



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS  
GOVERNOR

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

November 6, 1989

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

Attention: Fran Perrin

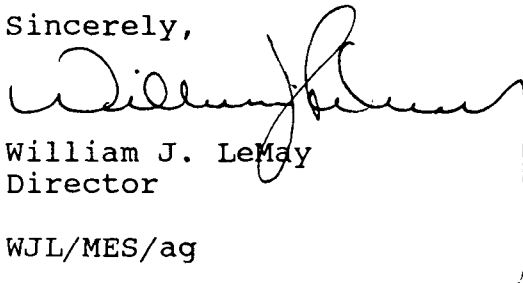
Administrative Order NSL-2705

Dear Ms. Perrin:

Reference is made to your application of September 11, 1989 for a non-standard coal gas well location for your Carracas Unit 10-B Well No. 15 to be located 725 feet from the South line and 1770 feet from the East line (Unit O) of Irregular Section 10, Township 32 North, Range 4 West, NMPM, Basin Fruitland Coal (Gas) Pool, Rio Arriba County, New Mexico. Lots 5, 6, 7 and 8 and the S/2 S/2 of said Section 10 shall be dedicated to the well forming a standard 273.08-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

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