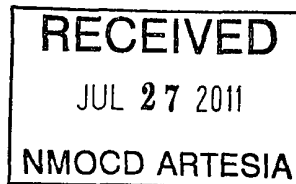


# MARBOB ENERGY

Corral Canyon  
Eddy County, NM  
JR's Horz Federal Com #6H  
32K0710552  
VH - Job #32K0710552

30-015-37904

Survey: Actual



## Standard Survey Report

18 August, 2010

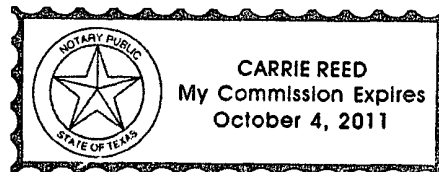
This survey is correct to the best of my knowledge and is supported by actual field data.

Robert

Notorized this date 20th of August, 2010.

Carrie Reed  
Notary Signature  
County of Midland  
State of Texas

AUG 24 2010



# Scientific Drilling International, Inc.

## Survey Report

|                  |                           |                                     |                                     |
|------------------|---------------------------|-------------------------------------|-------------------------------------|
| <b>Company:</b>  | MARBOB ENERGY             | <b>Local Co-ordinate Reference:</b> | Well JR's Horz Federal Com #6H      |
| <b>Project:</b>  | Corral Canyon             | <b>TVD Reference:</b>               | WELL @ 0.0usft.(Original Well Elev) |
| <b>Site:</b>     | Eddy County, NM           | <b>MD Reference:</b>                | WELL @ 0.0usft (Original Well Elev) |
| <b>Well:</b>     | JR's Horz Federal Com #6H | <b>North Reference:</b>             | Grid                                |
| <b>Wellbore:</b> | VH - Job #32K0710552      | <b>Survey Calculation Method:</b>   | Minimum Curvature                   |
| <b>Design:</b>   | VH - Job #32K0710552      | <b>Database:</b>                    | EDM-Regulatory                      |

|             |                                      |               |                |
|-------------|--------------------------------------|---------------|----------------|
| Project     | Corral Canyon                        |               |                |
| Map System: | US State Plane 1927 (Exact solution) | System Datum: | Mean Sea Level |
| Geo Datum:  | NAD 1927 (NADCON CONUS)              |               |                |
| Map Zone:   | New Mexico East 3001                 |               |                |

|                       |                 |              |                     |                   |                   |
|-----------------------|-----------------|--------------|---------------------|-------------------|-------------------|
| Site:                 | Eddy County, NM |              |                     |                   |                   |
| Site Position:        |                 | Northing:    | 240,535,839.26 usft | Latitude:         | 32° 3' 44.492 N   |
| From:                 | Lat/Long        | Easting:     | 67,024,736.89 usft  | Longitude:        | 103° 58' 24.247 E |
| Position Uncertainty: | 0 0 usft        | Slot Radius: | 13-3/16 "           | Grid Convergence: | 0 00 °            |

|                      |                           |          |                     |                   |               |                  |
|----------------------|---------------------------|----------|---------------------|-------------------|---------------|------------------|
| Well                 | JR's Horz Federal Com #6H |          |                     |                   |               |                  |
| Well Position        | +N/-S                     | 0 0 usft | Northing:           | 1,361,626.93 usft | Latitude:     | 33° 12' 21.820 N |
|                      | +E/-W                     | 0 0 usft | Easting:            | 6,435,214.05 usft | Longitude:    | 85° 4' 21.126 W  |
| Position Uncertainty |                           | 0 0 usft | Wellhead Elevation: | usft              | Ground Level: | 0 0 usft         |

|           |            |                      |                    |                  |                        |
|-----------|------------|----------------------|--------------------|------------------|------------------------|
| Wellbore  |            | VH - Job #32K0710552 |                    |                  |                        |
| Magnetics | Model Name | Sample Date          | Declination<br>(°) | Dip Angle<br>(°) | Field Strength<br>(nT) |
|           | IGRF200510 | 8/18/2010            | -3 89              | 62 60            | 49,802                 |

