

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

Garrey Carruthers
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

May 15, 1990

RECEIVED
MAY 17 1990
OIL CON. DIV.
DIST. 3

Nassau Resources, Inc.
c/o Jerome P. McHugh & Associates
P.O. Box 809
Farmington, NM 87499-0809

Attention: Fran Perrin

Administrative Order NSL-2797

Dear Ms. Perrin:

Reference is made to your application dated April 19, 1990 for a non-standard coal gas well location for your Cowsaround "16" Well No. 11 to be located 1980 feet from the North line and 2140 feet from the West line (Unit K) of Section 16, Township 26 North, Range 12 West, NMPM, Basin Fruitland Coal (Gas) Pool, San Juan County, New Mexico. The W/2 of said Section 16 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit for said pool.

By the authority granted me under the provisions of Rule 8 of the Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool as promulgated by Division Order No. R-8768, the above-described unorthodox coal gas well location is hereby approved.

Sincerely,

William J. LeMay by David Caballero
William J. LeMay
Director

WJL/MES/ag

cc: Oil Conservation Division - Aztec
NM State Land Office - Santa Fe



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

RREY CARRUTHERS
GOVERNOR

1000 RIO HAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

Date: 5.7.90

ATTN: M. Stogner

Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504-2088

Re: Proposed MC _____
Proposed DHC _____
Proposed NSL X _____
Proposed SWD _____
Proposed WFX _____
Proposed PMX _____

Gentlemen:

I have examined the application dated 4-23-90

for the NASSAU RESOURCES INC. COWSAROUND K#11
Operator Lease & Well No.

K-16-26N-12W and my recommendations are as follows:
Unit, S-T-R

Approve

Yours truly,

Eric Kueh



Jerome P. McHugh & Associates
Operating Affiliate: **Nassau Resources, Inc.**
P O Box 809, Farmington, NM 87499-0809
(505) 326-7793 Fax (505) 327-0859

April 19, 1990

New Mexico Oil Conservation Division
ATTN: Mike Stogner
P O Box 2088
Santa Fe, New Mexico 87504

RE: Application for Unorthodox Location
Nassau Resources, Inc.
Cowsaround 16 #11
1980' FNL - 2140' FWL
Sec. 16, T26N, R12W, NMPM
San Juan County, NM

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APR 23 1990
OIL CON. DIV.
DIST. 3

Gentlemen:

Nassau Resources, Inc., hereby requests administrative approval of an unorthodox location for the captioned well based upon surface owner's requirements.

The SW quarter of Sec. 16, Township 26 North, Range 12 West, is owned by El Paso Natural Gas Co. and is the location of their Chaco Plant. As shown by the attached surface use agreement, certain "restricted areas" were designated as sites for well locations and restricted to El Paso. There is no location for a well site which meets the requirements for a standard location.

All offsetting operators, as shown on the attached lease plat, have been notified of this application. Jerome P. McHugh is an operating affiliate with Nassau Resources, Inc.

Also attached are copies of the surveyor's plat, topographic map, and production map.

Please contact us if anything further is required to complete this application.

Respectfully submitted,

Fran Perrin
Fran Perrin
Admin. Asst.

Attachments

XC: ✓
Ernie Busch, NMOCD, Aztec, NM
Dugan Production Corp.
Southern Union Exploration Co.
Amoco Production Co.
Merrion Oil & Gas Corp.
BK Petroleum, Inc.

RECEIVED

SEP 4 1944

OFF. COM. DIA.
C. 1003.

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Nassau Resources, Inc.			Lease COWSAROUND 16		Well No. 11
Unit Letter K	Section 16	Township 26 North	Range 12 West	County San Juan	
Actual Footage Location of Well:					
1980	feet from the	South	line and	2140	feet from the
Ground level Elev. 6021	Producing Formation Fruitland Coal		Pool Basin Fruitland Coal	West line	
					Dedicated Acreage: 320.0 Acres

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force pooling, etc?
☐ Yes ☐ No If answer is "yes" type of consolidation _____
If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary)
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced pooling, or otherwise) or until a non standard unit, eliminating such interest, has been approved by the Division.

