

Sec : 20 Twp : 17S Rng : 29E Section Type : NORMAL

<p>D 40.00 CS E00742 0001 MEWBOURNE OIL COM C 02/11/56 A A A</p>	<p>C 40.00 CS E04201 0003 CLAYTON WILLIAMS C 09/11/60 A A A A</p>	<p>B 40.00 CS B06846 0001 CLAYTON WILLIAMS C 01/11/47 A A A</p>	<p>A 40.00 CS B06846 0001' CLAYTON WILLIAMS C 01/11/47 A A A</p>
<p>E 40.00 CS E00742 0001 MEWBOURNE OIL COM C 02/11/56 A A A</p>	<p>F 40.00 CS E00742 0001 MEWBOURNE OIL COM C 02/11/56 P A A A</p>	<p>G 40.00 CS B06846 0001' CLAYTON WILLIAMS C 01/11/47 A A A A A</p>	<p>H 40.00 CS B06846 0001 CLAYTON WILLIAMS C 01/11/47 A A A A A</p>
<p>L 40.00 CS E00742 0001 MEWBOURNE OIL COM C 02/11/56 A A A</p>	<p>K 40.00 CS E00742 0001 MEWBOURNE OIL COM C 02/11/56 A A A</p>	<p>J 40.00 CS B01266 0009 CHASE OIL CORPORA C 01/05/43 A A A</p>	<p>I 40.00 CS VC0004 0000 MARBOB ENERGY COR C 02/01/94 A A A A A</p>
<p>M 40.00 CS E07640-0006 CHASE OIL CORPORA C 12/15/63 C A A A A</p>	<p>N 40.00 CS E00742-0001 MEWBOURNE OIL COM C 02/11/56 A A A A A</p>	<p>O 40.00 CS B06846 0001' CLAYTON WILLIAMS C 01/11/47 A A A A A</p>	<p>P 40.00 CS B01266 0009 CHASE OIL CORPORA C 01/05/43 A A A A</p>



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**  
Governor  
Joanna Prukop  
Cabinet Secretary

December 23, 2003

Lori Wrotenbery  
Director  
Oil Conservation Division

Clayton Williams Energy, Inc.  
Claydesta Center  
Six Desta Drive – Suite 3000  
Midland, Texas 79705

Telefax No. (432) 688-3225

Attention: **Matt Swierc**  
[mswierc@claytonwilliams.com](mailto:mswierc@claytonwilliams.com)

*Administrative Order NSL-4969 (SD)*

Dear Mr. Swierc:

Reference is made to the following: (i) your application (*administrative application reference No. pMES0-331862331*) dated November 13, 2003; (ii) Mr. Michael E. Stogner's, Engineer/Chief Hearing Officer with the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico, telephone conversations with Ms. Betsy Luna on Friday, October 31, 2003 and Monday, December 15, 2003; (iii) Ms. Luna's telefax response of December 22, 2003; and (iv) the Division's records in Santa Fe: all concerning Clayton Williams Energy, Inc.'s ("CWI") request for an unorthodox "infill" oil well location in both the Grayburg-Jackson (Seven Rivers-Queen-Grayburg-San Andres) (28509) and East Empire-Yeso (96610) Pools for CWI's proposed State "20-B" Well No. 16 to be drilled 2140 feet from the North line and 1120 feet from the East line (Unit H) of Section 20, Township 17 South, Range 29 East, NMPM, Eddy County, New Mexico.

Oil production from both the Grayburg-Jackson and East Empire-Yeso Pools are to be included within the existing standard 40-acre oil spacing and proration unit for both intervals comprising the SE/4 NE/4 of Section 20, which production and units are currently dedicated to CWI's:

- (i) State "20-B" Well No. 2 (API No. 30-015-30919), located at a standard oil well location 2285 feet from the North line and 330 feet from the East line of Section 20;
- (ii) State "20-B" Well No. 4 (API No. 30-015-30921), located at a standard infill oil well location 1650 feet from the North line and 990 feet from the East line of Section 20; and
- (iii) State "20-B" Well No. 15 (API No. 30-015-33097), located at a standard infill oil well location 1650 feet from the North line and 480 feet from the East line of Section 20.

