

RECEIVED

August 18, 1989

New Mexico Oil Conservation Division
Attn: Michael Stogner
P O Box 2088
Santa Fe, New Mexico 87504

AUG 21 1989

**OIL CONSERVATION DIV.
SANTA FE**

RE: Application for Administrative Approval of
Directional Drilling
Nassau Resources, Inc., Carracas Unit 17 B #14
Section 17, T32N, R4W, NMPM
Rio Arriba County, New Mexico

Dear Mr. Stogner:

Nassau Resources, Inc., hereby requests administrative approval to directionally drill the subject well as follows:

Proposed Surface Location:	790' FSL and 1850' FWL
Proposed Bottom Hole Location:	1850' FSL and 790' FWL (within a 50' radius)
True Vertical Depth:	Approx. 4230'
Measured Depth:	Approx. 4628'

The well is approved at a legal location, but is only 1800' west of the NRI Carracas Unit 17 B #15 (completed 7/15/89) and approximately 1900' north northeast of the NRI Carracas Unit 20 B #3 (completed 4/18/89). Due to Carson National Forest policy in wildlife management and limitations on unnecessary road construction, the well cannot be located more to the north and west, which will be a more desirable geological target. A copy of a letter from Phil Settles, the District Forest Ranger, is attached.

This well is in Nassau's Carracas Unit. All offsetting leases except the S/2 S/2 of Sec. 7, T32N, R4W, are owned by Kindermac Partners, an operating affiliate with Nassau Resources, Inc. A lease map is attached.

Also attached are copies of the C-102 plat, a topographic map (showing both the surface and bottom hole locations) and a schematic of the well bore.

Please contact me immediately if anything further is required to complete this application.

Thank you,

Fran Perrin

Fran Perrin

Main Office

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

xc: Ernie Busch, NMOCD
Kindermac Partners

Attachments

* - 9/18/89 Verbal approved by
Charley Colburn

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

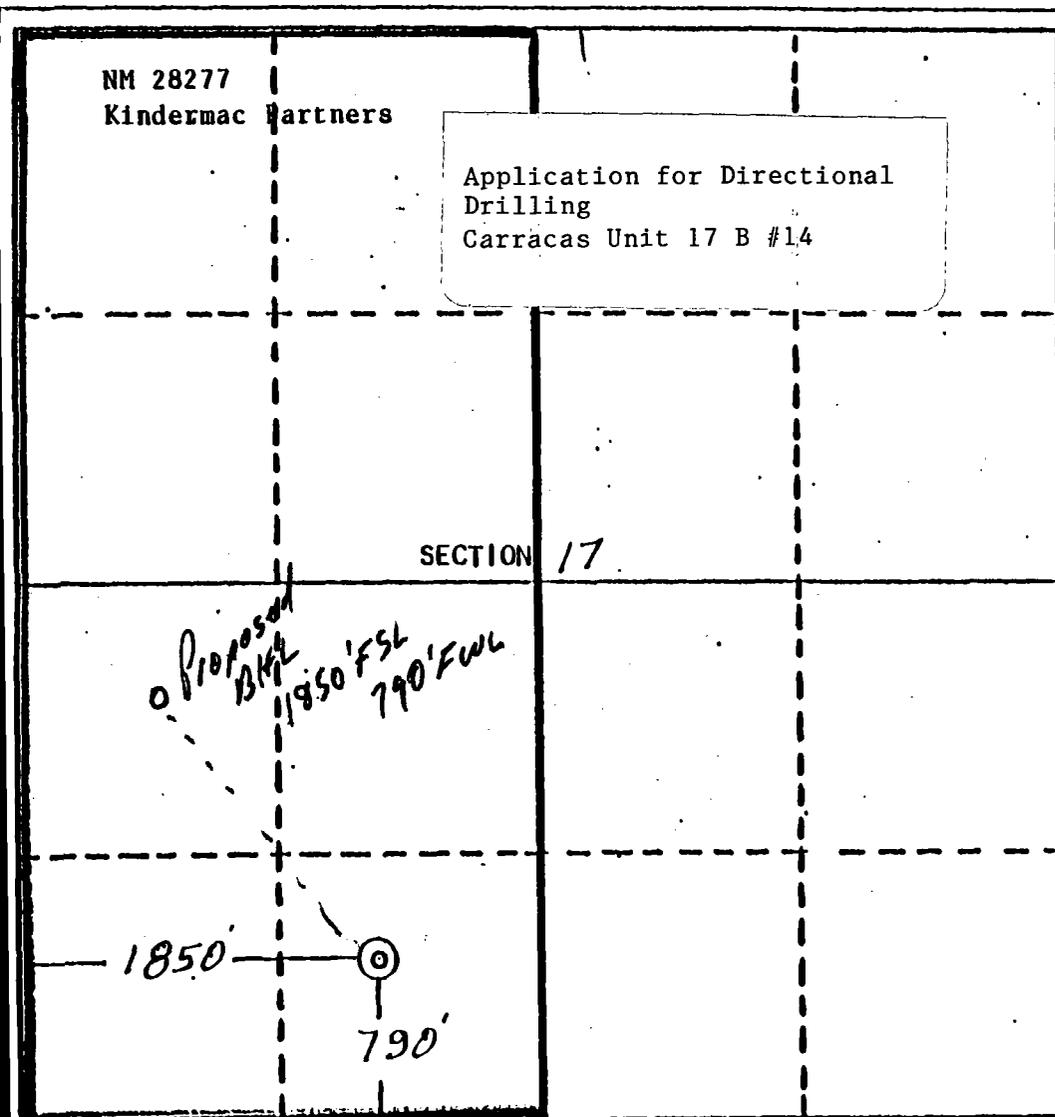
Operator Nassau Resources, Inc.		Lease Carracas Unit 17 B		Well No. 14
Unit Letter N	Section 17	Township 32 North	Range 4 West	County Rio Arriba
Actual Footage Location of Well 790 feet from the SOUTH line and 1850 feet from the WEST line				
Ground Level Elev. 7435	Producing Formation Fruitland	Pool Basin Fruitland Coal	Dedicated Acreages 320 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 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.

