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DHC

9/11/00



CLAYTON WILLIAMS ENERGY, INC.

August 21, 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

28/3  
AUG 22 2000

Attention: Mr. David Catanach

Re: **Application for Downhole Commingling Form C-107A**  
Clayton Williams Energy, Inc.  
State 20E Lease, Well No. 2  
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  
Petroleum Engineer

Enclosures

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

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107-A  
Revised May 15, 2000

District II  
811 South First Street, Artesia, NM 88210

**OIL CONSERVATION DIVISION**

APPLICATION TYPE

District III  
1000 Rio Brazos Road, Aztec, NM 87410

2040 South Pacheco  
Santa Fe, New Mexico 87505

Single Well  
 Establish Pre-Approved Pools  
 EXISTING WELLBORE

District IV  
2040 South Pacheco, Santa Fe, NM 87505

**APPLICATION FOR DOWNHOLE COMMINGLING**

Yes  No

**Clayton Williams Energy, Inc.**

**Six Desta Drive, Suite 3000, Midland, TX 79705**

Operator State 20E #2 C:20:17S:29E Eddy  
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 25706 Property Code 25339 API No. 30-015-31051 Lease Type:  Federal  State  Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Grayburg-Jackson 7R's, QN, SA		Empire ; Yeso, East Oil Pool
Pool Code	28509		96610
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	1918' - 3691' Perforated		3812'-4144' Perforated
Method of Production (Flowing or Artificial Lift)	Artificial Lift		Artificial Lift
Bottomhole Pressure <small>(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)</small>			
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. <small>(Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)</small>	Date: 8/9/2000 Rates: 34 BOPD, 86 MCFPD, 490 BWPD	Date: Rates:	Date: 7/11/2000 Rates: 24 BOPD, 53 MCFPD, 184 BWPD
Fixed Allocation Percentage <small>(Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)</small>	Oil 58 % Gas 62 %	Oil % Gas %	Oil 42 % Gas 38 %

**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

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:

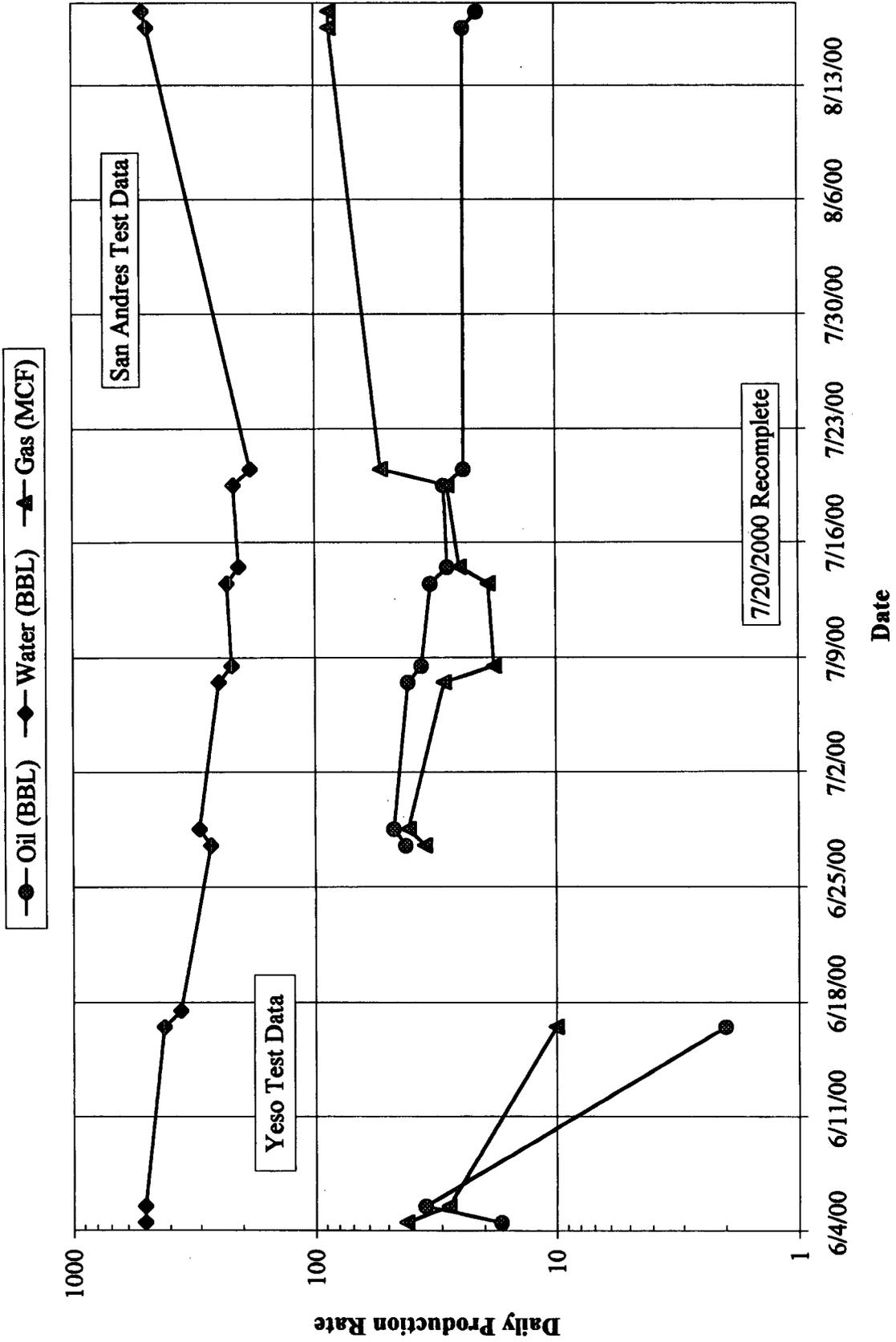
- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Chris Cantrell TITLE Production Engineer DATE 8/21/00

