

KELLAHIN, KELLAHIN AND AUBREY

*Attorneys at Law*

El Patio - 117 North Guadalupe

Post Office Box 2265

Santa Fe, New Mexico, 87504-2265

Telephone 982-4285

Area Code 505

W. Thomas Kellahin

Karen Aubrey

Jason Kellahin

Of Counsel

November 28, 1988

RECEIVED

NOV 29

OIL CONSERVATION DIVISION

Mr. William J. LeMay  
Oil Conservation Division  
310 Old Santa Fe Trail, Room 206  
Santa Fe, NM 87503

HAND DELIVERED

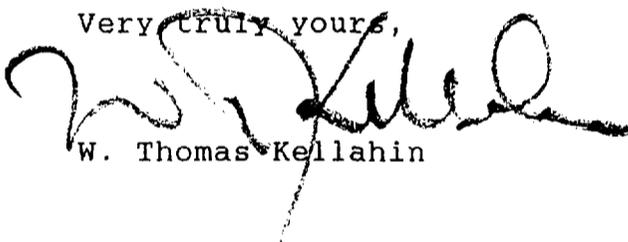
Re: Nassau Resources, Inc.  
Application for unorthodox  
well location for the  
Carracas Canyon Unit,  
Rio Arriba County, NM

*Case 9559*

Dear Mr. LeMay:

On behalf of Nassau Resources, Inc., please set the enclosed Application for hearing at the next available examiner's docket now scheduled for December 21, 1988.

Very truly yours,



W. Thomas Kellahin

WTK/dm

Encl.

cc: Kent Craig

Certified Mail-Return Receipt  
Parties shown on Exhibit C to Application

STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY AND MINERALS  
OIL CONSERVATION DIVISION

*Case 9559*

IN THE MATTER OF THE APPLICATION OF  
NASSAU RESOURCES, INC. FOR EXCEPTIONS  
TO DIVISION ORDER R-8768  
BASIN FRUITLAND COAL GAS POOL RULES  
TO ALLOW TWENTY UNORTHODOX (OFF PATTERN)  
LOCATIONS, RIO ARRIBA COUNTY, NEW MEXICO

A P P L I C A T I O N

COMES NOW NASSAU RESOURCES, INC. by and through its attorneys, Kellahin, Kellahin & Aubrey, and applies to the New Mexico Oil Conservation Division for approval of twenty unorthodox well locations in the Basin-Fruitland Coal Gas Pool, Rio Arriba County, New Mexico and in support would show:

1. On October 17, 1988, the Division entered Order R-8768 which created the Basin Fruitland Coal Gas Pool and adopted temporary Rules and Regulations for said pool including Rule 7 which provides in part that the first well drilled or recompleted on every standard or non-standard unit in the pool shall be located in the NE/4 or SW/4 of a single governmental section and shall be no closer than 790 feet to any outer boundary of the proration unit nor closer than 130 feet to any quarter-quarter section line.

2. Prior to the adoption of the rules for this pool, Applicant, as operator of the Carracas Canyon Unit, had proposed the drilling of Fruitland Coal Gas wells at locations which are now unorthodox under the subject pool rules.

3. The Carracas Canyon Unit in Rio Arriba County, New Mexico lies entirely within the Carson National Forest in topography which is virtually inaccessible to a standard location for these twenty spacing units under the subject pool rules.

4. Applicant proposes the following twenty wells as shown on Exhibit A attached hereto and requests the Division grant each as exceptions to Rule 7 of Order R-8768.

5. Exhibit B is a plat of the area of the Carracas Canyon Unit showing the spacing units and approximate well locations.

6. Attached as Exhibit C is a list of the names and addresses of offsetting interesting owners within a mile of one or more of the locations who may be affected by this Application, all of whom have been provided with notice by certified mail return receipt of this Application.

7. Applicant request that this Application be set for hearing at the next available Examiner's docket now scheduled for December 21, 1988.

WHEREFORE, after notice and hearing, the applicant requests that this application be granted.

KELLAHIN, KELLAHIN & AUBREY

By 

W. Thomas Kellahin  
P.O. Box 2265  
Santa Fe, NM 87504-2265  
(505) 982-4285

Carracas 2A-#11 - All Sec. 2-T31N-R5W (Unit K) - Off Pattern  
 2200' FWL 2000' FSL

Carracas 14A-#4 - N/2 Sec. 14-T32N-R5W (Unit D) - Off Pattern  
 790' FNL 790' FWL

Carracas 15A-#16 - S/2 Sec. 15-T32N-R5W (Unit P) - Off Pattern &  
 200' FSL 500' FEL Unorthodox

Carracas 17B-#15 - E/2 Sec. 17-T32N-R4W (Unit O) - Off Pattern &  
 650' FSL 2070' FEL Unorthodox

Carracas 19B-#4 - W/2 Sec. 19-T32N-R4W (Unit D) - Off Pattern  
 1170' FNL 830' FWL

Carracas 21A-#15 - E/2 Sec. 21-T32N-R5W (Unit O) - Off Pattern  
 790' FSL 1850' FEL

Carracas 21B-#5 - N/2 Sec. 21-T32N-R4W (Unit E) - Off Pattern  
 1655' FNL 1185' FWL

Carracas 22A-#16 - E/2 Sec. 22-T32N-R5W (Unit P) - Off Pattern  
 790' FSL 790' FEL

Carracas 25A-#16 - E/2 Sec. 25-T32N-R5W (Unit P) - Off Pattern &  
 640' FSL 710' FEL Unorthodox

Carracas 25B-#15 - E/2 Sec. 25-T32N-R4W (Unit O) - Off Pattern &  
 640' FSL 1500' FEL Unorthodox

Carracas 26B-#16 - E/2 Sec. 26-T32N-R4W (Unit P) - Off Pattern  
 790' FSL 790' FEL

Carracas 27B-#5 - N/2 Sec. 27-T32N-R4W (Unit E) - Off Pattern  
 1740' FNL 1800' FWL

Carracas 30B-#16 - S/2 Sec. 30-T32N-R4W (Unit P) - Off Pattern  
 1100' FSL 790' FEL

Carracas 31B-#5 - W/2 Sec. 31-T32N-R4W (Unit E) - Off Pattern  
 1770' FNL 830' FWL

Carracas 32B-#5 - N/2 Sec. 32-T32N-R4W (Unit E) - Off Pattern  
 1630' FNL 790' FWL

Carracas 33B-#4 - W/2 Sec. 33-T32N-R4W (Unit D) - Off Pattern  
 1160' FNL 1060' FWL

EXHIBIT A

Carracas 33B-#16 - E/2 Sec. 33-T32N-R4W (Unit P) - Off Pattern  
790' FSL 1950' FEL

Carracas 35B-#9 - E/2 Sec. 35-T32N-R4W (Unit I) - Off Pattern  
1850' FSL 790' FEL

Carracas 36A-#5 - W/2 Sec. 36-T32N-R5W (Unit E) - Off Pattern  
1450' FNL 910' FWL

Carracas 36B-#15 - E/2 Sec. 36-T32N-R4W (Unit O) - Off Pattern  
1190' FSL 1850' FEL



Amoco Production Company  
P. O. Box 800  
1670 Broadway  
Denver, Colorado 80201  
Attn: Production Department

Meridian Oil Inc.  
P. O. Box 4289  
Farmington, New Mexico 87499-4289  
Attn: Production Department

El Paso Natural Gas  
P. O. Box 1492  
El Paso, Texas 79978

U. S. Department of the Interior  
Bureau of Land Management  
P. O. Box 1449  
Santa Fe, New Mexico 87504-1449

Kersey Development Company  
165 South Union, Suite 850  
Denver, CO 80228

Dugan Production Corporation  
P. O. Box 5820  
Farmington, NM 87499  
Attn: Richard Corcoran

Mrs. Celeste Grynberg  
Grynberg Petroleum  
5000 So. Quebec, Suite 500  
Denver, CO 80237

Mr. Fred E. Turner  
Turner Production Company  
4925 Greenville Avenue  
Suite 852  
Dallas, TX 75206

Newport Exploration, Inc.  
44 Inverness Drive E.  
Building D  
Englewood, CO 80112

*Attn: Michael Diefenderfer*

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 9030  
Order No. R-8368

APPLICATION OF JEROME P. MCHUGH  
FOR A UNIT AGREEMENT, RIO ARRIBA  
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on December 17, 1986, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 23rd day of December, 1986, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Jerome P. McHugh, seeks approval of the Carracas Canyon Unit Agreement for all oil and gas in any and all formations underlying 30,351.91 acres, more or less, of Federal and Fee lands as described in Exhibit "A" attached hereto and made a part hereof.

(3) All plans of development and operation and creations, expansions, or contractions of participating areas or expansions or contractions of the unit area, should be submitted to the Director of the Division for approval.

(4) Approval of the proposed unit agreement should promote the prevention of waste and the protection of correlative rights within the unit area.

IT IS THEREFORE ORDERED THAT:

(1) The Carracas Canyon Unit Agreement is hereby approved for all oil and gas in any and all formations underlying those

lands described in Exhibit "A" attached hereto and made a part hereof.

(2) The plan contained in said unit agreement for the development and operation of the unit area is hereby approved in principle as a proper conservation measure; provided, however, notwithstanding any of the provisions contained in said unit agreement, this approval shall not be considered as waiving or relinquishing, in any manner, any right, duty, or obligation which is now, or may hereafter be, vested in the Division to supervise and control operations for the exploration and development of any lands committed to the unit and production of oil or gas therefrom.

(3) The unit operator shall file with the Division an executed original or executed counterpart of the unit agreement within 30 days after the effective date thereof; in the event of subsequent joinder by any party or expansion or contraction of the unit area, the unit operator shall file with the Division within 30 days thereafter counterparts of the unit agreement reflecting the subscription of those interests having joined or ratified.

(4) All plans of development and operation, all unit participating areas and expansions and contractions thereof, and all expansions or contractions of the unit area, shall be submitted to the Director of the Oil Conservation Division for approval.

(5) This order shall become effective upon the approval of said unit agreement by the Director of the appropriate agency of the United States Department of Interior; this order shall terminate ipso facto upon the termination of said unit agreement; and the last unit operator shall notify the Division immediately in writing of such termination.

(6) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
R. L. STAMETS,  
Director

S E A L

EXHIBIT "A"  
CASE 9030  
ORDER NO. R-8368  
CARRACAS CANYON UNIT  
RIO ARriba COUNTY, NEW MEXICO

TOWNSHIP 31 NORTH, RANGE 5 WEST, NMPM

Irregular Sections 1 and 2: All

TOWNSHIP 32 NORTH, RANGE 4 WEST, NMPM

Irregular Sections 7-12: All  
Sections 13-17 : All

Irregular Sections 18 and 19: All  
Sections 20-29: All

Irregular Sections 30 and 31: All  
Sections 32-36: All

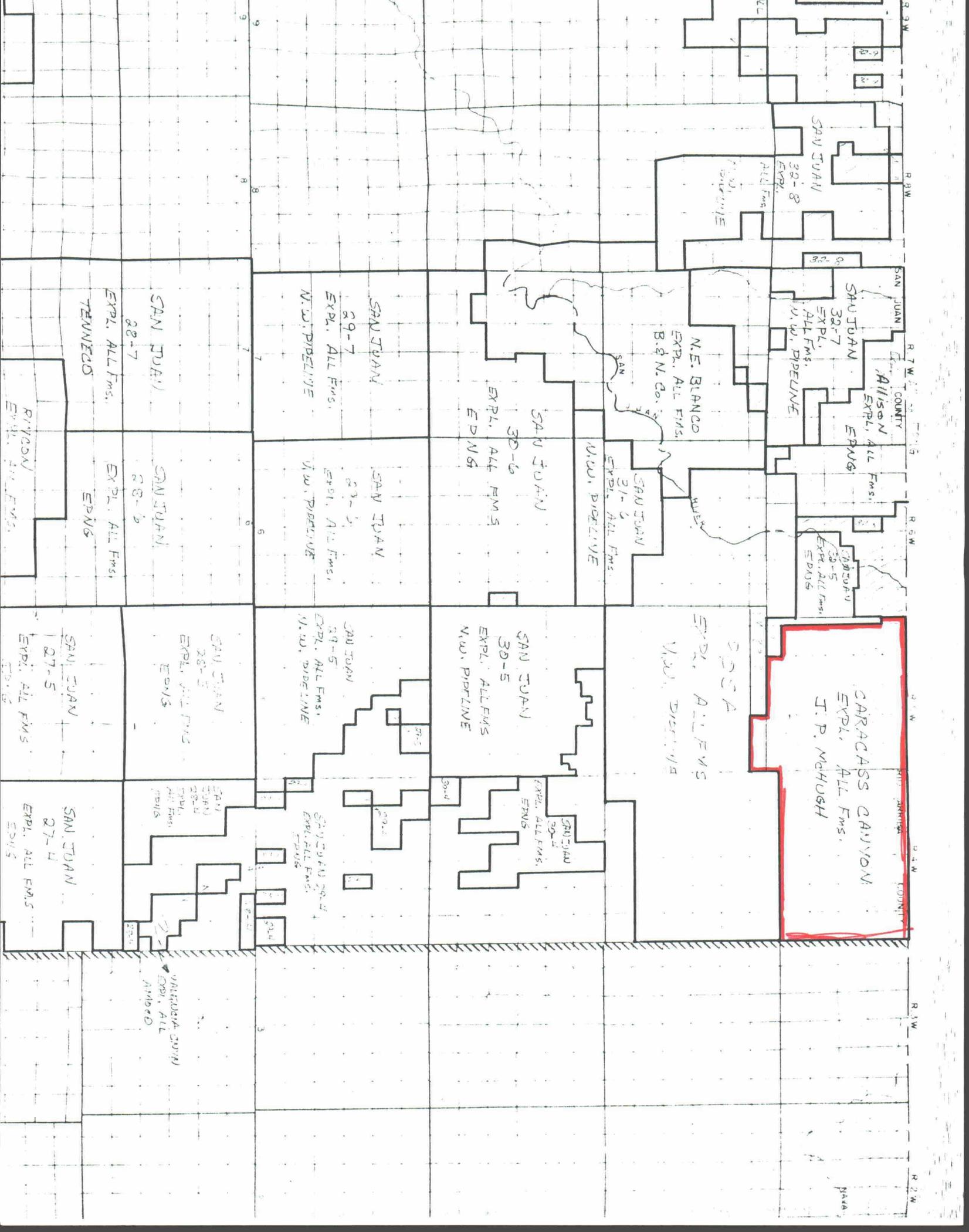
TOWNSHIP 32 NORTH, RANGE 5 WEST, NMPM

Irregular Sections 7-13: All  
Sections 14-17: All

Irregular Section 18: All  
Section 21: E/2  
Sections 22 and 23: All

Irregular Section 24: All  
Sections 25-27: All  
Section 28: E/2  
Sections 34-36: All

Comprising 30,351.91 acres, more or less, of Federal  
and Fee (Patented) lands.



