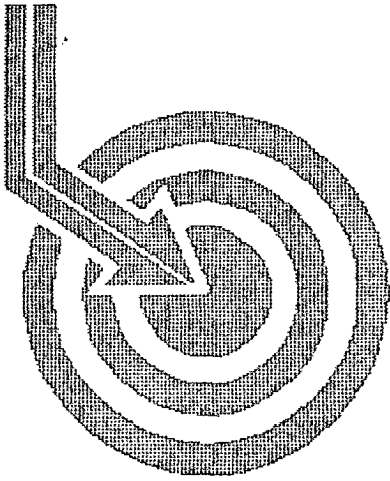
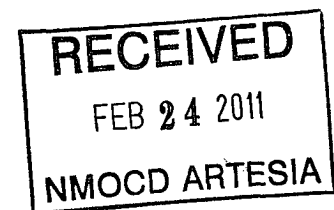




Scientific Drilling

YATES PETROLEUM

Field: North Dagger Draw
Site: Eddy County, NM
Well: Dee State SW 36 #2
Wellpath: VH - Job #32K0710511
Survey: 07/09/10

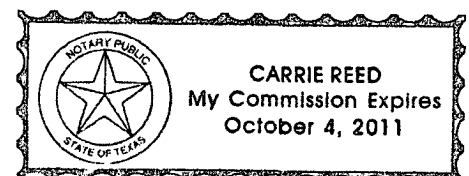


This survey is correct to the best of my knowledge and is supported by actual field data.

[Signature]
Company Representative

Notarized this date 4th **of** August, 2010.

Carrie Reed
Notary Signature
County of Midland
State of Texas





Scientific Drilling International, Inc.

Survey Report

Company: YATES PETROLEUM
Field: North Dagger Draw
Site: Eddy County, NM
Well: Dee State SW 36 #2
Wellpath: VH - Job #32K0710511

Date: 7/13/2010
Co-ordinate(NE) Reference: Site: Eddy County, NM, Grid North
Vertical (TVD) Reference: SITE 0.0
Section (VS) Reference: Well (0.00N,0.00E,220.87Azi)
Survey Calculation Method: Minimum Curvature **Db:** Sybase

Survey: 07/09/10
Start Date: 7/9/2010
Company: Scientific Drilling Internatio
Tool: Keeper, Keeper Gyro
Engineer: Madrid w/Schlumberger
Tied-to: From Surface

