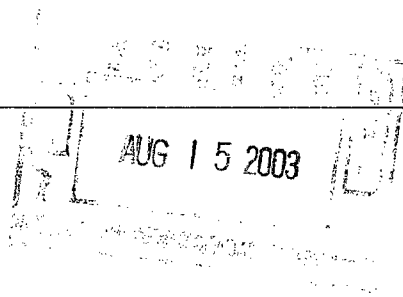


Rec: 8/15/03
Sup: 9/4/03
PMESO-323 337099
devon



Devon Energy Corporation
20 North Broadway
Oklahoma City, Oklahoma 73102-8260
Fax 405-552-8113

August 11, 2003

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505
Attn: Michael Stogner

RE: Right Hand Canyon 34 Fed Com #6
Section 34-T21S-R24E
Eddy County, New Mexico

30-015-32593

Gentlemen:

Devon Energy Production Company, L.P. ("Devon"), as Operator, has drilled the referenced well to a total measured depth of 8,689'. As reflected on the attached C-102, the well was permitted at a surface location of 660' FNL and 660' FEL with a permitted bottom hole location of 1,960' FNL and 760' FEL. The actual footage location as reflected on the attached survey report prepared by Scientific Drilling reflects a BHL of 2560.83' FNL and 810.62' FEL. The BHL for this well was inadvertently determined to be drilled to a location **1,960' from the surface location** and consequently the BHL is unorthodox as it is closer than 330' to the quarter/quarter line pursuant to the Indian Basin Upper Penn Associated Pool Rules.

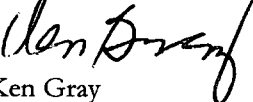
Inasmuch as the referenced well will be producing at an unorthodox location from that permitted by the Indian Basin Upper Penn Associated Pool Rules, Devon respectfully requests that the Commission administratively approve this application for an unorthodox location in accordance with Division Rule 104(F)(3). This unorthodox location is interior to the spacing unit; therefore Yates Petroleum Corporation as the only other interest owner in the designated spacing unit, being the E/2 Section 34, has been given notice of this administrative application.

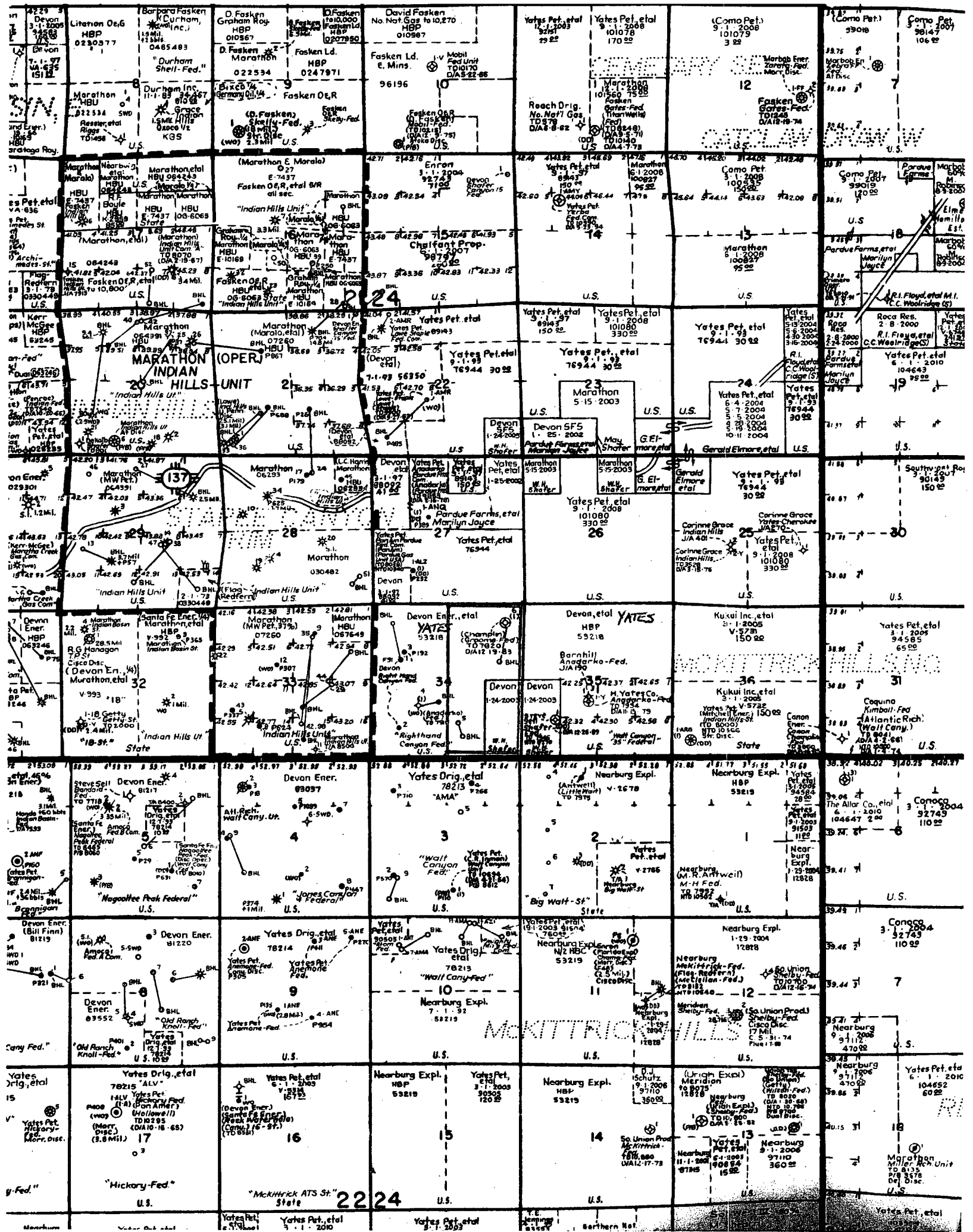
Attached for your review you will find a land plat reflecting Yates Petroleum Corporation as the only affected party, a structure map on top of the Cisco Canyon dolomite, a State of New Mexico form C-102, and a Scientific Drilling Keeper Gyro Survey.

