

District I  
1625 N French Dr., Hobbs, NM 88240  
District II  
811 South First, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural Resources

Form C-104A  
August 11, 2000

Oil Conservation Division  
2040 South Pacheco  
Santa Fe, NM 87505

Submit 1 Copy of the final affected wells  
list along with 2 copies of this form per  
number of wells on that list to  
appropriate District Office

Change of Operator

Previous Operator Information:

OGRID: 148967  
Name: SAGA PETROLEUM LLC  
Address: 415 W WALL, SUITE 1900  
Address: \_\_\_\_\_  
City, State, Zip: MIDLAND, TX 79701

New Operator Information:

Effective Date: Aug 1, 2001  
New Ogrid: 20989  
New Name: SMITH & MARRAS 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 attached list of wells is true and complete to the best of my knowledge and belief.

New Operator  
Signature: [Signature]  
Printed Name: Rickey Smith  
Title: Pres  
Date: 8-8-01 Phone: 915 ( ) - 586-3076

Previous operator complete below:

Previous  
Operator: SAGA PETROLEUM LLC  
Previous  
OGRID: 148967  
Signature: [Signature]  
Printed  
Name: MARK CALDWELL

| NMOCD Approval |                           |
|----------------|---------------------------|
| Signature:     | <u>[Signature]</u>        |
| Printed        |                           |
| Name:          | <u>PAUL F KAUTZ</u>       |
| District:      | <u>PETROLEUM ENGINEER</u> |
| Date:          | <u>APR 11 2002</u>        |

1166c-31

WELLS INVOLVED IN OPERATOR CHANGE  
INITIAL LIST FOR OPERATOR VALIDATION

OCT 29, 2001

If all wells and completions on this list are not part of this transfer, send this list to the appropriate OCD District Office with exceptions noted and supporting paperwork so corrections can be made. If this list agrees with your records and bonding requirements are satisfied, contact OCD in Santa Fe for a final list to submit to the OCD District with your C-104A.

PREVIOUS OPERATOR: 148967 SAGA PETROLEUM LIMITED LIABILITY CO.

NEW OPERATOR:

OCD DISTRICT: HOBBS

| PROP-<br>ERTY WELL NAME    | ULSTR        | UNIT | LTR          | API | WELL<br>TYPE | ID                | POOL NAME      | PROD/INJ | LAST<br>ADV. DIST | MINIMUM IF INDICATED<br>ADDITIONAL ADV. DIST |
|----------------------------|--------------|------|--------------|-----|--------------|-------------------|----------------|----------|-------------------|----------------------------------------------|
| SKELLY PENROSE B UNIT #037 | M-05-23S-37E | M    | 30-025-10642 | I   | 37240        | LANGLIE MATTIX; 7 | RVS-Q-GRAYBURG | 07-2001  |                   |                                              |
| SKELLY PENROSE B UNIT #038 | N-05-23S-37E | N    | 30-025-10641 | I   | 37240        | LANGLIE MATTIX; 7 | RVS-Q-GRAYBURG | 07-2001  |                   |                                              |
| SKELLY PENROSE B UNIT #039 | O-05-23S-37E | O    | 30-025-10645 | I   | 37240        | LANGLIE MATTIX; 7 | RVS-Q-GRAYBURG | 09-1996  |                   | 5,000                                        |
| SKELLY PENROSE B UNIT #040 | P-05-23S-37E | P    | 30-025-10644 | I   | 37240        | LANGLIE MATTIX; 7 | RVS-Q-GRAYBURG | 08-1999  |                   | 5,000                                        |
| SKELLY PENROSE B UNIT #041 | C-09-23S-37E | C    | 30-025-10684 | I   | 37240        | LANGLIE MATTIX; 7 | RVS-Q-GRAYBURG | 07-1988  |                   | 5,000                                        |
| SKELLY PENROSE B UNIT #042 | D-09-23S-37E | D    | 30-025-10685 | I   | 37240        | LANGLIE MATTIX; 7 | RVS-Q-GRAYBURG | 12-1992  |                   | 5,000                                        |
| SKELLY PENROSE B UNIT #043 | A-08-23S-37E | A    | 30-025-10666 | O   | 37240        | LANGLIE MATTIX; 7 | RVS-Q-GRAYBURG | 07-2001  |                   |                                              |
| SKELLY PENROSE B UNIT #044 | C-08-23S-37E | C    | 30-025-10672 | I   | 37240        | LANGLIE MATTIX; 7 | RVS-Q-GRAYBURG | 07-2001  |                   |                                              |
| SKELLY PENROSE B UNIT #045 | D-08-23S-37E | D    | 30-025-10668 | I   | 37240        | LANGLIE MATTIX; 7 | RVS-Q-GRAYBURG | 07-2001  |                   |                                              |
| SKELLY PENROSE B UNIT #046 | A-07-23S-37E | A    | 30-025-10658 | O   | 37240        | LANGLIE MATTIX; 7 | RVS-Q-GRAYBURG | 05-1996  |                   | 5,000                                        |
| SKELLY PENROSE B UNIT #047 | B-07-23S-37E | B    | 30-025-10659 | O   | 37240        | LANGLIE MATTIX; 7 | RVS-Q-GRAYBURG | 02-1995  |                   | 5,000                                        |
| SKELLY PENROSE B UNIT #048 | E-08-23S-37E | E    | 30-025-10669 | O   | 37240        | LANGLIE MATTIX; 7 | RVS-Q-GRAYBURG | 10-1976  |                   | 5,000                                        |
| SKELLY PENROSE B UNIT #049 | G-08-23S-37E | G    | 30-025-10671 | O   | 37240        | LANGLIE MATTIX; 7 | RVS-Q-GRAYBURG | 06-1988  |                   | 5,000                                        |
| SKELLY PENROSE B UNIT #053 | K-09-23S-37E | K    | 30-025-10688 | O   | 37240        | LANGLIE MATTIX; 7 | RVS-Q-GRAYBURG | 07-2001  |                   |                                              |
| SKELLY PENROSE B UNIT #054 | L-09-23S-37E | L    | 30-025-10687 | I   | 37240        | LANGLIE MATTIX; 7 | RVS-Q-GRAYBURG | 12-1992  |                   | 5,000                                        |
| SKELLY PENROSE B UNIT #055 | I-08-23S-37E | I    | 30-025-10675 | O   | 37240        | LANGLIE MATTIX; 7 | RVS-Q-GRAYBURG | 05-1976  |                   | 5,000                                        |
| SKELLY PENROSE B UNIT #056 | L-08-23S-37E | L    | 30-025-10673 | O   | 37240        | LANGLIE MATTIX; 7 | RVS-Q-GRAYBURG | 05-1991  |                   | 5,000                                        |
| SKELLY PENROSE B UNIT #057 | N-08-23S-37E | N    | 30-025-10676 | O   | 37240        | LANGLIE MATTIX; 7 | RVS-Q-GRAYBURG | 07-2001  |                   |                                              |
| SKELLY PENROSE B UNIT #059 | P-08-23S-37E | P    | 30-025-10677 | I   | 37240        | LANGLIE MATTIX; 7 | RVS-Q-GRAYBURG | 12-1992  |                   | 5,000                                        |
| SKELLY PENROSE B UNIT #060 | M-09-23S-37E | M    | 30-025-10690 | O   | 37240        | LANGLIE MATTIX; 7 | RVS-Q-GRAYBURG | 08-1994  |                   | 5,000                                        |
| SKELLY PENROSE B UNIT #061 | N-09-23S-37E | N    | 30-025-10689 | I   | 37240        | LANGLIE MATTIX; 7 | RVS-Q-GRAYBURG | 12-1986  |                   | 5,000                                        |
| SKELLY PENROSE B UNIT #063 | B-08-23S-37E | B    | 30-025-10667 | I   | 37240        | LANGLIE MATTIX; 7 | RVS-Q-GRAYBURG | 07-2001  |                   |                                              |
| SKELLY PENROSE B UNIT #064 | F-05-23S-37E | F    | 30-025-30218 | O   | 37240        | LANGLIE MATTIX; 7 | RVS-Q-GRAYBURG | 07-2001  |                   |                                              |
| SKELLY PENROSE B UNIT #065 | G-04-23S-37E | G    | 30-025-30219 | O   | 37240        | LANGLIE MATTIX; 7 | RVS-Q-GRAYBURG | 07-2001  |                   |                                              |
| SKELLY PENROSE B UNIT #066 | L-05-23S-37E | L    | 30-025-30235 | O   | 37240        | LANGLIE MATTIX; 7 | RVS-Q-GRAYBURG | 07-2001  |                   |                                              |
| SKELLY PENROSE B UNIT #067 | J-05-23S-37E | J    | 30-025-30373 | O   | 37240        | LANGLIE MATTIX; 7 | RVS-Q-GRAYBURG | 07-2001  |                   |                                              |
| SKELLY PENROSE B UNIT #068 | J-05-23S-37E | J    | 30-025-30374 | O   | 37240        | LANGLIE MATTIX; 7 | RVS-Q-GRAYBURG | 07-2001  |                   |                                              |
| SKELLY PENROSE B UNIT #069 | I-32-22S-37E | I    | 30-025-30375 | O   | 37240        | LANGLIE MATTIX; 7 | RVS-Q-GRAYBURG | 07-2001  |                   |                                              |
| SKELLY PENROSE B UNIT #070 | G-05-23S-37E | G    | 30-025-32111 | O   | 37240        | LANGLIE MATTIX; 7 | RVS-Q-GRAYBURG | 07-2001  |                   |                                              |
| SKELLY PENROSE B UNIT #071 | K-05-23S-37E | K    | 30-025-32112 | O   | 37240        | LANGLIE MATTIX; 7 | RVS-Q-GRAYBURG | 07-2001  |                   |                                              |
| SKELLY PENROSE B UNIT #072 | 2-05-23S-37E | B    | 30-025-32113 | O   | 37240        | LANGLIE MATTIX; 7 | RVS-Q-GRAYBURG | 07-2001  |                   |                                              |
| SKELLY PENROSE B UNIT #073 | C-08-23S-37E | C    | 30-025-32114 | O   | 37240        | LANGLIE MATTIX; 7 | RVS-Q-GRAYBURG | 07-2001  |                   |                                              |
| SKELLY PENROSE B UNIT #074 | B-08-23S-37E | B    | 30-025-32115 | O   | 37240        | LANGLIE MATTIX; 7 | RVS-Q-GRAYBURG | 07-2001  |                   |                                              |

155,000