

Rev: 11-14-2003

Susp: 12-3-2003

PMESD-331862331



CLAYTON WILLIAMS ENERGY, INC.

November 13, 2003

Via Federal Express Overnight Service

STATE OF NEW MEXICO  
Energy Minerals and Natural Resources  
**OIL CONSERVATION DIVISION**  
1220 S. Saint Francis Drive  
Santa Fe, New Mexico 87504

Empire East Yeso  
Ch-Jackson

Attention: Mr. Michael Stogner

**RECEIVED**

Re: APPLICATION FOR PERMIT TO DRILL  
**NON-STANDARD LOCATION**

NOV 14 2003

Clayton Williams Energy, Inc.  
State 20B Lease (Property Code 25235)  
Well No. 16  
Sec. 20, T17S, R29E, UL H  
Eddy County, New Mexico  
Empire, Yeso (East) Field

Oil Conservation Division

12-15-2003 (8:24 AM)  
Voice Mail Message  
from Peter Hanna  
432-688-3240  
Please call her  
re: station of  
app.

Dear Mr. Stogner:

Clayton Williams Energy, Inc. proposes an in-field drilling program on its current lease in Eddy County, New Mexico. This program will potentially add eight wells, for a total of 16 wells in this quarter section and a total of 20 wells in the lease (Lease B-6846). Clayton Williams Energy, Inc. feels that in-field drilling will allow us to recover additional reserves and maximize the ultimate recovery of the field. And of course, the State of New Mexico will also benefit from the added royalty revenues.

One of the wells proposed is the State 20B #16. This well is located 2140' FNL and 1120' FEL of Sec. 20, T17S, R29E, making it a non-standard location. The well must be located at these coordinates due to the drainage impact of the reservoir on the adjacent wells in the 40-acre unit and in offset wells. We also have constraints on the surface location due to pipeline right-of-ways.

We offer the following evidence as required for your approval:

- Working interest and royalty interest is common for the entire quarter section
- A plat is attached outlining CWEI leased acreage and the current producing wells in this quarter-quarter section.

Mr. Michael Stogner  
November 13, 2003  
Page 2 of 2

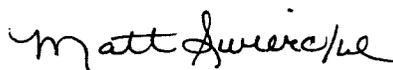
Please note as we discussed in a phone conversation of October 31, 2003 after you reviewed our location on your database, it will not be necessary to notify any offset operators.

Also attached are the customary forms for Application to Drill:

Form C-101, Application for Permit to Drill (6 copies)  
Form C-102, Well Location and Acreage Dedication Plat (4 copies)  
BOP Schematic (6 copies)

I appreciate all your assistance in this application. Should you require further or have any questions, my direct office phone number is (432) 688-3251. My e-mail address is [mswierc@claytonwilliams.com](mailto:mswierc@claytonwilliams.com).

Sincerely yours,



Matt Swierc  
Production Superintendent

Enclosures

**RECEIVED**

NOV 14 2003

Oil Conservation Division

DISTRICT I  
P.O. Box 1000, Hobbs, NM 88241-1000

DISTRICT II  
P.O. Drawer 80, Artesia, NM 88211-0710

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

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number	Pool Code 96610	Pool Name Empire, East (Yeso)
Property Code 25235	Property Name STATE 20 B	Well Number 16
OGHD No. 25706	Operator Name CLAYTON WILLIAMS ENERGY, INC.	Elevation 3606'

Surface Location

UL or lot No.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
H	20	17-S	29-E		2140'	NORTH	1120'	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

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

	STATE 20E LSE. LSE # E-4201	STATE 20B	STATE 20E	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Betsy Luna</i> Signature</p> <p>Betsy Luna Printed Name</p> <p>Engineering Technician Title</p> <p>11-12-2003 Date</p>
	<p><b>GEODEIC COORDINATES</b> NAD 27 NME</p> <p>Y = 662583.2 N X = 574284.5 N LAT. = 32°49'16.66"N LONG. = 104°05'29.48"W</p>	STATE 20B		<p><b>SURVEYOR CERTIFICATION</b></p> <p>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.</p> <p>October 21, 2003 Date Surveyed</p> <p>AWB Signature</p> <p>GARY EIDSON Professional Surveyor</p> <p><i>Gary Eidson</i> Signature</p> <p>03.11.1143 Date</p> <p>Certification No. GARY EIDSON SURVEYOR 12641</p>
		STATE 20B		

