

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

**IN THE MATTER OF THE APPLICATION
OF APPROACH OPERATING LLC FOR
AN UNORTHODOX WELL LOCATION
AND NON-STANDARD SPACING AND
PRORATION UNIT, RIO ARRIBA
COUNTY, NEW MEXICO.**

CASE NO. 14576

AFFIDAVIT OF THEODORE OLDHAM

THEODORE OLDHAM, being duly sworn, state:

1. I am a Senior Geologist for Approach Resources Inc. and Approach Operating, LLC in the Company's Fort Worth, Texas, office. I am familiar with the geologic interpretation of the Company's Rio Arriba County, New Mexico properties. I am familiar with the lands and the subject matter of this application and have direct knowledge of the matters set forth herein.

2. Approach Operating, LLC seeks approval of an unorthodox well location and a non-standard unit to be dedicated to the Approach Montano No. 1 Well at the following surface and bottom-hole locations:

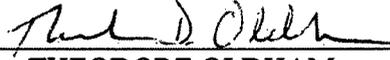
Montano No. 1
API No. 30-39-30858
939' FNL and 207' FWL (D)
Projected Section 3, T27N, R4E
Rio Arriba County, New Mexico

3. Approach Operating, LLC owns the right to drill the well on these lands. This straight-hole well will be drilled to a depth sufficient to test the Mancos Shale formation within the boundaries of the WC Tierra Amarilla Mancos Oil Pool and is defined as a wildcat under the Division's rules. The statewide rules for wildcat oil wells currently provide that wells shall be drilled no closer than 330' to the outer boundary of a standard 40-acre spacing unit. The C-101 along with the C-102 plat showing the NW/NW spacing unit and the proposed unorthodox surface and bottom hole locations for the Montano No. 1 are attached as Exhibit A.

4. The Montano No. 1 Well will encounter the Mancos formation and other potential reservoir formations as indicated on the attached Structure Map (Exhibit B), Isopach Map (Exhibit C) and Type Log (Exhibit D) attached as exhibits to this affidavit. The unit is anticipated to be prospective for oil production from the Mancos formation as well as other encountered formations.

EXHIBIT 2

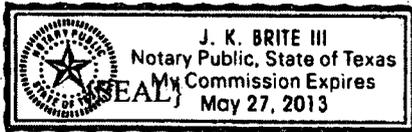
5. The Exhibits attached hereto were prepared or compiled by me or at my direction and control.



THEODORE OLDHAM

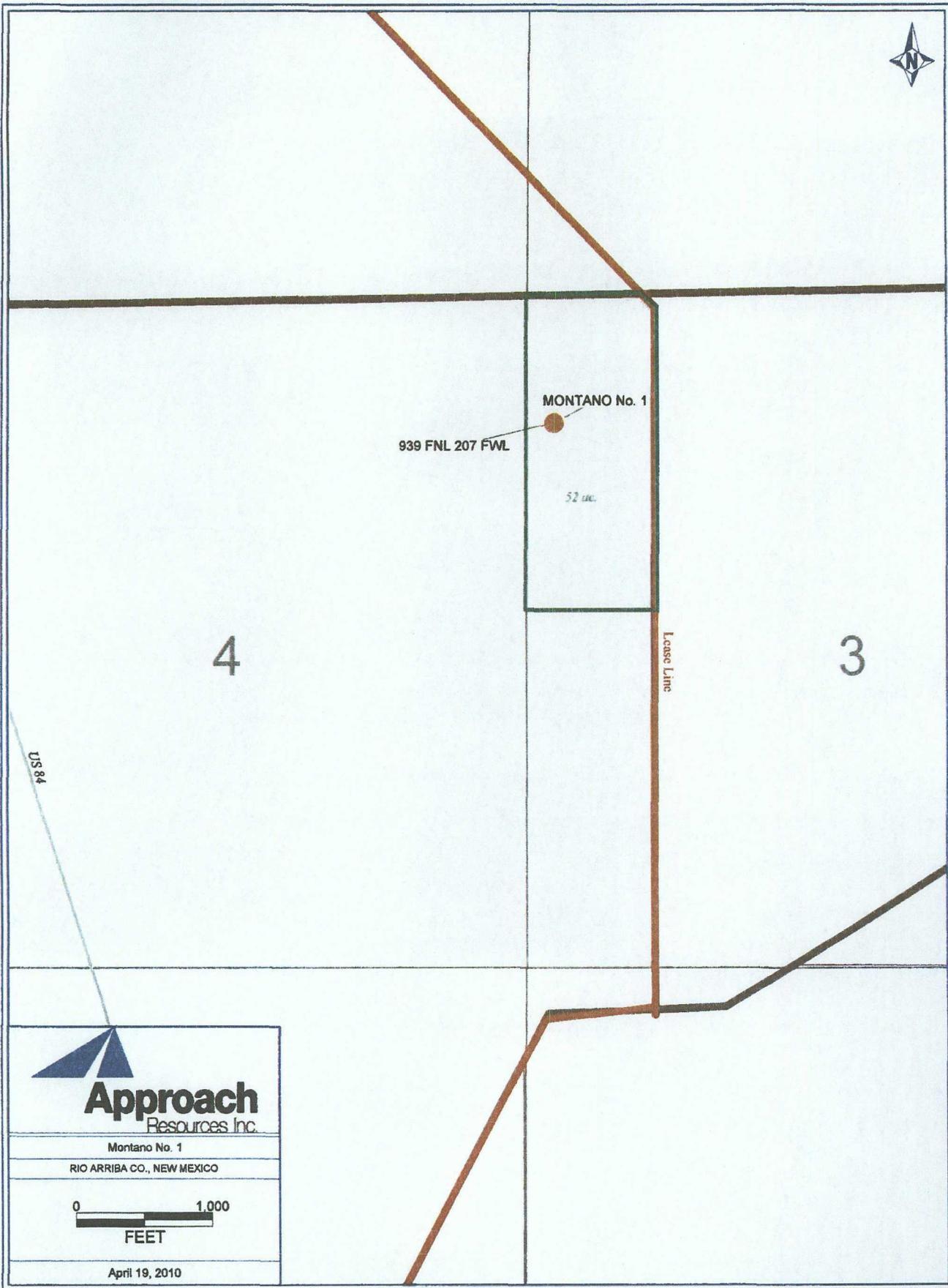
State of Texas)
) ss.
County of Tarrant)

