

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
OCD Artesia

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		5. Lease Serial No. NMLC029418B
2. Name of Operator CAPSTONE NATURAL RESOURCESE-Mail: cbrian@capstonenr.com Contact: CLINT A BRIAN		6. If Indian, Allottee or Tribe Name
3a. Address 2250 E 73RD ST SUITE 500 TULSA, OK 74136	3b. Phone No. (include area code) Ph: 918-236-3800	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 11 T17S R31E 1980FSL 1980FEL		8. Well Name and No. LEA "C" 4
		9. API Well No. 30-015-05132
		10. Field and Pool, or Exploratory GRYBRG JCKSN SR-Q-GRBG-SA
		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 checked="" 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 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 recomplete 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 recompletion 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.)

7-23-12: MIRU Tyler Rig 102 @ 10:30. Install BOP work tbg, pull tension, attempt to release as if pkr in hole, tbg came free POOH w/ 2 - 4' x 2?? subs, then Change over to 2??. POOH and lay down 116 jts 2?? Internal coated tbg, X over to 2?? SN, 4'x2?? perf sub, 30' MA bull plugged (No Pkr)Bottom 1/3 of tbg and MA pitted w/ holes; Ave jt length est tbg was set at bottom of hole. Make well safe.

7-24-12: 7 am SITP 0. RIH w/ 4?" Bit and Bit sub, 117 jts 2⅜ workstring. Tag up @ 3675' top perf 3443, bottom perf 3682' End of 5? @ 3700, open hole 3700-3798. POOH w/ 6 stands to 3295, Make well safe.

7-25-12: 7 am SITP 0. RIH W/ 6 stands, RU Lightfoot Swivel and pump, break circ, wash and drill to 3798' TD. Circ hole clean, Lay down swivel, POOH w/ 122 jts 2⅜ and bit. RIH w/ 4?" bit

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

Electronic Submission #206441 verified by the BLM Well Information System For CAPSTONE NATURAL RESOURCES, sent to the Carlsbad Committed to AFMSS for processing by KURT SIMMONS on 05/08/2013 ()

Name (Printed/Typed) CLINT A BRIAN Title VICE PRESIDENT OF OPERATIONS

Signature (Electronic Submission) Date 05/07/2013

for record
NMOCD
LRDade 5/24/13

ACCEPTED FOR RECORD

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____ Title _____

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 _____

MAY 15 2013
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 any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Additional data for EC transaction #206441 that would not fit on the form

32. Additional remarks, continued

and 5" scraper to 3676.87 btm 5? @ 3700; POOH w/ tbg, scraper, and bit. Make well safe.

7-26-12: 7 am SITP 0. RIH open ended to 3766. Crain Hot Oil & Acidizing spotted 500 Gal PA-S6 w/ additive from TD to top perms. POOH w/ tbg. RIH w/ arrow set 1X treating pkr, 1 stand 2⅜ tbg. Make well safe.

7-27-12: RIH w/ Arrowset 1X treating pkr set @ 3330. RU Crain Hot oil and acidizing. Pump 36 Bbl 15% HCl. 35 Bbl Brine w/ 500# Rock salt. 36 Bbl 15% HCl. 34 Bbl flush. ISIP 1600; 5 min 1215; 10 min 955; 15 min 805. Max press 2200; Ave press 1900; ave rate 4 BPM; 106 BLWTR. 100 psi increase w/ rock salt on formation. Make well safe.

7-30-12: SITP vac SICP 0. RIH swab fluid level @ 1000'. RU Lobo pump truck w/ chart-Test csg 530-500 psi in 30 min. MIT Witnessed and Oked by BLM field insp. Swab 10 runs' pull FL to 2400' staying constant, 30% oil cut. Release pkr and POOH w/ tbg & pkr. RIH w/ 2⅜ production string, set TAC w/ 12 pts in tension. Will report setting w/ tomorrow report w/ pump, make well safe.

7-31-12: 7 am SITP 0. RIH w/ pump & rods. RU Crain, load tbg w/ 4 BW test to 500 psi, good pump action, leave well for PU and electricity. RDMO Tyler well Service @ 12.