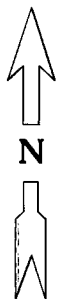
Feel free to contact the undersigned at (405) 552-4633 if there are any concerns or questions regarding this application.

Yours very truly,

DEVON ENERGY PRODUCTION COMPANY, L.P..


Ken Gray
Senior Land Advisor
KG\RHC 34-6UL
Enclosure





devon

**Structure:
Top of Cisco-Canyon
Dolomite**

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Artesia, NM 87410

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

EXHIBIT 2

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-	Pool Code 33685	Pool Name Indian Basin (Upper Penn) Assoc.
Property Code 25146	Property Name RIGHT HAND CANYON 34 FEDERAL	Well Number 6
OGRID No. 6137	Operator Name DEVON ENERGY PRODUCTION, CO., LP	Elevation 3657

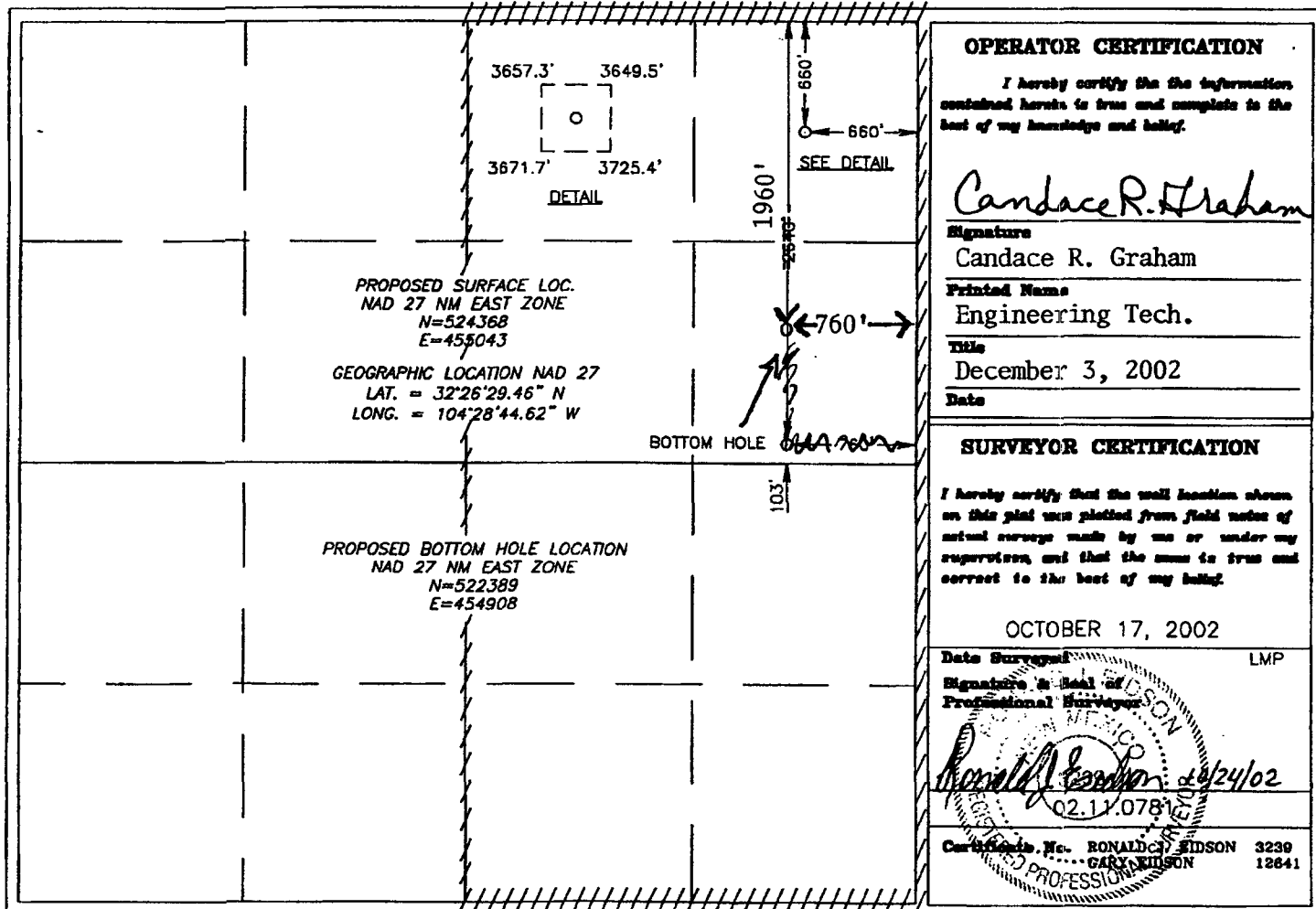
Surface Location

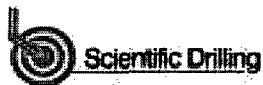
UL or lot No. A	Section 34	Township 21 S	Range 24 E	Lot Idn	Feet from the 660	North/South line NORTH	Feet from the 660	East/West line EAST	County EDDY
--------------------	---------------	------------------	---------------	---------	----------------------	---------------------------	----------------------	------------------------	----------------

Bottom Hole Location If Different From Surface

UL or lot No. H	Section 34	Township 21 S	Range 24 E	Lot Idn	Feet from the 2640 1960	North/South line NORTH	Feet from the 760	East/West line EAST	County EDDY
Dedicated Acres 320	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





Scientific Drilling

Keeper Gyro Survey

Company: Devon Energy	Date: 8/8/2003	Time: 16:31:01	Page: 1
Field: Right Hand Canyon	Co-ordinate(NE) Reference:	Well: Right Hand Canyon 34 Fed #6	
Site: Eddy County, NM	Vertical (TVD) Reference:	SITE 0.0	
Well: Right Hand Canyon 34 Fed #6	Section (VS) Reference:	Well (0.00N,0.00E,184.53Azi)	
Wellpath: 1	Survey Calculation Method:	Minimum Curvature	Db: Sybase

Survey: Gyro	Start Date: 8/8/2003
Company: Scientific Drilling	Engineer: Ron Drake
Tool: Keeper, Keeper Standard Rate Gyro	Tied-to: User Defined