This application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

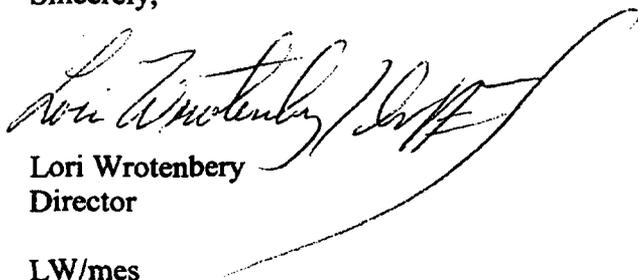
It is the Division's understanding that the NE/4 of Section 20 is a single state lease issued by the New Mexico State Land Office (State Lease No. B-06846) with common mineral interest in which CWI is the leasehold operator; therefore, there are no adversely affected offsetting mineral interest owners to the subject 40-acre tract within either the Grayburg-Jackson or East Empire-Yeso intervals. Correlative rights are protected.

It is further understood that such unorthodox location, not appearing to be necessary, is however desirable from an engineering standpoint in that this location is approximately equidistance to other offsetting Grayburg-Jackson and Yeso oil producers within its State "20-B" lease. Furthermore, CWI claims that topographic conditions further restricts placement of a drilling pad in Unit "H" of Section 20. It is CWI's contention that approval of the proposed unorthodox oil well location will enable them to further develop and deplete the Grayburg-Jackson and Yeso intervals within the State "20-B" lease that might not otherwise be recovered, thereby preventing waste.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox infill oil well location within both the Grayburg-Jackson (Seven Rivers-Queen-Grayburg-San Andres) and East Empire-Yeso Pools for CWI's proposed State "20-B" Well No. 16 is hereby approved.

Further, the existing State "20-B" Wells No. 2, 4, and 15 and the proposed State "20-B" Well No. 16 are to be simultaneously dedicated in both pools to the subject 40-acre unit.

Sincerely,



Lori Wrotenbery  
Director

LW/mes

cc: New Mexico Oil Conservation Division - Artesia  
New Mexico State Land Office - Santa Fe  
Ms. Betsy Luna, Clayton Williams Energy, Inc. - Midland, TX (Fax No. 432-682-6324)



~~CONFIDENTIAL~~

# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor  
Joanna Prukop  
Cabinet Secretary

January 30, 2004

Lori Wrotenbery  
Director  
Oil Conservation Division

Clayton Williams Energy, Inc.  
Claydesta Center  
Six Desta Drive – Suite 3000  
Midland, Texas 79705

Telefax No. (432) 688-3225

Attention: **Matt Swierc**  
[mswierc@claytonwilliams.com](mailto:mswierc@claytonwilliams.com)

*Administrative Order NSL-4990 (SD)*

Dear Mr. Swierc:

Reference is made to the following: (i) your application (*administrative application reference No. pMES0-402955352*) dated January 29, 2004; (ii) Mr. Michael E. Stogner's, Engineer/Chief Hearing Officer with the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico, telephone conversation with Ms. Betsy Luna on Thursday, January 29, 2004; and (iii) the Division's records in Santa Fe: all concerning Clayton Williams Energy, Inc.'s ("CWI") request for an unorthodox "infill" oil well location in both the Grayburg-Jackson (Seven Rivers-Queen-Grayburg-San Andres) (28509) and East Empire-Yeso (96610) Pools for CWI's proposed State "20-B" Well No. 19 to be drilled 1010 feet from the North line and 2310 feet from the East line (Unit B) of Section 20, Township 17 South, Range 29 East, NMPM, Eddy County, New Mexico.

Oil production from both the Grayburg-Jackson and East Empire-Yeso Pools are to be included within the existing standard 40-acre oil spacing and proration unit for both intervals comprising the NW/4 NE/4 of Section 20, which production and units are currently dedicated to CWI's:

- (i) State "20-B" Well No. 5 (API No. 30-015-30922), located at a standard oil well location 990 feet from the North line and 1650 feet from the East line of Section 20; and
- (ii) State "20-B" Well No. 7 (API No. 30-015-31052), located at a standard infill oil well location 330 feet from the North line and 2310 feet from the East line of Section 20.

