LAW OFFICES OF TED J. TRUJILLO

POST OFFICE BOX 2185 622 PASEO DE OÑATE, SUITE C ESPAÑOLA, NÉW MEXICO 87532 FAX: (505) 753-4750 TED J. TRUJILLO E-MAIL: tedjtrujillo@yahoo.com (505) 753-5150 ADÁN E. TRUJILLO E-MAIL: adantrujillo@gmail.com (505) 753-4751

April 17, 2008

Mark E. Fesmire, Director of Oil Conservation Division STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT 1220 S. St. Francis Drive Santa Fe, New Mexico 87505

Re:

Request for Hearing and Emergency Order In Permit Matters of Approach Operating, LLC

Dear Mr. Fesmire:

On April 16, 2008, the Board of County Commissioners of Rio Arriba authorized this firm, representing the County of Rio Arriba, to request a public hearing before the Oil Conservation Division in the following permits:

API Number	3003930342	Sultemeier No. 001
API Number	3003930386	Sena No. 001
API Number	3003930394	Sena No. 002
API Number	3003930397	Woolley Family LP No. 001

This request for a public hearing, pursuant to Section 7-2-23 NMSA 1978, is made to determine the threat to the environment from waste posed by the drilling operations of Approach Operating, LLC in the four above-cited Permits to Drill, Reenter, Deepen, Plugback or Add a Zone, issued by the Oil Conservation Division.

Due to the potential threat to the environment from waste, the County requests that the OCD investigate and determine whether a basis exists for an emergency order from OCD to have Approach cease and desist operations before the hearing.

Respectfully submitted,

Ted J. Trujillo

cc: County Commission, Alfredo Montoya, Felipe Martinez, Elias Coriz County Manager, Lorenzo Valdez CASE/4/5. Application of the Board of County Commissioners of Rio Arriba County for cancellation or suspension of Applications for Permits to Drill (APDs) filed by Approach Operating, LLC, Rio Arriba County, New Mexico. The Board of County Commissioners of Rio Arriba requests a hearing to show that the drilling of the following wells by Approach Operating, LLC will cause waste, violate correlative rights and/or be injurious to human health and the environment:

Sena No. 001 API No. 30-039-30386 S Sena No. 002 API No. 30-039-30394 S Woolley Family LP No. 001 API No. 30-039-30397 S Avella Sultemeier No. 002 S Benjamin Trujillo No. 001 S Anthony Garcia No. 001 S Leo Valdez No. 001 S	Section 19, T27N, R4E Section 10, T28N, R4E Section 16, T28N, R4E Section 3, T28N, R5E Section 20, T28N, R4E Section 9, T28N, R5E Section 17, T28N, R4E Section 18, T28N, R4E Section 18, T28N, R4E Section 18, T28N, R4E
--	---

District I 1625 N. French Dr , Hobbs, NM 88240 District II 1301 W. Grand Avenue, Arlesia, NM 88210 District III 1000 Rio Brazos Road, Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico Energy Minerals and Natural Resources

Form C-101 May 27, 2004

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505 Submit to appropriate District Office

AMENDED REPORT

APP)	LICATIO	ON FO				L, RE-ENTI	ER, DI	EEPI	EN, PĽUGB	ACK	, OR AD	D A ZONE	
			Operator Name APPROACH OPER	RATIN	IG, LLC				² OGRID Number 248343				
		630	N RIDGLEA PLA FORT WORTH						30 - 039	-30	API Number		
•	erty Code					Property Name SULTEMEIER			1 2 3 3 3 3			ell No. 1	
		: m	Proposed Pool I	-				¹⁰ Proposed Pool 2					
				S5°	F from	Rio Arriba (County	Courthouse, Tierra Amarilla, NM					
UL or lot no	Section 19	Township 28N	Range 4E		Lot Idn	Feet from the	North/S	outh line			ast/West line EAST	County RIO ARRIBA	
	⁸ Proposed Bottom Hole Location If Different								n Surface			J	
UL or lot no	Section	Township	Range	T	Lot Idn	Feet from the	T	outh line		Е	ast/West line	County	
	<u> </u>	,		١	Additio	nal Well Info	ormatio	on					
	Type Code N		12 Well Type Coo O	le		13 Cable/Rotary ROTARY		`.	¹⁴ Lease Type Code P	:		ound Level Elevation 7590 73' LSD	
	Iultiple NO		¹⁷ Proposed Dept 6000'	h		18 Formation PRE-CAMBRIAN	1	PAT	19 Contractor TERSON-UTI DRU	з со		²⁰ Spud Date ASAP	
Depth to Grou		<u> </u>		Dis	tance from n	nearest fresh water	11 2 5-277		Distance.		rest surface w	vater 3830' >200	
Pit: Liner	Synthetic 2	3 _6t	nıls thick Clay [Pi	it Volume	4000_bbls		ing Met				7000	
Close	d-Loop Syste	m 🔲					Fresh V	Vater [Brine Dies	el/Oil-ba	sed Gas/	Air 🛛	
			21	Pro	posed C	asing and Co	ement l	Progr	am				
Hole	Size	T	Casing Size			Casing weight/fo			Setting Depth	Sacks	of Cement	Estimated TOC	
12.	25"		9.625"		32.3 #			350'	,	210	SURFACE		
8.7	75"		4.5"			10.5#			6000'		875	**************************************	
		 											
