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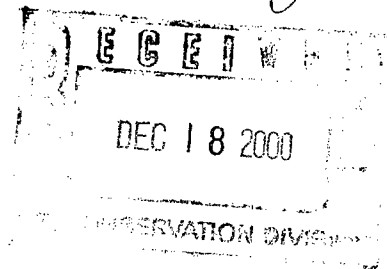
DHC

1/8/01



CLAYTON WILLIAMS ENERGY, INC.

December 14, 2000



State of New Mexico  
Energy, Minerals and Natural Resources Department  
OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, New Mexico 87505

Attention: Mr. David Catanach

Re: **Application for Downhole Commingling Form C-107A**

Clayton Williams Energy, Inc.  
Phillips-17-Federal Lease, Well No. 2  
Section 17, T-17S, R29E  
Eddy County, New Mexico

Dear David:

Please find attached our Form C-107A for the above captioned well.

Clayton Williams Energy, Inc. and Phillips Petroleum Company are the only working interest owners and the United States Dept. of the Interior (BLM) is the only royalty owner.

Since our well is new with little history, I have included as attachments two wells in Section 21 producing from the GB-Jackson, one well in Section 20 producing from the Empire, East (Yeso) and one well in Section 29 producing from the Empire, East (Yeso) as analogies. The plots are from monthly production as reported to the OCD.

Please contact me at (915) 688-3253 should you need to discuss or have any questions.

Sincerely yours,

Chris Cantrell  
Petroleum Engineer

Enclosures

Cc: United States Dept. of the Interior  
Bureau of Land Management  
Roswell District Office  
Attention: Mr. David Glass  
2909 West Second Street  
Roswell, New Mexico 88201-1287

OCD - District II Artesia

District I  
1625 N. French Drive, Hobbs, NM 88240  
District II  
811 South First Street, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107-A  
Revised May 15, 2000

OIL CONSERVATION DIVISION

2040 South Pacheco  
Santa Fe, New Mexico 87505

APPLICATION TYPE

☒ Single Well  
☐ Establish Pre-Approved Pools  
EXISTING WELLBORE  
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

Clayton Williams Energy, Inc. Six Desta Dr., Ste. 3000, Midland, TX 79705  
Operator Address

Phillips 17 Federal #2 O; Sect. 17, T-17S-R29E Eddy  
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 25706 Property Code 26583 API No. 30-015-31261 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Grayburg-Jackson-7R's,Qn,GB,SA		Empire, East (Yeso)
Pool Code	28509		96610
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	2,324'-3,844' Perforated		3,994'-4,174' Perforated
Method of Production (Flowing or Artificial Lift)	Artificial Lift		Artificial Lift
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)	Oil - 38.6 Gas BTU 1145		Oil 39.5 Gas 1201
Producing, Shut-In or New Zone	Producing		Shut In
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: 12/11/2000  Rates: 73 BOPD, 115 MCFPD, 207 BWPD	Date:  Rates:	Date: 11/18/00  Rates: 35 BOPD, 28 MCFPD, 126 BWPD
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas 68 % 80 %	Oil Gas % %	Oil Gas 32 % 20 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes ☒ No ☐  
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes ☐ No ☐

Are all produced fluids from all commingled zones compatible with each other? Yes ☒ No ☐

Will commingling decrease the value of production? Yes ☐ No ☒

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes ☒ No ☐

NMOCD Reference Case No. applicable to this well: \_\_\_\_\_

Attachments:

C-102 for each zone to be commingled showing its spacing unit and acreage dedication.  
Production curve for each zone for at least one year. (If not available, attach explanation.)  
For zones with no production history, estimated production rates and supporting data.  
Data to support allocation method or formula.  
Notification list of working, royalty and overriding royalty interests for uncommon interest cases.  
Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools  
List of all operators within the proposed Pre-Approved Pools  
Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.  
Bottomhole pressure data.

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

SIGNATURE Chris Cantrell TITLE Petroleum Engineer DATE 12/15/00

TYPE OR PRINT NAME Chris Cantrell TELEPHONE NO. ( 915 ) 682-6324

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 30-015-	Pool Code 28509	Pool Name Grayburg-Jackson (7R-Qu-Gb-SA)
Property Code	Property Name PHILLIPS -17- FEDERAL	Well Number 2
OGRID No. 017643	Operator Name PHILLIPS PETROLEUM COMPANY	Elevation 3608'

Surface Location

UL or lot No. 0	Section 17	Township 17 S	Range 29 E	Lot Idn	Feet from the 990	North/South line SOUTH	Feet from the 2310	East/West line EAST	County EDDY
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Bottom Hole Location If Different From Surface

