

LAW OFFICES OF TED J. TRUJILLO

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622 PASEO DE OÑATE, SUITE C
ESPAÑOLA, NEW MEXICO 87532
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TED J. TRUJILLO
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(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 ¹⁰7-2-23 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, Re-enter, 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 14/34 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:

Sultemeier No. 001	API No. 30-039-30342	Section 19, T27N, R4E
Sena No. 001	API No. 30-039-30386	Section 10, T28N, R4E
Sena No. 002	API No. 30-039-30394	Section 16, T28N, R4E
Woolley Family LP No. 001	API No. 30-039-30397	Section 3, T28N, R5E
Avella Sultemeier No. 002		Section 20, T28N, R4E
Benjamin Trujillo No. 001		Section 22, T28N, R4E
Rosemary Roller No. 001		Section 9, T28N, R5E
Anthony Garcia No. 001		Section 17, T28N, R4E
Leo Valdez No. 001		Section 18, T28N, R4E
Cloyd Hinkle No. 001		Section 18, T28N, R4E

District I
1625 N. French Dr., Hobbs, NM 88240
District II
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

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

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address APPROACH OPERATING, LLC 6300 RIDGLEA PLACE, SUITE 1107 FORT WORTH, TX 76116		² OGRID Number 248343
³ Property Code 36701		⁴ API Number 30 - 039 - 30342
⁵ Property Name SULTEMEIER		⁶ Well No. 1
⁹ Proposed Pool 1 WC; Mancos		¹⁰ Proposed Pool 2

⁷ Surface Location: 19368' S5°E from Rio Arriba County Courthouse, Tierra Amarilla, NM

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
	19	28N	4E		2322	SOUTH	489	EAST	RIO ARRIBA

⁸ Proposed Bottom Hole Location If Different From Surface

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Additional Well Information

¹¹ Work Type Code N	¹² Well Type Code O	¹³ Cable/Rotary ROTARY	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 7590 73' LSD
¹⁶ Multiple NO	¹⁷ Proposed Depth 6000'	¹⁸ Formation PRE-CAMBRIAN	¹⁹ Contractor PATTERSON-UTI DRLG CO	²⁰ Spud Date ASAP
Depth to Groundwater 33' / 100		Distance from nearest fresh water well 5150' / 1000		Distance from nearest surface water 3830' / 2200
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 6 mils thick Clay <input type="checkbox"/> Pit Volume: 4000 bbls Drilling Method: Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input checked="" type="checkbox"/>				
Closed-Loop System <input type="checkbox"/>				

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12.25"	9.625"	32.3 #	350'	210	SURFACE
8.75"	4.5"	10.5 #	6000'	875	3000' 0

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.
This well location is within the Tierra Amarilla Land Grant. Section Township and Range is based on the construction proposed by Aztec District office of NMOCD. See attached survey plat for metes and bounds description.
Propose to drill to Basement exploring for oil or gas in all formations or zones encountered.

(1) Schaffer LWS BOP 11" x 3000# and 11" gate preventor. Equipped with 3" x 2" 3000 psi choke manifold and Koomey 4 station, 40 gal closing unit with remote

RCVD SEP 4 '07

OIL CONS. DIV.

DIST. 3

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 according to NMOCD guidelines ☐ a general permit ☒ or an (attached) alternative OCD-approved plan ☐.

Signature:

Glenn W. Reed

Printed name: Glenn W. Reed, P. E.

Title: Senior Vice President of Operations

E-mail Address: gwreed@approachresources.com

Date: August 29, 2007

Phone: (817) 989-9000

OIL CONSERVATION DIVISION

Approved by:

[Signature]

Title:

Approval Date:

Expiration Date:

Conditions of Approval Attached ☐

District I
1625 N. French Dr., Hobbs, NM 88240
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1301 W. Grand Avenue, Artesia, NM 88210
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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 ACREAGE DEDICATION PLAT

¹ API Number 30-039-30342		² Pool Code 97640		³ Pool Name 4627N4E19; Mancos Oil and Strat test	
⁴ Property Code 36701		⁵ Property Name Sultemeier Property			⁶ Well Number Sultemeier #1
⁷ OGRID No. 248343		⁸ Operator Name Approach Operating LLC			⁹ Elevation 7590.73'