	-				`								
Describe the This well locattached surv Propose to dr (1) Schaffer I	blowout previation is within ey plat for me ill to Baseme	ention prog n the Tierra etes and bo nt explorin " x 3000# a	gram, if any. Use a Amarilla Land Gi unds description. g for oil or gas in a and H" gate preve	dditio ant. S ill forr	nal sheets if Section Tow mations or z Equipped w	f necessary. Inship and Range i Inship and Range i Inship and Range i Inship and Range i Inship and Range i	s based or	n the con		d by Azt	ec District of gal closing t RCVD OIL C	w productive zone. Tice of NMOCD. See unit with remote SEP 4'07 ONS. DIV.	
belief I furt	her certify th	at the dri	n given above is trulling pit will be co ached) alternativ	nstru	cted accord	ding to NMOCD			OIL CC	NSEI	RVATIO	N DIVISION	
Printed name	: Glenn W. R	Reed, P. E.							Title:				
Title Senior	Vice Preside	nt of Opera	tions						Approval Date:		Expiration	on Date:	
E-mail Addre	ess. gwreed@	approachr	esources com										
Date: August	29 2007		Phone: (817) 9	89-9000			1	Conditions of Apr	roval At	tached		

District I 1625 N. French Dr., Hobbs, NM 88240 District I) 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised October 12, 2005 Submit to Appropriate District Office State Lease - 4 Copies.

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACDEVED

			NELL LO	CATIO	N AND ACI	REAGE DEDIC	ATION PLA	. 1		
2.	API Numbe	r		² Pool Code			³ Pool Nai			
20-0	39 - 	5034	2 9	700	10 WC	27N4E19; MA	ncas Oilan	1 5+	rat	trest
4 Property	Code				⁵ Property	Name			Su6	Well Number
3610	1		Su	lteme	ier Prop	erty			Sult	emeier #1
'OGRID	No.				8 Operator	Name				Elevation
24834	3		Appr	oach	Operatin	g LLC			75	90.73
					10 Surface	Location				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East	/West line	County
	**19	**27N	**04E		2320	South	EAS	ST	RIO ARRIBA	
	<u>, , , , , , , , , , , , , , , , , , , </u>	<u> </u>	¹¹ Bot	tom Ho	e Location 1	f Different Fron	n Surface			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the		Feet from the	East	/West line	County
										1
12 Dedicated Acres	Joint or	Infill 14	Consolidation Co	ode 13 Or	der No.	-l				
No allowable	will be ass	igned to th	his completic	on until all	interests have	been consolidated of	or a non-standard	l unit has	been an	proved by the
division.		.6						- 41110 1140	outin up	provou by mo
**Projection	within the	Tierra A	marilla Lar	d Grant						
16					cap "Pen	2500"	17 OF	ERATO	R CERT	TIFICATION
			OSCAG:	Diass	cap ren	J	I hereby certify	that the informa	ation contained	d herem is true and complete
	1		/				to the best of my	knowledge and	d belief, and th	at this organization either
			₹20				owns a working	interest or unle	eased mineral i	interest in the land including
			owns a working interest or unleased mineral interest in the li the proposed bottom hole location or has a right to drill this							

location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order TAMES 18 SURVEYOR CERTIFICATION 490 I hereby certify that the well location shown on this plat Sultemeiel No. 1 was plotted from field notes of actual surveys made by SULTEMEIER NO. 1 me or under my supervision, and that the same is true 36.642610227N Latitude and correct to the best of my belief. Longitude -106.547435219W 06 August 2007 Date of Surve Signature and Seal of Profession New Mexico State Plane Coordinate System + Central Zone 413,104.715 Gilberto Arch No. 13976 y - 2,054,205.900Certificate Number

