

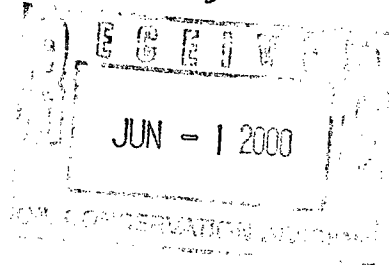
DHC 6/20/00



CLAYTON WILLIAMS ENERGY, INC.

May 31, 2000

Via Federal Express Overnight Service



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

Attention: Mr. David Catanach

Re: **Application for Downhole Commingling Form C-107A**  
Clayton Williams Energy, Inc.  
State 20B Lease, Well Nos. 1 and 2  
Section 20, T-17S, R29E  
Eddy County, New Mexico

Dear David:

Please find attached our Forms C-107A for the above captioned wells.

Clayton Williams Energy, Inc. and Mark Heinen, an employee of CWEI, are the only working interest owners and the State of New Mexico is the only royalty owner.

Since our wells are new wells with little history, I have included as attachments two wells in Section 21 producing from the GB-Jackson, one well in Section 20 producing from the Empire, East (Yeso) and one well in Section 29 producing from the Empire, East (Yeso) as analogies. The plots are from monthly production as reported to the OCD.

Please contact me at (915) 688-3251 should you need to discuss or have any questions.

Sincerely yours,

Matt Swierc  
Production Superintendent

Enclosures

District I  
1623 N. French Drive, Hobbs, NM 88240  
District II  
811 South First Street, 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 Department

Form C-107-A  
Revised May 15, 2000

OIL CONSERVATION DIVISION

2040 South Pacheco  
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 Drive, Suite 3000, Midland, TX 79705  
Operator Address  
State 20B #2 H.; 20; 17S; 29E Eddy  
Lease Well No. Unit Letter-Section-Township-Range County  
OGRID No. 25706 Property Code 25235 API No. 30-015-30919 Lease Type: ☐ Federal ☒ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	GB Jackson-7Rivers,Qn,GB,SA		Empire, E. (Yeso)
Pool Code	28509		96610
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	2230' - 3768' Perforated		3805' - 4194' Perforated
Method of Production (Flowing or Artificial Lift)	Artificial Lift		Artificial Lift
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)	Oil - 38.0° Gas BTU 1145		Oil - 38.2° Gas BTU 1201
Producing, Shut-In or New Zone	Producing		Shut In
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: 5/11/2000 Rates: 37 BOPD, 240 MCFPD, 271 BWPD	Date: Rates:	Date: 3/28/2000 Rates: 55 BOPD, 62 MCFPD, 253 BWPD
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 40 % 79 %	Oil Gas % %	Oil Gas 60 % 21 %

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.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- 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 5/25/00  
TYPE OR PRINT NAME Matt Swierc TELEPHONE NO. ( 915 ) 682-6324

## DISTRICT I

P.O. Box 1980, Hobbs, NM 88241-1980

## DISTRICT II

P.O. Drawer DD, Artesia, NM 88211-0719

## DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

## DISTRICT IV

P.O. BOX 2088, SANTA FE, N.M. 87504-2088

## State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102

Revised February 10, 1984

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

## OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30 - 015 - 30919	Pool Code 28509	Pool Name Grayburg Jackson-7R's, Qn,GB, SA
Property Code 25235	Property Name STATE '20B'	Well Number 2
OGRID No. 25706	Operator Name CLAYTON WILLIAMS ENERGY, INC.	Elevation 3602

