

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPPLICATE*
(Other instructions on re-
verse side)

Subject Bureau No. 1001-4-1-1
Expires August 31, 1985

5. LEASE DESIGNATION AND SERIAL NO.

NM 28277

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT" for such proposals.)

1. OIL WELL ☐ GAS WELL ☒ OTHER

2. NAME OF OPERATOR

NASSAU RESOURCES, INC.

3. ADDRESS OF OPERATOR

P.O. Box 809, Farmington, N.M. 87499

4. LOCATION OF WELL (Report location clearly and in accordance with instructions on reverse side.
See also space 17 below)
At surface

790' FSL - 1850' FWL

14. PERMIT NO.

15. ELEVATIONS (Show whether of surface or bottom hole)

7435' GL

RECEIVED

OCT 16 1989

OIL CON. DIV
DIST. 3

7. UNIT AGREEMENT NAME

Carracas Unit

8. FARM OR LEASE NAME

Carracas Unit 17 B

9. WELL NO.

#14

10. FIELD AND POOL OR WILDCAT

Basin Fruitland Coal

11. SEC., T., R., M., OR S.E. AND
SUBVY OR AREA

Sec. 17, T32N, R4W

12. COUNTY OR PARISH 13. STATE

Rio Arriba

NM

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF

FRACTURE TREAT

SHOOT OR ACIDIZE

REPAIR WELL

(Other) Change of plans

PULL OR ALTER CASING

MULTIPLE COMPLETION

ABANDON*

CHANGE PLANS

XX

SUBSEQUENT REPORT OF:

WATER SHUT-OFF

FRACTURE TREATMENT

SHOOTING OR ACIDIZING

(Other)

REPAIRING WELL

ALTERING CASING

ABANDONMENT*

(NOTE: Report results of multiple completion on Well
Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Plan to directionally drill the subject well as follows:

Proposed Surface Location: 790' FSL & 1850' FWL (No change)

Bottom Hole Location: 1850' FSL & 790' FWL (Within a 50' radius)

True Vertical Depth: 4230' - Approximately

Measured Depth: 4628' - Approximately

Attached are the C-102 plat showing both surface and bottom hole locations
Revised Operations Plan
Revised BOP Information
Schematic Diagram of Planned Deviation
Copy of OCD Administration Order #DD-29, approving the
directional drilling.

In regard to the BOP installation, a variance is requested on the use of
an annular preventer for this well. While developing the Carracas Unit,
shut-in surface pressures after fracture treating have not exceeded 1500 psi.
The Carracas Unit now has numerous wells drilled throughout the unit and
higher pressures are not expected in drilling Fruitland Coal gas wells.

18. I hereby certify that the foregoing is true and correct

SIGNED

James S. Hazen

TITLE

Field Supt.

(This space for Federal or State office use)

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY:

TITLE

WOOD

*See Instructions on Reverse Side

APPROVED

DATE 9/28/89

OCT 11 1989

AREA MANAGER
FARMINGTON RESOURCE AREA

All distances must be from the outer boundaries of the Section.

Operator Nassau Resources, Inc.			Lease Carracas Unit 17 B		Well No. 14
Unit Letter N	Section 17	Township 32 North	Range 4 West	County Rio Arriba	
Actual Footage Location of Well: 790 feet from the South line and 1850 feet from the WEST line					
Ground Level Elev. 7435	Producing Formation Fruitland		Pool Basin Fruitland Coal		Dedicated Acreage 320 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☒ Yes ☐ No If answer is "yes," type of consolidation Carracas Unit - Unitization

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 interests, has been approved by the Division.

NM 28277 Kindermac Partners		SECTION 17
NASSAU RESOURCES, INC. Carracas Unit 17 B #14 Appl. for Directional Drilling		
Bottom Hole Location		Surface Location
Surface Location		

CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <i>Fran Perrin</i>	
Name	Fran Perrin
Position	Admin. Asst.
Company	Nassau Resources, Inc.
Date	9/11/89
Date Surveyed	6-16-88
Registered Professional Engineer and/or Land Surveyor <i>Edgar L. Risenhoover</i> Certificate No. 5979	

REVISED OPERATIONS PLAN

OPERATOR: NASSAU RESOURCES, INC.
WELL NAME: Carracas Unit 17 B #14
FIELD: Basin Fruitland Coal
SURFACE LOCATION: 790' FSL - 1850' FWL
BOTTOM HOLE LOCATION: 1850' FSL - 790' FWL
Sec. 17, T32N, R4W, NMPM
Rio Arriba County, New Mexico
ELEVATION: 7435' GL

EXPECTED FORMATION TOPS: TVD
Ojo Alamo 3350'
Kirtland 3540'
Fruitland 3930'

LOGGING PROGRAM: DIL-GR-SP & FDC-CNL-GR-CALIPER

SAMPLES: Catch samples every 10' from 3870' to TD.

CASING PROGRAM:

Hole Size	Depth	Csg. Size	Wt./Ft.	Grade & Condition
12-1/4"	300'	9-5/8"	36#	J-55, New
Cement:	140 sx	Class "B" w/ 2% CaCl	(165 cu.ft.)	
8-3/4"	4628'	5-1/2"	15.5#	K-55, New
	Measured depth			
Cement:	615 sx	65/35 poz w/ 12% gel & 1/4#/sk flowseal		
	100 sx	50/50 poz w/ 2% gel, 6-1/4#/sk gilsonite & 1/4#/sk flowseal	(1750 cu.ft.)	

WELLHEAD EQUIPMENT: 9-5/8" x 11" 600 series Bradenhead &
11" x 7-1/16" 600 series, 2000 psi working pressure well
head.

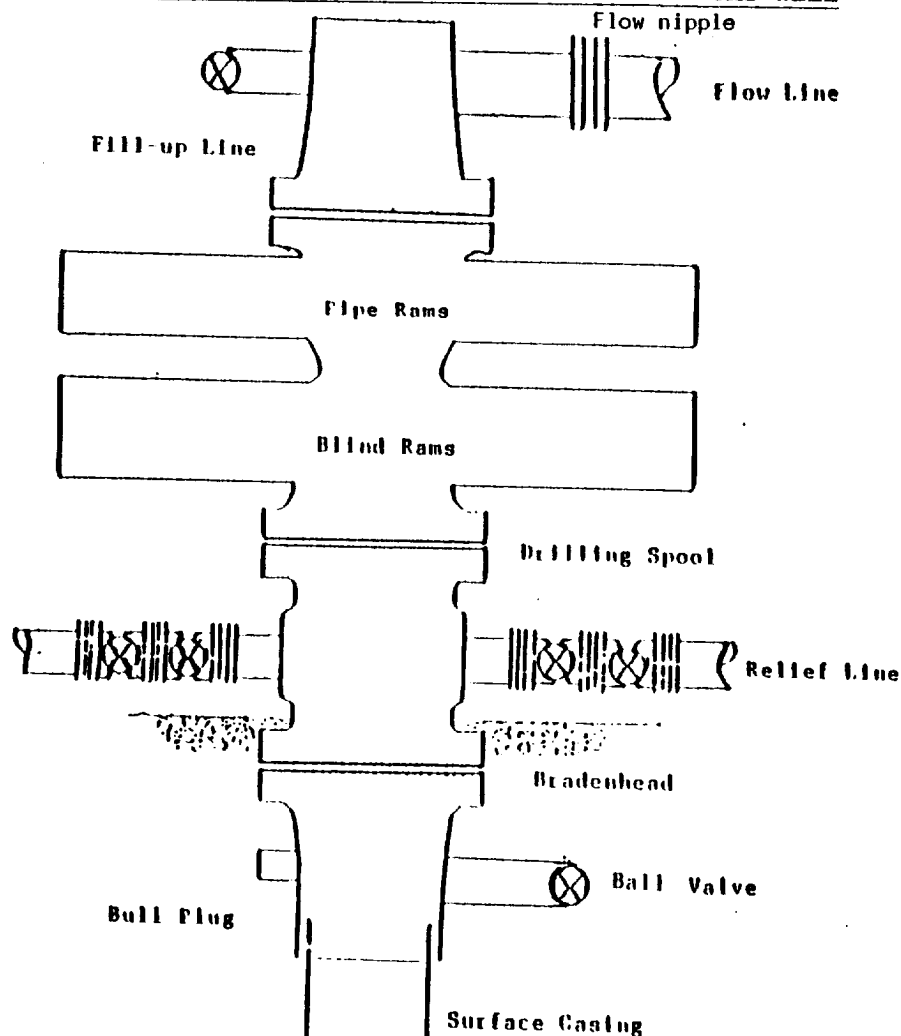
TECHNICAL PERSONNEL:

James S. Hazen, Field Supt.
Nassau Resources, Inc.
P O Box 809
Farmington, NM 87499
(505) 326-7793 Office
(505) 334-8225 Home

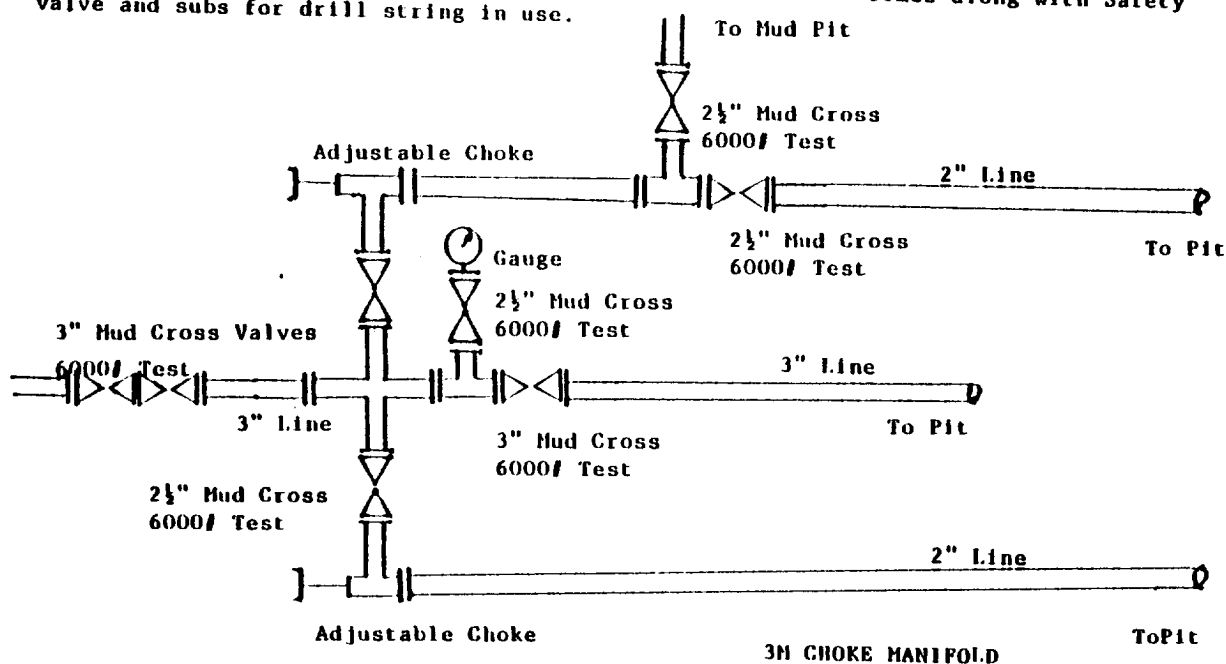
Gary Johnson, Petroleum Engr.
Nassau Resources, Inc.
650 South Cherry St. #1225
Denver, CO 80222
(303) 321-2111 Office
(303) 688-9864 Home

