

Submit 3 Copies To Appropriate District  
Office  
District I  
1625 N French Dr, Hobbs, NM 88240  
District II  
1301 W Grand Ave., Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S St. Francis Dr., Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-103  
June 19, 2008

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

WELL API NO. 30-039-30858
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Montano
8. Well Number #1
9. OGRID Number 248343
10. Pool name or Wildcat WC; Mancos

**SUNDRY NOTICES AND REPORTS ON WELLS**  
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☒ Gas Well ☐ Other ☐

2. Name of Operator  
Approach Operating, LLC

3. Address of Operator  
6500 West Freeway, Suite 800, Fort Worth, TX 76116

4. Well Location  
Unit Letter D : 939 feet from the North line and 207 feet from the West line  
Section 3 Township 27N Range 04E NMPM Rio Arriba County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
7455' GR

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐  
TEMPORARILY ABANDON ☐ CHANGE PLANS ☒ X  
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐  
DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ P AND A ☐  
CASING/CEMENT JOB ☐

OTHER: ☐

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Approach Operating, LLC proposes to alter the approved drilling plan as follows:

Drill a 12-1/4" hole and set 8-5/8", 32#, J-55, ST&C casing at 350' and cement to the surface with 245 sx (289 cu.ft.) of Type III cement with 1/4 pps celloflake, and 3% CaCl<sub>2</sub>. 100% excess to circulate cement to surface.

Drill a 6-1/4" hole with air-mist through the Greenhorn formation as determined by a mud logger. Fill the open hole with frac sand from TD to above any oil shows. Run 5-1/2", 15.5#, J-55, ST&C casing from the top of the sand fill to surface. Cement to surface with a lead cement consisting of Type III cement with 2% SMS and 1/4 pps celloflake and tail with 75 sx (89 cu.ft.) of Type III cement with 1/4 pps celloflake. Cement volumes calculated to provide a 100% excess to circulate cement to surface.

Drill out the shoe joint and clean out the open hole to TD with a 4-3/4" bit with air-mist. Run a 4" flush joint slotted liner from TD to 100' above the 5-1/2" casing shoe. No liner hanger will be used and the 4" liner will not be cemented.

RCVD JUN 7 '10

OIL CONS. DIV.

DIST. 3

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Paul C. Thompson TITLE Agent/Engineer DATE 6/4/10

Type or print name Paul C. Thompson, P.E. E-mail address: paul@walsheng.net PHONE: (505) 327-4892

**For State Use Only**

APPROVED BY: [Signature] TITLE Deputy Oil & Gas Inspector, DATE JUN 09 2010  
Conditions of Approval (if any): District #3

HOLD C104 FOR NSL

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State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised October 12, 2005  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

X AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number		<sup>2</sup> Pool Code 97767		<sup>3</sup> Pool Name	
<sup>4</sup> Property Code		<sup>5</sup> Property Name Montano Property			<sup>6</sup> Well Number Montano #1
<sup>7</sup> OGRID No.		<sup>8</sup> Operator Name Approach Operating LLC			<sup>9</sup> Elevation 7455.41

<sup>10</sup> Surface Location

UL or lot no. D	Section **03	Township **27N	Range **04E	Lot Idn	Feet from the 939	North/South line NORTH	Feet from the 207	East/West line WEST	County Rio Arriba
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<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no. <del>1</del>	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<sup>12</sup> Dedicated Acres		<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> Order No.			

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

**\*\* Projection within the Tierra Amarilla Land Grant**

<sup>16</sup> 				<sup>17</sup> <b>OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or released mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature: <i>Brice A. Morgan</i> Date: 4-13-10 Printed Name: Brice A. Morgan	
					<sup>18</sup> <b>SURVEYOR CERTIFICATION</b> I hereby certify that the well location shown on this plat was plotted from bench holes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Signature: <i>Gilberto Aranda</i> Date: 4/06/2010 Printed Name: Gilberto Aranda

Latitude - 36.60674 North

Longitude - -106.50800 West

Latitude, longitude & distances from projected section lines provided by Approach Resources LLC.