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

MAY 2003
RECEIVED
OCD - ARTESIA

Form C-101
Revised March 17, 1999

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	[2] OGRID Number
Devon Energy Production Company, L.P. 20 N. Broadway, Suite 1500, Oklahoma City, OK 73102 Walter M. Frank, Senior Operations Engineer, 405/552-4595	6137
	[3] API Number 30-015- 32807

[4] Property Code	[5] Property Name	[6] Well No.
~~25146~~ 32375	Righthand Canyon "34" Fee Com.	7

[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
O	34	21S	24E		1176'	south	2123'	east	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
I	34	21S	24E		1980'	south	990'	east	Eddy Cnty, NM

[9] Proposed Pool 1	[10] Proposed Pool 2
Indian Basin (Upper Penn) Assoc. 33685	

[11] Work Type Code	[12] Well Type Code	[13] Cable/Rotary	[14] Lease Type Code	[15] Ground Level Elevation
N	G	R	P	GL 3918'
[16] Multiple	**[17] Proposed Depth**	**[18] Formation**	**[19] Contractor**	**[20] Spud Date**
N/A	8,600'	Upper Penn	Unknown	07/01/2003

[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" J55	36#	1,600'	600 sx	surface
8 3/4"	7" L80/J55/HCL80	23#	8,600'	320 sx	6,000'
	Witness				

[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 drill this well to a total depth of 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 casing design sheets.

[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: 05/23/2003 Phone: (405)235-3611

OIL CONSERVATION DIVISION

Approved by: Chris Williams

Title: SUPERVISOR, DISTRICT II

Approval Date: MAY 29 2003 Expiration Date: MAY 29 2004

Conditions of Approval:

Attached ☐

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., Aztec, NM 87410

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

State of New Mexico
Energy, Minerals and Natural Resources Department

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
30-015-	33685	Indian Basin (Upper Penn) Assoc.

Property Code	Property Name	Well Number
25146	RIGHTHAND CANYON 34 ~~FEDERAL~~ FEE COM.	7

OGRID No.	Operator Name	Elevation
6137	DEVON ENERGY PRODUCTION COMPANY, L.P.	3918'