This application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

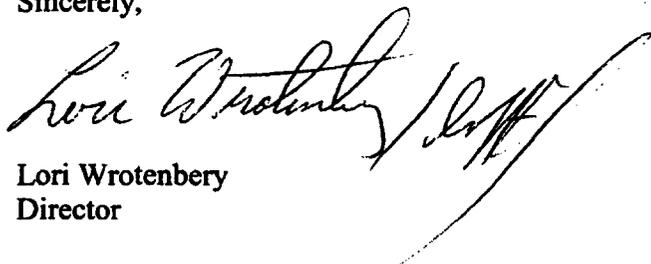
It is the Division's understanding that the NE/4 of Section 20 is a single state lease issued by the New Mexico State Land Office (State Lease No. B-06846) with common mineral interest in which CWI is the leasehold operator.

It is further understood this unorthodox location is desirable from an engineering standpoint in that this location is approximately equidistance to other offsetting Grayburg-Jackson and Yeso oil producers within its State "20-B" lease. Furthermore, topographic conditions further restricts placement of a drilling pad in Unit "B" of Section 20. Approval of the proposed unorthodox oil well location will enable them to further develop and deplete the Grayburg-Jackson and Yeso intervals within the State "20-B" lease that might not otherwise be recovered, thereby preventing waste.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox infill oil well location within both the Grayburg-Jackson (Seven Rivers-Queen-Grayburg-San Andres) and East Empire-Yeso Pools for CWI's proposed State "20-B" Well No. 19 is hereby approved.

Further, the existing State "20-B" Wells No. 5 and 7 and the proposed State "20-B" Well No. 19 are to be simultaneously dedicated in both pools to the subject 40-acre unit.

Sincerely,



Lori Wrottenbery  
Director

LW/mes

cc: New Mexico Oil Conservation Division - Artesia  
New Mexico State Land Office - Santa Fe  
Ms. Betsy Luna, Clayton Williams Energy, Inc. - Midland, TX (Fax No. 432-682-6324)

# Well Selection Criteria Quick Print

(Field\_No = 25235 and PoolNo = 96610)

API Well #	Well Name and No.	Operator Name	Typ	Stat	County	Surf	UL	Sec	Twp	Rng	Fl/N/S	Fl/E/W	UICPrmt
30-015-30920-00-00	STATE 20 B	CLAYTON WILLIAMS ENERGY INC	O	A	Eddy	S	A	20	17 S	29 E	430 N	990 E	DHC-281
30-015-30918-00-00	STATE 20 B	CLAYTON WILLIAMS ENERGY INC	O	A	Eddy	S	A	20	17 S	29 E	990 N	330 E	DHC-275
30-015-31052-00-00	STATE 20 B	CLAYTON WILLIAMS ENERGY INC	O	A	Eddy	S	B	20	17 S	29 E	330 N	2310 E	DHC-281
30-015-30922-00-00	STATE 20 B	CLAYTON WILLIAMS ENERGY INC	O	A	Eddy	S	B	20	17 S	29 E	990 N	1650 E	DHC-279
30-015-31053-00-00	STATE 20 B	CLAYTON WILLIAMS ENERGY INC	O	A	Eddy	S	G	20	17 S	29 E	1650 N	2310 E	DHC-284
30-015-30968-00-00	STATE 20 B	CLAYTON WILLIAMS ENERGY INC	O	A	Eddy	S	G	20	17 S	29 E	2310 N	1650 E	DHC-277
30-015-30921-00-00	STATE 20 B	CLAYTON WILLIAMS ENERGY INC	O	A	Eddy	S	H	20	17 S	29 E	1650 N	990 E	DHC-280
30-015-30919-00-00	STATE 20 B	CLAYTON WILLIAMS ENERGY INC	O	A	Eddy	S	H	20	17 S	29 E	2285 N	330 E	DHC-275
30-015-32695-00-00	STATE 20 B	CLAYTON WILLIAMS ENERGY INC	O	A	Eddy	S	O	20	17 S	29 E	880 S	2115 E	
30-015-32687-00-00	STATE 20 B	CLAYTON WILLIAMS ENERGY INC	O	A	Eddy	S	O	20	17 S	29 E	380 S	1650 E	
30-015-31054-00-00	STATE 20 B	CLAYTON WILLIAMS ENERGY INC	O	A	Eddy	S	O	20	17 S	29 E	990 S	1650 E	DHC-281
30-015-30971-00-00	STATE 20 B	CLAYTON WILLIAMS ENERGY INC	O	A	Eddy	S	O	20	17 S	29 E	330 S	2310 E	DHC-279

