

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF CHI ENERGY, INC.
FOR COMPULSORY POOLING, EDDY
COUNTY, NEW MEXICO.

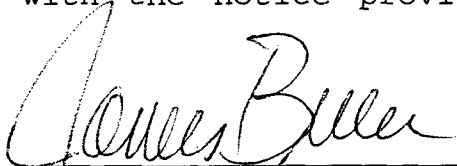
Case No. 13,380

AFFIDAVIT REGARDING NOTICE

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)


James Bruce, being duly sworn upon his oath, deposes and states:


1. I am over the age of 18, and have personal knowledge of the matters stated herein.
2. I am an attorney for Applicant.
3. Applicant has conducted a good faith, diligent effort to find the names and correct addresses of the interest owners entitled to receive notice of the Application filed herein.
4. Notice of the Application was provided to the interest owners at their correct addresses by certified mail. Copies of the notice letter and certified return receipts are attached hereto as Exhibit A.
5. Applicant has complied with the notice provisions of Division Rule 1207.



James Bruce

SUBSCRIBED AND SWORN TO before me this 5th day of January, 2005, by James Bruce.


My Commission Expires: 3/14/95



Notary Public

OIL CONSERVATION DIVISION
CASE NUMBER
EXHIBIT NUMBER {

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

December 16, 2004

Certified Mail - Return Receipt Requested

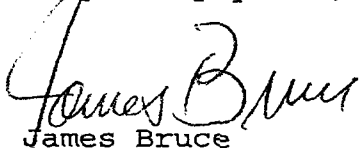
To: Persons on Exhibit A

Ladies and gentlemen:

Enclosed is a copy of an amended application for compulsory pooling, filed with the New Mexico Oil Conservation Division by Chi Energy, Inc., regarding the N $\frac{1}{2}$ of Section 33, Township 22 South, Range 27 East, N.M.P.M., Eddy County, New Mexico. This application is scheduled to be heard at 8:15 a.m. on Thursday, January 6, 2005 at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. As an interest owner in the well unit, you have the right to appear at the hearing and present evidence. Failure to appear at the hearing will preclude you from contesting this matter at a later date.

You are required to notify the Division, and the undersigned, by Friday, December 31, 2004, if you intend to enter an appearance and participate in the case.

Very truly yours,


James Bruce

Attorney for Chi Energy, Inc.



EXHIBIT A

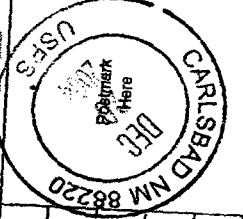
Eulalio Medrano
2412 Harding Street
Carlsbad, New Mexico 88220

Lee Roy Lujan
1421 Smedley Road
Carlsbad, New Mexico 88220

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
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OFFICIAL USE



Postage \$	
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Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees \$	

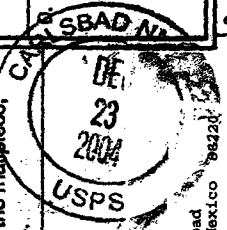
Sent To
 Rutilio Medrano
 2412 Harding Street
 Carlsbad, New Mexico 88220
 Street, Apt. No., or PO Box No.
 City, State, ZIP+4

PS Form 3800, June 2002 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:



Lee Roy Lujan
 1421 Smedley Road
 Carlsbad, New Mexico 88220

2. Article Number

(Transfer from service label)

99E6 6599 5000 09TT 4002

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1640

COMPLETE THIS SECTION ON DELIVERY

- A. Signature Agent Addressee
 X *[Signature]*
- B. Received by (Printed Name) Date of Delivery
 Delilah Lujan 12/23/04
- C. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below:

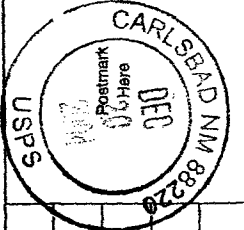
3. Service Type

- Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.
 Restricted Delivery? (Extra Fee) Yes

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Postage \$	
Certified Fee	
Return Receipt Fee (Endorsement Required)	
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