Fran Perrin

Name
Fran Perrin

Position
Admin. Asst.

Company
Nassau Resources, Inc.

Date
12/8/88

I hereby certify that the location shown on this plat was determined from field notes of actual survey, 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
6-16-88

Registered Professional Engineer and/or Land Surveyor

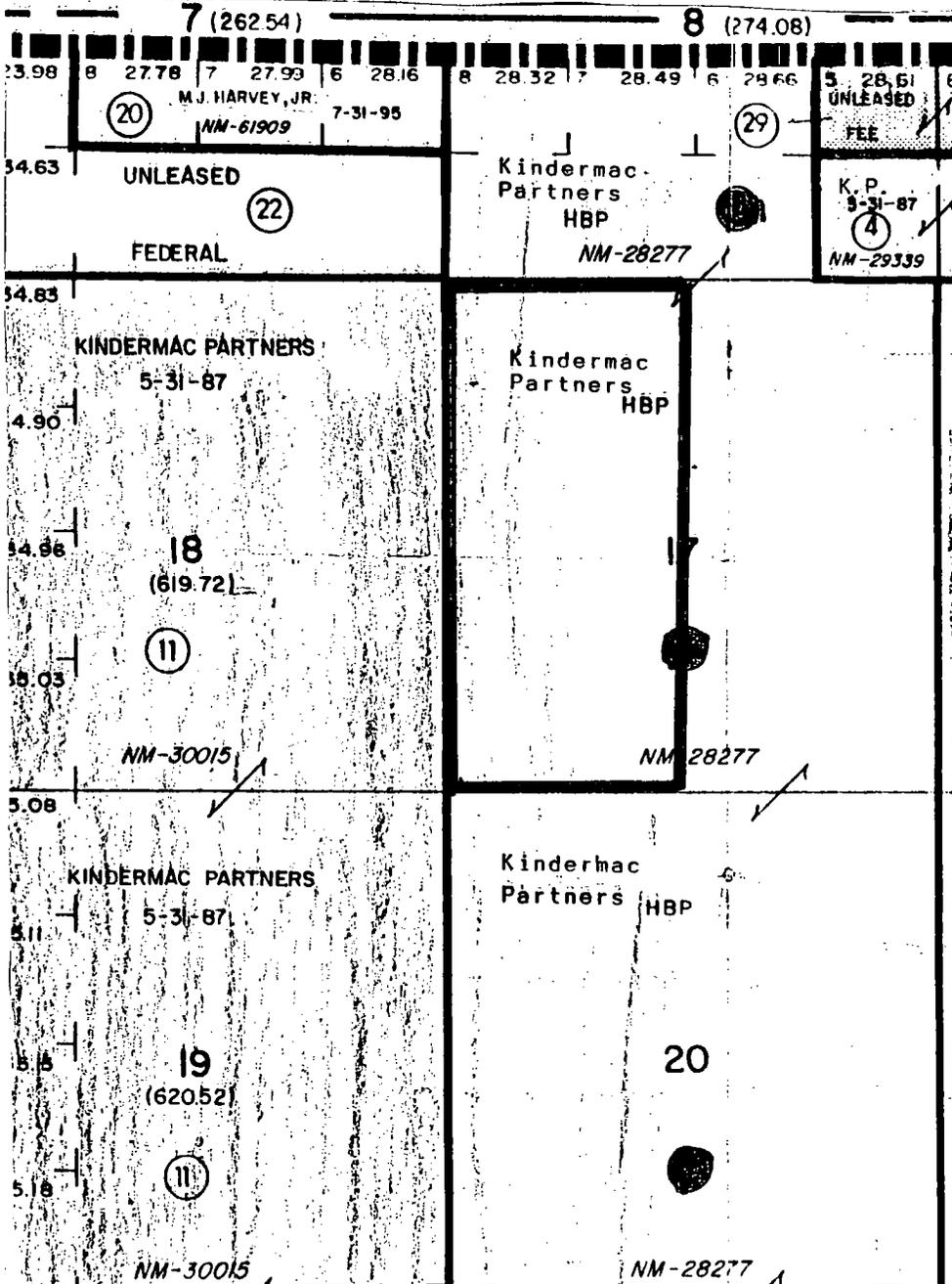
Edgar L. Risenhoover

Certificate No. 5979

Edgar L. Risenhoover, L.S.

