

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 20, 1988

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

Attention: James S. Hazen,
Field Superintendent

Administrative Order NSL-2580

Dear Mr. Hazen:

Reference is made to your application of August 29, 1988 for a non-standard gas well location for your Carracas Unit 22-A Well No. 13 to be located 620 feet from the South line and 540 feet from the West line (Unit M) of Section 22, Township 32 North, Range 5 West, NMPM, Undesignated Cottonwood Fruitland Pool, Rio Arriba County, New Mexico. The SW/4 of said Section 22 shall be dedicated to the well forming a standard 160-acre gas spacing and proration unit for said pool.

By the authority granted me under the provisions of General Rule 104 F(1), the above-described unorthodox gas well location is hereby approved.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. Lefay". The signature is written over a vertical line that extends down to the distribution list.

William J. Lefay
Director

WJL/MES/ag

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

August 25, 1988

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

Rec. 8/29/88

RE: Application for Unorthodox Location
Nassau Resources, Inc.
Carracas Unit 22 A #13
620' FSL - 540' FWL
Sec. 22, Township 32 North, Range 5 West, NMPM
Rio Arriba County, New Mexico

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.

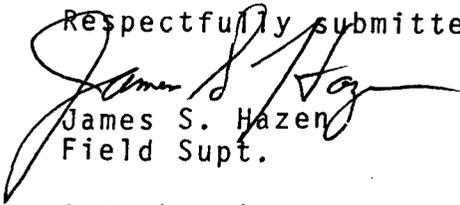
Due to the extremely rough terrain, this proposed location is the only suitable location on this lease which meets Carson National Forest guidelines for development for wildlife habitat protection and off-road vehicle restriction.

This well is in Nassau's Carracas Unit. All offsetting operators, as shown on the attached lease plat, are being notified by copy of this Application by certified mail.

Also attached are production and topographic maps of the area and the C-102 Plat.

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

Respectfully submitted,


James S. Hazen
Field Supt.

Attachments

xc: } Ernie Busch, NMOCD, Aztec, NM
Dugan Production Corp.
} Amoco Production Co.
} Kindermac Partners

Notification OK

fp

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

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

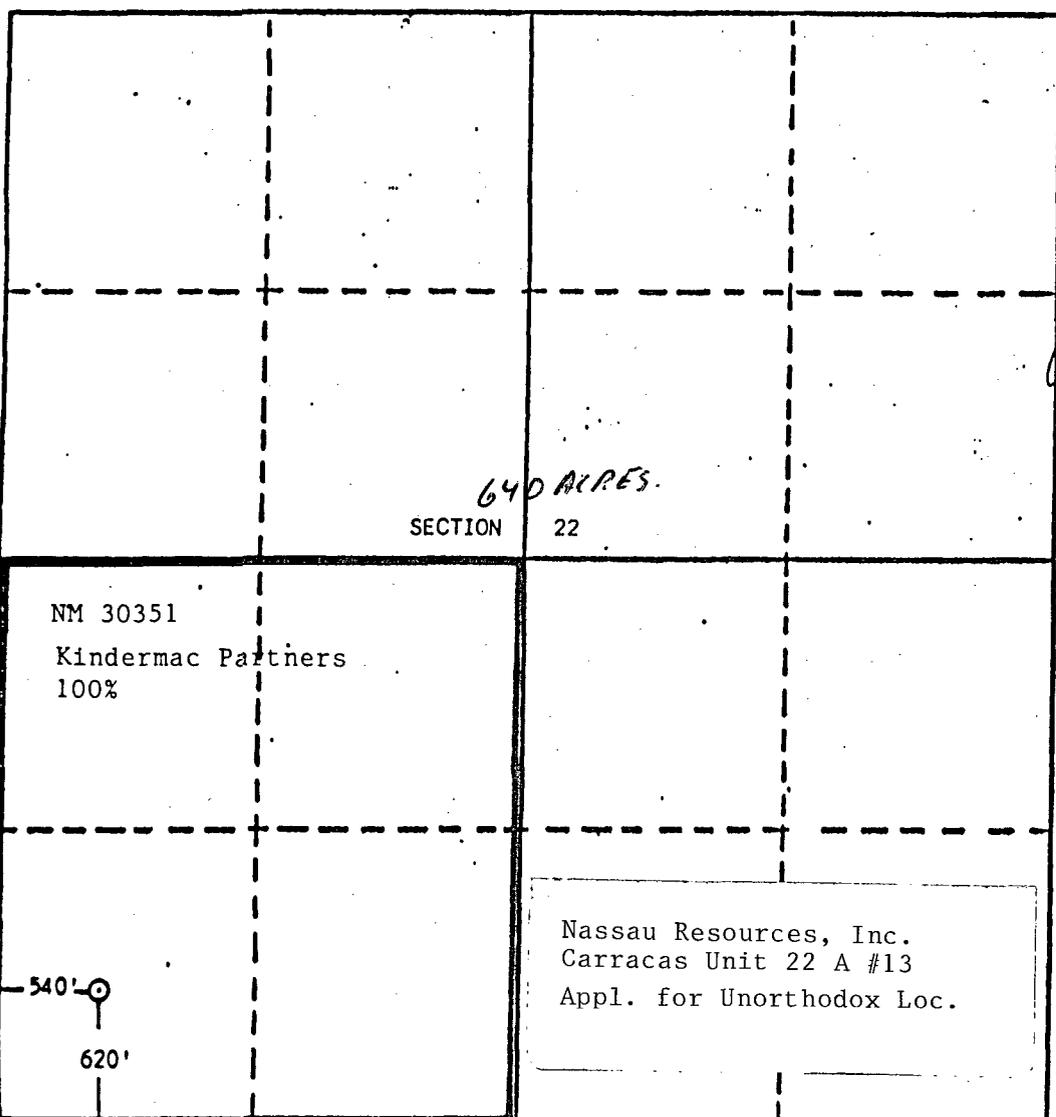
Operator Nassau Resources, Inc.		Lease Carracas Unit 22 A			Well No. 13
Unit Letter M	Section 22	Township 32 North	Range 5 West	County Rio Arriba	
Actual Footage Location of Well 620 feet from the South line and 540 feet from the West line					
Ground Level Elev. 7022	Producing Formation Fruitland		Pool WC Fruitland	Dedicated Acreages 160.0 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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.) _____

