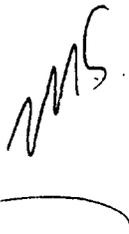


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May 29, 1998

Via Fax

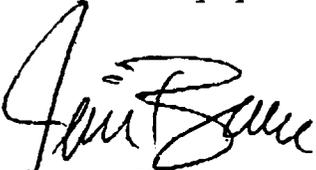
Michael E. Stogner
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: 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)