

app # 53222

DHC

8/28/00



CLAYTON WILLIAMS ENERGY, INC.

August 4, 2000

2805

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. 4
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,

A handwritten signature in black ink that reads "Chris Cantrell". The signature is written in a cursive, slightly slanted style.

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

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, STE. 3000, MIDLAND, TX 79705**
Operator Address

State 20B **#4** **H; 20; T-17-S; R-29-E** **Eddy Co., NM**
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 25706 Property Code 25235 API No. 30-015-30921 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name			
Pool Code			
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	1865' - 3768' Perforated		3858'-4399' 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)			
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: 8/2/2000 Rates: 99 BOPD, 122 MCFPD, 546 BWPD	Date: Rates:	Date: 7/2/2000 Rates: 55 BOPD, 101 MCFPD, 161 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 64 % Gas 55 %	Oil % Gas %	Oil 36 % Gas 45 %

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

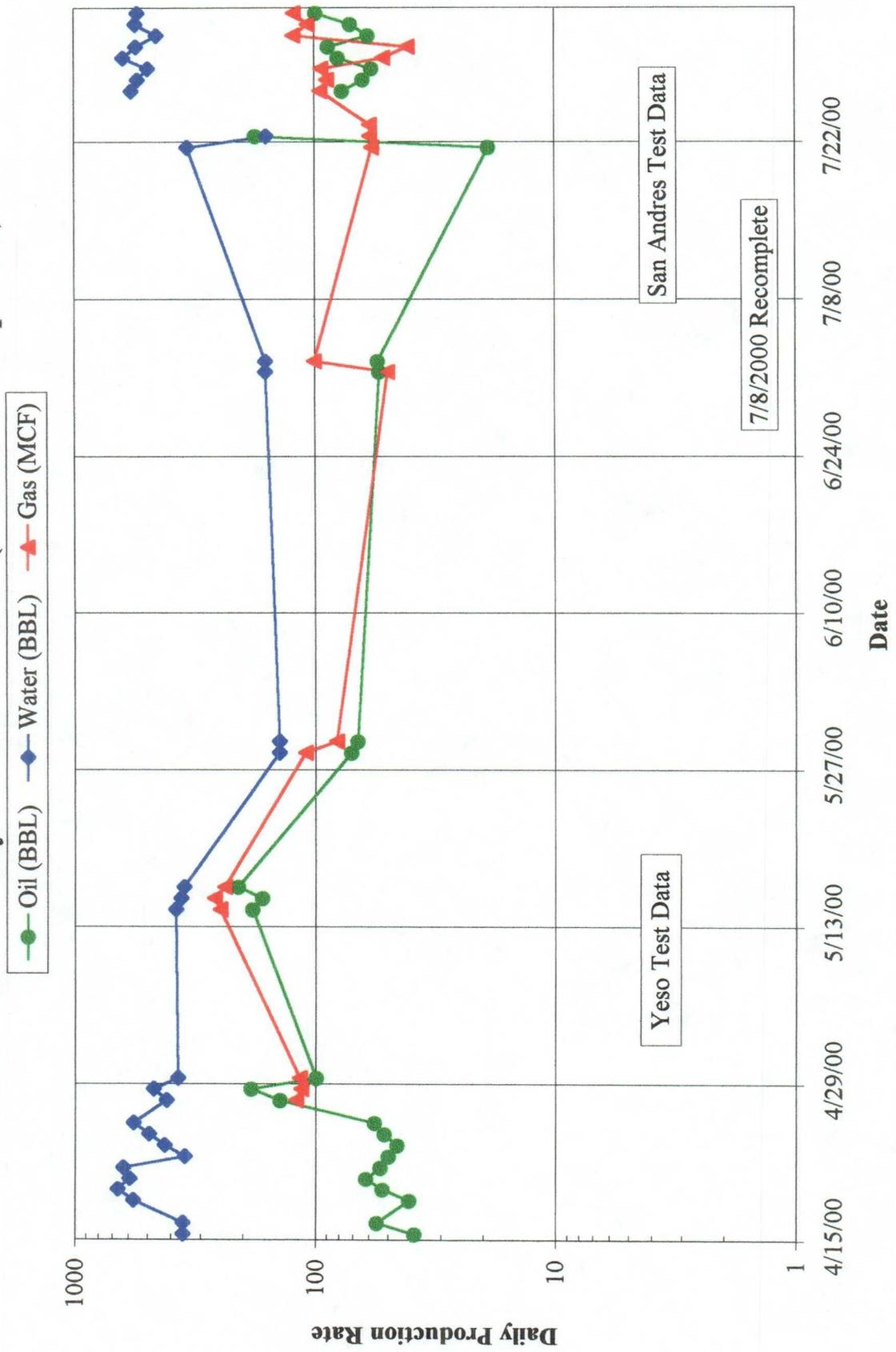
If application is to establish Pre-Approved Pools, the following additional information will be required:

