

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

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**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**

**PRE-HEARING STATEMENT**

This Pre-Hearing Statement is submitted by Montgomery and Andrews, P.A. (J. Scott Hall) on behalf of Approach Operating, LLC, as required by the Oil Conservation Commission.

**APPEARANCES**

**APPLICANT'S ATTORNEY**

Ted J. Trujillo, Esq.  
Adan Trujillo, Esq.  
P. O. Box 2185  
Espanola, NM 87532-2185  
(505) 753-5150

**APPLICANT**

Board of County Commissioners  
of Rio Arriba County

**OTHER PARTY'S ATTORNEY**

J. Scott Hall, Esq.  
Montgomery and Andrews, P.A.  
Post Office Box 2307  
Santa Fe, New Mexico 87504  
(505) 982-3873

**OTHER PARTY**

Approach Operating, LLC

## STATEMENT OF THE CASE

### APPLICANT

In Case No. 14134, Applicant seeks an order canceling or suspending APD's for four wells previously approved by the Division. Applicant contends that drilling of the wells will cause waste, violate correlative rights and will be injurious to human health and the environment. To our knowledge, no application has been filed in this matter.

### OPPOSITION OR OTHER PARTY

Approach Operating, LLC disputes Applicant's contentions in Case No. 14134. In Case No. 14141, Approach seeks approval of APD's for six additional wells. In Case no. 14278, approval of APD's for an additional fourteen locations is sought. All of the wells involved are located on a single lease in Rio Arriba County. These cases are not De Novo. It is anticipated that a hearing on the Applications would require 2-3 days.

## PROPOSED EVIDENCE

### APPLICANT

#### WITNESSES

#### EST. TIME

#### NO. OF EXHIBITS

### OPPOSITION OR OTHER PARTY

#### WITNESSES

#### EST. TIME

#### NO. OF EXHIBITS

#### Approach Operating, LLC

Ralph Manoushagian, Landman	20 Minutes	3
Brice Morgan, Landman	60 Minutes	35
Glenn Reed, Petroleum Engineer	90 Minutes	24
Ross Craft, Petroleum Engineer	30 Minutes	6
Greg Swindle, Health, Safety and Environmental Consultant	60 Minutes	10
Dennis Johnson, Closed-Loop Drilling Design and Implementation	30 Minutes	6
Peter Maggiore, Hydro-Geologist	60 Minutes	6

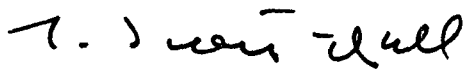
### PROCEDURAL MATTERS

On August 31, 2009, Approach Operating, LLC filed its Motion for Conditional Approval of Applications for Permits to Drill and for Dismissal. It is anticipated the motion will be addressed to the Commission on September 9, 2009 in lieu of a hearing on the merits of the three Applications. A Motion for Continuance has also been filed this same date.

Approach Operating, LLC waives no rights or objections due to the Board of County Commissioners' failure to comply with Rules 19.15.4.8 and 19.15.4.9 of the Division's Rules and Regulations.

MONTGOMERY & ANDREWS, P.A.


By:

  
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(505) 982-3873  
Attorneys for Approach Operating, LLC

### Certificate of Service

I hereby certify that a true and correct copy of the foregoing was faxed to counsel of record on the 2nd day of September, 2009 as follows:

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\_\_\_\_\_  
J. Scott Hall