

3-24-99

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

TELEPHONE (505) 982-4285
TELEFAX (505) 982-2047

March 24, 1999

VIA FACSIMILE

Mr. Mark Ashley, Hearing Examiner
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

**Re: Request for Continuance
NMOCD Case 12158
Application of Chi Energy, Inc.
for an unorthodox gas well location
Lea County, New Mexico**

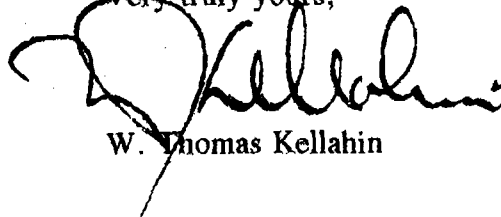
Dear Mr. Ashley:

Our firm represents Santa Fe Energy Resources, Inc. ("Santa Fe"), who is an offset operator adversely affected by this application. This matter is currently pending hearing on the April 1, 1999, which is a religious holiday for members of the Jewish faith.

Accordingly, we are requesting that this case be continued because of the unavailability of Mr. Rod Adams, Santa Fe's petroleum engineering witness, whose religious faith precludes him from attending this hearing.

On Monday, I advised Mr. Jim Bruce, Chi Energy's attorney, of my desire to have this case continued and requested Chi's concurrence. This afternoon, Mr. Bruce informed me that he was waiting on a response from Chi.

Very truly yours,



W. Thomas Kellahin

cfx: James Bruce, Esq.

Attorney for Chi Energy, Inc.

Santa Fe Energy Resources, Inc.

Attn: Steve Smith