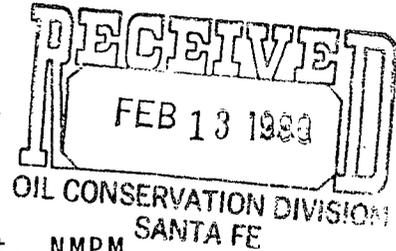


February 9, 1989

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

RE: Application for Unorthodox Location
Nassau Resources, Inc.
Carracas Unit 34 B #9
1800' FSL - 970' FEL
Sec. 34, 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.

An approved Application for Permit to Drill was received from the Bureau of Land Management November 18, 1989, and from the OCD in Aztec December 9, 1989. Therefore, Nassau did not include this well in the OCD hearing December 21 for Case #9559 (NMOCD Order R-8844) for a group of Nassau's Carracas Unit wells. Recently it was learned that the subject well was not considered "grandfathered" under the provisions of NMOCD Order R-8768 setting pool rules for the Basin Fruitland Coal Pool.

This request for administrative approval of an unorthodox location is based upon Carson National Forest's guidelines for development, especially in the restriction of off-road vehicle travel in order to minimize unnecessary road construction in a key wildlife management area. A copy of a USFS letter outlining these restrictions is attached. This location is adjacent to existing Forest Service Road 218 and will require no additional road construction. It has been approved by both USFS and BLM and will result in the orderly development of the Carracas Unit.

Amoco Production Co., the only offsetting operator, as indicated by the attached lease plat, has been notified of this application by certified mail. Kindermac Partners is an operating affiliate with Nassau Resources, Inc., and has been notified of this application.

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

New Mexico Oil Conservation Division
Carracas Unit 34 B #9
February 9, 1989

Page 2

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

Respectfully submitted,

Fran Perrin

Fran Perrin
Admin. Asst.

Attachments

XC: Ernie Busch, NMOCD, Aztec, NM
Kindermac Partners
Amoco Production Co.

fp

SOIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-102
Revised 10-1-78

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

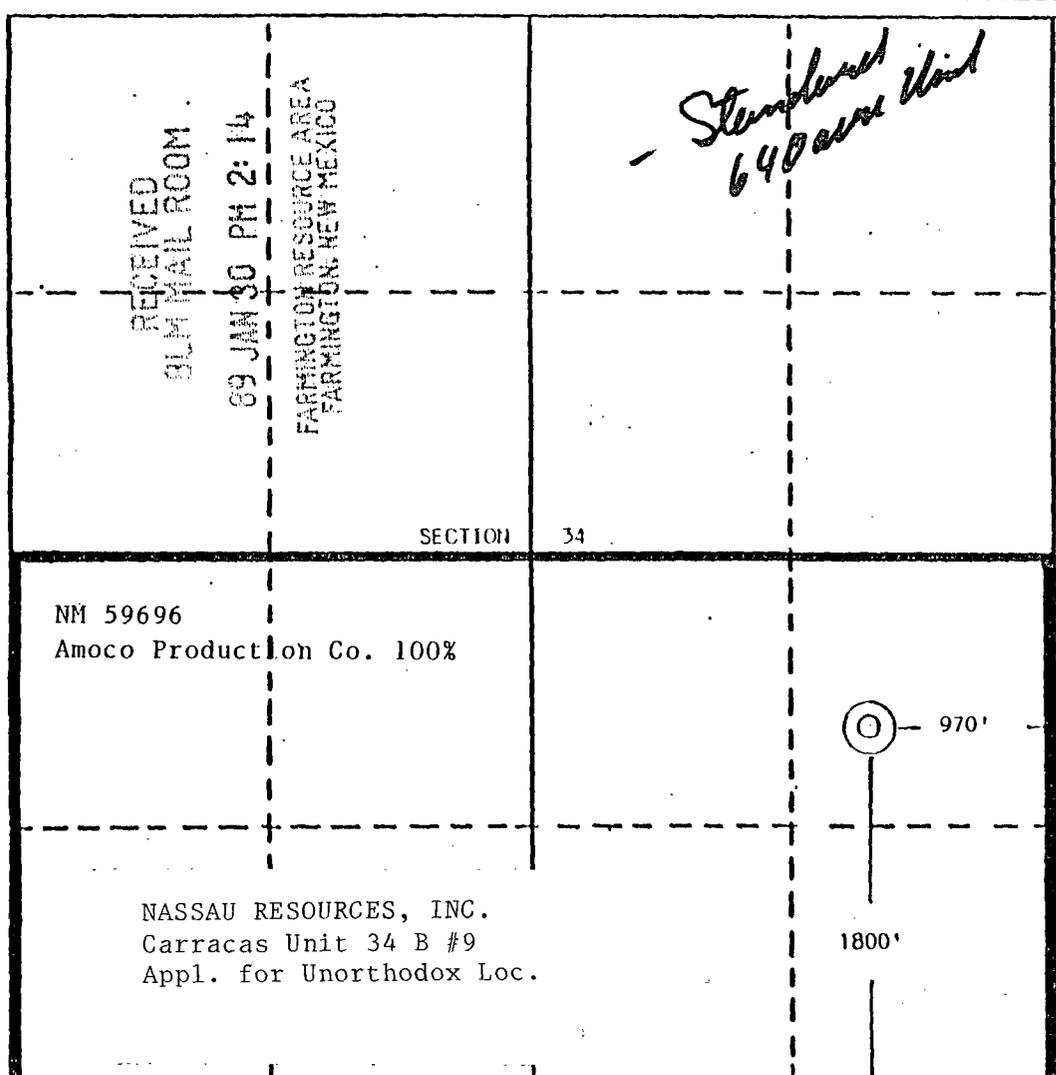
Operator Nassau Resources, Inc.		Lease Carracas Unit 34 B			Well No. 9
Unit Letter I	Section 34	Township 32 North	Range 4 West	County Rio Arriba	
Actual Footage Location of Well					
1800	feet from the	South	line and	970	feet from the East line
Ground Level Elev. 7195	Producing Formation Fruitland		Pool Basin Fruitland Coal	Dedicated Acreage 320.0 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 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 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.

