

KELLAHIN, KELLAHIN AND AUBREY

Attorneys at Law

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November 28, 1988

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Area Code 505

W. Thomas Kellahin

Karen Aubrey

Jason Kellahin

Of Counsel

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 9560

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

NOV 29

OIL CONSERVATION DIVISION

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

Case 9560

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.

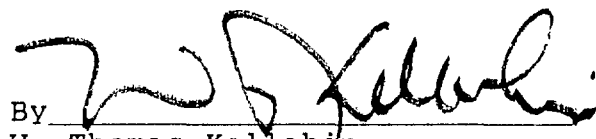
5. Exhibit B is a plat of the area of the Carracas Canyon Unit showing the spacing units and approximate well locations.

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 & Unorthodox
200' FSL	500' FEL
Carracas 17B-#15	- E/2 Sec. 17-T32N-R4W (Unit O) - Off Pattern & Unorthodox
650' FSL	2070' FEL
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 & Unorthodox
640' FSL	710' FEL
Carracas 25B-#15	- E/2 Sec. 25-T32N-R4W (Unit O) - Off Pattern & Unorthodox
640' FSL	1500' FEL
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

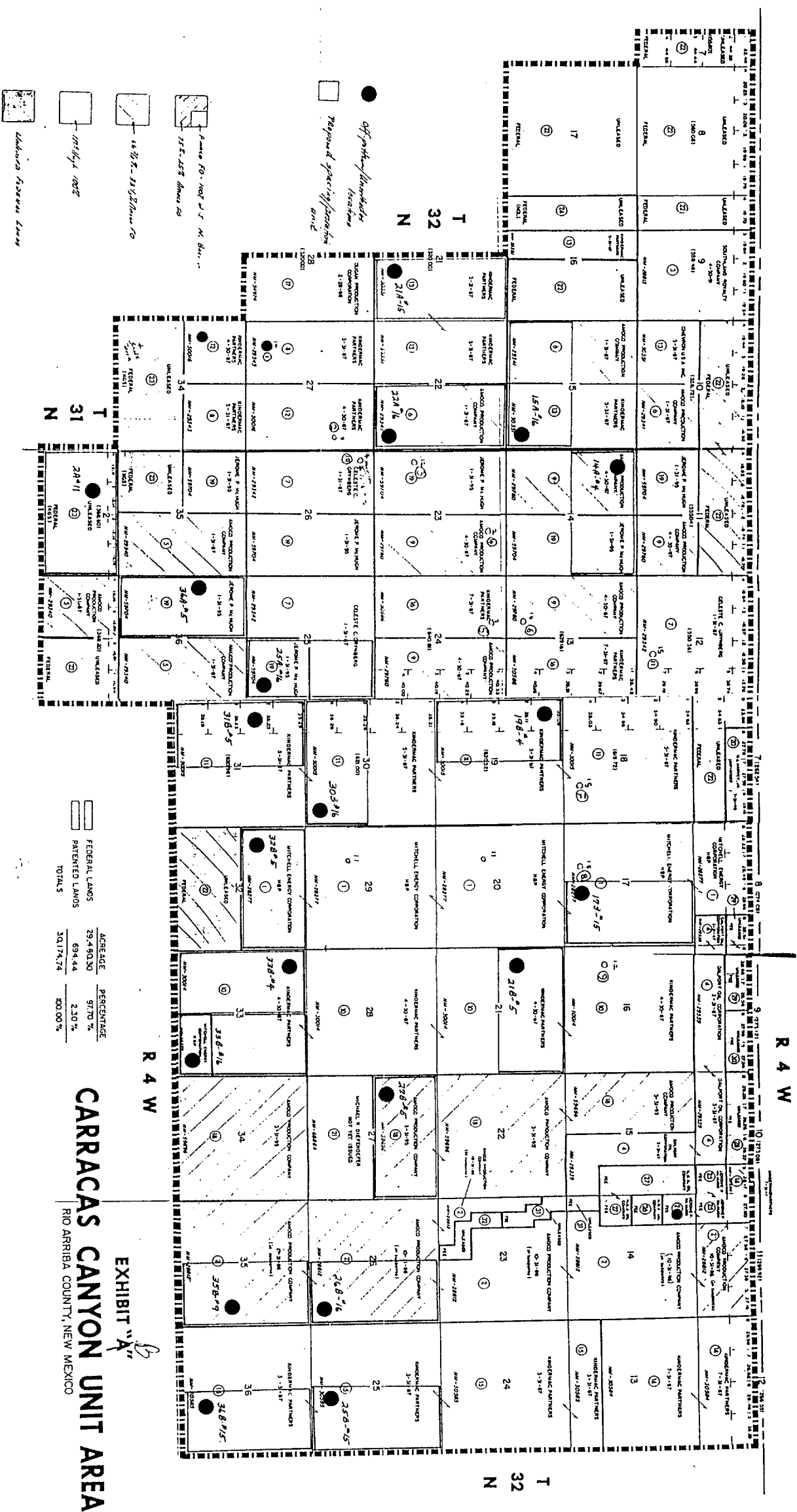
EXHIBIT A

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 Dieffenfer

SECTION 2

TOWNSHIP 31 N

RANGE 5 W

4 12.11	3 12.14	2 12.16	1 12.19

12.19
12.16
24.35
12.14
36.49
12.11
48.60
320.60
369.20