



Approach Resources Inc. Provides Statement Regarding New Mexico Governor's Directive

July 23, 2008

Albuquerque, NM - July 23, 2008 - 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 portions of Rio Arriba County. Approach Resources Inc. both recognizes and shares Governor Richardson's concerns for the unique hydrologic resources in the Tierra Amarilla area. We reiterate our prior commitment to go above and beyond current New Mexico state regulations for oil and gas operators in this environmentally sensitive watershed.

During two days of OCD hearings in June, we laid out a comprehensive and environmentally sound drilling program for this area. The program consisted of the following core commitments, along with other best-drilling practices:

- Using a closed-loop drilling system with above-ground steel tanks and no below-grade pits,
- Drilling with air tools rather than drilling fluids whenever possible, which mitigates the risk of contaminating ground water,
- Using a rigorous casing and cementing program to further minimize the risk of ground water contamination,
- Controlling run-on and run-off to prevent erosion around the well location, and
- Performing interim and final reclamation of areas affected by oil and gas operations.

We are currently evaluating the full effect of Governor Richardson's directive on our pending litigation with Rio Arriba County in the United States District Court for the District of New Mexico.

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