All.

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August 15, 1997

Via Fax

Michael E. Stogner 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 dismiss the above case. Thank you.

Very truly yours,

James Bruce

Attorney for Chi Energy, Inc.