

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

Form C-101
Revised March 17, 1999

Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

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FFR 0 2 2004

OCD-ARTESIA

Submit to appropriate District Office
State Lease - 6 Copies
Fee 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 30-015-33241
³ Property Code 25235	Property Name STATE "20B"	⁶ Well No. 18

⁷ Surface Location

UL or lot no. A	Section 20	Township 17 S	Range 29 E	Lot Idn	Feet from the 1090	North/South line NORTH	Feet from the 1125	East/West line EAST	County EDDY
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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
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⁹ Proposed Pool 1 Empire, East (Yeso) 96610	¹⁰ Proposed Pool 2 Grayburg Jackson -7R's,QN,GB,SA (28509)
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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#	@ 300' 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>		Approved by: <i>James M. Brown</i>	
Printed name: Betsy Luna		Title: SUPERVISOR, DISTRICT II	
Title: Engineering Technician		Approval Date: FEB 14 2004	Expiration Date: FEB 14 2005
Date: 01/29/2004	Phone: (432) 682-6324	Conditions of Approval: Attached <input type="checkbox"/> NSL - 5000 (CSN)	

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

Surface Location

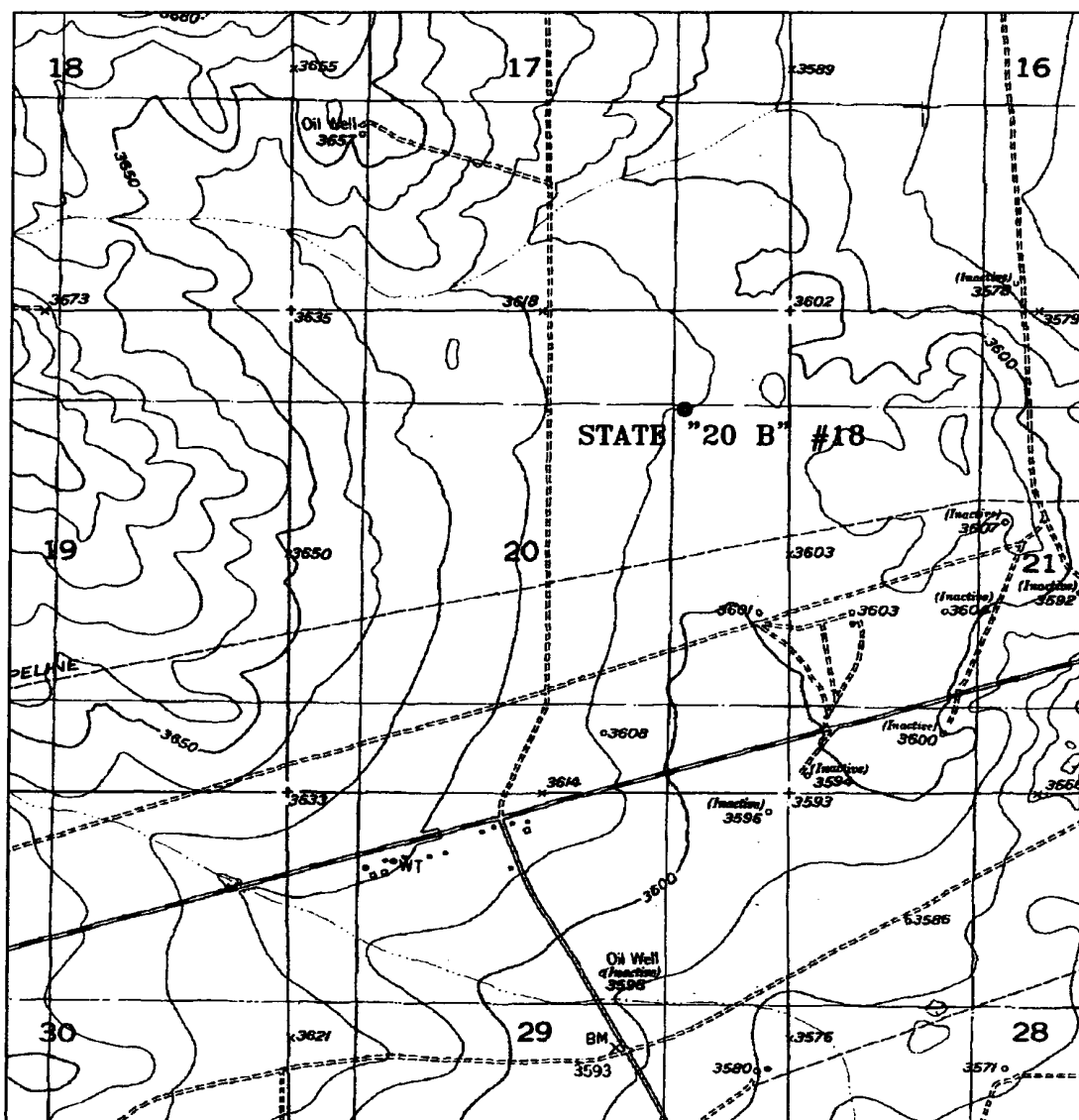
UL or lot No. A	Section 20	Township 17 S	Range 29 E	Lot Idn	Feet from the 1090	North/South line NORTH	Feet from the 1125	East/West line EAST	County EDDY
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Bottom Hole Location If Different From Surface