Surface Location

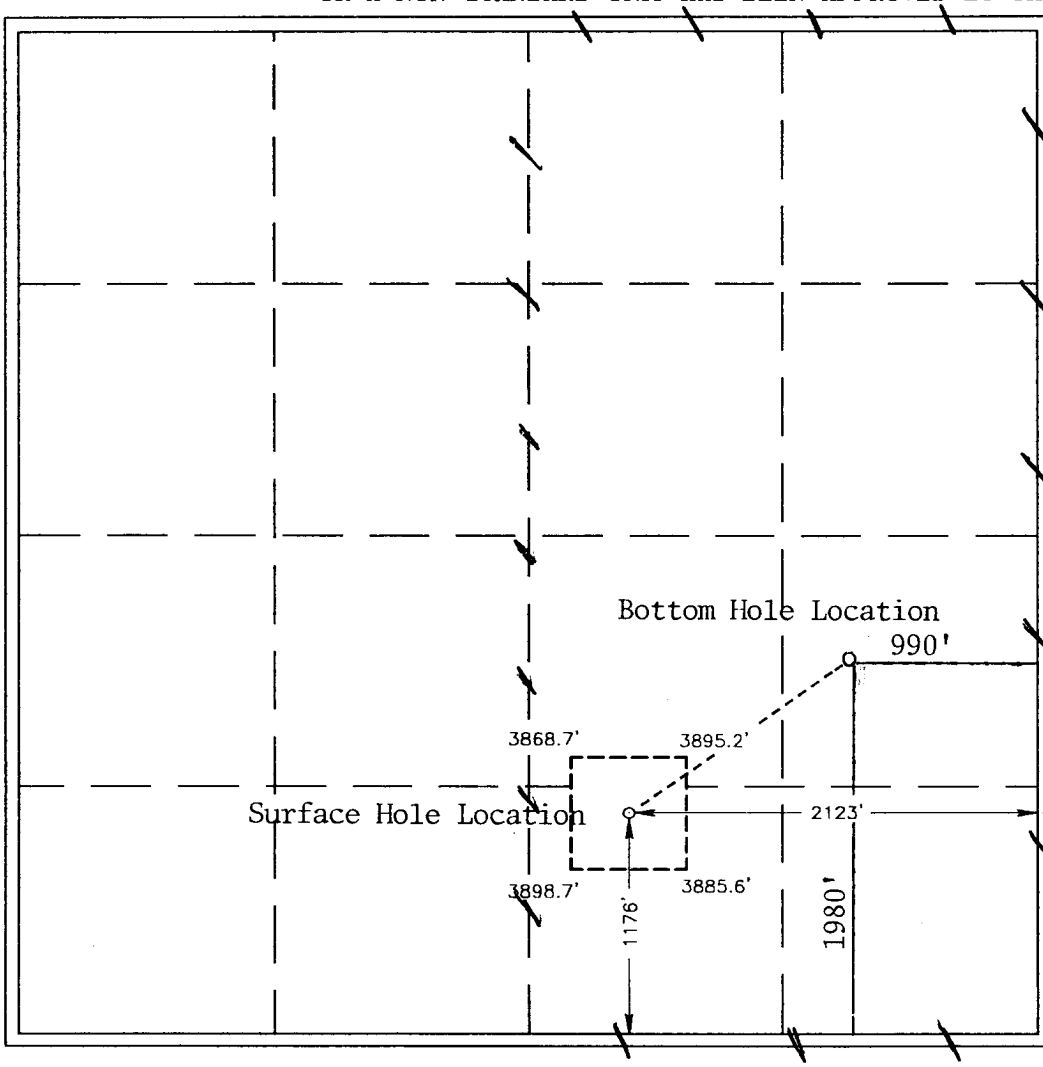
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	34	21-S	24-E		1176'	SOUTH	2123'	EAST	EDDY

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
I	34	21-S	24-E		1980'	SOUTH	990'	EAST	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



OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

Candace R. Graham
Signature

Candace R. Graham
Printed Name

Engineering Tech.
Title

May 23, 2003
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 supervison, and that the same is true and correct to the best of my belief.

