

THE WISER OIL COMPANY

Skelly Area Waterflood Projects

EXHIBIT 11

Skelly Unit

Production was established in the Skelly Unit in 1926 with the completion of the Lynch 'A' #1 (now Skelly Unit #41). Development proceeded on 40-acre spacing from the 1930's through the early 1960's with peak oil production occurring in late 1960.

In 1965, a pilot waterflood utilizing 80-acre five spots was installed to test waterflood potential in the unit. Results were good and the waterflood was expanded throughout the unit in 1968. Active waterflooding continued until 1988 when injection of make-up water effectively ceased.

Wiser acquired the property from Texaco in 1995. Production at that time was approximately 250 BOPD and 650 BWPD from 66 active producing wells (there were 18 injection wells recycling the produced water.) Shortly after assuming operations Wiser began a major development program to increase oil recovery from the unit. The program included drilling small producers on 20-acre spacing, converting existing wells to injection and greatly expanding surface production and injection facilities.

Production peaked at 2,333 BOPD in early 1997 followed by a very sharp decline. Additional development work stabilized production in late 1997 before a more moderate decline was established in 1998. Injection work began in 1997 with full injection reached by mid-1998.

November 1998 production averaged 1,036 BOPD and 7,308 BWPD from 108 active producing wells. Injection averaged 14,756 BWPD into 81 active injection wells with make-up water supplied through Conoco's fresh water system.

Lea 'D' Lease

The Lea 'D' lease was developed somewhat later than most of the Skelly Unit and is of generally poorer quality. However, the 1968 waterflood expansion at Skelly included the Lea 'D' lease and injection operations were similar.

Wiser acquired the property from Apache in 1997 with production at 5 BOPD and 1 BWPD from 1 active producing well (there was no injection). In late 1997 Wiser initiated a development program similar to that already underway at Skelly. The program was completed in early 1998.

November 1998 production averaged 84 BOPD and 374 BWPD from 6 active producing wells. Injection averaged 1173 BWPD into 7 active injection wells with all water supplied through the Skelly injection system.

State 'AZ' Lease

The State 'AZ' lease is a 40-acre tract offsetting the Skelly Unit. It was not part of the early Skelly waterflood system.

Wiser acquired the property from Apache in 1997 with production at 7 BOPD and 3 BWPD from 2 active producing wells. As part of the Skelly development program, two offset wells have been converted to injection. A 20-acre infill producer was drilled in early 1998.

November 1998 production averaged 47 BOPD and 21 BWPD from 3 active producing wells. Offset injection averages 200-300 BWPD (one of the offsets is operated by Devon).

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November 1998 Status

Active Producing Wells

Skelly Unit	108
Lea 'D'	6
State 'AZ'	<u>3</u>
TOTAL	117

Active Injection Wells

Skelly Unit	81 *
Lea 'D'	7
State 'AZ'	<u>0</u> *
TOTAL	88

Injection Volumes (bbls)

Skelly Unit	442,694 *
Lea 'D'	35,202
State 'AZ'	<u>0</u> *
TOTAL	477,896

Project Commencement Date

Infill Drilling	February, 1995
Injection System Expansion	February, 1997

Development Capital (M\$)

Skelly Unit	\$25,240
Lea 'D'	\$2,066
State 'AZ'	<u>\$325</u>
TOTAL	\$27,631

Estimated Net Value (M\$)

Incremental Cash Flow	\$34,000 **
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* Excluding offset injection

** Using Year-End 1998 reserves and prices