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
811 South First, 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

Form C-101  
Revised March 17, 1999

Oil Conservation Division  
2040 South Pacheco  
Santa Fe, NM 87505

Submit to appropriate District Office  
State Lease - 6 Copies  
Fee Lease - 5 Copies

AMENDED REPORT

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

<sup>1</sup> Operator Name and Address <b>Clayton Williams Energy, Inc. Six Desta Drive, Suite 3000 Midland, TX 79705</b>		<sup>2</sup> OGRID Number <b>25706</b>
		<sup>3</sup> API Number 30 - 015 -
<sup>3</sup> Property Code <b>25235</b>	Property Name <b>STATE "20B"</b>	<sup>6</sup> Well No. <b>16</b>

<sup>7</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>H</b>	<b>20</b>	<b>17 S</b>	<b>29 E</b>		<b>2140</b>	<b>NORTH</b>	<b>1120</b>	<b>EAST</b>	<b>EDDY</b>

<sup>8</sup> 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
<sup>9</sup> Proposed Pool 1 <b>Empire, East (Yeso) 96610</b>					<sup>10</sup> Proposed Pool 2 <b>Grayburg Jackson -7R's,QN,GB,SA (28509)</b>				

<sup>11</sup> Work Type Code <b>N</b>	<sup>12</sup> Well Type Code <b>O</b>	<sup>13</sup> Cable/Rotary <b>R</b>	<sup>14</sup> Lease Type Code <b>S</b>	<sup>15</sup> Ground Level Elevation <b>3606'</b>
<sup>16</sup> Multiple <b>N</b>	<sup>17</sup> Proposed Depth <b>5000'</b>	<sup>18</sup> Formation <b>Yeso Sands</b>	<sup>19</sup> Contractor <b>Key Energy Svcs</b>	<sup>20</sup> Spud Date <b>Upon approval</b>

<sup>21</sup> Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
<b>12-1/4"</b>	<b>8-5/8"</b>	<b>24#</b>	<b>400'</b>	<b>300</b>	<b>Surface</b>
<b>7-7/8"</b>	<b>5-1/2"</b>	<b>17#</b>	<b>5000'</b>	<b>935</b>	<b>Surface</b>

<sup>22</sup> Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

1. Drill a 12-1/4" hole to 400'. Run and set 400' of 8-5/8" 24# J-55 ST&C casing. Cement with 300 sx. of Cl. C cement. Circulate cement to surface.
2. Drill a 7-7/8" hole to 5000'. Run and set 5000' of 5-1/2" 17# ST&C casing with DV tool @ ±2500'. Cement 1<sup>st</sup> stage with 365 sx. Cl. C 50/50 Poz and cement 2<sup>nd</sup> stage with 570 sx. 35/65 Poz C and tail with 150 sx. Cl. C neat. Circulate cement to surface.

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>Betsy Luna</i>	<b>OIL CONSERVATION DIVISION</b>	
	Approved by:	
Printed name: <b>Betsy Luna</b>	Title:	
Title: <b>Engineering Technician</b>	Approval Date:	Expiration Date:
Date: <b>11/12/2003</b>	Phone: <b>(432) 682-6324</b>	Conditions of Approval: Attached <input type="checkbox"/>

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

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

Form C-102

Revised February 10, 1994

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number		Pool Code	Pool Name
		96610	Empire, East (Yeso)
Property Code	Property Name		Well Number
25235	STATE 20 B		16
OGRID No.	Operator Name		Elevation
25706	CLAYTON WILLIAMS ENERGY, INC.		3606'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	20	17-S	29-E		2140'	NORTH	1120'	EAST	EDDY

