

P.MESO-
40444 3794

CLAYTON WILLIAMS ENERGY, INC.**Six Desta Drive, Suite 3000****Midland, Texas 79705****Fax Cover Sheet****02/13/04****TO: MR. MICHAEL STOGNER
OIL CONSERVATION DIV.
STATE OF NEW MEXICO****FAX: (805) 476-3462
OFC: (505) 476-3465****FROM: BETSY LUNA****OFC: (432) 688-3240
FAX: (432) 688-3225****Number of pages including cover sheet: [8]****RE: APPLICATION FOR NON-STANDARD LOCATION
EDDY CO., NEW MEXICO****STATE 20B #18****Mr. Stogner:**

As we just discussed over the phone, please find attached a copy of our application for a non-standard location, originally submitted to your office January 29, 2004. I did check the FedEx website and they show delivery on February 2nd at 8:51 a.m., signed for by P. Clark.

I appreciate your help, and should you need further, please advise.



CLAYTON WILLIAMS ENERGY, INC.

January 29, 2004

VIA FEDERAL EXPRESS OVERNIGHT SERVICE

STATE OF NEW MEXICO
Energy Minerals and Natural Resources
OIL CONSERVATION DIVISION
1220 S. Saint Francis Drive
Santa Fe, New Mexico 87504

Attention: Mr. Michael Stogner - 505-476-3465
476-3462

Re: APPLICATION FOR PERMIT TO DRILL
NON-STANDARD LOCATION

Clayton Williams Energy, Inc.
State 20B Lease (Property Code 25235)
Well No. 18
Sec. 20, T17S, R29E, UL B
Proposed Location: 1090' FNL & 1125' FEL
Eddy County, New Mexico
Empire, Yeso (East) Field

Dear Mr. Stogner:

Clayton Williams Energy, Inc. proposes an in-field drilling program on its current lease in Eddy County, New Mexico. This program will potentially add four wells (we have recently drilled 4 successful completions), for a total of 16 wells in this quarter section and a total of 20 wells in the lease (Lease B-6846). Clayton Williams Energy, Inc. feels that in-field drilling will allow us to recover additional reserves and maximize the ultimate recovery of the field. And of course, the State of New Mexico will also benefit from the added royalty revenues.

One of the wells proposed is the State 20B #18. This well is located 1090' FNL and 1125' FEL of Sec. 20, T17S, R29E, making it a non-standard location. The well must be located at these coordinates due to the drainage impact of the reservoir on the adjacent wells in the 40-acre unit. Attached is a map depicting what we believe is the fracture and drainage orientation of the wells in this field. By moving the State 20B #18 south and west, we believe we will stay out of the drainage area of the #4 and #15 State 20B wells.

Mr. Michael Stogner
January 29, 2004
Page 2 of 2

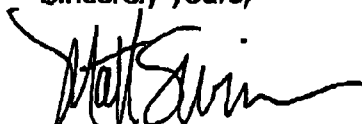
We offer the following evidence as required for your approval:

- Working interest and royalty interest is common for the entire quarter section
- A plat is attached outlining CWEI leased acreage and the current producing wells in this quarter-quarter section.

Also attached are copies of the Application to Drill (Form C-101) and Well Location and Acreage Dedication Plat (Form C-102).

I appreciate all your assistance in this application. Should you require further or have any questions, my direct office phone number is (432) 688-3251. My e-mail address is mswierc@claytonwilliams.com.

Sincerely yours,



Matt Swierc
Production Superintendent

Enclosures

cc: Bryan Arrant
OCD - Artesia

DISTRICT I

1625 N. French St., Hobbs, NM 88240

DISTRICT II

811 South First, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Artesia, NM 87410

DISTRICT IV

8940 South Pacheco, Santa Fe, NM 87505

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102

Revised March 17, 1998

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number 30-015-	Pool Code 96610	Pool Name Empire, East (Yeso)
Property Code 25235	Property Name STATE "20 B"	Well Number 18
OGED No. 25706	Operator Name CLAYTON WILLIAMS ENERGY INC.	Elevation 3607'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	20	17 S	29 E		1090	NORTH	1125	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.