- 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 Petroleum Engineer DATE 8/4/2000
 TYPE OR PRINT NAME Chris Cantrell TELEPHONE NO. (915) 682-6324

State 20B #4 Daily Production Data. (4/15/2000 Completion)



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

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

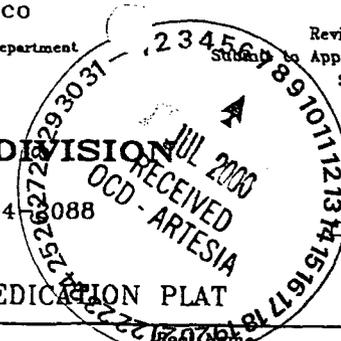
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

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, 1994
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 30-015-30921	Pool Code 28509	Grayburg Jackson-7-R's, QN, CB, SA
Property Code 25235	Property Name STATE "B"	Well Number 4
OGRID No. 25706	Operator Name CLAYTON WILLIAMS ENERGY, INC.	Elevation 3606

Surface Location

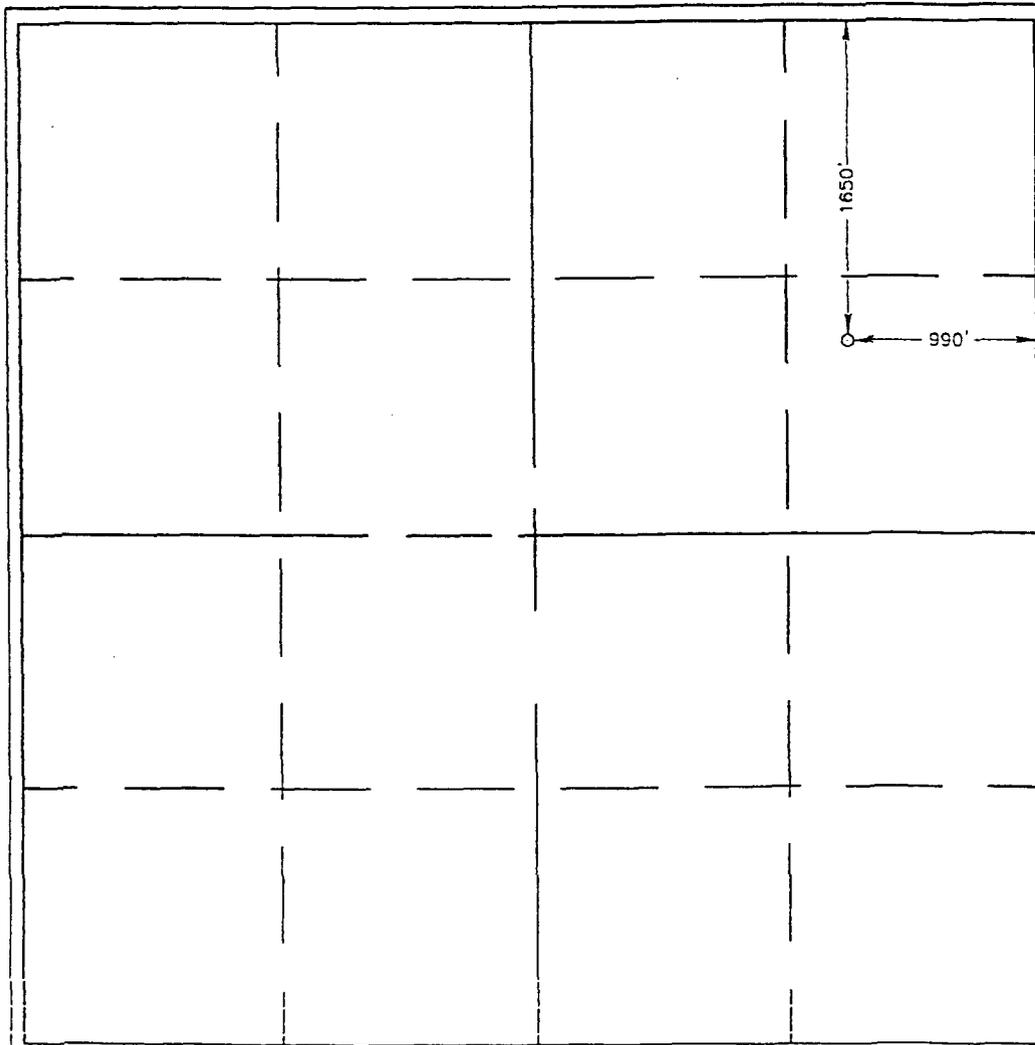
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	20	17 S	29 E		1650	NORTH	990	EAST	EDDY

