JAMES BRUCE

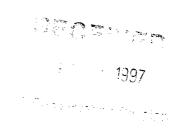
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September 8, 1997



11857

Hand Delivered

Florene Davidson Oil Conservation Division 2040 South Pacheco Street Santa Fe, New Mexico 87505

Dear Florene:

Enclosed are an original and two copies of an application for compulsory pooling, together with a proposed advertisement, filed on behalf of Chi Energy, Inc. Please set this matter for the October 9th hearing. Thank you.

Very truly yours,

James Bruce

Attorney for Chi Energy, Inc.