CMD : ONGARD 02/13/04 10:56:16  
OG6IWCM INQUIRE WELL COMPLETIONS OGOMES -TPFN

API Well No : 30 15 30920 Eff Date : 07-18-2000 WC Status : T  
Pool Idn : 96610 EMPIRE; YESO, EAST  
OGRID Idn : 25706 CLAYTON WILLIAMS ENERGY INC  
Prop Idn : 25235 STATE 20 B

Well No : 003  
GL Elevation: 3613

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
B.H. Locn	: A	20	17S	29E	FTG 430 F N FTG	990 F E	P

Lot Identifier:

Dedicated Acre: 40.00

Lease Type : S

Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06  
PF07 PF08 PF09 PF10 NEXT-WC PF11 HISTORY PF12 NXTREC

CMD : ONGARD 02/13/04 10:56:24  
 OG6IPRD INQUIRE PRODUCTION BY POOL/WELL OGOMES -TPFN  
 Page No: 1

OGRID Identifier : 25706 CLAYTON WILLIAMS ENERGY INC  
 Pool Identifier : 96610 EMPIRE; YESO, EAST  
 API Well No : 30 15 30920 Report Period - From : 01 2003 To : 12 2003

API Well No	Property Name	Prodn. Days MM/YY Prod	Production Volumes Gas Oil Water	Well Stat
30 15 30920	STATE 20 B	01 03 31	980 288 1025	P
30 15 30920	STATE 20 B	02 03 28	1171 308 976	P
30 15 30920	STATE 20 B	03 03 31	1320 293 1040	P
30 15 30920	STATE 20 B	04 03 29	793 293 1149	P
30 15 30920	STATE 20 B	05 03 31	1438 308 1183	P
30 15 30920	STATE 20 B	06 03 28	542 475 3312	P
30 15 30920	STATE 20 B	07 03 31	1722 901 4415	P

Reporting Period Total (Gas, Oil) :

M0025: Enter PF keys to scroll

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM  
 PF07 BKWD PF08 FWD PF09 PF10 NXTPOOL PF11 NXTOGD PF12

CMD : ONGARD 02/13/04 10:56:27  
OG6IPRD INQUIRE PRODUCTION BY POOL/WELL OGOMES -TPFN  
Page No: 2

OGRID Identifier : 25706 CLAYTON WILLIAMS ENERGY INC  
Pool Identifier : 96610 EMPIRE; YESO, EAST  
API Well No : 30 15 30920 Report Period - From : 01 2003 To : 12 2003

API Well No	Property Name	Prodn. Days MM/YY Prod	Production Volumes Gas Oil Water	Well Stat
30 15 30920	STATE 20 B	08 03 31	1870 786 3322	P
30 15 30920	STATE 20 B	09 03 30	1791 527 1620	P
30 15 30920	STATE 20 B	10 03 31	1609 479 1197	P
30 15 30920	STATE 20 B	11 03 19	1193 373 827	P

Reporting Period Total (Gas, Oil) : 14429 5031 20066

E0049: User may continue scrolling.

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM  
PF07 BKWD PF08 FWD PF09 PF10 NXTPOOL PF11 NXTOGD PF12

CMD : ONGARD 02/13/04 10:55:40  
OG6IWCM INQUIRE WELL COMPLETIONS OGOMES -TPFN

API Well No : 30 15 30918 Eff Date : 04-15-2000 WC Status : A  
Pool Idn : 96610 EMPIRE; YESO, EAST  
OGRID Idn : 25706 CLAYTON WILLIAMS ENERGY INC  
Prop Idn : 25235 STATE 20 B

Well No : 001  
GL Elevation: 3606

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
B.H. Locn	: A	20	17S	29E	FTG 990 F N FTG	330 F E	P

Lot Identifier:  
Dedicated Acre: 40.00  
Lease Type : S  
Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06  
PF07 PF08 PF09 PF10 NEXT-WC PF11 HISTORY PF12 NXTREC

CMD : ONGARD 02/13/04 10:55:48  
OG6IPRD INQUIRE PRODUCTION BY POOL/WELL OGOMES -TPFN  
Page No: 1

OGRID Identifier : 25706 CLAYTON WILLIAMS ENERGY INC  
Pool Identifier : 96610 EMPIRE; YESO, EAST  
API Well No : 30 15 30918 Report Period - From : 01 2003 To : 12 2003

