Energy, Minerals and Natural Resources Department New Mexico

Susana Martinez

Governor

Brett F. Woods, Ph.D. Acting Cabinet Secretary

Daniel Sanchez Acting Division Director Oil Conservation Division



February 28, 2011

Kerns Petroleum Inc ATT: Ceci Wallen 1777 NE Loop 410, Suite 930 San Antonio, TX 78217

RECEIVED

MAR 0 2 2011 HOBBSOUD

RE:

CANCELLATION OF INTENT TO DRILL

Eumont State #3-F, 36-21s-35e, 30-025-38769 Eumont State #4-C, 36-21s-35e, 30-025-38777 Eumont State #5-C, 36-21s-35e, 30-025-38778 Eumont State #6-F, 36-21s-35e, 30-025-38779

Gentlemen:

Twenty-four months or more have elapsed since Division Form C-101, Notice of Intent to Drill the Subject well was approved. To date no progress reports, form C-103, have not been received. Therefore, approval of your permit to drill this well has now expired and no drilling operations are to be initiated without further notice to and approval by the Oil Conservation Division. Pending such approval, this location will be considered as an abandoned location.

If drilling has been done, please file subsequent reports of this work immediately to bring this file into current status.

Truly yours,

OIL CONSERVATION DIVISION

Larry H

District I Supervisor

(ancel 30-025-38778

CC:

OCD /Santa Fe OCD/Hobbs

BLM

State Land Office