DECEMBER 27, 2002
Date Surveyed AWB

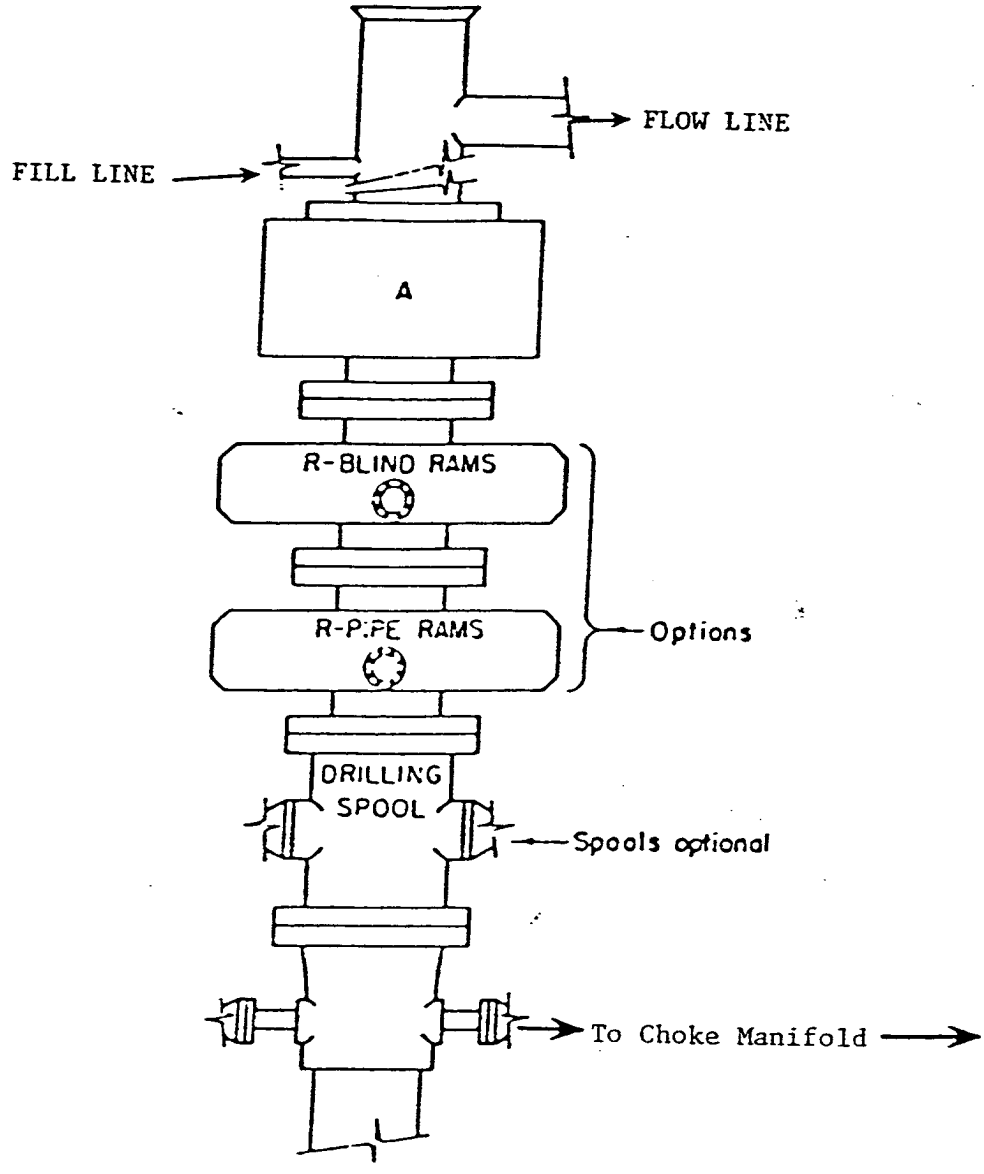
Signature & Seal of Professional Surveyor

RONALD J. EIDSON NEW MEXICO REGISTERED PROFESSIONAL ENGINEER

Ronald J. Eidson 12/30/02

02.11.1017

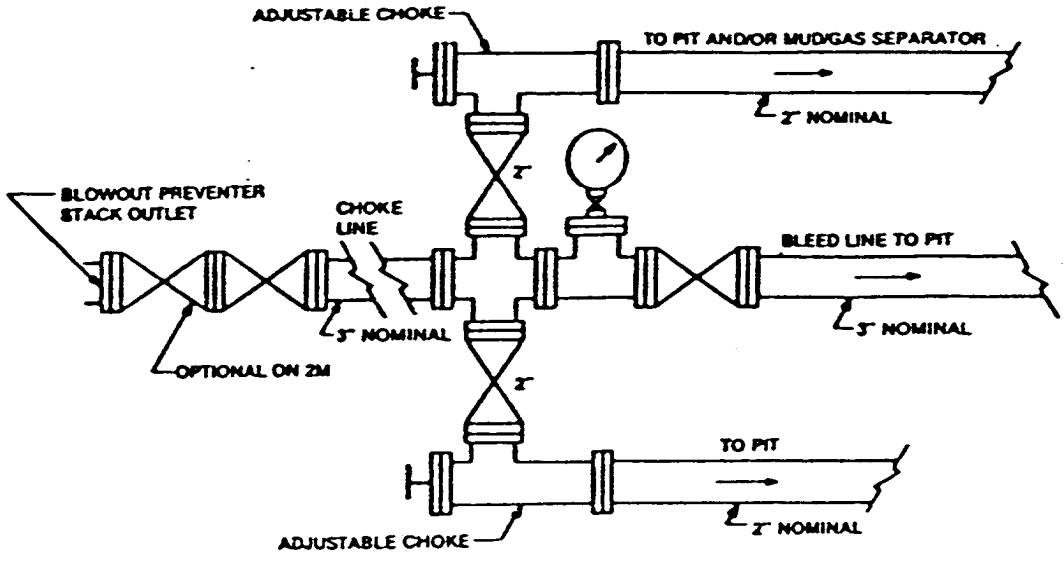
Certificate No. RONALD J. EIDSON 3239
GARY EIDSON 12641