Submit 3 Copies To Appropriate District Office	State of	New Me	xico	Form C-103	
District I	Energy, Minerals	and Natu	ral Resources	May 27, 2004	‡ —
1625 N. French Dr., Hobbs, NM 88240 District II				WELL API NO. 30 - 039 - 30342	ļ
1301 W. Grand Ave , Artesia, NM 88210	OIL CONSERV	IATION	DIVISION	5. Indicate Type of Lease	\dashv
District III	1220 South	i St. Fran	icis Dr.	STATE FEE S	l
1000 Rio Brazos Rd, Aztec, NM 87410 District IV	Santa Fe	e, NM 87	'505	6. State Oil & Gas Lease No.	ㅓ
1220 S St. Francis Dr , Santa Fe, NM 87505			•		
SUNDRY NOT	ICES AND REPORTS OF			7. Lease Name or Unit Agreement Name	ヿ
(DO NOT USE THIS FORM FOR PROPO DIFFERENT RESERVOIR USE "APPLI				SULTEMEIER	
PROPOSALS)	CATION FOR PERMIT (FOR	M C-101) FC	K 30CH	8. Well Number	1
1. Type of Well: Oil Well	Gas Well Other			1	
2. Name of Operator				9. OGRID Number	
APPROACH OPERATING, I	LLC			248343 10. Pool name or Wildcat	\dashv
3. Address of Operator 6300 RIDGLEA PLACE, SUI	ITF 1107 FORT WORTE	I TX 7611	6	WILDCAT	
4. Well Location				WIEDCAT	\dashv
Unit Letter :	2322 feet from the	SOUT	H line and	489 feet from the <u>EAST</u> line	
Section 19	Township 29N		ange 4E	NMPM County RIO ARRIBA	ŀ
Section 19	11. Elevation (Show wh				3
	75	90.73' LS			
Pit or Below-grade Tank Application 🛛 e			>100	0' >100	7
Pit type reserve Depth to Grounds	water 2/20 Distance from	n nearest fre	sh water well <u>5150°</u>	Distance from nearest surface water <u>3830</u>	1
Pit Liner Thickness: 6 mi	il Below-Grade Tank: V	olume	bbls; C	onstruction Material	_].
12. Check	Appropriate Box to In	dicate N	ature of Notice.	Report or Other Data	
	** 1		•	•	
	NTENTION TO:	_		SEQUENT REPORT OF:	
PERFORM REMEDIAL WORK		=	REMEDIAL WOR		
TEMPORARILY ABANDON [************		COMMENCE DRI		
PULL OR ALTER CASING	MULTIPLE COMPL		CASING/CEMEN	I JOB	
OTHER: RESERVE PIT APPLICA	TION	\boxtimes	OTHER:		
13. Describe proposed or comp	oleted operations. (Clearly	y state all p	ertinent details, and	d give pertinent dates, including estimated da	te
	ork). SEE RULE 1103. F	for Multipl	e Completions: At	tach wellbore diagram of proposed completic	n
or recompletion.					
Propose to build blooie line/reserve pit in pro	cess of drilling exploration well	for oil or gas.		•	
	.				
			ŧ	,	
•					
I haveby cortify that the information	shave is two and sample	to to the he	est of my knowledge	o and balief I for the control of th	_
grade tank has been/will be constructed or	above is true and comple r closed according to/NMOCD	guidelines], a general permit 🛭	e and belief. I further certify that any pit or below or an (attached) alternative OCD-approved plan	<i>'-</i>
912. i	11 A Jacob				
SIGNATURE KIMM. U	No I voil	TITLE Se	nior Vice Presiden	t of Operations DATE August 28, 2007	
The second secon				mula 1 NI (015) 000 0000	
Type or print name Glenn W. Ree For State Use Only	ed, P. E. E-mail address	-	@approachresource	. ,	
1 of State OSE OHIV	}/	Depu	ty Oil & Gas	SEP 0 6 2007.	
APPROVED BY:	1/	TITLE	District #3	DATE.	

Conditions of Approval (if any):

District I 1625 N. French Dr , Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88210 District III 1630 Rio Brazos Road, Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico Energy Minerals and Natural Resources

Form C-101 May 27, 2004

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

Submit to	appropriate	District	Office

☐ AMENDED REPORT

APP	LICAT	AF	C PERMIT Operator Name ar PPROACH OPERA RIDGLEA PLAC FORT WORTH,	nd Address ATING, LLC CE. SUITE 1107	L, RE-ENTI	EK, DE	ere.	248343 30 – 039-	² OG	RID Number	DAZONE
	erty Code 6761				Property Name SENA			, , , , , , , , , , , , , , , , , , , ,		⁶ Wel.	I No.
		NUF in	Proposed Pool 1					¹⁰ Pro	oposed P	ool 2	
	44 6 20	10 (2-11)-1		7 5	Surface Locat	tion		·			
UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/So		Feet from the		t/West line WEST	County RIO ARRIBA
M	10	28N	4E 8 Propose	G94 ed Bottom H	ole Location If	SOU Different		L	_L	WEST	RIO ARRIBA
UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/So		Feet from the	Eas	t/West line	County
					onal Well Info	ormatio					
	k Type Code N		¹² Well Type Code O		13 Cable/Rotary ROTARY			¹⁴ Lease Type Code P			nd Level Elevation 955 78° LSD
	Multiple		17 Proposed Depth 2000		18 Formation GRANERO	s	BE	¹⁹ Contractor ARCAT DRLG CO)	ASAP	⁰ Spud Date
Depth to Gro	 	00 FEET	2000	Distance from	nearest fresh water v					st surface wat	
<u>Pit.</u> Liner	r: Synthetic	6 mils thic	k Clay Pit	>1000 FFF1 Volume:_4000	bbls	Drilling Me					
Close	ed-Loop Sysi	tem 🔲	21					Brine Diesel	/O11-base	d 🔲 Gas/A	ir 🛛
				Proposed C	Casing and Co		rogra	m			T
Hole			asing Size		Casing weight/fo	oot		Setting Depth		of Cement	Estimated TOC
12 5	1/4"	<u> </u>	9 5/8"		32.3#			350'		210	SURFACE
8 3/	/4"	<u> </u>	4 1/2"		10.5#			1700'		500	SURFACE
		 		_			-+	=			
22 Describe	the proposed	rogram If t	his application is t	DEEDEN or I	PLUG BACK, give	the data or	the nre	cent productive zo	ne and n	ronoced new	productive zone
Describe the Propose to dr (1) Shafco 11 (1) Grant 11" (1) 5000# che	blowout pre rill into the C 1" Double R " rotating her loke manifold 3 station 300	Graneros Sh. ex am 3000# LWad, 3000#	am, if any. Use add exploring for oil and S	ditional sheets i			Time pro				P 27 '07 IS. DIV.
(4) TO ganon	oomes			м							•
belief, I furtl	her certify t	that the drilli		structed accor	to the best of my kn ding to NMOCD a an			OIL CO	NSER	VATION	N DIVISION
Signsty	m	m	4					Approved by:	£/1	y	
Printed name	. Glenn W.	Reed, P. E.	<u> </u>					Title:	<i>y</i>	/	
Title: Senior	Vice-Presid	dent of Operation	ons					Approval Date:		Expiratio	n Date:
E-mail Addre	ess gwreed	@approachres	ources.com								
	mber 24 200	.=	Phone (817	1) 000 0000			1	Conditions of App			

