

Item 1.01 Entry into a Material Definitive Agreement.

On July 15, 2019, Approach Resources I, LP and Approach Oil & Gas Inc. (together, “Seller”), affiliates of Approach Resources Inc. (the “Company”), entered into an Amendment to the Gas Purchase Contract (the “Amendment”) dated and effective as of May 1, 2019 with DCP Operating Company, LP (formerly DCP Midstream, LP) (“DCP”) to the Gas Purchase Contract dated January 1, 2011 between the parties (together with any previous amendments, the “Original Agreement”).

The Amendment, among other things:

- (a) amends the pricing terms and calculation methodology of the Original Agreement to increase Seller’s compensation for residue gas and natural gas liquids (“NGLs”);
- (b) grants Seller the right to elect to be paid for NGLs based on either a fixed ethane recovery or a fixed ethane rejection option;
- (c) grants Seller the right, in its sole discretion, to take the residue gas allocable to Seller in kind at certain redelivery points; and
- (d) amends the dispute resolution provision to require arbitration.

The foregoing summary of the Amendment is not intended to be complete and is qualified in its entirety by reference to the full text of the Amendment. The Company intends to file the Amendment as an exhibit to its Quarterly Report on Form 10-Q for the quarter ending June 30, 2019, portions of which will be subject to confidential treatment.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

APPROACH RESOURCES INC.

By: /s/ Joshua E. Dazey
Joshua E. Dazey
Vice President – General Counsel

Date: July 15, 2019