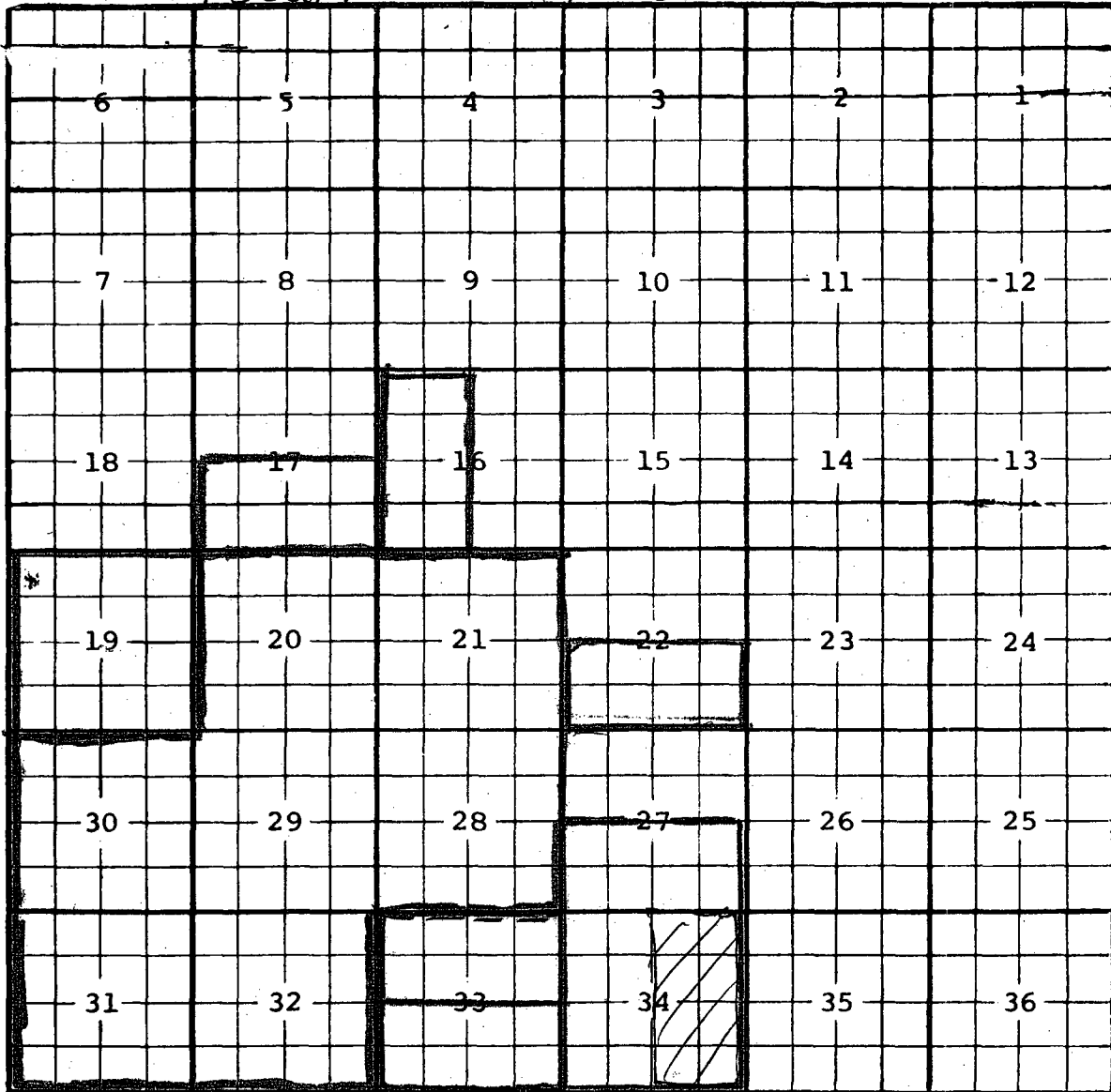
Survey

MD ft	Incl deg	Azim deg	TVD ft	N/S ft	E/W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	ClsA deg	ClsD ft	
8114.00	7.90	182.10	7692.76	-1830.57	-145.64	1836.35	0.00	0.00	0.00	184.55	1836.35	Keeper
8300.00	6.90	186.72	7877.21	-1854.44	-147.42	1860.29	0.63	-0.54	2.48	184.55	1860.29	Keeper
8400.00	6.64	186.30	7976.51	-1866.15	-148.75	1872.07	0.26	-0.26	-0.42	184.56	1872.07	Keeper
8500.00	6.74	183.84	8075.83	-1877.75	-149.78	1883.72	0.30	0.10	-2.46	184.56	1883.72	Keeper
8600.00	7.25	181.97	8175.09	-1889.92	-150.39	1895.89	0.56	0.51	-1.87	184.55	1895.89	Keeper
8689.00	6.84	180.44	8263.42	-1900.83	-150.62	1906.79	0.51	-0.46	-1.72	184.53	1906.79	Keeper

1900.83
660
2560.83

County Eddy Pool Indian Basin-Upper Pennsylvanian
Associated

TOWNSHIP 21 South Range 24 East NMPM



Ext: $\frac{5}{2}$ Sec. 27, All Sec. 34 (R-9963, 9-20-93)

Ext: $\frac{5}{2}$ Sec. 33 (R-10518, 10-20-95) Ext: $\frac{N}{2}$ Sec. 33 (R-10664, 9-16-96)

Ext: All Secs. 20, 21, 28, 29, 30, 31, 32 (R-9922-D, 12-7-98)

Ext: $\frac{W}{2}$ Sec. 16 (R-11678, 10-23-01) Ext: $\frac{5}{2}$ Sec. 22 (R-11729, 2-22-02)

Ext: All Sec. 19 (R-9922-E, 8-16-02) Ext: $\frac{1}{2}$ Sec. 17 (R-11838, 9-27-02)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPlicate*
(See other instruction
reverse side)

Form approved.

15F

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK: DRILL ☒ DEEPEN ☐

b. TYPE OF WELL: OIL WELL ☒ GAS WELL ☐ Other ☐ SINGLE ZONE ☒ MULTIPLE ZONE ☐

2. NAME OF OPERATOR
DEVON ENERGY PRODUCTION COMPANY, L.P. 6137

3. ADDRESS AND TELEPHONE NO.