|                              |                  |        |        |                   |
|------------------------------|------------------|--------|--------|-------------------|
| Design: VH - Job #32K0710552 |                  |        |        |                   |
| Audit Notes:                 |                  |        |        |                   |
| Version:                     | 1 0              | Phase: | ACTUAL | Tie On Depth: 0 0 |
| Vertical Section:            | Depth From (TVD) | +N/-S  | +E/-W  | Direction         |
|                              | (usft)           | (usft) | (usft) | (°)               |
|                              | 0.0              | 0 0    | 0 0    | 246.63            |

|                          |                                       |                    |
|--------------------------|---------------------------------------|--------------------|
| <b>Survey Program</b>    | <b>Date</b>                           | 8/18/2010          |
| <b>From</b>              | <b>To</b>                             |                    |
| (usft)                   | (usft)                                |                    |
| 100.0                    | 8,000.0 Actual (VH - Job #32K0710552) |                    |
| <b>Survey (Wellbore)</b> | <b>Tool Name</b>                      | <b>Description</b> |
|                          | Keeper                                | Keeper Gyro        |

| Measured Depth (usft) | Inclination (°) | Azimuth (°) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Vertical Section (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) |
|-----------------------|-----------------|-------------|-----------------------|--------------|--------------|-------------------------|-------------------------|------------------------|-----------------------|
| 0.0                   | 0.00            | 0.00        | 0.0                   | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                   | 0.00                  |
| 100.0                 | 0.16            | 48.23       | 100.0                 | 0.1          | 0.1          | -0.1                    | 0.16                    | 0.16                   | 0.00                  |
| 200.0                 | 0.37            | 26.80       | 200.0                 | 0.5          | 0.4          | -0.5                    | 0.23                    | 0.21                   | -21.43                |
| 300.0                 | 0.65            | 349.96      | 300.0                 | 1.3          | 0.4          | -0.9                    | 0.42                    | 0.28                   | -36.84                |
| 400.0                 | 1.20            | 334.65      | 400.0                 | 2.8          | -0.1         | -1.0                    | 0.60                    | 0.55                   | -15.31                |
| 500.0                 | 1.72            | 334.94      | 499.9                 | 5.1          | -1.2         | -0.9                    | 0.52                    | 0.52                   | 0.29                  |
| 600.0                 | 1.76            | 327.75      | 599.9                 | 7.8          | -2.7         | -0.6                    | 0.22                    | 0.04                   | -7.19                 |
| 700.0                 | 1.47            | 301.87      | 699.9                 | 9.8          | -4.6         | 0.3                     | 0.78                    | -0.29                  | -25.88                |
| 800.0                 | 0.96            | 281.45      | 799.8                 | 10.6         | -6.5         | 1.8                     | 0.66                    | -0.51                  | -20.42                |
| 900.0                 | 0.94            | 259.05      | 899.8                 | 10.6         | -8.1         | 3.3                     | 0.37                    | -0.02                  | -22.40                |

# Scientific Drilling International, Inc.

## Survey Report

|                  |                           |                                     |                                     |
|------------------|---------------------------|-------------------------------------|-------------------------------------|
| <b>Company:</b>  | MARBOB ENERGY             | <b>Local Co-ordinate Reference:</b> | Well JR's Horz Federal Com #6H      |
| <b>Project:</b>  | Corral Canyon             | <b>TVD Reference:</b>               | WELL @ 0.0usft (Original Well Elev) |
| <b>Site:</b>     | Eddy County, NM           | <b>MD Reference:</b>                | WELL @ 0.0usft (Original Well Elev) |
| <b>Well:</b>     | JR's Horz Federal Com #6H | <b>North Reference:</b>             | Grid                                |
| <b>Wellbore:</b> | VH - Job #32K0710552      | <b>Survey Calculation Method:</b>   | Minimum Curvature                   |
| <b>Design:</b>   | VH - Job #32K0710552      | <b>Database:</b>                    | EDM-Regulatory                      |

