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March 26, 1999

Via Fax

Mark Ashley
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: Case No. 12158; Application of Chi Energy, Inc. for an
unorthodox gas well location, Lea County, New Mexico

Dear Mr. Ashley:

Chi Energy, Inc. consents to a two week continuance of the above
case, as requested by Santa Fe Energy Resources, Inc.

Very truly yours,



James Bruce

Attorney for Chi Energy, Inc.

cc: W. Thomas Kellahin (via fax)