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

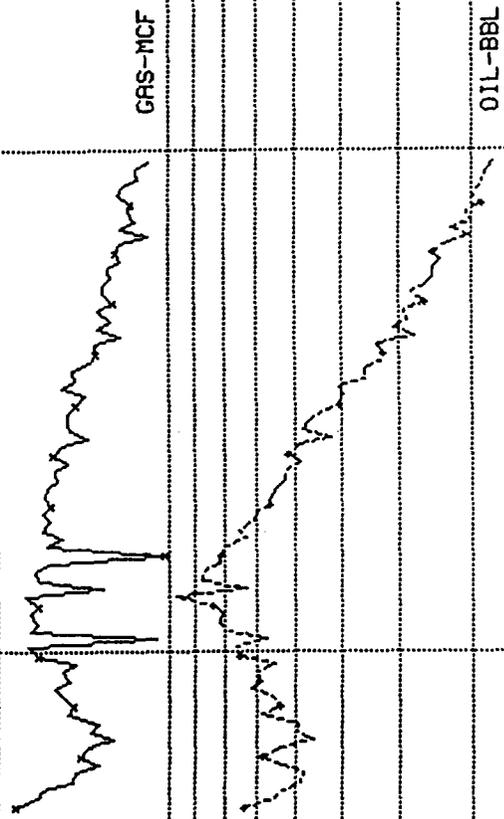
# State 20E #2 Daily Production Data. (5/23/2000 Completion)



