

DHC 7/13/00

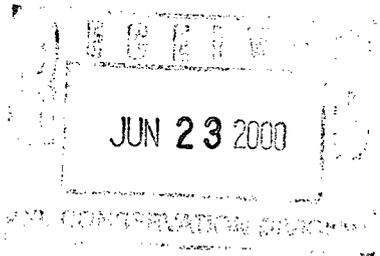


CLAYTON WILLIAMS ENERGY, INC.

June 22, 2000

2777

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 No. 6
Section 20, T-17S, R29E
Eddy County, New Mexico

Dear David:

Please find attached our Form C-107A for the above captioned well.

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 well is new 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) 688-3253 should you need to discuss or have any questions.

Sincerely yours,

Chris Cantrell
Production Engineer

Enclosures

District I
1625 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"

#6

G;20;17S;29E

Eddy

Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No. 25706 Property Code 25235 API No. 30-015-30968 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Grayburg Jackson-7R's, QN, GB, SA		Empire, East (Yeso)
Pool Code	28509		96610
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	2126' - 3763' Perforated		3904' - 4149' 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: 6/15/2000 Rates: 28 BOPD, 94 MCFPD, 58 BWPD	Date: Rates:	Date: 3/28/2000 Rates: 23 BOPD, 51 MCFPD, 82 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 55 % Gas 65 %	Oil % Gas %	Oil 45 % Gas 35 %

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.

These are mistakes as per phone call to Chris Cantrell on 7/15/00

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 Chris Cantrell TITLE Production Engineer DATE 6/22/00

TYPE OR PRINT NAME Chris Cantrell TELEPHONE NO. (915) 682-6324

DISTRICT I
P.O. Box 1960, Hobbs, NM 88241-1960

DISTRICT II
P.O. Drawer DD, 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

Form C-102

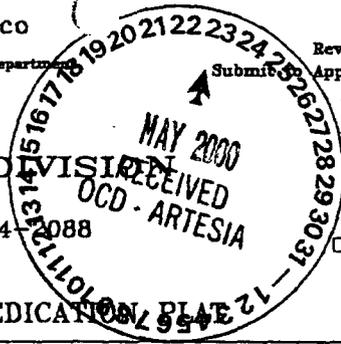
Revised February 10, 1994

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

API Number 30-015-30968	Pool Code 28509	Pool Name Grayburg Jackson-7R's, QN, CB, SA
Property Code 25235	Property Name STATE "20 B"	Well Number 6
OGRID No. 25706	Operator Name CLAYTON WILLIAMS ENERGY, INC.	Elevation 3610

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	20	17 S	29E		2310	NORTH	1650	EAST	EDDY

Bottom Hole Location If Different From Surface

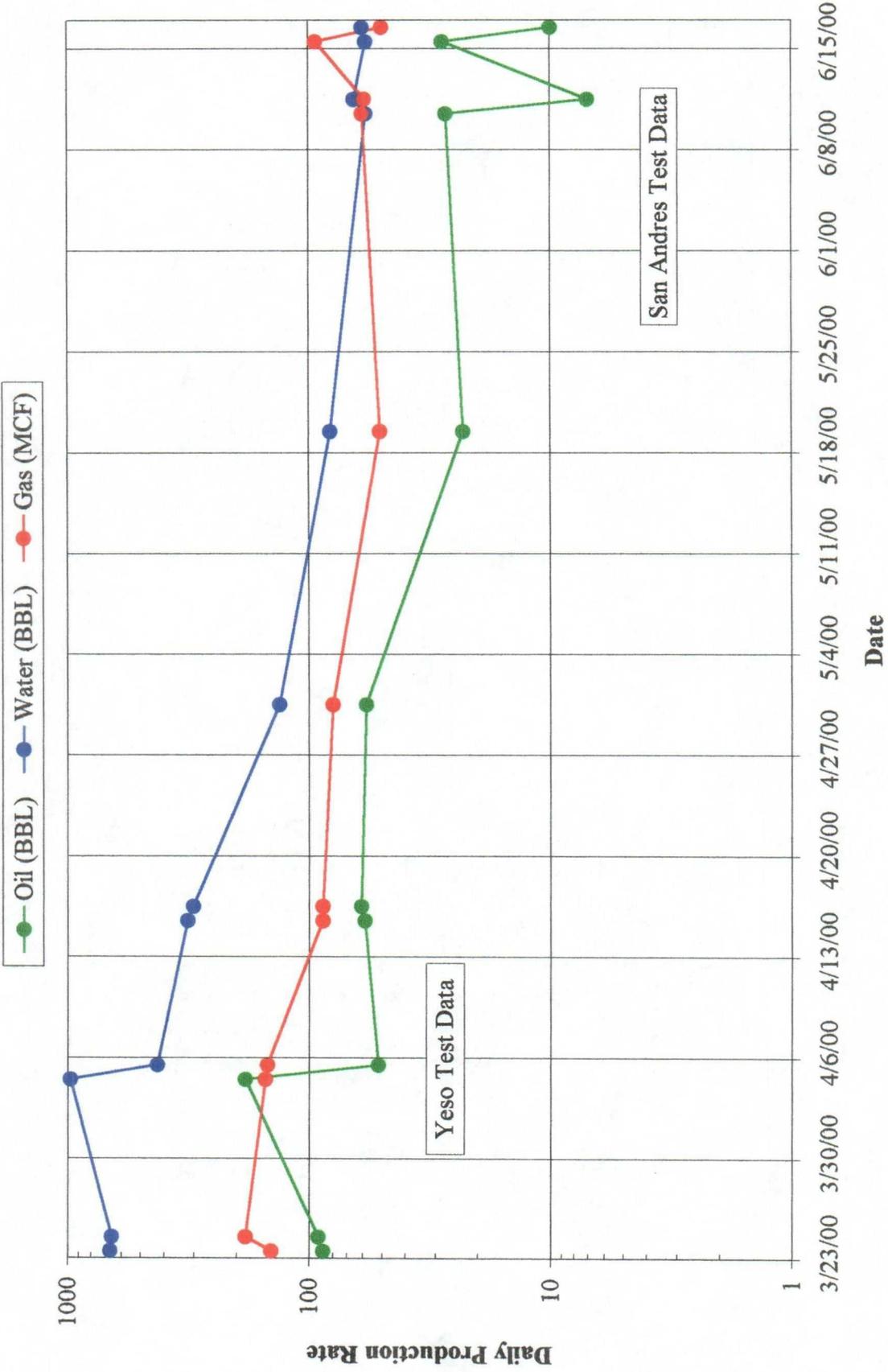
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 40	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

