

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

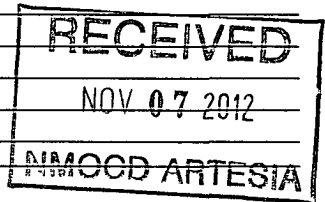
OCD Artesia

FORM APPROVED
OMB NO 1004-0137
Expires: July 31, 2010

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

| | | | | | | | | | |
|---|---------------------|--|-----------------|---|--------------------|--|-----------------------|-------------------|-------------------|
| 1a Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Dry <input type="checkbox"/> Other b Type of Completion: <input type="checkbox"/> New Well <input checked="" type="checkbox"/> Work Over <input type="checkbox"/> Deepen <input type="checkbox"/> Plug Back <input type="checkbox"/> Diff Resvr, Other: _____ | | | | | | 5. Lease Serial No LC-029418-B | | | |
| | | | | | | 6 If Indian, Allottee or Tribe Name | | | |
| 2. Name of Operator Capstone Natural Resources, LLC | | | | | | 7 Unit or CA Agreement Name and No | | | |
| | | | | | | 8 Lease Name and Well No Lea C # 13 | | | |
| 3 Address 2250 E. 73rd ST., Suite 500, Tulsa OK 74136 | | | | 3a Phone No (include area code) 918-236-3800 | | 9 AFI Well No 3001520704 | | | |
| 4 Location of Well (Report location clearly and in accordance with Federal requirements)* 660' FSL and 660 FEL, Section11, Township 17S, Range 31E At surface 660' FSL and 660 FEL, Section11, Township 17S, Range 31E At top prod. interval reported below At total depth 660' FSL and 660 FEL, Section11, Township 17S, Range 31E | | | | | | 10 Field and Pool or Exploratory GrayBurg Jackson, 7 Rivers-QN-GB-SA | | | |
| | | | | | | 11 Sec, T., R., M., on Block and Survey or Area 660' FSL and 660 FEL, Sec 11, Township 17S, Range 31E | | | |
| | | | | | | 12 County or Parish Eddy | 13 State NM | | |
| | | | | | | 17 Elevations (DF, RKB, RT, GL)* 3952' DF | | | |
| 14 Date Spudded 08/21/1972 | | 15 Date T D Reached 08/27/1972 | | 16 Date Completed 11/20/1972 <input type="checkbox"/> D & A <input checked="" type="checkbox"/> Ready to Prod | | 18 Total Depth: MD 4000, TVD 4000 | | | |
| 19 Plug Back T D MD 3967 TVD 3967 | | 20 Depth Bridge Plug Set MD none TVD | | 21. Type Electric & Other Mechanical Logs Run (Submit copy of each) N/A | | | | | |
| 22 Was well cored? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis) Was DST run? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit report) Directional Survey? <input type="checkbox"/> No <input type="checkbox"/> Yes (Submit copy) | | | | | | | | | |
| 23. Casing and Liner Record (Report all strings set in well) | | | | | | | | | |
| Hole Size | Size/Grade | Wt. (#/ft) | Top (MD) | Bottom (MD) | Stage Cement Depth | No of Sks & Type of Cement | Slurry Vol (BBL) | Cement Top* | Amount Pulled |
| 11" | 8 5/8 J-55 | 24# | Surface | 635' | | 375 sx Class C | | Surface | |
| 7 7/8 | 5 1/5 J-55 | 15.5# | Surface | 3967' | | 1100 sx Class C | | Surface | |
| 24. Tubing Record | | | | | | | | | |
| Size | Depth Set (MD) | Packer Depth (MD) | Size | Depth Set (MD) | Packer Depth (MD) | Size | Depth Set (MD) | Packer Depth (MD) | |
| 2 3/8 | 3994' | | | | | | | | |
| 25 Producing Intervals | | | | | | | | | |
| Formation | | Top | Bottom | Perforation Record | | Size | No Holes | Perf. Status | |
| A) Grayburg- San Andres | | 3360' | 3988' | 3360'-3988' | | .41 | 31 | producing | |
| B) | | | | | | | | | |
| C) | | | | | | | | | |
| D) | | | | | | | | | |
| 27. Acid, Fracture, Treatment, Cement Squeeze, etc | | | | | | | | | |
| Depth Interval | | Amount and Type of Material | | | | | | | |
| 3360'-3988' | | 3000 gals 15% HCL | | | | | | | |
| 28. Production - Interval A | | | | | | | | | |
| Date First Produced | Test Date | Hours Tested | Test Production | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr API | Gas Gravity | Production Method |
| 9/27/12 | 9/28/12 | 24 | → | 3 | | 12 | | | Rod pump |
| Choke Size | Tbg Press. Flwg. SI | Csg. Press. | 24 Hr Rate | Oil BBL | Gas MCF | Water BBL | Gas/Oil Ratio | Well Status | |
| | | | → | | | | | | |
| 28a Production - Interval B | | | | | | | | | |
| Date First Produced | Test Date | Hours Tested | Test Production | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr API | Gas Gravity | Production Method |
| | | | → | | | | | | |
| Choke Size | Tbg Press. Flwg. SI | Csg. Press. | 24 Hr. Rate | Oil BBL | Gas MCF | Water BBL | Gas/Oil Ratio | Well Status | |
| | | | → | | | | | | |