**LEASE : G J WEST COOP UNIT**

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

GAS-MCF  
OIL-BBL



1000  
1000

1000  
1000

DATE

5

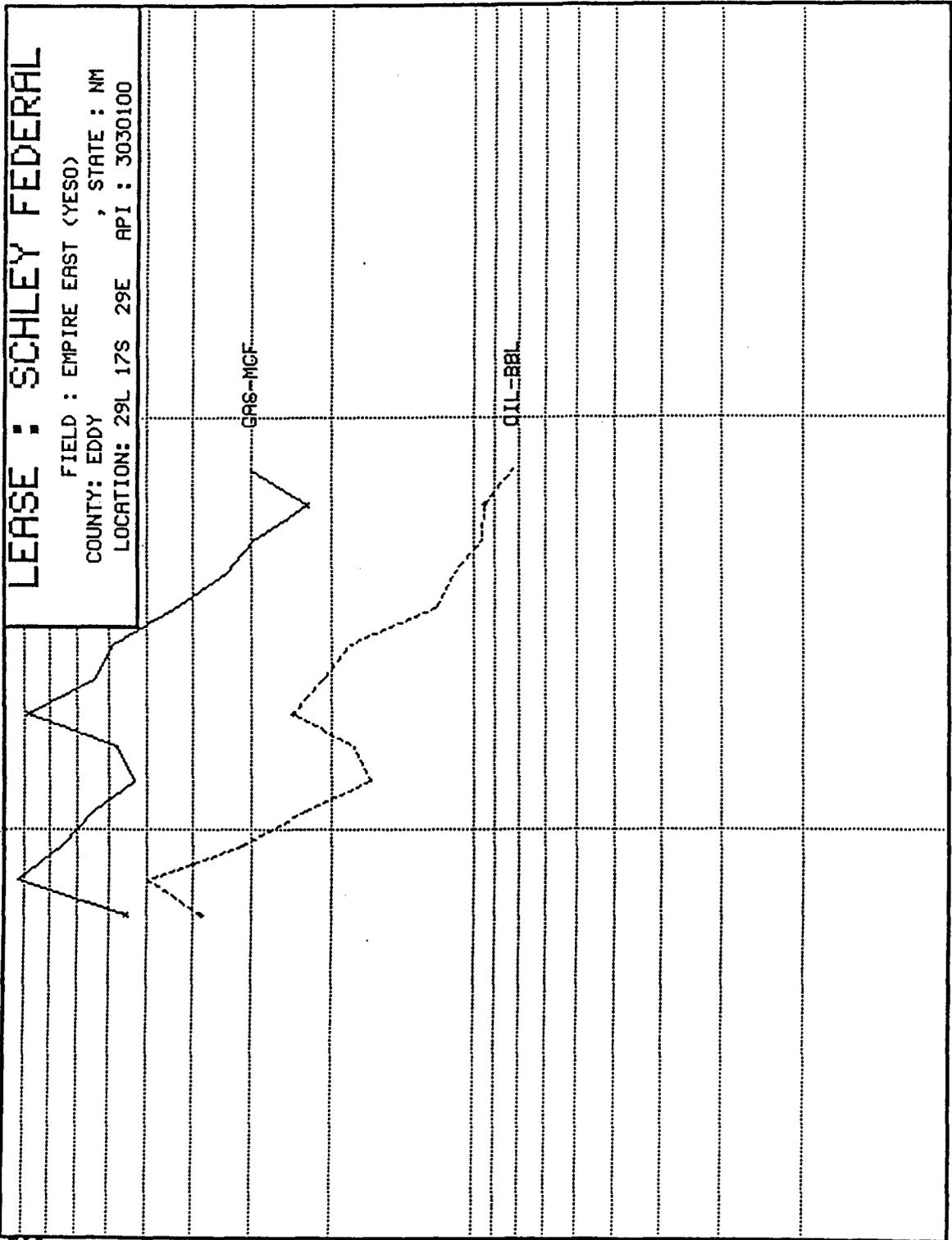
0

95

GAS-MCF  
OIL-BBL

# LEASE : SCHLEY FEDERAL

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



100

1000

98

99

0

DATE

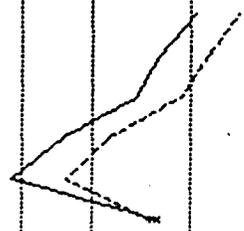
LEASE : TENNECO STATE

FIELD : EMPIRE EAST (YES0)  
COUNTY: EDDY , STATE : NM  
LOCATION: 20M 17S 29E API : 3060300

GAS-MCF  
OIL-BBL

1000  
1000

100  
100



GAS-MCF  
OIL-BBL

1

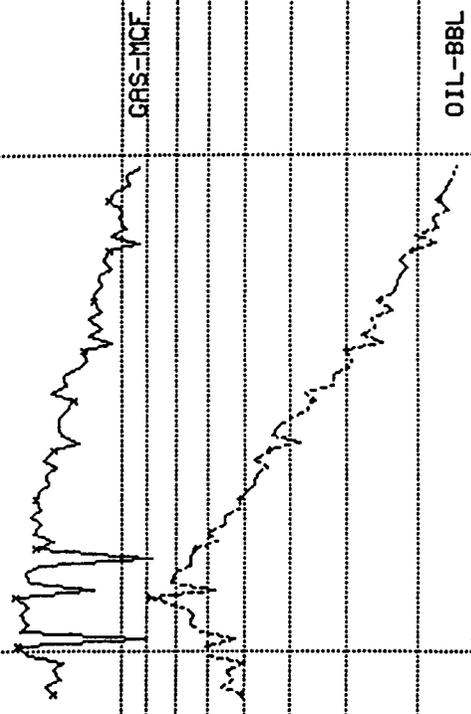
0

99

DATE

LEASE : G J WEST COOP UNI  
FIELD : GRAYBURG JACKSON (SVN RVR QN CB SA)QS  
COUNTY: EDDY , STATE : NM  
LOCATION: 21L 17S 29E API : 2737700

