

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

☐ AMENDED REPORT

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

<sup>1</sup> Operator Name and Address <b>Clayton Williams Energy, Inc., Six Desta Dr., #3000, Midland, TX 79705</b>		<sup>2</sup> OGRID Number <b>25706</b>
		<sup>3</sup> API Number <b>30 - 015-33789</b>
<sup>4</sup> Property Code <b>34517</b>	<sup>5</sup> Property Name <b>STATE "16-4"</b>	<sup>6</sup> Well No. <b>1</b>
<sup>9</sup> Proposed Pool 1 <b>Rocky Arroyo; Strawn</b>		<sup>10</sup> Proposed Pool 2 <b>Rocky Arroyo; Canyon</b>

<sup>7</sup> Surface Location

UL or lot no. <b>D</b>	Section <b>16</b>	Township <b>22 S</b>	Range <b>22 E</b>	Lot Idn	Feet from the <b>660</b>	North/South line <b>North</b>	Feet from the <b>660</b>	East/West line <b>West</b>	County <b>Eddy</b>
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<sup>8</sup> 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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Additional Well Information

<sup>11</sup> Work Type Code <b>A</b>	<sup>12</sup> Well Type Code <b>G</b>	<sup>13</sup> Cable/Rotary <b>R</b>	<sup>14</sup> Lease Type Code <b>S</b>	<sup>15</sup> Ground Level Elevation <b>4351</b>
<sup>16</sup> Multiple <b>Y</b>	<sup>17</sup> Proposed Depth <b>8,865</b>	<sup>18</sup> Formation <b>Morrow</b>	<sup>19</sup> Contractor <b>Nabors WS</b>	<sup>20</sup> Spud Date <b>upon approval</b>
Depth to Groundwater <b>100' est.</b>		Distance from nearest fresh water well <b>&gt; 1000'</b>		Distance from nearest surface water <b>&gt; 1000'</b>
Pit: Liner: Synthetic <input type="checkbox"/> _____mils thick Clay <input type="checkbox"/> Pit Volume: _____bbls Drilling Method: Closed-Loop System <input type="checkbox"/> <b>NO PIT</b> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

<sup>21</sup> Proposed Casing and Cement Program

If an earthen pit(s) will be utilized in association with this work, a permit must be obtained prior to pit construction.

Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC

" 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.

This well is currently producing from the Rocky Arroyo Morrow (gas), Atoka (gas) and the Strawn (gas) zones (DHC order 3607). This application is to add the zones listed below. Perforate and frac:

Strawn (gas): additional perms: 7970'-8154'  
Rocky Arroyo Canyon (gas) 7208'-7400'; 7460'-7874'  
Rocky Arroyo Wolfcamp (gas) 5180' - 7054'

Run tubing and test all zones together.

Blow-out prevention program: A 5000# BOP stack will be utilized during completion operations. A 10,000# frac valve will be utilized during stimulation process.

Note: Downhole commingle permit has been applied for with the NM OCD in Santa Fe

<sup>23</sup> 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 <input type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .		OIL CONSERVATION DIVISION	
Printed name: Betsy Luna <i>Betsy Luna</i>		Approved by: <b>BRYAN G. ARRAÑT</b>	
Title: Engineering Technician		Title: <b>DISTRICT II GEOLOGIST</b>	
E-mail Address: bluna@claytonwilliams.com		Approval Date: <b>JUL 2 2 2006</b> Expiration Date: <b>JUL 2 2 2007</b>	
Date: 07/13/2006	Phone: 432-682-6324	Conditions of Approval Attached <input type="checkbox"/>	

**DISTRICT IV**  
**2040 South Pacheco, Santa Fe, NM 87505**

Form C-102  
Revised March 17, 1999

**Submit to Appropriate District Office**  
**State Lease - 4 Copies**  
**Fee Lease - 3 Copies**

2040 South Pacheco  
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

API Number 30-015-33789		Pool Code 84120	Pool Name Rocky Arroyo Canyon (Gas)
Property Code 34517	Property Name STATE "16-4"		Well Number 1
OGRID No. 25706	Operator Name CLAYTON WILLIAMS ENERGY, INC.		Elevation 4351'

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

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.						

