

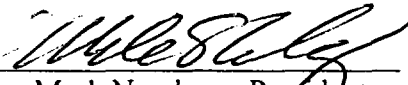
AMENDED AND RESTATED DESIGNATION OF POOLED UNIT

The undersigned, who are the lessees under those certain oil and gas leases described in Exhibit "A", attached hereto, as to the depths hereinafter referenced, pursuant to the powers granted in said leases, hereby designate and declare the N/2 Section 25, Township 16 South, Range 35 East, N.M.P.M., Lea County, New Mexico, as a pooled unit for the production of oil or gas from any formation below the base of the Morrow formation located thereunder. This instrument amends and restates that certain Designation of Pooled Unit executed June 26, 2002, recorded in Book 1157, Page 502 of the Clerk's Records of Lea County, New Mexico.

This instrument may be executed in several counterparts that may be combined as a single document for the purpose of filing or recording.

EXECUTED this 30th day of January, 2003, effective as of June 26, 2002.

AMERISTATE OIL & GAS, INC.

By:   
Mark Nearburg, President

FUEL PRODUCTS, INC.

By: \_\_\_\_\_  
Thomas M. Beall, President

LOUIS MAZZULLO, INC.

By: \_\_\_\_\_  
Louis Mazzullo, President

TMBR/SHARP DRILLING, INC.

By: \_\_\_\_\_  
Jeffrey D. Phillips, President

\_\_\_\_\_  
F. HOWARD WALSH, JR.

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By:   
Thomas M. Beall, President

LOUIS MAZZULLO, INC.

By: \_\_\_\_\_  
Louis Mazzullo, President

TMBR/SHARP DRILLING, INC.

By: \_\_\_\_\_  
Jeffrey D. Phillips, President

\_\_\_\_\_  
F. HOWARD WALSH, JR.

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By: \_\_\_\_\_  
Thomas M. Beall, President

LOUIS MAZZULLO, INC.

By: \_\_\_\_\_  
Louis Mazzullo, President

TMBR/SHARP DRILLING, INC.

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Jeffrey D. Phillips, President

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By: \_\_\_\_\_  
Mark Nearburg, President

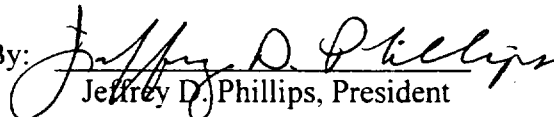
FUEL PRODUCTS, INC.

By: \_\_\_\_\_  
Thomas M. Beall, President

LOUIS MAZZULLO, INC.

By: \_\_\_\_\_  
Louis Mazzullo, President

TMBR/SHARP DRILLING, INC.

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Jeffrey D. Phillips, President

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Thomas M. Beall, President

LOUIS MAZZULLO, INC.

By: \_\_\_\_\_  
Louis Mazzullo, President

TMBR/SHARP DRILLING, INC.

By: \_\_\_\_\_  
Jeffrey D. Phillips, President

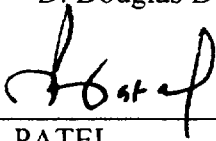
  
F. HOWARD WALSH, JR.

By: D. Douglas Dudley  
D. Douglas Dudley, President

THOMAS C. BROWN

JADE RESOURCES, INC.

By: \_\_\_\_\_  
D. Douglas Dudley, President

  
\_\_\_\_\_  
P. V. PATEL

THE RUDD FAMILY TRUST

By: \_\_\_\_\_  
Robert Rudd, Trustee

\_\_\_\_\_  
JOHN F. HERBIG, JR.

CHI ENERGY, INC.

By: \_\_\_\_\_  
William C. Bergman, President

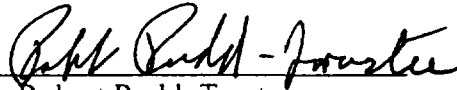
\_\_\_\_\_  
THOMAS C. BROWN

JADE RESOURCES, INC.

By: \_\_\_\_\_  
D. Douglas Dudley, President

\_\_\_\_\_  
P. V. PATEL

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CHI ENERGY, INC.