CRS-MCF  
OIL-BBL



100  
1000  
10000

DATE

5

0

95

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

DISTRICT II  
P.O. Drawer 80, Artesia, NM 88211-0718

DISTRICT III  
1000 Rio Brazos Rd., Artesia, NM 87410

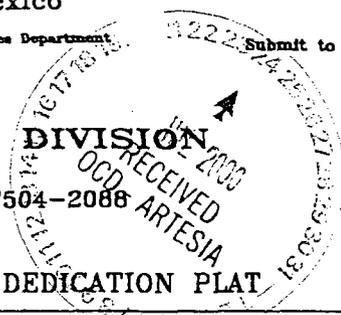
DISTRICT IV  
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

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 PLAT

API Number 30-015-31051	Pool Code 28509	Pool Name Grayburg Jackson-7R's, QN, GB, SA (28)
Property Code 25339	Property Name STATE 20 "E"	Well Number 2
OGRID No. 257065	Operator Name CLAYTON WILLIAMS ENERGY, INC.	Elevation 3627

Surface Location

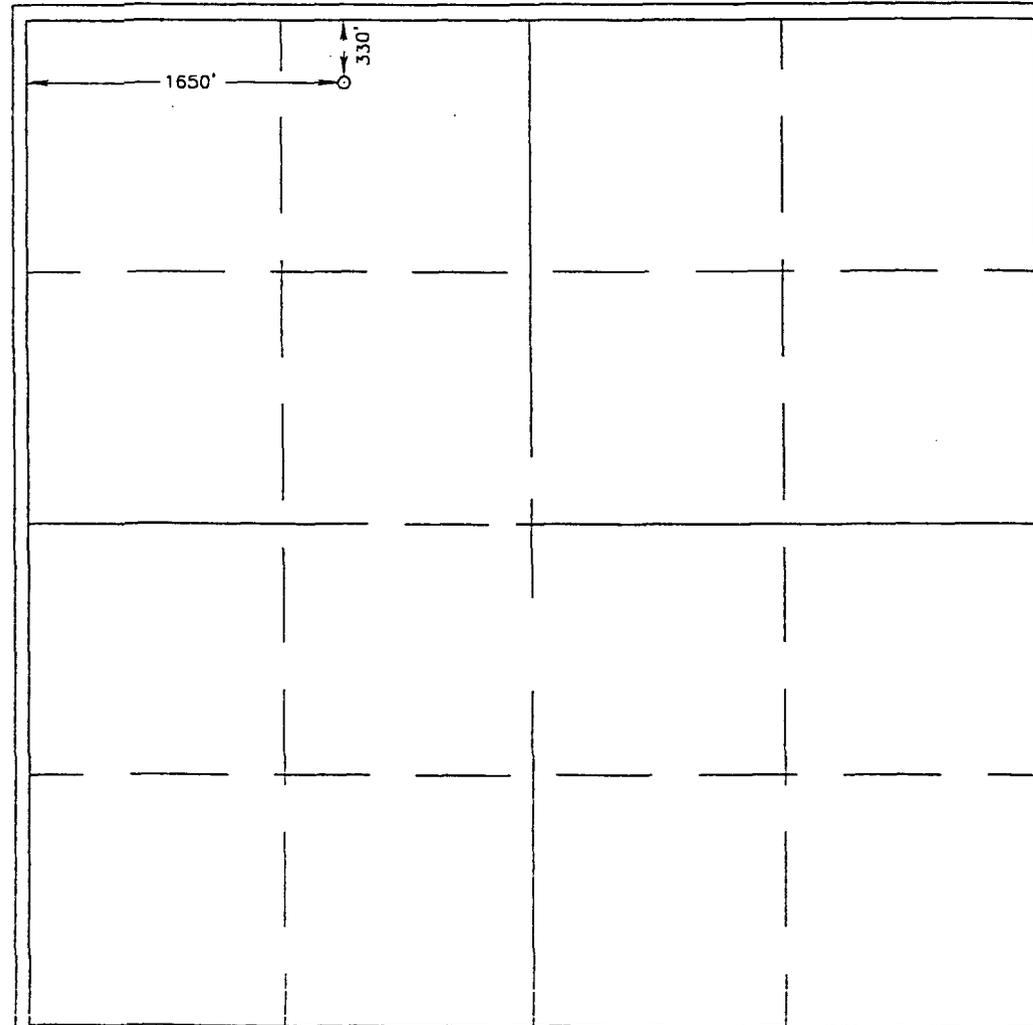
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	20	17 S	29 E		330	NORTH	1650	WEST	EDDY

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 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



**OPERATOR CERTIFICATION**

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

*Betsy Luna*  
Signature

Betsy Luna  
Printed Name

Engineering Technician  
Title

7-20-2000  
Date

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**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.

