Form 3160-3
(July 1992)

OPER. OGRID NO. 22922
PROPERTY NO. 118.4
POOL CODE 43329
EFF. DATE 10/17/96
API NO. 30-025-33628

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

UNITED STATES
DEPARTMENT OF THE INTE
BUREAU OF LAND MANAGEME
APPLICATION FOR PERMIT TO DI

E DESIGNATION AND SERIAL NO.
NM-0315712
DIAN, ALLOTTEE OR TRIBE NAME

1a TYPE OF WORK
DRILL [X] DEEPEN [ ]

7. UNIT AGREEMENT NAME
Maljamar Grayburg Unit

b. TYPE OF WELL
OIL WELL [ ] GAS WELL [ ] OTHER Water Injection SINGLE ZONE [X] MULTIPLE ZONE [ ]

8. FARM OR LEASE NAME, WELL NO.
#154

9. API WELL NO.
30-025- 33628

2. NAME OF OPERATOR
The Wiser Oil Company

10. FIELD AND POOL OR WILDCAT
Maljamar Grayburg San Andres

3. ADDRESS AND TELEPHONE NO.
c/o J. O. Easley, Inc., P. O. Box 1796, Roswell, NM 88201-1796 (505) 623-3758

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At Surface 1980' FSL & 990' FWL, Unit L
At proposed prod. Zone 1980' FSL & 990' FWL, Unit L

WATER INJECTION:
Subject to
Like Approval
By State

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
4, 17S-32E, N.M.P.M.

12. COUNTY FOR PARISH
Lea

13. STATE
NM

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
± 1 mile Northeast of Maljamar, New Mexico

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)	16. NO. OF ACRES IN LEASE	17. NO. OF ACRES ASSIGNED TO THIS WELL
990'	760.00	40
18. DISTANCE FROM PROPOSED LOCATION * TO NEAREST WELL, DRILLING, COMPLETED OR APPLIED FOR, ON THIS LEASE, FT.	**19. PROPOSED DEPTH**	**20. ROTARY OR CABLE TOOLS**
29'	4800'	Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
4126'

22. APPROX. DATE WORK WILL START *
9-15-96

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 ¼"	8 5/8" J-55	24#	350'	Circulate
7 7/8"	5 ½" J-55	17#	4800'	Sufficient to bring cmt 100' above 8 5/8" casing shoe.

This Well is a replacement water injection well for the MGBU #22, which is P&A

Duration of Program: Drilling - Nine (9) days
Completion - Thirty (30) days

See attached for complete Drilling Program

Approval Subject to
General Requirements and
Special Stipulations
Attached

EXHIBITS

Exhibit "A": Drilling Program
Exhibit "B": H_2S Plan
Exhibit "C": Surface Use Plan
Exhibit "D": Land Survey Plat
Exhibit "E": Location Plat
Exhibit "F": Existing Well Plat
Exhibit "G": Rig Layout
Exhibit "H": BOP Layout

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 TITLE Agent for The Wiser Oil Company DATE 8-5-96
Michael R. Burch, CPL

This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

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:

APPROVED BY /s/ Gary Bowers TITLE Acting / Area Manager DATE OCT 15 1996

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

EXHIBIT "A"

DRILLING PROGRAM

I. The geological surface formation is recent Permian with quaternary alluvium and other surficial deposits.

II. Estimated Tops of Geological Markers:

FORMATION	DEPTH
Rustler Anhydrite	540'
Top of Salt	670'
Base of Salt	1570'
Queen	2650'
Grayburg	3050'
San Andres	3430'
TD	4800'

III. Estimated depths at which water, oil, gas, or other mineral-bearing formations are expected to be encountered:

SUBSTANCE	DEPTH
Fresh Water	There is little, if any, in this section
Oil	Fren 7-Rivers; Grayburg and San Andres below 3200'
Gas	None anticipated

IV. A. Proposed Casing Program:

HOLE SIZE	CASING SIZE	GRADE	WEIGHT PER FOOT	DEPTH
12 ¼"	8 5/8"	New 8RD ST&C J-55	24#	350'
7 7/8"	5 ½"	New 8RD LT&C J-55	17#	4800'

B. Proposed Cement Program:

8 5/8" Cmt w/ 300 sx Class "C" cmt w/2% CaCl. Circulate to surface.

5 ½" Cmt w/ 700 sx Halliburton Lite w/¼# Flocele, 325 sx Premium Plus w/.5% Halad-9, & 325 sx Premium Plus w/.5% Halad-344 w/3% KCl.

The top of cement is designed to reach 100' above 8 5/8" casing shoe.

V. Proposed Mud Program:

The well will be drilled to total depth using brine & fresh water. Depths of systems are as follows:

INTERVAL	MUD TYPE	MUD WT.	VISCOSITY
0-350'	Fresh Water	8.8 ppg	30
350'-TD	Brine Water	9.5-10.5 ppg	28

VI. Proposed Control Equipment:

Will install on the 8 5/8" surface casing a 10" Series 900 Type "E" Shaffer Double Hydraulic BOP and will test before drilling in the Queen formation. BOP working pressure: 3000 psi. See Exhibit "H" for BOP layout.

VII. Auxiliary Equipment:

Blowout preventor, gas detector, kelly cock, pit level monitor, flow sensors, and stabbing valve.

VIII A. Testing Program:

Drill Stem Tests: None planned

B. Logging Program:

LOG	Interval
GR-DLL-MSFL-Cal	T.D. - 2,300'
GR-CNL-CDL-Cal	T.D. - Surface

C. Coring Program:

None planned

IX No abnormal pressures or temperatures are anticipated. In the event abnormal pressures are encountered, the proposed mud program will be modified to increase the mud weight. The estimated maximum bottom hole pressure is 1980 psi.

