box 1980, Hobbs, NM 88241-1980

811 S. First St., Artesia, NM 88210

OIL CONSERVATION DIVISION 2040 S. Pacheco St. Santa Fe, NM 97504

Pormit Expires 1 Year From Approval Date Unless Drilling Underway

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000 Rio Brazos Rd., Az	rtec, NM 87410							Fee La	ase - 5 Copies	
istnot iV										
040 S. Pacheco St., Sa	inta Fe, NM 87504							AMEN	DED REPORT	
APPLICATION	ON FOR PE	RMIT TO I	DRILL, R	E-ENTER	R, DEEPEN	I, PLUGBAC	K OR ADI	A ZONE		
			1. Operator Nam		-			2. OGRID I	Number	
/	Shahara Oi	I. LLC						1431	10	
	207 W. McH	•								
	Carlsbad, N	-	l					30.025		
4. Prope					5. Property	Name			6. Wed No.	
167	770	!		Phillips	State				10	
					face Location			<u>_</u>		
UL or lot no.	Section	Township	Range	Lot ide.	Feet From the	North/South Line	Feet From the	East/West Line	County	
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	<u> </u>	9. Proposed Po	ool 1				10. Prop	osed Pool 2		
	Maljamar G	Frayburg S	San Andı	res						
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		17. Propo		18. Formation				·	 -	
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Hote Stre	Casing Size	Casing w			ing Depth	Sacks of	Cament	Estimated	TOC	
12 1/4"	8 5/8"	24#		500'		300		Circulate		
7 7/8"	5 1/2"	17#		4850		970		Circ 100' above 8 5/8'		
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	osed program. If the epp any, Use additional shee		IN OF PLOTS OFFICE	" (Bute nue nem nu	the hazers browns	te some sun hinhosen ne	W productive cone.	Овистре те сижиц		
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	• •			-		•		-	l•	
		iai product	ion is inc	icated, tri	e well will t	be perforated	t and stimi	lated as		
	necessary									
	Blow Out P	revention:	10" Serie	s 900 Ty	pe "E" Sha	affer Hydrauli	ic BOP			
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23. I hereby certify the knowledge and belief.	at the leformezon give	bove is true and-con	hpieta to une case.	ж my	-		ם משנים	V CHRIS WIL	HAMS:	
	1 1	///	12.		Approved by:	ORIGINAL	SIGNED	UPERVISOR		
Signature:	- pure	<u> </u>	1 hes		Title:	UI	9100			
Printed Name:		ghes (<u>/</u>		Approval Date:	AUG 08	1997	Expiration Date:		
Title:	President	,			Conditions of App	rovet				
L.	07/07/97	Chanci	505-885.	-5433	Attacked:					

OISTRICT I P.O. Bux 1880, Hobbs, NM 88841-1980

State of New Mexico

Energy, Elmerals and Natural Resources Department.

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DISTRICT III 1000 Bio Brazos Rd., Axtee, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

DISTRICT IV P.O. Box 2008, Santa Fe, NM 87504-2086

0. Box 2088, Sant	Fe, NM 876	504-2066								
			WELL LO	CATION	AND ACREA	AGE DEDICATION	ON PLAT			
-	Number	_	1	Pool Code			Pool Name	· · · · · · · · · · · · · · · · · · ·		
30-025	-340	<u> </u>	43329		Ma	ljamar Gray	burg San	Andres		
Property (code			a	Property Nam	ne		Well Num	ber	
16770		Phi	illips	State	228X			10		
143119				SHAH	Operator Naz ARA OIL CO		LLC	#191	n.	
					Surface Loc	ation				
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	Bast/West line	County	
F	16	17 S	33 E		2625	NORTH	1335	WEST	LEA	
			Bottom	Hole Lo	cation If Diff	erent From Sur	face		<u> </u>	
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
		1							1	
Dedicated Acre	Joint o	or Infill C	onsolidation	Code Or	rder No.					
40								· · · · · · · · · · · · · · · · · · ·		
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					į		Presid			

<u>President</u> Title 07/07/97 Date 4193.1' 4190.8 SURVEYOR CERTIFICATION .1335'<u>-</u> I hereby certify that the well location sh 4191.8 4189.7 on this plat was plotted from field notes of ectual curveys made by me or under my supervison, and that the same is true and correct to the best of my belief. Date Surveyor San 500 Mills 23. 1997 JLP Corculosta No. PROFE SONOM SEIDSON. 676 3239 12641

DISTRICT I P.O. Bex 1980, Hobbs, NM 58241-1980

State of New Mexico

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WEST

DISTRICT II P.O. Drawer DD. Artemia, NM 88211-0719

DISTRICT III 1000 Rio Brazos Rd., Axtec, NM 87410 OIL CONSERVATION DIVISION

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Santa Fe, New Mexico 87504-2088

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DISTRICT IV P.O. Bez 2088, Santa Fe, NM 87504-2088

16

17 S | 33 E

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code Pool Name 43329 Maljamar Grayburg San And	res				
Property Code 16770	• • •					
OGRED No. 143119	Operator Name SHAHARA OIL € QR P QR A TON, LLC	Revation 4191				
	Surface Location					
IL or lot No. Section	Township Range Lot Idn Feet from the North/South line Feet from the	East/West line County				

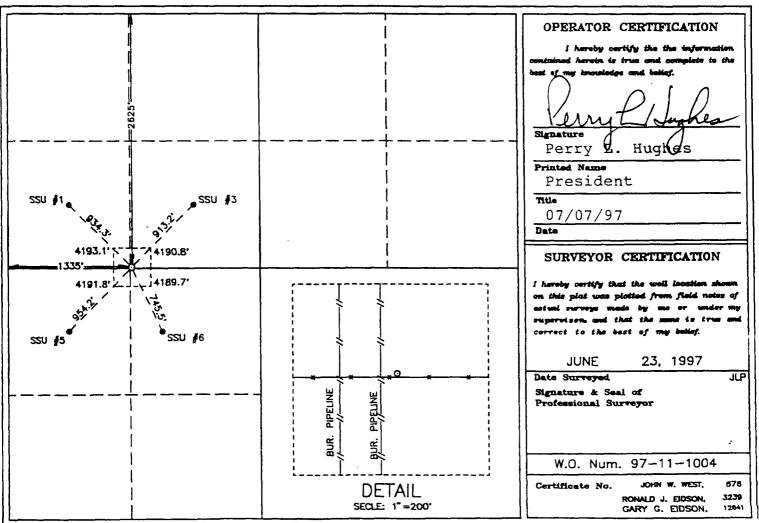
Bottom Hole Location If Different From Surface

NORTH

1335

2625

UL or lot No.	Section	Township	Range	iot idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint or	r infill Con	nsolidation (Code Ore	ier No.	<u></u>		l	



Permit Expires 1 Year From Approval Date Unless Drilling Underway

State of New Mexico Energy, Minerals & Natural Resources Department

PO Box 1980, Hobbs, NM 88241-1980

811 S. First St., Artesia, NM 88210

07/07/97

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Form C-101

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ict IV									
J S. Pacheco SL, S.	enta Fe, NM 87504							AMEN	DED REPORT
PPLICATION	ON FOR PE	RMIT TO	DRILL, R	E-ENTEF	R, DEEPEN	I, PLUGBAC	K OR ADI	O A ZONE	
			1. Operator Nam					2. OGRID	Number
	Shahara Oi	I, LLC						1431	19
	207 W. McF	Cav						3. API N	
	Carlsbad, I	-)					30.02	
4. Proor	erty Code				5. Property	Name		1000	6. Wed No.
16	770			Phillips	State				11
					face Location				
UL or lot no.	Section	Township	Range	Lot idn.	Feet From the	North/South Line	Feet From the	East/West Line	County
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		,	8. Proposed	Battom Hole	Location If Diffe	rent From Surface			···
UL, or lot no.	Section	Township	Range	Lot ldn.	Feet From the	North/South Line	Feet From the	East/West Line	County
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		9. Proposed P					10. Prop	posed Pool 2	
	Maljamar (rayburg	San Andi	res					
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Hote Size	Casing Size	Casing w	reight/fact		ing Depth	Secks of	Cement	Estimate	d TOC
12 1/4"	8 5/8"	24#		500	•	300		Circulate	
7 7/8"	5 1/2"	17#		4850)'	970)	Circ 100' ab	ove 8 5/8"
· <u>···</u>								casing sho	
		<u> </u>		 				July 5.1.5	-
	 			 					
