

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

Oil Conservation Division

2040 South Pacheco

Santa Fe, NM 87505

ARTESIA

Form C-101
Revised March 17, 1999Submit 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 Devon Energy Production Company, L.P. 20 N. Broadway, Suite 1500, Oklahoma City, OK 73102 Robert Elliott, Senior Staff Drilling Engineer, 405/228-8609		² OGRID Number 6137
⁴ Property Code 32442	⁵ Property Name Righthand Canyon "35" Fee Com.	³ API Number 30-015- 32827
		⁶ Well No. 2

7 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	35	21S	24E		1347'	south	1177'	west	Eddy Cnty, NM

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
L	35	21S	24E		1980'	south	660'	west	Eddy Cnty, NM

9 Proposed Pool 1

Indian Basin (Upper Penn) Assoc.

10 Proposed Pool 2

¹¹ Work Type Code N	¹² Well Type Code G	¹³ Cable/Rotary R	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation GL 3849'
¹⁶ Multiple N/A	¹⁷ Proposed Depth 8,600'	¹⁸ Formation Upper Penn	¹⁹ Contractor Unknown	²⁰ Spud Date 08/01/2003

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
25"	20# conductor		40'	Redi-mix	surface
12 1/4"	9 5/8" J-55	36#	1,600'	600 sx	surface
8 3/4"	7" L80/J55/HCL80	23#	8,600'	320 sx	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.

Off the same pad as the Righthand Canyon "35" Fee Com. #1 (API 30-015-26126), Devon plans to drill this well to approximately 8,600 feet and complete it as an Upper Penn development well. If it is deemed non-commercial then it will be plugged and abandoned in accordance with the rules and regulations established by the New Mexico OCD. Blowout prevention equipment will be installed while drilling the intermediate and production holes. Attached are C102 plat, maps, BOP equipment schematics and H2S contingency plan.

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>Candace R. Graham</i>		Approved by: <i>Jim W. Lunn</i>	
Printed Name: Candace R. Graham X4520		Title: <i>District Supervisor</i>	
Title: Engineering Tech.		Approval Date: <i>JUN 10 2004</i> Expiration Date: <i>JUN 10 2004</i>	
Date: 06/05/2003	Phone: (405)235-3611	Conditions of Approval:	
		Attached <input type="checkbox"/>	

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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	Pool Code	Pool Name
		Indian Basin (Upper Penn) Assoc.
Property Code	Property Name	Well Number
	RIGHTHAND CANYON "35" FEE COM	2
OGRID No. 6137	Operator Name	Elevation
	DEVON ENERGY PRODUCTION CO., L.P.	3849'

Surface Location

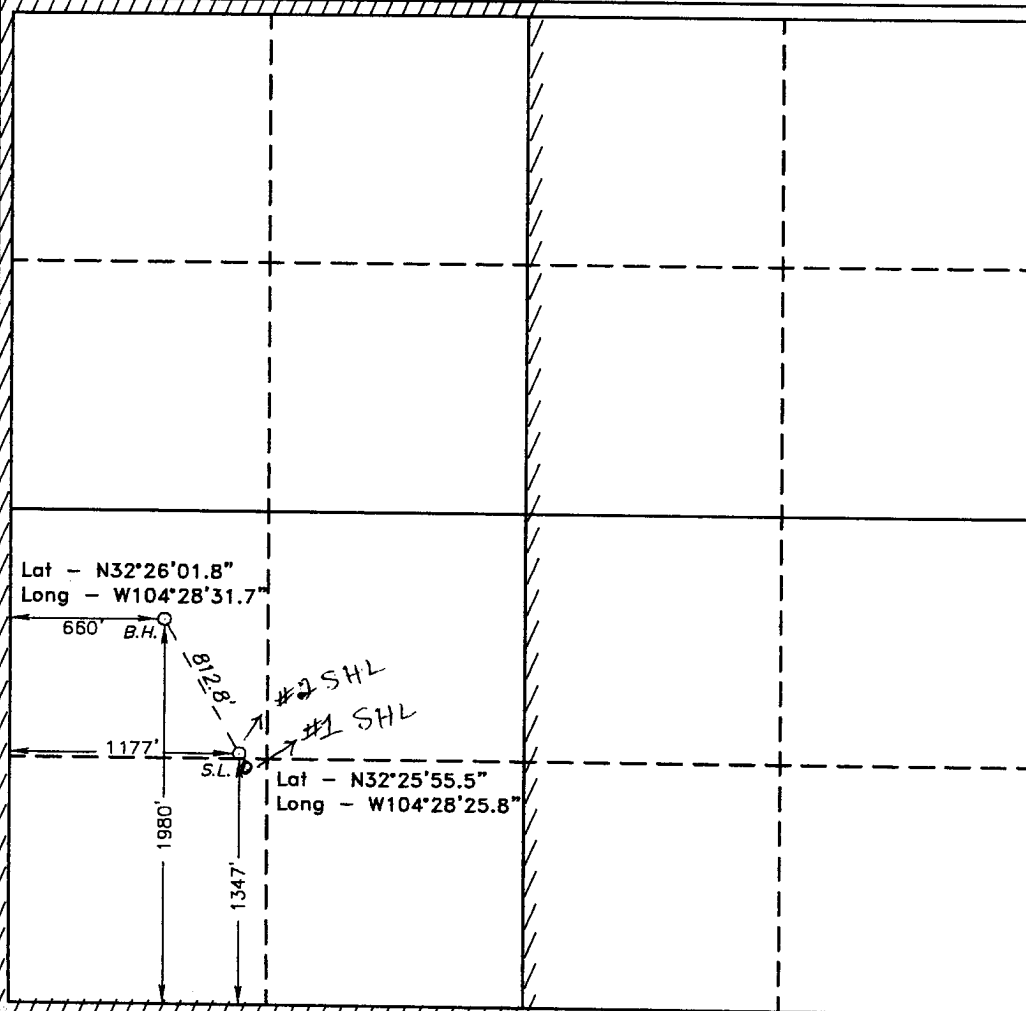
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	35	21 S	24 E		1347	SOUTH	1177	WEST	EDDY