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

				OPERATOR CERTIFICATION <i>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</i> Signature <u>Betsy Luna</u> Printed Name <u>Betsy Luna</u> Title <u>Engineering Technician</u> Date <u>January 29, 2004</u>	
				SURVEYOR CERTIFICATION <i>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.</i> JANUARY 22, 2004 Date Surveyed Signature <u>GARY L. JONES</u> Professional Surveyor No. <u>3846</u> Certified No. <u>Gary L. Jones</u> 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
basinsurveys.com

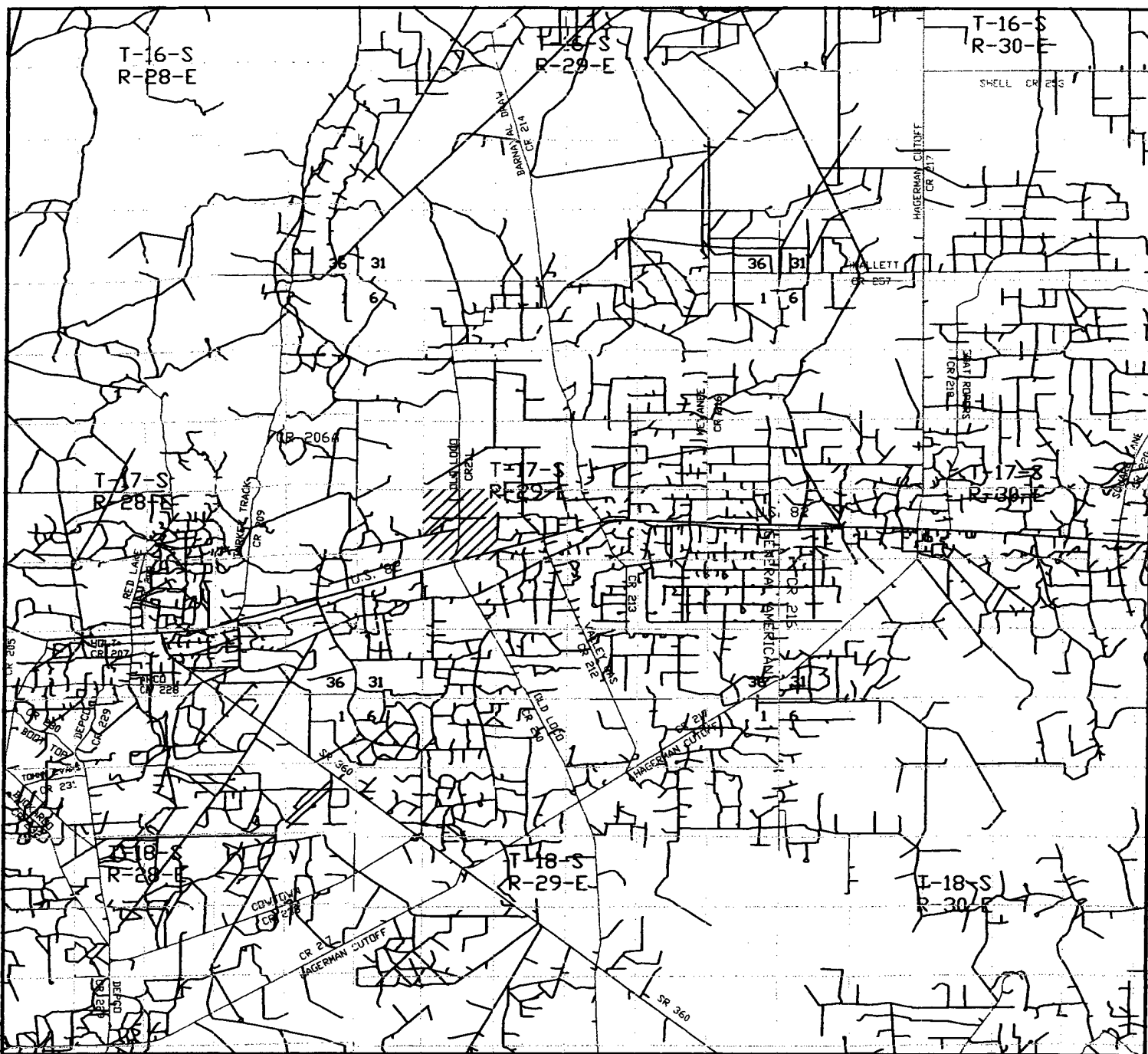
W.O. Number: 3946AA - KJG CD#5

Survey Date: 01-22-2004

Scale: 1" = 2000'

Date: 01-23-2004

CLAYTON WILLIAMS
ENERGY INC.



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.

