

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF NASSUA RESOURCES FOR COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO

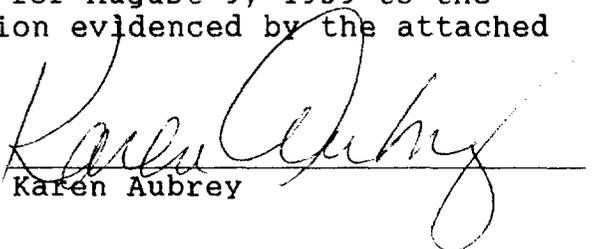
CASE NO. 9717

CERTIFICATE OF MAILING

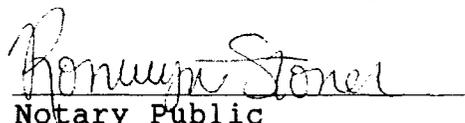
AND

COMPLIANCE WITH ORDER R-8054

In accordance with Division Rule 1207 (Order R-8054) I hereby certify that on July 18, 1989, I caused to be mailed by certified mail, return-receipt requested, a notice of this hearing and a copy of the application for the above referenced case along with the cover letter, at least twenty days prior to the hearing set for August 9, 1989 to the parties shown in the application evidenced by the attached Exhibit A.

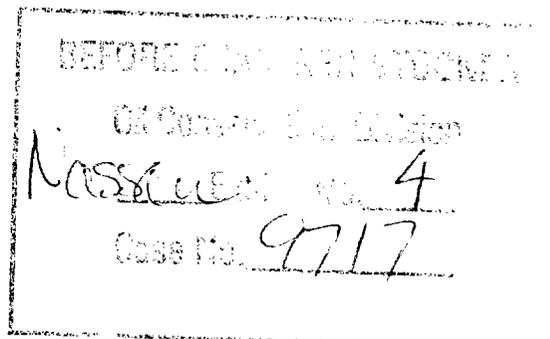

Karen Aubrey

SUBSCRIBED AND SWORN TO before me this 5th day of August, 1989.


Notary Public

My Commission Expires:

March 3, 1993



● **SENDER:** Complete Items 1 and 2 when additional services are desired, and complete items 3 and 4.

Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. (Extra charge) 2. Restricted Delivery (Extra charge)

3. Article Addressed to:
Elizabeth Troxell
611 Poplar
Farmington, NM 87401

McHugh
KA/Nassau/Carracas

4. Article Number
P 155 279 141

Type of Service:
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Address
X *Burt Lopez*

8. Addressee's Address (ONLY if requested and fee paid)

6. Signature - Agent
X

Fee not paid

7. Date of Delivery
7-19-89 *RMCL*

611 POPLAR

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
 Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. (Extra charge) 2. Restricted Delivery (Extra charge)

3. Article Addressed to: Sophia Martinez Star Route, Box 33 Pagosa Springs, CO 81147 McHugh- KA/Nassau/Carracas	4. Article Number P 155 279 146 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED.
5. Signature - Address X <i>[Signature]</i>	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X <i>George Amasco</i>	
7. Date of Delivery <i>7/24/89</i>	

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. (Extra charge) 2. Restricted Delivery (Extra charge)

3. Article Addressed to: Joe E. Martinez P.O. Box 1303 Pagosa Springs, CO 81147 McHugh- KA/Nassau/Carracas	4. Article Number P 155 279 144
5. Signature - Address X	Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise
6. Signature - Agent X <i>Mary Ellen Martinez</i>	Always obtain signature of addressee or agent and DATE DELIVERED.
7. Date of Delivery <i>7/20/89</i>	8. Addressee's Address (ONLY if requested and fee paid)

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
 Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. (Extra charge) 2. Restricted Delivery (Extra charge)

<p>3. Article Addressed to:</p> <p>Lauralee Payne 1308 Gladeview Dr. Farmington, NM 87401</p> <p><i>McHUGH</i> KA/Nassau/Carracas</p>	<p>4. Article Number</p> <p>P 155 279 143</p> <p>Type of Service:</p> <p><input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise</p> <p>Always obtain signature of addressee or agent and <u>DATE DELIVERED</u>.</p>
<p>5. Signature - Address</p> <p>X <i>Lauralee Payne</i></p>	<p>8. Addressee's Address (ONLY if requested and fee paid)</p>
<p>6. Signature - Agent</p> <p>X</p>	
<p>7. Date of Delivery</p> <p><i>7-20-89</i></p>	<p>Fee not paid</p>

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
 Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. (Extra charge)
 2. Restricted Delivery (Extra charge)

<p>3. Article Addressed to:</p> <p>Norma M. Madrid P.O. Box 1293 Ferndale, WA 98248</p> <p><i>McHugh</i> KA/Nassau/Carracas</p>	<p>4. Article Number P 155 279 142</p> <p>Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise</p> <p>Always obtain signature of addressee or agent and DATE DELIVERED.</p>
<p>5. Signature - Address X <i>Norma M. Madrid</i></p>	<p>8. Addressee's Address (ONLY if requested and fee paid)</p>
<p>6. Signature - Agent X</p>	
<p>7. Date of Delivery JUL 20 1989</p>	

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Back of Mail)

PS Form 3800, June 1985

Sender's Name	Demietrio Martinez	
Recipient's Name	40 Joe E. Martinez, Jr.	
Post Office, State, and ZIP Code	PO. Box 1303, Pagosa Springs CO 81147	
Postage		.45
Certified Fee		.85
Special Delivery Fee		
Restricted Delivery Fee		
Return Receipt showing to whom and Date Delivered		.90
Return Receipt showing to whom, Date, and Address of Delivery		
TOTAL Postage and Fees		2.00
Postmark or Date		

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF NASSUA RESOURCES FOR COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO

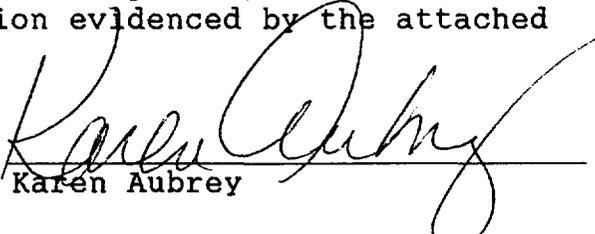
CASE NO. 9717

CERTIFICATE OF MAILING

AND

COMPLIANCE WITH ORDER R-8054

In accordance with Division Rule 1207 (Order R-8054) I hereby certify that on July 18, 1989, I caused to be mailed by certified mail, return-receipt requested, a notice of this hearing and a copy of the application for the above referenced case along with the cover letter, at least twenty days prior to the hearing set for August 9, 1989 to the parties shown in the application evidenced by the attached Exhibit A.