¹⁰ Surface Location

UL or lot no.	Section **19	Township **27N	Range **04E	Lot Idn	Feet from the 2320	North/South line NORTH South	Feet from the 490	East/West line EAST	County RIO ARRIBA
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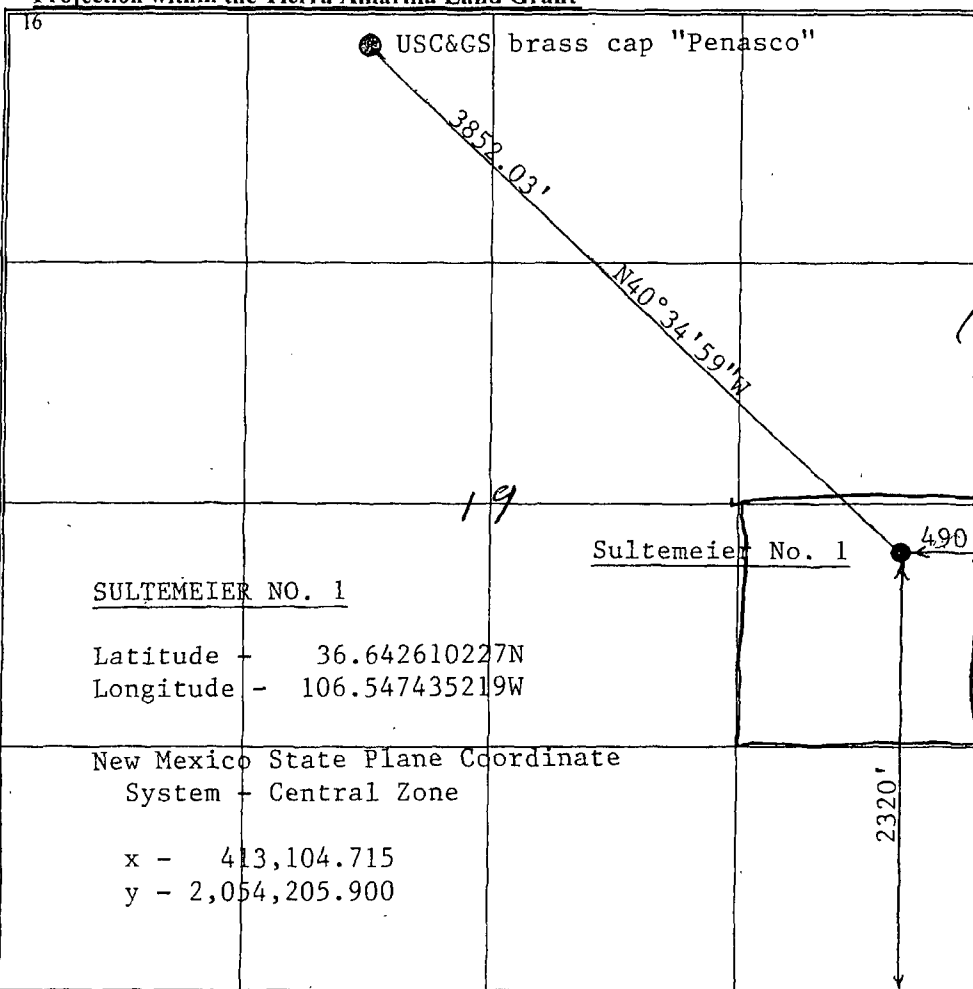
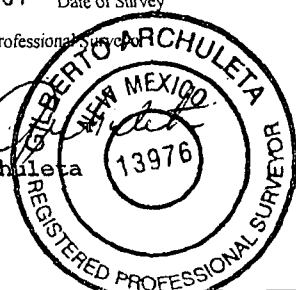
¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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.

****Projection within the Tierra Amarilla Land Grant**

¹⁶ 		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 heretofore entered by the division. Signature: <i>James S. Scott</i> Date: 08-31-2007 Printed Name: JAMES S. SCOTT	
¹⁸ 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 belief. 06 August 2007 Date of Survey Signature and Seal of Professional Surveyor: <i>Gilberto Archuleta</i> Gilberto Archuleta No. 13976 Certificate Number			

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
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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 and Natural Resources

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO.