20 N. BROADWAY, SUITE 1500, OKC, OK 73102 Wally Frank Senior Ops Engr 405-552-4595

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
At surface 660' FNL & 660' FEL, Unit A, Section 34-T21S-R24E, Eddy Cnty, NM
At top proposed prod. zone 1960' FNL & 760' FEL, Unit H, Section 34-T21S-R24E, Eddy Cnty, NM

5. LEASE DESIGNATION AND SERIAL NO.
SHL & BHL: NM-NM53218

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
N/A

7. UNIT AGREEMENT NAME
N/A 30642

8. FARM OR LEASE NAME, WELL NO.
RIGHTHAND CANYON "34" FEDERAL #6

9. API WELL NO.
30-015-32593

10. FIELD AND POOL, OR WILDCAT
Indian Basin (Upper Penn) Assoc.

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA
SHL: Unit A, Section 34-T21S-R24E
BHL: Unit H, Section 34-T21S-R24E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
25 miles NW of Carlsbad, NM

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.
(Also to nearest drl. unit line if any) 760'

16. NO. OF ACRES IN LEASE
1134.47

17. NO. OF ACRES ASSIGNED TO THIS WELL
320.00

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH
TVD 8,600'

20. ROTARY OR CABLE TOOLS*
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
GL 3657'

22. APPROX. DATE WORK WILL START*
January, 2003

PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
25"	Conductor 20"		40'	Redi-mix to surface
12 1/4"	H-40 9 5/8"	36#	1,600'	400 sx Pozmix C+ 200 sx Class C
8 3/4"	L-80/HCL-80 7"	23#	8,600'	320 sx Class H

We plan to circulate cement to surface on the 9 5/8" casing string. The cement top will be brought to approximately 6,000' on the 7" casing string.