The foregoing instrument was acknowledged before me the 26th day of April, 2011 by Theodore Oldham.





Notary Public in and for the State of Texas



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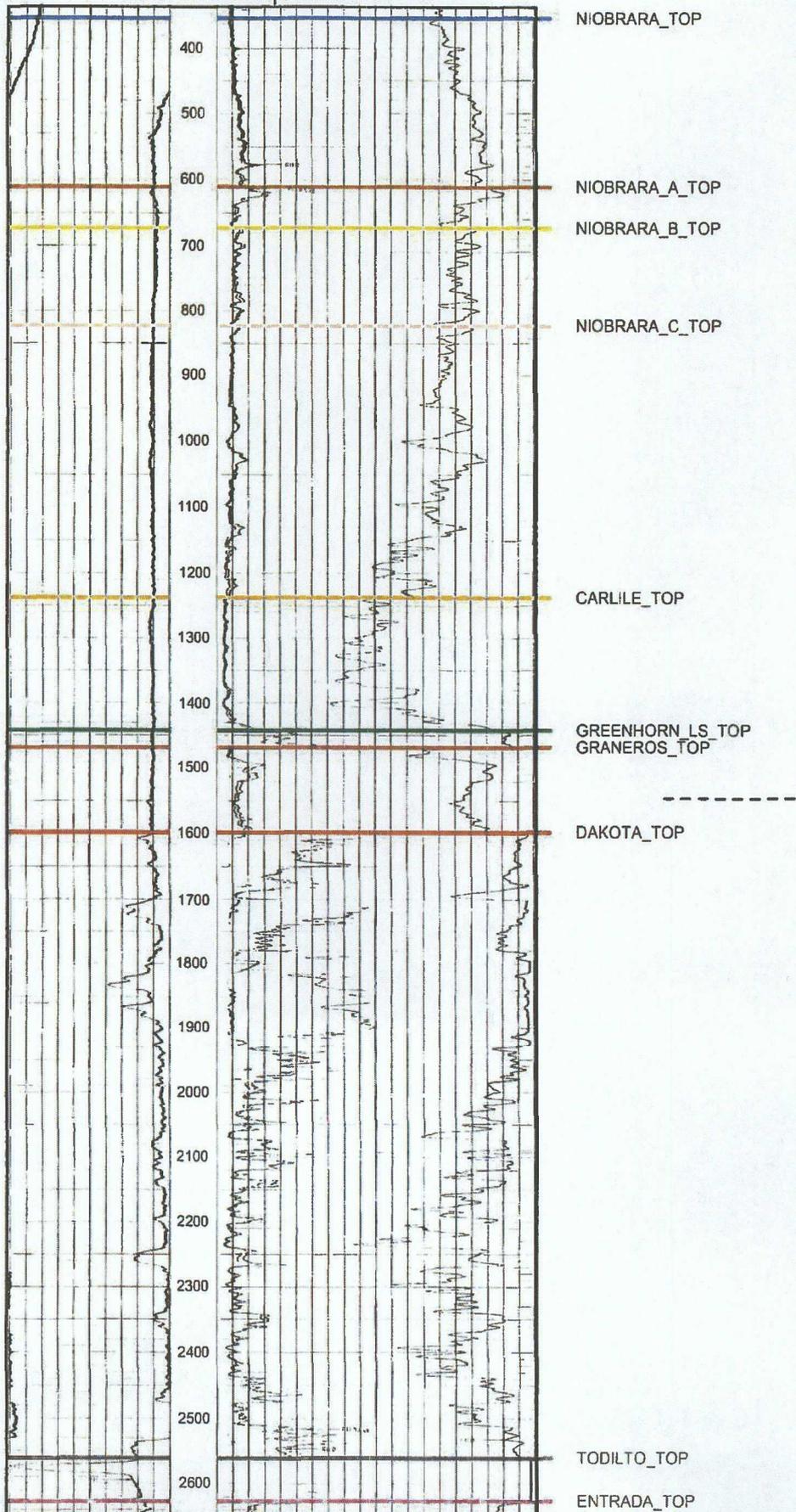
EXHIBIT A

Exhibit D

TYPE LOG: COQUINA OIL CORP

Esquibel - 1

TD: 2,676' KB: 7,659'



MANCOS