30 - 039 - 30342

5. Indicate Type of Lease

STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS)

1. Type of Well: Oil Well ☒ Gas Well ☐ Other ☐

2. Name of Operator
APPROACH OPERATING, LLC

3. Address of Operator
6300 RIDGLEA PLACE, SUITE 1107, FORT WORTH, TX 76116

4. Well Location

Unit Letter _____ : 2322 feet from the SOUTH line and 489 feet from the EAST line
Section 19 Township 29N Range 4E NMPM County RIO ARRIBA

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
7590.73' LSD

Pit or Below-grade Tank Application ☒ or Closure ☐

Pit type reserve Depth to Groundwater 2100' Distance from nearest fresh water well >1000' Distance from nearest surface water >200'

Pit Liner Thickness: 6 mil Below-Grade Tank: Volume bbls: Construction Material

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: RESERVE PIT APPLICATION ☒

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Propose to build blooie line/reserve pit in process of drilling exploration well for oil or gas.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been ☐ constructed or closed according to NMOC guidelines ☐ a general permit ☒ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Glenn W. Reed TITLE Senior Vice President of Operations DATE August 28, 2007

Type or print name Glenn W. Reed, P. E. E-mail address: gwreed@approachresources.com Telephone No. (817) 989-9000
For State Use Only Deputy Oil & Gas Inspector,
District #3

APPROVED BY: [Signature] TITLE _____ DATE SEP 06 2007
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

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address APPROACH OPERATING, LLC 6300 RIDGLEA PLACE, SUITE 1107 FORT WORTH, TX 76116		² OGRID Number 248343
³ Property Code 36761	⁴ Property Name SENA	⁵ API Number 30-039-30386
⁹ Proposed Pool 1 WC 28N4E10-7		¹⁰ Proposed Pool 2

⁷ Surface Location

UL or lot no M	Section 10	Township 28N	Range 4E	Lot Idn G94	Feet from the 350	North/South line SOUTH	Feet from the 495	East/West line WEST	County RIO ARriba
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⁸ Proposed Bottom Hole Location If Different From Surface

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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Additional Well Information

¹¹ Work Type Code N	¹² Well Type Code O	¹³ Cable/Rotary ROTARY	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 7955 78' LSD
¹⁶ Multiple N	¹⁷ Proposed Depth 2000	¹⁸ Formation GRANEROS	¹⁹ Contractor BEARCAT DRLG CO	²⁰ Spud Date ASAP
Depth to Groundwater >100 FEET		Distance from nearest fresh water well >1000 FEET		Distance from nearest surface water >200 FEET - Nutrias Ditch No. 1
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 6 mils thick Clay <input type="checkbox"/> Pit Volume: 4000 bbls Drilling Method: Closed-Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input checked="" type="checkbox"/>				

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4"	9 5/8"	32.3#	350'	210	SURFACE
8 3/4"	4 1/2"	10.5#	1700'	500	SURFACE

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Propose to drill into the Graneros Sh. exploring for oil and/or gas in all formations encountered.

RCVD SEP 27 '07
OIL CONS. DIV.
DIST. 3

- (1) Shafco 11" Double Ram 3000# LWS
- (1) Grant 11" rotating head, 3000#
- (1) 5000# choke manifold
- (1) Koomey 3 station 3000# w/air/hydraulic pump
- (4) 10 gallon bottles

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 according to NMOC guidelines ☐, a general permit ☒, or an (attached) alternative OCD-approved plan ☐.

Signature

Printed name. Glenn W. Reed, P. E.

Title: Senior Vice-President of Operations

E-mail Address: gwreed@approachresources.com

Date: September 24, 2007

Phone (817) 989-9000

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Expiration Date:

Conditions of Approval Attached ☐

OCT 03 2007-aw

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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 LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30039-30386	² Pool Code 97646	³ Pool Name WC 28N 4E 10; Marces oil
⁴ Property Code 36761	⁵ Property Name Sena	⁶ Well Number Sena #1
⁷ OGRID No. 248342	⁸ Operator Name Approach Operating LLC	Elevation 7955.78'

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
M	**10	**28N	**04E	G 94	350	SOUTH	495	WEST	RIO ARRIBA


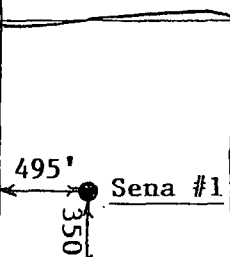
¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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.

