

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 23' > 100		Distance from nearest fresh water well 5150' > 1000		Distance from nearest surface water 3830' > 200
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:

Title:

Approval Date:

Expiration Date:

Conditions of Approval Attached ☐

RAC 2

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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 W. 17N 4E 19; 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	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
	**19	**27N	**04E		2320	NORTH SOUTH	490	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.			

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		USC&GS brass cap "Penasco"		17 OPERATOR CERTIFICATION	
		3852.03'		I hereby certify that the information contained herein is true and correct 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.	
		N40°34'59"W		Signature Date	
		19		James S. Scott 1831-2007	
		Sultemeier No. 1		Printed Name JAMES S. SCOTT	
SULTEMEIER NO. 1		490'		18 SURVEYOR CERTIFICATION	
Latitude - 36.642610227N				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.	
Longitude - 106.547435219W				06 August 2007 Date of Survey	
New Mexico State Plane Coordinate System - Central Zone				Signature and Seal of Professional Surveyor	
x - 413,104.715				Gilberto Archuleta	
y - 2,054,205.900				No. 13976	
				Certificate Number	

Submit 3 Copies To Appropriate District
Office
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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 <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name SULTEMEIER
8. Well Number 1
9. OGRID Number 248343
10. Pool name or Wildcat WILDCAT

Pit or Below-grade Tank Application ☒ or Closure ☐
Pit type reserve Depth to Groundwater 3180' 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

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 28N Range 4E NMPM County RIO ARRIBA

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

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

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> OTHER: RESERVE PIT APPLICATION <input checked="" type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>
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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 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

APPROVED BY: [Signature] TITLE Deputy Oil & Gas Inspector, District #3 DATE SEP 06 2007

Conditions of Approval (if any):

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Energy, Minerals & Natural Resources Department

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Form C-102

Revised October 12, 2005

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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-30342		² Pool Code 97640		³ Pool Name WC 28N4E19; Mancos oil	
⁴ Property Code		⁵ Property Name Sultemeier Property			⁶ Well Number Sultemeier #1
⁷ OGRID No.		⁸ Operator Name Approach Operating LLC			⁹ Elevation 7648.65'

¹⁰ Surface Location

UL or lot no.	Section **19	Township **28N	Range **04E	Lot Idn	Feet from the 2322	North/South line SOUTH	Feet from the 489	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.
			RCVD OCT 11 '07 OIL CON. DIV.

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: 10-1-2007 Printed Name: JAMES S. SCOTT
SULTEMEIER NO. 1 Latitude - 36.642610227N Longitude - 106.547435219W New Mexico State Plane Coordinate System - Central Zone x - 413,104.715 y - 2,054,205.900		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