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

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-101 May 27, 2004

Submit to appropriate District Office

AMENDED REPORT

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E-mail Address: brian@permitswest.com	E-mail Addres	s: brian@p	ermitswest.co)in	<u> </u>								
Date: 4-21-08 Phone: (505) 466-8120 Conditions of Approval Atlached	Date: 4-21-08			Phone: (505)	466-8120		Condit	Conditions of Approval Atlached					



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TYPICAL BOP STACK & CHOKE MANIFOLD

There will be at least 2 chokes and 2 choke line values (3" minimum). The choke line will be 3" in diameter. There will be a pressure gauge on the choke manifold.



Kill line will be minimum 2" diameter and have 2 valves, one of which shall be a minimum 2" check valve.

Upper kelly cock will have handle available. Safety valve and subs will fit all drill string connections in use. All BOPE connections subjected to well pressure will be flanged, welded, or clamped.





District I 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88210 District III Rie Brazes Bood, Artes, NM 87410 Rio Brazos Road, Aztec, NM 87410 ict IV 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources
Department
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-144 June 16, 2008

For temporary pits, closed-loop systems, and below-grade tanks, submit to the appropriate NMOCD District Office. For permanent pits and exceptions submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOCD District Office.

Proposed Alternative Method Permit or Closure Plan Application Type of action: Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method Instructions: Plans submit on application (Form C-140) per individual pit, closed-loop system, below-grade tank, or proposed alternative method Dense to a pit, colsed-loop system, below-grade tank, or proposed alternative method Dense to application (Form C-140) per individual pit, closed-loop system, below-grade tank, or proposed alternative method Operator: Approach Operating, LLC OGRID #: 243343 Address: 6500 Weat Presenve, Suite 800 Fort Worth, IX 76116 Facility or well name: Leo Yaldez No.1	Pit, Closed-Loop System, Below-Grade Tank, or						
Type of action: Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method Instructions: Please is adviced that approval or this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor desa approval relieve the operator of its responsibility to comply with any other applicable governmental autority's nucles, regulations or ordinances. Operator: Approach Operator: Approach Operator: 248343 Address: 6500 West Freeway, Suite 800 Fort Worth, TX 76116 Pareline: Loo Valdez No. 1 Approach Operator: Rio Arriba Aldress: 6500 West Freeway, Suite 800 Fort Worth, TX 76116 Pareline: Loo Valdez No. 1 Approach Operator: Rio Arriba OLD or Qorly:	Proposed Alternative Method Permit or Closure Plan Application						
Closure of a pri, closed-loop system, below-grade tank, or proposed alternative method Instructions: Please submit one application (form C-144) per individual pit, closed-loop system, below-grade tank or alternative request Please be advited that approval of this request does an or cliver the operator of inability should operations result in pollution of auflace water, ground water or the environment. Nor dees approval relieve the operator of inability should operations: autority's nils, regulations or ordinances. Operator:	Type of action: X Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method						
Instructions: Rease submit on application (Porm C-14) per mainvalue [pt, closed-loop system, below-grade tank or alternative request Present in pollution of suffice water, ground weter or the environment. Nor does approved relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances. Operator: Approach Operating, LLC OGRID #:	Closure of a pit, closed-loop system, below-grade tank, or proposed alternative method						
Track de averset minit applyor of una registation base to the performance. Note and operator:	Instructions: Please submit one application (Form C-144) per in	ndividual pit, closed-loop system, below-grade tank or alternative request					
Operator: Approach Operating, LLC OGRID #:248343 Address: 6500 West Preeway, Suite 800 Fort Worth, TX 76116 Padilty or well name: LoValdez No. 1 API Number: LoValdez No. 1 Sufface Owner: Federal [] State 20 Private [] Tribal Trust or Indian Allotment Dimensent: Emergency [] Cavitation Lined [] Unlined Liner type: Thickness	environment. Nor does approval relieve the operator of its responsibility to com	apply with any other applicable governmental authority's rules, regulations or ordinances.					
Address: 6500 West Freeway. Snite 800 Fort Worth, TX 76116 Facility or well name: Lgo Valdez No. 1 API Number: 30-039- U/L or Qrt/Qr E Section 18 Township 28N Surface Owner: Federal State @ Private Tribal Trust or Indian Allotment Image: Federal Stringe: NAD: @ Closed-loop System: Subsection F or G of 19.15.17.11 NMAC Temporary: Drilling Workover. Drying Pad Tanks Haul-off Bins Other Other Closed-loop System: Subsection H of 19.15.17.11 NMAC String-Reinforced String-Reinforced Seams: Welded Pattory Other Volume: N/A bbl N/A Type of fluid: Tank Subsection I of 19.15.17.11 NMAC Volume: M/A Secondary containment with leak detection Fercing: Subsection I of 19.15.17.11 NMAC Pour for the light, four stands of barbed wire at top Type of fluid: Tank Constru	Operator:Approach Operating, LLC	OGRID #:248343					