Describe the nmn	ment omoram. If this are	dication is to DEEP!	EN or PLUG BACK	ohe the date on	the present producth	e zone and proposed n	ner nonductive zone	Describe the blowns	
	osed program. If this ap		EN or PLUG BACK	C, give the date on	the present producth	re zone and proposed ne	ew productive zone.	Describe the blowout	
	It is propos	ed to drill t	he above	captione	ed well to a	total depth of	of 4850' wit	th rotary tools	i.
	• •			•		oe perforated		•	-
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i, I hereby certify thi owiedge and belief.	it the information given 4		The pest of the pest of	er uny		UBICII	VAL SIGNIE	D BY CHRIS	WILLIAMS
/	1 Sant	11	. Go		Approved by:	Onidir	DISTRICT	SUPERVISO) R
gneture:	<u> </u>		- Wa-		Title:	A110 AA		1	
inted Name:	Perry La Hu	gnes (' 		Approval Date:	AUG 08	199(Expiration Date:	
Rio:	President				Conditions of App	rovat			

Attached:

505-885-5433

DISTRICT I 2.0. Bez 1980, Hobbs, NM 58241-1980

State of New Mexico

Energy, Minerals and Natural Resources Department

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DISTRICT III

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

AMENDED REPORT

DISTRICT IV

1000 Rio Brazos Rd., Axteo, NM 87410

a Ya XIV 875	04-20 88			•					□ AMENDED	REPORT				
- 74, 114 014		WELL LO	CATION	AND A	ACREA	GE DEDICATION	ON	PLAT						
	092	-			Ma	ljamar Gray	bu	Pool Name rg San	Andres					
	Phil	lips S	tate	-	-	e	Well Number							
			SHAHA	•			INC. LLC 4189							
				Surfac	e Loca	ation				<u>-</u> -				
Section 16	Township 17 S	Range 33 E	Lot ldn			North/South line SOUTH	Pe	et from the	East/West line WEST	County				
l 		Bottom	Hole Loc	eation I	f Diffe	rent From Sur	face			<u> </u>				
Section	Township	Range	Lot Idn	Feet fro	m the	North/South line	Fe	et from the	East/Wost line	County				
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OWABLE V									EEN CONSOLID	ATED				
									OR CERTIFICA					
	Number 5-34 Code 0 0. 19 Section 16	Number 5-34092 Code D Phil c. 19 Section Township 16 17 S Section Township Section Township OWABLE WILL BE A	WELL LOC Number	WELL LOCATION Number	WELL LOCATION AND A Number	WELL LOCATION AND ACREA Number	WELL LOCATION AND ACREAGE DEDICATION Number	WELL LOCATION AND ACREAGE DEDICATION Number	WELL LOCATION AND ACREAGE DEDICATION PLAT Number	WELL LOCATION AND ACREAGE DEDICATION PLAT Number				

Signature Perry L. Hughes Printed Name President Title 07/07/97 Date SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of estual surveys made by see or under my supervison, and that the same is true and correct to the best of my belief. Date Surveyed Minimum Marin Professional Surveyor Son MEXICO MARIN MEXICO SURVEYOR S 4190.7' 4186.2' JIP 4189.3 4191.1 Cordinate No. 676 3239 12641

DISTRICT I F.O. Best 1980, Hobbin, NM 88241-1980

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102
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DISTRICT II P.O. Druwer DDD, Artenia, NM 88211-0719

1000 Rio Brasos Rd., Astec, NM 87410

DISTRICT III

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT IV P.O. Box 2008, Santa Fe, NM 87604-2068 ☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 43329 Mal	Pool Name jamar Grayburg San Andres
Property Code 16770	Property Name Phillips State SSAX	Well Number
OGRID No. 143119	Operator Name SHAHARA OIL XXXXXX	EAXIONK, LLC 4189

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Post from the	Rest/West line	County
М	16	17 S	33 E		1305	SOUTH	1301	WEST	LEA

Bottom Hole Location If Different From Surface

UL or	lot No.	Section.	Township	Range	Lot ldn	Feet from the	North/South line	Feet from the	East/West line	County
Pedica	ted Acres	Joint o	r Infill Co	nsolidation (Code Oz	der No.			<u> </u>	:

	DARD UNIT HAS BEEN APPROVED BY TH	2 DIVIDION
	SCAFE SURF, PIPELINE TO BUR. PIPELINE TO	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. Signature Perry La. Hughes Printed Name President Title 07/07/97 Date SURVEYOR CERTIFICATION
SSU #6 4190.7'\		I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervisors and that the same is true and correct to the best of my belief. JUNE 23, 1997 Date Surveyed JLP Signature & Seal of Professional Surveyor W.O. Nurn. 97-11-1005 Certificate No. JOHN W. WEST. 676 RONALD J. EDSON, 3239 GARY G. EIDSON, 12641

State of New Mexico

10/27/97

Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

Form C-101

Revised February 10, 1994

Instructions on back

PO Drawer DD, Artessa, F	IM 88211-0719			PO E	Box 2088		S	submit to Appropriate	e District Office
District His			Sa	anta Fe, N	IM 97504	-2088		State Le	rase - 6 Copies
1000 Rio Brazos Rd., Azt	ec, NM 87410							Fee Le	ase - 5 Copies
Ohitrict IV									
PO 8art 2088, Santa Fe, I	NM 97504-2068							AMEN	IDED REPORT
APPLICATIO	N FOR PE	RMIT TO D	ORILL, RE	-ENTER,	DEEPEN	, PLUGBACH	OR ADD	A ZONE	
		,	Y Operator Name		_			2. OGRID	Number
			Shahara	Oil, LLC	-Corp	•		143119]
			207 West	t McKay				3. API N	enter
		С	arlsbad,	NM 8822	20			30-025	5-34177
4. Prope	rity Code				5. Property	Name			6. Well No.
16770					Phillips	State			12
		-		7. Surf	ace Location				
UIL or let no.	Section	Township	Range	Lot Idn.	Feet From the	North/South Line	Feet From the	East/West Line	County
D	16	17 S	33 E		331	North	1310	West	Lea
	·		8. Proposed	Bottom Hole L		rent From Surface		1	
UL er let ne.	Section	Township	Range	Lot ide.	Feet From the	North/South Line	Feet From the	Exet/West Line	County
	L	9. Proposed P	pol 1	*	· · · · · · · · · · · · · · · · · · ·		10. Prop	osed Pool 2	
	Maljamar G	ayburg S	San Andr	es					
11. Work	Type Code	12. Well 1	Type Code	13. Cal	bie/Rotery	14. Lease T	ype Code	15. Ground La	rei Beresian
1	V)		R	S	i	419	15'
16. N	halipin .	17, Prope	seed Depth	10. F	16. Formation 16. Contract			29. Spe	i Date
N	0	48	50'	San A	Andres	Norton	Drilling	November	15, 1997
	·	,	21. 8	Proposed Cas	ing and Cemen	t Program			
Hote Size	Casing Size	1	religit/foot	1	ng Depth	Sector of	Corners	Estimate	a TOC
12 1/4"	8 5/8"		4#	 	00,	300		Circulate	
7 7/8"	5 1/2"	1	7#	48	350'	970		Circ 100' at	ove 8 5/8"
					·- ·- ·			casing	shoe
22. Describe the propos	ed program. If this appl	ication is to DEEPEN	or PLUG BACK, giv	e the data on the po	resent productive zon	e and proposed new prod	ustive zone. Describe	the bigwout	······································
proventrion program, if a	ny. Use additional shoot	s if necessary.			1	Da			
ĺ				•	i	Semit Exp	pires 1 Ye	ear From A	provol
	It is propose	ed to drill t	he above	captioned	d will to a t	otal depth of	4850 With	hotary togle	Man Man
						oe perforated			V LLL
ļ	necessary.	•		•		•			i
	1,00000								
	Blow Out B	rovertien:	10" Sorie	se onn Tv	na "E" Sha	affer Hydrauli	io BOD		
	Blow Out P	revertuon.	io dene	35 900 Ty	pe L Gile	iller i iyuraul	C BOP		
23. I hereby earlify that	the information given abo	ove as true and compl	ate to the legal of my	··· ········		OIDEBNE	ALPAIATIO	MOMINION	/ILLIAMS
Immutatge and belief.	11	1/	,)		Approved by:			SUPERVISO	
Sentery /	// lasi.	Ma	rkli.		Title:				·
	June 1	Meranie J	. Parker		Approval Date:	nrT	3 0 1997		
Printed Mama:	· · · · · · · · · · · · · · · · · · ·	Age					,		
Title:		Age	1114		Conditions of Appr	Over.			

