

EXHIBIT "B"
INITIAL FRUITLAND COAL FORMATION PARTICIPATING AREA "B"
CARRACAS CANYON UNIT AREA
RIO ARRIBA COUNTY, NEW MEXICO

TRACT NO.	LEASE NO. OR TYPE OF LAND	DESCRIPTION	PARTICIPATING ACRES	PERCENT OF PARTICIPATION	WORKING INTEREST OWNERS
6	USA NM-29341 100.000000000%	TOWNSHIP 32 NORTH, RANGE 5 WEST, NMPH SECTION 10: SE/4	160	25.00000000	AMOCO PRODUCTION CO. (33.33%) McHUGH COMPANIES (66.67%)
9	USA NM-29760 100.000000000%	TOWNSHIP 32 NORTH, RANGE 5 WEST, NMPH SECTION 11: SE/4	160	25.00000000	AMOCO PRODUCTION CO. (33.33%) McHUGH COMPANIES (66.67%)
13	USA NM-30351 100.000000000%	TOWNSHIP 32 NORTH, RANGE 5 WEST, NMPH SECTION 10: SW/4	160	25.00000000	McHUGH COMPANIES (100.00%)
19	USA NM-59704 100.000000000%	TOWNSHIP 32 NORTH, RANGE 5 WEST, NMPH SECTION 11: SW/4	160	25.00000000	McHUGH COMPANIES (100.00%)
TOTAL			640	100.00000000	

SUMMARY
EXHIBIT "B"
INITIAL FRUITLAND COAL FORMATION PARTICIPATING AREA "B"
CARRACAS CANYON UNIT AREA
RIO ARRIBA COUNTY, NEW MEXICO

TYPE LAND	COMMITTED ACRES	NON-COMMITTED ACRES	PERCENT COMMITTED
FEDERAL	640	-0-	100.00000000
STATE	-0-	-0-	-0-
PATENTED	-0-	-0-	-0-
TOTAL	640	-0-	100.00000000

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE

(See other In-
structions on
reverse side)

Form approved.
Budget Bureau No. 1004-0137
Expires August 31, 1985

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1A. TYPE OF WELL: OIL WELL ☐ GAS WELL ☒ DRY ☐ Other ☐

1B. TYPE OF COMPLETION:

NEW WELL ☒ WORK OVER ☐ DEEPEN ☐ PLUG BACK ☐ DIFF. DEVEN. ☐ 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 any State requirements)*

At surface

1500' FWL - 1800' FSL

At top prod. interval reported below

At total depth

14. PERMIT NO.

DATE ISSUED

6/1/89

5. LEASE DESIGNATION AND SERIAL NO.

NM 30351

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

Carracas Unit

8. FARM OR LEASE NAME

Carracas Unit 10 A

9. WELL NO.

#11

10. FIELD AND POOL, OR WILDCAT

Basin Fruitland Coal

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA

Sec. 10, T32N, R5W, NMPM

12. COUNTY OR PARISH

Rio Arriba

13. STATE

NM

15. DATE SPUDDED

7/23/89

16. DATE T.D. REACHED

8/1/89

17. DATE COMPL. (Ready to prod.)

9/15/89

18. ELEVATIONS (DV, RKB, RT, GR, ETC.)*

7555' GL

19. ELEV. CASINGHEAD

7555' GL

20. TOTAL DEPTH, MD & TVD

4300'

21. PLUG, BACK T.D., MD & TVD

4220' KB

22. IF MULTIPLE COMPL., HOW MANY*

NA

23. INTERVALS DRILLED BY

ROTARY TOOLS

TD

CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*

4024' - 4046' KB, Basin Fruitland Coal

25. WAS DIRECTIONAL SURVEY MADE

NO

26. TYPE ELECTRIC AND OTHER LOGS RUN Dual Induction-SFL, Comp. Neutron-Litho-Density,

Microlog, Coal log, GR-CCL

27. WAS WELL CORRED

YES

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
9-5/8"	36#	334' KB	12-1/4"	184 cu.ft. circ. to surface	---
5-1/2"	15.5#	4317' KB	8-3/4"	449 cu.ft. circ. to surface	---
				See reverse	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)
NA				

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
2-7/8"	4050' KB	---

31. PERFORATION RECORD (Interval, size and number)

4024' - 4046' KB, 0.5" diam. holes,
4 spf,

Total of 88 holes

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
4024' - 4046'	500 gal. HCL acid
	800 bbls. 35# GWX-9 fluid
	48000# of 40/70 sand
	70,000# of 20/40 sand

33. PRODUCTION

DATE FIRST PRODUCTION		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)					WELL STATUS (Producing or shut-in)	
9/15/89*		Pumping					SI	
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO	
9/16/89	24 hrs.	.250"	→	---	10	192	---	
FLOW, TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)		
117 psi	117 psi	→	---	10	192	---		

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

Vented during test; to be sold

TEST ACCEPTED FOR RECORD

Glenn Hise

OCT 04 1989

35. LIST OF ATTACHMENTS

*1st hydrocarbons to well bore during completion operations

FARMINGTON RESOURCE AREA

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED

Fran Perrin

TITLE

Admin. Asst.

BY

DATE 9/18/89

*(See Instructions and Spaces for Additional Data on Reverse Side)

SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries):

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	TOP	
					MEAS. DEPTH	TRUE VERT. DEPTH
			Item #28 Cemented 9-5/8" casing as follows: 30 sx of 65/35 poz w/ 6% gel, 2% CaCl, 1/4#/sk cello seal (60 cu.ft.) 105 sx Class "B" w/ 2% CaCl & 1/4#/sk cello seal (124 cu.ft.) Total 184 cu.ft. Cemented 5-1/2" casing as follows: 10 bbls. mud flush 500 sx of 65/35 poz w/ 12% gel & 1/4#/sk cello flake (1310 cu.ft.) 100 sx of 50/50 poz w/ 2% gel, 6-1/4#/sk coal seal & 1/4#/sk cello flake (139 cu.ft.) Total 1449 cu.ft.	Ojo Alamo Kirtland Fruitland Fruitland Coal	3333' 3465' 3772' 4024'	

38. GEOLOGIC MARKERS

JEROME P. MCHUGH/NASSAU RESOURCES, INC.**P O BOX 809****FARMINGTON, N.M. 87499-0809****505 326-7793****DAILY REPORT****Carracas Unit 10 A #11**

- 8-16-89 Top of casing was damaged during rig move.
Repaired as follows:
1. Casing was cut off 3" from top and bradenhead seal was installed.
 2. 3" piece of 5-1/2" 15.5# casing was welded 1/2" above bradenhead seal. Inside diameter was checked with rabbit. Okay.
 3. Weld must be cut off to remove bradenhead seal.
- Pressure test to 3500 psi. Test good.
Rig up and ran GR-CCL from PBTD of 4220' to 3800' KB.
Rig up and perforate w/ 0.5" diameter hole from 4024' to 4046', 4 SPF.
- 9-5-89 TIH with 126 jts. of 2-7/8" tbg. set at 4073' KB w/ seating nipple at 4043'.
Had a problem with the well head; stripped off and put on another.
Rigged up B & R Services and TIH with "No-Go" thru seating nipple.
Rigged up pressure bomb. TIH and stopped at 2953'.
TOOH and prep. to re-run pressure bomb.
SI for night.
- 9-6-89 RU and TIH with pressure gauges with 2 jts.
Unable to get below 2960'. TOOH.
TIH with No-Go. Stopped at 2960'. TOOH.
RU tubing swedge and pushed junk down hole to 3659'.
Stuck swedge, unable to free.
Dropped Go-Devil to cut line. Line did not cut.
Cut line at surface. RU.
MI and RU service unit.
TOOH with 2-7/8" tubing, stripping line out.
Recovered fish. Rabbit tubing and TIH.
Landed seating nipple at 4043' KB. NU wellhead.
RD service unit.
SI well.
- 9-8-89 RU & ran pressure gauges to seating nipple at 4043' KB and soft-set.
RU Smith Energy and started leak-off test at 11:00 am on 9/8/89.
Finished test at 7:00 am on 9/9/89.

CONTINUED

NASSAU RESOURCES, INC.
Carracas Unit 10 A #11

9-8-89 Pump rate of .4 bbl/min. Total pump time of 20 hrs.
(cont) Total of fluid pumped 574 bbls.
Average pressure of 1100 psi.
SI.

9-11-89 RU & pulled pressure gauges.

9-12-89 Fraced with 35# GWX-9 fluid as follows:

500 gal	15% HCL acid	
40,000 gal	Pad	
4,000 gal	2#/gal	40/70 sand
4,000 gal	4#/gal	40/70 sand
4,000 gal	6#/gal	40/70 sand
4,000 gal	6#/gal	20/40 sand
4,000 gal	8#/gal	20/40 sand
6,000 gal	10# gal	20/40 sand
1,500 gal	12#/gal	20/40 sand
30 bbl	Flush	

Total load to recover 1800 bbls.

48,000# of 40/70 sand pumped.