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 (505) 393-7316 - Office
 (505) 392-3074 - Fax
 basinsurveys.com

W.O. Number: 3946AA - KJG CD#5

Survey Date: 01-22-2004

Scale: 1" = 2 MILES

Date: 01-23-2004

CLAYTON WILLIAMS
ENERGY INC.

SECTION 20, TOWNSHIP 17 SOUTH, RANGE 29 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.

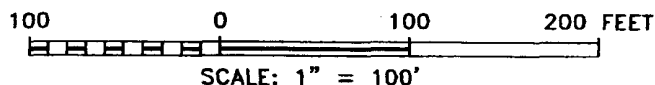
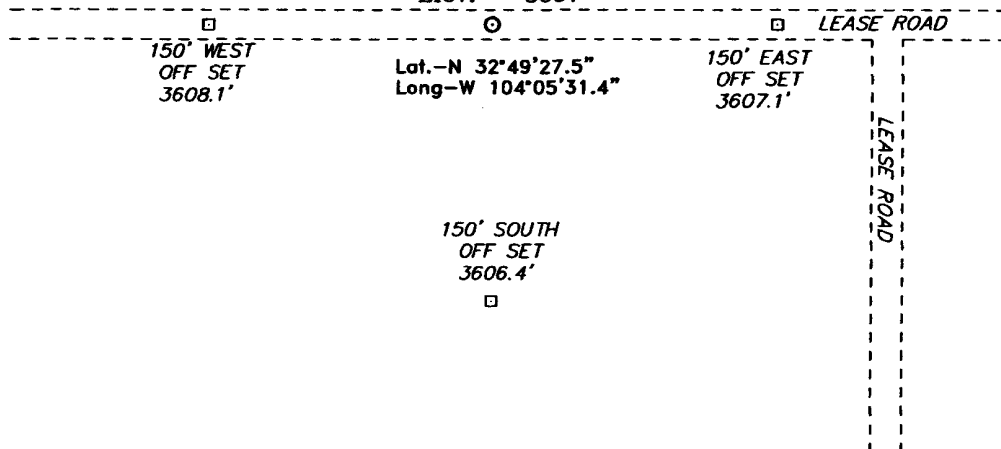
150' NORTH
OFF SET □
3607.9'



CLAYTON WILLIAMS ENERGY INC.

STATE "20 B" #18

Elev. - 3607'



DIRECTIONS TO LOCATION:

FROM THE JUNCTION OF US HWY 82 AND CO. RD. 211. GO
NORTH ON 211 FOR 0.6 MILE; THENCE EAST FOR 0.3 MILE;
THENCE EAST FOR 0.3 MILE; THENCE NORTH 0.2 MILE;
THENCE WEST TO LOCATION.

BASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 3946 Drawn By: K. GOAD

DATE: 01-23-2004

CLAYTON WILLIAMS ENERGY INC.