Devon Energy proposes to drill a Penn gas well to TVD 8,600'± for commercial quantities. If the well is deemed noncommercial, the well bore will be plugged and abandoned per Federal regulations. Programs to adhere to onshore oil and gas regulations are outlined in the following exhibits and attachments.

Drilling Program

Surface Use and Operating Plan

Exhibits #1 = Blowout Prevention Equipment

Exhibit #2 = Location and Elevation Plat

Exhibits #3 = Road Map and Topo Map

Exhibit #4 = Wells Within 1 Mile Radius

Exhibits #5 = Production Facilities Plat

Exhibit #6 = Rotary Rig Layout

Exhibit #7 = Casing Design

H₂S Operating Plan

The undersigned accepts all applicable terms, conditions, stipulations and restrictions concerning operations conducted on the leased land or portions thereof, as described below.

Legal Description:

SHL & BHL= NM-NM53218; all of Section 34-T21S-R24E

Bond Coverage: Nationwide
BLM Bond #: CO-1104

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

SIGNED Candace R. Graham

Candace R. Graham
TITLE Engineering Technician

(450) 235-3611 X4520

DATE December 3, 2002

*(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

/s/ LESLIE A. THEISS

APPROVED BY _____

TITLE FIELD MANAGER

DATE JAN 14 2003

See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

APPROVAL FOR 1 YEAR

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals and Natural Resources Department

EXHIBIT 2

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-	Pool Code 33685	Pool Name Indian Basin (Upper Penn) Assoc.
Property Code 25146	Property Name RIGHT HAND CANYON 34 FEDERAL	Well Number 6
OGRID No. 6137	Operator Name DEVON ENERGY PRODUCTION, CO., LP	Elevation 3657

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	34	21 S	24 E		660	NORTH	660	EAST	EDDY

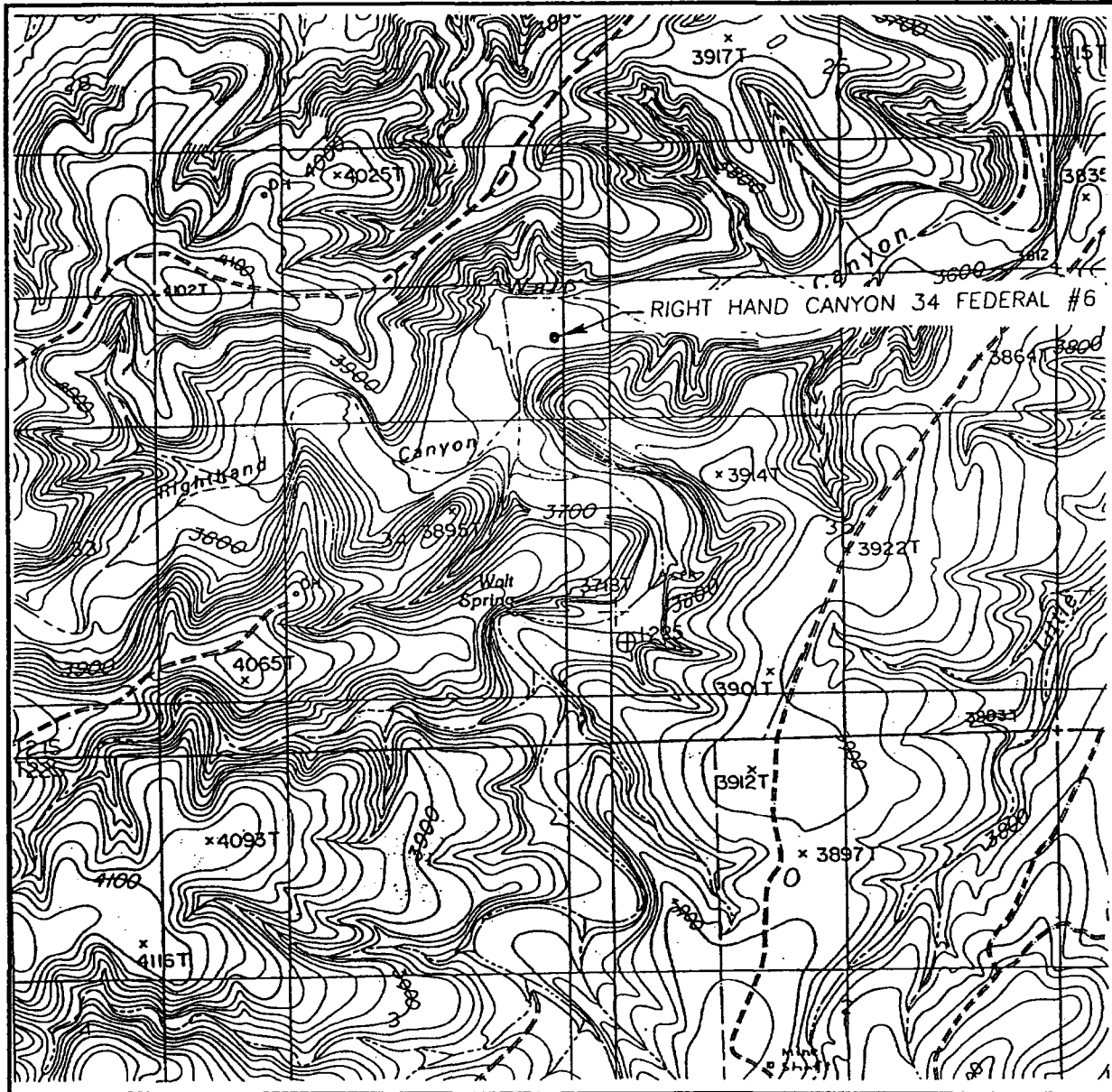
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	34	21 S	24 E		2640 1960	NORTH	760	EAST	EDDY
Dedicated Acres 320	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