Fran Perrin

Name
Fran Perrin

Position
Admin. Asst.

Company
Nassau Resources, Inc.

Date
1/27/89

RISE AND FALL OF WELL LOCATION

REGISTERED LAND SURVEYOR

5979

EDGAR P. RISE AND FALL OF WELL LOCATION

Date Surveyed
July 24, 1988

Registered Professional Engineer and/or Land Surveyor

Edgar P. Rise and Fall



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 34 B #9
Appl. for Unorthodox Loc.

LEASE PLAT

Township 31N & 32N, Range 4 W,

Rio Arriba County, N.M.

KINDERMAC PARTNERS

AMOCO PRODUCTION COMPANY

AMOCO PRODUCTION COMPANY

4-30-87

3-31-95

10-31-86

(in suspense)

28

18

NM-59696

26

27

MICHAEL R. DIEFENDEFER
NOT YET ISSUED

2

19

21

NM-66864

NM-28812

NM-30014

KINDERMAC PARTNERS

AMOCO PRODUCTION COMPANY

AMOCO PRODUCTION COMPANY

4-30-87

3-31-95

10-31-86

(in suspense)

33

34

35

10

18

2

Carracas Unit
Boundary

Kindermac
CORPORATION
HBP



NM-30014

NM-28277

NM-59696

NM-28812

Amoco Production Co.

Amoco Production Co.

Amoco Production Co.

4

3

2

SF-078890

SF-078891

SF-078891

Offsetting Operators:
Amoco Production Co.