Facility or well name: Leo Valdez No. 1 API Number: 30-039. OCD Permit Number: 200 generation in the stark of the stark o	Address: 6500 West Freeway, Suite 800 Fort Worth, TX 76116	5					
API Number: 30-039- OCD Permit Number: U/L or Qtr/Qtr E Section 18 Township 28N Range 4E County: Rio Arriba Center of Proposed Design: Latitude	Facility or well name: <u>Leo Valdez No. 1</u>						
U/L or Qtr/Qtr E Section 18 Township 28N Range 4E County: Rio Arriba Center of Proposed Design: Latitude Longitude NAD: 21927 1983 Surface Owner: Federal State Private Tribal Trust or Indian Allotment Image: Design: Subsection F or G of 19.15.17.11 NMAC Image: Subsection H of 19.15.17.11 NMAC Temporary: Drilling Workover Drying Pad Tranks Haul-off Bins Other Clinet Unlined Unlined Drying Pad Tranks Haul-off Bins Other Design: Eventor: N/A Mill LLDPE PVC Cher String-Reinforced Seams: Welded Factory Other Other Seams: Welded Factory Other Volume: N/A xWidt N/A Volume: bbl Dimensions: Length N/A x Widt N/A Mill N/A Mill N/A Mill N/A Yolume: bbl N/A Yolume: bbl N/A Yolume: bbl<	API Number:	OCD Permit Number:					
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Liner type: Thicknessmil LLDPE HDPE PVC Other String-Reinforced Seams: Welded Factory Other Volume:bbl Dimensions: Lx Wx D Dimensions: LengthN/Ax WidthN/A Image:bbl Dimensions: Lx Wx D Dimensions: LengthN/Ax WidthN/A Image:bbl Dimensions: LengthN/Ax WidthN/A Volume:N/Ax WidthN/A Volume:bbl Chain link, six feet in height, two strands of barbed wire at top Four foot height, four strands of barbed wire evenly spaced between one and four feet Type of fluid: Four foot height, four strands of barbed wire evenly spaced between one and four feet Netting: Subsection E of 19.15.17.11 NMAC Image: Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off ScreenNtring	Lined Unlined	Liner type: Thickness <u>N/A</u> mil LLDPE HDPE PVC					
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Seams: Welded Factory Other	Other String-Reinforced	Seams: Welded Factory Other					
Volume: bbl Dimensions: Length	Seams: 🗌 Welded 🗍 Factory 🗌 Other	Volume: <u>N/A</u> bbl <u>N/A</u> yd^3					
Below-grade tank: Subsection I of 19.15.17.11 NMAC Fencing: Subsection D of 19.15.17.11 NMAC Volume: bbl □ Chain link, six feet in height, two strands of barbed wire at top Type of fluid: bbl □ Four foot height, four strands of barbed wire evenly spaced between one and Tank Construction material: □ Four foot height, four strands of barbed wire evenly spaced between one and Tank Construction material:	Volume: bbl Dimensions: Lx Wx D	Dimensions: LengthN/A x WidthN/A					
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Type of fluid:	Volume:bbl	Chain link, six feet in height, two strands of barbed wire at top					
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Secondary containment with leak detection Netting: Subsection E of 19.15.17.11 NMAC Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off Screen Netting Other Visible sidewalls and liner Monthly inspections Visible sidewalls only Signs: Subsection C of 19.15.17.11 NMAC Other	Tank Construction material:	four feet					
 Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off Visible sidewalls and liner Visible sidewalls only Other Other Defer Defer	Secondary containment with leak detection	Netting: Subsection E of 19.15.17.11 NMAC					
Visible sidewalls and liner Monthly inspections Visible sidewalls only Signs: Subsection C of 19.15.17.11 NMAC Other	Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off	Screen Netting Other					
Signs: Subsection C of 19.15.17.11 NMAC Other 12'x24', 2' lettering, providing Operator's name, site location, and Liner type: mil HDPE PVC Other Signed in compliance with 19.15.3.103 NMAC Alternative Method: Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration Administrative Approvals and Exceptions: Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance.	Visible sidewalls and liner	Monthly inspections					
Other Image: 12'x24', 2' lettering, providing Operator's name, site location, and Liner type: Thickness mil HDPE PVC Other Signed in compliance with 19.15.3.103 NMAC Image: Alternative Method: Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration Administrative Approvals and Exceptions: Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance.	Visible sidewalls only	Signs: Subsection C of 19.15.17.11 NMAC					
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	Alternative Method: Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration	Administrative Approvals and Exceptions: Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance.					
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appropriate division district or the Santa Fe Environmental Bureau office for		appropriate division district or the Santa Fe Environmental Bureau office for					
consideration of approval. Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.		consideration of approval. Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.					

