

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W Grand Ave., 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

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

| |
|---|
| WELL API NO. 30-025-20356 |
| 5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> |
| 6. State Oil & Gas Lease No. |
| 7. Lease Name or Unit Agreement Name Knight |
| 8. Well Number 5 |
| 9. OGRID Number 250384 |
| 10. Pool name or Wildcat Langlie Mattix: 7 Rvrs-Queen |

| | |
|---|--|
| SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) | |
| 1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> WIW | |
| 2. Name of Operator Kerns Petroleum, Inc. | |
| 3. Address of Operator 1777 NE Loop 410, Suite 930, San Antonio, TX 78217 | |
| 4. Well Location Unit Letter <u>M</u> : <u>5</u> feet from the <u>West</u> line and <u>1315</u> feet from the <u>South</u> line Section <u>22</u> Township <u>24S</u> Range <u>37E</u> NMPM County <u>Lea</u> | |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3216 GL | |
| Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/> | |
| Pit type <u>Steel</u> Depth to Groundwater <u>24</u> Distance from nearest fresh water well <u>>1000</u> Distance from nearest surface water <u>>1000</u> | |
| Pit Liner Thickness: <u>mil</u> Below-Grade Tank: Volume <u>bbls</u> Construction Material <u></u> | |

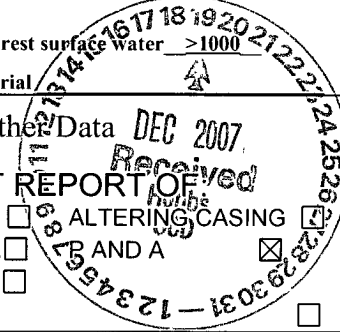
12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

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

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ AND A ☐
CASING/CEMENT JOB ☐
OTHER: ☐



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 completion.

12/1/07 Set steel pit. MIRU PU. NU BOP. SD for weekend.

Notified OCD 12/03/07 am. RIH w/ overshot. Unable to get past 150'. RIH w/ bit & drill out fill to TOF @ 232'. RIH w/ overshot & latch onto tbg. Unable to move tbg. RIH thru tbg w/ sinker bar to 2050'.

RU WL & RIH w/ freepoint tool. FP @ 1611' showed tbg 60% free. RIH w/ jet cutter & cut tbg @ 1917'. RIH w/ overshot & latch tbg @ 232'. Unable to move tbg. RIH & cut tbg @ 1611'. RIH w/ overshot & POOH w/ tbg to 1611'. RIH w/ washover jt & overshot. POOH w/ tbg to 1917'.

RIH w/ freepoint tool. Unable to get past 2765'. Tbg 100% free to 2765'. RIH & cut tbg @ 2755'. POOH w/ tbg to 2755'.

RIH w/ tbg to 2685' & circ 55 bbls plugging mud. RIH & set cmt retainer @ 2635'. Sting into retainer & attempt injectivity test. Pressured to 3100# w/ no rate.

Unsting retainer & spot 25 sx cmt @ 2635' - 2400'. Perf 853' - 54'. Set cmt retainer @ 853'. Sting into retainer & pump 226 sx Class C cmt from 853' to surf. Circ 3 sx. PUH & spot 25 sx @ 400' - 300'. PUH & spot 10 sx @ 90' - surf.

ND BOP. RDMO PU. Cut wellhead & installed dryhole marker 12/11/07.

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 alternative OCD-approved plan ☐.

SIGNATURE Kerry Johnston TITLE Vice President DATE 12/13/07

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

For State Use Only

APPROVED BY: [Signature] TITLE Geologist DATE APR 11 2008

Conditions of Approval (if any):

Approved as to plugging of the Well Bore
Liability under 1003 is retained until
surface restoration is completed.



KERNS PETROLEUM, INC.

1777 NE Loop 410, Suite 930
San Antonio, TX 78217
(210) 829-7881
Fax (210) 829-7883

RECEIVED
2008 MAR 4 PM 12 24

February 28, 2008

State of New Mexico
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Re: Form C-103 – Knight #5 Subsequent Report of P&A

Gentlemen:

Enclosed please find a C-103 Subsequent Report for the plugging and abandonment of the Knight #5 well (API No. 30-025-20356). I had mailed this report to the OCD on December 13, 2007 (with triplicate copies to the District I office). However, we have not received an approved copy of this Notice from the OCD.

I am therefore re-submitting this C-103 for your records and for your approval. If the earlier mailed forms are still being processed by the OCD, please disregard this current mailing.

Sincerely,

Kerry A. Johnston

Enclosure

CC: OCD District I, 1625 N. French Dr., Hobbs, NM 88240 [in triplicate]

RECEIVED
MAR 06 2008
HOBBS OCD