505-885-5433

DISTRICT I P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico

Energy, Minerals and Natural Resources Department

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DISTRICT II P.O. Brewer DD, Artesia, NK 88211-0719

OIL CONSERVATION DIVISION
P.O. Box 2088

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

DISTRICT III

DISTRICT IV P.O. Box 2088, Santa Fe, NM 87504-2088

1000 Rio Brazos Rd., Astec. NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name	
30-025-34177	43329	dres	
Property Code	Prop	erty Name	Well Number
16770	PHILLIF	12	
OGRID No.	Oper	ator Name	Elevation
143119	SHAHAR	RA OIL, LLC	4195
L			

Surface Location

UL or lot Na.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	16	17 S	33 E		331	NORTH	1310	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	Bast/West line	County
Dedicated Acres	Joint o	r Infill Co	nsolidation (Code Or	der No.	lu——	<u> </u>	 	

150	OPERATOR CERTIFICATION
1310'	I hereby certify the the information
1	contained herein is true and complete to the best of My knowledge and bellef.
	Signature
 	PENOUL HUGHES
	Printed Name PRESIDENT
	10/23/97 Date
	!
<u> </u>	SURVEYOR CERTIFICATION
	I hereby certify that the well location shown on this plat was plotted from field notes of
!	actual surveys made by me or under my
	supervison, and that the same is true and correct to the best of my bolis.
	OCTOBER 20, 1997
	Date Surveyes William JLP Signature & Bodi 500
	Protection Surveyors On MEXICAN
	Marie N 22 20 Mar. 10-21-97
	7-1-3671
	Certain No. Prest. 676
	Thursday Eldson, 12641

DISTRICT | P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico

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OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

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DISTRICT IV

DISTRICT III

P.O. Box 2088, Santa Fe, NM 87504-2088

1000 Rio Brazos Rd., Axtec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name				
	43329	Maljamar Grayburg San An	dres			
Property Code	Pr	Well Number				
16770	PHILL	IPS STATE	12			
OGRID No.	Ор	erator Name	Rievation			
143119	SHAHA	ARA OIL, LLC	4195			

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	Bast/West line	County
D	16	17 S	33 E		331	NORTH	1310	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acre	Joint o	r Infill Co	nsolidation	Code Or	ier No.			L	

	OPERATOR CERTIFICATION
1310'	I hereby certify the the information
128-	contained herein is true and complete to the best of my knowledge and bellef.
#2 #4	Signature Signature
	Printed Name
	Title Title
	10 23 97
	SURVEYOR CERTIFICATION
	I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervison, and that the same is true and correct to the best of my belief.
	OCTOBER 20, 1997
	Date Surveyed JLP
	Signature & Seal of Professional Surveyor
	W.O. Num. 97–11–1671
	Certificate No. JOHN W. WEST, 676 RONALD J. EIDSON, 32.39 GARY G. EIDSON, 12641

State of New Mexico

Energy, Minerals & Natural Resources Department

ORIGINAL I

O Sex 1980, Hobbe, NM 88241-1980

District II

OIL CONSERVATION DIVISION PO Box 2088 Form C-101

Revised February 10, 1994

instructions on back

Discret N PO Box 2088, Sarta Fe, NM 87504-2089 APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK OR ADD A ZONE Shahara Oil 207 West McKay AMENDED AMENDED 143119	REPORT
Shahara Oil 143119	
Shahara Oil 143119	
207 Mart Makay	
207 West McKay	
, a	
Carlsbad, NM 88220 30-025-30	4178
	Well No.
16770 Phillips State 7. Surface Location	13
	County
404 470 205 4040 3141 4040 3141	Lea
8. Proposed Bottom Hole Location If Different From Surface	
UL or lot no. Section Township Range Lot Idn. Feet From the North/South Line Feet From the East/West Line	County
9. Proposed Pool 1 10. Proposed Pool 2	
Maljamar Grayburg San Andres	
	
11. Work Type Code 12. Well Type Code 13. Cable/Ratary 14. Lesse Type Code 15. Ground Level Elevel N O R S 4187*	
16. Multiple 17. Proposed Depth 18. Formation 19. Contractor 20. Speed Dates	
No 4850' San Andres Norton Drilling November 15, 1	1997
21. Proposed Casing and Cement Program	
Hole State Casing State Casing weight/floot Setting Depth Sactos of Corment Estimated TOC	
12 1/4" 8 5/8" 24# 500' 300 Circulate	
7 7/8" 5 1/2" 17# 4850' 970 Circ 100' above	8 5/8"
casing sho	Э
22. Describe the proposed program. If this application is to DEEPEN or PLUS BACK, give the data on the present productive zone and proposed new preductive zone. Describe the bissocial POINT EXPINES 1 YEST FIGURE.	Approx s
Date Unless Drilling Under	erway
It is proposed to drill the above captioned will to a total depth of 4850' with rotary tools.	
If commerical production is indicated, the well will be perforated and stimulated as	
necessary.	
Blow Out Prevention: 10" Series 900 Type "E" Shaffer Hydraulic BOP	
23. I harroby cartify that the information given above in true and complete by the best of my OIL CONSERVATION DIVISION IAM	ns
Approved by: ORIGINAL SIGNED BY CHAIS OR DISTRICT I SUPERVISOR	
Street / I CAN 10 / I	
Printed Name: Melanie J. Parker Approved Date: 0CT 3 0 1997	
Tible: Agent conditions of Approval:	
	- 11

DISTRICT | P.O. Bez 1990, Hobbs, NM 20241-1980

State of New Mexico

Energy, Minorale and Natural Resources Department

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DISTRICT III
1000 Rio Brazos Rd., Axtec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

AMENDED REPORT

DISTRICT IV P.O. Box 2088, Santa Fe, NK 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

3D-02	Number	178	Pool Code Pool Name 78 43329 Maljamar Grayburg San Andr								
Property (Property Name Well Number PHILLIPS STATE 13								
0GRID No.			Operator Name SHAHARA OIL, LLC								
					Surface Loca	ation					
UL or lot No.	Section	Township	Renge	Lot Idn	Peet from the	North/South line	Peet from the	East/West line	County		
С	16	17 S	33 E		1310	NORTH	2309	WEST	LEA		
			Bottom	Hole Loc	ation If Diffe	rent From Sur	face				
OL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County		
Dedicated Acre	Joint o	r Infill Co	nsolidation (Code Ore	der No.	<u> </u>			··		
NO ALLA	WABLE V					NTIL ALL INTER APPROVED BY		EEN CONSOLIDA	ATED		
	- 1		1				OPERATO	OR CERTIFICAT	TION		

	•		OPERATOR CERTIFICATION
			I hereby certify the the information
!	1310.	į.	contained herein is true and complete to the best of my knowledge and belief.
		1	Jerry C Suches
2309'-			Herry L. Duckes
		1	Printed Name -
			Title 10/23/97
		l I	10/23/77 Date
	l	İ	SURVEYOR CERTIFICATION
		1	I hereby certify that the well location shows on this plat was platted from field noise of
		!	actual surveys made by me or under my supervisors and that the same is true and
			correct to the best of my belief.
	 -	1	OCTOBER 20, 1997
	 		Date Surgenduming JLP Signature Description Professional Survey of the
	 		Preferational Survey of
	 		1000 10-21-97
	İ	į	₩.O. Wm. 97-18-1672
	1		Clarence No. 100 WEST, 676
L	1		PROFESSION 3239

DISTRICT | P.O. Box 1980, Hobbs, NM 88841-1980

State of New Mexico

Energy, Minerala and Natural Resources Department

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DISTRICT III

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

DISTRICT IV P.O. Ber 2006, Santa Fe, NM 87504-2088

1000 Rio Brasco Rd., Axteo, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

API	API Number Pool Code 43329 Maljamar Grayburg San Andres								
Property 0	Property Code Property Name 16770 PHILLIPS STATE								
OGRID N	0.		Operator Name SHAHARA OIL, LLC						
				•	Surface Loc	ation			
UL or lot No.	Section	Township	Range	Lot Idn	Peet from the	North/South line	Feet from the	East/West line	County
С	16	17 S	33 E		1310	NORTH	2309	WEST	LEA
			Bottom	Hole Loc	cation If Diffe	erent From Sur	face		
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	Rest/West line	County
Dedicated Acre	Joint o	or infill Co	nsolidation	Cods Or	der No.		<u></u>	L	

