

New Mexico Oil Conservation Division, District 1
1625 N. French Drive
Hobbs, NM 88240

Form 3160-5
(February 2005)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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.

5. Lease Serial No. **NMNM 03431**

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other ☒

2. Name of Operator

Kerns Petroleum, Inc.

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

3a. Address

1777 NE Loop 410, San Antonio, TX 78217

3b. Phone No. (include area code)

210-829-7881

10. Field and Pool or Exploratory Area

Allison Penn

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

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

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 checked="" type="checkbox"/> Other surf. release
	<input type="checkbox"/> Change Plans	<input 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 recompletion 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.)

Surface Owner has entered into a written agreement with Kerns Petroleum dated 9/22/10 providing that the well pads for or associated with this property are to be left as is and no other future surface work with regard to this property is necessary.

RECEIVED
FEB 16 2011
HOBBSDUCD

DENIED
Environmental Protection

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

Name (Printed/Typed)

Kerry Johnston

Title

Vice President

Signature

Kerry Johnston

Date

September 28, 2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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

ROSWELL FIELD 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)



KERNS PETROLEUM, INC.

1777 NE Loop 410, Suite 930

San Antonio, TX 78217

(210) 829-7881

Fax (210) 829-7883

September 16, 2010

Malcolm Coombes
P.O. Box 2591
5716 Lovington Hwy
Hobbs, NM 88241

Dear Mr. Coombes:

This letter will serve to document an agreement between you, as the surface landowner, and Kerns Petroleum, Inc., with regard to and limited to the following property situated on BLM lease NM-03431:

Las Cruces #1 and #2
N/2 Section 30, Township 8 South, Range 37 East
Roosevelt County, New Mexico

The parties agree that (i) the well pads for or associated with this property are to be left as is, and (ii) no other future surface work with regard to this property is necessary.

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

Sincerely,

Karl Vornsand
Petroleum Engineer

AGREED AND ACCEPTED THIS 9 DAY OF 22, 2010.

By:
Malcolm Coombes