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New Mexico Oil Conservation Division, District I

Form 3160-5
(February 2005)

UNITED STATES

1625 N. French Drive

Hobbs, NM 88240

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

NOV 03 2008

HOBBS, NM

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Kerns Petroleum, Inc.

3a. Address

1777 NE Loop 410, San Antonio, TX 78217

3b. Phone No. (include area code)

210-829-7881

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

660 FNL, 660 FWL, Sec. 30, T08S, R37E

5. Lease Serial No.

NMNM 03431

6. If Indian, Allottee or Tribe Name

7. If Unit of CA/Agreement, Name and/or No.

8. Well Name and No.

Las Cruces "B" #1

9. API Well No.

30-041-00234

10. Field and Pool or Exploratory Area

Allison Penn

11. Country or Parish, State

Roosevelt County, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleation in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

9/19/08 MI rig and cement equipment. RU.

9/22/08 ND well head. NU BOP. RIH w 5 1/2 CIBP on 180 jts. tbg. SDFN.

9/23/08 Finish RIH w/ CIBP on tbg. to 8915'. SDFN.

9/24/08 Set CIBP @ 8915'. Circulate hole w/ mud laden fluid. Spot 20 sx cement on top. POH w/ 212 jts. tbg. SDFN.

9/25/08 Layed down 75 jts. tbg. Dig out cellar. ND 5 1/2 wellhead. Rig up csg. jacks. Pulled 170 K lbs. pulled csg. slips. Worked csg. w/ jacks.

Cut csg. @ 6892'. Work csg. RIH w/ 5 1/2 packer on 2 jts. Pressure up to 2000 psi. POH w/ packer. Work csg. w/ Jacks. SDFN.

9/26/08 RIH w/ tbg. to 7050. Spot 25 sx cement. POH w. 60 jts. tbg.

9/29/08 RIH w/ tbg. Tag plug @ 6794'. POH w/ tbg. ND BOP. Cut csg. @ 4500' work csg. Not free. SDFN.

9/30/08 Worked csg. Not free. Cut csg. @ 4200'. Layed down 20 jts. 5 1/2 csg.

10/01/08 Finished laying down csg. (98 jts. total)RIH w/ tbg. to 4550. circulate hole w/ mud laden fluid.

10/02/08 Spot 180 sx. cement @ 4550. POH w/ 60 jts. tbg. WOC 4 hrs. Tag plug @ 4032. POH to 2317'.

10/03/08 Spot 35 sx cement @ 2310'. POH w/ 60 jts. WOC 4 hrs. Tag plug @ 2190'. Layed down 42 jts. SDFN.

10/06/08 ND wellhead. Cut 8 5/8 csg. @ 1003'. Pulled 140 K. Casing stuck. Cut csg. @ 420'. POH w/ 1 jts. 8 5/8. SDFN.

10/07/08 Layed down 13 jts. 8 5/8. RIH w/ tbg. to 470'. Spot 70 sx. cement. POH w/ tbg. WOC 4 hrs. Tag plug @ 298'. Spot 20 sx cement @ 60' to surface. SDFN.

10/08/08 Tag plug @ 4 feet. Cut off wellhead and weld on Dry Hole Marker. rig down clean location.

14. I hereby certify that the foregoing is true and correct.

Name (Printed/Typed)

Kerry Johnston

Title

Vice President

Signature

Kerry Johnston

Date

October 9, 2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/S/ DAVID R. GLASS

PETROLEUM ENGINEER

Title

Date

OCT 2 2008

Conditions of approval, if any, are attached that the applicant holds legal or equitable interest in the subject lease which would entitle the applicant to conduct operations thereon.

Does not warrant or certify.

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Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

APPROVED AS TO PLUGGING OF THIS
WELL BORE. LIABILITY UNDER BOND
IS RETAINED UNTIL SURFACE RESTORATION
IS COMPLETED