| Survey                |                 |             |                       |              |              |                         |                         |                        |                       |  |
|-----------------------|-----------------|-------------|-----------------------|--------------|--------------|-------------------------|-------------------------|------------------------|-----------------------|--|
| Measured Depth (usft) | Inclination (°) | Azimuth (°) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Vertical Section (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) |  |
| 1,000.0               | 1.34            | 238.80      | 999.8                 | 9.9          | -9.9         | 5.2                     | 0.56                    | 0.40                   | -20.25                |  |
| 1,100.0               | 1.83            | 230.23      | 1,099.8               | 8.2          | -12.2        | 7.9                     | 0.54                    | 0.49                   | -8.57                 |  |
| 1,200.0               | 1.84            | 230.47      | 1,199.7               | 6.2          | -14.6        | 11.0                    | 0.01                    | 0.01                   | 0.24                  |  |
| 1,300.0               | 0.39            | 261.64      | 1,299.7               | 5.1          | -16.2        | 12.8                    | 1.52                    | -1.45                  | 31.17                 |  |
| 1,400.0               | 0.47            | 263.86      | 1,399.7               | 5.0          | -16.9        | 13.6                    | 0.08                    | 0.08                   | 2.22                  |  |
| 1,500.0               | 0.69            | 275.33      | 1,499.7               | 5.0          | -18.0        | 14.5                    | 0.25                    | 0.22                   | 11.47                 |  |
| 1,600.0               | 0.61            | 273.16      | 1,599.7               | 5.1          | -19.1        | 15.5                    | 0.08                    | -0.08                  | -2.17                 |  |
| 1,700.0               | 0.61            | 301.63      | 1,699.7               | 5.4          | -20.1        | 16.3                    | 0.30                    | 0.00                   | 28.47                 |  |
| 1,800.0               | 0.65            | 298.58      | 1,799.7               | 6.0          | -21.0        | 16.9                    | 0.05                    | 0.04                   | -3.05                 |  |
| 1,900.0               | 0.66            | 299.32      | 1,899.7               | 6.5          | -22.0        | 17.6                    | 0.01                    | 0.01                   | 0.74                  |  |
| 2,000.0               | 0.88            | 297.91      | 1,999.7               | 7.2          | -23.2        | 18.5                    | 0.22                    | 0.22                   | -1.41                 |  |
| 2,100.0               | 1.34            | 307.93      | 2,099.6               | 8.3          | -24.8        | 19.5                    | 0.50                    | 0.46                   | 10.02                 |  |
| 2,200.0               | 1.44            | 312.76      | 2,199.6               | 9.8          | -26.7        | 20.6                    | 0.15                    | 0.10                   | 4.83                  |  |
| 2,300.0               | 1.02            | 332.01      | 2,299.6               | 11.5         | -28.0        | 21.1                    | 0.58                    | -0.42                  | 19.25                 |  |
| 2,400.0               | 0.99            | 65.12       | 2,399.6               | 12.6         | -27.6        | 20.4                    | 1.46                    | -0.03                  | 93.11                 |  |
| 2,500.0               | 1.21            | 74.78       | 2,499.6               | 13.3         | -25.8        | 18.4                    | 0.29                    | 0.22                   | 9.66                  |  |
| 2,600.0               | 1.96            | 88.56       | 2,599.5               | 13.6         | -23.1        | 15.8                    | 0.84                    | 0.75                   | 13.78                 |  |
| 2,700.0               | 4.31            | 100.36      | 2,699.4               | 12.9         | -17.7        | 11.1                    | 2.42                    | 2.35                   | 11.80                 |  |
| 2,800.0               | 4.14            | 103.52      | 2,799.1               | 11.4         | -10.5        | 5.1                     | 0.29                    | -0.17                  | 3.16                  |  |
| 2,900.0               | 2.31            | 111.33      | 2,898.9               | 9.8          | -5.1         | 0.8                     | 1.88                    | -1.83                  | 7.81                  |  |
| 3,000.0               | 1.53            | 116.46      | 2,998.9               | 8.5          | -2.0         | -1.5                    | 0.80                    | -0.78                  | 5.13                  |  |
