



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

January 1, 2001

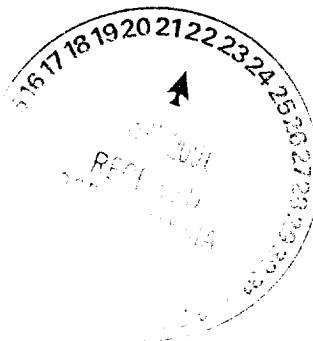
Lori Wrotenbery

Director

Oil Conservation Division

Clayton Williams Energy, Inc.
Six Desta Drive - Suite 3000
Midland, Texas 79705
Attention: Matt Swierc

Telefax No. (915) 688-3225



Administrative Order NSP-1839

Dear Mr. Swierc:

Reference is made to your application dated December 13, 2000 for a non-standard 27.28-acre oil spacing and proration unit consisting of the following acreage in the Undesignated Empire-Yeso Pool:

EDDY COUNTY, NEW MEXICO
TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
Irregular Section 19: Lot 2 (SW/4 NW/4 equivalent).

It is our understanding that this unit is to be dedicated to Clayton Williams Energy, Inc.'s proposed Phillips "19" Federal Well No. 12, to be drilled at a standard oil well location 2252 feet from the North line and 445 feet from the West line (Unit E) of irregular Section 19.

This application has been duly filed under the provisions of Division Rule 104.D (2), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

By the authority granted me under the provisions of Division Rule 104.D (2) (b), the above-described 27.28-acre non-standard oil spacing and proration unit is hereby approved. Further, Clayton Williams Energy, Inc. is permitted to produce the allowable assigned this 27.28-acre unit in accordance with Division Rule 104.G (1) from this well.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad