

30.015.36874

SCIENTIFIC DRILLING CONTROLS

KEEFER GYRO SURVEY

Directional Survey Report

for

OGX RESOURCES

Well Number	:	TANKLESS "35" FEDERAL NO.1H
Well Location	:	EDDY COUNTY, NEW MEXICO
Job Number	:	32K0209054
Location Latitude	:	32.353
Survey Date	:	4-FEB-2009
S.D.C. Personnel	:	ANGEL GUEBARA
Length Units	:	Feet
North Reference	:	GRID North
Grid Correction	:	0.38 Degrees
Survey Depth Zero	:	RKB
Proposal Direction	:	180.64
Calculation Method	:	Minimum Curvature

wrong grid correction
It was supposed to be 0.3

Remarks : The INRUN Survey will be called definitive

S C I E N T I F I C D R I L L I N G C O N T R O L S

Inrun Survey
for
OGX RESOURCES

Page 2

Well No.: TANKLESS "35" FEDERAL

Date : 4-FEB-2009

Job No. : 32K0209054

GRID

Proposal : 180.64

Depth (Feet)	T.V.D. (Feet)	V.S. (Feet)	Inc Deg.	Azimuth Deg.	Latitude (Feet)	Departure (Feet)	D-leg /100
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4000.00	3999.57	5.30	2.02	111.90	-5.73	38.12	0.07
4100.00	4099.51	6.55	2.08	110.17	-7.01	41.46	0.09
4200.00	4199.45	7.47	1.90	101.71	-7.98	44.79	0.34
4300.00	4299.41	7.99	1.17	101.53	-8.52	47.41	0.73
4400.00	4399.40	8.37	0.83	106.10	-8.92	49.11	0.35
4500.00	4499.39	8.69	0.75	101.97	-9.26	50.44	0.10
4600.00	4599.38	8.92	0.77	98.71	-9.50	51.75	0.05
4700.00	4699.37	9.12	0.82	99.25	-9.71	53.12	0.05
4800.00	4799.36	9.60	0.66	131.40	-10.21	54.26	0.44
4900.00	4899.35	10.49	0.72	144.81	-11.10	55.05	0.17
5000.00	4999.34	11.40	0.70	132.51	-12.03	55.86	0.15
5100.00	5099.34	12.14	0.61	128.63	-12.77	56.73	0.10
5200.00	5199.33	12.77	0.65	122.66	-13.41	57.62	0.08
5300.00	5299.33	13.41	0.61	131.01	-14.07	58.50	0.10
5400.00	5399.32	14.11	0.66	127.82	-14.77	59.36	0.06
5500.00	5499.31	14.74	0.48	133.76	-15.41	60.11	0.19
5600.00	5599.31	15.28	0.43	133.72	-15.96	60.69	0.05
5700.00	5699.31	15.72	0.31	134.03	-16.41	61.15	0.12
5800.00	5799.31	16.12	0.33	136.36	-16.81	61.55	0.02
5900.00	5899.30	16.73	0.55	147.36	-17.42	62.01	0.23
6000.00	5999.30	17.41	0.33	170.79	-18.11	62.31	0.28
6100.00	6099.30	18.00	0.37	159.90	-18.69	62.47	0.08
6200.00	6199.30	18.66	0.45	158.64	-19.36	62.72	0.08
6300.00	6299.29	19.60	0.66	177.58	-20.30	62.89	0.28
6400.00	6399.28	20.82	0.74	179.17	-21.53	62.92	0.08
6500.00	6499.27	22.17	0.82	171.24	-22.88	63.04	0.13
6600.00	6599.26	23.62	0.86	173.53	-24.33	63.23	0.05
6700.00	6699.25	25.10	0.84	174.00	-25.81	63.40	0.02
6800.00	6799.24	26.78	1.09	180.40	-27.49	63.47	0.27
6900.00	6899.22	28.53	0.92	181.40	-29.24	63.44	0.17
7000.00	6999.21	30.27	1.13	197.59	-30.98	63.12	0.36
7100.00	7099.19	31.91	0.81	191.03	-32.62	62.69	0.34
7200.00	7199.18	33.40	0.95	198.34	-34.10	62.29	0.18
7300.00	7299.17	35.04	1.02	197.20	-35.73	61.77	0.07
7400.00	7399.15	36.81	1.05	182.89	-37.50	61.46	0.26
7500.00	7499.13	38.70	1.18	198.95	-39.39	61.08	0.34
7577.00	7576.11	40.21	1.21	202.85	-40.89	60.50	0.11

