

DATE IN <u>5/18/06</u>	SUSPENSE	ENGINEER <u>WILL JONES</u>	LOGGED IN <u>5/18/06</u>	TYPE <u>DHC</u>	APP NO. <u>PTD 50613838804</u>
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
- [A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement
☒ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR
- [D] Other: Specify _____
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply
- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
- [B] ☐ Offset Operators, Leaseholders or Surface Owner
- [C] ☐ Application is One Which Requires Published Legal Notice
- [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] ☐ Waivers are Attached

- [3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

- [4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Print or Type Name

Signature

Title

Date

e-mail Address



CLAYTON WILLIAMS ENERGY, INC.

May 23, 2006

Via Facsimile (505) 476-3462

(10 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- REVISED**

Clayton Williams Energy, Inc.
State 16-13, Well No. 1
Rocky Arroyo Field
Sect. 16, T-22-S, R-22-E
API No. 30-015-34140
Eddy County, New Mexico

Mr. Jones:

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

Form 107A
Form C101
Form C102
Estimated Production Rates and Supporting Data

Please note this application supersedes our earlier application dated May 18, 2006. We mistakenly named the Wolfcamp zone perforations from 7066'-7232' as a Canyon zone.

Should you have any questions or require further, please call me at (432) 688-3228. Thank you for your help in expediting this request.

Sincerely yours,

A handwritten signature in black ink that reads "Armando Madrid". The signature is written in a cursive, flowing style.

Armando Madrid
Petroleum Engineer

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

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**DHC-3710**CLAYTON WILLIAMS ENERGY, INC. SIX DESTA DR., #3000, MIDLAND, TX 79705**

Operator

Address

STATE 16-13

1

M. Sec 16, T22S, R22E

Eddy

Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No. 25706 Property Code 34863 API No. 30-015-34140 Lease Type: ☐ Federal ☒ State ☐ Fee

DATA ELEMENT	UPPER ZONE UNDES. GW	INTERMEDIATE ZONE UNDES	LOWER ZONE ✓
Pool Name	Rocky Arroyo (Wolfcamp)	Rocky Arroyo Canyon (Gas)	Wildcat Strawn (Gas)
Pool Code	84200	84120	
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	7066'-7232'	7299'-8026'	8072'-8592'
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

→
→
see
NEXT
PAGE

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. - **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 Armando Madrid TITLE Petroleum Engineer DATE 5/23/06

TYPE OR PRINT NAME Armando Madrid TELEPHONE NO. (432) 682-6324

E-MAIL ADDRESS amadrid@claytonwilliams.com

District I
1625 N. French Drive, Hobbs, NM 88240

District II
1361 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

STATE 16-13 Well No. 1 Unit Letter-Section-Township-Range M SEC. 16, T22S, R22E County EDDY

OGRID No. 25706 Property Code 34863 API No. 30-015-34140 Lease Type: ☐ Federal ☒ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Wildcat Atoka (Gas)		
Pool Code			
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	8640' - 8880'		
Method of Production (Flowing or Artificial Lift)	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		
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 % %	Oil Gas % %

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 ☐
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 Armando Madrid TITLE Petroleum Engineer DATE 5/23/06

TYPE OR PRINT NAME Armando Madrid TELEPHONE NO. (432) 682-6324

E-MAIL ADDRESS amadrid@claytonwilliams.com

District I

1625 N. French Dr., 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

Form C-101

May 27, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to appropriate District Office

☐ 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 Dr., #3000, Midland, TX 79705		² OGRID Number 25706
		³ API Number 30 - 015-34140
⁴ Property Code 34863	⁵ Property Name STATE "16-13"	
		⁶ Well No. 1
⁹ Proposed Pool 1		¹⁰ Proposed Pool 2

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
M	16	22 S	22 E		660	south	660	West	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

Additional Well Information

¹¹ Work Type Code A	¹² Well Type Code G	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 4364
¹⁶ Multiple Y	¹⁷ Proposed Depth 8,880	¹⁸ Formation Penn	¹⁹ Contractor Nabors WS	²⁰ Spud Date upon approval
Depth to Groundwater 100' est.		Distance from nearest fresh water well > 1000'		Distance from nearest surface water >1000'
Pit: Liner: Synthetic <input type="checkbox"/> _____mils thick Clay <input type="checkbox"/> Pit Volume: _____ bbls Drilling Method: _____ Closed-Loop System <input type="checkbox"/> NO PIT Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC

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.

This well was permitted in the Rocky Arroyo (Morrow Gas), drilled in October, 2005, but never completed. This proposal is to perforate and frac these zones:

Wildcat Atoka (Gas) 8640' - 8880'
 Wildcat Strawn (Gas) 8072' - 8424'
 Rocky Arroyo (Canyon Gas) 7299' - 8026'
 Rocky Arroyo (Wolfcamp) 7066' - 7232'

3. Run tubing and test all zones together.

Note: Downhole Commingle Permit will be applied for in Santa Fe.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .		OIL CONSERVATION DIVISION	
		Approved by:	
Printed name: Betsy Luna		Title:	
Title: Engineering Technician		Approval Date:	Expiration Date:
E-mail Address: bluna@claytonwilliams.com			
Date: 5/23/06	Phone: 432-682-6324	Conditions of Approval Attached <input type="checkbox"/>	