****Projection within the Tierra Amarilla Land Grant**

16				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 heretofore entered by the division. Signature <u>James S. Scott</u> Date <u>9-26-2007</u> Printed Name <u>JAMES S. SCOTT</u>
	SENA NO. 1 Latitude - 36°40'08.61650N Longitude - 106°30'27.29027W New Mexico State Plane Coordinate System - Central Zone x - 424,827.891 y - 2,063,805.360			
18				¹⁸ 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 belief. Date of Survey 19 September 2007 Signature and Seal of Professional Surveyor Gilberto Archuleta No. 13976 Certificate Number 
				

District I

1625 N French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., Artesia, NM 88210

District III

1600 Rio Brazos Rd., Aztec, NM 87410

District IV

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

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
May 27, 2004

WELL API NO. 30 - 039 - 30386
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name SENA
8. Well Number 1
9. OGRID Number 248343
10. Pool name or Wildcat WILDCAT

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☒ Gas Well ☐ Other ☐

2. Name of Operator
APPROACH OPERATING, LLC

3. Address of Operator
6300 RIDGLEA PLACE, SUITE 1107, FORT WORTH, TX 76116

4. Well Location
Unit Letter _____ : 350 feet from the SOUTH line and 495 feet from the WEST line
Section 10 Township 28N Range 4E NMPM County RIO ARRIBA

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
7955.78' LSD

Pit or Below-grade Tank Application ☒ or Closure ☐

Pit type reserve Depth to Groundwater >100' Distance from nearest fresh water well >1000' Distance from nearest surface water >100'

Pit Liner Thickness: 6 mil Below-Grade Tank: Volume bbls: Construction Material

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: RESERVE PIT APPLICATION ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Propose to build blooie line/reserve pit in process of drilling exploration well for oil or gas

I hereby certify that the information above is true and complete to the best of my knowledge 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 ☒ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Glenn W. Reed TITLE Senior Vice President of Operations DATE Septemeber 24, 2007

Type or print name Glenn W. Reed, P. E. E-mail address: gwreed@approachresources.com Telephone No. (817) 989-9000
For State Use Only

APPROVED BY: [Signature] TITLE Deputy Oil & Gas Inspector, District #3 DATE OCT 03 2007

Conditions of Approval (if any):

District I
1625 N French Dr., Hobbs, NM 88240
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State of New Mexico
Energy Minerals and Natural Resources

Form C-101
May 27, 2004

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Submit to appropriate District Office

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APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address APPROACH OPERATING, LLC 6300 RIDGLEA PLACE, SUITE 1107 FORT WORTH, TX 76116		² OGRID Number 248343
³ Property Code 36761	⁴ Property Name SENA	⁵ API Number 30-039-30394
⁹ Proposed Pool 1 WLC 28N 4E 16 MANCOS		¹⁰ Proposed Pool 2

⁷ Surface Location

UL or lot no P	Section 16	Township 28N	Range 4E	Lot Idn 994	Feet from the 1200	North/South line SOUTH	Feet from the 680	East/West line EAST	County RIO ARRIBA
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⁸ Proposed Bottom Hole Location If Different From Surface

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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Additional Well Information

¹¹ Work Type Code N	¹² Well Type Code O	¹³ Cable/Rotary ROTARY	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 7823.36' LSD
¹⁶ Multiple	¹⁷ Proposed Depth 2000	¹⁸ Formation GRANEROS	¹⁹ Contractor BEARCAT DRLG CO	²⁰ Spud Date ASAP
Depth to Groundwater >100 FEET		Distance from nearest fresh water well >1000 FEET		Distance from nearest surface water >1000 FEET Nutrias Ditch No. 1 <1000'
Pit: Liner: Synthetic <input checked="" type="checkbox"/> mils thick Clay <input type="checkbox"/> Pit Volume: 4000 bbls Drilling Method: Closed-Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input checked="" type="checkbox"/>				

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4"	9 5/8"	36.0#	350'	210	SURFACE
8 3/4"	4 1/2"	10.5#	1700'	500	SURFACE

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Propose to drill into the Graneros Sh. exploring for oil and/or gas in all formations encountered

- (1) Shafco 11" Double Ram 3000# LWS
- (1) Grant 11" rotating head, 3000#
- (1) 5000# choke manifold
- (1) Koomey 3 station 3000# w/air/hydraulic pump
- (4) 10 gallon bottles

