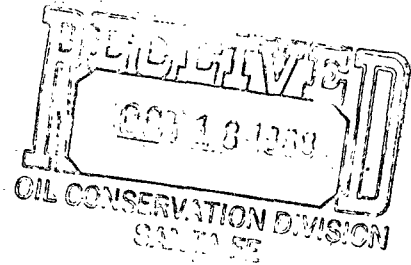


October 14, 1988

New Mexico Oil Conservation Division
ATTN: Mike Stogner
310 Old Santa Fe Trail, Room 206
Santa Fe, NM 87503



RE: Application for Unorthodox Location
Nassau Resources, Inc.
Carracas Unit 19 B #1
750' FNL - 400' FEL
Sec. 19, 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 Forest Service guidelines for development on the Carson National Forest, especially in the preservation of timber and in the off-road-vehicle restriction avoiding unnecessary road construction. This proposed location is only 384' from existing F.S. Road 218 and will require a minimum of new access road.

Attached is a copy of a topographic map as well as a copy of a letter from Philip Settles of the Jicarilla Ranger District of Carson National Forest indicating their guidelines for development.

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

Also attached are the C-102 plat and production map.

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

Respectfully submitted,

Fran Perrin

Fran Perrin

Attachments

XC: Ernie Busch, NMOCD, Aztec, NM
Jerome P. McHugh/Kindermac Partners

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

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

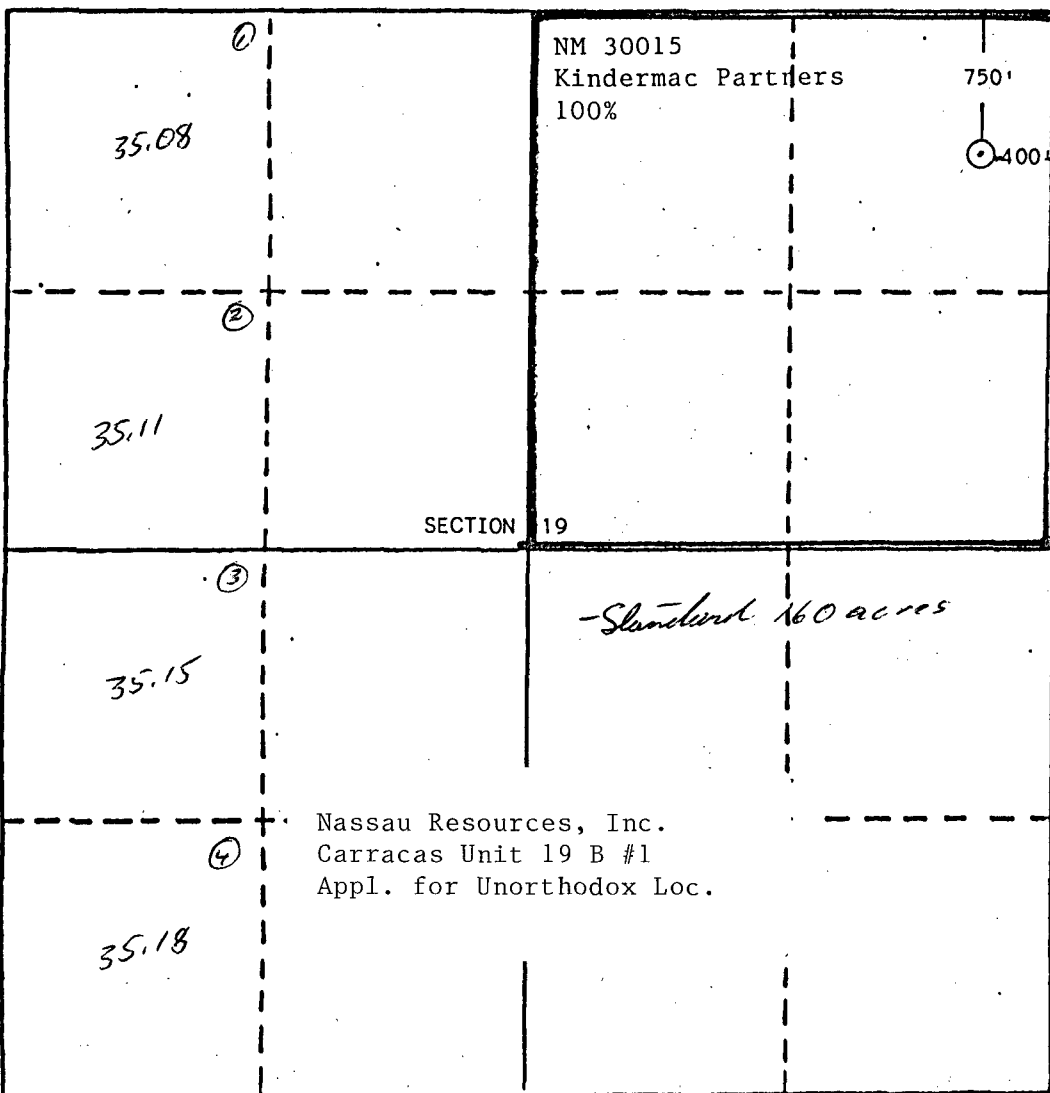
Operator Nassau Resources, Inc.		Lease Carracas Unit 19 B		Well No. 1
Unit Letter A	Section 19	Township 32 North	Range 4 West	County Rio Arriba
Actual Footage Location of Well: 750 feet from the North line and 400 feet from the East line				
Ground Level Elev. 7340	Producing Formation Fruitland	Pool WC Fruitland	Dedicated Acreage 160.0 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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.