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William C. Bergman, President

\_\_\_\_\_  
THOMAS C. BROWN



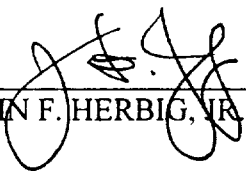
JADE RESOURCES, INC.

By: \_\_\_\_\_  
D. Douglas Dudley, President

\_\_\_\_\_  
P. V. PATEL

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\_\_\_\_\_  
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D. Douglas Dudley, President

\_\_\_\_\_  
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Robert Rudd, Trustee

\_\_\_\_\_  
JOHN F. HERBIG, JR.

CHI ENERGY, INC.

By: \_\_\_\_\_  
William R. Bergman, President  
*W. Bergman*

\_\_\_\_\_  
THOMAS C. BROWN

JADE RESOURCES, INC.

By: \_\_\_\_\_  
D. Douglas Dudley, President

\_\_\_\_\_  
P. V. PATEL

THE RUDD FAMILY TRUST

By: \_\_\_\_\_  
Robert Rudd, Trustee

\_\_\_\_\_  
JOHN F. HERBIG, JR.

CHI ENERGY, INC.

By: \_\_\_\_\_  
William C. Bergman, President

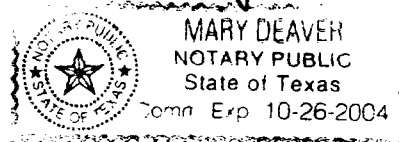
*Thomas C. Brown*  
\_\_\_\_\_  
THOMAS C. BROWN

STATE OF TEXAS            )  
                                  )       ss.  
COUNTY OF TRAVIS        )

This instrument was acknowledged before me on JANUARY 21, 2003, by Mark Nearburg, President of Ameristate Oil & Gas, Inc., a Texas corporation.

Mary Deaver  
Notary Public

My Commission Expires:



STATE OF TEXAS            )  
                                  )       ss.  
COUNTY OF MIDLAND        )

This instrument was acknowledged before me on \_\_\_\_\_, 2003, by Thomas M. Beall, President of Fuel Products, Inc., a New Mexico corporation.

My Commission Expires:

\_\_\_\_\_  
Notary Public

STATE OF NEW MEXICO        )  
                                  )       ss.  
COUNTY OF BERNALILLO        )

This instrument was acknowledged before me on \_\_\_\_\_, 2003, by Louis Mazzullo, President of Louis Mazzullo, Inc., a New Mexico corporation.

My Commission Expires:

\_\_\_\_\_  
Notary Public

STATE OF TEXAS            )  
                                  )       ss.  
COUNTY OF TRAVIS        )

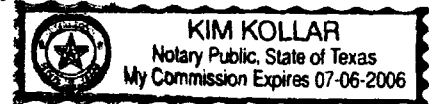
This instrument was acknowledged before me on \_\_\_\_\_, 2003, by Mark Nearburg, President of Ameristate Oil & Gas, Inc., a Texas corporation.

My Commission Expires: \_\_\_\_\_  
Notary Public

STATE OF TEXAS            )  
                                  )       ss.  
COUNTY OF MIDLAND       )

This instrument was acknowledged before me on February 28, 2003, by Thomas M. Beall, President of Fuel Products, Inc., a New Mexico corporation.

My Commission Expires: \_\_\_\_\_  
  
Notary Public



STATE OF NEW MEXICO       )  
                                  )       ss.  
COUNTY OF BERNALILLO    )

This instrument was acknowledged before me on \_\_\_\_\_, 2003, by Louis Mazzullo, President of Louis Mazzullo, Inc., a New Mexico corporation.

My Commission Expires: \_\_\_\_\_  
Notary Public

STATE OF TEXAS            )  
                                  )        ss.  
COUNTY OF TRAVIS        )

This instrument was acknowledged before me on \_\_\_\_\_, 2003, by Mark Nearburg, President of Ameristate Oil & Gas, Inc., a Texas corporation.

\_\_\_\_\_  
Notary Public

My Commission Expires:

STATE OF TEXAS            )  
                                  )        ss.  
COUNTY OF MIDLAND        )

This instrument was acknowledged before me on \_\_\_\_\_, 2003, by Thomas M. Beall, President of Fuel Products, Inc., a New Mexico corporation.

