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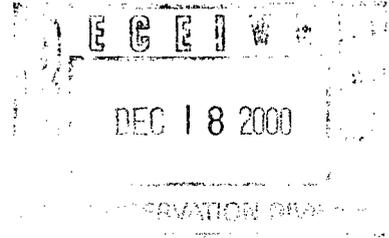
DHC 1/8/01



CLAYTON WILLIAMS ENERGY, INC.

December 14, 2000

*2066*



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. 1  
Section 17, T-17S, R29E  
Eddy County, New Mexico

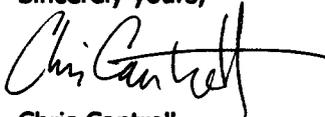
Dear David:

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** **#1** **P: Sect. 17, T-17S-R29E** **Eddy**  
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 25706 Property Code 26583 API No. 30-015-31260 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<br>(Perforated or Open-Hole Interval)   | 2,950'-3,686'<br>Perforated                                 |                   | 4,024'-4,200'<br>Perforated                               |
| Method of Production<br>(Flowing or Artificial Lift)  | Artificial Lift   |                   | Artificial Lift   |
| Bottomhole Pressure<br>(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<br>(Degree API or Gas BTU)   | Oil - 38.6<br>Gas BTU 1145                                  |                   | Oil 39.5<br>Gas 1201                                      |
| Producing, Shut-In or New Zone  | Producing   |                   | Shut In   |
| Date and Oil/Gas/Water Rates of Last Production.<br>(Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.) | Date: 12/10/2000<br>Rates: 14 BOPD,<br>30 MCFPD,<br>76 BWPD | Date:<br>Rates:   | Date: 10/25/00<br>Rates: 56 BOPD,<br>52 MCFPD,<br>92 BWPD |
| Fixed Allocation Percentage<br>(Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)                  | Oil Gas<br>20 % 37 %  | Oil Gas<br>% %    | Oil Gas<br>80 % 63 %                                      |

**ADDITIONAL DATA**

Are all working, royalty and overriding royalty interests identical in all commingled zones?  
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes  No   
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 1880, Hobbs, NM 88241-1880

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

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

**OIL CONSERVATION DIVISION**

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

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

|                       |   |   |
|-----------------------|---|---|
| API Number<br>30-015- | Pool Code<br>28509                          | Pool Name<br>Grayburg-Jackson (7R-Qu-Gb-SA) |
| Property Code         | Property Name<br>PHILLIPS -17- FEDERAL      | Well Number<br>1                            |
| OGRID No.<br>017643   | Operator Name<br>PHILLIPS PETROLEUM COMPANY | Elevation<br>3605'                          |

**Surface Location**

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| P             | 17      | 17 S     | 29 E  |         | 990           | SOUTH            | 990           | EAST           | EDDY   |

