



CLAYTON WILLIAMS ENERGY, INC.
Six Desta Drive, Suite 3000
Midland, Texas 79705

Fax Cover Sheet

01/29/04

TO: MR. MICHAEL STOGNER **FAX: (505) 476-3462**
OIL CONSERVATION DIV. **OFC: (505) 476-3465**
STATE OF NEW MEXICO

FROM: BETSY LUNA **OFC: (432) 688-3240**
FAX: (432) 688-3225

Number of pages including cover sheet: [7]

RE: APPLICATION FOR NON-STANDARD LOCATION
EDDY CO., NEW MEXICO

MR. Stogner:

As we discussed over the phone earlier, please find enclosed a copy of our application for a non-standard location. We currently has a well drilling now that should finish by the middle of next week and hope to move to this location from there. Anything you can do to expedite this approval would be greatly appreciated.

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

JAN 29 2004

RECEIVED



CLAYTON WILLIAMS ENERGY, INC.

January 29, 2004

VIA FACSIMILE: 505-476-3462

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

Attention: Mr. Michael Stogner

Re: APPLICATION FOR PERMIT TO DRILL
NON-STANDARD LOCATION

Clayton Williams Energy, Inc.
State 20B Lease (Property Code 25235)
Well No. 19
Sec. 20, T17S, R29E, UL B
Proposed Location: 1010' FNL & 2310' FEL
Eddy County, New Mexico
Empire, Yeso (East) Field

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 four wells (we have recently drilled 4 successful completions), 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 #19. This well is located 1010' FNL and 2310' 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 and an existing caliche pit.

Mr. Michael Stogner
January 29, 2004
Page 2 of 2

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.

Also attached are copies of the Application to Drill (Form C-101) and Well Location and Acreage Dedication Plat (Form C-102).

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 [mswirc@claytonwilliams.com](mailto:mswiper@claytonwilliams.com).

Sincerely yours,



Matt Swierc
Production Superintendent

Enclosures



DISTRICT I
 2425 N. French Dr., Santa Fe, NM 87504

DISTRICT II
 811 South First, Artesia, NM 88210

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

DISTRICT IV
 2040 South Pacheco, Santa Fe, NM 87504

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-102
 Revised March 17, 1999

Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco
 Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Foot Code 96610	Foot Name EMPIRE, EAST (YESO)
Property Code 25235	Property Name STATE "20 B"	Well Number 19
OCRD No. 25706	Operator Name CLAYTON WILLIAMS ENERGY INC.	Elevation 3617'

Surface Location

UL or lot No.	Section	Township	Range	Lot No.	Feet from the	North/South line	Feet from the	East/West line	County
B	20	17 S	29 E		1010	NORTH	2310	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot No.	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 Duke pipeline	STATE 20B 20B #7 →	STATE 20B Existing caliche pit	STATE 20B Duke pipeline	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. Signature _____ Printed Name _____ Title _____ Date _____
	20B 19 →	20B #5		
STATE 20B #5: UL B; 990' FNL & 1350' FEL API NO. 30-015-30922	STATE 20B STATE 20B			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 supervision and that the same is true and correct to the best of my belief. JANUARY 29, 2004 Date Surveyed _____ Signature of Gary L. Jones Professional Surveyor No. 3947 Certificate No. 7977 HARRIS SURVEYS
STATE 20B #7: UL B; 330' FNL & 2310' FEL API NO. 30-015-31022				
Surface constraints: Existing caliche pit that is 12-15' deep Duke pipeline is 150' from current proposed location. The drilling pad is 125' x 125' & have to be a minimum of 25' off pipeline with pad.				
	STATE 28			

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 87305

State of New Mexico
Energy Minerals and Natural ResourcesOil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505Form C-101
Revised March 17, 1999Submit 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

¹ Operator Name and Address Clayton Williams Energy, Inc. Six Desta Drive, Suite 3000 Midland, TX 79705		² OGRID Number 25706
		³ API Number 30 -
⁴ Property Code 25235	Property Name STATE "20B"	⁶ Well No. 19

⁷ 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	20	17 S	29 E		1010	NORTH	2310	EAST	EDDY

⁸ 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

⁹ Proposed Pool 1 Empire, East (Yeso) 96610	¹⁰ Proposed Pool 2 Grayburg Jackson -7R's, QN, GB, SA (28509)
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¹¹ Work Type Code N	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3617'
¹⁶ Multiple N	¹⁷ Proposed Depth 5000'	¹⁸ Formation Yeso Sands	¹⁹ Contractor Patterson Drig.	²⁰ Spud Date Upon approval

²¹ Proposed Casing and Cement Program

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

²² 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 1st stage with 365 sx. Cl. C 50/50 Poz and cement 2nd stage with 570 sx. 35/65 Poz C and tail with 150 sx. Cl. C neat. Circulate cement to surface.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.		OIL CONSERVATION DIVISION	
Signature: <i>Betsy Luna</i>		Approved by:	
Printed name: Betsy Luna		Title:	
Title: Engineering Technician		Approval Date:	Expiration Date:
Date: 01/26/2004	Phone: (432) 682-6324	Conditions of Approval:	
		Attached <input type="checkbox"/>	

DISTRICT I
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DISTRICT II
811 South First, Artesia, NM 88210

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

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2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999

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Santa Fe, New Mexico 87504-2088

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	<p>OPERATOR CERTIFICATION</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>January 26, 2004 Date</p>
	<p>SURVEYOR CERTIFICATION</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>JANUARY 22, 2004 Date Surveyed</p> <p>Signature of Professional Surveyor <i>Gary L. Jones</i></p> <p>GARY L. JONES Professional Surveyor</p> <p>No. 3947 Professional Land Surveyor No.</p> <p>Gary L. Jones Certification No. 1977</p>

