STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTME

OIL CONSERVATION DIVISION

GARREY CARRUTHERS GOVERNOR

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

September 5, 1989

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

Attention: Pran Perrin

OCT1 7 1990

OIL CON

Administrative Order NSL-2693

Dear Ms. Perrin:

Reference is made to your application of August 16, 1989 for a non-standard coal gas well location for your Carracas Unit 14-B Well No. 10 to be located 1810 feet from the South line and 2310 feet from the East line (Unit J) of Section 14, Township 32 North, Range 4 West NMPM, Basin Fruitland Coal (Gas) Pool, Rio Arriba County, New Mexico. The S/2 of said Section 14 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

Director

cc:

WJL/MES/ag

Oil Conservation Division - Aztec

New Mexico Oil & Gas Engineering Committee - Hobbs

US Bureau of Land Management - Farmington

US Forest Service - Blanco

Jerome P. McHugh Fermington, N.M.

SEP 14 1989

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