

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 & 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 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>

166c-31

WELLS INVOLVED IN OPERATOR CHANGE
INITIAL LIST FOR OPERATOR VALIDATION

AGE 2

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- ERTY WELL NAME	ULSTR	OCD		WELL TYPE	POOL ID	POOL NAME	PROD/INJ	LAST ADDITIONAL ADV. DIST	MINIMUM IF INDICATED
		UNIT	LTR						
SKELLY PENROSE B UNIT #037	M-05-23S-37E	M		I	37240	LANGLIE MATTIX; 7 RVS-Q-GRAYBURG	07-2001		
SKELLY PENROSE B UNIT #038	N-05-23S-37E	N		I	37240	LANGLIE MATTIX; 7 RVS-Q-GRAYBURG	07-2001		
SKELLY PENROSE B UNIT #039	O-05-23S-37E	O		I	37240	LANGLIE MATTIX; 7 RVS-Q-GRAYBURG	09-1996		5,000
SKELLY PENROSE B UNIT #040	P-05-23S-37E	P		I	37240	LANGLIE MATTIX; 7 RVS-Q-GRAYBURG	08-1999		5,000
SKELLY PENROSE B UNIT #041	C-09-23S-37E	C		I	37240	LANGLIE MATTIX; 7 RVS-Q-GRAYBURG	07-1988		5,000
SKELLY PENROSE B UNIT #042	D-09-23S-37E	D		I	37240	LANGLIE MATTIX; 7 RVS-Q-GRAYBURG	12-1992		5,000
SKELLY PENROSE B UNIT #043	A-08-23S-37E	A		I	37240	LANGLIE MATTIX; 7 RVS-Q-GRAYBURG	07-2001		
SKELLY PENROSE B UNIT #044	C-08-23S-37E	C		I	37240	LANGLIE MATTIX; 7 RVS-Q-GRAYBURG	07-2001		
SKELLY PENROSE B UNIT #045	D-08-23S-37E	D		I	37240	LANGLIE MATTIX; 7 RVS-Q-GRAYBURG	07-2001		
SKELLY PENROSE B UNIT #046	A-07-23S-37E	A		O	37240	LANGLIE MATTIX; 7 RVS-Q-GRAYBURG	05-1996		5,000
SKELLY PENROSE B UNIT #047	B-07-23S-37E	B		O	37240	LANGLIE MATTIX; 7 RVS-Q-GRAYBURG	02-1995		5,000
SKELLY PENROSE B UNIT #048	E-08-23S-37E	E		O	37240	LANGLIE MATTIX; 7 RVS-Q-GRAYBURG	10-1976		5,000
SKELLY PENROSE B UNIT #049	G-08-23S-37E	G		O	37240	LANGLIE MATTIX; 7 RVS-Q-GRAYBURG	06-1988		5,000
SKELLY PENROSE B UNIT #053	K-09-23S-37E	K		O	37240	LANGLIE MATTIX; 7 RVS-Q-GRAYBURG	07-2001		
SKELLY PENROSE B UNIT #054	L-09-23S-37E	L		O	37240	LANGLIE MATTIX; 7 RVS-Q-GRAYBURG	12-1992		5,000
SKELLY PENROSE B UNIT #055	I-08-23S-37E	I		O	37240	LANGLIE MATTIX; 7 RVS-Q-GRAYBURG	05-1991		5,000
SKELLY PENROSE B UNIT #056	L-08-23S-37E	L		O	37240	LANGLIE MATTIX; 7 RVS-Q-GRAYBURG	07-2001		
SKELLY PENROSE B UNIT #057	N-08-23S-37E	N		O	37240	LANGLIE MATTIX; 7 RVS-Q-GRAYBURG	12-1992		5,000
SKELLY PENROSE B UNIT #059	P-08-23S-37E	P		O	37240	LANGLIE MATTIX; 7 RVS-Q-GRAYBURG	08-1994		5,000
SKELLY PENROSE B UNIT #060	M-09-23S-37E	M		O	37240	LANGLIE MATTIX; 7 RVS-Q-GRAYBURG	12-1986		5,000
SKELLY PENROSE B UNIT #061	B-08-23S-37E	B		I	37240	LANGLIE MATTIX; 7 RVS-Q-GRAYBURG	07-2001		
SKELLY PENROSE B UNIT #063	F-05-23S-37E	F		O	37240	LANGLIE MATTIX; 7 RVS-Q-GRAYBURG	07-2001		
SKELLY PENROSE B UNIT #064	4-04-23S-37E	D		O	37240	LANGLIE MATTIX; 7 RVS-Q-GRAYBURG	07-2001		
SKELLY PENROSE B UNIT #065	L-05-23S-37E	L		O	37240	LANGLIE MATTIX; 7 RVS-Q-GRAYBURG	07-2001		
SKELLY PENROSE B UNIT #066	J-05-23S-37E	J		O	37240	LANGLIE MATTIX; 7 RVS-Q-GRAYBURG	07-2001		
SKELLY PENROSE B UNIT #067	J-05-23S-37E	J		O	37240	LANGLIE MATTIX; 7 RVS-Q-GRAYBURG	07-2001		
SKELLY PENROSE B UNIT #068	I-32-22S-37E	I		O	37240	LANGLIE MATTIX; 7 RVS-Q-GRAYBURG	07-2001		
SKELLY PENROSE B UNIT #069	G-05-23S-37E	G		O	37240	LANGLIE MATTIX; 7 RVS-Q-GRAYBURG	07-2001		
SKELLY PENROSE B UNIT #070	K-05-23S-37E	K		O	37240	LANGLIE MATTIX; 7 RVS-Q-GRAYBURG	07-2001		
SKELLY PENROSE B UNIT #071	2-05-23S-37E	B		O	37240	LANGLIE MATTIX; 7 RVS-Q-GRAYBURG	07-2001		
SKELLY PENROSE B UNIT #072	C-08-23S-37E	C		O	37240	LANGLIE MATTIX; 7 RVS-Q-GRAYBURG	07-2001		
SKELLY PENROSE B UNIT #073	B-08-23S-37E	B		O	37240	LANGLIE MATTIX; 7 RVS-Q-GRAYBURG	07-2001		
SKELLY PENROSE B UNIT #074									

155,000