



Jerome P. McHugh & Associates
Operating Affiliate: **Nassau Resources, Inc.**
P O Box 809, Farmington, NM 87499-0809
(505) 326-7793 FAX (505) 327-0859

APR 23 AM 9 28

April 19, 1990

New Mexico Oil Conservation Division
ATTN: Mike Stogner
P O Box 2088
Santa Fe, New Mexico 87504

RE: Application for Unorthodox Location
Nassau Resources, Inc.
Cowsaround 16 #11
1980' FNL - 2140' FWL
Sec. 16, T26N, R12W, NMPM
San Juan County, NM

Gentlemen:

Nassau Resources, Inc., hereby requests administrative approval of an unorthodox location for the captioned well based upon surface owner's requirements.

The SW quarter of Sec. 16, Township 26 North, Range 12 West, is owned by El Paso Natural Gas Co. and is the location of their Chaco Plant. As shown by the attached surface use agreement, certain "restricted areas" were designated as sites for well locations and restricted to El Paso. There is no location for a well site which meets the requirements for a standard location.

All offsetting operators, as shown on the attached lease plat, have been notified of this application. Jerome P. McHugh is an operating affiliate with Nassau Resources, Inc.

Also attached are copies of the surveyor's plat, topographic map, and production map.

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

Respectfully submitted,

Fran Perrin

Fran Perrin
Admin. Asst.

Attachments

XC: Ernie Busch, NMOCD, Aztec, NM _____
Dugan Production Corp. ✓
Southern Union Exploration Co. ✓
Amoco Production Co. _____
Merrion Oil & Gas Corp. ✓
BK Petroleum, Inc. _____

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

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

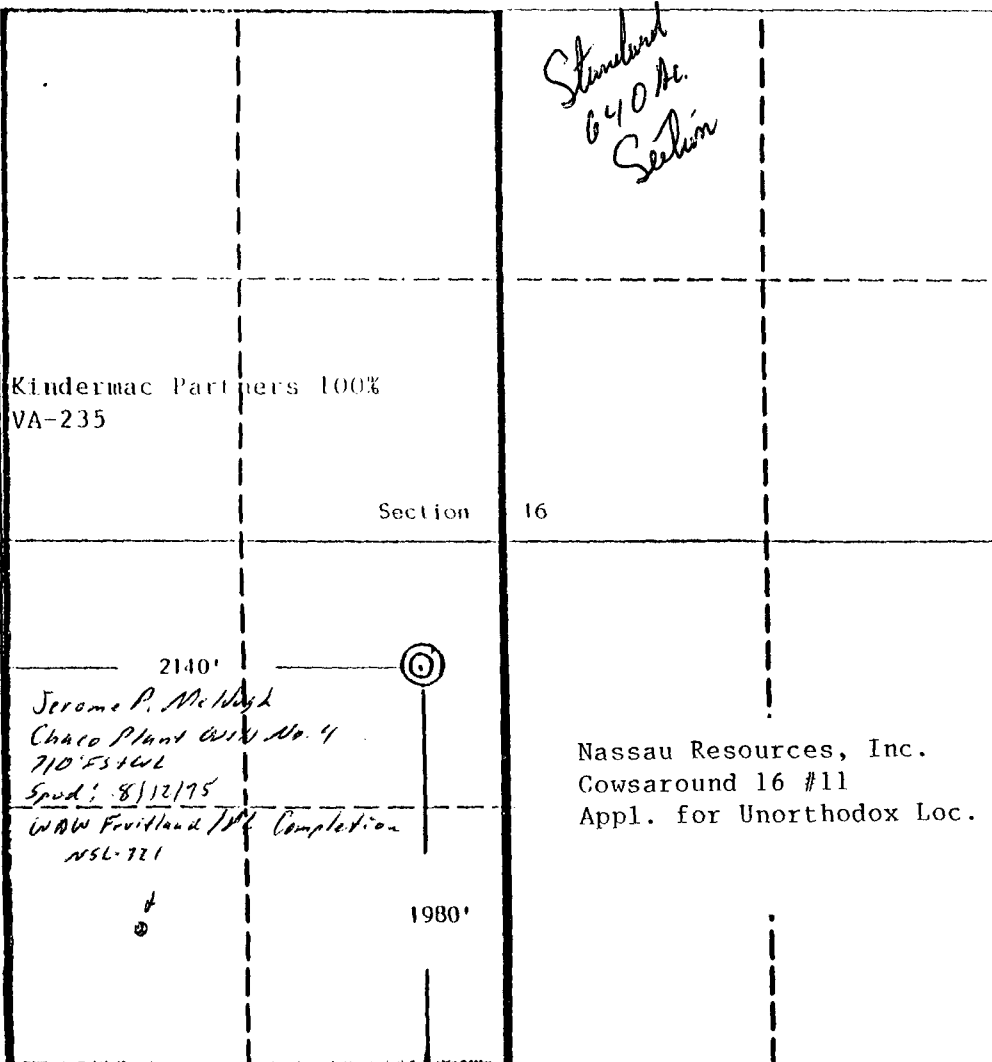
DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Alamo, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Nassau Resources, Inc.			Lease COWSAROUND 16		Well No. 11
Unit Letter K	Section 16	Township 26 North	Range 12 West	County San Juan	
Actual Footage Location of Well:					
1980 feet from the South line and		2140 feet from the West line			
Ground level Elev. 6021	Producing Formation Fruitland Coal		Pool Basin Fruitland Coal	Dedicated Acreage: 320.0 Acres	
1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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 interest of all owners been consolidated by communitization, unitization, force-pooling, etc?					
<input type="checkbox"/> Yes <input type="checkbox"/> No If answer is "yes" type of consolidation _____					
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 interest, has been approved by the Division.					



