

CHI ENERGY, INC.
P.O. BOX 1799
MIDLAND, TEXAS 79702

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MAY 13 2005
OOD-ARTEDIA

May 11, 2005

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

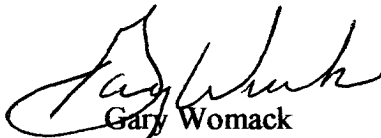
RE: Winchester Federal No. 001
API 30-015-24146-00-00
Inspection No. iMLB0511530819

Dear Mr. Bratcher;

Chi Operating, Inc. has repaired and netted the water tank as requested in your inspection of April 19, 2005. This work was completed on May 1, 2005.

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

Sincerely,



Gary Womack
Petroleum Engineer
Chi Operating, Inc.