EXHIBIT "B"

HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

I. Hydrogen Sulfide Training

All personnel, whether regularly assigned, contracted, or employed on an unscheduled basis, will receive training from a qualified instructor in the following areas prior to commencing drilling operations on this well:

1. The hazards and characteristics of hydrogen sulfide (H_2S).

2. The proper use and maintenance of personal protective equipment and life support systems.

3. The proper use of H_2S detectors, alarms, warning systems, briefing areas, evacuation procedures, and prevailing winds.

4. The proper techniques for first aid and rescue procedures.

In addition, supervisory personnel will be trained in the following areas:

1. The effects of H_2S on metal components. If high tensile tubulars are to be used, personnel will be trained in their special maintenance requirements.

2. Corrective action and shut-in procedures when drilling or reworking a well and blowout prevention and well control procedures.

3. The contents and requirements of the H_2S Drilling Operations Plan and the Public Protection Plan.

There will be an initial training session just prior to encountering a known or probable H_2S zone (within 3 days or 500 feet) and weekly H_2S and well control drills for all personnel in each crew. The initial training session shall include a review of the site specific H_2S Drilling Operations Plan and the Public Protection Plan. This plan shall be available at the well site. All personnel will be required to carry documentation that they have received the proper training.

II. H_2S Safety Equipment and Systems

Note: All H_2S safety equipment and systems will be installed, tested, and operational when drilling reaches a depth of 500 feet above, or three days prior to penetrating, the first zone containing, or reasonably expected to contain, H_2S.

1. Well Control Equipment:

   A. Flare line with electronic igniter or continuous pilot.

   B. Choke manifold with a minimum of one remote choke.

   C. Blind rams and pipe rams to accommodate all pipe sizes with properly sized closing unit.

   D. Auxiliary equipment to include annular preventer, mud-gas separator, rotating head, and flare gun with flares.

2. Protective equipment for essential personnel:

   A. Mark II Surviveair 30-minute units located in the dog house and at briefing areas, as indicated on Exhibit "G".

3. H_2S detection and monitoring equipment:

   A. Two portable H_2S monitors positioned on location for best coverage and response. These units have warning lights and audible sirens when H_2S levels of 20 ppm are reached.

   B. One portable S02 monitor positioned near flare line.

4. Visual warning systems:

   A. Wind direction indicators as shown on Exhibit "G".

   B. Caution/Danger signs shall be posted on roads providing direct access to location. Signs will be painted a high visibility yellow with black lettering of sufficient size to be readable at a reasonable distance from the immediate location. Bilingual signs will be used when appropriate.

5. Mud program:

   A. The mud program has been designed to minimize the volume of H_2S circulated to the surface. Proper mud weight, safe drilling practices, and the use of H_2S scavengers will minimize hazards when penetrating H_2S-bearing zones.

   B. A mud-gas separator and an H_2S gas buster will be utilized.

6. Metallurgy:

   A. All drill strings, casings, tubing, wellhead, blowout preventers, drilling spool, kill lines, choke manifold and lines, and valves shall be suitable for H_2S service.

   B. All elastomers used for packing and seals shall be H_2S trim.

7. Communication:

   A. Radio communications in company vehicles including cellular telephone and 2-way radio.

   B. Land Line (telephone) communications at field office.

8. Well testing:

   A. Drill stem testing will be performed with a minimum number of personnel in the immediate vicinity which are necessary to safely and adequately conduct the test. The drill stem testing will be conducted during daylight hours, and formation fluids will not be flowed to the surface. All drill stem testing operations conducted in an H_2S environment will use the closed chamber method of testing.

EXHIBIT "C"

SURFACE USE AND OPERATIONS PLAN

CULTURAL RESOURCES SURVEY

APPROXIMATE REHABILITATION SCHEDULE

LOCALITY: MALJAMAR GRAYBURG UNIT #154

LOCATION: NW¼SW¼ OF SECTION 4, T17S-R32E, N.M.P.M.
LEA COUNTY, NEW MEXICO

OPERATOR: THE WISER OIL COMPANY

SUBMITTED TO:

UNITED STATES DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

CARLSBAD AREA OFFICE

620 EAST GREENE STREET

CARLSBAD, NEW MEXICO 88220-6292

TELEPHONE (505) 887-6544

This plan is submitted to provide permitting agencies with information necessary to allow an appraisal of the environmental effects associated with the proposed drilling operations. Within the context of typical drilling operations, this plan provides for protection of surface resources and other environmental components. This plan has been developed in conformity with the United States Geological Survey NTL-6 guidelines, Bureau of Land Management Oil and Gas Order No. l, and in connection and consultation with the private surface owner of record, if other than the United States of America, as well as the Carlsbad Area Resource Office for the Bureau of Land Management and the United States Department of the Interior personnel.

PART #1:

1) Surface Location:

NW¼SW¼ of Section 4, Township 17 South, Range 32 East, N.M.P.M.
Lea County, New Mexico
1980' FSL and 990' FWL, Unit L
See attached Exhibit "D"

2) Bottom Hole Location:

NW¼SW¼ of Section 4, Township 17 South, Range 32 East, N.M.P.M.
Lea County, New Mexico
1980' FSL and 990' FWL, Unit L
See attached Exhibit "D"

3) Leases Issued:

a) NM-0315712

4) Record Lessee:

a) Chevron USA Inc. 100%
P. O Box 1635
Houston, Texas 77251

5) Acres in Lease:

a)	Section 4: N½S½, S½SW¼	240.0000
	Section 9: W½, NW¼NE¼	360.0000
	Section 15: NE¼	160.0000
		760.0000

6) Acres Dedicated to Well:

There are 40.0000 acres dedicated to this well which takes in the NW¼SW¼ of Section 4, Township 17 South, Range 32 East, Lea County, New Mexico.

PART #2:

1) Existing Roads:

Exhibit "E" is a map showing the location of the proposed well, as staked, in relation to existing roads and U. S. Highway 82. The well is ± .2 mile northwest of Maljamar, New Mexico. From Maljamar, New Mexico, go west approximately ¼ mile on U.S. Highway 82. Turn north on lease road and go approximately 800', bear northwest at fork and go approximately ¼ mile, turn west and go approximately 2/3 mile to location.

