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Survey Report

Report Date: February 27, 2006
 Client: LCX Energy LLC.
 Field: Eddy County, NM Nad 83
 Structure / Slot: 1724 Kincaid #111 / 1724 Kincaid #111
 Well: 1724 Kincaid #111
 Borehole: 1724 Kincaid #111
 UW/AP#:

Survey Name / Date: 1724 Kincaid #111_surveys / February 16, 2006
 Tort / AHD / DDI / ERD ratio: 136.987° / 4383.23 ft / 6.048 / 0.908
 Grid Coordinate System: NAD83 New Mexico State Planes, Eastern Zone, US Feet
 Location Lat/Long: N 32 51 24.099, W 104 33 53.099
 Location Grid N/E Y/X: N 675476.500 ftUS, E 470276.100 ftUS
 Grid Convergence Angle: -0.1255308°
 Grid Scale Factor: 0.99991487

Survey / DLS Computation Method: Minimum Curvature / Lubinski
 Vertical Section Azimuth: 183.440°
 Vertical Section Origin: N 0.000 ft, E 0.000 ft
 TVD Reference Datum: RKB
 TVD Reference Elevation: 0.0 ft relative to
 Sea Bed / Ground Level Elevation: 0.000 ft relative to
 Magnetic Declination: 8.709°
 Total Field Strength: 49456.217 nT
 Magnetic Dip: 60.727°
 Declination Date: February 16, 2006
 Magnetic Declination Model: IGRF 2005
 North Reference: Grid North
 Total Corr Mag North -> Grid North: +8.835°
 Local Coordinates Referenced To: Well Head

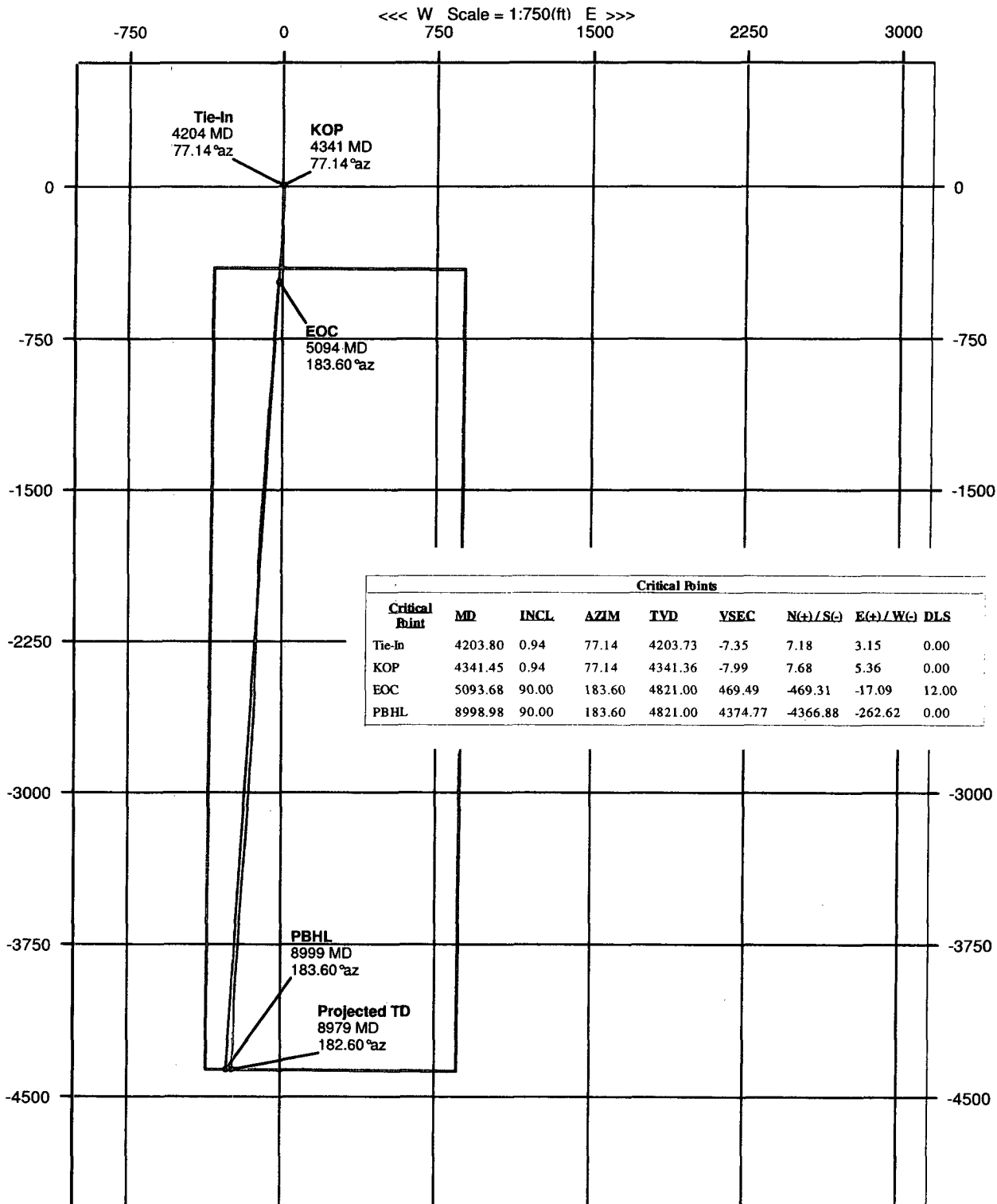
Comments	Measured Depth (ft)	Inclination (deg)	Azimuth (deg)	TVD (ft)	Vertical Section (ft)	NS (ft)	EW (ft)	Closure (ft)	Closure Azimuth (deg)	DLS (deg/100 ft)	Tool Face (deg)
ie-In	4203.80	0.94	77.14	4203.73	-7.35	7.18	3.15	7.83	23.67	0.00	118.20M
	4306.00	1.50	118.20	4305.91	-7.03	6.73	5.15	8.47	37.40	0.98	154.60M
	4338.00	3.30	154.60	4337.88	-6.04	5.70	5.91	8.21	46.03	7.11	168.50M
	4369.00	6.50	168.50	4368.77	-3.57	3.17	6.64	7.36	64.46	10.94	16.59G