RCVD SEP 27 '07
OIL CONS. DIV.
DIST. 3

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 according to NMOCD guidelines <input type="checkbox"/> , a general permit <input checked="" type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	OIL CONSERVATION DIVISION	
Signature: <i>Glenn W. Reed</i>	Approved by: <i>[Signature]</i>	
Printed name: Glenn W. Reed, P. E.	Title: Deputy Oil & Gas Inspector	
Title: Senior Vice-President of Operations	Approval Date: OCT 18 2007	District #3
E-mail Address: gwreed@approachresources.com	Expiration Date:	
Date: September 24, 2007	Phone: (817) 989-9000	Conditions of Approval Attached <input type="checkbox"/>

12 mil liner required
OCT 18 2007

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III

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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

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Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-30394	² Pool Code 97645	³ Pool Name WC 28N4E16 Mancos Oil
⁴ Property Code 36761	⁵ Property Name Manuel Sena Property	⁶ Well Number SENA #2
⁷ GRID No. 248343	⁸ Operator Name Approach Operating LLC	Elevation 7823.36'

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
	**16	**28N	**04E		1200	SOUTH	680	EAST	RIO ARriba

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 40 SE 1/4 SE 1/4	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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.

****Projection within the Tierra Amarilla Land Grant**

16				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 undivided 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 heretofore entered by this division. James S. Scott 10-10-2007 Signature Date Printed Name JAMES S. SCOTT	
SENA NO. 2				¹⁸ 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 belief. Date of Survey 19 September 2007 Signature and Seal of Professional Surveyor Gilberto Archuleta No. 13976 Certificate Number	
Latitude - 36°39'25.02004N Longitude - 106°30'42.51613W				SENA #2 680' 1200'	
New Mexico State Plane Coordinate System - Central Zone x - 423,574.972 y - 2,059,398.124				GILBERTO ARCHULETA NEW MEXICO 13976 REGISTERED PROFESSIONAL SURVEYOR	

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 LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-30394		² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name Manuel Sena Property		⁶ Well Number SENA #2
⁷ OGRID No.	⁸ Operator Name Approach Operating LLC		⁹ Elevation 7823.36'

¹⁰ Surface Location

UL or lot no.	Section **16	Township **28N	Range **04E	Lot Idn	Feet from the 1200	North/South line SOUTH	Feet from the 680	East/West line EAST	County RIO ARriba
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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RCVD OCT 11 '07
OIL CONS. DIV.
DIST. 3

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.

****Projection within the Tierra Amarilla Land Grant**

¹⁶				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 heretofore entered by the division Signature: <u>James A. Scott</u> Date: <u>10-10-2007</u> Printed Name: <u>JAMES S. SCOTT</u>	
SENA NO. 2 Latitude - 36°39'25.02004N Longitude - 106°30'42.51613W					
New Mexico State Plane Coordinate System - Central Zone x - 423,574.972 y - 2,059,398.124				¹⁸ 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 belief Date of Survey 19 September 2007 Signature and Seal of Professional Surveyor Gilberto Archuleta No. 13976 Certificate Number	

Submit 3 Copies To Appropriate District Office
District I
1625 N French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., 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 and Natural Resources

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30 - 039 - 30394
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name SENA
8. Well Number 2
9. OGRID Number 248343
10. Pool name or Wildcat WILDCAT

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	
2. Name of Operator APPROACH OPERATING, LLC	
3. Address of Operator 6300 RIDGLEA PLACE, SUITE 1107, FORT WORTH, TX 76116	
4. Well Location Unit Letter _____: 1200 feet from the SOUTH line and 680 feet from the EAST line Section 16 Township 28N Range 4E NMPM County RIO ARRIBA	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 7823.36' LSD	
Pit or Below-grade Tank Application <input checked="" type="checkbox"/> or Closure <input type="checkbox"/>	
Pit type reserve Depth to Groundwater >100' Distance from nearest fresh water well >1000' Distance from nearest surface water <1000'	
Pit Liner Thickness: 6 mil Below-Grade Tank: Volume bbls: Construction Material	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: RESERVE PIT APPLICATION ☒

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Propose to build blooie line/reserve pit in process of drilling exploration well for oil or gas.

