

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
May 27, 2004

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 6300 RIDGLEA PLACE, SUITE 1107 FORT WORTH, TX 76116		² OGRID Number 248343
³ Property Code 36761	⁴ Property Name SENA	⁵ APL Number 30-039-30386
⁹ Proposed Pool 1 WC 28N4E10S		¹⁰ Proposed Pool 2

⁷ Surface Location

UL or lot no M	Section 10	Township 28N	Range 4E	Lot Idn G94	Feet from the 350	North/South line SOUTH	Feet from the 495	East/West line WEST	County RIO ARRIBA
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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
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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 7955 78' LSD
¹⁶ Multiple N	¹⁷ Proposed Depth 2000	¹⁸ Formation GRANEROS	¹⁹ Contractor BEARCAT DRLG CO	²⁰ Spud Date ASAP
Depth to Groundwater >100 FEET		Distance from nearest fresh water well >1000 FEET		Distance from nearest surface water >200 FEET - Nutrias Ditch No. 1
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 6 mils thick Clay <input type="checkbox"/> Pit Volume: 4000 bbls Drilling Method: Closed-Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input checked="" type="checkbox"/>				

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"	32.3#	350'	210	SURFACE
8 3/4"	4 1/2"	10.5#	1700'	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.

Propose to drill into the Graneros Sh. exploring for oil and/or gas in all formations encountered.

- (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

RCVD SEP 27 '07
OIL CONS. DIV.
DIST. 3

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines ☐, a general permit ☒, or an (attached) alternative OCD-approved plan ☐.

Signature:

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

Title: Senior Vice-President of Operations

E-mail Address: gwreed@approachresources.com

Date: September 24, 2007

Phone (817) 989-9000

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Expiration Date:

Conditions of Approval Attached ☐

OCT 03 2007-aw

RAC 3

District I
1625 N. French Dr., Hobbs, NM 88240
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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 30039-30386	² Pool Code 97646	³ Pool Name WC28N4E10; Mancos oil
⁴ Property Code 36761	⁵ Property Name Sena	⁶ Well Number Sena #1
⁷ OGRID No. 248343	⁸ Operator Name Approach Operating LLC	⁹ Elevation 7955.78'

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	**10	**28N	**04E	G94	350	SOUTH	495	WEST	RIO ARriba

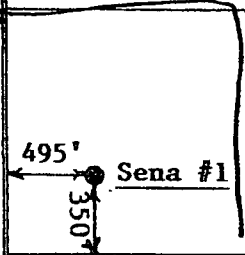

Bottom Hole Location If Different From Surface

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 40	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**

<div>16</div> <div></div>	SENA NO. 1 Latitude - 36°40'08.61650N Longitude - 106°30'27.29027W New Mexico State Plane Coordinate System - Central Zone x - 424,827.891 y - 2,063,805.360	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 undivided 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>James S. Scott</i> Date: 9-26-2007 Printed Name: JAMES S. SCOTT
	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. Date of Survey 19 September 2007 Signature and Seal of Professional Surveyor: <i>Gilberto Archuleta</i>	
	Gilberto Archuleta No. 13976 Certificate Number	
		

Submit 3 Copies To Appropriate District
Office
District I
1625 N French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., 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-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30 - 039 - 30386
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name SENA
8. Well Number 1
9. OGRID Number 248343
10. Pool name or Wildcat WILDCAT

Pit or Below-grade Tank Application ☒ or Closure ☐

Pit type reserve Depth to Groundwater >100' Distance from nearest fresh water well >1000' Distance from nearest surface water >200'

Pit Liner Thickness: 6 mil Below-Grade Tank: Volume bbls; Construction Material

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☒ Gas Well ☐ Other ☐

2. Name of Operator
APPROACH OPERATING, LLC

3. Address of Operator
6300 RIDGLEA PLACE, SUITE 1107, FORT WORTH, TX 76116

4. Well Location
Unit Letter : 350 feet from the SOUTH line and 495 feet from the WEST line
Section 10 Township 28N Range 4E NMPM County RIO ARRIBA

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
7955.78' LSD

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:
PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

SUBSEQUENT REPORT OF:
REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: RESERVE PIT APPLICATION ☒

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Propose to build blooie line/reserve pit in process of drilling exploration well for oil or gas

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☒ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Glenn W. Reed TITLE Senior Vice President of Operations DATE Septemeber 24, 2007

Type or print name Glenn W. Reed, P. E. E-mail address: gwreed@approachresources.com Telephone No. (817) 989-9000

For State Use Only

APPROVED BY: [Signature] TITLE Deputy Oil & Gas Inspector, District #3 DATE OCT 03 2007

Conditions of Approval (if any):

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
220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
May 27, 2004

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 6300 RIDGLEA PLACE, SUITE 1107 FORT WORTH, TX 76116		² OGRID Number 248343
³ Property Code 36761	⁴ Property Name SENA	⁵ API Number 30-039-30394
⁶ Proposed Pool 1 WC 28N 16E 16- MANCOS		⁷ 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
P	16	28N	4E	994	1200	SOUTH	680	EAST	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 7823 36' LSD
¹⁶ Multiple	¹⁷ Proposed Depth 2000	¹⁸ Formation GRANEROS	¹⁹ Contractor BEARCAT DRLG CO	²⁰ Spud Date ASAP
Depth to Groundwater >100 FEET		Distance from nearest fresh water well >1000 FEET		Distance from nearest surface water 230 FEET Nutrias Ditch No. 1 <1000'
Pit: Liner: Synthetic <input checked="" type="checkbox"/> muls thick Clay <input type="checkbox"/> Pit Volume: 4000 bbls Drilling Method: Closed-Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input checked="" type="checkbox"/>				

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#	1700'	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.