Siting Criteria (regarding permitting): 19.15.17.10 NMAC Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Applicant must attach justification for request. Please refer to 15.17.10 NMAC for guidance. Siting criteria does not apply to drying pads or above-grade tanks associated with a closed- p system.					
 Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank. NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells 	🗌 Yes 🗌 No				
 Within 300 feet of a continuously flowing watercourse, or 200 feet of any other watercourse, lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). Topographic map; Visual inspection (certification) of the proposed site 	🗌 Yes 🗍 No				
 Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (Applies to temporary, emergency, or cavitation pits and below-grade tanks) Visual inspection (certification) of the proposed site; Aerial photo; Satellite image 	□ Yes □ No □ NA				
 Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (Applies to permanent pits) Visual inspection (certification) of the proposed site; Aerial photo; Satellite image 	□ Yes □ No □ NA				
 Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application. NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site 	🗌 Yes 🗌 No				
 Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. Written confirmation or verification from the municipality; Written approval obtained from the municipality 	🗌 Yes 🗌 No				
 Within 500 feet of a wetland. US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site 	🗌 Yes 🗌 No				
Within the area overlying a subsurface mine. Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	🗋 Yes 🗌 No				
 within an unstable area. Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map 	🗌 Yes 🗌 No				
Within a 100-year floodplain. - FEMA map	🗌 Yes 🗌 No				
Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached. Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.15 NMAC Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.15 NMAC Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC Design Plan - based upon the appropriate requirements of 19.15.17.12 NMAC Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.9 NMAC and 19.15.17.13 NMAC Previously Approved Design (attach copy of design) API Number: or Permit Number: or Permit Number: 					
Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached. Geologic and Hydrogeologic Data (required for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19.15.17.15 Siting Criteria Compliance Demonstrations (required for on-site closure) - based upon the appropriate requirements of 19.15.17.10 NMAC Design Plan - based upon the appropriate requirements of 19.15.17.12 NMAC Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.13 NMAC Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC NMAC Previously Approved Design (attach copy of design) API Number:					

Permanent Pits Permit Application Checklist: Subsection B of 19.15.17.9 NMAC						
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the do	ocuments are					
 Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17.15 NMAC Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC Climatological Factors Assessment Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19.15.17.11 NMAC 						
Leak Detection Design - based upon the appropriate requirements of 19.15.17.11 NMAC						
Liner Specifications and Compatibility Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC						
U Quality Control/Quality Assurance Construction and Installation Plan						
Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC						
\square Nuisance or Hazardous Odors, including H ₂ S, Prevention Plan						
Emergency Response Plan Oil Field Waste Stream Characterization						
Monitoring and Inspection Plan						
Erosion Control Plan						
Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC						
Proposed Closure: 19.15.17.13 NMAC						
Type: 🗌 Drilling 🗌 Workover 🗋 Emergency 🗋 Cavitation 📄 Permanent Pit 📄 Below-grade Tank 📋 Closed-loop System 🕻	Alternative					
Proposed Closure Method: 🔲 Waste Excavation and Removal						
On-site Closure Method (only for temporary pits and closed-loop systems)						
Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for cor	sideration)					
Instructions: Each siting criteria requires a demonstration of compliance in the closure plan. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC						
	<u> </u>					
 - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells 	Yes No NA					
Ground water is between 50 and 100 feet below the bottom of the buried waste - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No ☐ NA					
Ground water is more than 100 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No ☐ NA					
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other watercourse, lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark).	🗋 Yes 🗌 No					
- I opographic map; visual inspection (certification) of the proposed site						
 Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. Visual inspection (certification) of the proposed site; Aerial photo; Satellite image 	🗋 Yes 🗌 No					
 Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application. NM Office of the State Engineer - iWATERS database; Visual inspection (certification) of the proposed site 	🗍 Yes 🗌 No					
 Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. Written confirmation or verification from the municipality; Written approval obtained from the municipality 	🗋 Yes 🗌 No					
 Within 500 feet of a wetland. US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site 	🗋 Yes 🗌 No					
 Within the area overlying a subsurface mine. Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division 	🗋 Yes 🗌 No					
whin an unstable area. Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map	🗋 Yes 🗌 No					
Within a 100-year floodplain. - FEMA map	Yes No					

