

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.

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

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.
Lea "C" no. 3

2. Name of Operator
Capstone Natural Resources, LLC

9. API Well No.
30015051310000

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

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

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' FNL & 660' FWL, Section 11, T17S, R31E (NW NW)

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				
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off	
☒ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity	
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other	
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	assumption of liability	
	☐ Convert to Injection	☐ Plug Back	☐ 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 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 must 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.)

By prior Sundry Notice, Capstone Natural Resources, LLC has provided notice of a change of operator from Westbrook Oil Corporation on lease LC-029418-B to be effective April 1, 2012.

Concurrent with the change of operations, Capstone Natural Resources, LLC agrees to assume liability for all Written Orders and Incidents of Non-Compliance issued to Westbrook Oil Corporation on Lease LC-029418-B to include although not limited to notice number 12CD25A related to the Lea "C" #3 well.

A Sundry Notice describing a detail Plan of Action to return the well to a compliant status or plug and abandon will be prepared soon after Capstone Natural Resources, LLC formally assumes operations on the lease from Westbrook Oil Corporation.

Submit plan for approval of well operations for TA/SI wells within 30 days of this approval. 43 CFR 3162.3-4 (C) requires that wells incapable of production in paying quantities be promptly plugged and abandoned....

APPROVED

APR 24 2012
/s/ JD Whitlock Jr

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

Thomas W. Wahl

Title VP-Land, Capstone Natural Resources, LLC

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

Signature

Thomas W. Wahl

Date

4/18/12

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)