

(432)-685-5001

Fax (432) 687-2662

*Chi Operating, Inc.*

P. O. BOX 1799  
MIDLAND, TEXAS 79702

Mr. Bryan Arrant  
New Mexico Oil Conservation District II  
1301 W. Grand Avenue, Artesia, NM 88210

RECEIVED  
AUG 30 2004  
OCD-ARTESIA

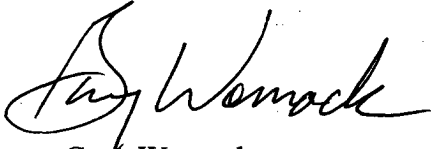
Re: Otis 33 No. 2, API 30-015-24810

Dear Mr. Arrant,

Chi Operating, Inc. requests approval to reenter the subject plugged wellbore to test the Wolfcamp producing formation. This producing horizon does not contain hydrogen sulfide in this area. However; H2S monitoring equipment will be used in the reentry and completion process as a component of our operation procedure.

Please contact me at 432-685-5001 if you have any questions or require further information.

Sincerely,



Gary Womack  
Petroleum Engineer  
Chi Operating, Inc.