NASSAU RESOURCES, INC.
Carracas Unit 17 B #14
Exhibit B
Revised 9/8/89

TYPICAL BOP INSTALLATION FOR FRUITLAND COAL GAS WELL

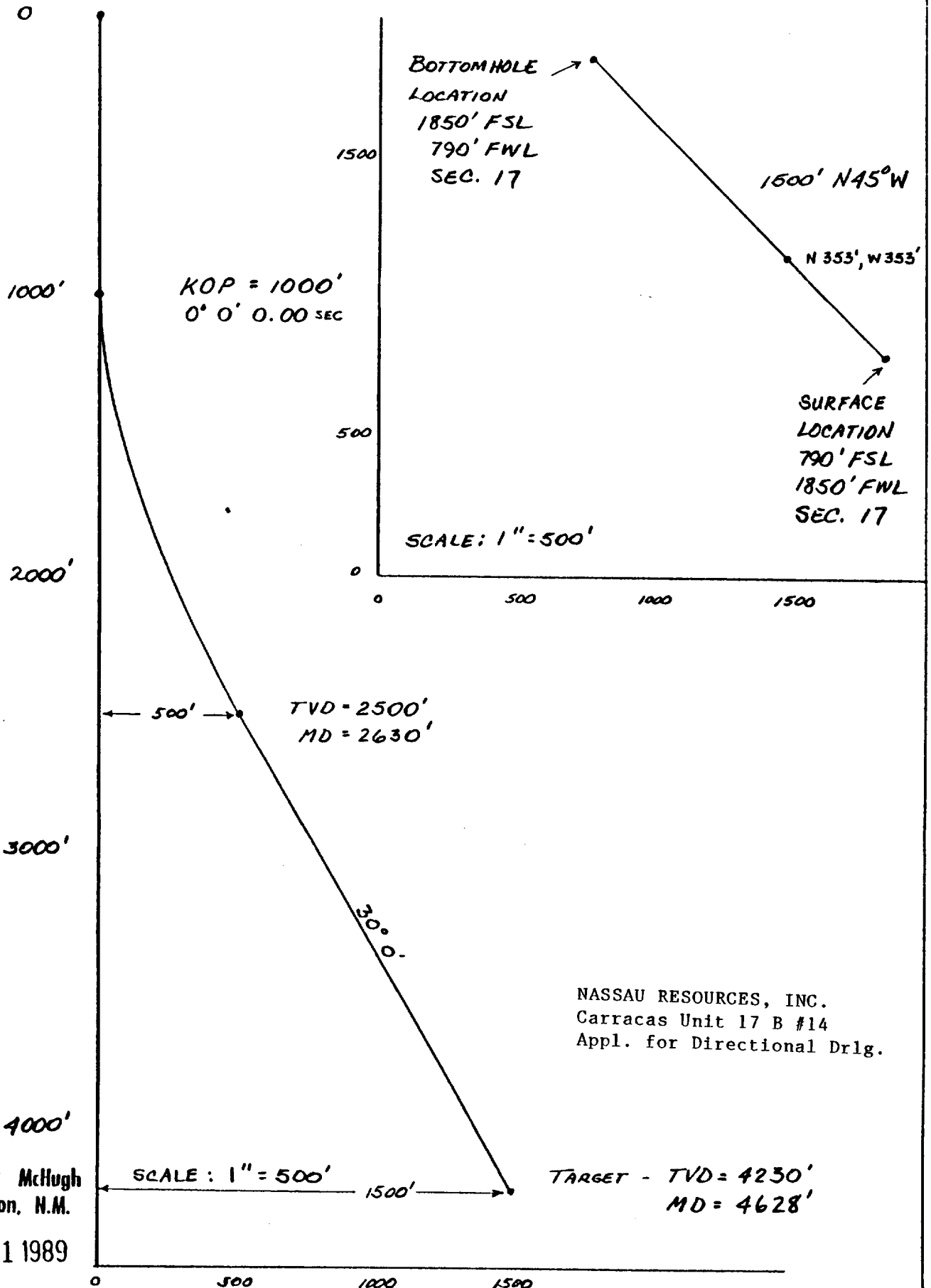


Series 900 Double gate BOP, rated at 3000 psi working pressure. When gas drilling operations begin, a Shaffer type 50 or equivalent rotating head is installed on top of the flow nipple and the flow line is converted into a blowie line. Upper Kelly cock valve will be in place with handle on rig floor at all times along with Safety valve and subs for drill string in use.



