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June 24, 1997

Via Fax: 822-1389

Michael E. Stogner
New Mexico Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

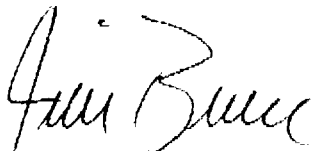


Re: Case No. 11794; Application of Chi Energy, Inc. for
compulsory pooling, Eddy County, New Mexico

Dear Mr. Stogner:

Please continue the above case to the July 10th hearing. Thank
you.

Very truly yours,



James Bruce

Attorney for Chi Energy, Inc.