## Surface Location

UL or lot No. H	Section 20	Township 17 S	Range 29 E	Lot Idn	Feet from the 2285	North/South line NORTH	Feet from the 330	East/West line EAST	County EDDY
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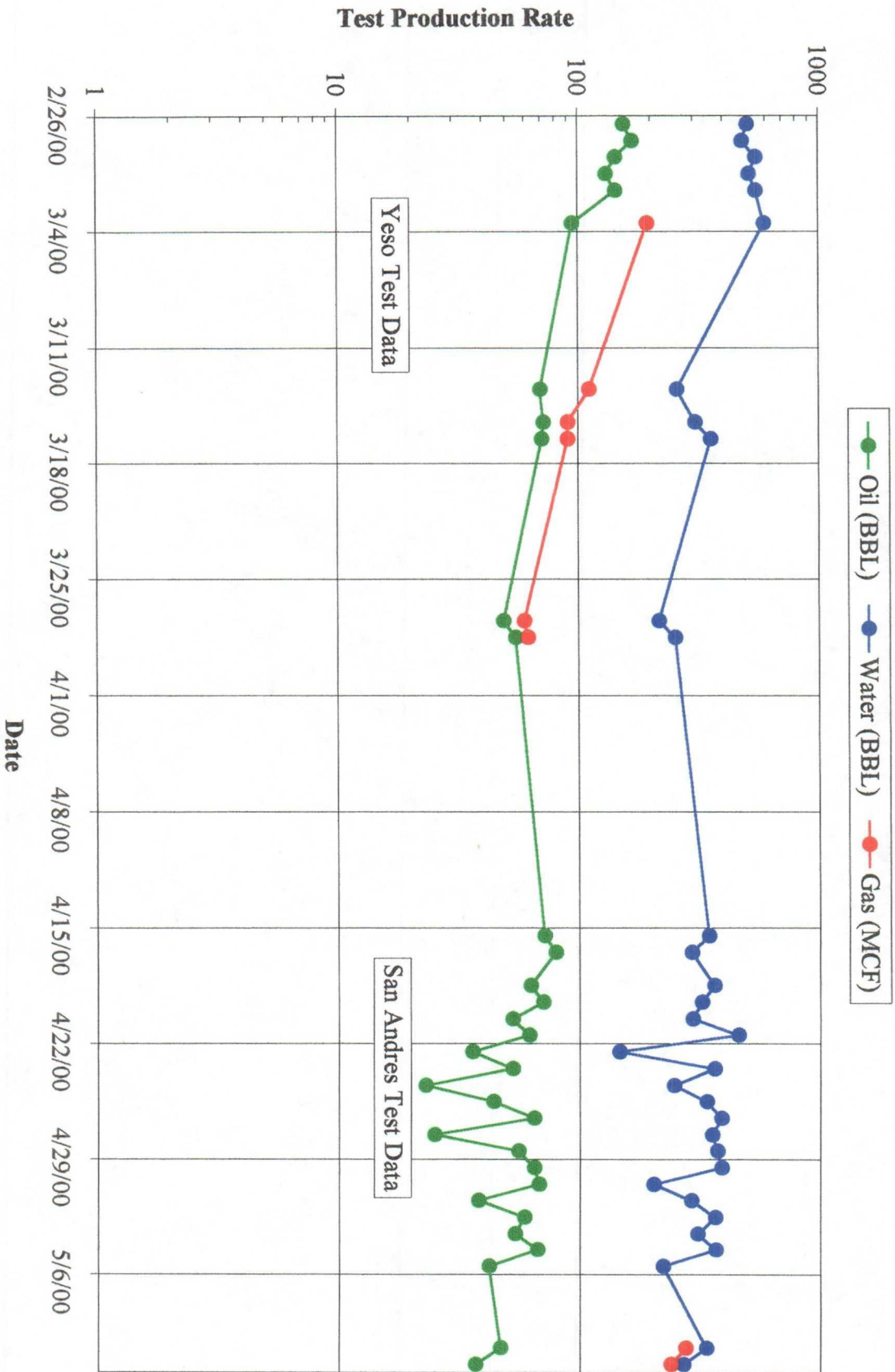
## Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	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 is true and complete to the best of my knowledge and belief.  <u>Betsy Luna</u> Signature <u>Betsy Luna</u> Printed Name <u>Engr. Tech.</u> Title <u>3-29-00</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>JANUARY 29, 2000</u> Date Surveyed <u>Ronald J. Eidson</u> Signature & Seal of Professional Surveyor <u>00-11-0005</u> Certificate No.
	3239 GARY EIDSON 12641 MACON McDONALD 12185

