

District I
1625 N. French Drive, Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised June 10, 2003

Oil Conservation Division
1220 South St. Francis Dr.
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., #3000, MIDLAND, TX 79705
Operator Address

ROCKY ARROYO FEDERAL 1 A, Sec 8, T22S, R22E Eddy
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 25706 Property Code 34797 API No. 30-015-34095 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Wildcat Strawn (gas)	Wildcat Atoka (gas)	Rocky Arroyo (Morrow Gas) (limestone)
Pool Code			84160
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	8280' - 8386'	8446'-8512'; 8593'-8714'	8756' - 8868'
Method of Production (Flowing or Artificial Lift)	flowing	flowing	flowing
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)		RECEIVED MAR 17 2006 OCD-ARTESIA	
Oil Gravity or Gas BTU (Degree API or Gas BTU)			
Producing, Shut-In or New Zone	New zone	New zone	New zone
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: Rates:	Date: Rates:	Date: Rates:
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 Allocation % will be submitted upon completion	Oil Gas Allocation % will be submitted upon completion	Oil Gas Allocation % will be submitted upon completion

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. - attached
Production curve for each zone for at least one year. (If not available, attach explanation.) - N/A
For zones with no production history, estimated production rates and supporting data. - attached
Data to support allocation method or formula. - provided upon completion
Notification list of working, royalty and overriding royalty interests for uncommon interest cases. - N/A
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 Matt Swierc TITLE Production Supt DATE 03/15/2006

TYPE OR PRINT NAME Matt Swierc TELEPHONE NO. (432) 682-6324

E-MAIL ADDRESS mswierc@claytonwilliams.com



CLAYTON WILLIAMS ENERGY, INC.

March 15, 2006

Via Facsimile (505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Drive
Santa Fe New Mexico 87505

Attention: Mr. Will Jones

Re: **Application for Downhole Commingling Form C-107A**
Clayton Williams Energy, Inc.
Rocky Arroyo Federal Lease, Well No. 1
Sect. 8, T-22-S, R-22-E
API No. 30-015-34095
Eddy County, New Mexico

Mr. Jones:

This recommendation is an attempt to establish commercial production from several tight carbonate intervals. Our plans are to incorporate a Permian Basin technique currently being used in the tight Wolfcamp formation. We plan on pumping a slick water frac with small amounts of proppant in an attempt to establish long scoured hydraulic fractures. During drilling these intervals neither kicked or drank any fluid further confirming the tight nature of the rock. Mud log shows were minimal with a little gas and no fluorescence. Open hole log analysis indicates that the zones will either be gas productive or too tight to produce, therefore we do not believe water will be a problem.

The stimulation program will be divided into four stages:

Stage 1: 8756' – 8868' is classified in the Morrow Gas Pool. This interval is a very tight limestone with average porosity in the 2% range.

Stage 2: 8593' – 8714' is classified in the Atoka Pool. This interval comprises of several tight cherty limestone benches with average porosities in the 3 to 4% range.

Stage 3: 8446' – 8512' is classified in the Atoka Pool. This interval comprises of two blocky cherty limestone benches with average porosities in the 4 to 6% range.

Stage 4: 8280' – 8386' is classified in the Strawn Pool. This interval is a very tight cherty limestone with average porosities in the 4 to 6% range.

Mr. Will Jones
March 15, 2006
Page 2 of 2

In and of itself no single interval would warrant a completion attempt. However, it is possible that by stimulating all four intervals simultaneously we may be able to establish commercial production. Following stimulation, should we prove successful in establishing commercial gas production, we will run a spinner/temperature survey so as to allocate production to each pool.

Should you have any questions or require further, please call me at (432) 688-3251. Thank you for your help in expediting this request.

Sincerely yours,

A handwritten signature in cursive script that reads "Matt Swierc".

Matt Swierc
Production Superintendent

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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 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015- 34095	Pool Code	Pool Name Wildcat - Strawn
Property Code 34797	Property Name ROCKY ARROYO FEDERAL	Well Number 1
OGRID No. 25706	Operator Name CLAYTON WILLIAMS ENERGY, INC.	Elevation 4473'

Surface Location

UL or lot No. A	Section 8	Township 22 S	Range 22 E	Lot Idn	Feet from the 990	North/South line NORTH	Feet from the 660	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
Dedicated Acres 320	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

	OPERATOR CERTIFICATION <i>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</i> Signature <u>Betsy Luna</u> Printed Name <u>Betsy Luna</u> Title <u>Engineering Technician</u> Date <u>2/27/2006</u>
	SURVEYOR CERTIFICATION <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> FEBRUARY 7, 2005 Date Surveyed Signature <u>GARY L. JONES</u> Professional Surveyor NEW MEXICO 7977 W.D. No. <u>4956</u> Certificate No. <u>Gary L. Jones</u> 7977 PROFESSIONAL LAND SURVEYOR BASIN SURVEYS

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Form C-102

Revised March 17, 1999

Submit to Appropriate District Office

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OIL CONSERVATION DIVISION

2040 South Pacheco

Santa Fe, New Mexico 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015- 34095	Pool Code	Pool Name Wildcat - Atoka
Property Code 34797	Property Name ROCKY ARROYO FEDERAL	Well Number 1
OGRID No. 25706	Operator Name CLAYTON WILLIAMS ENERGY, INC.	Elevation 4473'