**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**

	STATE 20E LSE. LSE. # E-4201	STATE 20B		OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. Signature Betsy Luna Printed Name Engineering Technician Title January 29, 2004 Date
		Lat - N32°49'27.5" Lon - W104°05'31.4"	STATE 20B LSE.	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 22, 2004 Date Surveyed Signature GARY L. JONES Professional Engineer State of New Mexico No. 3846 Certified by Gary L. Jones 7977
Existing wells in 1/4-1/4 section:	API No.			
State 20B #1 990' FNL & 330' FEL	30-015-30919			
State 20B #3 430' FNL & 990' FEL	30-015-30920			
State 20B #14 330' FNL & 330' FEL	30-015-33069			
	STATE 20B LSE			

CARTON MARKING SYMBOLS, 180°

APPLICATION FOR NON-STANDARD LOCATION

STATE 20B LSE., WELL #18

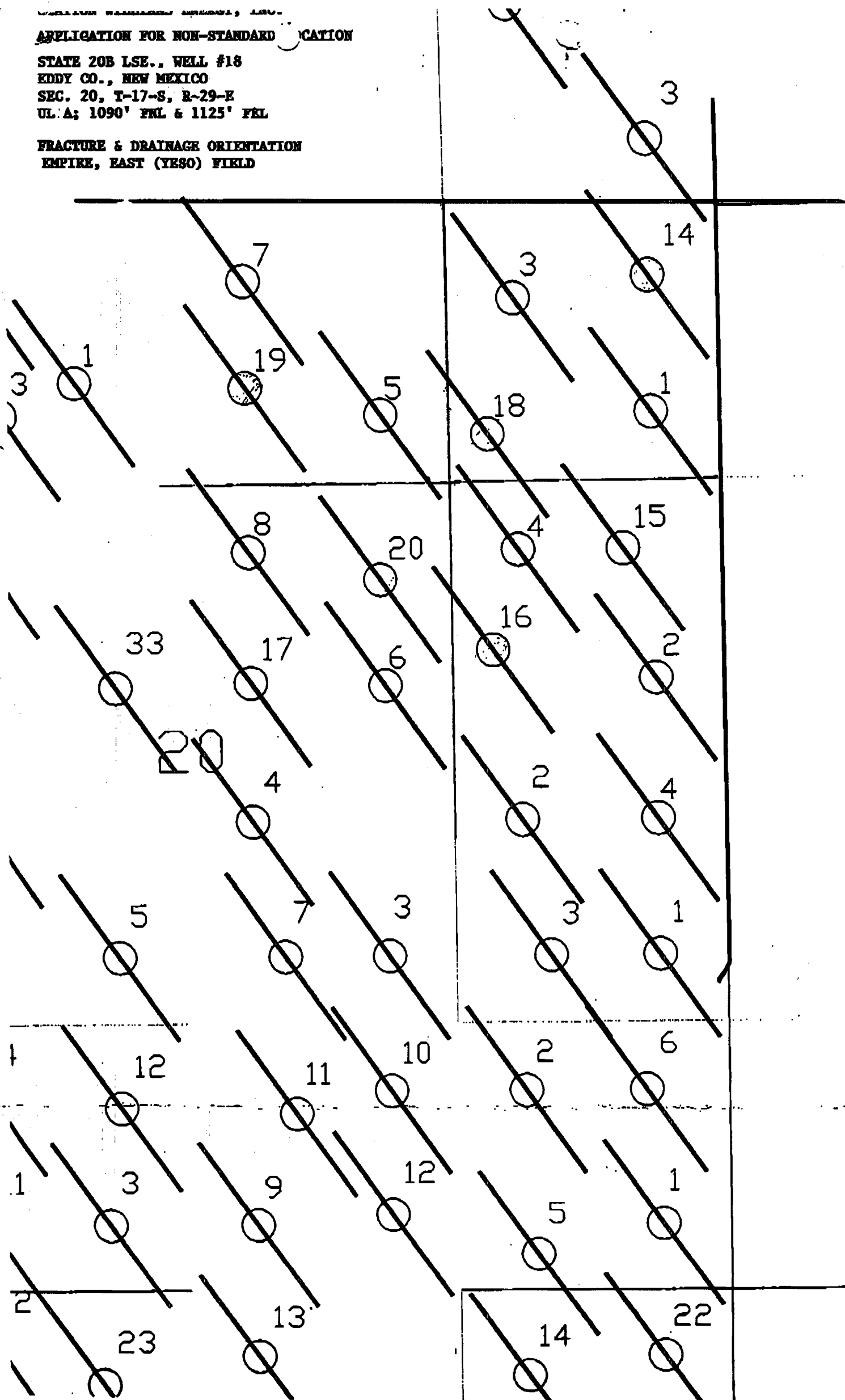
EDDY CO., NEW MEXICO

SEC. 20, T-17-S, R-29-E

UL A; 1090' FNL & 1125' FNL

FRACTURE & DRAINAGE ORIENTATION

EMPIRE, EAST (YESO) FIELD



District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First 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

Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Form C-101
Revised March 17, 1999

Submit to appropriate District Office
State Lease - 6 Copies
Fec Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address Clayton Williams Energy, Inc. Six Desta Drive, Suite 3000 Midland, TX 79705		² OGRID Number 25706
		³ API Number 30 - 015 -
³ Property Code 25235	Property Name STATE "20B"	⁶ Well No. 18

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	20	17 S	29 E		1090	NORTH	1125	EAST	EDDY

⁸ Proposed 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
