Indian Hills Unit #1 Indian Basin Field 416' FSL & 176' FWL Sec 21, T21S, R24E Eddy County, NM Existing Casing (Original hole drilled 1963) Surface: 13 3/8" set at 304'. Cemented with 960 sxs. Intermediate: 9 5/8" 36# set at 3098'. Cemented 1163 sxs. TOC @ 184'. Topped out with 50 sxs. Production: 7" 23#, 26# & 29# N80 set at 10160' First stage cemented with 100 sxs. Second stage cemented with 600 sxs. Stage tool at 6400' by temperature survey. Well Abandonment (8/92) Set CIBP at 9115' and capped with 10 sxs. Cut casing at 6100' Spotted 40 sxs from 6175' to 6002' (7" casing stub), tagged plug. Spotted 40 sxs from 3117' to 2952' (9 5/8" casing shoe), tagged plug. Spotted 35 sxs from 317' to surface. Installed dry hole marker. Re-entry procedure MIRU, NU & test 7 1/16" 5M BOPE. 1. 2. Drill out cement plugs at surface to 317', 2952' to 3117'. RIH tag cement plug at 6002'. POOH.

- RIH open ended. Spot 175 sxs kick off plug from 6002' to 5700' (includes 40% excess). POOH & WOC.
- 4. RIH w/ bit. Dress off cement plug from 5700' to 5750'. POOH.
- 5. RIH w/ bit and motor. Blind side track around existing casing. Build to 8 degrees at 6300'. Hold at 8 degrees to 6600'. Drop 2 degrees/100' until vertical at 7000'. Drill vertical hole to ~8200'. New well will be approximately 100' from existing wellbore.
- 6. Log well. Run & cement 7" 23# (surf to 4800') and 26# (4800' to TD) K55 casing. Cement 1st stage with 250 sxs, 2nd stage w/ 750 sxs. Set stage tool at 6400'. RDMO.
- 7. Complete well in Upper Penn based on logs.

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