

August 23, 1988

New Mexico Oil Conservation Division
1000 Rio Brazos Road
Aztec, NM 87410

RE: Application for Unorthodox Location
Nassau Resources, Inc.
Carracas Unit 18 B #15
580' FSL - 1710' FSL
Sec. 18, 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 based upon topographic conditions and Carson National Forest requirements.

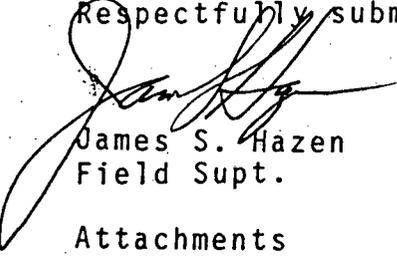
Attached is a copy of a letter from Philip Settles of the Jicarilla Ranger District of Carson National Forest indicating their guidelines for development. In addition to wildlife habitat protection and off-road vehicle restriction, the proposed location would save numerous existing ponderosa pine trees.

This well is in Nassau's Carracas Unit. As indicated by the attached lease plat, all offsetting leases are owned by Kindermac Partners, Inc. Kindermac, an operating affiliate of Nassau Resources, has been notified of this application.

Also attached are production and topographic maps of the area.

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

Respectfully submitted,


James S. Hazen
Field Supt.

Attachments

fp

Main Office
Jerome P. McHugh & Associates
Operating Affiliate: Nassau Resources, Inc.
650 South Cherry, Suite 1225
Denver, Colorado 80222
(303) 321-2111

*Talk w/ Jerome Bush
about this being OK'd
8/29/88*
*Talk w/ Ken & Craig about
the association w/
Kinder Mac
Group.
OK.*

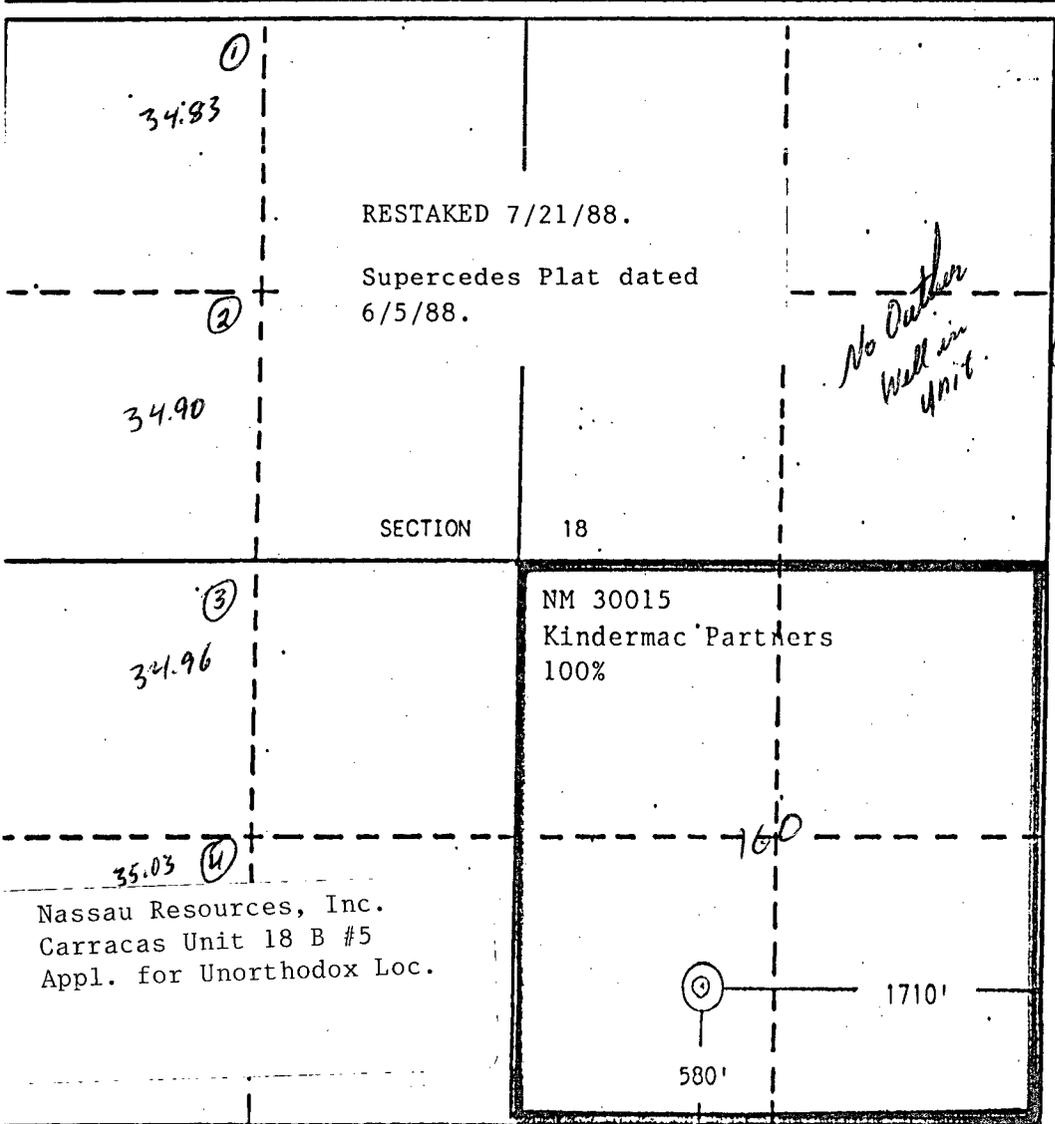
All distances must be from the outer boundaries of the Section.