REF: STATE "20 B" #18 / Well Pad Topo

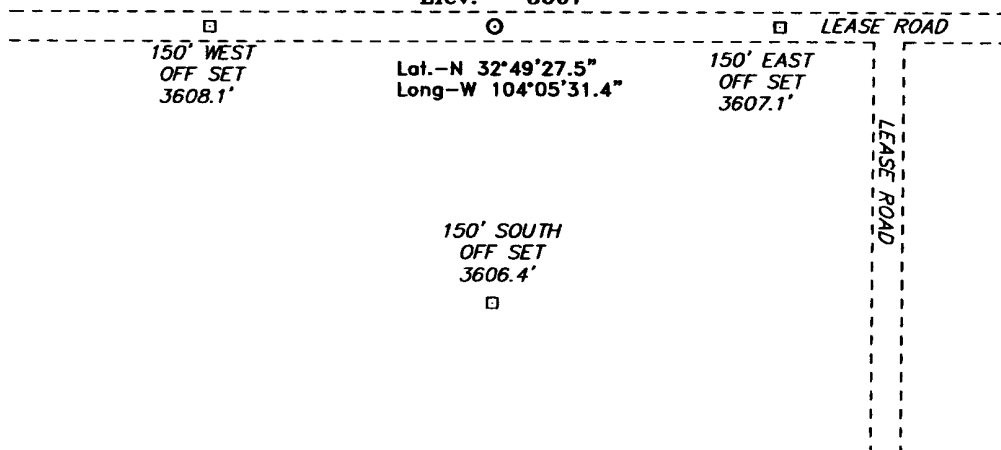
THE STATE "20 B" No. 18 LOCATED 1090' FROM THE
NORTH LINE AND 1125' FROM THE EAST LINE OF
SECTION 20, TOWNSHIP 17 SOUTH, RANGE 29 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO.

SECTION 20, TOWNSHIP 17 SOUTH, RANGE 29 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.

150' NORTH
OFF SET □
3607.9'



CLAYTON WILLIAMS ENERGY INC.
STATE "20 B" #18
Elev. - 3607'



100 0 100 200 FEET
SCALE: 1" = 100'

DIRECTIONS TO LOCATION:

FROM THE JUNCTION OF US HWY 82 AND CO. RD. 211. GO
NORTH ON 211 FOR 0.6 MILE; THENCE EAST FOR 0.3 MILE;
THENCE EAST FOR 0.3 MILE; THENCE NORTH 0.2 MILE;
THENCE WEST TO LOCATION.

BASIN SURVEYS P.O. BOX 1786 - HOBBS, NEW MEXICO

W.O. Number: 3946 Drawn By: K. GOAD

DATE: 01-23-2004 Disk: KJG CD#5 - 3946A DWG

CLAYTON WILLIAMS ENERGY INC.

REF: STATE "20 B" #18 / Well Pad Topo

THE STATE "20 B" No. 18 LOCATED 1090' FROM THE
NORTH LINE AND 1125' FROM THE EAST LINE OF
SECTION 20, TOWNSHIP 17 SOUTH, RANGE 29 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO.

Survey Date: 01-22-2004 Sheet 1 of 1 Sheets



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

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

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OCD-ARTESIA

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

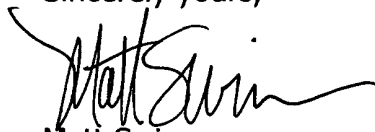
We offer the following evidence as required for your approval:

- 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

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OCD-ARTES

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OGRID 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.						

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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
		Lot - N32°49'27.5" Lon - W104°05'31.4"			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 _____ Professional Surveyor GARY L. JONES NEW MEXICO No. 3846 Certified No. Gary L. Jones 7977
Existing wells in 1/4-1/4 section: State 20B #1 990' FNL & 330' FEL State 20B #3 430' FNL & 990' FEL State 20B #14 330' FNL & 330' FEL		API No. 30-015-30919 30-015-30920 30-015-33069		RECEIVED FEB 02 2004 IOCD-ARTESIA	
		STATE 20B LSE		STATE 20B LSE.	
		STATE 20B LSE			

CLAYTON WILLIAMS ENERGY, INC.

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' FEL

FRACTURE & DRAINAGE ORIENTATION

EMPIRE, EAST (YESO) FIELD

