



# RAILROAD COMMISSION OF TEXAS

## OIL AND GAS DIVISION

February 27, 2012

WILLIAMS, CLAYTON ENERGY, INC.  
ATTN: REGULATORY DEPARTMENT  
6 DESTA DR STE 2100  
MIDLAND TX 79705

RE: **APPLICATION FOR EXCEPTION TO SWR 10**  
LEASE: ANDREWS UNIVERSITY 33  
WELL NO. 14R  
ANDREWS COUNTY, DISTRICT 08, TEXAS  
API NO. 003-43591

FIELD NAME	FIELD NO.
SPRABERRY (TREND AREA)	85280300
MAGUTEX (STRAWN)	56822750

**HYDROGEN SULFIDE RESTRICTION: NO**

The Commission has approved your application to down-hole commingle oil production within the above-referenced wellbore from the SPRABERRY (TREND AREA); and MAGUTEX (STRAWN) fields in ANDREWS County, Texas. For allowable and reporting purposes, the well will be assigned to the **SPRABERRY (TREND AREA)** field. It will be necessary to have or obtain Commission authority to complete this well in each of the subject zones (Form W-1 approval). The effective date of this SWR 10 Exception is February 09, 2012. This exception to SWR 10 will expire if not used within two (2) years from the date of this permit. This expiration date is February 27, 2014.

Acreage assigned to the referenced well for allocation of allowable shall not be assigned to any other well or wells projected to or completed in the above-referenced fields; such duplicate assignment of acreage is not acceptable, provided, however, that this limitation shall not prevent the reformation of development or proration units so long as no duplicate assignment of acreage occurs, and further, that such reformation does not violate other conservation regulations.

The maximum daily allowable for the combined production will be limited to the top allowable for the **SPRABERRY (TREND AREA)** field and will become effective upon receipt of Form W-2 showing combined completion data and results of a 24-hour production test taken after the physical work of down hole commingling has been completed. Please indicate in "remarks" the reason for filing this report, giving date of Commission approval of this Rule 10 exception.

Should secondary recovery operations be initiated in either of these reservoirs, it may be necessary to segregate these zones. If surface-commingling authority has been granted, it may be necessary to amend or cancel this authority.

Permit conditions:

The completion report for the commingled well must indicate which perforations belong to which field. The Commission may also require a wellbore diagram to be filed with the completion report for the commingled well. If filed, the wellbore diagram must indicate which perforations belong to which field.

Note: The distribution of this document will be by E-MAIL ONLY. E-mail sent to kroberts@claytonwilliams.com.

If you have any questions, you may contact the engineering unit in the Austin office at 512-475-2307.