

HALLIBURTON

Gruy Petroleum Management Co.

DrillQuest

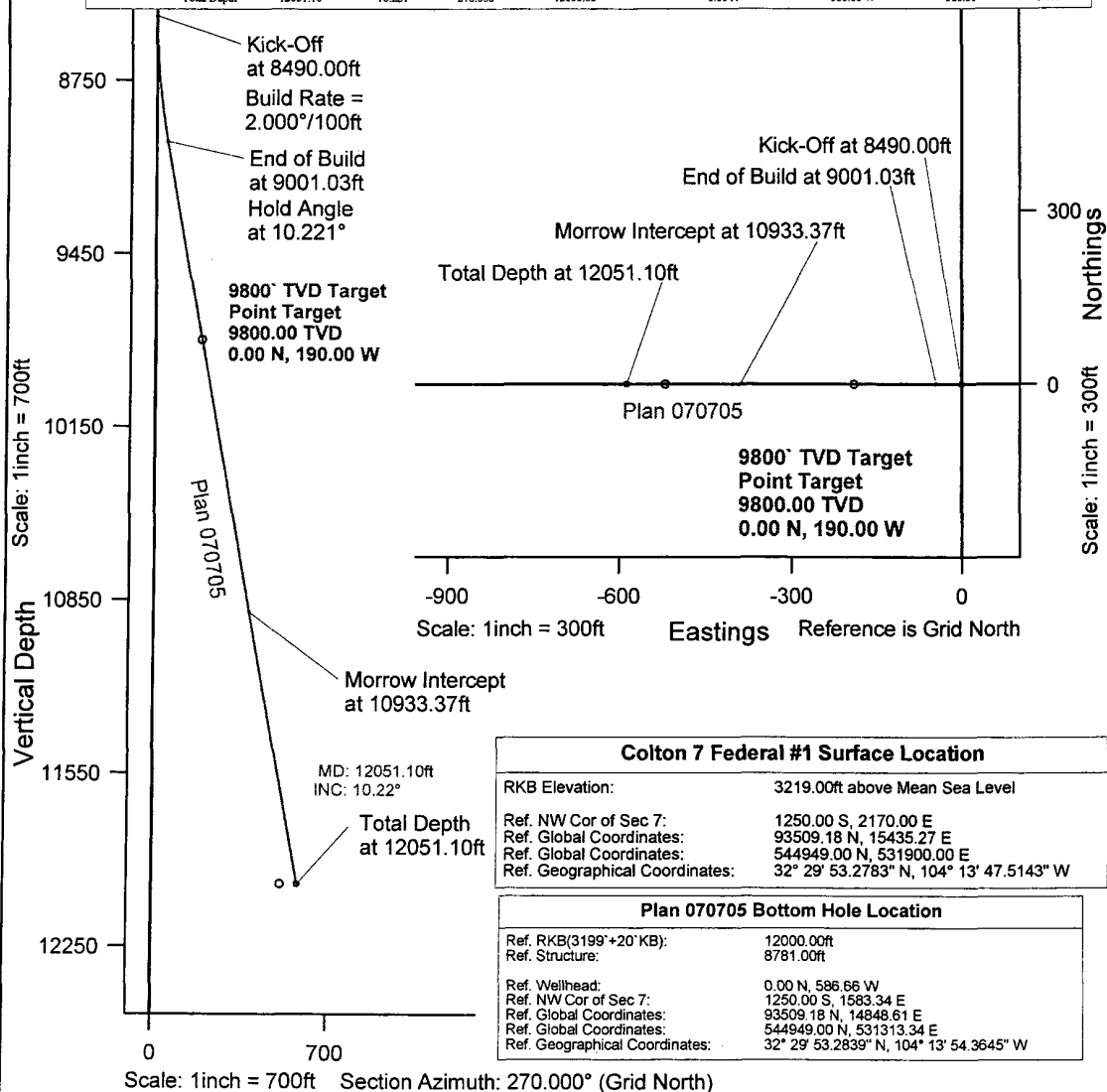
New Mexico
Eddy, Co.
Sec. 07-T21S-R27E
Colton 7 Federal #1
Plan 070705



Reference is Grid North

Plan 070705 Proposal Data

Coordinate System: NAD27 New Mexico State Planes, Eastern Zone							
	Measured Depth	Incl.	Azim.	Vertical Depth	Northings	Eastings	Vertical Section
	0.00	0.000	0.000	0.00	0.00 N	0.00 E	0.00
Kick-Off Point	8490.00	0.000	0.000	8490.00	0.00 N	0.00 E	0.00
Hold Angle	9001.03	10.221	270.000	8998.32	0.00 N	45.46 W	45.46
Continue Hold	9815.63	10.221	270.000	9800.00	0.00 N	190.00 W	190.00
Continue Hold	10933.37	10.221	270.000	10900.00	0.00 N	388.33 W	388.33
Total Depth	12051.10	10.221	270.000	12000.00	0.00 N	586.66 W	586.66



