Total Depth 3404'. The 7" production casing is cemented at 3391'.

On 3-20-40, after plugging back to 3404' and acidizing with 560 gallons, this well produced 27 barrels oil plus 97% water in 24 hours pumping. Since that date, the oil production has rapidly declined and the water percentage increased. During the month of June, 1940, this well produced an average of 7 barrels oil plus at least 99% water per day. On a recent test, the well pumped 1600 barrels fluid of which only 8-1/2 barrels were oil in 24 hours.

As the production has now declined below the economic limit, we desire permission to set a cement retainer in the 7" casing at approximately 3395' and squeeze approximately 50 sacks of cement into the formation below the retainer to shut off this excessive volume of water. After allowing time for the cement to set, we propose to perforate the casing from approximately 3370' to 3385' and acidize this section if necessary in an attempt to obtain commercial production at this depth. The original log indicates that there was a cavity at this point, which at that time undoubtedly contained a large quantity of gas and we now have reason to believe this section will be saturated with oil.

NOTE: All depths referred to above are based on the present ground elevation which is 3264'.