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30-015-37126

DIRECTIONAL SURVEY REPORT

YATES PETROLEUM
LOVING "AIB" STATE #7
EDDY COUNTY, NEW MEXICO

PREPARED BY: FRANCISCO SINISTERRA



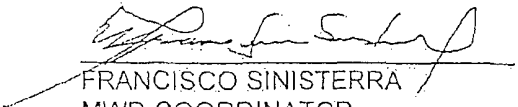
DIRECTIONAL SURVEY COMPANY REPORT:

1. NAME OF SURVEYING COMPANY: PATHFINDER ENERGY SERVICES
2. NAME OF PERSON(S) PERFORMING SURVEY:
A) JOSHUA PATTERSON
3. POSITION OF SAID PERSON(S): (A-F) SURVEYORS (FIELD ENGINEERS)
4. DATE(S) ON WHICH SURVEY WAS PERFORMED: 08-15-10 TO 08-17-10
5. STATE IN WHICH SURVEY WAS PERFORMED: NEW MEXICO
6. LOCATION OF WELL: EDDY COUNTY
7. TYPE OF SURVEY(S) PERFORMED: MWD
8. COMPLETE IDENTIFICATION OF WELL:

YATES PETROLEUM
LOVING "AIB" STATE #7
EDDY COUNTY, NM
RIG: SILVER OAK 10

9. SURVEY CERTIFIED FROM: 335 TO 2439 FEET MEASURED DEPTH.

THIS IS TO VERIFY THAT ATTACHED DOCUMENTS SHOWING THE WELL TO BE
DISPLACED AT 42.06 FEET ON A BEARING OF 208.08 DEGREES FROM THE
CENTER OF THE ROTARY TABLE AT A PROJECTED BIT DEPTH OF 2490 FEET,
ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.


FRANCISCO SINISTERRA
MWD COORDINATOR



PathFinder Energy Services, Inc.

BHL Report

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Tie-In Date: 08/15/2010

Date Completed: 08/17/2010

ETROLEUM

IB ST 27

UNTY, NM

IR OAK 10

Office Supervisor: FRANCISCO SINISTERRA

Field Engineers: J PATTERSON

Survey Horiz. Reference: WELLHEAD

Ref Coordinates: LAT: 32.18, 2.6352 N LON: 104.5, 5.8957 W

GRID Reference: NAD83 new mexico east Transverse Mercator

Ref GRID Coord: X: 618074.6000 Y: 473227.7000

North Aligned To: GRID NORTH

Total Magnetic Correction: 7.79° EAST TO GRID

Vertical Section Plane: 0.00

Survey Vert. Reference: 18.00' Rotary Table To Ground

Altitude: 3032.00' Ground To MSL

Measured Depth	2490.00	(feet)
Inclination	1.49	(deg)
Azimuth	206.94	(deg)
True Vertical Depth	2488.50	(feet)
Vertical Section	-37.11	(feet)
Survey X cord	618054.78	(feet)
Survey Y cord	473190.58	(feet)
Survey Lat	32.30063007 N	(deg)
Survey Lon	104.08503545 W	(deg)
Rectangular Corr. N/S	37.11 S	(feet)
Rectangular Corr. E/W	19.80 W	(feet)
Closure Distance	42.06	(feet)
Direction of Closure	208.08	(deg)
Dogleg Severity	0.00	(deg/100ft)

YATES PETROLEUM

LOVING AIB ST 27

EDDY COUNTY, NM

Rig:SILVER OAK 10

PathFinder Office Supervisor: FRANCISCO SINISTERRA

PathFinder Field Engineers: J PATTERSON

Survey Report

Survey Horiz. Reference:WELLHEAD

Ref Coordinates: LAT:32.18.2.6352 N LON:104.5.5.8957 W

GRID Reference:NAD83 new mexico east Transverse Mercator

Ref GRID Coord: X: 618074.6000 Y: 473227.7000

North Aligned To:GRID NORTH

Total Magnetic Correction: 7.79°EAST TO GRID

Vertical Section Plane: 0.00

Survey Vert. Reference: 18.00' Rotary Table To Ground

Altitude:3032.00' Ground To MSL

Survey Calculations by RX5 V6.03A using Minimum Curvature

Measured Depth (ft)	Incl (deg)	Drift Dir. (deg)	TVD (ft)	Course Length (ft)	Vertical Section (ft)	TOTAL Rectangular Offsets (ft) (ft)		Closure Dist Dir (ft) (deg)		DLS (dg/100ft)
TIE IN TO SURFACE @ 0.0' MD.										
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00@	0.00	0.00
THE FOLLOWING ARE PATHFINDER MWD SURVEYS.										
335.00	2.11	165.42	334.92	335.00	-5.97	5.97 S	1.55 E	6.17@	165.42	0.63
519.00	2.02	197.50	518.81	184.00	-12.34	12.34 S	1.43 E	12.42@	173.39	0.62
702.00	2.37	258.11	701.70	183.00	-16.20	16.20 S	3.24 W	16.52@	191.32	1.22
886.00	2.46	312.35	885.56	184.00	-14.32	14.32 S	9.88 W	17.40@	214.62	1.20
1071.00	1.41	46.21	1070.48	185.00	-10.07	10.07 S	11.18 W	15.04@	227.98	1.58
1258.00	2.02	169.03	1257.44	187.00	-11.71	11.71 S	8.89 W	14.70@	217.19	1.62
1444.00	3.17	228.63	1443.28	186.00	-18.33	18.33 S	12.12 W	21.98@	213.48	1.49
1631.00	3.52	248.43	1629.97	187.00	-23.86	23.86 S	21.34 W	32.01@	221.81	0.64
1819.00	1.06	341.14	1817.84	188.00	-24.34	24.34 S	27.27 W	36.55@	228.26	1.98
2004.00	1.23	104.09	2002.82	185.00	-23.20	23.20 S	25.90 W	34.77@	228.15	1.09
2191.00	2.90	141.66	2189.70	187.00	-27.40	27.40 S	21.02 W	34.53@	217.49	1.11
2378.00	1.93	190.36	2376.55	187.00	-34.21	34.21 S	18.65 W	38.96@	208.60	1.16
2439.00	1.49	206.94	2437.52	61.00	-35.93	35.93 S	19.20 W	40.73@	208.12	1.08
STRAIGHT LINE PROJECTION TO BIT @ 2490' MD.										
2490.00	1.49	206.94	2488.50	51.00	-37.11	37.11 S	19.80 W	42.06@	208.08	0.00