UNIT DESIGNATION

CORONADO ENERGY E&P COMPANY, L.L.C.
McGILL BROS. NO. 606 UNIT
(160.00 ACRES)

STATE OF TEXAS §
§
COUNTY OF BROOKS §

WHEREAS, Exxon Mobil Corporation ("ExxonMobil") is the present owner of certain leasehold estates created and existing under and pursuant to the oil and gas leases (hereinafter referred to as the "Leases") described on Exhibit "A" attached hereto and made a part hereof; and

WHEREAS, Coronado Energy E&P Company, L.L.C., formerly known as Peoples Energy Production - Texas, L.P. ("Coronado") is the contractual owner of certain leasehold estates created and existing under and pursuant to the Leases;

WHEREAS, it is the judgment of ExxonMobil and Coronado that, in order to properly develop and operate the Leases and lands covered thereby for the production of oil and gas and to promote conservation, it is necessary and advisable to pool and combine the Leases insofar as the Leases cover any lands within the area (the "Unit Area" herein) shown outlined in Exhibit "B" and more particularly described in Exhibit "C" (both exhibits being attached hereto and made a part hereof) as to that certain interval from the surface of the earth down to and including 11,245 feet below the surface , together with all royalties and other interest in the lands within the Unit Area for which ExxonMobil and Coronado now hold pooling authority pursuant to any instruments or agreements other than the Leases (including any other oil and gas leases with such pooling authority which were erroneously omitted from Exhibit "A").

NOW, THEREFORE, in consideration of the premises, ExxonMobil and Coronado do hereby pool, consolidate, combine and unitize all of the Leases and lands lying within the Unit Area (including all of the leasehold, mineral and royalty interest and all other leases and interests in lands to the extent that they are within the Unit Area for which ExxonMobil and Coronado have pooling authority) as to that certain interval from the surface of the earth down to and including 11,245 feet below the surface and comprised of 160.00 acres as shown on Exhibit "B" and described in Exhibit "C" into a single pooled unit for the production of oil and gas and do hereby commit such lands, formations and interests lying within said Unit Area to said pooled unit for the drilling for, development and production of gas and/or oil and associated liquid hydrocarbons produced in conjunction therewith. The pooled unit designated herein shall be known as the **"Coronado Energy E&P Company, L.L.C.- McGill Bros. No. 606 Unit."**

Coronado or its successors and assigns, hereby reserve the right to amend the McGill Bros. No. 606 Unit from time to time, to correct any area herein or to include within the unit lands hereinabove described any uncommitted interest or unleased tract or tracts of land or undivided interests therein located within the boundaries thereof, by appropriate instrument filed in the public records of Brooks County, Texas.

Notwithstanding any terms or provisions of this instrument to the contrary, no cross-assignment or cross-conveyance of any interest in the Leases or in any of the lands shown on Exhibit "B" is intended by, and none shall be effected by, this Unit Designation.

This instrument may be executed in counterparts, no one of which needs to be executed by all parties, and shall be binding upon any party who has executed such counterpart with the same forced and effect as if all parties had signed the same document whether or not the other party shall also execute the same or a separate counterpart. In the interest of facilitating the filing and recording of this instrument thus executed in counterparts, each executing party hereby authorizes the removal of signature and acknowledgment pages and the reassembly of same into a single document composed of one copy of the substantive portions of this instrument attached to multiple separately executed signature and acknowledgment pages.

IN WITNESS WHEREOF, this instrument is dated effective as of the date of first production.

CORONADO ENERGY E&P COMPANY, L.L.C., FORMERLY KNOWN AS PEOPLES ENERGY PRODUCTION - TEXAS, L.P.

By: _____
Kirk B. Williams
Agent and Attorney-in-Fact

EXXON MOBIL CORRPORATION

By: _____

Name: Robert E. Weitzel

Title: Agent and Attorney-in-Fact

ACKNOWLEDGMENTS

STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on the 12th day of November, 2007, by Kirk B. Williams, as Agent and Attorney-in-Fact for CORONADO ENERGY E&P COMPANY, L.L.C., (FORMERLY KNOWN AS PEOPLES ENERGY PRODUCTION – TEXAS, L.P.), a Delaware limited liability company, on behalf of said company.

Given under my hand and seal of office this 12th day of November, 2007.

My Commission Expires:

7-23-08

Wendy C. Campos
Notary Public, State of Texas

WENDY C. CAMPOS
Notary Public, State of Texas
My Commission Expires
July 23, 2008

STATE OF TEXAS §
§
COUNTY OF Harris §

Before me, the undersigned, a Notary Public, on this day personally appeared Robert E. Weitzel, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said EXXON MOBIL CORPORATION and that he/she executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

Given under my hand and seal of office this 12 day of November, 2007.

