

District I  
1625 N French Dr., Hobbs, NM 88240  
Phone (505) 393-6161 Fax (505) 393-0720

**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

Form C-145  
Permit 107146

**RECEIVED**

**JAN 07 2010**

**HOBBSOCD**

**Change of Operator**

**Previous Operator Information**

OGRID: 250384  
Name: KERNS PETROLEUM, INC.  
Address: 1777 NE LOOP 410, SUITE 930  
Address:  
City, State, Zip: SAN ANTONIO, TX 78217

**New Operator Information**

Effective Date: Effective on the date of approval by the OCD  
OGRID: 20989  
Name: SMITH & MARRS INC  
Address: P.O. BOX 863  
Address:  
City, State, Zip: KERMIT, TX 79745

I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information on this form and the certified list of wells is true to the best of my knowledge and belief.

**Previous Operator**

Signature: Kerry A. Johnston  
Printed Name: Kerry A. Johnston  
Title: Vice President  
Date: 12/28/09 Phone: 210-829-7881

**New Operator**

Signature: Rickey Smith  
Printed Name: Rickey Smith  
Title: President  
Date: 12-28-09 Phone: 432-586-3076

**NMOCD Approval**

Electronic Signature: Paul Kautz, District 1

Date: January 11, 2010