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised October 12, 2005 Submit to Appropriate District Office State Lease - 4 Copies

State Lease - 4 Copies Fee Lease - 3 Copies

☐ AMENDED REPORT

		V	VELL LC	CATIO	N AND ACR	EAGE DEDIC	ATION PLA	T				
	API Number			² Pool Code			³ Pool Nan					
<u> 300</u>		8502	0	1764	W V	UCZ8N4E	10: mar	00001				
4 Property					⁵ Property N			- Su	Sub Well Number			
3676	1			් පිනිරානි	පිස්තස් #1							
OGRID	No.			Elevation								
24834	Approach Operating LLC											
					¹⁰ Surface I	Location						
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County			
M	**10	**28N	**04E	G94	350	SOUTH	495	WEST	RIO ARRIBA			
			п Во	ttom Ho	le Location If	Different From	1 Surface					
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County			
	. }		}	ļ					}			
12 Dedicated Acres	13 Joint or	Infill 14 (Consolidation (Code 15 Or	rder No.							
40)										

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

A TO OCCION WITH U	ne Herra Amarilia Lan	W OILLING		
16			1	17 OPERATOR CERTIFICATION
	1	J		I hereby certify that the information contained herein is true and complete
A	}	Į.	}	to the best of my knowledge and belief, and that this organization either
		i	i.	owns a working interest or unleased mineral interest in the land including
1			1	the proposed bottom hole location or has a right to drill this well at this
				location pursuant to a contract with an owner of such a mineral or working
ll .	ļ			,
1				interest, or to a voluntary pooling agreement or a compulsory pooling order
				heretofore entered by the division.
				Anus 1- Sel 9-26-2007
	{			Signature Date
	SENA NO	<u>). 1</u>		Printed Name
				JAMES S. SCOTT
	Latitue	le - 36°40'08	.61650N	0,7,0.02
		de - 106°30'27		
	Hongret	de - 100 30 27	. 23027W	
	Note Mos	ico State Plane	Coordinata	
				18 SURVEYOR CERTIFICATION
	Sys	tem - Central Z	one	I hereby certify that the well location shown on this plat
	}			
	,	424,827.891		was plotted from field notes of actual surveys made by
	o'	0/2 000 2/0	ł	l i i i i i i i i i i i i i i i i i i i
	y-2	063,805.360		me or under my supervision, and that the same is true
	y - 2,	063,805.360		,
	y - 2.	1063,805.360		and correct to the best of my belief.
	y - 2.	063,805.360		,
	y - 2.	063,805.360		and correct to the best of my belief. Date of Survey 19 September 2007 Signature and Seal of Professional Surveyor
	y - 2.	063,805.360		and correct to the best of my belief. Date of Survey 19 September 2007 Signature and Seal of Professional Surveyor
	y - 2			and correct to the best of my belief. Date of Survey 19 September 2007
	y - 2			and correct to the best of my belief. Date of Survey 19 September 2007 Signature and Seal of Professional Surveyor. CHULETA
	y - 2.	063,805.360		and correct to the best of my belief. Date of Survey 19 September 2007 Signature and Seal of Professional Surveyor. CHULETA
	y - 2.	U63,8U5.36U		and correct to the best of my belief. Date of Survey 19 September 2007 Signature and Seal of Professional Surveyor. CHULETA
495' Sona #1	y - 2.	063,805.360		and correct to the best of my belief. Date of Survey 19 September 2007 Signature and Seal of Professional Surveyor CHULETA
495' Sena #1	y - 2.	063,805.360		and correct to the best of my belief. Date of Survey 19 September 2007 Signature and Seal of Professional Surveyor CHULETA
495' ✓ Sena #1	y - 2.	063,805.360		and correct to the best of my belief. Date of Survey 19 September 2007 Signature and Seal of Professional Surveyor. CHULETA CHULETA Gilberto Archilleta No. 13976
495' Sena #1	y - 2.	063,805.360		and correct to the best of my belief. Date of Survey 19 September 2007 Signature and Seal of Professional Surveyor CHULETA CHULETA Gilberto Archileta