Karen Aubrey

SUBSCRIBED AND SWORN TO before me this 8th day of August, 1989.


Notary Public

My Commission Expires:

March 3, 1992

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery (Extra charge)

3. Article Addressed to: Joe E. Martinez P.O. BOX 1303 Pagosa Springs, CO 81147 McHUGH - KA/Nassau/Carracas	4. Article Number P 155 279 144 Type of Service: <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> COD <input type="checkbox"/> Return Receipt for Merchandise
5. Signature - Agent <input checked="" type="checkbox"/> Always obtain signature of addressee or agent and DATE DELIVERED.	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent <i>Mary E. Martinez</i>	
7. Date of Delivery 7/20/89	

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery (Extra charge)

3. Article Addressed to: Sophia Martinez Star Route, Box 33 Pagosa Springs, CO 81147 McHUGH - KA/Nassau/Carracas	4. Article Number P 155 279 146 Type of Service: <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> COD <input type="checkbox"/> Return Receipt for Merchandise
5. Signature - Agent <input checked="" type="checkbox"/> Always obtain signature of addressee or agent and DATE DELIVERED.	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent <i>Sophia Martinez</i>	
7. Date of Delivery 7/24/89	

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery (Extra charge)

3. Article Addressed to: LauraLee Payne 1308 Gladeview Dr. Farmington, NM 87401 McHUGH KA/Nassau/Carracas	4. Article Number P 155 279 143 Type of Service: <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> COD <input type="checkbox"/> Return Receipt for Merchandise
5. Signature - Agent <input checked="" type="checkbox"/> Always obtain signature of addressee or agent and DATE DELIVERED.	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent <i>LauraLee Payne</i>	
7. Date of Delivery 7-20-89	

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

Fee not paid

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery (Extra charge)

3. Article Addressed to: Norma M. Madrid P.O. Box 1293 Ferndale, WA 98248 McHUGH KA/Nassau/Carracas	4. Article Number P 155 279 142 Type of Service: <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> COD <input type="checkbox"/> Return Receipt for Merchandise
5. Signature - Agent <input checked="" type="checkbox"/> Always obtain signature of addressee or agent and DATE DELIVERED.	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent <i>Norma M. Madrid</i>	
7. Date of Delivery JUL 20 1989	

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

Exhibit "A"

SENDER: Complete items #1 and #2 when additional services are desired, and complete items 3 and 4.
 Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. (Extra charge)
 2. Restricted Delivery (Extra charge)

3. Article Addressed to:
Elizabeth Troxell
611 Poplar
Ramington, NM 87491
Mt. High
KA/Nassau/Carracas

4. Article Number
P 155 279 141

Type of Service:
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Address
Elizabeth Troxell

6. Signature - Agent
X

7. Date of Delivery
7-1-1989

8. Addressee's Address (ONLY if requested and fee paid)
Fee not paid
611 Poplar

PS Form 3811, Mar. 1988 U.S. G.P.O. 1988-212-885 DOMESTIC RETURN RECEIPT

P 155 279 145

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
 NOT FOR INTERNATIONAL MAIL

(See Reverse)

Sent to	<i>Demetrio Martinez</i>
Street and No.	<i>40 Joe E. Martinez, Jr.</i>
P.O. State and ZIP Code	<i>P.O. Box 1303, PAGO PAGO 81147</i>
Postage	<i>\$.45</i>
Certified Fee	<i>.85</i>
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	<i>.90</i>
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	<i>\$2.00</i>
Postmark or Date	

PS Form 3800, June 1985

ILLEGIBLE

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF NASSUA RESOURCES FOR COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO

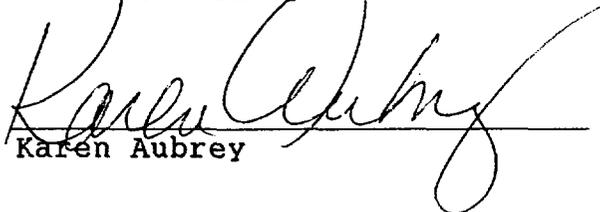
CASE NO. 9717

CERTIFICATE OF MAILING

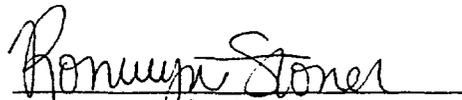
AND

COMPLIANCE WITH ORDER R-8054

In accordance with Division Rule 1207 (Order R-8054) I hereby certify that on July 18, 1989, I caused to be mailed by certified mail, return-receipt requested, a notice of this hearing and a copy of the application for the above referenced case along with the cover letter, at least twenty days prior to the hearing set for August 9, 1989 to the parties shown in the application evidenced by the attached Exhibit A.


Karen Aubrey

SUBSCRIBED AND SWORN TO before me this 8th day of August, 1989.


Notary Public

My Commission Expires:

March 3, 1992

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery (Extra charge)

3. Article Addressed to:
 Joe E. Martinez
 P.O. BOX 1303
 Pagosa Springs, CO 81147

4. Article Number
 P 155 279 144

Type of Service:
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

8. Addressee's Address (ONLY if requested and fee paid)

McHugh -
 KA/Nassau/Carracas

5. Signature - Address
 X

6. Signature - Agent
 X *Mary E. Martinez*

7. Date of Delivery
 X *7/20/89*

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery (Extra charge)

3. Article Addressed to:
 Sophia Martinez
 Star Route, Box 33
 Pagosa Springs, CO 81147

4. Article Number
 P 155 279 146

Type of Service:
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

8. Addressee's Address (ONLY if requested and fee paid)

McHugh -
 KA/Nassau/Carracas

5. Signature - Address
 X

6. Signature - Agent
 X *George Jimenez*

7. Date of Delivery
 X *7/24/89*

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery (Extra charge)

