

# McHUGH

Jerome P. McHugh & Associates  
Operating Affiliate: Nassau Resources, Inc.  
650 South Cherry, Suite 1225  
Denver, Colorado 80222  
(303) 321-2111 FAX (303) 321-1563

*well file*

January 18, 1990

CERTIFIED MAIL - RETURN RECEIPT REQUESTED ✓

Celeste Grynberg  
Grynberg Petroleum  
ATTN: SUSAN STONE  
5000 S. Quebec St., Suite 500  
Denver, CO 80237

Re: Application for Administrative Approval of Directional  
Drilling  
Nassau Resources, Inc. Carracas Unit 13-A-14  
Section 13, T32N, R5W, NMPM  
Rio Arriba County, New Mexico

Dear Ms. Stone:

Nassau Resources, Inc. has drilled and completed the referenced well. The well was drilled directionally from a surface location of 800' FSL, 1760' FWL Sec. 13, T32N R5W, in Rio Arriba County, New Mexico. The permitted bottomhole location was 1700' FSL, 1300' FWL in Section 13, with a tolerance radius of 50'.

The well's final bottomhole location as surveyed is 1629.84' FSL and 1327.13' FWL. The actual location is 70.16' south of the permitted location and as such is 20.16' outside of the permitted radius tolerance. The bottomhole location is well within normal tolerances of setback from section lines as per NMOCD orders for the Fruitland Coal.

Nassau is requesting permission from the New Mexico Oil Conservation Division to produce the well as drilled. If you have no objections to the location, please notify the Oil Conservation Division as soon as possible. Please send a waiver to the attention of Michael Stagner, New Mexico Oil Conservation Division, P.O. Box 2088, Santa Fe, New Mexico 87504.

Please call me if you have any questions.

Yours truly,

NASSAU RESOURCES, INC.

  
Gary J. Johnson

GJJ/clb

cc: NMOCD, Santa Fe  
NMOCD, Aztec ✓

**RECEIVED**

JAN 22 1990

**OIL CON. DIV.**  
**DIST. 3**

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January 18, 1990

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. J.W. Hawkins  
Land Department  
Proration Group  
Amoco Production Co.  
P.O. Box 800 - 1670 BROADWAY  
Denver, CO 80201

Re: Application for Administrative Approval of Directional  
Drilling  
Nassau Resources, Inc. Carracas Unit 13-A-14  
Section 13, T32N, R5W, NMPM  
Rio Arriba County, New Mexico

Dear Mr. Hawkins:

Nassau Resources, Inc. has drilled and completed the referenced well. The well was drilled directionally from a surface location of 800' FSL, 1760' FWL Sec. 13, T32N R5W, in Rio Arriba County, New Mexico. The permitted bottomhole location was 1700' FSL, 1300' FWL in Section 13, with a tolerance radius of 50'.

The well's final bottomhole location as surveyed is 1629.84' FSL and 1327.13' FWL. The actual location is 70.16' south of the permitted location and as such is 20.16' outside of the permitted radius tolerance. The bottomhole location is well within normal tolerances of setback from section lines as per NMOCD orders for the Fruitland Coal.

Nassau is requesting permission from the New Mexico Oil Conservation Division to produce the well as drilled. If you have no objections to the location, please notify the Oil Conservation Division as soon as possible. Please send a waiver to the attention of Michael Stagner, New Mexico Oil Conservation Division, P.O. Box 2088, Santa Fe, New Mexico 87504.

Please call me if you have any questions.

Yours truly,

NASSAU RESOURCES, INC.

  
Gary J. Johnson

GJJ/clS

cc: NMOCD, Santa Fe  
NMOCD, Aztec ✓

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18 January 1990

State of New Mexico  
Energy, Minerals and Natural Resources Department  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87504

Attn: Mr. Michael Stogner

Dear Mr. Stogner:

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JAN 22 1990

OIL CON. DIV.  
DIST. 3

Nassau Resources, Inc. hereby requests amendment of Administrative Order DD-28, dated August 23, 1989. This order provided that Nassau could drill a directional well from a surface location of 800' FSL, 1760' FWL to a subsurface location of 1700' FSL, 1300' FWL both in Section 13, T32N, R05W, Rio Arriba County, New Mexico. A subsurface location tolerance of 50' diameter was granted.

Nassau drilled the well to a measured depth of 4350' to a bottomhole location of 1629.84' FSL, 1327.13' FWL. This bottomhole location is within the normal drilling window for a Basin Fruitland Coal well, but is approximately 20' outside the 50' tolerance diameter at total depth.

Nassau requests an amendment to Administrative Order DD-28 to allow the well to be produced at its current bottomhole location.

Nassau has sent registered letters of notification of this application to the offset operators affected, namely Amoco Production and Celeste Grynberg.

Attached please find a copy of the directional drilling companies completion report with diagrams showing the well's bottomhole location and trajectory. This data was verified with a directional electric log.

If you have any questions concerning this request, please advise.

Yours very truly,



Gary J. Johnson  
Petroleum Engineer