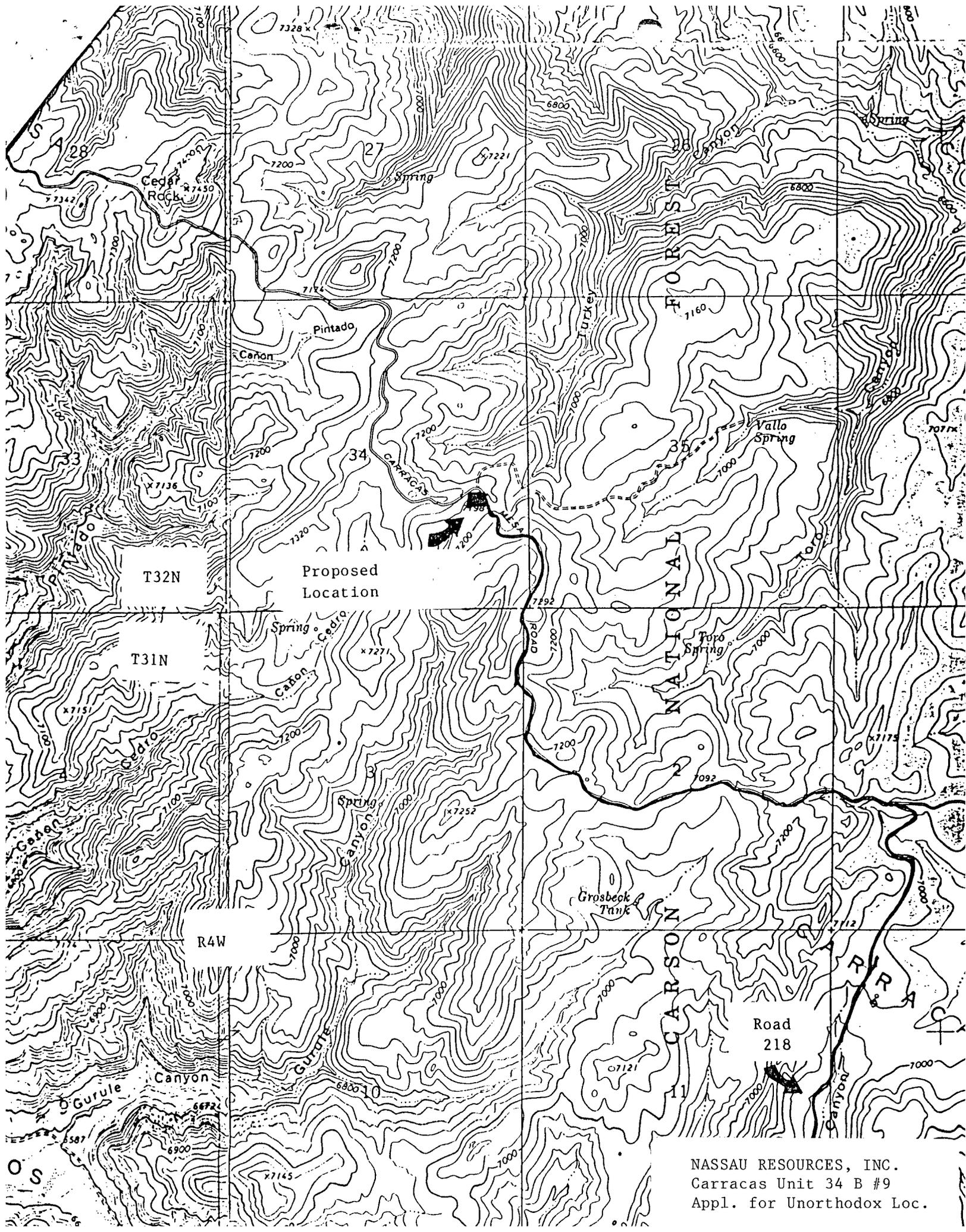
Operating Affiliates:
Kindermac Partners
Nassau Resources, Inc.

NASSAU RESOURCES, INC.
Carracas Unit 34 B #9
Appl. for Unorthodox Loc.

T
32
N

T
31
N

R 4 W



Proposed
Location

NASSAU RESOURCES, INC.
Carracas Unit 34 B #9
Appl. for Unorthodox Loc.

