

Submit To Appropriate District Office
 State Lease - 6 copies
 Fee Lease - 5 copies
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Avenue, Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals, and Natural Resources
RECEIVED
 Oil Conservation Division
 MAY 12 2008
 1000th St. Francis Dr.
 Santa Fe, NM 87505
HOBBS OIL

Form C-105
 Revised June 10, 2003
 WELL API NO. 30-025-38561 ✓
 5. Indicate Type of Lease
 STATE FEE ✓
 State Oil & Gas Lease No.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well:
 OIL WELL GAS WELL DRY OTHER _____
 b. Type of Completion:
 NEW WORK DEEPEN PLUG DIFF.
 WELL OVER BACK RESVR. OTHER _____
 7. Lease Name or Unit Agreement Name
 EUMONT STATE ✓

2. Name of Operator
 KERNS PETROLEUM, INC. ✓
 8. Well No. 001 ✓

3. Address of Operator
 1777 NE LOOP 410, STE 930, SAN ANTONIO, TX 78217
 9. Pool name or Wildcat
 JALMAT; TAN-YATES-7 RVRS (OIL)

4. Well Location
 Unit Letter C : 900 Feet From The NORTH Line and 1650 Feet From The WEST Line ✓
 Section 36 Township 21S Range 35E NMPM LEA County

| | | | | |
|------------------------------|-----------------------------------|---|---|---------------------------------------|
| 10. Date Spudded 11/07/07 | 11. Date T.D. Reached 11/17/07 | 12. Date Compl. (Ready to Prod) MAY 16, 2008 | 13. Elevations (DF& RKB, RT, GR, etc.) 3621' RKB | 14. Elev. Casinghead |
| 15. Total Depth 5030' | 16. Plug Back T.D. 4,907' | 17. If Multiple Compl How Many Zones? --- | 18. Intervals Drilled By ROTARY | Rotary Tools ROTARY Cable Tools |

19. Producing Interval(s), of this completion - Top, Bottom, Name
 3,962' - 3,968' SEVEN RIVERS
 20. Was Directional Survey Made
 Y

21. Type Electric and Other Logs Run
 PLATFORM EXPRESS
 22. Was Well Cored
 N

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

| CASING SIZE | WEIGHT LB./FT. | DEPTH SET | HOLE SIZE | CEMENTING RECORD | AMOUNT PULLED |
|-------------|----------------|-----------|-----------|------------------|---------------|
| 8-5/8 | 24 | 350 | 12-1/2 | 325 sx | |
| 5-1/2 | 17 | 5,011 | 7-7/8 | 2,600 sx | |
| | | | | | |

| 24. LINER RECORD | | | | 25. TUBING RECORD | | | |
|------------------|-----|--------|--------------|-------------------|-------|-----------|------------|
| SIZE | TOP | BOTTOM | SACKS CEMENT | SCREEN | SIZE | DEPTH SET | PACKER SET |
| | | | | | 2-7/8 | 4,085 | 4,085 |

26. Perforation record (interval, size, and number)
 PERFED 3,962' - 3,968', 2 SPF, 12 TOTAL SHOTS
 27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.

| DEPTH INTERVAL | AMOUNT AND KIND MATERIAL USED |
|----------------|-------------------------------------|
| 4,113 - 4,125' | SQUEEZE; 250 SX CLASS H CMT @ 2 BPM |

28. **PRODUCTION**

Date First Production
 MAY 16, 2008
 Production Method (*Flowing, gas lift, pumping - Size and type pump*)
 FLOWING
 Well Status (*Prod. or Shut-in*)
 PRODUCING (TESTING)

| | | | | | | | |
|------------------------------|------------------------|-------------------------|------------------------|------------------|------------------|--|----------------------------------|
| Date of Test MAY 20, 2008 | Hours Tested 24 | Choke Size 20/64 | Prod'n For Test Period | Oil - Bbl 320 | Gas - MCF 76 | Water - Bbl. 0 | Gas - Oil Ratio 237 CF FT/BBL |
| Flow Tubing Press. 195 | Casing Pressure 645 | Calculated 24-Hour Rate | Oil - Bbl. 320 | Gas - MCF 76 | Water - Bbl 0 | Oil Gravity - API - (<i>Corr.</i>) 32 | |

29. Disposition of Gas (*Sold, used for fuel, vented, etc.*)
 FLARED
 Test Witnessed By
 JASON SAWYER, PRO WELL TESTING

30. List Attachments
 LOG

31. I hereby certify that the information shown on both sides of this form as true and complete to the best of my knowledge and belief

Signature  Printed Name KERRY JOHNSTON Title VICE PRESIDENT Date 5/28/08
 E-mail Address KJOHNSTON@KERNSPETRO.COM



INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

| Southeastern New Mexico | | Northwestern New Mexico | |
|-------------------------|------------------|-------------------------|------------------|
| T. Anhy | T. Canyon | T. Ojo Alamo | T. Penn. "B" |
| T. Salt | T. Strawn | T. Kirtland-Fruitland | T. Penn. "C" |
| B. Salt | T. Atoka | T. Pictured Cliffs | T. Penn. "D" |
| T. Yates 3628 | T. Miss | T. Cliff House | T. Leadville |
| T. 7 Rivers 3937 | T. Devonian | T. Menefee | T. Madison |
| T. Queen 4390 | T. Silurian | T. Point Lookout | T. Elbert |
| T. Grayburg | T. Montoya | T. Mancos | T. McCracken |
| T. San Andres | T. Simpson | T. Gallup | T. Ignacio Otzte |
| T. Glorieta | T. McKee | Base Greenhorn | T. Granite |
| T. Paddock | T. Ellenburger | T. Dakota | T. |
| T. Blinebry | T. Gr. Wash | T. Morrison | T. |
| T. Tubb | T. Delaware Sand | T. Todilto | T. |
| T. Drinkard | T. Bone Springs | T. Entrada | T. |
| T. Abo | T. | T. Wingate | T. |
| T. Wolfcamp | T. | T. Chinle | T. |
| T. Penn | T. | T. Permian | T. |
| T. Cisco (Bough C) | T. | T. Penn "A" | T. |

OIL OR GAS SANDS OR ZONES

No. 1, from.....to..... No. 3, from.....to.....
 No. 2, from.....to..... No. 4, from.....to.....

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from.....to..... feet.....
 No. 2, from.....to..... feet.....
 No. 3, from.....to..... feet.....

LITHOLOGY RECORD (Attach additional sheet if necessary)

| From | To | Thickness In Feet | Lithology | From | To | Thickness In Feet | Lithology |
|------|------|----------------------|-------------------------|------|----|----------------------|-----------|
| | | | LOGGER STARTED @ 3300' | | | | |
| 3300 | 3470 | 170+ | ANHYDRITE | | | | |
| 3470 | 3575 | 105 | SALT | | | | |
| 3575 | 3600 | 25 | LIMESTONE | | | | |
| 3600 | 3700 | 100 | SANDSTONE | | | | |
| 3700 | 3740 | 40 | SANDSTONE, LIMEY | | | | |
| 3740 | 3760 | 20 | LIMESTONE, SANDY | | | | |
| 3760 | 3810 | 50 | SANDSTONE, LIMEY | | | | |
| 3810 | 4110 | 300 | LIMESTONE | | | | |
| 4110 | 4150 | 50 | SHALE | | | | |
| 4150 | 4200 | 50 | SHALE, LIMEY | | | | |
| 4200 | 4240 | 40 | LIMESTONE, SHALEY | | | | |
| 4240 | 4290 | 50 | LIMESTONE | | | | |
| 4290 | 4350 | 60 | LIMESTONE, SHALEY | | | | |
| 4350 | 4503 | 53+ | LIMESTONE | | | | |
| | | | LOST CIRC @ 4503' TO TD | | | | |



KERNS PETROLEUM, INC.

1777 NE Loop 410, Suite 930

San Antonio, TX 78217

(210) 829-7881

Fax (210) 829-7883

RECEIVED

MAY 29 2008

HOBBS OCD

Pat
8/16/08

May 28, 2008

New Mexico Oil Conservation Division
1625 N. French Drive
Hobbs, New Mexico 88240

VIA FED EX #791907531852

Re: Form C-105: Well Completion Report and Log
Form C-102: Well Location & Acreage Dedication
Form C-104: Request for Allowable and Authorization to Transport
Eumont State #1 [API No. 30-025-38561]
Lea County, New Mexico

Ladies and Gentlemen:

Enclosed please find the following documents:

- 5 originals of the OCD Form C-105 completion report
- Associated log for the captioned well (Platform Express)
- 4 originals of the OCD Form C-102 well location (surveyors originals; Jalmat pool)
- 5 originals of the OCD Form C-104 request for allowable (NW June 1, 2008)

Kerns hereby requests that the C-105 data and downhole logs be kept confidential for 90 days as provided under OCD Rule 19.15.13.1105(C).

Pursuant to a phone conversation on May 15, 2008 with Paul Kautz, OCD geologist, concerning the appropriate pool for this location and zone, Mr. Kautz advised that the perf and log top info would dictate the pool to be the Jalmat;Tansill/Yates/Seven Rivers (Oil) pool (Pool Code 33820). Accordingly, I have listed this pool on the C-105.

The C-104 exhibits the filing code/date 'NW June 1, 2008' which is being submitted as the second Form C-104 filed for this well. The first C-104 coded 'RT May 2008' was submitted via fax to Donna Mull on May 16, 2008.

If there are any questions regarding this filing, please contact me.

Sincerely,

Kerry A. Johnston
Vice President

Enclosures