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
L	35	21 S	24 E		1980	SOUTH	660	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320			

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

	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Candace R. Graham</i></p> <p>Signature</p> <p>Candace R. Graham</p> <p>Printed Name</p> <p>Engineering Tech.</p> <p>Title</p> <p>June 5, 2003</p> <p>Date</p> <p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>MAY 19 2003</p> <p>Date Surveyed</p> <p>Signature & Seal of Professional Surveyor</p> <p>7977</p> <p>Certificate No. 3295</p> <p>Basin Surveys</p>
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MINIMUM BLOWOUT PREVENTER REQUIREMENTS

3,000 psi Working Pressure

3 MWP

Devon Energy Production Company, L.P.
Righthand Canyon "35" Fee Com. #2
Section 35-T21S-R24E, Eddy Cnty, NM

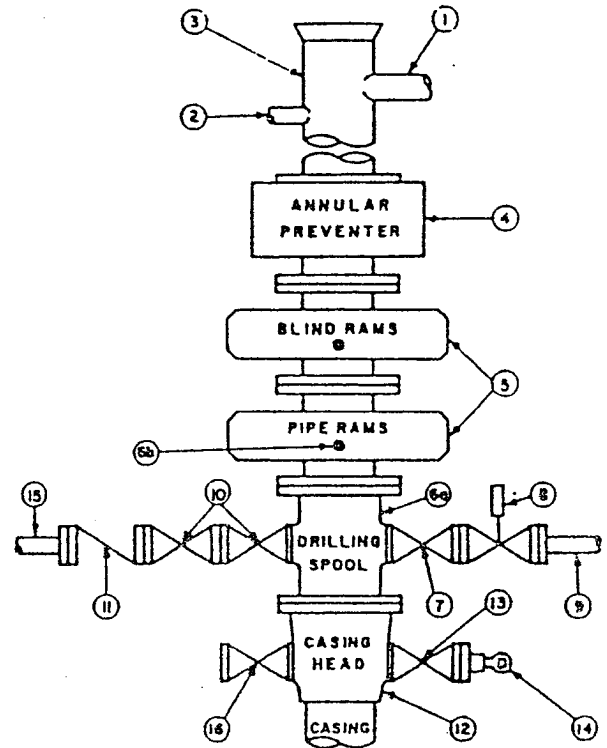
STACK REQUIREMENTS

No.	Item	Min. I.D.	Min. Nominal
1	Flowline		
2	Fill up line		2"
3	Drilling nipple		
4	Annular preventer		
5	Two single or one dual hydraulically operated rams		
6a	Drilling spool with 2" min. kill line and 3" min choke line outlets		
6b	2" min. kill line and 3" min. choke line outlets in ram. (Alternate to 6a above.)		
7	Valve Gate <input type="checkbox"/> Plug <input type="checkbox"/>	3-1/8"	
8	Gate valve—power operated	3-1/8"	
9	Line to choke manifold		3"
10	Valves Gate <input type="checkbox"/> Plug <input type="checkbox"/>	2-1/16"	
11	Check valve	2-1/16"	
12	Casing head		
13	Valve Gate <input type="checkbox"/> Plug <input type="checkbox"/>	1-13/16"	
14	Pressure gauge with needle valve		
15	Kill line to rig mud pump manifold		2"

