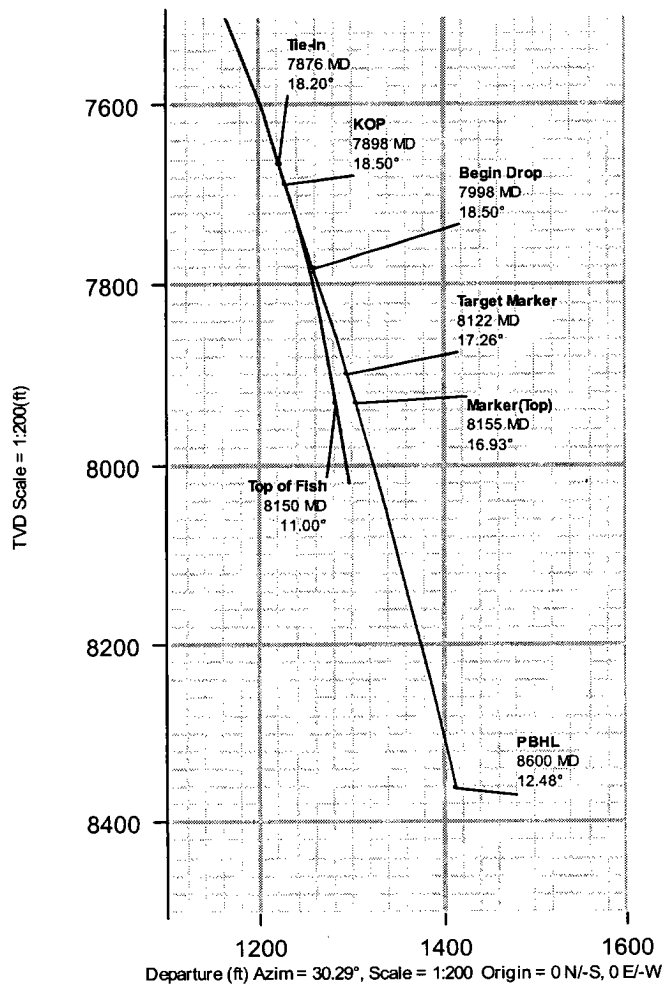
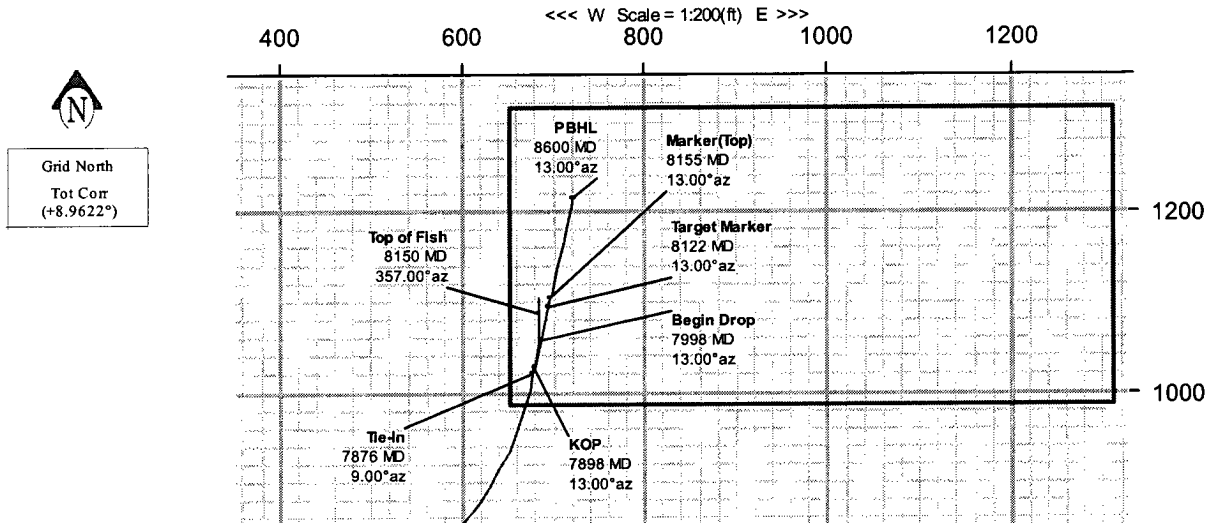


# Nearburg Producing Company

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                  |                         |                                                      |                        |                                            |                     |                  |  |                                                      |  |               |                  |              |                         |                     |                        |                         |                  |                |  |                      |                        |                          |  |  |  |  |                        |                              |  |  |  |  |  |                |  |  |  |  |  |                                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|-------------------------|------------------------------------------------------|------------------------|--------------------------------------------|---------------------|------------------|--|------------------------------------------------------|--|---------------|------------------|--------------|-------------------------|---------------------|------------------------|-------------------------|------------------|----------------|--|----------------------|------------------------|--------------------------|--|--|--|--|------------------------|------------------------------|--|--|--|--|--|----------------|--|--|--|--|--|--------------------------------------------|
| WELL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | US 13 Federal #1 | FIELD                   | Eddy County                                          | STRUCTURE              | US 13 Federal #1                           |                     |                  |  |                                                      |  |               |                  |              |                         |                     |                        |                         |                  |                |  |                      |                        |                          |  |  |  |  |                        |                              |  |  |  |  |  |                |  |  |  |  |  |                                            |
| <table> <tr> <td>Magnetic Parameters</td><td colspan="2">Surface Location</td><td colspan="2">NAD27 New Mexico State Planes, Eastern Zone, US Feet</td><td>Miscellaneous</td></tr> <tr> <td>Model: KGRF 2000</td><td>Old: 80.527°</td><td>Date: December 27, 2003</td><td>Lat: N 32 27 58.536</td><td>Nothing: 533340.44 RUS</td><td>Grid Conv: +0.01876231°</td></tr> <tr> <td>Mag Dec: +8.961°</td><td>FS: 49583.4 nT</td><td></td><td>Lon: W 104 17 54.240</td><td>Easting: 510773.99 RUS</td><td>Scale Fact: 0.9999982238</td></tr> <tr> <td></td><td></td><td></td><td></td><td>Plot: US 13 Federal #1</td><td>TVD Ref: RK8 (0.00 ft above)</td></tr> <tr> <td></td><td></td><td></td><td></td><td></td><td>Plot: US 13 #2</td></tr> <tr> <td></td><td></td><td></td><td></td><td></td><td>Story Date: Sat 03:36 PM December 27, 2003</td></tr> </table> |                  |                         |                                                      |                        |                                            | Magnetic Parameters | Surface Location |  | NAD27 New Mexico State Planes, Eastern Zone, US Feet |  | Miscellaneous | Model: KGRF 2000 | Old: 80.527° | Date: December 27, 2003 | Lat: N 32 27 58.536 | Nothing: 533340.44 RUS | Grid Conv: +0.01876231° | Mag Dec: +8.961° | FS: 49583.4 nT |  | Lon: W 104 17 54.240 | Easting: 510773.99 RUS | Scale Fact: 0.9999982238 |  |  |  |  | Plot: US 13 Federal #1 | TVD Ref: RK8 (0.00 ft above) |  |  |  |  |  | Plot: US 13 #2 |  |  |  |  |  | Story Date: Sat 03:36 PM December 27, 2003 |