3657.3' 3649.5' 3671.7' 3725.4' DETAIL PROPOSED SURFACE LOC. NAD 27 NM EAST ZONE N=524368 E=455043 GEOGRAPHIC LOCATION NAD 27 LAT. = 32°26'29.46" N LONG. = 104°28'44.62" W PROPOSED BOTTOM HOLE LOCATION NAD 27 NM EAST ZONE N=522389 E=454908 1960' 760' 103' BOTTOM HOLE	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. <i>Candace R. Graham</i> Signature Candace R. Graham Printed Name Engineering Tech. Title December 3, 2002 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. OCTOBER 17, 2002 Date Surveyed LMP Signature & Seal of Professional Surveyor <i>Ronald J. Edson</i> 02.11.0781 Certificate No. RONALD J. EDSON 3230 GARY EDSON 12641
---	--

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
MARTHA CREEK, N.M. - 20'

SEC. 34 TWP. 21-S RGE. 24-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 660' FNL & 660' FEL

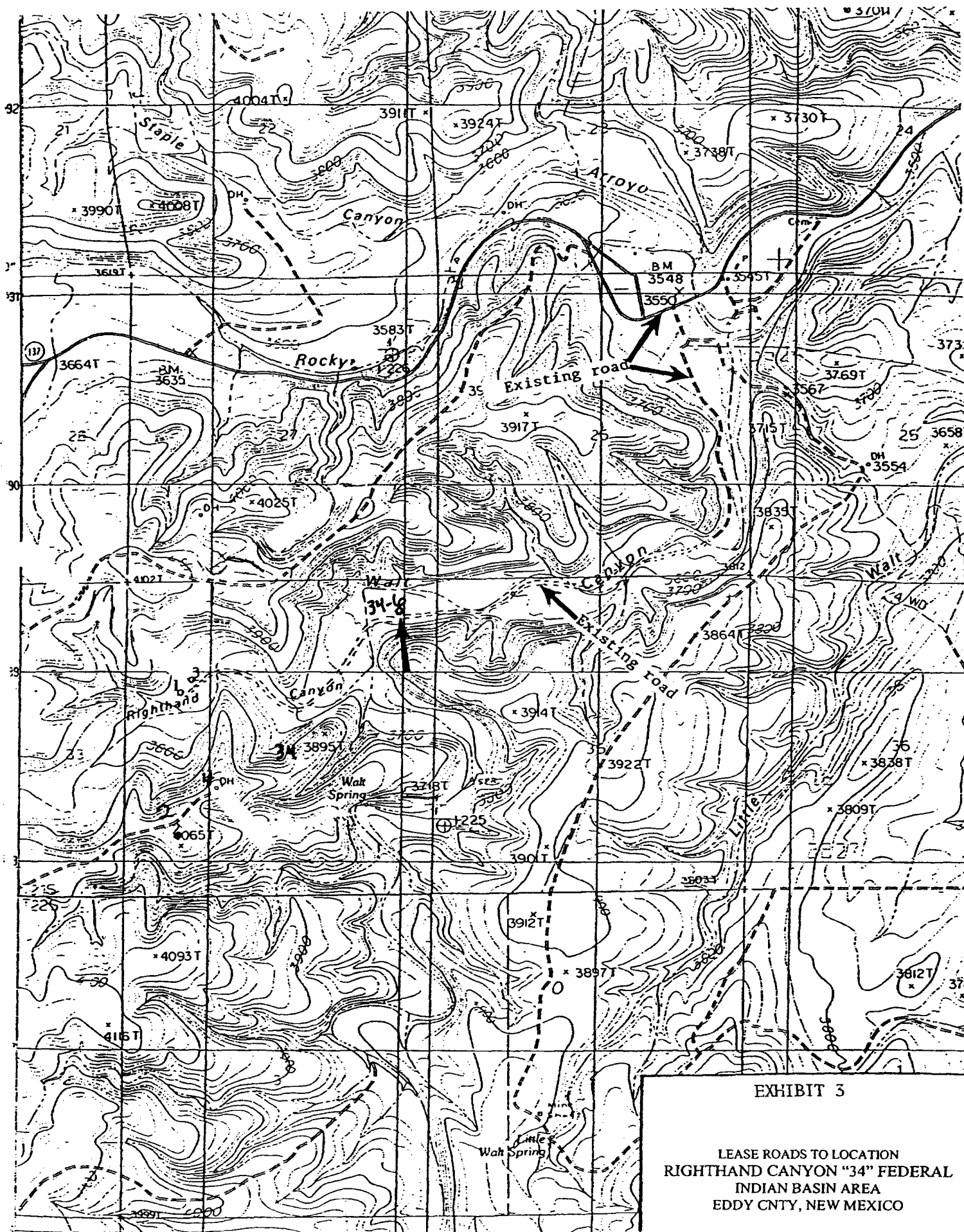
ELEVATION 3657

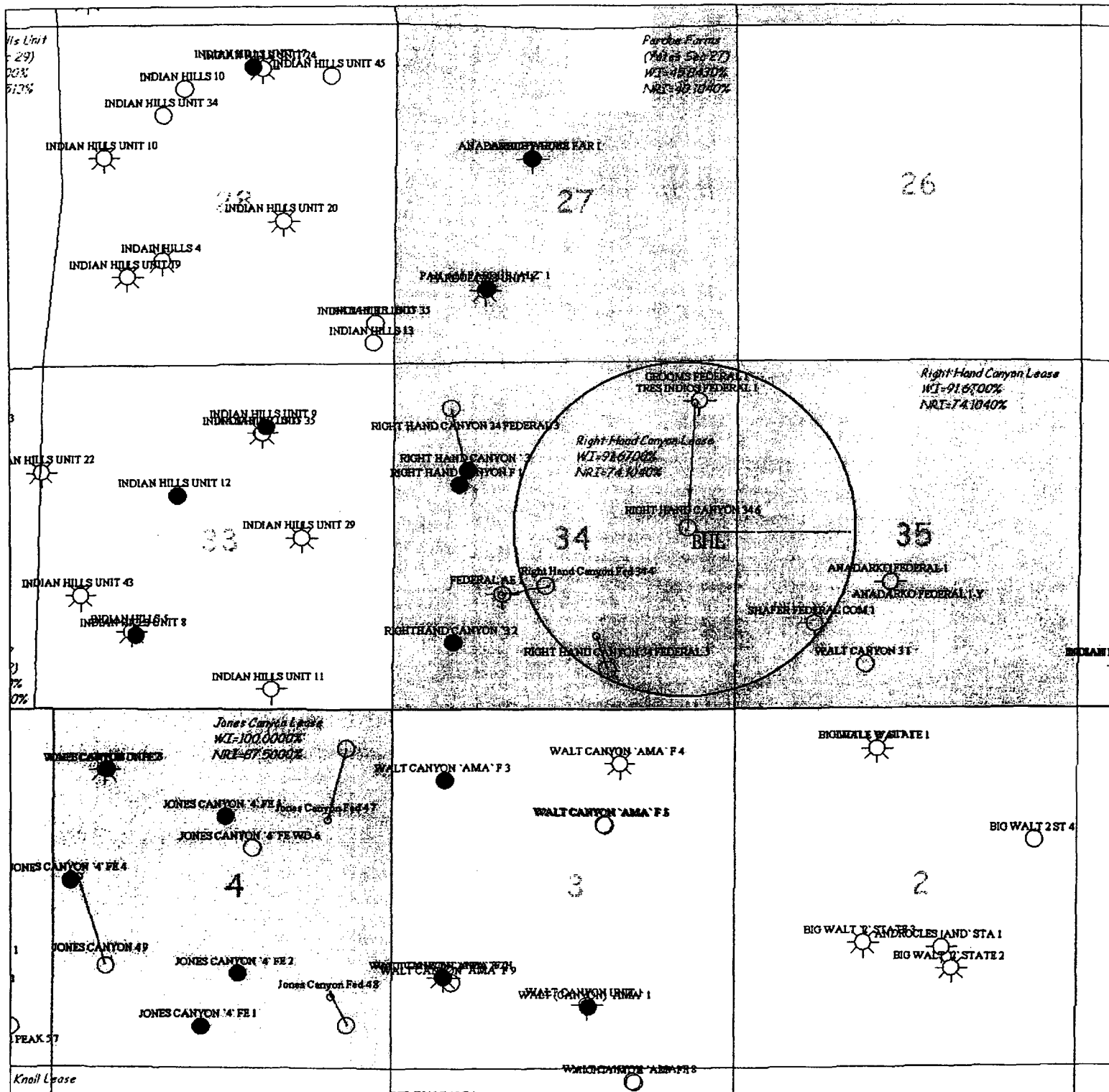
OPERATOR DEVON ENERGY
PRODUCTION, CO., LP

LEASE RIGHT HAND CANYON 34 FEDERAL

U.S.G.S. TOPOGRAPHIC MAP
MARTHA CREEK, N.M.