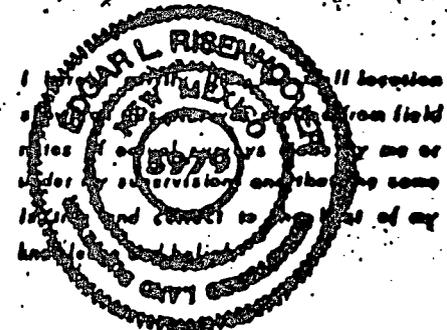
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name
James S. Hazen
Position
Field Supt.
Company
Nassau Resources, Inc.
Date
8/4/87



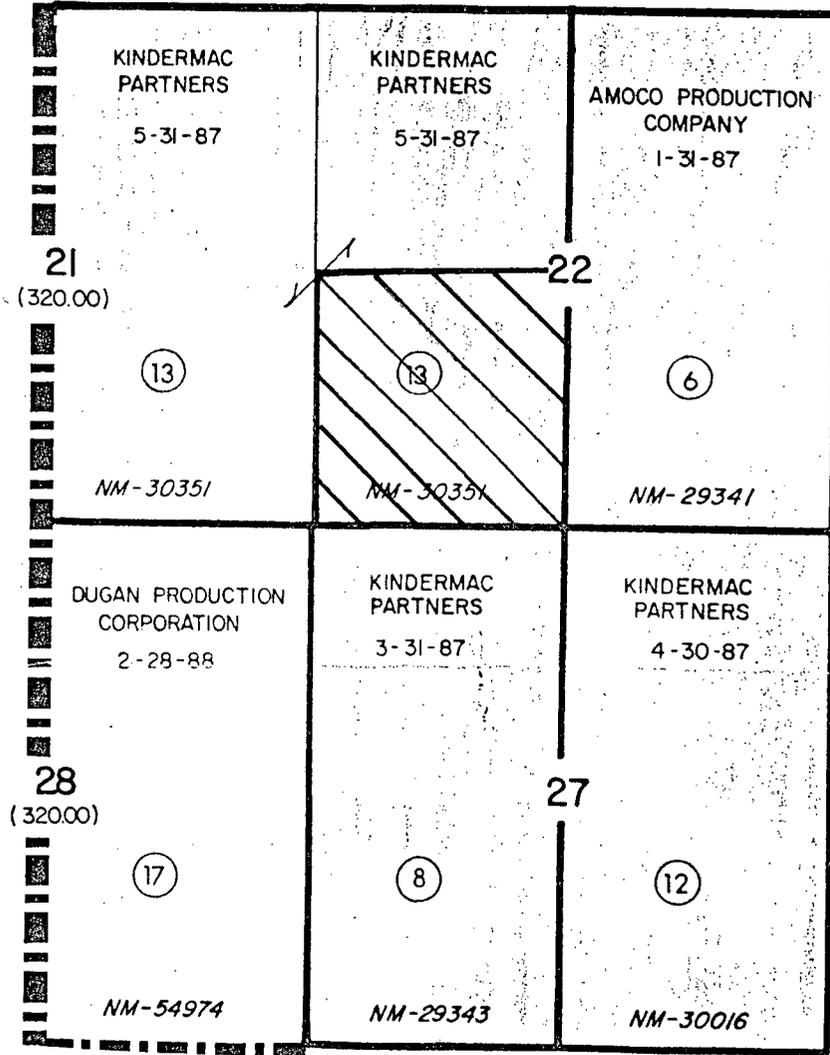
Date Surveyed
June 23, 1988

Registered Professional Engineer
and/or Lead Surveyor

Edgar L. Risenhoover
Certificate No. 5979
Edgar L. Risenhoover, L.S.