Kindermac Partners 100%
VA-235

Section 16

2140'



1980'

Nassau Resources, Inc.
Cowsaround 16 #11
Appl. for Unorthodox Loc.

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature

Fran Perrin

Printed Name

Fran Perrin

Position

Admin. Asst.

Company

Nassau Resources, Inc.

Date

4/17/90

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

April 12, 1990

Signature & Seal of
Professional Surveyor



COU OF SAM JUD

3.: Liska died

Probate Clerk and ex-officio Recorder.
Bonnie L. Lacey
Deputy

SW $\frac{1}{4}$, Section 16, Township 26 North, Range 12 West, N.M.P.M.,
San Juan County, New Mexico

WHEREAS, El Paso has requested Gulf's consent to El Paso's use of the surface of the aforementioned tract as a site for a natural gas compressor plant;

(1) El Paso agrees that it will establish and reserve four (4) drilling sites to be used by Gulf, each of said drilling sites to be three hundred feet by three hundred feet (300' x 300') in area, and located as shown on El Paso's drawing number 5212.1-X-1(C). Gulf agrees that it will not drill well or wells on El Paso's Plant Site except within the restricted drilling areas established by El Paso, unless otherwise mutually agreed to in writing, or becomes necessary in order to comply with its oil and gas lease obligations, in which latter event, if reasonably possible, it will so locate each said additional well as not to conflict with the location or interfere with the operation of El Paso's permanent improvements then located on said Plant Site, and further that its drilling and operation of all such wells will be conducted in such a manner as to cause the least practicable inconvenience to El Paso in the use by it of its Plant Site and the operation of its Plant and facilities thereon for the purposes mentioned. Likewise, Gulf agrees that any pipe lines hereafter laid or installed by Gulf under its said lease or any other rights of way or easements which it may hold, shall be laid and installed at such locations as not to conflict with the location and operation of El Paso's permanent improvements on said Plant Site, and any pipe lines heretofore laid,

Nassau Resources, Inc.
Cowsaround 16 #11
Appl. for Unorthodox Loc.

REG. NO. 19955

or installed, if any, by Gulf on or across El Paso's said tract and Plant Site, at such locations as may interfere with the construction or operation of El Paso's said improvements and Plant, shall be appropriately relocated, by mutual agreement, by Gulf, or at Gulf's option, by El Paso under Gulf's supervision but, in any case, at the sole cost and expense of El Paso.

Gulf further agrees that it will use only such routes for entry to and egress from its operations on said Plant Site, and for laying, maintaining, inspecting and removing of lines thereon, as Gulf and El Paso may agree as those being (a) reasonably necessary to said purposes as they are ordinarily performed in the field, and (b) least interfering with El Paso's Plant and operations.

(2) El Paso agrees that, unless otherwise mutually agreed to in writing, it will make no use of the said restricted drilling areas and shall reserve said areas for the use of Gulf in its drilling operations.

El Paso further agrees that it will conduct its operations on said Plant Site with the least practicable inconvenience to Gulf in its drilling operations.

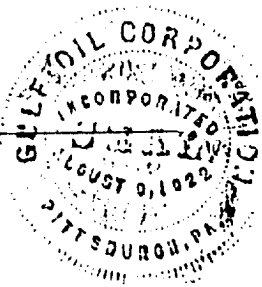
(3) As additional consideration for the agreements herein made by Gulf, El Paso agrees to hold Gulf Oil Corporation harmless from any claim for damages to any of El Paso's property or for injury to, or death of, any of El Paso's agents, servants or employees occasioned by, or arising from, any of Gulf's operations under its lease upon the above described premises, or within 200 feet thereof, except those resulting from willful or gross negligence.

The terms and provisions hereof shall be binding upon and shall inure to the benefit of each of the parties hereto, their respective successors and assigns.

EXECUTED in two original counterparts this 8 day
of March, A. D. 1957.



