

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
May 27, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

RECEIVED

Submit to appropriate District Office

DEC 30 2004

☐ AMENDED REPORT

~~DO NOT WRITE~~

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

¹ Operator Name and Address Clayton Williams Energy, Inc., Six Desta Dr., #3000, Midland, TX 79705		² OGRID Number 25706
		³ API Number 30 - 015- 33789
⁴ Property Code 34517	⁵ Property Name STATE "16-4"	⁶ Well No. 1
⁹ Proposed Pool 1 Rocky Arroyo (Morrow Gas) 84160		¹⁰ Proposed Pool 2 Rocky Arroyo (Wolfcamp Gas) Rocky Arroyo (Canyon Gas)

⁷ Surface Location

UL or lot no. D	Section 16	Township 22 S	Range 22 E	Lot Idn	Feet from the 660	North/South line North	Feet from the 660	East/West line West	County 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
---------------	---------	----------	-------	---------	---------------	------------------	---------------	----------------	--------

Additional Well Information

¹¹ Work Type Code N	¹² Well Type Code G	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 4351
¹⁶ Multiple Y	¹⁷ Proposed Depth 10,000	¹⁸ Formation Morrow	¹⁹ Contractor Patterson #510	²⁰ Spud Date upon approval
Depth to Groundwater 100' est.		Distance from nearest fresh water well > 1000'		Distance from nearest surface water >1000'
Pit: Liner: Synthetic <input type="checkbox"/> 12 mils thick Clay <input type="checkbox"/> Pit Volume: _____ bbls Drilling Method: Closed-Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17-1/2	13-3/8	48#	350'	350	Surface
11	8-5/8	32#	1700'	550	surface
7-7/8	5-1/2	17#	10,000'	600	5500'

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 17-1/2" hole to 350'. Run and set 350' of 13-3/8" J-55 ST&C csg. Cement with 350 sx. Cl. C cmt. Circulate cmt. to surface.
2. Drill an 11" hole to 1700'. Run and set 1700' of 8-5/8" 32# casing. Cement with 450 sx. Poz C and tail with 100 sx. Cl. C neat. Circulate cement to surface.
3. Drill a 7-7/8" hole to 10,000'. Run and set 10,000' of 5-1/2" 17# casing. Cement with 600 sx. of 50/50 Poz cement. TOC at 5500'.

Air or Fresh Water Mud to @ 1700'

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines ☒ a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

OIL CONSERVATION DIVISION	
Approved by: TIM W. GUM	
DISTRICT II SUPERVISOR	
Approval Date: JAN 03 2005	Expiration Date: JAN 03 2005
Conditions of Approval Attached <input type="checkbox"/>	

Printed name: Betsy Luna	<i>Betsy Luna</i>
Title: Engineering Technician	
E-mail Address: bluna@claytonwilliams.com	
Date: 12/29/2004	Phone: 432-682-6324

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

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

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999

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	Pool Code	Pool Name
		Rocky Arroyo (Morrow Gas)
Property Code	Property Name	Well Number
	STATE "16-4"	1
OGRID No.	Operator Name	Elevation
25706	CLAYTON WILLIAMS ENERGY, INC.	4351'