# State 20B #2 Test Production Data.



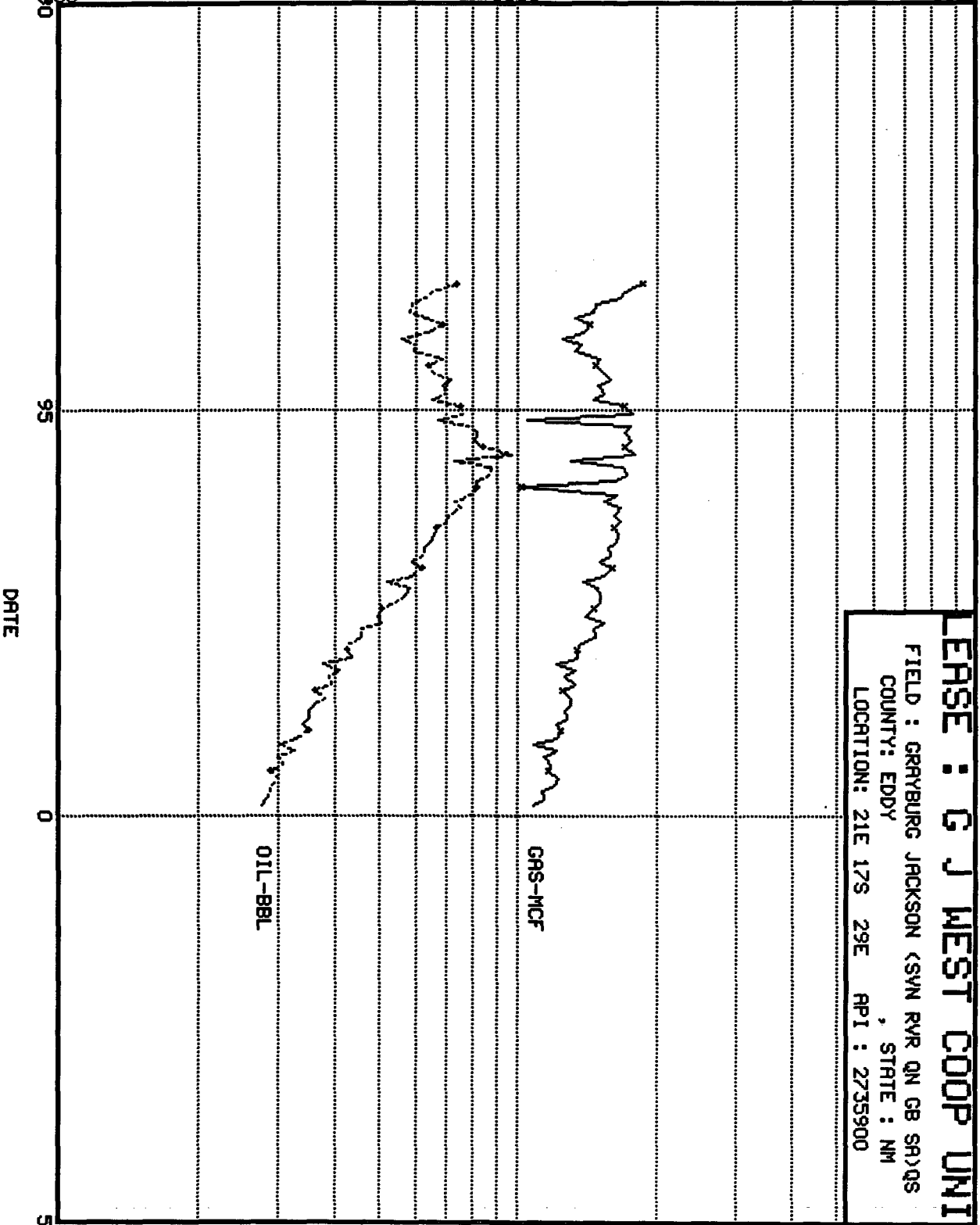
GAS-MCF  
OIL-BBL

1000  
1000

100  
100

LEASE : G J WEST COOP UNIT

