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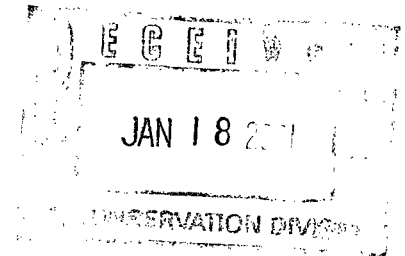
AMEND NSL 2/7/01

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

3304 CAMINO LISA
HYDE PARK ESTATES
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January 16, 2001

Michael E. Stogner
Oil Conservation Division
1220 South St. Francis Drive
Pinon Building
Santa Fe, New Mexico 87505

Re: Request to Amend Administrative Order NSL-4284-A

Silver Streak State Com. Well No. 1 (30-015-30664)
1400 feet FNL & 1650 feet FEL
N½ §8, Township 17 South, Range 28 East, NMPM
Eddy County, New Mexico

Dear Mr. Stogner:

Order NSL-4284-A approved the recompletion of the above well in the Cisco formation. That completion has proved to be unsuccessful, and Chi Energy, Inc. requests permission to complete the well in the Yeso formation, which is an oil zone spaced on 40 acres. The information supplied to the Division in connection with the Cisco unorthodox location request applies to this request.

There are no affected offset working interest owners, because they all share in production under a JOA. However, notice of the application has been given to the offset royalty owner, and a copy of the notice letter is attached.

Very truly yours,

A handwritten signature in cursive script that reads "James Bruce".

James Bruce
Attorney for Chi Energy, Inc.

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ATTORNEY AT LAW

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January 16, 2000

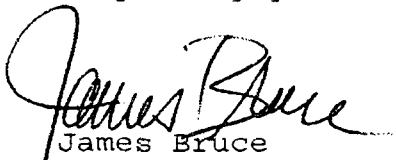
CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Bureau of Land Management
2909 West Second Street
Roswell, New Mexico 88201

Ladies and Gentlemen:

Enclosed is a copy of an application, filed by Chi Energy, Inc. with the Oil Conservation Division, requesting administrative approval of an unorthodox oil well location in the Yeso formation in the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 8, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico. The N $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 8 is federal land, covered by Lease LC 028446(a). If you object to the well's location, you must notify the Division in writing no later than Tuesday, February 6, 2001 (1220 South St. Francis Drive, Santa Fe, New Mexico 87505; attention: Michael E. Stogner). Failure to object will preclude you from contesting this matter at a later date.

Very truly yours,


James Bruce
Attorney for Chi Energy, Inc.