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
Admin. Asst.
Company
Nassau Resources, Inc.
Date
4/17/90

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
April 12, 1990

Signature & Seal of Professional Surveyor
Edgar P. Risenhoover
EDGAR P. RISENHOOVER
NEW MEXICO
3979
5079
Edgar P. Risenhoover

STATE OF NEW MEXICO
COUNTY OF SAN JUAN

116
I hereby certify that this instrument was duly recorded on the 29th day of March 1955 at 2:13 P.M. in the County of San Juan, New Mexico. Document 326, Tracer 176.
SS.: Lick Dial
Probate Clerk and ex-officio Recorder.
Bennie Lopez
Deputy

WHEREAS, EL PASO NATURAL GAS COMPANY, a corporation, hereinafter called "El Paso", expects to acquire from the State of New Mexico the surface of the following described land:

SW $\frac{1}{4}$, Section 16, Township 26 North, Range 12 West, N.M.P.M.,
San Juan County, New Mexico

WHEREAS, the described land is subject to an oil and gas lease held by GULF OIL CORPORATION, hereinafter called "Gulf"; and

WHEREAS, El Paso has requested Gulf's consent to El Paso's use of the surface of the aforementioned tract as a site for a natural gas compressor plant;

NOW, THEREFORE, for and in consideration of the sum of ONE DOLLAR (\$1.00) and other good and valuable considerations, each to the other in hand moving, Gulf and El Paso mutually agree as follows:

(1) El Paso agrees that it will establish and reserve four (4) drilling sites to be used by Gulf, each of said drilling sites to be three hundred feet by three hundred feet (300' x 300') in area, and located as shown on El Paso's drawing number 5212.1-X-1(C). Gulf agrees that it will not drill well or wells on El Paso's Plant Site except within the restricted drilling areas established by El Paso, unless otherwise mutually agreed to in writing, or becomes necessary in order to comply with its oil and gas lease obligations, in which latter event, if reasonably possible, it will so locate each said additional well as not to conflict with the location or interfere with the operation of El Paso's permanent improvements then located on said Plant Site, and further that its drilling and operation of all such wells will be conducted in such a manner as to cause the least practicable inconvenience to El Paso in the use by it of its Plant Site and the operation of its Plant and facilities thereon for the purposes mentioned. Likewise, Gulf agrees that any pipe lines hereafter laid or installed by Gulf under its said lease or any other rights of way or easements which it may hold, shall be laid and installed at such locations as not to conflict with the location and operation of El Paso's permanent improvements on said Plant Site, and any pipe lines heretofore laid,

Nassau Resources, Inc.
Cowsaround 16 #11
Appl. for Unorthodox Loc.

REG. NO. 19955.....

or installed, if any, by Gulf on or across El Paso's said tract and Plant Site, at such locations as may interfere with the construction or operation of El Paso's said improvements and Plant, shall be appropriately relocated, by mutual agreement, by Gulf, or at Gulf's option, by El Paso under Gulf's supervision but, in any case, at the sole cost and expense of El Paso.