	<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>05/22/2000 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>FEBRUARY 2, 2000</p> <p>Date Surveyed _____ LMP</p> <p>Signature & Seal of Professional Surveyor</p> <p><i>Ronald J. Eidson</i> 2/03/2000 00-11-018E</p>
	<p>Certificate No. RONALD J. EIDSON 3239 GARY EIDSON 12841 MACON McDONALD 12185</p>

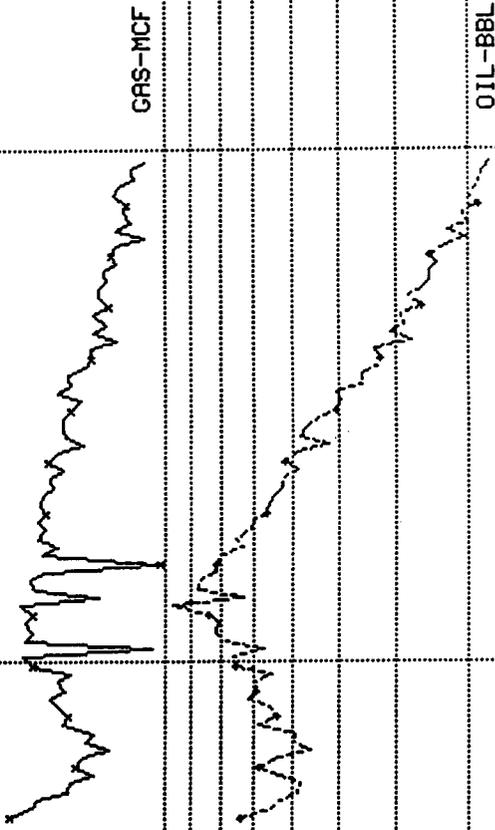
State 20B #6 Test Production Data.



