

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.

1. Type of Well <input checked="" type="checkbox"/> Oil <input type="checkbox"/> Gas <input type="checkbox"/>		5. Lease Serial No. NMLC-029418B
2. Name of Operator CAPSTONE NATURAL RESOURCES, LLC		6. If Indian, Allottee or Tribe Name
3a. Address 2250 E. 73 rd St., Suite 500, Tulsa, OK 74136	3b. Phone No. (include area code) 432-218-7924	7. If Unit or CA, Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1280' FSL & 2599' FWL, SEC. 11, T17S, 31E, NMPM		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 checked="" 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	Perforate, Acidize & Frac
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

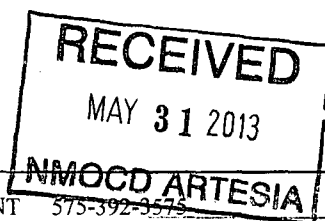
13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths 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 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.)

2/22/13 – RIH w/3 1/8" slick guns, perforating 1 spf, 120-degree phasing, .36 diameter shot, perforate Grayburg-San Andres 3427-4161', 27 holes. Acidize perfs 3427-4161 with 2016 gals of 15% NeFeHCL.
2/26/13 – Perforate 4276-4284', 1 spf 120-degree phasing, .36 diameter shot, 54 holes. Set pkr. @ 4226. Acidize with 4276-4284' with 1008 gals. 15% NeFe HCl pump with CO2 foam.
2/28/13 – POOH with pkr. RIH and set RBP @ 4220'.
3/1/13 – Perform PPI acid job 4276-4284' with 5000 gals. 15% NeFe.
3/25/13 – Frac perfs. 4276-4284' with 5059 BW and 150,900# 40/70 AZ sand. Max press 5606 psi.
3/28/13 – POOH with RBP. COH to PBD 4368'.
4/1/13 – RIH with 134 jts. 2 7/8" J-55, 8rd tbg. Set @ 4293'. RIH w/ 2 1/2" x 1 1/1" x 20' RWBC pump and rods.
4/12/13 – Commence production.
4/13/13 – 24 hr. test: 3 BO, 0 MCF, 154 BW.

NSL-6781-0

Accepted for record
NMOCD

6/7/13



14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) DEBBIE MCKELVEY		Title AGENT
Signature <i>Debbie McKelvey</i>	Date 5/3/13	575-392-3573
THIS SPACE FOR FEDERAL OR STATE OFFICE USE		
Approved by	Title	MAY 25 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