| Magnetic Parameters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Surface Location |                         | NAD27 New Mexico State Planes, Eastern Zone, US Feet |                        | Miscellaneous                              |                     |                  |  |                                                      |  |               |                  |              |                         |                     |                        |                         |                  |                |  |                      |                        |                          |  |  |  |  |                        |                              |  |  |  |  |  |                |  |  |  |  |  |                                            |
| Model: KGRF 2000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Old: 80.527°     | Date: December 27, 2003 | Lat: N 32 27 58.536                                  | Nothing: 533340.44 RUS | Grid Conv: +0.01876231°                    |                     |                  |  |                                                      |  |               |                  |              |                         |                     |                        |                         |                  |                |  |                      |                        |                          |  |  |  |  |                        |                              |  |  |  |  |  |                |  |  |  |  |  |                                            |
| Mag Dec: +8.961°                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | FS: 49583.4 nT   |                         | Lon: W 104 17 54.240                                 | Easting: 510773.99 RUS | Scale Fact: 0.9999982238                   |                     |                  |  |                                                      |  |               |                  |              |                         |                     |                        |                         |                  |                |  |                      |                        |                          |  |  |  |  |                        |                              |  |  |  |  |  |                |  |  |  |  |  |                                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                  |                         |                                                      | Plot: US 13 Federal #1 | TVD Ref: RK8 (0.00 ft above)               |                     |                  |  |                                                      |  |               |                  |              |                         |                     |                        |                         |                  |                |  |                      |                        |                          |  |  |  |  |                        |                              |  |  |  |  |  |                |  |  |  |  |  |                                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                  |                         |                                                      |                        | Plot: US 13 #2                             |                     |                  |  |                                                      |  |               |                  |              |                         |                     |                        |                         |                  |                |  |                      |                        |                          |  |  |  |  |                        |                              |  |  |  |  |  |                |  |  |  |  |  |                                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                  |                         |                                                      |                        | Story Date: Sat 03:36 PM December 27, 2003 |                     |                  |  |                                                      |  |               |                  |              |                         |                     |                        |                         |                  |                |  |                      |                        |                          |  |  |  |  |                        |                              |  |  |  |  |  |                |  |  |  |  |  |                                            |