Gulf further agrees that it will use only such routes for entry to and egress from its operations on said Plant Site, and for laying, maintaining, inspecting and removing of lines thereon, as Gulf and El Paso may agree as those being (a) reasonably necessary to said purposes as they are ordinarily performed in the field, and (b) least interfering with El Paso's Plant and operations.

(2) El Paso agrees that, unless otherwise mutually agreed to in writing, it will make no use of the said restricted drilling areas and shall reserve said areas for the use of Gulf in its drilling operations.

El Paso further agrees that it will conduct its operations on said Plant Site with the least practicable inconvenience to Gulf in its drilling operations.

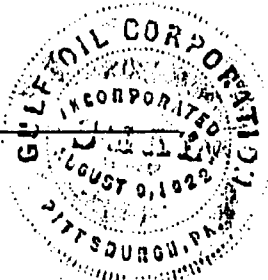
(3) As additional consideration for the agreements herein made by Gulf, El Paso agrees to hold Gulf Oil Corporation harmless from any claim for damages to any of El Paso's property or for injury to, or death of, any of El Paso's agents, servants or employees occasioned by, or arising from, any of Gulf's operations under its lease upon the above described premises, or within 200 feet thereof, except those resulting from willful or gross negligence.

The terms and provisions hereof shall be binding upon and shall inure to the benefit of each of the parties hereto, their respective successors and assigns.

EXECUTED in two original counterparts this 8 day
of March, A. D. 1957.



Attest:



EL PASO NATURAL GAS COMPANY

By [Signature]
Vice President

BCH

GULF OIL CORPORATION

[Signature]

A. M. Bell, Jr. - Attorney in fact



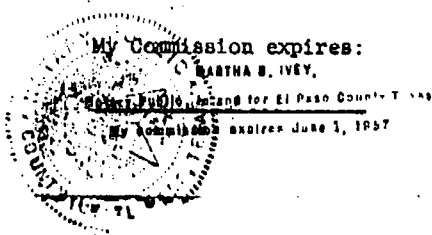
Nassau Resources, Inc.
Cowsaround 16 #11
Appl. for Unorthodox Loc.

STATE OF TEXAS

COUNTY OF EL PASO

On this 8 day of March, 1957, before me appeared H. F. STEIN, to me personally known, who, being by me duly sworn, did say that he is the Vice President of EL PASO NATURAL GAS COMPANY and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said H. F. STEIN acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



Martina B. Ivey
Notary Public in and for El Paso
County,
State of Texas

STATE OF Colorado

COUNTY OF Denver

On this 14th day of March, 1957, before me appeared A. M. Bell, Jr., to me personally known, who, being by me personally known, did say that he is the Attorney in Fact of GULF OIL CORPORATION and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said A. M. Bell, Jr. acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



Bessie L. Auerbach
Notary Public in and for Denver
County,
State of Colorado

El Paso
Natural Gas Company

P. O. BOX 4990
FARMINGTON, NEW MEXICO 87499
PHONE 505-325-2841

April 9, 1990

Ms. Fran Perrin
c/o Nassau Resources, Inc.
P. O. Box 809
Farmington, New Mexico 87499-0859

RE: Chaco Plant property
Nassau Resources, Inc.
Cowaround 16 #11
San Juan County, New Mexico

Dear Ms. Perrin:

Referenced is made to your letter dated April 4, 1990 regarding the captioned well.

Attached is a drawing which reflects four(4) restricted areas situated on El Paso Natural Gas Company's Chaco Plant property. These areas were set aside for well locations. It appears your proposed location does not fall within a restricted area; therefore, we respectfully request that the proposed well be relocated to do so.

It is our understanding that at the time El Paso Natural Gas purchased the subject property an agreement was entered into with the mineral lessee/owner and these restricted areas were mutually agreed to for future production locations.

If any additional information or assistance is necessary please let us know.

Sincerely,

Jerome P. McHugh
Farmington, N.M.