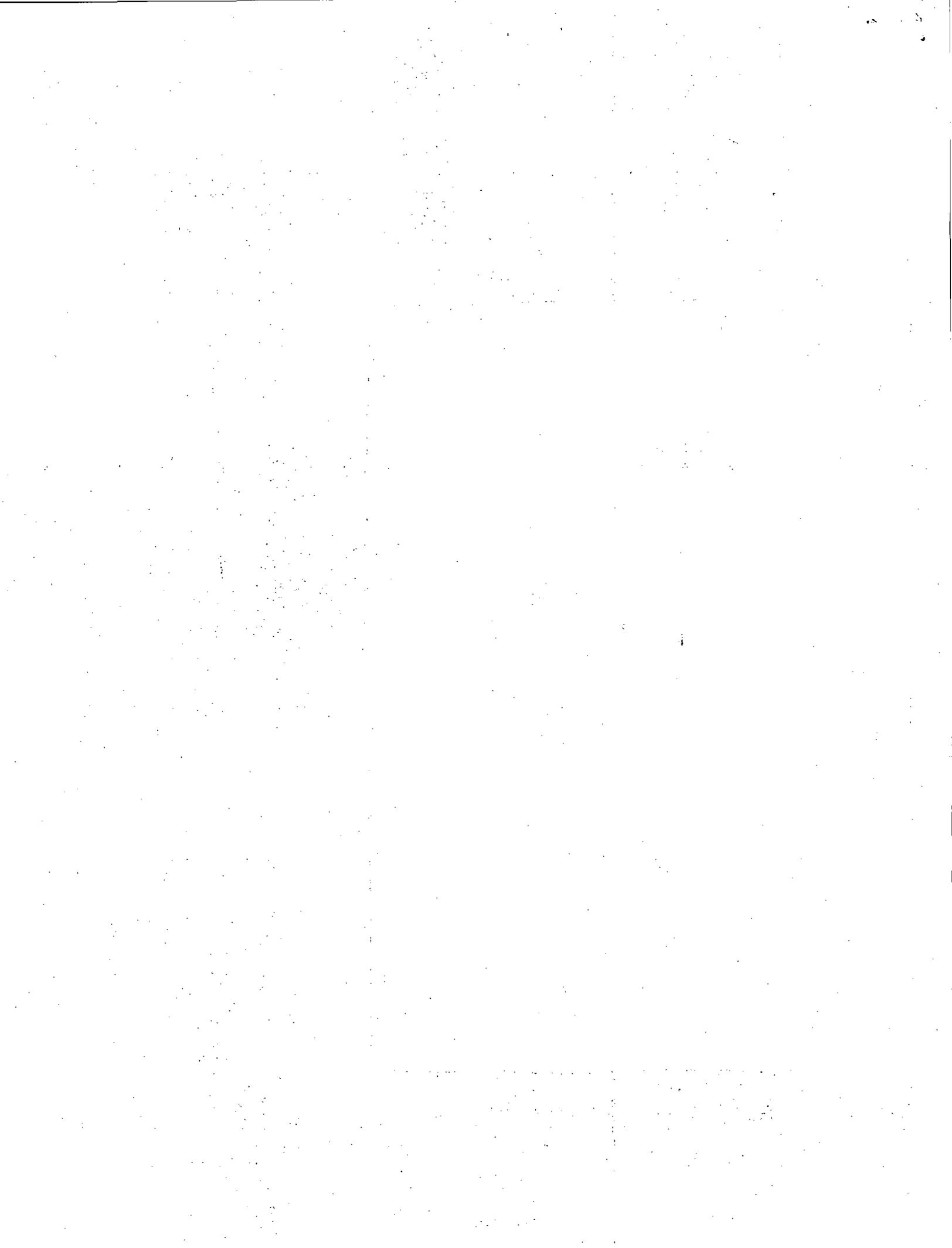
Lease Plat

Township 32 North, Range 4 West, Rio Arriba County, New Mexico



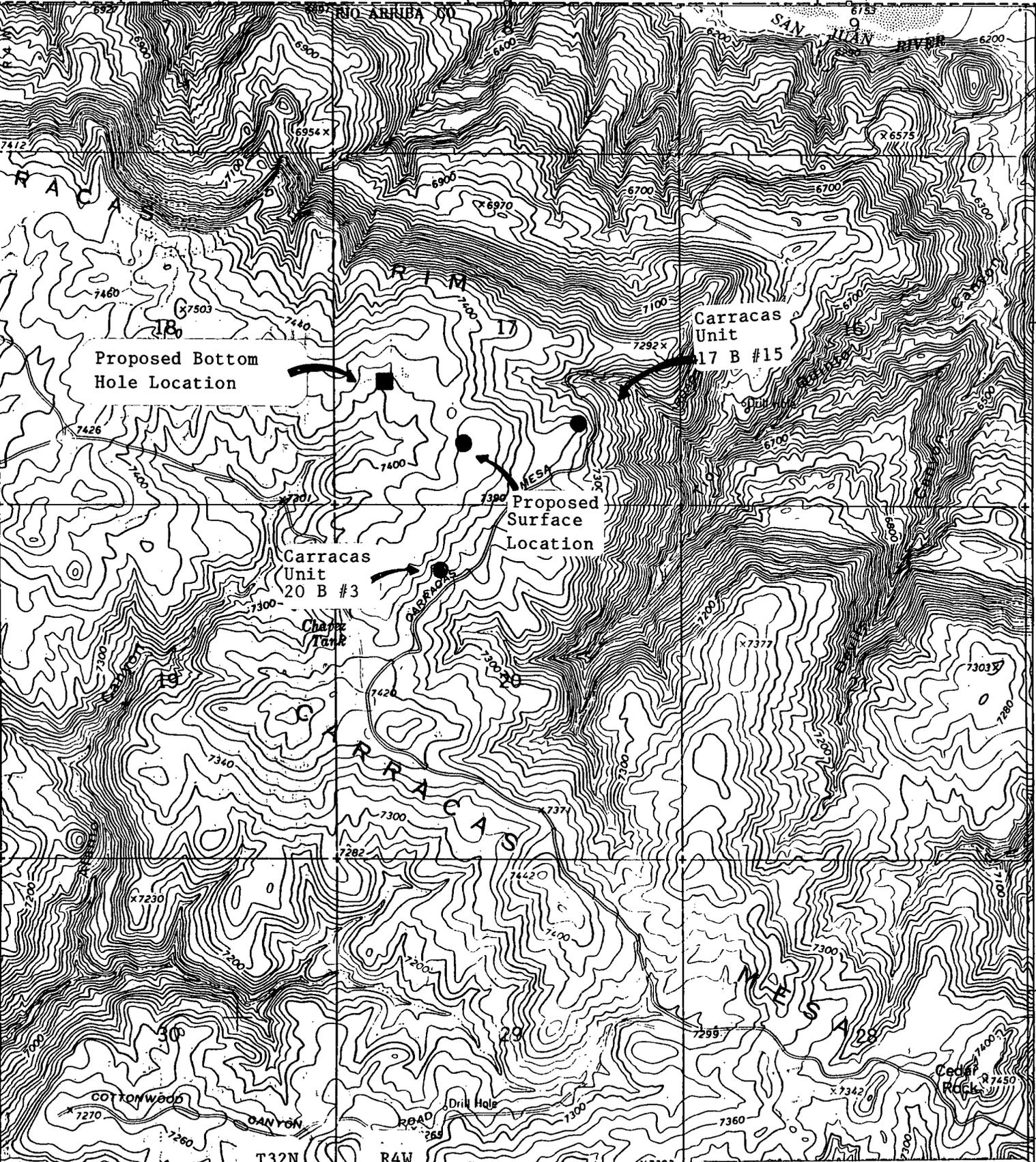
OPERATING AFFILIATES:
Kindermac Partners