JOHN WEST SURVEYING
HOBBS, NEW MEXICO
(505) 393-3117





WELLS WITHIN 1 MILE RADIUS
RIGHTHAND CANYON "34" FEDERAL
INDIAN BASIN AREA
EDDY CNTY, NEW MEXICO

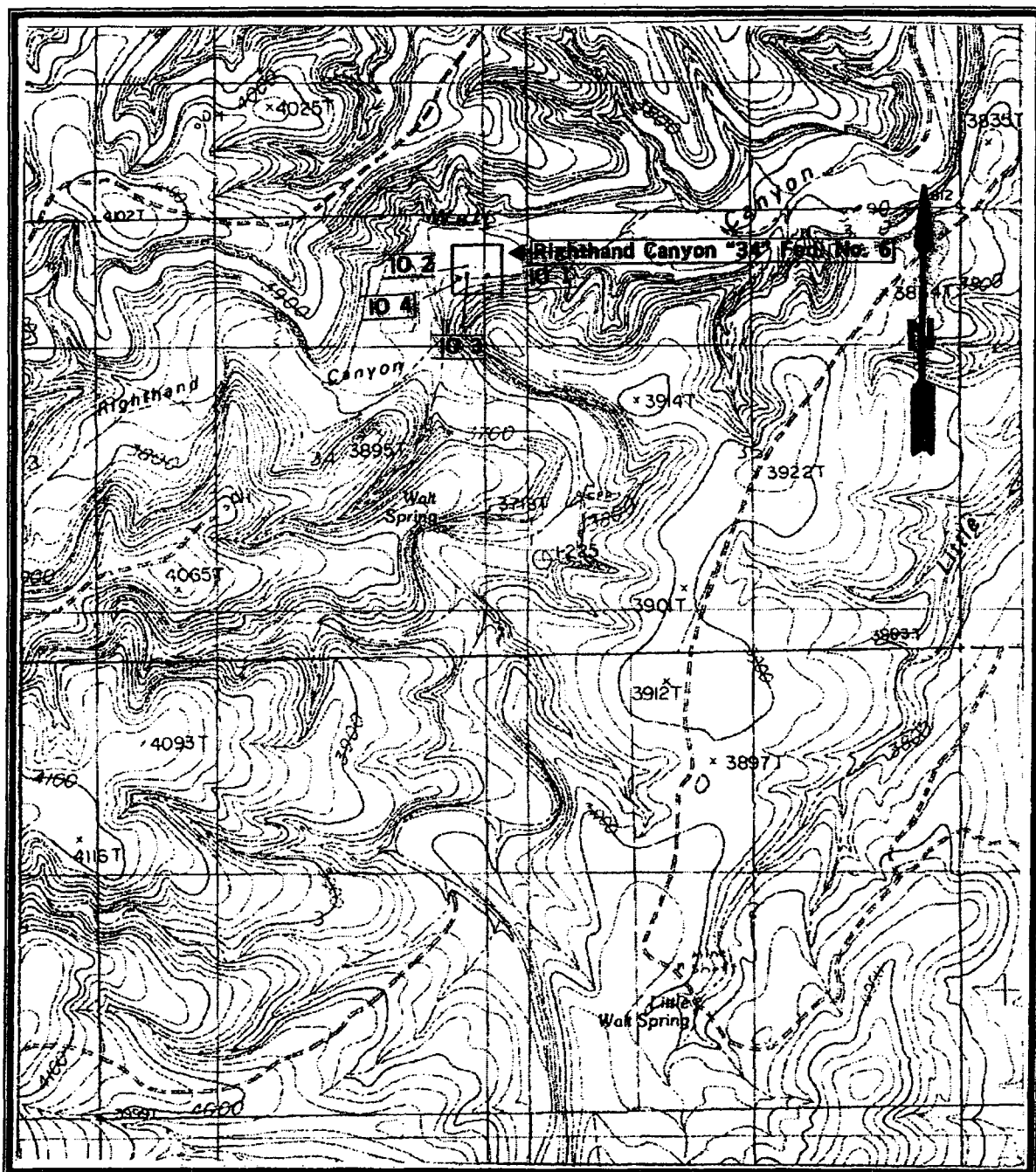


Figure 1. Survey Area Devon Energy Production Company, L.P.
The Righthand Canyon "34" Federal Number 6
Proposed Well Location
Section 34, T.21S., R. 24E
USGS Azotea Peak, NM 1985 7.5' topo map
Eddy County, New Mexico
Scale 1:24,000

Southern New Mexico Archaeological Services, Inc.