



CLAYTON WILLIAMS ENERGY, INC.

January 27, 2005

RECEIVED

JAN 28 2005

UDD-ARTESIA

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

Re: **APPLICATION FOR APPROVAL FOR NON-STANDARD LOCATION**

Clayton Williams Energy, Inc.
Phillips-19-Federal Lease, Well No. 15
Property No. 26582
BLM Lease No. NMNM 14847
Sec. 19, T17S, R29E, UL B
API No. 30-015-33503
Eddy County, New Mexico
Empire, Yeso Field

Dear Mr. Stogner:

Clayton Williams Energy, Inc. is currently operating an "in-field drilling program" on its Phillips-19-Federal lease in Eddy County, New Mexico. We are applying for administrative approval for a non-standard location on our Phillips-19-Federal Lease well number 15. The original permit to drill was approved on June 1, 2004 by the BLM and the NM Oil Conservation Division, Artesia District. This well was drilled and completed in November 2004. The well is currently producing.

While discussing the new well completion with Bryan Arrant, we discovered this well is a non-standard location. It is 230' from the west unit line (Unit B). This well was originally staked at 2310' FEL of section (330' from unit line), but due to surface drainage concerns, the BLM required us to move the location either 100' west, or 300' east. If we moved 300' east to a standard location, we felt like the risk of drainage from the adjacent wells in the 40 acre unit would be too great. Attached is a map depicting (red lines through wells) what we believe is the fracture and drainage orientation of the wells in this field. By moving the Phillips-19-Federal #15 west instead of east, we believe we will stay out of the drainage area of the #5 and #7 Phillips-19-Federal wells.

Mr. Michael Stogner
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Please note Clayton Williams Energy, Inc. is the offset lease owner both to the west and south unit letter B.

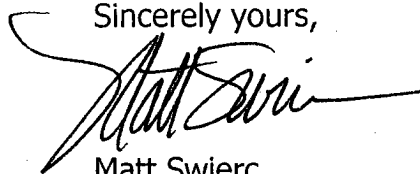
We offer the following evidence as required for your approval:

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

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

I appreciate 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,

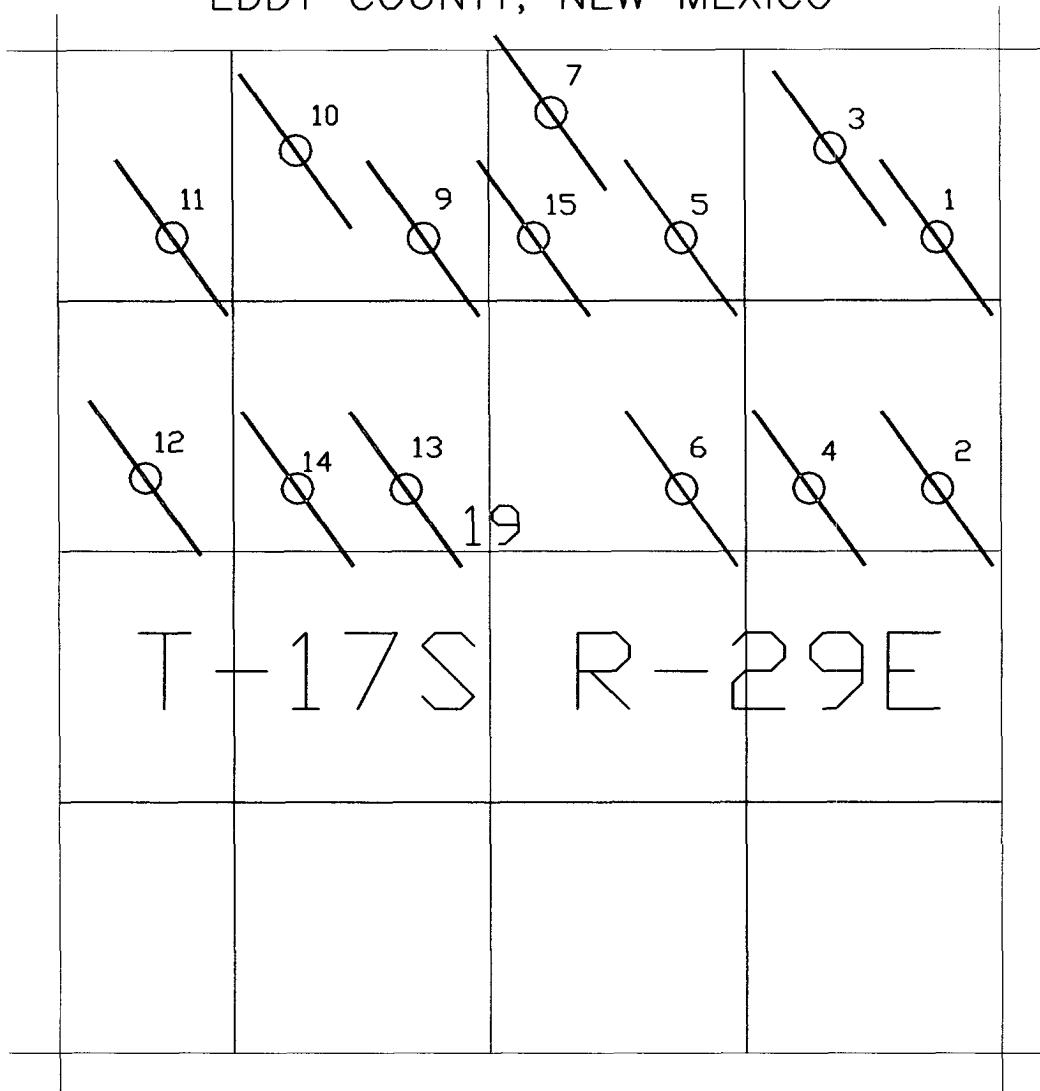


Matt Swierc
Production Superintendent

Enclosures

XC: Mr. Bryan Arrant
NM Oil Conservation
Artesia District
1301 W. Grand Avenue
Artesia, NM 88210

EDDY COUNTY, NEW MEXICO



CLAYTON WILLIAMS ENERGY, INC.
6 DESTA DRIVE SUITE 3000
MIDLAND, TEXAS 79705

PHILLIPS 19 FEDERAL LEASE EDDY COUNTY, NEW MEXICO

DRAWN BY J. ROOME		DATE 1-27-05		SCALE 1"=1000'	
CHECKED BY		DATE		APPROVED BY	
DATE		DATE		DATE	
AFE NO.				RR COMM. PMT NO.	
DRAWING NO.				SHEET OF	

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 30-015-33503	Pool Code	Pool Name Empire, Yeso
Property Code 26582	Property Name PHILLIPS "19" FEDERAL	Well Number 15
OGRID No. 25706	Operator Name CLAYTON WILLIAMS ENERGY, INC.	Elevation 3681'

Surface Location

UL or lot No. B	Section 19	Township 17 S	Range 29 E	Lot Idn	Feet from the 990'	North/South line NORTH	Feet from the 2410	East/West line EAST	County EDDY
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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

		<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature _____</p> <p>Printed Name _____</p> <p>Title _____</p> <p>Date _____</p>
<p>CWEI leased acreage</p> <p>RECEIVED JAN 28 2005 OIL ARTESIA</p>		<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>March 4, 2004</p> <p>Date Surveyed _____</p> <p>Signature & Seal of Professional Surveyor _____</p> <p>W.O. No. 4056</p> <p>Certificate No. Gary Jones 7977</p> <p>BASIN SURVEYS</p>