APR 10 1990

Leonard I. Lord

Leonard I. Lord
Senior Right of Way Negotiator

RECEIVED

LIL/sj

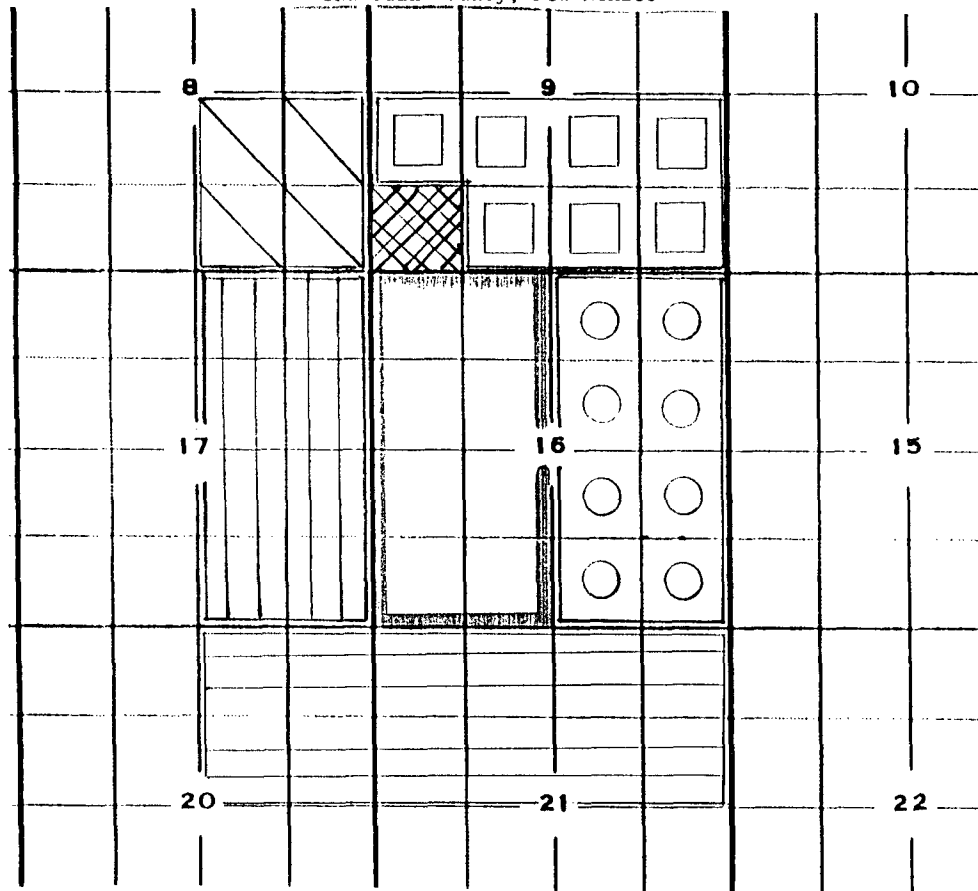
cc: Ken Thornton
Charlie Brown

Attachment







Nassau Resources, Inc.
Cowaround 16 #11
Appl. for Unorthodox Loc.

LEASE PLAT

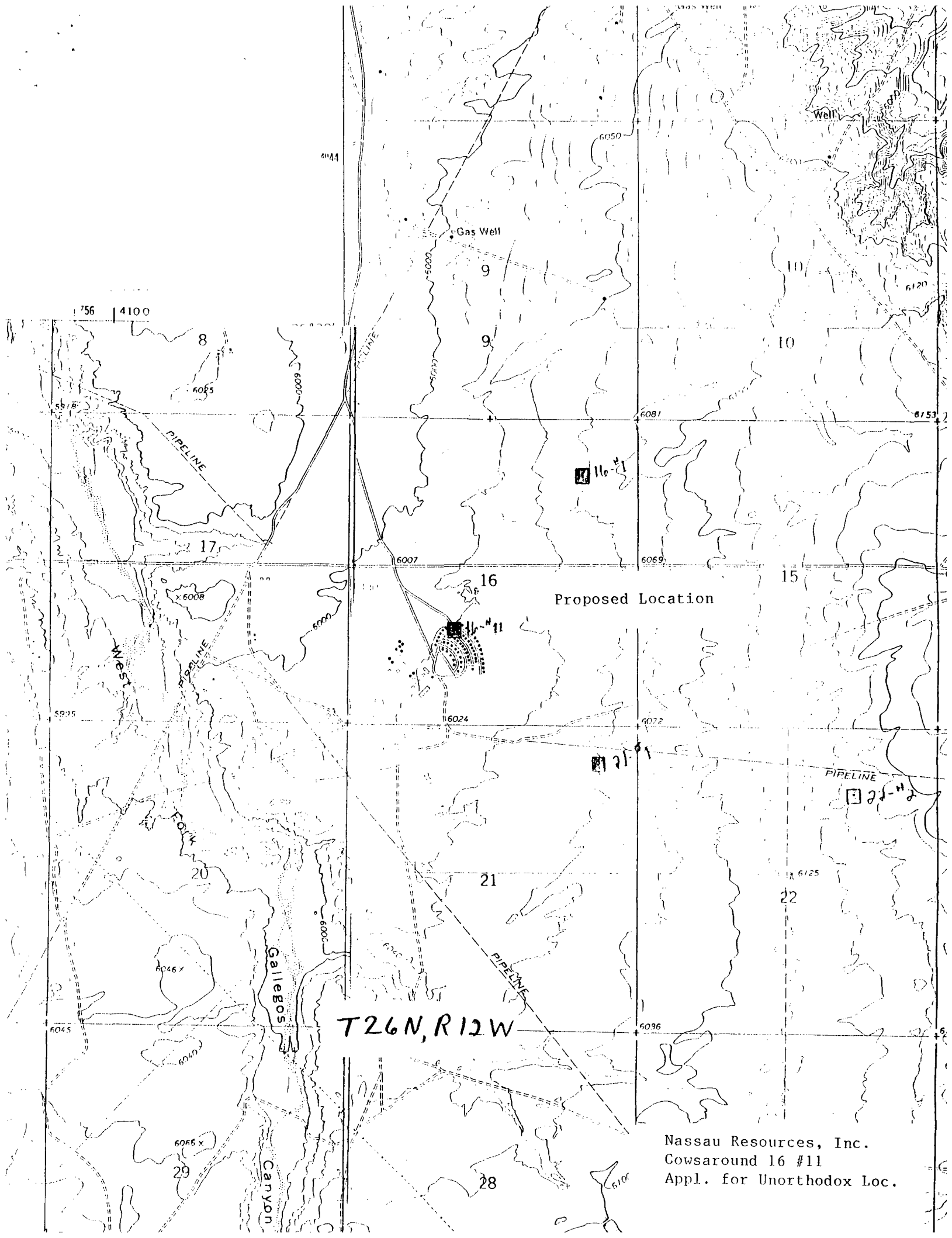
Township 26 North, Range 12 West, NMPM,
San Juan County, New Mexico