Surface Location

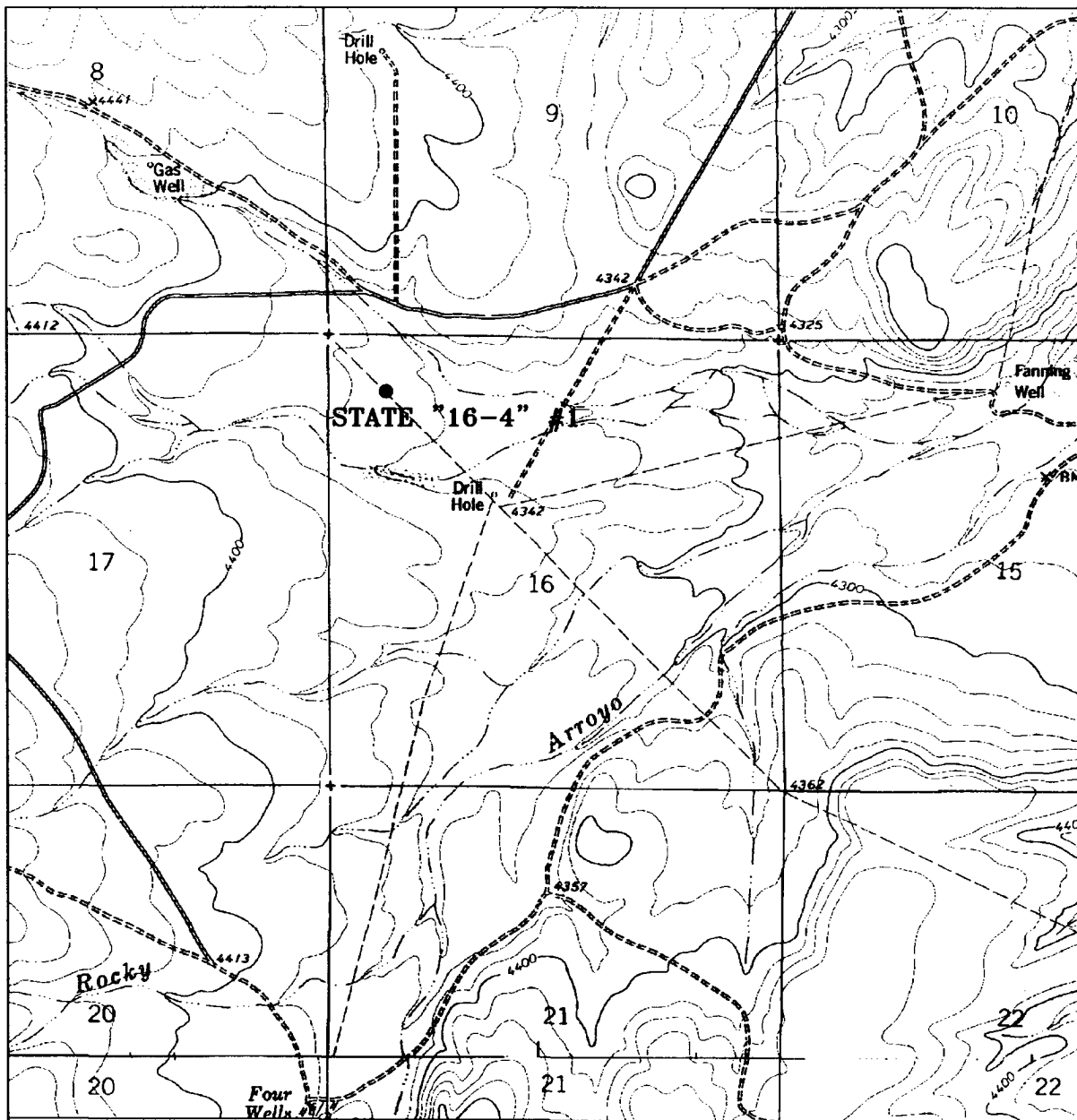
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	16	22 S	22 E		660	NORTH	660	WEST	EDDY

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	Joint or Infill	Consolidation Code	Order No.						
320									

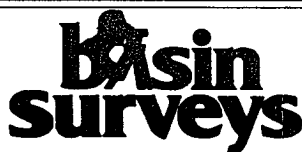
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<div>660'</div> <div>660'</div> <div>Lat.: N32°23'47.8"</div> <div>Long.: W104°42'52.9"</div>	<div>RECEIVED</div> <div>DEC 30 2004</div> <div>OCD-ARTERIA</div>		<div>OPERATOR CERTIFICATION</div> <div>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</div> <div><u>Betsy Luna</u></div> <div>Signature</div> <div>Betsy Luna</div> <div>Printed Name</div> <div>Engineering Technician</div> <div>Title</div> <div>12/29/2004</div> <div>Date</div>
		<div>SURVEYOR CERTIFICATION</div> <div>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.</div> <div>DECEMBER 20, 2004</div> <div>Date Surveyed</div> <div><u>GARY L. JONES</u></div> <div>Signature & Seal of Professional Surveyor</div> <div>7977</div> <div>W.O. No. 4946</div> <div>Certification No. Gary L. Jones 7977</div> <div>BASIN SURVEYS</div>	



STATE "16-4" #1

Located at 660' FNL and 660' FWL
 Section 16, Township 22 South, Range 22 East,
 N.M.P.M., Eddy County, New Mexico.



