

RECEIVED
 Form 3160-5
 (August 2007)
FEB 12 2013
NMOC D ARTESIA

OCD Artesia

UNITED STATES
 DEPARTMENT OF THE INTERIOR
 BUREAU OF LAND MANAGEMENT

FORM APPROVED
 OMB NO. 1004-0135
 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 reverse side.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		8. Well Name and No. LEA C 3
2. Name of Operator CAPSTONE NATURAL RESOURCES LLC Contact: DAVID A EYLER E-Mail: DEYLER@MILAGRO-RES.COM		9. API Well No. 30-015-05131-00-S1
3a. Address 2250 E 73RD ST SUITE 500 TULSA, OK 74136	3b. Phone No. (include area code) Ph: 432-687-3033	10. Field and Pool, or Exploratory GRAYBURG
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 11 T17S R31E NWNW 660FNL 660FWL		11. County or Parish, and State EDDY COUNTY, 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 type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input checked="" 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 recomple 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 recomple in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

01/20/13: CIRC.WELL W/PXA MUD; PUMP 25 SXS.CMT.@ 3,404'; WOC X TAG CMT.@ 3,100'
 01/21/13: PERF. 5-1/2" CSG.@ 1,980'; ATTEMPT TO EST.INJ.RATE-PRES. UP TO 1,000# X HELD; PUMP 25 SXS.CMT.@ 2,030'(PER BLM); WOC X TAG CMT. PLUG @ 1,759'
 01/22/13: PERF. 5-1/2" CSG.@ 1,750'(PER BLM); ATTEMPT TO EST.INJ.RATE-PRES. UP TO 1000# X HELD; PUMP 25 SXS.CMT.@ 1,759'; WOC X TAG PLUG @ 1,600'(OK'D BY BLM)
 01/23/13: PERF. X SQZ. 60 SXS.CMT. @ 925'; WOC X TAG CMT. PLUG @ 750'.
 01/24/13: PERF. X CIRC. TO SURF., FILLING ALL ANNULI, 45 SXS.CMT. @ 100'-3'; DIG OUT X CUT OFF WELL HEAD 3' B.G.L; WELD ON STEEL PLATE TO CSGS. X INSTALL GROUND LEVEL DRY HOLE MARKER.

WELL PLUGGED AND ABANDONED 01/24/13.

RECLAMATION
DUE 7-24-13

Accepted as to plugging of the well bore.
 Liability under bond is retained until
 Surface restoration is completed.

Accepted for record
 NMOC D *AR Dade 2/14/13*

14. I hereby certify that the foregoing is true and correct.

**Electronic Submission #191656 verified by the BLM Well Information System
 For CAPSTONE NATURAL RESOURCES LLC, sent to the Carlsbad
 Committed to AFMSS for processing by KJRT SIMMONS on 02/06/2013 (12JA0164S)**

Name (Printed/Typed) DAVID A EYLER	Title AGENT
Signature (Electronic Submission)	Date 01/28/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By ACCEPTED	JAMES A AMOS Title SUPERVISOR EPS	Date 02/10/2013
-----------------------------	--------------------------------------	-----------------

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 Carlsbad

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.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

JM