Surface Location

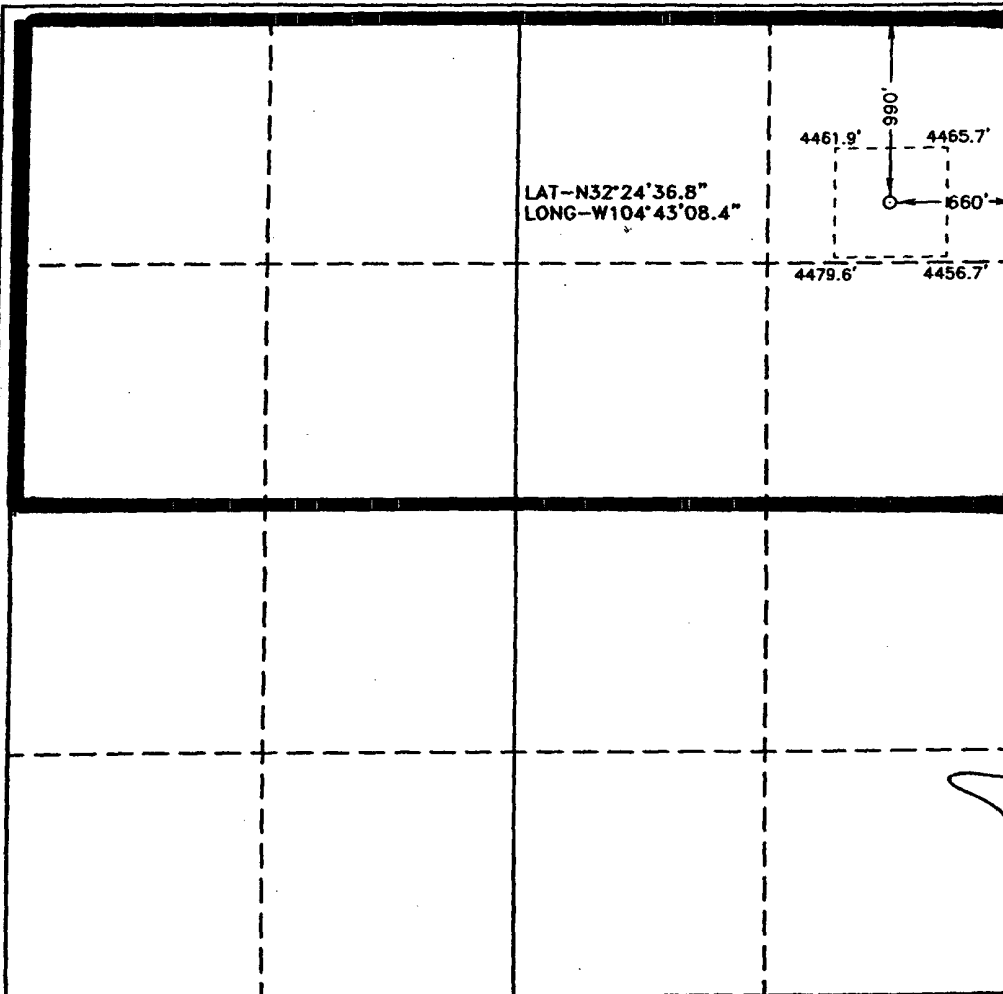
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	8	22 S	22 E		990	NORTH	660	EAST	EDDY

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 320	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



OPERATOR CERTIFICATION

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

Betsy Luna
Signature
Betsy Luna
Printed Name
Engineering Technician
Title
2/27/2006
Date

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.

FEBRUARY 7, 2005

Date Surveyed
Signature *GARY L. JONES*
Professional Surveyor
NEW MEXICO
1977
W.D. No. 4956
Certificate No. Gary L. Jones 7977
PROFESSIONAL LAND SURVEYOR

7977



CLAYTON WILLIAMS ENERGY, INC.

March 15, 2006

Via Facsimile (505) 476-3462

(7 pages)

State of New Mexico
Energy, Minerals and Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Drive
Santa Fe New Mexico 87505

Attention: Mr. Will Jones

Re: Application for Downhole Commingling Form C-107A

Clayton Williams Energy, Inc.
Rocky Arroyo Federal Lease, Well No. 1
Sect. 8, T-22-S, R-22-E
API No. 30-015-34095
Eddy County, New Mexico

Mr. Jones:

Please find attached the following documentation pursuant to our application for downhole commingling:

Form 107A
Form C102
Estimated Production Rates and Supporting Data

Should you have any questions or require further, please call me at (432) 688-3251.
Thank you for your help in expediting this request.

Sincerely yours,

A handwritten signature in cursive script that reads "Matt Swierc". The signature is written in dark ink and is positioned above the printed name and title.

Matt Swierc
Production Superintendent

Cc: New Mexico State Land Office
Commissioner of Public Lands
Oil, Gas and Minerals Division
Jami Bailey, Director
P O Box 1148
Santa Fe NM 87504-1148