Bottom Hole Location If Different From Surface

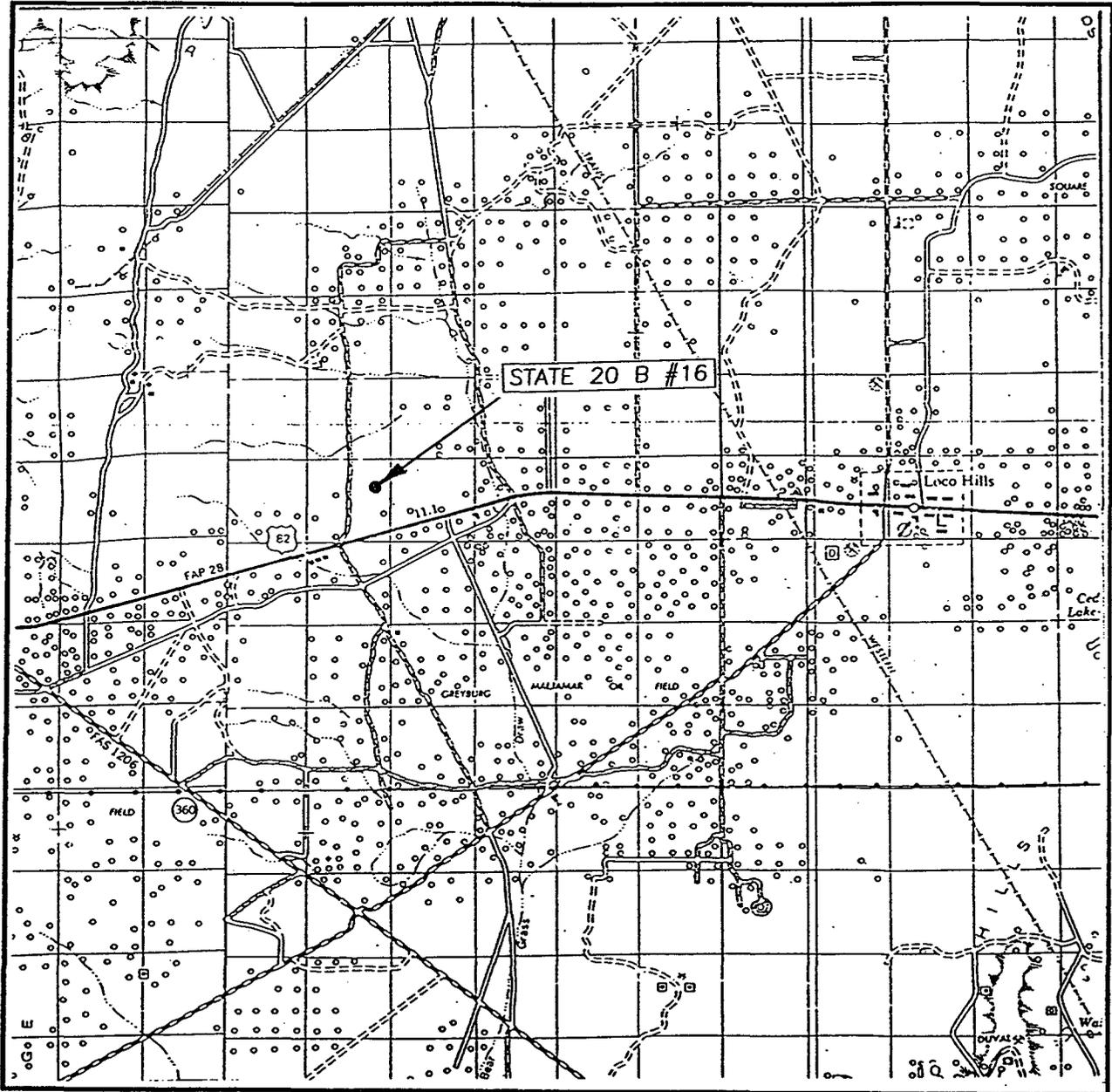
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

