



An Operating Unit of Smith International, Inc.

30-015-37549

## ***DIRECTIONAL SURVEY REPORT***

**YATES PETROLEUM**

***B. GRAHAM "BPU" STATE #1H- HORIZ.***

***EDDY COUNTY, NEW MEXICO***

**PREPARED BY: FRANCISCO SINISTERRA**

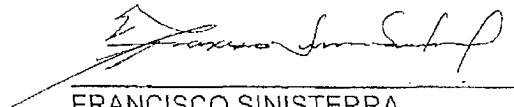
Pathfinder Energy Services, Inc.  
6213 W. Interstate 20 • Midland, TX • 79706  
(432) 681-6000



DIRECTIONAL SURVEY COMPANY REPORT:

1. NAME OF SURVEYING COMPANY: PATHFINDER ENERGY SERVICES
2. NAME OF PERSON(S) PERFORMING SURVEY:  
A) JAY FULTON
3. POSITION OF SAID PERSON(S): (A-F) SURVEYORS (FIELD ENGINEERS)
4. DATE(S) ON WHICH SURVEY WAS PERFORMED: 07-21-10 TO 08-08-10
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  
B. GRAHAM "BPU" STATE #1H- HORIZONTAL  
EDDY COUNTY, NM  
RIG: SILVEROAK #10
9. SURVEY CERTIFIED FROM: 2096 TO 11297 FEET MEASURED DEPTH.

THIS IS TO VERIFY THAT ATTACHED DOCUMENTS SHOWING THE WELL TO BE DISPLACED AT 4747.12 FEET ON A BEARING OF 89.41 DEGREES FROM THE CENTER OF THE ROTARY TABLE AT A PROJECTED BIT DEPTH OF 11375 FEET, ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

  
FRANCISCO SINISTERRA  
MWD COORDINATOR



# PathFinder Energy Services, Inc.

## BHL Report

Page 01/01  
Tie-in Date: 07/21/2010  
Date Completed: 08/08/2010

YATES PETROLEUM CORPORATION  
B. GRAHAM "BPU" STATE #1H  
EDDY COUNTY, NEW MEXICO  
Rig:SILVEROAK 10  
PathFinder Office Supervisor: FRANCISCO SINISTERRA  
PathFinder Field Engineers: JAY FULTON  
RICHARD PAGE

Survey Horiz. Reference: WELLHEAD  
Ref Coordinates: LAT: 32.3555627 N LON: 104.2550526 W  
GRID Reference: NAD83 new mexico east Transverse Mercator  
Ref GRID Coord: X: 629530.8820 Y: 387658.8090  
North Aligned To: GRID NORTH  
Total Magnetic Correction: 7.75° EAST TO GRID  
Vertical Section Plane: 89.83  
Survey Vert. Reference: 18.00' Rotary Table To Ground  
Altitude: 2941.00' Ground To MSL

|                       |                |             |
|-----------------------|----------------|-------------|
| Measured Depth        | 11375.00       | (feet)      |
| Inclination           | 87.58          | (deg)       |
| Azimuth               | 85.82          | (deg)       |
| True Vertical Depth   | 7005.21        | (feet)      |
| Vertical Section      | 4746.99        | (feet)      |
| Survey X cord         | 634277.73      | (feet)      |
| Survey Y cord         | 387707.32      | (feet)      |
| Survey Lat            | 32.06553206 N  | (deg)       |
| Survey Lon            | 104.03330160 W | (deg)       |
| Rectangular Corr. N/S | 48.52 N        | (feet)      |
| Rectangular Corr. E/W | 4746.87 E      | (feet)      |
| Closure Distance      | 4747.12        | (feet)      |
| Direction of Closure  | 89.41          | (deg)       |
| Dogleg Severity       | 0.00           | (deg/100ft) |

# PathFinder Energy Services, Inc. Survey Report

YATES PETROLEUM CORPORATION  
B. GRAHAM "BPU" STATE #1H  
EDDY COUNTY, NEW MEXICO  
Rig: SILVEROAK 10  
PathFinder Office Supervisor: FRANCISCO SINISTERRA  
PathFinder Field Engineers: JAY FULTON  
RICHARD PAGE

