

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐

070 Farmington, NM

b. TYPE OF WELL

OIL
WELL ☐GAS
WELL ☒

OTHER

SINGLE
ZONE ☐MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

NASSAU RESOURCES, INC.

(OGRID #015515)

3. ADDRESS AND TELEPHONE NO.

PO Box 809

505 326-7793

Farmington, NM 87499-0809

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface

1003' FNL & 778' FWL

NMOCD Unit

At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

Est. 30 mi. north of Gobernador, NM

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any)

778'

16. NO. OF ACRES IN LEASE

1,350.56

17. NO. OF ACRES ASSIGNED

320.0 W/2

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

None on

this lease

19. PROPOSED DEPTH

3980'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

7108' GL, 7120' est. KB

22. APPROX. DATE WORK WILL START*

4-15-00

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	9-5/8", J-55	36.0	350'	250 cu.ft. circ. to surface
8-3/4"	5-1/2", K-55	15.5	3980'	1st stage 810 cu.ft.
				2nd stage 720 cu.ft.
				circ. to surface

Plan to drill with spud mud to set 350' of surface casing. Will then drill with water and gel-chem. mud to test the Fruitland Coal formation at approximately 3980'. Will run DIL-GR-SP and FDC-CNL-GR-CALIPER logs. If well appears productive, will set 5-1/2" casing at TD, cement in 2 stages, selectively perforate, frac, clean out after frac and complete with 2-7/8" tubing.

NOTE: The proposed well is to be on the same location as Belco Petroleum Corp. Carracas Mesa Unit #1-26, which was originally surveyed and reported drilled & abandoned 1040' FNL & 1040' FWL; however, surveyor Ed Risenhoover states that these footages are not correct. The location was resurveyed & re-entered in 1989 and correctly reported to be 1060' FNL & 805' FWL. The final abandonment was in Sep. 1996.

This action is subject to technical and
procedural review pursuant to 43 CFR 3165.3
and appeal pursuant to 43 CFR 3165.4.

DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED
"GENERAL REQUIREMENTS"

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

Fran Perrin

Fran Perrin

TITLE

Regulatory Liaison

DATE 1-7-00

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

/s/ Charlie Beecham

TITLE

DATE

MAR 2 2000

*See Instructions On Reverse Side

I, the undersigned, hereby certify that the foregoing information is true and correct to the best of my knowledge and willfully to make to any department or agency of the

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

700 JAN 12 11 05 AM
OIL CONSERVATION DIVISION

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-039-26307		Pool Code 71629	Pool Name Basin Fruitland Coal
Property Code 8304	Property Name Carracas Unit 26 A		Well Number 4
OGRID No. 015515	Operator Name Nassau Resources, Inc.		Elevation 7108'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
	26	32N	5W	D	1003	North	778	West	Rio Arriba

¹¹ Bottom Hole Location If Different From Surface

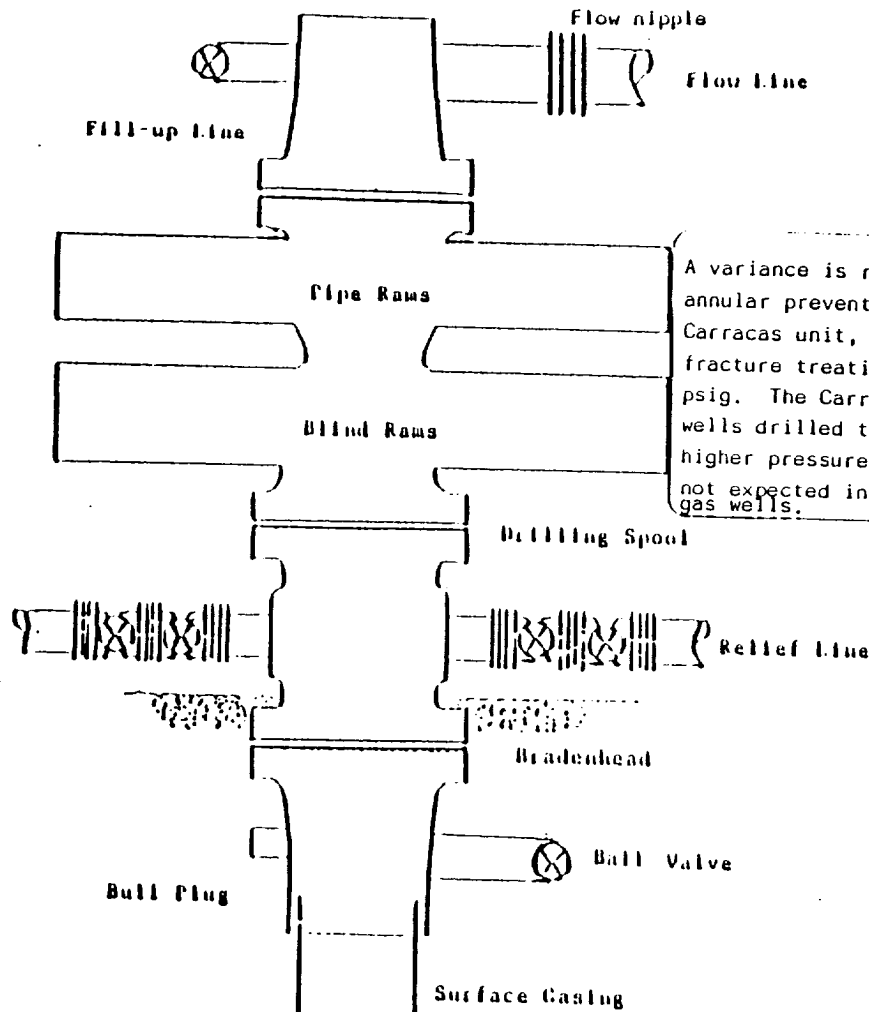
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 320.0	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
--	-------------------------------	----------------------------------	-------------------------

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>¹⁶</p> <p>NM-29342 McHugh Companies - 100%</p>	<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>Fran Perrin</i></p> <p>Signature Fran Perrin Printed Name Regulatory Liaison Title 1-7-00 Date</p> <p>¹⁸ SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>November 18, 1999</p> <p>Date of Survey</p> <p>Signature and Title of Professional Surveyor:</p> <p><i>Edgar L. Nisenhove</i></p> <p>Edgar L. Nisenhove, P.S. #5979 Certificate Number</p>
--	---

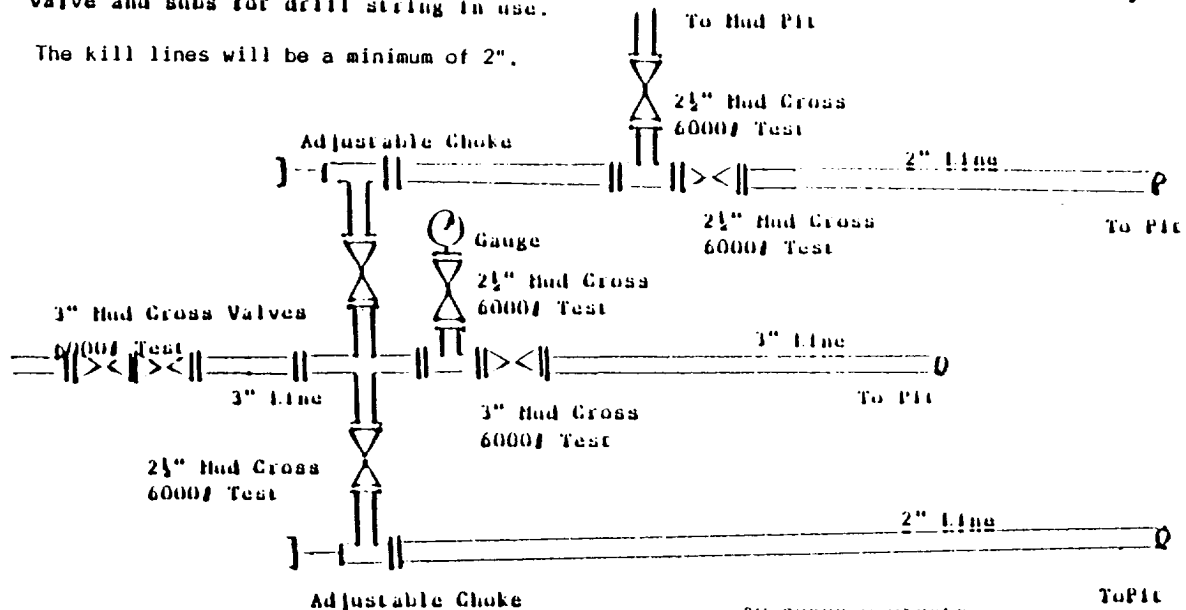
BLOWOUT PREVENTER INSTALLATION



A variance is requested on the use of an annular preventer. While developing the Carracas unit, shut-in pressures after fracture treating have not exceeded 1500 psig. The Carracas Unit now has numerous wells drilled throughout the unit and higher pressures or hazardous zones are not expected in drilling gas wells.

Series 900 Double gate BOP, rated at 3000 psi working pressure. When gas drilling operations begin, a Shaffer type 50 or equivalent rotating head is installed on top of the flow nipple and the flow line is converted into a blowline. Upper Kelly cock valve will be in place with handle on rig floor at all times along with Safety valve and subs for drill string in use.

The kill lines will be a minimum of 2".

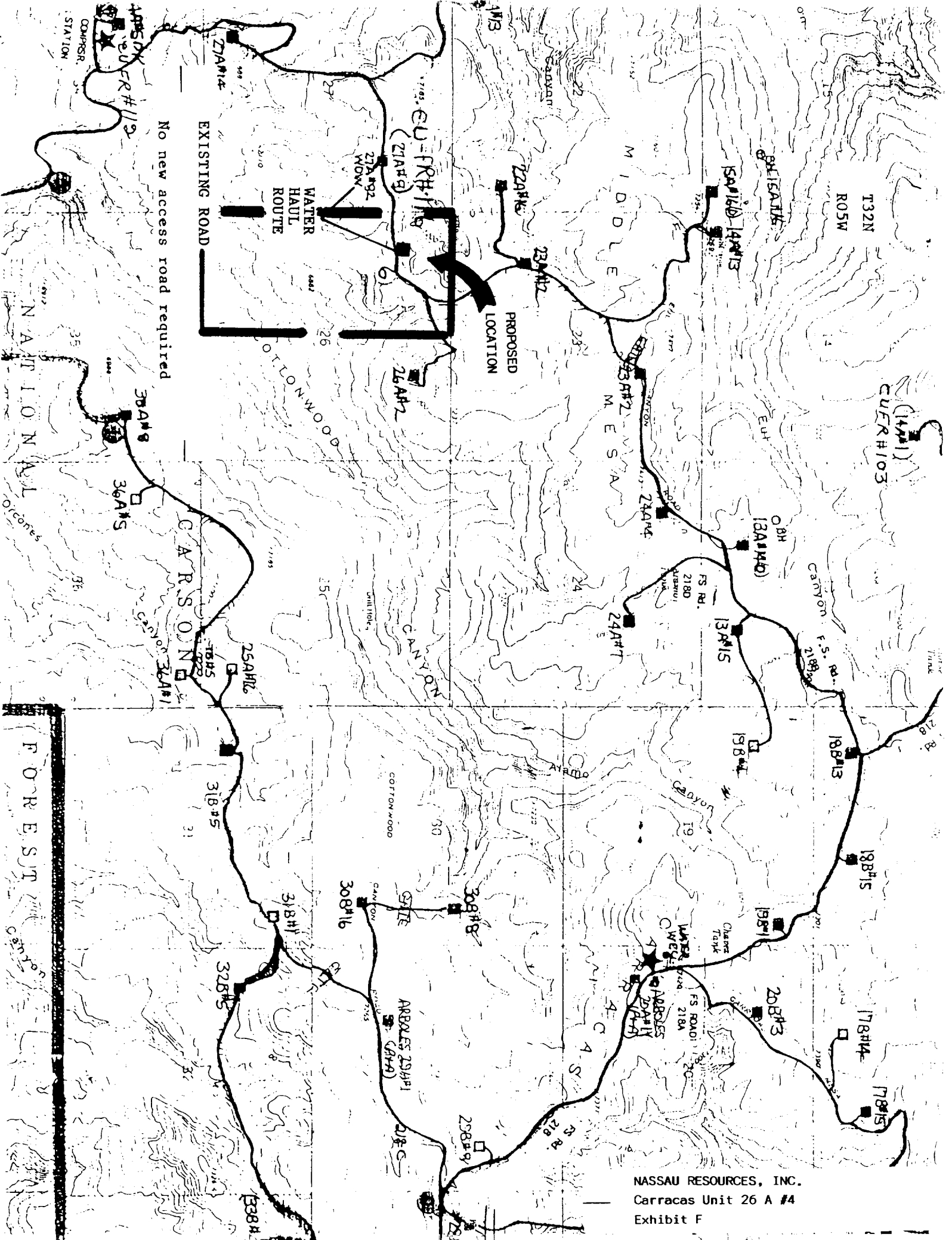


3H CHOKE HANIFOLD

NASSAU RESOURCES, INC.

Carracas Unit 26 A #4

Exhibit E



No new access road required