Submit 3 Copies To Appropriate District Office	State of New Mexico	Form C-103
District I 1625 N French Dr., Hobbs, NM 88240	nergy, Minerals and Natural Resources	WELL API NO.
District II	OIL CONSERVATION DIVISION	30-039-30386
District III	1220 South St. Francis Dr.	5. Indicate Type of Lease STATE FEE .
. 1600'Ri∰ Brazos Rd., Aztec, NM 87410 District IV	Santa Fe, NM 87505	6. State Oil & Gas Lease No.
1220 S. St. Francis Dr., Santa Fe, NM 87505		
SUNDRY NOTICES AT (DO NOT USE THIS FORM FOR PROPOSALS TO		7. Lease Name or Unit Agreement Name SENA
DIFFERENT RESERVOIR USE "APPLICATION PROPOSALS.)		8. Well Number
1. Type of Well: Oil Well Gas We	ell Other	9. OGRID Number
2. Name of Operator APPROACH OPERATING, LLC		248343
3. Address of Operator		10. Pool name or Wildcat
6300 RIDGLEA PLACE, SUITE 110	7, FORT WORTH, TX 76116	WILDCAT
4. Well Location	feet from the <u>SOUTH</u> line and	495 feet from the <u>WEST</u> line
Unit Letter : 350 Section 10	Township 28N Range 4E	NMPM County RIO ARRIBA
	levation (Show whether DR, RKB, RT, GR, et	
	7955.78' LSD	
Pit or Below-grade Tank Application or Closure		000' Distance from nearest surface water 4000'
		Construction Material
	oriate Box to Indicate Nature of Notice	
• • •		
NOTICE OF INTENT PERFORM REMEDIAL WORK ☐ PLUC	TION TO: SU BAND ABANDON ☐ REMEDIAL WO	BSEQUENT REPORT OF: ORK ALTERING CASING
	— · I	RILLING OPNS. P AND A
PULL OR ALTER CASING MULT	TIPLE COMPL CASING/CEME	
OTHER: RESERVE PIT APPLICATION	☑ OTHER:	. п
13. Describe proposed or completed op	perations. (Clearly state all pertinent details, a	and give pertinent dates, including estimated date
	EE RULE 1103. For Multiple Completions: A	Attach wellbore diagram of proposed completion
or recompletion.		
D	Him and the Control of the Control o	
Propose to build blooie line/reserve pit in process of dri	lling exploration well for oil or gas	
•		
,		
		`
grade tank has been/vill be constructed or closed a	s true and complete to the best of my knowled conding to NMOCD guidelines , a general permit	dge and belief. I further certify that any pit or below- ☑ or an (attached) alternative OCD-approved plan ☐.
SIGNATURE / Slum WY	TITLE Senior Vice Preside	ent of Operations DATE Septemeber 24, 2007
Type or print name Glenn W. Reed, P. E.	E-mail address: gwreed@approachresour	rces.com Telephone No. (817) 989-9000
For State Use Only		& Gas Inspector, OCT 0 2 2007
APPROVED BY: Conditions of Approval (if any):	TITLE Dis	etrict #3 DATE DATE

District 1 1625 N French Dr , Hobbs, NM 88240 District II 1301 V. Grand Avenue, Artesia, NM 88210 District III 1 1000 Rio Brazos Road, Aztec, NM 87410 District IV

State of New Mexico Energy Minerals and Natural Resources

Form C-101 May 27, 2004

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505 Submit to appropriate District Office

☐ AMENDED REPORT

1220 S. St. Fr						•	IM 875		•			
APPI	LICATI		Operator Name	and Addres	is ·	-ENTI	ER, DI	EEPEN	I, PLUGBA	CK, OF		
ł		630	APPROACH OPE O RIDGLEA PLA FORT WORTI	ACE, SUITE	E 1107				248343	3, VALIV	lumber	
, Prope	rty Code		FORT WORTE	1, IX /0110	Propert SEI	y Name					No.	
36	761				SEI	NA 				<u></u>		
	WC28	NHBE 1.L	Proposed Pool I	S			ľ		10 Prop	osed Pool 2	2	
	⁷ Surfac						tion					
UL. or lot no	Section	Township	Range	المما			J	outh line	Feet from the	East/We		County
<u> </u>	16	28N	4E 8 Drope		om Hole Loc	ation If		ot From S	680 Surface	EAS	-	RIO ARRIBA
UL or tot no	Section	Township	Range	Lot Id		from the		outh line	Feet from the	East/Wes	st line	County
	l			Ad	ditional W	ell Info	ormatic	on		L		
	Type Code		12 Well Type Co		13 Cal	ole/Rotary OTARY			Lease Type Code P			nd Level Elevation 823 36' LSD
	lultiple		¹⁷ Proposed Dep 2000	oth		ormation NERO	S	BEA	19 Contractor IRCAT DRLG CO	AS	SAP	⁰ Spud Date
Depth to Grou	ndwater >1	00 FEET	2000	Distance	from nearest fr				Distance from		· C · · · · · · ·	ter 1 < 1000'
I .	-	mils th	ck Clay	Pit Volume:		1	Drilling M					
Close	d-Loop Syst	em 🔲		l p	1.0.	1.0			Brine Diesel/O	ıl-based_	Gas/A	ir 🛛 .
					ed Casing				T		Ι	
Hole S			ing Size		weight/foot	-	Setting Do		Sacks of Ce	ment	 	Estimated TOC
$\frac{12^{-1}}{8^{3/4}}$			1/2"		6.0# 0.5#	· .	-350		210 500		T .	SURFACE SURFACE
						+			ļ			
Describe the b	olowout prediction of the Control of	vention progression progression Sh. 6 am 3000# LV ad, 3000#	ram, if any Use exploring for oil	additional sl	heets if necessa	ry.		on the prese	ent productive zone	RC	VD SE	productive zone P 27 '07 VS. DIV,
best of my kno	owledge and	belief I fur NMOCD ;	given above is to ther certify tha guidelines , a roved plant .	t the drillin	g pit will be	Appro	ved by.	OIL C	ONSERVAT	TION D	IVISI	ON
Printed name:	Glenn W.	Reed, P. E.	/		<u> </u>	Title:	100-	Dep				or,
Title Senior						Appro	val BCJ	182	007 Distrig	kbi ra tion D	Date:	
E-mail Addres		×				-						
Date, Septem	ber 24, 200	7	Phone: (817	989-9000			tions of A こっこう	pproval Att	ner requ	red		