API Well No	Property Name	Prodn. Days MM/YY Prod	Production Volumes Gas Oil Water	Well Stat
30 15 30918	STATE 20 B	01 03 31	980 384 1437	P
30 15 30918	STATE 20 B	02 03 28	1171 417 1345	P
30 15 30918	STATE 20 B	03 03 31	1320 383 1419	P
30 15 30918	STATE 20 B	04 03 29	1353 381 1591	P
30 15 30918	STATE 20 B	05 03 31	1492 450 1570	P
30 15 30918	STATE 20 B	06 03 30	1459 382 1371	P
30 15 30918	STATE 20 B	07 03 31	1638 412 1370	P

Reporting Period Total (Gas, Oil) :

M0025: Enter PF keys to scroll

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM  
PF07 BKWD PF08 FWD PF09 PF10 NXTPOOL PF11 NXTOGD PF12

CMD : ONGARD 02/13/04 10:55:50  
OG6IPRD INQUIRE PRODUCTION BY POOL/WELL OGOMES -TPFN  
Page No: 2

OGRID Identifier : 25706 CLAYTON WILLIAMS ENERGY INC  
Pool Identifier : 96610 EMPIRE; YESO, EAST  
API Well No : 30 15 30918 Report Period - From : 01 2003 To : 12 2003

API Well No	Property Name	Prodn. Days		Production Volumes			Well Stat
		MM/YY	Prod	Gas	Oil	Water	
30 15 30918	STATE 20 B	08 03	31	1526	338	1219	P
30 15 30918	STATE 20 B	09 03	30	1462	335	1222	P
30 15 30918	STATE 20 B	10 03	31	1314	267	1324	P
30 15 30918	STATE 20 B	11 03	19	974	205	870	P

Reporting Period Total (Gas, Oil) : 14689 3954 14738

E0049: User may continue scrolling.

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM  
PF07 BKWD PF08 FWD PF09 PF10 NXTPOOL PF11 NXTOGD PF12

CMD : ONGARD 02/13/04 10:56:49  
OG6C101 C101-APPLICATION FOR PERMIT TO DRILL OGOMES -TPFN

OGRID Idn : 25706 API Well No: 30 15 33069 APD Status(A/C/P): A  
Opr Name, Addr: CLAYTON WILLIAMS ENERGY INC Aprvl/Cncl Date : 10-28-2003  
6 DESTA DR STE 3000  
MIDLAND, TX 79705

Prop Idn: 25235 STATE 20 B Well No: 14

	U/L	Sec	Township	Range	Lot	Idn	North/South	East/West
Surface Locn : A	20	17S	29E				FTG 330 F N	FTG 330 F E
OCD U/L : A			API County :	15				

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): O Cable/Rotary (C/R) : R  
Lease typ(F/S/P/N/J/U/I): S Ground Level Elevation : 3604

State Lease No: Multiple Comp (S/M/C) : S  
Prpsd Depth : 5000 Prpsd Frmtn : EAST EMPIRE YESO

E0009: Enter data to modify record

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM  
PF07 PF08 PF09 PRINT PF10 C102 PF11 HISTORY PF12

Submit 3 Copies To Appropriate District Office  
 District I  
 1625 N. French Dr., Hobbs, NM 88240  
 District II  
 811 South First, Artesia, NM 88210  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals and Natural Resources

Form C-103  
 Revised March 25, 1999

OIL CONSERVATION DIVISION  
 2040 South Pacheco  
 Santa Fe, NM 87505

WELL API NO. 30- 015-33069
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name: STATE 20 "B" RECEIVED FEB 0 2 2004
8. Well No. 14 OCD-ARTESIA
9. Pool name or Wildcat EMPIRE, EAST (YESO) 96610
10. Elevation (Show whether DR, RKB, RT, GR, etc.) 3604'

**SUNDRY NOTICES AND REPORTS ON WELLS**  
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:  
 Oil Well  Gas Well  Other

2. Name of Operator  
 Clayton Williams Energy, Inc.

3. Address of Operator  
 Six Desta Drive, Suite 3000, Midland, Texas 79705

4. Well Location  
 Unit Letter A : 330 feet from the NORTH line and 330 feet from the EAST line  
 Section 20 Township 17S Range 29E NMPM EDDY County

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

<b>NOTICE OF INTENTION TO:</b>		<b>SUBSEQUENT REPORT OF:</b>	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input checked="" type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: RIG RELEASE <input type="checkbox"/>	<b>*AMENDED REPORT*</b> <input type="checkbox"/>

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompilation.

