

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(505) 393-6161 Fax:(505) 393-0720
District II
1301 W. Grand Ave., Artesia, NM 88210
Phone:(505) 748-1283 Fax:(505) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-103
Permit 100048

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVIOR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NUMBER 30-025-38712
1. Type of Well: O		5. Indicate Type of Lease S
2. Name of Operator KERNS PETROLEUM, INC.		6. State Oil & Gas Lease No.
3. Address of Operator 1777 NE LOOP 410, SUITE 930, SAN ANTONIO, TX 78217		7. Lease Name or Unit Agreement Name EUMONT STATE
4. Well Location Unit Letter <u>F</u> : <u>1650</u> feet from the <u>N</u> line and <u>1825</u> feet from the <u>W</u> line Section <u>36</u> Township <u>21S</u> Range <u>35E</u> NMPM Lea County		8. Well Number 002
11. Elevation (Show whether DR, KB, BT, GR, etc.) 3593 GR		9. OGRID Number 250384
Pit or Below-grade Tank Application ☐ or Closure ☐ Pit Type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____ Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____		10. Pool name or Wildcat See Area 13

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
 TEMPORARILY ABANDON ☐ CHANGE OF PLANS ☐
 PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
 Other:

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTER CASING ☐
 COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDON ☐
 CASING/CEMENT JOB ☐
 Other: **Perforations/Tubing** ☒

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work.) SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.
Perfed several sections of Seven Rivers formation as follows:

Perfed 4240-4252' w/ 4 spf on 7/28/09. Swabbed/recovered fresh water. Set CIBP @4230' + 2 sx cmt (10').

Perfed 4022-4032' w/ 4 spf on 7/29/09. Swabbed/recovered fresh water.
Set CIBP @4016' + 2 sx cmt (10').

Perfed 3966-3968' & 3972-3980' w/ 4 spf on 7/31/09. Swabbed/recovered fresh water. Set CIBP @3964' + 1/2 sx cmt.

Perfed 3943-3946' w/ 4 spf on 8/06/09.

Perforations

Pool: URSSEY TANK;YATES-SEVEN RIVERS , 97726 Location: F -36-21S-35E 1650 N 1825 W

TOP	BOT	Open Hole	Shots/ft	Shot Size	Material	Stimulation	Amount
4240	4252	N	4				
4022	4032	N	4				
3966	3980	N	4				
3943	3936	N	4				

Tubing

URSSEY TANK;YATES-SEVEN RIVERS , 97726

Tubing Size	Type	Depth Set	Packer Set
2.875		3924	

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOC guidelines ☐ , a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Electronically Signed TITLE Vice President DATE 8/14/2009

Type or print name Kerry A Johnston E-mail address kjohnston@kernspetro.com Telephone No. 210-829-7881

For State Use Only:

APPROVED BY: Paul Kautz TITLE Geologist DATE 8/17/2009 1:52:18 PM