| 3,100.0               | 1.34            | 115.88      | 3,098.8               | 7.4          | 0.2          | -3.1                    | 0.19                    | -0.19                  | -0.58                 |  |
| 3,200.0               | 1.11            | 109.92      | 3,198.8               | 6.6          | 2.2          | -4.6                    | 0.26                    | -0.23                  | -5.96                 |  |
| 3,300.0               | 0.82            | 97.51       | 3,298.8               | 6.1          | 3.8          | -5.9                    | 0.36                    | -0.29                  | -12.41                |  |
| 3,400.0               | 0.49            | 77.00       | 3,398.8               | 6.1          | 4.9          | -7.0                    | 0.40                    | -0.33                  | -20.51                |  |
| 3,500.0               | 0.43            | 50.28       | 3,498.8               | 6.5          | 5.6          | -7.7                    | 0.22                    | -0.06                  | -26.72                |  |
| 3,600.0               | 0.39            | 14.02       | 3,598.8               | 7.1          | 6.0          | -8.3                    | 0.26                    | -0.04                  | -36.26                |  |
| 3,700.0               | 0.45            | 13.77       | 3,698.8               | 7.8          | 6.2          | -8.8                    | 0.06                    | 0.06                   | -0.25                 |  |
| 3,800.0               | 0.45            | 352.56      | 3,798.8               | 8.5          | 6.2          | -9.1                    | 0.17                    | 0.00                   | -21.21                |  |
| 3,900.0               | 0.45            | 356.15      | 3,898.8               | 9.3          | 6.2          | -9.3                    | 0.03                    | 0.00                   | 3.59                  |  |
| 4,000.0               | 0.64            | 343.16      | 3,998.8               | 10.2         | 6.0          | -9.5                    | 0.23                    | 0.19                   | -12.99                |  |
| 4,100.0               | 0.62            | 344.12      | 4,098.8               | 11.3         | 5.7          | -9.7                    | 0.02                    | -0.02                  | 0.96                  |  |
| 4,200.0               | 0.76            | 345.08      | 4,198.8               | 12.5         | 5.3          | -9.8                    | 0.14                    | 0.14                   | 0.96                  |  |
| 4,300.0               | 0.65            | 6.20        | 4,298.8               | 13.7         | 5.2          | -10.2                   | 0.28                    | -0.11                  | 21.12                 |  |
| 4,400.0               | 0.84            | 338.11      | 4,398.7               | 14.9         | 5.0          | -10.5                   | 0.41                    | 0.19                   | -28.09                |  |
| 4,500.0               | 0.86            | 340.10      | 4,498.7               | 16.3         | 4.5          | -10.6                   | 0.04                    | 0.02                   | 1.99                  |  |
| 4,600.0               | 0.80            | 315.20      | 4,598.7               | 17.5         | 3.7          | -10.4                   | 0.36                    | -0.06                  | -24.90                |  |
| 4,700.0               | 0.85            | 310.46      | 4,698.7               | 18.5         | 2.7          | -9.8                    | 0.08                    | 0.05                   | -4.74                 |  |
| 4,800.0               | 1.26            | 301.13      | 4,798.7               | 19.5         | 1.2          | -8.8                    | 0.44                    | 0.41                   | -9.33                 |  |
| 4,900.0               | 0.74            | 318.74      | 4,898.7               | 20.6         | -0.2         | -8.0                    | 0.60                    | -0.52                  | 17.61                 |  |
| 5,000.0               | 0.52            | 326.40      | 4,998.7               | 21.4         | -0.9         | -7.7                    | 0.24                    | -0.22                  | 7.66                  |  |
| 5,100.0               | 0.26            | 293.32      | 5,098.7               | 21.9         | -1.3         | -7.5                    | 0.33                    | -0.26                  | -33.08                |  |
| 5,200.0               | 0.62            | 215.65      | 5,198.7               | 21.6         | -1.9         | -6.9                    | 0.62                    | 0.36                   | -77.67                |  |
| 5,300.0               | 0.76            | 204.92      | 5,298.7               | 20.5         | -2.4         | -5.9                    | 0.19                    | 0.14                   | -10.73                |  |