\_\_\_\_\_  
Notary Public

My Commission Expires:

STATE OF NEW MEXICO        )  
                                  )        ss.  
COUNTY OF BERNALILLO     )

This instrument was acknowledged before me on FEB 3, 2003, by Louis Mazzullo, President of Louis Mazzullo, Inc., a New Mexico corporation.

My Commission Expires:



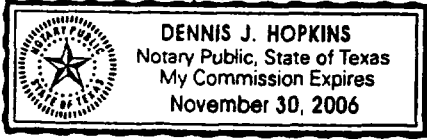
OFFICIAL SEAL  
FRANCIS JOSEPH  
NOTARY PUBLIC-STATE OF NEW MEXICO  
My Comm. Expires 08-07-06

\_\_\_\_\_  
Notary Public

STATE OF TEXAS       )  
                                  )  
COUNTY OF MIDLAND    )

ss.

This instrument was acknowledged before me on January 30, 2003, by Jeffrey D. Phillips, President of TMBR/Sharp Drilling, Inc., a Texas corporation.



My Commission Expires:

[Signature]  
Notary Public

STATE OF TEXAS       )  
                                  )  
COUNTY OF TARRANT    )

ss.

This instrument was acknowledged before me on \_\_\_\_\_, 2003, by F. Howard Walsh, Jr.

\_\_\_\_\_  
Notary Public

My Commission Expires:

STATE OF NEBRASKA    )  
                                  )  
COUNTY OF MADISON    )

ss.

This instrument was acknowledged before me on \_\_\_\_\_, 2003, by D. Douglas Dudley, President of Jade Resources, Inc., a Nebraska corporation.

\_\_\_\_\_  
Notary Public

My Commission Expires:

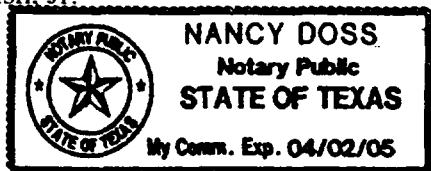
STATE OF TEXAS            )  
                                      )       ss.  
COUNTY OF MIDLAND    )

This instrument was acknowledged before me on \_\_\_\_\_, 2003, by  
Jeffrey D. Phillips, President of TMBR/Sharp Drilling, Inc., a Texas corporation.

My Commission Expires: \_\_\_\_\_  
Notary Public

STATE OF TEXAS            )  
                                      )       ss.  
COUNTY OF TARRANT    )

This instrument was acknowledged before me on February 2nd, 2003, by F.  
Howard Walsh, Jr.



Nancy Doss  
Notary Public

My Commission Expires:

STATE OF NEBRASKA       )  
                                      )       ss.  
COUNTY OF MADISON     )

This instrument was acknowledged before me on \_\_\_\_\_, 2003, by D.  
Douglas Dudley, President of Jade Resources, Inc., a Nebraska corporation.

My Commission Expires: \_\_\_\_\_  
Notary Public



STATE OF TEXAS            )  
                                  )       ss.  
COUNTY OF MIDLAND    )

This instrument was acknowledged before me on \_\_\_\_\_, 2003, by Jeffrey D. Phillips, President of TMBR/Sharp Drilling, Inc., a Texas corporation.

My Commission Expires:

\_\_\_\_\_  
Notary Public

STATE OF TEXAS            )  
                                  )       ss.  
COUNTY OF TARRANT    )

This instrument was acknowledged before me on \_\_\_\_\_, 2003, by F. Howard Walsh, Jr.

My Commission Expires:

\_\_\_\_\_  
Notary Public

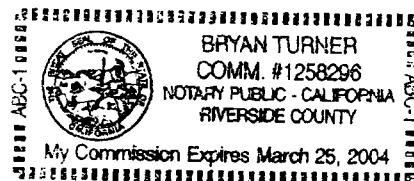
*California*  
STATE OF ~~NEBRASKA~~        )  
                                  )       ss.  
*RIVERSIDE*  
COUNTY OF ~~MADISON~~    )

This instrument was acknowledged before me on February 10, 2003, by D. Douglas Dudley, President of Jade Resources, Inc., a Nebraska corporation.