Name
James S. Hazen

Position
Field Supt.

Company
Nassau Resources, Inc.

Date
September 21, 1988

I hereby certify that the 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.

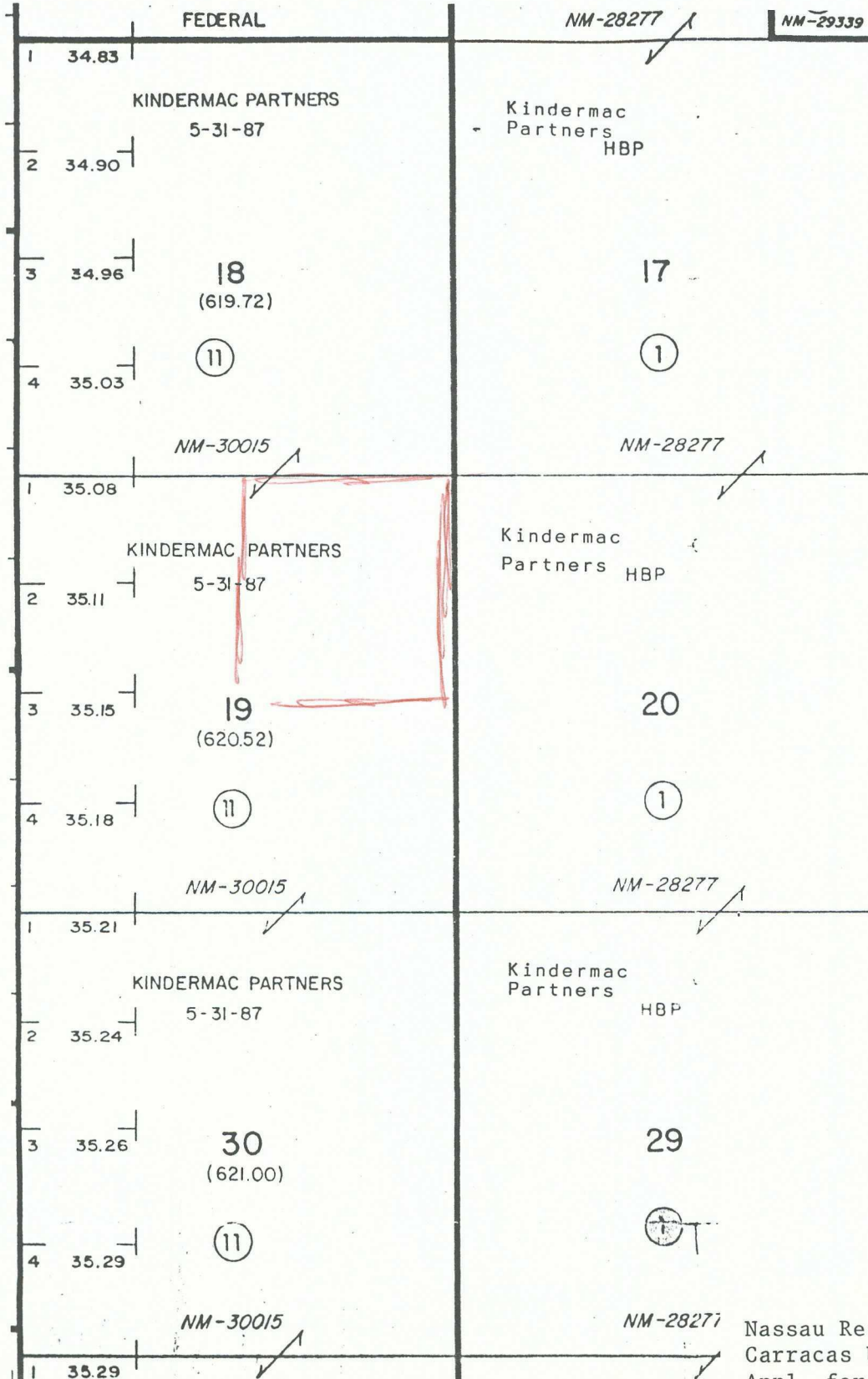