33

34

35

T32N

T31N

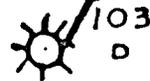
4

3

2

R4W

Amoco



Rosa Unit

10

9
Mitchell Energy

11

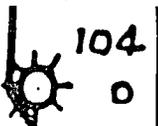
N

Rosa Unit

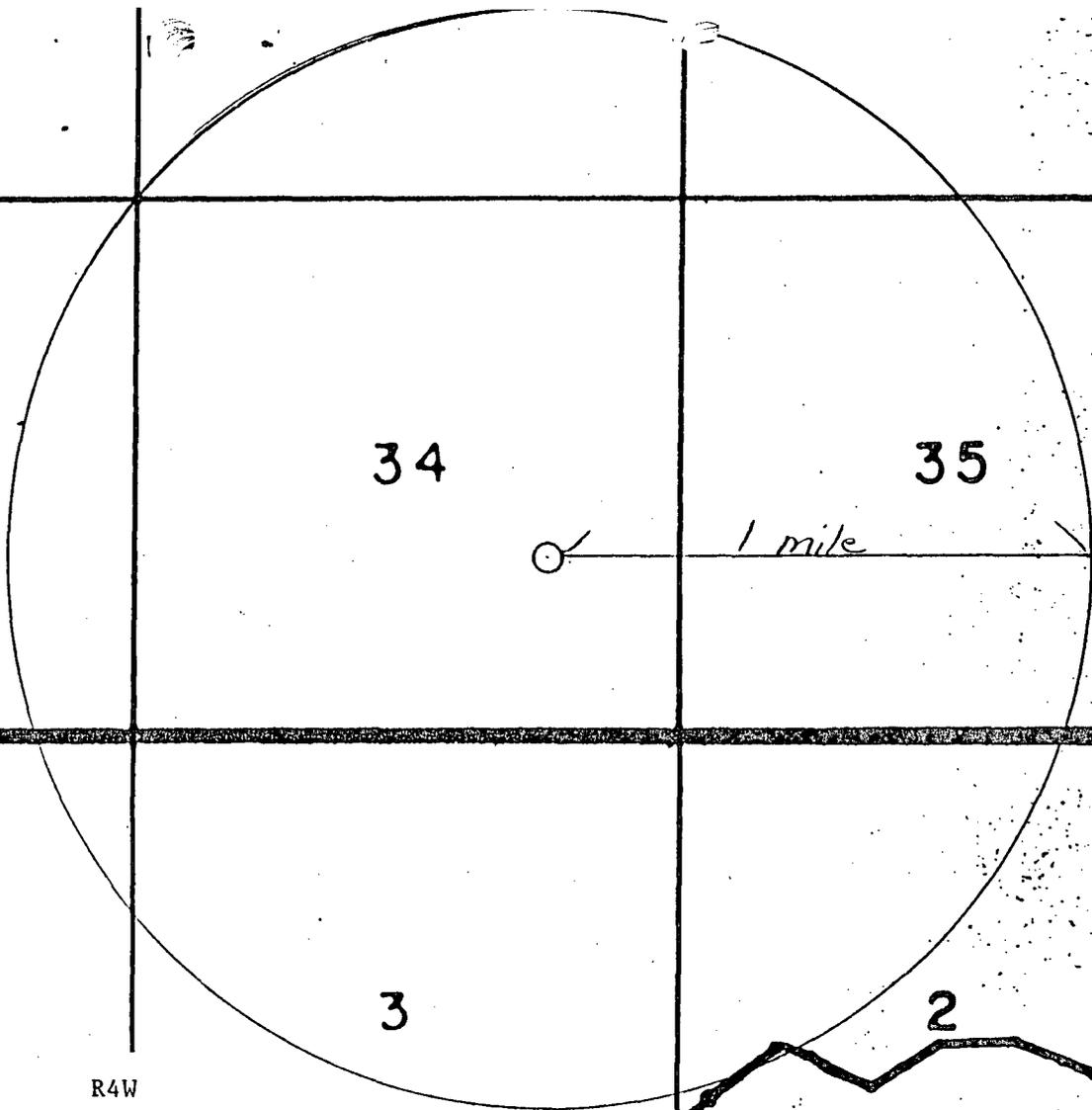
Mitchell Energy

83
D

NASSAU RESOURCES, INC.
Carracas Unit 34 B #9
Appl. for Unorthodx Loc.



1 mile



February 9, 1989

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Amoco Production Co.
ATTN: Land Department, Proration Group
P. O. Box 800
Denver, Colorado 80201

RE: Application for Unorthodox Location
Nassau Resources, Inc.
Carracas Unit 34 B #9
1800' FSL - 970' FEL
Sec. 34, Township 32 North, Range 4 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, P. O. Box 2088, Santa Fe, New Mexico 87504, at your earliest convenience.

Please feel free to call if you have any questions.

Thank you,

Fran Perrin

Fran Perrin
Admin. Asst.

cm

Enclosure



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 DHC _____
 Proposed NSL X _____
 Proposed SWD _____
 Proposed WFX _____
 Proposed PMX _____

Gentlemen:

I have examined the application dated 2-13-89

for the NASSAU RESOURCES, INC. CARRACAS UNIT 34B #9 I-3432A4W
 Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

Approve

Yours truly,

Eric Bunt

RECEIVED
 FEB 21 1989
 OIL CONSERVATION DIVISION
 SANTA FE