

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

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**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 14278**

**PROPOSED-INTERVENOR RICE FAMILY LIVING TRUST'S OPPOSITION TO  
APPLICANT'S MOTION FOR CONDITIONAL APPROVAL OF APPLICATIONS FOR  
PERMIT TO DRILL AND FOR DISMISSAL**

Currently pending before the Oil Conservation Commission ("OCC") is Applicant Approach Operating, LLC's Motion for Conditional Approval of Applications for Permit to Drill and for Dismissal. Proposed-Intervenor Rice Family Living Trust ("the Trust") opposes this motion, and in support of its opposition incorporates the arguments made by the Board of County Commissioners of Rio Arriba County in their response to Applicant's motion.

In further support of its opposition to the Applicant's motion, the Trust states as follows:

- (1) Through counsel, the Trust has sought information from the Applicant regarding the potential environmental impacts of its drilling proposal, including specifically impacts to water resources in the Chama watershed.
- (2) Through counsel, and also in connection with the concurrent County permitting process, the Trust has also sought production and disclosure of all environmental analyses which the Applicant has prepared for use in this adjudication and in the County permitting process.
- (3) Through counsel, and also in connection with the concurrent County permitting process,

the Trust has sought production of a surface map of the project area which shows all the Applicant's proposed wells, both in relation to each other and in relation to topographic features, improvements, and roads.

(4) Applicant has not produced any of this information to the Trust, other than a GoogleEarth image showing the location of the proposed well sites and two "typical" schematic drawings: (1) a "drawing of the proposed closed loop system drilling location" and (2) a "drawing of a typical typical producing location."

(5) Without the production and disclosure of this information as to the potential impacts of Applicant's proposal on human health and the environment, the Trust cannot meaningfully and effectively participate in this adjudication.

(6) More importantly, without any evidence whatsoever as to the possible impacts of Applicant's proposal on human health and the environment – both on an individual-well basis and on a landscape scale – it would be inappropriate for the OCC to approve the pending applications, or to direct approval of the pending applications.

(7) Finally, the OCC has yet to adopt the special rules governing oil and gas production in the Frontier Area of the Chama Watershed which were requested by Governor Richardson, and the Trust respectfully submits these rules should be adopted and made applicable to the currently pending applications.

Wherefore, for the reasons set forth above, the Trust respectfully submits that the Applicant's motion for conditional approval and dismissal should be denied.

Respectfully submitted,

/s/ Steven Sugarman  
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Attorney for Proposed-Intervenor Rice Family  
Living Trust

I hereby certify that a true and correct copy of the foregoing was sent by telefax and e-mail to Ms. Cheryl Bada (attorney for the Commission) at cbada@state.nm.us and (505) 476-3220, by telefax and e-mail to Mr. J. Scott Hall (attorney for the Applicant) at shall@montand.com and (505) 982-4289, and by telefax and e-mail to Mr. Adan Trujillo (attorney for Rio Arriba County) at adantrujillo@gmail.com and (505) 753-4750 on this 8th day of September, 2009.

/s/ Steven Sugarman  
Steven Sugarman