CARACASS CANYON  
EXPL. ALL FMS.  
J. P. McHUGH

DESSA  
EXPL. ALL FMS.  
W.W. PIPELINE

SAN JUAN  
3D-5  
EXPL. ALL FMS.  
W.W. PIPELINE

SAN JUAN  
29-5  
EXPL. ALL FMS.  
W.W. PIPELINE

SAN JUAN  
28-5  
EXPL. ALL FMS.  
EDNG

SAN JUAN  
27-5  
EXPL. ALL FMS.  
EDNG

SAN JUAN  
32-7  
EXPL. ALL FMS.  
W.W. PIPELINE

N.E. BLANCO  
EXPL. ALL FMS.  
B. & N. Co.

SAN JUAN  
31-6  
EXPL. ALL FMS.  
W.W. PIPELINE

SAN JUAN  
3D-6  
EXPL. ALL FMS.  
EDNG

SAN JUAN  
29-6  
EXPL. ALL FMS.  
W.W. PIPELINE

SAN JUAN  
28-7  
EXPL. ALL FMS.  
TENNECO

SAN JUAN  
28-6  
EXPL. ALL FMS.  
EDNG

RIVERO  
EXPL. ALL FMS.

SAN JUAN  
27-4  
EXPL. ALL FMS.  
EDNG

SAN JUAN  
28-4  
EXPL. ALL FMS.  
EDNG

SAN JUAN  
29-4  
EXPL. ALL FMS.  
EDNG

SAN JUAN  
29-4  
EXPL. ALL FMS.  
EDNG

VALLEJOA CANYON  
EXPL. ALL FMS.  
AMBER

November 22, 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 25 A #16  
640' FSL - 710' FEL  
Sec. 25, Township 32 North, Range 5 West, NMPM  
Rio Arriba County, New Mexico

*Case 9559*

Gentlemen:

Nassau Resources, Inc., hereby requests administrative approval of an unorthodox location for the captioned well based upon terrain and archeological findings.

As indicated by the attached topographic map, the terrain in this section is extremely rough and no other drill site on this lease is feasible which meets Carson Nation Forest guidelines for development. Also, cultural resources, believed to have eroded from the higher elevations northwest of the proposed well pad, were recorded during the archeological survey.

Attached is 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. Amoco Production Co. and Celeste C. Grynberg, offsetting operators as indicated by the attached lease plat, have been notified of this application by certified mail. Jerome P. McHugh and Kindermac Partners are operating affiliates with Nassau Resources, Inc. and have been notified of this application.

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

XC: Ernie Busch, NMOCD, Aztec, NM  
Jerome P. McHugh/Kindermac  
Amoco Production Co.  
Celeste C. Grynberg

**Attachments**

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.

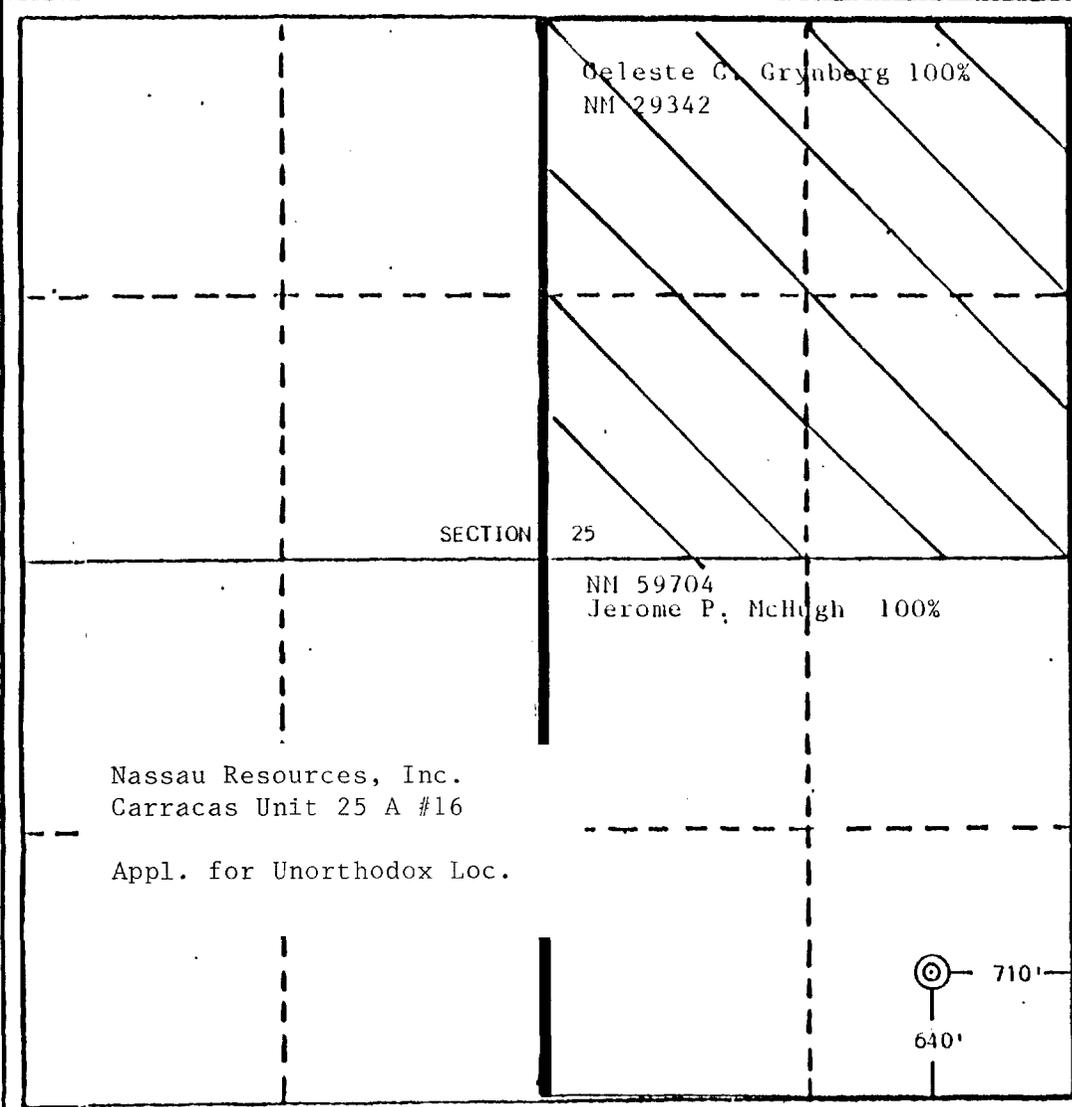
Operator Nassau Resources, Inc.		Lease Carracas Unit 25 A			Well No. 16
Unit Letter P	Section 25	Township 32 North	Range 5 West	County Rio Arriba	
Actual Postage Location of Well: 640 feet from the South line and 710 feet from the East line					
Ground Level Elev. 6978	Producing Formation Fruitland		Pool Basin Fruitland Coal	Dedicated Acres 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 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  
11/22/88

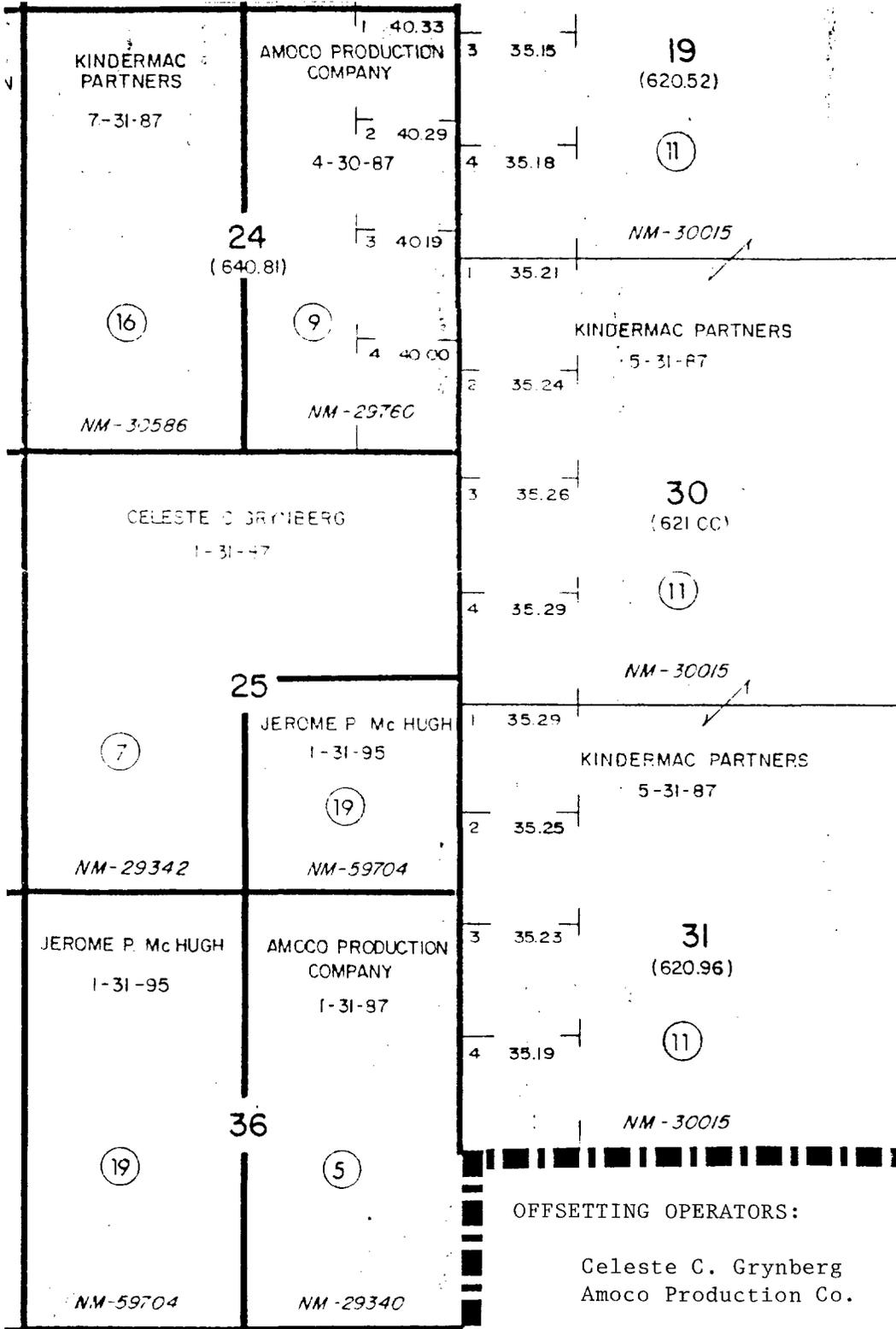
Date Surveyed  
August 24, 1988

Registered Professional Engineer  
and/or Land Surveyor

*Edgar L. Risenhoover*  
Certificate No. 5979

LEASE PLAT

Township 32 North, Ranges 4 and 5 West, NMPM, Rio Arriba County, NM



OFFSETTING OPERATORS:

Celeste C. Grynberg  
Amoco Production Co.

OPERATING AFFILIATES:

Kindermac Partners  
Jerome P. McHugh

Nassau Resources, Inc.  
Carracas Unit 25 A #16

Appl. for Unorthodox Loc.