01/14-21/04 Drill 7 7/8" hole to 4327'. Ran Open Gamma-Collar Dual Spaced Nuetron log f/TDato: surface.

01/21/04 Ran 107 jnts 17# J-55 LT&C casing, set @ 4327'. DY tool set @ 2592'. Cement 1st stage: 420 sx 50:50 POZ PP, mixed @ 14.2 ppg, 1.351 yld. Drop bomb, open dv tool and circulate. Cement 2nd stage: 500 sx HLPP, mixed @ 12.4 ppg, 2:115 yld. Tail w/ 130 sx PP, mixed @ 14.8 ppg, 1.345 yld. Circulate 106 sx to surface.

01/22/04 Drilling rig released @ 18:00 hrs on 01/21/04. Waiting on Completion.

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

SIGNATURE Terry Carter TITLE DRILLING TECHNICIAN DATE 01/29/04

Type or print name TERRY CARTER Telephone No. 432/688-3440  
 (This space for State use)

APPROVED BY Jim [Signature] TITLE SUPERVISOR, DISTRICT # DATE FEB 0 3 2004  
 Conditions of approval, if any:

Submit 3 Copies To Appropriate District Office  
 District I  
 1625 N. French Dr., Hobbs, NM 88240  
 District II  
 811 South First, Artesia, NM 88210  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals and Natural Resources

Form C-103  
 Revised March 25, 1999

OIL CONSERVATION DIVISION  
 2040 South Pacheco  
 Santa Fe, NM 87505

WELL API NO. 30- 015-33069
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name:  STATE 20 "B"
8. Well No. 14
9. Pool name or Wildcat EMPIRE, EAST (YESO) 96610

**SUNDRY NOTICES AND REPORTS ON WELLS**  
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:  
 Oil Well  Gas Well  Other

2. Name of Operator  
 Clayton Williams Energy, Inc. RECEIVED  
FEB 02 2004

3. Address of Operator  
 Six Desta Drive, Suite 3000, Midland, Texas 79705 OCD-ARTESIA

4. Well Location  
 Unit Letter A : 330 feet from the NORTH line and 330 feet from the EAST line  
 Section 20 Township 17S Range 29E NMPM EDDY County

10. Elevation (Show whether DR, RKB, RT, GR, etc.)  
3604'

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

<b>NOTICE OF INTENTION TO:</b>		<b>SUBSEQUENT REPORT OF:</b>	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: <b>*AMENDED TIME FOR WOC*</b> <input checked="" type="checkbox"/>	

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompilation.

1/13/04 SPUD 12 1/4" HOLE @ 16:30 HRS. DRILLING CONTRACTOR: PATTERSON-UTI #493

1/14/04 DRILL 12 1/4" HOLE TO 438'. RUN & SET 11 JNTS 32# J-55 ST&C CSG, SET AT 438'. CEMENT W/100 SX PP, MIXED @ 14.4 PPG, 1.55 YLD; TAIL W/250 SX PP, MIXED @ 14.8 PPG, 1.345 YLD. CIRC 100 SX TO SURFACE. WOC 18 HRS.

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

SIGNATURE Terry Carter TITLE DRILLING TECHNICIAN DATE 01/29/04

Type or print name TERRY CARTER Telephone No. 432/688-3440  
 (This space for State use)

APPROVED BY FOR RECORDS ONLY TITLE \_\_\_\_\_ DATE FEB 03 2004  
 Conditions of approval, if any: \_\_\_\_\_

Submit 3 Copies To Appropriate District Office  
 District I  
 1625 N. French Dr., Hobbs, NM 88240  
 District II  
 811 South First, Artesia, NM 88210  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals and Natural Resources

Form C-103  
 Revised March 25, 1999

OIL CONSERVATION DIVISION  
 2040 South Pacheco  
 Santa Fe, NM 87505

WELL API NO. 30- 015-33069
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name: STATE 20 "B"
8. Well No. 14
9. Pool name or Wildcat EMPIRE, EAST (YESO) 96610

