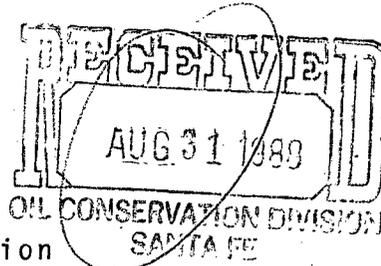


August 30, 1988

New Mexico Oil Conservation Division
ATTN: Mike Stogner
P O Box 2088
Santa Fe, NM 87504-2088



RE: Application for Unorthodox Location
Nassau Resources, Inc.
Carracas Unit 25 B #13
1010' FSL - 580' FWL
Sec. 25, Township 32 North, Range 4 West, NMPM
Rio Arriba County, New Mexico

Gentlemen:

Nassau Resources, Inc., hereby requests administrative approval of an unorthodox location for the captioned well based upon topographic conditions and Carson National Forest requirements.

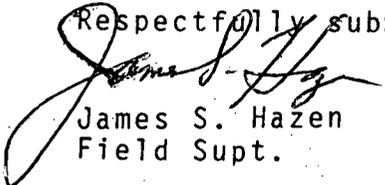
Due to the extremely rough terrain, this proposed location is the only suitable location on this lease which meets Carson National Forest guidelines for development. Its proximity to other proposed well locations in Sections 26 and 35 will allow the least amount of access road and will also minimize the loss of timber.

This well is in Nassau's Carracas Unit. All offsetting operators, as shown on the attached lease plat, are being notified by copy of this Application by certified mail.

Also attached are production and topographic maps of the area and the C-102 Plat.

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

Respectfully submitted,


James S. Hazen
Field Supt.

Attachments

xc: Ernie Busch, NMOCD, Aztec, NM
Amoco Production Co.
✓ Kindermac Partners

*Verbal Approval By
Ernie on 9/20/88.
m.s.*

fp

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

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

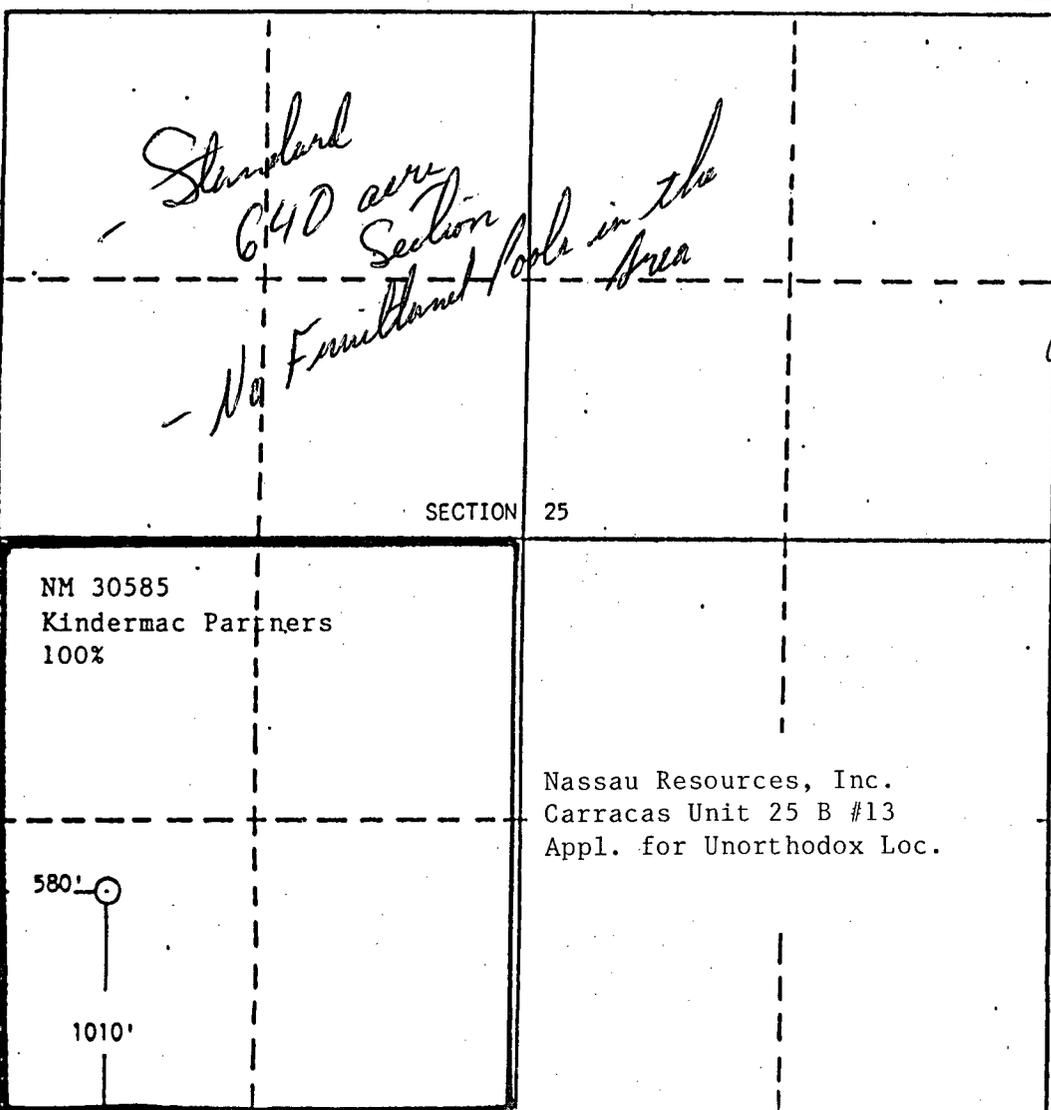
Operator Nassau Resources, Inc.		Lease Carracas Unit 25 B		Well No. 13
Unit Letter M	Section 25	Township 32 North	Range 4 West	County Rio Arriba
Actual Footage Location of Well: 1010 feet from the South line and 580 feet from the West line				
Ground Level Elev. 7007	Producing Formation Fruitland	Pool WC Fruitland		Dedicated Acreage 160.0 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.) _____