	4401.00	9.80	174.20	4400.44	0.87	-1.31	7.28	7.40	100.21	10.60	10.22G
	4432.00	13.60	177.10	4430.79	7.10	-7.58	7.73	10.83	134.43	12.40	9.86G
	4464.00	17.40	179.30	4461.62	15.62	-16.12	7.98	17.99	153.67	12.01	11.35G
	4495.00	21.20	181.40	4490.87	25.84	-26.37	7.90	27.52	163.32	12.46	6.66G
	4527.00	24.80	182.40	4520.33	38.34	-38.86	7.48	39.57	169.11	11.32	0.00G
	4558.00	28.50	182.40	4548.03	52.24	-52.75	6.89	53.20	172.55	11.94	-3.38G
	4589.00	32.10	182.00	4574.79	67.87	-68.38	6.30	68.66	174.74	11.63	-1.91G
	4621.00	35.60	181.80	4601.36	85.69	-86.19	5.71	86.38	176.21	10.94	-0.98G
	4652.00	39.30	181.70	4625.97	104.53	-105.03	5.13	105.15	177.20	11.94	6.65G
	4684.00	42.80	182.30	4650.09	125.53	-126.02	4.39	126.10	178.00	11.01	4.73G
	4715.00	46.30	182.70	4672.18	147.27	-147.75	3.44	147.79	178.66	11.33	5.77G
	4746.00	50.10	183.20	4692.84	170.38	-170.82	2.25	170.84	179.24	12.32	4.06G
	4778.00	53.50	183.50	4712.63	195.52	-195.92	0.78	195.92	179.77	10.65	2.67G
	4809.00	57.10	183.70	4730.27	221.00	-221.35	-0.82	221.36	180.21	11.62	10.46G
	4841.00	60.40	184.40	4746.87	248.36	-248.64	-2.75	248.65	180.63	10.48	0.00G
	4872.00	63.40	184.40	4761.47	275.70	-275.90	-4.85	275.94	181.01	9.68	-1.59G
	4903.00	66.70	184.30	4774.55	303.80	-303.92	-6.98	304.00	181.32	10.65	0.00G
	4935.00	70.20	184.30	4786.30	333.55	-333.60	-9.21	333.73	181.58	10.94	0.00G
	4966.00	73.70	184.30	4795.90	363.02	-362.99	-11.42	363.16	181.80	11.29	0.00G
	4996.00	76.90	184.30	4803.51	392.03	-391.92	-13.60	392.15	181.99	10.67	-1.82G
	5027.00	80.00	184.20	4809.72	422.39	-422.20	-15.85	422.50	182.15	10.00	3.92G
	5058.00	82.90	184.40	4814.33	453.04	-452.77	-18.15	453.13	182.30	9.38	0.00G
