



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

April 21, 2000

Nassau Resources, Inc.
650 South Cherry - Suite 1225
Denver, Colorado 80222-1894
Attention: Gary J. Johnson

Telefax No. (303) 321-1563

Re: Affirmation of Division Administrative Order NSP-1597 (L)

Dear Mr. Johnson:

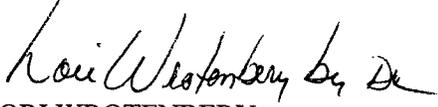
Reference is made to your letter of petition dated March 27, 2000, which included supporting information and notice to off-set operators, essentially requesting the affirmation of Division Administrative Order NSP-1597 (L).

By Division Administrative Order NSP-1597 (L), dated April 9, 1990, the Division established a 236.72-acre non-standard gas spacing and proration unit in the Basin-Fruitland Coal (Gas) Pool comprising Lots 1 through 4 and the S/2 N/2 (N/2 equivalent) of irregular Section 10, Township 32 North, Range 5 West, NMPM, Rio Arriba County, New Mexico, to be dedicated to Nassau Resources, Inc.'s ("Nassau") proposed Carracas Unit "10-A" Well No. 8 (API No. 30-039-24854), to be drilled at an unorthodox coal gas well location 800 feet from the North line and 580 feet from the East line (Unit H) of Section 10.

^{1540 m.s.}
Under the provisions of Rules 6 and 8 of the "*Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool*," as promulgated by Division Order No. R-8768, as amended, Division Administrative Order NSP-1597 (L), dated April 9, 1990, shall remain in full force and effect until further notice.

Jurisdiction of this matter shall be further retained for the entry of any such subsequent orders as the Division may deem necessary.

Sincerely,


LORI WROTENBERY
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
U. S. Forest Service - Bloomfield
File: NSP-1597 (L)