

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

5

Form C-101
Revised March 17, 1999

Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505
RECEIVED
OCD - ARTESIA

Submit 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 Walter M. Frank, Senior Operations Engineer, 405/552-4595		² OGRID Number 6137
³ API Number 30-015-26126		⁴ Property Code 32442
⁵ Property Name Righthand Canyon "35" Fee Com.		⁶ Well No. 1

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		1328'	south	1160'	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
M	35	21S	24E		660'	south	660'	west	Eddy Cnty, NM

⁹ Proposed Pool 1 (Upper Penn)					¹⁰ Proposed Pool 2				
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¹¹ Work Type Code E	¹² Well Type Code G	¹³ Cable/Rotary R	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation GL 3860'
¹⁶ Multiple N/A	¹⁷ Proposed Depth 8,600'	¹⁸ Formation Upper Penn	¹⁹ Contractor Unknown	²⁰ Spud Date 07/01/2003

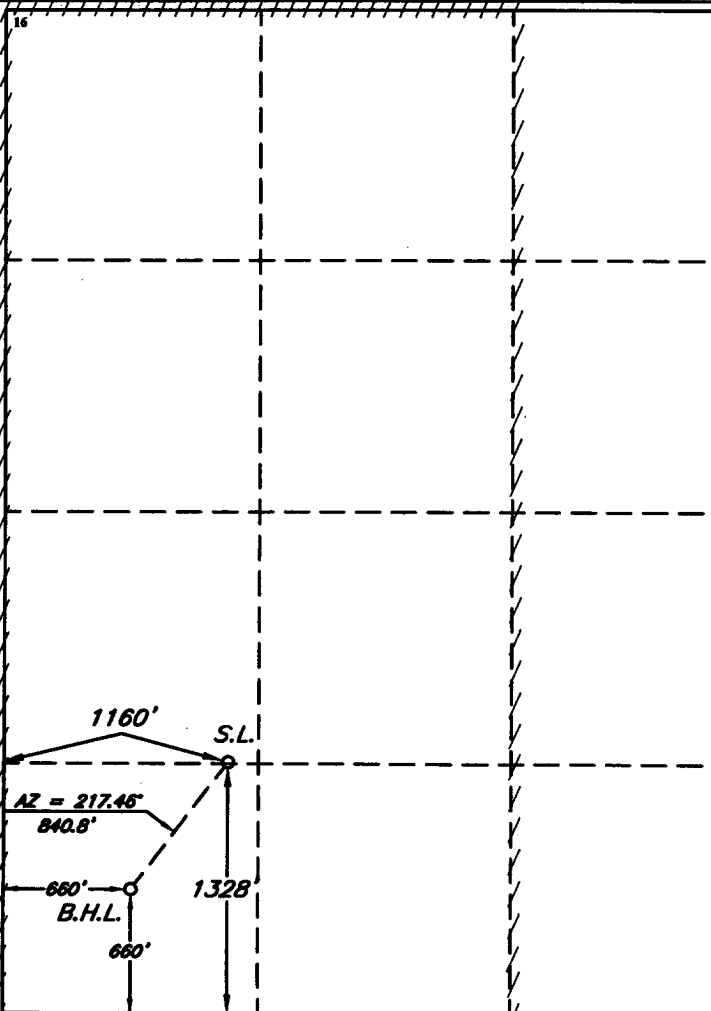
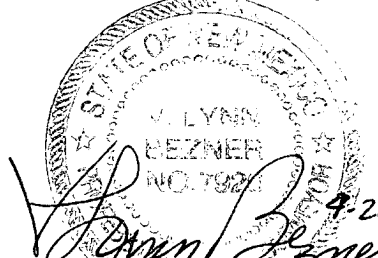
²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2"	13 3/8" existing	48-72# J-55	367'	400 sx	surface
12 1/4"	9 5/8" existing	32.3-36# J-55	2,469'	1000 sx	surface
8 3/4"	7" proposed	23# HCL-80 & J-55	8,600'	1369 sx	6,600'

