

CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.  
LAWYERS

MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN  
MICHAEL H. FELDEWERT  
ANTHONY F. MEDEIROS  
PAUL R. OWEN  
KATHERINE M. MOSS  
  
JACK M. CAMPBELL  
OF COUNSEL

JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
FACSIMILE: (505) 983-6043  
E-MAIL: ccbspa@ix.netcom.com

July 22, 1998

**HAND DELIVERED**

Michael E. Stogner  
Hearing Examiner  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

Re: **CASE NO. 11934** APPLICATION OF YATES PETROLEUM  
CORPORATION FOR COMPULSORY POOLING, LEA COUNTY,  
NEW MEXICO

**CASE NO. 11958**: APPLICATION OF OCEAN ENERGY, INC.  
FOR COMPULSORY POOLING AND AN UNORTHODOX WELL  
LOCATION, LEA COUNTY, NEW MEXICO

**CASE NO. 11959**: APPLICATION OF OCEAN ENERGY, INC.  
FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Dear Mr. Stogner:

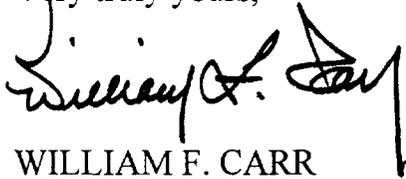
On June 15, 1998, Ocean Energy, Inc. through its attorney wrote you concerning the results of Yates recently drilled Big Flat Well in the NW/4 SW/4 of Section 10, Township 16 South, Range 35 East, NMPM. While Yates does not object to Ocean's calling to your attention the facts of our efforts to develop this acreage, Yates does object to Ocean's presentation of its interpretations and conclusions about this new information. Ocean's arguments are incorrect

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OIL CONSERVATION DIV.

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and these ex parte communications should not be considered by the Division in its consideration of the pending applications.

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr". The signature is written in a cursive style with a large, stylized initial "W".

WILLIAM F. CARR

WFC:mlh

cc: Rand Carroll, Esq.  
James Bruce, Esq.  
W. Thomas Kellahin, Esq.  
Randy Patterson

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98 JUL 22 PM 4:51  
OIL CONSERVATION DIV.

Re: **CASE NO. 11934**: APPLICATION OF YATES PETROLEUM CORPORATION FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

**CASE NO. 11958**: APPLICATION OF OCEAN ENERGY, INC. FOR COMPULSORY POOLING AND AN UNORTHODOX WELL LOCATION, LEA COUNTY, NEW MEXICO

**CASE NO. 11959**: APPLICATION OF OCEAN ENERGY, INC. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

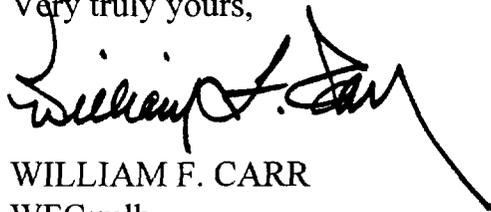
Dear Mr. Stogner:

Pursuant to your request at the hearing in the above referenced cases, attached hereto is the ownership breakdown for each spacing unit which Yates Petroleum Corporation proposed to pool in Case 11934. This attachment shows the ownership breakdown between Yates and Ocean in each of these tracts.

Michael E. Stogner  
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If you need anything further from Yates to proceed with your consideration of these applications, please advise.

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr". The signature is fluid and cursive, with a long, sweeping tail that extends downwards and to the right.

WILLIAM F. CARR  
WFC:mlh

cc: Rand Carroll, Esq.  
James Bruce, Esq.  
W. Thomas Kellahin, Esq.  
Robert Bullock

**CASE 11934**

**APPLICATION OF YATES PETROLEUM CORPORATION  
FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO**

**OWNERSHIP BREAKDOWN:**

Field "APK" State Com. No. 3

**(1) 320 Acre Spacing:** Lots 11, 12, 13, 14, SW/4

Ocean Energy, Inc.	37.5%
Yates Petroleum Corporation	37.5%
Amerind Oil Ltd.	12.5%
Lot 12 Owners	12.5%

**(2) 160 Acre Spacing:** Lots 11, 12, 13, and 14

Ocean Energy Inc.	25%
Yates Petroleum Corporation	50%
Lot 12 Owners	12.5%

**(3) 80 Acre Spacing:** Lots 13 and 14

Ocean Energy, Inc.	50%
Yates Petroleum Corporation	50%

**(4) 40 Acre Spacing:** Lot 13

Yates Petroleum Corporation	100%
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