Operator Nassau Resources, Inc.		Lease Carracas Unit 18 B			Well No. 15
Unit Letter 0	Section 18	Township 32 North	Range 4 West	County Rio Arriba	
Actual Footage Location of Well:					
580	feet from the	South	line and	1710	feet from the East line
Ground Level Elev. 7329	Producing Formation Fruitland		Pool WC Fruitland	Dedicated Acreage 160.0 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 Carracas Unit - Unitization

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.

James S. Hazen
 Name
 James S. Hazen
 Position
 Field Supt.
 Company
 Nassau Resources, Inc
 Date
 August 9, 1988

Date Surveyed
 July 21, 1988

Registered Professional Engineer
 and/or Land Surveyor

Edgar L. Riser
 Certificate No. 5979



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

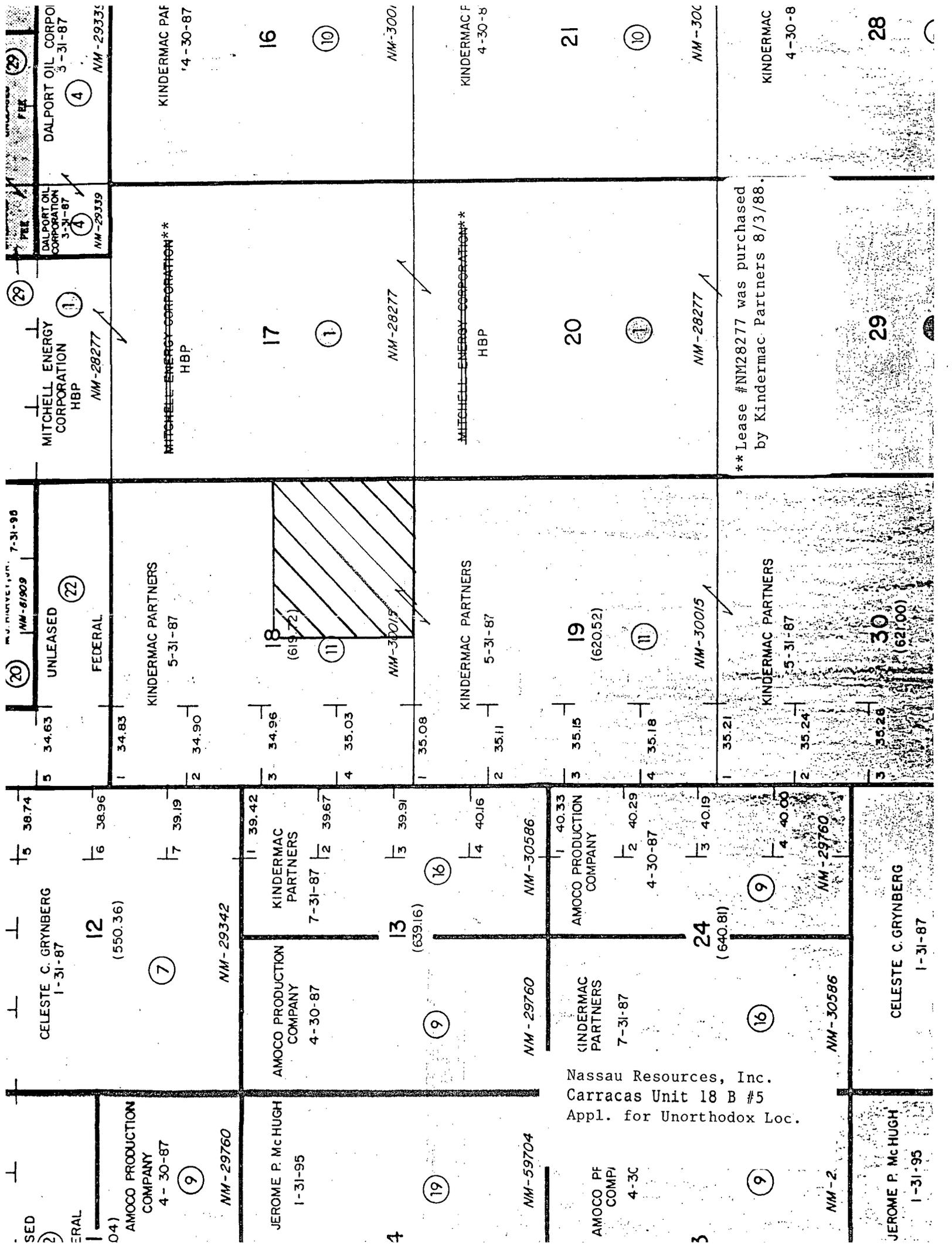
Jerome P. McHugh
Farmington, N.M.