# Survey Report

|                                                                                     |                                                                      |
|-------------------------------------------------------------------------------------|----------------------------------------------------------------------|
| <b>Report Date:</b> January 22, 2004                                                | <b>Survey / DLS Computation Method:</b> Minimum Curvature / Lubinski |
| <b>Client:</b> Nearburg Producing Company                                           | <b>Vertical Section Azimuth:</b> 30.290°                             |
| <b>Field:</b> Eddy County                                                           | <b>Vertical Section Origin:</b> N 0.000 ft, E 0.000 ft               |
| <b>Structure / Slot:</b> US 13 Federal #1 / US 13 Federal #1                        | <b>TVD Reference Datum:</b> RKB                                      |
| <b>Well:</b> US 13 Federal #1                                                       | <b>TVD Reference Elevation:</b> 0.0 ft relative to                   |
| <b>Borehole:</b> US 13 Federal #1                                                   | <b>Sea Bed / Ground Level Elevation:</b> 0.000 ft relative to        |
| <b>UWI/API#:</b>                                                                    | <b>Magnetic Declination:</b> 8.977°                                  |
| <b>Survey Name / Date:</b> US13_sur_2nd / January 22, 2004                          | <b>Total Field Strength:</b> 49577.935 nT                            |
| <b>Tort / AHD / DDI / ERD ratio:</b> 16.268° / 280.12 ft / 3.670 / 0.034            | <b>Magnetic Dip:</b> 60.527°                                         |
| <b>Grid Coordinate System:</b> NAD27 New Mexico State Planes, Eastern Zone, US Feet | <b>Declination Date:</b> January 22, 2004                            |
| <b>Location Lat/Long:</b> N 32 27 58.536, W 104 17 54.240                           | <b>Magnetic Declination Model:</b> IGRF 2000                         |
| <b>Location Grid N/E Y/X:</b> N 533340.441 ftUS, E 510773.991 ftUS                  | <b>North Reference:</b> Grid North                                   |
| <b>Grid Convergence Angle:</b> +0.01875231°                                         | <b>Total Corr Mag North -&gt; Grid North:</b> +8.958°                |
| <b>Grid Scale Factor:</b> 0.99990922                                                | <b>Local Coordinates Referenced To:</b> Well Head                    |

| Comments  | Measured Depth (ft) | Inclination (deg) | Azimuth (deg) | TVD (ft) | Vertical Section (ft) | NS (ft) | EW (ft) | Closure (ft) | Closure Azimuth (deg) | DLS (deg/100 ft) | Tool Face (deg) |
|-----------|---------------------|-------------------|---------------|----------|-----------------------|---------|---------|--------------|-----------------------|------------------|-----------------|
| Tie-In    | 7377.00             | 18.70             | 37.00         | 7200.40  | 1047.77               | 859.80  | 605.40  | 1051.55      | 35.15                 | 0.00             | -5.28G          |
|           | 7420.00             | 19.80             | 36.70         | 7241.00  | 1061.86               | 871.14  | 613.90  | 1065.72      | 35.17                 | 2.57             | 19.25G          |
|           | 7452.00             | 20.40             | 37.30         | 7271.05  | 1072.78               | 879.93  | 620.52  | 1076.72      | 35.19                 | 1.98             | 145.75G         |
|           | 7484.00             | 20.00             | 38.10         | 7301.08  | 1083.74               | 888.67  | 627.28  | 1087.75      | 35.22                 | 1.52             | 126.67G         |
|           | 7516.00             | 19.80             | 38.90         | 7331.17  | 1094.52               | 897.19  | 634.06  | 1098.63      | 35.25                 | 1.06             | 180.00G         |
