Form 3160-4

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

HOBBS OCD

JUL 19 2013

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

RECEIVED

FORM NOT REQUIRED BY BLM-FOR OCD RECORD ONLY

5. LEASE SERIAL NO.	NMLC-029418B
6. IF INDIAN, ALLOTEES OR TRIBE NAME	
7. UNIT OR CA AGREEMENT NAME	
8. LEASE NAME AND WELL NO.	LEA C FEDERAL 16
9. API WELL NO.	30-015-~~27~~07 20707
10. FIELD AND POOL, OR EXPLORATORY	GRAYBURG JACKSON;SR-Q-GB-SA
11. SEC., T.,R.,M., OR BLOCK AND SURVEY OR AREA	Sec. 11, T17S, R31E, NMPM
12. COUNTY	EDDY
13. STATE	NM

1a TYPE OF WELL: [X] Oil Well [ ] Gas Well [ ] Dry [X] Other ADD PERFS

1b TYPE OF COMPLETION: New Well [ ] Work Over [ ] Deepen [ ] Plug Back [ ] Diff Resvr

2. NAME OF OPERATOR: Capstone Natural Resources, LLC

3. ADDRESS: 2250 E. 73rd St., Suite 500, Tulsa, OK 74136

3A. PHONE NO.: 918-236-3804

4. LOCATION OF WELL (Report location clearly and in accordance with Federal requirements)*

At surface: 660' FSL & 660' FEL

At top prod. Interval reported below: SAME

At total depth: SAME

14. DATE SPUDDED	15. DATE TD REACHED	16. DATE COMPLETED	17. ELEVATIONS (DF, RKB,RG, GL)*
9/5/72	9/12/72	[ ] D&A [X] Ready to Prod 4/29/13	3968' GR

18. TOTAL DEPTH: MD / TVD	19. PLUG BACK TD: MD / TVD	20. DEPTH BRIDGE PLUG SET: MD / TVD
4490' / Same	MD 4445' / TVD	

21. TYPE ELECTRIC & OTHER MECH LOGS RUN (Submit copy of each)

22. Was well cored? [X] No [ ] Yes (Submit analysis)
Was DST run? [X] No [ ] Yes (Submit report)
Directional Survey? [ ] No [X] Yes (Submit copy)

23. CASING and LINER RECORD (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cmtr Depth	No. of Sks. & Type of Cmt	Slurry Vol. (Bbl)	Cement Top*	Amount Pulled
11"	8 5/8"	24#, J-55	0	650		350 sx Class C		Circ (calc)	
7 7/8"	5 ½"	14# J-55	0	3930		1550 sx Class C			

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2 7/8	3903''							

25. Producing Intervals / 26. Perforation Record

Formation	Top	Bottom	Perforated Interval	Size	No. of Holes	Perf Status
A) Grayburg	3409	3907'	3409-3907	.42 & .38	39	OPEN
B)			3952-4005'	.36		Zone Abandon
C)						Below CIBP@ 3923'

27. Acid, Fracture, Treatment, Cement Squeeze, etc.

Depth Interval	Amount and Type of Material
3409-3907'	Acidized with 108 bbls. of 15% NeFe HCL
3409-3907'	Frac w/906 bbls. of X-link Gel 4,656 bbls. 11# brine water with 70,680# of a 40/70 white & Liteprop mix

28. Production – Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
4/29/13	5/16/13	24	→	11	0	47	35.3		Pump

Choke Size	Tbg. Press Flwg	Csg. Press	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status
	140 psi	60 psi	→	11	0	47	-	Producing

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28a. Prorduction – Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr API	Gas Gravity	Production Method
			→						

			24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status

28b. Producution – Interval C

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr API	Gas Gravity	Production Method
			➡						

Choke Size	Tbg. Press Flwg. SI	Csg. Press	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status
			➡					

28c. Prdocution – Interval D

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr API	Gas Gravity	Production Method
			➡						

Choke Size	Tbg. Press Flwg. SI	Csg. Press	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ration	Well Status
			➡					

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem test, including depth interval tested, cushion used, time tool open, flower and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top Meas. Depth
Rustler	645	760	Sand & Salt	Rustler	645
Salt	760	1969	Salt	Salt	760
Yates	1969	2917	Sand & Salt	Yates	1969
Queen	2917	3332	Sand and Dolomite	Queen	2917
Grayburg	3332	3692	Sand and Dolomite	Grayburg	3332
San Andres	3692		Dolomite	San Andres	3692

32. Additional remarks (include plugging procedure):

33. Indicate which items have been attached by placing a check in the appropriate boxes:

☐ Electrical/Mechanical Logs (1 full set req'd) ☐ Geologic Report ☐ DST Report ☐ Directional Survey
☐ Sundry Notice for plugging and cement verification ☐ Core Analysis ☐ Other

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (*please print*) Debbie McKelvey 575-392-3575 Title AGENT

Signature Debbie McKelvey Date 7/17/13

28b. Producution – Interval C

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr API	Gas Gravity	Production Method
			➡						
Choke Size	Tbg. Press Flwg. SI	Csg. Press	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
			➡						

28c. Prdocution – Interval D

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr API	Gas Gravity	Production Method
			➡						
Choke Size	Tbg. Press Flwg. SI	Csg. Press	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ration	Well Status	
			➡						

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Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem test, including depth interval tested, cushion used, time tool open, flower and shut-in pressures and recoveries.