# Scientific Drilling International, Inc.

## Survey Report

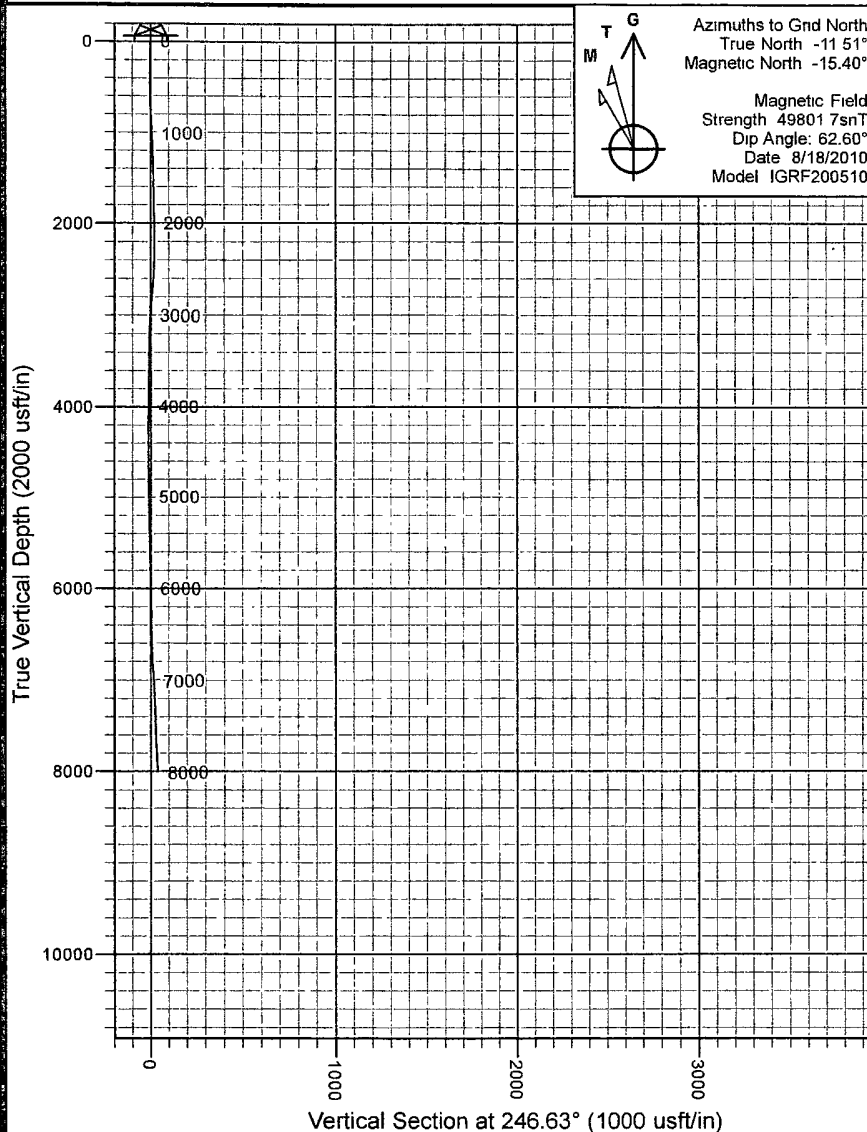
|           |                           |                              |                                     |
|-----------|---------------------------|------------------------------|-------------------------------------|
| Company:  | MARBOB ENERGY             | Local/Co-ordinate Reference: | Well JR's Horz Federal Com #6H      |
| Project:  | Corral Canyon             | TVD Reference:               | WELL @ 0 0usft (Original Well Elev) |
| Site:     | Eddy County NM            | MD Reference:                | WELL @ 0 0usft (Original Well Elev) |
| Well:     | JR's Horz Federal Com #6H | North Reference:             | Grid                                |
| Wellbore: | VH - Job #32K0710552      | Survey Calculation Method:   | Minimum Curvature                   |
| Design:   | VH - Job #32K0710552      | Database:                    | EDM-Regulatory                      |