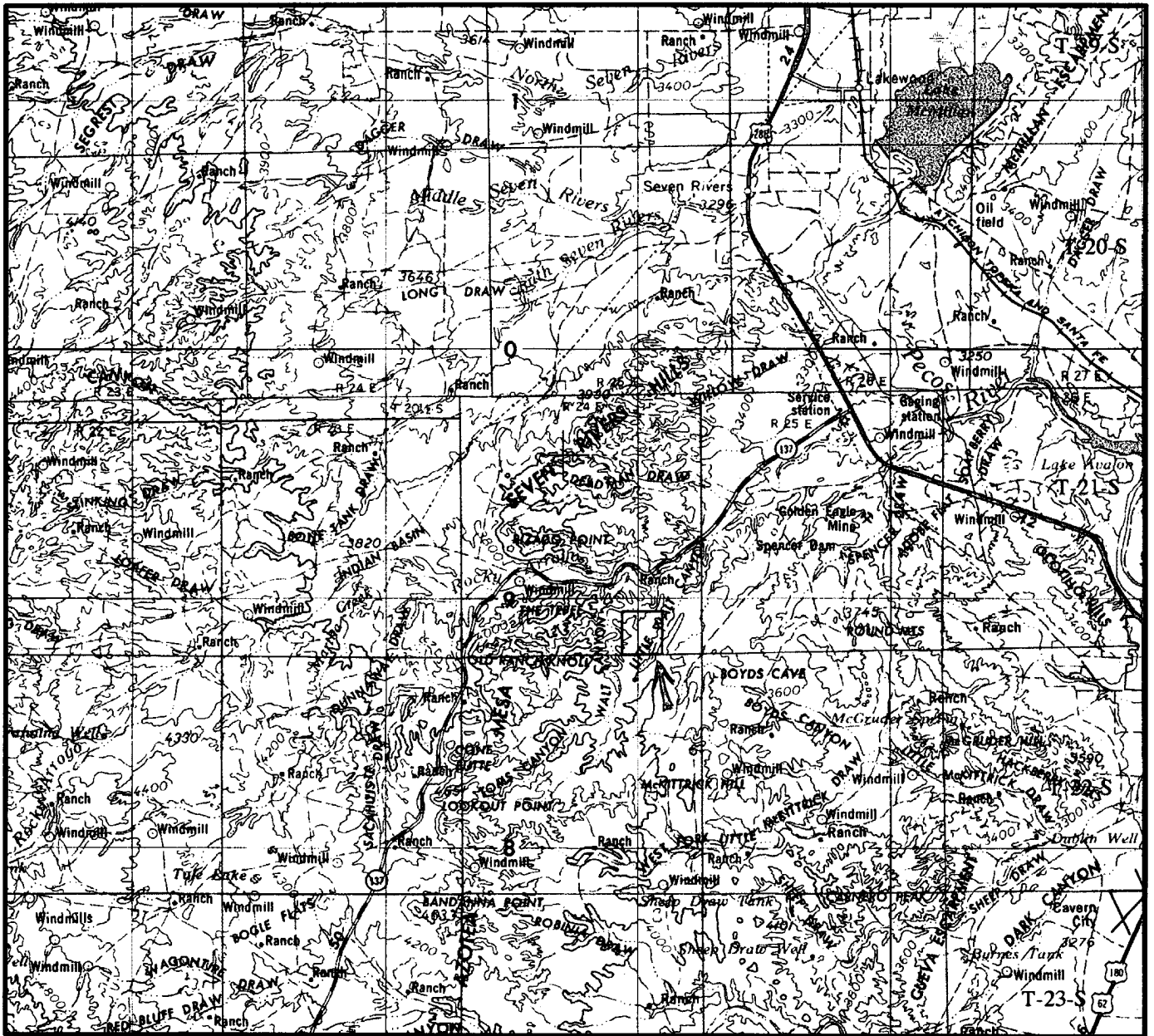
²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone.
Describe the blowout prevention program, if any. Use additional sheets if necessary.

