January 23, 1976

OKJJ

Mr. Jerry Sexton Oil Conservation Commission Box 1980 Hobbs, New Mexico 88240

Dear Mr. Sexton:

Re: Water Disposal Well Ingram Federal #2 Tom Tom San Andres field Chaves County, New Mexico

In a previous letter, permission was ask to convert the Ingram Federal #3 to a water injection well. It should have read, Ingram Federal #2.

Our first proposal was to set this Ingram Federal #2 well up as an injection well to a pilot flood but after talking to Mr. Dick Staments, in Santa Fe, we discussed the fact that we had no producers on the Ingram Federal properties, in section 5.

It was decided to re-file the application as a Water Disposal Well.

Very Truly Yours,

W.N Mergan

William N. Morgan Sundance Oil Company

WNM/mm