

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

OIL CONSERVATION DIV.

TELEPHONE (505) 982-4285  
FAX (505) 982-2047  
98 JUN 25 AM 8:22

W. THOMAS KELLAHIN\*

\*NEW MEXICO BOARD OF LEGAL SPECIALIZATION  
RECOGNIZED SPECIALIST IN THE AREA OF  
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

June 23, 1998

**HAND DELIVERED**

Oil Conservation Division  
2040 South Pacheco  
Santa Fe, New Mexico 87504  
Attn: Mr. Michael E. Stogner

Re: **NOTICE OF OBJECTION:**  
*Costilla Energy, Inc.'s*  
*Funk "49" Well No. 1*  
*1650 feet FSL and 1080 feet FWL*  
*S/2 of Section 33, T16S, R26E, NMPM,*  
*Administrative Application to NMOCD*  
*for Approval of Unorthodox Gas Well*  
*Location Eddy County, New Mexico*

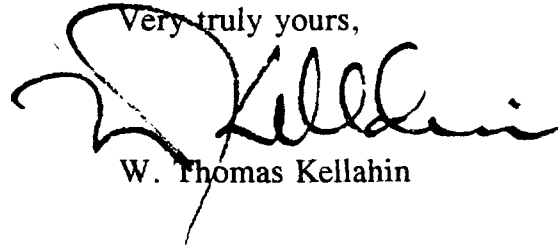
Dear Mr. Stogner:

By letter dated June 17, 1998, James Bruce for Costilla Energy, Inc. sent notification to the offsetting owners of the referenced request.

On behalf of Nearburg Exploration Company, L.L.C., as an offsetting owner, we hereby object to the referenced application by Costilla Energy, Inc. for an unorthodox gas well location as described in its administrative application to the Division.

We request that this matter be set for hearing and that Nearburg Exploration Inc, L.L.C. be provided notification of the hearing in accordance with Division notice rules.

Very truly yours,



W. Thomas Kellahin

cc: Nearburg Exploration, L.L.C.

attn: Michael Gray

cc: James Bruce, Esq.

Attorney for Costilla Energy, Inc.