| Measured Depth (usft) | Inclination (°) | Azimuth (°) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Vertical Section (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) |
|-----------------------|-----------------|-------------|-----------------------|--------------|--------------|-------------------------|-------------------------|------------------------|-----------------------|
| 5,400.0               | 0.94            | 217.31      | 5,398.7               | 19.3         | -3.2         | -4.7                    | 0.26                    | 0.18                   | 12.39                 |
| 5,500.0               | 1.08            | 211.56      | 5,498.6               | 17.8         | -4.2         | -3.2                    | 0.17                    | 0.14                   | -5.75                 |
| 5,600.0               | 1.14            | 204.53      | 5,598.6               | 16.1         | -5.1         | -1.7                    | 0.15                    | 0.06                   | -7.03                 |
| 5,700.0               | 1.16            | 198.99      | 5,698.6               | 14.2         | -5.9         | -0.3                    | 0.11                    | 0.02                   | -5.54                 |
| 5,800.0               | 1.10            | 184.99      | 5,798.6               | 12.3         | -6.3         | 0.9                     | 0.28                    | -0.06                  | -14.00                |
| 5,900.0               | 0.98            | 170.97      | 5,898.6               | 10.5         | -6.2         | 1.5                     | 0.28                    | -0.12                  | -14.02                |
| 6,000.0               | 0.98            | 172.78      | 5,998.6               | 8.8          | -6.0         | 2.0                     | 0.03                    | 0.00                   | 1.81                  |
| 6,100.0               | 0.99            | 174.58      | 6,098.5               | 7.1          | -5.8         | 2.5                     | 0.03                    | 0.01                   | 1.80                  |
| 6,200.0               | 1.01            | 175.97      | 6,198.5               | 5.4          | -5.6         | 3.1                     | 0.03                    | 0.02                   | 1.39                  |
| 6,300.0               | 1.07            | 176.91      | 6,298.5               | 3.6          | -5.5         | 3.7                     | 0.06                    | 0.06                   | 0.94                  |
| 6,400.0               | 1.13            | 188.41      | 6,398.5               | 1.7          | -5.6         | 4.5                     | 0.23                    | 0.06                   | 11.50                 |
| 6,500.0               | 1.27            | 189.54      | 6,498.5               | -0.4         | -6.0         | 5.6                     | 0.14                    | 0.14                   | 1.13                  |
| 6,600.0               | 1.45            | 196.06      | 6,598.4               | -2.7         | -6.5         | 7.0                     | 0.24                    | 0.18                   | 6.52                  |
| 6,700.0               | 1.56            | 201.99      | 6,698.4               | -5.2         | -7.4         | 8.8                     | 0.19                    | 0.11                   | 5.93                  |
| 6,800.0               | 1.86            | 217.07      | 6,798.4               | -7.7         | -8.8         | 11.2                    | 0.54                    | 0.30                   | 15.08                 |
| 6,900.0               | 2.29            | 217.69      | 6,898.3               | -10.6        | -11.0        | 14.3                    | 0.43                    | 0.43                   | 0.62                  |
| 7,000.0               | 2.78            | 205.48      | 6,998.2               | -14.4        | -13.3        | 17.9                    | 0.73                    | 0.49                   | -12.21                |
| 7,100.0               | 1.91            | 207.29      | 7,098.1               | -18.1        | -15.1        | 21.0                    | 0.87                    | -0.87                  | 1.81                  |
| 7,200.0               | 1.18            | 268.30      | 7,198.1               | -19.6        | -16.9        | 23.3                    | 1.69                    | -0.73                  | 61.01                 |
| 7,300.0               | 1.33            | 291.72      | 7,298.1               | -19.2        | -19.0        | 25.1                    | 0.53                    | 0.15                   | 23.42                 |
| 7,400.0               | 1.63            | 297.38      | 7,398.0               | -18.1        | -21.4        | 26.8                    | 0.33                    | 0.30                   | 5.66                  |
| 7,500.0               | 1.59            | 297.85      | 7,498.0               | -16.8        | -23.8        | 28.5                    | 0.04                    | -0.04                  | 0.47                  |
| 7,600.0               | 1.67            | 294.78      | 7,597.9               | -15.5        | -26.4        | 30.4                    | 0.12                    | 0.08                   | -3.07                 |
| 7,700.0               | 2.02            | 284.05      | 7,697.9               | -14.5        | -29.4        | 32.8                    | 0.49                    | 0.35                   | -10.73                |
| 7,800.0               | 1.46            | 270.18      | 7,797.8               | -14.1        | -32.4        | 35.3                    | 0.70                    | -0.56                  | -13.87                |
| 7,900.0               | 1.08            | 237.97      | 7,897.8               | -14.6        | -34.5        | 37.4                    | 0.79                    | -0.38                  | -32.21                |
| 8,000.0               | 1.68            | 239.98      | 7,997.8               | -15.8        | -36.6        | 39.8                    | 0.60                    | 0.60                   | 2.01                  |



**Scientific Drilling**  
Directional Drilling Operations

Project: Corral Canyon  
Eddy County, NM  
Well: JR's Horz Federal Com #6H  
Wellbore: VH - Job #32K0710552  
Design: VH - Job #32K0710552  
Site