Date Surveyed
August 31, 1988

Registered Professional Engineer
and/or Land Surveyor

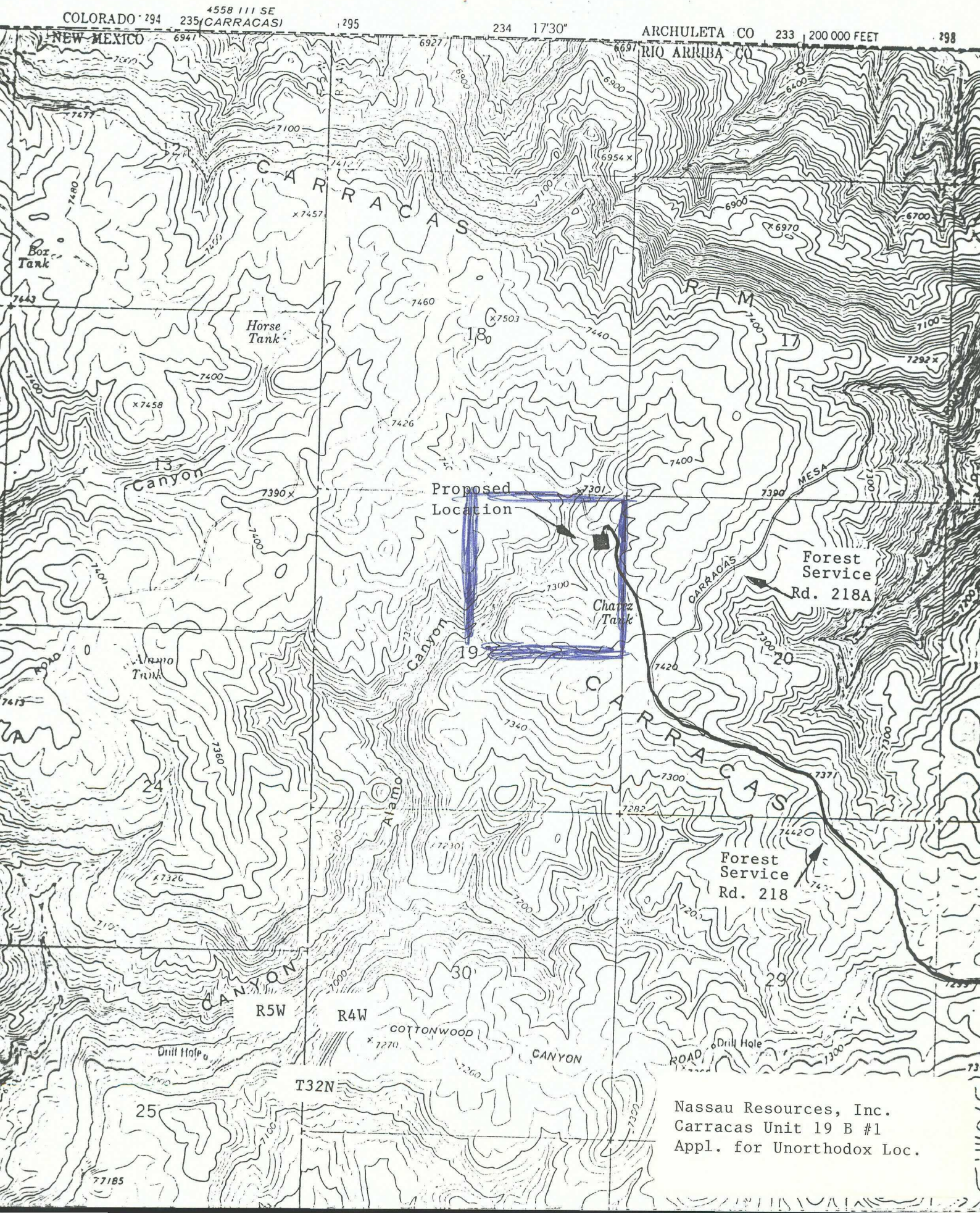
Edgar L. Risenhoover
Certificate No. 5979
Edgar L. Risenhoover, L.S.