*(See instructions and spaces for additional data on page 2)



ACCEPTED FOR RECORD

NOV 3 2012

BUREAU OF LAND MANAGEMENT
ARTESIA FIELD OFFICE

QW

28b Production - Interval C

| Date First Produced | Test Date | Hours Tested | Test Production | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr. API | Gas Gravity | Production Method |
|---------------------|--------------------|--------------|-----------------|---------|---------|-----------|-----------------------|-------------|-------------------|
| | | | → | | | | | | |
| Choke Size | Tbg. Press Flwg SI | Csg. Press | 24 Hr Rate | Oil BBL | Gas MCF | Water BBL | Gas/Oil Ratio | Well Status | |
| | | | → | | | | | | |

28c. Production - Interval D

| Date First Produced | Test Date | Hours Tested | Test Production | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr. API | Gas Gravity | Production Method |
|---------------------|--------------------|--------------|-----------------|---------|---------|-----------|-----------------------|-------------|-------------------|
| | | | → | | | | | | |
| Choke Size | Tbg. Press Flwg SI | Csg. Press | 24 Hr Rate | Oil BBL | Gas MCF | Water BBL | Gas/Oil Ratio | Well Status | |
| | | | → | | | | | | |

29 Disposition of Gas (Solid, used for fuel, vented, etc)

30. Summary of Porous Zones (Include Aquifers)

Show all important zones of porosity and contents thereof. Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries

31 Formation (Log) Markers

| Formation | Top | Bottom | Descriptions, Contents, etc | Name | Top |
|-----------------|-------|--------|-----------------------------|------|------------|
| | | | | | Meas Depth |
| Salado Salt top | 802' | 1772' | Salt | | |
| Yates | 1957' | 2142' | Sand, gas | | |
| Seven Rivers | 2292' | n/a | n/a | | |
| Queen | 2912' | n/a | n/a | | |
| Grayburg | 3429' | n/a | n/a | | |
| San Andres | 3967 | 3987 | n/a | | |

32 Additional remarks (include plugging procedure)

This well was acquired and files contained no logs.

33 Indicate which items have been attached by placing a check in the appropriate boxes

- ☐ Electrical/Mechanical Logs (1 full set req'd)
 ☐ Geologic Report
 ☐ DST Report
 ☐ Directional Survey
☐ Sundry Notice for plugging and cement verification
 ☐ Core Analysis
 ☐ Other

34 I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) Darren SeglemTitle Production ManagerSignature Date 10/22/2012

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 any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on page 3)

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