The Horizontal Displacement (in Feet) at
Measured Depth 7577.00 is 73.02 in a Direction of 124.05 Degrees

S C I E N T I F I C D R I L L I N G C O N T R O L S

Inrun Survey
for
OGX RESOURCES

Page 1

Well No.: TANKLESS "35" FEDERAL

Date : 4-FEB-2009

Job No. : 32K0209054

GRID

Proposal : 180.64

Depth (Feet)	T.V.D. (Feet)	V.S. (Feet)	Inc Deg.	Azimuth Deg.	Latitude (Feet)	Departure (Feet)	D-leg /100
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0.00	0.00	0.00	0.00	0.38	0.00	0.00	0.00
100.00	100.00	-0.22	0.48	58.61	0.22	0.36	0.48
200.00	199.99	-0.64	0.56	66.74	0.63	1.16	0.11
300.00	299.99	-1.05	0.45	59.09	1.02	1.95	0.13
400.00	399.99	-1.41	0.39	63.65	1.38	2.59	0.07
500.00	499.99	-1.61	0.13	64.71	1.58	3.00	0.26
600.00	599.99	-1.81	0.22	37.25	1.78	3.22	0.12
700.00	699.99	-1.89	0.22	115.70	1.85	3.51	0.28
800.00	799.98	-1.50	0.48	138.26	1.45	3.96	0.29
900.00	899.98	-0.90	0.49	132.88	0.85	4.55	0.05
1000.00	999.98	-0.33	0.46	135.75	0.27	5.14	0.04
1100.00	1099.97	0.22	0.44	133.11	-0.28	5.71	0.03
1200.00	1199.97	0.59	0.45	108.34	-0.67	6.36	0.19
1300.00	1299.97	0.90	0.46	118.61	-0.98	7.08	0.08
1400.00	1399.96	1.22	0.28	122.42	-1.31	7.64	0.18
1500.00	1499.96	1.44	0.36	106.70	-1.53	8.15	0.12
1600.00	1599.96	1.54	0.19	95.41	-1.63	8.62	0.18
1700.00	1699.96	1.55	0.18	90.27	-1.65	8.94	0.02
1800.00	1799.96	1.42	0.41	70.00	-1.53	9.43	0.25
1900.00	1899.96	1.26	0.31	83.65	-1.38	10.04	0.13
2000.00	1999.96	1.26	0.29	97.57	-1.38	10.56	0.08
2100.00	2099.95	1.29	0.32	91.53	-1.42	11.09	0.04
2200.00	2199.95	1.23	0.43	80.25	-1.36	11.73	0.13
2300.00	2299.95	1.07	0.49	77.37	-1.21	12.52	0.06
2400.00	2399.95	0.80	0.47	65.78	-0.94	13.31	0.10
2500.00	2499.94	0.28	0.63	51.57	-0.43	14.12	0.21
2600.00	2599.93	-0.42	0.68	54.80	0.25	15.03	0.06
2700.00	2699.93	-1.07	0.65	57.66	0.90	16.00	0.04
2800.00	2799.92	-1.69	0.62	55.79	1.50	16.92	0.04
2900.00	2899.92	-2.26	0.48	51.77	2.07	17.70	0.15
3000.00	2999.91	-2.72	0.48	62.89	2.52	18.40	0.09
3100.00	3099.91	-3.01	0.22	62.63	2.79	18.95	0.26
3200.00	3199.91	-3.07	0.18	99.40	2.86	19.27	0.13
3300.00	3299.91	-2.92	0.26	125.31	2.70	19.61	0.13
3400.00	3399.91	-2.41	0.64	133.09	2.19	20.20	0.38
3500.00	3499.89	-1.41	1.59	117.53	1.17	21.84	0.99
3600.00	3599.85	-0.05	2.25	112.56	-0.23	24.89	0.68
3700.00	3699.76	1.34	2.13	111.26	-1.66	28.43	0.13
3800.00	3799.69	2.65	1.97	113.21	-3.01	31.74	0.17
3900.00	3899.63	3.00	1.98	113.70	-4.38	34.90	0.02