UNLEASED FEDERAL MINERALS:
S/2 S/2 of Sec. 7,
T32N, R4W, NMPM
(Parcel 22)



BANCOS MESA QUADRANGLE
NEW MEXICO
7.5 MINUTE SERIES (TOPOGRAPHIC)

295 234 17'30" ARCHULETA CO 233 200 000 FEET 298 232 299 107°15' 87°00'



Proposed Bottom
Hole Location

Proposed
Surface
Location

Carracas
Unit
20 B #3

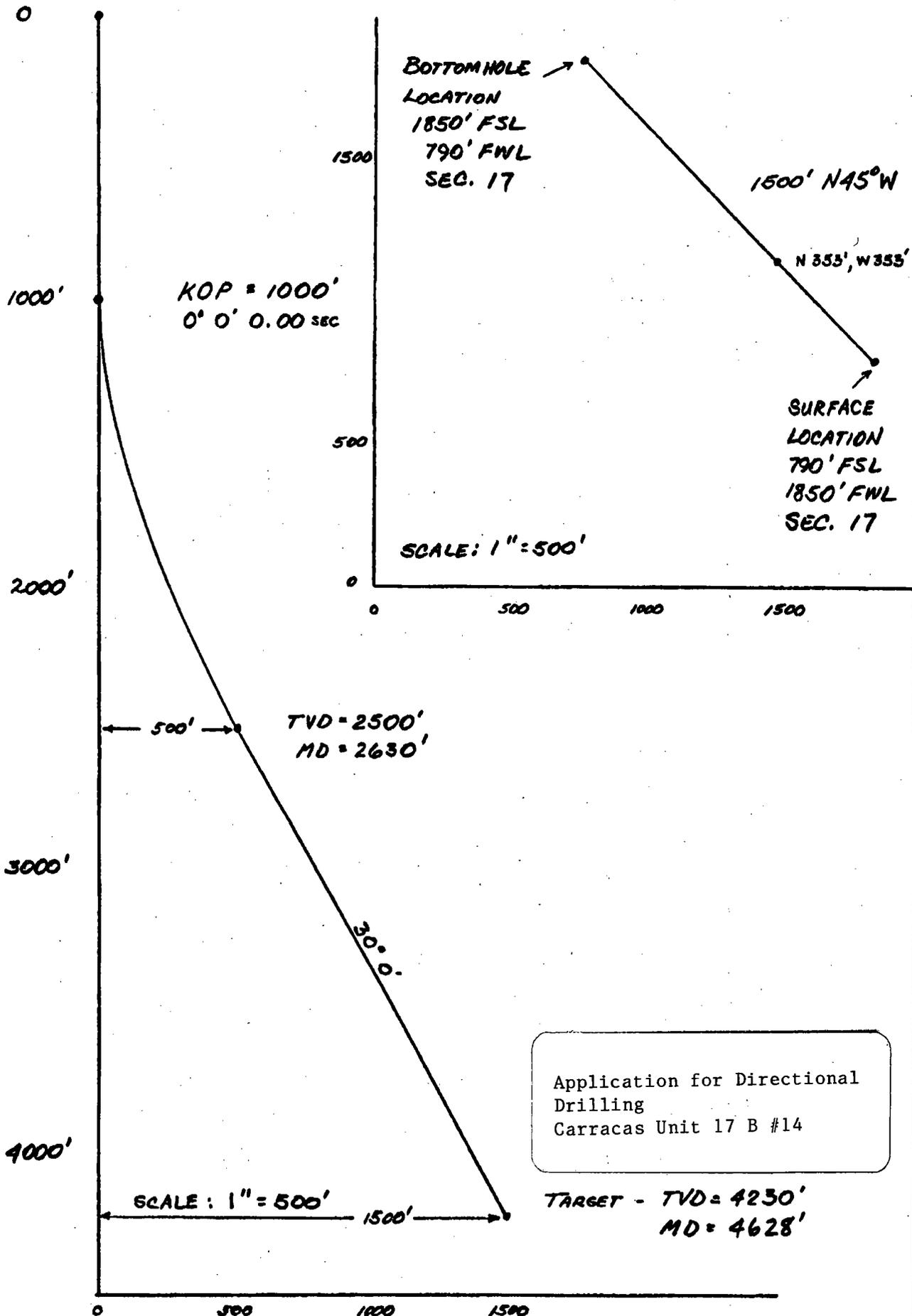
Carracas
Unit
17 B #15

Application for Directional
Drilling
Carracas Unit 17 B #14

IPAGOS 45
2 180 000
FEET
4097
4096
4095
4094
4093
57'30"
4092
25 MI. TO U.S. 64

SECTION 17, T32N, R04W
RIO ARRIBA, NM

DIRECTIONAL WELL PLAN



42-388 10 SHEETS 3 SQUARE
42-389 10 SHEETS 3 SQUARE
42-390 10 SHEETS 3 SQUARE
NATIONAL

Application for Directional Drilling
Carracas Unit 17 B #14



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



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August 18, 1989

New Mexico Oil Conservation Division
Attn: Michael Stogner
P O Box 2088
Santa Fe, New Mexico 87504

RE: Application for Administrative Approval of
Directional Drilling
Nassau Resources, Inc., Carracas Unit 17 B #14
Section 17, T32N, R4W, NMPM
Rio Arriba County, New Mexico

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Also attached are copies of the C-102 plat, a topographic map (showing both the surface and bottom hole locations) and a schematic of the well bore.