Colton 7 Federal #1 Surface Location

RKB Elevation:	3219.00ft above Mean Sea Level
Ref. NW Cor of Sec 7:	1250.00 S, 2170.00 E
Ref. Global Coordinates:	93509.18 N, 15435.27 E
Ref. Global Coordinates:	544949.00 N, 531900.00 E
Ref. Geographical Coordinates:	32° 29' 53.2783" N, 104° 13' 47.5143" W

Plan 070705 Bottom Hole Location

Ref. RKB(3199'+20' KB):	12000.00ft
Ref. Structure:	8781.00ft
Ref. Wellhead:	0.00 N, 586.66 W
Ref. NW Cor of Sec 7:	1250.00 S, 1583.34 E
Ref. Global Coordinates:	93509.18 N, 14848.61 E
Ref. Global Coordinates:	544949.00 N, 531313.34 E
Ref. Geographical Coordinates:	32° 29' 53.2839" N, 104° 13' 54.3645" W



**Gruy Petroleum Management Co.
New Mexico
Eddy, Co.
Colton 7 Federal #1 - Plan 070705**

Halliburton Sperry-Sun Proposal Report

7 July, 2005

Surface Coordinates: 544949.00 N, 531900.00 E (32° 29' 53.2783" N, 104° 13' 47.5143" W)
Grid Coordinate System: NAD27 New Mexico State Planes, Eastern Zone

Surface Coordinates relative to Global Coordinates: 93509.18 N, 15435.27 E (Grid)
Kelly Bushing Elevation: 3219.00ft above Mean Sea Level

Proposal Ref: pro10791

Proposal Report for Colton 7 Federal #1 - Plan 070705

Measured Depth (ft)	Incl.	Grid Azim.	Sub-Sea Depth (ft)	Vertical Depth (ft)	Local Coordinates Northings (ft)	Eastings (ft)	Global Coordinates Northings (ft)	Eastings (ft)	Dogleg Rate (°/100ft)	Vertical Section	Comment
0.00	0.000	0.000	-3219.00	0.00	0.00 N	0.00 E	544949.00 N	531900.00 E		0.00	
8490.00	0.000	0.000	5271.00	8490.00	0.00 N	0.00 E	544949.00 N	531900.00 E	0.000	0.00	Kick-Off at 8490.00ft
8520.00	0.600	270.000	5301.00	8520.00	0.00 N	0.16 W	544949.00 N	531899.84 E	2.000	0.16	
8550.00	1.200	270.000	5331.00	8550.00	0.00 N	0.63 W	544949.00 N	531899.37 E	2.000	0.63	
8580.00	1.800	270.000	5360.99	8579.99	0.00 N	1.41 W	544949.00 N	531898.59 E	2.000	1.41	
8600.00	2.200	270.000	5380.97	8599.97	0.00 N	2.11 W	544949.00 N	531897.89 E	2.000	2.11	Build Rate = 2.000°/100ft
8610.00	2.400	270.000	5390.96	8609.96	0.00 N	2.51 W	544949.00 N	531897.49 E	2.000	2.51	
8640.00	3.000	270.000	5420.93	8639.93	0.00 N	3.93 W	544949.00 N	531896.07 E	2.000	3.93	
8670.00	3.600	270.000	5450.88	8669.88	0.00 N	5.65 W	544949.00 N	531894.35 E	2.000	5.65	
8700.00	4.200	270.000	5480.81	8699.81	0.00 N	7.69 W	544949.00 N	531892.31 E	2.000	7.69	
8730.00	4.800	270.000	5510.72	8729.72	0.00 N	10.05 W	544949.00 N	531889.95 E	2.000	10.05	
8760.00	5.400	270.000	5540.60	8759.60	0.00 N	12.71 W	544949.00 N	531887.29 E	2.000	12.71	
8790.00	6.000	270.000	5570.45	8789.45	0.00 N	15.69 W	544949.00 N	531884.31 E	2.000	15.69	
8820.00	6.600	270.000	5600.27	8819.27	0.00 N	18.99 W	544949.00 N	531881.01 E	2.000	18.99	
8850.00	7.200	270.000	5630.05	8849.05	0.00 N	22.59 W	544949.00 N	531877.41 E	2.000	22.59	
8880.00	7.800	270.000	5659.80	8878.80	0.00 N	26.51 W	544949.00 N	531873.49 E	2.000	26.51	
8910.00	8.400	270.000	5689.50	8908.50	0.00 N	30.73 W	544949.00 N	531869.27 E	2.000	30.73	
8940.00	9.000	270.000	5719.15	8938.15	0.00 N	35.27 W	544949.00 N	531864.73 E	2.000	35.27	
8970.00	9.600	270.000	5748.76	8967.76	0.00 N	40.12 W	544949.00 N	531859.88 E	2.000	40.12	
9000.00	10.200	270.000	5778.31	8997.31	0.00 N	45.28 W	544949.00 N	531854.72 E	2.000	45.28	
9001.03	10.221	270.000	5779.32	8998.32	0.00 N	45.46 W	544949.00 N	531854.54 E	2.000	45.46	End of Build at 9001.03ft
9200.00	10.221	270.000	5975.14	9194.14	0.00 N	80.76 W	544949.00 N	531819.24 E	0.000	80.76	Hold Angle at 10.221°
9500.00	10.221	270.000	6270.38	9489.38	0.00 N	133.99 W	544949.00 N	531766.01 E	0.000	133.99	
9815.63	10.221	270.000	6581.00	9800.00	0.00 N	190.00 W	544949.00 N	531710.00 E	0.000	190.00	9800' TVD Target, Current Target
10000.00	10.221	270.000	6762.44	9981.44	0.00 N	222.71 W	544949.00 N	531677.29 E	0.000	222.71	
10500.00	10.221	270.000	7254.51	10473.51	0.00 N	311.43 W	544949.00 N	531588.57 E	0.000	311.43	
10933.37	10.221	270.000	7681.00	10900.00	0.00 N	388.33 W	544949.00 N	531511.67 E	0.000	388.33	Morrow Intercept at 10933.37ft
11000.00	10.221	270.000	7746.57	10965.57	0.00 N	400.15 W	544949.00 N	531499.85 E	0.000	400.15	
11500.00	10.221	270.000	8238.64	11457.64	0.00 N	488.87 W	544949.00 N	531411.13 E	0.000	488.87	
12000.00	10.221	270.000	8730.71	11949.71	0.00 N	577.59 W	544949.00 N	531322.41 E	0.000	577.59	