**Bottom Hole Location If Different From Surface**

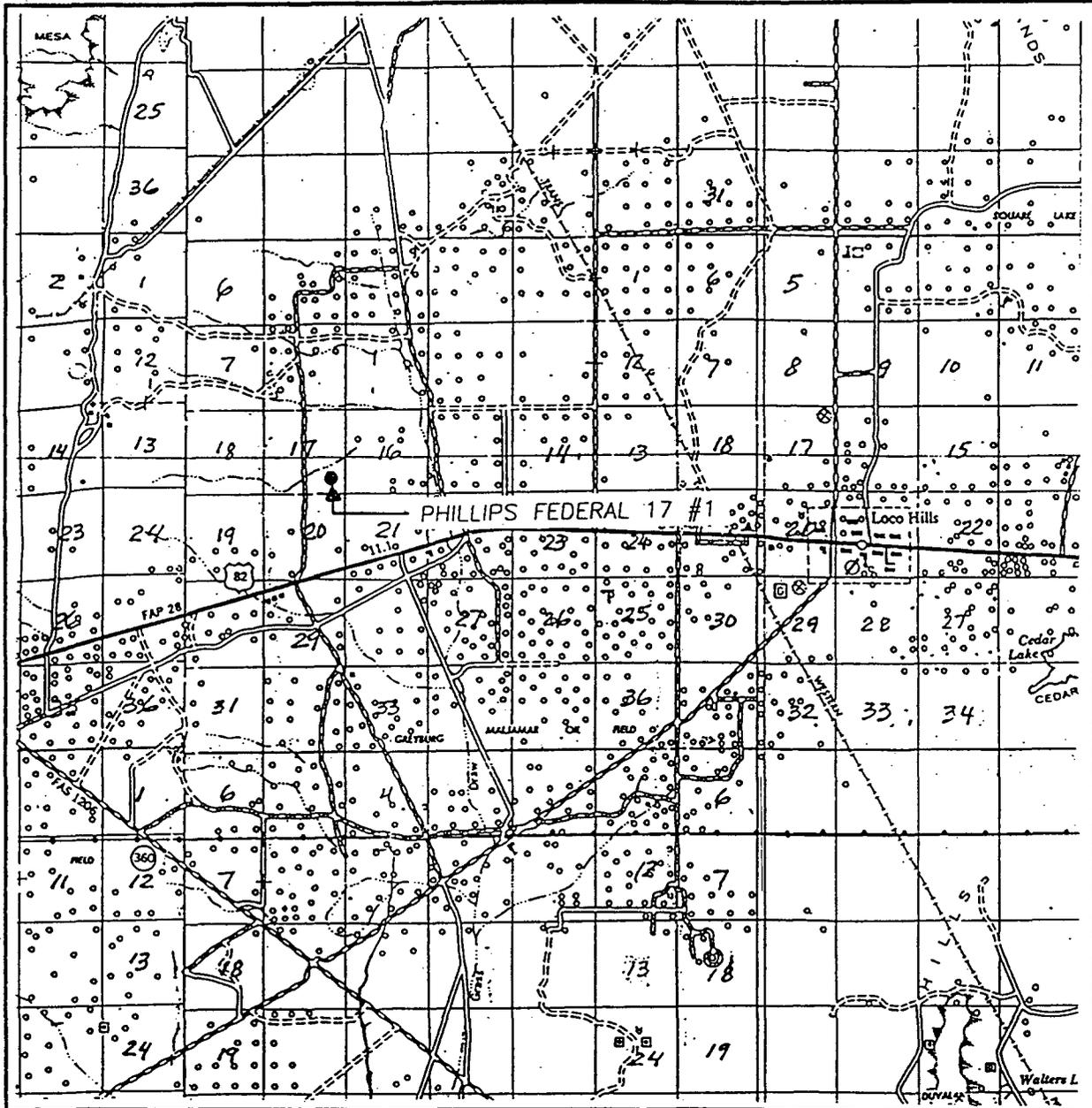
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
|               |         |     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

| Dedicated Acres | Joint or Infill | Consolidation Code | Order No. |
|-----------------|-----------------|--------------------|-----------|
| 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

|  |  |
|--|--|
|  | <p 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 align="right"><i>L. M. Sanders</i><br/>Signature</p> <p>L. M. Sanders<br/>Printed Name</p> <p>Supv., Regulation/Proration<br/>Title</p> <p>May 24, 2000<br/>Date</p>   |
|  | <p 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 align="right">MAY 8, 2000</p> <p>Date Surveyed <span style="float: right;">DC</span></p> <p>Signature &amp; Seal of Professional Surveyor</p> <p align="right"><i>Ronald J. Eidson</i><br/>5/16/00<br/>00-11-0569</p> |
|  | <p>Certificate No. RONALD J. EIDSON 3239<br/>GARY EIDSON 12641<br/>WACON McDONALD 12185</p>  |