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
 basinsurveys.com

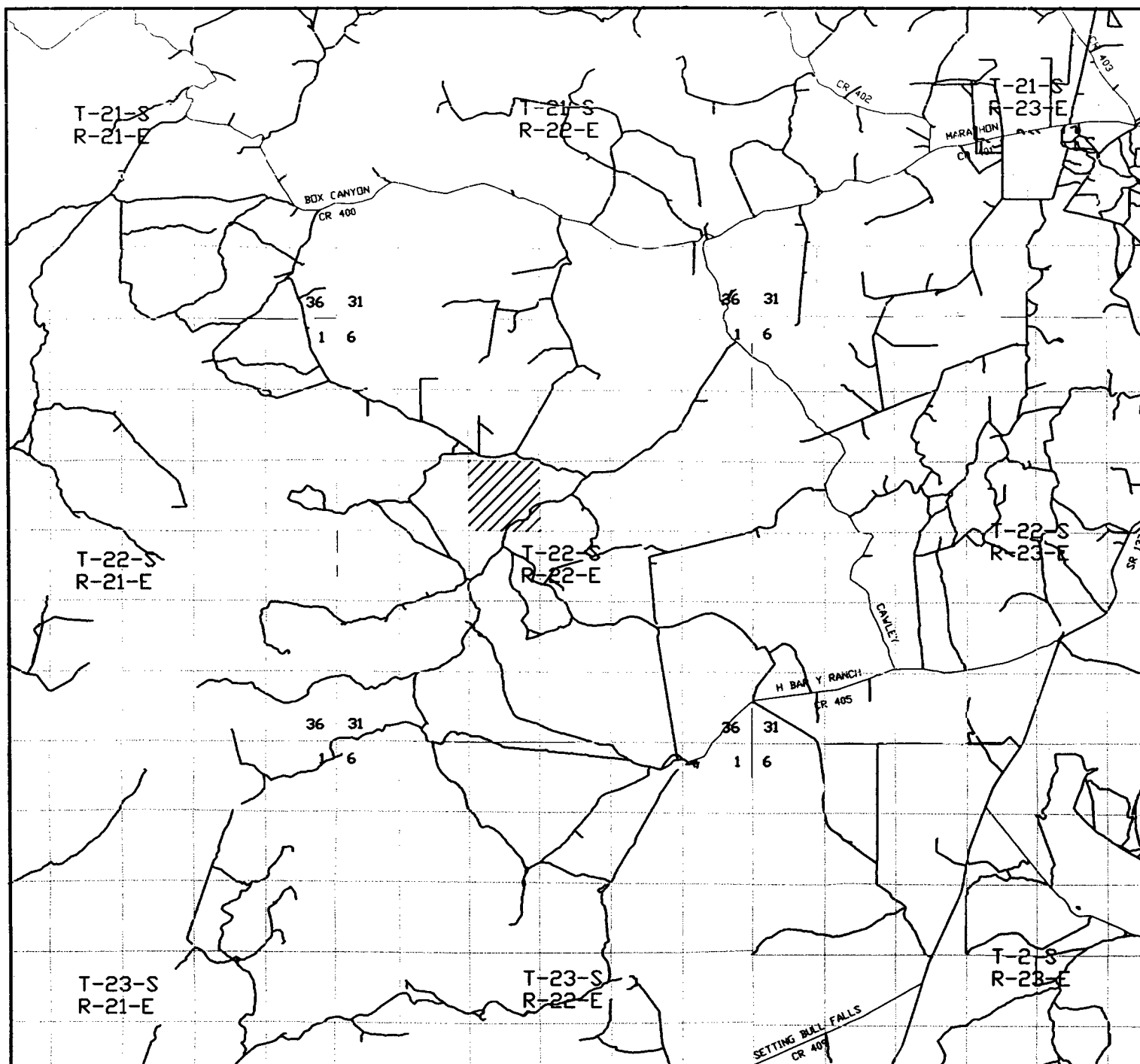
W.O. Number: 4940AA - KJG #5

Survey Date: 12-20-2004

Scale: 1" = 2000'

