

NASSAU

OIL CONSERVATION DIVISION
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Nassau Resources, Inc.

P. O. Box 809

Farmington, NM 87499-0809

(505) 326-7793 Fax: (505) 327-0859

July 14, 1993

New Mexico Oil Conservation Division
Attn: Mike Stogner
P O Box 2088
Santa Fe, N.M. 87504

RE: Application for Unorthodox Location
Nassau Resources, Inc.
Carracas Unit-PC 35B #8
1340' FNL - 1085' FEL
Sec. 35, T32N, R4W, NMPM
Rio Arriba County, NM

Gentlemen:

Nassau Resources, Inc., hereby requests administrative approval of an unorthodox location for the captioned well. This is the only location in the NE quarter that the United States Forest Service will approve.

This is a resubmittal of an application dated February 10, 1993, and withdrawn April 19, 1993.

All interest owners, as shown on the attached lease plat, have been notified of this application by certified mail. The only offsetting operator, McHugh companies, is an operating affiliate with Nassau Resources, Inc.

Also attached are copies of the surveyor's plat, topographic map, production map, and Forest Service guidelines.

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

Respectfully submitted,

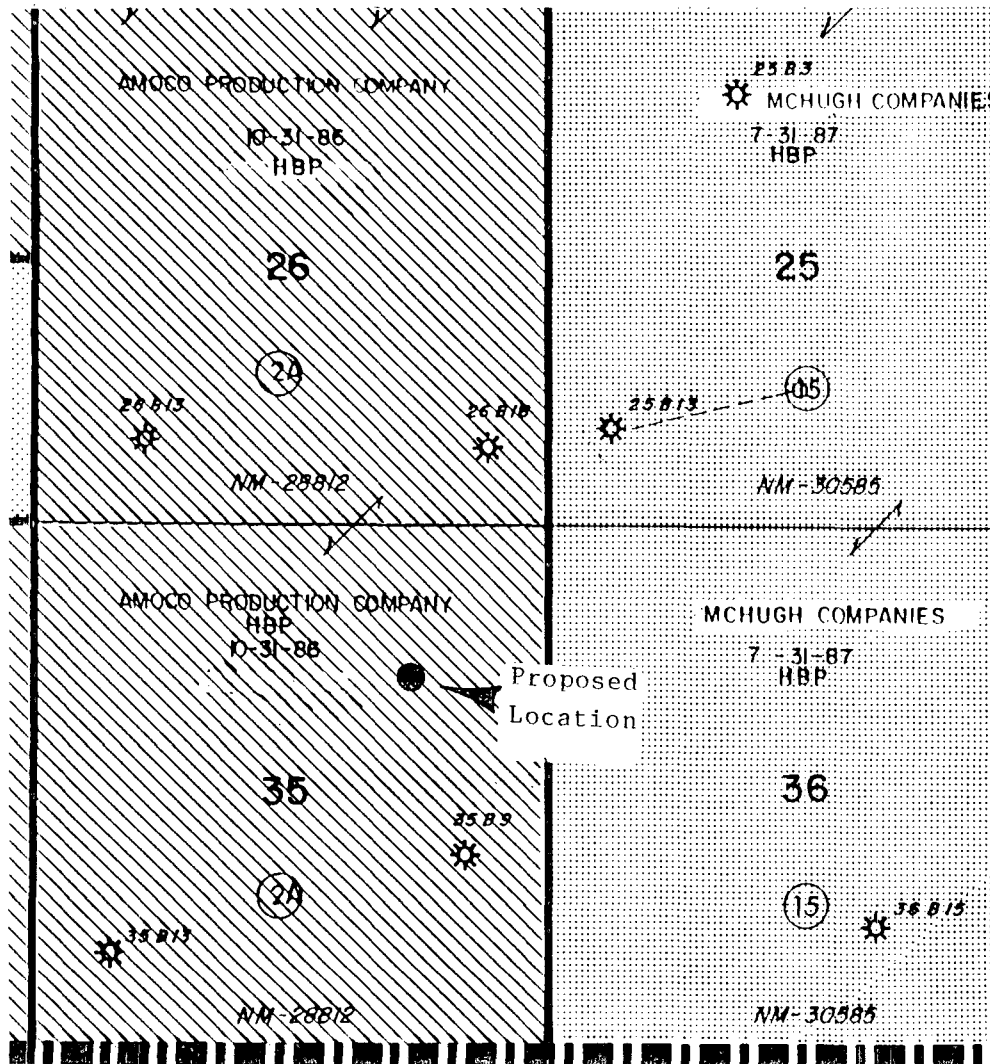
Fran Perrin

Fran Perrin
Admin. Asst.