Please contact me immediately if anything further is required to complete this application.

Thank you,

Fran Perrin

Fran Perrin

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

xc: Ernie Busch, NMOCD
Kindermac Partners

Attachments

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

Operator Nassau Resources, Inc.		Lease Carracas Unit 17 B			Well No. 14
Unit Letter N	Section 17	Township 32 North	Range 4 West	County Rio Arriba	
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Ground Level Elev. 7435	Producing Formation Fruitland	Pool Basin Fruitland Coal		Dedicated Acreage 320 Acres	

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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).
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Yes No If answer is "yes," type of consolidation Carracas Unit - Unitization

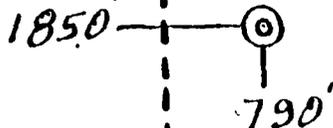
If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

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.

NM 28277
Kindermac Partners

Application for Directional
Drilling
Carracas Unit 17 B #14

SECTION 17



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
12/8/88

I hereby certify that the location shown on this plat is the true location of the well as shown on the plat and that the same is correct to the best of my knowledge and belief.

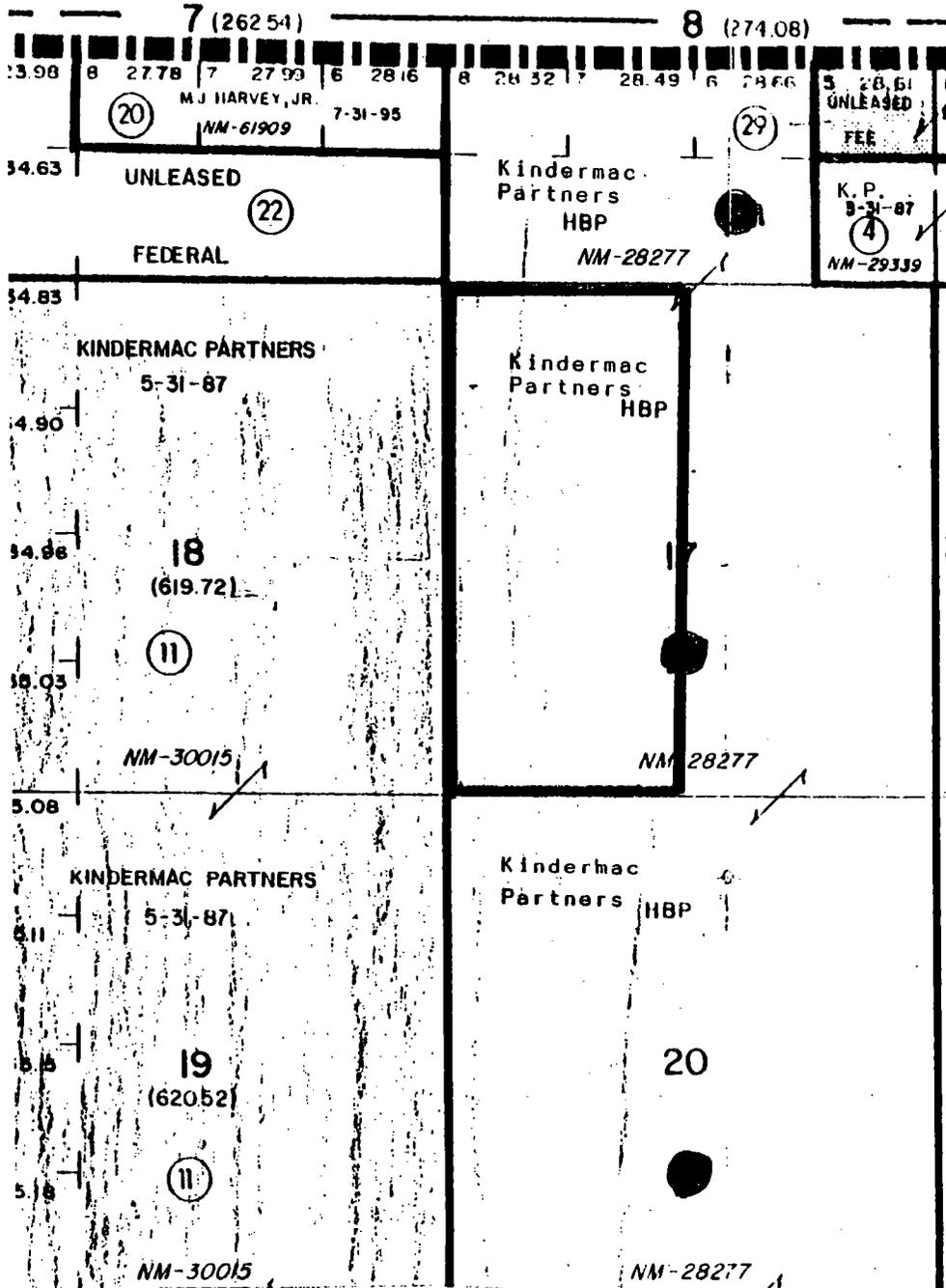
Date Surveyed
6-16-88

Registered Professional Engineer
and/or Land Surveyor

Edgar L. Risenhoover
Certificate No. 5979

Lease Plat

Township 32 North, Range 4 West, Rio Arriba County, New Mexico

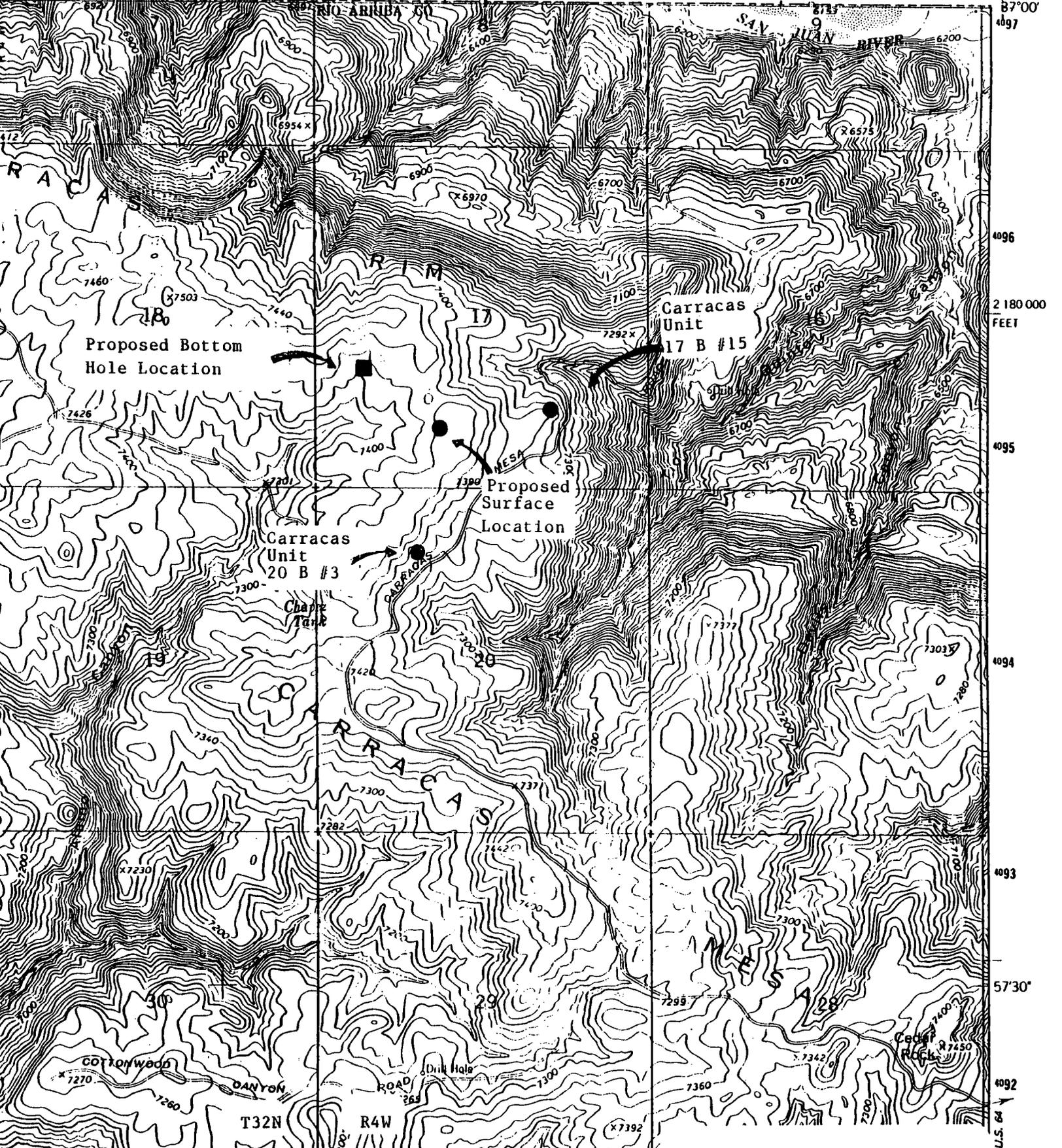


OPERATING AFFILIATES:
Kindermac Partners

UNLEASED FEDERAL MINERALS:
S/2 S/2 of Sec. 7,
T32N, R4W, NMPM
(Parcel 22)

BANCOS MESA QUADRANGLE
NEW MEXICO
75 MINUTE SERIES (TOPOGRAPHIC)

295 234 17'30" ARCHULETA CO 233 200 000 FEET 298 232 299 107°15' 87°00'