Attest:



EL PASO NATURAL GAS COMPANY

By

[Signature]
Vice President

BCH

GULF OIL CORPORATION

[Signature]

A. M. Bell, Jr. - Attorney in fact



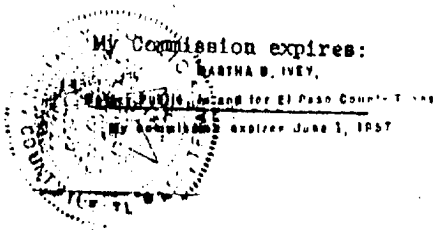
Nassau Resources, Inc.
Cowsaround 16 #11
Appl. for Unorthodox Loc.

STATE OF TEXAS

COUNTY OF EL PASO

On this 8 day of March, 1957, before me appeared M. F. BIEBA, to me personally known, who, being by me duly sworn, did say that he is the Vice President of EL PASO NATURAL GAS COMPANY and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said M. F. BIEBA acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



Martha B. Ivey
Notary Public in and for El Paso
County,
State of Texas

STATE OF Colorado

COUNTY OF Denver

On this 14th day of March, 1957, before me appeared A. M. Bell, Jr., to me personally known, who, being by me personally known, did say that he is the Attorney in Fact of GULF OIL CORPORATION and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said A. M. Bell, Jr. acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



Germaine S. Auerbach
Notary Public in and for Denver
County,
State of Colorado

My Commission expires January 3, 1961

Nassau Resources, Inc.
Cowsaround 16 #11
Appl. for Unorthodox Loc.

El Paso
Natural Gas Company

P. O. BOX 4990
FARMINGTON, NEW MEXICO 87499
PHONE 505 325 2811

April 9, 1990

Ms. Fran Perrin
c/o Nassau Resources, Inc.
P. O. Box 809
Farmington, New Mexico 87499-0859

RE: Chaco Plant property
Nassau Resources, Inc.
Cowaround 16 #11
San Juan County, New Mexico

Dear Ms. Perrin:

Referenced is made to your letter dated April 4, 1990 regarding the captioned well.

Attached is a drawing which reflects four(4) restricted areas situated on El Paso Natural Gas Company's Chaco Plant property. These areas were set aside for well locations. It appears your proposed location does not fall within a restricted area; therefore, we respectfully request that the proposed well be relocated to do so.

It is our understanding that at the time El Paso Natural Gas purchased the subject property an agreement was entered into with the mineral lessee/owner and these restricted areas were mutually agreed to for future production locations.

If any additional information or assistance is necessary please let us know.

Jerome P. McIlugh
Farmington, N.M.