	4	OPERATOR CERTIFICATION
		I hereby certify the the information contained herein is true and complete to the
2309'—	1310	Signature
	 /\$ /*	Printed Name Ptile Title
	# 3 	10/23/97 Date
	} !	SURVEYOR CERTIFICATION
	\ 	I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervises, and that the same is true and correct to the best of my billef.
		OCTOBER 20, 1997
	! +	Date Surveyed JLP Signature & Seal of Professional Surveyor
	{ 	W.O. Num. 97-11-1672
		Certificate No. John W. WEST, 678 RONALD J. EIDSON, 3239 GARY G. EIDSON, 12841

State of New Mexico

PO Bart 1980, Habbs, NM 88241-1980

10/27/97

505-885-5433

Energy, Minerals & Natural Resources Department

Form C-101

Revised February 10, 1994

District II PO Drawer DD, Artesia, N District III 1000 Rio Brazzos Rd., Azir District IV PO Box 2000, Santa Fe, I	ne, NM 87410 NM 87504-2088	RMIT TO I	ORILL, RE	PO E anta Fe, N E-ENTER,	DEEPEN	-2088 , PLUGBACI		Submit to Appropriate State L Fee LAME	ease - 6 Copies ease - 5 Copies NDED REPORT
			207 West	•				30-025	5-34179
4. Prope 16770	rty Code		.:	7. Surfa	5. Property Phillips ace Location				e. wans. 14
UL ar lat no.	Section 16	Township 17 S	Range 33 E	Lot ides.	Feet From the 2630	North/South Line South	Feet From the 2307	Ezst/West Line West	county Lea
			8. Proposed	Bottom Hole L	ocation If Differ	ent From Surface			
UL or lot no.	Section	Township	Range	Lot idn.	Feet From the	North/South Line	Feet From the	East/West Line	County
	Maljamar G	9. Proposed P Grayburg		es			10. Prog	posed Pool 2	
11. Work		(Type Code December 1	i	13. Cable/Rotary		14. Lesse Type Cade S 18. Centractor		avel Sevellan 3.5'
N	•	1	50'	1	ndres	Norton		November	
	 	1		Proposed Casi					
12 1/4"	Cauling Size 8 5/8"	 	reight/fook 4#	· · · · · · · · · · · · · · · · · · ·	DO'	300	Cernent	Circulate	ed TOC
7 7/8"	5 1/2"	 	7 #	 	50'	970		Circ 100' at	oove 8 5/8"
								casing	
22. Describe the propes prevention program, if a	it is proposi	ed to drill t	he above	captioned	l will to a to	Da	ite Unles 4850' with	rotary tools.	om Approval nderway
	Blow Out P	revention:	10" Serie	es 900 Typ	pe "E" Sha	ffer Hydraul			
23. I hereby certify that investedge and befor.	Nelow		Parker		Approved by:			N DIVISION CHRIS WILL PERVISOR	
Printed Name:		Age			Approval Date: Conditions of Appro	mat.	<u>uu 1</u>	, a	

DISTRICT I P.O. Best 1980, Hobbs, NM 08341-1980

State of New Mexico

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DISTRICT II P.O. Brewer IID, Artesia, NIK 85211-0719

OIL CONSERVATION DIVISION

DISTRICT IV

Dedicated Acres

Joint or Infill

Consolidation Code

DISTRICT III

P.O. Box 2086, Santa Fe, NM 57504-2088

1000 Rio Brazos Rd., Axtec, NM 87410

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

	Number	_		Pool Code		Pool Name					
30-02	30-025-34179 43329 Maljamar Grayburg San										
Property (Property Code Property Name								per		
16770		l			PHILLIPS STA	ATE		14			
OGRED N	0.		_		Operator Nam	16		Elevatio	<u>a</u>		
143119				4185							
					Surface Loca	ation					
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	Bast/West line	County		
K	16	17 S	33 E		2630	SOUTH	2307	WEST	LEA		
	Bottom Hole Location If Different From Surface										
UL or lot No.	Section	Township	Range	Lot Idn	Fest from the	North/South line	Feet from the	East/West line	County		

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

Order No.

				OPERATOR CERTIFICATION
				I hereby certify the the information
			i	contained herein is true and complete to the best of my knowledge and belief.
			1	Car Pala
			1	Signature
			1	Printed Name
	 			THE THE
	<u> </u>			10/23/97
	{ •		1	Date
2307-	i !	331'	<u> </u>	SURVEYOR CERTIFICATION
2307			I	I hereby certify that the well location shown on this plat was plotted from field notes of
			1	ectual curveys made by me or under my supervison, and that the same is true and
	i			correct to the best of my belief.
			1	OCTOBER 20, 1997
	<u> </u>	L	<u>-</u>	Signature & State of
	2630' -			Professional Sharpyon 7
	- 26 			1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
	i			1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
	1		1	Certificate West, 676
	1	I	1	TOPES TOPEN JUNE 1 FIDSON 3239
	!		!	Certification OFESSION J. EIDSON, 3239

DISTRICT I P.O. Box 1980, Mobbs, NM 88341-1980

State of New Mexico

orgy, Minerals and Natural Resources Department

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DISTRICT III

1000 Rio Brazos Rd., Axtes, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

AMENDED REPORT

DISTRICT IV P.O. Box 2088, Santa Fe, NM 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 43329	ool Name g San Andres	
Property Code 16770		roperty Name LIPS STATE	Well Number
OGRID No. 143119		perator Name ARA OIL, LLC	Elevation 4185

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	16	17 S	33 E		2630	SOUTH	2307	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/Wost line	County
Dedicated Acres	Joint or	Infili Cor	solidation C	ode Oro	ler No.			 	÷

	OPERATOR CERTIFICATION
	I hereby certify the the information
	contained herein to true and complete to the
13	Signature Signature CAN Printed Name (D 122 197
	Date
175.	
! ``	331. SURVEYOR CERTIFICATION
2307	I hereby certify that the well lecation shown on this plat was plotted from field notes of actual surveys made by me or under my supervison, and that the same is true and correct to the best of my belief.
1 -	OCTOBER 20, 1997
	Date Surveyed JLP
7920	Signature & Seal of Professional Surveyor
	W.O. Num. 97-11-1673
	Certificate No. JOHN W. WEST, 678 RONALD J. EIDSON, 3239 GARY G. EIDSON, 12841

State of New Mexico

Energy, Minerals & Natural Resources Department

CHARGINGS 1

PO Box 1980, Hobbs, NM 88241-1980

Form C-101

Revised February 10, 1994

Oletrict II			OIL	CONSER	VATION D	IVISION			ctions on back
PO Drawer DO, Artessa, i	NM 88211-0719				30x 2088		s	Submit to Appropriate	Bistrict Office
District (i)			Sa	anta Fe, N	IM 97504	-2088		State Le	sase - 6 Copies
1000 file Brazes Rd., Azi	tec, NM 87410							Fee La	ease - 5 Copies
District IV PO Box 2008, Santa Fe,	NM 87504-2088							AMEN	IDED REPORT
APPLICATION	ON FOR PEF	MIT TO	ORILL, RE	-ENTER,	DEEPEN	, PLUGBAC	OR ADD	A ZONE	
			Y. Operator Nam			_		2. OGRIĐ	Number
		-1º			- corl	9		143119	
			207 West	-				3. API N	- 0 . 10 A
		<u>C</u>	arisbad,	NM 8822				30-025	5-3418CP
16770	erty Code		•		5. Property Phillips				15
10710				7. Surf	ace Location	Otate			
UL or lot no.	Section	Township	Range	Lat Idn.	Feet From the	North/South Line	Feet From the	East/West Line	County
N	16	17 S	33 E		1310	South	2306	West	Lea
			9 Proceed	Dottom Hole I	ocation of Differ	rent From Surface			
Ut. or lot no.	Section	Township	Range	Let Idn.	Feet From the	North/South Line	Feet From the	East/West Line	County
		9. Proposed P	oal 1				10. Prop	osed Pool 2	
	Maljamar G	rayburg :	San Andr	es			·		
11 Wheels	Type Code	12. Well	Type Cade	13. Cal	ble/Rotary	14. Lesse T	Anna Coole	15. Ground La	of South
1	N)	1	R	S		418	l
· · · · · · · · · · · · · · · · · · ·	Multiple	17. Propi	seed Depth		ormation	19. Cont		20. Spur	
N	lo	48	50'	San A	Indres	Norton I	Drilling	November '	15, 1997
	1				ng and Cement	1			
12 1/4"	8 5/8"		regis/lost 4#		DO, Booke	Sacto of s	Cernant	Circulate	TOC
7 7/8"	5 1/2"		7# 7 #	 	350'	970		Circulate Circ 100' ab	010 8 E/0*
1 1/0	3 1/2	•	1 77	70		370		casing	
	 		 -					Casing	31106
									