2) Planned Access:

A. Length and Width: An existing access road crosses the proposed well pad.

Application for a buried pipeline right-of-way will be made when it becomes necessary.

B. Construction: The existing roads will be lightly graded and topped with compacted caliche as needed.

C. Turnouts: None required.

D. Culverts: None required.

E. Cuts and Fills: The area has small sand dunes and deflation basins to be leveled.

F. Gates and Cattleguards: None required.

3) Location of Existing Wells:

Existing wells within a one-mile radius of the proposed well are shown on Exhibit "F".

4) Location of Existing and/or Proposed Facilities:

A. There are production facilities on the Maljamar Grayburg Unit at this time. See Exhibit "F".

5) Location and Type of Water Supply:

The Wiser Oil Company plans to drill the proposed well with fresh and brine water which will be obtained from commercial sources. The water will be transported over proposed and existing access roads.

6) Source of Construction Materials:

Caliche for surfacing access roads and the wellsite pad will be obtained from the location itself or from BLM pits in the area.

7) Method of Handling Waste Material:

A. Drill cuttings will be disposed of in the reserve pits.

B. Drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry.

C. All pits will be fenced with normal fencing materials to prevent livestock from entering the area.

D. Water produced during operations will be collected in tanks until hauled to an approved disposal system or held for water injection.

E. The Wiser Oil Company will comply with current laws and regulations pertaining to the disposal of human waste.

F. All waste materials will be contained to prevent scattering by the wind and will be removed from the well site within 30 days after drilling and/or completion operations are finished.

8) Ancillary Facilities: None required.

9) Well Site Layout:

A. Exhibit "G" shows the relative location and dimensions of the well pad, reserve pits, and major rig components. The pad and pit area have been staked and flagged.

B. Mat Size: 140' X 210' plus reserve pits.

C. Cut & Fill: Only minor leveling of the drilling site is anticipated.

D. The surface will be topped with compacted caliche and the reserve pits will be plastic lined.

10) Plans for Restoration of the Surface:

A. After completion of drilling and/or completion operations, all equipment and other material not needed for operations will be removed. Pits will be filled and the location cleaned of all trash and junk to leave the well site in as aesthetically pleasing a condition as possible.

B. Any unguarded pits containing fluids will be fenced until they are filled.

11) Other Information:

A. Topography: The wellsite and access road are located in the Querecho Plains. The site is relatively flat.

B. Soil:

The proposed location, access road, and production facilities consist of sandy soil. Slope in the proposed area ranges from zero (0) to five (5) degrees.

C. Flora and Fauna:

Vegetation is one of a grassland environment and a scrub-grass, scrub disclimax community. The wildlife consists of rabbits, coyotes, rattlesnakes, lizards, dove, quail, and other wildlife typical of the semi-arid desert land.

D. Ponds and Streams: There are no ponds, lakes, streams, or feeder creeks in the immediate area.

E. Residences and Other Structures:

There are no occupied residences or other structures on or near the proposed location.

F. Land Use: The land is used for grazing cattle.

G. Surface Ownership: The surface is owned by Olane Caswell, 1702 Gilham, Brownfield, Texas 79316.

H. Archaeological, Historical, and Other Cultural Sites:

Archaeological Survey Consultants has conducted an archaeological survey of the proposed Maljamar Grayburg Unit #154 well which covers the drilling location, production facilities, and access road, including a corridor along said access road for power and flow lines. Their report has been filed with the BLM under separate cover.

I. Operator's Senior Representative:

Glendale Howard
The Wiser Oil Company
8115 Preston Road, Suite 400
Dallas, Texas 75225
(214) 265-0080
FAX (214) 373-3610

J. Person in Charge of Overall Project:

Matt Eagleston
The Wiser Oil Company
8115 Preston Road, Suite 400
Dallas, Texas 75225
(214) 265-0080
FAX (214) 373-3610

K. Person in Charge of Drilling Operations:

Matt Eagleston
The Wiser Oil Company
8115 Preston Road, Suite 400
Dallas, Texas 75225
(214) 265-0080
FAX (214) 373-3610

CERTIFICATION

I hereby certify that I have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in the plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by The Wiser Oil Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Michael R. Burch

Michael R. Burch, CPL, Agent for The Wiser Oil Company
J. O. Easley, Inc.
P. O. Box 1796
Roswell, New Mexico 88202-1796
(505) 623-3758 FAX (505) 623-3797

Date: 8-5-96

EXHIBIT "D"

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

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

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

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
30-025- 33628	43329	Maljamar Grayburg Sand Andres

