

## DESIGNATION OF POOLED UNIT

The undersigned, who are the lessees under those certain oil and gas leases described in Exhibit "A" attached hereto, pursuant to the powers granted in said leases, hereby designate and declare the W/2 Section 24, 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 located thereunder.

This instrument may be executed in several counterparts that may be combined for the purpose of recording.

EXECUTED this \_\_ day of July, 2001.

AMERISTATE OIL & GAS, INC.

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

FUEL PRODUCTS, INC.

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

LOUIS MAZZULLO, INC.

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

TMBR/SHARP DRILLING, INC.

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