**SUNDRY NOTICES AND REPORTS ON WELLS**  
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:  
 Oil Well  Gas Well  Other

2. Name of Operator  
 Clayton Williams Energy, Inc. **OCD-ARTESIA**

3. Address of Operator  
 Six Desta Drive, Suite 3000, Midland, Texas 79705

4. Well Location  
 Unit Letter A : 330 feet from the NORTH line and 330 feet from the EAST line  
 Section 20 Township 17 S Range 29 E NMPM EDDY County

10. Elevation (Show whether DR, RKB, RT, GR, etc.)  
**3604'**

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

<b>NOTICE OF INTENTION TO:</b>	<b>SUBSEQUENT REPORT OF:</b>
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
PLUG AND ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
CHANGE PLANS <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input checked="" type="checkbox"/>
MULTIPLE COMPLETION <input type="checkbox"/>	OTHER: <input type="checkbox"/>
OTHER: <input type="checkbox"/>	

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompilation.

- 01/14-21/04 DRILL 7 7/8" HOLE TO 4327'. RAN CLOSED HOLE NEUTRON LOG F/TD TO SURFACE.
- 01/21-22/04 RAN 1077JNTSS17# J-55 LT&C CSG, SET @ 4327'. DV TOOL SET @ 2592'. CMT 1ST STAGE W/420 SX 50:50 POZ PP, MIXED @ 14.2 PPG. DROP BOMB OPEN DV TOOL & CIRCULATE. 2ND STAGE CMT W/500 SX HLPP, MIXED @ 12.4 PPG, CIRC 106 SX TO SURF.
- 01/22/04 DRILLING RIG RELEASED @ 1800 HRS, 01/21/04. WELL WAITING ON COMPLETION.

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

SIGNATURE Terry Carter TITLE DRILLING TECHNICIAN DATE 01/22/04

Type or print name TERRY CARTER Telephone No 432/682-6324

APPROVED BY Jim W. Summ TITLE SUPERVISOR, DISTRICT II DATE JAN 29 2004

Conditions of approval, if any:

Submit 3 Copies To Appropriate District Office  
 District I  
 1625 N. French Dr., Hobbs, NM 88240  
 District II  
 811 South First, Artesia, NM 88210  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals and Natural Resources

Form C-103  
 Revised March 25, 1999

OIL CONSERVATION DIVISION  
 2040 South Pacheco  
 Santa Fe, NM 87505

WELL API NO. 30- 015-33069
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name:  STATE 20 "B"
8. Well No. 14
9. Pool name or Wildcat EMPIRE, EAST (YESO) 96610

**SUNDRY NOTICES AND REPORTS ON WELLS**  
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well  Gas Well  Other  RECEIVED

2. Name of Operator: Clayton Williams Energy, Inc. JAN 26 2004

3. Address of Operator: Six Desta Drive, Suite 3000, Midland, Texas 79705 OCD-ARTESIA

4. Well Location  
 Unit Letter A : 330 feet from the NORTH line and 330 feet from the EAST line  
 Section 20 Township 17S Range 29E NMPM EDDY County

10. Elevation (Show whether DR, RKB, RT, GR, etc.)  
 3604'

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

<b>NOTICE OF INTENTION TO:</b>	<b>SUBSEQUENT REPORT OF:</b>
PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input checked="" type="checkbox"/>
OTHER: <input type="checkbox"/>	OTHER: <b>*AMENDED REPORT*</b> <input type="checkbox"/>

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompilation.

1/13/04 SPUD 12 1/4" HOLE @ 16:30 HRS. DRILLING CONTRACTOR: PATTERSON-UTI #493

1/14/04 DRILL 12 1/4" HOLE TO 438'. RUN & SET 11 JNTS 32# J-55 ST&C CSG, SET @ 438'. CMT W/100 SX PP, MIXED @ 14.4 PPG, 1.55 YLD; TAIL W/250 SX PP, MIXED @ 14.8 PPG, 1.345 YLD. CIRC 100 SX TO SURFACE. WOC 4 HRS.

