

[Clayton Williams Energy Inc.](#) (the "Company") (NYSE:CWEI) today provided an update on 2016 development plans and operations.

Development Plans for Remainder of 2016

The Company is focused on the development of its 65,000 net acre position in the southern Delaware Basin. To date this year, the Company has drilled four horizontal Wolfcamp wells in Reeves County, of which two are on production and two are drilled and waiting on completion. The Company plans to continue utilizing one rig in Reeves County for the remainder of 2016. With recent improvements in average drill times to 29 days, spud to spud, the Company now expects to have drilled ten wells by the end of the year, with seven wells on production and three wells in various stages of completion. Eight of the ten wells in 2016 are expected to be completed in the Wolfcamp A section and two in the Wolfcamp C section. Completed well costs, which vary by length of lateral, are currently estimated to range from approximately \$6.1 million for a 4,800-foot lateral to approximately \$7.5 million for a 7,200-foot lateral.

The Company currently expects total oil, gas and NGL production for fiscal 2016 to average between 13,300 and 13,900 BOE per day, representing an increase of approximately 1,000 BOE per day from the Company's prior guidance estimates. Capital expenditures for 2016 are currently expected to total approximately \$105.5 million, up \$36 million from prior guidance.

Delaware Basin Operations

The Company has drilled and completed two wells in Reeves County to date this year, the Lowe 26 #1H and the Collier 34-51 #1H. The Lowe 26 #1H was completed in May with a 4,600-foot perforated lateral in the upper Wolfcamp A section using a hybrid frac encompassing 1,800 pounds of sand and 43 barrels of fluid per lateral-foot. The peak 30-day production from this well averaged 1,158 BOE per day (74% oil; 13% NGL), significantly higher than the 732 BOE per day peak 30-day average of the previous 25 Wolfcamp A wells drilled prior to 2016.

The Collier 34-51 #1H was completed in mid-July with a 6,300-foot perforated lateral in the lower Wolfcamp A section using a slick water frac encompassing 2,250 pounds of sand and 70 barrels of fluid per lateral-foot. This frac design utilizes tighter spacing of clusters and stages and increased volumes of proppant and fluids in an attempt to contact more reservoir rock and create a more complex, high density fracture network closer to the well bore.

"The Collier 34-51 #1H marks our first completion in Reeves County using the slick water frac design," said Mel G. Riggs, President of the Company. "And although this well is in the early stages of flow-back, production has averaged just over 2,100 BOE per day for the past seven days. We are obviously encouraged by these preliminary results and are excited about the potential impact this completion technique may have on our Delaware Basin operations."

Sale of Non-Core Midland Basin Acreage

In July 2016, the Company sold certain of its rights from the Spraberry and Wolfcamp formations under approximately 2,500 net acres in Glasscock County, Texas for approximately \$19.5 million, subject to customary post-closing adjustments. With minimal exceptions, the Company retained all rights above the top of the Spraberry formation, including existing production from approximately 50 non-operated wells. The Company has received \$14.7 million of cash proceeds to date and expects to receive the remaining proceeds from this sale upon satisfaction of certain title requirements.

[Clayton Williams Energy Inc.](#) is an independent energy company located in Midland, Texas.

This release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical or current facts, that address activities, events, outcomes and other matters that we plan, expect, intend, assume, believe, budget, predict, forecast, project, estimate or anticipate (and other similar expressions) will, should or may occur in the future are forward-looking statements. These forward-looking statements are based on management's current belief, based on currently available information, as to the outcome and timing of future events. The Company cautions that its future natural gas and liquids production, revenues, cash flows, liquidity, plans for future operations, expenses, outlook for oil and natural gas prices, timing of capital expenditures and other forward-looking statements are subject to all of the risks and uncertainties, many of which are beyond our control, incident to the exploration for and development, production and marketing of oil and gas.

These risks include, but are not limited to, the possibility of unsuccessful exploration and development drilling activities, our ability to replace and sustain production, commodity price volatility, domestic and worldwide economic conditions, the availability of capital on economic terms to fund our capital expenditures and acquisitions, our level of indebtedness, the impact of the current economic recession on our business operations, financial condition and ability to raise capital, declines in the value of our oil and gas properties resulting in a decrease in our borrowing base under our credit facility and impairments, the ability of financial counterparties to perform or fulfill their obligations under existing agreements, the uncertainty inherent in estimating proved oil and gas reserves and in projecting future rates of production and timing of development expenditures, drilling and

other operating risks, lack of availability of goods and services, regulatory and environmental risks associated with drilling and production activities, the adverse effects of changes in applicable tax, environmental and other regulatory legislation, and other risks and uncertainties are described in the Company's filings with the Securities and Exchange Commission. The Company undertakes no obligation to publicly update or revise any forward-looking statements.

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