# VICINITY MAP

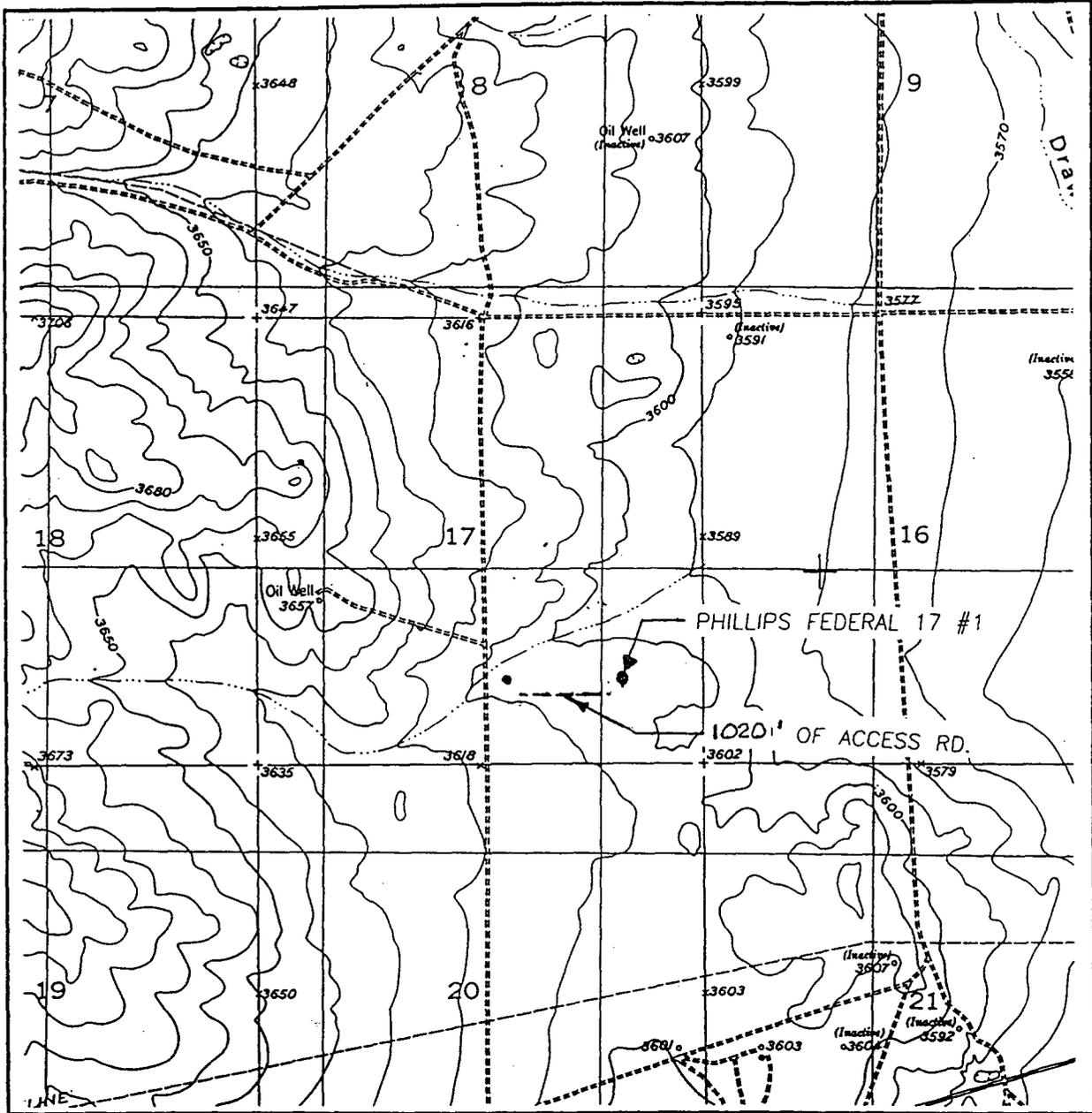


SCALE: 1" = 2 MILES

SEC. 17 TWP. 17-S RGE. 29-E  
 SURVEY N.M.P.M.  
 COUNTY EDDY  
 DESCRIPTION 990' FSL & 990' FEL  
 ELEVATION 3605  
 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 & 990' FEL

