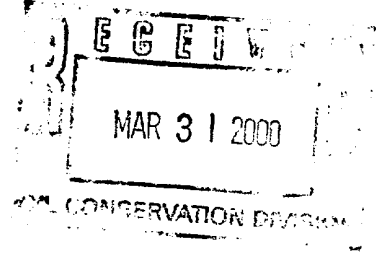


NASSAU

Attn: Charles NSL 4/20/00  
Nassau Resources, Inc.  
650 South Cherry, Suite 1225  
Denver, Colorado 80222-1894  
(303) 321-2111 FAX (303) 321-1563

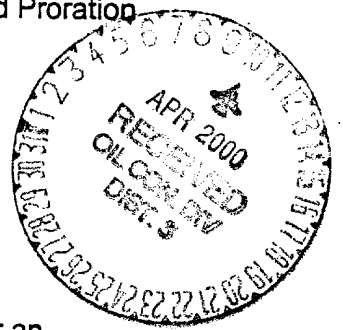
March 27, 2000

30-039-26420



Michael Stogner  
State of New Mexico  
Energy, Minerals and Natural Resources Department  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87504

Re: Application for Unorthodox Location and Non-standard Proration  
Unit  
Nassau Resources, Inc.  
Carracas Unit 10A #8  
800' FNL, 540' FEL Section 10, T32N R05W NMPM  
Rio Arriba County, NM



Dear Mr. Stogner:

Nassau Resources, Inc. hereby requests administrative approval for an unorthodox location and a non-standard proration unit for the captioned well based upon Carson National Forest surface management requirements.

The Carson National Forest, as indicated on the attached letter, requires the well to be drilled at the proposed location to prevent disturbing new surface area. The proposed location and road was built under an APD approved in July 1990. The Forest Service has allowed Nassau to maintain the location without rehabilitation as it was known the well would be drilled eventually. The surface is already disturbed. The proposed location is shown on the attached topographic map

Nassau Resources, Inc. is the operator of this lease. Working Interest Owners of offsetting leases are BP Amoco, McHugh Companies and Patrick Hegarty. Nassau Resources is the operating affiliate for McHugh Companies and as such, notification of McHugh is an internal matter. BP Amoco and Hegarty have been notified of this request by certified mail (copies attached). Also attached are the C-102 and lease plats.

RECEIVED

MAR 31 2000

Oil Conservation Division

# NASSAU

Page 2.

Nassau Resources, Inc.  
650 South Cherry, Suite 1225  
Denver, Colorado 80222-1894  
(303) 321-2111 FAX (303) 321-1563

The proration unit for this well is the North  $\frac{1}{2}$  of Section 10, T32N R05W consisting of lots 1 through 4 and the S/2 N/2. As shown on the attached lease map, the north  $\frac{1}{2}$  of Section 10 consists of 236.72 acres as Section 10 is a fractional section bordering Colorado. Nassau requests approval of the north  $\frac{1}{2}$  of Section 10 as the proration unit for this well. The non-standard proration unit for this well was previously approved as Administrative Order NSP-1597(L) in April 1990.

If you have any questions on this application, please advise.

Sincerely,



Gary J. Johnson  
Engineering Manager



United States  
Department of  
Agriculture

Forest  
Service

Southwestern Region 3  
Carson National Forest  
Jicarilla Ranger District

664 East Broadway  
Bloomfield, New Mexico 87413  
505-632-2956  
FAX 505-632-3173

File Code: 2820

Date: 3/28/00

Fran Perrin  
Nassau Resources  
POB 809  
Farmington, NM 87499

**RE: Unorthodox location for well: Carracas Unit 10A #8**

Dear Ms. Perrin,

The Jicarilla Ranger District, Carson National Forest is requesting you apply for an unorthodox location as follows, as discussed by your company representative and Camela Hooley of this office:

**Carracas Unit 10A #8, T31N R5W Sec.10, 800'FNL/450'FEL**

The mineral operator is required to comply with other applicable regulations such as the Endangered Species Act and the Archeological Resources Protection Act under 36CFR228.112(c). The operator is also required under 36CFR228.108(c) to minimize or prevent damage to surface resources. The Carson National Forest Management Plan states that surface resource impacts will be minimized when administering mineral resources.