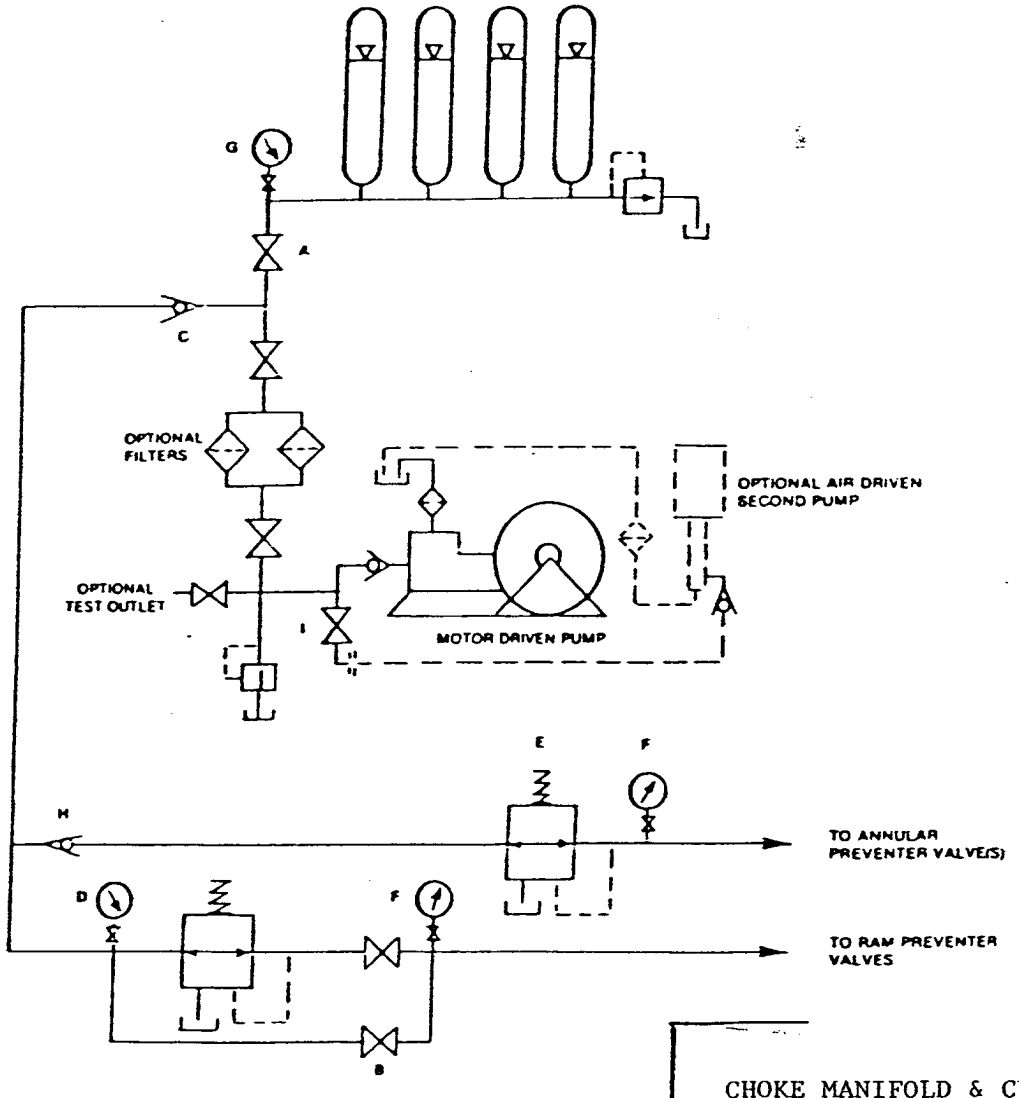
ARRANGEMENT SRRA

900 Series
3000 PSI WP

SKETCH OF B.O.P. TO BE USED ON
Devon Energy Production Company, L.P.
RIGHTHAND CANYON "34" FEDERAL # 7
UNIT O SECTION 34
T22S-R24E EDDY CO. NM



Typical choke manifold assembly for 3M WP system



CHOKE MANIFOLD & CLOSING UNIT

Devon Energy Production Company, L.P

RIGHTHAND CANYON "34" FEDERAL #7

UNIT O SECTION 34

T22S-R24E EDDY CO. NM

Well name:	**Right Hand Canyon 34-7**
Operator:	**Devon Energy Production Company L.P.**
String type:	Surface
Location:	Section 34, T21S, R24E

Design parameters:

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

Burst
Max anticipated surface pressure: 914 psi
Internal gradient: 0.000 psi/ft
Calculated BHP 914 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: 1,399 ft

Environment:
H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 88 °F
Temperature gradient: 0.80 °F/100ft
Minimum section length: 1,000 ft
Minimum Drift: 8.750 in

Non-directional string.

Re subsequent strings:
Next setting depth: 8,600 ft
Next mud weight: 9.000 ppg
Next setting BHP: 4,021 psi
Fracture mud wt: 11.000 ppg
Fracture depth: 1,600 ft
Injection pressure 914 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	1600	9.625	36.00	J-55	ST&C	1600	1600	8.796	13908

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	706	2020	2.86	914	3520	3.85	57.6	394	6.84 J

Prepared by: W.M. Frank
Devon Energy
Phone: (405) 552-4595
FAX: (405) 552-4621
Date: January 17,2003
