



10543 Fisher Rd. Houston, Texas 77041

Mr. Joe Garcia



**Peoples Energy Production  
/ Resource Production**

30-045-33630

Surface 695/S 1665/E

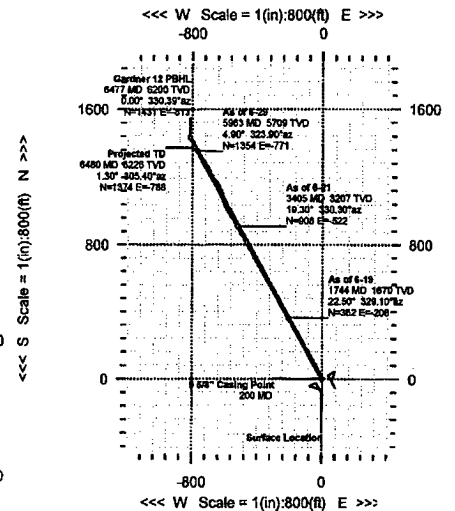
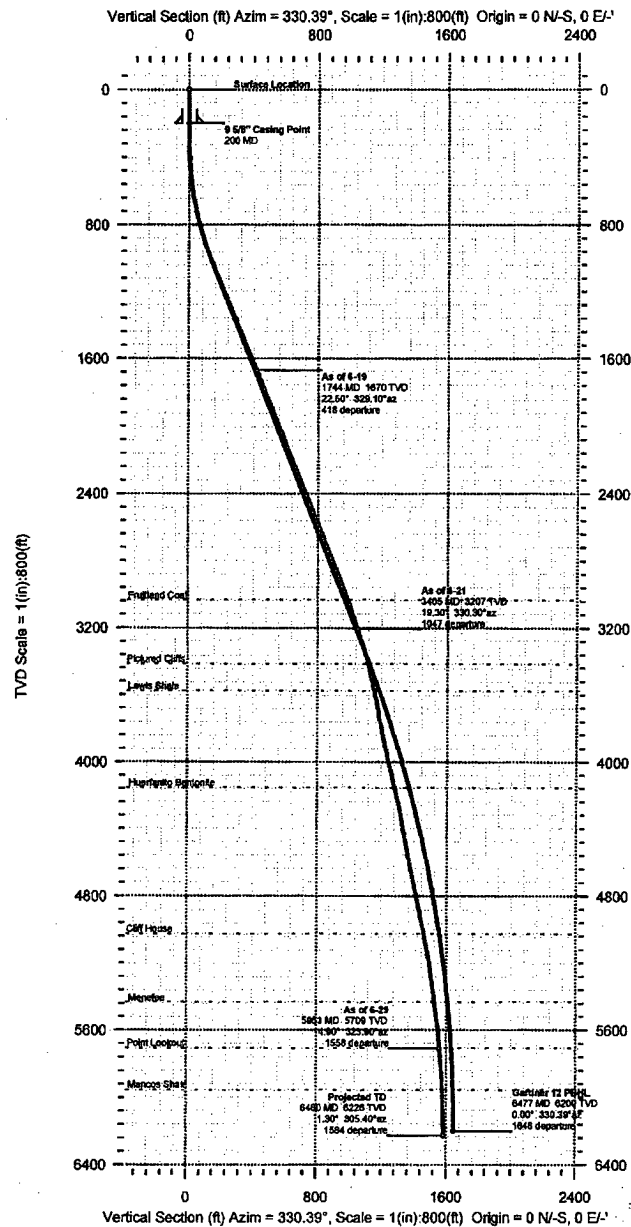
BHL 2069/S 2453/E

Well Name / Location:

Gardner # 12

San Juan County, New Mexico

Sharewell Energy Services, LP  
713-983-9818

[illegible]

Grid North  
Tet Corr (M→O +10.4617°)  
Mag Dec (+10.514°)  
Grid Conv (+0.03228078°)





