

WALTER W. KRUG

308 N. COLORADO
SUITE 4
MIDLAND, TEXAS 79701

November 8, 1972

Mr D. S. Harroun
601 Riverside Drive
Carlsbad, New Mexico 88220

Re: A proposed 3600 foot well in
2310' FEL and 2310 FNL of
Section 20, T 20 S, R 34 E,
Lea County, New Mexico.

Dear Mr Harroun:

I am in the process of starting a well on the above subject acreage and the U.S.G.S. informed me that you had a potash lease, New Mexico 029245, covering this section and for a mile around in all directions. As you know I need either a waiver from you, that you have no objections to me drilling a well (using the U.S.G.S approved requirement), or I have a ten (10) day waiting period. I would like you to consider signing the waiver below, to preclude the ten day waiting period.

Your positive consideration and prompt reply will be sincerely appreciated. You will of course be furnished any logs I run.

Very truly yours,

Walter W. Krug
Walter W. Krug

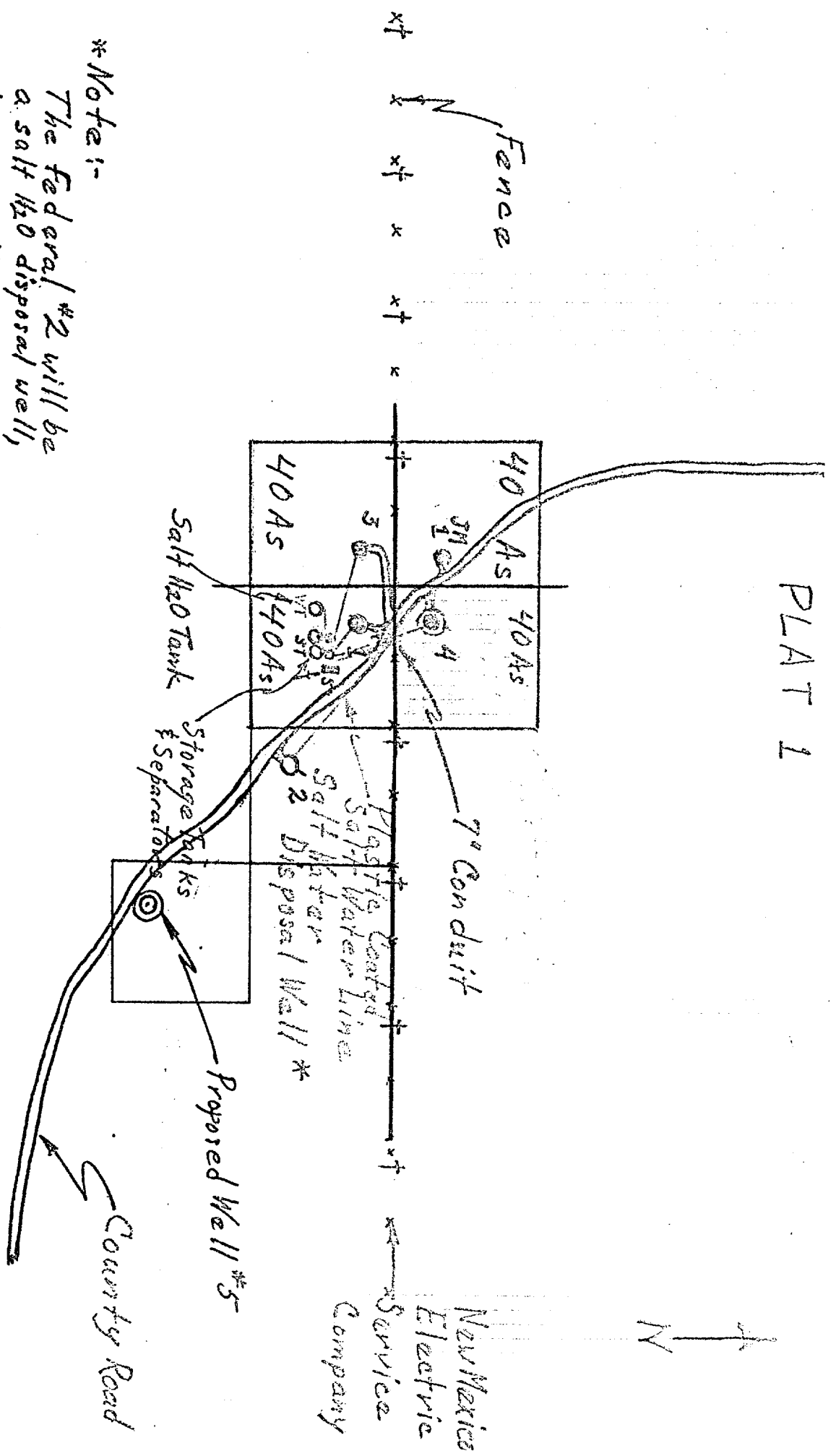
DK/hk

I, D. S. Harroun, have no objections to Walter W. Krug DBA Wallen Production Company, 308 North Colorado Street, Suite # 4, Midland Texas 79701, drilling a well 2310' FEL and 2310 FNL of Section 20, T 20 S, R 34 E, Lea County, New Mexico.

D. S. Harroun

D. S. Harroun

PLAT 1



*Note:-
 The Federal #2 will be
 a salt H₂O disposal well,
 however there is not
 enough salt H₂O yet

WALLEN PRODUCTION COMPANY
 Wallen Federal #5
 SW/4 of SW/4, Sec 17, T20S, R34E, Lea Cty, N.M.