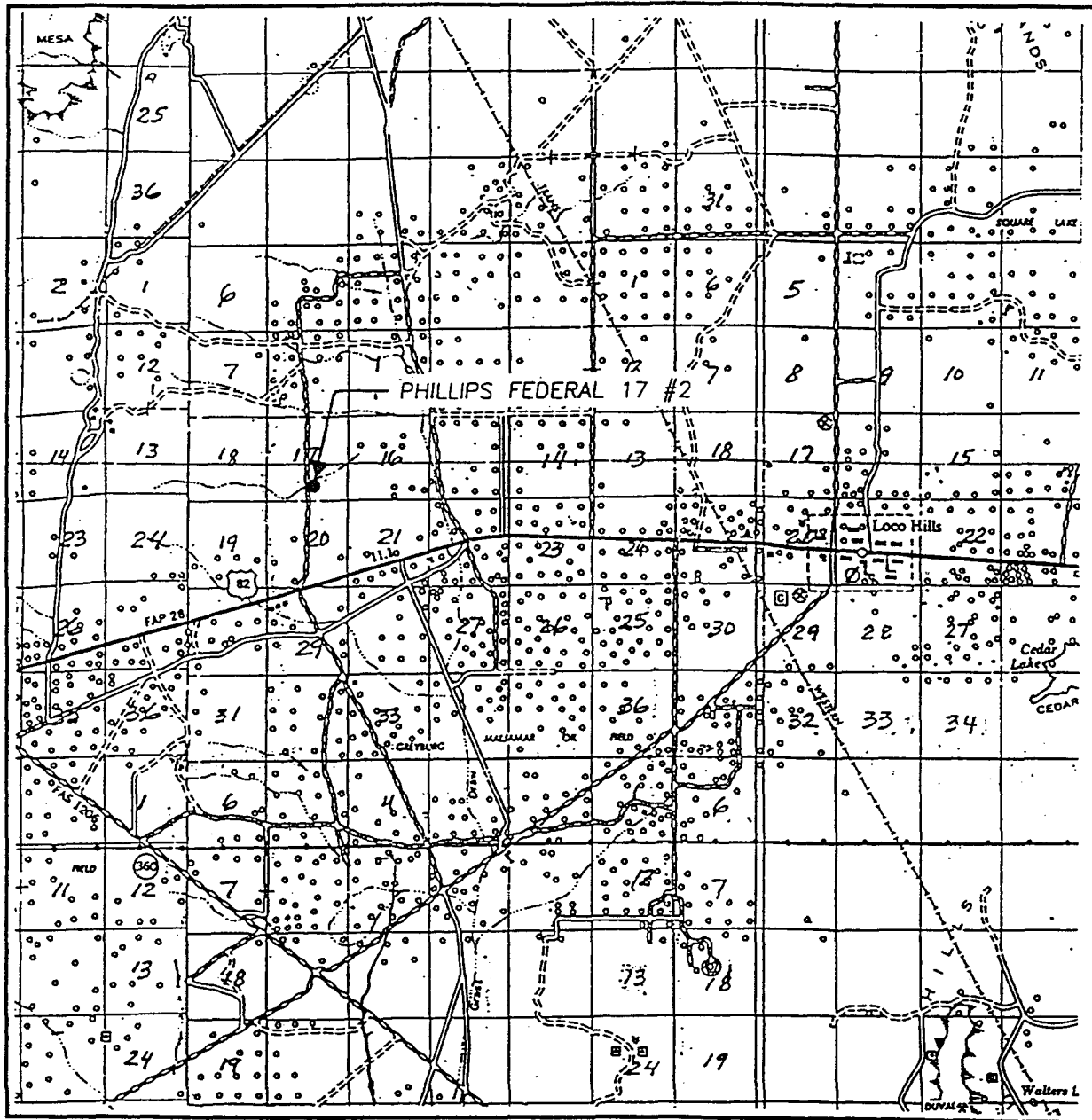
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

				<b>OPERATOR CERTIFICATION</b>  I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.  <i>L. M. Sanders</i> Signature  L. M. Sanders Printed Name  Supv., Regulation/Proration Title May 24, 2000 Date	
				<b>SURVEYOR CERTIFICATION</b>  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 supervision and that the same is true and correct to the best of my belief.  MAY 8, 2000 Date Surveyed Signature & Seal of Professional Surveyor <i>Ronald J. Edson</i> RONALD J. EDSON 00-11-0568 Certificate No. RONALD J. EDSON 3239 CARY EDSON 12641 WAGON McDONALD 12185	

# VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 17 TWP. 17-S RGE. 29-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 990' FSL & 2310' FEL