Devon plans to re-enter the P&A'd Shafer Fed Com #1 well (API 30-015-26126), drill to a total depth of 8,600 feet and complete as an Upper Penn gas 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 as necessary while drilling the cement plugs. Attached please find form C-102, maps, casing design sheet, BOP schematics, and copy of our bond letter.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: Candace R. Graham Printed Name: Candace R. Graham X4520 Title: Engineering Tech. Date: 04/24/2003 Phone: (405)235-3611		OIL CONSERVATION DIVISION Approved by: ORIGINAL SIGNED BY TIM W. GUM DISTRICT II SUPERVISOR Title: Approval Date: APR 30 2003 Expiration Date: APR 30 2004 Conditions of Approval: Attached <input type="checkbox"/>	
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<div></div>	<div>16</div>	<div>17 OPERATOR CERTIFICATION</div> <div>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</div> <div>Signature <i>Candace R. Graham</i></div> <div>Printed Name Candace R. Graham</div> <div>Title Engineering Tech.</div> <div>Date April 24, 2003</div>
	<div>18 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>APRIL 17, 2003</div> <div>Date of Survey</div> <div>Signature and Seal of Professional Surveyor</div> <div><i>V. Lynn Bezner</i> 4-22-03</div> <div>Certificate Number V. L. BEZNER R.P.S. #7923</div> <div>JOB #87293 / 50NW / E.U.O.</div>	
	<div>BOTTOM HOLE INFORMATION PROVIDED BY DEVON ENERGY</div>	

VICINITY MAP



SECTION 35 TWP 21-S RGE 24-E
 SURVEY NEW MEXICO PRINCIPAL MERIDIAN
 COUNTY EDDY STATE NM
 DESCRIPTION 1328' FSL & 1160' FWL

OPERATOR DEVON ENERGY PRODUCTION CO., L.P.
 LEASE RIGHTHAND CANYON "35" FEE COM #1

DISTANCE & DIRECTION FROM THE INTERSECTION OF HWY.
285 & 137 GO WEST ON HWY. 137 5.6 MILES, THENCE
SOUTH ON LEASE ROAD 2.0 MILES, THENCE WEST 0.2 MILES
TO EXISTING PAD.

TOPOGRAPHIC LAND SURVEYORS

Surveying & Mapping for the Oil & Gas Industry

This location has been very carefully staked on the ground according to the best official survey records, maps, and other data available to us.