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	Joint or Infill	Consolidation Code	Order No.
40			

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

July 3, 2000
Date

SURVEYOR CERTIFICATION

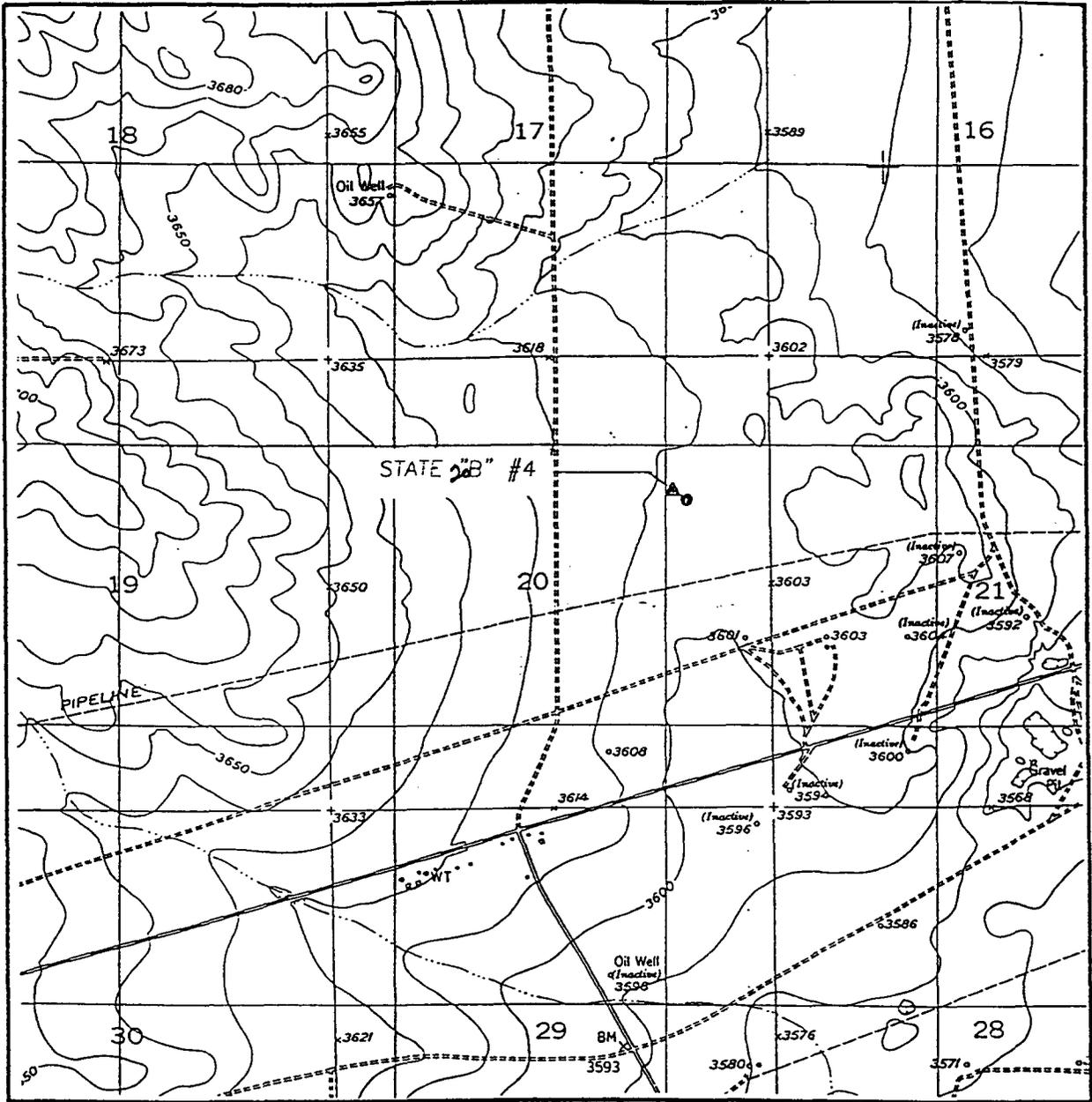
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