Property Code	Property Name	Well Number
11844	MALJAMAR GRAYBURG UNIT	154

OGRID No.	Operator Name	Elevation
22922	THE WISER OIL COMPANY	4126

Surface Location

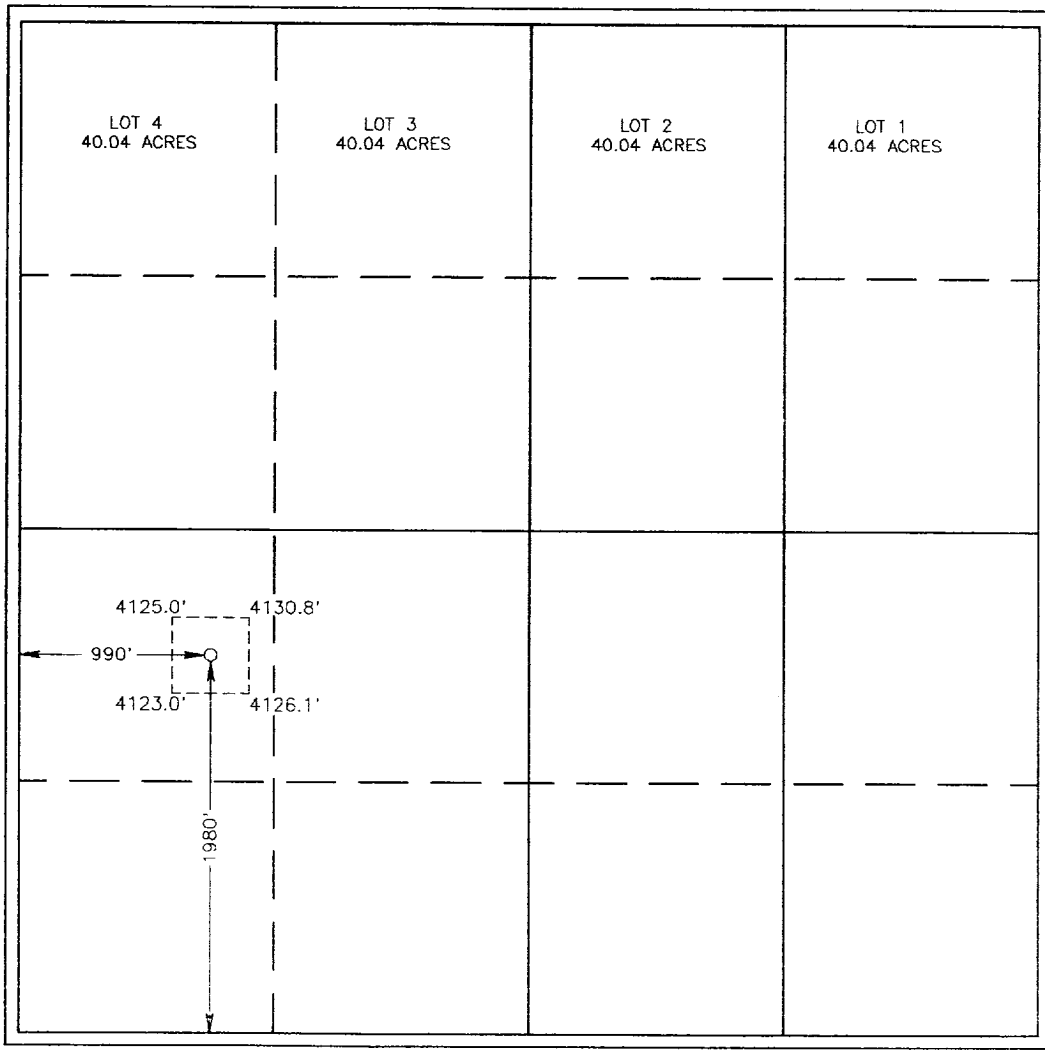
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	4	17 S	32 E		1980	SOUTH	990	WEST	LEA

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 or Infill	Consolidation Code	Order No.
40			

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



OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

Signature: Michael R. Burch, CPL

Printed Name: ~~Agent for The Wiser Oil~~ Company

Title: 8-5-96

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.

JULY 31, 1996

Date Surveyed: CDG

Signature & Seal of Professional Surveyor: 8-02-96

96-11-0932

Certificate No. JOHN W. WEST 676
RONALD J. EIDSON 3239
GARY L. EIDSON 12641

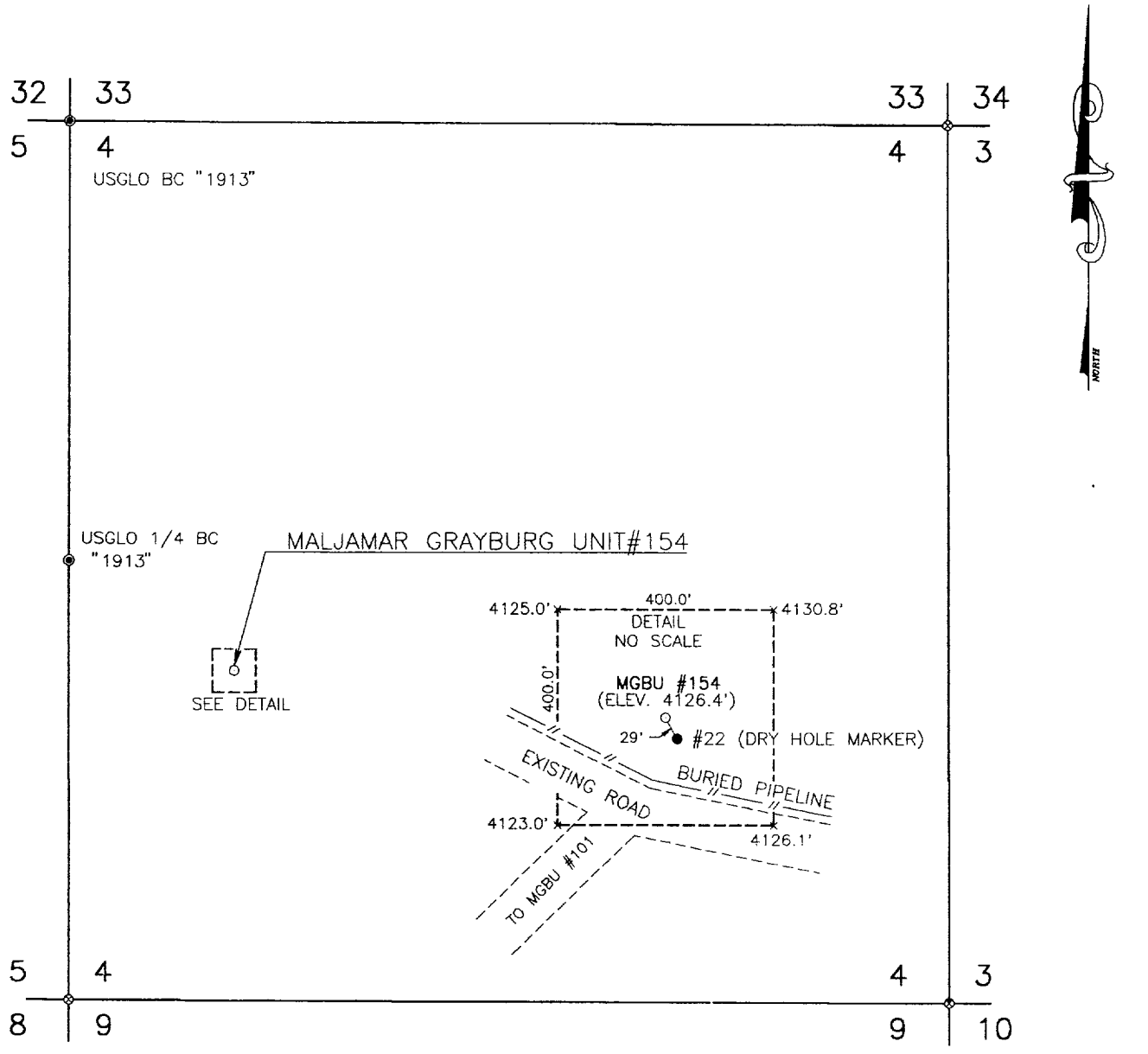
SECTION 4, TOWNSHIP 17 SOUTH, RANGE 32 EAST, N.M.P.M.