	5089.00	84.70	184.40	4817.68	483.85	-483.50	-20.51	483.93	182.43	5.81	4.29G
	5121.00	88.70	184.70	4819.52	515.79	-515.34	-23.05	515.85	182.56	12.53	-4.76G
	5152.00	91.10	184.50	4819.57	546.78	-546.23	-25.53	546.83	182.68	7.77	-10.30G
	5184.00	92.20	184.30	4818.65	578.76	-578.12	-27.99	578.80	182.77	3.49	-90.00G
	5210.00	92.20	183.60	4817.65	604.74	-604.04	-29.78	604.78	182.82	2.69	11.30G
	5241.00	92.70	183.70	4816.33	635.71	-634.95	-31.75	635.75	182.86	1.64	44.96G
	5273.00	92.80	183.80	4814.79	667.68	-666.85	-33.84	667.71	182.90	0.44	-170.54G
	5303.00	91.00	183.50	4813.80	697.66	-696.77	-35.75	697.69	182.94	6.08	-176.82G
	5366.00	89.20	183.40	4813.69	760.66	-759.65	-39.54	760.68	182.98	2.86	16.70G
	5429.00	90.20	183.70	4814.02	823.65	-822.53	-43.44	823.68	183.02	1.66	39.80G
	5491.00	90.80	184.20	4813.48	885.65	-884.38	-47.71	885.67	183.09	1.26	180.00G
	5553.00	88.60	184.20	4813.80	947.64	-946.21	-52.25	947.65	183.16	3.55	116.58G

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)
	5616.00	88.40	184.60	4815.45	1010.61	-1009.00	-57.08	1010.61	183.24	0.71	-123.71G
	5678.00	88.20	184.30	4817.29	1072.57	-1070.79	-61.89	1072.57	183.31	0.58	-161.58G
	5741.00	87.90	184.20	4819.43	1135.53	-1133.58	-66.56	1135.53	183.36	0.50	-105.97G
	5803.00	87.70	183.50	4821.81	1197.48	-1195.39	-70.72	1197.48	183.39	1.17	17.10G
	5866.00	89.00	183.90	4823.63	1260.45	-1258.23	-74.78	1260.45	183.40	2.16	11.31G
	5929.00	89.50	184.00	4824.45	1323.44	-1321.08	-79.12	1323.44	183.43	0.81	-45.00G
	5992.00	89.70	183.80	4824.89	1386.44	-1383.93	-83.40	1386.44	183.45	0.45	0.00G
	6054.00	90.50	183.80	4824.78	1448.44	-1445.79	-87.51	1448.44	183.46	1.29	16.69G
	6116.00	91.50	184.10	4823.70	1510.43	-1507.63	-91.78	1510.43	183.48	1.68	116.57G