My Commission Expires:

Donya Williams
Notary Public, State of Texas

Donya Williams
Notary Public
State of Texas
Comm. Exp. 01-24-2009

EXHIBIT "A"

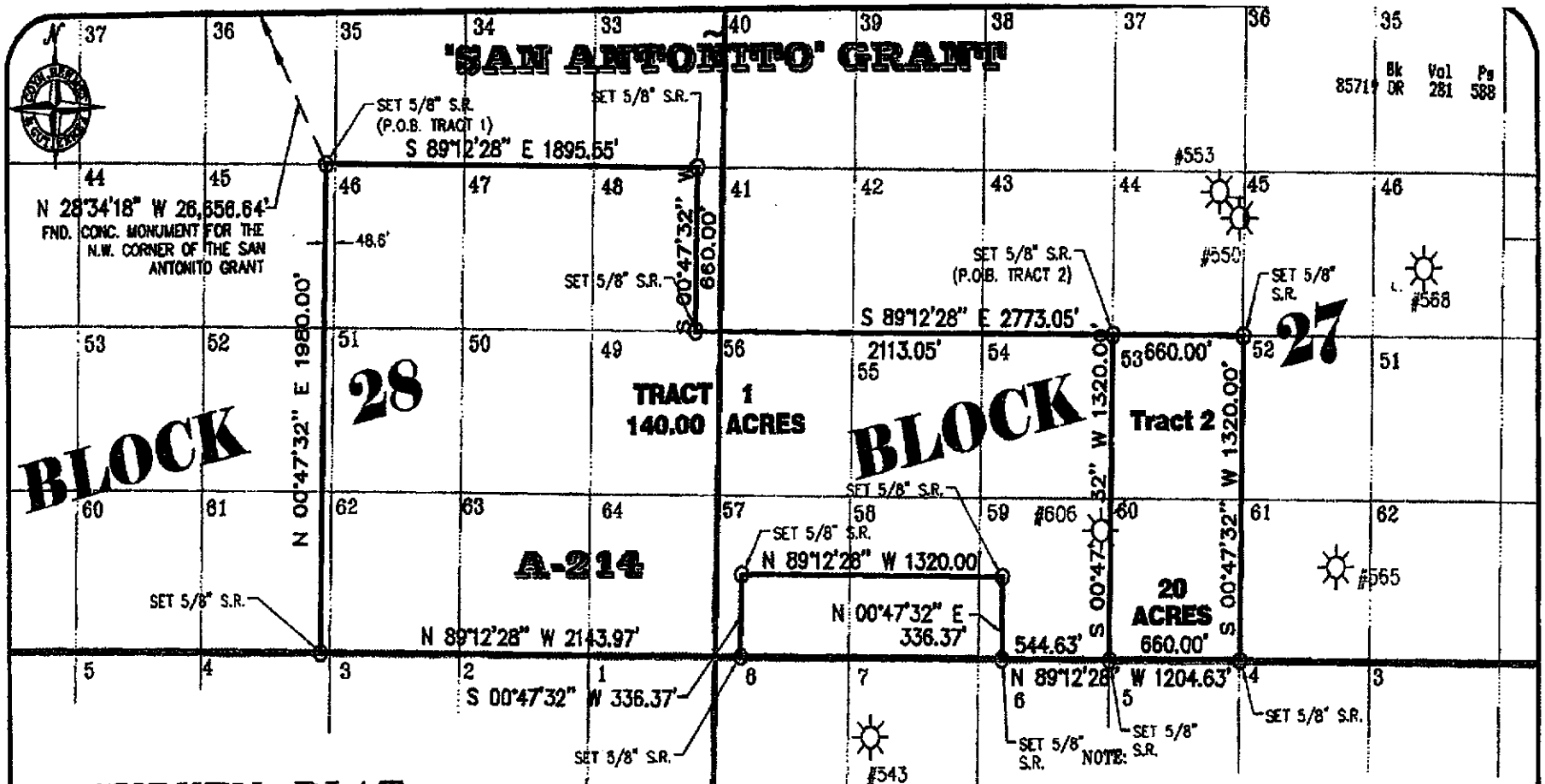
Attached to and made a part of that certain Unit Designation for the McGill Bros. No. 606 Unit

OIL AND GAS LEASES:

Oil, Gas and Mineral Lease dated February 27, 1935, between J. C. McGill Jr., et al, as Lessor, and Humble Oil & Refining Company, as Lessee, recorded in Volume 6, Page 291, of the Official Records of Brooks County, Texas, in Volume 8, Page 19, of the Official Records of Hidalgo County, Texas, Volume 83, Page 240, of the Official Records of Starr County, Texas and in Volume 53, Page 468, of the Official Records of Jim Hogg County, Texas.