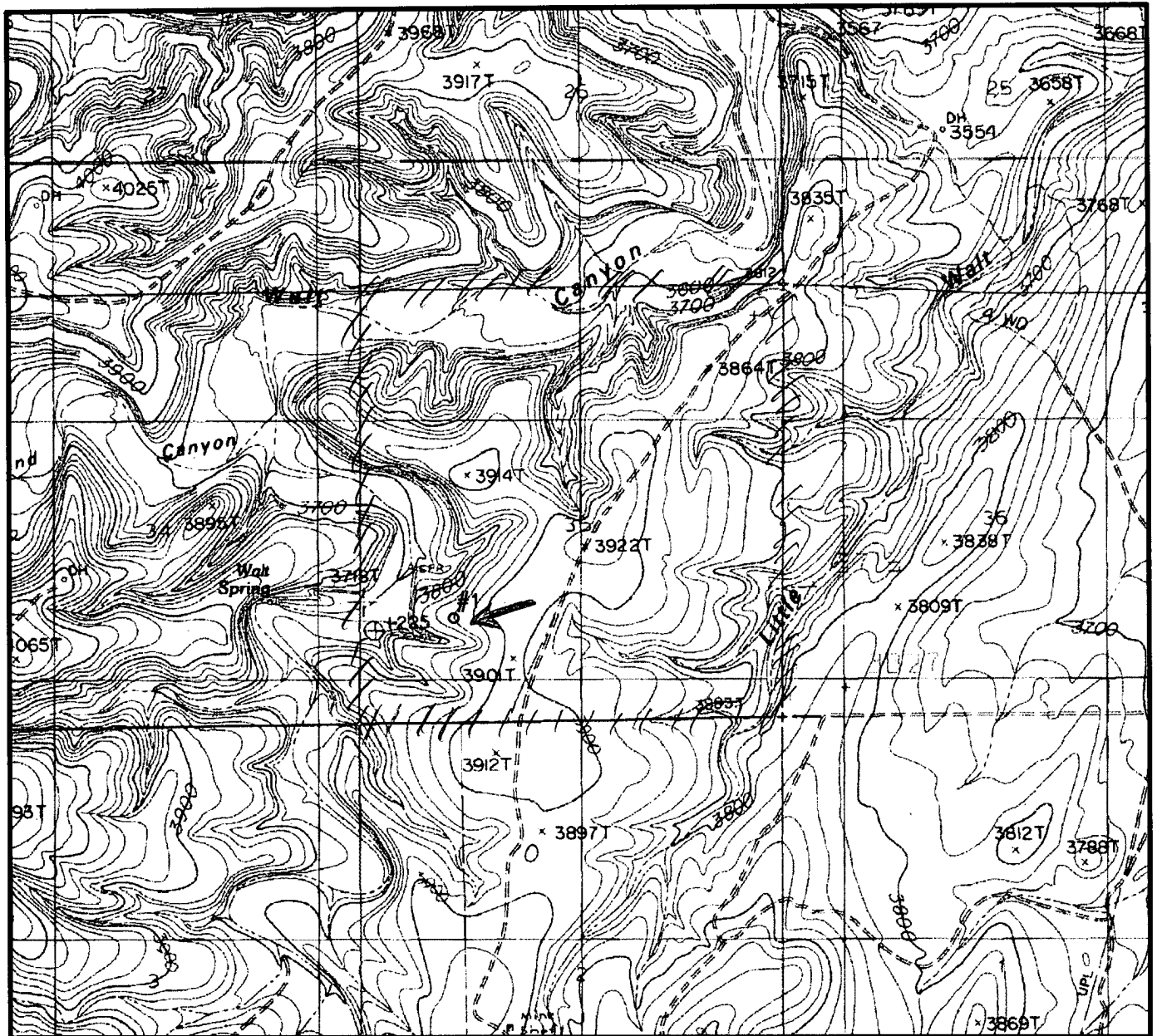
Review this plat and notify us immediately of any possible discrepancy.

1307 N. HOBART
 PAMPA, TX. 79065
 (800) 658-6382

6709 N. CLASSEN BLVD.
 OKLAHOMA CITY, OK. 73116
 (800) 654-3219

2903 N. BIG SPRING
 MIDLAND, TX. 79705
 (800) 767-1653

LOCATION & ELEVATION VERIFICATION MAP



SCALE : 1" = 2000' CONTOUR INTERVAL 5'

SECTION 35 TWP 21-S RGE 34-E
 SURVEY NEW MEXICO PRINCIPAL MERIDIAN
 COUNTY EDDY STATE NM
 DESCRIPTION 1328' FSL & 1160' FWL
 ELEVATION 3860'

OPERATOR DEVON ENERGY PRODUCTION CO., INC.
 LEASE RIGHTHAND CANYON "35" FEE COM #1

U.S.G.S. TOPOGRAPHIC MAP
AZOTEA PEAK, NEW MEXICO
 LAT. N 30°59'38"
 LONG. W 105°55'31"