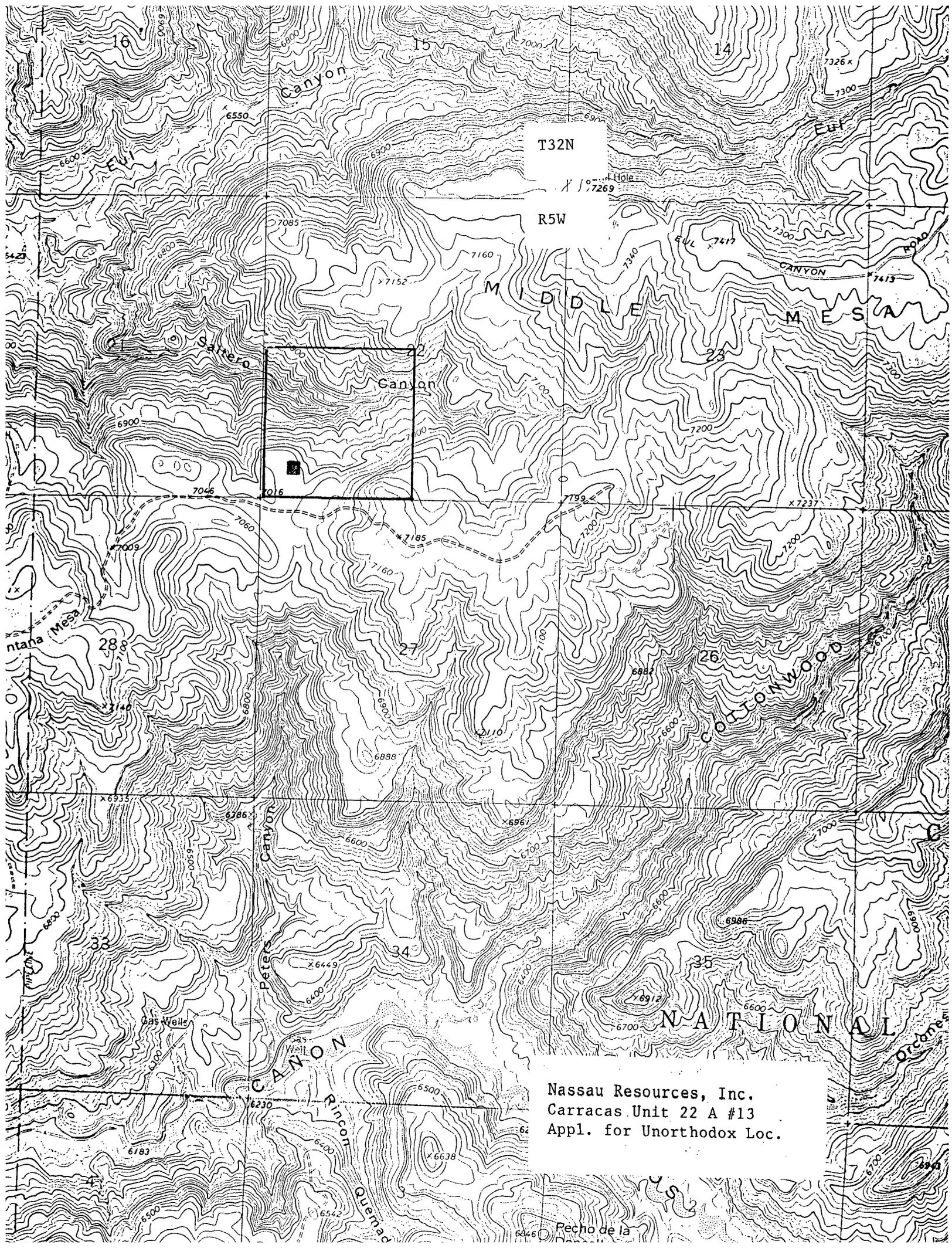
LEASE PLAT

Township 32 North, Range 5 West
Rio Arriba County, NM



Offsetting Operators: Dugan Production Corp.
Amoco Production Co.
Kindermac Partners

Nassau Resources, Inc.