22. Describe the propo	end program. If this applic	ation is to DEEPEN	or PLUG BACK, gir	e the data on the pr	west productive zon	s and proposed now prod	active zone. Decembe	the blowmi	
proventrion program, if a	any. Use additional shoets	if necessary.				Permit E	xpires 1	Year From	Approval
				_				Drilling Unde	erway
						otal depth of		_	
		al produc	tion is indi	cated, the	well will t	e perforated	and stimu	llated as	
	necessary.								
	Diam Out De		40" Cada	- 000 T:	"E" Ch-	المصامية المصادرة	- DOD		
	Blow Out Pr	evenuon:	to Sene	25 900 TY	De E Sna	ıffer Hydrauli	C BUP		ļ
			the to the heat of se			OIL CONS	ERVATIO	N DIVISION	
23. I REPROV COPURY THE	the information given above	e is true phá compl	An on 214 ann 44 114		12				- 11
Introducing and belof.	t the information given abov 1 1 -	e is true and compl)		Approved by:	ORIGINAL	SIGNED B	Y CHRIS WILL	IAMS
23. I standy cortsy that introducing and belof. Signature:	Velaries	late			Approved by: Title:	DIS	TRICTIS	Y CHRIS WILL UPERVISOR	LIAMS
Interest certary treated to the second secon	Velaine	Harte Melanie J	. Parker			DIS	SIGNED B	Y CHRIS WILL UPERVISOR	IAMS
23. I manufy certary tree Innovincing and build. Signature. Printed Name: Title:	Velarie	Melanie J Age			Title:	DIS	TRICTIS	Y CHRIS WILL UPERVISOR	LIAMS

DISTRICT I P.O. Best 1980, Hobbs, NM 88241-1980

State of New Mexico

Energy, Minerale and Natural Resources Department

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DISTRICT II P.O. Drawer DD, Artesia, NM 86211-0719

DISTRICT III

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

AMENDED REPORT

1000 Rio Brazos Rd., Axtec, NM 87410

DISTRICT IV P.O. Box 2088, Santa Fe, NM 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

30-025	Number -341	80		Cool Code	M	Pool Name Maljamar Graburg San Andres				
Property Code Property Name Well Number 16770 PHILLIPS STATE 15							ber			
143119							#180	n.		
					Surface Loca	ation				
UL or lot No.	Section	Township	Range	Lot Idn	Pest from the	North/South line	Feet from the	East/West line	County	
N	16	17 S	33 E		1310	SOUTH	2306	WEST	LEA	

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint o	r Infill Co	nsolidation	Code Or	der No.			• • • • • • • • • • • • • • • • • • • •	

·	ON A NON-SIAM	DARD UNII HAS D	BEN APPROVED BY	THE DIVISION
			1	OPERATOR CERTIFICATION
			† 	I hereby certify the the information contained herein is true and complete to the best of me knowledge and belief.
			+	Pristol Name CSIDGO Title
			1	Date SURVEYOR CERTIFICATION
				I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervison, and that the same is true and correct to the best of my belief.
2306		331'	 	OCTOBER 20, 1997 Date Surveyedumining JLP Signature at Sour of Community Professional Surveyer Community
	- 1310'			Amali (235) uhan 10-22-97
				Certification No. 197-11 150/4 Certification No. 197-11 150/4 Certification No. 197-11 150/4 Certification No. 197-11 150/4 Certification No. 197-11 150/4 Certification No. 197-11 150/4 Certification No. 197-11 150/4

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P.O. Box 2088

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

DISTRICT IV P.O. Box 2068, Santa Fe, NM 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 43329	Maljamar Graybrug San Ar	ndres
Property Code 16770	РН	Property Name ILLIPS STATE	Well Number
ogred No. 143119	SHA	Operator Name NHARA OIL, LLC	Zievation 4180

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	16	17 S	33 E		1310	SOUTH	2306	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint o	r Infill Co	nsolidation (Code Ore	der No.	<u> </u>		<u> </u>	

		
	j	OPERATOR CERTIFICATION
	i	I hereby certify the the information
		contained herein is true and complete to the best of my knowledge and belief
ll i	i	
	;	
	;	Plus I dicke
 		Signature
ll i	<u>'</u>	GRAY L. HUGHES
ll i		Printed Name
	ļ	Mts Deat
ll i	ļ	10/23/97
	1	Date
		SURVEYOR CERTIFICATION
<u> </u>		SURVETUR CERTIFICATION
	1	I hereby certify that the well location shown
	,	on this plat was plotted from field notes of actual surveys made by me or under my
# 6	·	supervison and that the same is true and
•	i	correct to the best of my belief.
33,	ı	OCTOBER 20, 1997
	1	Date Surveyed JLP
2306	331'	Signature & Seal of
	l	Professional Surveyor
	l	1
1310'-	1	
#7 E	Į į	W.O. Num. 97-11-1674
	1	Certificate No. JOHN W. WEST, 676
}}	l	RONALD J. EIDSON, 3239 GARY G. EIDSON, 12641
		W. G. 2001)

State of New Mexico

PO Box 1980, Hobbs, NM 58241-1980

Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

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Revised February 10, 1994

letrict II									ctions on back
O Drawer OD, Artema, N	M 88211-0719	2040 S. Pacheco					S	ubmit to Appropriate	District Office
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000 Rijo Brazzon Rd., Azia	sc, NM 87410							Fee Le	ase - 5 Copies
Natifica IV									_
'O Bax 2088, Servin Fe, I	M 87504-2088							AMEN	DED REPORT
APPLICATIO	N FOR PE	RMIT TO	DRILL, R	E-ENTER	, DEEPE	N, PLUG BA	CK OR AD	D A ZONE	·
			1. Operator Nam					2. OGRID I	Number
		;	Shahara	Oil, LLC				1431	19
			207 West	t McKay				3 APIN	Imber
		Ca	arlsbad, l	NM 8822	0			30-025	5-3472
4. Proper	ty Code				5. Property	Name			G. Well No.
16770	-		 -		Phillips	State			100
		· · · · · · · · · · · · · · · · · · ·		7. Surf	ace Location			1	
UL or lot no.	Section	Township	Range	Lot ldn.	Feet From the	North/South Line	Feet From the	East/West Line	County
E	16	178	33E	<u> </u>	1330	North	140	West	Lea
			8. Proposed	Bottom Hole L	ocation if Diffe	rent From Surface			
UL or lot no.	Section	Township	Range	Lot Idn.	Feet From the	North/South Line	Feet From the	EastWest Line	County
9. Proposed Pool 1						10. Prop	ceed Pool 2		
43	329 - Ma lja	mar Gray	burg Sai	n Andres	-		···		
11, Work 1	Type Code	12. Web	Type Code	13. Ce	ble/Rotary	14. Lease T	ype Code	15. Ground La	vei Bevelon
	i		0		R	s	,	419	98'
16. M	Liftpie	17. Propi	osed Depth	18. F	ormeton	18. Contractor		20. Spud Cate	
N	0	50	00'	Grayburg SA Artesia Fishing T			hing Tool	01/0	1/98
			21.	Proposed Cas	ing and Cemer	nt Program			
Hole Stae	Coming Stars	Coming	weight/lock	Sette	ng Depth	Sects of Corners		Estimated TOC	
12 1/4"	8 5/8"	2	4#	5	00'	300		Circulate	
7 7/8"	5 1/2"	1	7#	50	000'	97	0	Circ 100' at	ove 8 5/8"
								casin	g shoe
								<u> </u>	
22. Describe the propo	sed program. If this ap	plication in to DEEPE	EN or PLUG BACK	give the data on th		zane and proposed new			
proversion program, if	arry. Use additional she	sets if necessary.				Permit Exp	oires 1 Ye	ear From A	pproval
						Date U	nless Dri	lling Under	way.
	It is propos	ed to drill	the above	e captione	d well to a	a total depth	of 5000' wi	th rotary tool	S.
	If commerce	cial produc	tion is inc	dicated, th	e well will	be perforate	d and stim	ulated as	
	necessary.								
	Blow Out F	Prevention	: 10" Ser	ies 900 Ty	ype "E " Sh	naffer Hydrau	lic BOP		
	This well is	a co-op v	vell with T	he Wiser	Oil Comp	any.			
23. I hereby certify that	the information given s	above is true and cor	mplete to the best o	at my	 			N DIVISION	<u> </u>
			. ,				LAS CICAR	-n nv	