170,000# of 20/40 sand pumped.

Pressure max 3500 psi

Average 2700 psi

Injection rate max 52 bbl/min

Average 51.5 bbl/min

ISIP 3,000 psi

SI 5 min. 2,600 psi

10 min. 2,100 psi

15 min. 1,560 psi

Well SI at 6:30 pm on 9/12/89.

Well opened to pit at 7 pm on 9/12/89.

Choke size 3/8".

9-13-89 Cleaned out 2600' of sand.
Circulated clean.
Pulled up 5 stands and shut down.

9-15-89 Ran 128 jts. of 2-7/8" tubing.
Set at 4049.5' KB.
Seating nipple at 4016' KB.
Ran 160 3/4" rods
1 - 2' Pony rod
1 - 12' line
1 - 20' polish rod
1 - 2-1/2" x 2" x 12' Axelson pump.

NASSAU RESOURCES, INC.
Carracas Unit 10 A #11

7-2-91 MI & RU rig. Pressure tested tbg. Did not hold.
Killed tbg. w/ 120 bbls. production water.
Unseated pump & TOOH w/ 150 jts. 3/4" rods & pump.
Laid down rods on location & picked up 3 jts. 2-7/8" tbg.
Checked for fill. No fill.
Circulated, dropped standing valve & pressure tested.
Did not hold.
Unseated anchor & rigged up BOP.
TOOH w/ 48 jts. 2-7/8" tbg.
Laid down jts. #49 & 50 - had holes in them due to
corrosion.
Pressure tested tbg. Blew out hole.
TOOH w/ 5 stands & found hole in jt. #60.
Laid down bad jt. & TIH w/ tbg.
Replaced 3 jts. from stock.
Pressure tested to 1000 psi. Held OK.
Fished standing valve.
Rigged down BOP. Anchor would not set.
Rigged up well head.
Shut down for day.

7-3-91 No pressure on well.
Made 5 swab runs; well gassing & starting to flow, then
died down.
Made 26 swab runs, waiting between swabs.
Csg. pressure rising to 425 psi; opened well to flow.
Rig had pumped 106 bbl. fluid in formation; swabbing
recovered 89 bbl. fluid to tank.
Rigged down.

ENGINEERING REPORT

Carracas Unit 10A #11

Section 10, T32N, R05W

Rio Arriba County, New Mexico

Carracas Unit 10A #11, located 1500' FWL and 1800' FSL of Section 10, Township 32 North, Range 5 West, was spudded on July 23, 1989. Total depth of 4300' was reached on August 1, 1989 and 5-1/2", 15.5 lb/ft casing was set. The Fruitland Coal was perforated at 4024' to 4046' with 4 shots per foot. The formation was fractured with 48,000 lbs 40/70 sand and 170,000 lbs 20/40 sand in 1800 barrels gelled water at 51.5 barrels per minute.

The well was first delivered at a rate of 53 MCFD on October 3, 1989.

The well has produced a cumulative of 143,962 MCF through October 31, 1992. The October, 1992 production was 4461 MCF and 340 BW for an average producing rate of 143.9 MCFD and 11 BWPD. October, 1992 gas sales were 4363 MCF. A listing of monthly production is attached.

ECONOMICS

Based on October, 1992 sales of 4363 MCF, a wellhead price for gas of \$2.055 per MCF and operating expenses for this well of \$1638.08, the well is currently operating at a profit.

Calculations used to determine the economics of this well are based on historic production, gas prices and well operating costs and projections of future production, gas prices and operating costs as shown on the attached Economics Exhibit.

ECONOMICS EXHIBIT

December, 1992

Application for Approval of Participating Area

Carracas Unit 10A #11

NE SW Section 10, T32N R05W

Rio Arriba County, New Mexico

Well Costs: (based on actual costs) \$505,945

Production: Historical data attached. Projection made from historical data and current production rate and prices. Decline curve attached.

Monthly Operating Cost:

1989 average = \$2853 per month *

1990 average = \$3635 per month *

1991 average = \$4767 per month *

1992 average = \$1868 per month *

1993 est = \$1950 per month escalated at 4% per year.

General and Administrative Costs: \$400 per month are included in above monthly operating costs.

* Monthly Operating Costs include General and Administrative cost, a gas marketing fee of \$.03/MCF, and a water disposal fee of \$.25/BBL

Working Interest: 100%

Net Revenue Interest: 80%

Discount Rate: 10%

Severance Tax: \$0.163 per MCF + 3.3% of net value

Ad Valorem Tax: 1.0% of adjusted revenue

Gas Price:

1989 average = \$1.216 per MCF *

1990 average = \$1.076 per MCF *

1991 average = \$0.878 per MCF *

1992 average = \$1.339 per MCF *

1993 est = \$1.500 per MCF escalated at 4% per year.

Date of First Production: October 3, 1989

Initial Production Rate: 53 MCFD

Calculated Economic Reserves: 139,501 MCF Cumulative + 964,324 MCF remaining

NASSAU RESOURCES, INC.
 Multiphase Curve Analysis
 Rate vs Time

(c) 1991, 1989 Dwigths, A SoftSearch Co.

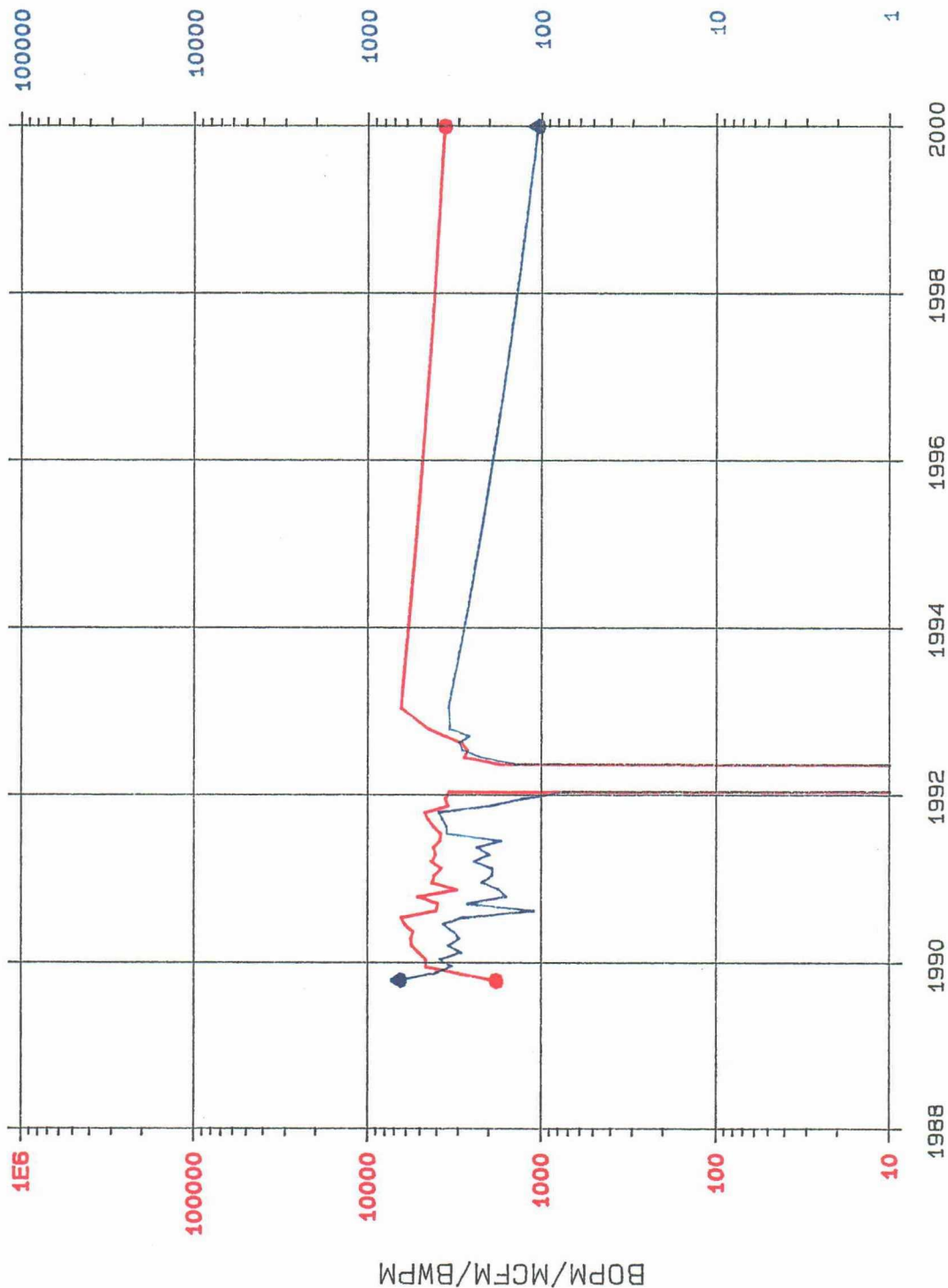
CARRACAS UNIT 10A-11
 K 10 T32N R05W FRUITLAND COAL
 RIO ARriba COUNTY, NM

