

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

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

1. Operator Name and Address KERNS PETROLEUM, INC. 1777 NE LOOP 410, SUITE 930 SAN ANTONIO , TX 78217		2. OGRID Number 250384
4. Property Code 36717		3. API Number 30-025-38561
5. Property Name EUMONT STATE		6. Well No. 001

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
C	36	21S	35E	C	900	N	1650	W	LEA

**8. Pool Information**

EUMONT,YATES-7 RVRS-QUEEN (OIL)	22800
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**Additional Well Information**

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3611
14. Multiple N	15. Proposed Depth 6000	16. Formation Queen	17. Contractor	18. Spud Date 12/1/2007
Depth to Ground water 190		Distance from nearest fresh water well > 1000		Distance to nearest surface water > 1000
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 _____ miles thick Clay <input type="checkbox"/> Pit Volume: 6000 _____ bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

**19. Proposed Casing and Cement Program**

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	11	8.625	24	350	100	0
Prod	7.875	5.5	15.5	6000	1100	0

**Casing/Cement Program: Additional Comments**

Kerns Petroleum proposes to drill a 6,000 foot wellbore to test the Yates, Seven Rivers and Queen formations. Approximately 350' of surface casing will be set and cement circulated. If commercial, approximately 5,000' to 6,000' of production casing will be run and cemented back to surface.

**Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	2000	2000	

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

I further certify that the drilling pit will be constructed according to NMOCB guidelines ☒ a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

Printed Name: Electronically filed by Ceci Wallen

Title: Land Manager

Email Address: cwallen@kernspetro.com

Date: 9/19/2007

Phone: 210-829-7881

**OIL CONSERVATION DIVISION**

Approved By: Paul Kautz

Title: Geologist

Approved Date: 9/20/2007

Expiration Date: 9/20/2008

Conditions of Approval Attached

**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

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Form C-102  
 Permit 61266

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-025-38561	2. Pool Code 22800	3. Pool Name EUMONT;YATES-7 RVRS-QUEEN (OIL)
4. Property Code 36717	5. Property Name EUMONT STATE	6. Well No. 001
7. OGRID No. 250384	8. Operator Name KERNS PETROLEUM, INC.	9. Elevation 3611

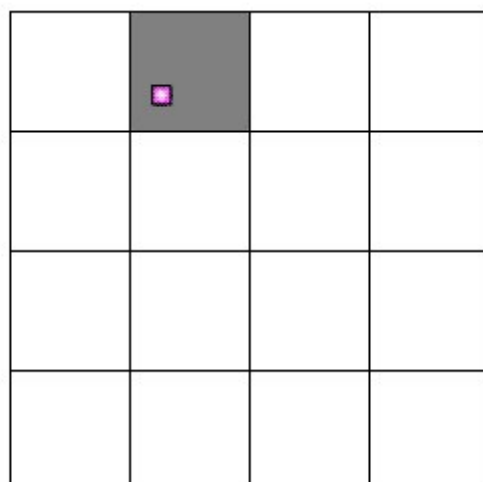
**10. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
C	36	21S	35E		900	N	1650	W	LEA

**11. Bottom Hole Location If Different From Surface**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 40.00		13. Joint or Infill		14. Consolidation Code		15. Order No.			

**NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION**



**OPERATOR CERTIFICATION**

*I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.*

E-Signed By: Ceci Wallen  
 Title: Land Manager  
 Date: 9/19/2007

**SURVEYOR CERTIFICATION**

*I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.*

Surveyed By: Ronald Eidson  
 Date of Survey: 9/14/2007  
 Certificate Number: 3239

# Permit Conditions of Approval

Operator: KERNS PETROLEUM, INC. , 250384

Well: EUMONT STATE #001

API: 30-025-38561

OCD Reviewer	Condition
DMULL	Kerns Petroleum Inc is not in compliance with Rule 40. If Kerns is not in complinace with Rule 40 at the time it requests an allowable and authorization to transport, its request shall be denied.