Carracas Unit 22 A #13
Appl. for Unorthodox Loc.



T32N

R5W

X 197269

MIDDLE MESA

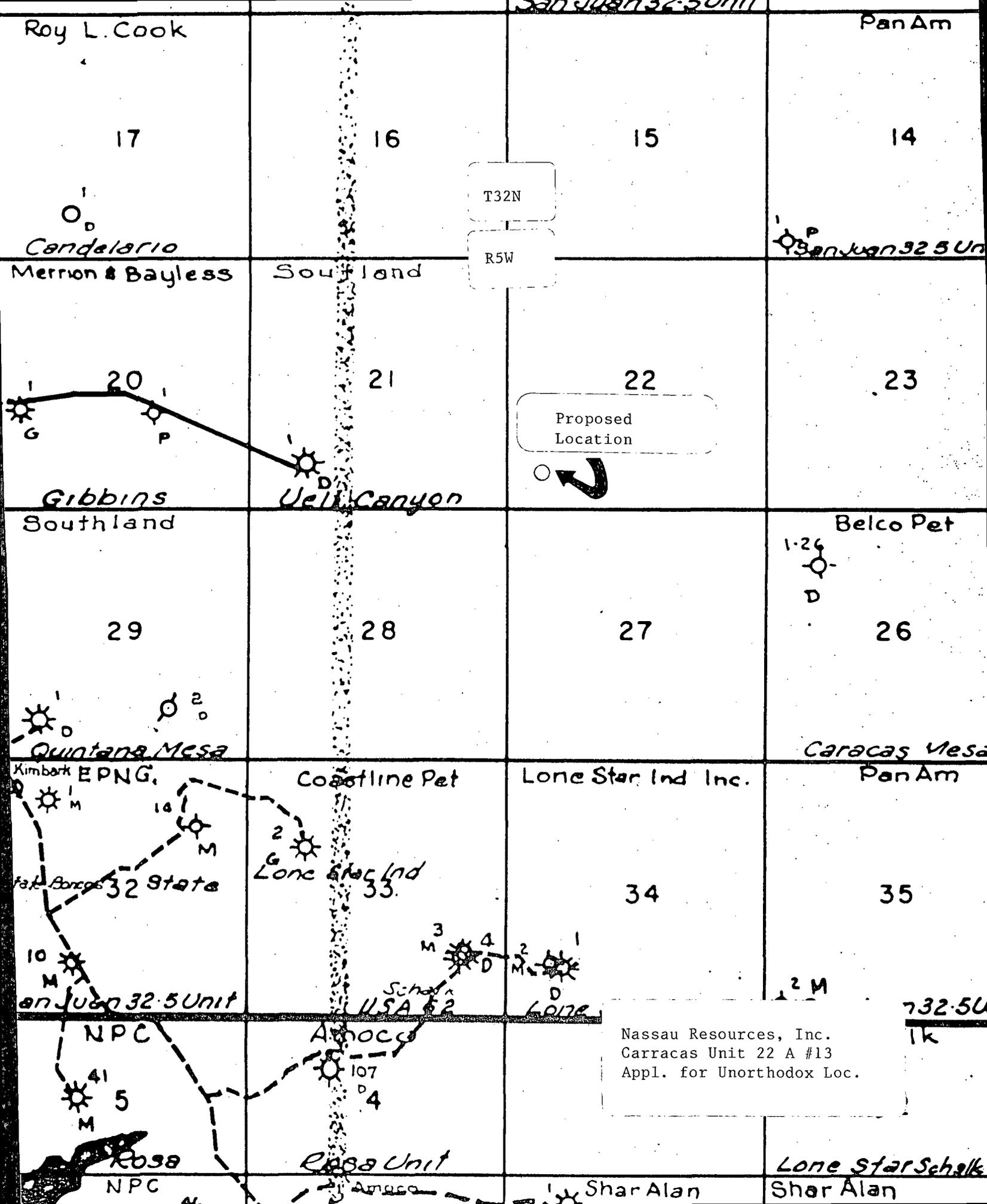
Peters Canyon

COTTONWOOD

NATIONAL

Nassau Resources, Inc.
Carracas Unit 22 A#13
Appl. for Unorthodox Loc.