	6179.00	91.30	184.50	4822.16	1573.40	-1570.44	-96.51	1573.40	183.52	0.71	-144.16G
	6242.00	89.50	183.20	4821.72	1636.39	-1633.29	-100.74	1636.39	183.53	3.52	-104.04G
	6306.00	89.40	182.80	4822.34	1700.39	-1697.20	-104.09	1700.39	183.51	0.64	-165.96G
	6369.00	89.00	182.70	4823.22	1763.38	-1760.12	-107.11	1763.38	183.48	0.65	0.00G
	6432.00	89.50	182.70	4824.04	1826.37	-1823.05	-110.07	1826.37	183.46	0.79	-28.61G
	6496.00	90.60	182.10	4823.98	1890.35	-1886.99	-112.75	1890.35	183.42	1.96	-71.56G
	6559.00	90.70	181.80	4823.27	1953.33	-1949.95	-114.90	1953.33	183.37	0.50	146.31G
	6622.00	90.40	182.00	4822.67	2016.30	-2012.91	-116.99	2016.31	183.33	0.57	-75.96G
	6687.00	90.50	181.60	4822.15	2081.27	-2077.88	-119.03	2081.28	183.28	0.63	173.66G
	6751.00	89.60	181.70	4822.10	2145.24	-2141.85	-120.87	2145.26	183.23	1.41	-33.69G
	6814.00	90.20	181.30	4822.21	2208.21	-2204.83	-122.52	2208.23	183.18	1.14	45.00G
	6878.00	90.50	181.60	4821.82	2272.17	-2268.80	-124.14	2272.20	183.13	0.66	135.00G
	6942.00	90.30	181.80	4821.37	2336.13	-2332.77	-126.04	2336.18	183.09	0.44	135.00G
	7003.00	90.20	181.90	4821.11	2397.11	-2393.74	-128.01	2397.16	183.06	0.23	-83.66G
	7067.00	90.30	181.00	4820.83	2461.07	-2457.72	-129.63	2461.14	183.02	1.41	123.69G
	7130.00	90.10	181.30	4820.61	2524.02	-2520.71	-130.89	2524.10	182.97	0.57	105.95G
	7194.00	89.70	182.70	4820.72	2588.00	-2584.67	-133.13	2588.09	182.95	2.28	0.00G
	7257.00	89.90	182.70	4820.94	2650.99	-2647.60	-136.09	2651.09	182.94	0.32	96.34G
	7320.00	89.80	183.60	4821.10	2713.99	-2710.50	-139.55	2714.09	182.95	1.44	-90.00G
	7384.00	89.80	183.40	4821.33	2777.99	-2774.38	-143.46	2778.09	182.96	0.31	-90.00G