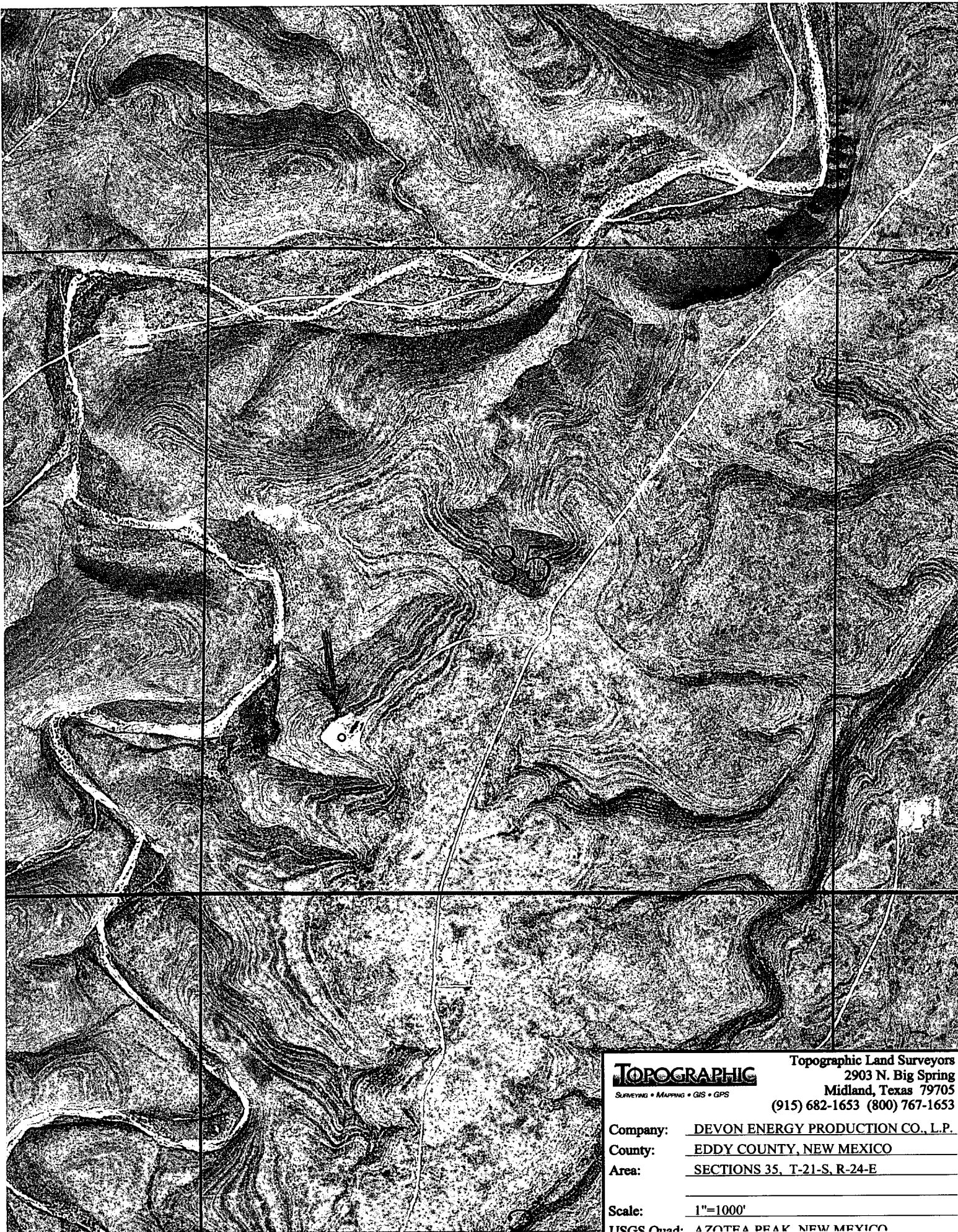
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This location has been very carefully staked on the ground according to the best official survey records, maps, and other data available to us.
 Review this plat and notify us immediately of any possible discrepancy.



TOPOGRAPHIC
SURVEYING • MAPPING • GIS • GPS

Topographic Land Surveyors
2903 N. Big Spring
Midland, Texas 79705
(915) 682-1653 (800) 767-1653