LEA COUNTY

Exhibit "D"

Page 2

NEW MEXICO



LEGEND

- ◉ – DENOTES FOUND MONUMENT
- ⊗ – DENOTES CALC. CORNER
- ● – DENOTES EXISTING WELL
- ⊙ – DENOTES PROPOSED WELL
- × – DENOTES SPOT ELEVATION

1000 0 1000 2000 FEET

THE WISER OIL COMPANY

THE MALJAMAR GRAYBURG UNIT #154 LOCATED 1980 FEET FROM THE SOUTH LINE AND 990 FEET FROM THE WEST LINE OF SECTION 4, TOWNSHIP 17 SOUTH, RANGE 32 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO.

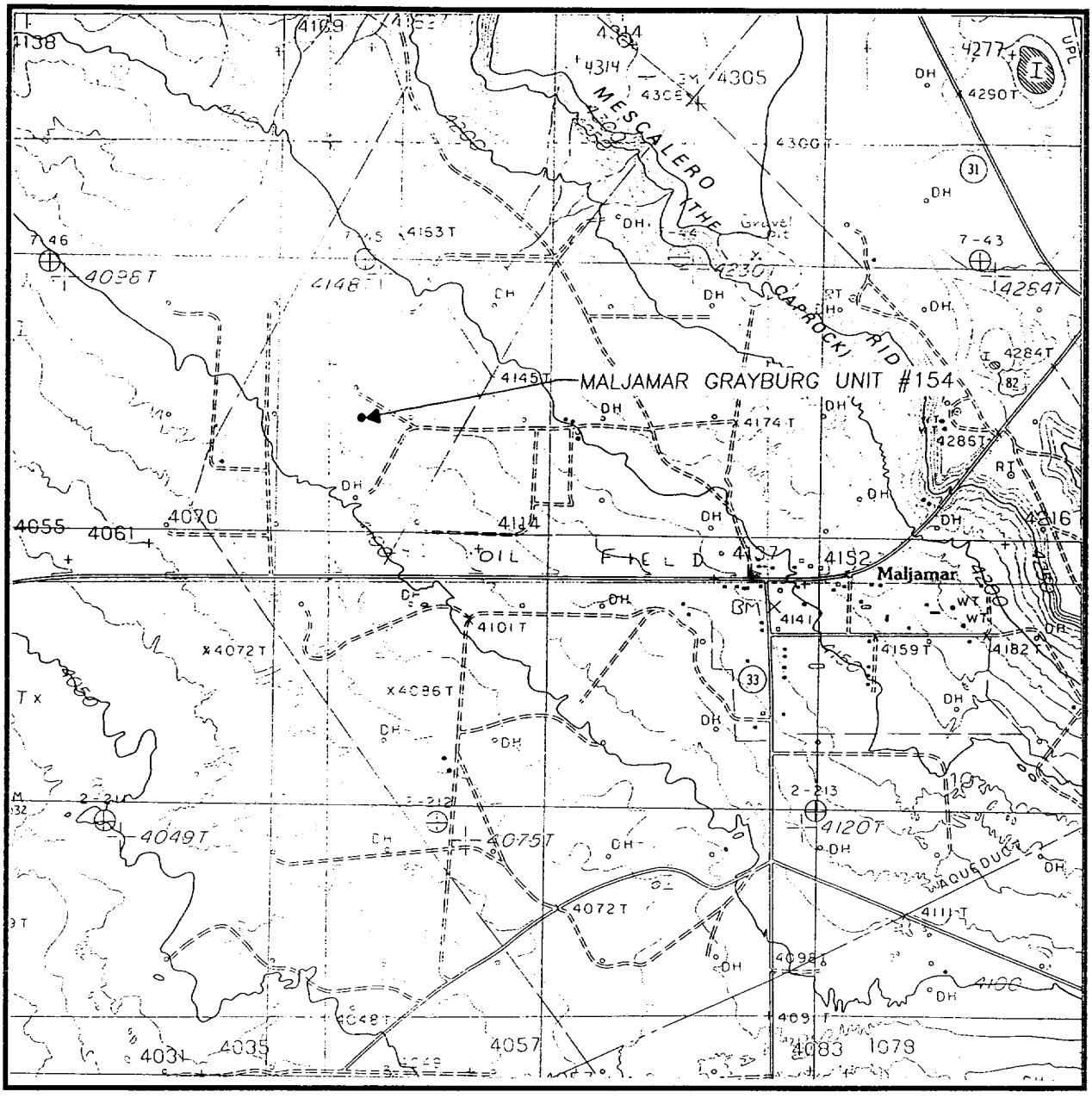
Survey Date: JULY 31, 1996	Sheet 1 of 1 Sheets	
W.O. Number: 96-11-0932	Drawn By: CDG	
Date: 8-1-96	DISK: WISER-02	FILE: WIS0932