Proposed Bottom
Hole Location

Proposed
Surface
Location

Carracas
Unit
20 B #3

Carracas
Unit
17 B #15

Application for Directional
Drilling
Carracas Unit 17 B #14

25 MI. TO U.S. &



United States
Department of
Agriculture

Forest
Service

Jicarilla
Ranger District

Gobernador Route
Blanco, NM 87412

Reply to: 2820

Date: August 3, 1988

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P.O. Box 809
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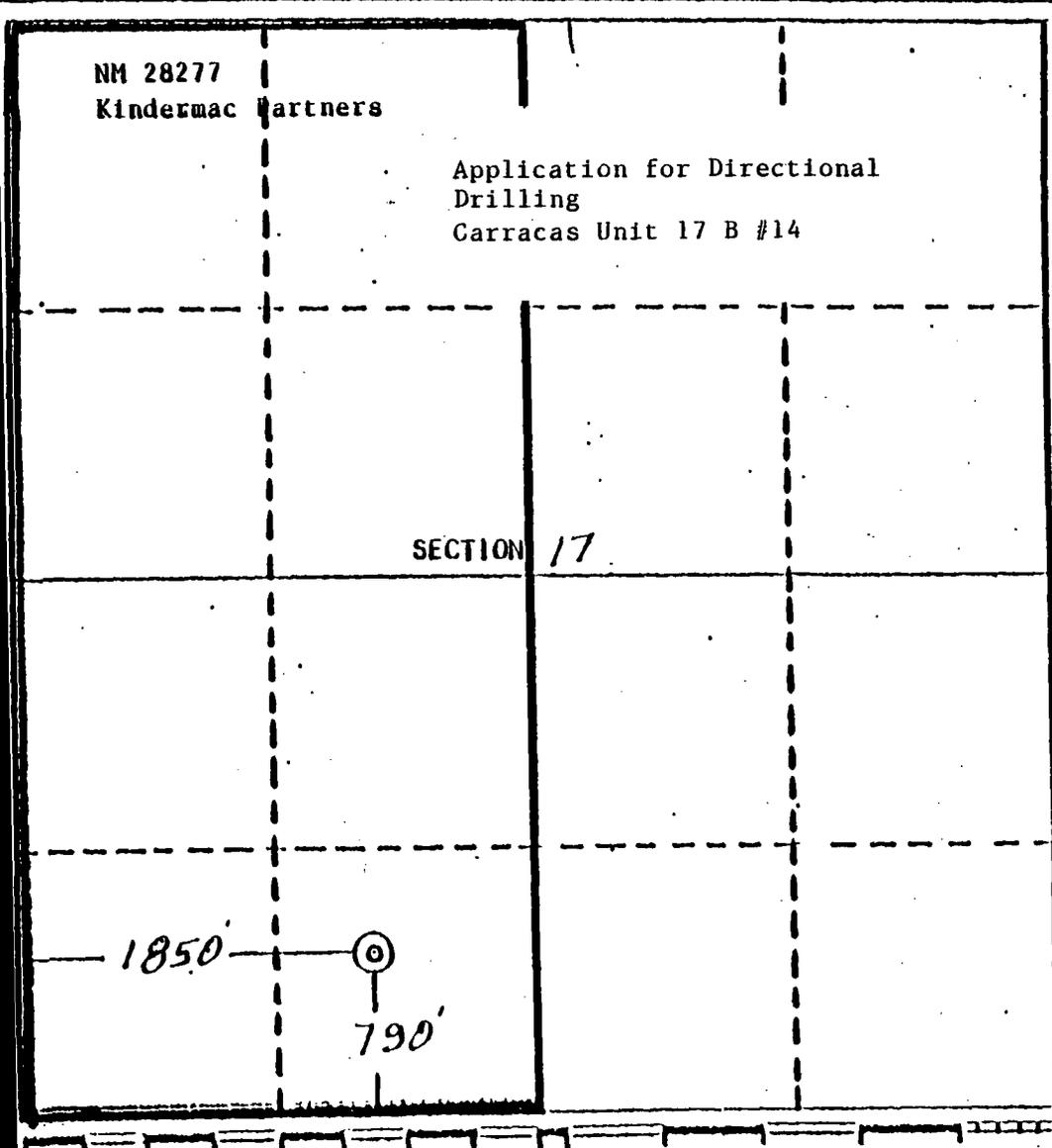
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Yes No If answer is "yes," type of consolidation Carracas Unit - Unitization

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Company
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Date
12/8/88