12/08/1992
 Project:
 CCU 10A-11

Production Curves

GAS: • GAS DATA
 0 History 10/89 - 10/92
 1 Hyperbolic 1/93 - 2/53
 Q1 : 6500.000 MCF/M
 D1 : 10.000 %
 n : 0.900
 Qs : 749.867 MCF/M
 De : 1.559 %
 Np : 1370.869 MMCF

WTR: • WATER DATA
 0 History 10/89 - 10/92
 1 Hyperbolic 1/93 - 6/54
 Q1 : 350.000 UNT/M
 D1 : 20.000 %
 n : 0.500
 Qs : 5.131 UNT/M
 De : 2.798 %
 Np : 31.275 MUNT



OPERATOR: NASSAU RESOURCES, INC.
LSE WELLNO: CARRACAS UNIT 10A-11
FIELD: BASIN FRUITLAND COAL
COUNTY: RIO ARRIBA
STATE: NM

CCU 10A-11

DW LOC: K 10 32N 05W
FORMATION: FRUITLAND COAL
RSVR CLASS: PROVED PRODUCING
ENGINEER: GARY J. JOHNSON
PROGRAM: AMOCO

BFIT 20 COLUMN REPORT
INDIVIDUAL WELL ANALYSIS
Report Date: JAN 1993
Discount Date: JAN 1993
Evaluation Date: JAN 1993

----- REPORT COMMENTARY -----

CARRACAS CANYON UNIT PARTICIPATING AREA
COMMERCIAL WELL DETERMINATION

----- DIVISION OF INTEREST -----

1st NONZERO WI 1/93 100.000000%
1st NONZERO NRI 1/93 80.000000%
FINAL W.I. 100.000000%
FINAL N.R.I. 80.000000%

----- PROFIT AND PRODUCTION INDICATORS -----

LIFE OF THE PROJECT 27 years 8 months
PAYOUT TERM N/A
ROI - DISCOUNTED N/A
ROI - UNDISCOUNTED N/A
INTERP. IRR > 400 %

END OF PERIOD (MO/YR)	GROSS PRODUCTION		NET PRODUCTION		EFFECTIVE PRICES		NET REVENUE			
	OIL & CND --(MBBL)-----	GAS & CGS (MMCF)--	OIL & CND --(MBBL)-----	GAS & CGS (MMCF)--	OIL & CND --(\$/BBL)-----	GAS & CGS (\$/MCF)--	OIL & CND -----(M\$)-----	GAS & CGS (M\$)-----	OTHER (M\$)-----	TOTAL (M\$)-----
PRIOR		139.501								
12/93	0.000	73.969	0.000	59.176	N/A	1.53	0.000	90.508	0.000	90.508
12/94	0.000	66.881	0.000	53.505	N/A	1.59	0.000	85.047	0.000	85.047
12/95	0.000	60.982	0.000	48.785	N/A	1.65	0.000	80.475	0.000	80.475
12/96	0.000	55.999	0.000	44.799	N/A	1.71	0.000	76.588	0.000	76.588
12/97	0.000	51.736	0.000	41.389	N/A	1.77	0.000	73.243	0.000	73.243
12/98	0.000	48.051	0.000	38.441	N/A	1.83	0.000	70.333	0.000	70.333
12/99	0.000	44.835	0.000	35.868	N/A	1.89	0.000	67.778	0.000	67.778
12/00	0.000	42.004	0.000	33.604	N/A	1.95	0.000	65.516	0.000	65.516
12/01	0.000	39.495	0.000	31.596	N/A	2.01	0.000	63.499	0.000	63.499
12/02	0.000	37.256	0.000	29.805	N/A	2.07	0.000	61.688	0.000	61.688
SUB TOTAL	0.000	521.208	0.000	416.968			0.000	734.675	0.000	734.675
REMAINDER	0.000	443.116	0.000	354.493			0.000	910.482	0.000	910.482
TOTAL	0.000	964.324	0.000	771.461			0.000	1645.157	0.000	1645.157
ULTIMATE		1103.825								

END OF PERIOD (MO/YR)	NET EXPENSES	NET PROD. TAXES	NET W.P.T.	TOTAL EXP+TAXES	NET CASH OPER. INC.	NET INVESTMENT	NET RESALE	NET OPERATING INCOME BFIT		
	---(M\$)---	---(M\$)---	---(M\$)---	---(M\$)---	---(M\$)---	---(M\$)---	---(M\$)---	UNDISC ---(M\$)---	DISC @ 10.00% (M\$)-----	CUM DISC (M\$)-----
12/93	23.372	13.438	0.000	36.810	53.697	0.000	0.000	53.697	50.938	50.938
12/94	23.799	12.288	0.000	36.088	48.960	0.000	0.000	48.960	42.040	92.978
12/95	24.299	11.330	0.000	35.629	44.845	0.000	0.000	44.845	34.856	127.834
12/96	24.852	10.520	0.000	35.372	41.216	0.000	0.000	41.216	28.998	156.832
12/97	25.445	9.826	0.000	35.271	37.972	0.000	0.000	37.972	24.183	181.015
12/98	26.069	9.225	0.000	35.294	35.039	0.000	0.000	35.039	20.200	201.215
12/99	26.717	8.700	0.000	35.417	32.361	0.000	0.000	32.361	16.887	218.102
12/00	27.384	8.238	0.000	35.622	29.894	0.000	0.000	29.894	14.121	232.223
12/01	28.068	7.827	0.000	35.895	27.604	0.000	0.000	27.604	11.804	244.027
12/02	28.764	7.460	0.000	36.224	25.464	0.000	0.000	25.464	9.857	253.884
SUB TOTAL	258.769	98.852	0.000	357.622	377.052	0.000	0.000	377.052	253.884	
REMAINDER	629.951	96.325	0.000	726.277	184.206	0.000	0.000	184.206	42.840	
TOTAL	888.720	195.177	0.000	1083.899	561.258	0.000	0.000	561.258	296.724	

----- PRESENT WORTH PROFILE -----

1 - 5.00 % 393.656 M\$ 3 - 15.00 % 235.945 M\$ 5 - 30.00 % 144.539 M\$ 7 - 70.00 % 70.8
2 - 10.00 % 296.724 M\$ 4 - 20.00 % 195.122 M\$ 6 - 50.00 % 95.096 M\$

OPERATOR: NASSAU RESOURCES, INC.
LSE WELLNO: CARRACAS UNIT 10A-11
FIELD: BASIN FRUITLAND COAL
COUNTY: RIO ARRIBA
STATE: NM

CCU 10A-11
INPUT DATA SUMMARY
INDIVIDUAL WELL ANALYSIS

DW LOC: K 10 32N 05W
FORMATION: FRUITLAND COAL
RSVR CLASS: PROVED PRODUCING
ENGINEER: GARY J. JOHNSON
PROGRAM: AMOCO

----- REPORT COMMENTARY -----
CARRACAS CANYON UNIT PARTICIPATING AREA
COMMERCIAL WELL DETERMINATION

----- CALCULATION PARAMETERS -----
PROJECT START DATE: 1/93
PRODUCTION REVENUE START DATE: 1/93
EVALUATION START DATE: 1/93
METHOD OF PAYOUT: STREAM VALUE
PAYOUT ON STREAM: COI UNDISCOUNTED
CUM VALUE TO PAYOUT: \$

----- CALCULATION PARAMETERS -----
TYPE OF INTEREST: OUTSIDE EVAL INTEREST
OUTSIDE WORKING INTEREST: 100.000000 %
NET REVENUE INTEREST: 80.000000 %
BASE CASE DISCOUNT RATE: 10.00 %
PROJ BASE CASE DSC RATE: 10.00 %

4. WELL SCHEDULING

GAS (2), 0, 1/93
1, SCHED (1), 1, NO ESCAL, NO LIMIT, PROJECT LIFE (9)

5. DIVISION OF INTEREST SCHEDULING

EWI (1), 0, 1/93
1, SCHED (1), 100.000000 %, PROJECT LIFE (10)
NRI-O/A(4), 0, 1/93
1, SCHED (1), 80.000000 %, PROJECT LIFE (10)

6. PRODUCTION SCHEDULING

GAS (2), 0, HST (2), 139.501 MMCF, 1/93 STANDARD
1, HYP (4), 6500.000 MCF/M (2), 750.013 MCF/M (2), EXP 0.90, DEC 10.000, CUM PROD (2), 1510.260, MMCF (2)
Oth-A (6), 0, HST (2), 9.346 MUNT, 01/93 STANDARD
1, HYP (4), 350.000 UNT/M (2), 5.131 UNT/M (2), EXP 0.50, DEC 20.000, ADD TIME (5), 61-Y 6-M

7. PRICE SCHEDULING

GAS (2), 0, 1/93
1, SCHED (1), 1.50 \$/MCF (2), AS04 , 3.50, PROJECT LIFE (9)