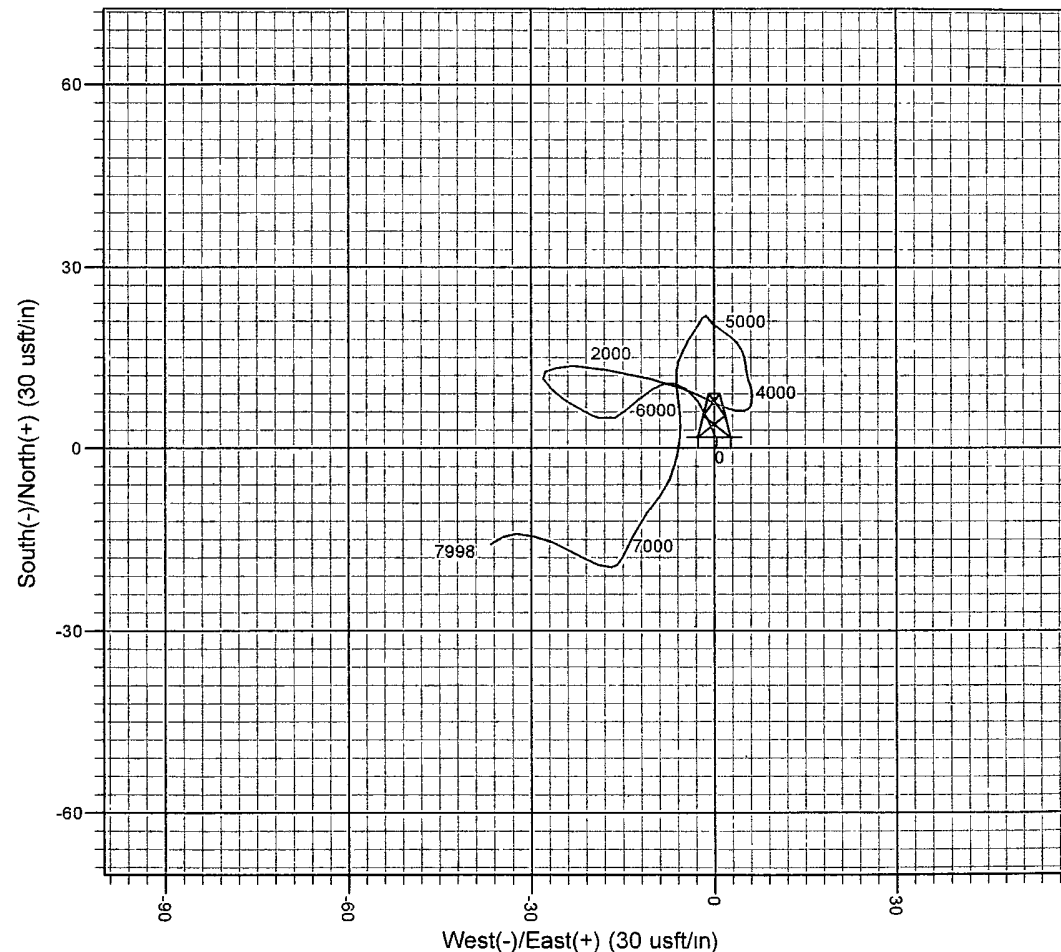


WELL DETAILS: JR's Horz Federal Com #6H

WELL @ 0.0usft (Original Well Elev)

Ground Level: 0.0

| +N/-S | +E/-W | Northing   | Easting    | Latitude         | Longitude       | Slot |
|-------|-------|------------|------------|------------------|-----------------|------|
| 0.0   | 0.0   | 1361626.93 | 6435214.04 | 33° 12' 21.820 N | 85° 4' 21.126 W |      |



PROJECT DETAILS: Corral Canyon  
Geodetic System: US State Plane 1927 (Exact solution)  
Datum: NAD 1927 (NADCON CONUS)  
Ellipsoid: Clarke 1866  
Zone: New Mexico East 3001  
System Datum: Mean Sea Level

SITE DETAILS: Eddy County, NM  
Site Centre Latitude: 32° 3' 44.492 N  
Longitude: 103° 58' 24.247 E  
Positional Uncertainty: 0.0  
Convergence: 0.00  
Local North: Grid