Recho de la



Roy L. Cook

PanAm

17

16

15

14

T32N

Candelario

San Juan 32.5 Unit

R5W

Merrion & Bayless

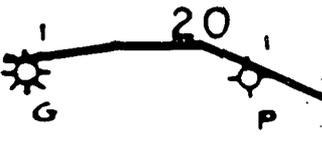
Southland

21

22

23

Proposed Location



Gibbins

Well Canyon



Southland

Belco Pet

29

28

27

26

Quintana Mesa

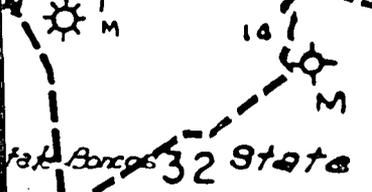
Caracas Mesa

Kimbark EPNG

Coastline Pet

Lone Star Ind Inc.

PanAm



Lone Star Ind 33

34

35

San Juan 32.5 Unit

Schafer USA 32

Lone

732.5U

NPC

Amoco

Nassau Resources, Inc.
Carracas Unit 22 A #13
Appl. for Unorthodox Loc.

Ik



Rosa

Rosa Unit

Lone Star Schafer

NPC

Shar Alan

Shar Alan



United States
Department of
Agriculture

Forest
Service

Jicarilla
Ranger District

Gobernador Route
Blanco, NM 87412

Reply to: 2820

Date: August 3, 1988

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

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



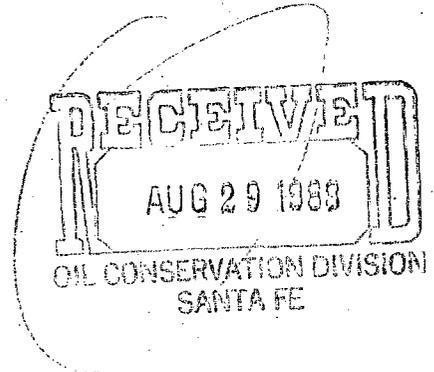
AUG 9 1988

RECEIVED

Nassau Resources, Inc.
Carracas Unit 22 A #13
Appl. for Unorthodox Loc.

August 25, 1988

Kindermac Partners
650 South Cherry St. #1225
Denver, CO 80222



RE: Application for Unorthodox Location
Nassau Resources, Inc.
Carracas Unit 22 A #13
620' FSL - 540' FWL
Sec. 22, Township 32 North, Range 5 West, NMPM
Rio Arriba County, New Mexico

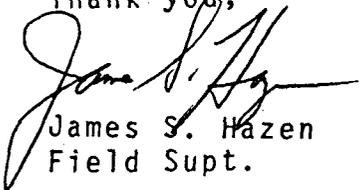
Gentlemen:

Enclosed is a copy of the subject Application for Unorthodox Location.

If Kindermac Partners, as an offsetting operator to the proposed location, has no objection, we request that you notify the Oil Conservation Division, Attn: Mike Stogner, Box 2088, Santa Fe, NM 87504-2088, at your earliest convenience.

Please feel free to call if you have any questions.

Thank you,


James S. Hazen
Field Supt.

fp

Enclosure

August 25, 1988

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Amoco Production Co.
2325 E. 30th St.
Farmington, New Mexico 87401

RE: Application for Unorthodox Location
Nassau Resources, Inc.
Carracas Unit 22 A #13
620' FSL - 540' FWL
Sec. 22, Township 32 North, Range 5 West, NMPM
Rio Arriba County, New Mexico

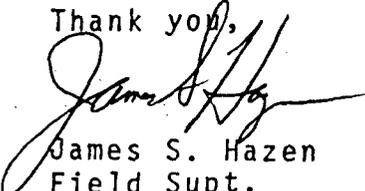
Gentlemen:

Enclosed is a copy of the subject Application for Unorthodox Location.