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Capstone Natural Resources

17 July 2013 CAB

Lease :	**Lea "C" #16**
Field :	Grayburg Jackson
DF :	
Legals :	
Directions to Location :	

Casing

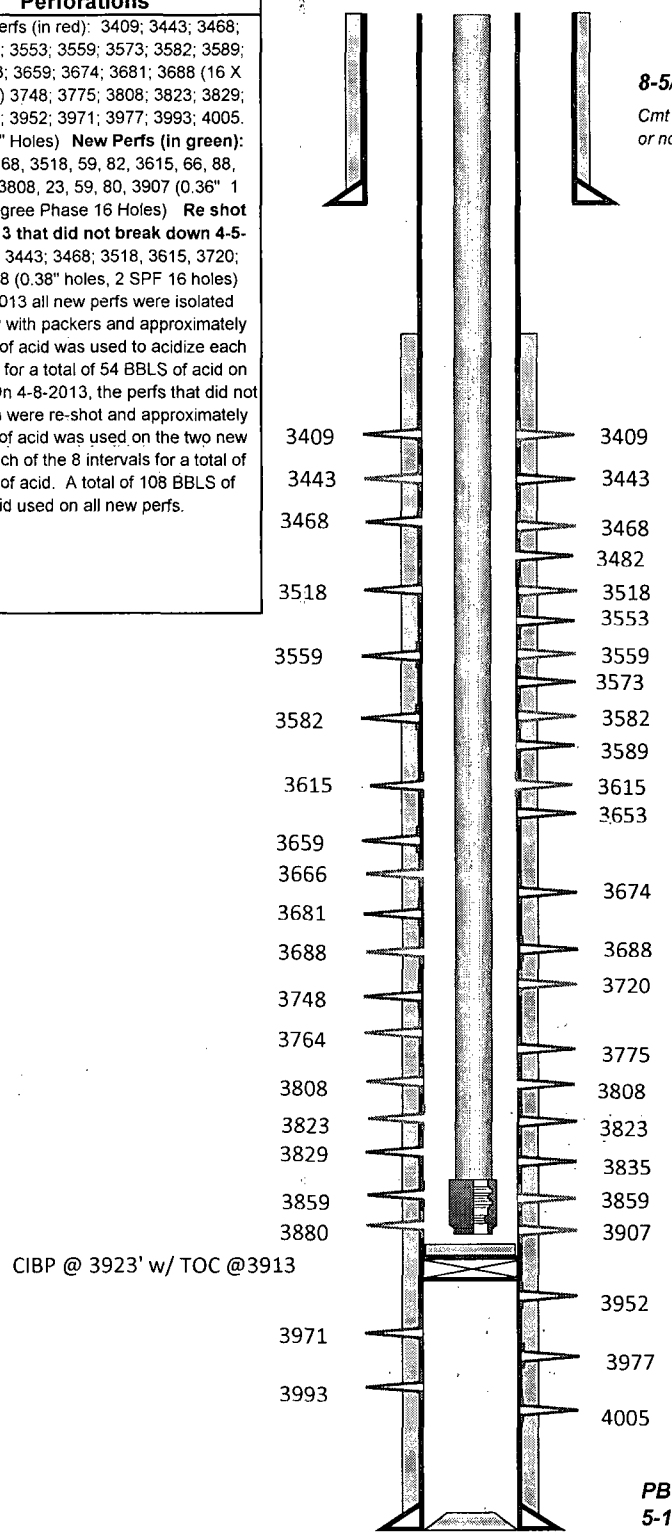
Size	Weight	Grade	Depth
8 5/8	24		650
5 1/2	14	J-55	4,059

Tubing

Size	Weight	Grade	Depth
2-7/8"	6.5	J-55	3,903

Perforations

Existing Perfs (in red): 3409; 3443; 3468; 3482; 3518; 3553; 3559; 3573; 3582; 3589; 3615; 3653; 3659; 3674; 3681; 3688 (16 X 0.42" holes) 3748; 3775; 3808; 3823; 3829; 3835; 3859; 3952; 3971; 3977; 3993; 4005. (12 X .375" Holes) **New Perfs (in green):** 3409, 43, 68, 3518, 59, 82, 3615, 66, 88, 3720, 64, 3808, 23, 59, 80, 3907 (0.36" 1 spf 120 degree Phase 16 Holes) **Re shot perfs 4-6-13 that did not break down 4-5-13:** 3409, 3443; 3468; 3518, 3615, 3720; 3764; 3808 (0.38" holes, 2 SPF 16 holes) On 4-5-2013 all new perfs were isolated individually with packers and approximately 3.38 BBLs of acid was used to acidize each set of perfs for a total of 54 BBLS of acid on 16 perfs. On 4-8-2013, the perfs that did not break down were re-shot and approximately 6.75 BBLs of acid was used on the two new holes at each of the 8 intervals for a total of 54 BBLS of acid. A total of 108 BBLS of acid used on all new perfs.



8-5/8" 24# @ 650' (11" Hole)

Cmt with 350 Sacks. (Does not say if circulated to surface or not.)

CIBP @ 3923' w/ TOC @3913

PBTD = 4015'
5-1/2" 14# J-55 @ 3930'
7-7/8" hole TD @ 4060'
1550 sx Class "C' w/ additives