	7448.00	89.80	183.30	4821.55	2841.99	-2838.27	-147.20	2842.09	182.97	0.16	-116.57G
	7511.00	89.70	183.10	4821.82	2904.99	-2901.17	-150.72	2905.08	182.97	0.35	53.13G
	7575.00	90.00	183.50	4821.99	2968.99	-2965.07	-154.40	2969.08	182.98	0.78	56.31G
	7638.00	90.40	184.10	4821.77	3031.99	-3027.93	-158.58	3032.08	183.00	1.14	0.00G
	7702.00	90.90	184.10	4821.05	3095.98	-3091.76	-163.15	3096.06	183.02	0.78	-108.43G
	7765.00	90.70	183.50	4820.17	3158.97	-3154.61	-167.33	3159.05	183.04	1.00	180.00G
	7829.00	89.10	183.50	4820.28	3222.97	-3218.49	-171.24	3223.04	183.05	2.50	28.61G
	7892.00	90.20	184.10	4820.66	3285.96	-3281.35	-175.41	3286.04	183.06	1.99	8.13G
	7955.00	90.90	184.20	4820.06	3348.96	-3344.18	-179.97	3349.02	183.08	1.12	-149.04G
	8019.00	90.40	183.90	4819.33	3412.95	-3408.02	-184.49	3413.01	183.10	0.91	108.43G
	8083.00	90.30	184.20	4818.94	3476.94	-3471.86	-189.01	3477.00	183.12	0.49	-56.31G
	8146.00	90.50	183.90	4818.50	3539.94	-3534.70	-193.46	3539.99	183.13	0.57	180.00G
	8210.00	90.30	183.90	4818.05	3603.93	-3598.55	-197.81	3603.98	183.15	0.31	-158.20G
	8274.00	89.30	183.50	4818.28	3667.93	-3662.41	-201.94	3667.98	183.16	1.68	-80.54G
	8337.00	89.40	182.90	4818.99	3730.93	-3725.31	-205.46	3730.97	183.16	0.97	60.26G
	8401.00	89.80	183.60	4819.44	3794.92	-3789.21	-209.09	3794.97	183.16	1.26	36.87G
	8465.00	90.60	184.20	4819.22	3858.92	-3853.06	-213.44	3858.96	183.17	1.56	-101.31G
	8528.00	90.50	183.70	4818.61	3921.92	-3915.90	-217.78	3921.95	183.18	0.81	-104.03G
	8592.00	90.10	182.10	4818.28	3985.91	-3979.82	-221.02	3985.95	183.18	2.58	-68.20G
	8656.00	90.30	181.60	4818.05	4049.88	-4043.78	-223.08	4049.93	183.16	0.84	-149.04G
	8719.00	89.80	181.30	4818.00	4112.85	-4106.76	-224.68	4112.91	183.13	0.93	0.00G