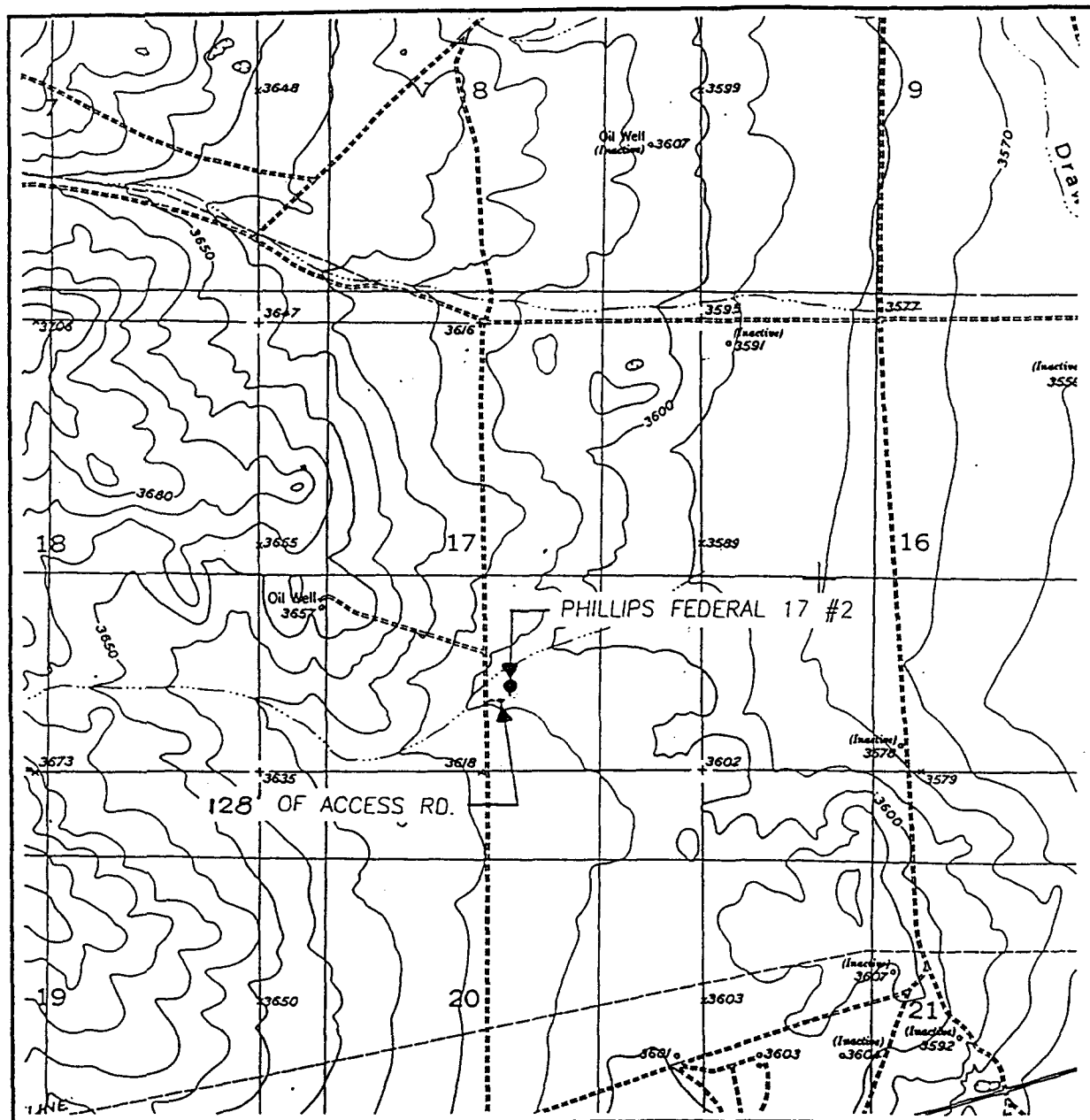
ELEVATION 3608

OPERATOR PHILLIPS PETROLEUM COMPANY

LEASE PHILLIPS FEDERAL 17

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

# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:  
RED LAKE SE - 10'

SEC. 17 TWP. 17-S RGE. 29-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 990' FSL & 2310' FEL