JANUARY 5, 2000
Date Surveyed

Signature & Seal of Professional Surveyor
Ronald E. Bidson
Professional Surveyor

Certificate No. **RONALD E. BIDSON 3239**
GARY ERDSON 12641
WACON McDONALD 12185

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
RED LAKE SE - 10'

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

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 1650' FNL & 990' FEL

ELEVATION 3606

OPERATOR CLAYTON WILLIAMS ENERGY, INC.

LEASE STATE #4

U.S.G.S. TOPOGRAPHIC MAP

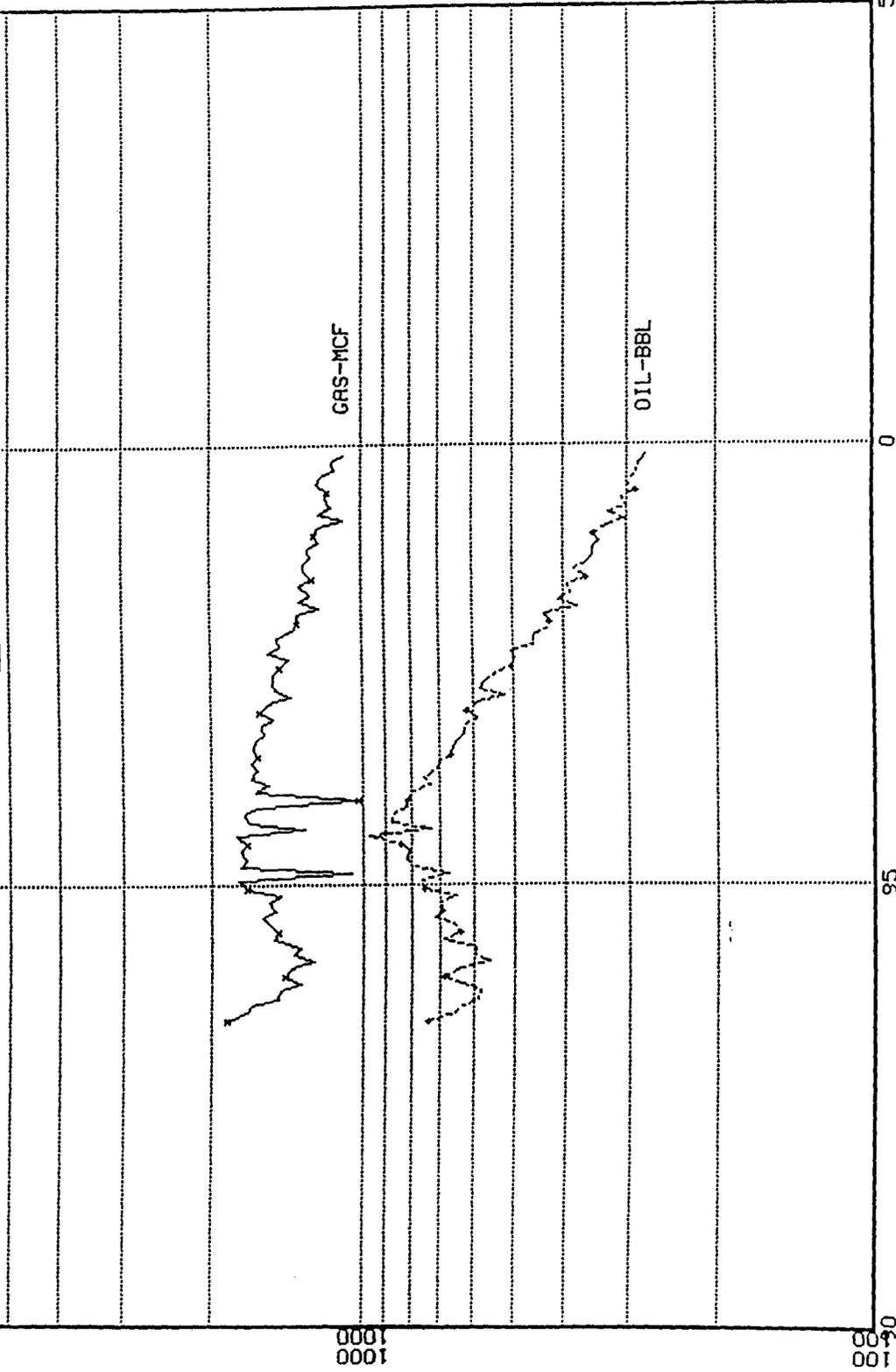
RED LAKE SE, N.M.