ELEVATION 3605

OPERATOR PHILLIPS  
PETROLEUM COMPANY

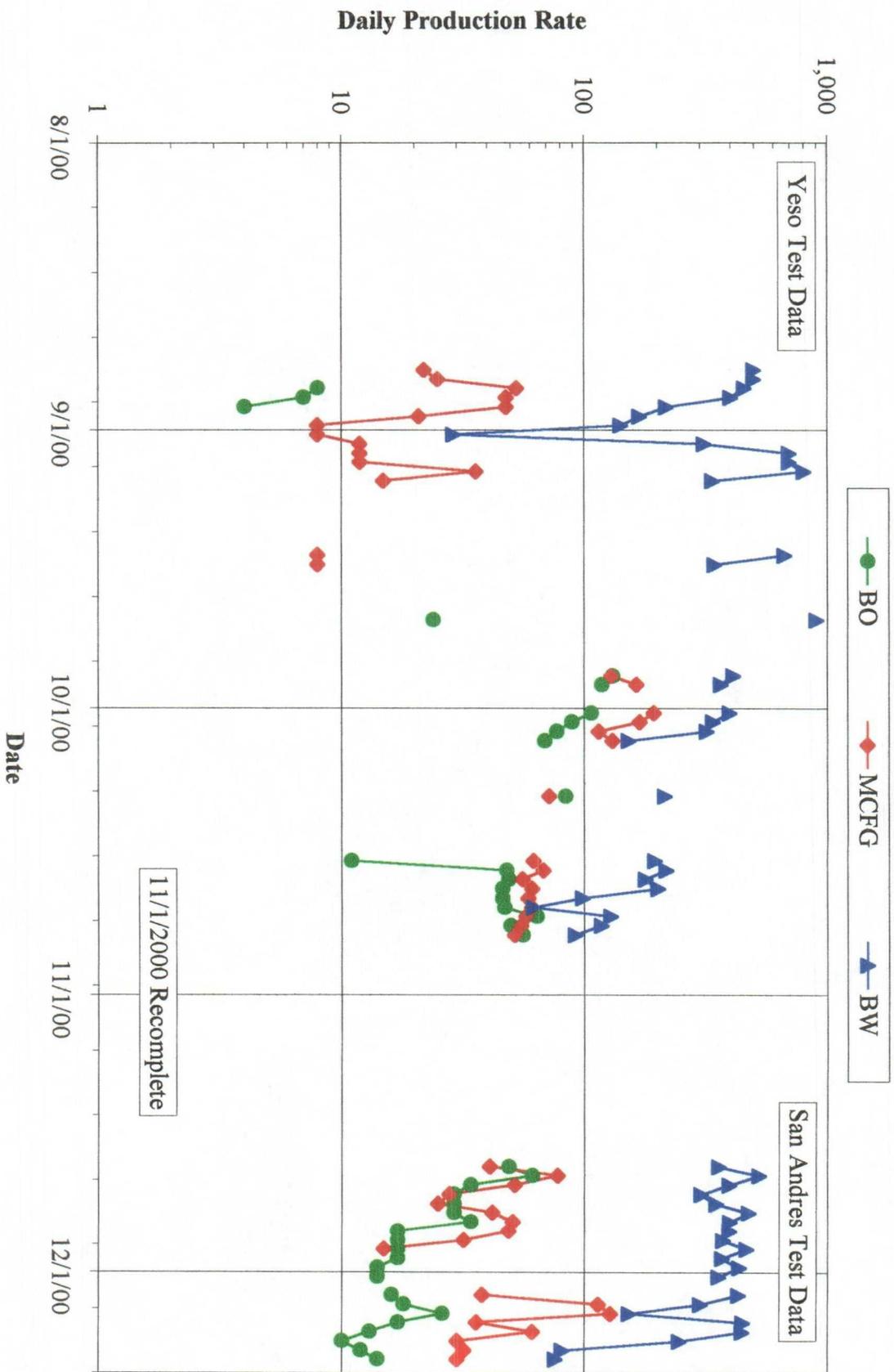
LEASE PHILLIPS FEDERAL 17

U.S.G.S. TOPOGRAPHIC MAP

RED LAKE SE, N.M.