APR 10 1990

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LIL/sj

cc: Ken Thornton
Charlie Brown

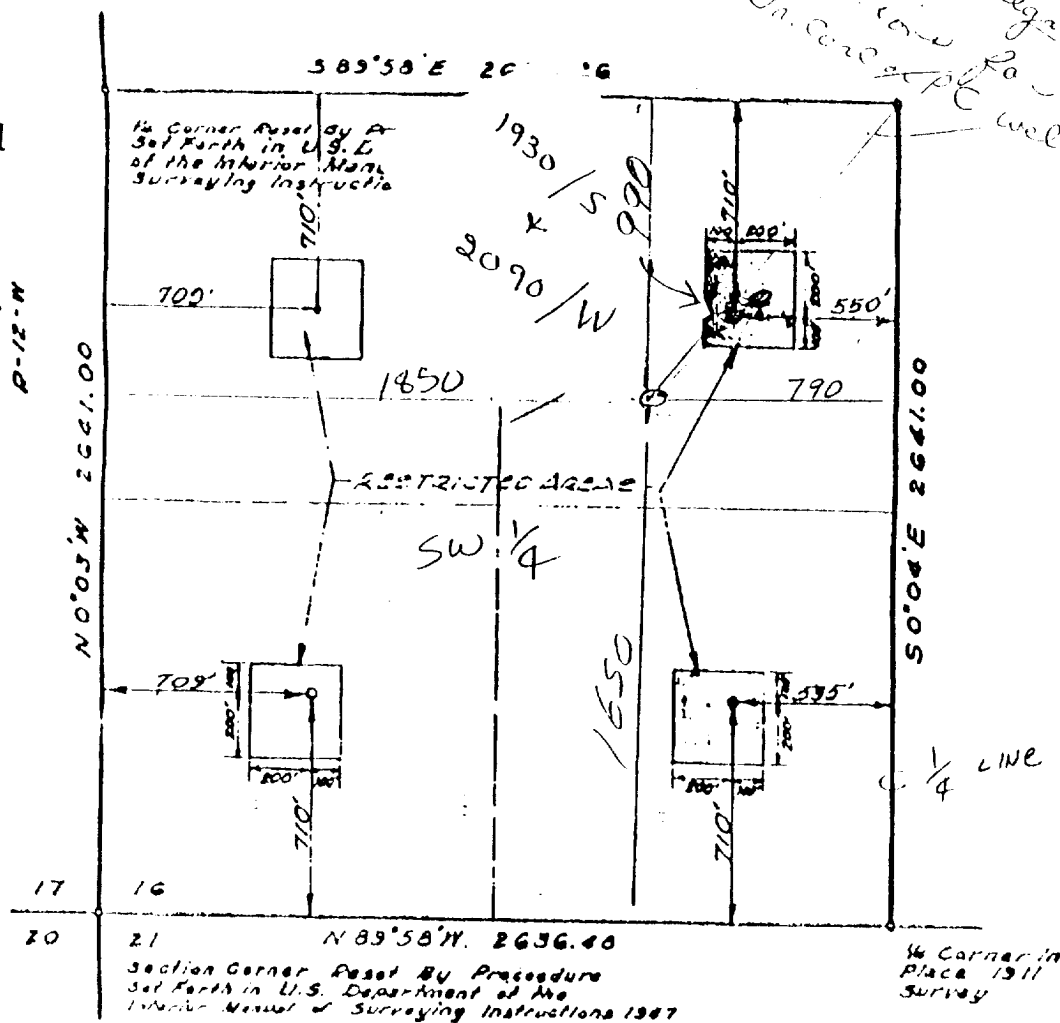
Attachment

Sincerely,

Leonard I. Lord

Leonard I. Lord
Senior Right of Way Negotiator

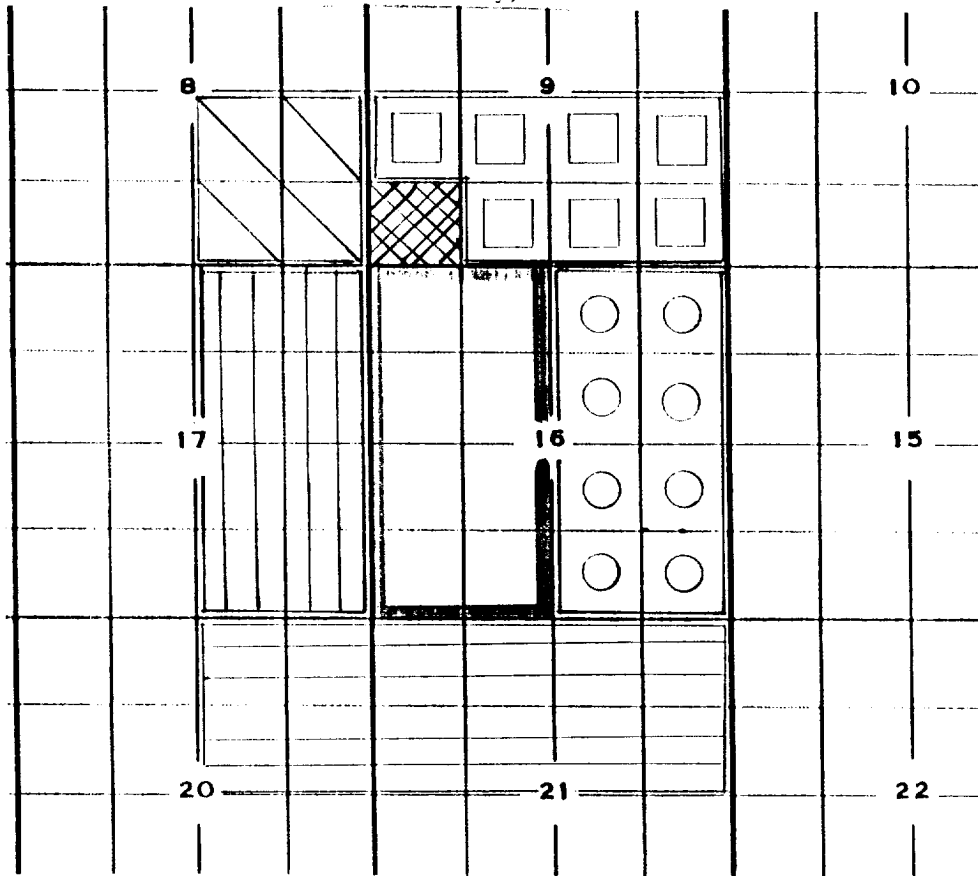
Nassau Resources, Inc.
Cowaround 16 #11
Appl. for Unorthodox Loc.









