



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

November 7, 1988

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

Attention: James S. Hazen

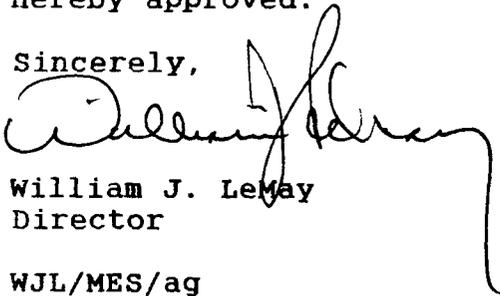
Administrative Order NSL-2597

Dear Mr. Hazen:

Reference is made to your application of October 18, 1988 for a non-standard gas well location for your Carracas Unit 19-B Well No. 1 to be located 750 feet from the North line and 400 feet from the East line (Unit A) of Section 19, Township 32 North, Range 4 West, NMPM, to test the Fruitland (Sand) formation, Rio Arriba County, New Mexico. The NE/4 of said Section 19 shall be dedicated to the well forming a standard 160-acre gas spacing and proration unit.

By the authority granted me under the provisions of General Rule 104 F(I), the above-described unorthodox 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