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

# Phillips 17 Fed #1 Daily Production Data. (First Test 8/27/2000)



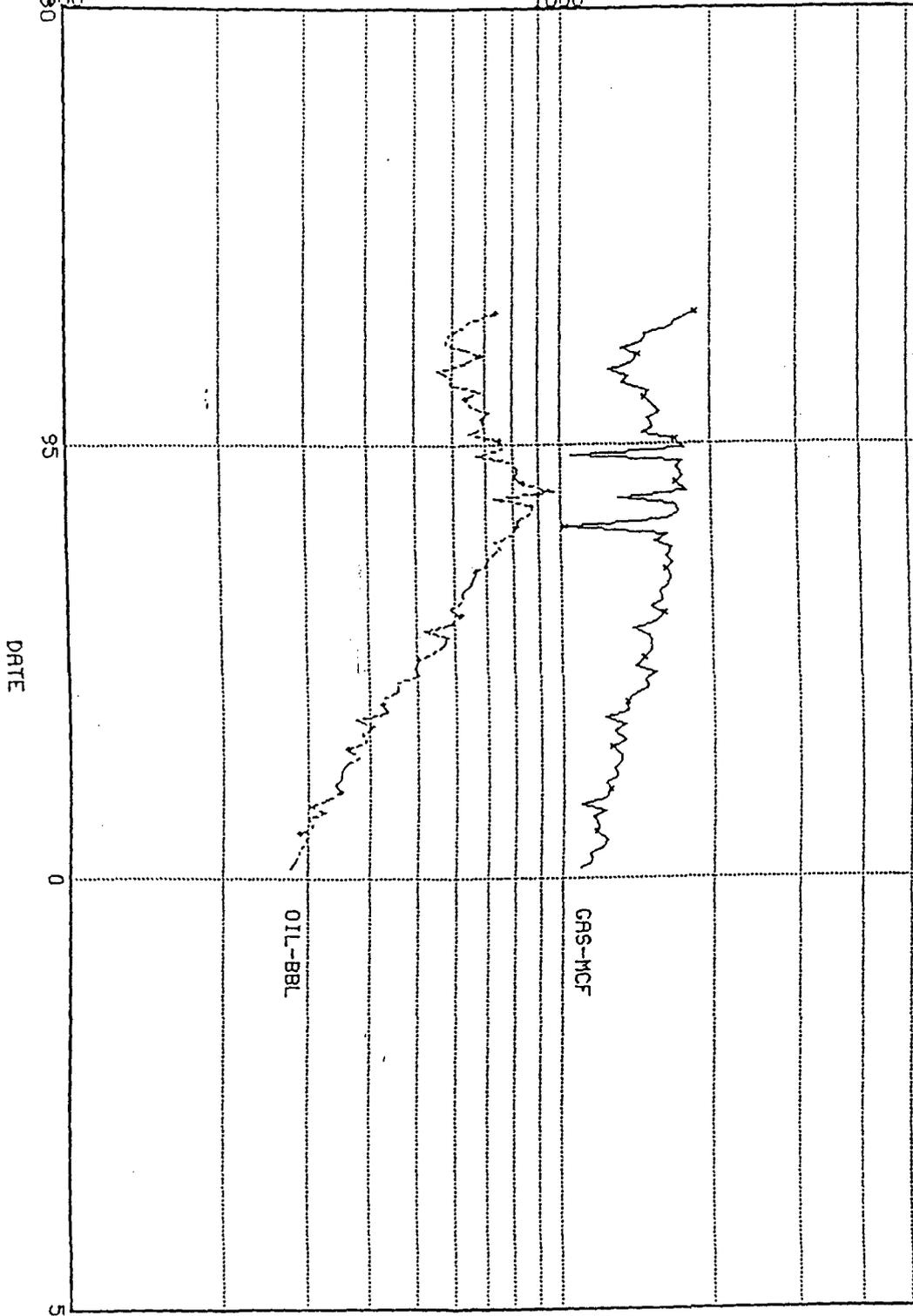
GAS-MCF  
OIL-BBL

1000  
1000

100  
20

LEASE : G J WEST COOP UNIT