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

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



DATE

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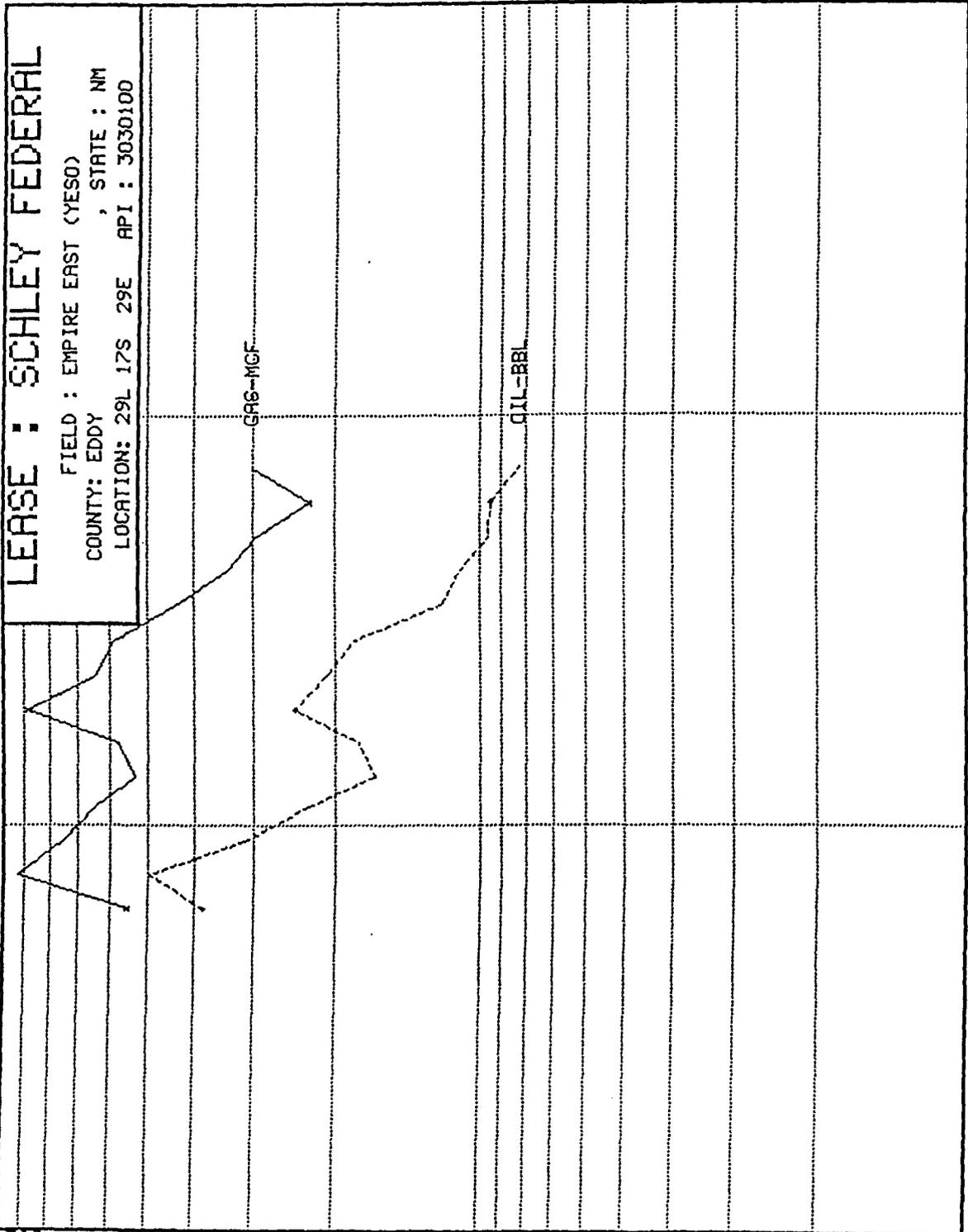
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GRS-MCF
011-BBL

