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August 22, 2001

Via Fax

David K. Brooks
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

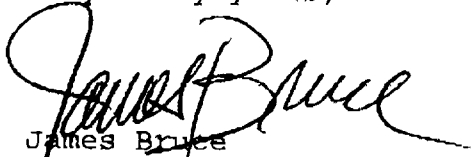
Re: Case 12654 (Chi Energy, Inc.)

Dear Mr. Brooks:

Chi Energy, Inc. requests that this matter be continued to the September 20, 2001 Examiner hearing. The reason for this request is that an undivided 1/48 mineral interest in the N $\frac{1}{4}$ SW $\frac{1}{4}$ of the subject section is mostly unleased, and my client is still trying to lease these interests or obtain their voluntary joinder in the well. The interests are listed in Exhibit A.

This will be the last request for a continuance. If the application is not heard on September 20th, I will dismiss the case, and re-file it if necessary.

Very truly yours,



James Bruce

Attorney for Chi Energy, Inc.

EXHIBIT A

Gladdus Berryhill, as separate property	1/48 ¹
Betty Harris	2.0% x 1/48
Jerry Tietjen	1.0% x 1/48
Glenda Kae-Bybee	2.1428572% x 1/48
Bobby Ray McKinley	25.0% x 1/48
Gary Tietjen	1.0% x 1/48
Ina May Hoffman	2.1428572% x 1/48
Phillip Harris	2.0% x 1/48
Mark Elkins, Jr.	0.7142857% x 1/48
Jack Elkins	0.5% x 1/48
Tyra-Van Belle	0.8% x 1/48
Duwanna Gay Hopper	2.1428572% x 1/48
D.J. Elkins	0.5% x 1/48
Sam Elkins	0.7142857% x 1/48
Fred Elkins	0.5% x 1/48
Joe Tietjen	1.0% x 1/48
Hattie Elkins	0.5% x 1/48
Keith Elkins	0.5% x 1/48
Duane Berryhill, Conservator of the Estate of Wallace J. Berryhill	12.1428571% x 1/48
Wayne Harris	0.8% x 1/48
Larry Harris	0.8% x 1/48
Henry Elkins	0.7142857% x 1/48
Sheryl Tietjen Clawson	1.0% x 1/48
Kin Elkins	0.5% x 1/48
Mildred Elkins-Allen	0.5% x 1/48
Duane Berryhill	5.0% x 1/48
Tom Tietjen	1.0% x 1/48
Nelda Rae McPhaul	17.1428571% x 1/48
Bill Elkins	0.7142857% x 1/48
Jean Roundy	0.7142857% x 1/48
Bucky Harris	0.8% x 1/48
Jim Elkins	0.7142857% x 1/48
Dave Elkins	0.5% x 1/48
Lawrence Elkins	0.5% x 1/48
Don McKinley	10.0% x 1/48
Edna Tietjen	2.0% x 1/48
Lynn Elkins	0.5% x 1/48
Phillip Harris, as Conservator of the Estate of Tanya Harris	0.8% x 1/48

¹This interest is now owned by 13 people.