

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

FORM APPROVED
OMB 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.

5. Lease Serial No.
NMLC-029418B

6. If Indian, Allottee or Tribe Name
N/A

SUBMIT IN TRIPLICATE - Other instructions on page 2.

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

1. Type of Well
 Oil Well Gas Well Other

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

2. Name of Operator
Capstone Natural Resources, LLC

9. API Well No.
30-015- **40879**

3a. Address
200 North Loraine, Suite 1225, Midland, Texas 79701

3b. Phone No. (include area code)
432-664-5477

10. Field and Pool or Exploratory Area
Grayburg Jackson; SR-Q-G

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
330' FSL & 330 FEL **SEC. 11, T17S, R31E**

11. Country or Parish, State
Eddy County, New Mexico

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" 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 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 <u>Drilling rig contractor</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>change on pending APD</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	<u>APD</u>

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 must 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 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.)

We have changed drilling contractors and want to update our approved APD. The updated rig plats are attached.

*OK Legion & Bond 2-4-2013
Comply with APD CORAS.*

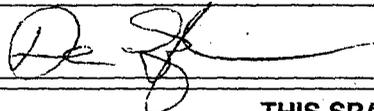
RECEIVED
FEB 13 2013
NMOCD ARTESIA

Accepted for record
NMOCD *10/2/13*

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

Title Production Manager

Signature



Date

1/9/13

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by **/s/ Don Peterson**

FIELD MANAGER

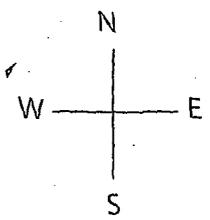
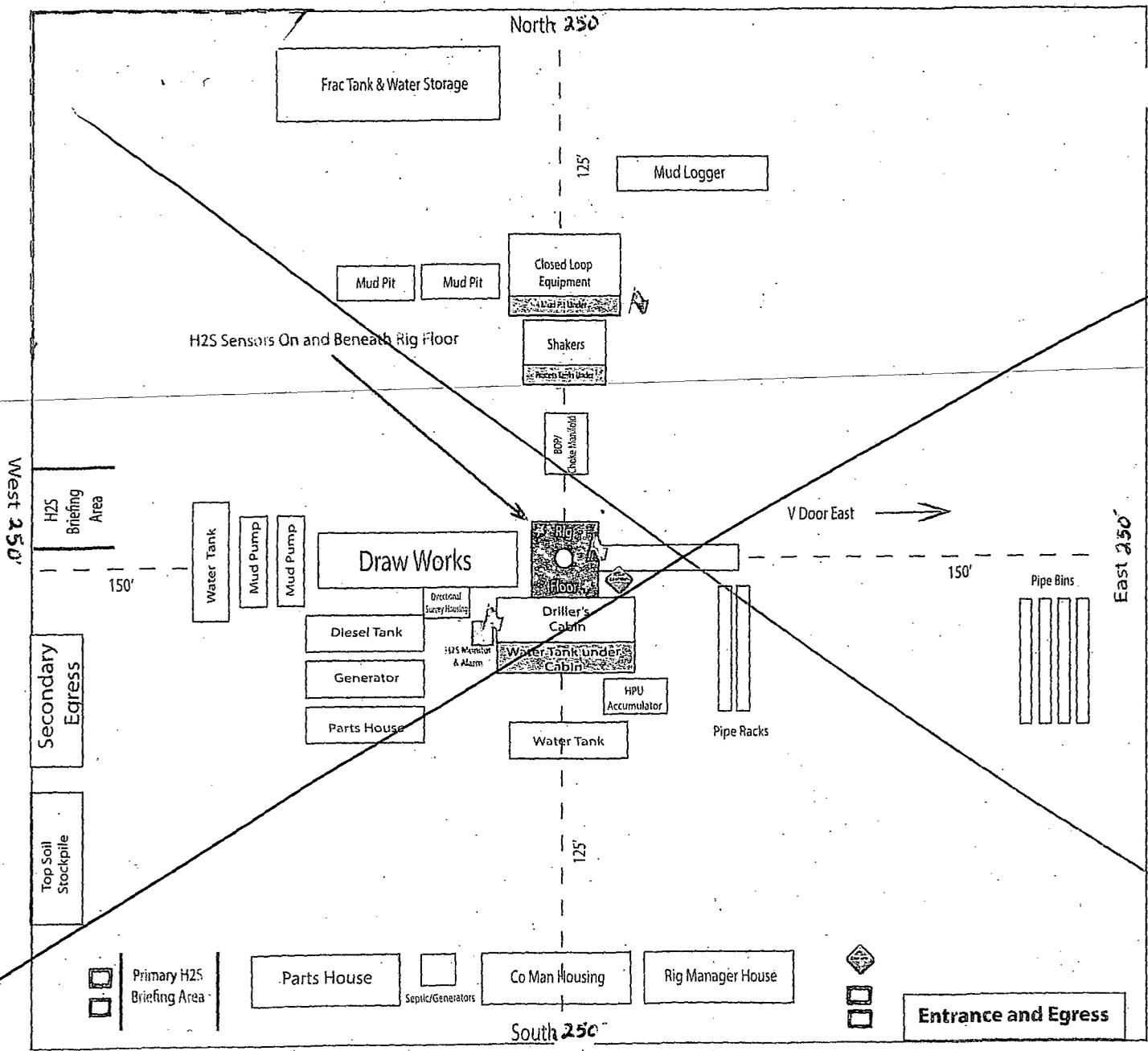
FEB - 8 2013

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 **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.