OPTIONAL

16	Flanged valve	1-13/16"	
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CONFIGURATION A



CONTRACTOR'S OPTION TO FURNISH:

1. All equipment and connections above bradenhead or casinghead. Working pressure of preventers to be 3,000 psi, minimum.
2. Automatic accumulator (80 gallon, minimum) capable of closing BOP in 30 seconds or less and, holding them closed against full rated working pressure.
3. BOP controls, to be located near drillers position.
4. Kelly equipped with Kelly cock.
5. Inside blowout preventer or its equivalent on derrick floor at all times with proper threads to fit pipe being used.
6. Kelly saver-sub equipped with rubber casing protector at all times.
7. Plug type blowout preventer tester.
8. Extra set pipe rams to fit drill pipe in use on location at all times.
9. Type RX ring gaskets in place of Type R.

MEC TO FURNISH:

1. Bradenhead or casinghead and side valves.
2. Wear bushing, if required.

GENERAL NOTES:

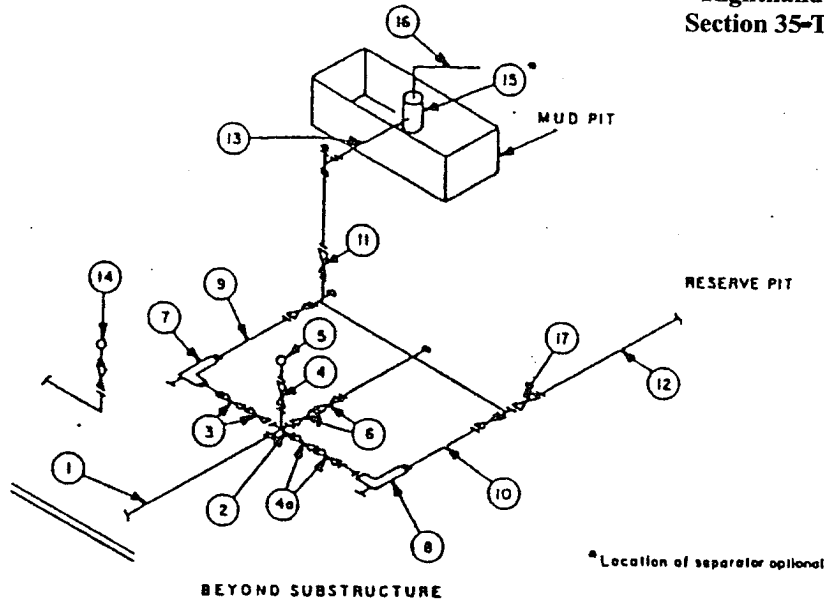
1. Deviations from this drawing may be made only with the express permission of MEC's Drilling Manager.
2. All connections, valves, fittings, piping, etc., subject to well or pump pressure must be flanged (suitable clamp connections acceptable) and have minimum working pressure equal to rated working pressure of preventers up through choke. Valves must be full opening and suitable for high pressure mud service.
3. Controls to be of standard design and each marked, showing opening and closing position.
4. Chokes will be positioned so as not to hamper or delay changing of choke beans. Replaceable parts for adjustable choke, other bean sizes, retainers, and choke wrenches to be conveniently located for immediate use.
5. All valves to be equipped with handwheels or handles ready for immediate use.
6. Choke lines must be suitably anchored.

7. Handwheels and extensions to be connected and ready for use.
8. Valves adjacent to drilling spool to be kept open. Use outside valves except for emergency.
9. All seamless steel control piping (3000 psi working pressure) to have flexible joints to avoid stress. Hoses will be permitted.
10. Casinghead connections shall not be used except in case of emergency.
11. Do not use kill line for routine fill-up operations.

