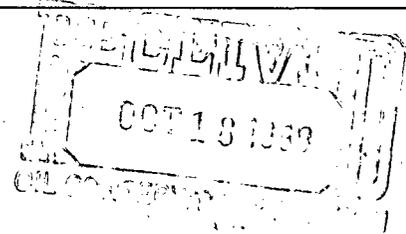


October 14, 1988

New Mexico Oil Conservation Division
ATTN: Mike Stogner
310 Old Santa Fe Trail, Room 206
Santa Fe, NM 87503



RE: Application for Unorthodox Location
Nassau Resources, Inc.
Carracas Unit 30 B #8
2240' FNL - 620' FEL
Sec. 30, Township 32 North, Range 4 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 terrain and the Forest Service's policy for development on the Carson National forest, especially in the preservation of timber.

Attached is a copy of a topographic map as well as a copy of a letter from Philip Settles of the Jicarilla Ranger District of Carson National Forest indicating their guidelines for development.

This well is in Nassau's Carracas Unit. As indicated by the attached lease plat, all offsetting leases are owned by Kindermac Partners, Inc., an operating affiliate with Nassau Resources, Inc.

Also attached are the C-102 plat and production map.

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

Respectfully submitted,

Fran Perrin

Attachments

XC: Ernie Busch, NMOCD, Aztec, NM
Jerome P. McHugh/Kindermac Partners

fp

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

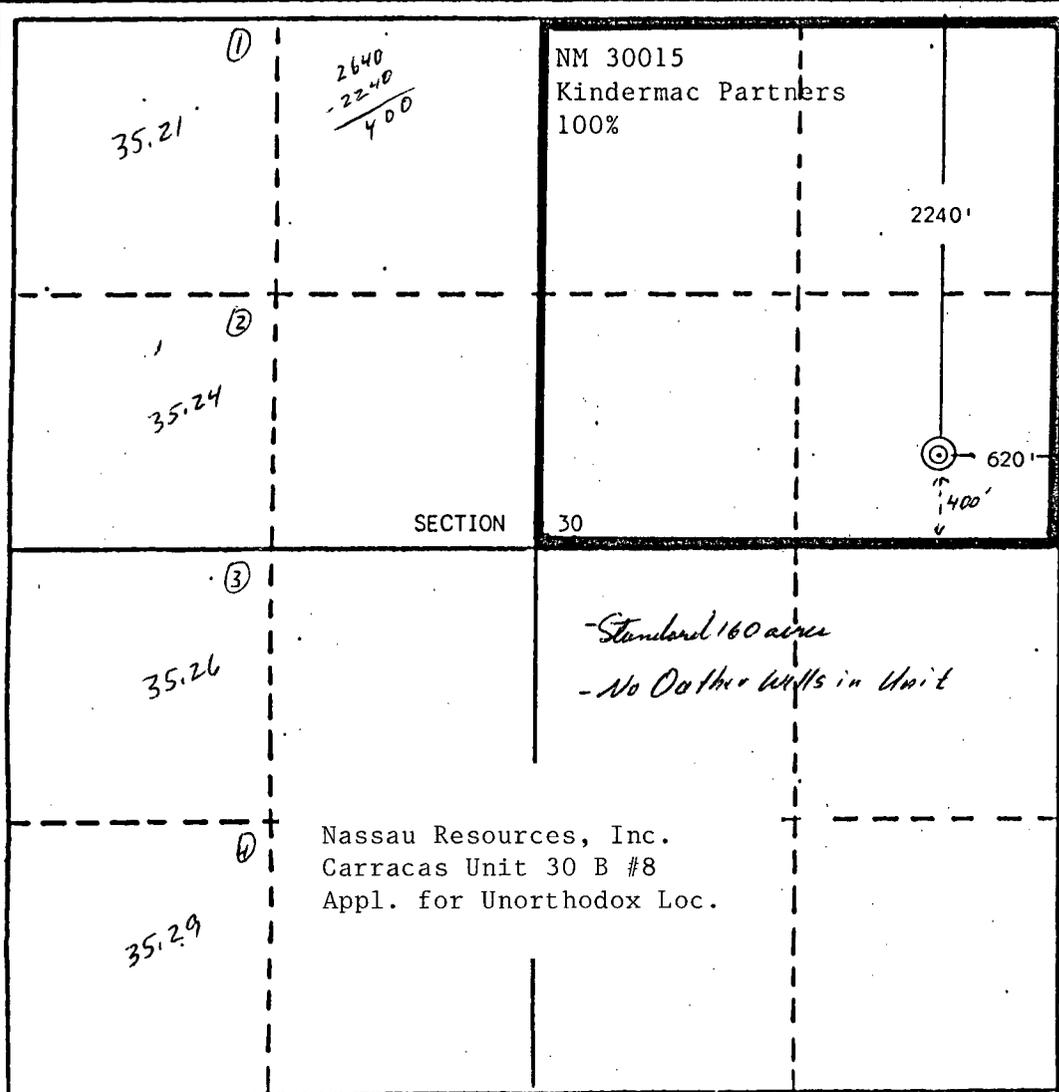
Operator Nassau Resources, Inc.		Lease Carracas Unit 30 B			Well No. 8
Unit Letter H	Section 30	Township 32 North	Range 4 West	County Rio Arriba	
Actual Footage Location of Well: 2240 feet from the North line and 620 feet from the East line					
Ground Level Elev. 7205	Producing Formation Fruitland	Pool WC Fruitland		Dedicated Acreage 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.