I hereby certify that the information above is true and complete to the best of my knowledge 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 ☒ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Glenn W. Reed TITLE Senior Vice President of Operations DATE September 24, 2007

Type or print name Glenn W. Reed, P. E. E-mail address: gwreed@approachresources.com Telephone No. (817) 989-9000
For State Use Only

APPROVED BY: [Signature] TITLE Deputy Oil & Gas Inspector, District #3 DATE **OCT 18 2007**
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
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

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address APPROACH OPERATING, LLC 6500 WEST FREEWAY, SUITE 800 FORT WORTH, TX 76116		² OGRID Number 248343
³ Property Code 36790		⁴ API Number 30 - 39 - 30397
⁵ Property Name WOOLLEY FAMILY LP		⁶ Well No. 1
⁷ Proposed Pool 1 WC 28N5E3		⁸ Proposed Pool 2

⁷ Surface Location									
UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	3	28N	5E		2210	NORTH	935	EAST	RIO ARriba

⁸ Proposed Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Additional Well Information				
¹¹ Work Type Code N	¹² Well Type Code O	¹³ Cable/Rotary ROTARY	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 9921.98' LSD
¹⁶ Multiple	¹⁷ Proposed Depth 2000	¹⁸ Formation GRANEROS	¹⁹ Contractor BEARCAT DRLG CO.	²⁰ Spud Date ASAP
Depth to Groundwater: >100'		Distance from nearest fresh water well: >1000'		Distance from nearest surface water: >1000'
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 mils thick Clay <input type="checkbox"/> Pit Volume: 4000 bbls Drilling Method: Closed-Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input checked="" type="checkbox"/>				

²¹ Proposed Casing and Cement Program					
Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4"	9 5/8"	36.0#	350'	210	SURFACE
8 3/4"	4 1/2"	10.5 #	1700'	500	SURFACE

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Propose to drill into the Graneros Sh. exploring for oil and/or gas in all formations encountered.

RCVD OCT 15 '07
OIL CONS. DIV.

- (1) Shafco 11" Double Ram 3000# LWS
- (1) Grant 11" rotating head, 3000#
- (1) 5000# choke manifold
- (1) Koomey 3 station 3000# w/air/hydraulic pump
- (4) 10 gallon bottles

**NOTIFY AZTEC OCD 24 HRS. DIST. 3
PRIOR TO CASING & CEMENT**

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 according to NMOC guidelines <input type="checkbox"/> , a general permit <input checked="" type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> Signature: <i>Glenn W. Reed</i> Printed name: Glenn W. Reed, P. E. Title: Senior Vice President of Operations E-mail Address: gwreed@approachresources.com Date: October 11, 2007	OIL CONSERVATION DIVISION
	Approved by: <i>[Signature]</i>
	Title: Deputy Oil & Gas Inspector,
	Approval Date: OCT 18 2007 District #3
	Conditions of Approval Attached <input type="checkbox"/>

OCT 18 2007

12 mil liner required
to

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 LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 300391-303917		² Pool Code 97649	³ Pool Name WL 28N 5E3; Mawca Oil
⁴ Property Code 36790	⁵ Property Name Woolley Family Limited Partnership		⁶ Sub Well Number Woolley Family LP #1
⁷ OGRID No.	⁸ Operator Name Approach Operating LLC		⁹ Elevation 9921.98'

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
H	**03	**28N	**05E		2210	NORTH	935	EAST	RIO ARRIBA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
			RCVD OCT 15 '07

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.

OIL CONS. DIV.

DIST. 3

**Projection of township, range and section within the Tierra Amarilla Land Grant

¹⁶		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 heretofore entered by the division. Signature: <u>James S. Scott</u> Date: <u>OCT 11, 2007</u> Printed Name: <u>JAMES S. SCOTT</u>	
<p>Woolley Family LP No. 1</p> <p>Latitude - 36°41'27"88700"N Longitude - 106°23'11.85392"W</p>		<p>¹⁸ 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 belief. 21 September 2007 Date of Survey Signature and Seal of Professional Surveyor <u>Gilberto Archuleta</u> Gilberto Archuleta No. 13976 Certificate Number</p>	
<p>New Mexico State Plane Coordinate System - Central Zone</p> <p>x - 460,327.103 y - 2,071,752.215</p>			