## Survey Report



|                               |                                                      |                                     |                              |
|-------------------------------|------------------------------------------------------|-------------------------------------|------------------------------|
| Report Date:                  | July 6, 2006                                         | Survey / DLS Computation Method:    | Minimum Curvature / Lubinski |
| Client:                       | Peoples Energy Production                            | Vertical Section Azimuth:           | 330.390°                     |
| Field:                        | San Juan County, New Mexico NAD 83                   | Vertical Section Origin:            | N 0.000 ft, E 0.000 ft       |
| Structure / Slot:             | Gardner 12 / Gardner 12                              | TVD Reference Datum:                |                              |
| Well:                         | Gardner 12                                           | TVD Reference Elevation:            | 0.0 ft relative to           |
| Borehole:                     | Gardner 12                                           | See Bed / Ground Level Elevation:   | 0.000 ft relative to         |
| UWAPI#:                       |                                                      | Magnetic Declination:               | 10.514°                      |
| Survey Name / Date:           | Surveys / June 19, 2006                              | Total Field Strength:               | 51419.300 nT                 |
| Tort / AHD / DDI / ERD ratio: | 84.957° / 1587.50 ft / 5.147 / 0.255                 | Magnetic Dip:                       | 63.768°                      |
| Grid Coordinate System:       | NAD83 New Mexico State Planes, Western Zone, US Feet | Declination Date:                   | June 19, 2006                |
| Location Lat/Long:            | N 36 57 0.500, W 107 44 46.800                       | Magnetic Declination Model:         | IGRF 2005                    |
| Location Grid N/E Y/X:        | N 2165201.779 ftUS, E 2748504.829 ftUS               | North Reference:                    | Grid North                   |
| Grid Convergence Angle:       | +0.05228078°                                         | Total Corr Mag North -> Grid North: | +10.462°                     |
| Grid Scale Factor:            | 0.99991741                                           | Local Coordinates Referenced To:    | Well Head                    |