The following conditions apply which require an unorthodox location:

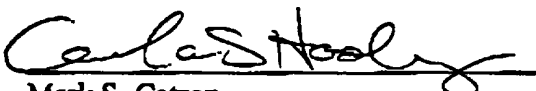
☐ Archeological resources prevent locating the well in an orthodox location.

☐ Topography prevents locating the well in an orthodox location.

☐ Threatened/endangered species concerns prevent locating the well in an orthodox location.

☒ Prevention of unnecessary resource damage requires the location be unorthodox. (Such as a previously disturbed area or existing road available outside the drilling window.) A previously built pad exists at the desired location. Unorthodox approval was previously issued 4/9/90.

Thank you for your cooperation in this matter.

  
for Mark S. Catron  
District Ranger

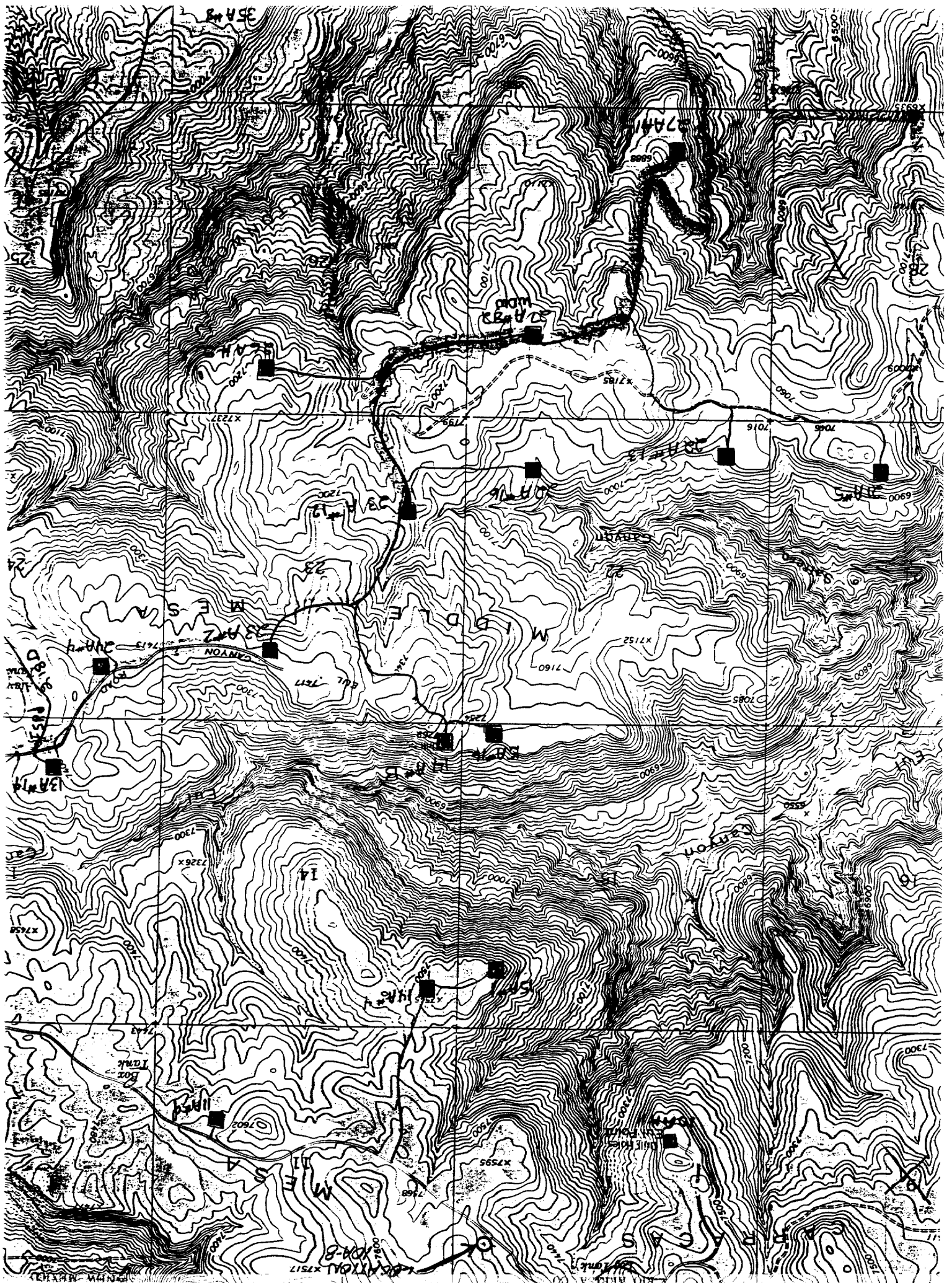
Cc: Gary Johnson



Caring for the Land and Serving People

Printed on Recycled Paper





Submit to Appropriate  
District Office  
Sale Lease - 4 copies  
Fee Lease - 3 copies

