

District I
1625 N. French Dr., Hobbs, NM 88240

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-104
Revised August 1, 2011

District II
811 S. First St., Artesia, NM 88210

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to Appropriate District Office

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

| | | |
|--|--|--|
| Operator Name and Address Capstone Natural Resources, LLC 2250 E. 73 rd St., Suite 500 Tulsa, OK 74136-6834 | | OGRID Number 289372 |
| | | Reason for Filing Code/Effective Date New Well effective 2/16/13 |
| API Number 30-015-40879 | Pool Name Grayburg Jackson 7-Rivers-QN-GB-SA | Pool Code 28509 |
| Property Code 310117 39579 | Property Name Lea C Federal | Well Number 017 |

II. Surface Location

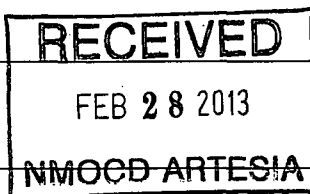
| UL or Lot | Section | Twnshp | Range | Lot ID | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-----------|---------|--------|-------|--------|---------------|------------------|---------------|----------------|--------|
| P | 11 | 17S | 31E | | 330 | South | 330 | East | Eddy |

Bottom Hole Location

| UL or Lot | Section | Twnshp | Range | Lot ID | Feet from the | North/South Line | Feet from the | East/West Line | County |
|----------------------|--------------------------------------|--|----------------------------|-----------------------------|------------------------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |
| Lse Code F | Producing Method Code Pump | Gas Connection Date Vented-Pending Connection | C-129 Permit Number | C-129 Effective Date | C-129 Expiration Date | | | | |

III. Oil and Gas Transporters

| ¹⁸ Transporter OGRID | ¹⁹ Transporter Name and Address | ²⁰ O/G/W |
|------------------------------------|---|---------------------|
| 015694 | Holly Frontier Refining & Marketing | O |
| | | |
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IV. Well Completion Data

| | | | | | |
|-----------------------------|--|----------------------------|--|--|---------------|
| Spud Date 1/18/13 | Ready Date 2/16/13 | TD 4490' / 4206' | PBTD 4445' | Perforations 3433-4206' Grayburg | DHC,MC |
| Hole Size 12 1/4" | Casing & Tubing Size 8 5/8", 24#, J-55 | Depth Set 694' | Sacks Cement 450 sx Class C -surface | | |
| 7 7/8" | 5 1/2", 15.5#, J-55 | 4488' | 955 sx POZ H - surface | | |
| | 2 7/8", J-55 8rd | 3395' | | | |
| | | | | | |
| | | | | | |

V. Well Test Data

| | | | | | |
|--------------------------------|------------------------------------|-----------------------------|--------------------------|---------------------------------|--------------------------------|
| Date New Oil 2/16/13 | Gas Delivery Date Vented | Test Date 2/17/13 | Test Length 24 | Tbg. Pressure 140 psi | Csg. Pressure 60 psi |
| Choke Size 37 | Oil | Water 132 | Gas 60 | AOF | Test Method Pump |

I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature:

Debbie McKelvey

Printed name:

Debbie McKelvey

Title:

Agent

E-mail Address:

debmkelvey@earthlink.net

Date:

2/27/13

Phone:

575-392-3575

Approved by:

OIL CONSERVATION DIVISION

T.C. Shepard

Title:

Dist II Geologist

Approval Date:

3/27/13

Provide Gas Conn date when available