



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

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September 19, 2001

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Re: Case No. 12535, Application of Ocean Energy Resources, Inc., *de novo*
Case No. 12567, Application of Ocean Energy Resources, Inc., *de novo*
Case No. 12569, Application of Yates Petroleum Corporation, *de novo*
Case No. 12590, Application of Yates Petroleum Corporation, *de novo*

Gentlemen,

By letter dated September 18, 2001, Mr. Carr requested that a Pre-Hearing Conference be conducted in this matter.

As you are aware, such requests are almost always granted. Therefore, a pre-hearing conference is scheduled for Wednesday, October 10, 2001 at 10 a.m. in the Fourth Floor Conference Room of the Oil Conservation Division, 1220 S. Saint Frances Drive, Santa Fe. If this date and time is inconvenient, please let me know.

During the conference we can discuss the general contentions of the parties, the evidence to be offered to the Commission, issues related to exhibits (the exhibits themselves should have already been submitted, on October 5, pursuant to my earlier correspondence), the numbers of witnesses, anticipated objections and motions, etc. If a pre-hearing order is appropriate and needed, we can discuss its terms as well.

Mr. Carr's letter also requests that parties be present and that settlement negotiations be undertaken. Rule 1211(B) seems to permit this ("The prehearing conference will be ... to encourage settlement ...") and therefore, a representative of each party should also attend the conference along with counsel.

Please give me a call if you have any questions.

Sincerely,

Stephen C. Ross
Assistant General Counsel