Gyro(Grid).txt					
000.00	2.02	111.83	3999.58	-5.68	38.13
100.00	2.08	110.10	4099.51	-6.96	41.47
200.00	1.90	101.64	4199.45	-7.92	44.80
300.00	1.17	101.46	4299.41	-8.46	47.42
400.00	0.83	106.03	4399.40	-8.86	49.12
500.00	0.75	101.90	4499.39	-9.20	50.45
600.00	0.77	98.64	4599.38	-9.43	51.76
700.00	0.82	99.18	4699.37	-9.65	53.13
800.00	0.66	131.33	4799.36	-10.14	54.27
900.00	0.72	144.74	4899.36	-11.04	55.06
000.00	0.70	132.44	4999.35	-11.96	55.88
100.00	0.61	128.56	5099.34	-12.70	56.74
200.00	0.65	122.59	5199.34	-13.34	57.64
300.00	0.61	130.94	5299.33	-14.00	58.52
400.00	0.66	127.75	5399.32	-14.70	59.37
500.00	0.48	133.69	5499.32	-15.34	60.13
600.00	0.43	133.65	5599.32	-15.89	60.71
700.00	0.31	133.96	5699.31	-16.33	61.17
800.00	0.33	136.29	5799.31	-16.73	61.57
900.00	0.55	147.29	5899.31	-17.34	62.03
000.00	0.33	170.72	5999.31	-18.03	62.33
100.00	0.37	159.83	6099.30	-18.62	62.49
200.00	0.45	158.57	6199.30	-19.29	62.74
300.00	0.66	177.51	6299.30	-20.23	62.91
400.00	0.74	179.10	6399.29	-21.45	62.95
500.00	0.82	171.17	6499.28	-22.80	63.07
600.00	0.86	173.46	6599.27	-24.25	63.26
700.00	0.84	173.93	6699.26	-25.73	63.43
800.00	1.09	180.33	6799.24	-27.41	63.50
900.00	0.92	181.33	6899.23	-29.16	63.47
000.00	1.13	197.52	6999.21	-30.91	63.16
100.00	0.81	190.96	7099.20	-32.54	62.73
200.00	0.95	198.27	7199.19	-34.02	62.33
300.00	1.02	197.13	7299.17	-35.66	61.81
400.00	1.05	182.82	7399.16	-37.42	61.50
500.00	1.18	198.88	7499.14	-39.31	61.13
577.00	1.21	202.78	7576.12	-40.81	60.55

Gyro(Grid).txt

HEADER INFORMATION -----

COMPANY : OGX Resources
 FIELD : Eddy County (NAD 83)
 SITE : Tankless "35" Federal #1
 WELL : Tankless '35' Fed #1H
 WELLPATH: OH
 DEPTHUNT: ft
 SURVDATE: 02/18/2009

WELL INFORMATION -----

WELL EW MAP : 719995.13
 WELL NS MAP : 492690.92
 DATUM ELEVN : 3463.00
 VSECT ANGLE : 180.72
 VSECT NORTH : 0.00
 VSECT EAST : 0.00