Offsetting Operators:

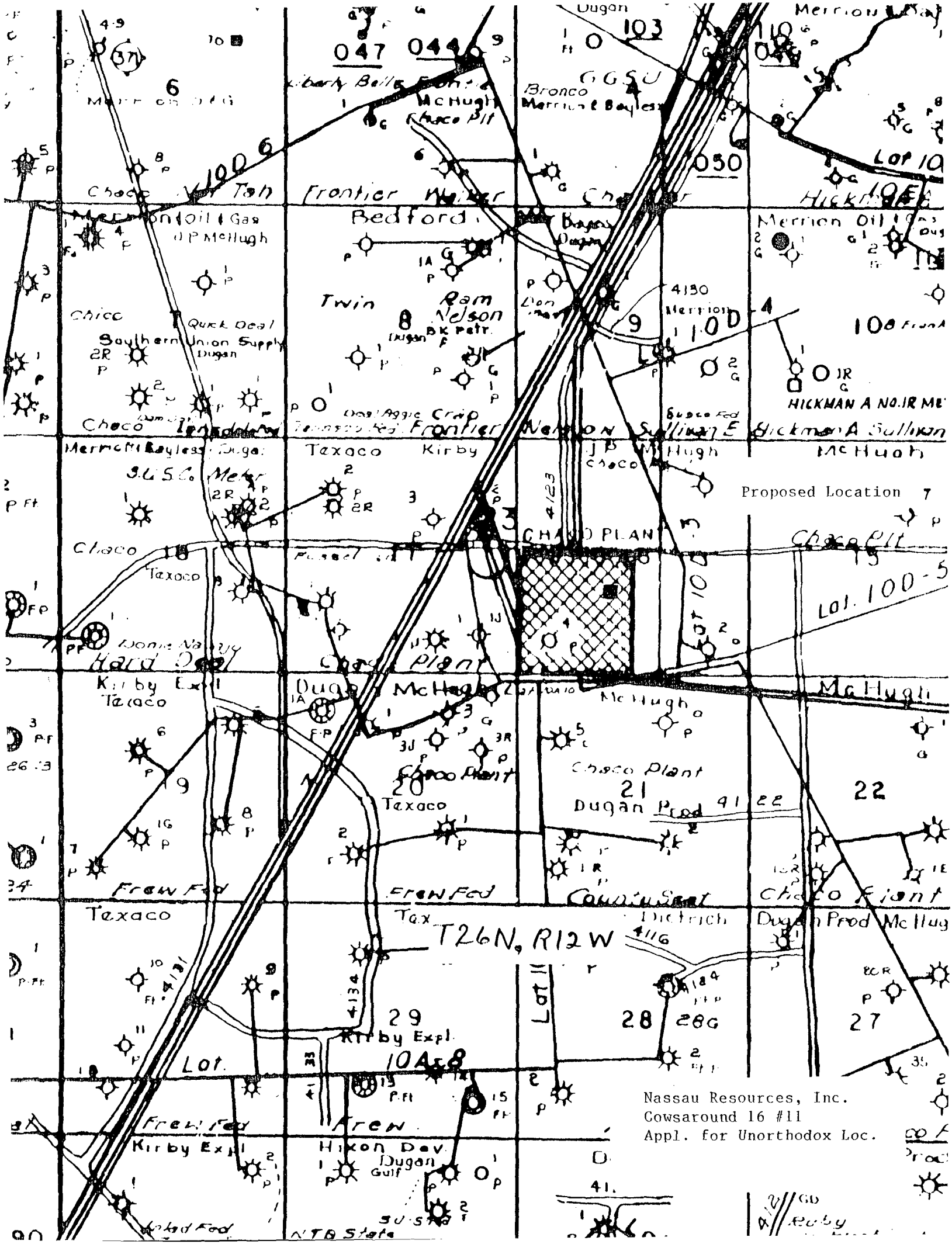
	SE/4, Sec. 8, T26N, R12W B K Petroleum, Inc.	SF 080008
	NW/4 SW/4, E/2 SW/4, SE/4 of Sec. 9, T26N, R12W Southern Union Exploration Co.	NM 25453
	SW/4 SW/4 of Sec. 9, T26N, R12W Merrion Oil and Gas Corp.	NM 63320
	E/2 of Sec. 17, T26N, R12W Dugan Production Corp.	NM 12027
	NE/4 of Sec. 20, T26N, R12W N/2 of Sec. 21, T26N, R12W Amoco Production Co., 50% and Jerome P. McHugh, 50% (an operating affiliate with Nassau Resources, Inc.)	NM 12028
	E/2 of Sec. 16, T26N, R12W Kindermac Partners (an operating affiliate with Nassau Resources, Inc.)	VA-235