WOC To be 18 hours for water protection during  
 I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Terry Carter TITLE DRILLING TECHNICIAN DATE 1/23/04

Type or print name TERRY CARTER Telephone No. 432/688-3440  
 (This space for State use)

APPROVED BY FOR RECORDS ONLY TITLE \_\_\_\_\_ DATE JAN 29 2004  
 Conditions of approval, if any: \_\_\_\_\_

Submit 3 Copies To Appropriate District Office  
 District I  
 1625 N. French Dr., Hobbs, NM 88240  
 District II  
 811 South First, Artesia, NM 88210  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals and Natural Resources

Form C-103  
 Revised March 25, 1999

OIL CONSERVATION DIVISION  
 2040 South Pacheco  
 Santa Fe, NM 87505

WELL API NO.  
 30- 015-33069

5. Indicate Type of Lease  
 STATE  FEE

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name:  
 STATE 20 "B"

8. Well No.  
 14

9. Pool name or Wildcat  
 EMPIRE, EAST (YESO) 96610

SUNDRY NOTICES AND REPORTS ON WELLS  
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:  
 Oil Well  Gas Well  Other

2. Name of Operator  
 Clayton Williams Energy, Inc.

3. Address of Operator  
 Six Desta Drive, Suite 3000, Midland, Texas 79705

4. Well Location  
 Unit Letter A : 330 feet from the NORTH line and 330 feet from the EAST line  
 Section 20 17S Township 29E Range NMPM EDDY County

10. Elevation (Show whether DR, RKB, RT, GR, etc.)  
 3604'

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input checked="" type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: <u>SPUD</u> <input type="checkbox"/>	

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompilation.

1/13/04 SPUD 12 1/4" HOLE @ 16:30 HRS. DRILLING CONTRACTOR: PATTERSON-UTI RIG #493

1/14/04 DRILL 12 1/4" HOLE TO 438'. RUN & SET 11 JNTS 32# J-55 ST&C CSG, SET @ 438'. CEMENT W/100 SX PP, MIXED @ 14.4 PPG, 1.55 YLD; TAIL W/250 SX PP, MIXED @ 14.8 PPG, 1.345 YLD. CIRC 100 SX TO SURFACE. WOC

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

SIGNATURE Terry Carter TITLE DRILLING TECHNICIAN DATE 01/14/04

Type or print name TERRY CARTER Telephone No 432/682-6324  
 (This space for State use)

APPROVED BY \_\_\_\_\_ FOR RECORDS ONLY TITLE \_\_\_\_\_ DATE JAN 22 2004

Conditions of approval, if any: Noie Time to WOC

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

Oil Conservation Division  
2040 South Pacheco  
Santa Fe, NM 87505

Form C-101  
Revised March 17, 1999  
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 - <b>33069</b>
<sup>3</sup> Property Code <b>25235</b>	Property Name <b>STATE "20B"</b>	<sup>6</sup> Well No. <b>14</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>A</b>	<b>20</b>	<b>17 S</b>	<b>29 E</b>		<b>330</b>	<b>NORTH</b>	<b>330</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>3604'</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>300' 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.

- @ 300' Oper. To set surface casing above Salado.*
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.		<b>B60 OIL CONSERVATION DIVISION</b>	
Signature: <i>Betsy Luna</i>		Approved by: <i>Signy W. Leum</i>	
Printed name: Betsy Luna		Title: <i>District Supervisor</i>	
Title: Engineering Technician		Approval Date: <b>OCT 28 2003</b> Expiration Date: <b>OCT 28 2004</b>	
Date: 10/27/2003	Phone: (432) 682-6324	Conditions of Approval:	
		Attached <input type="checkbox"/>	

DISTRICT I

P.O. Box 1080, Hobbs, NM 88241-1080

DISTRICT II

P.O. Drawer 8D, Artesia, NM 88211-0719

DISTRICT III

1000 Rio Brazos Rd., Artec, 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, 1984

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 14
OGRID No. 25706	Operator Name CLAYTON WILLIAMS ENERGY, INC.	Elevation 3604'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	20	17-S	29-E		330'	NORTH	330'	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>330'</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the 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>Oct. 27, 2003 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>October 21, 2003 Date Surveyed</p> <p>AWB</p> <p>Signature and Seal of Professional Surveyor <i>Gary K. Eibson</i> 03.11.1143</p> <p>Certificate No. GARY EIBSON 12641</p>	
<p>GEODETIC COORDINATES NAD 27 NME</p> <p>Y = 664397.4 N X = 575070.0 E LAT. = 32°49'34.60"N LONG. = 104°05'20.23"W</p>		