District I

1 625 N. French Dr., Hobbs, NM 88240 District II

1301 W. Grand Avenus, Artesis, NM 88210 District III

1000 Rio Brazos Rd., Aztec, NM 87410 District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico

Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-102 Revised October 12, 2005

Submit to Appropriate District Office -

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

			WELL LO		N AND ACR	EAGE I	DEDICAT	ION PLA	Ţ			
30.0	API Numbe		74 9.	Pool Code 7 64 25	- W	C 2 8A	45-16	Pool Nam Mances	Oil	,		
Property 3676	y Code				Property N	lama		1.100.005		Well Number		
7 OGRID	No.		-1401		Operator N							
24834	73		Appr	oach (Operating					7823.36'		
r a , 		Lon.			10 Surface I							
UL or lot no.	**16	Township	Rango **04E	Lot Idn	Feet from the 1200	SOU'	outh line	Feet from the 680	EAST	RIO ARRIBA		
l		l <u>. :</u>	II Boti	tom Hol	e Location If	Differe	nt From Si	ırface				
UL or lot no.	Section	Township	Raoge	Let Ida	Feet from the		lauth line	Feet from the	East/West	ine County		
Dedicated Acre		lofill H	Consolidation Co	de 15 Ord	er No.							
40 5645	124											
division. **Projection 16								OP.	ERATOR CE	approved by the ERTIFICATION introduction in true and complete		
								ours a working to	intrest of unleased oils	nd that this organization of ther arail interest in the land including		
					İ			1 .		u a nghi io dhili dhi well at this Dwner of such a mineral ar worlding		
					ļ			interest, or to a ve heretofore enteres		ment or a compulsory pooling order		
								Jam	1.3	Date Date		
								Signance Printed Name	.s S.S	Date		
							C	JAME	. 5.5	204		
									YOR CERTI			
SENA	NO. 2							1 .		ocation shown on this plat Factual surveys made by		
Latit	uđe –	36°3	9'25.020	04N				1 -		and that the same is true		
	tude -		0'42.516					and correct to	o the best of my b	elief.		
							cena #2	Date of Survey	-	ember 2007		
	, ,			1.	ſ		680	Signature and S	Seal of Professional	ULETA		
	lexico S tem - C		lané Coo: , Zone	rdinate				9.1		SUCO 2		
X		3,574.				12001		ful h	Ardel	Some Some		
y	- 2,05	9;3981	124	{		Ħ		No. 1397	e /3/			

Cortificate Number

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised October 12, 2005 Submit to Appropriate District Office State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

			WELL LO	CATIC	N AND ACR	EAGE DEDIC	CATION PLA	.T		,		
30.039.30394 Pool Code						³ Pool Name						
Property	⁵ Property Name								Sub Well Number			
			Ma	.	SENA #2							
OGRID No.					Elevation							
	Í		App	.	7823.36′							
					¹⁰ Surface	Location						
UL or lot no.	Section	Township	Range	Lot Id	n Feet from the	North/South line	Feet from the	East	/West line	County		
	**16 **28N **04E			1200	SOUTH 680		EAS	ST	RIO ARRIBA			
·	L	l	п Вс	ttom H	ole Location I	f Different From	m Surface					
UL or lot no.	Section	Township Range		Lot Id	Feet from the	North/South line	Feet from the	East	/West line	County		
				æ,					ľ			
Dedicated Acres Joint or Infill Gonsolidation Code Sorder No.					Order No.				CVD ()()IL CO	ST 11 '07 NS. DIV.		
								· · · · · · · · · · · · · · · · · · ·	UL)I. J		
No allowable v division.	will be ass	igned to	this complet	ion until a	all interests have	been consolidated	or a non-standard	d unit has	been ap	proved by the		
**Projection	within the	e Tierra	Amarilla La	and Gran	<u>t</u> _	_						

16

1 OPERATOR CERTIFICATION
1 hereby certify that the information contained here in is true and conjugate
to the best of my involving and beind, and that this organization either
comes a working interest or wileased mineral interest in the dru including
the proposed bottom hole location or has a right to dail this well at this
location pursuent to a contract with an owner of such a mineral or working
interest, or to a voluntary pooling agreement or a compulsory pooling order
heretofore entered by the division

Amo 1, 5 10-10-2004.