My Commission Expires:

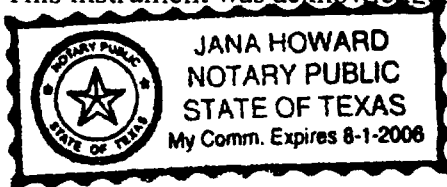
*March 25, 2004*

*Bryan Turner*  
\_\_\_\_\_  
Notary Public



STATE OF TEXAS            )  
                                      )       ss.  
COUNTY OF MIDLAND    )

Patel.       This instrument was acknowledged before me on Jan. 30, 2003, by P. V.



Jana Howard  
Notary Public

My Commission Expires: 8-1-2006

STATE OF TEXAS            )  
                                      )       ss.  
COUNTY OF POTTER        )

              This instrument was acknowledged before me on \_\_\_\_\_, 2003, by  
Robert Rudd, Trustee of The Rudd Family Trust.

\_\_\_\_\_  
Notary Public

My Commission Expires:

STATE OF TEXAS            )  
                                      )       ss.  
COUNTY OF MIDLAND    )

              This instrument was acknowledged before me on \_\_\_\_\_, 2003, by John  
F. Herbig, Jr.

\_\_\_\_\_  
Notary Public

My Commission Expires:

STATE OF TEXAS            )  
                                      )  
COUNTY OF MIDLAND    )        ss.

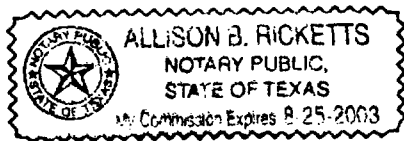
This instrument was acknowledged before me on \_\_\_\_\_, 2003, by P. V. Patel.

\_\_\_\_\_  
Notary Public

My Commission Expires:

STATE OF TEXAS            )  
                                      )  
COUNTY OF POTTER     )        ss.

This instrument was acknowledged before me on January 31<sup>st</sup>, 2003, by Robert Rudd, Trustee of The Rudd Family Trust.



Allison Ricketts  
Notary Public

My Commission Expires:

STATE OF TEXAS            )  
                                      )  
COUNTY OF MIDLAND    )        ss.

This instrument was acknowledged before me on \_\_\_\_\_, 2003, by John F. Herbig, Jr.

\_\_\_\_\_  
Notary Public

My Commission Expires:

STATE OF TEXAS            )  
                                      )        ss.  
COUNTY OF MIDLAND    )

This instrument was acknowledged before me on \_\_\_\_\_, 2003, by P. V. Patel.

\_\_\_\_\_  
Notary Public

My Commission Expires:

STATE OF TEXAS            )  
                                      )        ss.  
COUNTY OF POTTER        )

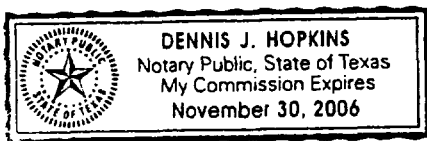
This instrument was acknowledged before me on \_\_\_\_\_, 2003, by Robert Rudd, Trustee of The Rudd Family Trust.

\_\_\_\_\_  
Notary Public

My Commission Expires:

STATE OF TEXAS            )  
                                      )        ss.  
COUNTY OF MIDLAND    )

This instrument was acknowledged before me on January 30, 2003, by John F. Herbig, Jr.

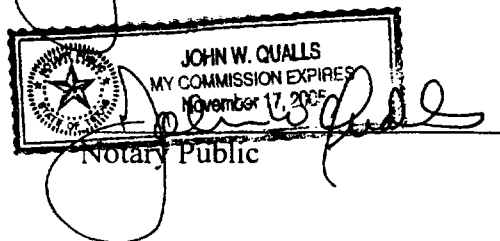


Dennis J. Hopkins  
Notary Public

My Commission Expires:

STATE OF TEXAS            )  
                                      )        ss.  
COUNTY OF MIDLAND    )

This instrument was acknowledged before me on January 31<sup>st</sup>, 2003, by  
William C. Bergman, President of Chi Energy, Inc., a Texas corporation.  
IL.



