

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 20 : 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 ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

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

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.

RCVD JUN 11 '10
OIL CONS. DIV.
DIST. 3

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% CaCl₂. 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.

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

Deputy Oil & Gas Inspector,
District #3

APPROVED BY: [Signature] TITLE Deputy Oil & Gas Inspector, District #3 DATE JUN 11 2010

Conditions of Approval (if any):

HOLD C104 FOR W/SL