Date: 12-22-2004

**CLAYTON WILLIAMS
 ENERGY, INC.**



STATE "16-4" #1

Located at 660' FNL and 660' FWL

Section 16, Township 22 South, Range 22 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
basinsurveys.com

W.O. Number: 4940AA - KJG #5

Survey Date: 12-20-2004

Scale: 1" = 2 MILES

Date: 12-22-2004

CLAYTON WILLIAMS
ENERGY, INC.



CLAYTON WILLIAMS ENERGY, INC.
Six Desta Drive, Suite 3000
Midland, Texas 79705

Fax Cover Sheet

01/03/05

TO: BRYAN ARANT
OIL CONSERVATION DIV.

FAX: (505) 748-9720
OFC: (505) 748-1283

FROM: BETSY LUNA

OFC: (432) 688-3240
FAX: (432) 688-3250

Number of pages including cover sheet: [1]

Re: Application for Permit to Drill

Clayton Williams Energy, Inc.
State "16-4" Lease, well #1
Eddy County, New Mexico

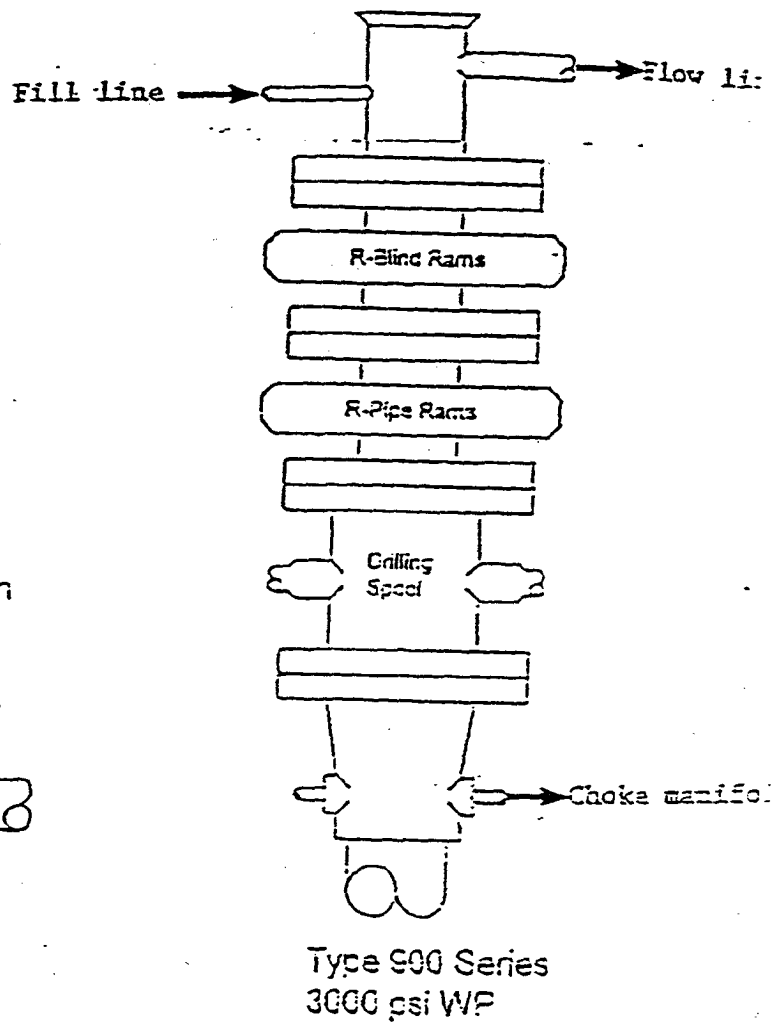
Bryan:

Regarding form C-102, the dedicated acres are 320, with north 1/2 dedication (LAY-DOWN). This is two leases we farmed out from Marathon. We are currently filling a communitization on this.