Oil, Gas and Mineral Lease dated November 14, 1957, between Ruth M. Root Leech, et vir, as Lessor, and Justus L. Gray, as Lessee, recorded in Volume 49, Page 12, of the Official Records of Brooks County, Texas.

INSOFAR AND ONLY INSOFAR as the Leases cover lands within the 160 acre unit as depicted on Exhibit "B" and described in Exhibit "C", both of which are attached hereto and made a part hereof, and further limited to those depths from the surface of the earth down to and including 11,245' below the surface.



SURVEY PLAT

SCALE 1"=600'

SHOWING A 140.00 ACRE TRACT OUT OF A CALLED 38,644.1 ACRE TRACT DESCRIBED IN A DEED TO J.C. McGILL Jr. ET AL DATED APRIL 12th, 1935 AND RECORDED IN VOLUME 399, PAGES 495-501, DEED RECORDS OF HIDALGO COUNTY TEXAS, AND A 20.00 ACRE TRACT AS DESCRIBED IN A DEED TO JUSTUS L. GRAY DATED NOVEMBER 15th, 1957 AND RECORDED IN VOLUME 54, PAGE 122, DEED RECORDS OF BROOKS COUNTY, TEXAS, ALSO BEING OUT OF BLOCKS 27 & 28, SUBDIVISION NO. 1 OF THE FAMOUS BUTLER RANCH, A MAP OF WHICH IS RECORDED IN VOLUME 2, PAGE 372, DEED RECORDS OF BROOKS COUNTY, TEXAS AND THE SAN ANTONITO GRANT ABSTRACT – 214 BROOKS COUNTY, TEXAS.

PROJECT: 11391
SURVEY DATE: 8-8-07

1. Parenthesis indicate called bearing & distance.
2. Accompanying field notes prepared.
3. No. easement research has been performed by Coym, Rehmet & Gutierrez.
4. Basis of bearing of this survey is the Grid North as observed by G.P.S.
5. This survey was prepared for Peoples Energy Production Co. for their sole use.

The survey shown hereon was made upon the ground under my supervision. Visible encroachments, easements, descrepancies, protrusions, if any, are shown hereon. This property does not abut a public R.O.W.

STATE OF TEXAS REGISTERED PATRICK W. COYM 2351 PROFESSIONAL LAND SURVEYOR

Aug 21, 2007
Date

PATRICK W. COYM RPLS # 2351

Coym, Rehmet & Gutierrez L.P.
Consulting Engineers & Surveyors Alice, Texas
1220 N. Texas Blvd., Suite 4 664-5821 Fax 664-0559 E-mail crgengalice@sbcglobal.net

STATE OF TEXAS **For: Peoples Energy Production Co.**

COUNTY OF BROOKS **20.00 Acres (Tract 2)**

FIELD NOTES to describe a 20.00 acre tract, herein designated Tract 2, as described in a deed to Justus L. Gray dated November 15th, 1957 and recorded in Volume 54, Page 122, Deed Records of Brooks County, Texas and also being out of Block 27, Subdivision No. 1 of the Famous Butler Ranch, a map of which is recorded in Volume 2, Page 372, Deed Records of Brooks County, Texas, and the "SAN ANTONITO" GRANT Abstract 214, Brooks County, Texas, said 20.00 acres being more particularly described by metes and bounds as follows:

BEGINNING at a 5\8" steel rod (set) for the common corner of Lots 43, 44, 53 & 54 of said Block 27, the lower N.E. corner of a 140.00 acre tract herein designated Tract 1 and the N.W. corner of this tract;

THENCE, S-89°-12'-28"-E, a distance of 660.00' to a 5\8" steel rod (set) for the common corner of Lots 44, 45, 52 & 53 of said Block 27 and the N.E. corner of this tract;

THENCE, S-00°-47'-32"-W, a distance of 1320.00' to a 5\8" steel rod (set) for the common corner of Lots 60 & 61 of said Block 27 and Lots 4 & 5 of Block 34 and the S.E. corner of this tract;

THENCE, N-89°-12'-28"-W, a distance of 660.00' to a 5\8" steel rod (set) for the common corner of Lots 59 & 60 of said Block 27 and Lots 5 & 6 of said Block 34, the S.E. corner of said Tract 1 and the S.W. corner of this tract;

THENCE, N-00°-47'-32"-E, a distance of 1320.00' to the POINT OF BEGINNING and containing 20.00 acres more or less.

