



Approach Resources Inc. Provides Statement Regarding New Mexico Litigation

July 29, 2008

Albuquerque, NM - July 29, 2008 - As previously reported, on July 21, 2008, Governor Bill Richardson directed the New Mexico Energy, Minerals and Natural Resources Department's Oil Conservation Division (OCD) to propose new rules for oil and gas operations in Eastern Rio Arriba County. OCD's proposals will be presented to the Oil Conservation Commission (OCC), which will begin a formal rulemaking process.

As demonstrated in the drilling proposals previously submitted by Approach Operating, LLC in two days of hearings at the OCD, Approach is eager to work with OCD and OCC to develop rules for responsible and safe drilling practices in the Tierra Amarilla area and looks forward to fully participating in this process. Approach has consistently maintained that responsibility for oil and gas regulation in this area belongs at the state level.

In light of the Governor's directive, which confirms the authority for rulemaking in Eastern Rio Arriba County with the appropriate state agencies, Approach will withdraw its litigation currently pending in federal district court for the District of New Mexico against Rio Arriba County. The Company expects the state rulemaking to fully and finally resolve the conditions for prudent oil and gas development in Rio Arriba County. The Company's withdrawal of its pending litigation will not affect its ability to reinstitute proceedings at a later date if necessary.

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