NASSAU

Massau Resources, Inc.

4/20/00

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

EGE 5 W

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

1160 mon

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 3 1 2000

Oil Conservation Division



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



Forest Service Southwestern Region 3
Carson National Forest
Jicarilla Ranger District

664 East Broadway Bioomfield, 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.

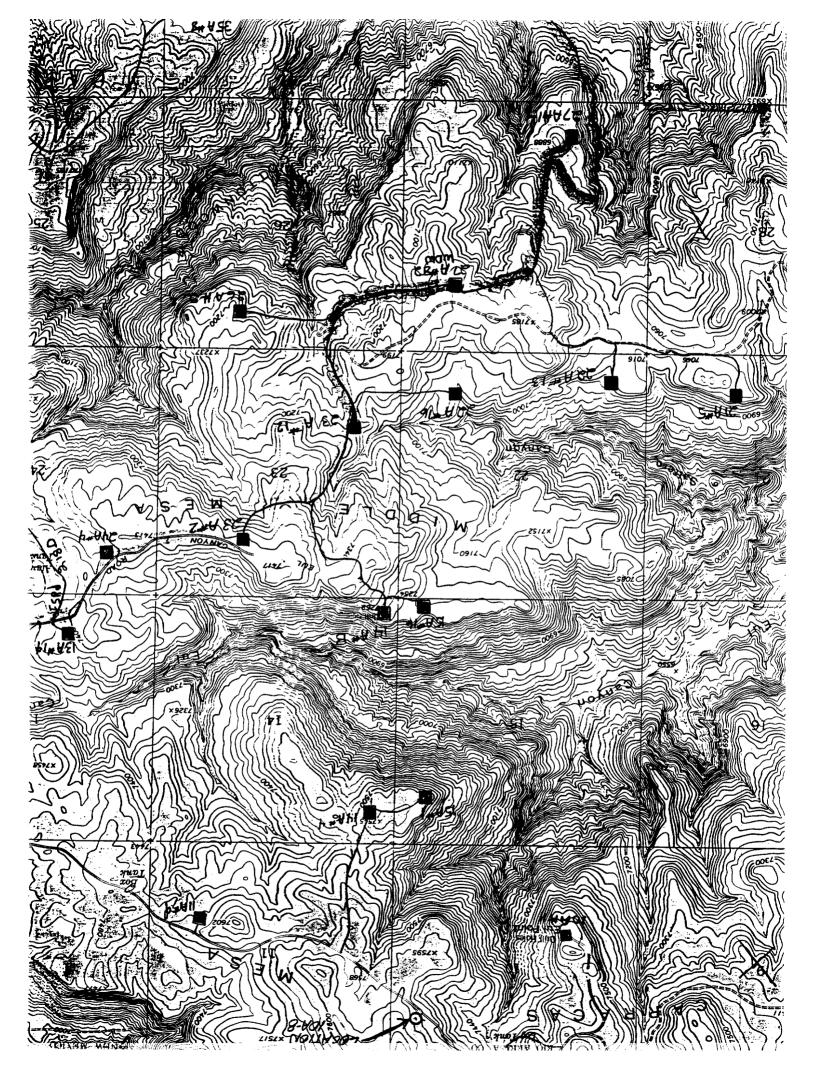
X Prevention of unnecessary resource damage requires the location be unorthodox. (Such as a previously disturbed area or existing road available outside the drilling window.) A previously built pad exists at the desired location. Unorthodox approval was previously issued 4/9/90.

Thank you for your cooperation in this matter.

Mark S. Catron District Ranger

Cc: Gary Johnson





Pubmit to Appropriate Signiti Office
Setz Lasse - 4 copies
Fee Lasse - 3 copies

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State of New Mexico chergy, Minerals and Natural Resources Department.

Fem C-103 Revised 1-1-59

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

OIL CONSERVATION DIVISION P.O. Box 2088 Santa Fc, New Mexico 87504-2088

DISTRICT II P.O. Drewer DD, Aresia, NM 88210

Nassau Resources Inc. (OGRID #019519) Carracas Unit 10 A An Least Section Township Range Cuusity H 10 32 Not U1 3 West NMPM Rio BOO feet from the Nor th line and 540 feet from the East BOO Fruitland Coal Basin Fruitland Coal (#71629) 23 1. Outlies the servage dedicated to the subject well by acclored psecif or ladders marks on the plat is now. 2. If more than one lease is dedicated to the well, outlies each and identify the ownership thereof (both as to working internal and royal untilitation, force-pooling acc? Yes No If server is "yes" type of consolidation 1. If anywer is "so list the owners and uncit descriptions which have actually these consolidated. (Use reverse side of the result of server is "so list the owners and uncit descriptions which have actually these consolidated. (Use reverse side of the result of server is "so list the owners and uncit descriptions which have actually these consolidated. (Use reverse side of the server is accounted to the well until all internate have been expected by the Division. COLORADO NEW MEXICO NEW MEXICO NEW MEXICO New Mexicon 100 Section 10			section	E Of the	at ponudave		tances must be	~ · · ·				óř .
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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

on the reverse side?	SENDER: "Complete items 1 and/or 2 for additional services. "Complete items 3, 4s, and 4b. "Printy your name and address on the reverse of this form so that we card to you. "Attach this form to the front of the mailpiece, or on the back if space permit. "Write"Return Receipt Requested" on the mailpiece below the article a The Return Receipt will show to whom the article was delivered and the return receipt.	I also wish to receive the following services (for an extra fee): 1. Addressee's Address 2. Restricted Delivery Consult postmaster for fee.				
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HEGARY & ASSOCIATES

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

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Sincerely,

Gary J. Johnson

Engineering Manager

MAIL

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