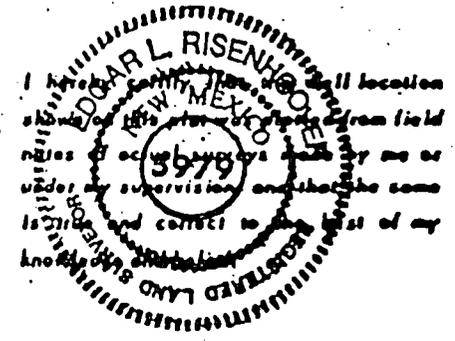
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

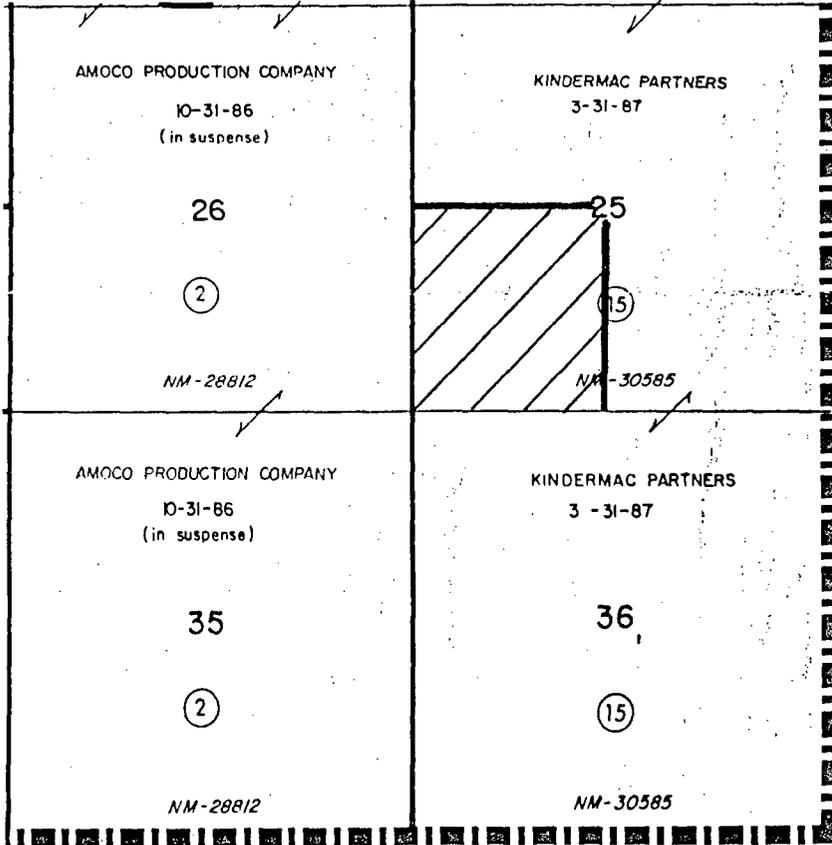
James S. Hazen
 Name: James S. Hazen
 Position: Field Supt.
 Company: Nassau Resources, Inc.
 Date: 8/18/88



Date Surveyed: July 28, 1988
 Registered Professional Engineer and/or Land Surveyor
Edgar L. Risenhoover
 Certificate No. 5979
 Edgar L. Risenhoover, L.S.