JOHN W. WEST ENGINEERING COMPANY

CONSULTING ENGINEERS & SURVEYORS – HOBBS, NEW MEXICO

LOCATION VERIFICATION MAP

Paved Highway Existing Access Road Proposed Access Road



SCALE: 1" = 2000'

CONTOUR INTERVAL:
MALJAMAR – 10'

SEC. 4 TWP. 17-S RGE. 32-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 1980' FSL & 990' FWL

ELEVATION 4126'

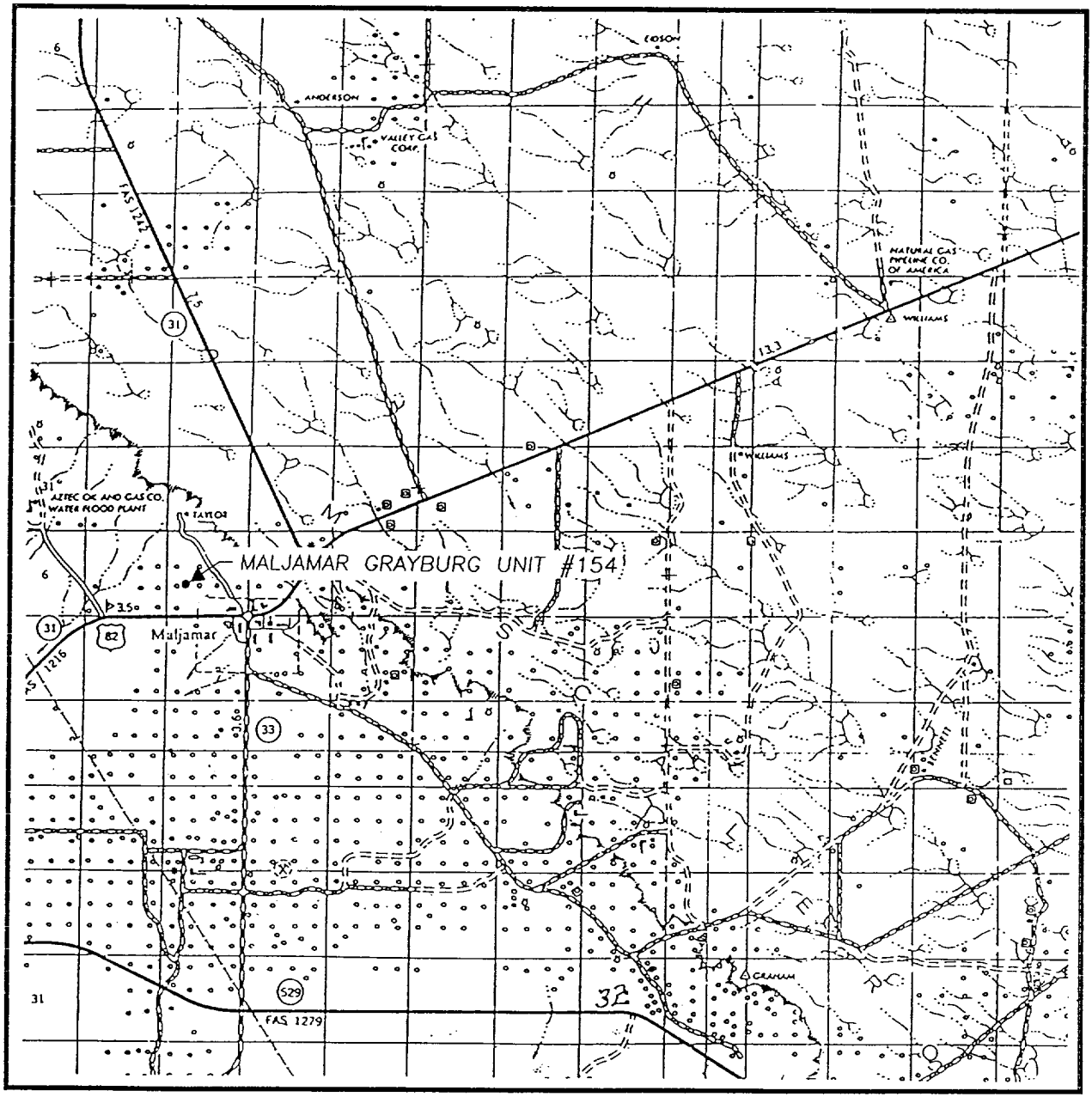
OPERATOR THE WISER OIL COMPANY

LEASE MALJAMAR GRAYBURG UNIT

U.S.G.S. TOPOGRAPHIC MAP
MALJAMAR, N.M.

JOHN WEST ENGINEERING
HOBBS, NEW MEXICO
(505) 393-3117

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 4 TWP. 17-S RGE. 32-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 1980' FSL & 990' FWL

ELEVATION 4126'