DIRECTIONAL WELL PLAN

SECTION 17, T32N, R04W
RIO ARRIBA, NM



NASSAU RESOURCES, INC.
Carracas Unit 17 B #14
Appl. for Directional Drllg.

Jerome P McHugh
Farmington, N.M.

AUG 21 1989

42-381 50 SHEETS 5 SQUARE
42-382 100 SHEETS 1 SQUARE
42-389 700 SHEETS 1 SQUARE





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

September 18, 1989

Jerome P. McHugh
Farmington, N.M.

SEP 25 1989

RECEIVED

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

Attention: Fran Perrin

Administrative Order DD-29

Dear Ms. Perrin

Under the provisions of General Rule 111 (c), (d) and (e), Nassau Resources, Inc. made application to the New Mexico Oil Conservation Division on August 21, 1989, for authorization to directionally drill its proposed Carracas Unit 17-B Well No. 14, Rio Arriba County, New Mexico.

The Division Director Finds That:

- (1) The application has been duly filed under the provisions of Rule 11 (d) and (e) of the Division General Rules and Regulations;
- (2) Satisfactory information has been provided that all offset operators have been duly notified;
- (3) The applicant has presented satisfactory evidence that all requirements prescribed in General Rule 111 will be met; and
- (4) No objections have been received within the waiting period prescribed by said rule.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Nassau Resources, Inc., is hereby authorized to directionally drill its Carracas Unit 17-B Well No. 14, the surface location of which shall be 790 feet from the South line and 1850 feet from the West line (Unit N) of Section 17, Township 32 North, Range 4 West, Rio Arriba County, New Mexico, by kicking off from the vertical at a depth of approximately 1000 feet, and drilling in such a manner as to bottom in the Basin Fruitland Coal Gas Pool within 50 feet of a point 1850 feet from the South line and 790 feet from the West line (Unit L) of said Section 10, being a standard coal gas well location for said formation.

PROVIDED HOWEVER THAT: prior to directional drilling, the operator shall determine the subsurface location of the kick-off point; and

PROVIDED FURTHER THAT: subsequent to the above-described directional drilling, should said well be a producer, a continuous multi-shot directional survey shall be made of the wellbore from total depth to kick-off point with shot points not more than 100 feet apart; the operator shall cause the surveying company to forward a copy of the survey report directly to the Santa Fe office of the Division, 310 Old Santa Fe Trail, Room 206, Santa Fe, New Mexico 87502, and the operator shall notify the Division's Aztec District Office of the date and time said survey is to be commenced.

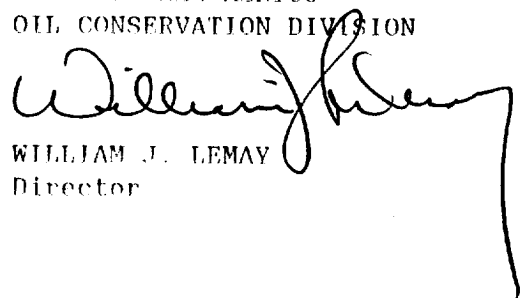
(2) Form C-105 shall be filed in accordance with Division Rule 1105 and the operator shall indicate thereon true vertical depth in addition to measured depths.

(3) The W/2 of said Section 17 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit for said pool.

(4) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director

S E A L

cc: Oil Conservation Division - Aztec
US Bureau of Land Management - Farmington
US Forest Service - Blanco
NM Oil and Gas Engineering Committee - Hobbs