

JAMES BRUCE
ATTORNEY AT LAWPOST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504SUITE B
612 OLD SANTA FE TRAIL
SANTA FE, NEW MEXICO 87501(505) 982-2043
(505) 982-2151 (FAX)

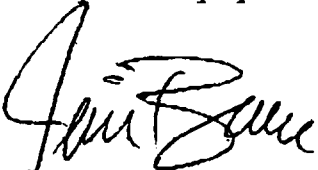
May 29, 1998

Via FaxMichael E. Stogner
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505Re: Cases 11,958 and 11,959 (Ocean Energy, Inc.)
Case 11,934 (Yates Petroleum Corporation)

Dear Mr. Stogner:

At the hearing you requested a report by today on further negotiations between the parties, as well as proposed orders. I asked you yesterday for an extra week to submit proposed orders, and you had no objection. (Mr. Carr also has no objection.) Also, as you know, Ocean Energy made a proposal to Yates, and it is my understanding that Yates will be making a counter-proposal. Due to this activity, Ocean Energy requests another week to make a status report to you.

Very truly yours,


James Bruce

Attorney for Ocean Energy, Inc.

cc: William F. Carr (via fax)