

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED
Budget Bureau 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.

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well <input checked="" type="checkbox"/> Oil <input type="checkbox"/> Gas <input type="checkbox"/>		5. Lease Serial No. NMLC-029418B
2. Name of Operator CAPSTONE NATURAL RESOURCES, LLC		6. If Indian, Allottee or Tribe Name
3a. Address 2250 E. 73 rd St., Suite 500, Tulsa, OK 74136-6834	3b. Phone No. (include area code) 432-218-7924 (Darren Seglem)	7. If Unit or CA, Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T.,R.,M., or Survey Description) 1210' FNL & 1310' FWL, SEC. 11, T17S, 31E, NMPM		8. Well Name and No. Lea C Federal #19
		9. API Well No. 30-015-40998
		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	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input 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 checked="" type="checkbox"/> Other COMPLETIC
	<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 shall 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.)

- 2/12/13 - RIH w/3 1/8" slick guns, perforating 1 spf, 120 degree phasing, .36 diameter shot; perforate Grayburg 3445-4266', total 27 holes. Acidized with 2000 gals. of 15% NeFe HCL. Swab.
- 2/18/13 - Set 5 1/2" CIBP @ 4220'; spot 20' of cement on top.
- 2/22/13 - Attempted to Frac perfs. 3445-4127' with 1083 BW and 792# 16/30 Arizona sand. Max pressure 4200 psi, avg pressure 4150.
- 2/26 & 2/27/13 - PPI Acid job 5000 gals 15% NeFe.
- 3/1/13 - Frac perfs 3445-4127 with 1064 BW and 19,535# 16/30 white sand. Max press 4005 psi.
- 3/4/13 - TIH. Tag fill @ 4053'. Clean out to 4210'.
- 3/5/13 - RIH with 129 jts. 2 7/8", J-55, 8rd tbg., EOT @ 4124' (SN). RIH w/ 2 1/2" x 1 1/2" x 20' RWBC Pump and rods.
- 3/6/13 - Hang well on. Commence production.
- 3/8/13 - 24-hr test: 61 BO, 157 BW, and 1 MCF. The gas is being vented pending gas connection.

RECEIVED
APR 02 2013
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14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) DEBBIE MCKELVEY	Title AGENT 575-392-3575
Signature <i>Debbie McKelvey</i>	Date 3/22/13

THIS SPACE FOR FEDERAL OR STATE OFFICE USE **ACCEPTED FOR RECORD**

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	

MAR 31 2013
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD 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)

DD 4/3/13
Accepted for record
NMOC D