

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 5, 1989

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

Attention: Fran Perrin

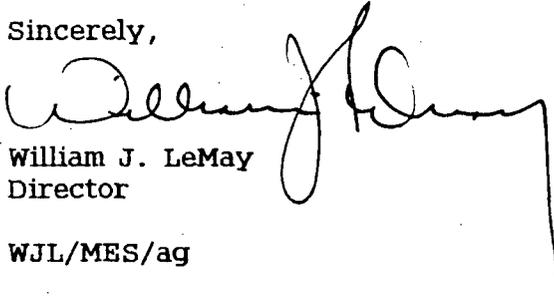
Administrative Order NSL-2693

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

WJL/MES/ag

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