14

13

R4W

Juan 32.5 Unit

R5W

19

23

24

T32N

Belco Pet

30

26

25

Carracas Mesa

Pan Am

1 mile

31

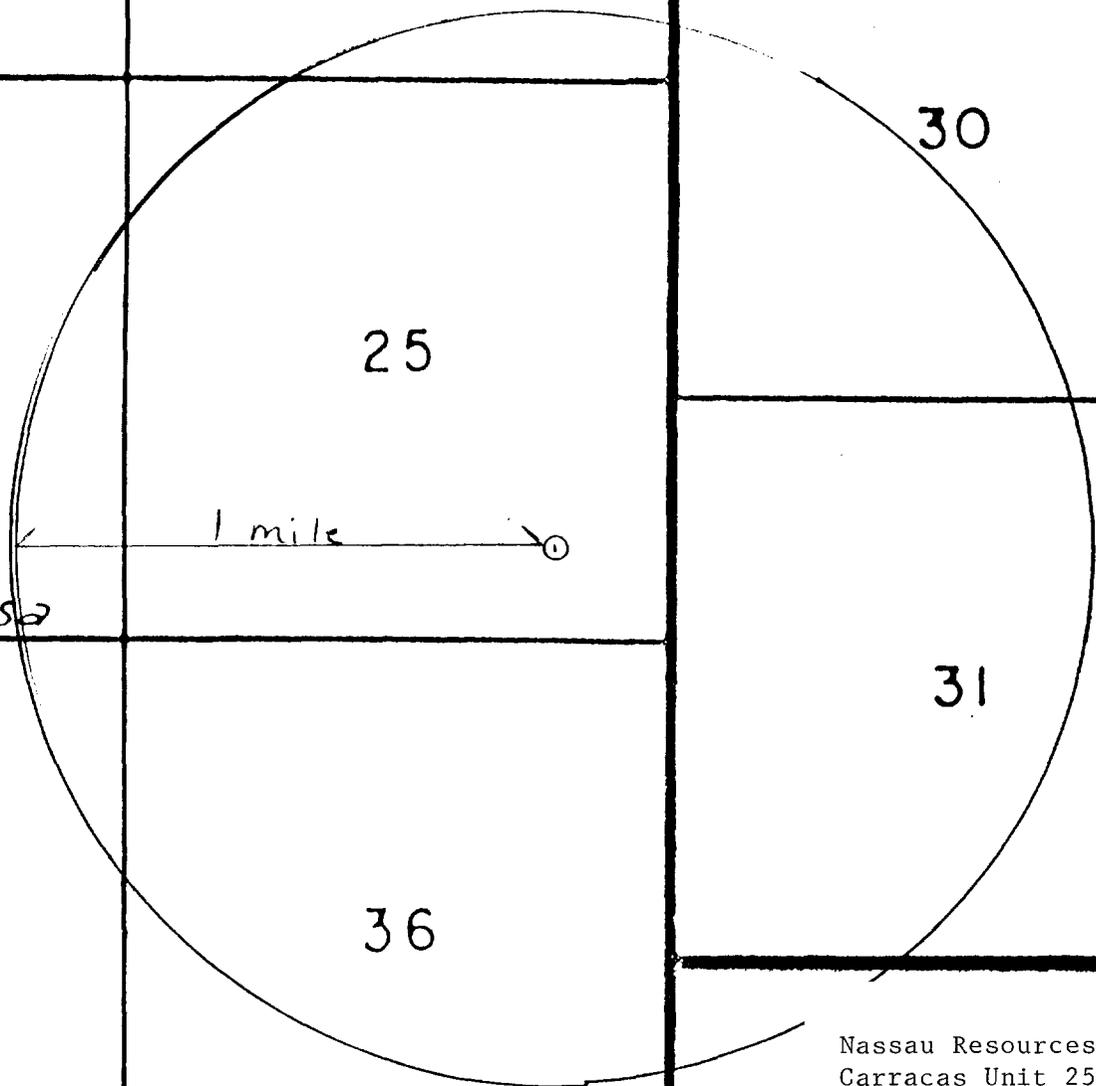
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36

Juan 32.5 Unit

Nassau Resources, Inc.  
Carracas Unit 25 A #16

Appl. for Unorthodox Loc.





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 25 A #16

Appl. for Unorthodox Loc.

November 22, 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 25 A #16  
640' FSL - 710' FEL  
Sec. 25, Township 32 North, Range 5 West, NMPM  
Rio Arriba County, New Mexico

Gentlemen:

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As indicated by the attached topographic map, the terrain in this section is extremely rough and no other drill site on this lease is feasible which meets Carson Nation Forest guidelines for development. Also, cultural resources, believed to have eroded from the higher elevations northwest of the proposed well pad, were recorded during the archeological survey.

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Jerome P. McHugh/Kindermac  
Amoco Production Co.  
Celeste C. Grynberg

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Main Office

Jerome P. McHugh & Associates

Operating Affiliate: Nassau Resources, Inc.

650 South Cherry, Suite 1225

Denver, Colorado 80222

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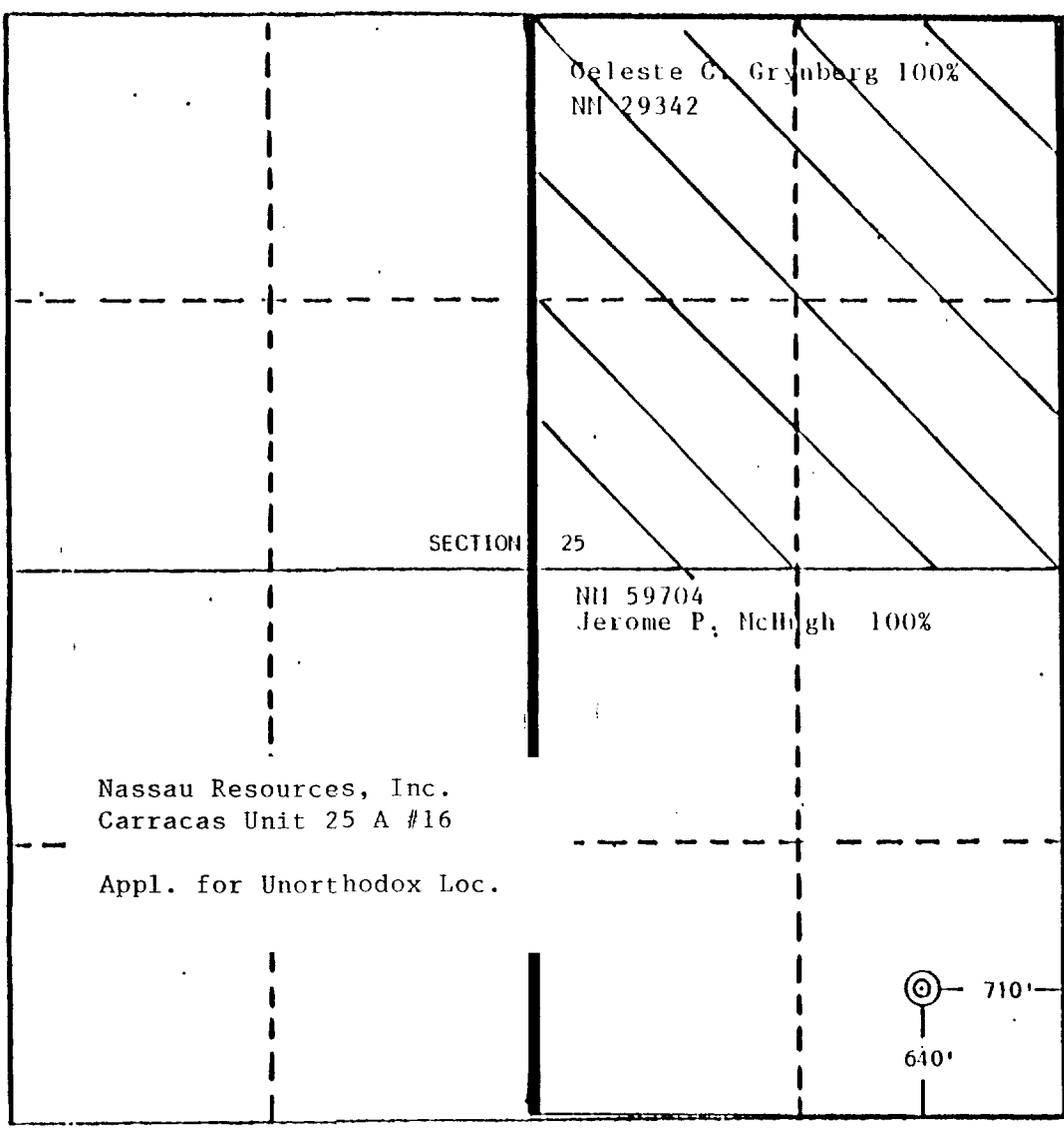
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Unit Letter P	Section 25	Township 32 North	Range 5 West	County Rio Arriba	
Actual Footage Location of Wells 640 feet from the South line and 710 feet from the East line					
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**CERTIFICATION**

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*James S. Hazen*  
Name  
James S. Hazen  
Position  
Field Supt.  
Company  
Nassau Resources, Inc.  
Date  
11/22/88

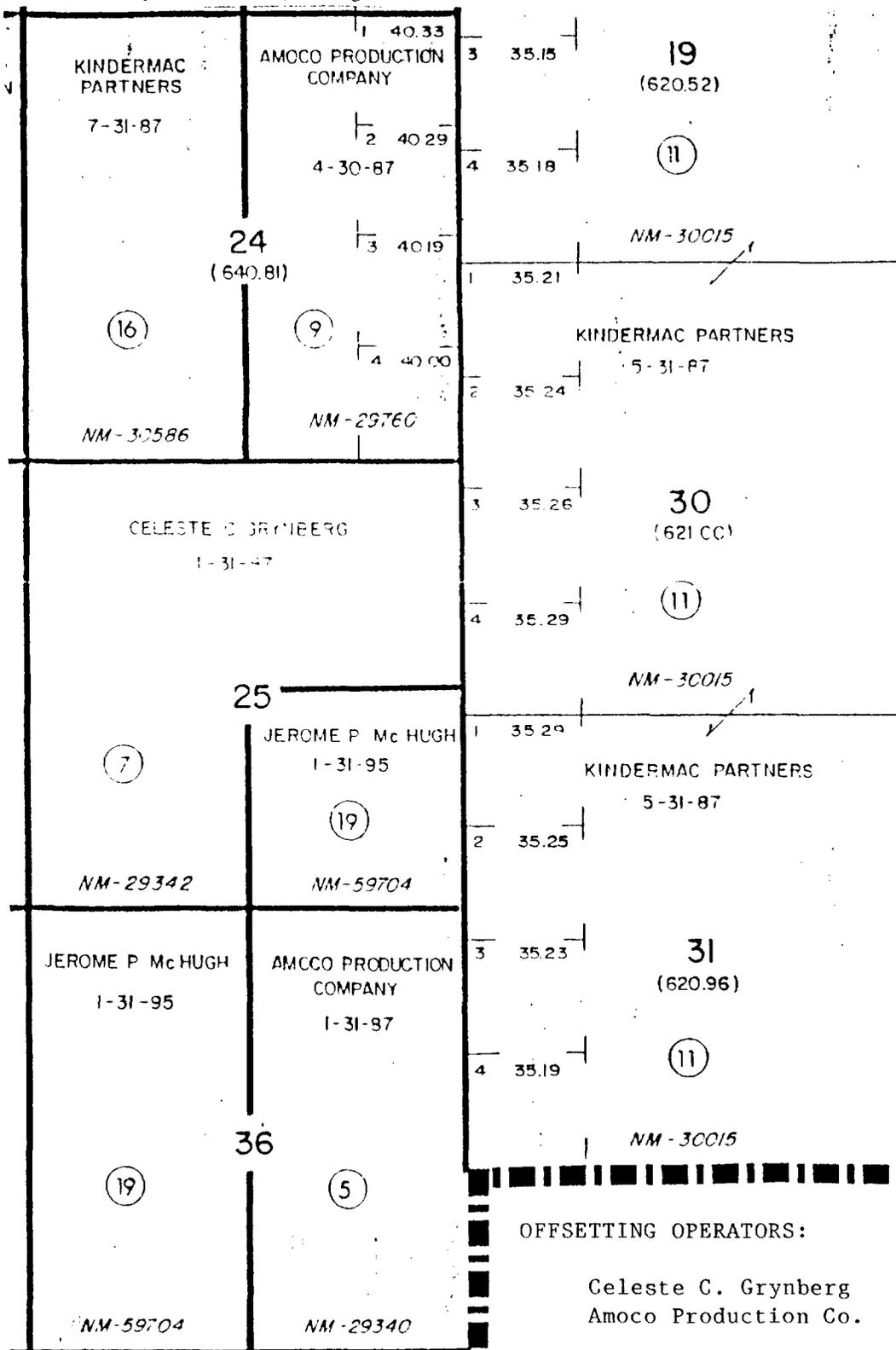
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*Edgar L. Risenhoover*  
Certificate No. 5979

LEASE PLAT

Township 32 North, Ranges 4 and 5 West, NMPM, Rio Arriba County, NM



OFFSETTING OPERATORS:

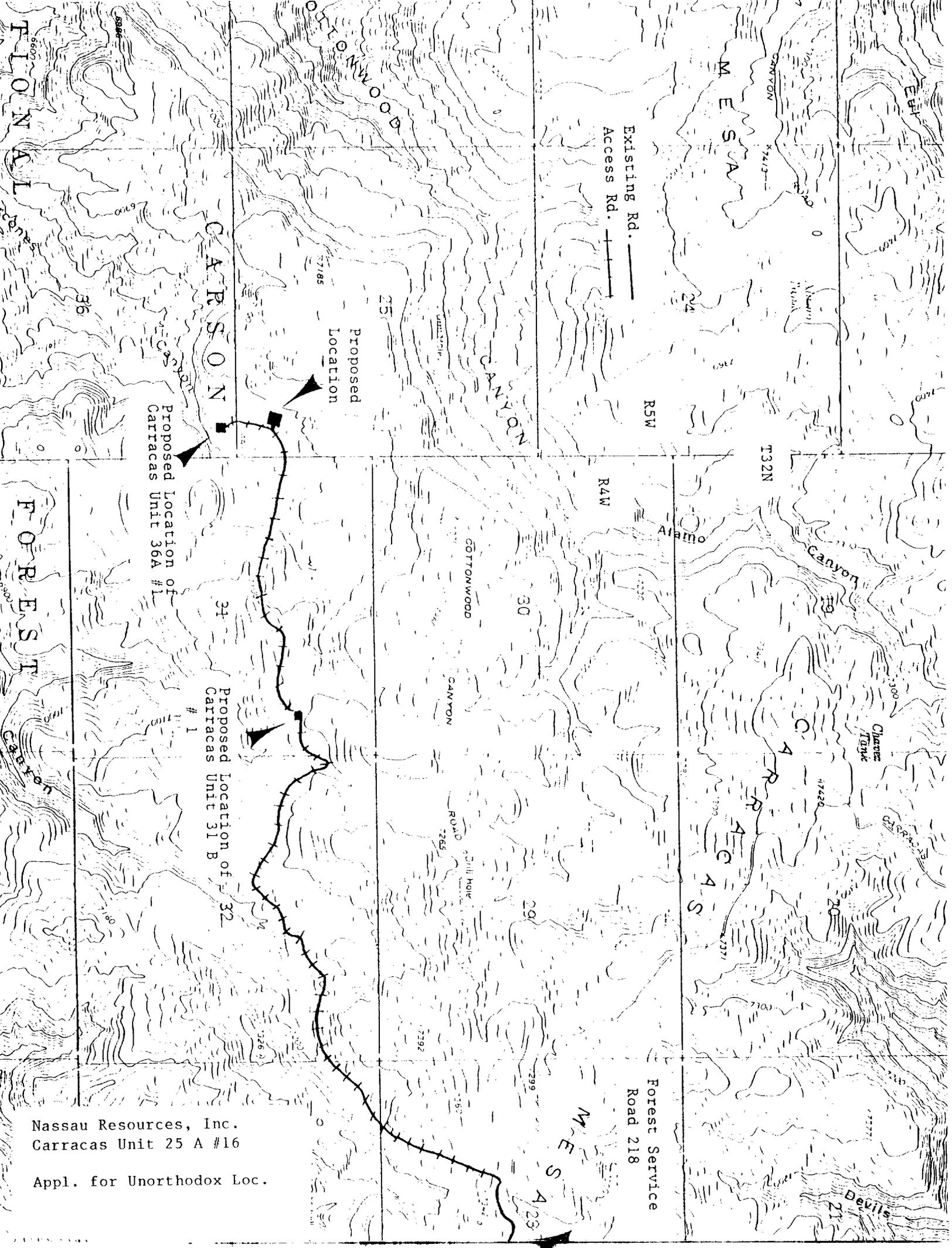
Celeste C. Grynberg  
Amoco Production Co.

OPERATING AFFILIATES:

Kindermac Partners  
Jerome P. McHugh

Nassau Resources, Inc.  
Carracas Unit 25 A #16

Appl. for Unorthodox Loc.



Existing Rd. ———  
Access Rd. - - - - -

R5W

R4W

Forest Service  
Road 218

CARRACAS  
CANYON

Proposed Location of  
Carracas Unit 36A #1

Proposed Location of # 32  
Carracas Unit 31 B

Proposed  
Location

Nassau Resources, Inc.  
Carracas Unit 25 A #16

Appl. for Unorthodox Loc.

FLORIDA

FOREST

WATER

MESA

COTTONWOOD

COTTONWOOD

CANYON

ROAD  
DILL HOIR

Alamo

Carracas  
Canyon

Chavez  
Tank

CARRACAS

Devils

MESA

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R4W

*on Juan 32.5 Unit*

R5W

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T32N

*Belco Pet*

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*1 mile*

*Carracas Mesa*

*Pan Am*

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Nassau Resources, Inc.  
Carracas Unit 25 A #16

Appl. for Unorthodox Loc.

*on Juan 32.5 Unit*



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 25 A #16

Appl. for Unorthodox Loc.

November 22, 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 25 A #16  
640' FSL - 710' FEL  
Sec. 25, Township 32 North, Range 5 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 terrain and archeological findings.

As indicated by the attached topographic map, the terrain in this section is extremely rough and no other drill site on this lease is feasible which meets Carson Nation Forest guidelines for development. Also, cultural resources, believed to have eroded from the higher elevations northwest of the proposed well pad, were recorded during the archeological survey.

Attached is 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. Amoco Production Co. and Celeste C. Grynberg, offsetting operators as indicated by the attached lease plat, have been notified of this application by certified mail. Jerome P. McHugh and Kindermac Partners are operating affiliates with Nassau Resources, Inc. and have been notified of this application.

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

XC: Ernie Busch, NMOCD, Aztec, NM  
Jerome P. McHugh/Kindermac  
Amoco Production Co.  
Celeste C. Grynberg

**Attachments**

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.

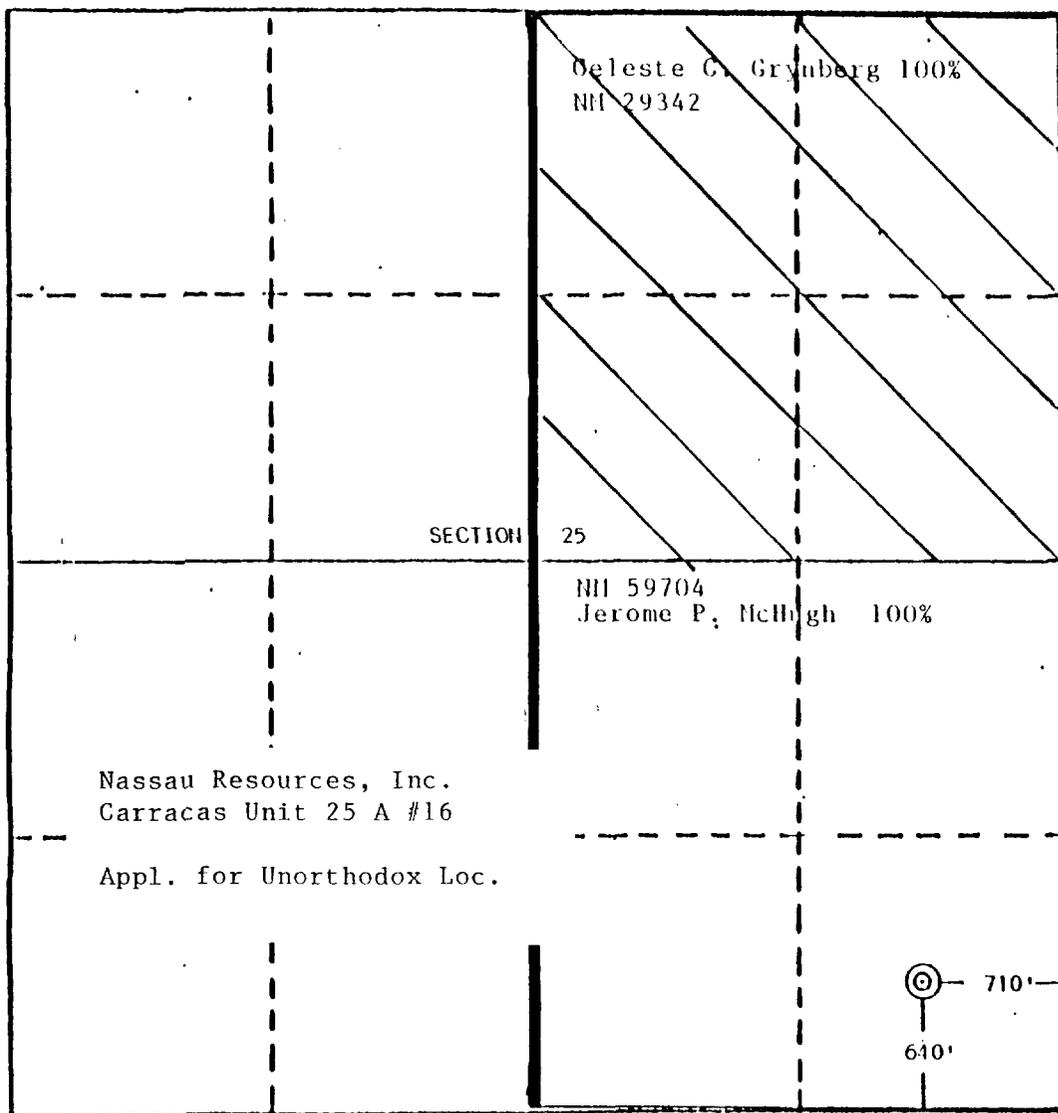
Operator Nassau Resources, Inc.		Lease Carracas Unit 25 A			Well No. 16
Unit Letter P	Section 25	Township 32 North	Range 5 West	County Rio Arriba	
Actual Footage Location of Well: 640 feet from the South line and 710 feet from the East line					
Ground Level Elev. 6978	Producing Formation Fruitland	Pool Basin Fruitland Coal		Dedicated Acreages 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 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  
11/22/88

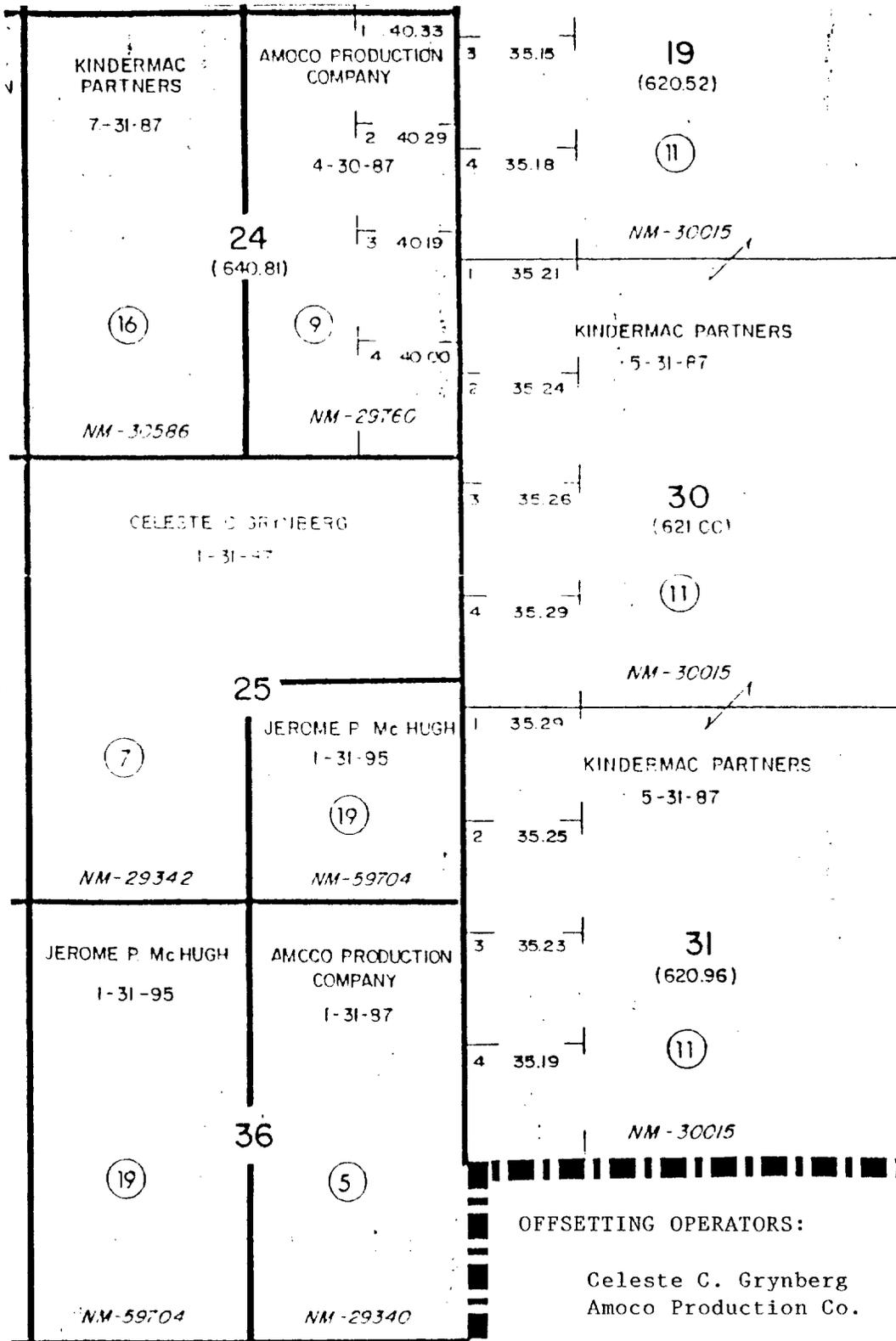
Date Surveyed  
August 24, 1988

Registered Professional Engineer  
and/or Land Surveyor

*Edgar L. Risenhoover*  
Certificate No. 5979

LEASE PLAT

Township 32 North, Ranges 4 and 5 West, NMPM, Rio Arriba County, NM



OFFSETTING OPERATORS:

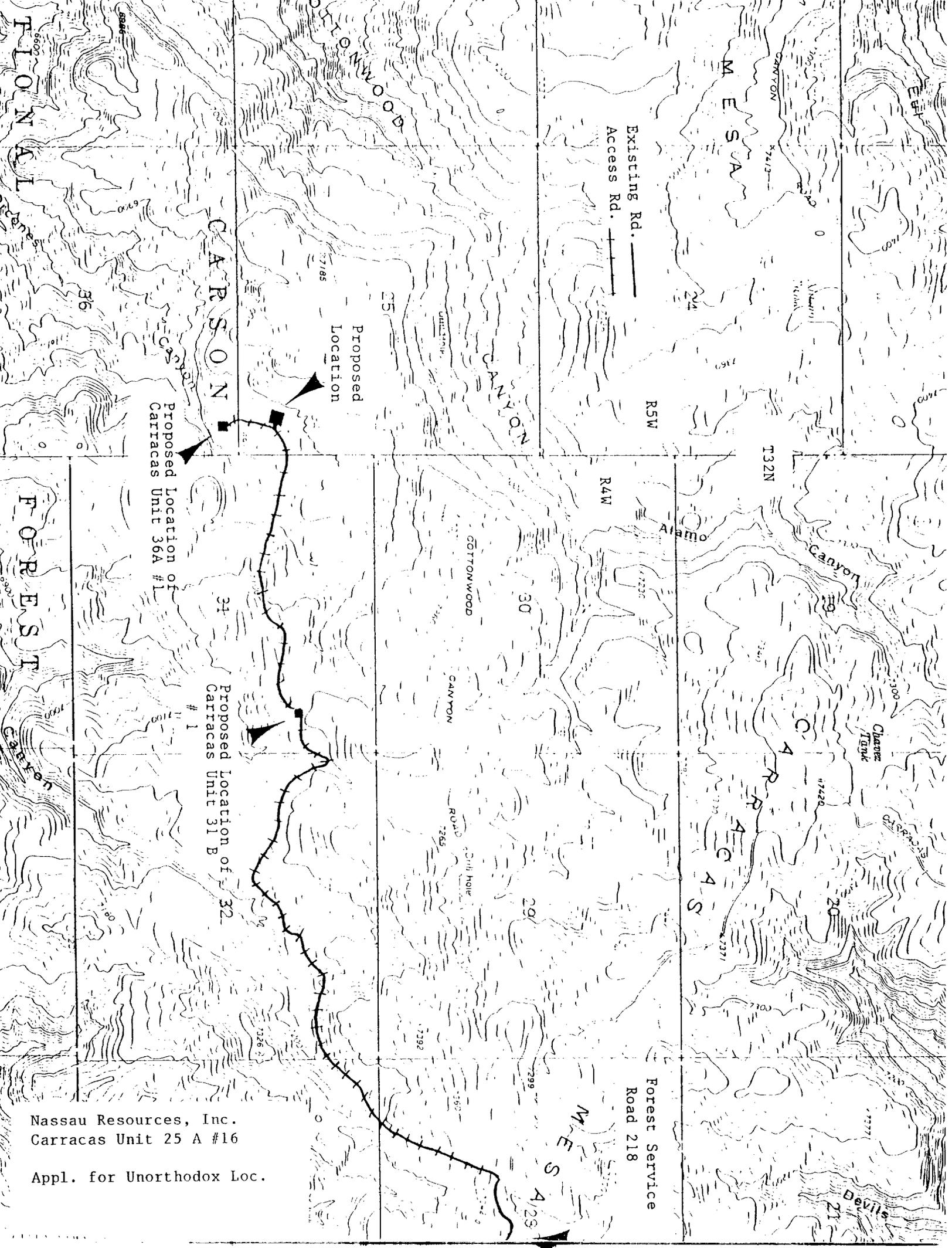
Celeste C. Grynberg  
Amoco Production Co.

OPERATING AFFILIATES:

Kindermac Partners  
Jerome P. McHugh

Nassau Resources, Inc.  
Carracas Unit 25 A #16

Appl. for Unorthodox Loc.



FLORIDA

FOREST

Nassau Resources, Inc.  
Carracas Unit 25 A #16

Appl. for Unorthodox Loc.

CARRASON

Proposed Location of  
Carracas Unit 36A #1

Proposed Location of #32  
Carracas Unit 31 B

Proposed  
Location

Existing Rd. ———  
Access Rd. - - - - -

Forest Service  
Road 218

MESAS

T32N

Carracas Canyon

Chavez Tank

Devils

MESAS A/25

COTTONWOOD

CANYON

Carracas Road

765

7392

7392

7392

7392

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7299

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R5W

R4W

Alamo

CARRACAS

CARRACAS

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R4W

*n Juan 32.5 Unit*

R5W

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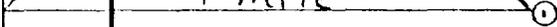
T32N

*Belco Pet*

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1 mile 

*Carracas Mesa*

*Pan Am*

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Nassau Resources, Inc.  
Carracas Unit 25 A #16

Appl. for Unorthodox Loc.

*n Juan 32.5 Unit*



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 25 A #16

Appl. for Unorthodox Loc.

November 22, 1988

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Amoco Production Co.  
2325 E. 30th St.  
Farmington, New Mexico 87401

RE: Application for Unorthodox Location  
Nassau Resources, Inc.  
Carracas Unit 25 A #16  
640' FSL - 710' FEL  
Sec. 25, Township 32 North, Range 5 West, NMPM  
Rio Arriba County, New Mexico

Gentlemen:

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

If Amoco Production Co., as an offsetting operator to the proposed location, has no objection, we request that you notify the Oil Conservation Division, Attn: Mike Stogner, 310 Old Santa Fe Trail, Room 206, Santa Fe, NM 87503, at your earliest convenience.

Please feel free to call if you have any questions.

Thank you,



Fran Perrin

Enclosure

November 22, 1988

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Celeste C. Grynberg  
5000 S. Quebec Suite 500  
Denver, Colorado 80237

RE: Application for Unorthodox Location  
Nassau Resources, Inc.  
Carracas Unit 25 A #16  
640' FSL - 710' FEL  
Sec. 25, Township 32 North, Range 5 West, NMPM  
Rio Arriba County, New Mexico

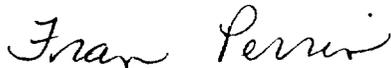
Gentlemen:

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

If Celeste C. Grynberg, as an offsetting operator to the proposed location, has no objection, we request that you notify the Oil Conservation Division, Attn: Mike Stogner, 310 Old Santa Fe Trail, Room 206, Santa Fe, NM 87503, at your earliest convenience.

Please feel free to call if you have any questions.

Thank you,



Fran Perrin

Enclosure

**GRYNBERG PETROLEUM COMPANY**

5000 SOUTH QUEBEC ● SUITE 500 ● DENVER, COLORADO 80237-2707 USA ● PHONE 303 - 850-7490

**TELEX: 510 600 2180 ENERGY DVR**  
**TELECOPIER: 303-850-7490**

November 29, 1988

Oil Conservation Division  
310 Old Santa Fe Trail, Room 206  
Santa Fe, New Mexico 87503

ATTENTION: Mike Stogner

RE: Application for Unorthodox Location  
Nassau Resources, Inc.  
Carracas Unit 25 A #16  
Rio Arriba County, New Mexico

Dear Mr. Stogner:

Celeste C. Grynberg, as an offsetting operator, has no objection to the proposed unorthodox location.

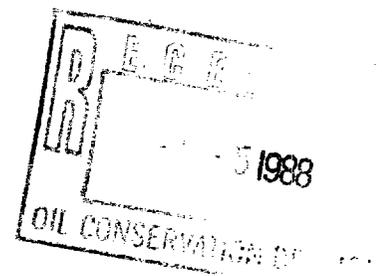
Sincerely,

GRYNBERG PETROLEUM COMPANY



Susan Stone  
Land Manager

SS/lk



Flourie,

set for  
hearing @

Earnie's Request



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 11-16-88

RE: Proposed MC \_\_\_\_\_  
Proposed DHC \_\_\_\_\_  
Proposed NSL X \_\_\_\_\_  
Proposed SWD \_\_\_\_\_  
Proposed WFX \_\_\_\_\_  
Proposed PMX \_\_\_\_\_

Case 9559

Gentlemen:

I have examined the application dated 11-16-88  
for the ARSSAU RESOURCES, INC. CARRIZAS UNIT 25B #15 0-25-32N-4W  
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

Do not set for Hearing - seek an exception to R-8768  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Yours truly,

Ed Burns

November 15, 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 25 B #15  
640' FSL - 1500' FEL  
Sec. 25, Township 32 North, Range 4 West, NMPM  
Rio Arriba County, New Mexico

*Case 9559*

Gentlemen:

Nassau Resources, Inc., hereby requests administrative approval of an unorthodox location for the captioned well based upon terrain and Forest Service guidelines for development.

As indicated by the attached topographic map, the terrain in this section is extremely rough and no other drill sites are feasible which meet Forest Service approval. Also attached is 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. Union Oil of California, and the Jicarilla Apache Tribe, offsetting operators as indicated by the attached lease plat, have been notified of this application by certified mail. 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  
Union Oil of California  
Jicarilla Apache Tribe, Dulce, N.M.  
BIA, Jicarilla Agency, Dulce, N.M.

☐ Main Office

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

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088  
SANTA FE, NEW MEXICO 87501

Form C-102  
Revised 10-1-78

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

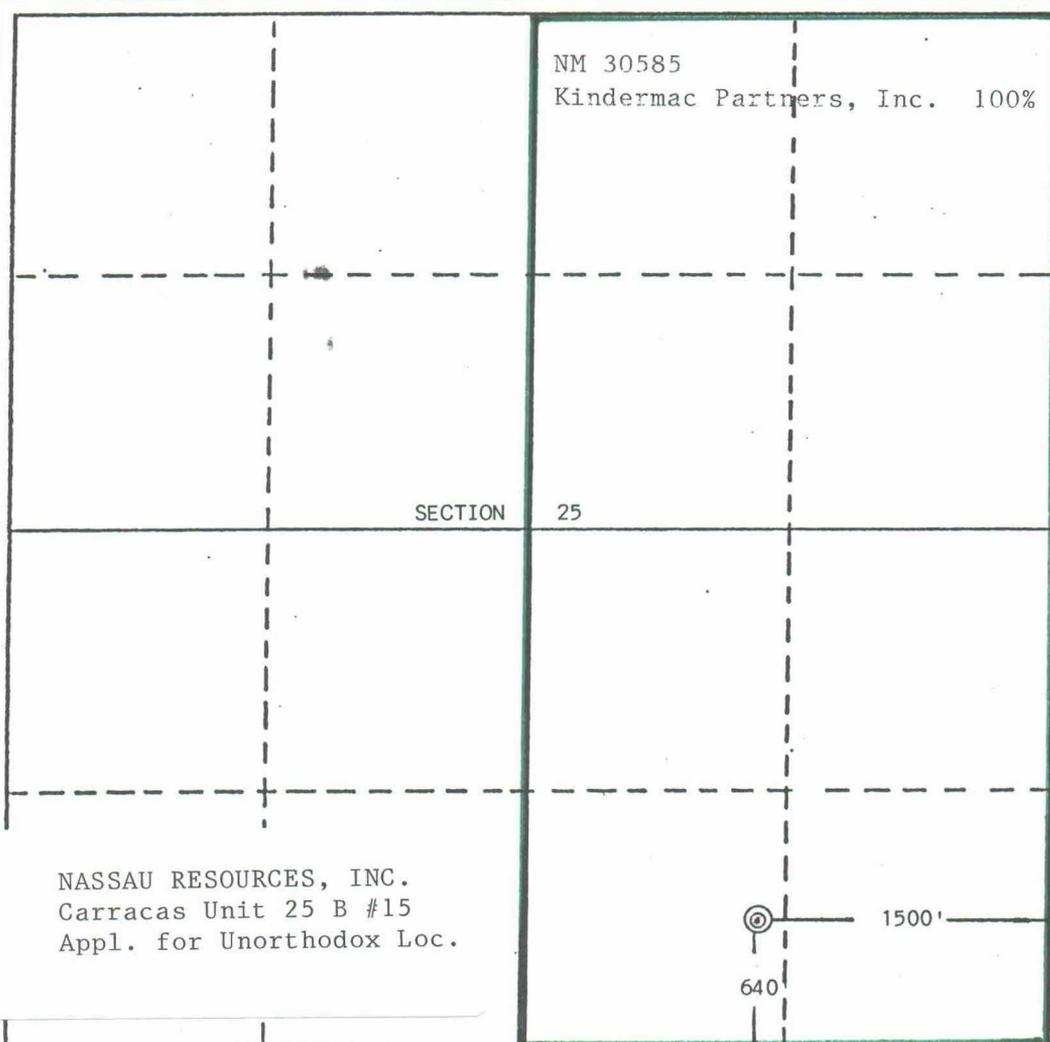
Operator Nassau Resources, Inc.		Lease Carracas Unit 25 B			Well No. 15
Unit Letter 0	Section 25	Township 32 North	Range 4 West	County Rio Arriba	
Actual Footage Location of Well: 640 feet from the South line and 1500 feet from the East line					
Ground Level Elev. 6740	Producing Formation Fruitland	Pool Basin Fruitland Coal			Dedicated Acreage: 320.0 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 Communitization - Carracas Unit

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.



NASSAU RESOURCES, INC.  
Carracas Unit 25 B #15  
Appl. for Unorthodox Loc.

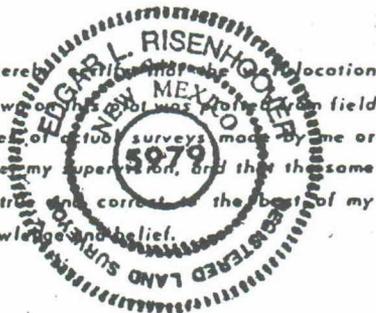
CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

*Fran Perrin*

Name	Fran Perrin
Position	Admin. Asst.
Company	Nassau Resources, Inc.
Date	11/15/88

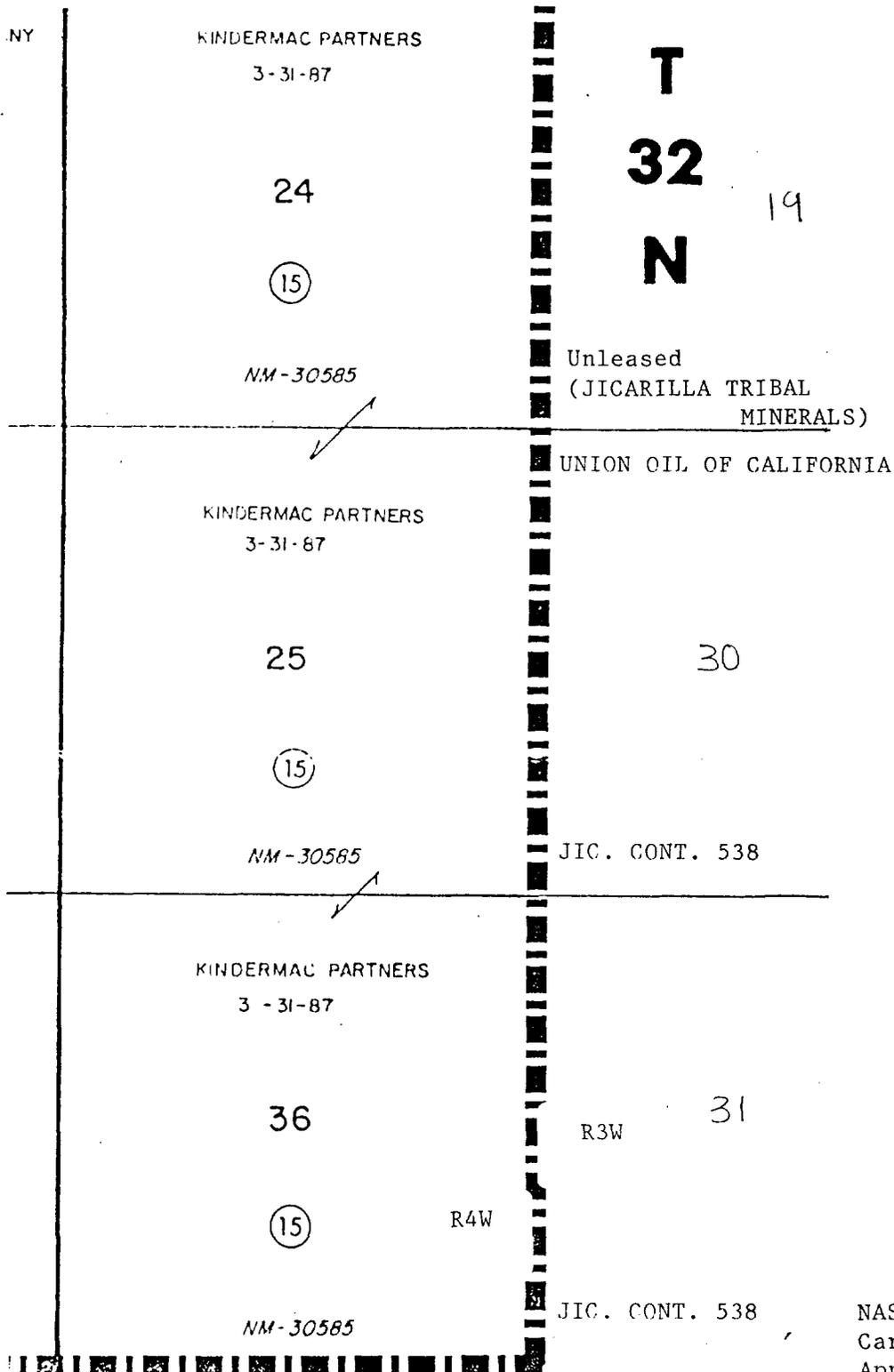
I hereby certify that the location shown on this plat was a field note of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.



Date Surveyed	October 10, 1988
Registered Professional Engineer and/or Land Surveyor	<i>Edgar L. Risenhoover</i>
Certificate No.	5979
	Edgar L. Risenhoover, L.S.

LEASE PLAT

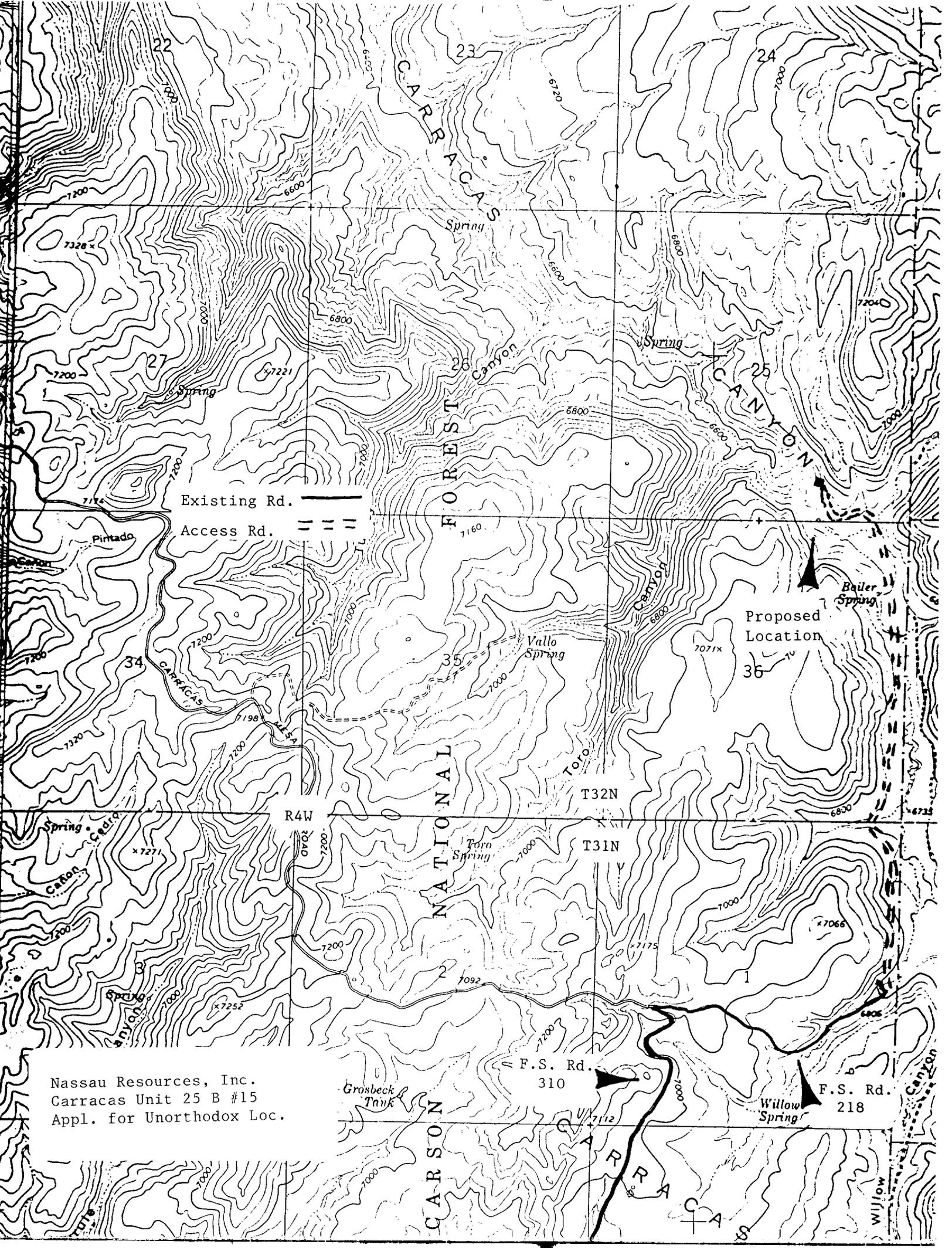
Township 32 North, Range 4 West, NMPM, Rio Arriba County, NM



Offsetting Operators:

Union Oil of  
California  
Jicarilla Apache  
Tribe

NASSAU RESOURCES, INC.  
Carracas Unit 25 B #15  
Appl. for Unorthodox Loc.



Nassau Resources, Inc.  
Carracas Unit 25 B #15  
Appl. for Unorthodox Loc.

Existing Rd.  
Access Rd.

Proposed Location

Nassau Resources, Inc.  
Carracas Unit 25 B #15  
Appl. for Unorthodox Loc.



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 25 B #15  
Appl. for Unorthodox Loc.

Q-  
D

14

13

18

T 32 N

R 4 W

R 3 W

Carson National  
Forest

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Jicarilla Indian  
Reservation

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1 mile

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NASSAU RESOURCES, INC.  
Carracas Unit 25 B #15  
Appl. for Unorthodox Loc.

November 15, 1988

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Union Oil of California  
P. O. Box 3100  
Midland, Texas 79702

RE: Application for Unorthodox Location  
Nassau Resources, Inc.  
Carracas Unit 25 B #15  
640' FSL - 1500' FEL  
Sec. 25, Township 32 North, Range 4 West, NMPM  
Rio Arriba County, New Mexico

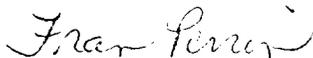
Gentlemen:

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

If Union Oil of California, as an offsetting operator to the proposed location, has no objection, we request that you notify the Oil Conservation Division, Attn: Mike Stogner, 310 Old Santa Fe Trail, Room 206, Santa Fe, NM 87503, at your earliest convenience.

Please feel free to call if you have any questions.

Thank you,



Fran Perrin

fp

Enclosure

November 15, 1988

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Jicarilla Apache Tribe  
ATTN: Thurman Velarde  
Oil & Gas Administration  
P.O. Box 507  
Dulce, N. M.

RE: Application for Unorthodox Location  
Nassau Resources, Inc.  
Carracas Unit 25 B #15  
640' FSL - 1500' FEL  
Sec. 25, Township 32 North, Range 4 West, NMPM  
Rio Arriba County, New Mexico

Gentlemen:

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

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Nassau Resources, Inc., hereby requests administrative approval of an unorthodox location for the captioned well based upon terrain and Forest Service guidelines for development.

As indicated by the attached topographic map, the terrain in this section is extremely rough and no other drill sites are feasible which meet Forest Service approval. Also attached is 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. Union Oil of California, and the Jicarilla Apache Tribe, offsetting operators as indicated by the attached lease plat, have been notified of this application by certified mail. 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

Attachments

XC: Ernie Busch, NMOCD, Aztec, NM  
Union Oil of California  
Jicarilla Apache Tribe, Dulce, N.M.  
BIA, Jicarilla Agency, Dulce, N.M.

CD Main Office

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

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088  
SANTA FE, NEW MEXICO 87501

Form C-102  
Revised 10-1-78

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

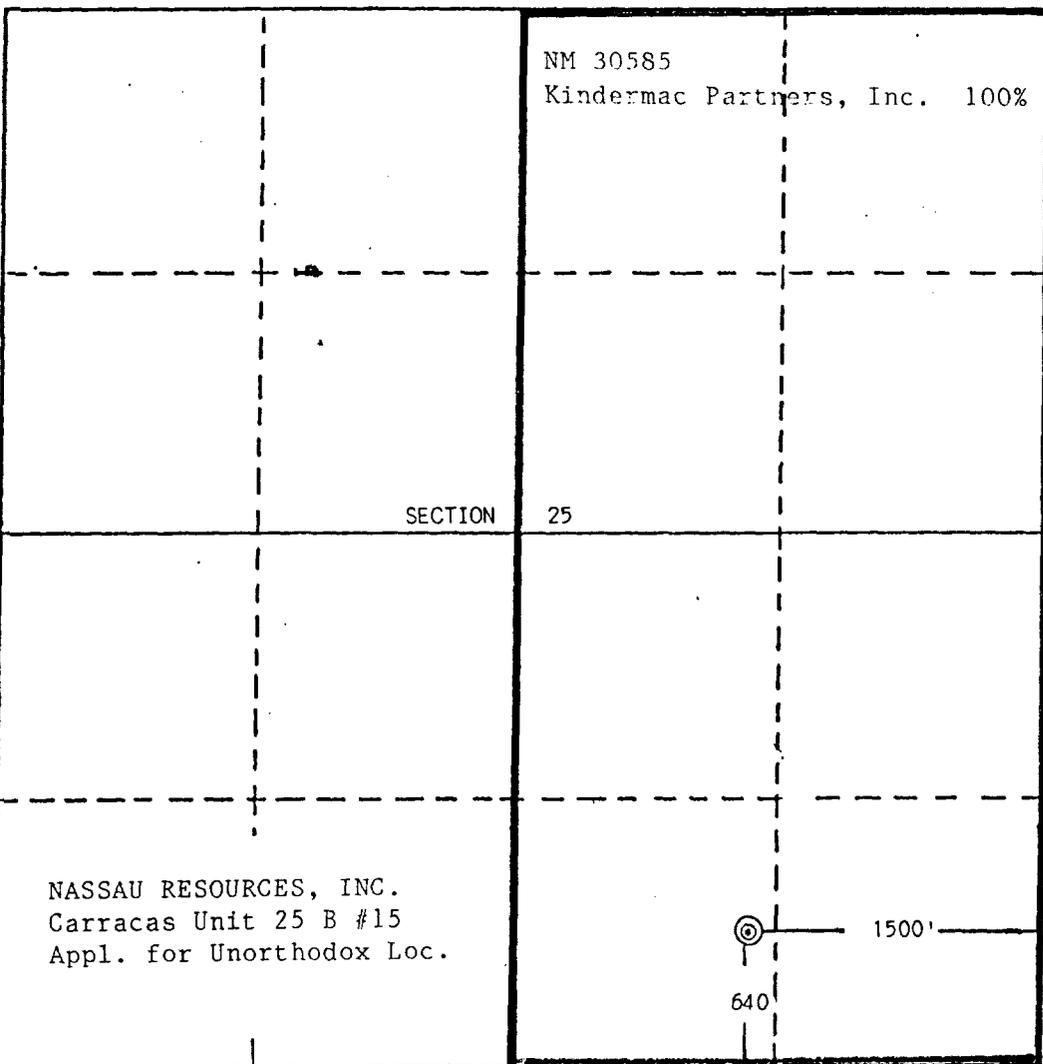
Operator Nassau Resources, Inc.		Lease Carracas Unit 25 B			Well No. 15
Unit Letter C	Section 25	Township 32 North	Range 4 West	County Rio Arriba	
Actual Footage Location of Well:					
640	feet from the	South	line and	1500	feet from the East line
Ground Level Elev. 6740	Producing Formation Fruitland		Pool Basin Fruitland Coal		Dedicated Acreage: 320.0 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
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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?

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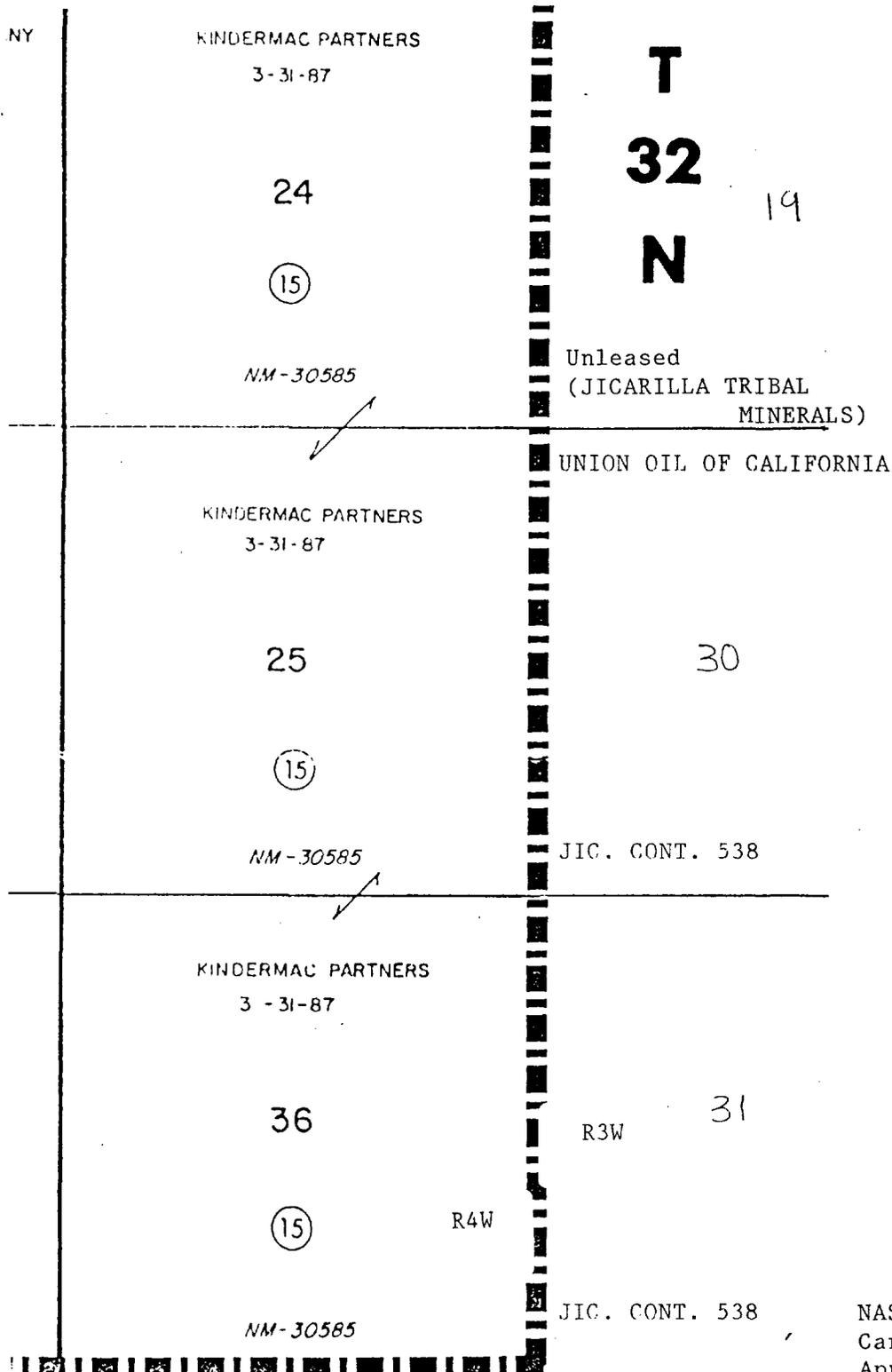
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division.



<b>CERTIFICATION</b>	
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
<i>Fran Perrin</i>	
Name	Fran Perrin
Position	Admin. Asst.
Company	Nassau Resources, Inc.
Date	11/15/88
Date Surveyed	October 10, 1988
Registered Professional Engineer and/or Land Surveyor	
<i>Edgar L. Risenhoover</i>	
Certificate No.	5979
Edgar L. Risenhoover, L.S.	

LEASE PLAT

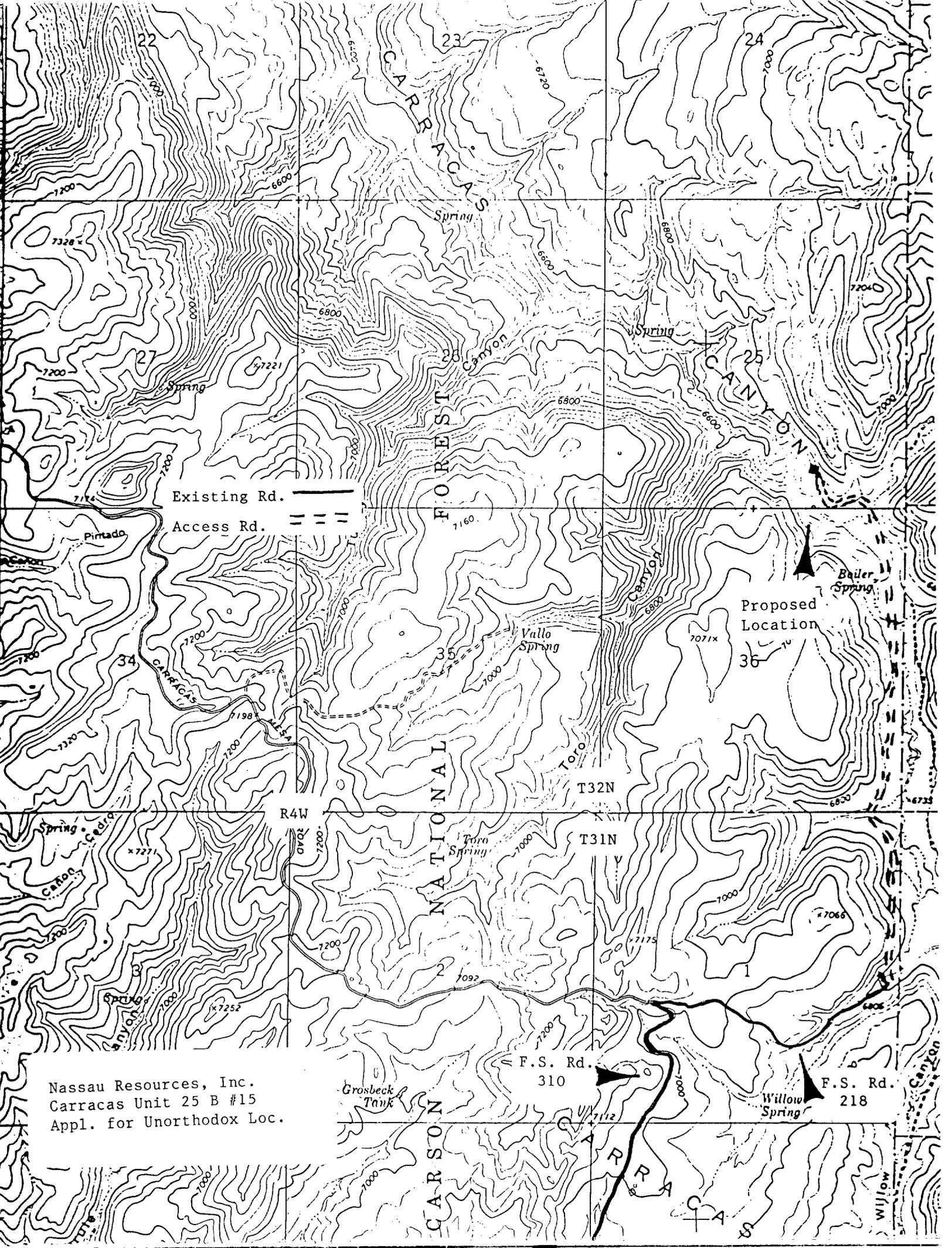
Township 32 North, Range 4 West, NMPM, Rio Arriba County, NM



Offsetting Operators:

Union Oil of  
California  
Jicarilla Apache  
Tribe

NASSAU RESOURCES, INC.  
Carracas Unit 25 B #15  
Appl. for Unorthodox Loc.



Nassau Resources, Inc.  
Carracas Unit 25 B #15  
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Existing Rd. ———  
Access Rd. = = = =

Proposed Location

F.S. Rd. 310

F.S. Rd. 218

CARRACAS

FOREST

NATIONAL

CARRON

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WILLOW CANYON

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CARRACAS

FOREST



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:

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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

Nassau Resources, Inc.  
Carracas Unit 25 B #15  
Appl. for Unorthodox Loc.

**RECEIVED**

14

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18

T 32 N

R 4 W

R 3 W

Carson National Forest

23

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19

Jicarilla Indian Reservation

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30

1 mile

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NASSAU RESOURCES, INC.  
Carracas Unit 25 B #15  
Appl. for Unorthodox Loc.

November 15, 1988

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Union Oil of California  
P. O. Box 3100  
Midland, Texas 79702

RE: Application for Unorthodox Location  
Nassau Resources, Inc.  
Carracas Unit 25 B #15  
640' FSL - 1500' FEL  
Sec. 25, Township 32 North, Range 4 West, NMPM  
Rio Arriba County, New Mexico

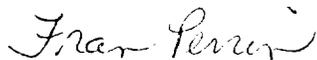
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Fran Perrin

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Enclosure

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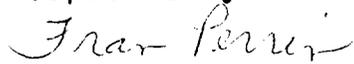
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Respectfully submitted,



Fran Perrin

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Union Oil of California  
Jicarilla Apache Tribe, Dulce, N.M.  
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Central Office  
Jerome P. McHugh & Associates  
Operating Affiliate: Nassau Resources, Inc.  
650 South Cherry, Suite 1225  
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(303) 321-2111

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088  
SANTA FE, NEW MEXICO 87501

Form C-102  
Revised 10-1-78

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

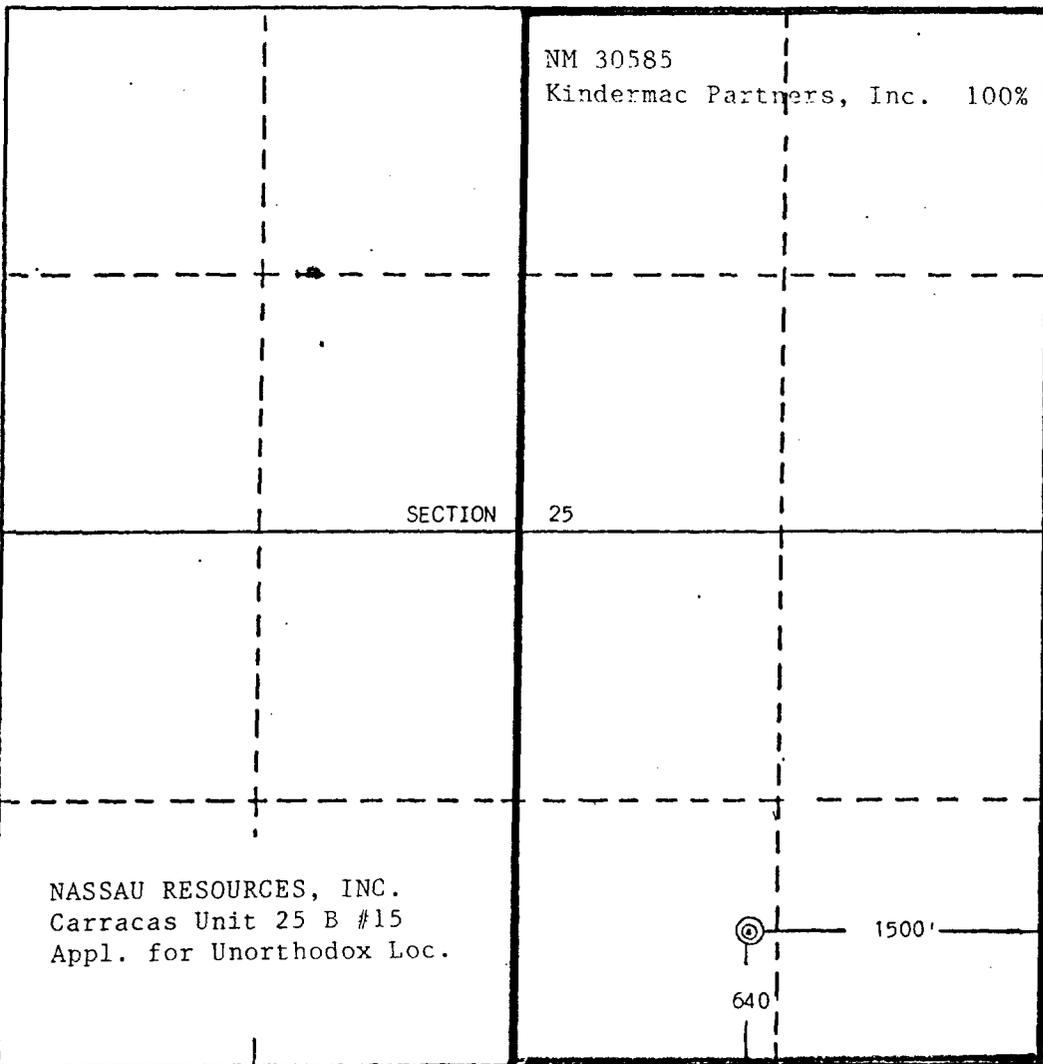
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Unit Letter C	Section 25	Township 32 North	Range 4 West	County Rio Arriba	
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Ground Level Elev. 6740	Producing Formation Fruitland	Pool Basin Fruitland Coal			Dedicated Acreage: 320.0 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
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Yes  No If answer is "yes," type of consolidation Communitization - Carracas Unit

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.

