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RECEIVED OCD

2009 OCT 23 P 3: 35

October 23, 2009

Mark Smith, Esq.  
New Mexico Department of Energy,  
Minerals and Natural Resources  
1220 S. St. Francis Drive  
Santa Fe, NM 87505

**Via E-Mail and  
Hand Delivery**

**Re: NMOCC Case No. 14134; Application of the Board of County Commissioners of Rio Arriba County for Cancellation or Suspension of Applications for Permits to Drill (APD's) filed by Approach Operating, LLC, Rio Arriba County, New Mexico;**

**NMOCC Case No. 14141; Application of Approach Operating, LLC for Approval of Six Applications for Permits to Drill, Rio Arriba County, New Mexico; and**

**NMOCC Case No. 14278; and Application of Approach Operating, LLC for Approval of Fourteen Applications for Permits to Drill; Rio Arriba County, New Mexico**

Dear Mr. Smith:

Pursuant to the Commission's directive from the October 7, 2009 hearing on the Agreed Motion To Remand To The Division, I have prepared the enclosed draft order for your consideration. After several efforts, I was unable to obtain Mr. Sugarman's concurrence to this or other iterations of a stipulated order. However, it is my estimation that this draft is a fair representation of the wishes of the Commission.

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**REPLY TO:**

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Mark Smith, Esq.  
October 23, 2009  
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Very truly yours,

A handwritten signature in black ink, appearing to read "J. Scott Hall". The signature is written in a cursive, flowing style with a large initial "J" and a long, sweeping underline.

J. Scott Hall

JSH:kw  
Enclosure

cc: Adan Trujillo, Esq. via e-mail  
Steven Sugarman, Esq. via e-mail

**STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES  
OIL CONSERVATION COMMISSION**

**IN THE MATTER OF THE APPLICATION OF THE BOARD  
OF COUNTY COMMISSIONERS OF RIO ARRIBA COUNTY  
FOR CANCELLATION OR SUSPENSION OF APPLICATIONS  
FOR PERMITS TO DRILL (APD'S) FILED BY APPROACH  
OPERATING, LLC, RIO ARRIBA COUNTY, NEW MEXICO**      **CASE NO. 14134**

**IN THE MATTER OF THE APPLICATION OF  
APPROACH OPERATING, LLC FOR APPROVAL  
OF SIX APPLICATIONS FOR PERMITS TO DRILL,  
RIO ARRIBA COUNTY, NEW MEXICO**      **CASE NO. 14141**

**IN THE MATTER OF THE APPLICATION OF  
APPROACH OPERATING, LLC FOR APPROVAL  
OF FOURTEEN APPLICATIONS FOR PERMITS TO  
DRILL, RIO ARRIBA COUNTY, NEW MEXICO**      **CASE NO. 14278**  
**ORDER NO. R-12976-B**

**ORDER REMANDING TO THE DIVISION**

This matter, having come before the Chair of the Oil Conservation Commission pursuant to the Motion To Remand to the Division filed by Approach Operating LLC, ("Approach"), through its undersigned attorneys, Montgomery and Andrews, P.A., (J. Scott Hall) with the concurrence of the Board of County Commissioners of Rio Arriba County, through their attorney, Adan E. Trujillo, and the Commission Chair finding the motion is well taken, ORDERS as follows:

1. The Applications for Pemits to Drill ("APD's") that are the subject of Case No. 14134, Case No. 14141 and Case No. 14278 that have not otherwise been withdrawn by Approach are remanded to the Division for disposition in accordance with regular administrative review and approval procedure by the Division's District III office for the following proposed wells:

- \*Sena Well No. 2
- \*Avella Sultemeier No. 2
- \*Montano Well No. 1
- \*Dora Spill Well No. 2
- \*Dora Spill Well No. 3
- \*Jeffrey Spill Well No. 1
- \*Jeffrey Spill Well No. 3
- \*Edward Spill Well No. 4

2. Pursuant to 19.15.14.10 B NMAC of the Division's rules and regulations, the Division's approvals of the APD's for each of the above-referenced wells, and for all other APD's submitted by Approach for wells it proposes to drill on its current leasehold in Rio Arriba County shall reflect the following condition: *"Applicant shall comply with all applicable county ordinances."*

3. The APD's for the following wells are withdrawn and are accordingly dismissed from these cases:

Case No. 14143:

- \*Sultemeier Well No. 1
- \*Sena Well No. 1
- \*Woolley Family LP Well No. 1

Case No. 14141:

- \*Benjamin Trujillo Well No. 1
- \*Rosemary Roller Well No. 1
- \*Leo Valdez Well No. 1
- \*Cloyd Hinkle No. 1
- \*Anthony Garcia No. 1

Case No. 14278:

- \*Rice Well No. 1
- \*Rice Well No. 2
- \*Montano Well No. 2
- \*Dora Spill No. 1
- \*Jeffrey Spill Well No. 2
- \*Edward Spill No. 1
- \*Edward Spill Well No. 2
- \*Edward Spill Well No. 3

4. The Applications for adjudicatory hearing in Case No. 14134, Case No.14141 and Case No. 14278 are dismissed.

5. Order No. R-12976 is hereby vacated.


DONE at Santa Fe, New Mexico, on this      day of October, 2009.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

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MARK E. FESMIRE, P.E.  
Director

Submitted by:  
MONTGOMERY & ANDREWS, P.A.

By: 

J. Scott Hall, Esq.  
Post Office Box 2307  
Santa Fe, New Mexico 87504  
(505) 982-3873  
Attorneys for Approach Operating, LLC

Approved by:

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Adan E. Trujillo, Esq.  
Ted J. Trujillo, Esq.  
P. O. Box 2185  
Espanola, New Mexico 87532-2185  
(505) 753-5150  
Attorneys for the Board of County  
Commissioners for Rio Arriba County