fp/cm
Attachments

XC: Ernie Busch, NMOCD, Aztec, NM.
Amoco Production Co.
Frontier Energy Corp.
McHugh Companies

LEASE PLAT



NM-28812

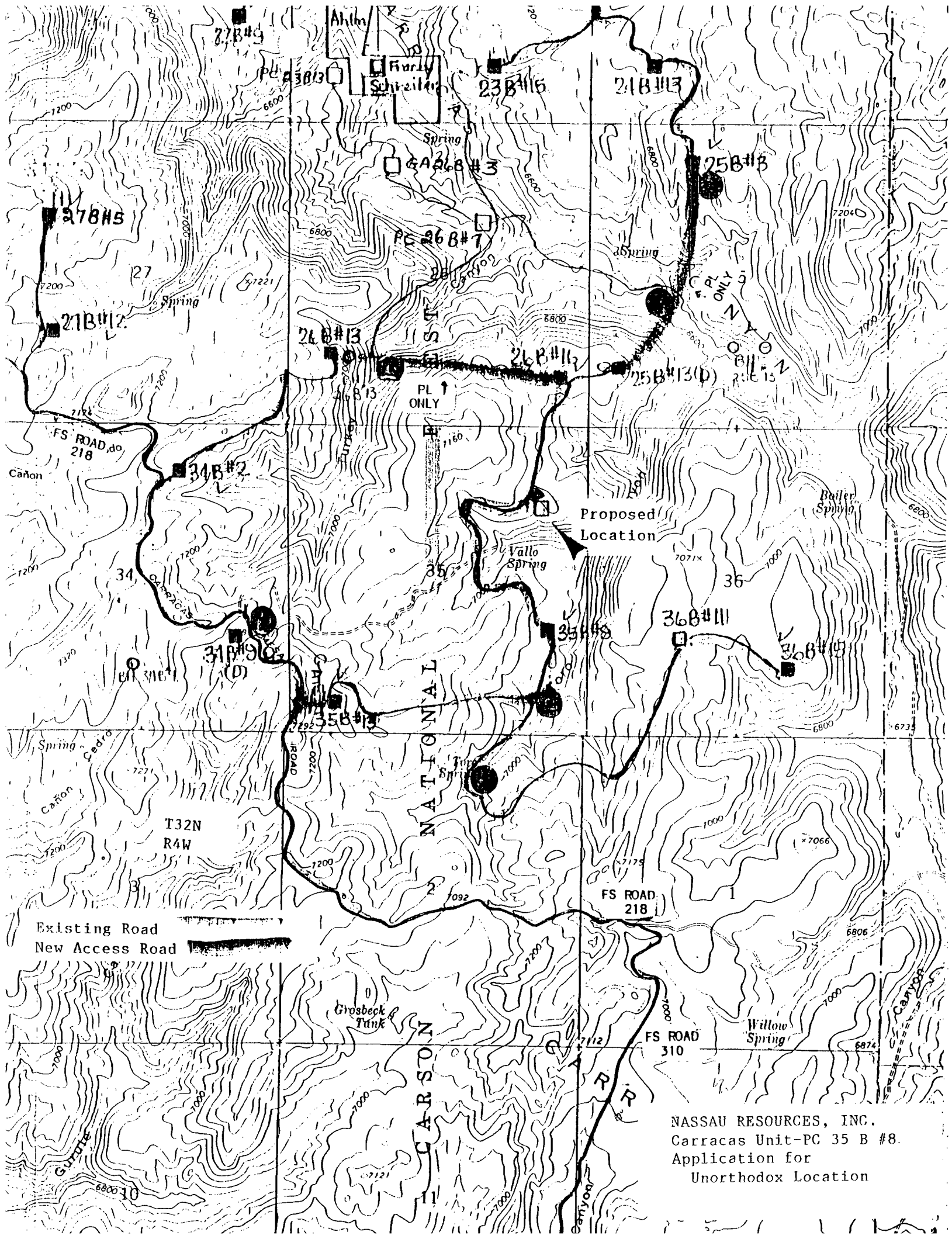
Amoco Production Co. 12.5%
Frontier Energy Corp. 12.5%
McHugh Companies 75%

*Standard
640-acre Section*

NM-30585

McHugh Companies 100%

NASSAU RESOURCES, INC.
Carracas Unit-PC 35 B #8
Application for
Unorthodox Location



