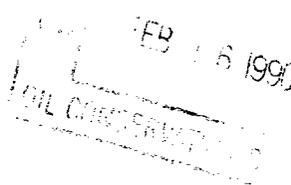


February 14, 1990

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

RE: Application for Unorthodox Location and
Non-standard Proration Unit
Nassau Resources, Inc.
Carracas Unit 12 B #16
470' FSL - 1190' FEL
Sec. 12, T32N, R4W, NMPM
Rio Arriba County, N. M.



Gentlemen:

Nassau Resources, Inc. hereby requests administrative approval of an unorthodox location for the captioned well based upon topographic conditions and Carson National Forest requirements.

As indicated by the attached topographic map, the terrain in this section is extremely rough and no other drill sites are feasible which meet Carson National Forest guidelines for development. The location was moved south after an on-site inspection with the Forest Service due to game migration routes. Also, there are extremely high concentrations of cultural resources in this section.

Section 12 is a fractional section, bordering the State of Colorado on the north, and consisting of 266.55 acres. It is requested that all of Section 12 be designated as a non-standard proration unit.

This well is in Nassau's Carracas Unit. Amoco Production Co. is a party to the unit and has been notified of this application by certified mail. Sections 7 and 18 of T32N, R3W, are unleased Jicarilla Indian minerals, and the Jicarilla Agency of the Bureau of Indian Affairs has been notified by certified mail. Kindermac Partners is an operating affiliate with Nassau and has been notified of the application.

Also attached are the C-102 plat, lease plat, production map, and a copy of a letter from Philip Settles of the Jicarilla Ranger District of Carson National Forest.

Main Office

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

NASSAU RESOURCES, INC.
Application for Unorthodox Location and NSP
February 14, 1990

Page 2

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

Respectfully submitted,

Fran Perrin

Fran Perrin
Admin. Asst.

FP/cm
Attachments

XC: Ernie Busch, NMOCD, NM
Kindermac Partners
Amoco Production Co.
BIA, Jicarilla Agency

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 Carracas Unit 12 B | | Well No. 16 |
| Unit Letter P | Section 12 | Township 32 North | Range 4 West | County NMEM Rio Arriba | |

Actual Footage Location of Well:

| | | |
|----------------------------------|---|--------------------|
| 470 feet from the South line and | 1190 feet from the East line | Dedicated Acreage: |
| Ground level Elev. 6910 | Producing Formation Fruitland Coal Basin Fruitland Coal | 266.55 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 Unitization - Carracas Unit
 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.

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: 1/31/90

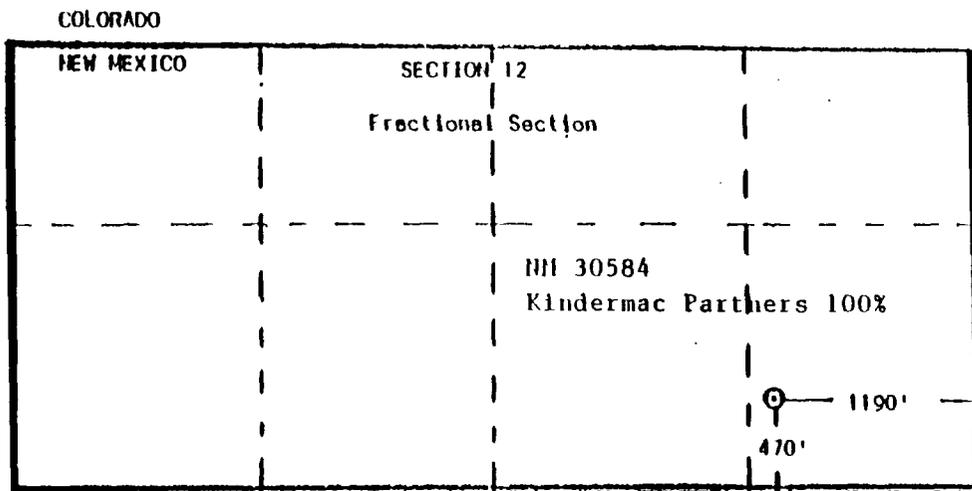
SURVEYOR CERTIFICATION

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: December 8, 1989

Signature & Seal of Professional Surveyor:

 Signature: *Edgar L. Risenhoover*
 Certificate No. 18879
 Name: Edgar Risenhoover



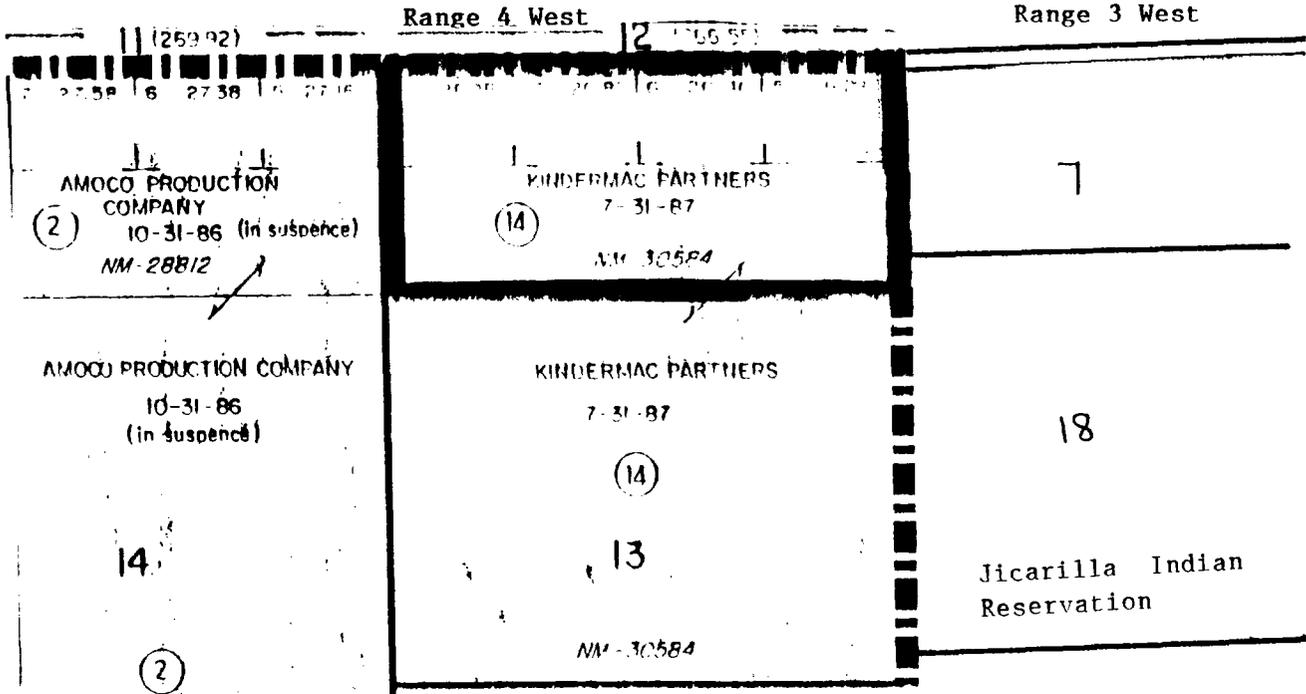
NASSAU RESOURCES, INC.
 Carracas Unit 12 B #16
 Appl. for Unorthodox & NSP



LEASE PLAT

Township 32 North

Rio Arriba County, New Mexico



Offsetting Operators:

Amoco Production Co., Party to the unit
Kindermac Partners, Operating Affiliate

Unleased Jicarilla Indian Minerals:

Sec. 7 & 18 of T32N, R3W

NASSAU RESOURCES, INC.
Carracas Unit 12 B #16
Appl. for Unorthodox Loc.
& NSP

19

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COLO.
N.H.