EXHIBIT N
Rig Layout
Closed Loop Operations
H2S Briefing Areas



Capstone Natural Resources

Site Conditions

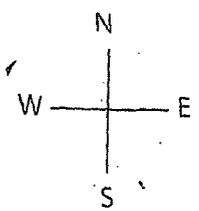
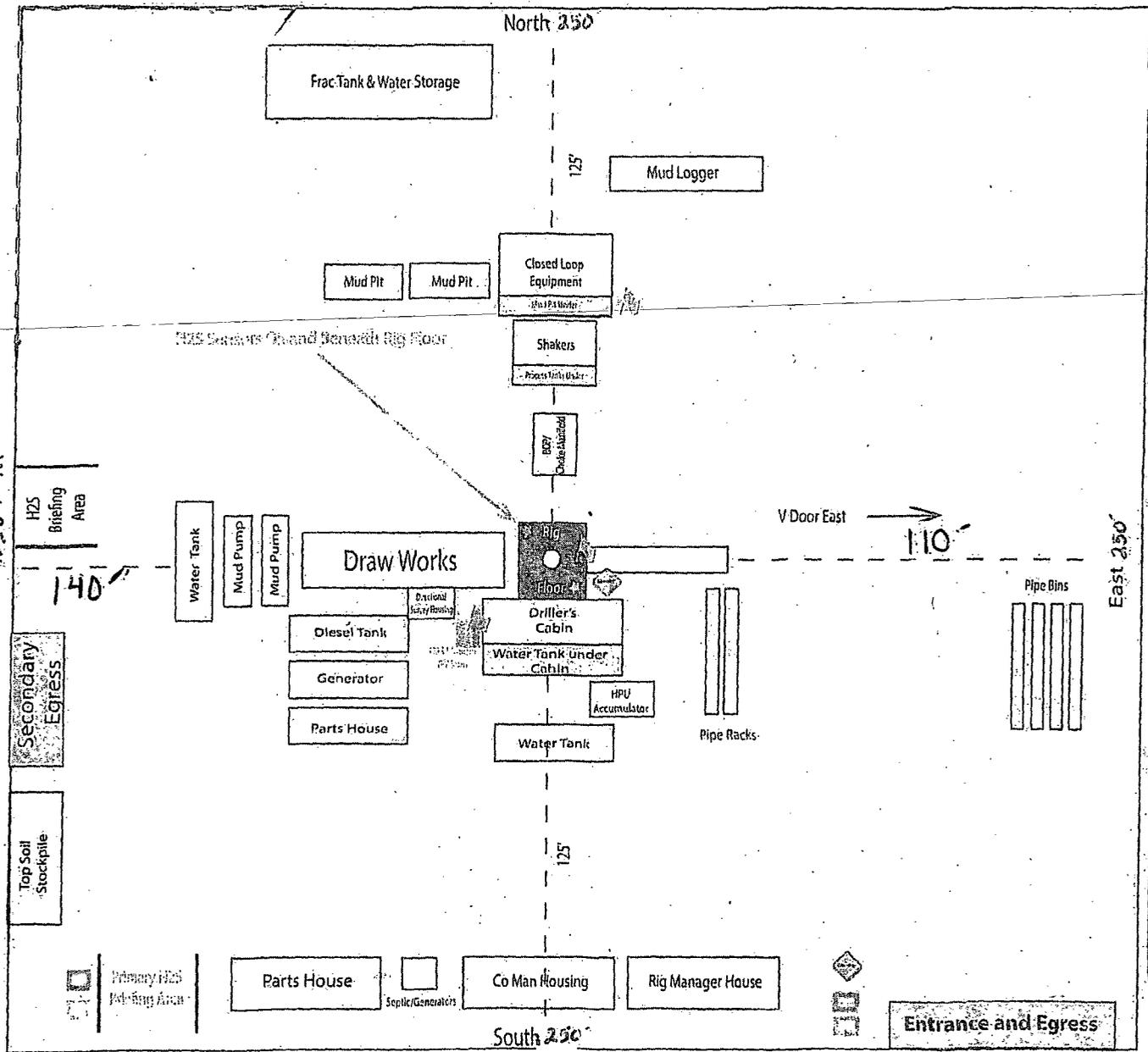
1. Prevailing wind from the southwest
2. Cut of Northwest corner to avoid dunes
3. Top Soil Stock Pile West Side of Pad
4. Angle road through sand dunes, partial use of MU line ROW

- Wellhead Location
- Safe Zone
- SCBA
- Wind Direction Indicator
- Caution/Warning Sign
- H2S Sensors

Location Dimensions
 200' x 240' x 300' x 300'
 Approx. Scale: 1" = 25'

Entrance and Egress

EXHIBIT N
Rig Layout
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Capstone Natural Resources

Site Conditions

1. Prevailing wind from the southwest
2. Cut of Northern corner to avoid dunes
3. Top Soil Stock Pile West Side of Pad
4. Angle road through sand dunes, partial use of ROW Line ROW

Wellhead Location

Safe Zone

SCUA

Wind Direction Indicator

Change/Warning Sign

H2S Sensors

Location Dimensions
 200' x 240' x 300' x 300'

Approx. Scale: 1" = 25'

West 250'

H2S Briefing Area

140'

Secondary Egress

Top Soil Stockpile

Entrance and Egress

South 250'

East 250'

V Door East

110'