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

<p style="text-align: center;">GEODETTIC COORDINATES NAD 27 NME</p> <p>Y = 662583.2 N X = 574284.5 N LAT. = 32°49'16.66"N LONG. = 104°05'29.48"W</p>	2140'	<p style="text-align: center;">1120'</p>	<p style="text-align: center;"><b>OPERATOR CERTIFICATION</b></p> <p><i>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p style="text-align: right;"><u>Betsy Luna</u> Signature</p> <p><b>Betsy Luna</b> Printed Name</p> <p><b>Engineering Technician</b> Title</p> <p><b>11-12-2003</b> Date</p>
	<p style="text-align: center;"><b>SURVEYOR CERTIFICATION</b></p> <p><i>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.</i></p> <p style="text-align: center;">October 21, 2003</p> <p>Date Surveyed _____ AWB</p> <p>Signature &amp; Seal of Professional Surveyor</p> <p style="text-align: center;"><i>Gary Edson</i> 03.11.1143</p>		
	<p>Certificate No. <b>GARY EDSON</b> 12641</p>		
	<p style="text-align: center;">REGISTERED PROFESSIONAL SURVEYOR</p>		

# VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 20 TWP. 17-S RGE. 29-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 2140' FNL & 1120' FEL

ELEVATION 3606'

OPERATOR CLAYTON WILLIAMS ENERGY, INC.

