

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Hobbs

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 Oil <input checked="" 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) 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) Battery Located at #6 Well: Unit Letter G, Sec. 11, T17S, R31E		8. Well Name and No. Lea C Federal Battery
		9. API Well No.
		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 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 checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	SITE FACILITY DIAGRAM
	<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 recomplate 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.)

Attached is an updated Site-Facility Diagram for the Lea C Federal. The diagram includes the addition of the injection pump and gas sales meter.

NM OIL CONSERVATION

ARTESIA DISTRICT

SEP 18 2014

RECEIVED

OCD 9-26-2014
Accepted for Record
NMOCD

Accepted for Record Purposes.
Approval Subject to Onsite Inspection.
Date: 9/26/14

[Signature]

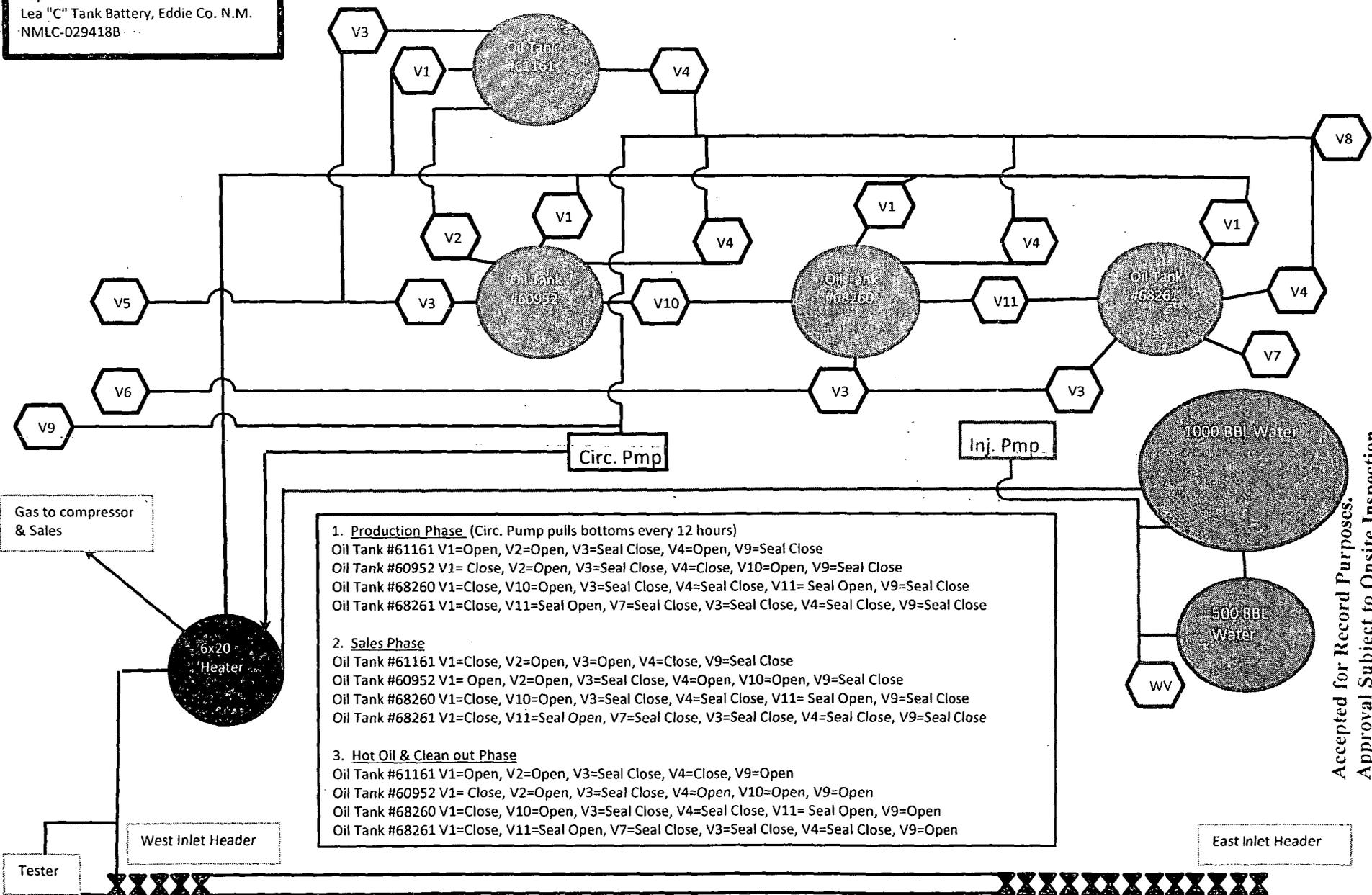
14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) DEBBIE MCKELVEY	Title AGENT 575-392-3575
Signature <i>Debbie McKelvey</i>	Date: 5/5/14

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	Date
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

Capstone Natural Resources
 Lea "C" Tank Battery, Eddie Co. N.M.
 NMLC-029418B



1. Production Phase (Circ. Pump pulls bottoms every 12 hours)
 - Oil Tank #61161 V1=Open, V2=Open, V3=Seal Close, V4=Open, V9=Seal Close
 - Oil Tank #60952 V1= Close, V2=Open, V3=Seal Close, V4=Close, V10=Open, V9=Seal Close
 - Oil Tank #68260 V1=Close, V10=Open, V3=Seal Close, V4=Seal Close, V11= Seal Open, V9=Seal Close
 - Oil Tank #68261 V1=Close, V11=Seal Open, V7=Seal Close, V3=Seal Close, V4=Seal Close, V9=Seal Close
2. Sales Phase
 - Oil Tank #61161 V1=Close, V2=Open, V3=Open, V4=Close, V9=Seal Close
 - Oil Tank #60952 V1= Open, V2=Open, V3=Seal Close, V4=Open, V10=Open, V9=Seal Close
 - Oil Tank #68260 V1=Close, V10=Open, V3=Seal Close, V4=Seal Close, V11= Seal Open, V9=Seal Close
 - Oil Tank #68261 V1=Close, V11=Seal Open, V7=Seal Close, V3=Seal Close, V4=Seal Close, V9=Seal Close
3. Hot Oil & Clean out Phase
 - Oil Tank #61161 V1=Open, V2=Open, V3=Seal Close, V4=Close, V9=Open
 - Oil Tank #60952 V1= Close, V2=Open, V3=Seal Close, V4=Open, V10=Open, V9=Open
 - Oil Tank #68260 V1=Close, V10=Open, V3=Seal Close, V4=Seal Close, V11= Seal Open, V9=Open
 - Oil Tank #68261 V1=Close, V11=Seal Open, V7=Seal Close, V3=Seal Close, V4=Seal Close, V9=Open

Accepted for Record Purposes.
 Approval Subject to Onsite Inspection.
 Date: 9/16/14

[Signature]