MINIMUM CHOKE MANIFOLD
3,000, 5,000 and 10,000 PSI Working Pressure

3 MWP - 5 MWP - 10 MWP

Devon Energy Production Company, L.P.
Righthand Canyon "35" Fee Com. #2
Section 35-T21S-R24E, Eddy Cnty, NM



MINIMUM REQUIREMENTS										
No.		3,000 MWP			5,000 MWP			10,000 MWP		
		I.D.	NOMINAL	RATING	I.D.	NOMINAL	RATING	I.D.	NOMINAL	RATING
1	Line from drilling spool		3"	3,000		3"	5,000		3"	10,000
2	Cross 3"x3"x3"x2"			3,000			5,000			
	Cross 3"x3"x3"x3"									10,000
3	Valves(1) Gate <input type="checkbox"/> Plug <input type="checkbox"/> (2)	3-1/8"		3,000	3-1/8"		5,000	3-1/8"		10,000
4	Valve Gate <input type="checkbox"/> Plug <input type="checkbox"/> (2)	1-13/16"		3,000	1-13/16"		5,000	1-13/16"		10,000
4a	Valves(1)	2-1/16"		3,000	2-1/16"		5,000	3-1/8"		10,000
5	Pressure Gauge			3,000			5,000			10,000
6	Valves Gate <input type="checkbox"/> Plug <input type="checkbox"/> (2)	3-1/8"		3,000	3-1/8"		5,000	3-1/8"		10,000
7	Adjustable Choke(3)	2"		3,000	2"		5,000	2"		10,000
8	Adjustable Choke	1"		3,000	1"		5,000	2"		10,000
9	Line		3"	3,000		3"	5,000		3"	10,000
10	Line		2"	3,000		2"	5,000		3"	10,000
11	Valves Gate <input type="checkbox"/> Plug <input type="checkbox"/> (2)	3-1/8"		3,000	3-1/8"		5,000	3-1/8"		10,000
12	Lines		3"	1,000		3"	1,000		3"	2,000
13	Lines		3"	1,000		3"	1,000		3"	2,000
14	Remote reading compound standpipe pressure gauge			3,000			5,000			10,000
15	Gas Separator		2'x5'			2'x5'			2'x5'	
16	Line		4"	1,000		4"	1,000		4"	2,000
17	Valves Gate <input type="checkbox"/> Plug <input type="checkbox"/> (2)	3-1/8"		3,000	3-1/8"		5,000	3-1/8"		10,000

(1) Only one required in Class 3M.

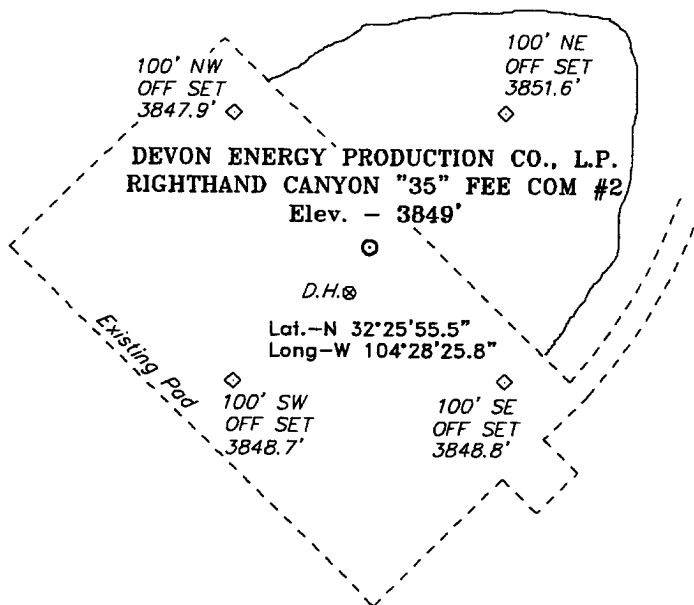
(2) Gate valves only shall be used for Class 10M.

(3) Remote operated hydraulic choke required on 5,000 psi and 10,000 psi for drilling.

EQUIPMENT SPECIFICATIONS AND INSTALLATION INSTRUCTIONS

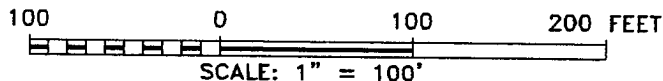
- All connections in choke manifold shall be welded, studded, flanged or Cameron clamp of comparable rating.
- All flanges shall be API 6B or 6BX and ring gaskets shall be API RX or BX. Use only BX for 10 MWP.
- All lines shall be securely anchored.
- Chokes shall be equipped with tungsten carbide seats and needles, and replacements shall be available.
- Choke manifold pressure and standpipe pressure gauges shall be available at the choke manifold to assist in regulating chokes. As an alternate with automatic chokes, a choke manifold pressure gauge shall be located on the rig floor in conjunction with the standpipe pressure gauge.
- Line from drilling spool to choke manifold should be as straight as possible. Lines downstream from chokes shall make turns by large bends or 90° bends using bull plugged tees.
- Discharge lines from chokes, choke bypass and from top of gas separator should vent as far as practical from the well.

