

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED  
Budget Bureau No. 1004-0137  
Expires: July 31, 2010

5. Lease Serial No.  
NMLC-029418B

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.  
Lea C Federal #17

9. API Well No.  
30-015-40879

10. Field and Pool, or Exploratory Area  
GRAYBURG JACKSON; SR-Q-G-SA

11. County or Parish, State  
EDDY, NM

**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

☒ Oil ☐ Gas ☐

2. Name of Operator

CAPSTONE NATURAL RESOURCES, LLC

3a. Address

200 N. LORRAINE, SUITE 1225, MIDLAND, TX 79701

3b. Phone No. (include area code)

432-218-7924

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

330° FSL & 330° FEL, SEC. 11, T17S, 31E, NMPM

**12. CHECK APPROPRIATE BOX(es) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

**TYPE OF SUBMISSION**

☐ Notice of Intent  
☒ Subsequent Report  
☐ Final Abandonment Notice

☐ Acidize  
☐ Alter Casing  
☐ Casing Repair  
☐ Change Plans  
☐ Convert to Injection

☐ Deepen  
☐ Fracture Treat  
☐ New Construction  
☐ Plug and Abandon  
☐ Plug Back

☐ Production (Start/Resume)  
☐ Reclamation  
☐ Recomplete  
☐ Temporarily Abandon  
☐ Water Disposal

☐ Water Shut-Off  
☐ Well Integrity  
☒ Other **SPUD & Set Casing**

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 shall 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.)

1/18/13 - Spud 12 1/4 hole @10:15 a.m. Drill to 694'. Ran 16 jts. (698.95') 8 5/8" 24# J-55 STC 8rd, csg. and set @ 694' (float collar @ 647'), Cent 1<sup>st</sup> 3 jts. (4 total).

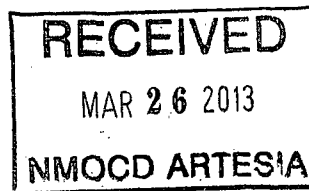
1/19/13 - Cement with 200 sxs Class C + 4% bentonite + 2% CaCl<sub>2</sub> + .125 celloflake @ 13.5#, yield 1.75, 8.869 gal/sx H<sub>2</sub>O. Tail w/250 sxs Class C + 2% CaCl<sub>2</sub> @ 14.8#, yield 1.35, displace w/31.5 bbls. fresh water, plug down @ 9:08 a.m. Circulate 128 sx to surface. WOC 18 hrs.

1/20/13 - Test BOP to 2000# for 10 min, ok. Test csg. to 2000# for 30 min. ok.

1/25/13 - Drill 7 7/8" hole to TD 4490'. Ran logs.

1/26/13 - Ran 103 jts. 5 1/2", J-55 15.5#, LT&C csg. (4492.85') set @ 4488'. Cemented w/ 585 sx 35/65 POZ H @ 12.8#, yield 1.9 (298 bbls.), tail w/370 sxs 50/50 POZ H @ 14.2#, Yield 1.29 (85 bbls.); displace with 103 bbls. fresh water. Plug down @ 22:18 pm. Circ. 148 sxs to surface. WOC 18 hrs.

*Accepted for record*  
3/27/13  
NMOCD



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

Title AGENT 575-392-3575

Signature

*Debbie McKelvey*

Date 2/26/13

ACCEPTED FOR RECORD

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

MAR 24 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

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