| Comments         | Measured Depth (ft) | Inclination (deg) | Azimuth (deg) | TVD (ft) | Course Length (ft) | Vertical Section (ft) | NS (ft) | EW (ft) | DLS (deg/100 ft) | Northing (ftUS) | Easting (ftUS) |
|------------------|---------------------|-------------------|---------------|----------|--------------------|-----------------------|---------|---------|------------------|-----------------|----------------|
| Surface Location | 0.00                | 0.00              | 330.39        | 0.00     | 0.00               | 0.00                  | 0.00    | 0.00    | 0.00             | 2165201.78      | 2748504.83     |
|                  | 264.00              | 0.80              | 353.20        | 263.99   | 264.00             | 1.70                  | 1.83    | -0.22   | 0.30             | 2165203.61      | 2748504.81     |
|                  | 322.00              | 2.00              | 335.10        | 321.97   | 58.00              | 3.08                  | 3.15    | -0.69   | 2.18             | 2165204.93      | 2748504.14     |
|                  | 441.00              | 4.00              | 323.40        | 440.81   | 119.00             | 9.27                  | 8.37    | -4.04   | 1.75             | 2165210.14      | 2748500.79     |
|                  | 588.00              | 7.60              | 335.50        | 587.03   | 147.00             | 24.05                 | 21.33   | -11.13  | 2.57             | 2165223.11      | 2748493.70     |
|                  | 710.00              | 12.10             | 333.50        | 707.20   | 122.00             | 44.86                 | 40.13   | -20.19  | 3.70             | 2165241.90      | 2748484.64     |
|                  | 804.00              | 15.30             | 332.50        | 798.52   | 94.00              | 67.10                 | 59.95   | -30.31  | 3.41             | 2165261.72      | 2748474.52     |
|                  | 898.00              | 18.80             | 332.00        | 888.37   | 94.00              | 94.64                 | 84.33   | -43.15  | 3.73             | 2165286.10      | 2748461.68     |
|                  | 992.00              | 20.70             | 328.70        | 976.84   | 94.00              | 126.39                | 111.80  | -58.90  | 2.34             | 2165313.67      | 2748445.94     |
|                  | 1086.00             | 23.30             | 329.20        | 1063.99  | 94.00              | 161.59                | 142.07  | -77.05  | 2.77             | 2165343.84      | 2748427.78     |
|                  | 1180.00             | 23.20             | 328.40        | 1150.36  | 94.00              | 198.68                | 173.81  | -98.27  | 0.35             | 2165375.58      | 2748408.56     |
|                  | 1274.00             | 22.80             | 327.50        | 1236.88  | 94.00              | 235.38                | 204.84  | -115.76 | 0.57             | 2165408.70      | 2748389.08     |
|                  | 1368.00             | 22.90             | 329.30        | 1323.61  | 94.00              | 271.85                | 236.03  | -134.88 | 0.75             | 2165437.79      | 2748369.98     |
|                  | 1462.00             | 22.40             | 329.80        | 1410.26  | 94.00              | 308.05                | 267.24  | -153.23 | 0.57             | 2165468.99      | 2748351.81     |
|                  | 1556.00             | 23.10             | 329.90        | 1496.95  | 94.00              | 344.40                | 298.67  | -171.49 | 0.75             | 2165500.42      | 2748333.36     |
| As of 6-19       | 1650.00             | 23.10             | 329.90        | 1583.41  | 94.00              | 381.27                | 330.57  | -189.98 | 0.00             | 2165532.33      | 2748314.86     |
|                  | 1744.00             | 22.50             | 329.10        | 1670.06  | 94.00              | 417.70                | 361.96  | -208.47 | 0.72             | 2165563.71      | 2748298.38     |
|                  | 1837.00             | 23.10             | 330.10        | 1755.80  | 93.00              | 453.73                | 393.05  | -226.70 | 0.77             | 2165594.79      | 2748278.15     |
|                  | 1931.00             | 23.80             | 330.80        | 1842.03  | 94.00              | 491.14                | 425.59  | -245.15 | 0.80             | 2165627.33      | 2748259.70     |
|                  | 2026.00             | 22.70             | 330.50        | 1929.32  | 95.00              | 528.64                | 458.28  | -263.52 | 1.16             | 2165660.02      | 2748241.33     |
|                  | 2120.00             | 22.90             | 330.70        | 2015.97  | 94.00              | 565.06                | 490.01  | -281.41 | 0.23             | 2165691.75      | 2748223.45     |
|                  | 2214.00             | 21.80             | 329.80        | 2102.91  | 94.00              | 600.80                | 521.05  | -299.14 | 1.23             | 2165722.78      | 2748205.72     |
|                  | 2308.00             | 23.20             | 329.10        | 2189.75  | 94.00              | 636.77                | 552.02  | -317.43 | 1.52             | 2165753.75      | 2748187.43     |
|                  | 2402.00             | 23.40             | 329.80        | 2276.09  | 94.00              | 673.95                | 584.04  | -336.32 | 0.38             | 2165785.77      | 2748168.53     |
|                  | 2497.00             | 22.30             | 328.70        | 2363.63  | 95.00              | 710.83                | 615.75  | -355.18 | 1.24             | 2165817.47      | 2748149.68     |
|                  | 2590.00             | 22.60             | 330.60        | 2449.58  | 93.00              | 746.33                | 646.39  | -373.12 | 0.84             | 2165848.12      | 2748131.74     |
|                  | 2684.00             | 22.70             | 329.40        | 2536.33  | 94.00              | 782.53                | 677.74  | -391.22 | 0.50             | 2165879.46      | 2748113.65     |
|                  | 2809.00             | 22.90             | 331.30        | 2651.57  | 125.00             | 830.96                | 719.83  | -415.17 | 0.61             | 2165921.55      | 2748086.69     |
|                  | 2904.00             | 22.80             | 331.20        | 2739.11  | 95.00              | 867.85                | 752.18  | -432.92 | 0.11             | 2165953.89      | 2748071.95     |
|                  | 3029.00             | 22.40             | 330.40        | 2854.51  | 125.00             | 915.89                | 784.11  | -456.35 | 0.40             | 2165995.82      | 2748048.52     |
| As of 6-21       | 3123.00             | 21.10             | 329.30        | 2941.82  | 94.00              | 950.71                | 824.23  | -473.84 | 1.45             | 2166025.94      | 2748031.03     |
|                  | 3217.00             | 20.00             | 330.10        | 3029.84  | 94.00              | 983.71                | 852.72  | -490.49 | 1.21             | 2166054.42      | 2748014.38     |
|                  | 3310.00             | 20.00             | 331.50        | 3117.23  | 93.00              | 1015.61               | 880.48  | -506.00 | 0.51             | 2166082.19      | 2747998.87     |
|                  | 3405.00             | 19.30             | 330.30        | 3206.70  | 95.00              | 1047.45               | 908.40  | -521.53 | 0.85             | 2166110.10      | 2747983.34     |
|                  | 3499.00             | 17.20             | 329.80        | 3295.96  | 94.00              | 1076.89               | 933.90  | -536.22 | 2.24             | 2166135.80      | 2747968.65     |
|                  | 3593.00             | 15.20             | 327.90        | 3386.23  | 94.00              | 1103.10               | 956.36  | -549.77 | 2.20             | 2166158.06      | 2747955.11     |
|                  | 3687.00             | 14.30             | 327.50        | 3477.13  | 94.00              | 1127.01               | 976.59  | -562.55 | 0.96             | 2166178.28      | 2747942.33     |
|                  | 3781.00             | 13.00             | 325.80        | 3568.47  | 94.00              | 1149.14               | 995.12  | -574.73 | 1.45             | 2166198.82      | 2747930.15     |
|                  | 3901.00             | 9.80              | 326.50        | 3668.09  | 120.00             | 1172.79               | 1014.81 | -587.96 | 2.67             | 2166218.50      | 2747916.92     |
|                  | 4027.00             | 12.50             | 338.80        | 3809.72  | 126.00             | 1196.99               | 1036.47 | -598.81 | 2.84             | 2166238.16      | 2747906.07     |

