

From JERRY SEXTON District Supervisor

- X ARCANCE

Ta Jerry

Bill Powers with Shell called 5/17/89 --NHU #18-411 A-18-18-38 (Producer) has problem. They cleaned cut and SI for night next morning found redbeds in hole. Set CIBP above perfs 4224-4246 and ran casing inspection log. Found bad casing 370--1284 ft. Severe netal loss 400-484, 670-770', 830-902, 980-1020' -- Possible holes 805 & 854' and for certain holes 452 and 677' where suspected red beds came from.

Thinks casing is top bad to squeeze -- want to try to back casing off about 300'.

He realizes the possibility that they may not be able to get back in hole and may have to plug. TOC is 2590'. Talked about setting a cement plug. Paul picked bottom of Salado approx 2700'.