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-103  
Revised 1-1-99

## OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

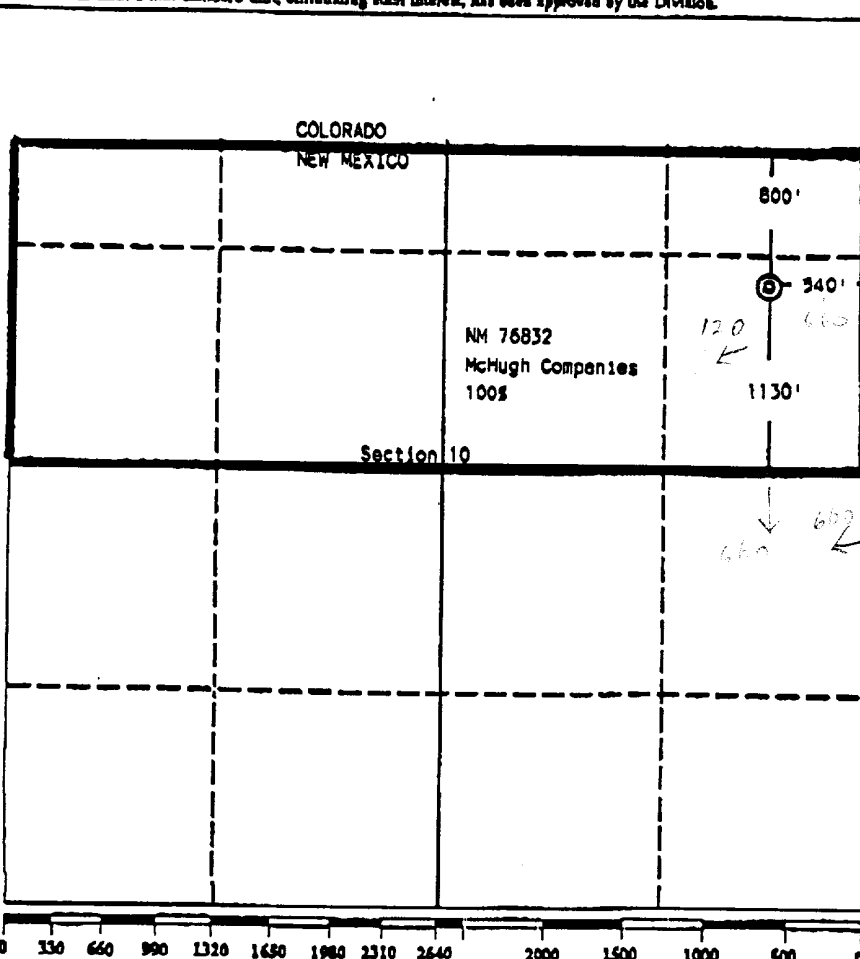
DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
1000 Rio Brisco Rd., Aztec, NM 87410

## WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Nassau Resources, Inc. (OGRID #015515)		Lease Carracas Unit 10 A		Well No. 8
Unit/Lesser H	Section 10	Township 32 North	Range 5 West	County NMPM Rio Arriba
Actual Footage Location of Well:				
800 feet from the North line and 540 feet from the East line				
Ground level Elev. 7590	Producing Formation Fruitland Coal	Pool Basin Fruitland Coal (#71629)	Dedicated Acreage: 236.72 Acres	
<p>1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.</p> <p>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).</p> <p>3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No If answer is "yes" type of consolidation _____</p> <p>If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)</p> <p>No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, force-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.</p>				



## OPERATOR CERTIFICATION

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

Signature  
*Fran Perrin*  
Printed Name  
Fran Perrin  
Position  
Regulatory Liaison  
Company  
Nassau Resources, Inc.  
Date  
3/23/00

