



P.O. Box 4697
Houston, TX 77210-4697
ATTN Mr. Paul Keffer

November 22, 2000

ExxonMobil
P.O. Box 4999
The Woodlands, TX 77380-4999
Attn: Land Department

Lee Averca 713-431-1031
Paul Keffer ~~713-431-1237~~
for 713 431-1467

Re: E/2 NE/4, SE/4
Section 8-T17S-R35E
Lea County, New Mexico

Gentlemen:

Ocean Energy Resources, Inc. ("Ocean") would like to acquire the interest of ExxonMobil, in the above referenced lands down to the base of the Mississippian formation. Ocean offers the following two (2) proposals for your consideration.

1. Farmout your interest to Ocean delivering a 77.5% net revenue interest. Ocean shall commence operations on a 12,000' TD Atoka Morrow test well within 180 days of the execution of a definitive agreement from ExxonMobil. Ocean would earn all rights down to deepest production obtained by Ocean with a 120-day continuous drilling option. Or;
2. Ocean would pay \$200.00 per acre for a two (2) year term assignment covering ^{all} rights ^{from the surface} down to the base of the Mississippian formation. At the end of the term Ocean would retain all acreage held by a well(s) located on your leasehold or within a unit, which holds such acreage. The term assignment shall contain a 120-day continuous drilling provision and 60-day cessation of production clause.

Please contact the undersigned should you wish to discuss either of the above proposals. Ocean's offer is subject to final management approval ~~and shall remain open until December 20, 2000.~~

Yours very truly,

OCEAN ENERGY RESOURCES, INC.,
a subsidiary of OCEAN ENERGY, INC.

Derold Maney
Derold Maney
Senior Staff Landman

~~and shall remain open until December 20, 2000.~~
and shall remain open until April 17, 2001.

OIL CONSERVATION DIVISION

CASE NUMBER _____

Ocean Energy, Inc. 1001 Fannin, Suite 1600 Houston, Texas 77002-6794 (713) 265-6000

Ocean EXHIBIT 2



January 22, 2002

ExxonMobil
P.O. Box 4697
Houston, TX 77210-4697
Attn: Mr. Paul Keffer

Re: Vacuum
E/2 Section 8, T17S, R35E
Lea County, New Mexico

Dear Paul:

Ocean Energy, Inc. hereby proposes the drilling of a 12,800' test well to test the Atoka, Morrow, and Mississippian Lime formations. Ocean's AFE is enclosed in duplicate for your review and approval. Estimated dry hole cost for this well is \$1,502,910 with a completed well estimated to cost \$2,034,540.

Should you not desire to participate in drilling this well, please call the undersigned to discuss additional alternatives.

Yours very truly,

OCEAN ENERGY, INC.

A handwritten signature in black ink that reads "Derold Maney".

Derold Maney
Senior Staff Landman

Enclosure