| Comments     | Measured<br>Depth<br>(ft) | Inclination<br>(deg) | Azimuth<br>(deg) | TVD<br>(ft) | Course<br>Length<br>(ft) | Vertical<br>Section<br>(ft) | NS<br>(ft) | EW<br>(ft) | DLS<br>(deg/100 ft) | Northing<br>(ft) | Easting<br>(ft) |
|--------------|---------------------------|----------------------|------------------|-------------|--------------------------|-----------------------------|------------|------------|---------------------|------------------|-----------------|
|              | 4154.00                   | 12.80                | 344.30           | 3933.84     | 127.00                   | 1224.24                     | 1082.83    | -807.59    | 0.98                | 2166264.62       | 2747897.29      |
|              | 4281.00                   | 14.50                | 343.50           | 4057.05     | 127.00                   | 1253.38                     | 1091.62    | -815.91    | 1.35                | 2166293.31       | 2747888.97      |
|              | 4439.00                   | 13.90                | 333.70           | 4210.24     | 158.00                   | 1291.80                     | 1127.60    | -829.94    | 1.57                | 2166329.29       | 2747874.94      |
|              | 4534.00                   | 11.00                | 333.90           | 4303.00     | 95.00                    | 1312.04                     | 1145.98    | -838.99    | 3.05                | 2166347.66       | 2747865.90      |
|              | 4661.00                   | 10.20                | 322.90           | 4427.84     | 127.00                   | 1335.29                     | 1165.83    | -851.10    | 1.71                | 2166367.51       | 2747853.78      |
|              | 4788.00                   | 10.90                | 325.10           | 4552.70     | 127.00                   | 1358.39                     | 1184.85    | -864.75    | 0.84                | 2166388.32       | 2747840.13      |
|              | 4915.00                   | 13.30                | 331.10           | 4676.87     | 127.00                   | 1384.06                     | 1207.29    | -678.69    | 2.13                | 2166408.96       | 2747826.20      |
|              | 5042.00                   | 11.80                | 329.90           | 4800.83     | 127.00                   | 1412.55                     | 1231.31    | -692.28    | 1.20                | 2166432.99       | 2747812.63      |
|              | 5170.00                   | 11.60                | 328.00           | 4928.17     | 128.00                   | 1438.50                     | 1253.55    | -705.64    | 0.34                | 2166455.22       | 2747799.25      |
|              | 5296.00                   | 11.90                | 328.00           | 5049.53     | 128.00                   | 1464.14                     | 1275.43    | -719.05    | 0.29                | 2166477.10       | 2747785.84      |
|              | 5392.00                   | 10.70                | 327.00           | 5143.67     | 96.00                    | 1482.94                     | 1291.39    | -729.00    | 1.31                | 2166493.05       | 2747775.89      |
|              | 5488.00                   | 9.20                 | 326.40           | 5238.22     | 96.00                    | 1499.49                     | 1305.25    | -738.10    | 1.57                | 2166508.92       | 2747766.79      |
|              | 5583.00                   | 7.80                 | 326.10           | 5332.18     | 95.00                    | 1513.49                     | 1316.93    | -745.90    | 1.47                | 2166518.60       | 2747758.99      |
|              | 5678.00                   | 6.40                 | 326.70           | 5426.45     | 95.00                    | 1525.21                     | 1326.71    | -752.40    | 1.48                | 2166528.37       | 2747752.49      |
|              | 5773.00                   | 8.20                 | 328.40           | 5520.67     | 95.00                    | 1537.26                     | 1336.90    | -758.86    | 1.91                | 2166538.57       | 2747746.03      |
| As of 8-29   | 5868.00                   | 6.10                 | 323.70           | 5614.93     | 95.00                    | 1549.05                     | 1346.74    | -765.40    | 2.29                | 2166548.41       | 2747739.50      |
|              | 5963.00                   | 4.90                 | 323.90           | 5709.49     | 95.00                    | 1558.09                     | 1354.09    | -770.78    | 1.26                | 2166555.75       | 2747734.12      |
|              | 6059.00                   | 4.50                 | 318.50           | 5805.17     | 96.00                    | 1565.85                     | 1360.22    | -775.69    | 0.62                | 2166561.89       | 2747729.21      |
|              | 6154.00                   | 3.60                 | 319.80           | 5899.93     | 95.00                    | 1572.43                     | 1365.29    | -780.08    | 0.95                | 2166566.95       | 2747724.81      |
|              | 6249.00                   | 2.40                 | 316.30           | 5994.80     | 95.00                    | 1577.29                     | 1369.01    | -783.38    | 1.28                | 2166570.67       | 2747721.51      |
|              | 6344.00                   | 1.80                 | 316.20           | 6089.73     | 95.00                    | 1580.87                     | 1371.52    | -785.79    | 0.63                | 2166573.19       | 2747719.11      |
| Projected TD | 6440.00                   | 1.30                 | 305.40           | 6185.70     | 96.00                    | 1583.12                     | 1373.24    | -787.72    | 0.60                | 2166574.90       | 2747717.18      |
|              | 6480.00                   | 1.30                 | 305.40           | 6225.09     | 40.00                    | 1583.94                     | 1373.77    | -788.46    | 0.00                | 2166575.43       | 2747716.44      |