

District I

1623 N. French Drive, Hobbs, NM 88240

District II

1201 W. Grand Avenue, Artesia, NM 88210

District III

1000 San Antonio Road, Artesia, NM 88210

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico

Energy, Minerals and Natural Resources Department

## Oil Conservation Division

1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

Form C-107A

Revised June 10, 2003

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

STATE 16-4

1

D. Sec 16, T22S, R22E

Eddy

Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No. 25706 Property Code 34517 API No. 30-015-33789 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)	8312' - 8410'	8474'-8538'; 8604'-8714'	8780' - 8841'
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)			
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 DATAAre 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 ☐

NMOC 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 Gree Benton TITLE Operations Manager DATE 12/29/2005TYPE OR PRINT NAME Gree Benton TELEPHONE NO. ( 432 ) 682-6324E-MAIL ADDRESS gbenton@claytonwilliams.com

**DISTRICT I**

1500 N. French Dr., Hobbs, NM 88240

**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 87505

**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 30-015-33789	Pool Code	Pool Name Wildcat - Strawn
Property Code 34517	Property Name STATE "16-4"	Well Number 1
OGRID No. 25706	Operator Name CLAYTON WILLIAMS ENERGY, INC.	Elevation 4351'

**Surface Location**

UL or lot No.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
D	16	22 S	22 E		660	NORTH	660	WEST	EDDY

**Bottom Hole Location If Different From Surface**

UL or lot No.	Section	Township	Range	Lot 1/4	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

				<b>OPERATOR CERTIFICATION</b> I hereby certify the the information contained herein to true and complete to the best of my knowledge and belief. <u>Betsy Luna</u> Signature <u>Betsy Luna</u> Printed Name <u>Engineering Tech.</u> Title <u>12-29-2005</u> Date	
				<b>SURVEYOR CERTIFICATION</b> 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. <u>DECEMBER 20, 2004</u> Date Surveyed 	

## DISTRICT I

1888 N. French Dr., Hobbs, NM 88240

## DISTRICT II

811 South First, Artesia, NM 88210

## DISTRICT III

1000 Rio Brazos Rd., Arden, NM 87410

## DISTRICT IV

2040 South Pacheco, Santa Fe, NM 87505

## 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 30-015-33789	Pool Code	Pool Name Wildcat - Atoka
Property Code 34517	Property Name STATE "16-4"	Well Number 1
OGWD No. 25706	Operator Name CLAYTON WILLIAMS ENERGY, INC.	Elevation 4351'

## Surface Location

UL or lot No.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
D	16	22 S	22 E		660	NORTH	660	WEST	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.
------------------------	-----------------	--------------------	-----------

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

				<b>OPERATOR CERTIFICATION</b> I hereby certify the information contained herein is true and complete to the best of my knowledge and belief.  Signature Betsy Luna Printed Name Engineering Tech. Title 12-29-2005 Date	
				<b>SURVEYOR CERTIFICATION</b> 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. DECEMBER 20, 2004 Date Surveyed  Signature (to be filed) Professional Land Surveyor	

## DISTRICT I

1825 N. French Dr., Hobbs, NM 88240

## DISTRICT II

511 South First, Aramis, NM 88210

## DISTRICT III

1000 Rio Brazos Rd., Artec, NM 87410

## DISTRICT IV

2040 South Pacheco, Santa Fe, NM 87505

## State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102

Revised March 17, 1989

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 <b>30-015-33789</b>	Pool Code	Pool Name <b>Rocky Arroyo (Morrow Gas) - limestone</b>
Property Code <b>34517</b>	Property Name <b>STATE "16-4"</b>	Well Number <b>1</b>
OGED No. <b>25706</b>	Operator Name <b>CLAYTON WILLIAMS ENERGY, INC.</b>	Elevation <b>4351'</b>

## 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>D</b>	<b>16</b>	<b>22 S</b>	<b>22 E</b>		<b>660</b>	<b>NORTH</b>	<b>660</b>	<b>WEST</b>	<b>EDDY</b>

## 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.
<b>320</b>			

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

				<b>OPERATOR CERTIFICATION</b>  I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.   Signature <b>Betsy Luna</b> Printed Name <b>Engineering Technician</b> Title <b>12-29-2005</b> Date
				<b>SURVEYOR CERTIFICATION</b>  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.  <b>DECEMBER 20, 2004</b> Date Surveyed  Signature of Professional Surveyor  W.O. No. 5040 Certificate No. Jones 7977 PROFESSIONAL LAND SURVEYOR

December 29, 2005

Via Facsimile (505) 476-3462

State of New Mexico  
Energy, Minerals and Natural Resources Department  
OIL CONSERVATION DIVISION  
~~2040 South Pacheco~~  
Santa Fe New Mexico 87505

Attention: Mr. Will Jones

Re: Additional Data  
Clayton Williams Energy, Inc.  
State 16-4 Lease, Well No. 1  
Sect. 16, T-22-S, R-22-E  
API No. 30-015-33789  
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: 8780' – 8841' is classified in the Morrow Gas Pool. This interval is a very tight limestone with average porosities in the 2 % range.

Stage 2: 8604' – 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: 8474' – 8538' 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: 8312' – 8410' is classified in the Strawn Pool. This interval is a very tight cherty limestone with average porosities in the 4 to 6 % range.

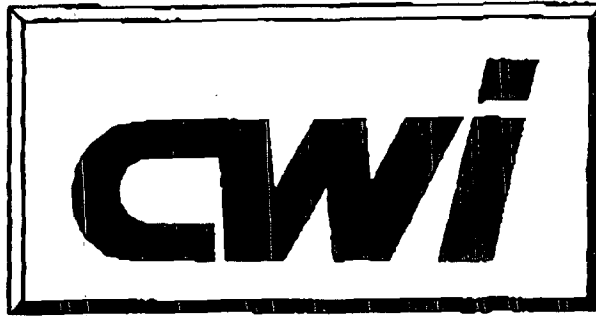
In and of itself no single interval would warrant a completion attempt. However, it is possible that by stimulating all four intervals simultaneously we may be able to establish commercial production. Following stimulation, should we prove successful in establishing commercial gas production, we will 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) 688-3252. Thank you for your help in expediting this request.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Greg Benton', with a long horizontal flourish extending to the right.

Greg Benton  
Operations Manager



**CLAYTON WILLIAMS ENERGY, INC.**

**Six Desta Drive, Suite 3000**

**Midland, Texas 79705**

**(432) 682-6324**

**Fax Cover Sheet**

**DATE:** 12-29-05

**TO:** NEW MEXICO STATE **FAX:** (505) 476-3462  
LAND OFFICE

**FROM:** GREG BENTON **FAX:** (432) 688-3225

**Number of pages including cover sheet: [ 8 ]**

---

---

---

---

---

---



CLAYTON WILLIAMS ENERGY, INC.

December 29, 2005

Via Facsimile (505) 476-3462

State of New Mexico  
Energy, Minerals and Natural Resources Department  
OIL CONSERVATION DIVISION  
~~2040 South Pacheco~~  
Santa Fe New Mexico 87505

Attention: Mr. Will Jones

Re: Application for Downhole Commingling Form C-107A

Clayton Williams Energy, Inc.  
State 16-4 Lease, Well No. 1  
Sect. 16, T-22-S, R-22-E  
API No. 30-015-33789  
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) 688-3252.  
Thank you for your help in expediting this request.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Greg Benton", written over a horizontal line.

Greg Benton  
Operations Manager

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