Signature

Date

Printed Name

TAMES 5.5 0 14

18 SURVEYOR CERTIFICATION
1 hereby certify that the well location shown on this plat

SENA NO. 2 was plotted from field notes of actual surveys made by 36°39'25.02004N Latitude me or under my supervision, and that the same is true Longitude -106°30'42.51613W and correct to the best of my belief 19 September 2007 Date of Survey Sena #2 Signature and Seal of Professiona 680 New Mexico State Plane Coordinate System - Central Zone 423,574.972 2,059,398.124 Certificate Number

Submit 3 Copies To Appropriate District Office District 1	State of New Me Energy, Minerals and Natu		Form C-103 May 27, 2004			
1625 N French Dr., Hobbs, NM 88240	Enorgy, minorals and reac	indi resources	WELL API NO.			
District II 1301 W. Grand Ave, Artesia, NM 88210	30 - 039 ~ 30394 5. Indicate Type of Lease					
<u>District III</u> 1000 Rio Brazos Rd., Aztec, NM 87410	STATE FEE S					
District IV	6. State Oil & Gas Lease No.					
1220 S. St. Francis Dr., Santa Fe, NM 87505						
(DO NOT USE THIS FORM FOR PROPOS	CES AND REPORTS ON WELLS SALS TO DRILL OR TO DEEPEN OR PL CATION FOR PERMIT" (FORM C-101) FO	UG BACK TO A	7. Lease Name or Unit Agreement Name SENA			
PROPOSALS.)			8. Well Number			
Type of Well: Oil Well Name of Operator	Gas Well Other		9. OGRID Number			
APPROACH OPERATING, L	LC		248343			
3. Address of Operator	TE 1107, FORT WORTH, TX 761	16	10. Pool name or Wildcat WILDCAT			
4. Well Location						
Unit Letter:_	1200 feet from the SOUT					
Section 16		ange 4E	NMPM County RIO ARRIBA			
	11. Elevation (Show whether DR) 7823.36' LS					
Pit or Below-grade Tank Application 🛛 o			James Contraction			
Pit type reserve Depth to Groundwat	er <u>>100'</u> Distance from nearest fr	esh water well <u>>1000</u>	Distance from nearest surface water1000'			
Pit Liner Thickness: 6 mil	Below-Grade Tank: Volume	bbls; Co	onstruction Material			
12. Check A	Appropriate Box to Indicate N	ature of Notice,	Report or Other Data			
NOTICE OF IN	TENTION TO:	l sur	SEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	PLUG AND ABANDON	REMEDIAL WORK				
TEMPORARILY ABANDON	CHANGE PLANS	COMMENCE DRI	-			
PULL OR ALTER CASING	MULTIPLE COMPL	CASING/CEMENT	Г JOВ □			
OTHER: RESERVE PIT APPLICAT	TION	OTHER:	П			
13. Describe proposed or compl	leted operations. (Clearly state all p	pertinent details, and	d give pertinent dates, including estimated date tach wellbore diagram of proposed completion			
Propose to build blooie line/reserve pit in proce	ess of drilling exploration well for oil or gas.					
			•			
I hereby certify that the information a	above is true and complete to the be	est of my knowledge	e and belief. I further certify that any pit or below-			
grade tank has been will be constructed or	closed according to NMOCD guidelines], a general permit 🛛 e	or an (attached) alternative OCD-approved plan .			
SIGNATURE/SUM (title se	enior Vice President	of Operations DATE September 24, 2007			
Type or print name Glenn W. Reed	l, P. E. E-mail address: gwreed	@approachresource	s.com Telephone No. (817) 989-9000			
For State Use Only	∆r D	eputy Oil & G	as Inspector,			
APPROVED BY:	TITLE	Distric	t #3 °0C7 1 8 2007			

Conditions of Approval (if any):

District I 1625 N. French Dr., Hobbs, NM 88240 <u>District II</u> 1301 W Grand Avenue, Artesia, NM 88210