Nassau Resources, Inc.
Cowsaround 16 #11
Appl. for Unorthodox Loc.



T26N, R12W

Nassau Resources, Inc.
Cowsaround 16 #11
Appl. for Unorthodox Loc.





Jerome P. McHugh & Associates
Operating Affiliate: **Nassau Resources, Inc.**
P O Box 809, Farmington, NM 87499-0809
(505) 326-7793 Fax (505) 327-0859

April 19, 1990

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Amoco Production Corp.
Attn:
P O Box 800
Denver, CO 80201

RE: Application for Unorthodox Location
Nassau Resources, Inc.
Cowsaround 16 #11
1980 FNL - 2140' FWL
Sec. 16, T26N, R12W, NMPM
San Juan County, NM

Dear Mr. :

Enclosed is a copy of the subject Application for Unorthodox Location.

If Amoco Production Co., as an offsetting operator, has no objection to this application, we request that you notify the Oil Conservation Division as soon as possible. Please send a waiver to the attention of Michael Stogner, New Mexico Oil Conservation Division, P O Box 2088, Santa Fe, NM, 87504.

Please feel free to call if you have any questions.

Thank you,

Fran Perrin

Fran Perrin
Admin. Asst.

Enclosure

xc: NMOCD, Santa Fe, NM



Jerome P. McHugh & Associates
Operating Affiliate: **Nassau Resources, Inc.**
P O Box 809, Farmington, NM 87499-0809
(505) 326-7793 Fax (505) 327-0859

April 19, 1990

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Southern Union Exploration Co.
Attn: David Stevens, Engineering Dept.
Suite 1800 Renaissance Tower
1201 Elm St.
Dallas, TX 75270-2090

RE: Application for Unorthodox Location
Nassau Resources, Inc.
Cowsaround 16 #11
1980 FNL - 2140' FWL
Sec. 16, T26N, R12W, NMPM
San Juan County, NM

Dear Mr. Stevens:

Enclosed is a copy of the subject Application for Unorthodox Location.

If Southern Union Exploration Co., as an offsetting operator, has no objection to this application, we request that you notify the Oil Conservation Division as soon as possible. Please send a waiver to the attention of Michael Stogner, New Mexico Oil Conservation Division, P O Box 2088, Santa Fe, NM, 87504.

