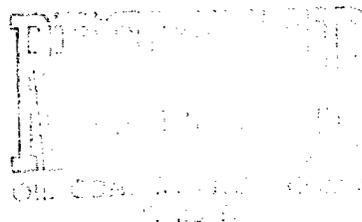


WALTER W. KRUG

308 N. COLORADO  
SUITE 4  
MIDLAND, TEXAS 79701

*Case 5040*

July 11, 1973



New Mexico Oil Conservation Commission  
The State Land Office Building  
Santa Fe, New Mexico 87501

Attn: Mr. A. L. Porter

*North signed letter - SK*

Re: Approval for water flood  
(pressure maintenance)  
well, located 1650 ft.FWL  
and 990 ft. FNL of section  
20, T 20 S-R 34 E, Lea  
County, New Mexico.

Dear Sir:

Would you please consider this letter as a request for approval to make the above subject Federal No. 2 well into a water flood well (at the present time it would be just a salt water disposal well, but gradually we would make it into a water flood well)? This well is at the edge of our anomaly and being at the oil water contact, having only a 4 foot oil column--ideal for disposal or water flood purposes. I have other producing wells within a half mile of this well but I am the only producer on the anomaly affected. I hope that I can get the administrative approval; however, if I cannot, would you please let me know when the hearing would come up.

Your favorable consideration and prompt reply will be appreciated.

Very truly yours,

Walter W. Krug  
Wallen Production Company

WWK/rkc

DOCKET MAILED

Date 7-27-73