JOHN YURONKA CONSULTING PETROLEUM ENGINEER

MIDLAND, TEXAS 79701 102 Petroleum Bldg. OFFICE 684-6223 RESIDENCE 683-4579 AREA CODE 915

May 14, 1976

Mr. W. A. Gressett Oil Conservation Commission P. O. Drawer DD Artesia, New Mexico 88210

Dear Mr. Gressett:

Per a telephone conversation with Mr. Ray Westall of Loco Hills, this is to inform you that 495 bbls. of oil was moved from the Honeysuckle Exploration Corporation Federal 20 Lease, located in Section 20, T18S, R31E, Eddy County, New Mexico, to the Honeysuckle Exploration Corporation Federal 26 Lease, located in Section 26, T18S, R31E, Eddy County, New Mexico. This oil was used to frac the Federal 26 Well No. 1 in the Yates formation and it will be returned to the Federal 20 Lease as soon as it is recovered.

The interest under both leases are identical.

Very truly yours, John Yuronka

John Yuronka

JY/ph

RECEIVED MAY 17 1976

O. C. C.