



CLAYTON WILLIAMS ENERGY, INC.

January 29, 2004

VIA FACSIMILE: 505-476-3462

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. 19  
Sec. 20, T17S, R29E, UL B  
Proposed Location: 1010' FNL & 2310' 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 #19. This well is located 1010' FNL and 2310' 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 and in offset wells. We also have constraints on the surface location due to pipeline right-of-ways and an existing caliche pit.

Mr. Michael Stogner  
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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](mailto:mswierc@claytonwilliams.com).

Sincerely yours,

A handwritten signature in black ink, appearing to read "Matt Swierc", with a long horizontal flourish extending to the right.

Matt Swierc  
Production Superintendent

Enclosures

**DISTRICT I**

1405 N. French St., Hobbs, NM 88240

**DISTRICT II**

811 South First, Artesia, NM 88210

**DISTRICT III**

1400 So. Brown Rd., Aztec, NM 87410

**DISTRICT IV**

2040 South Pacheco, Santa Fe, NM 87505

**State of New Mexico**

Geology, Minerals and Natural Resources Department

Form C-102

Revised March 17, 1999

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 2 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 96610	Pool Name EMPIRE, EAST (YESO)
Property Code 25235	Property Name STATE "20 B"	Well Number 19
UGED No. 25706	Operator Name CLAYTON WILLIAMS ENERGY INC.	Elevation 3617'

**Surface Location**

UL or lot No.	Section	Township	Range	Lot No.	Feet from the	North/South line	Feet from the	East/West line	County
B	20	17 S	29 E		1010	NORTH	2310	EAST	EDDY

**Bottom Hole Location If Different From Surface**

UL or lot No.	Section	Township	Range	Lot No.	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 20B #7 →		STATE 20B Existing caliche pit Duke pipeline		STATE 20B Duke pipeline	
STATE 20B #5: UL B; 990' FNL & 1650' FEL API NO. 30-015-30922		STATE 20B 20B 19 →		STATE 20B 20B 5	
STATE 20B #7: UL B; 330' FNL & 2310' FEL API NO. 30-015-31052		STATE 20B		STATE 20B	
Surface constraints: Existing caliche pit that is 12-15' deep Duke pipeline is 150' from current proposed location. The drilling pad is 125' x 125' & have to be a minimum of 25' off pipeline with pads.		STATE 20B		STATE 20B	

**OPERATOR CERTIFICATION**  
 I hereby certify the information contained herein is true and complete to the best of my knowledge and belief.  
 Signature \_\_\_\_\_  
 Printed Name \_\_\_\_\_  
 Title \_\_\_\_\_  
 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.  
 JANUARY 29, 2004  
 Date Surveyed \_\_\_\_\_  
 Signature of Gary L. Jones \_\_\_\_\_  
 Professional Surveyor No. 3947  
 Certificate No. 7977  
 RASIN SURVEYS