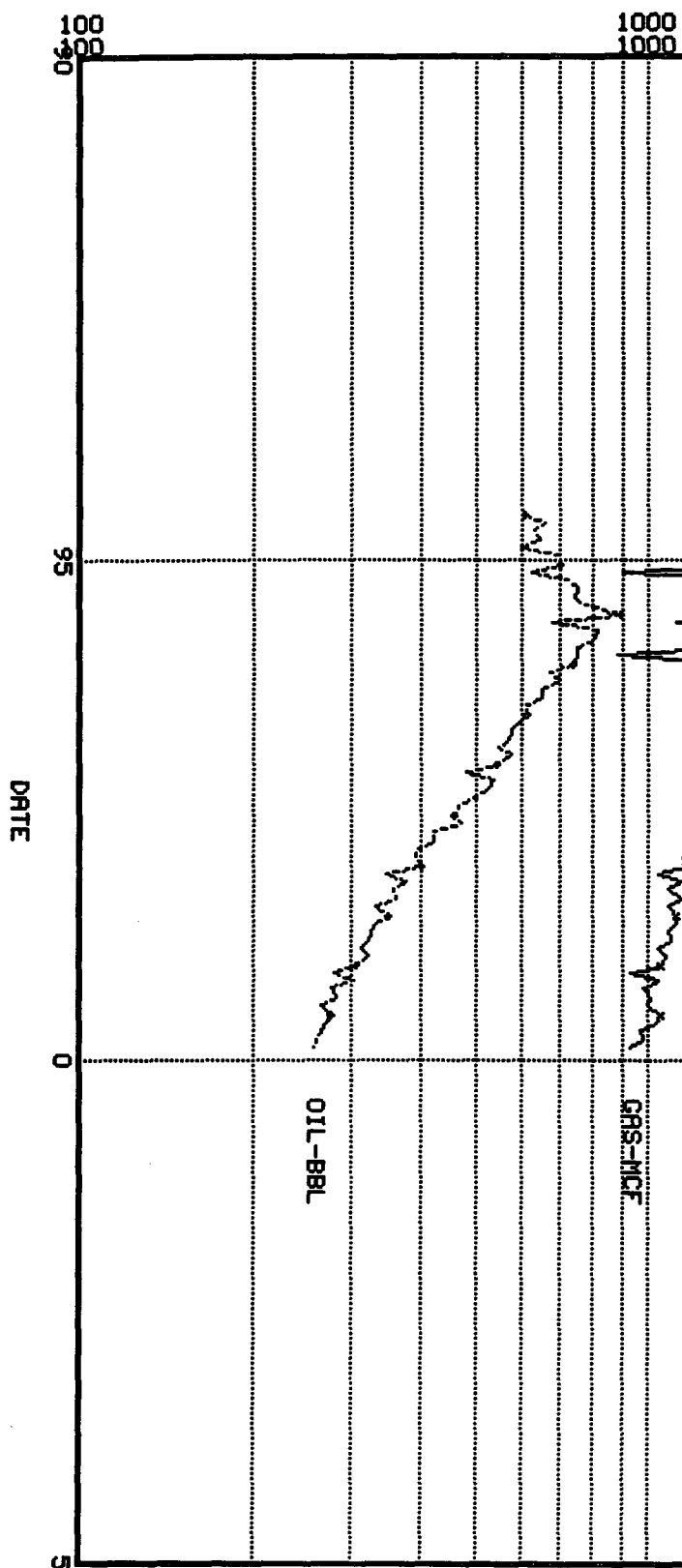
FIELD : GRAYBURG JACKSON (SVN RVR QN CB SA)QS  
COUNTY: EDDY , STATE : NM  
LOCATION: 21E 17S 29E API : 2735900



