

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

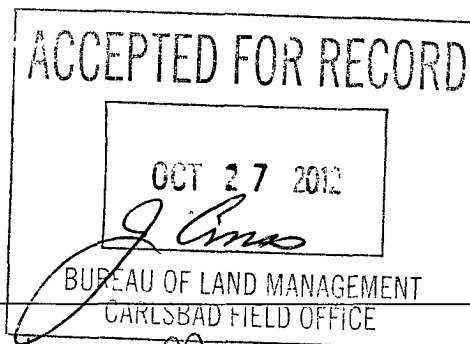
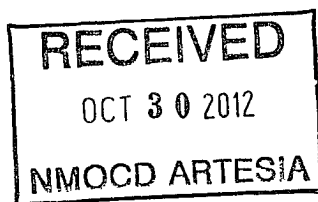
☒ Oil Well ☐ Gas Well ☐ Other8. Well Name and No.
Lea C # 142. Name of Operator
Capstone Natural Resources L.L.C.9. API Well No.
30015207053a. Address
2250 E 73rd St., Suite 500, Tulsa OK 741363b. Phone No. (include area code)
918-236-380010. Field and Pool or Exploratory Area
Grayburg Jackson 7-Rivers-QN-GB-SA4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
NE SE, 1980' FSL & 660 FEL, Sec. 11, Township 17S, Range 31E11. 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 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.)

7/17/12 Move in and rig up Tyler Well Service. PU workstring, TIH, and tag cement at 3313'. Drill out cement, CIBP and TOO. PU casing scraper, TIH and tag bottom at 3960' TOO. PU, TIH with 5 1/2 PKR and spot 3 BBLs 15% HCL acid across perms. Pull up and set PKR at 3317'. Break down at 226 psi at 2 BPM, pump 1,500 gals. 15% HCL acid with 500 lbs rock salt, Pump 1,500 gals. HCL acid. Displace with 28 bbls of water at 4 BPM. ISIP 1757psi. Job recap: Average rate 4 BPM, average pressure 1500 psi, maximum pressure 2539 psi. Swab test well and recover 30 BLW with trace oil show. Fluid level holding at 2800'. Rig up test casing to 500 psi for 30minutes. Pressure test was good and witnessed on location by BLM representative Jerry Blakley. TOO with PKR and workstring. RU and TIH with production TBG and BHA. RU and TIH with pump and rods. Load and test to 500 psi, good test. Set pumping unit and generator and start well producing to battery on 7/28/12.



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

Darren Seglem

Title

Production Manager

Signature

Date

8/14/12

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)