<div><div><div>660'</div><div>660'</div></div><div>Lat.: N32°23'47.8"</div><div>Long.: W104°42'52.9"</div></div>	<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><div>Betsy Luna</div><div>Signature</div></div><div><div>Betsy Luna</div><div>Printed Name</div></div><div><div>Engineering Technician</div><div>Title</div></div><div><div>7-13-2006</div><div>Date</div></div></div>		
	<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><div>DECEMBER 20, 2004</div><div>Date Surveyed</div></div><div><div><div>Signature &amp; Seal of Professional Surveyor</div><div><div>NEW MEXICO</div><div>7877</div><div>W.O. No. 140</div></div></div><div><div>Certificate No. 7977</div><div>Gordon Jones</div></div></div></div>		
	<div><div>REGISTERED PROFESSIONAL LAND SURVEYOR</div><div>DAVID SURVEYS</div></div>		
	<div><div>PLAT</div></div>		

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State of New Mexico  
Energy, Minerals and Natural Resources Department

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OIL CONSERVATION DIVISION

2040 South Pacheco  
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-33789	Pool Code 8420e	Pool Name Rocky Arroyo Wolfcamp (gas)
Property Code 34517	Property Name STATE "16-4"	Well Number 1
OGRID No. 11 25706	Operator Name CLAYTON WILLIAMS ENERGY, INC.	Elevation 4351'

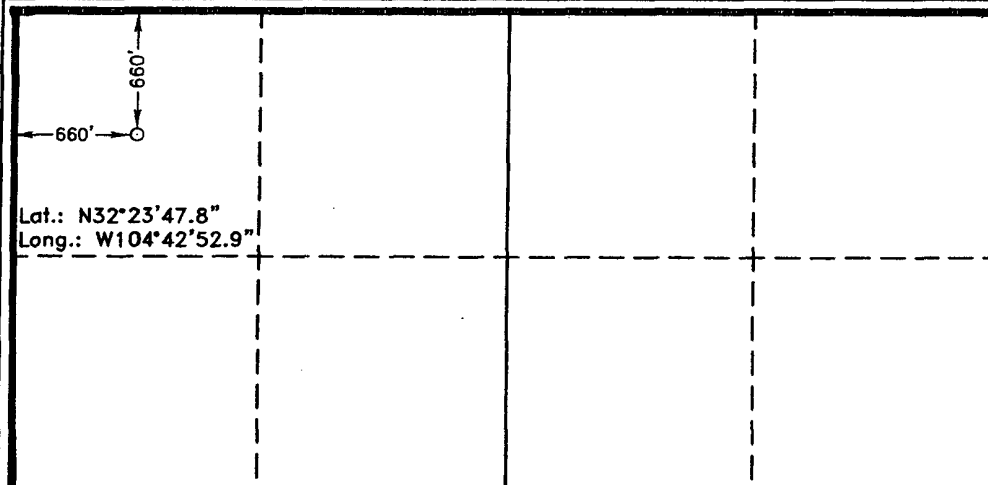
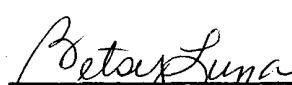
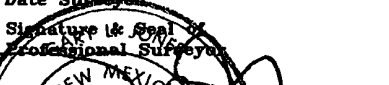
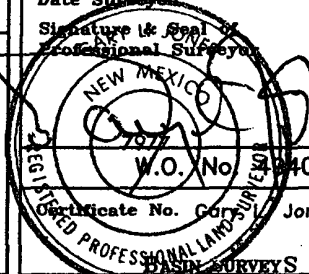
Surface Location

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
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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

	<b>OPERATOR CERTIFICATION</b>  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 7-13-2006 Date	
	<b>SURVEYOR CERTIFICATION</b>  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.  DECEMBER 20, 2004 Date Surveyed  Signature & Seal of Professional Surveyor  W.O. No. 9440 Certificate No. Jones 7977 PROFESSIONAL LAND SURVEYS	

DISTRICT I  
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State of New Mexico  
Energy, Minerals and Natural Resources Department

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Revised March 17, 1999

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OIL CONSERVATION DIVISION

2040 South Pacheco  
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-33789	Pool Code 97530	Pool Name Rocky Arroyo; Strawn
Property Code 34517	Property Name STATE "16-4"	Well Number 1
OGRID No. 25706	Operator Name CLAYTON WILLIAMS ENERGY, INC.	Elevation 4351'

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
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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 320	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

	<b>OPERATOR CERTIFICATION</b>  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 Tech. Title  12-29-2005 Date	
	<b>SURVEYOR CERTIFICATION</b>  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.  DECEMBER 20, 2004 Date Surveyed   Signature & Seal of Professional Surveyor  NEW MEXICO W.O. No. 2040 Certificate No. Cory Jones 7977 PROFESSIONAL LAND SURVEYOR	

