

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

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

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.

5. Lease Serial No.
LC-029418-B

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
Capstone Natural Resources, LLC

3a. Address
2250 E 73rd St., Suite 500, Tulsa OK 74136

3b. Phone No. (include area code)
918-236-3800

7. If Unit of CA/Agreement, Name and/or No.

8. Well Name and No.
Lea C #13

9. API Well No.
3001520704

10. Field and Pool or Exploratory Area
Grayburg Jackson, 7 Rivers-QN-GB-SA

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
660' FSL and 660' FEL Section 11, Township 17S, Range 31E

11. Country or Parish, State
Eddy County, New Mexico

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

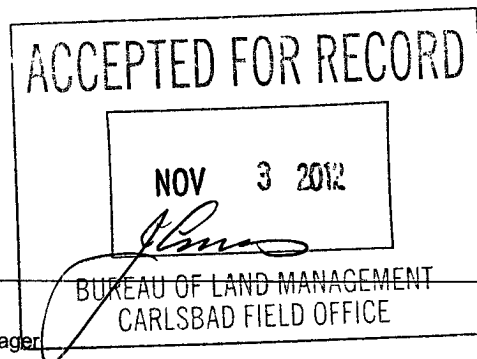
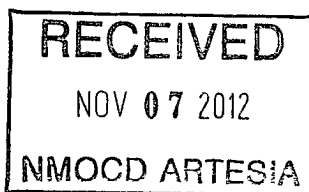
TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input checked="" type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input checked="" type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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 recomplete 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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion 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.)

8/28/12 MIRU Tyler well service. POOH with TBG and PKR. Pick up and TIH with casing scraper. Tag up at 3407'. MIRU reverse unit and swivel and clean down to TD at 4000', POOH. TIH with 5 1/2 packer. 8/31/12 MIRU petroplex acidizing and spot 3 bbls 15% HCL acid across perms. Pull up and set PKR at +/- 3000'. Break down at 312 psi at 2 BPM. Pump 1,500 gals of 15 % HCL acid with 500lbs rock salt and displace with 29 bbls at 5 BPM. ISIP 1872 psi. Job recap: Average rate 5BPM, average pressure 1500 psi, Maximum pressure 3000 psi. Rig up and swab test. Recovered +/- 30 bbls with trace oil show but increasing. fluid level holding at 2700 at 1 hour runs. 9/5/12 Rig up and perform casing integrity test. Test casing to 500 psi for 30 minutes and chart. Test was good and witnessed by BLM representative Jim Amos. Mr. Amos retrieved and took chart with him for BLM file. TOOH with tbg and PKR. RU and TIH with production tbg and BHA. RU and TIH with pump and rods. Load and test too 500 psi, good test. Shut down and wait on pumping unit and electricity. Set Unit and generator. Start well pumping to test on 9/27/12.

NOT on Loc. ?

RDade 11/9/12
Accepted for record
NMOCD



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

Title Production Manager

Signature

Date 10/23/2012

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

(Instructions on page 2)