8. EXPENSE SCHEDULING

DIR OPER (1), 0, 1/93
1, SCHED (1), 1650.00 \$/W/M (3), AS04 , NO LIMIT, PROJECT LIFE (9)
VAR-GAS (8), 0, 1/93
1, SCHED (1), 0.03 \$/MCF (4), NO ESCAL, NO LIMIT, PROJECT LIFE (9)
VAR-OTH-P(9), 0, 1/93
1, SCHED (1), 0.25 \$/UNT (4), AS04 , 2.00, PROJECT LIFE (9)
VAR-Ot-A(12), 0, 1/93
1, SCHED (1), 0.25 \$/UNT (4), AS04 , 2.00, PROJECT LIFE (9)

9. TAX SCHEDULING

SEV (1), NEW MEXICO, OIL, 7.080 %, 0.000000 \$/BBL, GAS, 3.330 %, 0.163000 \$/MCF
AD VAL (2), % OF ADJUSTED REVENUE - 1.00 %, FIXED AMOUNT - 0.000,

10. INVESTMENT SCHEDULING

*** INVESTMENTS NOT SCHEDULED ***

11. LOANS SCHEDULING

*** LOANS NOT SCHEDULED ***

12. STREAM ADJUSTMENT SCHEDULING

*** STREAM ADJUSTMENTS NOT SCHEDULED ***

HISTORIC DATA LISTING
CCU 10A-11

GAS

STANDARD

TIME DEC
SEG TYPE

END
CONDITION

0 HST 139.501 MMCF

1/93

HISTORIC DATA: MCF

PRIOR PRODUCTION:

0.000 MMCF

10/ 1/89 - 10/31/89 1814.000
11/ 1/89 - 11/30/89 2953.000
12/ 1/89 - 12/31/89 4676.000
1/ 1/90 - 1/31/90 4643.000
2/ 1/90 - 2/28/90 5118.000
3/ 1/90 - 3/31/90 5608.000
4/ 1/90 - 4/30/90 5722.000
5/ 1/90 - 5/31/90 5474.000
6/ 1/90 - 6/30/90 6148.000

7/ 1/90 - 7/31/90 6486.000
8/ 1/90 - 8/31/90 4048.000
9/ 1/90 - 9/30/90 3940.000
10/ 1/90 - 10/31/90 5194.000
11/ 1/90 - 11/30/90 3066.000
12/ 1/90 - 12/31/90 4303.000
1/ 1/91 - 1/31/91 4152.000
2/ 1/91 - 2/28/91 3771.000
3/ 1/91 - 3/31/91 4337.000

HISTORIC DATA: MCF

4/ 1/91 - 4/30/91 4074.000
5/ 1/91 - 5/31/91 4238.000
6/ 1/91 - 6/30/91 3841.000
7/ 1/91 - 7/31/91 3800.000
8/ 1/91 - 8/31/91 4217.000
9/ 1/91 - 9/30/91 4539.000
10/ 1/91 - 10/31/91 4762.000
11/ 1/91 - 11/30/91 3449.000
12/ 1/91 - 12/31/91 3602.000

1/ 1/92 - 1/31/92 3379.000
2/ 1/92 - 2/29/92 0.000
3/ 1/92 - 3/31/92 0.000
4/ 1/92 - 4/30/92 0.000
5/ 1/92 - 5/31/92 1754.000
6/ 1/92 - 6/30/92 2794.000
7/ 1/92 - 7/31/92 2667.000
8/ 1/92 - 8/31/92 2882.000
9/ 1/92 - 9/30/92 3589.000

HISTORIC DATA: MCF

10/ 1/92 - 10/31/92 4461.000

1 HYP 6500.000 MCF/M 750.013 MCF/M 0.90 10.000 2 1510.260 MMCF CUM

Other - Associate

STANDARD

TIME DEC
SEG TYPE

END
CONDITION

0 HST 9.346 MUNT

01/93

HISTORIC DATA LISTING
CCU 10A-11

Other - Associate

STANDARD

TIME DEC
SEG TYPE

END
CONDITION

HISTORIC DATA: UNT

10/ 1/89 - 10/31/89	657.000
11/ 1/89 - 11/30/89	419.000
12/ 1/89 - 12/31/89	327.000
1/ 1/90 - 1/31/90	390.000
2/ 1/90 - 2/28/90	289.000
3/ 1/90 - 3/31/90	349.000
4/ 1/90 - 4/30/90	297.000
5/ 1/90 - 5/31/90	327.000
6/ 1/90 - 6/30/90	375.000

PRIOR PRODUCTION:

0.000 MUNT

7/ 1/90 - 7/31/90	286.000
8/ 1/90 - 8/31/90	110.000
9/ 1/90 - 9/30/90	272.000
10/ 1/90 - 10/31/90	159.000
11/ 1/90 - 11/30/90	178.000
12/ 1/90 - 12/31/90	224.000
1/ 1/91 - 2/28/91	384.000
3/ 1/91 - 3/31/91	249.000
4/ 1/91 - 4/30/91	199.000

HISTORIC DATA: UNT

5/ 1/91 - 5/31/91	239.000
6/ 1/91 - 6/30/91	170.000
7/ 1/91 - 7/31/91	354.000
8/ 1/91 - 8/31/91	358.000
9/ 1/91 - 9/30/91	376.000
10/ 1/91 - 10/31/91	398.000
11/ 1/91 - 11/30/91	195.000
12/ 1/91 - 12/31/91	130.000
1/ 1/92 - 1/31/92	73.000

2/ 1/92 - 4/30/92	0.000
5/ 1/92 - 5/31/92	144.000
6/ 1/92 - 6/30/92	228.000
7/ 1/92 - 7/31/92	288.000
8/ 1/92 - 8/31/92	301.000
9/ 1/92 - 9/30/92	261.000
10/ 1/92 - 10/31/92	340.000

1 HYP 350.000 UNT/M 5.131 UNT/M 0.50 20.000 5 [61]-YRS [6]-MOS ADD

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE

(See other instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0137
Expires August 31, 1985

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☒ DRY ☐ Other _____		5. LEASE DESIGNATION AND SERIAL NO. NM 29760	
2. TYPE OF COMPLETION: NEW WELL ☒ WORK OVER ☐ DEEPEN ☐ PLUG BACK ☐ DIFF. REMOVAL ☐ Other _____		6. IF INDIAN, ALIQUOT OR TRIBE NAME Carracas Unit	
3. NAME OF OPERATOR NASSAU RESOURCES, INC.		7. UNIT AGREEMENT NAME Carracas Unit 11 A	
4. ADDRESS OF OPERATOR P O BOX 809, Farmington, N.M. 87499		8. WELL NO. 19	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements) At surface 1675' FSL - 1190' FEL At top prod. interval reported below At total depth		10. FIELD AND POOL, OR WILDCAT Basin Fruitland Coal	
14. PERMIT NO. 11-18-88		11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA Sec. 11, T32N, R5W, N1PM	
15. DATE SPUDDED 6-19-89		12. COUNTY OR PARISH Rio Arriba	
16. DATE T.D. REACHED 6-27-89		13. STATE N.M.	
17. DATE COMPL. (Ready to prod.) 9-15-89		14. ELEVATIONS (OF, RKB, RT, OR, ETC.) 7506' GL; 7519' KB	
18. TOTAL DEPTH, MD & TVD 4255' KB		15. ELEV. CASINGHEAD 7506' GL	
19. PLUG, BACK T.D., MD & TVD 4210' KB		16. IF MULTIPLE COMPL., HOW MANY? NA	
20. INTERVAL UNILED BY TD		17. ROTARY TOOLS CABLE TOOLS	
21. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD) 4136' KB to 4162' KB, Basin Fruitland Coal		22. WAS DIRECTIONAL SURVEY MADE NO	
23. TYPE ELECTRIC AND OTHER LOGS RUN Dual Induction/ SFL-GR-SP, Formation Density w/ HRL, Microlog-GR, GR-CBL		24. WAS WELL CORDED NO	
25. CASING RECORD (Report all strings set in well)			
CASING SIZE 9-5/8"	WEIGHT, LB./FT. 36	DEPTH SET (MD) 331' KB	HOLE SIZE 12-1/4"
5-1/2"	15.5	4255'	8-3/4"
CEMENTING RECORD 174 cu.ft. circ. to surf. 1309 cu.ft. circ. to surf. See Reverse			
AMOUNT PULLED -----			
26. LINER RECORD			
SIZE NA	TOP (MD)	BOTTOM (MD)	BACKS CEMENT*
SCREEN (MD)			
27. TUBING RECORD			
SIZE 2-7/8"	DEPTH SET (MD) 4183' KB		PACKER SET (MD)
28. PERFORATION RECORD (Interval, size and number) 4136' KB to 4162' KB, 4 spf Total of 104 holes			
29. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.			
DEPTH INTERVAL (MD) 4136'-4162' KB		AMOUNT AND KIND OF MATERIAL USED 2040 bbls. GWX-30/ fluid 48,000# of 40/70 sand 170,000# of 20/40 sand 500 gal. of 15% HCL	
30. PRODUCTION			
DATE FIRST PRODUCTION 9-15-89*		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) Pumping	
WELL STATUS (Producing or shut-in) SI			
DATE OF TEST 9-16-89	HOURS TESTED 24 hrs.	CHOKES SIZE 0.375"	PROD'N. FOR TEST PERIOD ---
OIL—BBL. ---	GAS—MCF. 49	WATER—BBL. 240	WATER-OIL RATIO ---
FLOW, TUBING PRESS. 114 psi	CASING PRESSURE 114 psi	CALCULATED 24-HOUR RATE ---	OIL GRAB—API (CORR.) ---
31. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) Vented during test; to be sold			
32. LIST OF ATTACHMENTS *1st hydrocarbons to well bore during completion operations			
33. I hereby certify that the foregoing and attached information is complete and correct as determined from all available			
SIGNED Fran Perrin		TITLE Admin. Asst.	
DATE 9/18/89		DATE 9/18/89	