Oklahoma City, Oklahoma

Remarks:
Collapse is based on a vertical depth of 1600 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.

Well name:	**Right Hand Canyon 34-7**
Operator:	**Devon Energy Production Company L.P.**
String type:	Production
Location:	Section 34, T21S, R24E

Design parameters:

Collapse
Mud weight: 9.000 ppg
Design is based on evacuated pipe.

Burst
Max anticipated surface pressure: 4,021 psi
Internal gradient: 0.000 psi/ft
Calculated BHP 4,021 psi
Annular backup: 9.00 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: 7,525 ft

Estimated cost: 65,205 ($)

Environment:
H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 144 °F
Temperature gradient: 0.80 °F/100ft
Minimum section length: 1,000 ft

Directional Info - Build & Hold
Kick-off point 5500 ft
Departure at shoe: 1088 ft
Maximum dogleg: 1.5 °/100ft
Inclination at shoe: 26.2 °

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	L-80	LT&C	1100	1100	6.25	9866
2	4400	7	23.00	J-55	LT&C	5500	5500	6.25	23087
1	3322	7	23.00	HCL-80	LT&C	8600	8822	6.25	32252

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	514	3315	6.45	4021	6340	1.58	197.8	435	2.20 J
2	2571	3046	1.18	3506	4360	1.24	172.5	313	1.81 J
1	4021	5650	1.41	1449	6340	4.37	71.3	485	6.80 J

Prepared by: W.M. Frank
Devon Energy
Phone: (405) 552-4595
FAX: (405) 552-4621
Date: January 17,2003
Oklahoma City, Oklahoma

Remarks:
Collapse is based on a vertical depth of 8600 ft, a mud weight of 9 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