*Fran Perrin*

Name  
Fran Perrin

Position  
Admin. Asst.

Company  
Nassau Resources, Inc.

Date  
11/15/88

I hereby certify that the location shown on this plat was a field note of a survey made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

**EDGAR L. RISENHOVER**  
REGISTERED LAND SURVEYOR  
NEW MEXICO  
5979

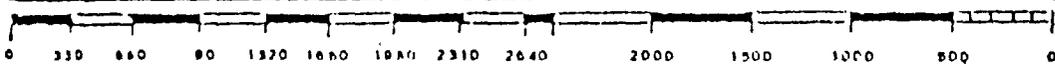
Date Surveyed  
October 10, 1988

Registered Professional Engineer and/or Land Surveyor

*Edgar L. Risenhoover*

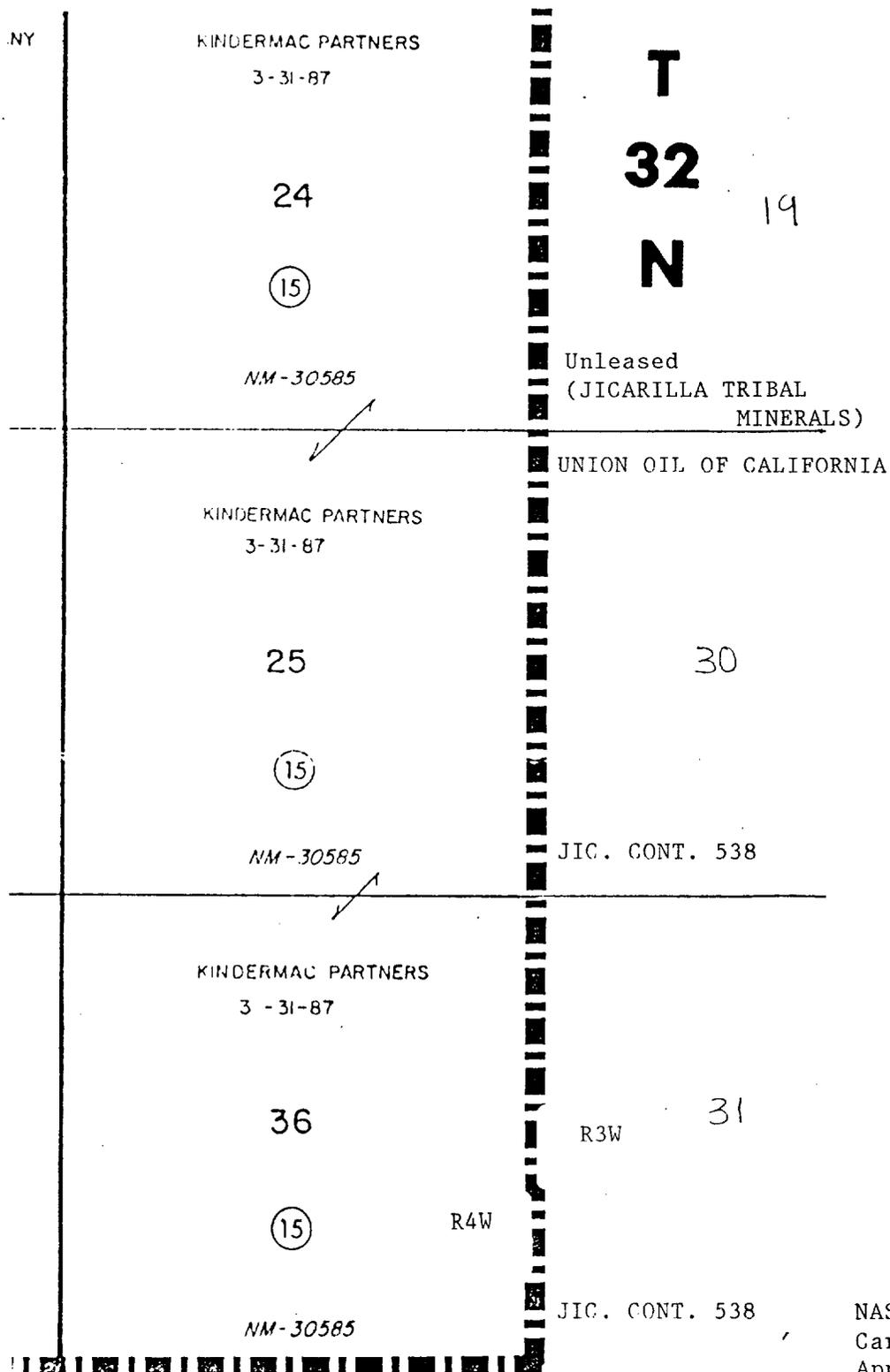
Certificate No. 5979

Edgar L. Risenhoover, L.S.



LEASE PLAT

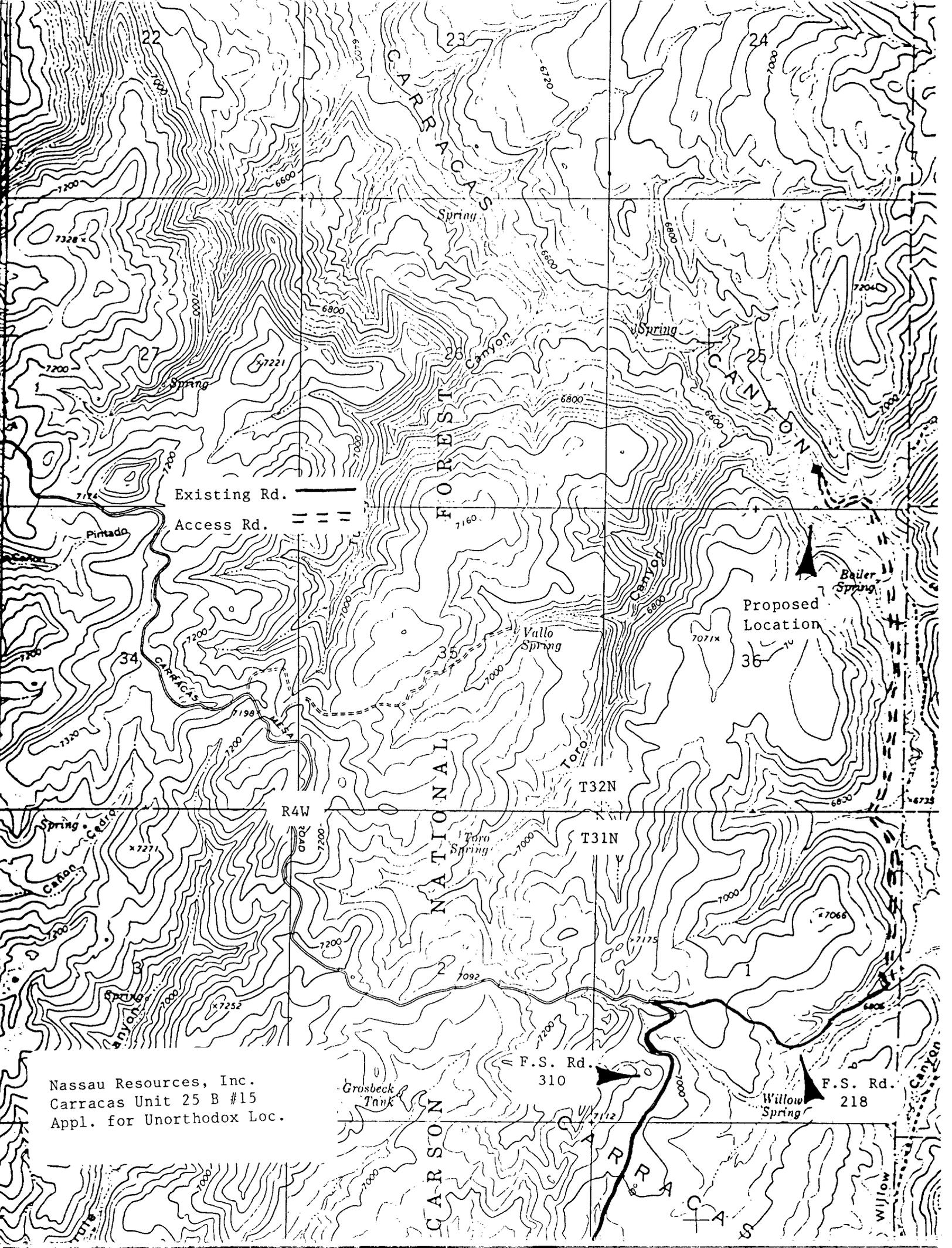
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Union Oil of California  
Jicarilla Apache Tribe

NASSAU RESOURCES, INC.  
Carracas Unit 25 B #15  
Appl. for Unorthodox Loc.



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Access Rd. = = = =

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Nassau Resources, Inc.  
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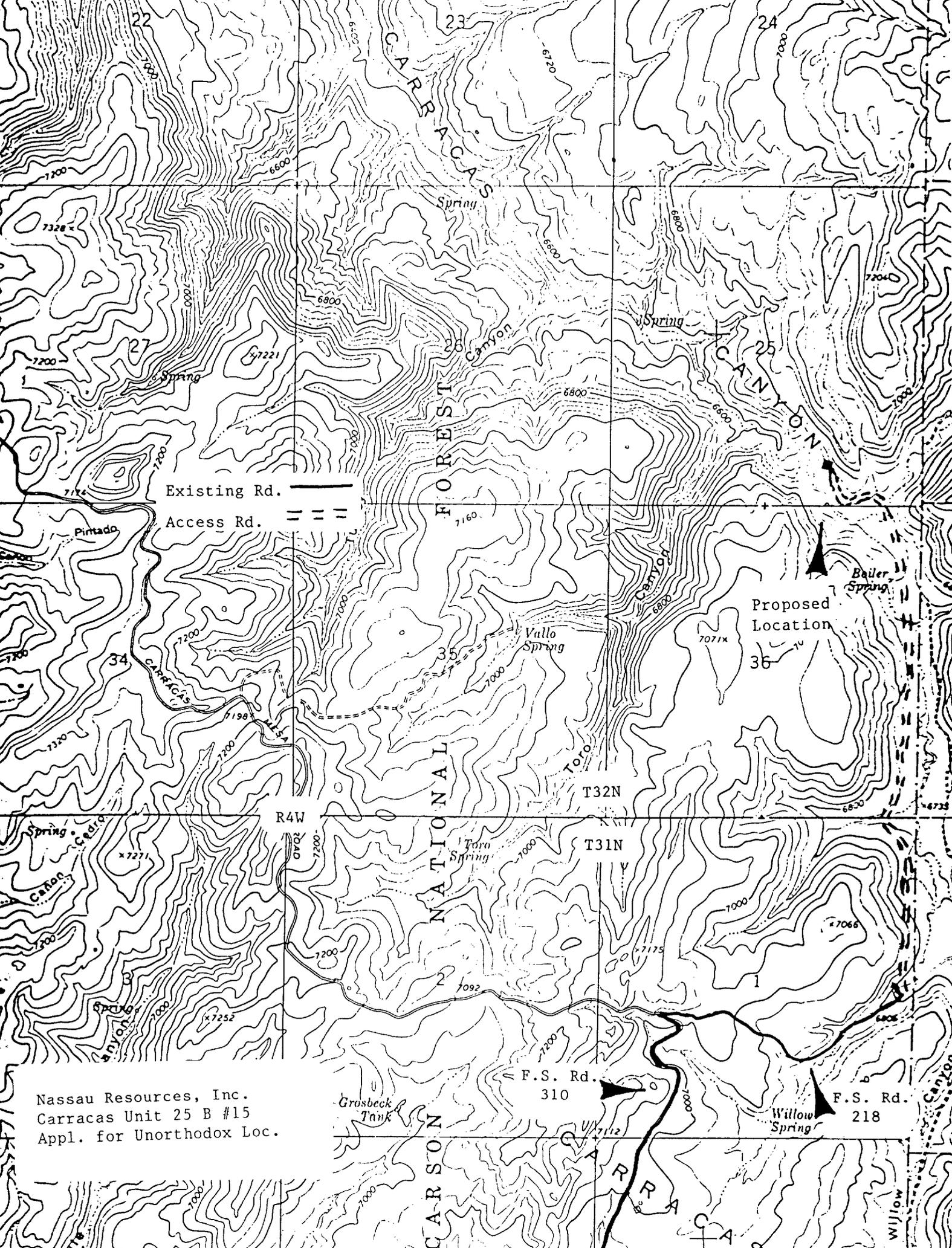
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CARRACAS NATIONAL FOREST

CARRACAS

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United States  
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Jicarilla  
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Gobernador Route  
Blanco, NM 87412

Reply to: 2820

Date: August 3, 1988

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