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June 20, 2000

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

Ladies and Gentlemen:

Enclosed is a copy of an application for a non-standard spacing and proration unit regarding the Strawn formation underlying the NW1/4SE1/4 of Section 2, Township 16 South, Range 35 East, NMPM, Lea County, New Mexico, filed with the New Mexico Oil Conservation Division by Ocean Energy Resources, Inc. This application is scheduled to be heard at 8:15 a.m. on Thursday, July 13, 2000 at the Division's offices at 2040 South Pacheco Street, Santa Fe, New Mexico 87505. As an offset operator, you have the right to appear at the hearing and participate in the case. Failure to appear at the hearing will preclude you from contesting this matter at a later date.

Please note that an administrative application has also been filed on this matter, and if that application is granted this case will be dismissed.

Very truly yours,



James Bruce

Attorney for Ocean Energy
Resources, Inc