STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87504 (505) 827-5800

November 8, 1988

Nassau Resources, Inc. c/o Jerome P. McHugh & Associates P.O. Box 809 Farmington, NM 87499-0809

Attention: James S. Hazen, Field Superintendent

Administrative Order NSL-2596

Dear Mr. Hazen:

Reference is made to your application of October 11, 1988 for a non-standard gas well location for your Carracas Unit 15-A Well No. 1 to be located 1000 feet from the North line and 620 feet from the East line (Unit A) of Section 15, Township 32 North, Range 5 West, NMPM, to test the Fruitland (Sand) formation, Rio Arriba County, New Mexico. The NE/4 of said Section 15 shall be dedicated to the well forming a standard 160-acre gas spacing and proration unit.

By the authority granted me under the provisions of General Rule 104 F(I), the above-described unorthodox gas well location is hereby approved.

Sincerely, William J. LeMay Director

WJL/MES/ag

cc: Oil Conservation Division - Aztec New Mexico Oil & Gas Engineering Committee - Hobbs US Bureau of Land Management - Farmington