⁹ Proposed Pool 1 Empire, East (Yeso) 96610					¹⁰ Proposed Pool 2 Grayburg Jackson -7R's,QN,GB,SA (28509)				

¹¹ Work Type Code N	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3607'
¹⁶ Multiple N	¹⁷ Proposed Depth 5000'	¹⁸ Formation Yeso Sands	¹⁹ Contractor Patterson Drig.	²⁰ Spud Date Upon approval

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12-1/4"	8-5/8"	24#	400'	300	Surface
7-7/8"	5-1/2"	17#	5000'	935	Surface

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

1. Drill a 12-1/4" hole to 400'. Run and set 400' of 8-5/8" 24# J-55 ST&C casing. Cement with 300 sx. of Cl. C cement. Circulate cement to surface.
2. Drill a 7-7/8" hole to 5000'. Run and set 5000' of 5-1/2" 17# ST&C casing with DV tool @ +2500'. Cement 1st stage with 365 sx. Cl. C 50/50 Poz and cement 2nd stage with 570 sx. 35/65 Poz C and tail with 150 sx. Cl. C neat. Circulate cement to surface.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.		OIL CONSERVATION DIVISION	
Signature: <i>Betsy Luna</i>			
Printed name: Betsy Luna		Approved by:	
Title: Engineering Technician		Title:	
Date: 01/29/2004		Approval Date:	Expiration Date:
Phone: (432) 682-6324		Conditions of Approval:	
		Attached <input type="checkbox"/>	

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DISTRICT II

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DISTRICT III

1000 Rio Grande Rd., Aztec, NM 87410

DISTRICT IV

2040 South Pacheco, Santa Fe, NM 87503

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102

Revised March 17, 1999

Submit to Appropriate District Office

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Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco

