

Page 239c

# Hondo Oil & Gas Company

Box ~~660~~ 1000

Roswell, New Mexico

September 13, 1961

Oil Conservation Commission  
State of New Mexico  
Post Office Box 871  
Santa Fe, New Mexico

Re: Application for Permission to Utilize Whipstock or Other Method of Deviating Well Bore in a Predetermined Direction for Hondo-Western-Yates Well to be Located 1980' from the East Line and 2310' from the North Line of Sec. 26, T-17S, R-28E, N.M.P.M., Eddy County, New Mexico.

Gentlemen:

Hondo Oil & Gas Company, Operator for Hondo Oil & Gas Company, a corporation, Western Development Company of Delaware, a corporation, and Yates Brothers, a partnership, together doing business as Hondo-Western-Yates, hereby makes application for permission to utilize a whipstock or other method of deviating well bore in a predetermined direction in the drilling of a test well in the above described location pursuant to Rule 111-B.

In support of this application, Hondo Oil & Gas Company states the following:

1. Hondo-Western-Yates is the owner and Hondo Oil & Gas Company is the operator of all producing rights below 500 feet below the top of the San Andres formation on Hondo-Western-Yates State 647 Lease insofar as the same covers the SE $\frac{1}{4}$ NE $\frac{1}{4}$  Section 26, Township 17 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.
2. There is no diversity of royalty ownership underlying the above described lease.
3. In order to justify drilling on the spacing unit in question it is necessary to complete the well in the portion of the spacing unit most likely to be suitable for normal completion procedures.

*Handwritten notes:*  
L. ...  
9.19.61  
...

4. Hondo-Western-Yates is the owner and Hondo Oil & Gas Company is the operator of all producing rights below 500 feet below the top of the San Andres formation on Hondo-Western-Yates State 647 Lease insofar as the same covers spacing units offsetting unit on which the proposed well is to be drilled.
5. The granting of applicant's request in this case is in the interest of conservation, will protect correlative rights and will not create any danger of waste.

It is hereby respectfully requested that this matter be set for hearing at any early date.

Yours very truly,

HONDO-WESTERN-YATES  
BY HONDO OIL & GAS COMPANY,  
OPERATOR

By   
S. H. Cavin,  
Resident Attorney