

**JAMES BRUCE**  
ATTORNEY AT LAW

POST OFFICE BOX 1056  
SANTA FE, NEW MEXICO 87504

SUITE B  
612 OLD SANTA FE TRAIL  
SANTA FE, NEW MEXICO 87501

(505) 982-2043  
(505) 982-2151 (FAX)

July 17, 1998

*Case 12013*

Via Fax and U.S. Mail

Michael E. Stogner  
Oil Conservation Division  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

Re: Costilla Energy, Inc. unorthodox location application  
Funk "49" Well No. 1  
1650 feet FSL & 1080 feet FWL  
SM 533, Township 16 South, Range 26 East, NMPM  
Eddy County, New Mexico

Dear Mr. Stogner:

Costilla Energy, Inc. filed the above application administratively. Due to an objection by Nearburg Exploration Company, L.L.C., the case was placed on the hearing docket (Case 12013). Nearburg has now withdrawn its objection. See attached letter. As a result, applicant requests that the matter be placed for administrative approval. You asked several questions about the well's location, and I have requested the geologist, Louis Mazzullo, to respond to you directly about those issues. Thank you.

Very truly yours,

  
James Bruce

Attorney for Costilla Energy, Inc.