CARING FOR THE LAND AND SERVING PEOPLE

AUG 9 1988

RECEIVED

Nassau Resources, Inc.
Carracas Unit 18 B #5
Appl. for Unorthodox Loc.



SED
2)
ERAL

CELESTE C. GRYNBERG
1-31-87

5 38.74
6 38.96
7 39.19

20) UNLEASED
FEDERAL

7-31-95
NM-61909

29) FREE
DALPORT OIL CORP
3-31-87

AMOCO PRODUCTION COMPANY
4-30-87
9

12 (550.36)
7

1 34.83
2 34.90
3 34.96
4 35.03

KINDERMAC PARTNERS
5-31-87

17 1
NM-28277
MITCHELL ENERGY CORPORATION**
HBP

KINDERMAC PAF
'4-30-87
16 10
NM-29339

JEROME P. Mc HUGH
1-31-95
19

AMOCO PRODUCTION COMPANY
4-30-87
9

11 39.42
12 39.67
13 39.91

18 (619.72)
11

20 1
NM-28277
MITCHELL ENERGY CORPORATION**
HBP

KINDERMAC F
4-30-8
21 10
NM-30015

AMOCO PF COMPI
4-3C
3

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2 40.29
3 35.15
4 35.18

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20 1
NM-28277
MITCHELL ENERGY CORPORATION**
HBP

KINDERMAC PARTNERS
5-31-87

AMOCO PRODUCTION COMPANY
4-30-87
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NM-28277
MITCHELL ENERGY CORPORATION**
HBP

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5-31-87

JEROME P. Mc HUGH
1-31-95
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MITCHELL ENERGY CORPORATION**
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JEROME P. Mc HUGH
1-31-95
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4 35.18

19 (620.52)
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NM-28277
MITCHELL ENERGY CORPORATION**
HBP

KINDERMAC PARTNERS
5-31-87

** Lease #NM28277 was purchased by Kindermac Partners 8/3/88.

Nassau Resources, Inc.
Carracas Unit 18 B #5
Appl. for Unorthodox Loc.

28

29

30 (621.00)

CELESTE C. GRYNBERG
1-31-87

JEROME P. Mc HUGH
1-31-95

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22

ARRIBA

11

12 R5W

7

8

R4W

Pan Am

18

17

Proposed Location



14

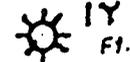
13

T32N

Pan Juan 325 Unit

19

20
Frontier Energy



Arboles

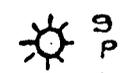
23

24

Belco Pet

30

29
Technigas Inc



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Arboles-A

Caracas Mesa
Pan Am

Nassau Resources, Inc.
Carracas Unit 18 B #5
Appl. for Unorthodox Loc.