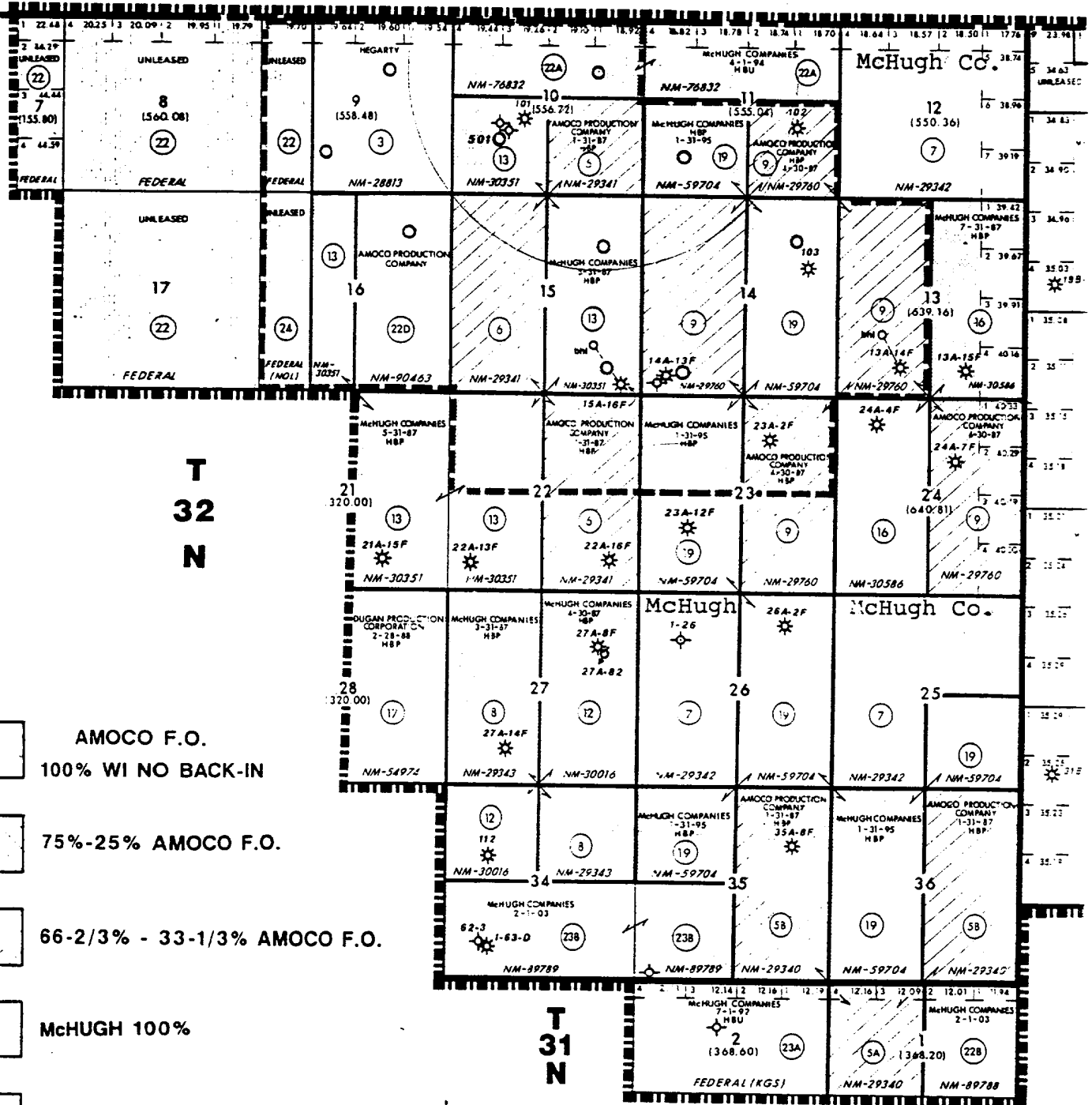
## SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed  
October 11, 1989

Signature & Seal of  
Professional Surveyor  
EDGAR L. RISENHOOFER  
NEW MEXICO  
Certificate No. 5979  
Edgar L. Risenhoover

R 5 W



R 5 W

- DAKOTA PROSPECT OUTLINE
- POTENTIAL DAKOTA LOCATIONS
- 501 ○ PROPOSED DAKOTA LOCATION

# NASSAU

Nassau Resources, Inc.  
650 South Cherry, Suite 1225  
Denver, Colorado 80222-1894  
(303) 321-2111 FAX (303) 321-1563

