



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Jon Goldstein
Cabinet Secretary

Jim Noel
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



April 20, 2010

Mr. J. Scott Hall
Montgomery & Andrews, P.A.
P.O. Box 2307
Santa Fe, NM 87504-2307

Administrative Order NSL-6183

**Re: Approach Operating LLC
Jeffrey Spill Well No. 3
API No. 30-039-30862
1939 feet FSL and 1572 feet FWL
Unit K, Projected Section 8-27N-4E
Rio Arriba County, New Mexico**

Dear Mr. Hall:

Reference is made to the following:

(a) your application (**administrative application reference No. pTGW10-10942461**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico, on behalf of Approach Operating LLC [OGRID 248343] (Approach), on April 19, 2010, and

(b) the Division's records pertinent to this request.

Approach has requested to drill the above-referenced well at an unorthodox oil well location, described above in the caption of this letter. We understand that this land has not been officially surveyed, and the location has been staked by Global Positioning Systems (GPS) at 36.58654 degrees North latitude and 106.5300 degrees West longitude.

The NW/4 SW/4 of projected Section 8 will be dedicated to this well in order to form a standard 40-acre spacing unit in the Wildcat Tierra Amarilla Mancos Oil Pool (97767). This pool is governed by statewide Rule 15.9.A, which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary. This location is less than 330 feet from the projected western unit boundary.



Your application has been duly filed under the provisions of Division Rules 15.13 and 4.12.A(2).

It is our understanding that you are seeking this location in order to conform to the Design and Operational Standards for Oil and Gas Development of Rio Arriba County Ordinance No. 2009-01.

It is also understood that notice of this application to offsetting operators or owners is unnecessary due to common ownership.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark E. Fesmire', followed by a horizontal line.

Mark E. Fesmire, P.E.
Director

MEF/db

cc: New Mexico Oil Conservation Division - Aztec