Proposal Report for Colton 7 Federal #1 - Plan 070705

Measured Depth (ft)	Incl.	Grid Azim.	Sub-Sea Depth (ft)	Vertical Depth (ft)	Local Coordinates		Global Coordinates		Dogleg Rate (°/100ft)	Vertical Section	Comment
					Northings (ft)	Eastings (ft)	Northings (ft)	Eastings (ft)			
12051.10	10.221	270.000	8781.00	12000.00	0.00 N	586.66 W	544949.00 N	531313.34 E	0.000	586.66	Total Depth at 12051.10ft

All data is in Feet (US) unless otherwise stated. Directions and coordinates are relative to Grid North.
Vertical depths are relative to RKB(3199'+20' KB). Northings and Eastings are relative to Wellhead.
Global Northings and Eastings are relative to NAD27 New Mexico State Planes, Eastern Zone.

The Dogleg Severity is in Degrees per 100 feet.

Vertical Section is from Wellhead and calculated along an Azimuth of 270.000° (Grid).

Coordinate System is NAD27 New Mexico State Planes, Eastern Zone.

Grid Convergence at Surface is 0.056°.

Based upon Minimum Curvature type calculations, at a Measured Depth of 12051.10ft.,
The Bottom Hole Displacement is 586.66ft., in the Direction of 270.000° (Grid).

Comments

Measured Depth (ft)	Station Coordinates			Comment
	TVD (ft)	Northings (ft)	Eastings (ft)	
8490.00	8490.00	0.00 N	0.00 E	Kick-Off at 8490.00ft
8600.00	8599.97	0.00 N	2.11 W	Build Rate = 2.000°/100ft
9001.03	8998.32	0.00 N	45.46 W	End of Build at 9001.03ft
9200.00	9194.14	0.00 N	80.76 W	Hold Angle at 10.221°
10933.37	10900.00	0.00 N	388.33 W	Morrow Intercept at 10933.37ft
12051.10	12000.00	0.00 N	586.66 W	Total Depth at 12051.10ft

Proposal Report for Colton 7 Federal #1 - Plan 070705

Targets associated with this wellpath

Target Name	Target Entry Coordinates			Target Shape	Target Type
	TVD (ft)	Northings (ft)	Eastings (ft)		
9800' TVD Target	9800.00	0.00 N	190.00 W	Point	Current Target
	Mean Sea Level/Global Coordinates:	6581.00	544949.00 N		
	Geographical Coordinates:		32° 29' 53.2801" N 104° 13' 49.7329" W		