

m.s.
CCM
Daniel A. McNabb
Oil and Gas Production

February 28, 2005

Certified Mail – Return Receipt

New Mexico Oil Conservation Commission
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Attention: Mr. Richard Ezeanyim
Chief Engineer

RECEIVED

MAR 1 2005

Oil Conservation Division
1220 S. Saint Francis Drive
Santa Fe, NM 87505

Re: Compulsory Pooling Application
By Chi Energy, Inc., Applicant
N ½ of Section 25-T19S-R29E
Eddy County, New Mexico

Ladies and Gentlemen:

This letter will serve to notify the New Mexico Oil Conservation Commission that I intend to enter an appearance and participate in the subject application hearing, which I understand will be at 8:15 a.m. on Thursday, March 17, 2005 at the above address. I own an interest in a New Mexico State Oil and Gas Lease L-3529. Such interest is a subject of the application. I have indicated to the applicant in writing that I am interested in participating in the well. However, the Applicant has only furnished me with Authorization for Expenditures, and has not provided the terms under which the well would be drilled and operated, although I have requested Applicant's proposed joint operating agreement. Also, I have requested Applicant's geological and economic evaluations for the project, which have not been provided. Please advise of any changes in the hearing schedule. I can be reached at (719) 597-3836.

Very truly yours,

Daniel A. McNabb

Daniel A. McNabb
P.O. Box 2115
Colorado Springs, CO 80901

XC: Mr. James Bruce
Attorney for Chi Energy, Inc.
P.O. Box 1056
Santa Fe, New Mexico 87501

Case No. 13449