**SECTION 35, TOWNSHIP 21 SOUTH, RANGE 24 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.**



Directions to Location:

FROM THE JUNCTION OF US HWY 285 AND CO. RD. 406(WATERHOLE RD.), GO SOUTHWESTERLY ON 406 FOR 2.0 MILES TO A LEASE ROAD LEFT; THENCE SOUTHERLY ON LEASE ROAD FOR 5.7 MILES TO A LEASE ROAD RIGHT, FOLLOW MAIN LEAE ROAD WESTERLY 0.3 MILE, SOUTHERLY 0.2 MILE, WESTERLY 0.4 MILE, SOUTHERLY 0.5 MILE, WESTERLY 0.6 MILE; THENCE NORTHERLY FOR 1.2 MILE TO EXISTING LEASE ROAD.



DEVON ENERGY PROD. CO., L.P.

REF: RIGHTHAND CANYON "35" FEE COM No. 2 / Well Pad Topo

THE RIGHTHAND CANYON "35" FEE COM No. 2 LOCATED 1347'
FROM THE SOUTH LINE AND 1177' FROM THE WEST LINE OF
SECTION 35, TOWNSHIP 21 SOUTH, RANGE 24 EAST,

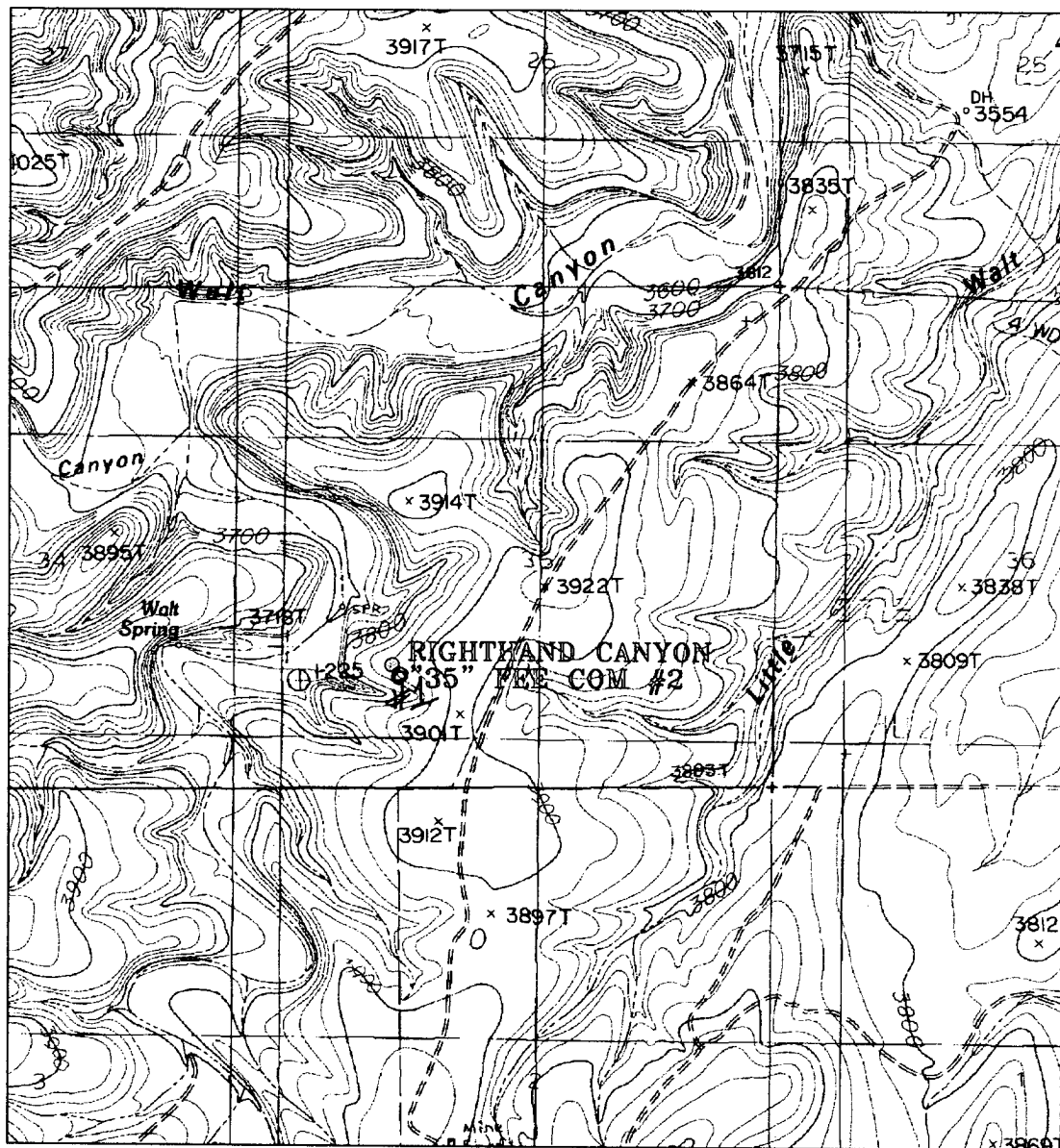
N.M.P.M., EDDY COUNTY, NEW MEXICO.