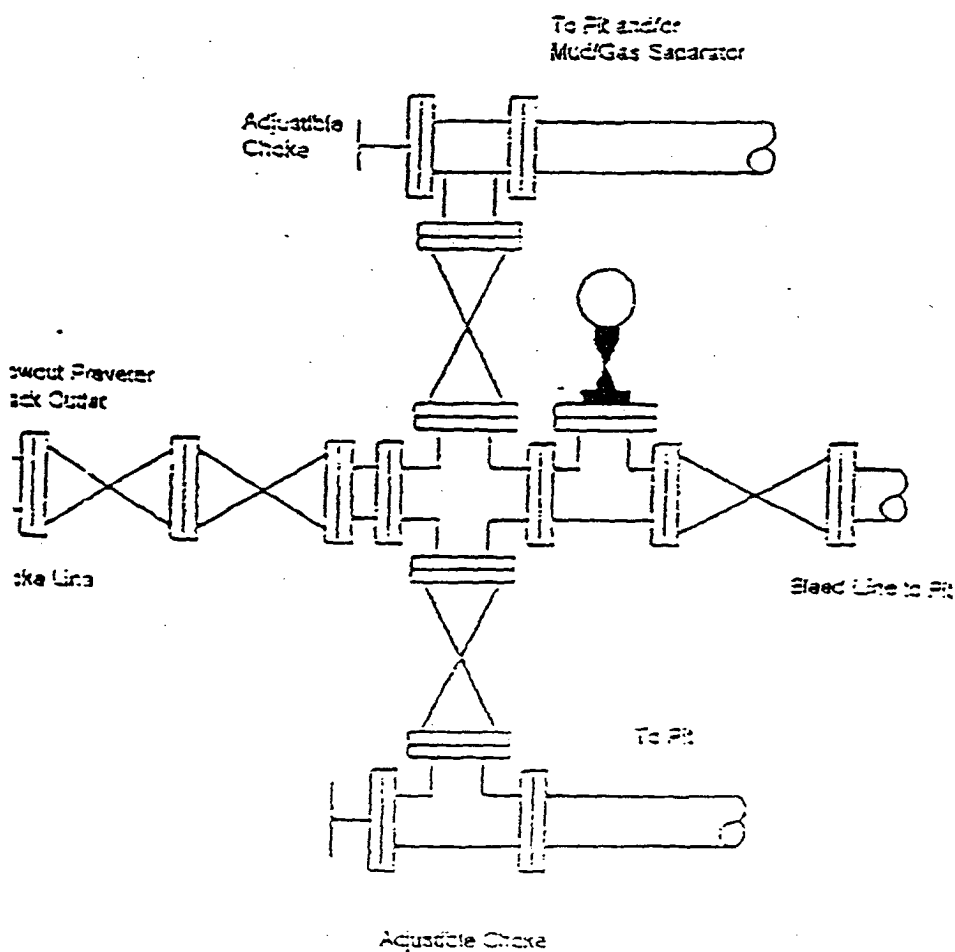
We're still working on the mud program. I'll have that to you first thing in the morning.

THANKS FOR ALL YOUR HELP!

BLOWOUT PREVENTER SYSTEM



Choke Manifold Assembly for 3M WP System



01/03/05

Re: Clayton Williams Energy, Inc.
State '16-4' No. 1
Eddy, NM

Proposed Mud Detail

Note: Casing Program Revision

The required ground water protection casing will be revised to run a single string of 8.625" 32 ppf J55 STC to a protection depth of 1700'.

Mud Detail 0' – 1700'

Drill 11.000" hole using air / foam air system with surfactant and foaming agent; should water influx be encountered, revert to mist / fresh water as required.

Mud Detail 1700' – 10,000'

Drill 7.875" hole using fresh water. Use caustic and lime to maintain 9.5 pH; start mud up above the Strawn (+7000') adding polymer for viscosity and starch for fluid loss control.

<u>Interval</u>	<u>MW</u>	<u>Vis</u>	<u>FL</u>	<u>pH</u>	<u>Chl</u>
1700-7000	8.7-8.8	28-30	NC	9.5-10	<30K
7000-10000	8.5-9.0	34-40	5-10	9.5-10	<60K

Control seepage using acid soluble LCM below mud up depth – Full mud up prior to 7800'