

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

**TYPE OF ACTION**

☐ 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 Perforate, Acidize, Frac

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.)

2/5/13 - RIH w/3 1/8" slick guns, perforating 1 spf, 120 degree phasing, .31 diameter shot; perforate Grayburg 3433-4206', total 26 holes. Acidized with 12 bbls. of 15% NeFe HCL

2/6/13 - Frac perfs. w/63,993 lbs. 16/30 AZ white sand, 24,393 lbs. 16/30 Preferred Garnet RC sand in 25# x-link borate (Viking 2500).

2/8/13 - TIH. Tag fill @ 3900'. Clean out to PBTD 4445'.

2/16/13 -RIH with 133 jts. 2 7/8", J-55, 8rd tbg., EOT @ 3395'. RIH w/ 2 1/2" x 2" x 20' RWBC Pump and rods. Hang well on. Commence production.

2/17/13 - 24-hr test: 37 BO, 132 BW, and 60 MCF. The gas is being vented pending gas connection.

Accepted for record  
NMOCD

*RDade 3/27/13*

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 2/27/13

RECEIVED

MAR 26 2013

NMOCD ARTESIA

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

Approved by

Title

Date

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

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

BUREAU OF LAND MANAGEMENT  
CARLSBAD FIELD OFFICE