Existing Road
New Access Road

NASSAU RESOURCES, INC.
Carracas Unit-PC 35 B #8.
Application for
Unorthodox Location

27

26

25

CU 26B
#13 &
CU-PC
26B #13

CU 26B
#16

CU 25 B
#13

T32N
R4W

1 MILE

Proposed
CU 35B
#6

35

Nassau Resources
CU 35B #9

36

CU 35B
#13

CU 36B
#11

CU 36B
#15

3

2

1

NASSAU RESOURCES, INC.
Carracas Unit-PC 35 B #8.
Application for
Unorthodox Location

Amoco

Amoco Prod

103

87

OIL CONSERVATION DIVISION

DISTRICT
P.O. Box 1980, Hobbs, NM 88240

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Nassau Resources, Inc.			Lease Carracas Unit-PC 35 B		Well No. 8
Unit Letter H	Section 35	Township 32 North	Range 4 West	County NMPM Rio Arriba	

Actual Footage Location of Well:

1340	feet from the	North	line and	1085	feet from the	East	line
Ground level Elev. 7010	Producing Formation			Pool	Dedicated Acreage:		
7010	Pictured Cliffs			Undesignated Pictured Cliffs	160.0 Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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 interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
- ☐ Yes ☐ No If answer is "yes" type of consolidation _____
- 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 interest, has been approved by the Division.

1340'

1085'

NM 28812

Amoco Production Co.	12.5%
Frontier Energy Corp.	12.5%
35 McHugh Companies	75%

Section 35

Nassau Resources, Inc.
Carracac Unit 35-A #13
950' x 750' area
Spud: 5/24/89

Basin Fruitland
Coal Gas
Completion

Nassau Resources, Inc.
Carracac Unit 35-A #13
1850' x 750' area
Spud: 10/24/89
Basin Fruitland Coal Gas Corp.
Spud: 10/24/89

NASSAU RESOURCES, INC.
Carracac Unit-PC 35 B #8
Application for
Unorthodox Location

OPERATOR CERTIFICATION

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

Signature

Fran Perin

Printed Name _____

Fran Perrin

Position

Regulatory Liaison

Company

Nassau Resources, Inc.

Data

2/2/93

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Dale Spry

CONFIDENTIAL

100

Signature & Seal of
Professional Surveyor

1734

11

0430

100

END

6/2/99

Certificate No. _____

Edgar L. Rise

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

THE PRIMARY REASON FOR THIS PARTICULAR LOCATION IS THE NECESSITY OF A TREE SCREEN PROTECTION FOR TURKEY CANYON; HOWEVER, THE TREES WILL ALSO BENEFIT THE MEXICAN SPOTTED OWL AND GOSS HAWKS, PER JIM TENSFIELD AND PHIL SETTLES. JP

Jerome P. McHugh
Farmington, N.M.

CARING FOR THE LAND AND SERVING PEOPLE

NASSAU RESOURCES, INC.
Carracas Unit-PC 35 B #8
Application for
Unorthodox Location



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NASSAU

Nassau Resources, Inc.
P. O. Box 809
Farmington, NM 87499-0809
(505) 326-7793 Fax: (505) 327-0859

July 14, 1993

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Amoco Production Co.
Attn: J W Hawkins - Land Department, Proration Group
P O Box 800
Denver, CO 80201

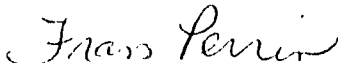
RE: Application for Unorthodox Location
Nassau Resources, Inc.
Carracas Unit-PC 35B #8
1340' FNL - 1085' FEL
Sec. 35, T32N, R4W, NMPM
Rio Arriba County, N.M.

Dear Mr. Hawkins:

Enclosed is a copy of the subject Application for Unorthodox Location. Amoco Production Co. is an interest owner in Lease No. NM 28812.

Please feel free to call if you have any questions.

Thank you,



Fran Perrin
Admin. Asst.

fp/cm

Enclosure

XC: NMOCD, Santa Fe, N.M.

NASSAU

Nassau Resources, Inc.
P. O. Box 809
Farmington, NM 87499-0809
(505) 326-7793 Fax: (505) 327-0859

July 14, 1993

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Frontier Energy Co.
Attn: Dennis Jones
1717 St. James Place, Suite 380
Houston, Texas 77056

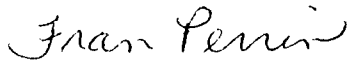
RE: Application for Unorthodox Location
Nassau Resources, Inc.
Carracas Unit-PC 35B #8
1340' FNL - 1085' FEL
Sec. 35, T32N, R4W, NMPM
Rio Arriba County, NM

Dear Mr. Jones:

Enclosed is a copy of the subject Application for Unorthodox Location. Frontier Energy Co. is an interest owner in Lease No. NM 28812.

