



Sunray Mid-Continent Oil Company

P. O. Box 108 Tulsa, Oklahoma

October 19, 1961

PG-6

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Re: Case No. 2410
Location Exception
Hondo Oil & Gas Company
Eddy County, New Mexico

Gentlemen:

In reference to New Mexico Oil Conservation Commission Case No. 2410 which has been set for hearing October 25, 1961, it is our understanding that Hondo Oil & Gas Company proposes to bottom their directionally drilled well in Section 26, Township 17 South, Range 28 East, approximately 100 feet from the unit line. Sunray Mid-Continent Oil Company, as an operator in the Empire Abo Pool, recommends adherence to the spacing rules, and any advantage gained by a location exception for structural or producing advantage should be compensated for by a production penalty.

Very truly yours,

SUNRAY MID-CONTINENT OIL COMPANY

William R. Loar
Chief Proration Engineer

WRL:lc