Company: DEVON ENERGY PRODUCTION CO., L.P.
County: EDDY COUNTY, NEW MEXICO
Area: SECTIONS 35, T-21-S, R-24-E

Scale: 1"=1000'
USGS Quad: AZOTEA PEAK, NEW MEXICO

MINIMUM BLOWOUT PREVENTER REQUIREMENTS

3,000 psi Working Pressure

3 MWP

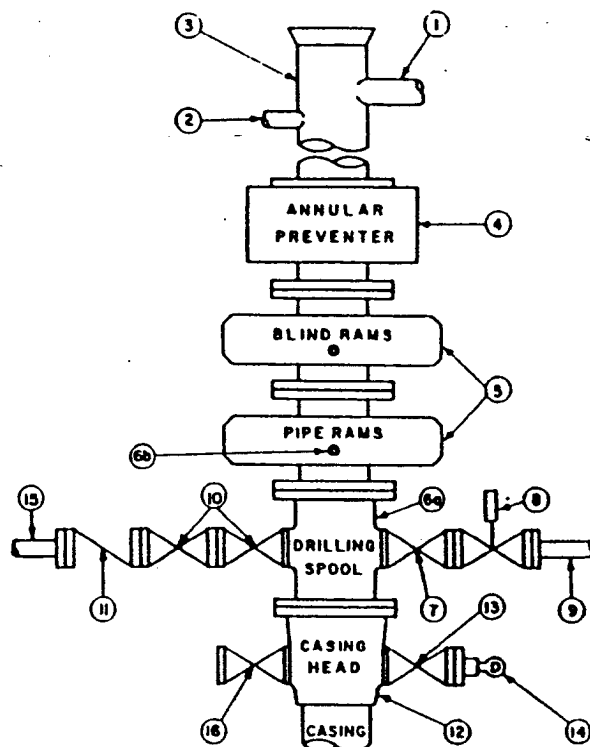
STACK REQUIREMENTS

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 Gale <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 Gale <input type="checkbox"/> Plug <input type="checkbox"/>	2-1/16"	
11	Check valve	2-1/16"	
12	Casing head		
13	Valve Gale <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.

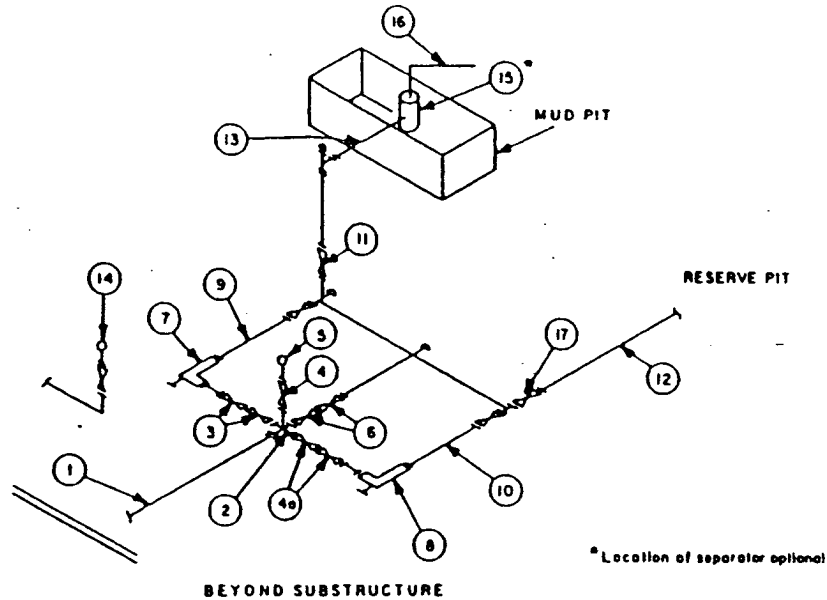
GENERAL NOTES:

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



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.

Well name:

Righthand Canyon 35-1Operator: **Devon Energy Production Company L.P.**String type: **Production**Location: **Section 35, T21S, R24E****Design parameters:****Collapse**Mud weight: 8.500 ppg
Design is based on evacuated pipe.**Minimum design factors:****Collapse:**

Design factor 1.125

Burst:

Design factor 1.00

Environment:H2S considered? Yes
Surface temperature: 75 °F
Bottom hole temperature: 144 °F
Temperature gradient: 0.80 °F/100ft
Minimum section length: 1,000 ft**Burst**Max anticipated surface pressure: 3,797 psi
Internal gradient: 0.000 psi/ft
Calculated BHP 3,797 psi

Annular backup: 8.50 ppg**Tension:**8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.60 (B)**Directional Info - Build & Hold**Kick-off point 6000 ft
Departure at shoe: 824 ft
Maximum dogleg: 1.5 °/100ft
Inclination at shoe: 25.31 °Tension is based on air weight.
Neutral point: 7,543 ft