GAS-MCF
OIL-BBL

LEASE : G J WEST COOP UNI

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



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1000

95

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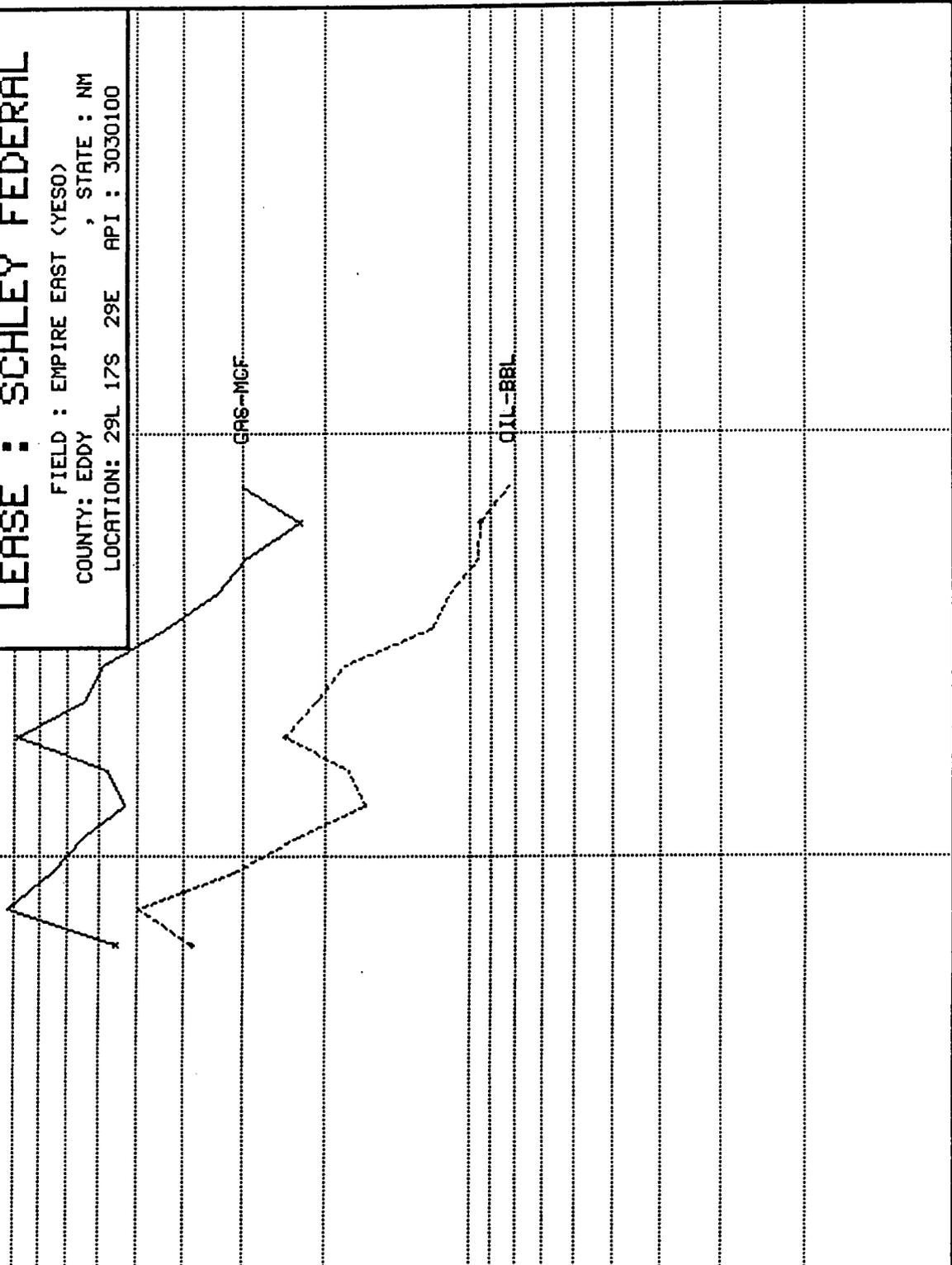
5

DATE

LEASE : SCHLEY FEDERAL

FIELD : EMPIRE EAST (YESO)
COUNTY: EDDY , STATE : NM
LOCATION: 29L 17S 29E API : 3030100

GRS-MCF
OIL-BBL



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1000

100
100

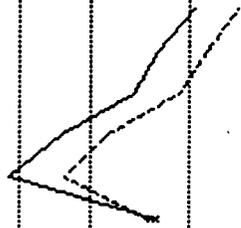
98 99 0

DATE

LEASE : TENNECO STATE

FIELD : EMPIRE EAST <YESD>
COUNTY: EDDY , STATE : NM
LOCATION: 20M 17S 29E API : 3060300

GAS-MCF
OIL-BBL



GAS-MCF
OIL-BBL

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DATE

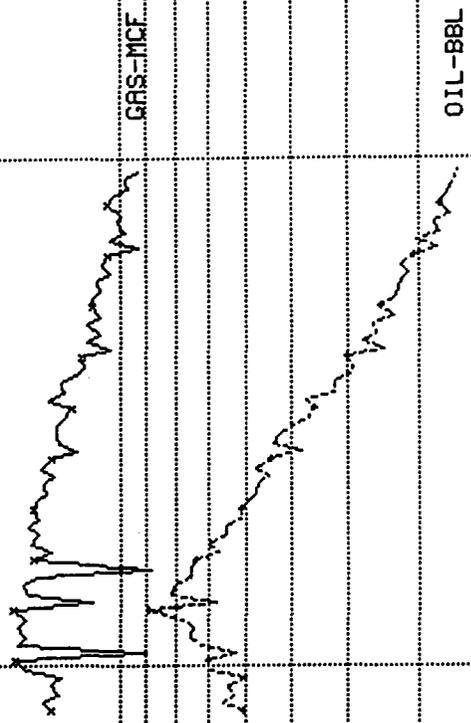
LEASE : G J WEST COOP UNI

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

GRS-MCF
OIL-BBL

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1000

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100



DATE