District III

1000 Rio Brazos Road, Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Energy Minerals and Natural Resources

Form C-101 May 27, 2004

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe. NM 87505

State of New Mexico

Submit to appropriate District Office

☐ AMENDED REPORT

APPI		,		TO D	RILL	. RE-	ENTE	cr. Di	EEPEI	N. PLUGBA	CK. OR	RADD A ZONE	
Operator Name and Address APPROACH OPERATING, LLC							<u> </u>	111, 22		248343	² OGRID N	Number	
6500 WEST FREEWAY, SUITE 800 FORT WORTH, TX 76116										30 - 39	API Nu	imber	
Property Code Property N WOOLLEY FA						Name MILY L	.Р	,			6 Well No.		
36790 WOODEET FA							<u> </u>		10 Propo	osed Pool 2			
WC28N5F3: MANCOS all							<u> </u>	<u> </u>		··			
UL or lot no	UL or lot no Section Township Range			7 Surface Locat			North/South line Feet from the		East/West	line County			
H	3	28N	5E	~ I		22			935	EAST	1		
	T		8 Propo	sed Botto	om Hol	le Loca	ion If I	Differer	it From	Surface			
UL or lot no.	Section	Township	Range	Lot 1	Idn	Feet fro	m the	North/S	outh line	th line Feet from the		line County	
					lditior	nal We		rmati					
	Type Code N		¹² Well Type Co O			ROT	/Rotary ARY		1.	Lease Type Code P		¹⁵ Ground Level Elevation 9921.98' LSD	
10 N	lultiple		¹⁷ Proposed Dep 2000	oth "* Formation GRANERO				S	BE	¹⁹ Contractor BEARCAT DRLG CO.		²⁰ Spud Date ASAP	
Depth to Gro				Distance	e from no	earest fre	sh water	well: >10	000'	Distance from	n nearest sur	face water: >1000'	
ı	: Synthetic	mils	thick Clay	Pit Volum	ne: 4000) bbls		•	g Method resh Wate	·	escl/Oil-base	ed 🗌 Gas/Air 🏻	
0.03	2000 530	<u> </u>	21	Propos	ed Ca	ising a	nd Ce				esea en eur		
Hole Size Casing Size				Casing weight/foot			s	Setting Depth Sacks of C		Sacks of Ce	ement Estimated TOC		
12 1/2"			9 5/8"		36.0#			350°		210		SURFACE	
8 3/4	,, ,	•	4 ½"	j	10.5 # 1700			1700' 500			SURFACE		
²² Describe t	²² Describe the proposed program. If this application is to DEEPEN or PLUG BA								a on the p	resent product ive a	zone and pro	prosed new productive	
			on program, if an						•	r			
Propose to dr	ill into the (Graneros Sh.	exploring for oil	and/or gas	in all fo	ormations	cncount	ered.			RCVI) OCT 15'07	
(1) Shafco 11 (1) Grant 11"			ws								OIL	CONS. DIV.	
(1) 5000# cho			draulic pump		NO	TIEV	/ A 7	TEC	3.00	D 24 HF	35 [DIST. 3	
(4) 10 gallon	bottles	•	•							& CEME			
						On	,		1140	Q OLIVIE	-141		

23 I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed accluding to NMOCD guidelines , ageneral permit , or						will be	OIL CONSERVATION DIVISION						
an (attaction) alternative OCD-approved plan Signature:						Approved by:							
Printed name: Glenn W. Reed, P. E.							Title Deputy Oil & Gas Inspector						
Title: Senior Vice President of Operations							Title. Deputy Oil & Gas Inspector, Approval DCT 1 8 200 District #200 Date:						
	E-mail Address: gwreed@approachresources.com								<u>, - 0</u>	LUDE			
Date: October 11, 2007 Phone: (817) 989-9000							Condit	ions of A	pproval A	attached			

12 mil liner required 40

District I 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV

State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised October 12, 2005 Submit to Appropriate District Office

> State Lease - 4 Copies Fee Lease - 3 Copies

1220 S. St. Francis	Fe, NM 87505			[] AM	☐ AMENDED REPORT				
٠,						4			ENDED KEPOK I
		V	VELL LC	OCATION	N AND ACR	EAGE DEDIC	ATION PLA	Γ	
1	API Numbe	r		² Pool Code			ie		
L300	391.3	0391	7 9	7649	Oil				
⁴ Property	Code				⁵ Property ((L 28N 5 E :	7	Su6	Well Number
			Wo	oolley	Family 1	Limited Par	rtnership	Wool	ley
3679	36790			•	Fami	Family LP #1			
OGRID 7	No.					Elevation			
	_ }		App:	roach	99	9921.98'			
					¹⁰ Surface	Location			
UL or lot no.	Section	` ````````````````````````````````````						East/West line	County
H	**03	**28N							RIO ARRIBA
<u> </u>	L	L	T Bo	ttom Hol	e Location I	f Different Fron	n Surface		1
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
ļ	Į	l	1 (Į į
12 Dedicated Acres	Joint o	r Infill	Consolidation (Code 15 Oro	ler No.	L			<u> </u>
						_		RCVD O	CT 15'07
No allowable v	will be ass	signed to th	is complet	ion until all	interests have l	been consolidated o	or a non-standard	unit has been an	NS. DIV.
division.	,		*						

**Projection of township, range and section within the Tierra Amarilla Land Grant 17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order JAMES S. SCOU 935 Woolley Family LP No. 1 18 SURVEYOR CERTIFICATION Woolley Family LP No. 1 I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by 36°41'27'88700"N Latitude me or under my supervision, and that the same is true 106°23'11.85392"W Longitude and correct to the best of my belief. 21 September 2007 Signature and Seal of Professional New Mexico State Plane Coordinate System - Central Zone 460,327.103 No. 13976 y = 2,071,752.215Certificate Number