(See Instructions and Spaces for Additional Data on Reverse Side)

OPERATOR

SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries):

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	TOP	
					MEAS. DEPTH	TRUE VERT. DEPTH
			Item #28 9-5/8" casing Cemented as follows: 25 sx of 65/35 poz w/ 2% CaCl & 1/4#/sk cello seal 105 sx Class "B" w/ 2% CaCl & 1/4#/sk cello seal Total 174 cu.ft. 5-1/2" casing Cemented as follows: 10 bbls. mud flush 447 sx of 65/35 poz w/ 12% gel & 1/4#/sk cello flake (1170 cu.ft.) 100 sx of 50/50 poz w/ 2% gel, 6-1/4#/sk Coal seal & 1/4#/sk Cello flake (139 cu.ft.) Total 1309 cu.ft.	Ojo Alamo	3450'	
				Kirtland	3568'	
				Fruitland	3932'	
				Fruitland Coal	4136'	

38.

GEOLOGIC MARKERS

JEROME P. MCHUGH/NASSAU RESOURCES, INC.
P O BOX 809
FARMINGTON, N.M. 87499-0809
505 326-7793

DAILY REPORT

Carracas Unit 11 A #9

7/20/89 Pressure tested casing to 3500 psi and held for 10 minutes. Test good.
PBTD at 4210' KB. Ran GR-CCL from 4170' KB - 3800' KB.
Perforated with 1 gun. Shot 0.50" diam. holes.
Shot 4136' KB to 4162' KB with 4 SPF.
Total perfs - 104.
Ran 131 jts. of 2-7/8" tubing with seating nipple on bottom of string at 4150' for slug test.

7/25/89 Rigged up and started pumping at 11 AM, 7/24/89.
Pumped at .3 BPM for 20 hrs.
Total fluid pumped 365.8 bbls.
Starting pressure 1000 psi at 12 PM.
Pressure built to 1400 psi at midnight & held at 1400 psi for remainder of test.

Max. treating pressure	1410 psi
Avg. treating pressure	1350 psi
ISIP	1350 psi
5 min. SIP	1150 psi
10 min. SIP	1100 psi
15 min. SIP	1010 psi

SI at 7 AM 7/25/89.

McHUGH/NASSAU RESOURCES, INC.
CARRACAS UNIT 11 A #9

8-9-89 Pressure Max 3400 psi. Avg. 2200 psi.
(cont.) Injection Rate Max 55 bbls./min. Avg 54 bbls./min.

ISIP 2800 psi.
SI 5 min. 1750 psi.
10 min. 1600 psi.
15 min. 1450 psi.

Well shut in at 7:30 PM, 8/9/89.

8-10-89 Ran 159 jts. of 2-7/8" tubing.
Set at 4182.64' KB w/ seating nipple at 4150.37.
Cleaned out 300' of sand.

9-12-89 Ran 132 jts. of 2-7/8" tubing. Set at 4170' KB.
Seating nipple at 4138' KB.
Ran 164 - 3/4" rods
1 - 4' pony rod
1 - 6' pony rod
1 - 8' pony rod
1 - 22' polish rod
1 - 12' liner
2-1/2" x 2" x 12' Bovaird pump.

12-19-89 MI & RU service unit.
TOOH with rods and bad pump.
TIH with 2-1/2" x 2" x 12' RWAC Axelson pump and rods.
Seated pump and rigged up pump jack.
Rigged down.

1-26-90 MI & RU.
Pulled rods and pump.
Left well flowing for week-end.

1-29-90 Flowed well.

1-30-90 Well Flowing at 800 mcf/d.
Tubing 250 psi; casing 400 psi.
Killed well. TIH with rods.
TOH laying down rods - left 9 rods in hole.
Picked up and TIH with rods and fishing tool.
Caught fish and TOH.
TIH - TOH laying down rods (165 - 3/4" rods)
Left well SI equalized for night.

1-31-90 Found well dead. Made 5 swab runs to kick well off.
Put well on production. RD & moved rig.

NASSAU RESOURCES, INC.
Carracas Unit 11 A #9

- 3-17-90 Rigged up.
 Ran new 2-1/2" x 2" x 12' RWAC Axelson pump in hole.
 Ran 164 - 3/4" rods
 1 - 6' Sub
 1 - 2' Sub
 Landed at 4138'.
 Rigged up wellhead. Turned well on.
 Well pumped for 45 minutes then stacked out.
 Unseated pump. Pulled 30' and hung up.
 Rigged up and backed off rods.
 TOOH with 93 rods. Rigged up and pulled tubing.
 SI.
- 3-19-90 Killed casing.
 Finished stripping rods out of hole.
 Ran in hole with tubing and tubing anchor.
 Broke circulation and cleaned out 40' of fill.
 Circulated hole clean for 3 hrs. Used 342 bbls. of
 water in clean out.
 Set tubing anchor at 4074.39'.
 Landed tubing at 4170.64' with seating nipple at
 4138.39'.
 Nippled up well head.
- 3-20-90 TIH with rods and new pump
 (2-1/2" x 2" x 12' RWAC Axelson)
 Started well pumping; pumped up.
 Rigged down and moved.
- 8-9-91 Shut in well at 9:40 am.
 Rigged up wireline and ran No-go to seating nipple at
 4,138'.
 TOOH with no go. TIH with pressure bomb.
 Set at seating nipple at 10:23 a.m. Left well shut in.
- 8-12-91 Rigged up B & R Wireline.
 TIH, picked up pressure bomb, and TOOH with bomb at
 11:10 a.m.
 Chart looked OK. Turned on well.

ENGINEERING REPORT

Carracas Unit 11A #9

Section 11, T32N, R05W

Rio Arriba County, New Mexico

Carracas Unit 11A #9, located 1190' FEL and 1675' FSL of Section 11, Township 32 North, Range 5 West, was spudded on June 19, 1989. Total depth of 4255' was reached on June 27, 1989 and 5-1/2", 15.5 lb/ft casing was set. The Fruitland Coal was perforated at 4136' to 4162' with 4 shots per foot. The formation was fractured with 48,000 lbs 40/70 sand and 170,000 lbs 20/40 sand in 2040 barrels gelled water at 51.5 barrels per minute.

The well was first delivered at a rate of 231 MCFD on October 3, 1989.

The well has produced a cumulative of 400,601 MCF through October 31, 1992. The October, 1992 production was 11457 MCF and 81 BW for an average producing rate of 370 MCFD and 2.6 BWPD. October, 1992 gas sales were 11359 MCF. A listing of monthly production is attached.

ECONOMICS

Based on October, 1992 sales of 11359 MCF, a wellhead price for gas of \$2.055 per MCF and operating expenses for this well of \$1980.48, the well is currently operating at a profit.

Calculations used to determine the economics of this well are based on historic production, gas prices and well operating costs and projections of future production, gas prices and operating costs as shown on the attached Economics Exhibit.

ECONOMICS EXHIBIT

December, 1992

Application for Approval of Participating Area

Carracas Unit 11A #9

NE SE Section 11, T32N R05W

Rio Arriba County, New Mexico

Well Costs: (based on actual costs) \$439,156

Production: Historical data attached. Projection made from historical data and current production rate and prices. Decline curve attached.

Monthly Operating Cost:

1989 average = \$4396 per month *

1990 average = \$6230 per month *

1991 average = \$4674 per month *

1992 average = \$2644 per month *

1993 est = \$2625 per month escalated at 4% per year.

General and Administrative Costs: \$400 per month are included in above monthly operating costs.

* Monthly Operating Costs include General and Administrative cost, a gas marketing fee of \$.03/MCF, and a water disposal fee of \$.25/BBL

Working Interest: 100%

Net Revenue Interest: 80%

Discount Rate: 10%

Severance Tax: \$0.163 per MCF + 3.3% of net value

Ad Valorem Tax: 1.0% of adjusted revenue

Gas Price:

1989 average = \$1.216 per MCF *

1990 average = \$1.076 per MCF *

1991 average = \$0.878 per MCF *

1992 average = \$1.339 per MCF *

1993 est = \$1.500 per MCF escalated at 4% per year.

