

August 10, 2000 and August 14, 2000, respectively, by Lessors and Ameristate¹ to create a primary term expiration date of June 6, 2001. *Certified copies of the amendments are attached hereto as Exhibit "C".*

B. THE POOLED UNIT

4. On November 17, 2000, TMBR/Sharp as operator under the Operating Agreement, filed an application for permit to drill (Form C-101) with the Oil Conservation Division of the State of New Mexico ("OCD") in its District I Office in Hobbs, Lea County, New Mexico. *A certified copy of Form C-101 is attached as Exhibit "E." The certification of Forms C-101 and C-102 is filed in this pleading under Exhibit "E".*

5. On the same date TMBR/Sharp filed a Well location and acreage dedication plat (Form C-102) describing the pooled unit dedicated to the proposed well, the Blue Fin "24" No. 1 Well (the "Well") with the OCD in its District I Office in Hobbs, Lea County, New Mexico and outlined thereon the 320 pooled acres in Township 16 South, Range 35 East, NMPM, Section 24: W/2, Lea County, New Mexico. *A certified copy of Form C-102 is attached as Exhibit "F." The certification of Forms C-101 and C-102 is filed in this pleading under Exhibit "E".*

6. The pooled 320 acres dedicated to the unit included 40 acres out of the Leases, including the NW/4 SW/4 of Section 24.

7. The OCD approved TMBR/Sharp's permit to drill on November 22, 2000. *See Affidavit of Jeffrey D. Phillips attached as Exhibit "D".*

¹ TMBR/Sharp is a successor in interest to Ameristate by assignment of the First Lease and Second Lease effective in September of 1999. *See Affidavit of Jeffrey D. Phillips attached hereto as Exhibit "D".*

