BEFORE THE OIL & GAS COMMISSION

PIONEER NATURAL RESOURCES.

DIVISION OF OIL & GAS,

Appeal No. 651

Appellant,

Review of Chief's Order 98-31

(Pin Oak Petroleum)

-vs-

,

ORDER OF THE COMMISSION DISMISSING

APPEAL

Appellee.

Upon Notice of Withdrawal filed by Appellant, the Commission hereby

DISMISSES appeal no. 651, with prejudice.

Date Issued:

15/98

WILLIAM J. TAYLOR, Chairman

IAMES H. CAMERON

GAIL IGNATZ-HOOVER

BENITA KAHN, Secretary

JOHN A. GRAY

DISTRIBUTION:

Sherry McGinnis Marc Skeen Travelers Indemity Pin Oak Petroleum Raymond Studer

From the desk of...

Marc Skeen

Senior Attorney Pioneer Natural Resources USA, Inc. 1400 Williams Square West, 5205 N. O'Connor Blvd Irving, Tx 75039-3746

> (972) 444-9001 Fax: (972) 969-3577

To:

Raymond Studer

Fax #:

(614) 268-4316

Re:

Pioneer Natural Resources USA, Inc. v. Div. of Oil &

Gas; Chief's Order No. 98-31; Appeal No. 651

Date:

July 23, 1998

Pages:

FACSIMILE

I, including this cover sheet.

OIL AND GAS

Dear Mr. Studer.

This will confirm our telephone conversation pursuant to which I informed you that Pioneer Natural Resources USA, Inc. ("Pioneer") is not a corporate successor in interest to Pin Oak Petroleum, Inc. ("Pin Oak") (although it did certainly have a business relationship with Pin Oak) and, therefore, that Pioneer does not believe it is a proper party to the instant proceeding.

Pioneer did not intend that correspondence from it to the Department of Natural Resources be considered and docketed as an appeal. Therefore, Pioneer will not appear at the scheduled hearing on July 29, 1998, and has no objection to the department considering its "appeal" withdrawn.

Pioneer believes and asserts that the subject order was limited on its face to forfeiture of the subject bond (which you indicated Travelers Ins. Co. has already agreed to pay), so that no other action may be taken pursuant to said Order No. 98-31.

Because Pioneer does not believe that it is a proper party to this proceeding, and no relief was sought or granted against it, this action and the relief granted shall be without prejudice to Pioneer.

Sincerely.

PIONEER NATURAL RESOURCES

USA, INC.

BY:

Marc Skeen