

E X H I B I T

Attached to and made a part of that certain "DESIGNATION OF UNIT" dated February 18, 1977, executed by HNG Oil Company and Amoco Production Company covering E/2 Section 8, T-24-S, R-28-E, Eddy County, New Mexico, reference being hereby made to each of the following original leases and the record thereof for all purposes hereunder including a complete description of all acreage covered hereby:

Lease No. 1: Oil & Gas Lease dated November 3, 1972, from J. C. Ogden, et al, Lessor, to Chalfant, Magee & Hansen, Inc., Lessee, recorded in Book 92, Page 754, Misc. Records of Eddy County, New Mexico, insofar as said lease covers S/2 NE/4, NW/4 NE/4, S/2 NE/4 NE/4, NE/4 NE/4 NE/4, W/2 NW/4 NE/4 NE/4 of Section 8, T-24-S, R-28-E, N.M.P.M. Eddy County, New Mexico

Lease No. 2: Oil & Gas Lease dated November 3, 1972, from J. C. Ogden, et ux, Lessor, to Chalfant, Magee & Hansen, Inc., Lessee, recorded Book 92, Page 748, Misc. Records of Eddy County, New Mexico, insofar as said lease covers E/2 SE/4 NW/4 NE/4, SW/4 NE/4 NE/4 of Section 8, T-24-S, R-28-E, N.M.P.M., Eddy County, New Mexico.

Lease No. 3: Oil & Gas Lease dated July 9, 1976, from Helen H. Weiss, et al, Lessor, to John R. Stringer, Lessee, recorded in Book 139, Page 979, Misc. Records of Eddy County, New Mexico, covering E/2 NW/4 NE/4 NE/4 of Section 8, T-24-S, R-28-E, (Also known as Malaga Tract 1177), N.M.P.M., Eddy County, New Mexico.

Lease No. 4: Oil & Gas Lease dated January 17, 1973, from Donald Duarte, et al, Lessor, to Chalfant, Magee & Hansen, Inc., Lessee, recorded Book 101, Page 653, Misc. Records of Eddy County, New Mexico, covering E/2 SE/4 Section 8, T-24-S, R-28-E, N.M.P.M., Eddy County, New Mexico.

Lease No. 5: Oil & Gas Lease dated March 29, 1973, from James R. Craft, et ux, Lessor, to Clifton Wilderspin, Lessee, recorded Book 98, Page 70, Misc. Records of Eddy County, New Mexico, covering W/2 SE/4 Section 8, T-24-S, R-28-E, N.M.P.M., Eddy County, New Mexico.