3. Article Addressed to:
 Lauralee Payne
 1308 Gladeview Dr.
 Farmington, NM 87401

4. Article Number
 P 155 279 143

Type of Service:
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

8. Addressee's Address (ONLY if requested and fee paid)

McHugh
 KA/Nassau/Carracas

5. Signature - Address
 X *Laura Lee Payne*

6. Signature - Agent
 X

7. Date of Delivery
 X *7-20-89*

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

Fee not paid

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery (Extra charge)

3. Article Addressed to:
 Norma M. Madrid
 P.O. Box 1293
 Ferndale, WA 98248

4. Article Number
 P 155 279 142

Type of Service:
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

8. Addressee's Address (ONLY if requested and fee paid)

McHugh
 KA/Nassau/Carracas

5. Signature - Address
 X *Norma M. Madrid*

6. Signature - Agent
 X

7. Date of Delivery
 X **JUL 20 1989**

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

Exhibit "A"

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
 Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. (Extra Charge)
 2. Restricted Delivery (Extra Charge)

3. Article Addressed to:
 Elizabeth Troxell
 611 Poplar
 Farmington, NM 87401
 MARIQUA
 KA/Nassau/Carracas

4. Article Number
 P 155 279 141

Type of Service:
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED

15. Signature - Addressee
 Elizabeth Troxell

16. Signature - Agent

17. Date of Delivery
 7-1-89

18. Addressee's Address (ONLY if requested and fee paid)
 Fee not paid
 611 Poplar

PS Form 3811, Mar. 1988 U.S.G.P.O. 1988-212-866 DOMESTIC RETURN RECEIPT

P 155 279 145

RECEIPT FOR CERTIFIED MAIL
 NO INSURANCE COVERAGE PROVIDED
 NOT FOR INTERNATIONAL MAIL
 (See Reverse)

Sent to	Demetrio Martinez
Street and No.	40 Joe E. Martinez, Jr.
PO, State and ZIP Code	PO. Box 1303, PAGO SA & CO 81147
Postage	\$.45
Certified Fee	.85
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	.90
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$2.00
Postmark or Date	

PS Form 3800, June 1985

ILLEGIBLE

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF NASSUA RESOURCES FOR COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO

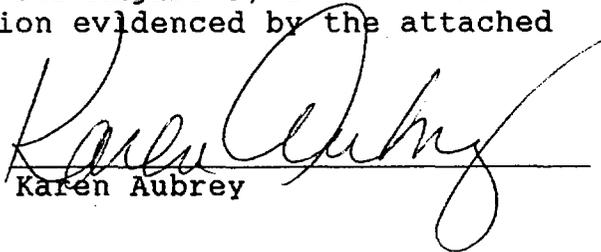
CASE NO. 9717

CERTIFICATE OF MAILING

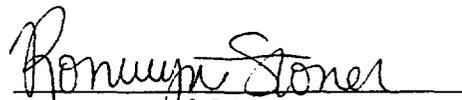
AND

COMPLIANCE WITH ORDER R-8054

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Karen Aubrey

SUBSCRIBED AND SWORN TO before me this 8th day of
August, 1989.


Notary Public

My Commission Expires:

March 3, 1992

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery (Extra charge)

3. Article Addressed to:
 Joe E. Martinez
 P.O. BOX 1303
 Pagosa Springs, CO 81147

4. Article Number
 P 155 279 144

Type of Service:
 Registered
 Certified
 Express Mail
 Insured
 COD
 Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Address
 X McHugh - KA/Nassau/Carracas

6. Signature - Agent
 X Mary E. Martinez

7. Date of Delivery
 7/20/89

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery (Extra charge)

3. Article Addressed to:
 Sophia Martinez
 Star Route, Box 33
 Pagosa Springs, CO 81147

4. Article Number
 P 155 279 146

Type of Service:
 Registered
 Certified
 Express Mail
 Insured
 COD
 Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Address
 X McHugh - KA/Nassau/Carracas

6. Signature - Agent
 X [Signature]

7. Date of Delivery
 7/24/89

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery (Extra charge)

3. Article Addressed to:
 Lauralee Payne
 1308 Gladeview Dr.
 Farmington, NM 87401

4. Article Number
 P 155 279 143

Type of Service:
 Registered
 Certified
 Express Mail
 Insured
 COD
 Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Address
 X McHugh - KA/Nassau/Carracas

6. Signature - Agent
 X Lauralee Payne

7. Date of Delivery
 7-20-89

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery (Extra charge)

3. Article Addressed to:
 Norma M. Madrid
 P.O. Box 1293
 Ferndale, WA 98248

4. Article Number
 P 155 279 142

Type of Service:
 Registered
 Certified
 Express Mail
 Insured
 COD
 Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Address
 X McHugh - KA/Nassau/Carracas

6. Signature - Agent
 X Norma M. Madrid

7. Date of Delivery
 JUL 20 1989

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

Exhibit "A"

SENDER: Complete Items 1 and 2 when additional services are desired, and complete Items 3 and 4.
 Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery (Extra charge)

3. Article Addressed to:
 Elizabeth Troxell
 611 Poplar
 Farmington, NM 87401
 Mofish
 KA/Nassau/Carracas

4. Article Number
 P 155 279 141

Type of Service:
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Addressee
Elizabeth Troxell

6. Signature - Agent
[Signature]

7. Date of Delivery
 7-1-1989

8. Addressee's Address (ONLY if requested and fee paid)
 Fee not paid
 611 POPLAR

PS Form 3811, Mar. 1988 U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

P 155 279 145

RECEIPT FOR CERTIFIED MAIL
 NO INSURANCE COVERAGE PROVIDED
 NOT FOR INTERNATIONAL MAIL
 (See Reverse)

Sent to	Demetrio Martinez
Street and No.	40 Joe E. Martinez, Jr.
PO, State and ZIP Code	PO. Box 1303, PAGO SA CO 81147
Postage	\$.45
Certified Fee	.85
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	.90
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$2.00
Postmark or Date	

PS Form 3800, June 1985

ILLEGIBLE

McHUGH

Jerome P. McHugh & Associates
Operating Affiliate: Nassau Resources, Inc.
650 South Cherry, Suite 1225
Denver, Colorado 80222
(303) 321-2111 FAX (303) 321-1563

August 25, 1989

CERTIFIED - Return Receipt Requested

Mrs. Sophia Martinez
Star Route, Box 33
Pagosa Springs, Colorado 81147

Mr. Demetrio Martinez
c/o Joe E. Martinez, Jr.
P. O. Box 1303
Pagosa Springs, Colorado 81147

Mr. Joe E. Martinez, Jr.
P. O. Box 1303
Pagosa Springs, Colorado 81147

RECEIVED

AUG 28 1989

OIL CONSERVATION DIV.
SANTA FE

Re: Carracas 15B-7
E/2 Sec. 15-T32N-R4W
Rio Arriba County, New Mexico

Ladies and Gentlemen:

Enclosed for your records is a copy of Order No. R-8978 dated August 16, 1989 issued by the New Mexico Oil Conservation Division which allows Nassau Resources, operator of the captioned well, to pool your unleased mineral interest for said well.

