



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

October 15, 2002

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

RE: Right Hand Canyon 34-4
Section 34-T21S-R24E
Eddy County, New Mexico



Gentlemen:

Devon SFS Operating, Inc. ("Devon"), as Operator, has drilled the referenced well to a total measured depth of 8,782'. As reflected on the attached C-102, the well was permitted at a surface location of 1,820' FSL and 1,650' FWL with a permitted bottom hole location of 1,980' FSL and 2,310' FWL. The actual footage locations as reflected on the attached survey report prepared by Scientific Drilling reflects a bottom hole location of 1,982.7' FSL and 2,291.3' FWL. The attached structure map shows that the Right Hand Canyon 34-4 represents Devon's easternmost Cisco-Canyon producer in the Indian Basin Upper Penn Associated Pool and was drilled in attempt to extend Cisco-Canyon production on Devon's Right Hand Canyon lease in a downdip direction. This well was inadvertently dedicated to a S/2 Section 34 spacing unit prior to drilling and was subsequently changed to a W/2 Section 34 spacing unit in order to conform with the existing wells in the W/2 of Section 34. However, this inadvertent dedication was not discovered until the well had been drilled.

Inasmuch as the reference 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). Our records reflect that Yates Petroleum Corporation is the only affected party requiring notification of this application as shown on the attached plat.

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

Yours very truly,

DEVON SFS OPERATING, INC.

Ken Gray
Senior Land Advisor
KG\RHC 34UL