Please feel free to call if you have any questions.

Thank you,

A handwritten signature in cursive script that reads "Fran Perrin".

Fran Perrin
Admin. Asst.

Enclosure

xc: NMOCD, Santa Fe, NM



Jerome P. McHugh & Associates
Operating Affiliate: **Nassau Resources, Inc.**
P O Box 809, Farmington, NM 87499-0809
(505) 326-7793 Fax (505) 327-0859

April 19, 1990

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Dugan Production Corp.
Attn: Rich Corcoran
P O Box 420
Farmington, NM 87499

RE: Application for Unorthodox Location
Nassau Resources, Inc.
Cowsaround 16 #11
1980 FNL - 2140' FWL
Sec. 16, T26N, R12W, NMPM
San Juan County, NM

Dear Mr. Corcoran:

Enclosed is a copy of the subject Application for Unorthodox Location.

If Dugan Production Corp., as an offsetting operator, has no objection to this application, we request that you notify the Oil Conservation Division as soon as possible. Please send a waiver to the attention of Michael Stogner, New Mexico Oil Conservation Division, P O Box 2088, Santa Fe, NM, 87504.

Please feel free to call if you have any questions.

Thank you,

Fran Perrin
Fran Perrin
Admin. Asst.

Enclosure

xc: NMOCD, Santa Fe, NM



Jerome P. McHugh & Associates
Operating Affiliate: **Nassau Resources, Inc.**
P O Box 809, Farmington, NM 87499-0809
(505) 326-7793 Fax (505) 327-0859

April 19, 1990

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

B K Petroleum, Inc.
Attn: Larry Bedford
P O Box 826
Farmington, NM 87499

RE: Application for Unorthodox Location
Nassau Resources, Inc.
Cowsaround 16 #11
1980 FNL - 2140' FWL
Sec. 16, T26N, R12W, NMPM
San Juan County, NM

Dear Mr. Bedford:

Enclosed is a copy of the subject Application for Unorthodox Location.

If B K Petroleum, Inc., as an offsetting operator, has no objection to this application, we request that you notify the Oil Conservation Division as soon as possible. Please send a waiver to the attention of Michael Stogner, New Mexico Oil Conservation Division, P O Box 2088, Santa Fe, NM, 87504.

Please feel free to call if you have any questions.

Thank you,

Fran Perrin

Fran Perrin
Admin. Asst.

Enclosure

xc: NMOCD, Santa Fe, NM



Jerome P. McHugh & Associates
Operating Affiliate: **Nassau Resources, Inc.**
P O Box 809, Farmington, NM 87499-0809
(505) 326-7793 Fax (505) 327-0859

April 19, 1990

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Merrion Oil and Gas Corp.
Attn: Patrick Hegarty
P O Box 840
Farmington, NM 87499

RE: Application for Unorthodox Location
Nassau Resources, Inc.
Cowsaround 16 #11
1980 FNL - 2140' FWL
Sec. 16, T26N, R12W, NMPM
San Juan County, NM

Dear Mr. Hegarty:

Enclosed is a copy of the subject Application for Unorthodox Location.

If Merrion Oil and Gas Corp., as an offsetting operator, has no objection to this application, we request that you notify the Oil Conservation Division as soon as possible. Please send a waiver to the attention of Michael Stogner, New Mexico Oil Conservation Division, P O Box 2088, Santa Fe, NM, 87504.

Please feel free to call if you have any questions.

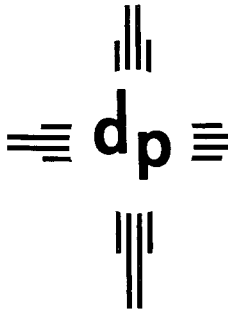
Thank you,

Fran Perrin

Fran Perrin
Admin. Asst.

Enclosure

xc: NMOCD, Santa Fe, NM



dugan production corp.

'90 APR 27 AM 9 21

April 25, 1990

New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504

Attn: Mr. Michael Stogner

Re: Application for Unorthodox Location
Nassau Resources, Inc.
Cowsaround 16 #11
1980' FNL & 2140' FWL
Sec. 16, T26N, R12W, NMPM
San Juan County, NM

Gentlemen:

Please be advised that Dugan Production Corp., as an offsetting operator, has no objection to the above referenced Application for Unorthodox Location.

Sincerely,

Jim L. Jacobs
Vice President

cg

cc: Nassau Resources, Inc.

