

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED  
Budget Bureau No. 1004-0137  
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 page 2.**

2. Type of Well

☒ Oil ☐ Gas ☐

2. Name of Operator

CAPSTONE NATURAL RESOURCES, LLC

3a. Address

2250 E. 73<sup>rd</sup> St., Suite 500, Tulsa, OK 74136

3b. Phone No. (include area code)

Debbie McKelvey, Agent  
575-392-3575

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

1280' FSL & 2599' FWL, SEC. 11, T17S, 31E, NMMP

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 #18

9. API Well No.

30-015-40993

10. Field and Pool, or Exploratory Area

GRAYBURG JACKSON; SR-Q-G-SA

11. County or Parish, State

EDDY, 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 checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Flared Gas Volumes
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

15. 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.)

Per Conditions of Approval to Flare Gas dated 7/2/2013 – Submit Subsequent Report with actual volumes of gas flared for each month gas is flared.

Following is gas flared for the 4<sup>th</sup> Quarter 2013:

October 2013 1339 MCF  
November 2013 774 MCF  
December 2013 744 MCF

*APD 2/11/15*  
ACCEPTED FOR RECORD  
RECEIVED

**NM OIL CONSERVATION**  
ARTESIA DISTRICT  
FEB 3 2015

**RECEIVED**

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

DEBBIE MCKELVEY

Title AGENT 575-392-3575

Signature

*Debbie McKelvey*

Date 1/13/2014

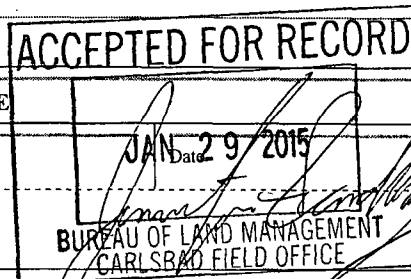
**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

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



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

(Instruction on page 2)