Date of First Production: October 3, 1989

Initial Production Rate: 231 MCFD

Calculated Economic Reserves: 400,601 MCF Cumulative + 605,008 MCF remaining

NASSAU RESOURCES, INC.

Multiphase Curve Analysis

Rate vs Time

(c) 1991, 1989 Dwrights, A SoftSearch Co.

CARRACAS UNIT 11A-9

I 11 T32N R05W FRUITLAND COAL

RIO ARriba COUNTY, NM

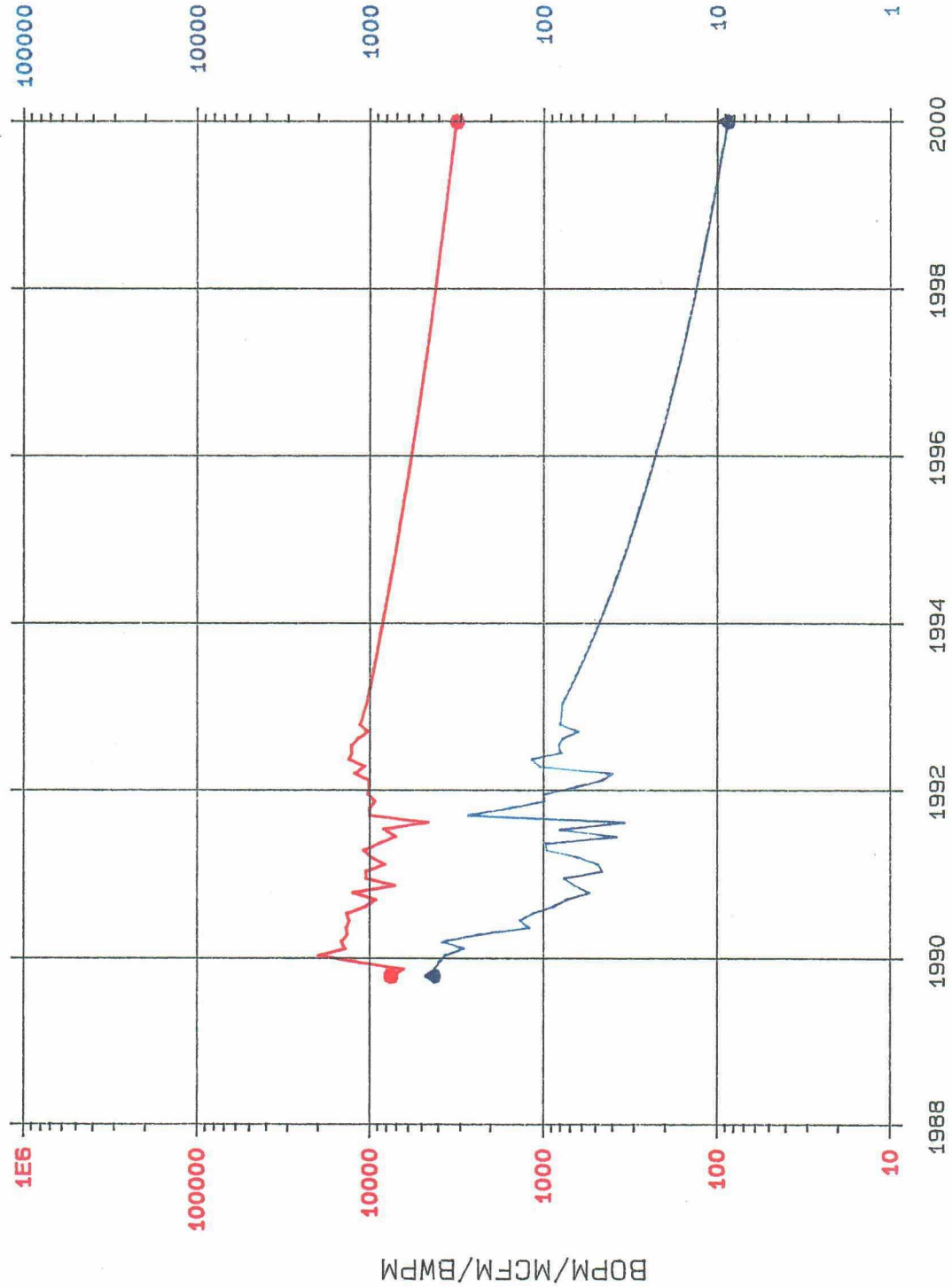
12/08/1992

Project:
CCU 11A-9

Production Curves

GAS: • GAS DATA
 0 History 10/89 - 10/92
 1 Hyperbolic 1/93 - 1/88
 q1: 10500.000 MCF/M
 D1: 20.000 %
 n: 0.500
 Ge: 108.171 MCF/M
 De: 2.354 %
 Np: 959.142 MMCF

WTR: • WATER DATA
 0 History 10/89 - 10/92
 1 Hyperbolic 1/93 - 5/20
 q1: 80.000 UNT/M
 D1: 40.000 %
 n: 0.500
 Ge: 0.993 UNT/M
 De: 6.180 %
 Np: 2.931 MUNT



McHUGH

April 19, 1993

Jerome P. McHugh & Associates
Operating Affiliate: Nassau Resources, Inc.
650 South Cherry, Suite 1225
Denver, Colorado 80222-1894
(303) 321-2111 FAX (303) 321-1563

United States Department of the Interior
Bureau of Land Management
Farmington District Office
Attn: Mr. Duane Spencer
1235 La Plata Highway
Farmington, New Mexico 87401

New Mexico Oil Conservation Division
310 Old Santa Fe Trail, Suite 206
Santa Fe, New Mexico 87503

RE: Carracas Canyon Unit Area
Rio Arriba County, New Mexico

**APPLICATION FOR APPROVAL OF THE FIRST REVISION OF THE
PARTICIPATING AREA "B" FOR THE FRUITLAND COAL FORMATION**

Gentlemen:

Nassau Resources, Inc., as Unit Operator for the Carracas Canyon Unit Area, which unit agreement was approved by the Bureau of Land Management effective January 30, 1987 and pursuant to the terms of Section 10 thereof, respectfully submits for your approval the selection of the following described lands to constitute the First Revision of the Fruitland Coal Participating Area "B", to wit;

Township 32 North, Range 5 West, NMPM
Section 14: N/2

ACRES INCLUDED IN THIS FIRST REVISION:	320.00
CUMULATIVE ACRES WITHIN PARTICIPATING AREA, AS REVISED:	960.00

In support of this application, the following numbered items are attached hereto and made a part hereof:

- (1) An ownership map showing thereon the boundary of the unit area, the participating area as heretofore established or revised, and the boundary of the proposed revision herein.
- (2) A schedule showing the lands entitled to participation in the unitized substances produced from the Fruitland Coal formation, with the percentage of each lease or tract indicated thereon.

Enclosed herein, in triplicate, a geological and engineering report with accompanying maps supporting and justifying the proposed

March 18, 1993
Bureau of Land Management
Page 2

selection of lands for inclusion in the First Revision of the Fruitland Coal Participating Area "B".

This proposed First Revision of the Fruitland Coal Participating Area "B" is predicated upon the knowledge first obtained upon completion in paying quantities under the terms of the unit agreement of the following well(s):

Well Name: Carracas Unit 14A-#1
Location: 1000' FNL - 680' FEL, (NE/4NE/4 14-32N-05W)
Completion Date: 12/5/89
First Sales: 1/11/90
Formation: Basin Fruitland Coal
Producing Interval: 3960' - 3983' KB, Basin Fruitland Coal
Initial Production: 31 MCF, 150 BBL Water, (24 hrs.)

Applicant respectfully requests your approval of the hereinabove selection of lands to constitute the First Revision of the Fruitland Coal Participating Area "B" to be effective December 1, 1989.

Sincerely,

NASSAU RESOURCES, INC.



