

**CHI ENERGY, INC.**

P.O. BOX 1799  
MIDLAND, TEXAS 79702

July 22, 1999

Patrick J. Tower  
Enron Oil & Gas Company  
P. O. Box 2267  
Midland, Texas 79702

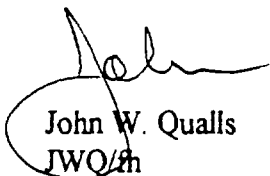
**Re: Well Proposal (Morrow Test 10,400')  
Coal Train Fed Com. No. 1  
990' FWL & 990' FSL, Sec. 10- 17S-28E  
Eddy County, New Mexico**

Mr. Tower:

Chi Operating, Inc. proposes the drilling of the Coal Train Fed Com. No. 1 well. The S/2 of Section 10, T-17S-R-28E, Eddy County, New Mexico is the proposed spacing unit for the well. Attached is an "AFE" for the drilling and completion of the proposed 10,400' test along with a signature page for your execution.

Please do hesitate to call should you have any questions or wish to discuss our proposal.

Sincerely,

  
John W. Qualls  
JWQ/th

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**CHI ENERGY, INC.**

P.O. BOX 1799  
MIDLAND, TEXAS 79702

July 22, 1999

Dave Collins  
Mobil Exploration & Producing  
12450 Greenspoint Drive  
Houston, Texas 77060

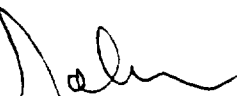
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Coal Train

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

☐ Complete items 1 and 4a for additional services.  
☐ Complete items 3, 4a, and 4b.  
☐ Print your name and address on the reverse of this form so that we can return this card to you.  
☐ Attach this form to the front of the mailpiece, or on the back if space does not permit.  
☐ Write "Return Receipt Requested" on the mailpiece below the article number.  
☐ The Return Receipt will show to whom the article was delivered and the date delivered.

I also want to receive the following services (for an extra fee):

1. ☐ Addressee's Address  
2. ☐ Restricted Delivery

3. Article Addressed to:  
ENRON OIL & GAS CO.  
ATTN: PATRICK TOWER  
P. O. BOX 2267  
MIDLAND, TX 79702

4a. Article Number  
Z 445 044 433

4b. Service Type  
☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☒ Return Receipt for Merchandise ☐ COD

7. Date of Delivery  
JUL 26 1999

5. Received By: (Print Name)

6. Signature (Addressee or Agent)  
*Emmanuel Edman*

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994 102595-99-8-0223 Domestic Return Receipt

Thank you for using Return Receipt Card.

Coal Train

Is your RETURN ADDRESS completed on the reverse side?

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☐ Complete items 1 and 4a for additional services.  
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1. ☐ Addressee's Address  
2. ☐ Restricted Delivery

3. Article Addressed to:  
MOBIL EXPLORATION &  
PRODUCING  
ATTN: DAVE COLLINS  
72450 GREENGARDEN DR.  
HOUSTON, TX 77060

4a. Article Number  
Z 445 044 434

4b. Service Type  
☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☒ Return Receipt for Merchandise ☐ COD

7. Date of Delivery  
7-26-99

5. Received By: (Print Name)  
*Mark*

6. Signature (Addressee or Agent)  
*Mark*

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994 102595-99-8-0223 Domestic Return Receipt

Thank you for using Return Receipt Service.