Estimated cost: 64,942 (\$)

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Est. Cost (\$)
3	1500	7	23.00	HCL-80	LT&C	1500	1500	6.25	14563
2	4500	7	23.00	J-55	LT&C	6000	6000	6.25	23611
1	2757	7	23.00	HCL-80	LT&C	8600	8757	6.25	26767

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (kips)	Tension Strength (kips)	Tension Design Factor
3	662	4946	7.47	3797	6340	1.67	197.8	485	2.45 J
2	2649	3090	1.17	3135	4360	1.39	163.3	313	1.92 J
1	3797	5650	1.49	1148	6340	5.52	59.8	485	8.11 J

Prepared W.M. Frank
by: Devon EnergyPhone: (405) 552-4595
FAX: (405) 552-4621Date: April 10, 2003
Oklahoma City, Oklahoma**Remarks:**

Collapse is based on a vertical depth of 8600 ft, a mud weight of 8.5 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Collapse strength is (biaxially) derated for doglegs in directional wells by multiplying the tensile stress by the cross section area to calculate a

Engineering responsibility for use of this design will be that of the purchaser.



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

June 14, 2000

Ms. Julianne Barry
Senior Lease Analyst
Devon Energy Production Company, L.P.
20 North Broadway, Suite 1500
Oklahoma City, OK 73102-8260

Re: \$50,000 Blanket Plugging Bond
Devon Energy Corporation (Nevada), Principal – OGRID 6137
Aetna Casualty & Surety Company, Surety
Bond No. 30 S 100753026-11

Dear Ms. Barry:

The New Mexico Oil Conservation Division hereby acknowledges receipt and approves the rider to the above-captioned blanket plugging bond changing the name of principal to:

Devon Energy Production Company, L.P.

Sincerely,

LYN S. HEBERT

Attorney

Oil Conservation Division

LSH/dp

cc: Oil Conservation Division – Hobbs, Artesia, Aztec

Travelers Casualty and Surety Company of America
One Tower Square
Hartford, CT 06183

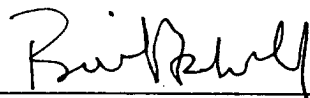
RECEIVED
JUN 19 2000
LAND DEPARTMENT

ASSUMPTION RIDER

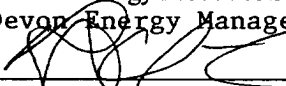
Bond No.30S100753026-11

It is hereby agreed by and between the undersigned principal(s) and surety in consideration for the additional premium or other payment made for this rider, if any, and the termination of liability by the State of New Mexico on Bond No. 8073-91-22 carrying PennzEnergy Exploration and Production, L.L.C. as Principal(s), and Federal Insurance Company as surety, that the coverage of this bond is extended to cover any and all liabilities that may be outstanding on Bond No. 8073-91-22. This includes, but is not limited to, the obligation properly to plug and abandon all wells existing on leases to which Bond No. 8073-91-22 applies, whether such leases are still valid or have expired, terminated, been relinquished or otherwise terminated, and to pay any unpaid rentals or royalties heretofore accruing; provided, however, that this rider shall not act to increase the potential or cumulative liability of the surety above the face amount of the bond to which this rider attaches.


Executed this 1st day of March, 2000.

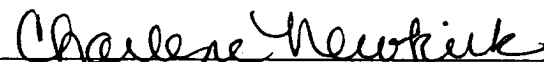


Witness and Address
20 N. Broadway, Suite 1500
Oklahoma City, OK 73102


Devon Energy Production Company, L.P.
By: Devon Energy Management Company, L.L.C.,
By:  General Partner

Principal R. D. Clark, Vice-President


Travelers Casualty and Surety Company of America



Witness and Address
125 Park Ave., Oklahoma City, OK 73102



Patsy A. Payne, Attorney-in-Fact

Proof of the current authority of the representative of the Surety to execute this rider should accompany this rider when filed (e.g., an authenticated power of attorney showing the power to be in affect on the date executed).