MARCH 14, 2000

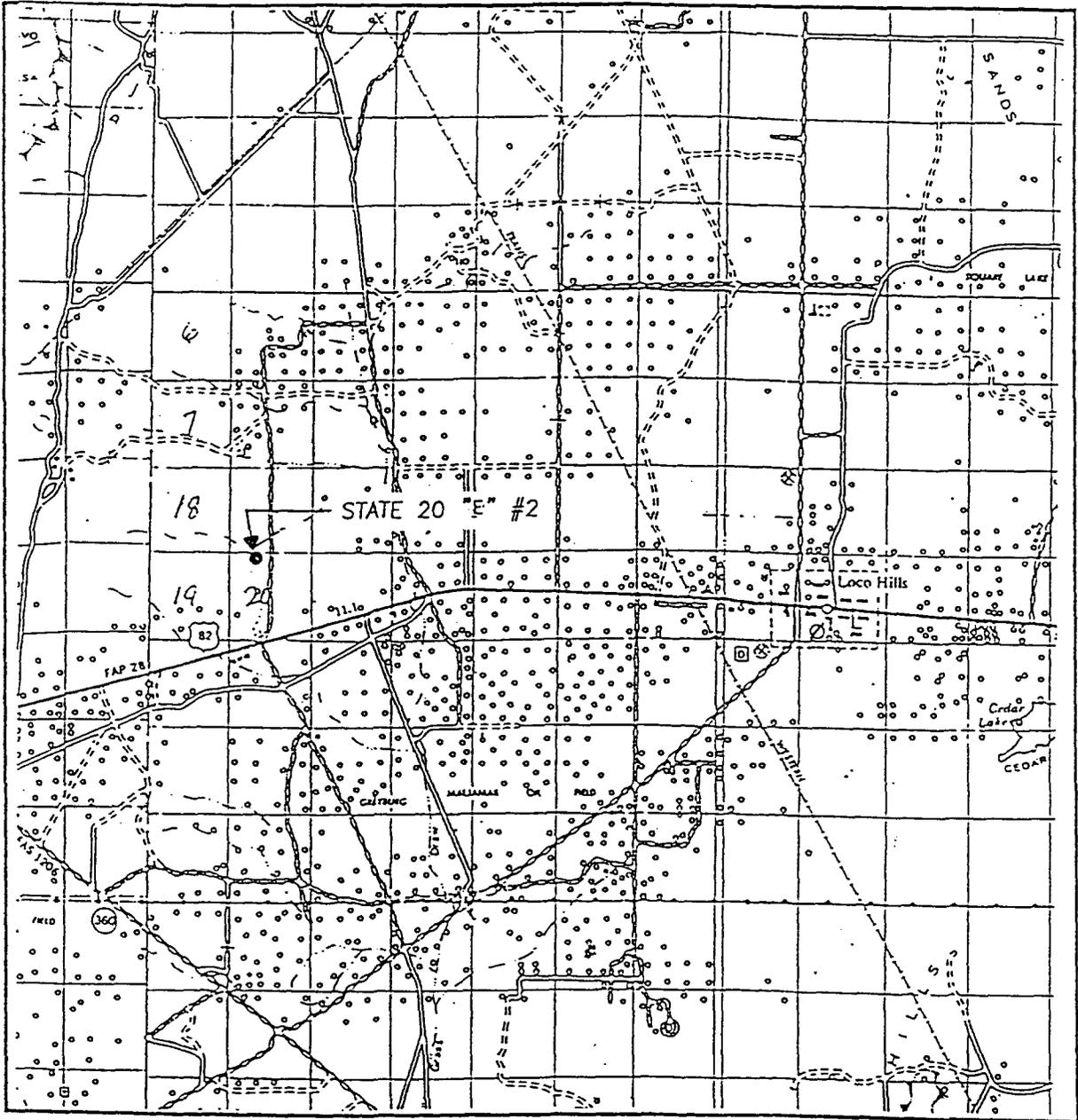
Date Surveyed \_\_\_\_\_ DC

Signature & Seal of Professional Surveyor  
*Ronald J. Eibson*  
3/15/2000

00-11-0338

Certificate No. RONALD J. EIBSON 3239  
GARY EIDSON 12841  
MACON McDONALD 12185

# VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 20 TWP. 17-S RGE. 29-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 330' FNL & 1650' FWL

ELEVATION 3627

OPERATOR CLAYTON WILLIAMS ENERGY, INC.

LEASE STATE 20 "E"

JOHN WEST SURVEYING  
 HOBBS, NEW MEXICO  
 (505) 393-3117