Survey

MD ft	Incl deg	Azim deg	TVD ft	VS ft	N/S ft	E/W ft	DLS deg/100ft	ClsD ft	ClsA deg
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.0	0.00
100.0	0.26	220.61	100.0	0.2	-0.2	-0.1	0.26	0.2	220.61
200.0	0.23	196.32	200.0	0.6	-0.5	-0.4	0.11	0.6	213.22
300.0	0.34	122.33	300.0	0.8	-0.9	-0.2	0.35	0.9	190.05
400.0	0.33	102.83	400.0	0.6	-1.1	0.4	0.11	1.2	161.39
500.0	0.44	91.72	500.0	0.2	-1.2	1.0	0.13	1.6	138.80
600.0	0.73	104.33	600.0	-0.3	-1.4	2.0	0.32	2.4	123.61
700.0	1.17	129.43	700.0	-0.6	-2.2	3.4	0.60	4.1	122.11
800.0	1.90	137.81	799.9	-0.4	-4.0	5.3	0.76	6.7	127.06
900.0	2.00	143.17	899.9	0.1	-6.7	7.5	0.21	10.0	131.59
1000.0	1.77	149.03	999.8	1.0	-9.4	9.3	0.30	13.2	135.11
1100.0	1.71	150.88	1099.8	2.0	-12.0	10.9	0.08	16.2	137.86
1200.0	1.55	152.61	1199.7	3.0	-14.5	12.2	0.17	19.0	139.92
1300.0	1.46	153.75	1299.7	4.0	-16.9	13.4	0.09	21.5	141.52
1400.0	1.28	163.20	1399.7	5.1	-19.1	14.3	0.29	23.8	143.16
1500.0	1.26	167.23	1499.7	6.3	-21.2	14.9	0.09	25.9	145.00
1600.0	1.31	162.55	1599.6	7.6	-23.4	15.4	0.12	28.0	146.55
1700.0	1.28	164.21	1699.6	8.8	-25.5	16.1	0.05	30.2	147.80
1800.0	1.35	162.28	1799.6	10.0	-27.7	16.7	0.08	32.4	148.87
1900.0	1.30	167.26	1899.5	11.3	-30.0	17.4	0.13	34.6	149.92
2000.0	1.23	170.60	1999.5	12.7	-32.1	17.8	0.10	36.7	151.04
2100.0	1.24	174.98	2099.5	14.1	-34.3	18.1	0.09	38.7	152.22
2200.0	1.30	179.16	2199.5	15.7	-36.5	18.2	0.11	40.8	153.53
2300.0	1.33	178.83	2299.5	17.4	-38.8	18.2	0.03	42.8	154.85
2400.0	1.35	177.02	2399.4	19.1	-41.1	18.3	0.05	45.0	156.02
2500.0	1.38	177.23	2499.4	20.8	-43.5	18.4	0.03	47.2	157.06
2600.0	1.36	178.42	2599.4	22.6	-45.9	18.5	0.03	49.5	158.04
2700.0	1.38	182.07	2699.3	24.4	-48.3	18.5	0.09	51.7	159.04
2800.0	1.42	180.23	2799.3	26.3	-50.7	18.4	0.06	54.0	160.02
2900.0	1.43	181.33	2899.3	28.2	-53.2	18.4	0.03	56.3	160.91
3000.0	1.40	180.92	2999.2	30.1	-55.7	18.4	0.03	58.6	161.75
3100.0	1.37	184.23	3099.2	32.0	-58.1	18.3	0.09	60.9	162.56
3200.0	1.40	184.56	3199.2	33.9	-60.5	18.1	0.03	63.1	163.37
3300.0	1.30	178.83	3299.2	35.8	-62.8	18.0	0.17	65.4	164.02
3400.0	1.33	170.73	3399.1	37.3	-65.1	18.2	0.19	67.6	164.38
3500.0	1.21	171.86	3499.1	38.8	-67.3	18.5	0.12	69.8	164.60
3600.0	1.00	180.22	3599.1	40.1	-69.2	18.7	0.26	71.7	164.90
3700.0	0.95	189.56	3699.1	41.5	-70.9	18.5	0.17	73.3	165.35
3800.0	0.76	220.12	3799.1	42.9	-72.2	18.0	0.49	74.4	166.03
3900.0	0.76	254.97	3899.1	44.1	-72.9	16.9	0.46	74.9	166.94
4000.0	1.32	285.97	3999.0	45.1	-72.8	15.2	0.77	74.3	168.23
4100.0	1.61	279.14	4099.0	46.3	-72.2	12.7	0.34	73.3	170.05
4200.0	2.10	271.80	4199.0	48.2	-72.0	9.4	0.54	72.6	172.52
4300.0	2.16	273.62	4298.9	50.5	-71.8	5.7	0.09	72.0	175.43
4400.0	1.81	272.81	4398.8	52.6	-71.6	2.3	0.35	71.6	178.18
4500.0	1.68	267.70	4498.8	54.6	-71.6	-0.8	0.20	71.6	180.61
4600.0	2.51	261.90	4598.7	57.3	-71.9	-4.4	0.86	72.1	183.50
4700.0	2.45	270.08	4698.6	60.3	-72.2	-8.7	0.36	72.8	186.87
4800.0	2.37	274.33	4798.5	62.9	-72.1	-12.9	0.20	73.2	190.15



Scientific Drilling International, Inc.