|           | 7547.00             | 19.70             | 38.90         | 7360.34  | 1104.87               | 905.35  | 640.63  | 1109.08      | 35.28                 | 0.32             | -18.72G         |
|           | 7579.00             | 19.80             | 38.80         | 7390.46  | 1115.57               | 913.77  | 647.42  | 1119.88      | 35.32                 | 0.33             | 180.00G         |
|           | 7611.00             | 19.60             | 38.80         | 7420.59  | 1126.23               | 922.17  | 654.18  | 1130.64      | 35.35                 | 0.62             | 113.45G         |
|           | 7642.00             | 19.50             | 39.50         | 7449.80  | 1136.48               | 930.22  | 660.73  | 1140.99      | 35.39                 | 0.82             | 45.25G          |
|           | 7674.00             | 19.60             | 39.80         | 7479.96  | 1147.05               | 938.46  | 667.56  | 1151.67      | 35.43                 | 0.44             | 0.00G           |
|           | 7706.00             | 19.80             | 39.80         | 7510.08  | 1157.69               | 946.75  | 674.46  | 1162.43      | 35.47                 | 0.62             | 18.89G          |
|           | 7738.00             | 20.00             | 40.00         | 7540.17  | 1168.43               | 955.11  | 681.45  | 1173.29      | 35.51                 | 0.66             | 0.00G           |
|           | 7769.00             | 20.10             | 40.00         | 7569.29  | 1178.90               | 963.25  | 688.28  | 1183.88      | 35.55                 | 0.32             | 158.47G         |
|           | 7801.00             | 18.80             | 41.60         | 7599.47  | 1189.38               | 971.32  | 695.24  | 1194.49      | 35.59                 | 4.39             | 143.43G         |
|           | 7833.00             | 17.60             | 44.60         | 7629.87  | 1199.12               | 978.62  | 702.06  | 1204.40      | 35.66                 | 4.76             | 173.29G         |
|           | 7865.00             | 16.40             | 45.10         | 7660.47  | 1208.18               | 985.25  | 708.66  | 1213.64      | 35.73                 | 3.78             | 159.72G         |
|           | 7897.00             | 15.20             | 46.80         | 7691.26  | 1216.57               | 991.31  | 714.92  | 1222.21      | 35.80                 | 4.02             | 132.13G         |
|           | 7928.00             | 14.60             | 49.50         | 7721.22  | 1224.16               | 996.63  | 720.85  | 1230.00      | 35.88                 | 2.96             | 147.40G         |
|           | 7960.00             | 14.00             | 51.10         | 7752.22  | 1231.58               | 1001.68 | 726.93  | 1237.66      | 35.97                 | 2.25             | 177.79G         |
|           | 7992.00             | 13.40             | 51.20         | 7783.31  | 1238.66               | 1006.44 | 732.83  | 1244.97      | 36.06                 | 1.88             | -90.00G         |
|           | 8023.00             | 13.40             | 50.90         | 7813.47  | 1245.38               | 1010.95 | 738.42  | 1251.91      | 36.15                 | 0.22             | 114.47G         |
|           | 8055.00             | 13.20             | 52.90         | 7844.61  | 1252.23               | 1015.50 | 744.21  | 1259.00      | 36.24                 | 1.57             | 21.75G          |
|           | 8087.00             | 13.80             | 53.90         | 7875.73  | 1259.10               | 1019.95 | 750.21  | 1266.14      | 36.34                 | 2.01             | 66.05G          |
|           | 8119.00             | 14.00             | 55.70         | 7906.79  | 1266.09               | 1024.38 | 756.49  | 1273.43      | 36.45                 | 1.49             | 90.00G          |
| Projected | 8350.00             | 14.00             | 68.30         | 8130.98  | 1313.35               | 1050.46 | 805.55  | 1323.77      | 37.48                 | 1.32             | 0.00G           |