

# RECEIVED

Form 3160-5  
(February 2007)

UNITED STATES

DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

NM Oil Cons. Division

1625 N. French Dr.

Hobbs, NM 88240

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

5. Lease Serial No.

NMNM 03431

6. If Indian, Allottee or Tribe Name

**SUNDRY NOTICES AND REPORTS ON WELLS**  
Do not use this form for proposals to drill, re-enter or abandon a 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, 1980 FEL, Sec. 30, T08S, R37E

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

8. Well Name and No.

Las Cruces "B" #2

9. API Well No.

30-041-00235

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 checked="" 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 recompleat 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 recompleat 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.)

10/08/08..MIRU dig out cellar. ND well head. NU BOP & 2 3/8 equipment. SDFN.

10/09/08..RIH w/ 5 1/2 CIBP. Stop @ 37'. POH. RIH w/ tbq. open ended. to 9250'. Spot 25 sx class C cement. SDFN.

10/10/08..Tag plug @ 9043'. Circulate hole w/ mud laden fluid. POH. Perf 5 1/2 csg. @ 7000'. RIH w/ packer and pressure up to 1500 psi. POH w/ packer. RIH w/ tbq. open ended to 7048'. Spot 25 sx class C cement. POH w/ 60 jts. tbq. SDFN.

10/13/08..Tag plug @ 6847'. POH w/ tbq. dig out cellar. ND well head. RIH w/ 5 1/2 cutter. Stop @ 32'. Rig up jacks. pull slips out of casing head. Work casing. SDFN.

10/16/08..RIH w/ shot bar. Cut csg. @ 4265'. Lay down 127 jts. 5 1/2 csg. SDFN.

10/17/08..NU BOP. RIH w/ tbq. to 4550'. Spot 150 sx. class C cement. WOC 4 hrs. Tag plug @ 4081'.

POH to 2310'. Spot 35 sx class C cement. POH w/ 60 jts. SDFN.

10/18/08..Tag plug @ 2179'. POH w. tbq. Dig out cellar. ND 8 5/8 well head. Cut 8 5/8 @ 407'. Lay down 13 jts. csg. RIH w/ tbq. to 450' Spot 65 sx class C cement. SDFN.

10/20/08 Tagged plug @ 317'. POH to 20'. Spot 20 sx class C surface plug. cut off wellhead and Weld on Dry Hole Marker. Riggged Down, Cleaned 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 21, 2008

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

/S/ DAVID R. GLASS

PETROLEUM ENGINEER

Date

OCT 27 2008

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

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)

*Kerry Johnston*

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