

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

RECEIVED OCD

MISSION 2 P 1: 17

**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 14278

AMENDED NOTICE OF INTERVENTION

Pursuant to NMAC 19.15.4.11(A), the Rice Family Living Trust ("the Trust") hereby provides its Notice of Intervention in the above captioned proceeding. The Trust will be represented in this proceeding by:

Steven Sugarman
1210 Luisa Street, Suite 2
Santa Fe, NM 87505
phone: (505)672-5082
e-mail: stevensugarman@hotmail.com
fax: (302) 689-0819

The Trust has two interests in this proceeding. First, the Trust is the surface owner of the land where the Applicant has proposed to drill two of the wells which are the subject of this proceeding. Specifically, the Trust owns the surface where the following two wells have been proposed:

Rice Well No. 1
T28N R5E NMPM
Lat. 36°38'23.46" N (36.63985 N)
Long. 106°27'4.32" W (-106.45120 W)

Rice Well No. 2
T28N R5E NMPM
Lat. 36°38'8.3394" N (36.635650 N)
Long. 106°26'57.5406" W (-106.4493166 W)

In a letter of September 17, 2009 to OCD District Supervisor Charlie Perrin, the Applicant purported to withdraw the Applications for Permits to Drill ("APDs") at the above two locations but noted that "a Rice No. 3 APD will soon be filed once surveying and staking activities have occurred." See Exhibit 1 hereto. Likewise in a letter of September 15, 2009 to the undersigned, Scott Hall – counsel for the Applicant – stated that a new APD for the Rice No. 3 will soon be filed "in the same general vicinity as the Rice No. 1 and Rice No. 2, but approximately 700 feet +/- South of the old ranch house." Thus, even if the Applicant formally dismisses the Rice No. 1 and Rice No. 2 from this case, the Trust will still have an interest in this matter in the protection of its surface as the Applicant has clearly signaled its intention to pursue APDs on Trust property "once surveying and staking activities have occurred."

Second, the Trust intervenes in this matter to protect its interests in the protection and preservation of surface water and groundwater quality in the Rito de Tierra Amarilla watershed generally. The Trust's interests in the protection and preservation of surface water and groundwater quality in the Rito de Tierra Amarilla watershed are subject to injury if the Oil Conservation Commission approves any of Applicant's APDs in the Rito de Tierra Amarilla watershed, wherever those proposed well locations might be situated in the watershed.

Respectfully submitted,

/s/ Steven Sugarman
Steven Sugarman
1210 Luisa Street, Suite 2
Santa Fe, NM 87505
(505) 672-5082

I hereby certify that a true and correct copy of the foregoing was sent by e-mail to Ms. Cheryl Bada (attorney for the Commission) at cbada@state.nm.us, by e-mail to Mr. J. Scott Hall (attorney for the Applicant) at shall@montand.com, and by e-mail to Mr. Adan Trujillo (attorney for Rio Arriba County) at adantrujillo@gmail.com on this 30th day of September, 2009.

/s/ Steven Sugarman
Steven Sugarman



One Ridgmar Centre
6500 West Freeway, Suite 900
Fort Worth, Texas 76116
Phone: 817.989.9000
Fax: 817.989.9001
www.approachresources.com

September 17, 2009

Via Federal Express

Charlie Perrin, District Supervisor
New Mexico Oil Conservation Division
1000 Rio Brazos Road
Aztec, NM 87410

Re: Withdrawal of the Rice No. 1 and Rice No. 2 APD's
Rio Arriba County, New Mexico

Dear Mr. Perrin,

On January 27, 2009, Approach Operating, LLC submitted several APD's for OCD administrative approval including the Rice No. 1 and the Rice No. 2 locations. Approach now wishes to withdraw the Rice No. 1 and Rice No. 2 APD's from OCD consideration. Copies of the C-101 and C-102 for the Rice Locations have been enclosed.

Please be advised a Rice No. 3 APD will soon be filed once surveying and staking activities have occurred.

Very truly yours,

A handwritten signature in black ink, appearing to read "BAM", with a horizontal line extending to the right.

Brice A. Morgan
Landman

Enclosures

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
June 16, 2008

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		⁴ API Number 30 -
⁵ Property Name Rice		⁶ Well No. 1
⁹ Proposed Pool 1 WC, Mancos		¹⁰ 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
M	19	28N	05E		368	SOUTH	1121	WEST	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 8268.47'
¹⁶ Multiple	¹⁷ Proposed Depth 2000'	¹⁸ Formation GRANEROS	¹⁹ Contractor Chihuahua Drilling	²⁰ Spud Date Upon Approval

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 #	2000'	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.

- (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.

Signature:

Glenn W. Reed

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

Title: Executive Vice President - Engineering and Operations

E-mail Address: gwreed@approachresources.com

Date:

Phone: 817-989-9000

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Expiration Date:

Conditions of Approval Attached ☐

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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		² Pool Code		³ Pool Name WC28N5E19; Mancos Oil	
⁴ Property Code		⁵ Property Name Rice Property			⁶ Well Number Rice #1
⁷ OGRID No. 248343		⁸ Operator Name Approach Operating LLC			⁹ Elevation 8268.47

¹⁰ Surface Location

UL or lot no. M	Section **19	Township **28N	Range **05E	Lot Idn	Feet from the 368	North/South line SOUTH	Feet from the 1121	East/West line WEST	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>Glenn W. Reed</i> Date: <i>1/21/09</i> Printed Name: Glenn W. Reed			
	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. Signature: <i>Gilberto Archuleta</i> Date: <i>1/21/09</i> Printed Name: Gilberto Archuleta 			
	Certificate Number:			

Latitude - 36.63985 North
Longitude - -106.45100 West

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		³ API Number 30 -
⁴ Property Code	⁵ Property Name Rice	
		⁶ Well No. 2
⁹ Proposed Pool 1 WC, Mancos		¹⁰ 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
C	30	28N	05E		1155	NORTH	1673	WEST	RIO ARriba

⁸ Proposed Bottom Hole Location If Different From Surface

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Additional Well Information

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Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
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Title: Executive Vice President - Engineering and Operations

E-mail Address: gwreed@approachresources.com

Date:

Phone: 817-989-9000

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Expiration Date:

Conditions of Approval Attached ☐

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Form C-102
Revised October 12, 2005
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State Lease - 4 Copies
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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name WC28N5E30; Mancos Oil	
⁴ Property Code		⁵ Property Name Rice Property			⁶ Well Number Rice #2
⁷ OGRID No. 248343		⁸ Operator Name Approach Operating LLC			⁹ Elevation 8306.79

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
C	**30	**28N	**05E		1155	NORTH	1673	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	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.

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	Certificate Number	

Latitude - 36.635650 North
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