



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

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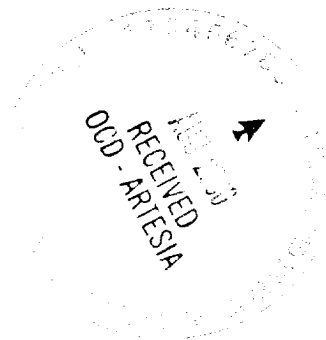
Director

Oil Conservation Division

ADMINISTRATIVE ORDER DHC-2796

Clayton Williams Energy, Inc.
Claydesta Center
Six Desta Drive
Suite 3000
Midland, Texas 79705

Attention: Mr. Matt Swierc



State 20B No. 5

API No. 30-015-30922

*Unit B, Section 20, Township 17 South, Range 29 East, NMPM,
Eddy County, New Mexico.*

*Grayburg Jackson SR-Q-Gb-SA (Oil – 28509) and
East Empire-Yeso (Oil – 96610) Pools*

Dear Mr. Swierc:

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303.C., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the zones is hereby placed in abeyance.

In accordance with the provisions of Rule 303.C.(1), each of the commingled pools shall be allowed to produce up to the top oil allowable and top casinghead gas allowable applicable for that pool.

Assignment of allowable to the well and allocation of production from the well shall be on the following basis: