



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

April 19, 2000

Nassau Resources, Inc.
650 South Cherry - Suite 1225
Denver, Colorado 80222-1894
Attention: Gary J. Johnson

Telefax No. (303) 321-1563

Administrative Order NSL-4437

Dear Mr. Johnson:

Reference is made to the following: (i) your application dated March 23, 2000; and (ii) the records of the New Mexico Oil Conservation Division in Santa Fe ("Division"): all concerning Nassau Resources, Inc.'s request for an off-pattern non-standard Basin-Fruitland coal gas well location for the proposed Carracas Unit "26-A" Well No. 4 (API No. 30-039-26307) to be drilled 1003 feet from the North line and 778 feet from the West line (Unit D) of Section 26, Township 32 North, Range 5 West, NMPM, Rio Arriba County, New Mexico. The W/2 of Section 26 is to be dedicated to this well in order to form a standard 320-acre stand-up gas spacing and proration unit for the Basin-Fruitland Coal (Gas) Pool.

By the authority granted me under the provisions of Rule 8 of the "*Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool*," as promulgated by Division Order No. R-8768, as amended, the above-described unorthodox coal gas well location is hereby approved.

Sincerely,

A handwritten signature in cursive script that reads "Lori Wrotenbery" followed by a small mark.

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
U. S. Forest Service - Bloomfield