SURVEY TYPE INFORMATION -----

100.00 - 7577.00 GYRO : CB-GYRO-MS
 7592.00 - 11625.00 MWD #1 : MWD

SURVEY LIST -----

MD	INC	AZI	TVD	NS	EW
0.00	0.00	0.00	0.00	0.00	0.00
100.00	0.48	58.54	100.00	0.22	0.36
200.00	0.56	66.67	199.99	0.63	1.16
300.00	0.45	59.02	299.99	1.03	1.95
400.00	0.39	63.58	399.99	1.38	2.59
500.00	0.13	64.64	499.99	1.58	3.00
600.00	0.22	37.18	599.99	1.78	3.22
700.00	0.22	115.63	699.99	1.85	3.51
800.00	0.48	138.19	799.98	1.46	3.96
900.00	0.49	132.81	899.98	0.85	4.55
1000.00	0.46	135.68	999.98	0.28	5.14
1100.00	0.44	133.04	1099.97	-0.27	5.71
1200.00	0.45	108.27	1199.97	-0.66	6.36
1300.00	0.46	118.54	1299.97	-0.97	7.08
1400.00	0.28	122.35	1399.97	-1.30	7.64
1500.00	0.36	106.63	1499.96	-1.52	8.15
1600.00	0.19	95.34	1599.96	-1.62	8.62
1700.00	0.18	90.20	1699.96	-1.64	8.94
1800.00	0.41	69.93	1799.96	-1.52	9.43
1900.00	0.31	83.58	1899.96	-1.36	10.04
2000.00	0.29	97.50	1999.96	-1.37	10.56
2100.00	0.32	91.46	2099.96	-1.41	11.09
2200.00	0.43	80.18	2199.95	-1.35	11.74
2300.00	0.49	77.30	2299.95	-1.19	12.52
2400.00	0.47	65.71	2399.95	-0.93	13.31
2500.00	0.63	51.50	2499.94	-0.42	14.12
2600.00	0.68	54.73	2599.94	0.27	15.03
2700.00	0.65	57.59	2699.93	0.91	16.00
2800.00	0.62	55.72	2799.92	1.52	16.92
2900.00	0.48	51.70	2899.92	2.09	17.70
3000.00	0.48	62.82	2999.92	2.54	18.40
3100.00	0.22	62.56	3099.91	2.82	18.94
3200.00	0.18	99.33	3199.91	2.88	19.27
3300.00	0.26	125.24	3299.91	2.72	19.61
3400.00	0.64	133.02	3399.91	2.21	20.20
3500.00	1.59	117.46	3499.89	1.19	21.84
3600.00	2.25	112.49	3599.83	-0.20	24.89
3700.00	2.13	111.19	3699.76	-1.62	28.43
3800.00	1.97	113.14	3799.70	-2.97	31.75
3900.00	1.98	113.63	3899.64	-4.34	34.91

PathFinder Energy Services, Inc.

Magnetic & Grid Calculations

OGX Resources, LLC
Tankless 35 Fed #1H
Eddy County, NM
Rig:JW 1

Fri Jan 30 11:03:03 2009

Coordinates

Latitude: 32.353151 N (32 deg. 21 min. 11.3439 sec.)
Longitude: 103.754772 W (-103 deg. 45 min. 17.1788 sec.)
Elevation: 3451.00 feet.
Calculation Date: Jan/30/2009

Magnetic Calculations

Model: IGRF2005
Dip Angle: 60.3488 degrees
Total Magnetic Field: 0.48939 gauss
Magnetic Declination: 7.952139 degrees
Horizontal Intensity: 0.242109 gauss
To Convert a Magnetic Dir. to a TRUE North Dir. Add 7.952139 Degs

Transverse Mercator Grid Calculations NAD83

Grid System: Transverse Mercator: new mexico east
Ellipsoid: GRS80
X: 719995.1260 feet
Y: 492690.9210 feet
True to Grid: (convergence) -0.309617 degrees
Magnetic to Grid: 7.642522 degrees
To Convert a Magnetic Dir. to a GRID dir. Add 7.642522 Degs.

PathFinder Energy Services, Inc. Magnetic & Grid Calculations

Fri Feb 06 01:28:05 2009

Coordinates

Latitude: 32.353151 N (32 deg. 21 min. 11.3439 sec.)
Longitude: 103.754772 W (-103 deg. 45 min. 17.1788 sec.)
Elevation: 3451.00 feet.
Calculation Date: Feb/06/2009

Magnetic Calculations

Model: IGRF2005
Dip Angle: 60.3484 degrees
Total Magnetic Field: 0.48937 gauss
Magnetic Declination: 7.949855 degrees
Horizontal Intensity: 0.242102 gauss
To Convert a Magnetic Dir. to a TRUE North Dir. Add 7.949855 Degr

Transverse Mercator Grid Calculations NAD83

Grid System: Transverse Mercator: new mexico east
Ellipsoid: GRS80
X: 719995.1260 feet
Y: 492690.9210 feet
True to Grid: (convergence) -0.309617 degrees
Magnetic to Grid: 7.640238 degrees
To Convert a Magnetic Dir. to a GRID dir. Add 7.640238 Degr.