If Amoco Production Co., as an offsetting operator to the proposed location, has no objection, we request that you notify the Oil Conservation Division, Attn: Mike Stogner, Box 2088, Santa Fe, NM 87504-2088, at your earliest convenience.

Please feel free to call if you have any questions.

Thank you,


James S. Hazen
Field Supt.

fp

Enclosure

August 25, 1988

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Dugan Production Corp.
P O Box 5820
Farmington, New Mexico 87499

RE: Application for Unorthodox Location
Nassau Resources, Inc.
Carracas Unit 22 A #13
620' FSL - 540' FWL
Sec. 22, Township 32 North, Range 5 West, NMPM
Rio Arriba County, New Mexico

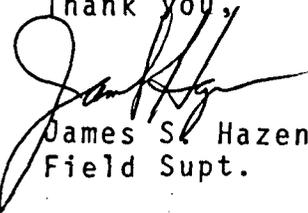
Gentlemen:

Enclosed is a copy of the subject Application for Unorthodox Location.

If Dugan Production Corp., as an offsetting operator to the proposed location, has no objection, we request that you notify the Oil Conservation Division, Attn: Mike Stogner, P O Box 2088, Santa Fe, NM 87504-2088, at your earliest convenience.

Please feel free to call if you have any questions.

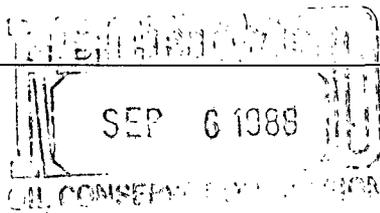
Thank you,



James S. Hazen
Field Supt.

fp

Enclosure



August 31, 1988

New Mexico Oil Conservation Division
Box 2088
Santa Fe, New Mexico 87504-2088

Attention: Mike Stogner

Re: Application for Unorthodox Location
Nassau Resources, Inc.
Carracas Unit 22 A #13
620' FSL - 540' FWL
Sec. 22-T32N-R5W
Rio Arriba County, New Mexico

Gentlemen:

Please be advised that Kindermac Partners, an offset operator to the captioned location, has no objection to the Application for Unorthodox Location submitted by Nassau Resources, Inc.

If you should need anything additional, please let me know.

Very Truly Yours,



Kent C. Craig

KCC/rc

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

BAJ

Please find out who
this is for.
AH

September 8, 1988

New Mexico Oil Conservation Division
Box 2088
Santa Fe, New Mexico 87504-2088

Attention: Mike Stogner

Re: Carracas Canyon Unit
Applications for Unorthodox
Locations

Gentlemen:

Pursuant to a discussion between Fran Perrin of our Farmington office and someone with your office, we have been requested to write to you and explain the relationship of Kindermac Partners, record title owner, and Nassau Resources, Inc., Operator, in the captioned unit and give an approval by Kindermac Partners as to any requests for Unorthodox Locations in the unit.

Kindermac Partners is one of the entities of this company. Jerome P. McHugh Jr. is General Partner of Kindermac Partners. Nassau Resources, Inc. is our Operating Affiliate and Jerome P. McHugh Jr. is the President. Therefore, Kindermac Partners and Nassau Resources, Inc. are part of the same company.

We request that this letter serve as authorization by Kindermac Partners to Nassau Resources, Inc. for any Applications for Unorthodox Locations for the Carracas Canyon Unit.

If you should need anything additional, please contact Randi Collins of this office.

Thank you.

Very Truly Yours,

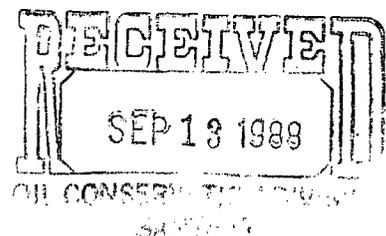
Jerry McHugh Jr.

Jerry McHugh Jr.

JPM/rc

cc: Fran Perrin

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





STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

OIL CONSERVATION DIVISION
BOX 2088
SANTA FE, NEW MEXICO 87501

DATE 2-15-89

RE: Proposed MC _____
Proposed DIC _____
Proposed NSL X _____
Proposed SWD _____
Proposed WFX _____
Proposed PMX _____

Gentlemen:

I have examined the application dated 2-13-89

for the Mesa Resources, Inc. Carrizo Unit 22A#13 M-22-32N-5W
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

Approve

Yours truly,

Ernie Burch

RECEIVED
FEB 21 1989
OIL CONSERVATION DIVISION
SANTA FE