MERRION OIL & GAS CORPORATION

610 REILLY AVE. BOX 840
FARMINGTON, NEW MEXICO 87499
RECEIVED

April 25, 1990

'90 APR 27 AM 9 14

Michael Stogner
NM Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

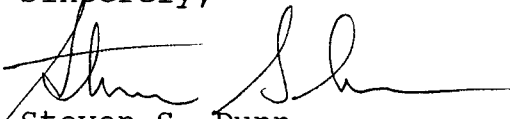
Subject: Application for unorthodox location
Nassau Resources, Inc.
Cowsaround 16 No. 11
2980' FNL, 2140' FWL
Sec. 16, T26N, R12W NMPM
San Juan County, New Mexico

Dear Mr. Stogner:

This letter is to notify you that Merrion Oil & Gas Corporation has no objection to Nassau Resources, Inc's Application for Administrative Approval of an Unorthodox Location for the above well.

If further is required, please advise.

Sincerely,


Steven S. Dunn
Operations Manager

SSD:ks

cc: Fran Perrin, Nassau Resources, Inc.



OIL CONSERVATION DIVISION
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'90 APR 30 AM 9 07

Southern Union Exploration Company
Suite 1900
Renaissance Tower
1201 Elm Street
Dallas, Texas 75270
214/748-8511

R. Craig Nielsen
Land Manager

April 27, 1990

New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

Attention: Mike Stogner

Re: Application for Unorthodox Location
Nassau Resources, Inc.
Cowsaround 16 #11 Sec. 16-26N-12W
San Juan County, New Mexico

Gentlemen:

We have been notified by Jerome P. McHugh and Associates that its operating affiliate, Nassau Resources, Inc., has applied for an unorthodox location for the captioned well. This letter is written to notify the Commission that Southern Union Exploration Company has no objections to the location of this well.

If you have any questions, please advise.

Sincerely yours,

RCN:ap

cc: Jerome P. McHugh and Associates
P. O. Box 809
Farmington, New Mexico 87499

DKM
DWS

CN-85



OIL CONSERVATION DIVISION
RECEIVED

'90 MAY 11 AM 8 40

Amoco Production Company

Denver Region
1670 Broadway
P.O. Box 800
Denver, Colorado 80201
303-830-4040

May 7, 1990

Oil Conservation Division
PO Box 2088
Santa Fe, NM 87504-2088

Attn: Michael Stogner

File: CAW-165-986.511

Waiver of Objection
Application for Non-Standard Location
Nassau Resources, Inc.
Cowsaround 16 #11
1980' FNL, 2140' FWL
Section 16-T26N-R12W
Basin Fruitland Coal Gas Pool

Gentlemen:

Amoco Production Company, as an offset operator, hereby waives objection to the application for the non-standard location of the Nassau Resources, Inc. Cowsaround 16 #11 well to be located 1980' FNL, 2140' FWL, Section 16-T26N-R12W, Basin Fruitland Coal Gas Pool, San Juan County, New Mexico.

Sincerely,

J.W. Hawkins

JWH/ae

BK PETROLEUM, INC.
P.O. BOX 826 • FARMINGTON, N.M. 87499
3005 NORTHRIDGE, SUITE D
PHONE (505) 326-3139

OIL CONSERVATION DIVISION
RECEIVED

'90 MAY 24 AM 8 09

May 15, 1990

New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

NSL - 2797

Attention: Michael Stogner

Re: Waiver of Objection
Unorthodox Location for Nassau Resources
Cowsaround 16 #11
1980 FNL, 2140 FWL, Sec. 16, T26N, R12W, NMPM
San Juan County, New Mexico

Gentlemen:

BK Petroleum, Inc. has no objection to the Cowsaround 16 #11
unorthodox coal gas well location.

Very truly yours,


Larry A. Bedford
President

LAB:zb

cc: Fran Perrin, Admin. Asst.
Jerome P. McHugh & Associates
P. O. Box 809
Farmington, NM 87499-0809



STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

RREY CARRUTHERS
GOVERNOR

'90 MAY 8 AM 8 59

10001 THE BLAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6170

Date: 5-7-90

ATTN: M. Stogner

Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504-2088

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

Gentlemen:

I have examined the application dated 4-23-90

for the MASSACHUSETTS RESOURCES, INC. COWSEAROUND K#11
Operator Lease & Well No.

K-16-26N-12W and my recommendations are as follows:
Unit, S-T-R

Approve

Yours truly,

Ernie Smith