Date Surveyed
6-16-88

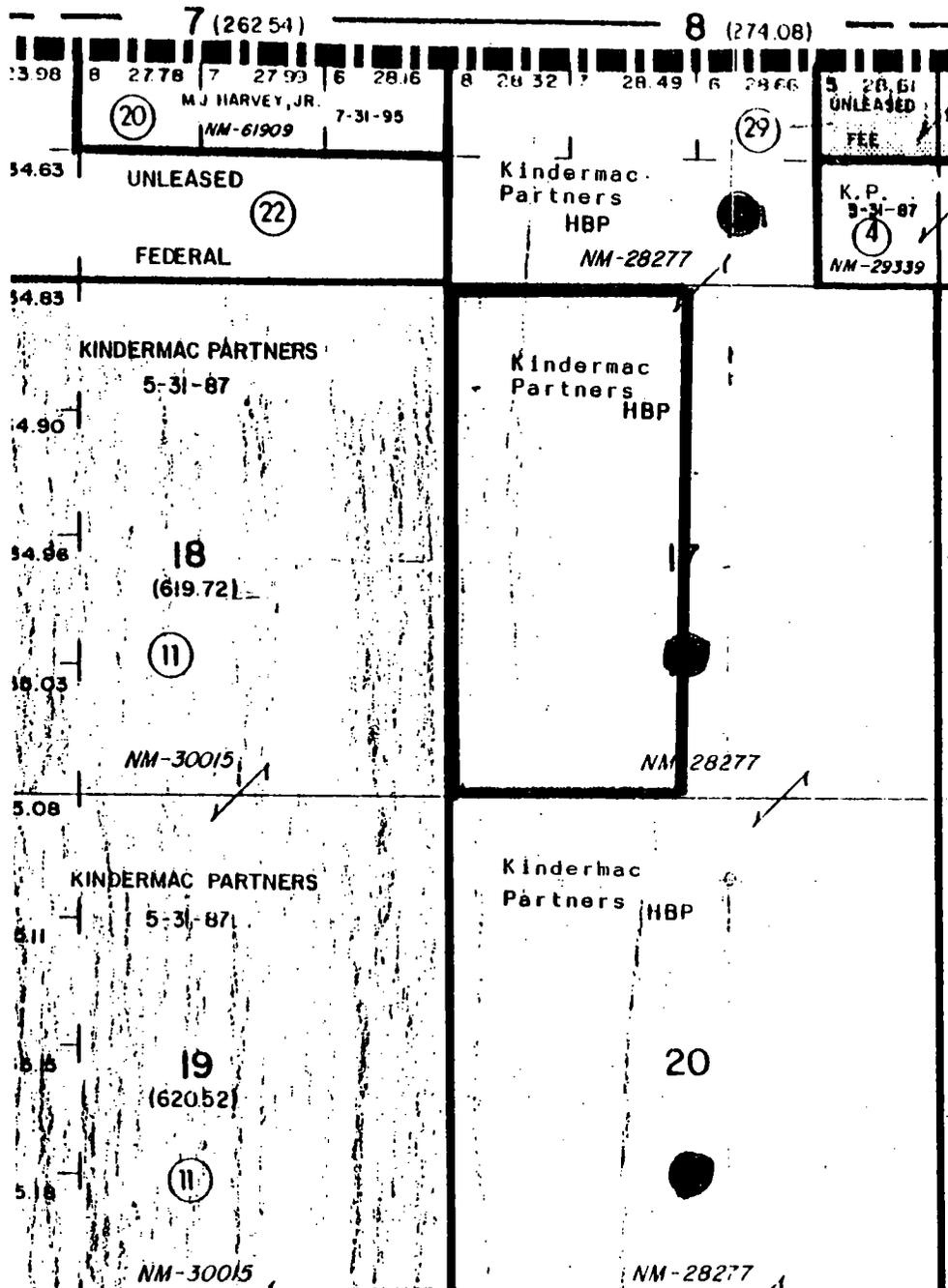
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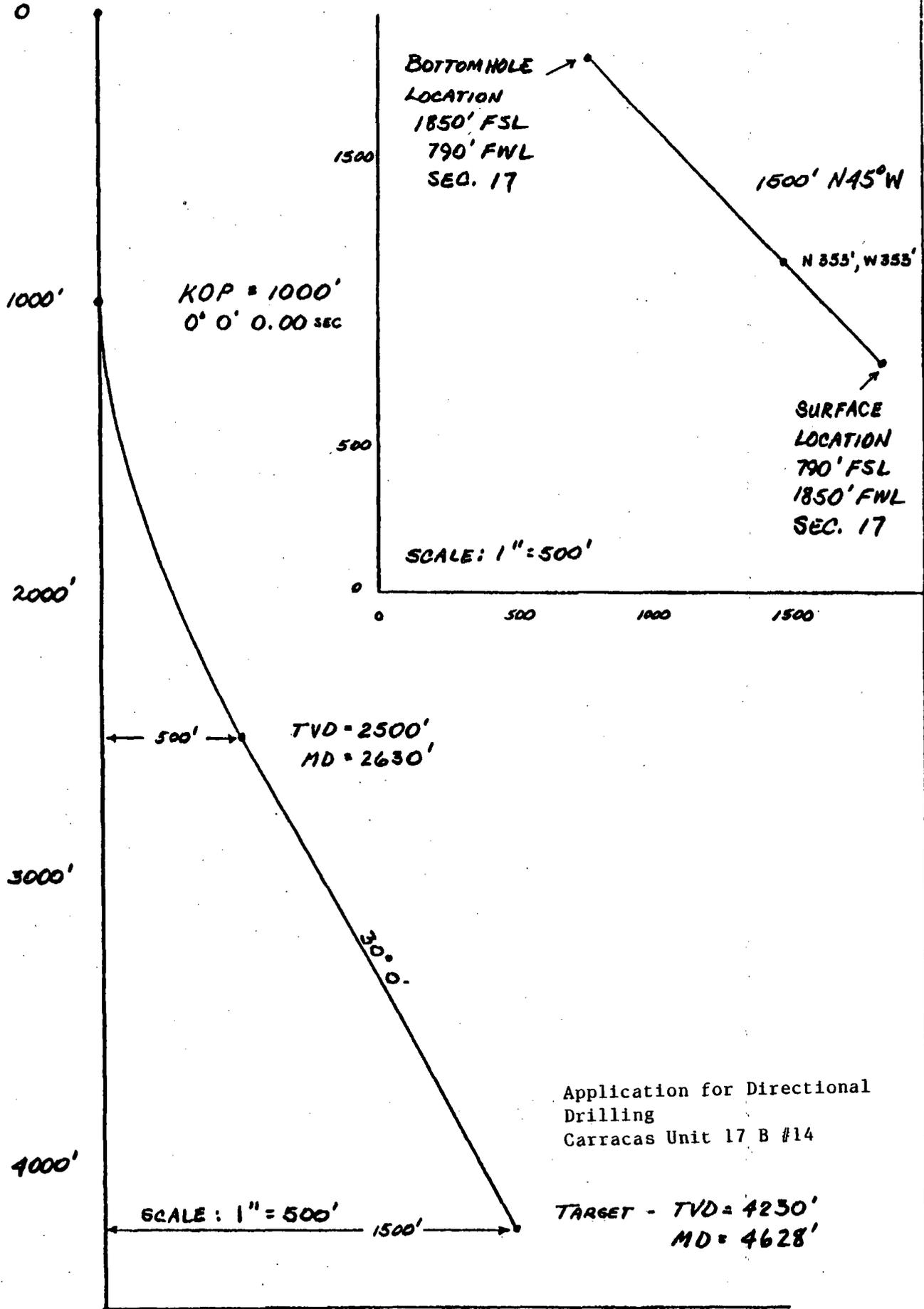


OPERATING AFFILIATES:
Kindermac Partners

UNLEASED FEDERAL MINERALS:
S/2 S/2 of Sec. 7,
T32N, R4W, NMPM
(Parcel 22)

SECTION 17, T32N, R04W
RIO ARRIBA, NM

DIRECTIONAL WELL PLAN



20 SHEETS 3 SQUARE
42 SHEETS 150 SQUARE
42 SHEETS 200 SQUARE
42 SHEETS 3 SQUARE

Application for Directional Drilling
Carracas Unit 17 B #14

TARGET - TVD = 4250'
MD = 4628'



United States
Department of
Agriculture

Forest
Service

Jicarilla
Ranger District

Gobernador Route
Blanco, NM 87412

Reply to: 2820

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