LEASE PLAT

Township 32 North, Range 4 West, NMPM, Rio Arriba County, NM



Nassau Resources, Inc.
Carracas Unit 19 B #1
Appl. for Unorthodox Loc.



Nassau Resources, Inc.
Carracas Unit 19 B #1
Appl. for Unorthodox Loc.

Colo.

N.M.

ARRIBA

7

8

12

R5W

R4W

18

17

13

1 mile

19

20

~~Frontier Energy~~



1Y
F1.

17-0
ft.

24

Arboles

Purchased by
Nassau Resources,
Inc. 8/3/88

(Kindermac Partners, Inc.)

30

29

~~Technigas Inc.~~



9
P

25

Nassau Resources, Inc.
Carracas Unit 19 B #1
Appl. for Unorthodox Loc.

Arboles A



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 19 B #1
Appl. for Unorthodox Loc.

SAS

Please find out who
this is for.
CJH

September 8, 1988

New Mexico Oil Conservation Division
Box 2088
Santa Fe, New Mexico 87504-2088

Attention: Mike Stogner

Re: Carracas Canyon Unit
Applications for Unorthodox
Locations

Gentlemen:

Pursuant to a discussion between Fran Perrin of our Farmington office and someone with your office, we have been requested to write to you and explain the relationship of Kindermac Partners, record title owner, and Nassau Resources, Inc., Operator, in the captioned unit and give an approval by Kindermac Partners as to any requests for Unorthodox Locations in the unit.

Kindermac Partners is one of the entities of this company. Jerome P. McHugh Jr. is General Partner of Kindermac Partners. Nassau Resources, Inc. is our Operating Affiliate and Jerome P. McHugh Jr. is the President. Therefore, Kindermac Partners and Nassau Resources, Inc. are part of the same company.

We request that this letter serve as authorization by Kindermac Partners to Nassau Resources, Inc. for any Applications for Unorthodox Locations for the Carracas Canyon Unit.

If you should need anything additional, please contact Randi Collins of this office.

Thank you.

Very Truly Yours,

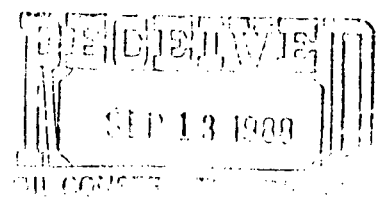
Jerry McHugh Jr.

Jerry McHugh Jr.

JPM/rc

cc: Fran Perrin

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



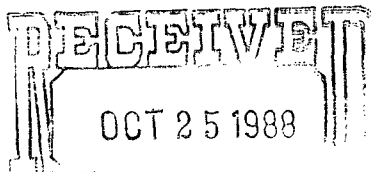


STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

OIL CONSERVATION DIVISION
BOX 2088
SANTA FE, NEW MEXICO 87501

DATE 10-24-88



RE: Proposed MC _____
Proposed DHC _____
Proposed NSL X _____
Proposed SWD _____
Proposed WFX _____
Proposed PMX _____

Gentlemen:

I have examined the application dated 10-17-88
for the NR-54V RESOURCES INC. - CARRIZOS UNIT 19 B#1 A-19-32N-4W
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

APPROVE

Yours truly,

E. Busch