James C. Joda

enc

OPERATOR: NASSAU RESOURCES, INC.
 LSE WELLNO: CARRACAS UNIT 11A-9
 FIELD: BASIN FRUITLAND COAL
 COUNTY: RIO ARRIBA
 STATE: NM

CCU 11A-9

DW LOC: I 11 32N 05W
 FORMATION: FRUITLAND COAL
 RSVR CLASS: PROVED PRODUCING
 ENGINEER: GARY J. JOHNSON
 PROGRAM: AMOCO

BFIT 20 COLUMN REPORT
 INDIVIDUAL WELL ANALYSIS
 Report Date: JAN 1993
 Discount Date: JAN 1993
 Evaluation Date: JAN 1993

----- REPORT COMMENTARY -----

CARRACAS CANYON UNIT PARTICIPATING AREA
 COMMERCIAL WELL DETERMINATION

----- DIVISION OF INTEREST -----

1st NONZERO WI 1/93 100.000000%
 1st NONZERO NRI 1/93 80.000000%
 FINAL W.I. 100.000000%
 FINAL N.R.I. 80.000000%

----- PROFIT AND PRODUCTION INDICATORS -----

LIFE OF THE PROJECT 11 years 1 months
 PAYOUT TERM N/A
 ROI - DISCOUNTED N/A
 ROI - UNDISCOUNTED N/A
 INTERP. IRR > 400 %

END OF PERIOD (MO/YR)	GROSS PRODUCTION		NET PRODUCTION		EFFECTIVE PRICES		NET REVENUE			
	OIL & CND	GAS & CGS	OIL & CND	GAS & CGS	OIL & CND	GAS & CGS	OIL & CND	GAS & CGS	OTHER	TOTAL
	--(MBBL)--	----- (MMCF) --	--(MBBL)--	----- (MMCF) --	--(\$/BBL)--	----- (\$/MCF) --	-----(M\$)-----	-----(M\$)-----	-----(M\$)-----	-----(M\$)-----
PRIOR		400.601								
12/93	0.000	112.695	0.000	90.156	N/A	1.53	0.000	137.839	0.000	137.839
12/94	0.000	91.173	0.000	72.938	N/A	1.59	0.000	115.899	0.000	115.899
12/95	0.000	75.278	0.000	60.223	N/A	1.65	0.000	99.313	0.000	99.313
12/96	0.000	63.207	0.000	50.566	N/A	1.71	0.000	86.425	0.000	86.425
12/97	0.000	53.824	0.000	43.059	N/A	1.77	0.000	76.182	0.000	76.182
12/98	0.000	46.386	0.000	37.109	N/A	1.83	0.000	67.882	0.000	67.882
12/99	0.000	40.390	0.000	32.312	N/A	1.89	0.000	61.048	0.000	61.048
12/00	0.000	35.486	0.000	28.389	N/A	1.95	0.000	55.340	0.000	55.340
12/01	0.000	31.424	0.000	25.139	N/A	2.01	0.000	50.515	0.000	50.515
12/02	0.000	28.022	0.000	22.417	N/A	2.07	0.000	46.391	0.000	46.391
SUB TOTAL	0.000	577.885	0.000	462.308			0.000	796.834	0.000	796.834
REMAINDER	0.000	27.123	0.000	21.698			0.000	46.258	0.000	46.258
TOTAL	0.000	605.008	0.000	484.006			0.000	843.092	0.000	843.092
ULTIMATE		1005.609								

END OF PERIOD (MO/YR)	NET EXPENSES	NET PROD. TAXES	NET W.P.T.	TOTAL EXP+TAXES	NET CASH OPER. INC.	NET INVESTMENT	NET RESALE	NET OPERATING INCOME BFIT		
	-----(M\$)----	-----(M\$)----	-----(M\$)----	-----(M\$)----	-----(M\$)----	-----(M\$)----	-----(M\$)----	UNDISC	DISC @ 10.00%	CUM DISC
	-----(M\$)----	-----(M\$)----	-----(M\$)----	-----(M\$)----	-----(M\$)----	-----(M\$)----	-----(M\$)----	-----(M\$)-----	-----(M\$)-----	-----(M\$)-----
12/93	31.477	20.471	0.000	51.948	85.891	0.000	0.000	85.891	81.580	81.580
12/94	31.861	16.750	0.000	48.611	67.288	0.000	0.000	67.288	57.850	139.430
12/95	32.443	13.985	0.000	46.429	52.884	0.000	0.000	52.884	41.157	180.587
12/96	33.154	11.873	0.000	45.027	41.398	0.000	0.000	41.398	29.166	209.753
12/97	33.953	10.222	0.000	44.175	32.007	0.000	0.000	32.007	20.415	230.168
12/98	34.814	8.905	0.000	43.719	24.163	0.000	0.000	24.163	13.955	244.123
12/99	35.722	7.837	0.000	43.559	17.489	0.000	0.000	17.489	9.147	253.270
12/00	36.663	6.959	0.000	43.622	11.718	0.000	0.000	11.718	5.553	258.823
12/01	37.632	6.227	0.000	43.859	6.656	0.000	0.000	6.656	2.861	261.684
12/02	38.621	5.611	0.000	44.232	2.160	0.000	0.000	2.160	0.849	262.533
SUB TOTAL	346.340	108.840	0.000	455.181	341.654	0.000	0.000	341.654	262.533	
REMAINDER	42.974	5.489	0.000	48.463	-2.205	0.000	0.000	-2.205	-0.755	
TOTAL	389.314	114.329	0.000	503.644	339.449	0.000	0.000	339.449	261.778	

----- PRESENT WORTH PROFILE -----											
1 -	5.00 %	296.457 M\$	3 -	15.00 %	233.478 M\$	5 -	30.00 %	174.218 M\$	7 -	70.00 %	101.6
2 -	10.00 %	261.778 M\$	4 -	20.00 %	210.125 M\$	6 -	50.00 %	128.730 M\$			

OPERATOR: MASSAU RESOURCES, INC.
LSE WELLNO: CARRACAS UNIT 11A-9
FIELD: BASIN FRUITLAND COAL
COUNTY: RIO ARRIBA
STATE: NM

CCU 11A-9
INPUT DATA SUMMARY
INDIVIDUAL WELL ANALYSIS

DW LOC: I 11 32N 05W
FORMATION: FRUITLAND COAL
RSVR CLASS: PROVED PRODUCING
ENGINEER: GARY J. JOHNSON
PROGRAM: AMOCO

----- REPORT COMMENTARY -----
CARRACAS CANYON UNIT PARTICIPATING AREA
COMMERCIAL WELL DETERMINATION

----- CALCULATION PARAMETERS -----
PROJECT START DATE: 1/93
PRODUCTION REVENUE START DATE: 1/93
EVALUATION START DATE: 1/93
METHOD OF PAYOUT: STREAM VALUE
PAYOUT ON STREAM: COI UNDISCOUNTED
CUM VALUE TO PAYOUT: \$

----- CALCULATION PARAMETERS -----
TYPE OF INTEREST: OUTSIDE EVAL INTEREST
OUTSIDE WORKING INTEREST: 100.000000 %
NET REVENUE INTEREST: 80.000000 %
BASE CASE DISCOUNT RATE: 10.00 %
PROJ BASE CASE DSC RATE: 10.00 %

4. WELL SCHEDULING

GAS (2), 0, 1/93
1, SCHED (1), 1, NO ESCAL, NO LIMIT, PROJECT LIFE (9)

5. DIVISION OF INTEREST SCHEDULING

EWI (1), 0, 1/93
1, SCHED (1), 100.000000 %, PROJECT LIFE (10)
NRI-O/A(4), 0, 1/93
1, SCHED (1), 80.000000 %, PROJECT LIFE (10)

6. PRODUCTION SCHEDULING

GAS (2), 0, HST (2), 400.601 MMCF, 1/93 STANDARD
1, HYP (4), 10500.000 MCF/M (2), 107.951 MCF/M (2), EXP 0.50, DEC 20.000, CUM PROD (2), 2500.000, MMCF (2)
Oth-A (6), 0, HST (2), 5.150 MUNT, 01/93 STANDARD
1, HYP (4), 80.000 UNT/M (2), 0.993 UNT/M (2), EXP 0.50, DEC 40.000, ADD TIME (5), 27-Y 5-M

7. PRICE SCHEDULING

GAS (2), 0, 1/93
1, SCHED (1), 1.50 \$/MCF (2), AS04 , 3.50, PROJECT LIFE (9)

8. EXPENSE SCHEDULING

DIR OPER (1), 0, 1/93
1, SCHED (1), 2280.00 \$/W/M (3), AS04 , NO LIMIT, PROJECT LIFE (9)
VAR-GAS (8), 0, 1/93
1, SCHED (1), 0.03 \$/MCF (4), NO ESCAL, NO LIMIT, PROJECT LIFE (9)
VAR-OTH-P(9), 0, 1/93
1, SCHED (1), 0.25 \$/UNT (4), AS04 , 2.00, PROJECT LIFE (9)
VAR-Ot-A(12), 0, 1/93
1, SCHED (1), 0.25 \$/UNT (4), AS04 , 2.00, PROJECT LIFE (9)

9. TAX SCHEDULING

SEV (1), NEW MEXICO, OIL, 7.080 %, 0.000000 \$/BBL, GAS, 3.330 %, 0.163000 \$/MCF
AD VAL (2), % OF ADJUSTED REVENUE - 1.00 %, FIXED AMOUNT - 0.000,
GAS SEV-LIST (8), FOR 0-Y 0-M

ADVAL -LIST (9),	FOR 0-Y 0-M
NET WPT-LIST(10),	FOR 0-Y 0-M
GRS WTP-LIST(11),	FOR 0-Y 0-M
T3 ABP -LIST(12),	FOR 0-Y 0-M

10. INVESTMENT SCHEDULING

*** INVESTMENTS NOT SCHEDULED ***

11. LOANS SCHEDULING

*** LOANS NOT SCHEDULED ***

12. STREAM ADJUSTMENT SCHEDULING

*** STREAM ADJUSTMENTS NOT SCHEDULED ***

HISTORIC DATA LISTING
CCU 11A-9

GAS

STANDARD

TIME DEC
SEG TYPE

END
CONDITION

0 HST 400.601 MMCF

1/93

HISTORIC DATA: MCF

PRIOR PRODUCTION:

0.000 MMCF

10/ 1/89 - 10/31/89 7524.000
11/ 1/89 - 11/30/89 6363.000
12/ 1/89 - 12/31/89 11502.000
1/ 1/90 - 1/31/90 19907.000
2/ 1/90 - 2/28/90 13817.000
3/ 1/90 - 3/31/90 14756.000
4/ 1/90 - 4/30/90 13443.000
5/ 1/90 - 5/31/90 13714.000
6/ 1/90 - 6/30/90 13059.000

7/ 1/90 - 7/31/90 13668.000
8/ 1/90 - 8/31/90 10562.000
9/ 1/90 - 9/30/90 9191.000
10/ 1/90 - 10/31/90 12561.000
11/ 1/90 - 11/30/90 7105.000
12/ 1/90 - 12/31/90 10530.000
1/ 1/91 - 1/31/91 10487.000
2/ 1/91 - 2/28/91 8131.000
3/ 1/91 - 3/31/91 9832.000

HISTORIC DATA: MCF

4/ 1/91 - 4/30/91 10821.000
5/ 1/91 - 5/31/91 8775.000
6/ 1/91 - 6/30/91 7042.000
7/ 1/91 - 7/31/91 8312.000
8/ 1/91 - 8/31/91 4592.000
9/ 1/91 - 9/30/91 10021.000
10/ 1/91 - 10/31/91 10077.000
11/ 1/91 - 11/30/91 9293.000
12/ 1/91 - 12/31/91 10281.000

1/ 1/92 - 1/31/92 10046.000
2/ 1/92 - 2/29/92 10055.000
3/ 1/92 - 3/31/92 12274.000
4/ 1/92 - 4/30/92 10701.000
5/ 1/92 - 5/31/92 13274.000
6/ 1/92 - 6/30/92 12682.000
7/ 1/92 - 7/31/92 12873.000
8/ 1/92 - 8/31/92 11656.000
9/ 1/92 - 9/30/92 10217.000

HISTORIC DATA: MCF

10/ 1/92 - 10/31/92 11457.000

1 HYP 10500.000 MCF/M 107.951 MCF/M 0.50 20.000 2 2500.000 MMCF CUM

Other - Associate

STANDARD

TIME DEC
SEG TYPE

END
CONDITION

0 HST 5.150 MUNT

01/93

HISTORIC DATA LISTING
CCU 11A-9

Other - Associate

STANDARD

TIME DEC
SEG TYPE

END
CONDITION

HISTORIC DATA: UNT

10/ 1/89 - 10/31/89	424.000
11/ 1/89 - 11/30/89	427.000
12/ 1/89 - 12/31/89	394.000
1/ 1/90 - 1/31/90	366.000
2/ 1/90 - 2/28/90	285.000
3/ 1/90 - 3/31/90	382.000
4/ 1/90 - 4/30/90	239.000
5/ 1/90 - 5/31/90	120.000
6/ 1/90 - 6/30/90	138.000

PRIOR PRODUCTION:

0.000 MUNT

7/ 1/90 - 7/31/90	116.000
8/ 1/90 - 8/31/90	88.000
9/ 1/90 - 9/30/90	74.000
10/ 1/90 - 10/31/90	54.000
11/ 1/90 - 11/30/90	67.000
12/ 1/90 - 12/31/90	77.000
1/ 1/91 - 1/31/91	46.000
2/ 1/91 - 2/28/91	49.000
3/ 1/91 - 3/31/91	63.000

HISTORIC DATA: UNT

4/ 1/91 - 4/30/91	96.000
5/ 1/91 - 5/31/91	99.000
6/ 1/91 - 6/30/91	38.000
7/ 1/91 - 7/31/91	82.000
8/ 1/91 - 8/31/91	34.000
9/ 1/91 - 9/30/91	275.000
10/ 1/91 - 10/31/91	156.000
11/ 1/91 - 11/30/91	99.000
12/ 1/91 - 12/31/91	101.000

1/ 1/92 - 1/31/92	66.000
2/ 1/92 - 2/28/92	46.000
3/ 1/92 - 3/31/92	40.000
4/ 1/92 - 4/30/92	106.000
5/ 1/92 - 5/31/92	119.000
6/ 1/92 - 6/30/92	79.000
7/ 1/92 - 7/31/92	83.000
8/ 1/92 - 8/31/92	78.000
9/ 1/92 - 9/30/92	63.000

HISTORIC DATA: UNT

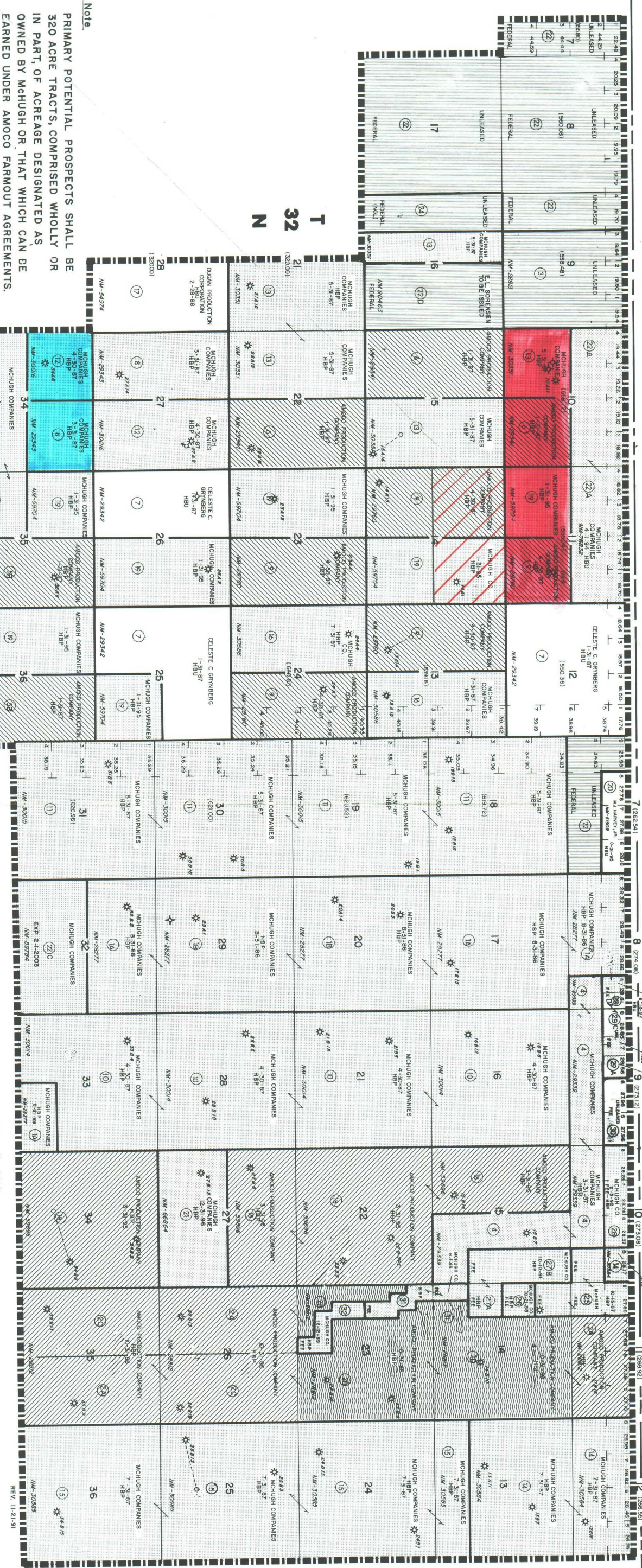
10/ 1/92 - 10/31/92	81.000
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1 HYP 80.000 UNT/M 0.993 UNT/M 0.50 40.000 5 [27]-YRS [51]-MOS ADD

R 5 W
COLORADO
SCHEDULE III

R 4 W

T 32
N



Note
PRIMARY POTENTIAL PROSPECTS SHALL BE 320 ACRE TRACTS, COMPRISED WHOLLY OR IN PART, OF ACREAGE DESIGNATED AS OWNED BY MCHUGH OR THAT WHICH CAN BE EARNED UNDER AMOCO FARMOUT AGREEMENTS.

- Amoco FO-100% W.I. No Back-in
- 75%-25% Amoco FO
- 66 2/3%-33 1/3% Amoco FO
- MCHUGH 100%
- Unleased Federal Lands
- Fruitland Coal Participating Area "A"
- Fruitland Coal Participating Area "B"

R 5 W

R 4 W

EXHIBIT "A"
CARRACAS CANYON UNIT AREA
RIO ARriba COUNTY, NEW MEXICO

NASSAU RESOURCES, INC.
DENVER, COLORADO

Revised 1st Revision Fruitland Coal Participating Area B, 'B1'