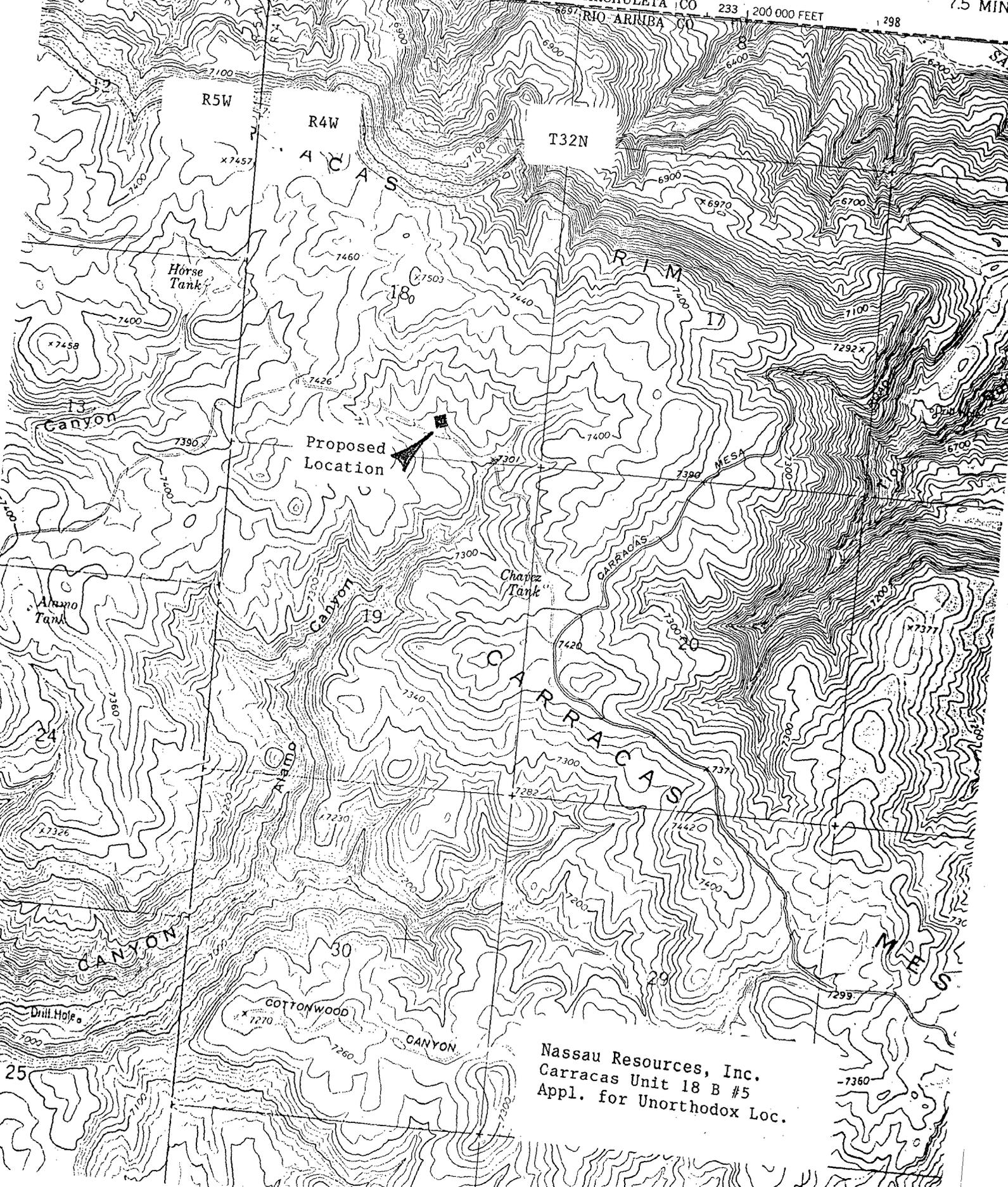
?

ADO 294 4558 111 SE
235 CARRACAS

BANCO
7.5 MINU

295 234 1730" 233 200 000 FEET 298

ARCHULETA CO
RIO ARriba CO

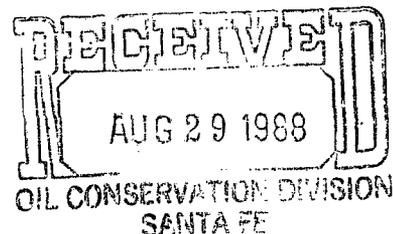


Proposed Location

Nassau Resources, Inc.
Carracas Unit 18 B #5
Appl. for Unorthodox Loc.

-7360

August 23, 1988



Mr. Ernie Busch
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Re: Application for Unorthodox Location
Nassau Resources
Carracas Unit 18B #15
Sec. 18-T32N-R4W
Rio Arriba County, New Mexico

Dear Mr. Busch:

Reference is made to the captioned well proposed by Nassau Resources wherein Nassau is seeking administrative approval for an unorthodox location.

Please be advised that Kindermac Partners, owner of all the offsetting leases and offsetting locations, does not object to Nassau's proposed location. Please advise should you need anything additional.

Very Truly Yours,

A handwritten signature in cursive script, appearing to read "Kent C. Craig".

Kent C. Craig

KCC/rc

cc: N.M.O.C.D.
1000 Rio Brazos Road
Aztec, New Mexico 87410

Fran Perrin

Jerome P. McHugh & Associates
Operating Affiliate: Nassau Resources, Inc.
650 South Cherry, Suite 1225
Denver, Colorado 80222
(303) 321-2111



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

10001 THE PLAZAS BUILDING
AZTEC, NEW MEXICO 87410
(505) 334-6170

OIL CONSERVATION DIVISION
BOX 2088
SANTA FE, NEW MEXICO 87501

DATE 8-29-88

RE: Proposed HC _____
Proposed DHC _____
Proposed HSL X _____
Proposed SWD _____
Proposed WFX _____
Proposed PHX _____

NSL-2571

Gentlemen:

I have examined the application dated 8-25-88

for the NASSAU RESOURCES, INC. CARACAS UNIT 188#15 0-18-320-4-0
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

APPROVE

Yours truly,

[Signature]

RECEIVED
AUG 30 1988