LEASE : SCHLEY FEDERAL

FIELD : EMPIRE EAST (YES0)
COUNTY: EDDY , STATE : NM
LOCATION: 29L 17S 29E API : 3030100



100

1000

98

99

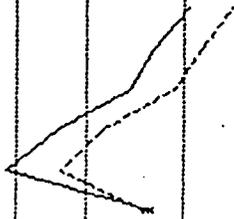
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DATE

GAS-MCF
OIL-BBL

LEASE : TENNECO STATE

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



GAS-MCF
OIL-BBL

1000
1000

100
100

99

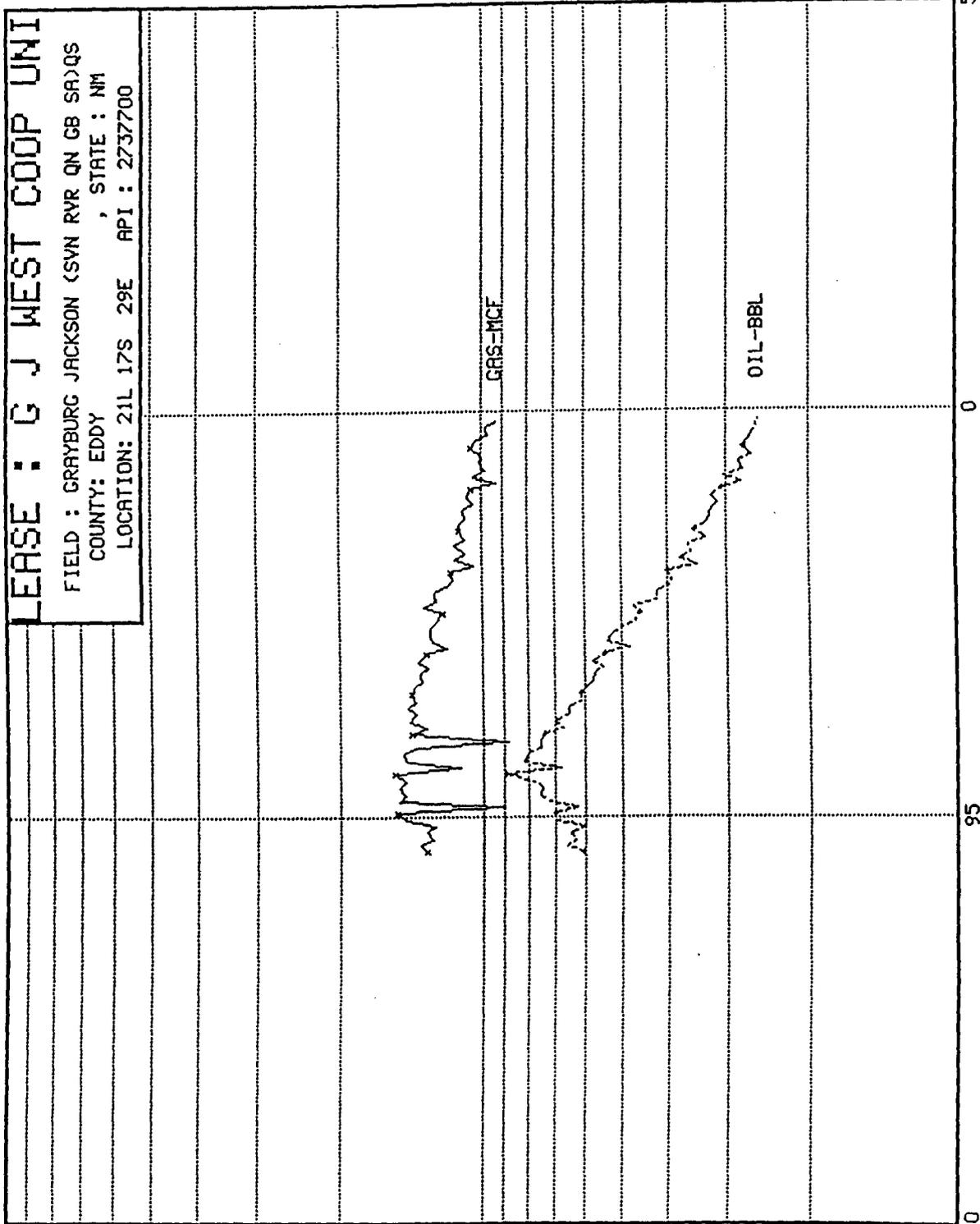
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DATE