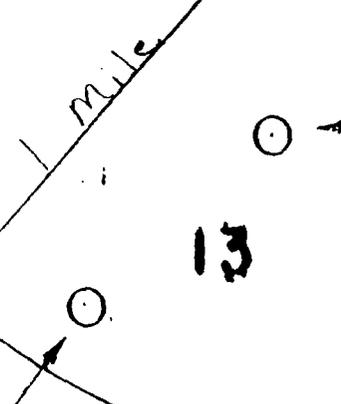
NASSAU
COUNTY

Carracas Unit 11B
McHUGH



14₁₀

12



Proposed Location 7

NRI's CU 13 B #7

13

18

C. Unit 14B
Carracas Mesa 14

Proposed Location
NRI's CU 13 B #11

Jicarilla
Indian
Reserv.

NASSAU

T32N
R3W

23

24

T32N
R4W

19

NASSAU RESOURCES, INC.
Carracas Unit 12 B #16
Appl. for Unorthodox Loc.

15



United States
Department of
Agriculture

Forest
Service

Jicarilla
Ranger District

Gobernador Route
Blanco, NM 87412

Reply to 2820

Date August 3, 1988

r

Mr. James Hazen
Nassau Resources, Inc.
P.O. Box 809
Farmington, New Mexico 87499

L

Dear James:

It was brought to my attention by Mike Atchison that you will be needing to apply for some unorthodox locations for some of the wells in the Carracas Unit. The current location in need of unorthodox approval is the well location just northwest of the Carracas Administrative site, Section 18, T. 32 N., R. 4 W. The need for moving the location to the new site is based upon wildlife habitat protection and in keeping within the guidelines set forth in the Carson Forest Plan. The Plan, as you know, has a major emphasis in wildlife and wildlife habitat. Also key to this request for moving the location is the current Off-Road-Vehicle restriction policy in place over the entire Carracas Unit. This restriction is in place to limit off-road-vehicle travel within a key wildlife management area so that security area will not be lost by unnecessary road construction.

Whenever possible, locations will be required to be placed along open access roads. Further unorthodox locations can be expected within the Carracas Unit to keep in line with the management direction set forth for this area.

Because of this management direction and the probability of future relocations, I would hope the approval of these unorthodox locations can become routine. If not, please don't hesitate to contact me for further help or if needed to appear in person before the approving officer. If you have any questions, please give me a call.

Sincerely,

Philip R. Settles

PHILIP R. SETTLES
District Forest Ranger

Jerome P. McHugh
Farmington, N.M.

CARING FOR THE LAND AND SERVING PEOPLE

Nassau Resources, Inc.
Carracas Unit 12 B #16
Appl. for Unorthodox Loc.
and NSP



AUG 9 1988

RECEIVED

February 14, 1990

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

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

RE: Application for Unorthodox Location and
Non-standard Proration Unit
Nassau Resources, Inc.
Carracas Unit 12 B #16
470' FSL - 1190' FEL
Sec. 12, T32N, R4W, NMPM
Rio Arriba County, N. M.

Dear Mr. Hawkins:

Enclosed is a copy of the subject Application for Unorthodox
Location and Non-standard Proration Unit.

Amoco Production Co. is a party to the Nassau Resources, Inc.,
Carracas Unit; if Amoco 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, N. M. 87504.

Please feel free to call if you have any questions.

Thank you,



Fran Perrin

FP/cm

Enclosure

xc: NMOCD, Santa Fe, N. M.

February 14, 1990

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Bureau of Indian Affairs
Attn: Sherryl Vigil
Supt. of BIA, Jicarilla Agency
P O Box 167
Dulce, N. M. 87528

RE: Application for Unorthodox Location and
Non-standard Proration Unit
Nassau Resources, Inc.
Carracas Unit 12 B #16
470' FSL - 1190' FEL
Sec. 12, T32N, R4W, NMPM
Rio Arriba County, N. M.

Dear Ms. Vigil:

Enclosed is a copy of the subject Application for Unorthodox
Location and Non-standard Proration Unit.

Section 7 and 18 of T32N, R3W are unleased Jicarilla Indian
minerals. If, as owner of offsetting minerals, you have 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, N. M. 87504.

Please feel free to call if you have any questions.

Thank you,

Fran Perrin

Fran Perrin

FP/cm

Enclosure

xc: NMOCD, Santa Fe, N. M.