Waste Exception and Removal Closure Plan Checklist: (10.15.17.13 NMAC)	
 Closure plan. Please indicate, by a check mark in the box, that the documents ar Protocols and Procedures - based upon the appropriate requirements of 19.15 Confirmation Sampling Plan (if applicable) - based upon the appropriate req Disposal Facility Name and Permit Number (for liquids, drilling fluids and description of the appropriate requirements of Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection Site Reclamation Plan - based upon the appropriate requirements of Subsection 	Instructions: Each of the following items must be attached to the e attached. 5.17.13 NMAC uirements of Subsection F of 19.15.17.13 NMAC Irill cuttings) requirements of Subsection H of 19.15.17.13 NMAC I of 19.15.17.13 NMAC ion G of 19.15.17.13 NMAC
Waste Removal Closure For Closed-loop Systems That Utilize Haul-off Bins O or facilities for the disposal of liquids, drilling fluids and drill cuttings.	<u>nly</u> : (19.15.17.13.D NMAC) Instructions: Please indentify the facility
Disposal Facility Name: <u>Basin Disposal, Inc.</u> D	isposal Facility Permit Number: <u>NM-01-0005</u>
On-Site Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of th	e following items must be attached to the closure plan. Please indicate,
 by a check mark in the box, that the documents are attached. Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of Proof of Surface Owner Notice - based upon the appropriate requirements of Construction and Design of Burial Trench (if applicable) based upon the appropriate requirements of 19.15 Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Disposal Facility Name and Permit Number (for liquids, drilling fluids and d Soil Cover Design - based upon the appropriate requirements of Subsection Re-vegetation Plan - based upon the appropriate requirements of Subsection 	uirements of 19.15.17.10 NMAC ⁵ Subsection F of 19.15.17.13 NMAC propriate requirements of 19.15.17.11 NMAC 5.17.13 NMAC uirements of Subsection F of 19.15.17.13 NMAC Subsection F of 19.15.17.13 NMAC rill cuttings or in case on-site closure standards cannot be achieved) H of 19.15.17.13 NMAC I of 19.15.17.13 NMAC on G of 19.15.17.13 NMAC
Operator Application Certification:	
I hereby certify that the information submitted with this application is true, accurat	e and complete to the best of my knowledge and belief.
Name (Print):Glenn W. Reed, P. E.	Title: <u>Executive Vice President – Operations and Engineering</u>
Signature: Herm UN huy	Date: 6-18-08
e-mail address: gwreed@approachresources.com	Telephone: <u>817-989-9000</u>
D Approval: Permit Application (including closure plan) Closure Plan	(1)
	n (only)
OCD Representative Signature:	Approval Date:
OCD Representative Signature:	Approval Date: OCD Permit Number:
OCD Representative Signature:	Approval Date: OCD Permit Number: of 19.15.17.13 NMAC Closure Completion Date:
OCD Representative Signature: Title: Closure Report (required within 60 days of closure completion): Subsection K Closure Method: Waste Excavation and Removal On-Site Closure Method If different from approved plan, please explain.	Approval Date:
OCD Representative Signature: Title:	Approval Date:
OCD Representative Signature: Title: Closure Report (required within 60 days of closure completion): Subsection K Closure Method: Waste Excavation and Removal On-Site Closure Method If different from approved plan, please explain. Closure Report Attachment Checklist: Instructions: Each of the following item mark in the box, that the documents are attached. Proof of Closure Notice Proof of Deed Notice (if applicable) Plot Plan Confirmation Sampling Analytical Results Waste Material Sampling Analytical Results Disposal Facility Name and Permit Number Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Technique Site Reclamation (Photo Documentation) On-site Closure Location: Latitude Longitud	Approval Date:
OCD Representative Signature: Title: Closure Report (required within 60 days of closure completion): Subsection K Closure Method: Waste Excavation and Removal On-Site Closure Method If different from approved plan, please explain. Closure Report Attachment Checklist: Instructions: Each of the following item mark in the box, that the documents are attached. Proof of Closure Notice Proof of Deed Notice (if applicable) Plot Plan Confirmation Sampling Analytical Results Waste Material Sampling Analytical Results Disposal Facility Name and Permit Number Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Technique Site Reclamation (Photo Documentation) On-site Closure Location: Latitude Longitud Operator Closure Certification: I hereby certify that the information and attachments submitted with this closure reported belief. 1 also certify that the closure complies with all applicable closure requirement	Approval Date: OCD Permit Number: of 19.15.17.13 NMAC Closure Completion Date: ve Closure Method ns must be attached to the closure report. Please indicate, by a check de NAD: 1927 1983 oort is true, accurate and complete to the best of my knowledge and nts and conditions specified in the approved closure plan.
OCD Representative Signature:	Approval Date:
OCD Representative Signature:	Approval Date:
OCD Representative Signature: Title: Closure Report (required within 60 days of closure completion): Subsection K Closure Method: Waste Excavation and Removal On-Site Closure Method If different from approved plan, please explain. Closure Report Attachment Checklist: Instructions: Each of the following itemmark in the box, that the documents are attached. Proof of Closure Notice Proof of Deed Notice (if applicable) Plot Plan Confirmation Sampling Analytical Results Waste Material Sampling Analytical Results Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Technique Site Reclamation (Photo Documentation) On-site Closure Certification: I hereby certify that the information and attachments submitted with this closure requirement me (Print): Signature: e-mail address:	Approval Date:



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APPROACH OPERATING, LLC. OPERATIONS PLAN

I. Location:

II.

Date: June 18, 2008

LONG Rio Arriba County, NM

LAT

Elev: GL

Field: Wildcat Surface:

Drilling A. Contractor: TBD

B. Mud Program:

The surface hole will be drilled with a air, if possible, or fresh water mud.

The production hole will be drilled with air or air/mist.

C. Minimum Blowout Control Specifications:

Double ram type 3000 psi working pressure BOP with a rotating head. See the attached Exhibit # _____ for details on the BOP equipment. All ram type preventers and related equipment will be hydraulically tested at nipple-up and after any use under pressure to 1500 psi.

The blind ram will be hydraulically activated and checked for operational readiness each time pipe is pulled out of the hole. All check of the BOP stack and equipment will be noted on the daily drilling report. The BOP equipment will include a kelly cock, floor safety valve, and choke manifold all rated to 2000 psi.

No over pressured zones are expected in this well. No H2S zones expected, but compliance packs will be on location.

III. Logging program: Induction / GR and density logs at TD.

IV. Materials

A. Casing Program:

Hole Size	Depth	Casing Size	Wt & Grade
12-1/4"	350'	9-5/8"	32.3# H-40
8-3/4"	2000'	4-1/2"	10.5# J-55

B. Float Equipment

a. Surface Casing: Notched collar on bottom and 3 cent the bottom 3 joints.					
	b. Production Casing: 4-1/2" w shoe and a float collar on top with bow spring centralizers	hirler type cement no of the shoe joint. Ce	sed guide ntralized		
V. Cementing:					
• Surface	Casing: 9-5/8" 32.3 lb/ft H-40 se	et to 350'.			
Cement 0-350'					
Water	acer	Fluid Density:	8.330		
lbm/gal		Fluid Volume:	10 bbl		
Fluid 2: Lead Cement Premium Cement Ibm/gal		Fluid Weight	15.600		
94 lbm/sk Premium 0.125 lbm/sk Poly-I Gal/sk	Cement (Cement) E-Flake (Lost Circulation Additive)	Slurry Yield: Total Mixing Fluid:	1.180 ft ³ /sk 5.238		
2 % Calcium Chlor	ide (Accelerator)	Top of Fluid: Calculated Fill: Volume: Calculated Sacks: Proposed Sacks:	0 ft 350 ft 42.139 bbl 200.503 sk 205 sks		
Fluid 3: Water Based Sp Water Displacement Ibm/gal	acer	Fluid Density:	8.330		
Fluid Volume:		23.966 bbl			
• Product	ion Casing: 4-1/2" 10.5 lb/ft J-55	casing set to TD.			
Cement Fluid Instructions Fluid 1: Water Based Sp	acer				
Water lbm/gal		Fluid Density:	8.330		
Fluid Volume: 20 bb	I .				
Fluid 2: Lead Cement					