These field notes represent a survey made upon the ground under my direction and are true and correct to the best of my knowledge. Accompanying plat prepared.

Date: Aug 21. 2007 Signed: Patrick W. Coym

Registered Professional Land Surveyor
COYM, REHMET & GUTIERREZ ENGINEERING, INC.
ALICE, TEXAS

STATE OF TEXAS REGISTERED PATRICK W. COYM 2351 PROFESSIONAL LAND SURVEYOR

11391-002.wpd

STATE OF TEXAS **For: Peoples Energy Production Co.**

COUNTY OF BROOKS **140.00 Acres (Tract 1)**

FIELD NOTES to describe a 140.00 acre tract, herein designated Tract 1, out of a called 38644.1 acre tract described in a deed to J.C. McGill et al dated April 12th, 1935 and recorded in Volume 399, Pages 495-501, Deed Records of Hidalgo County, Texas and also being out of Blocks 27 & 28, Subdivision No. 1 of the Famous Butler Ranch, a map of which is recorded in Volume 2, Page 372, Deed Records of Brooks County, Texas, and the "SAN ANTONITO" GRANT Abstract 214 Brooks County, Texas, said 140.00 acres being more particularly described by metes and bounds as follows:

BEGINNING at a 5\8" steel rod (set) in the common line of Lots 36 & 45 of said Block 28 for the N.W. corner of this tract from whence a concrete monument (found) for the N.W. corner of said San Antonito Grant bears N-28°-34'-18"-W, 26,656.64';

THENCE, S-89°-12'-28"-E, at 48.60' pass the common corner of Lots 35, 36, 45 and 46 of said Block 28, in all a distance of 1895.55' to a 5\8" steel rod (set) for the upper N.E. corner of this tract;

THENCE, S-00°-47'-32"-W, a distance of 660.00' to a 5\8" steel rod (set) in the common line of Lots 48 & 49 of said Block 28 for an interior corner of this tract;

THENCE, S-89°-12'-28"-E, at 133.05' pass the common corner of Lots 48 & 49 of said Block 27 & Lots 41 & 56 of said Block 28, in all a distance of 2113.05' to a 5\8" steel rod (set) for the common corner of Lots 43, 44, 53 & 54 of said Block 27, the N.W. corner of a 20.00 acre tract herein designated Tract 2 and the lower N.E. corner of this tract;

THENCE, S-00°-47'-32"-W, a distance of 1320.00' to a 5\8" steel rod (set) for the common corner of Lots 59 & 60 of said Block 27 and Lots 5 & 6 of Block 34, the S.W. corner of said Tract 2 and the S.E. corner of this tract;

THENCE, N-89°-12'-28"-W, along the common line of said Blocks 27 & 34, a distance of 544.63' to a 5\8" steel rod (set) for an exterior corner of this tract;

THENCE, N-00°-47'-32"-E, a distance of 336.37' to a 5\8" steel rod (set) for an interior corner of this tract;

THENCE, N-89°-12'-28"-W, a distance of 1320.00' to a 5\8" steel rod (set) for an interior corner of this tract;

THENCE, S-00°-47'-32"-W, a distance of 336.37' to a 5\8" steel rod (set) in the common line of said Blocks 27 & 34 for an exterior corner of this tract;

THENCE, N-89°-12'-28"-W, at 115.37' pass the common corner of Blocks 27, 28, 33 & 34, in all a distance of 2143.97' to a 5\8" steel rod (set) for the S.W. corner of this tract;

THENCE, N-00°-47'-32"-E, a distance of 1980.00' to the POINT OF BEGINNING and containing 140.00 acres more or less.

These field notes represent a survey made upon the ground under my direction and are true and correct to the best of my knowledge. Accompanying plat prepared.

Date: Aug 21, 2007 Signed: Patrick W. Coym

Registered Professional Land Surveyor
COYM, REHMET & GUTIERREZ ENGINEERING, INC.
ALICE, TEXAS

STATE OF TEXAS REGISTERED PATRICK W. COYM 2351 PROFESSIONAL LAND SURVEYOR

11391-001.wpd

	Bk	Vol	Pg
85719	OR	281	591

	Bk	Vol	Pg
85719	OR	281	591

Filed for Record in:
Brooks County

On: Nov 14,2007 at 08:59A
As a
Recording
Document Number: 85719
Amount: 44.00
Receipt Number - 3581
By,
Diana Cantu

STATE OF TEXAS COUNTY OF BROOKS

I hereby certify that this instrument was filed on the date and time stamped hereon by me and was duly recorded in the volume and page of the named records of:
Brooks County
as stamped hereon by me.
Nov 14,2007

Pepe Garza, County Clerk
Brooks County