New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson

Governor

Joanna Prukop Cabinet Secretary Reese Fullerton Deputy Cabinet Secretary Mark Fesmire
Division Director
Oil Conservation Division



August 11, 2008

Mr. J. Scott Hall Montgomery & Andrews 325 Paseo de Peralta Santa Fe, New Mexico 87501

Re: NMOCC Case No. 14134; Application of the Board of County Commissioners, Rio Arriba County, New Mexico; and

NMOCC Case No. 14141; Application of Approach Operating, LLC, Rio Arriba County, New Mexico; Order No. R-12976

Dear Mr. Hall:

In response to your letter of August 5, please be advised as follows:

It was the intention of the Director that the effect of Order No. R-12976 was to suspend the operation of the permits to drill pending the outcome of Oil Conservation Commission Hearings on those permits. As such, it can be correctly assumed that any condition or requirement of the operator is tolled pending that outcome.

Sincerely,

Mark E. Fesmire, PEJD

Director, OCD

cc: Charlie Perrin

Adan Trujillo, Cheryl Bada