

Ray Robert T
Form 3
January 19, 2006

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section
30(h) of the Investment Company Act of 1940

(Print or Type Responses)

| | | | | |
|---|---------|--------------------------------------|--|--|
| 1. Name and Address of Reporting Person * | | 2. Date of Event Requiring Statement | 3. Issuer Name and Ticker or Trading Symbol | |
| Ray Robert T | | (Month/Day/Year) | HOUSTON EXPLORATION CO [THX] | |
| (Last) | (First) | (Middle) | 4. Relationship of Reporting Person(s) to Issuer | 5. If Amendment, Date Original Filed(Month/Day/Year) |
| | | 01/18/2006 | | |
| 1100 LOUISIANA ST., SUITE 2000 | | | (Check all applicable) | |
| (Street) | | | <input type="checkbox"/> Director | <input type="checkbox"/> 10% Owner |
| | | | <input checked="" type="checkbox"/> Officer | <input type="checkbox"/> Other |
| HOUSTON, TX 77002 | | | (give title below) | (specify below) |
| (City) | (State) | (Zip) | Sr. VP & C.F.O. | |
| | | | 6. Individual or Joint/Group Filing(Check Applicable Line) | |
| | | | <input checked="" type="checkbox"/> Form filed by One Reporting Person | |
| | | | <input type="checkbox"/> Form filed by More than One Reporting Person | |

Table I - Non-Derivative Securities Beneficially Owned

| 1. Title of Security (Instr. 4) | 2. Amount of Securities Beneficially Owned (Instr. 4) | 3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5) | 4. Nature of Indirect Beneficial Ownership (Instr. 5) |
|--|--|---|--|
| common stock (\$0.01 par value) ⁽¹⁾ | 7,500 | D | |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

SEC 1473 (7-02)

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 4) | 2. Date Exercisable and Expiration Date (Month/Day/Year) | 3. Title and Amount of Securities Underlying Derivative Security (Instr. 4) | 4. Conversion or Exercise Price of Derivative Security | 5. Ownership Form of Derivative Security: Direct (D) | 6. Nature of Indirect Beneficial Ownership (Instr. 5) |
|---|---|--|--|---|--|
| | Date Exercisable | Title | | | |

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| | Expiration Date | Amount or Number of Shares | or Indirect (I) (Instr. 5) |
|---------------------------------------|--------------------------------------|------------------------------|----------------------------|
| employee stock options (right to buy) | 01/18/2007 ⁽²⁾ 01/18/2016 | common stock 20,000 \$ 53.72 | D |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Ray Robert T 1100 LOUISIANA ST. SUITE 2000 HOUSTON, TX 77002 | ^ | ^ | ^ Sr. VP & C.F.O. | ^ |

Signatures

/s/Robert T. Ray 01/19/2006
 **Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 5(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
 Restricted shares were granted pursuant to the Company's 2004 Long-Term Incentive Plan, and are restricted from sale or transfer until
 (1) fully vested. Shares fully vest and restrictions are terminated at the end of three years from the grant date as set forth in the award agreement.
 (2) Employee stock options vest in annual 1/3 increments beginning on the first anniversary of the date of grant and expire 10 years from the date of grant.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, See Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.