Pursuant to sentence #5 on page 4 of the Order, enclosed are two Authority for Expenditure (AFE) instruments itemizing the estimated drilling and completion costs for the Carracas 15B-7 well in the NE/4 of Section 15-T32N-R4W.

Three alternatives are available for your consideration:

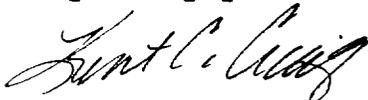
1. You may execute and return one copy of the enclosed AFE to my attention along with your check for your share of the estimated well cost being:
 - a. Demetrio Martinez - 1.875% x \$411,000 = \$7,706.25
 - b. Joe E. Martinez, Jr. - 1.875% x \$411,000 = \$7,706.25
 - c. Sophia Martinez - 3.75% x \$411,000 = \$15,412.50
2. You may execute two of the original Oil and Gas Lease instruments, along with your spouse, before a Notary Public and return them to my attention. Said leases were previously forwarded to you by certified mail on June 29, 1989 and deposit the drafts to your local bank as a collection item.

Sophia Martinez, et al
August 25, 1989
Page Two

3. You may elect to do nothing which will leave us no alternative but to proceed under the enclosed Order No. R-8978, thereby force pooling your unleased mineral interest as a carried working interest subject to a 132% penalty as noted on page 5 of the order.

Feel free to call me at (303) 321-2111 should you have any questions. We invite your participation by joining the well or executing the Oil and Gas Lease.

Very truly yours,



Kent C. Craig

KCC/rc

enclosures

cc: NMOCD w/enclosures ✓

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 9717
ORDER NO. R-8978

APPLICATION OF NASSAU RESOURCES
FOR COMPULSORY POOLING, RIO
ARRIBA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on August 9, 1989, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 16th day of August, 1989, 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, Nassau Resources, seeks an order pooling all mineral interests from the surface to the top of the Pictured Cliffs formation or to a depth of 3,270 feet, whichever is deeper, underlying the E/2 of Section 15, Township 32 North, Range 4 West, NMPM, Rio Arriba County, New Mexico, forming a standard 320-acre, more or less, gas spacing and proration unit for any and all pools and/or formations developed on 320-acre spacing (which presently includes but is not necessarily limited to the Basin-Fruitland Coal Gas Pool).
- (3) The applicant has the right to drill and proposes to drill its Carracas Unit 15-B Well No. 7 at a standard coal gas well location 1650 feet from the North line and 1850 feet from the East line (Unit G) of said Section 15.
- (4) The matter in which this case is concerned should only be limited to the Basin-Fruitland Coal Gas Pool since this is the only producing interval within the vertical limits requested by the applicant that is spaced on 320 acres and the testimony presented by the applicant concerned only this particular interval.

Case No. 9717
Order No. R-8978
Page No. 2

(5) There are interest owners in the proposed proration unit who have not agreed to pool their interests.

(6) To avoid the drilling of unnecessary wells, to protect correlative rights, to prevent waste and to afford to the owner of each interest in said unit the opportunity to recover or receive without unnecessary expense his just and fair share of the gas in the Basin-Fruitland Coal Gas Pool, the subject application should be approved by pooling all mineral interests, whatever they may be, within said unit.

(7) The applicant should be designated the operator of the subject well and unit.

(8) Any non-consenting working interest owner should be afforded the opportunity to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production.

(9) At the time of the hearing the applicant requested a 200 percent risk penalty be imposed on the cost of drilling said well.

(10) Based on the testimony and evidence presented at the hearing, the requested 200 percent risk penalty is excessive in this instance and an appropriate risk penalty, considering all the risk factors presented, is 132 percent.

(11) Any non-consenting working interest owner who does not pay his share of estimated well costs should have withheld from production his share of reasonable well costs plus an additional 132 percent thereof as a reasonable charge for the risk involved in the drilling of the well.

(12) Any non-consenting interest owner should be afforded the opportunity to object to the actual well costs but actual well costs should be adopted as the reasonable well costs in the absence of such objection.

(13) Following determination of reasonable well costs, any non-consenting working interest owner who has paid his share of estimated costs should pay to the operator any amount that reasonable well costs exceed estimated well costs and should receive from the operator any amount that paid estimated well costs exceed reasonable well costs.

(14) \$3500.00 per month while drilling and \$350.00 per month while producing should be fixed as reasonable charges for supervision (combined fixed rates); the operator should be authorized to withhold from production the proportionate share of such supervision charges attributable to each non-

Case No. 9717
Order No. R-8978
Page No. 3

consenting working interest, and in addition thereto, the operator should be authorized to withhold from production the proportionate share of actual expenditures required for operating the subject well, not in excess of what are reasonable, attributable to each non-consenting working interest.

(15) All proceeds from production from the subject well which are not disbursed for any reason should be placed in escrow to be paid to the true owner thereof upon demand and proof of ownership.

(16) Upon the failure of the operator of said pooled unit to commence drilling of the well to which said unit is dedicated on or before November 15, 1989, the order pooling said unit should become null and void and of no further effect whatsoever.

(17) Should all the parties to this force-pooling reach voluntary agreement subsequent to entry of this order, this order should thereafter be of no further effect.

(18) The operator of the well and unit should notify the Director of the Division in writing of the subsequent voluntary agreement of all parties subject to the force-pooling provisions of this order.

IT IS THEREFORE ORDERED THAT:

(1) The application of Nassau Resources for an order pooling all mineral interests from the surface to the base of the Pictured Cliffs formation or to a depth of 3270 feet, whichever is deeper, shall be limited to only that interval known as the Basin-Fruitland Coal Gas Pool.

(2) All mineral interests, whatever they may be, in the Basin-Fruitland Coal Gas Pool, underlying the E/2 of Section 15, Township 32 North, Range 4 West, NMPM, Rio Arriba County, New Mexico, are hereby pooled to form a standard 320-acre gas spacing and proration unit for said pool, said unit to be dedicated to a well to be drilled at a standard coal gas well location 1650 feet from the North line and 1850 feet from the East line (Unit G) of said Section 15.

PROVIDED HOWEVER THAT, the operator of said unit shall commence the drilling of said well on or before the 15th day of November, 1989, and shall thereafter continue the drilling of said well with due diligence to a depth sufficient to test the Basin-Fruitland Coal Gas Pool.

PROVIDED FURTHER THAT, in the event said operator does not commence the drilling of said well on or before the 15th day of November, 1989, Ordering Paragraph No. (2) of this order shall be null and void and of no effect

Case No. 9717
Order No. R-8978
Page No. 4

whatsoever, unless said operator obtains a time extension from the Division for good cause shown.

PROVIDED FURTHER THAT, should said well not be drilled to completion, or abandonment, within 120 days after commencement thereof, said operator shall appear before the Division Director and show cause why Ordering Paragraph No. (2) of this order should not be rescinded.

(3) Nassau Resources is hereby designated the operator of the subject well and unit.

(4) After the effective date of this order and within 90 days prior to commencing said well, the operator shall furnish the Division and each known working interest owner in the subject unit an itemized schedule of estimated well costs.

(5) Within 30 days from the date the schedule of estimated well costs is furnished to him, any non-consenting working interest owner shall have the right to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production, and any such owner who pays his share of estimated well costs as provided above shall remain liable for operating costs but shall not be liable for risk charges.

(6) The operator shall furnish the Division and each known working interest owner an itemized schedule of actual well costs within 90 days following completion of the well; if no objection to the actual well costs is received by the Division and the Division has not objected within 45 days following receipt of said schedule, the actual well costs shall be the reasonable well costs; provided however, if there is an objection to actual well costs within said 45-day period the Division will determine reasonable well costs after public notice and hearing.

(7) Within 60 days following determination of reasonable well costs, any non-consenting working interest owner who has paid his share of estimated costs in advance as provided above shall pay to the operator his pro rata share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator his pro rata share of the amount that estimated well costs exceed reasonable well costs.

(8) The operator is hereby authorized to withhold the following costs and charges from production:

(A) The pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of

estimated well costs within 30 days from the date the schedule of estimated well costs is furnished to him; and

- (B) As a charge for the risk involved in the drilling of the well, 132 percent of the pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs within 30 days from the date the schedule of estimated well costs is furnished to him.

(9) The operator shall distribute said costs and charges withheld from production to the parties who advanced the well costs.

(10) \$3500.00 per month while drilling and \$350.00 per month while producing are hereby fixed as reasonable charges for supervision (combined fixed rates); the operator is hereby authorized to withhold from production the proportionate share of such supervision charges attributable to each non-consenting working interest, and in addition thereto, the operator is hereby authorized to withhold from production the proportionate share of actual expenditures required for operating such well, not in excess of what are reasonable, attributable to each non-consenting working interest.

(11) Any unleased mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for the purpose of allocating costs and charges under the terms of this order.

(12) Any well costs or charges which are to be paid out of production shall be withheld only from the working interest's share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

(13) All proceeds from production from the subject well which are not disbursed for any reason shall be placed in escrow in Rio Arriba County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership; the operator shall notify the Division of the name and address of said escrow agent within 30 days from the date of first deposit with said escrow agent.

(14) Should all the parties to this force-pooling reach voluntary agreement subsequent to entry of this order, this order shall thereafter be of no further effect.

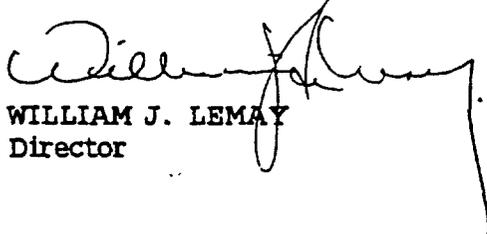
Case No. 9717
Order No. R-8978
Page No. 6

(15) The operator of the well and unit shall notify the Director of the Division in writing of the subsequent voluntary agreement of all parties subject to the force-pooling provisions of this order.

(16) 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


WILLIAM J. LEMAY
Director

S E A L

NASSAU RESOURCES, INC. - AUTHORITY FOR EXPENDITURE

DATE: 27 JUNE 1989
 LSE NAME: CARRACAS CANYON UNIT
 LOCATION: SW NE SEC 15, T32N R04W
 OPERATOR: NASSAU RESOURCES, INC.

AFE NO.: A52202
 WELL NO.: 15 B-7
 COUNTY: RIO ARRIBA
 STATE: NEW MEX.

DESCRIPTION: 4100' FRUITLAND COAL TEST

ACCOUNTING CODE	EXPENDITURE DESCRIPTION	TANGIBLE COST	INTANGIBLE COST	LEASEHOLD COSTS	
A-60105	TITLE COSTS	XXXXXXXXXX	XXXXXXXXXX	2,000	
A-60202	LEGAL COSTS/SURFACE DAMAGES	XXXXXXXXXX	2,000	XXXXXXXXXX	
A-60203	SURVEYOR/ARCHEOLOGIST/ROADS/LOCATION	XXXXXXXXXX	20,000	XXXXXXXXXX	
A-60204	CONTRACT DRILLING	XXXXXXXXXX	55,000	XXXXXXXXXX	
A-60205	MUD/CHEMICALS/ADDITIVES	XXXXXXXXXX	10,000	XXXXXXXXXX	
A-60206	WATER/PURCHASE/TRANSPORTATION	XXXXXXXXXX	INCL	XXXXXXXXXX	
A-60207	OPEN HOLE LOGGING	XXXXXXXXXX	8,500	XXXXXXXXXX	
A-60208	MUD LOGGING	XXXXXXXXXX	1,000	XXXXXXXXXX	
A-60209	DST/FORMATION TESTING	XXXXXXXXXX	1,000	XXXXXXXXXX	
A-60210	CORING/CORE ANALYSIS	XXXXXXXXXX	1,000	XXXXXXXXXX	
A-60211	TRUCKING/HAULING/CATWORK	XXXXXXXXXX	1,000	XXXXXXXXXX	
A-60212	CEMENTING SERVICES	XXXXXXXXXX	INCL	XXXXXXXXXX	
A-60213	RENTAL TOOLS AND EQUIPMENT	XXXXXXXXXX	1,000	XXXXXXXXXX	
A-60214	PROF SERVICES AND EXPENSES	XXXXXXXXXX	2,000	XXXXXXXXXX	
A-60215	SUPERVISION/OVERHEAD	XXXXXXXXXX	5,000	XXXXXXXXXX	
A-60216	CONTRACT SERVICES/SUPPLIES	XXXXXXXXXX	1,500	XXXXXXXXXX	
A-60217	PLUG/ABANDON/CLEANUP	XXXXXXXXXX	0	XXXXXXXXXX	
A-60218	MISCELLANEOUS/CONTINGENCIES	XXXXXXXXXX	3,000	XXXXXXXXXX	
A-60302	CASING, SURFACE &/OR CONDUCTOR	INCL	XXXXXXXXXX	XXXXXXXXXX	
A-60303	CASING, INTERMEDIATE	0	XXXXXXXXXX	XXXXXXXXXX	
A-60304	FLOAT EQUIPMENT & CENTRALIZERS	INCL	XXXXXXXXXX	XXXXXXXXXX	
A-60305	CASING HEAD/ DRILLING FLANGE	0	XXXXXXXXXX	XXXXXXXXXX	
A-60306	NON-CONTROLLABLE EQUIPMENT	0	XXXXXXXXXX	XXXXXXXXXX	
DRY HOLE COST: TOTAL		\$114,000	0	112,000	2,000
A-60231	CEMENTING SERVICES	XXXXXXXXXX	10,000	XXXXXXXXXX	
A-60232	COMPLETION UNIT/POWER SWIVEL/PUMP/PITS	XXXXXXXXXX	15,000	XXXXXXXXXX	
A-60233	PERFORATING AND CASED HOLE LOGGING	XXXXXXXXXX	3,500	XXXXXXXXXX	
A-60234	FORMATION TREATING/FRAC/ACID	XXXXXXXXXX	55,000	XXXXXXXXXX	
A-60235	RENTAL TOOLS & EQUIPMENT	XXXXXXXXXX	2,000	XXXXXXXXXX	
A-60236	DIRT WORK/CONSTRUCTION	XXXXXXXXXX	500	XXXXXXXXXX	
A-60237	CONTRACT SERVICES/SUPPLIES	XXXXXXXXXX	10,000	XXXXXXXXXX	
A-60238	SUPERVISION/OVERHEAD	XXXXXXXXXX	4,000	XXXXXXXXXX	
A-60239	PROFESSIONAL SERVICES & EXPENSES	XXXXXXXXXX	1,000	XXXXXXXXXX	
A-60240	MISCELLANEOUS/CONTINGENCIES	XXXXXXXXXX	5,000	XXXXXXXXXX	
A-60331	CASING, PRODUCTION &/OR LINER	25,000	XXXXXXXXXX	XXXXXXXXXX	
A-60332	FLOAT EQUIPMENT & CENTRALIZERS	0	XXXXXXXXXX	XXXXXXXXXX	
A-60333	TUBING/PACKER/SPECIAL SUBSURFACE EQUIP	9,000	XXXXXXXXXX	XXXXXXXXXX	
A-60334	RODS/PUMP/AUXILLARY EQUIP	6,000	XXXXXXXXXX	XXXXXXXXXX	
A-60335	TUBING HEAD/CHRISTMAS TREE	7,000	XXXXXXXXXX	XXXXXXXXXX	
A-60336	PUMPING UNIT/PRIME MOVER/COMPRESSOR	20,000	XXXXXXXXXX	XXXXXXXXXX	
A-60337	TANKS/STAIRWAY/WALKWAY	20,000	XXXXXXXXXX	XXXXXXXXXX	
A-60338	SEPARATOR/TREATOR/PRODUCTION UNIT	20,000	XXXXXXXXXX	XXXXXXXXXX	
A-60339	PIPELINE/POWERLINE	80,000	XXXXXXXXXX	XXXXXXXXXX	
A-60340	VALVES/FITTINGS/LINE PIPE	2,000	XXXXXXXXXX	XXXXXXXXXX	
A-60341	NON-CONTROLLABLE EQUIP/MISC EQUIP	500	XXXXXXXXXX	XXXXXXXXXX	
A-60342	TRUCKING/HAULING/TRANSPORTATION	1,500	XXXXXXXXXX	XXXXXXXXXX	
COMPLETION COSTS: TOTAL		\$297,000	191,000	106,000	0
TOTAL WELL COSTS:		\$411,000	191,000	218,000	2,000

WORKING INTEREST PARTNER APPROVALS:

Sophia Martinez 3.75%

BY: _____ DATE: _____

TITLE

McHUGH APPROVALS:

LAND ENGR. ACCT. PRES. FIELD

APPR. BY: _____

NASSAU RESOURCES, INC. - AUTHORITY FOR EXPENDITURE

DATE: 27 JUNE 1989
 LSE NAME: CARRACAS CANYON UNIT
 LOCATION: SW NE SEC 15, T32N R04W
 OPERATOR: NASSAU RESOURCES, INC.
 DESCRIPTION: 4100' FRUITLAND COAL TEST

AFE NO.: A52202
 WELL NO.: 15 B-7
 COUNTY: RIO ARRIBA
 STATE: NEW MEX.

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ACCOUNTING CODE	EXPENDITURE DESCRIPTION	TANGIBLE COST	INTANGIBLE COST	LEASEHOLD COSTS
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A-60105	TITLE COSTS	XXXXXXXXXX	XXXXXXXXXX	2,000
A-60202	LEGAL COSTS/SURFACE DAMAGES	XXXXXXXXXX	2,000	XXXXXXXXXX
A-60203	SURVEYOR/ARCHEOLOGIST/ROADS/LOCATION	XXXXXXXXXX	20,000	XXXXXXXXXX
A-60204	CONTRACT DRILLING	XXXXXXXXXX	55,000	XXXXXXXXXX
A-60205	MUD/CHEMICALS/ADDITIVES	XXXXXXXXXX	10,000	XXXXXXXXXX
A-60206	WATER/PURCHASE/TRANSPORTATION	XXXXXXXXXX	INCL	XXXXXXXXXX
A-60207	OPEN HOLE LOGGING	XXXXXXXXXX	8,500	XXXXXXXXXX
A-60208	MUD LOGGING	XXXXXXXXXX	1,000	XXXXXXXXXX
A-60209	DST/FORMATION TESTING	XXXXXXXXXX	1,000	XXXXXXXXXX
A-60210	CORING/CORE ANALYSIS	XXXXXXXXXX	1,000	XXXXXXXXXX
A-60211	TRUCKING/HAULING/CATWORK	XXXXXXXXXX	1,000	XXXXXXXXXX
A-60212	CEMENTING SERVICES	XXXXXXXXXX	INCL	XXXXXXXXXX
A-60213	RENTAL TOOLS AND EQUIPMENT	XXXXXXXXXX	1,000	XXXXXXXXXX
A-60214	PROF SERVICES AND EXPENSES	XXXXXXXXXX	2,000	XXXXXXXXXX
A-60215	SUPERVISION/OVERHEAD	XXXXXXXXXX	5,000	XXXXXXXXXX
A-60216	CONTRACT SERVICES/SUPPLIES	XXXXXXXXXX	1,500	XXXXXXXXXX
A-60217	PLUG/ABANDON/CLEANUP	XXXXXXXXXX	0	XXXXXXXXXX
A-60218	MISCELLANEOUS/CONTINGENCIES	XXXXXXXXXX	3,000	XXXXXXXXXX
A-60302	CASING, SURFACE &/OR CONDUCTOR	INCL	XXXXXXXXXX	XXXXXXXXXX
A-60303	CASING, INTERMEDIATE	0	XXXXXXXXXX	XXXXXXXXXX
A-60304	FLOAT EQUIPMENT & CENTRALIZERS	INCL	XXXXXXXXXX	XXXXXXXXXX
A-60305	CASING HEAD/ DRILLING FLANGE	0	XXXXXXXXXX	XXXXXXXXXX
A-60306	NON-CONTROLLABLE EQUIPMENT	0	XXXXXXXXXX	XXXXXXXXXX

DRY HOLE COST: TOTAL \$114,000 <<< 0 112,000 2,000

A-60231	CEMENTING SERVICES	XXXXXXXXXX	10,000	XXXXXXXXXX
A-60232	COMPLETION UNIT/POWER SWIVEL/PUMP/PITS	XXXXXXXXXX	15,000	XXXXXXXXXX
A-60233	PERFORATING AND CASED HOLE LOGGING	XXXXXXXXXX	3,500	XXXXXXXXXX
A-60234	FORMATION TREATING/FRAC/ACID	XXXXXXXXXX	55,000	XXXXXXXXXX
A-60235	RENTAL TOOLS & EQUIPMENT	XXXXXXXXXX	2,000	XXXXXXXXXX
A-60236	DIRT WORK/CONSTRUCTION	XXXXXXXXXX	500	XXXXXXXXXX
A-60237	CONTRACT SERVICES/SUPPLIES	XXXXXXXXXX	10,000	XXXXXXXXXX
A-60238	SUPERVISION/OVERHEAD	XXXXXXXXXX	4,000	XXXXXXXXXX
A-60239	PROFESSIONAL SERVICES & EXPENSES	XXXXXXXXXX	1,000	XXXXXXXXXX
A-60240	MISCELLANEOUS/CONTINGENCIES	XXXXXXXXXX	5,000	XXXXXXXXXX
A-60331	CASING, PRODUCTION &/OR LINER	25,000	XXXXXXXXXX	XXXXXXXXXX
A-60332	FLOAT EQUIPMENT & CENTRALIZERS	0	XXXXXXXXXX	XXXXXXXXXX
A-60333	TUBING/PACKER/SPECIAL SUBSURFACE EQUIP	9,000	XXXXXXXXXX	XXXXXXXXXX
A-60334	RODS/PUMP/AUXILLARY EQUIP	6,000	XXXXXXXXXX	XXXXXXXXXX
A-60335	TUBING HEAD/CHRISTMAS TREE	7,000	XXXXXXXXXX	XXXXXXXXXX
A-60336	PUMPING UNIT/PRIME MOVER/COMPRESSOR	20,000	XXXXXXXXXX	XXXXXXXXXX
A-60337	TANKS/STAIRWAY/WALKWAY	20,000	XXXXXXXXXX	XXXXXXXXXX
A-60338	SEPARATOR/TREATOR/PRODUCTION UNIT	20,000	XXXXXXXXXX	XXXXXXXXXX
A-60339	PIPELINE/POWERLINE	80,000	XXXXXXXXXX	XXXXXXXXXX
A-60340	VALVES/FITTINGS/LINE PIPE	2,000	XXXXXXXXXX	XXXXXXXXXX
A-60341	NON-CONTROLLABLE EQUIP/MISC EQUIP	500	XXXXXXXXXX	XXXXXXXXXX
A-60342	TRUCKING/HAULING/TRANSPORTATION	1,500	XXXXXXXXXX	XXXXXXXXXX

COMPLETION COSTS: TOTAL \$297,000 <<< 191,000 106,000 0

TOTAL WELL COSTS: \$411,000 <<< 191,000 218,000 2,000

WORKING INTEREST PARTNER APPROVALS:

Demetrio Martinez 1.875%

BY: _____ DATE: _____

TITLE

McHUGH APPROVALS:

LAND	ENGR.	ACCT.	PRES.	FIELD
APPR. BY: _____	_____	_____	_____	_____

NASSAU RESOURCES, INC. - AUTHORITY FOR EXPENDITURE

DATE: 27 JUNE 1989
 LSE NAME: CARRACAS CANYON UNIT
 LOCATION: SW NE SEC 15, T32N R04W
 OPERATOR: NASSAU RESOURCES, INC.

AFE NO.: A52202
 WELL NO.: 15 B-7
 COUNTY: RIO ARRIBA
 STATE: NEW MEX.

DESCRIPTION: 4100' FRUITLAND COAL TEST

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ACCOUNTING CODE	EXPENDITURE DESCRIPTION	TANGIBLE COST	INTANGIBLE COST	LEASEHOLD COSTS
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A-60105	TITLE COSTS	XXXXXXXXXX	XXXXXXXXXX	2,000
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A-60203	SURVEYOR/ARCHEOLOGIST/ROADS/LOCATION	XXXXXXXXXX	20,000	XXXXXXXXXX
A-60204	CONTRACT DRILLING	XXXXXXXXXX	55,000	XXXXXXXXXX
A-60205	MUD/CHEMICALS/ADDITIVES	XXXXXXXXXX	10,000	XXXXXXXXXX
A-60206	WATER/PURCHASE/TRANSPORTATION	XXXXXXXXXX	INCL	XXXXXXXXXX
A-60207	OPEN HOLE LOGGING	XXXXXXXXXX	8,500	XXXXXXXXXX
A-60208	MUD LOGGING	XXXXXXXXXX	1,000	XXXXXXXXXX
A-60209	DST/FORMATION TESTING	XXXXXXXXXX	1,000	XXXXXXXXXX
A-60210	CORING/CORE ANALYSIS	XXXXXXXXXX	1,000	XXXXXXXXXX
A-60211	TRUCKING/HAULING/CATWORK	XXXXXXXXXX	1,000	XXXXXXXXXX
A-60212	CEMENTING SERVICES	XXXXXXXXXX	INCL	XXXXXXXXXX
A-60213	RENTAL TOOLS AND EQUIPMENT	XXXXXXXXXX	1,000	XXXXXXXXXX
A-60214	PROF SERVICES AND EXPENSES	XXXXXXXXXX	2,000	XXXXXXXXXX
A-60215	SUPERVISION/OVERHEAD	XXXXXXXXXX	5,000	XXXXXXXXXX
A-60216	CONTRACT SERVICES/SUPPLIES	XXXXXXXXXX	1,500	XXXXXXXXXX
A-60217	PLUG/ABANDON/CLEANUP	XXXXXXXXXX	0	XXXXXXXXXX
A-60218	MISCELLANEOUS/CONTINGENCIES	XXXXXXXXXX	3,000	XXXXXXXXXX
A-60302	CASING, SURFACE &/OR CONDUCTOR	INCL	XXXXXXXXXX	XXXXXXXXXX
A-60303	CASING, INTERMEDIATE	0	XXXXXXXXXX	XXXXXXXXXX
A-60304	FLOAT EQUIPMENT & CENTRALIZERS	INCL	XXXXXXXXXX	XXXXXXXXXX
A-60305	CASING HEAD/ DRILLING FLANGE	0	XXXXXXXXXX	XXXXXXXXXX
A-60306	NON-CONTROLLABLE EQUIPMENT	0	XXXXXXXXXX	XXXXXXXXXX

DRY HOLE COST: TOTAL \$114,000 <<< 0 112,000 2,000

A-60231	CEMENTING SERVICES	XXXXXXXXXX	10,000	XXXXXXXXXX
A-60232	COMPLETION UNIT/POWER SWIVEL/PUMP/PITS	XXXXXXXXXX	15,000	XXXXXXXXXX
A-60233	PERFORATING AND CASED HOLE LOGGING	XXXXXXXXXX	3,500	XXXXXXXXXX
A-60234	FORMATION TREATING/FRAC/ACID	XXXXXXXXXX	55,000	XXXXXXXXXX
A-60235	RENTAL TOOLS & EQUIPMENT	XXXXXXXXXX	2,000	XXXXXXXXXX
A-60236	DIRT WORK/CONSTRUCTION	XXXXXXXXXX	500	XXXXXXXXXX
A-60237	CONTRACT SERVICES/SUPPLIES	XXXXXXXXXX	10,000	XXXXXXXXXX
A-60238	SUPERVISION/OVERHEAD	XXXXXXXXXX	4,000	XXXXXXXXXX
A-60239	PROFESSIONAL SERVICES & EXPENSES	XXXXXXXXXX	1,000	XXXXXXXXXX
A-60240	MISCELLANEOUS/CONTINGENCIES	XXXXXXXXXX	5,000	XXXXXXXXXX
A-60331	CASING, PRODUCTION &/OR LINER	25,000	XXXXXXXXXX	XXXXXXXXXX
A-60332	FLOAT EQUIPMENT & CENTRALIZERS	0	XXXXXXXXXX	XXXXXXXXXX
A-60333	TUBING/PACKER/SPECIAL SUBSURFACE EQUIP	9,000	XXXXXXXXXX	XXXXXXXXXX
A-60334	RODS/PUMP/AUXILLARY EQUIP	6,000	XXXXXXXXXX	XXXXXXXXXX
A-60335	TUBING HEAD/CHRISTMAS TREE	7,000	XXXXXXXXXX	XXXXXXXXXX
A-60336	PUMPING UNIT/PRIME MOVER/COMPRESSOR	20,000	XXXXXXXXXX	XXXXXXXXXX
A-60337	TANKS/STAIRWAY/WALKWAY	20,000	XXXXXXXXXX	XXXXXXXXXX
A-60338	SEPARATOR/TREATOR/PRODUCTION UNIT	20,000	XXXXXXXXXX	XXXXXXXXXX
A-60339	PIPELINE/POWERLINE	80,000	XXXXXXXXXX	XXXXXXXXXX
A-60340	VALVES/FITTINGS/LINE PIPE	2,000	XXXXXXXXXX	XXXXXXXXXX
A-60341	NON-CONTROLLABLE EQUIP/MISC EQUIP	500	XXXXXXXXXX	XXXXXXXXXX
A-60342	TRUCKING/HAULING/TRANSPORTATION	1,500	XXXXXXXXXX	XXXXXXXXXX

COMPLETION COSTS: TOTAL \$297,000 <<< 191,000 106,000 0

TOTAL WELL COSTS: \$411,000 <<< 191,000 218,000 2,000

WORKING INTEREST PARTNER APPROVALS:

Joe E. Martinez, Jr. 1.875%

BY: _____ DATE: _____

TITLE

McHUGH APPROVALS:

LAND ENGR. ACCT. PRES. FIELD

APPR. BY: _____