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

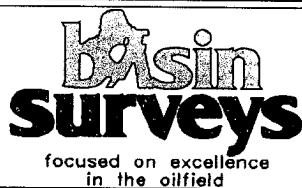
W.O. Number: 3295 Drawn By: **K. GOAD**

Date: 05-20-2003 Disk: KJG CD#4 - 3295A.DWG

Survey Date: 05-19-2003 Sheet 1 of 1 Sheets



RIGHTHAND CANYON "35" FEE COM #2
 1347' FSL AND 1177' FWL
 Section 35, Township 21 South, Range 24 East,
 N.M.P.M., Eddy County, New Mexico.



P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (505) 393-7316 - Office
 (505) 392-3074 - Fax
 basinsurveys.com

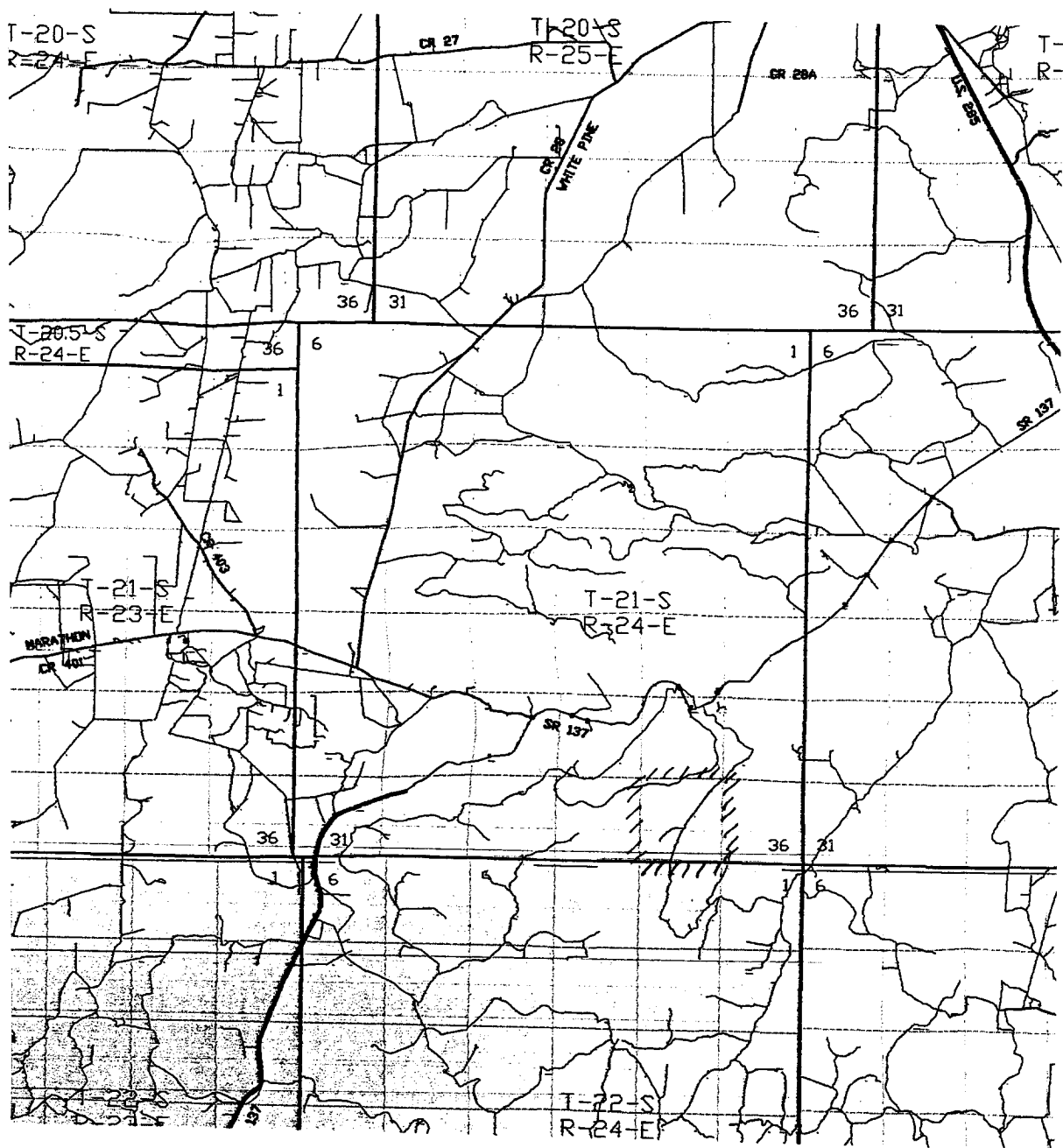
W.O. Number: 3295AA - KJG CD#4

Survey Date: 05-19-2003

Scale: 1" = 2000'

Date: 05-20-2003

DEVON ENERGY
 PROD. CO., L.P.



RIGHTHAND CANYON "35" FEE COM #2
1347' FSL AND 1177' FWL
Section 35, Township 21 South, Range 24 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: 3295AA - KJG CD#4
 Survey Date: 05-19-2003
 Scale: 1" = 2 MILES
 Date: 05-20-2003

DEVON ENERGY
PROD. CO., L.P.

DEVON ENERGY CORPORATION

HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

A. Hydrogen Sulfide Training

All rig crews and company personnel will receive training from a qualified instructor in the following areas prior to penetrating any hydrogen sulfide bearing formations during drilling operations:

1. The hazards and characteristics of hydrogen sulfide (H₂S).
2. The proper use and maintenance of the H₂S safety equipment and of personal protective equipment to be utilized at the location such as H₂S detection monitors, alarms and warning systems, and breathing equipment. Briefing areas and evacuation procedures will also be discussed and established.
3. Proper rescue techniques and procedures will be discussed and established.

Prior to penetrating any known H₂S bearing formation, H₂S training will be required at the rig sight for all rig crews and company personnel that have not previously received such training. This instruction will be provided by a qualified instructor with each individual being required to pass a 20 question test regarding H₂S safety procedures. All contract personnel employed on an unscheduled basis will be required to have received appropriate H₂S training.

This Hydrogen Sulfide Drilling And Operations Plan shall be available at the wellsite during drilling operations.

