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William F. Carr

wcarr@hollandhart.com

September 3, 2002

VIA HAND DELIVERY

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

02 SEP -3 AM 10:10

OIL CONSERVATION DIV

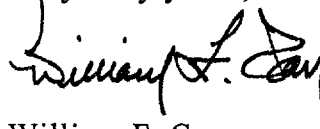
Re: Oil Conservation Division Case Nos. 12535, 12567, 12569, and
12590 de novo and Case 12738 and 12794 (Ocean Energy
Resources, Inc. / Yates Petroleum Corporation).

Dear Ms. Wrotenbery:

The above referenced cases are scheduled for hearing before the Oil Conservation Commission this month. The cases were scheduled for six months in February 2002, and the purpose of this letter is to request an additional six month continuance. Both Yates and Ocean plan to drill wells on the acreage which is the subject of this hearing. However, neither would drill this well at this time due to the current status of gas prices and both support this request for an additional six month continuance of this hearing.

James Bruce, Attorney for Ocean Energy Resources, Inc. concurs in this request and both parties agree that the underlying order should remain stayed pending the de novo hearing and Commission order in these cases.

Very truly yours,



William F. Carr
Attorney for Yates Petroleum
Corporation

cc: James Bruce, Esq.
Mr. Randy Patterson

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AND
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January 16, 2002

HAND DELIVERED

Ms. Lori Wrotenbery
Oil Conservation Division
New Mexico Energy, Minerals and
Natural Resources Department
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

OIL CONSERVATION DIV.
02 JAN 16 PM 3:37

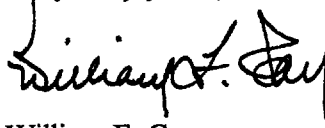
Re: **Case Nos. 12535, 12567, 12569, 12590, 12738, and 12794 -- Order No. R11566:**
Applications of Yates Petroleum Corporation and Ocean Energy Resources,
Inc. for compulsory pooling and four non-standard oil and gas spacing and
proration units, Lea County, New Mexico.

Dear Ms. Wrotenbery:

Yates Petroleum Corporation respectfully request that the Oil Conservation Commission hearing on the above-referenced applications be set for February 15, 2002. Mr. James Bruce, attorney for Ocean Energy Resources, Inc. does not oppose this request.

Your attention to this matter is appreciated.

Very truly yours,



William F. Carr

WFC/keh

cc: James Bruce, Esq.

JAMES BRUCE
Attorney at Law
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Santa Fe, New Mexico 87504
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12794

FAX COVER SHEET

DELIVER TO: Stephen C. Ross

COMPANY: Oil Conservation Division

CITY: Santa Fe, New Mexico

FAX NUMBER: (505) 476-3462

NUMBER OF PAGES: 2 (Including Cover Sheet)

DATE SENT: 10/11/01

MEMO:

JAMES BRUCE
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(505) 982-2151 (FAX)

October 11, 2001

Via Fax and U.S. MailLori Wrotenbery
Oil Conservation Commission
1220 South St. Francis Drive
Santa Fe, New Mexico 87505Re: Case Nos. 12535, 12567, 12569, and 12590 *de novo*, and
Case No. 12738 (Ocean Energy Resources, Inc. ("Ocean")/
Yates Petroleum Corporation ("Yates"))

Dear Ms. Wrotenbery:

This letter is in response to Mr. Carr's letter of October 11, 2001. Ocean does not object to a continuance of the above cases.

Having said that, Ocean states that Yates knew of Ocean's agreement to move the well location to Lot 3 two months ago. In addition, the exhibits Ocean submitted to the Commission, and traded with Yates, are the exhibits it intended to use at the hearing tomorrow to support the Lot 3 location. However, if Yates needs more time, so be it.

Very truly yours,


James Bruce

Attorney for Ocean Energy Resources, Inc.

cc: Stephen C. Ross (via fax)
William F. Carr (via fax)