12/03/97	505-885-5433		12/9/97
Delati	Phone:	Attached:	
Title:	Agent	Conditions of Approvet:	
Printed Name:	Melanie J. Parker	Approved Date: 157 09 400	
Signature:	ane Harter	GARY WINK	
knowledge and belief.	(\cdot, \cdot)	Approved by: ORIGINAL SIGNED BY	
23. I hereby certify that the information giv	en above is true and complete to the best of my	OIL CONSERVATION DIVISIO	N

DISTRICT I P.O. Bez 1980, Hobbs, NM 88941-1980

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DISTRICT III

OIL CONSERVATION DIVISION P.O. Box 2088

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

1000 Rie Brasos Rd., Astec, NM 87410

DISTRICT IV P.O. Box 2068, Sants Fe, NM 87504-2068

WELL LOCATION AND ACREAGE DEDICATION PLAT

	Number	4220		Pool Code 43329		Pool Name MALJAMAR GRAYBURG SAN ANDRES				
Property (16770					Property Name PHILLIPS STA			Well Number		
0GRID No 143119			Operator Name Elevation SHAHARA OIL, LLC 4200							
					Surface Loc	ation				
UL or lot No.	Section	Township	Range	Range Lot Idn Feet fr		North/South line	Feet from the	Bast/West line	County	
Ε	16	17 S	33 E		1330	NORTH	140	WEST	LEA	
			Bottom	Hole Loc	cation If Diffe	rent From Sur	face			
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/Wort line	County	
Dedicated Acre	Joint o	or Infill Co	nsolidation	Code Or	der No.	1	1	<u> </u>	<u>.</u>	

OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	1	OPERATOR CERTIFICATION
		I hereby certify the the information contained herein is true and complete to the
<u>86</u>	 	Signature Printed Name -
		Title 12 3 97 Date
	<u> </u>	SURVEYOR CERTIFICATION
		I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervison, and that the same is true and correct to the best of my bolid.
 	<u> </u>	NOVEMBER 25, 1997 Date Surveyor Date Surveyor O
		Certification No. 2628-97 Certification No. 27-11-2934 Certification No. 27-11-2934 Certification No. 27-11-2934 Certification No. 27-11-2934 Certification No. 27-11-2934

DISTRICT I P.O. Bez 1980, Hobbs, NM 88241-1980 State of New Mexico

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P.O. Box 2088

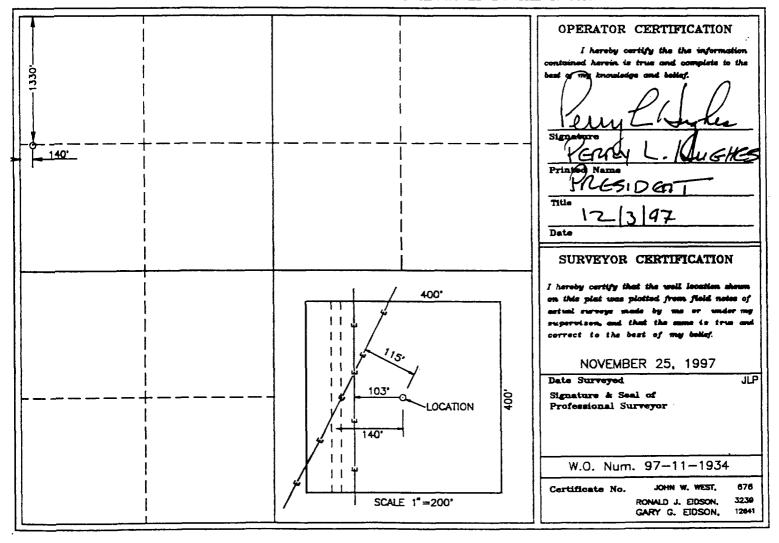
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

DISTRICT IV P.O. Bez 2068, Santa Fe, NM 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

	Number	4220	-	Pool Code 13329		Pool Name MALJAMAR GRAYBURG SAN ANDRES				
Property 0 16770			Property Name Well Number PHILLIPS STATE 100							
OGRID No. 143119			Operator Name Elevation SHAHARA OIL, LLC 4200							
Surface Location										
UL or lot No.	Section 16	Township 17 S	Range 33 E	Lot Idn	Feet from the	North/South line NORTH	Peet from the 140	Rest/West line WEST	County	
	<u> </u>		Bottom	Hole Loc	cation If Diffe	rent From Sur	face			
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
Dedicated Acre	Joint o	or infill Co.	neolidation (Code Or	der No.	1	1	1	·	



State of New Mexico

Energy, Minerals & Natural Resources Department

PO Sox 1980, Hobbe, NM 88241-1960

Form C-101

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Dietrica B		OIL CONSERVATION DIVISION Instructions of							
PO Drawer DD, Arlessa, f	MA 88211-0719			2040 5	S. Pacheco	O Submit to Appropriate District Of			
Cletrict III				Santa Fe	e, NM 975	504		State Li	sase - 6 Copies
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District IV									
PO Bax 2068, Sants Fe.	New 87504-2088							AMEN	IDED REPORT
ADDI ICATIO	N EOD DE	DMIT TO	ח ווום	E.ENTED	DEEDEN	N, PLUGBAC	LK UB VUI	0 A 70NE	
APPLICATION	JN FOR FE	NIVIT 10	1. Operator Nam		, DEEFER	Y, PLUGBAC	JK OK ADI	2 OG/80	Monhor
		9	Shahara					143	
			207 West	•				3. APIN	
				NM 8822	n			30-02	
4. Prope	nty Code		iliabad, i	THE OULL	5, Property	Name		100 x	G. Well No.
16770	.,				Phillips				101
		<u> </u>		7. Surf	ace Location				
UL or lot no.	Section	Township	Range	Lot kin.	Feet From the	North/South Line	Feet From the	EastWest Line	County
E	16	17S	33E		2630	North	140	West	Lea
_ 	,		8. Proposed	Bottom Hole L	ocation If Diffe	rent From Surface	·		, .
UL or lot no.	Section	Township	Range	Lot ldn.	Feet From the	North/South Line	Feet From the	Emst/West Line	County
					<u> </u>		<u> </u>	<u> </u>	L
4	3329 - Ma lja	م مسموده mar Grav		n Andres			10. P ro p	posed Pool 2	
			<u> </u>			 			
11. Work	Type Code	12. Well	Type Code	13. Ca	bieficiary	14. Lease	Type Code	15. Ground L	nni Savaton
	<u> </u>	(<u> </u>		R		3	419	98'
16, 1	L/Iple	17. Propi	need Depth	18. P	ormeton	19. Co	nirector	20. Spud Date	
N	lo	50	00'	Grayt	ourg SA	Artesia Fis	shing Tool	01/0	1/98
	,		21.	Proposed Cas	ing and Cemer	nt Program			
Hole Stze	Cooling State		veightfoot	 	ng Depth	Secks of Corners		Estimated TOC	
12 1/4"	8 5/8"		<u>4#</u>	 	00'	 	00	Circulate	
7 7/8"	5 1/2"	1	7#	50	000'	97	70	Circ 100' al	
ļ	ļ	ļ				ļ		casin	g shoe
		<u> </u>							
	<u> </u>			<u> </u>					
22. Describe the propo	eed program. If this top	election is to OEEPE	IN or PLUG BACK	give the data on th	e present productive	zone end proposed new	y productive zone. D	ecribe the blowout	nami/s'
prevention program, d	arry. Use additional the	eta il necessary.			ļ	Permit Exp	oires 1 Y	ear From A	man hbio:::
								Iling Under	
	• •			•		-		ith rotary tool	S.
	If commerc	cial produc	tion is inc	dicated, th	e well will	be perforate	ed and stim	nulated as	
	necessary.								