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50/50 Poz Premium	Fluid Weight	13 lbm/gal
0.4 % Halad(R)-344 (Low Fluid Loss Control)	Slurry Yield:	1.436 ft ³ /sk
0.125 lbm/sk Poly-E-Flake (Lost Circulation Additive)	Total Mixing Fluid:	6.193
Gal/sk	-	:
5 lbm/sk Gilsonite (Lost Circulation Additive)	Top of Fluid:	0 ft
	Calculated Fill:	2000 ft
	Volume:	156.266 bbl
	Calculated Sacks:	610.982 sks
	Proposed Sacks:	615 sks
Fluid 3: Water Based Spacer		
Water Displacement	Fluid Density:	8.330
lbm/gal	2	

Fluid Volume: 31.197 bbl

• The wells will have 40' of 14" conductor set. Then a 12-1/4" hole will be drilled to about 350' when 9-5/8" surface casing will be set and cemented. We will drill out with a 8-3/4" bit using

MULTI-POINT SURFACE USE PLAN

1. Existing Roads:

When existing roads are used to access the proposed location they will be maintained in the same or better condition than presently found.

2. Planned Access Roads:

Some new access road will have to be constructed. If existing access road is also used, it will be maintained in at least the current condition and will be upgraded where necessary to provide uninterrupted access to the proposed well.

3. Location of Existing Wells:

Attached map (Plat # 1) shows existing wells within one mile radius of the proposed well. N/A

4. Location of Production Facilities:

In the event of production, production facilities will be located on the drill pad. The actual placement of this equipment will be determined when the well's production characteristics can be evaluated after completion. To protect livestock and wildlife, equipment will be fenced. Any tanks will be enclosed by a dike.

Upon completion of drilling, the location and surrounding area will be cleared of all debris.

5. <u>Water Supply:</u>

Water for drilling and completion will be purchased from local sources.

6. Source of Construction Materials:

No additional construction materials will be required to build.

- 7. <u>Methods of Handling Waste Disposal:</u>
 - a. The drill cuttings, fluids and completion fluids will be placed in the steel tanks. Upon completion, the pad will be leveled, contoured and reseeded with the appropriate seed mixture.
 - b. All garbage and trash will be placed in a metal trash basket. It will be hauled off and dumped in an approved land fill upon completion of operations.
 - c. Portable toilets will be provided and maintained during drilling operations.

8. Ancillary Facilities:

Ancillary facilities are to be based on well productivity. .

9. Well Site Layout:

A plat of the drill pad with location of drilling equipment and rig orientations also attached.

10. Plans for Restoration of Surface:

When the well is abandoned the location and access road will be cleaned and restored to the original topographical contours as much as possible. The area will be reseeded with appropriate seed mixture.

If the well is productive, areas not used in production will be contoured and seeded with stipulated seed mixture. Production equipment will be painted to blend with the natural color of the landscape.

11. Lessee's or Operator's Representative:

Glenn W. Reed, Executive Vice President – Engineering & Operations Approach Resources 6500 West Freeway, Suite 800 Fort Worth, Texas 76116 Phone: (817) 989-9000

> Glenn W. Reed Executive Vice President – Engineering & Operations



TYPICAL BOP STACK & CHOKE MANIFOLD

There will be at least 2 chokes and 2 choke line valves (3" minimum). The choke line will be 3" in diameter. There will be a pressure gauge on the choke manifold.



Kill line will be minimum 2" diameter and have 2 valves, one of which shall be a minimum 2" check valve.

> Upper kelly cock will have handle available. Safety valve and subs will fit all drill string connections in use. All BOPE connections subjected to well pressure will be flanged, welded, or clamped.



