

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

October 5, 1961

Mr. William R. Loar
Chief Proration Engineer
Sunray Mid-Continent Oil Company
P. O. Box 2039
Tulsa 2, Oklahoma

Re: Case No. 2394 - Hondo Oil & Gas
Company, Eddy County, New Mexico

Dear Bill:

Your letter of October 2, 1961, concerning Hondo's case to directionally drill, was not received until this morning and therefore was not made a part of the record in that case. Hondo did encounter objection from Humble, Pan American and Shell, and the case is being dismissed due to the inadequacy of the notice.

A new case is being docketed for our October 25th examiner hearing which will set forth, in more detail, what Hondo actually intends to do in this matter and where the bottom hole location of their well will be.

Very truly yours,

RICHARD S. MORRIS
Attorney

RSM/esr