

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED
OMB NO. 1004-0135
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 reverse side.

1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other: INJECTION		5. Lease Serial No. NMLC029418B
2. Name of Operator CAPSTONE NATURAL RESOURCESE-Mail: debmckelvey@earthlink.net		6. If Indian, Allottee or Tribe Name
3a. Address 2250 E. 73RD ST. SUITE 500 TULSA, OK 74136	3b. Phone No. (include area code) Ph: 575-392-3575	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 11 T17S R31E SENW 1980FNL 1980FWL		8. Well Name and No. LEA C FEDERAL 7
		9. API Well No. 30-015-20627
		10. Field and Pool, or Exploratory GRAYBURG (28509)
		11. County or Parish, and State EDDY COUNTY, 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 type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input checked="" 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 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 recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Convert to Injection: Reinstatement of authorization to inject for waterflood operations authorized by NMOCD Order No. R-4697-B

8/25/14 MIRU. POOH with rods and pump. RU & test BOP to 500 psi. POOH with tbq.

8/26/14 PU bit and scraper. TIH to 3400?. TOH. PU pkr. TIH w/109 jts. Hydro testing to 5000 psi. Set pkr. @ 3359?.

8/27/14 Acidize with 2640 gas. NEFE acid. Swab.

Accepted for record

NMOCD 2/16/15

NM OIL CONSERVATION
ARTESIA DISTRICT

JAN 20 2015

RECEIVED

14. I hereby certify that the foregoing is true and correct.		Electronic Submission #265568 verified by the BLM Well Information System For CAPSTONE NATURAL RESOURCES, sent to the Carlsbad	
Name (Printed/Typed)	DEBBIE MCKELVEY	Title	AGENT
Signature	(Electronic Submission)	Date	09/24/2014
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 person or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.		<div style="border: 2px solid black; padding: 5px; text-align: center;"> ACCEPTED FOR RECORD JAN 13 2015 Date <i>[Signature]</i> BUREAU OF LAND MANAGEMENT CARLSBAD FIELD OFFICE </div>	

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

Additional data for EC transaction #265568 that would not fit on the form

32. Additional remarks, continued

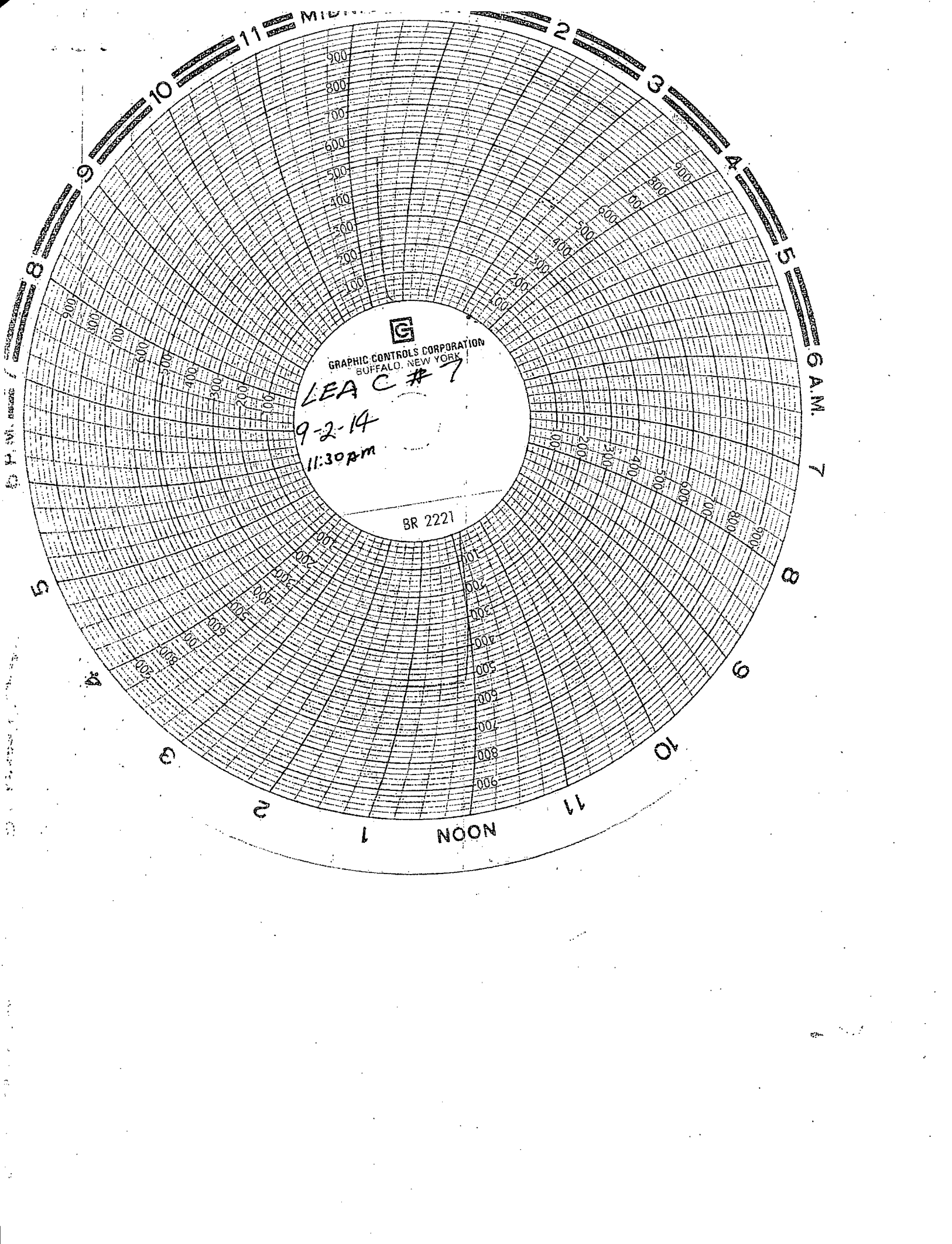
8/28/14 Released pkr. TOH with tbq.

8/29/14 PU Arrowset 1x pkr., R nipple and on/off tool and 103 jts. of
2 3/8" IPC tbq. Set pkr. @ 3354'. ND BOP. NUWH. Notified BLM that
casing will be tested 9/2/14.

9/2/14 RU pump truck. Test casing 520 psi for 30 min. Held ok. Test
witnessed by Joe Salcido, BLM. Chart attached.

9/3/14 Commenced injection at the rate of 50 BWPD @ 125 psi.

ORIGINAL CHART SENT TO THE OCD ALONG WITH A COPY OF THIS SUNDRY (For
Record Only)



GRAPHIC CONTROLS CORPORATION
BUFFALO, NEW YORK

LEA C #7

9-2-14

11:30pm

BR 2221