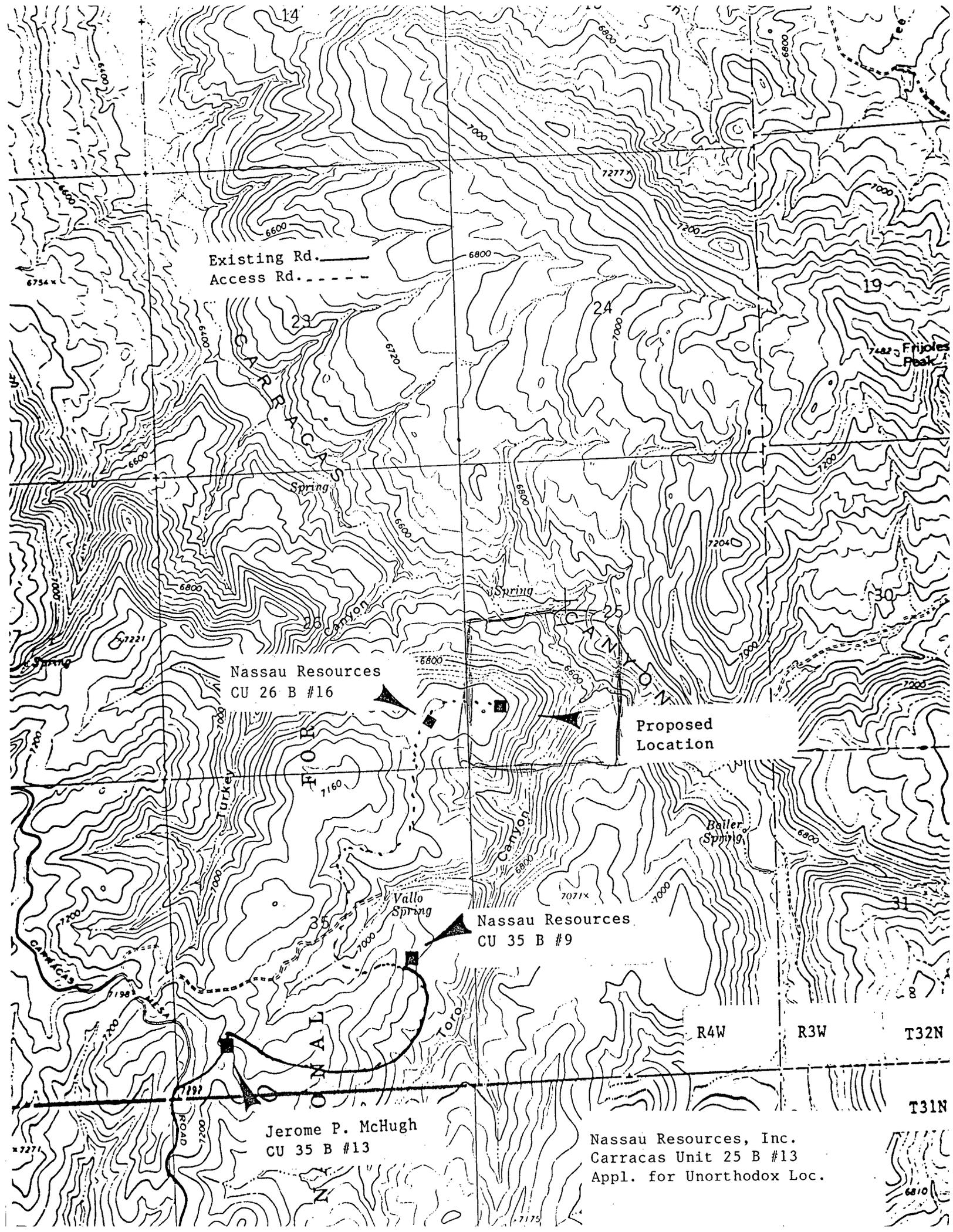
LEASE PLAT

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



Offsetting Operators: Amoco Production Co.
Kindermac Partners

Nassau Resources, Inc.
Carracas Unit 25 B #13
Appl. for Unorthodox Loc.