DISTRICT I

1625 N. French Dr., Hobbs, NM 88240

DISTRICT II

811 South First, Artesia, 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, 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 30-015-34140	Pool Code	Pool Name Rocky Arroyo (Wolfcamp)
Property Code 34863	Property Name STATE 16-13	Well Number 1
OGRID No. 25706	Operator Name CLAYTON WILLIAMS ENERGY, INC.	Elevation 4364'

Surface Location

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

	Lat.: N32°23'08.6" Long.: W104°42'53.0"	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. Signature Betsy Luna Printed Name Engineering Tech. Title 5-23-2006 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. APRIL 20, 2005 Date Surveyed GARY L. JONES Signature & Seal of MEXICO Professional Surveyor No. 5332 Certificate No. 7977 BASIN SURVEYS

DISTRICT I

1625 N. French Dr., Hobbs, NM 88240

DISTRICT II

811 South First, Artesia, 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, 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 30-015-34140	Pool Code	Pool Name Rocky Arroyo (Canyon Gas)
Property Code 34863	Property Name STATE 16-13	Well Number 1
OGRID No. 25706	Operator Name CLAYTON WILLIAMS ENERGY, INC.	Elevation 4364'

Surface Location

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

<p>Lat.: N32°23'08.6" Long.: W104°42'53.0"</p>	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. Signature Betsy Luna Printed Name Engineering Tech. Title 5-23-2006 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. APRIL 20, 2005 Date Surveyed GARY L. JONES Signature & Seal Professional Surveyor No. 5332 Certificate No. 7977 BASIN SURVEYS

DISTRICT I

1626 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 Department

Form 1-1-1

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 30-015-34140	Pool Code	Pool Name Wildcat Strawn (Gas)
Property Code 34863	Property Name STATE 16-13	Well Number 1
OGRID No. 25706	Operator Name CLAYTON WILLIAMS ENERGY, INC.	Elevation 4364'

Surface Location

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

	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. Signature Betsy Luna Printed Name Engineering Tech. Title 5-23-2006 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. APRIL 26, 2005 Date Surveyed GARY L. JONES Signature & Seal Professional Surveyor No. 5332 Certificate No. 7977 BASIN SURVEYS	

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 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 30-015-34140	Pool Code	Pool Name Wildcat Atoka (Gas)
Property Code 34863	Property Name STATE 16-13	Well Number 1
OGRID No. 25706	Operator Name CLAYTON WILLIAMS ENERGY, INC.	Elevation 4364'

Surface Location

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

	<h3>OPERATOR CERTIFICATION</h3> <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 Betsy Luna Printed Name Engineering Tech. Title 5-23-2006 Date</p>	
	<h3>SURVEYOR CERTIFICATION</h3> <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>APRIL 20, 2005 Date Surveyed Signature & Seal of Professional Surveyor Professional Surveyor No. 5832 Certificate No. 19256 BETSY L. JONES BASIN SURVEYS</p>	



CLAYTON WILLIAMS ENERGY, INC.

May 23, 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 - REVISED**

Clayton Williams Energy, Inc.
Rocky Arroyo Field
State 16-13 Well No. 1
Sect. 16, T-22-S, R-22-E
API No. 30-015-34140
Eddy County, New Mexico

Mr. Jones:

Please consider our application to downhole commingle multiple Pennsylvanian Pay zones in the subject well. Our intention is to establish commercial production from several tight carbonate intervals. Completion plans for the proposed pay intervals is to use a linear gel system and low sand concentrations and establish large fracture wings. This method has been successfully used in the Permian Basin – (tight) Wolfcamp Formation. None of the zones are of high pressure nor abnormally low pressure. Mud log shows were minimal with a little gas and no fluorescence. Open-hole log analysis indicates that the zones have low porosity and will either be gas productive or too tight to produce. Water production does not appear to be excessive and should pose no concern.

The stimulation program will be divided into seven stages:

Stage 1: 8640'-8880': Atoka gas. This tight carbonate interval has porosity in the 2-4 % range.

Stage 2: 8470'-8592': Lower Strawn gas. This tight carbonate interval has porosity in the 2-4 % range.

Stage 3: 8072' – 8424': Upper Strawn gas. These limestone stringers have small quantities of sand. Porosity values vary from 2 to 4 % with one 6 foot stringer with 12 % porosity.

Mr. Will Jones

May 23, 2006

Page 2 of 2

Stage 4: 7846'-8026': Canyon gas. This limestone interval has porosity in the 2-4 % range in the upper stringers and 4-6 % porosity in the lower stringers.

Stage 5: 7641'-7758': Canyon gas. This interval is a dolomite section with porosity in the 6-8 % range.

Stage 6: 7299'-7534': Canyon gas. These limestone zones have porosity values from 2 to 4 %. An 8 foot stringer contains 8 % porosity. The mud log had gas shows throughout the interval.

Stage 7: 7066'-7232': Wolfcamp gas. These thin limestone stringers have porosity from 2 to 4 %. The mud log had gas shows throughout the interval.

To determine productive and non-productive intervals a spinner / temperature log will be run after stimulation and when the well is flowing gas. The log may also determine the percent contribution of each productive zone for allocation purposes.

Please contact me at (432) 688-3228, should you have any questions.

Sincerely yours,



Armando Madrid
Petroleum Engineer