

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0137
Expires: July 31, 2010

RECEIVED

APR 05 2013

NEED GOOD ARTESIA

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an
abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☒ Oil ☐ Gas ☐

2. Name of Operator

CAPSTONE NATURAL RESOURCES, LLC

3a. Address

200 N. LORRAINE, SUITE 1225, MIDLAND, TX 79701

3b. Phone No. (include area code)

432-218-7924

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

660' FNL & 660' FEL, SEC. 11, T17S, 31E, NMPM

5. Lease Serial No.
NMLC-029418B

6. If Indian, Allottee or Tribe Name

8. Well Name and No.

Lea C Federal #16

9. API Well No.

30-015-20707

10. Field and Pool, or Exploratory Area

GRAYBURG JACKSON; SR-Q-G-SA

11. County or Parish, State

EDDY, NM

12. CHECK APPROPRIATE BOX(es) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

☐ Acidize
☐ Alter Casing
☐ Casing Repair
☐ Change Plans
☐ Convert to Injection

☐ Deepen
☐ Fracture Treat
☐ New Construction
☐ Plug and Abandon
☐ Plug Back

☐ Production (Start/Resume)
☐ Reclamation
☐ Recomplete
☐ Temporarily Abandon
☐ Water Disposal

☐ Water Shut-Off
☐ Well Integrity
☒ Other

PERFORATE ADDITIONAL
PAY AND FRAC

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be Filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

- MIRU. POOH with rods and pump. NU BOP (test to 500 psi). POOH with tbg. And rods.
- RIG w/ 4/34" bit and scraper to PBTD 4015. Clean out fill. POOH.
- Perforate 3409-3993', 19 shots. RIH with straddle pkrs. w/10' spacer. Isolate each new hole and breakdown with 15% NEFE acid. POOH with straddle pkrs.
- RIH with 3.5 x 5.5" (14 PPF) treating pkr. On 3.5" L-80 frac string. Set pkr. @ +3360'. Install 10K manual frac valve.
- MIRU frac crews. Frac @ 40 BPM w/Lite Prop & Sand at the same time. ND frac valve.
- RIG and tag fill. Circulate clean and POOH.
- Run production tbg. Set TAC at +4005' and SN at +3972'. ND BOP and NU tree. Run pump and rods. Load and test tbg.
- Return to production.

FOR RECORD ONLY - SUNDRY NOT REQUIRED BY BLM, BUT IS REQUIRED BY OCD FOR APPROVAL

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed)

Debbie McKelvey

Title Agent 575-392-3575

Signature

Debbie McKelvey

Date 4/4/13

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States and false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

(Instruction on page 2)

JDade 4/11/2013
Accessed for record
NMLC