Propose to drill into the Graneros Sh. exploring for oil and/or gas in all formations encountered

RCVD SEP 27 '07
OIL CONS. DIV.
DIST. 2

- (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 I further certify that the drilling pit will be constructed according to NMOCD guidelines ☐, a general permit ☒, or an (attached) alternative OCD-approved plan ☐.

Signature:

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

Title: Senior Vice-President of Operations

E-mail Address: gwreed@approachresources.com

Date: September 24, 2007

Phone: (817) 989-9000

OIL CONSERVATION DIVISION

Approved by:

Title: Deputy Oil & Gas Inspector.

Approval Date: OCT 18 2007 District #3 Expiration Date:

Conditions of Approval Attached ☐

12 mil liner required
OCT 18 2007

RAC 4

District I
1625 N. French Dr., Hobbs, NM 88240
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Rte Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

API Number 30-039-30394		Pool Code 97645	Pool Name WC 28N4E16 Mancos Oil
Property Code 36761	Property Name Manuel SENA Property		Well Number SENA #2
OGRID No. 248343	Operator Name Approach Operating LLC		Elevation 7823.36'

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
	**16	**28N	**04E		1200	SOUTH	680	EAST	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

Dedicated Acres 40 SE 1/4 SE 1/4	Joint or Infill	Consolidation Code	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 retained 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 retained or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature: <i>James S. Scott</i> Date: 10-10-2007 Printed Name: JAMES S. SCOTT	
SENA NO. 2 Latitude - 36°39'25.02004N Longitude - 106°30'42.51613W		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. Date of Survey 19 September 2007 Signature and Seal of Professional Surveyor: <i>Gilberto Archuleta</i> Gilberto Archuleta No. 13976 Certificate Number	
New Mexico State Plane Coordinate System - Central Zone x - 423,574.972 y - 2,059,398.124			

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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 30-039-30394		² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name Manuel Sena Property		⁶ Well Number SENA #2
⁷ OGRID No.	⁸ Operator Name Approach Operating LLC		Elevation 7823.36'

¹⁰ Surface Location

UL or lot no.	Section **16	Township **28N	Range **04E	Lot Idn	Feet from the 1200	North/South line SOUTH	Feet from the 680	East/West line EAST	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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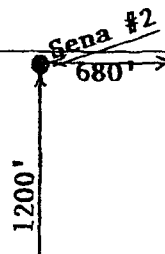
¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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RCVD OCT 11 '07
OIL CONS. DIV.

DIST. 3

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		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>James S. Sena</i> Date: <i>10-10-2007</i> Printed Name: JAMES S. SENA	
SENA NO. 2 Latitude - 36°39'25.02004N Longitude - 106°30'42.51613W		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. Date of Survey 19 September 2007 Signature and Seal of Professional Surveyor: <i>Gilberto Archuleta</i> GILBERTO ARCHULETA NEW MEXICO No. 13976 Certificate Number	
New Mexico State Plane Coordinate System - Central Zone x - 423,574.972 y - 2,059,398.124			

May 27, 2004

Office

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., Artesia, NM 88210

District III

100 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM
87505OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO.

30 - 039 - 30394

5. Indicate Type of Lease

STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name
SENA

8. Well Number

2

9. OGRID Number

248343

10. Pool name or Wildcat

WILDCAT

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH
PROPOSALS.)1. Type of Well: Oil Well ☒ Gas Well ☐ Other ☐

2. Name of Operator

APPROACH OPERATING, LLC

3. Address of Operator

6300 RIDGLEA PLACE, SUITE 1107, FORT WORTH, TX 76116

4. Well Location

Unit Letter _____: 1200 feet from the SOUTH line and 680 feet from the EAST line

Section 16 Township 28N Range 4E NMPM County RIO ARRIBA

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
7823.36' LSDPit or Below-grade Tank Application ☒ or Closure ☐Pit type reserve Depth to Groundwater >100' Distance from nearest fresh water well >1000' Distance from nearest surface water <1000'

Pit Liner Thickness: 6 mil Below-Grade Tank: Volume bbls; Construction Material

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐TEMPORARILY ABANDON ☐ CHANGE PLANS ☐PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐OTHER: RESERVE PIT APPLICATION ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐COMMENCE DRILLING OPNS. ☐ P AND A ☐CASING/CEMENT JOB ☐OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Propose to build blooic line/reserve pit in process of drilling exploration well for oil or gas.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been constructed or closed according to NMOCD guidelines ☐, a general permit ☒ or an (attached) alternative OCD-approved plan ☐.SIGNATURE Glenn W. Reed TITLE Senior Vice President of Operations DATE September 24, 2007

Type or print name Glenn W. Reed, P. E. E-mail address: gwreed@approachresources.com Telephone No. (817) 989-9000

or State Use Only

Deputy Oil & Gas Inspector,
District #3APPROVED BY: [Signature] TITLE _____ DATE OCT 18 2007

Conditions of Approval (if any):