Hobbs, New Mexico, November 12, 1935.

F. J. Vasel Mr. C. G. Staley, % Proration Office,

Hobbs, New Mexico.

Dear Sir:

We wish to run a string of $5\frac{1}{2}$ " O.D. casing in our Steve Taylor #1, northeast of Hobbs. Since the well is running low, we do not wish to use the conventional amount of cement for this casing.

A string of 7-5/8" O.D. casing was run at 3581', on top of the Bowers sand, and cemented with 75 sacks. The Bowers was non-productive and we have had shale, salt, and anhydrite below the Bowers. The base of the anhydrite in this well was 4525', so it may be seen there is little chance of producing it.

A small show of oil was encountered shortly below 4525', and five tests with Halliburton Formation Tester were failures.

We feel that 25 sacks of cement should be adequate for the $5\frac{1}{2}$ " casing since no porous zones were encountered between the base of the intermediate casing and the proposed $5\frac{1}{2}$ " 0.D. casing point.

Very truly yours,

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District Superintendent, GYPSY OIL COMPANY

LLG:JH APPROVED: Commission Conservation