ELEVATION 3608

OPERATOR PHILLIPS PETROLEUM COMPANY

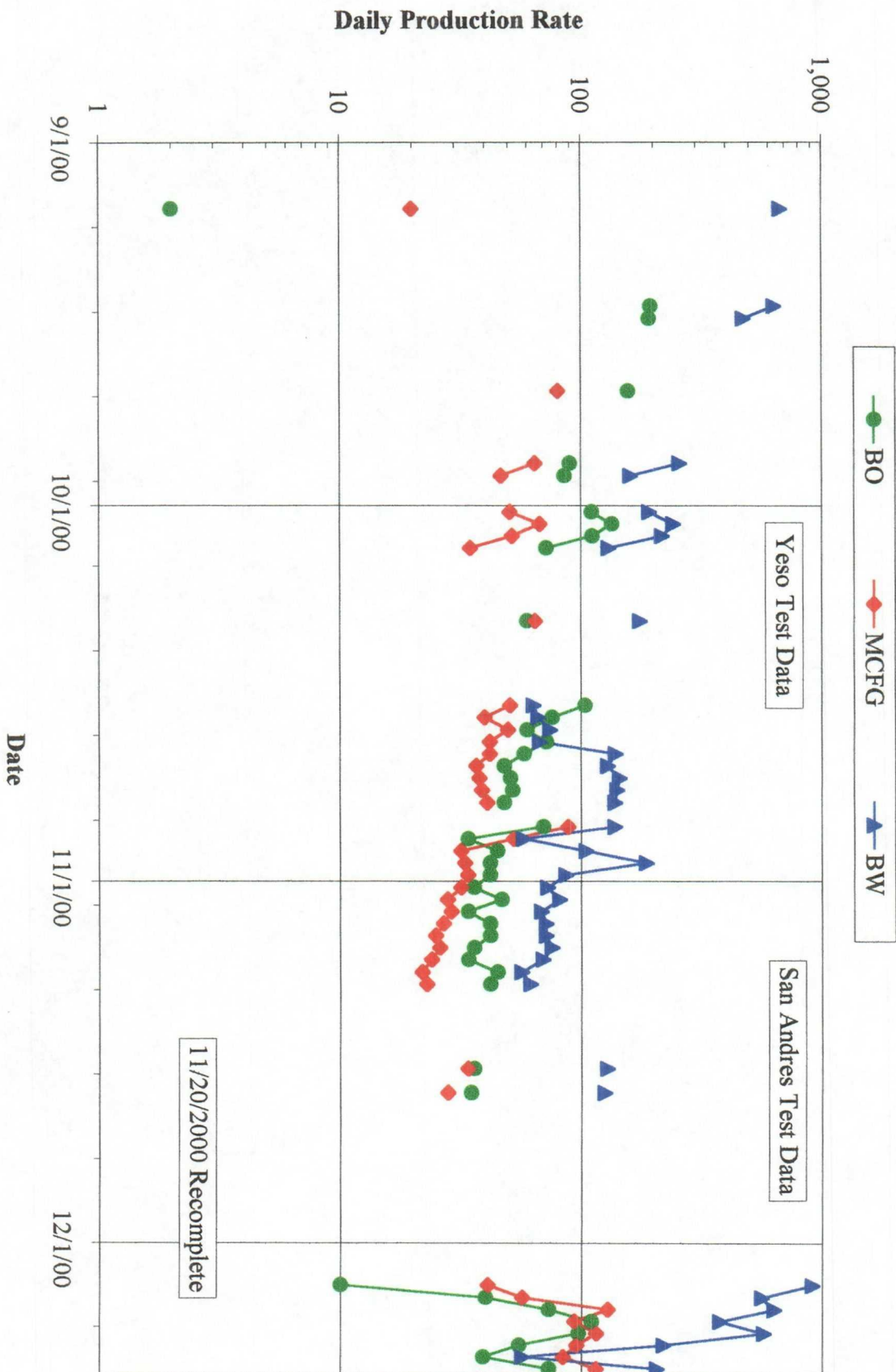
LEASE PHILLIPS FEDERAL 17

U.S.G.S. TOPOGRAPHIC MAP

RED LAKE SE, N.M.

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

# Phillips 17 Fed #2 Daily Production Data. (First Test 9/6/2000)



GRS-MCF  
OIL-BBL

1000  
1000

100  
100

LEASE : G J WEST COOP UNIT

FIELD : GRAYBURG JACKSON (SVN RVR QN CB SA)QS  
COUNTY: EDDY , STATE : NM  
LOCATION: 21E 17S 29E API : 2735900

GRS-MCF

OIL-BBL

DATE

95

0

5

GRS-MCF  
OIL-BBL

1000  
1000

100  
100

# LEASE : SCHLEY FEDERAL

FIELD : EMPIRE EAST (YESO)  
COUNTY: EDDY , STATE : NM  
LOCATION: 29L 17S 29E RP1 : 3030100

GRS-MCF

OIL-BBL

98

99

0

DATE



GRS-MCF  
OIL-BBL

1000  
1000

100  
100

# LEHSE : TENNECO STATE

FIELD : EMPIRE EAST (YESO)  
COUNTY: EDDY , STATE : NM  
LOCATION: 20M 17S 29E API : 3060300

GRS-MCF  
OIL-BBL

99

0

1

DATE

GAS-MCF  
OIL-BBL

1000  
1000

100  
30

LEASE : G J WEST COOP UNIT

FIELD : GRAYBURC JACKSON (SVN RVR QN CB SA)QS  
COUNTY: EDDY STATE : NM  
LOCATION: 21L 17S 29E API : 2737700

GAS-MCF

OIL-BBL

DATE

95

0

5