My Commission Expires:

STATE OF TEXAS            )  
                                      )        ss.  
COUNTY OF MIDLAND    )

This instrument was acknowledged before me on \_\_\_\_\_, 2003, by  
Thomas C. Brown.

\_\_\_\_\_  
Notary Public

My Commission Expires:

STATE OF TEXAS            )  
                                      )       ss.  
COUNTY OF MIDLAND    )

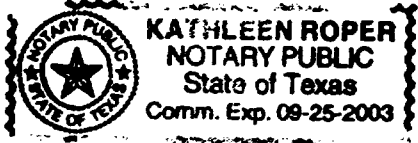
This instrument was acknowledged before me on \_\_\_\_\_, 2003, by  
William C. Bergman, President of Chi Energy, Inc., a Texas corporation.

\_\_\_\_\_  
Notary Public

My Commission Expires:

STATE OF TEXAS            )  
                                      )       ss.  
COUNTY OF MIDLAND    )

This instrument was acknowledged before me on January 30, 2003, by  
Thomas C. Brown.



Kathleen Roper  
Notary Public

My Commission Expires:

## EXHIBIT "A" TO AMENDED AND RESTATED DESIGNATION OF POOLED UNIT

The following described oil and gas leases (all recording references are to the Clerk's Records of Lea County, New Mexico) and mineral interests:

<u>Lessor</u>	<u>Date</u>	<u>Book/Page</u>
Madeline Stokes	December 7, 1997	827/127
Erma Stokes Hamilton	December 7, 1997	827/124
Kendra Irene Kelley	March 19, 1999	954/485
Stacey K. Crawford	July 19, 1999	999/696
Justin R. Strickland	July 19, 1999	999/698
Marty L. Strickland	July 19, 1999	999/700
Jody F. Strickland	July 19, 1999	999/702
Amy Machell Dodson	July 19, 1999	1004/747
J. R. Canon, et al., Trustees	May 2, 2001	1085/814
William N. Heiss, et al, Trustees	January 23, 2002	1130/51
Bud & Mary Lou Floccini Family Partnership	January 23, 2002	1130/55
Christopher R. F. Eckels, Trustee	January 23, 2002	1130/57
Louis A. Oswald, III	January 23, 2002	1130/60
Wytex Oil Company	January 23, 2002	1130/64
Lynne M. Baalman, et vir.	January 23, 2002	1130/68
Citadel Oil & Gas Corp.	January 23, 2002	1131/266
Richard L. Vandenburg	January 23, 2002	1131/270

<u>Lessor</u>	<u>Date</u>	<u>Book/Page</u>
Ronald C. Agel	January 29, 2002	1131/274
M. W. Oil Investment Co.	January 23, 2002	1135/473
Harle, Inc.	[unleased mineral interest]	
Robert J. Bullock, Sr.,	April 11, 2002	1142/243
Branka Palmore	April 11, 2002	1142/236
Jonathan S. Roderick & Carol Roderick	January 23, 2002	1146/96
Larry Hunnicutt, Custodian	October 30, 2001	1115/603
Mary Frances Antweil	January 28, 2002	1137/234
Crista L. Leavell	February 25, 2002	1134/343
Mark Caldwell, et ux.	January 28, 2002	1128/457
George M. O'Brien, et ux.	January 28, 2002	1128/455
R. M. Williams, et ux.	January 28, 2002	1128/453
O. D. Whitley	April 13, 2001	1084/298
Jeannine Byron	April 13, 2001	1084/301
Jimmy J. Hooper, et ux.	April 13, 2001	1084/304
Jerry L. Hooper, et ux.	March 22, 2001	1084/293
Toles-Com-Ltd	April 24, 2001	1084/296
S. P. Johnson, III, et al., Trustees	May 21, 2001	1092/78
PJC Limited Partnership	May 21, 2001	1092/87
Rodney Carter	April 17, 2001	1085/799
Powhatan Carter, III	April 17, 2001	1085/805