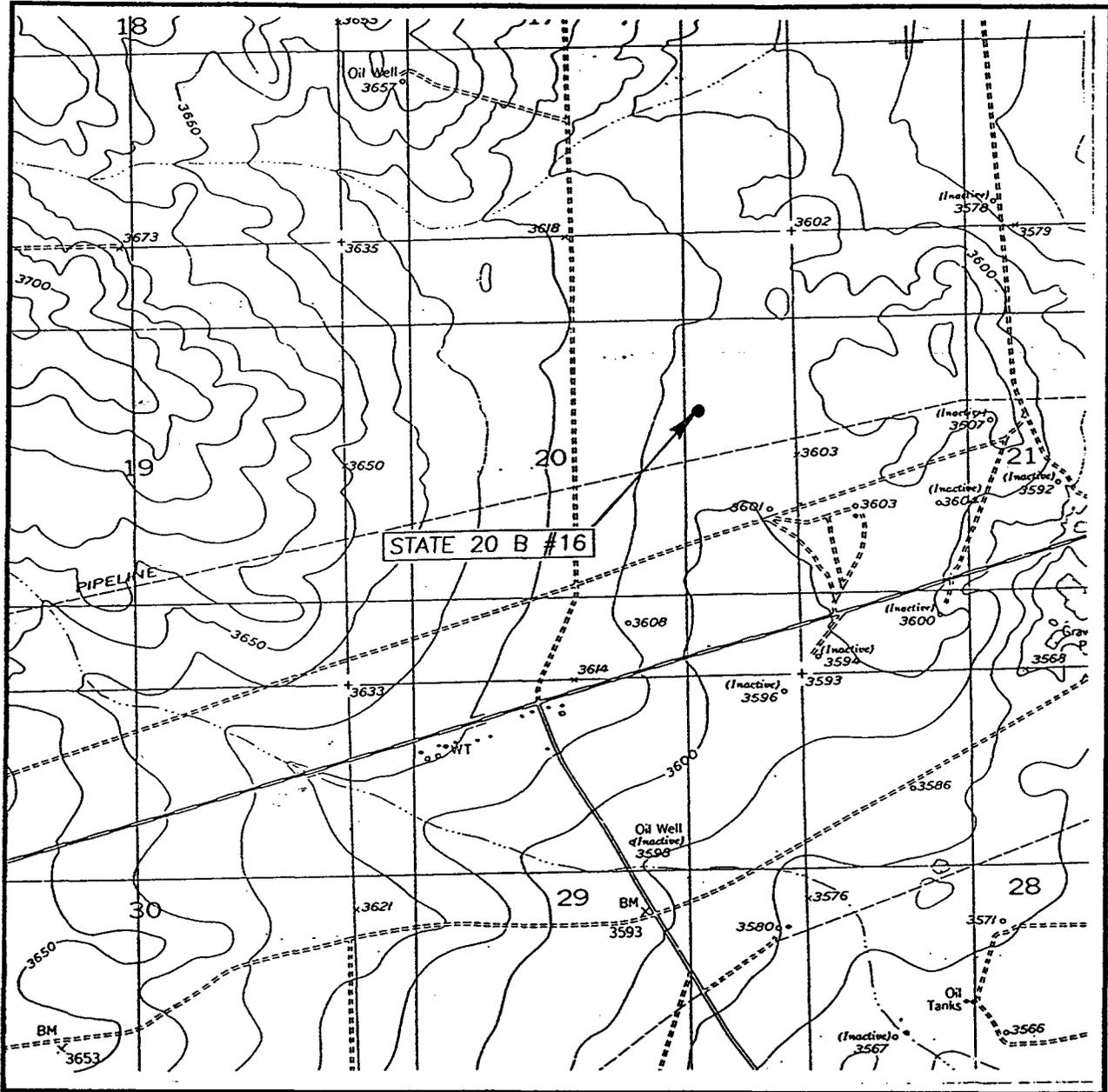
LEASE STATE 20 B

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

## DRIVING DIRECTIONS

TURN NORTH OFF STATE HIGHWAY #83 0.6 MILES WEST OFF MILE MARKER #126. GO NORTH ON CALICHE RD. 0.6 MILES, TURN RIGHT ON CALICHE RD AND GO 0.3 MILES EAST. THIS LOCATION IS ON THE SOUTH SIDE OF ROAD.

# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: 10'  
RED LAKE SE, N.M.

SEC. 20 TWP. 17-S RGE. 29-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 2140' FNL & 1120' FEL

ELEVATION 3606'

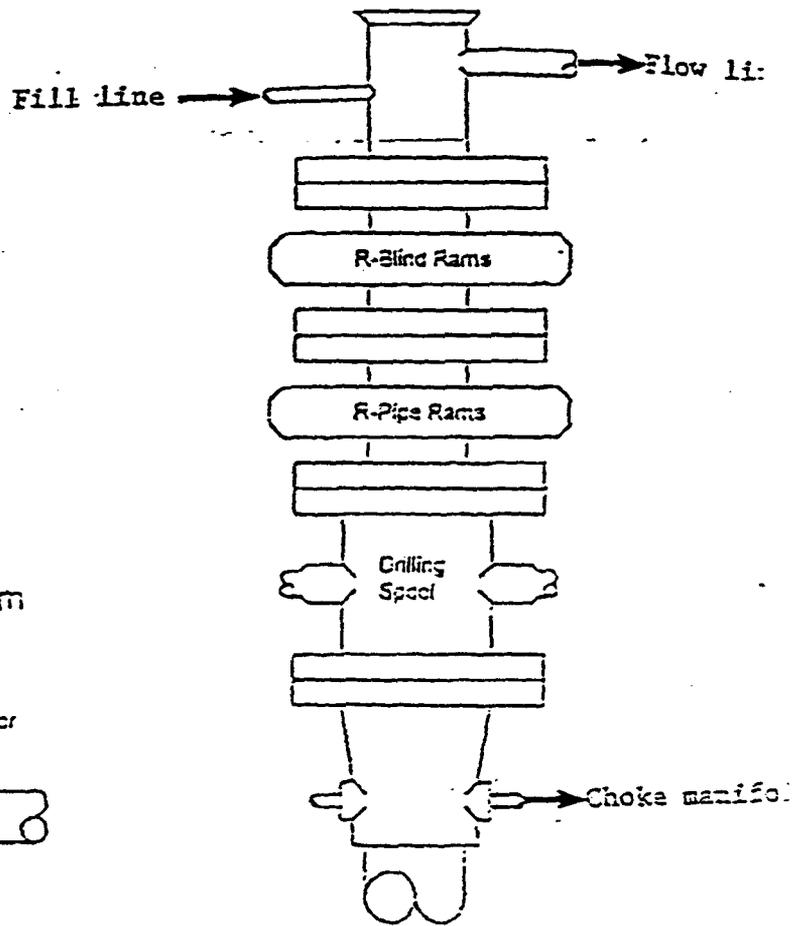
OPERATOR CLAYTON WILLIAMS ENERGY, INC.

LEASE STATE 20 B

U.S.G.S. TOPOGRAPHIC MAP  
RED LAKE SE, N.M.

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

# BLOWOUT PREVENTER SYSTEM



Choke Manifold Assembly for 3M WP System

Type 900 Series  
 3000 psi WP