	8783.00	89.80	181.30	4818.22	4176.80	-4170.75	-226.13	4176.87	183.10	0.00	113.20G
	8846.00	89.20	182.70	4818.77	4239.78	-4233.70	-228.33	4239.86	183.09	2.42	-146.32G
	8910.00	88.90	182.50	4819.83	4303.76	-4297.63	-231.23	4303.85	183.08	0.56	45.00G
	8921.00	89.00	182.60	4820.03	4314.76	-4308.62	-231.72	4314.84	183.08	1.29	0.00G

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)
rojected TD	8979.00	89.00	182.60	4821.05	4372.74	-4366.55	-234.35	4372.83	183.07	0.00	0.00G

LCX Energy LLC.

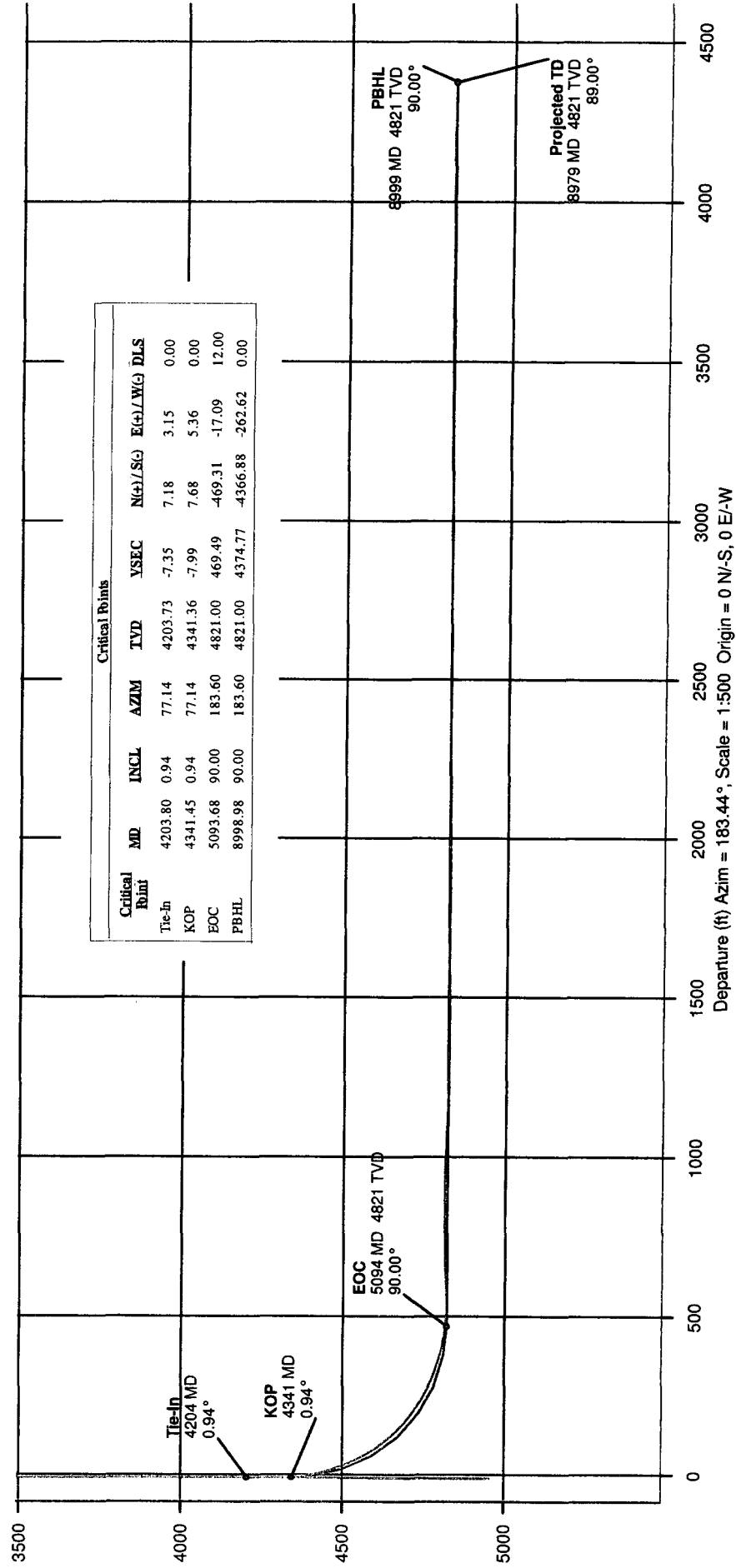
WELL	1724 Kincaid #111	FIELD	Eddy County, NM	STRUCTURE	1724 Kincaid #111
Magnetic Parameters Model: IGRF 2005	Dip: 60.727° Mag Dec: +0.709°	Date: February 16, 2006 FS: 49456.2 nTi	Surface Location Lat: N32 51 24.099 Lon: W104 33 53.099	NAD83 New Mexico State Planes, Eastern Zone, US Feet Northing: 675476.50 HUS Easting: 470276.10 HUS Grid Conv: -0.12555308° Scale Fact: 0.9999148735	Miscellaneous Slot: 1724 Kincaid #111 Plan: 1724 Kincaid #111 surveys TVD Ref: RKB (0.00 ft above) Srvy Date: Thu 09:43 AM February 16, 2006



LCX Energy LLC.

WELL	1724 Kincaid #111	FIELD	Eddy County, NM	STRUCTURE	1724 Kincaid #111
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Magnetic Parameters Model: IGRF 2005 Dip: 68.727° Mag Dec: +3.708°	Date: February 10, 2006 FS: 49438.2 ft	Surface Location Lat: N28 51 24.099 Lon: W104 33 53.099	Northings: 675476.50 ftUS Eastings: 470276.10 ftUS	Scale Fact: 0.9699148735	Miscellaneous Sht: 1724 Kincaid #111 Plan: 1724 Kincaid #111	TVD Ref: RKB (0.50 ft above) Srv Date: Thu 08:43 AM February 16, 2006
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Directional Drilling Specialists