N.M. Oil Cons. DIV-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210

Form 3160-5
(August 1999)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

5. Lease Serial No.
NM-NM53218

6. If Indian, Allottee or Tribe Name
N/A

7. If Unit or CA/Agreement, Name and/or No.
N/A

1. Type of Well
☐ Oil Well ☐ Gas Well ☒ Other Proposed gas well

8. Well Name and No.
Right Hand Canyon "34" Federal #3

2. Name of Operator
Devon-SFS Operating, Inc.

9. API Well No.
30-015- 32147

3a. Address
20 N. Broadway, Suite 1500, OKC, OK 73102

3b. Phone No. *(include area code)*
(405)552-4595 Wally Frank

10. Field and Pool, or Exploratory Area
Indian Basin (Upper Penn Assoc.)

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
SHL: 1716' FNL & 1128' FWL, Unit E, Section 34-T21S-R24E, Eddy Cnty, NM
BHL: 660' FNL & 660' FWL, Unit D, Section 34-T21S-24E, Eddy Cnty, NM

11. County or Parish, State
Eddy County
New Mexico

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/ Resume)	☐ Water Shut-Off
☒ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Amend APD
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Devon-SFS is requesting approval to amend the Application for Permit to Drill for the Right Hand Canyon "34" Federal #3 by setting 9 5/8" surface casing rather than 13 3/8" casing and 7" production casing. Attached please find the casing design sheets for each.

Change hole sizes to 8 3/4" and 12 1/4"

RECEIVED
OCD ARTESIA

14. I hereby certify that the foregoing is true and correct
Name *(Printed/Typed)*
Candace R. Graham (405) 552-4520

Title
Engineering Tech.

Signature Candace R. Graham

Date
01/03/2002

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by (ORIG. SGD.) ALEXIS C. SWOBODA

Title PETROLEUM ENGINEER

Date JAN 10 2002

Conditions of approval, if any, are attached. Approval of this notice 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.

Office

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.

(Instructions on reverse)

Well name:	**Right Hand Canyon 34 "D" #3**
Operator:	**Devon SFS Operating, Inc.**
String type:	Production
Location:	660' FNL & 660' FWL, Sec. 34, T21S, R24E

Design parameters:

Collapse
Mud weight: 8.400 ppg
Design is based on evacuated pipe.

Burst
Max anticipated surface pressure: 3,753 psi
Internal gradient: 0.000 psi/ft
Calculated BHP 3,753 psi
Annular backup: 8.50 ppg

Minimum design factors:

Collapse:
Design factor 1.125

Burst:
Design factor 1.00

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)

Tension is based on air weight.
Neutral point: 7,638 ft

Estimated cost: 63,690 ($)

Environment:
H2S considered? Yes
Surface temperature: 90 °F
Bottom hole temperature: 159 °F
Temperature gradient: 0.80 °F/100ft
Minimum section length: 1,000 ft

Directional Info - Build & Hold
Kick-off point 5000 ft
Departure at shoe: 1171 ft
Maximum dogleg: 1.5 °/100ft
Inclination at shoe: 22.38 °

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	1100	7	23.00	HCL-80	LT&C	1100	1100	6.25	10679
2	4900	7	23.00	J-55	LT&C	5989	6000	6.25	25710
1	2812	7	23.00	HCL-80	LT&C	8600	8812	6.25	27301

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	480	4891	10.19	3753	6340	1.69	197.8	485	2.45 J
2	2613	3030	1.16	3267	4360	1.33	172.5	313	1.81 J
1	3753	5650	1.51	1108	6340	5.72	60.1	485	8.08 J

Prepared by: W.M. Frank
Devon Energy
Phone: (405) 552-4595
FAX: (405) 552-4621
Date: January 3,2002
Oklahoma City, Oklahoma

Remarks:
Collapse is based on a vertical depth of 8600 ft, a mud weight of 8.4 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

Well name:	**Right Hand Canyon 34 "D" #3**
Operator:	**Devon SFS Operating, Inc.**
String type:	Surface
Location:	660' FNL & 660' FWL, Sec. 34, T21S, R24E

Design parameters:

Collapse

Mud weight: 8.500 ppg
Design is based on evacuated pipe.

Surface pressure: 250 psi

Burst

Max anticipated surface pressure: 971 psi
Internal gradient: 0.000 psi/ft
Calculated BHP 971 psi

Annular backup: 8.50 ppg

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

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)

Tension is based on air weight.
Neutral point: 1,488 ft

Environment:

H2S considered? No
Surface temperature: 90 °F
Bottom hole temperature: 104 °F
Temperature gradient: 0.80 °F/100ft
Minimum section length: 1,000 ft
Minimum Drift: 2.250 in

Non-directional string.

Re subsequent strings:

Next setting depth: 8,600 ft
Next mud weight: 8.800 ppg
Next setting BHP: 3,931 psi
Fracture mud wt: 11.000 ppg
Fracture depth: 1,700 ft
Injection pressure 971 psi

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 ($)
1	1700	9.625	32.30	H-40	ST&C	1700	1700	8.876	14057

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
1	1001	1370	1.37	971	2270	2.34	54.9	254	4.63 J

Prepared by: W.M. Frank
Devon Energy
Phone: (405) 552-4595
FAX: (405) 552-4621
Date: January 3,2002
Oklahoma City, Oklahoma

Remarks:
Collapse is based on a vertical depth of 1700 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.