Indian Hills Unit # 32 U.L. "M" Section16, T-21-S,R-24-E 1293' FSL & 660' FWL Eddy County, New Mexico

MIRU Nabors Rig # 311,Contact OCD of spud . Spud well w/ 17-1/2" bit and air drill surface hole. Drill f/ 68' to 231'. TOH w/ BHA. Pump 40 yards redi-mix. WOC 12 hrs. Drill out cement, lost all returns. Pump 20 more yards redi-mix.WOC 12-hrs. Starting Drilling cement w/ air then switched to water. Circ. And spot pill on btm. Drill cement w/ fluid lost returns @ 221', getting intermittent returns f/ 231'-470'. Drill open hole w/ air mist f/ 470 to 937' w/ good returns. Drilling open hole w/ air mist f/ 937 to 1527'. Drillf/1527' to 1800' casing point. Run 40 jts. 13-3/8' 54.50# @ 1795'. R.U. Halliburton cement casing w/ 100 sks. P.P.w/ additives, 200 sks.Thix-set, 500 sks. Howco Lite P.P.,

250 sks. Premium Plus cement. Plug down @ 12:00 noon 3/11/2001. No circulation while cementing. Ran temp. survey Est. TOC @ 780'. R.U. HES pump 350sks. Class "C"down annulus w/ 1" pipe while dumping 3-yards Pea gravel down backside. Cemented to top, weld on head. R.U. BOP Stack. WOC 8-hrs.

Trip in hole w/ BHA# 2. Drill out cement ,rubber, and float collar to 1800'.

Drill formation w/ air hammer, survey @ 2229' ½ deg. Drill f/ 2903' to 7876' lost all returns. Pump sweep drill w/ no returns. F/ 7876' to 8660'.Drill to T.D. @ 8700'

R.U. casing crew, run 194 jts. Of 9-5/8" 43.50# and 40# casing w/ ECP & D.V. tool.

R.U. Halliburton, cement 1st stage w/ 500 sks. Premium 1% Zoneseal w/ 150 scf nitrogen, 175 sks. Premium Neat. Cement second stage w/ 1330 sks. Interfill "C" w/ additives. Tailed in w/200 sks. Premium Neat. Circulated 90 sks. to pit. WOC 10-hrs. Set casing slips and bolt up. Test BOP and casing to 1000# OK. Trip in hole w/ 8-1/2" bit , drill cement to DV tool @ 7424'. Test casing to 1000# OK. Tag float collar, lay down drill pipe, ND BOP stack, test seals to 2500# OK.

Release Nabors 311 @ 12:00 MD 4/02/01.