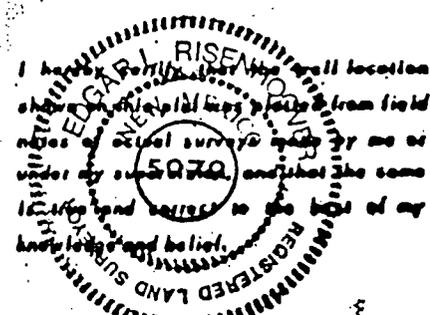
James S. Hazen
Name

James S. Hazen
Position

Field Supt.Position

Nassau Resources, Inc.
Company

September 21, 1988
Date



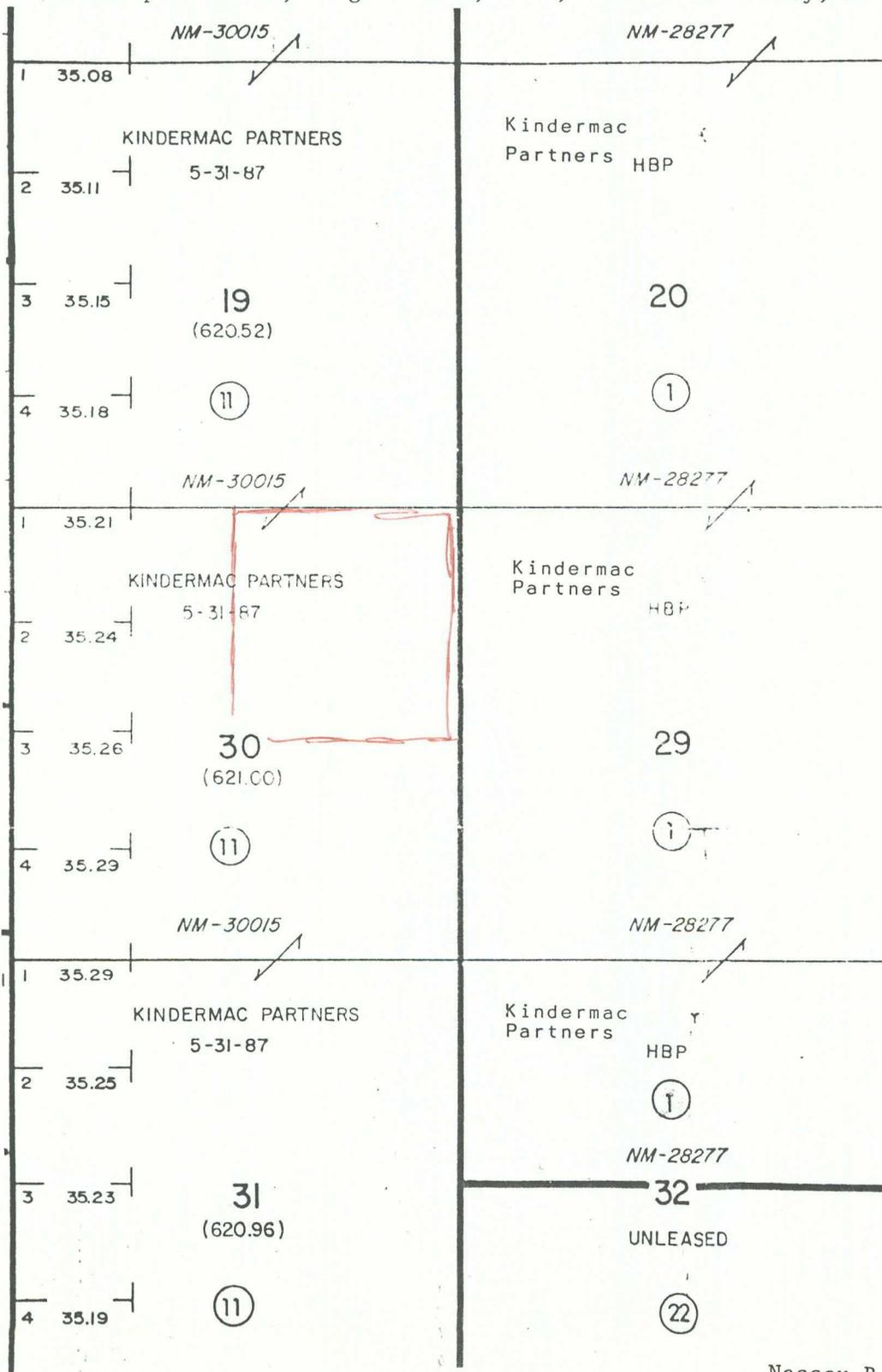
September 2, 1988
Date Surveyed

Registered Professional Engineer and/or Land Surveyor

Edgar J. Risen

LEASE PLAT

Township 32 North, Range 4 West, NMPM, Rio Arriba County, NM



Nassau Resources, Inc.
Carracas Unit 30 B #8
Appl. for Unorthodox Loc.

13

19

20

~~Frontier Energy~~
Kindermac



17-0
ft.

24

Arboles

1 mile

30

29

~~Technigas Inc.~~
Kindermac



25

Arboles-A

31

32

36

Nassau Resources, Inc.
Carracas Unit 30 B #8
Appl. for Unorthodox Loc.



United States
Department of
Agriculture

Forest
Service

Jicarilla
Ranger District

Gobernador Route
Blanco, NM 87412

326-2036
12/1
3/31

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 30 B #8
Appl. for Unorthodox Loc.

GRYNBERG PETROLEUM COMPANY

5000 SOUTH QUEBEC • SUITE-500 • DENVER, COLORADO 80237-2707 USA • PHONE 303-850-7490

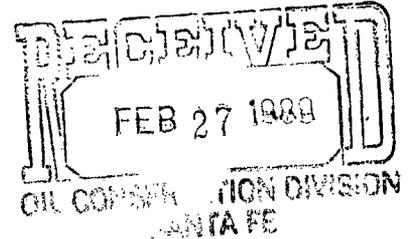
TELEX: 510 600 2180 ENERGY DVR
TELECOPIER: 303-850-7498

February 22, 1989

Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504

ATTENTION: Mike Stogner

RE: Unorthodox Location
Nassau Resources, Inc.
Carracas Unit 30 B #8
Rio Arriba County, NM



Gentlemen:

Celeste C. Grynberg, as offset operator to the above referenced unorthodox location, hereby notifies you that we do not have any objection to said location.

Sincerely,

GRYNBERG PETROLEUM COMPANY

Susan Stone
Land Manager

SS/lak

SAS 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,

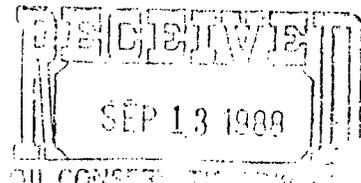


Jerry McHugh Jr.

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
OCT 25 1988
OIL CONSERVATION DIVISION
SANTA FE

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

OIL CONSERVATION DIVISION
BOX 2088
SANTA FE, NEW MEXICO 87501

DATE 10-24-88

- RE: Proposed MC _____
- Proposed DIIC _____
- Proposed NSL ✓ _____
- Proposed SWD _____
- Proposed WFX _____
- Proposed PMX _____

Gentlemen:

I have examined the application dated 10-17-88

for the NASSAU RESOURCES, INC. - CARRACAS UNIT 30B #8 H-32-32N-4W
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

APPROVE

Yours truly,

P. Busch