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NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

March 24, 1999

VIA FACSIMILE

Mr. Mark Ashley, Hearing Examiner
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

**Re: Request for Continuance
NMOCD Case 12158
Application of Chi Energy, Inc.
for an unorthodox gas well location
Lea County, New Mexico**

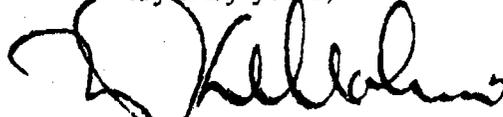
Dear Mr. Ashley:

Our firm represents Santa Fe Energy Resources, Inc. ("Santa Fe"), who is an offset operator adversely affected by this application. This matter is currently pending hearing on the April 1, 1999, which is a religious holiday for members of the Jewish faith.

Accordingly, we are requesting that this case be continued because of the unavailability of Mr. Rod Adams, Santa Fe's petroleum engineering witness, whose religious faith precludes him from attending this hearing.

On Monday, I advised Mr. Jim Bruce, Chi Energy's attorney, of my desire to have this case continued and requested Chi's concurrence. This afternoon, Mr. Bruce informed me that he was waiting on a response from Chi.

Very truly yours,



W. Thomas Kellahin

cfx: James Bruce, Esq.
Attorney for Chi Energy, Inc.
Santa Fe Energy Resources, Inc.
Attn: Steve Smith