Santa Fe, New Mexico 87504-2088

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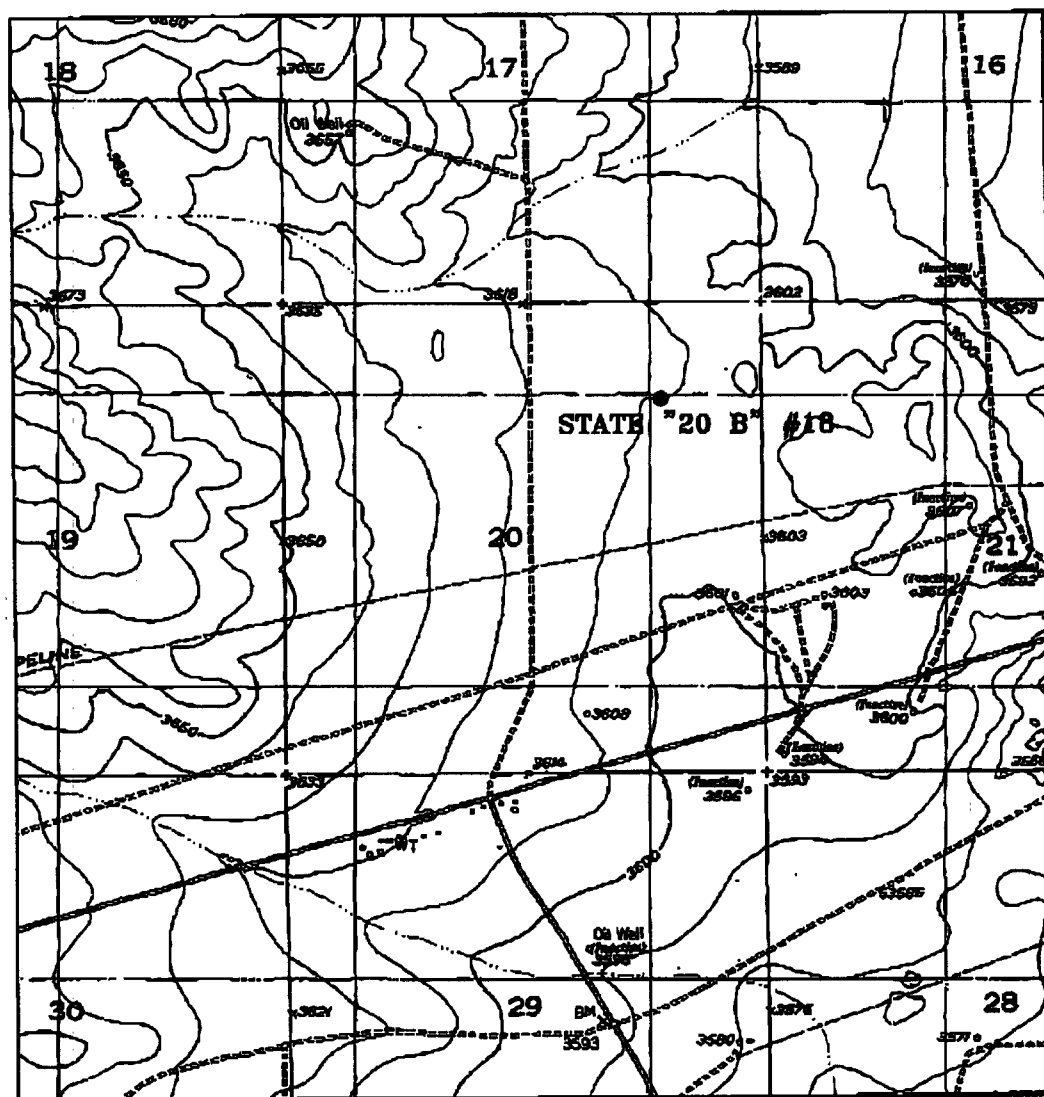
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Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

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OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION**

	OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <u>Betsy Luna</u> Signature <u>Betsy Luna</u> Printed Name <u>Engineering Technician</u> Title <u>January 29, 2004</u> 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. <u>JANUARY 22, 2004</u> Date Surveyed <u>Gary L. Jones</u> Signature Professional Surveyor State of New Mexico No. 3946 Certificate No. Gary L. Jones 7977	



STATE "20 B" #18

Located at 1090' FNL and 1125' FEL
 Section 20, Township 17 South, Range 29 East,
 N.M.P.M., Eddy County, New Mexico.

basin
surveys
 focused on excellence
 in the oilfield

P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (505) 393-7316 - Office
 (505) 392-3074 - Fax
 basin-surveys.com

W.O. Number: 3846AA - KJG CD#5

Survey Date: 01-22-2004

Scale: 1" = 2000'

Date: 01-23-2004

CLAYTON WILLIAMS
ENERGY INC.

TRANSACTION REPORT

P.01

FEB-13-2004 FRI 10:19 AM

FOR:

RECEIVE

DATE	START	SENDER	RX TIME	PAGES	TYPE	NOTE	M#	DP
FEB-13	10:18 AM	432 688 3225	1'20"	8	RECEIVE	OK		

February 13, 2004

~ 10:00 AM

- Received a call from Betsy Luna for the status of its application submitted 1/30/2004.
- No Application received
- She is faxing me a copy today

10:40 AM

- Called Matt Swiere
- Application incomplete (3 pages)
- The proposed Well No. 18 is to be a single 2/50 completion