Survey Report

Company: YATES PETROLEUM
 Field: North Dagger Draw
 Site: Eddy County, NM
 Well: Dee State SW 36 #2
 Wellpath: VH - Job #32K0710511

Date: 7/13/2010 Time: 20:07:44 Page: 2
 Co-ordinate(NE) Reference: Site: Eddy County, NM, Grid North
 Vertical (TVD) Reference: SITE 0.0
 Section (VS) Reference: Well (0.00N,0.00E,220.87Azi)
 Survey Calculation Method: Minimum Curvature Db: Sybase

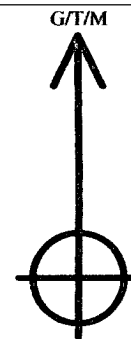
Survey

MD ft	Incl deg	Azim deg	TVD ft	VS ft	N/S ft	E/W ft	DLS deg/100ft	ClsD ft	ClsA deg
4900.0	2.17	282.21	4898.5	65.1	-71.5	-16.8	0.37	73.5	193.23
5000.0	1.94	279.10	4998.4	66.9	-70.9	-20.3	0.26	73.7	196.01
5100.0	1.76	276.16	5098.3	68.7	-70.4	-23.5	0.20	74.3	198.48
5200.0	1.59	277.83	5198.3	70.3	-70.1	-26.4	0.18	74.9	200.67
5300.0	1.44	279.13	5298.3	71.7	-69.7	-29.0	0.15	75.5	202.63
5400.0	1.12	276.26	5398.2	72.9	-69.4	-31.3	0.33	76.1	204.26
5500.0	0.93	273.26	5498.2	74.0	-69.2	-33.0	0.20	76.7	205.52
5600.0	1.03	251.52	5598.2	75.2	-69.5	-34.7	0.38	77.6	206.55
5700.0	0.95	252.55	5698.2	76.7	-70.0	-36.3	0.08	78.9	207.44
5800.0	0.92	255.78	5798.2	78.1	-70.4	-37.9	0.06	80.0	208.29
5900.0	1.02	255.98	5898.2	79.5	-70.9	-39.6	0.10	81.1	209.17
6000.0	1.12	253.69	5998.1	81.0	-71.3	-41.4	0.11	82.5	210.10
6100.0	1.16	247.53	6098.1	82.7	-72.0	-43.2	0.13	84.0	210.98
6200.0	1.21	246.56	6198.1	84.6	-72.8	-45.1	0.05	85.7	211.80
6300.0	1.20	241.15	6298.1	86.5	-73.7	-47.0	0.11	87.5	212.53
6400.0	1.21	240.07	6398.1	88.5	-74.8	-48.9	0.02	89.3	213.16
6500.0	1.14	238.30	6498.0	90.5	-75.8	-50.6	0.08	91.2	213.73
6600.0	1.36	240.26	6598.0	92.5	-76.9	-52.5	0.22	93.1	214.31
6700.0	1.88	249.93	6698.0	95.1	-78.1	-55.1	0.59	95.5	215.19
6800.0	2.02	258.87	6797.9	97.9	-79.0	-58.3	0.33	98.2	216.45
6900.0	2.02	266.67	6897.9	100.5	-79.4	-61.8	0.27	100.7	217.90
7000.0	1.79	258.01	6997.8	103.0	-79.9	-65.1	0.37	103.0	219.19
7100.0	3.17	230.16	7097.7	107.0	-82.0	-68.8	1.79	107.0	220.00
7200.0	2.75	225.38	7197.6	112.1	-85.4	-72.6	0.49	112.1	220.36
7300.0	2.62	218.06	7297.5	116.8	-88.9	-75.7	0.37	116.8	220.42
7400.0	1.86	250.55	7397.4	120.5	-91.2	-78.6	1.45	120.5	220.76
7412.0	2.06	255.66	7409.4	120.8	-91.4	-79.0	2.21	120.8	220.87



Scientific
Drilling

Field: North Dagger Draw
Site: Eddy County, NM
Well: Dee State SW 36 #2
Survey: 07/09/10



Azimuths to Grid North
True North: 0.00°
Magnetic North: 0.00°
Magnetic Field
Dip Angle: 0.00°
Date: 7/13/2010
Model: igrf2000

West(-)/East(+) [20ft/in]

South(-)/North(+) [20ft/in]

