



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

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SANTA FE, NEW MEXICO 87504
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April 11, 1989

Nassau Resources, Inc.
c/o Jerome P. McHugh & Associates
P.O. Box 809
Farmington, NM 87499-0809

Attention: Fran Perrin:

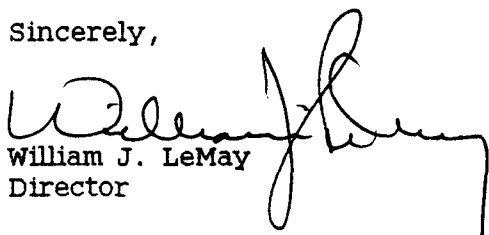
Amended Administrative Order NSL-2597

Dear Ms. Perrin:

Reference is made to your application of February 13, 1989 to amend Division Administrative Order NSL-2597 to include the Basin-Fruitland Coal (Gas) Pool. Said NSL-2597, dated November 7, 1988, authorized a non-standard gas well location for the Carracas Unit 19-B Well No. 1 to be drilled 750 feet from the North line and 400 feet from the East line (Unit A) of Section 19, Township 32 North, Range 4 West, NMPM, to test the Fruitland (Sand) Formation, Rio Arriba County, New Mexico, the NE/4 of said Section 19 to be dedicated to said well forming a standard 160-acre gas spacing and proration unit.

By 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, the above-described well is hereby approved as an unorthodox coal gas well location. The E/2 of said Section 19 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit for said pool. Furthermore, other provisions of the original order shall remain in full force and effect until further notice.

Sincerely,


William J. LeMay
Director

WJL/MES/ag

cc: Oil Conservation Division - Aztec
New Mexico Oil & Gas Engineering Committee - Hobbs
US Bureau of Land Management - Farmington