

KELLAHIN AND KELLAHIN
ATTORNEYS AT LAW
EL PATIO BUILDING
117 NORTH GUADALUPE
POST OFFICE BOX 2265
SANTA FE, NEW MEXICO 87504-2265

DK

TELEPHONE (505) 982-4285
TELEFAX (505) 982-2047

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)

July 13, 1998

VIA FACSIMILE
(505) 827-1877

Mr. David R. Catanach, Hearing Examiner
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

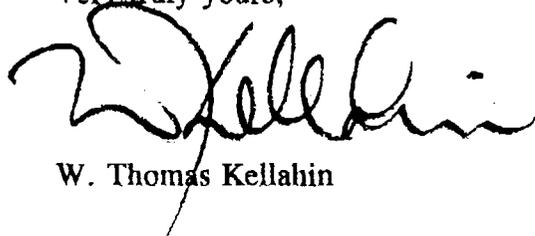
Re: NMOCD Case 12013
Funk "49" Well No 1
S/2 Section 33, T16S, R26E, NMPM
Application of Costilla Energy, Inc.
for an unorthodox gas well location
Eddy County, New Mexico

Dear Mr. Catanach:

On June 23, 1998 I filed an objection on behalf of Nearburg Exploration Company, L.L.C. to an administrative application by Costilla Energy Inc for the referenced unorthodox gas well location. As a result this matter has been set for hearing on July 23, 1998.

Please be advised that Nearburg Exploration Company, L.L.C. by this letter is withdrawing its objection to the approval of this well location.

Very truly yours,



W. Thomas Kellahin

cfx: James Bruce, Esq.
attorney for Costilla Energy, Inc.
Nearburg Exploration Company, L.L.C.
Attn: Mike Gray