Existing Rd. ———
Access Rd. - - - -

Nassau Resources
CU 26 B #16

Proposed
Location

Nassau Resources
CU 35 B #9

Jerome P. McHugh
CU 35 B #13

Nassau Resources, Inc.
Carracas Unit 25 B #13
Appl. for Unorthodox Loc.

R4W

R3W

T32N

T31N

6810

14

13

18

23

24

19

T32N

R4W

R3W

26

25

30



Proposed
Location

35

36

31

Nassau Resources, Inc.
Carracas Unit 25 B #13
Appl. for Unorthodox Loc.



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

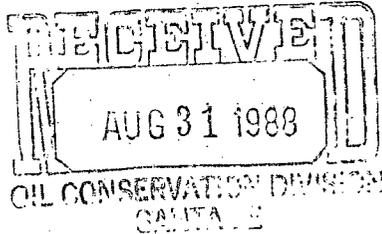


AUG 9 1988

RECEIVED

Nassau Resources, Inc.
Carracas Unit 25 B #13
Appl. for Unorthodox Loc.

August 30, 1988



Kindermac Partners
650 South Cherry St. #1225
Denver, CO 80222

RE: Application for Unorthodox Location
Nassau Resources, Inc.
Carracas Unit 25 B #13
1010' FSL - 580' FWL
Sec. 25, Township 32 North, Range 4 West, NMPM
Rio Arriba County, New Mexico

Gentlemen:

Enclosed is a copy of the subject Application for Unorthodox Location.

If Kindermac Partners, as an offsetting operator to the proposed location, has no objection, we request that you notify the Oil Conservation Division, Attn: Mike Stogner, Box 2088, Santa Fe, NM 87504-2088, at your earliest convenience.

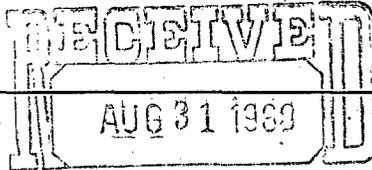
Please feel free to call if you have any questions.

Thank you,

James S. Hazen
Field Supt.

fp

Enclosure



Jerome P. McHugh & Associates
P O Box 809, Farmington, New Mexico 87499-0809
(505) 326-7793

August 30, 1988 OIL CONSERVATION DIVISION
SANTA FE

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Amoco Production Co.
2325 E. 30th St.
Farmington, New Mexico 87401

RE: Application for Unorthodox Location
Nassau Resources, Inc.
Carracas Unit 25 B #13
1010' FSL - 580' FWL
Sec. 25, Township 32 North, Range 4 West, NMPM
Rio Arriba County, New Mexico

Gentlemen:

Enclosed is a copy of the subject Application for Unorthodox Location.

If Amoco Production Co., as an offsetting operator to the proposed location, has no objection, we request that you notify the Oil Conservation Division, Attn: Mike Stogner, Box 2088, Santa Fe, NM 87504-2088, at your earliest convenience.

Please feel free to call if you have any questions.

Thank you,


James S. Hazen
Field Supt.

fp

Enclosure

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



STATE OF NEW MEXICO
 ENERGY AND MINERALS DEPARTMENT
 OIL CONSERVATION DIVISION
 AZTEC DISTRICT OFFICE

NSL-2582

10001 BLUE HORIZON DRIVE
 AZTEC, NEW MEXICO 87410
 (505) 334-6170

OIL CONSERVATION DIVISION
 BOX 2088
 SANTA FE, NEW MEXICO 87501

DATE 9-20-88

RECEIVED
 SEP 23 1988

RE: Proposed MC _____
 Proposed DIIC _____
 Proposed HSL X _____
 Proposed SWD _____
 Proposed WFX _____
 Proposed PHX _____

OIL CONSERVATION DIVISION
 SANTA FE

Gentlemen:

I have examined the application dated 8-31-88

for the NASSAU RESOURCES, INC. CARRACAS UNIT M-25-3211-4
 Operator Lease and Well No. 25B#13 Unit, S-T-R

and my recommendations are as follows:

[Signature]

Yours truly,

[Signature]