Please feel free to call if you have any question.

Thank you,



Fran Perrin
Admin. Asst.

fp/cm

Enclosure

XC: NMOCD, Santa Fe, N.M.



United States
Department of
Agriculture

Forest
Service

Jicarilla
Ranger District

Gobernador Route
Blanco, NM 87412

193 MAY 11 AM 8 47

Reply to: 2820

Date: May 11, 1993

Mr. Michael Stogner
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504

Dear Mike:

In response to your letter of April 22, 1993, and our phone conversation on May 10, 1993, the following comments are addressing our and your concerns:

1. At the initial stages of development of the Carracas Unit, we were very cautious in approving certain activities and placement of well locations as we did not have much data concerning their effects upon wildlife. Since then we have gained information to better ascertain how to manage these activities. We are now better able to provide proper management direction. There were some locations that were proposed in the initial development that we couldn't approve but with this added information are now able to approve. Other options need to be considered for other locations.
2. 22B #4 (Shown on attached map) - We have accessed this proposed well and are in agreement with its location.
3. 27B #8 (Shown on attached map) - This is one of the locations that still requires looking at other options. Some of the options we have looked at are:
 - a) Moving this well to the west side of the canyon (as shown) and accessing the well from the new road into the 22B #14 and directional drilling.
 - b) Another option is to move the initial location to the south and directional drill both the proposed well and the future proposed well 27B #15 from the same pad (as shown). Since these are PC wells we feel that this option exists and is feasible.
4. 28B #7 (Shown on attached map) - This proposed location is okay if moved as far south as possible to alleviate the need for another locked gate. If possible, this well could be directional drilled and that would be best.

Caring for the Land and Serving People



5. 35B #8 (Shown on attached map [REDACTED]) - We have accessed this proposed well and are in agreement with its location.

One important concern to keep in mind is Nassau Resources must consider the possibility of Mexican spotted owls (now a Federally listed species) being present and comply with all necessary surveys, mitigation measures and restrictions. All of these locations are adjacent to suitable MSO habitat.

Thank you for the opportunity to comment on their proposed wells.

Sincerely,

Philip R. Settles

PHILIP R. SETTLES
District Forest Ranger

cc:
Fran Perrin,
Nassau Resources

NASSAU

OIL CONSERVATION DIVISION
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AM 9 47

Nassau Resources, Inc.

P.O. Box 809

Farmington, NM 87499-0809

(505) 326-7793

Fax: (505) 327-0859

June 23, 1993

New Mexico Oil Conservation Division
Attn: Mike Stogner
P O BOX 2088
Santa Fe, New Mexico 87504

Dear Mr. Stogner:

At the on-site inspection for the new Carracas Unit-PC 35B #8 location, the United States Forest Service, Jicarilla District asked that we move the location back to its original site. The rationale behind restaking the well was your letter dated March 17, 1993 and subsequent phone conversations between the Oil Conservation Division and Nassau personnel leading us to believe the original Carracas Unit-PC 35B #8 location would not be approved as staked.

Nassau is now in a quandary as how to proceed in future stakings. Associated costs will not allow us to stake wells and wait for on-site approval or disapproval. Questions over orthodox and unorthodox locations will be more numerous as added restrictions over the endangered status of the spotted owl come into play. It is apparent that Nassau needs direction as to how to best coordinate OCD and USFS concerns, so we can make logical and economical decisions on future drilling activities.

We appreciate your cooperation in the past and would greatly appreciate any help you could give us.

Sincerely,



Murphy Brasuel

xc: Phil Settles

mb/cm



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

OIL CONSERVATION DIVISION
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'93 AUG 13 AM 9 19

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

OIL CONSERVATION DIVISION
BOX 2088
SANTA FE, NEW MEXICO 87501

DATE 8-9-93

RE: Proposed MC _____
Proposed DHC _____
Proposed NSL A _____
Proposed SWD _____
Proposed WFX _____
Proposed PMX _____

attn: Mike Stogner

Gentlemen:

I have examined the application dated 7-16-93
for the NASSAU RESOURCES, INC. CARRACAS UNIT-PC35B#8
Operator Lease and Well No. Unit, S.N.

H-35-32N-4W

and my recommendations are as follows:

Approve

Yours truly,

Lynne Bush