March 28, 2000

BY CERTIFIED MAIL

Hegarty and Associates  
Attn: Patrick Hegarty  
P. O. Box 1317  
Aztec, NM 87410

Re: Application for Administrative Approval  
Unorthodox Location and Non-Standard Proration Unit  
Nassau Resources, Inc.  
Carracas Unit 10A #8  
800' FNL, 540' FEL Section 10, T32N R05W NMPM  
Rio Arriba County, NM

Gentlemen:

Nassau Resources, Inc. has submitted the attached Application for Administrative Approval for an Unorthodox Location and a Non-standard Proration Unit for the subject well. If you have any objections, please notify Mr. Michael Stogner at the NMOCD in writing within 20 days of receiving this notice.

Thank you for your attention to this matter.

Sincerely,



Gary J. Johnson  
Engineering Manager

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- ☐ Addressee's Address
- ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

HEGARTY & ASSOCIATES  
Attn: Patrick HEGARTY  
P.O. Box 1317  
AZTEC, NM 87410

4a. Article Number

Z 451 405 800

4b. Service Type

- ☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X

8. Addressee's Address (Only if requested and fee is paid)

Thank you for using Return Receipt Service.

PS Form 3811, December 1994

102595-97-3-3179

Domestic Return Receipt

PS Form 3800, April 1995

Sent to		HEGARTY & ASSOCIATES	
Street & Number		P.O. Box 1317	
Post Office, State, & ZIP Code		AZTEC, NM 87410	
Postage	\$	.77	
Certified Fee		1.40	
Special Delivery Fee			
Restricted Delivery Fee			
Return Receipt Showing to Whom & Date Delivered		1.25	
Return Receipt Showing to Whom, Date, & Addressee's Address			
TOTAL Postage & Fees	\$	3.42	
Postmark or Date		3-28-00	
		NSL 10A #8	

US Postal Service  
**Receipt for Certified Mail**  
 No Insurance Coverage Provided.  
 Do not use for International Mail (See reverse)

Z 451 405 800

**CERTIFIED**

Z 451 405 800

**MAIL**

Fold at line over top of envelope to the right of the return address



March 28, 2000

BY CERTIFIED MAIL

BP Amoco  
Attn: Max Eddington  
501 Westlake Park Blvd.  
P. O. Box 3092  
Houston, TX 77253-3092

Re: Application for Administrative Approval  
Unorthodox Location and Non-Standard Proration Unit  
Nassau Resources, Inc.  
Carracas Unit 10A #8  
800' FNL, 540' FEL Section 10, T32N R05W NMPM  
Rio Arriba County, NM

Gentlemen:

Nassau Resources, Inc. has submitted the attached Application for Administrative Approval for an Unorthodox Location and a Non-standard Proration Unit for the subject well. If you have any objections, please notify Mr. Michael Stogner at the NMOCD in writing within 20 days of receiving this notice.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in cursive script, reading "Gary J. Johnson", followed by a horizontal line.

Gary J. Johnson  
Engineering Manager

Z 451 405 799

**US Postal Service  
Receipt for Certified Mail**

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

PS Form 3800, April 1995

Sent to <b>BP Amoco</b>	
Street & Number <b>501 WESTLAKE PARK BLVD</b>	
Post Office, State, & ZIP Code <b>HOUSTON, TX 77253-3092</b>	
Postage	\$ .77
Certified Fee	1.40
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.25
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 3.42
Postmark or Date	3-28-00
NSL 104#8	

Fold at line over top of envelope to the right of the return address

**CERTIFIED**

Z 451 405 799

**MAIL**

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- ☐ Addressee's Address
- ☐ Restricted Delivery

Consult postmaster for fee.

Is your RETURN ADDRESS completed on the reverse side?

3. Article Addressed to: <b>BP Amoco Attn: MAX EDDINGTON 501 WESTLAKE PARK BLVD. HOUSTON, TX 77253-3092</b>	4a. Article Number <b>Z 451 405 799</b>
5. Received By: (Print Name)	4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD
6. Signature: (Addressee or Agent) <b>X</b>	7. Date of Delivery
	8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994 102595-97-B-0179 Domestic Return Receipt

Thank you for using Return Receipt Service.