

Submit 2 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  
October 25, 2007

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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: <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <u>WIW</u>	WELL API NO. 30-025-20356 ✓
2. Name of Operator Kerns Petroleum, Inc.	5. Indicate type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
3. Address of Operator 1777 NE Loop 410, Suite 930, San Antonio, TX 78217	6. State Oil & Gas Lease No.
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>	7. Lease Name or Unit Agreement Name <u>Knight</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3216 GL	8. Well Number 005 ✓
9. OGRID Number 250384	
10. Pool name or Wildcat Langlie Mattix: 7 Rvrs-Queen	

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

<b>NOTICE OF INTENTION TO:</b>		<b>SUBSEQUENT REPORT OF:</b>	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		<input checked="" type="checkbox"/> Location is ready for OCD inspection after P&A	
<input checked="" type="checkbox"/> All pits have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan.			
<input checked="" type="checkbox"/> Rat hole and cellar have been filled and leveled. Cathodic protection holes have been properly abandoned.			
<input checked="" type="checkbox"/> A steel marker at least 4" in diameter and at least 4' above ground level has been set in concrete. It shows the			

**OPERATOR NAME, LEASE NAME, WELL NUMBER, API NUMBER, QUARTER/QUARTER LOCATION OR UNIT LETTER, SECTION, TOWNSHIP, AND RANGE. All INFORMATION HAS BEEN WELDED OR PERMANENTLY STAMPED ON THE MARKER'S SURFACE.**

- ☒ The location has been leveled as nearly as possible to original ground contour and has been cleared of all junk, trash, flow lines and other production equipment. (as approved by surface owner, Doom Ranches, Inc., per attached letter dated June 13, 2008)
- ☒ Anchors, dead men, tie downs and risers have been cut off at least two feet below ground level.
- ☐ If this is a one-well lease or last remaining well on lease, the battery and pit location(s) have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan. All flow lines, production equipment and junk have been removed from lease and well location.
- ☒ All metal bolts and other materials have been removed. Portable bases have been removed. (Poured onsite concrete bases do not have to be removed.)
- ☒ All other environmental concerns have been addressed as per OCD rules.
- ☒ Pipelines and flow lines have been abandoned in accordance with 19.15.9.714.B(4)(b) NMAC. All fluids have been removed from non-retrieved flow lines and pipelines.

When all work has been completed, return this form to the appropriate District office to schedule an inspection. If more than one inspection has to be made to a P&A location because it does not meet the criteria above, a penalty may be assessed.

SIGNATURE Kerry Johnston TITLE Vice President DATE 7/15/08

TYPE OR PRINT NAME Kerry Johnston E-MAIL: \_\_\_\_\_ PHONE: (210) 829-7881  
For State Use Only

APPROVED BY: Mark Whitaker TITLE OK TO RELEASE DATE 07/22/2008  
Conditions of Approval (if any) COMPLIANCE OFFICER



# KERNS PETROLEUM, INC.

1777 NE Loop 410, Suite 930

San Antonio, TX 78217

(210) 829-7881

Fax (210) 829-7883

June 13, 2008

Ms. Becky Jo Doom  
47 Doom Lane  
Jal, NM 88252

Re: Knight No. 5 (API No. 30-025-20356)  
SW/4 SW/4 Section 22-T24S-R37E  
Lea County, New Mexico

RECEIVED

JUL 21 2008

HOBBS OCD

Dear Ms. ~~Doom~~ *Doom*

This letter will serve to document an agreement between Kerns Petroleum, Inc. and Doom Ranches, Inc., the surface owner, with regard to and limited to the Knight No. 5 wellsite. The wellbore has been plugged and abandoned.

The parties agree that (i) the well pad associated with this property is to be left as is, and (ii) no other future surface work with regard to this property is necessary, save and except re-seeding of the surface to the reasonable satisfaction of Doom Ranches, Inc., to be performed at the time and as requested by you.

Please acknowledge your agreement with the foregoing by signing in the blank provided below.  
Thank you.

Sincerely,

Ceci Wallen  
Land Manager

AGREED AND ACCEPTED THIS 20th DAY OF JUNE, 2008.

DOOM RANCHES, INC.

By: Becky Jo Doom  
Becky Jo Doom