FIELD : GRAYBURG JACKSON (SVN RVR ON GB SR)QS  
COUNTY: EDDY  
LOCATION: 21E 17S 29E API : 2735900  
STATE : NM



GAS-MCF

OIL-BBL

DATE

CAS-MCF  
OIL-BBL

1000  
1000

100  
100

# LERSE : SCHLEY FEDERAL

FIELD : EMPIRE EAST (YESO)  
COUNTY : EDDY , STATE : NM  
LOCATION: 29L 12S 29E RPI : 3030100

CAS-MCF

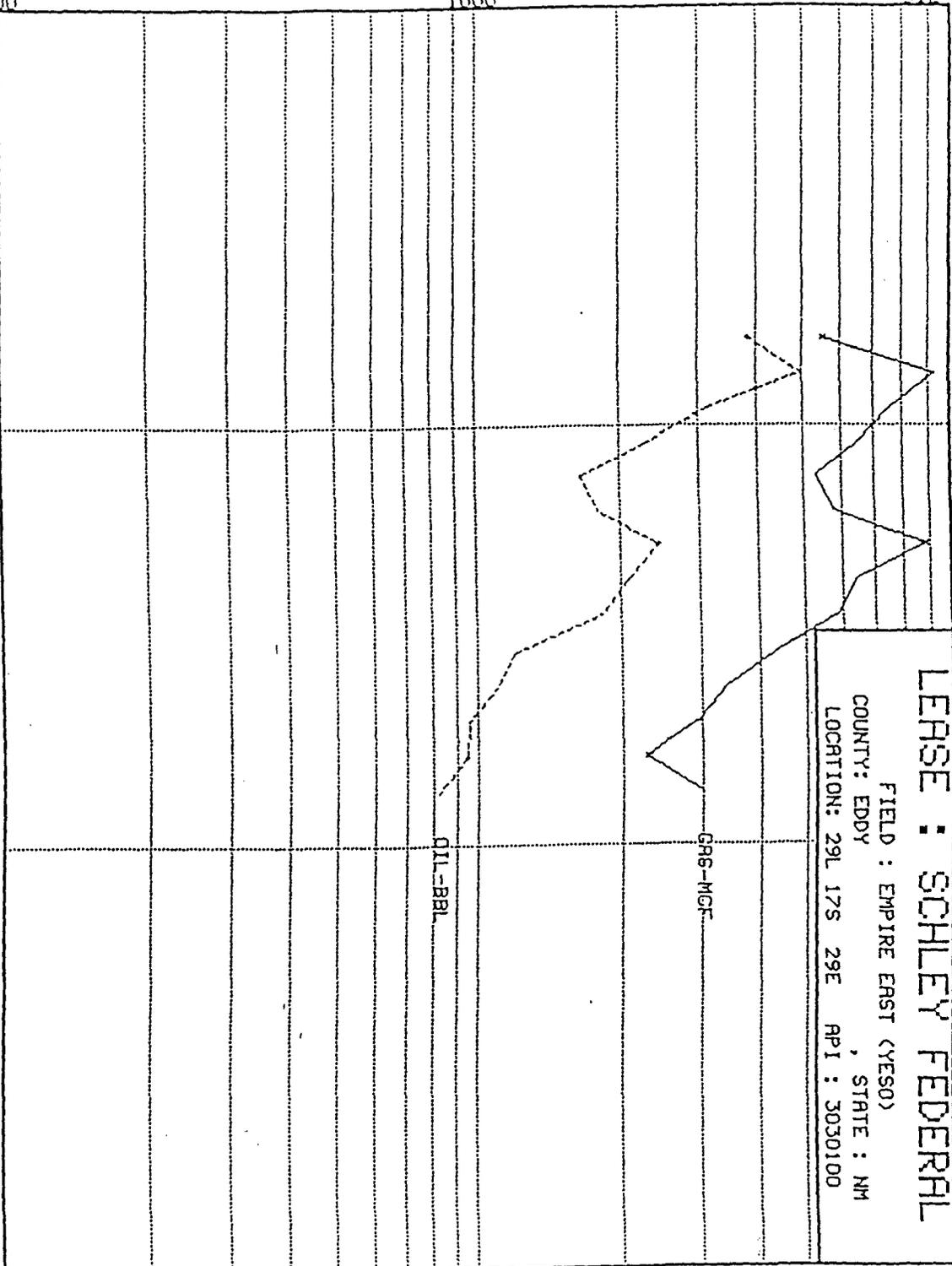
OIL-BBL

98

99

0

DATE

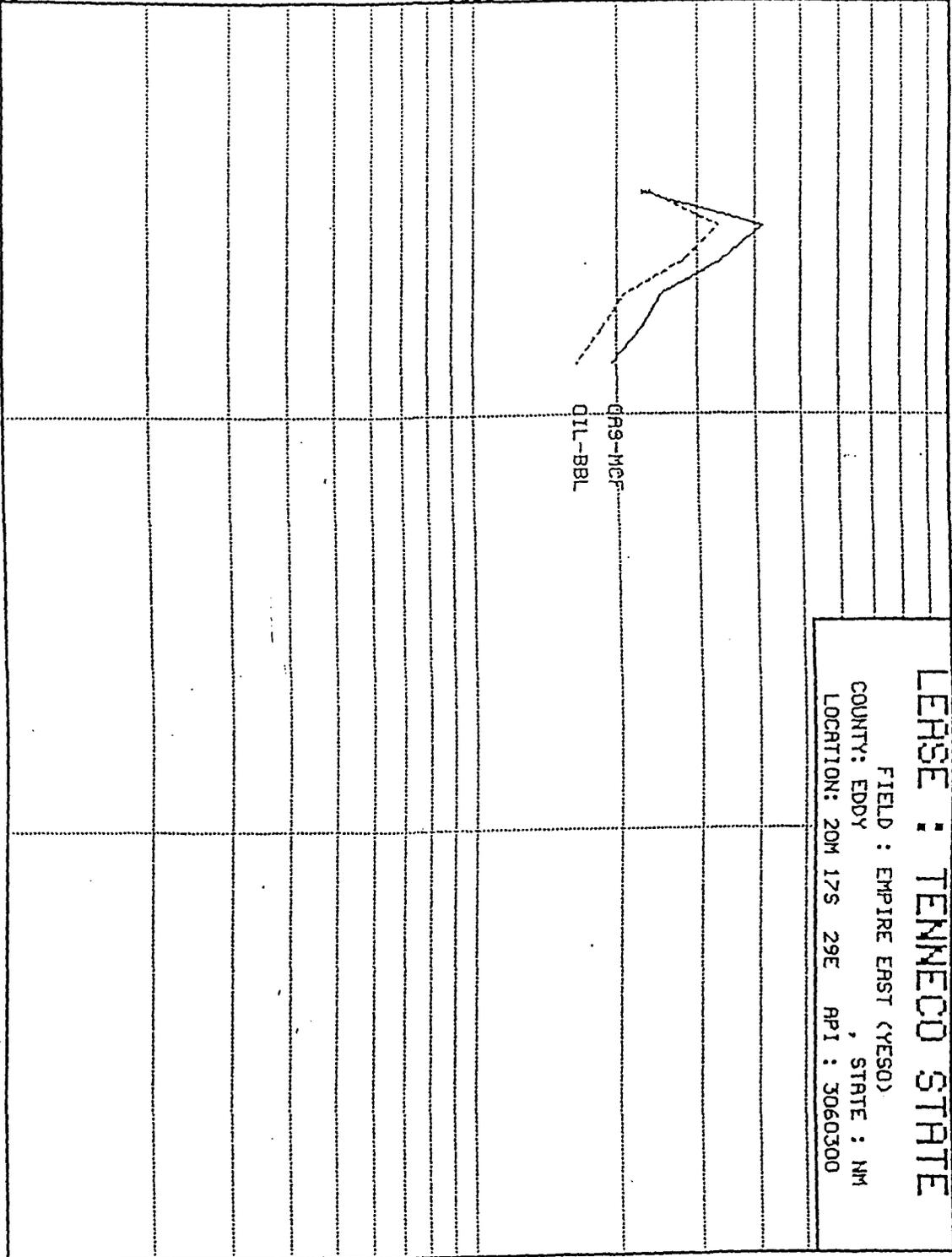


GRS-MCF  
OIL-BBL

1000  
1000

100  
100

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



DATE