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Energy, Minerals and Natural Resources Department

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Revised March 17, 1999

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OIL CONSERVATION DIVISION

2040 South Pacheco  
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-33789	Pool Code 97529	Pool Name Rocky Arroyo ; Atoka
Property Code 34517	Property Name STATE "16-4"	Well Number 1
OGRID No. 25706	Operator Name CLAYTON WILLIAMS ENERGY, INC.	Elevation 4351'

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
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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 320	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

660'			
660'			
Lat.: N32°23'47.8"			
Long.: W104°42'52.9"			

OPERATOR CERTIFICATION

I hereby certify that the information  
contained herein is true and complete to the  
best of my knowledge and belief.

*Betsy Luna*  
Signature

Betsy Luna  
Printed Name

Engineering Tech.  
Title

12-29-2005  
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.

DECEMBER 20, 2004

Date Surveyed

Signature & Seal of  
Professional Surveyor

NEW MEXICO  
7077  
W.O. No. 3440

Certificate No. Corbett Jones 7977

PROFESSIONAL LAND SURVEYORS

NEW MEXICO  
1977  
W.O. No. 140  
Certificate No. 7977 Jones  
REGISTERED PROFESSIONAL LAND SURVEYOR  
BASIN SURVEYS



CLAYTON WILLIAMS ENERGY, INC.

July 13, 2006

RECEIVED  
JUL 18 2006  
WWW-ANTEBIA

Via Facsimile (505) 476-3462  
(13 pages)

State of New Mexico  
Energy, Minerals and Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Drive  
Santa Fe New Mexico 87505

Attention: Mr. Will Jones

Re: Application for Downhole Commingling Form C-107A  
Clayton Williams Energy, Inc.  
State 16-4, Well No. 1  
Rocky Arroyo Field  
Sect. 16, T-22-S, R-22-E  
API No. 30-015-33789  
Eddy County, New Mexico

Mr. Jones:

Please find attached the following documentation pursuant to downhole commingle:

Form 107A  
Form C101 and C102  
Estimated Production Rates and Supporting Data

Should you have any questions or require further, please call me at (432) 688-3240 or via e-mail at [bluna@claytonwilliams.com](mailto:bluna@claytonwilliams.com). Thank you for your help in expediting this request.

Sincerely yours,

Betsy Luna  
Engineering Technician

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

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State of New Mexico  
Energy, Minerals and Natural Resources Department

Pg 1 of 2

Form C-107A  
Revised June 10, 2003

Oil Conservation Division

1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

RECEIVED

JUL 18 2006

COMMUNITIZED

APPLICATION TYPE

☒ Single Well

Establish Pre-Approved Pools

EXISTING WELLBORE

☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

CLAYTON WILLIAMS ENERGY, INC. SIX DESTA DR., #3000, MIDLAND, TX 79705

Operator

Address

STATE 16-4

1

D, Sec 16, T22S, R22E

Eddy

Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No. 25706 Property Code 34517 API No. 30-015-33789 Lease Type: ☐ Federal ☒ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	existing commingled LOWER ZONE
Pool Name	Rocky Arroyo Wolfcamp (gas)	Rocky Arroyo Canyon (gas)	Wildcat Strawn (gas)
Pool Code			
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	5180' - 7054'	7208'-7400'; 7460'-7874	7970' - 8410'
Method of Production (Flowing or Artificial Lift)	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)			Gas BTU 1.0394
Producing, Shut-In or New Zone	New Zone	New Zone	Producing f/8312'-8410'
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:  Rates:	Date:  Rates:	Date: 7/8/06  Rates: 0 BO, 51 mcf, 6 BW
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas Allocation % provided upon completion	Oil Gas Allocation % provided upon completion	Oil Gas Allocation % provided upon completion

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones?  
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?

Yes ☒ No ☐  
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: DHC-3607

Attachments:

C-102 for each zone to be commingled showing its spacing unit and acreage dedication. - attached  
Production curve for each zone for at least one year. (If not available, attach explanation.) 3 months production attached  
For zones with no production history, estimated production rates and supporting data. - attached  
Data to support allocation method or formula. -  
Notification list of working, royalty and overriding royalty interests for uncommon interest cases. - N/A  
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 Betsy Luna TITLE Engineering Technician DATE 7/13/2006

TYPE OR PRINT NAME Betsy Luna TELEPHONE NO. ( 432 ) 682-6324

E-MAIL ADDRESS bluna@claytonwilliams.com