

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

September 12, 1989

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

Attention: Fran Perrin

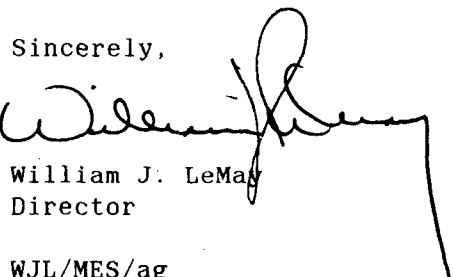
Administrative Order NSL-2694

Dear Ms. Perrin:

Reference is made to your application of August 21, 1989 for a non-standard coal gas well location for your Carracas Unit "14-A" Well No. 1 to be located 1000 feet from the North line and 680 feet from the East line (Unit A) of Section 14, Township 32 North, Range 5 West, NMPM, Basin Fruitland Coal (Gas) Pool, Rio Arriba County, New Mexico. The N/2 of said Section 14 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit for said 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, the above-described unorthodox coal gas well location is hereby approved.

Sincerely,


William J. LeMay
Director

WJL/MES/ag

REMARKS: This well replaces the Carracas Unit "14-A" Well No. 4 which was approved by Division Order No. R-8844 to be located at a more unorthodox coal gas well location 790 feet from the North and West lines (Unit D) of said Section 14.

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