99

0

1

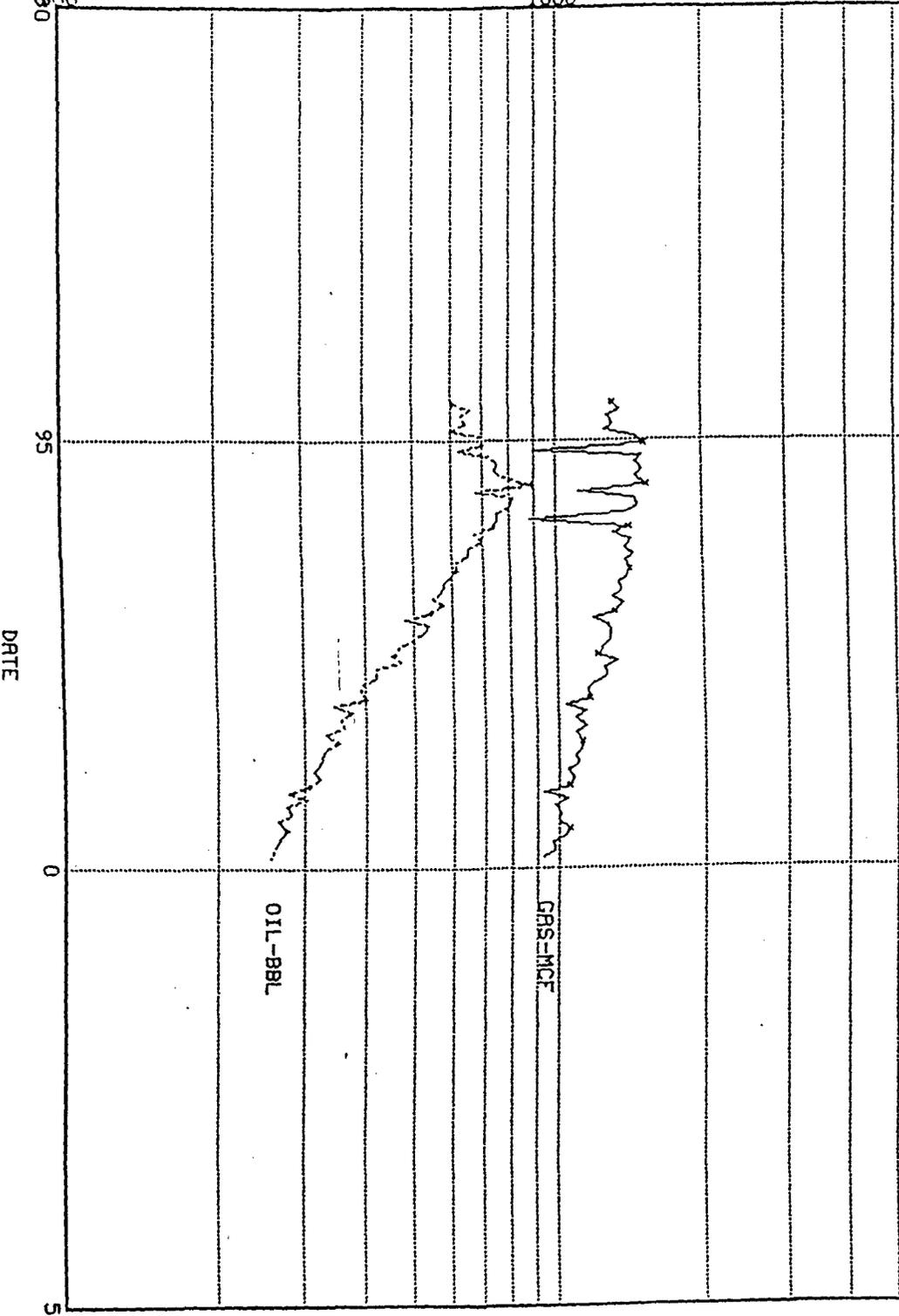
GRS-MCF  
OIL-BBL

1000  
1000

100  
90

LEASE : G J WEST COOP UNIT

FIELD : GRAYBURG JACKSON (SVN RVR ON GB SR)QS  
COUNTY: EDDY STATE : NM  
LOCATION: 21L 17S 29E API : 2237700



GRS-MCF

OIL-BBL

DATE