

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
June 19, 2008

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, NM 87505

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.)		WELL API NO. 30-025-38561 ✓
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Kerns Petroleum, Inc. ✓		6. State Oil & Gas Lease No. VB-1119
3. Address of Operator 1777 NE Loop 410, Ste 930, San Antonio, TX 78217		7. Lease Name or Unit Agreement Name Eumont State ✓
4. Well Location Unit Letter <u>C</u> : <u>900</u> feet from the <u>N</u> line and <u>1,650</u> feet from the <u>W</u> line Section <u>36</u> Township <u>21S</u> Range <u>35E</u> NMPM Lea County ✓		8. Well Number <u>001</u> ✓
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3,611 GR		9. OGRID Number 250384 ✓
		10. Pool name or Wildcat Urssey Tank; Yates-Seven Rivers ✓

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 ☐
DOWNHOLE COMMINGLE ☐

OTHER: Change Pool Name ☒

SUBSEQUENT REPORT OF:

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

OTHER: ☐

13. 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 proposed completion or recompletion.

Pursuant to OCD Order No. R-13042 (Case No. 14160), the Eumont State #001 is the discovery well for a new pool named "Urssey Tank; Yates-Seven Rivers" comprising the NW/4 of Section 36-T21S-R35E, Lea County. Certain special pool rules and regulations were established by the OCD for the Urssey Tank; Yates-Seven Rivers Pool including a special depth bracket allowable of 350 barrels of oil per day and a discovery allowable.

Accordingly, this Form C-103 provides notice of such pool name change for the Eumont State #001 well from the previous pool name of "Jalmat; Tan-Yates-Seven Rivers (Oil)" to the new pool name of "Urssey Tank; Yates-Seven Rivers."

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Kerry A. Johnston TITLE Vice President DATE 11/13/08

Type or print name Kerry A. Johnston E-mail address: _____ PHONE: 210-829-7881

For State Use Only

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE NOV 21 2008
Conditions of Approval (if any): _____