B. H₂S Safety Equipment And Systems

All H₂S safety equipment and systems will be installed, tested, and operational when drilling operations reach a depth approximately 500' above any known or probable H₂S bearing formation. The safety systems to be utilized during drilling operations are as follows:

Devon Energy Production Company, L.P.
Righthand Canyon "35" Fee Com. #2
Section 35-T21S=R24E, Eddy Cnty, NM

1. Well Control Equipment

- (a) Double ram BOP with a properly sized closing unit and pipe rams to accommodate all pipe sizes in use.
- (b) A choke manifold with a minimum of one remote choke.

2. H2S Detection And Monitoring Equipment

- (a) Three (3) H2S detection monitors will be placed in service at the location. One monitor will be placed near the bell nipple on the rig floor; one will be placed at the rig substructure; and, one will be at the working mud pits or shale shaker. This monitoring system will have warning lights and audible alarms that will alert personnel when H2S levels reach 10 ppm.
- (b) One (1) Sensidyne Pump with the appropriate detection tubes will also be available to perform spot checks for H2S concentrations in any remote or isolated areas.

3. Protective Equipment For Essential Personnel

Protective equipment will consist of the following:

- (a) Four (4) - five minute escape packs located at strategic points around the rig.
- (b) Two (2) - thirty minute rescue packs to be located at the designated briefing areas.

4. Visual Warning System

Visual warning system will consist of the following:

- (a) Two wind direction indicators.
- (b) One condition / warning sign which will be posted on the road providing direct access to the location. The sign will contain lettering of sufficient size to be readable at a reasonable distance from the immediate location. The sign will inform the public that a hydrogen sulfide gas environment could be encountered at the location.

5. Mud Program

The mud program has been designed to minimize the volume of H₂S circulated to surface. Proper mud weight and safe drilling practices (for example, keeping the hole filled during trips) will minimize hazards when drilling in H₂S bearing formations.