Nassau Resources, Inc.
Cowsaround 16 #11
Appl. for Unorthodox Loc.

LEASE PLAT

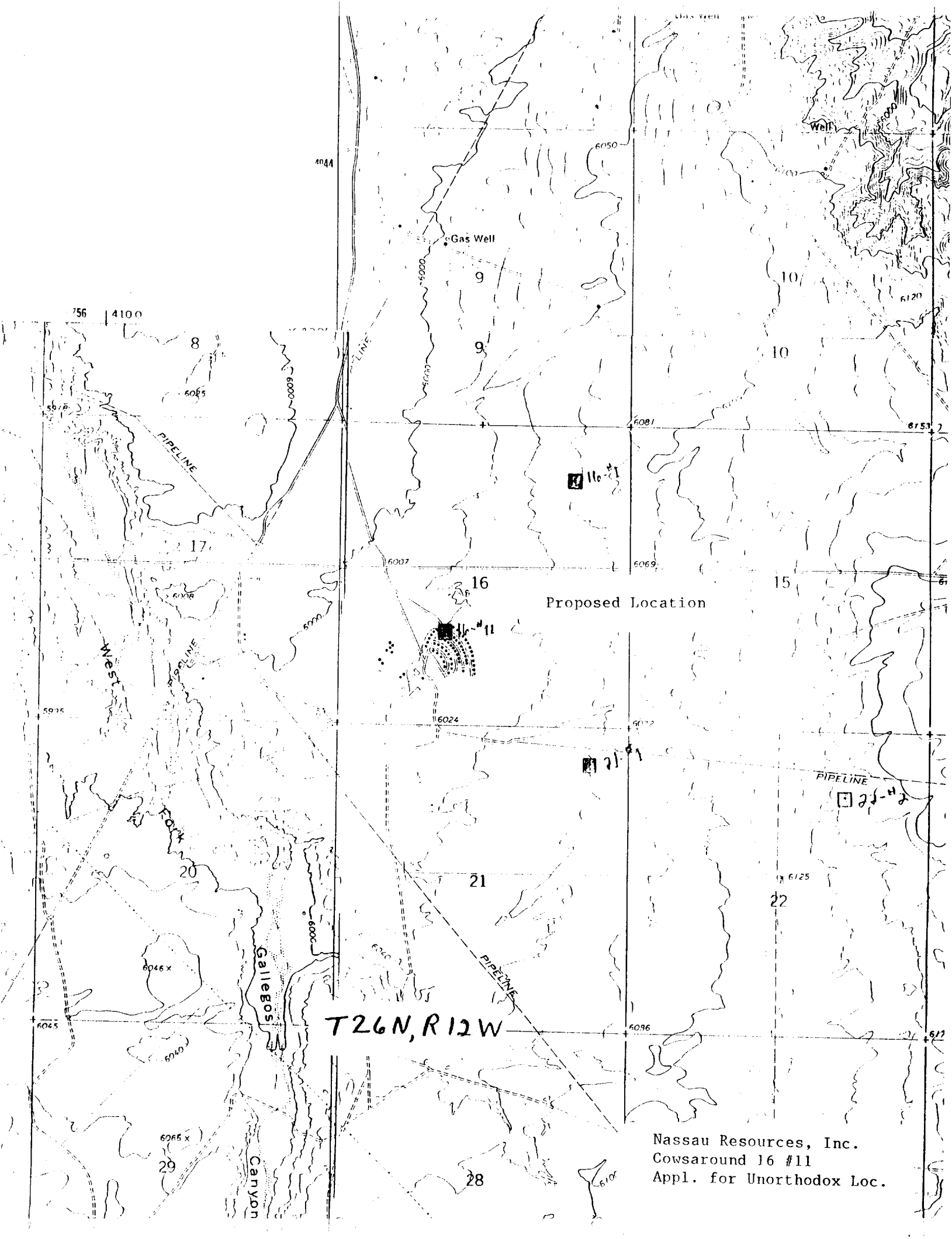
Township 26 North, Range 12 West, NMPM,
San Juan County, New Mexico