PLEASE EXPEDITE LEASE EXPIRES 12/01/08

ATS-08-786

FORM APPROVED
OMB No. 1004-0137
Expires July 31, 2010

NOV 26 2008

OCD-ARTESIA
UNITED STATES

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

APPLICATION FOR PERMIT TO DRILL OR REENTER

1409 WIPP

S

1a. Type of work: ☒ DRILL ☐ REENTER

SECRETARY'S POTASH

1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone

2. Name of Operator
OGX RESOURCES, LLC. (JEFF BIRKELBACH 432-685-1287)

3a. Address
P. O. BOX 2064 MIDLAND, TEXAS 79702

3b. Phone No. (include area code)
432-685-1287

4. Location of Well (Report location clearly, and in accordance with any State requirements.)
At surface 730' FNL & 730' FWL SECTION 35 T22S-R31E EDDY CO.
At proposed prod. zone BHL: 660'N & 350'E UNORTHDOX

14. Distance in miles and direction from nearest town or post office
Approximately 45 miles Southwest of Hobbs New Mexico LOCATION

15. Distance from proposed*
location to nearest
property or lease line, ft.
(Also to nearest drig. unit line, if any) 730'

16. No. of acres in lease
320

17. Spacing Unit dedicated to this well
160

18. Distance from proposed location*
to nearest well, drilling, completed,
applied for, on this lease. ft. NA

19. Proposed Depth
MD-11,837'
TVD- 8220'

20. BLM/BIA Bond No. on file
NMB-000244

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
3451' GL

22. Approximate date work will start*
Lease expires 12/01/08

23. Estimated duration
45 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service-Office).
4. Bond to cover the operations unless covered by an existing bond on file (see item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the BLM.

25. Signature

Joe T. Janica

Name (Printed/Typed)

Joe T. Janica

Date

09/16/08

Title
Permit Eng.

Approved by (Signature)

151 Shannon J. Shaw

Name (Printed/Typed)

151 Shannon J. Shaw

Date

11-18-08

Title
Acting STATE DIRECTOR

Office

NM STATE OFFICE

Application approval does not warrant or certify
conduct operations thereon.
Conditions of approval, if any, are attached.

NOTIFY OCD 24-hrs PRIOR to Spud
NOTIFY OCD of ALL Lost Circulation and
Water Flow Zones
NOTIFY OCD per 19.15.3.118 of H2S
Values WHILE Drilling.

in the subject lease which would entitle the applicant to

APPROVAL FOR TWO YEARS

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. 5.
States any false, fictitious or fraudulent statement

fully to make to any department or agency of the United

(Continued on page 2)

*(Instructions on page 2)

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

ENTERED
myard
12-3-08

Controlled Water Basin
NOTIFY OCD 24-hrs PRIOR to Spud
NOTIFY OCD of ALL Lost Circulation and
Water Flow Zones
NOTIFY OCD per 19.15.3.118 of H2S
Values WHILE Drilling.

Subject to General Requirements
& Special Stipulations Attached

DISTRICT I

1825 N. French Dr., Hobbs, NM 88240

DISTRICT II

1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources DepartmentForm C-102
Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, New Mexico 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 39350	Pool Name LIVINGSTON RIDGE-BONE SPRING
Property Code	Property Name TANKLESS "35" FEDERAL	Well Number 1H
OGRID No. 217955	Operator Name OGX RESOURCES, L.L.C.	Elevation 3451'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	35	22 S	31 E		770	NORTH	730	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	35	22 S	31 E		350	SOUTH	660	WEST	EDDY

Dedicated Acres 160	Joint or Infill	Consolidation Code	Order No.
------------------------	-----------------	--------------------	-----------

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

SURFACE LOCATION LAT- N.: 32°21'11.22" LONG- W.: 103°45'17.28" SPC- N.: 492690.921 E.: 719995.126 (NAD-83) BOTTOM HOLE LOCATION LAT- N.: 32°20'30.22" LONG- W.: 103°45'17.98" SPC- N.: 488534.993 E.: 719948.840 (NAD-83) POE 724' FWL & 1325' FNL PRODUCING AREA PROJECT AREA As Drilled BHL NM-101601	OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. <i>Joe T. Janica</i> Signature Date 12/02/08 Joe T. Janica Printed Name SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief. SEPTEMBER 4, 2008 Date Surveyed Signature & Seal of Professional Surveyor W.O. No. 20333 Certificate No. Gary L. Jones 7977 BASIN SURVEYS
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EXHIBIT "A"