Blow Out Prevention: 10" Series 900 Type "E" Shaffer Hydraulic BOP This well is a co-op well with The Wiser Oil Company.

12/03/97 505-885-5433	
Date: Phone:	Attached:
The Agent	Conditions of Approval:
Printed Name: Melarije J. Parker	Approved Dates: OFC 09 1997
andre / Velanes Salter	MANY WHAN
broadedge and belief.	Approved by ChiGiNAL SIGNED BY
23. I hereby certify that the information given above is true and complete to the best of my	OIL CONSERVATION DIVISION

DISTRICT I P.O. Box 1980, Hobbs, RM 88841-1980

State of New Mexico

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Pool Name

MALJAMAR GRAYBURG SAN ANDRES

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DISTRICT III

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

Well Number

Elevation

101

DISTRICT IV P.O. Box 2008, Santa Fe. NM 87504-2088

API Number

-025-34

Property Code

16770

OGRED No.

1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

Property Name

Operator Name

PHILLIPS STATE

Pool Code

43329

143119		SHAHARA OIL, LLC Blevation 4198							
1+3113	<u> </u>	<u> </u>							
Surface Location									
/Loar kot No.	Section 1.C	17 S	Range 33 E	Lot Idn	Feet from the 2630	North/South line	Feet from the	Bast/West line	County
<u>E</u>	16	1/3	J		L	NORTH	140	WEST	LEA
		I ==		·		rent From Sur		1	T
L or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
edicated Acre	Joint o	or Infill Co	nsolidation	Code Oz	der No.				
40				-					• •
	WABLE 1	WILL BE A	SSIGNED	TO THIS	COMPLETION I	UNTIL ALL INTER	RESTS HAVE B	EEN CONSOLID	ATED
						APPROVED BY			
1					1		OPERATO	OR CERTIFICA	TTON
	ļ				!		- 11	on contify the the is	
]				ļ		contained here	in is true and comp	
	i				1		best of the lene	wiedge and bolist.	0
								DII	
	j				1		1 lem	1 - 1 Ju	Mes
<u> </u>				+	+		Signature	$t \cup U_0$	I GHE
2630				1	1		Printed Nan		3-12
					1		In the	SIDENT	
					1		Title	12107	
							Date	13197	
\							SURVEY	OR CERTIFICA	TION
140'							I hereby certly	y that the well loca	Hon show
•		[11	rce pletted from fla made by me er	id notes o
					i		supervisen, e	nd that the same (e true m
	:	1			i		correct to t	he best of my boli	47 -
					l s		NOVE	MBER 25, 199	
		! L		<u></u>	 		Date Survey	Da Flore	J
		 		T			Professiona	Surveyor Surveyor	b.
		I			i			Vo Sp	
		1					(Donald)	BARROON A	128-97
		!					/ 3/50.CN	una 97-17-27	9 35
		1			1		Cortificate	PROFESSION EIDS	ST, 67
		!					'ann	III)FF EIDS	ON, 120

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DISTRICT III

Dedicated Acres

OIL CONSERVATION DIVISION
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1000 Rio Brasos Rd., Axtee, NM 87410

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

DISTRICT IV P.O. Box 2008, Senta Fe, NM 87504-2088

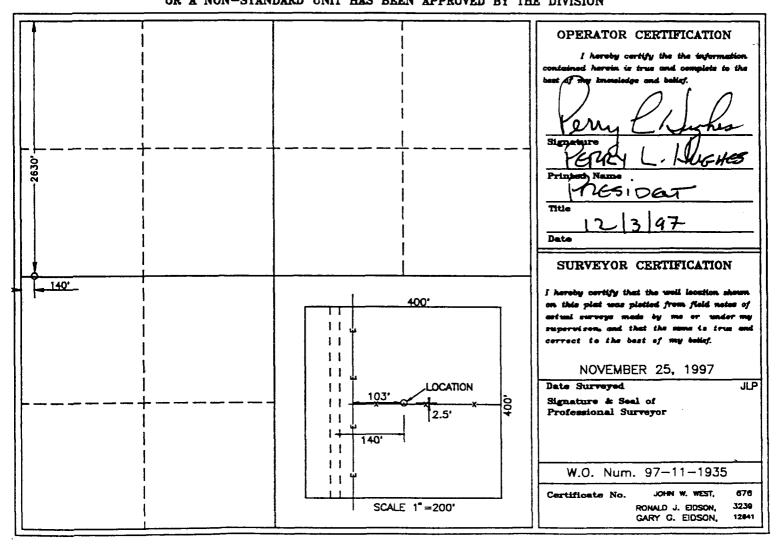
Joint or Infill Consolidation Code

WELL LOCATION AND ACREAGE DEDICATION PLAT

	Number フスSー	Pool Code Pool Name 43329 MALJAMAR GRAYBURG SAN ANDRES							
Property (16770	Code			F		Property Name ILLIPS STATE			iber 1
OGRID No 143119			Operator Name Elevation SHAHARA OIL, LLC 4198						
					Surface Loc	ation			
UL or lot No.	Section 16	Township 17 S	Range 33 E	Lot Idn	Feet from the 1330	North/South line NORTH	Peet from the 140	Rest/West line WEST	County LEA
Bottom Hole Location If Different From Surface						• · · · · · · · · · · · · · · · · · · ·			
UL or lot No.	Section	Township	Range	Lot Idn	Foot from the	North/South line	Feet from the	East/West line	County

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

Order No.



Shahara Oil, LLC

207 W. McKay + Carlsbad, NM 88220 + 505-885-5433 + Fax 505-885-4989

December 8, 1997

The Wiser Oil Company Attn: Lauri Block 8115 Presto Rd., Suite 400 Dallas, TX 75225

Re:

Unorthodox Locations

Phillips State No. 100 and No. 101

Lea County, New Mexico

Dear Ms. Block:

Shahara Oil, LLC, as operator of the Phillips State Lease, shall apply to the New Mexico Oil Conservation Division for administrative approval of the following unorthodox well locations.

Phillips State No. 100

1330' FNL & 140' FWL

Section 16-17S-33E

Phillips State No. 101

2630' FNL 7 140' FWL

Section 16-17S-33E

In accordance with Article 7 of our Cooperative Unit Line Injection Well and Unit Line Infill Drilling Agreement effective November 1, 1997, please indicate your waiver, as offset operator, of the above unorthodox locations by signing and returning one copy of this letter as soon as possible.

Sincerely,

SHAHARA OIL, LLC

Perry L. Hughes Executive Officer

Agreed to accept this _

day of December, 1997.

THE WISER OIL COMPANY

By: W/ Hluth

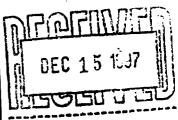
Name:

W. B. Phillips

Title:

Attorney-In-Fact EX





PRESSURIZED WATER SALE AGREEMENT

Pressurized Water Sale Agreement ("Agreement") entered into this the 9th day of February, 1998, effective the 1st day of February, 1998 by and between SHAHARA OIL, L.L.C., 207 W. McKay, Carlsbad, NM 88220, ("Shahara"), and THE WISER OIL COMPANY, ("Wiser"), 8115 Preston Road, Suite 400, Dallas, Texas 75225.

WHEREAS, Shahara desires to purchase pressurized water for their operations from the Caprock Maljamar Unit System ("System").

WHEREAS, Wiser being the operator and working interest owner of the System is willing to enter into an agreement to sell pressurized water to Shahara.

WHEREAS, Shahara is operator of an oil and gas producing property known as the Phillips State Lease located in Section 16, T17S, R33E, Lea County, New Mexico.

WHEREAS, Wiser agrees to dispose of produced water from the Phillips State lease into the System.

