

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 & Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

RECEIVED

Form C-104

Revised Feb. 26, 2007

AUG 25 2008

HOBBS OGD

Appropriate District Office
5 Copies

AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

¹ Operator name and Address KERNS PETROLEUM, INC. 1777 NE LOOP 410, STE 930 SAN ANTONIO, TX 78217		² OGRID Number 250384
		³ Reason for Filing Code/ Effective Date AG / AUGUST 1, 2008
⁴ API Number 30 - 025-38561	⁵ Pool Name JALMAT;TAN-YATES-7 RVRS (OIL)	⁶ Pool Code 33820
⁷ Property Code 36717	⁸ Property Name EUMONT STATE	⁹ Well Number 001

II. ¹⁰ Surface Location

Ul or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/So Line	Feet from the	East/West line	County
C	36	21S	35E	C	900	N	1650	W	LEA

¹¹ Bottom Hole Location

Ul or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/So Line	Feet from the	East/West line	County
C	36	21S	35E	C	900	N	1650	W	LEA
¹² Lse Code S	¹³ Prod Method Code F	¹⁴ Gas Connect Date 8/14/08	¹⁵ C-129 Permit Number N/A	¹⁶ C-129 Effective Date 7/16/08	¹⁷ C-129 Expiration Date 10/3/08				

III. Oil and Gas Transporters

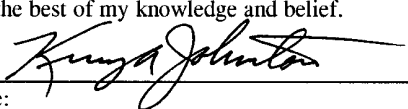
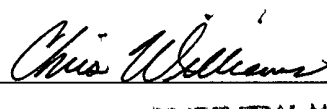
¹⁸ Transporter OGRID	¹⁹ Transporter Name and Address	²⁰ O/G/W
034053	PLAINS MARKETING LP 500 DALLAS, STE 700 HOUSTON, TX	O
246624	DCP MIDSTREAM, LP 10 DESTA DRIVE, STE 400 MIDLAND, TX	G

IV. Well Completion Data

²¹ Spud Date 11/07/2007	²² Ready Date 5/16/2008	²³ TD 5,030'	²⁴ PBSD 4,907'	²⁵ Perforations 3,962 - 3,968'	²⁶ DHC, MC
²⁷ Hole Size	²⁸ Casing & Tubing Size	²⁹ Depth Set	³⁰ Sacks Cement		
12-1/2	8-5/8	350	325		
7-7/8	5-1/2	5,020	2,600		
	2-7/8	4,085			

V. Well Test Data

³¹ Date New Oil 5/16/2008	³² Gas Delivery Date 8/14/08	³³ Test Date 5/20/2008	³⁴ Test Length 24 HOURS	³⁵ Tbg. Pressure 195	³⁶ Csg. Pressure 645
³⁷ Choke Size 20/64	³⁸ Oil 320	³⁹ Water 0	⁴⁰ Gas 76		⁴¹ Test Method FLOWING

⁴² I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief. Signature: 		OIL CONSERVATION DIVISION	
Printed name: KERRY JOHNSTON		Approved by: 	
Title: VICE PRESIDENT		Title: OGD DISTRICT SUPERVISOR/GENERAL MANAGER	
E-mail Address: KJOHNSTON@KERNSPETRO.COM		Approval Date: AUG 25 2008	
Date: AUGUST 14, 2008	Phone: (210) 829-7881 x112		



KERNS PETROLEUM, INC.

1777 NE Loop 410, Suite 930

San Antonio, TX 78217

(210) 829-7881

Fax (210) 829-7883

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AUG 22 2008

HOBBS OCL

August 14, 2008

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

Re: Form C-104: Request for Authorization to Transport – Added Gas Transporter
Eumont State #1 [API No. 30-025-38561]
Lea County, New Mexico

Ladies & Gentlemen:

Please find enclosed five executed originals of Form C-104 to add a gas transporter, DCP Midstream, LP. We had submitted Form C-129 for exception to the no-flare rule on July 2, 2008. The OCD approved the C-129 on July 3, 2008, which provided for an expiration date of October 2, 2008. We were able to acquire rights-of-way quicker than anticipated and hooked up the well to gas sales today.

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

Sincerely,

Kerry A. Johnston
Vice President

Enclosures