Offsetting Operators:

	SE/4, Sec. 8, T26N, R12W B K Petroleum, Inc.	SF 080008
	NW/4 SW/4, E/2 SW/4, SE/4 of Sec. 9, T26N, R12W Southern Union Exploration Co.	NM 25453
	SW/4 SW/4 of Sec. 9, T26N, R12W Merrion Oil and Gas Corp.	NM 63320
	E/2 of Sec. 17, T26N, R12W Dugan Production Corp.	NM 12027
	NE/4 of Sec. 20, T26N, R12W N/2 of Sec. 21, T26N, R12W Amoco Production Co., 50% and Jerome P. McHugh, 50% (an operating affiliate with Nassau Resources, Inc.)	NM 12028
	E/2 of Sec. 16, T26N, R12W Kindermac Partners (an operating affiliate with Nassau Resources, Inc.)	VA-235

Nassau Resources, Inc.
Cowsaround 16 #11
Appl. for Unorthodox Loc.



Nassau Resources, Inc.
Cowsaround 16 #11
Appl. for Unorthodox Loc.



Jerome P. McHugh & Associates
Operating Affiliate: **Nassau Resources, Inc.**
P O Box 809, Farmington, NM 87499-0809
(505) 326-7793 Fax (505) 327-0859

April 19, 1990

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

B K Petroleum, Inc.
Attn: Larry Bedford
P O Box 826
Farmington, NM 87499

RE: Application for Unorthodox Location
Nassau Resources, Inc.
Cowsaround 16 #11
1980 FNL - 2140' FWL
Sec. 16, T26N, R12W, NMPM
San Juan County, NM

Dear Mr. Bedford:

Enclosed is a copy of the subject Application for Unorthodox Location.

If B K Petroleum, Inc., as an offsetting operator, has no objection to this application, we request that you notify the Oil Conservation Division as soon as possible. Please send a waiver to the attention of Michael Stogner, New Mexico Oil Conservation Division, P O Box 2088, Santa Fe, NM, 87504.

Please feel free to call if you have any questions.

Thank you,

Fran Perrin

Fran Perrin
Admin. Asst.

Enclosure

xc: NMOCD, Santa Fe, NM



Jerome P. McHugh & Associates
Operating Affiliate: **Nassau Resources, Inc.**
P O Box 809, Farmington, NM 87499-0809
(505) 326-7793 Fax (505) 327-0859

April 19, 1990

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Merrion Oil and Gas Corp.
Attn: Patrick Hegarty
P O Box 840
Farmington, NM 87499

RE: Application for Unorthodox Location
Nassau Resources, Inc.
Cowsaround 16 #11
1980 FNL - 2140' FWL
Sec. 16, T26N, R12W, NMPM
San Juan County, NM

Dear Mr. Hegarty:

Enclosed is a copy of the subject Application for Unorthodox Location.

If Merrion Oil and Gas Corp., as an offsetting operator, has no objection to this application, we request that you notify the Oil Conservation Division as soon as possible. Please send a waiver to the attention of Michael Stogner, New Mexico Oil Conservation Division, P O Box 2088, Santa Fe, NM, 87504.

Please feel free to call if you have any questions.

Thank you,

Fran Perrin

Fran Perrin
Admin. Asst.

Enclosure

xc: NMOCD, Santa Fe, NM