OPERATOR THE WISER OIL COMPANY

LEASE MALJAMAR GRAYBURG UNIT

JOHN WEST ENGINEERING
HOBBS, NEW MEXICO
(505) 393-3117

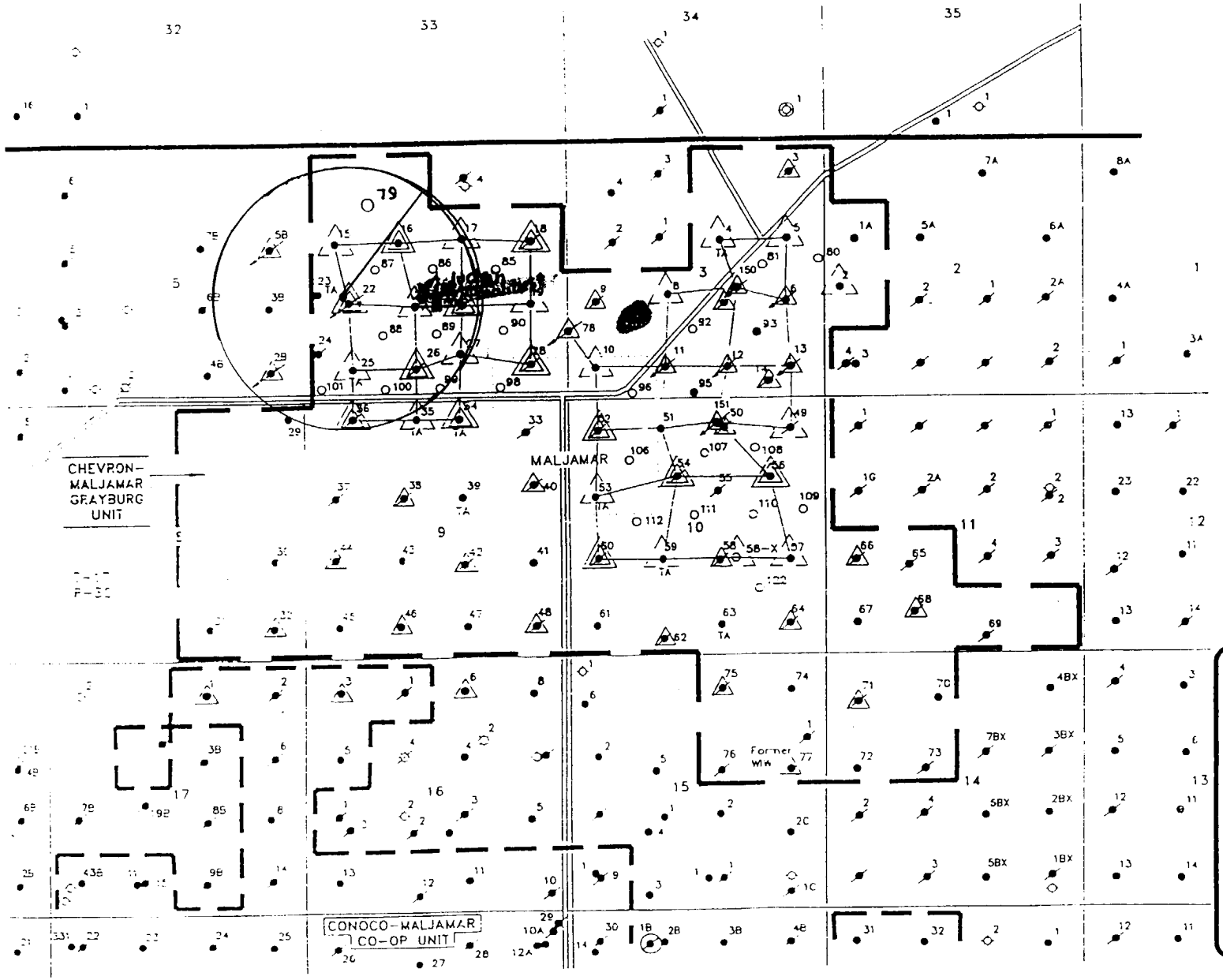


EXHIBIT "F"