GAS-MCF  
OIL-BBL

LEASE : G J WEST COOP UNIT

FIELD : GRAYBURG JACKSON (SVN RVR QN GB SA)QS  
COUNTY: EDDY , STATE : NM  
LOCATION: 21L 17S 29E API : 2737700



GAS-MCF  
OIL-BBL

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1000

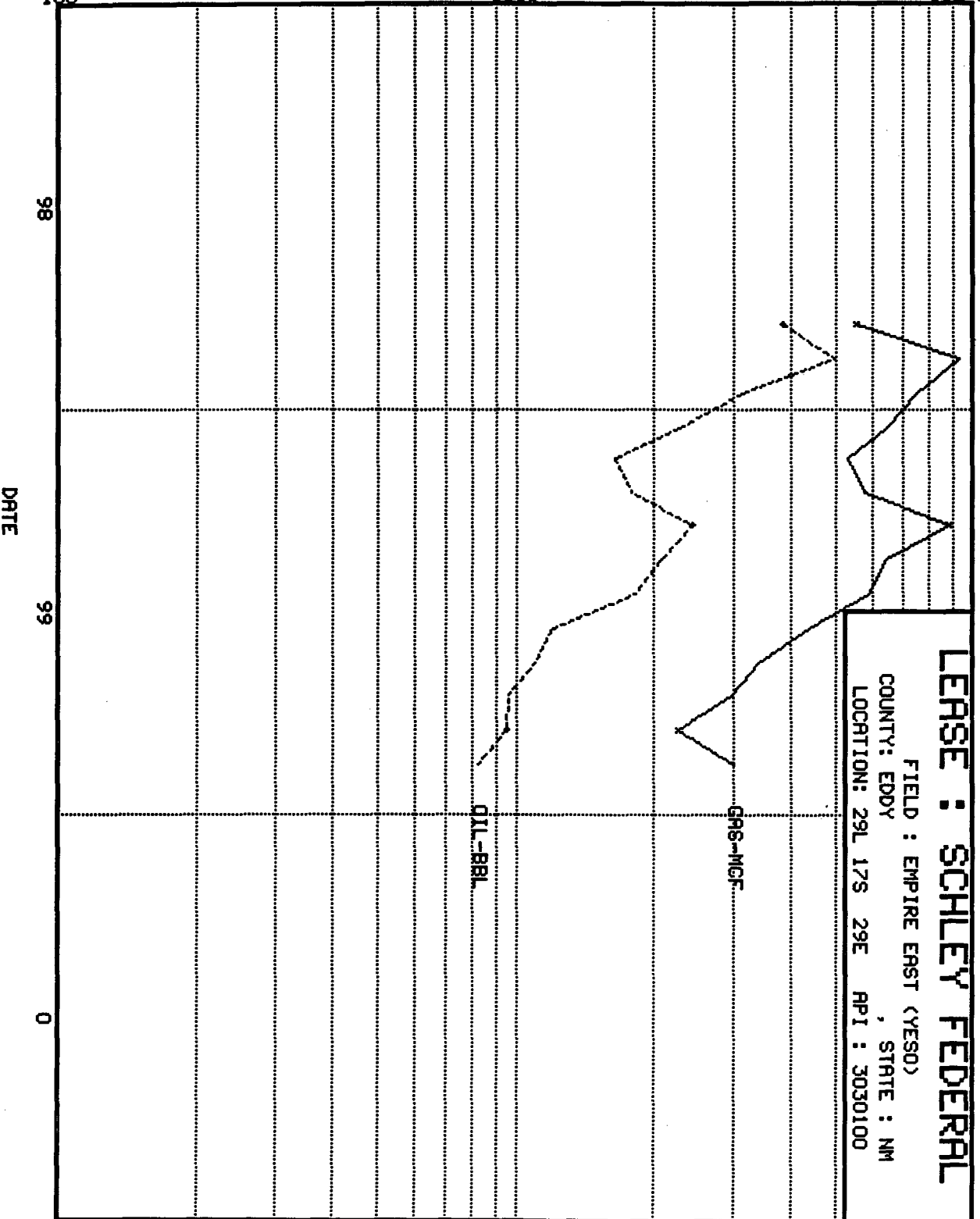
100  
100

# LEASE : SCHLEY FEDERAL

FIELD : EMPIRE EAST (YESO)

COUNTY: EDDY , STATE : NM

LOCATION: 29L 17S 29E RPI : 3030100

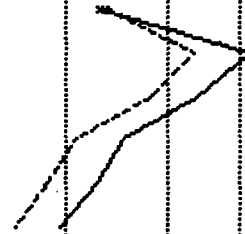


DATE

GRS-MCF  
OIL-BBL

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GRS-MCF  
OIL-BBL

## LEASE : TENNECO STATE

FIELD : EMPIRE EAST (YESO)

COUNTY: EDDY , STATE : NM

LOCATION: 20M 17S 29E RPI : 3060300

99

0

1

DATE