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



DATE

1000
1000

5

0

95



CLAYTON WILLIAMS ENERGY, INC.

AUG 18 2000

August 16, 2000

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 - AMENDED**
Clayton Williams Energy, Inc.
State 20B Lease, Well No. 4
Section 20, T-17S, R29E
Eddy County, New Mexico

Dear David:

Please find attached our Amended Form C-107A for the above captioned well. The Pool Names and Code numbers were left off the original form filed on August 4th. I apologize for the inconvenience this has caused you.

Thanks for your help and please contact me at (915) 688-3240 should you require further.

Sincerely yours,

Betsy Luna
Engineering Technician

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

Operator CLAYTON WILLIAMS ENERGY, INC. Address SIX DESTA DRIVE, STE. 3000, MIDLAND, TX 79705

Lease State 20B Well No. #4 Unit Letter-Section-Township-Range H; 20; T-17-S; R-29-E County Eddy Co., NM

OGRID No. 25706 Property Code 25235 API No. 30-015-30921 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Grayburg Jackson-7R's, QN, CB, SA		Empire, East (Yeso)
Pool Code	28509		96610
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	1865' - 3768' Perforated		3858'-4399' 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)			
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: 8/2/2000 Rates: 99 BOPD, 122 MCFPD, 546 BWPD		Date: 7/2/2000 Rates: 55 BOPD, 101 MCFPD, 161 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 64 %	Gas 55 %	Oil 36 % Gas 45 %

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.
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- 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 Petroleum Engineer DATE 8/4/2000

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



CLAYTON WILLIAMS ENERGY, INC.

August 21, 2000

AUG 22 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

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State 20B Lease, Well No. 4
Section 20, T-17S, R29E
Eddy County, New Mexico

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Betsy Luna
Engineering Technician

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State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, New Mexico 87505

Form C-107-A
Revised May 15, 2000

APPLICATION TYPE
 Single Well
 Establish Pre-Approved Pools
EXISTING WELLBORE
 Yes No

APPLICATION FOR DOWNHOLE COMMINGLING

CLAYTON WILLIAMS ENERGY, INC. SIX DESTA DRIVE, STE. 3000, MIDLAND, TX 79705
Operator Address
State 20B #4 H; 20; T-17-S; R-29-E Eddy Co., NM
Lease Well No. Unit Letter-Section-Township-Range County
OGRID No. 25706 Property Code 25235 API No. 30-015-30921 Lease Type: Federal State Fee

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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: 8/2/2000 Rates: 99 BOPD, 122 MCFPD, 546 BWPD		Date: 7/2/2000 Rates: 55 BOPD, 101 MCFPD, 161 BWPD
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- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

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- 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 Petroleum Engineer DATE 8/4/2000

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