● EXISTING WELLS
PRODUCTION FACILITIES

The Wiser Oil Company
Maljamar Grayburg Unit #154

REDEVELOPMENT PLAN
PHASE I AND PHASE II

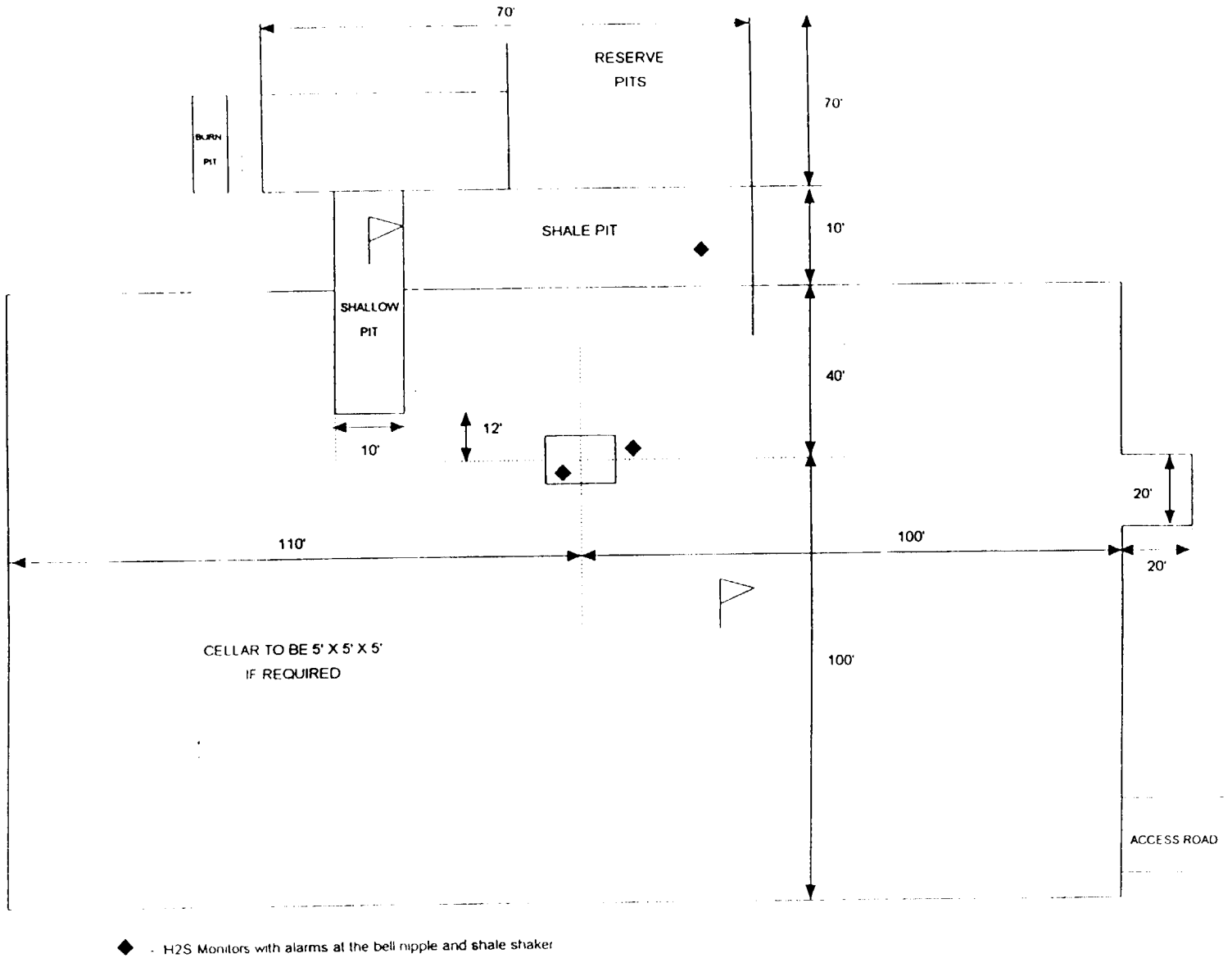
THE WISER OIL COMPANY

MALJAMAR GRAYBURG UNIT
MALJAMAR (GRAYBURG SAN ANDRES) FIELD
LEA CO., NEW MEXICO

- ● Producer
- ○ Proposed Producer Location
- Shut–in Injector
- Proposed Injector Conversion
- Active Injector
- Former Injector

0 2000' 4000'
1000' 3000'

FIGURE NO. 19



◆ - H2S Monitors with alarms at the bell nipple and shale shaker

- Wind Direction Indicators

- Safe Briefing areas with caution signs and protective breathing equipment Min 150 ft from wellhead

EXHIBIT "G"

RIG LAYOUT

The Wiser Oil Company

Maljamar Grayburg Unit #154

Prevailing Wind Direction

Summer - North

Winter - Northeast

N

BOP & CHOKE MANIFOLD

12"/900 Cameron SS Space Saver
3000# Working Pressure
3000# Working Pressure Choke Manifold

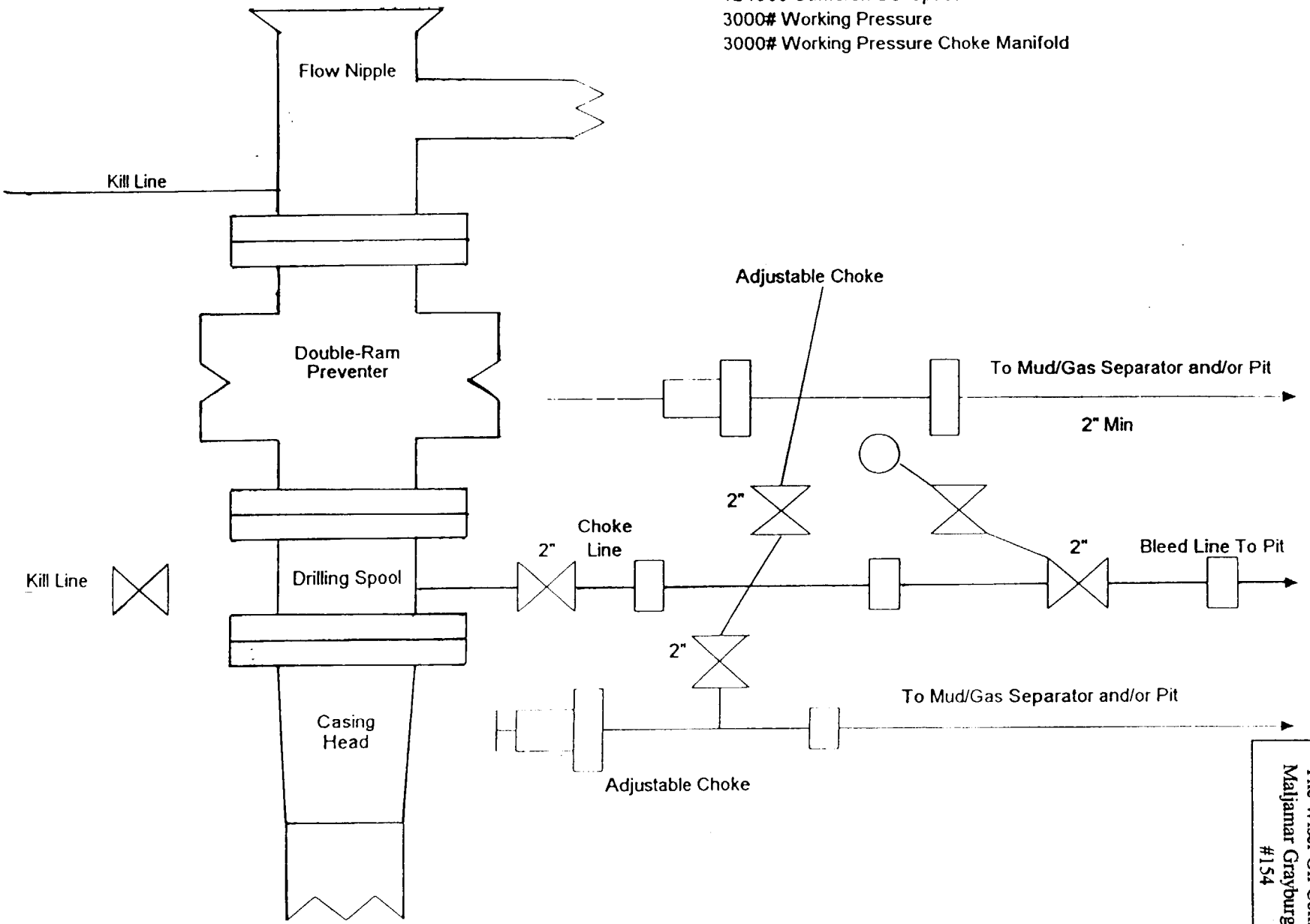


EXHIBIT "H"

BOP LAYOUT

The Wiser Oil Company
Maljamar Grayburg Unit
#154