6. Metallurgy

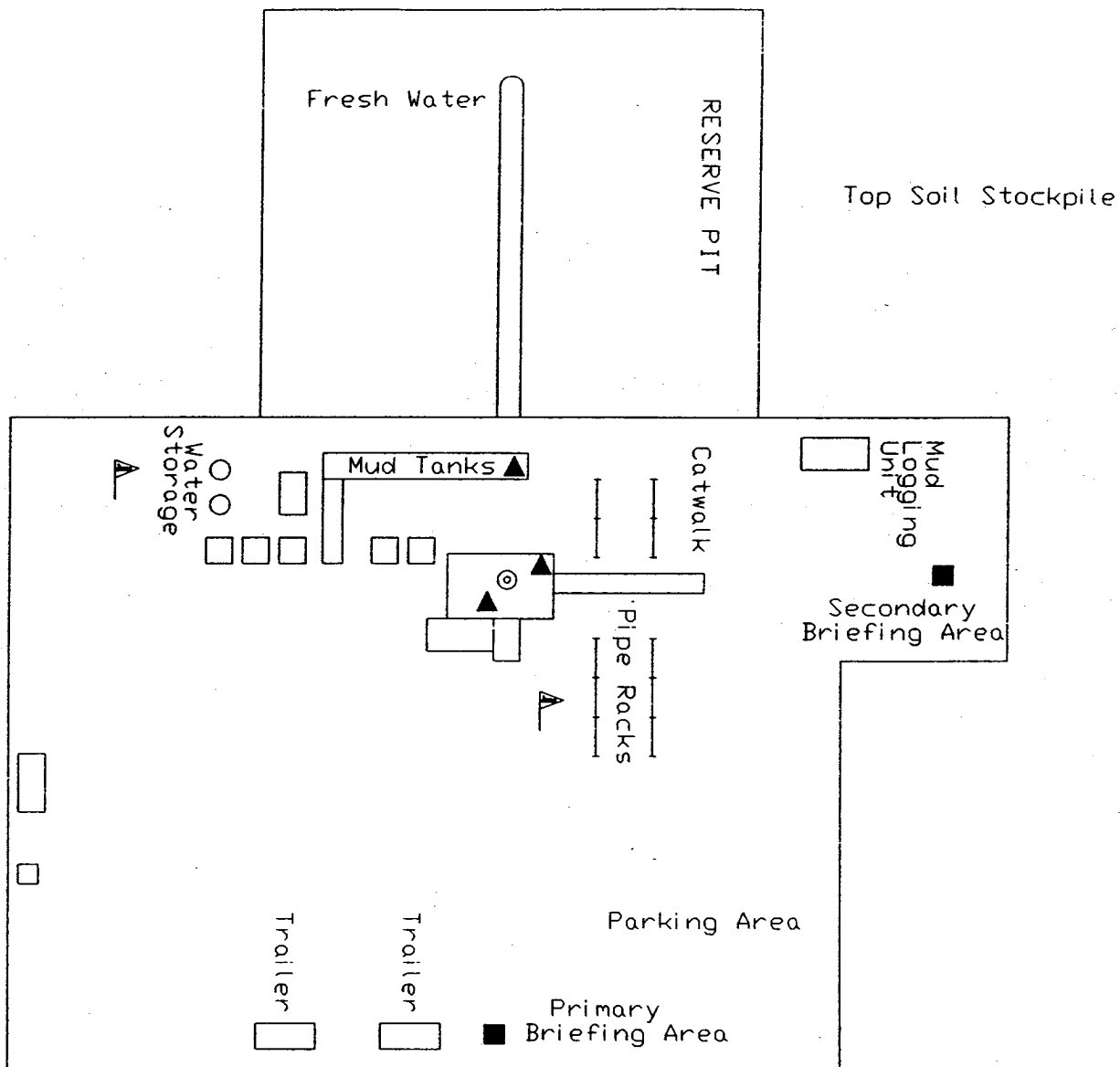
All drill strings, casings, tubing, wellhead, blowout preventers, drilling spools, kill lines, choke manifold and lines and valves shall be suitable for H₂S service.

7. Communication

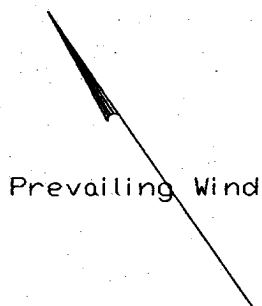
Cellular telephone communication will be available in company vehicles.

C. Diagram of Drilling Location

Attached is a diagram representing a typical location layout as well as the location of H₂S monitors, briefing areas and wind direction indicators.



- ▲ H2S MONITORS WITH ALARMS AT THE BELL NIPPLE, SUBSTRUCTURE, AND SHALE SHAKER
- A WIND DIRECTION INDICATORS
- SAFE BRIEFING AREAS WITH CAUTION SIGNS AND PROTECTIVE BREATHING EQUIPMENT



Righthand Canyon "35" Fee Com. #2	
EDDY COUNTY, NEW MEXICO	
GL 3849'	
H2S PLAN	
Scale in Feet	
25	0 25 50 75 100
4/97	