THEREFORE, in consideration of the mutual covenants herein contained, Shahara agrees to purchase pressurized water from Wiser and Wiser agrees to sell pressurized water to Shahara and dispose of Shahara's produced water on the following terms and conditions:

- 1. Shahara shall secure at its sole cost all necessary rights-of-way, easements and consents for transportation and receiving of pressurized water and the transportation and delivery of produced water from all applicable surface owners. Shahara agrees to lay, at its sole cost, including the cost of connection, pipelines from their operations to the nearest mutually agreeable point (s), whether one or more, to connect to the System. Shahara agrees to maintain such pipelines and equipment in a manner which will not interfere with Wiser's operations.
- 2. Subject to Article 6. below, Shahara shall be entitled to purchase up to a maximum of 3,600 barrels of pressurized water per day. Shahara, as requested by Wiser, agrees to monitor and report the volume purchased to the appropriate agencies having jurisdiction over these matters. It is also agreed that Shahara and Wiser shall meet all State and Federal requirements applicable to the purchase of pressurized water. It is agreed that Wiser shall furnish to Shahara a monthly report on the volume of pressurized water purchased. Such reports shall be based upon continuous measurement with a meter of a mutually agreeable type installed, maintained, and operated by Shahara at a mutually agreeable point(s). At the request of Wiser, said meter shall be tested for accuracy and a copy of the test report shall be furnished to Wiser. Shahara shall install a test loop for this purpose and that Wiser shall have the right to perform or witness such tests.
- 3. Shahara shall deliver and Wiser shall receive the water produced solely from the Phillips State Lease, provided that Wiser shall only be required to take such water when the capacity of the System permits, taking its own needs into consideration first, and Wiser shall incur no liability for failure to take water for such reason. The water to be disposed of into the System shall be compatible with water disposed of by Wiser into the System and shall not contain basic sediment, more than 0.08 parts per million (ppm) oxygen, more than 100 ppm entrained oil or more than 10 ppm undissolved solids. In the event that the water being produced and delivered by Shahara hereunder should, at any time or times, and in the sole judgement of Wiser, be unsatisfactory for injection purposes or incompatible with other waters being handled by the System, then Wiser shall have the right to refuse to accept delivery and any additional water from Shahara until Shahara, at its sole cost, risk and expense, makes such water of a quality of water so as to render it acceptable to Wiser. It is understood and agreed that the produced water may contain micro-organisms injected for the purpose of increasing oil and gas production from the Phillips State Lease. Shahara further agrees to provide to Wiser by the end of each month a monthly report of produced water delivered to the System during the preceding month. Such reports shall be based upon continuous measurement with a meter of a mutually



agreeable type installed, maintained, and operated by Shahara at a mutually agreeable point(s). At the request of Wiser, said meter shall be tested for accuracy and a copy of the test report shall be furnished to Wiser. The amount of produced water delivered to the System shall never exceed the amount of pressurized water purchased by Shahara for the same month unless agreed upon by Wiser. However, it is understood and agreed upon by Wiser that the amount of produced water received for the first six (6) months of this Agreement will probably exceed the amount of pressurized water delivered to Shahara.

4. As compensation for the rights granted hereunder, Shahara shall pay Wiser twenty-seven cents (\$0.27) per barrel for pressurized water purchased. Payments shall be made monthly to the address indicated below. Wiser shall mail to Shahara a billing each month ("monthly billing") showing pressurized water delivered to Shahara during the preceding month as provided for in Article 2. above. Shahara shall pay the monthly bill within thirty (30) days after receipt thereof.

The Wiser Oil Company 8115 Preston Road, Suite 400 Dallas, Texas 75225

- 5. The term of this Agreement shall be for a period of five (5) years from the effective date, unless sooner terminated in accordance with the terms hereof.
- 6. Wiser shall have the preferential right to all the available water except produced water from the Phillips State Lease. If the available water is not adequate for Wiser's use and for Shahara's use, the use by Wiser shall be given priority and the quantity sold to Shahara shall be reduced to the amount of water available after Wiser's needs are fully satisfied.
- 7. Shahara hereby agrees to defend, protect, indemnify, and hold harmless Wiser, its parents, subsidiaries and affiliates, and such other persons and entities, now or hereafter having an ownership interest in said System, and the officers, directors, employees, and agents of each of them, harmless from and against all actions, causes, claims, demands, whatsoever for damages, injuries, death or losses to persons or property, caused by, resulting from, or in any way connected with the installation or maintenance of Shahara's pipelines and equipment up to and including the mutually agreed upon connection point(s), Shahara's use of the water sold to Shahara hereunder or Shahara's operations, including claims by other persons or entities to whom Shahara may subsequently furnish such water received from Wiser, regardless of whether caused by the sole or concurrent negligence or intentional acts of Wiser.
- 8. Shahara agrees to pay to Wiser all sums due for water delivered under this Agreement within thirty (30) days after receipt of Wiser's monthly billing. If payment is not made within thirty (30) days after receipt of Wiser's monthly billing, the unpaid balance shall bear interest at the rate of 8% per annum from due date until paid. Wiser shall have the right, if payment is not made as above provided, to suspend the delivery of any further pressurized water to Shahara and refuse receipt of produced water until payment is made in full and Wiser shall be without liability of any kind.
- 9. WISER EXPRESSLY DISCLAIMS AND NEGATES ANY IMPLIED OR EXPRESS WARRANTY OF QUALITY, VOLUME, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO THE PRESSURIZED WATER FURNISHED TO SHAHARA, AND SHAHARA ACCEPTS THE SAME "AS IS, WITH ALL FAULTS".
- 10. This Agreement may be terminated by either party during its first two years only for reasonable cause (such as, but not limited to, a consistent failure by Shahara to pay its bills to Wiser when due or to maintain its equipment, or a consistent inability by Wiser to provide pressurized water to Shahara). Thereafter, this Agreement may be partially terminated by either party for any reason. Termination shall be effective 30 days from the date written notice is received by the non-terminating party. Notice of termination may be sent by mail, facsimile transmission, or in any other manner. However, in the event this Agreement is partially terminated without cause during the term hereof,

Wiser agrees to continue to receive produced water from Shahara and shall deliver to Shahara the same amount of pressurized water for the five (5) year term of this Agreement in accordance with the applicable terms, provisions and Articles hereof.

- 11. Shahara fully recognizes that Wiser can not guarantee the delivery of the water and the delivery may from time to time be interrupted by forces beyond Wiser's control.
- 12. Nothing herein shall be deemed or construed to assign to Shahara any right, title or interest in any permit or property right of Wiser with respect to the right of Wiser to produce, use and sell the water hereunder.
- 13. This Agreement shall inure to the benefit of and be binding upon the parties hereto, their heirs successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this duplicate originals of this Agreement on the date above first written.

SHAHARA OIL, L.L.C.	THE WISER OIL COMPANY
By: Very E/ Sigher	By: W.B. Phillips
Name: Perry L Hughes	Attorney-in-Fact
Title: Incsident	
STATE OF TEXAS)()(S/S	
COUNTY OF DALLAS)(,
This instrument was acknowledged to Phillips, Attorney-in-Fact for The Wiser Oil JENNIFER HOLTON MY COMMISSION EXPIRES JUNE 6, 2001	Notary Public Printed Name of Notary My Commission Expires (5 to 2001)
STATE OF NEW MEXICO)()(S/S	
COUNTY OF EDDY)(•
This instrument was acknowledged	before me on the <u>16th</u> day of February, 1998, by
Perry L. Hughes, President	of Shahara Oil, LLC.
	Notary Public Thallia Marshall
•	Printed Name of Notary
£\wpdics\prsrzdwt.agt	My Commission Expires 11/06/2000

ADDITIONAL OIL RESERVES



Resulting from Proposed Redevelopment

843,900 BBLS

FINANCIAL SUMMARY (\$M)

Proceeds from Future Production

\$14,402.03

Less Capital Expenditures and Operating Expenses

\$3,731.25 \$2,526.03

\$ 6,257.28

Projected Net Value of Additional Production

SUMMARY OF REDEVELOPMENT COSTS (\$M)

Drill 15 New Producers

9 @ 100% WI @ \$275 M/W

\$2,475.00

5 @ 50% WI @ \$275 M/W

687.50

1 @ 25% WI @ \$275 M/W

68.75 \$3,231.25

Convert 7 Old Producers to Injectors

7 @ 100% WI @ \$40 M/W

\$ 280.00

Production & Injection

Facilities

\$ 220.00

Total

\$3,731.25

Summar from 100, 100 150 W/2

Con the

EXHIBIT