Survey Horiz. Reference: WELLHEAD  
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Vertical Section Plane: 89.83  
Survey Vert. Reference: 18.00' Rotary Table To Ground  
Altitude: 2941.00' Ground To MSL

Survey Calculations by RX4 using Minimum Curvature

| Measured<br>Depth<br>(ft)                         | Incl<br>(deg) | Drift<br>Dir.<br>(deg) | TVD<br>(ft) | Course<br>Length<br>(ft) | Vertical<br>Section<br>(ft) | Rectangular Offsets<br>(ft) | Closure<br>Dist Dir<br>(ft) (deg) | DLS<br>(dg/100ft) |
|---------------------------------------------------|---------------|------------------------|-------------|--------------------------|-----------------------------|-----------------------------|-----------------------------------|-------------------|
| TIE-IN PROVIDED BY MS ENERGY SERVICES @ 2000' MD. |               |                        |             |                          |                             |                             |                                   |                   |
| 2000.00                                           | 2.00          | 53.11                  | 1999.65     | 0.00                     | -7.36                       | 9.04 N                      | 11.68@ 320.73                     | 0.00              |
| 2096.00                                           | 2.02          | 69.90                  | 2095.59     | 96.00                    | -4.43                       | 10.63 N                     | 11.53@ 337.23                     | 0.61              |
| 2287.00                                           | 3.61          | 75.52                  | 2286.36     | 191.00                   | 4.56                        | 13.29 N                     | 14.04@ 18.80                      | 0.84              |
| 2382.00                                           | 4.22          | 74.08                  | 2381.13     | 95.00                    | 10.82                       | 14.99 N                     | 18.47@ 35.71                      | 0.65              |
| 2515.00                                           | 3.43          | 69.76                  | 2513.84     | 133.00                   | 19.27                       | 17.71 N                     | 26.14@ 47.33                      | 0.63              |
| 2604.00                                           | 3.08          | 68.45                  | 2602.69     | 89.00                    | 24.00                       | 19.51 N                     | 30.88@ 50.82                      | 0.40              |
| 2795.00                                           | 1.67          | 79.12                  | 2793.52     | 191.00                   | 31.51                       | 21.92 N                     | 38.33@ 55.12                      | 0.77              |
| 2985.00                                           | 1.06          | 123.16                 | 2983.47     | 190.00                   | 35.70                       | 21.48 N                     | 41.61@ 58.92                      | 0.61              |
| 3175.00                                           | 1.06          | 123.79                 | 3173.44     | 190.00                   | 38.63                       | 19.55 N                     | 43.24@ 63.13                      | 0.01              |
| 3365.00                                           | 1.41          | 136.08                 | 3363.40     | 190.00                   | 41.70                       | 16.88 N                     | 44.94@ 67.93                      | 0.23              |
| 3555.00                                           | 1.06          | 247.29                 | 3554.37     | 191.00                   | 41.69                       | 14.51 N                     | 44.11@ 70.79                      | 1.07              |
| 3746.00                                           | 0.97          | 235.82                 | 3744.34     | 190.00                   | 38.74                       | 12.93 N                     | 40.80@ 71.53                      | 0.12              |
| 3936.00                                           | 0.97          | 244.12                 | 3934.32     | 190.00                   | 35.96                       | 11.32 N                     | 37.66@ 72.51                      | 0.07              |
| 4126.00                                           | 0.97          | 231.84                 | 4124.29     | 190.00                   | 33.24                       | 9.53 N                      | 34.58@ 73.84                      | 0.11              |
| 4316.00                                           | 1.06          | 221.84                 | 4314.26     | 190.00                   | 30.80                       | 7.32 N                      | 31.63@ 76.62                      | 0.10              |
| 4506.00                                           | 0.79          | 205.58                 | 4504.24     | 190.00                   | 29.05                       | 4.83 N                      | 29.44@ 80.55                      | 0.20              |
| 4697.00                                           | 0.79          | 200.36                 | 4695.22     | 191.00                   | 28.02                       | 2.41 N                      | 28.11@ 85.08                      | 0.04              |
| 4887.00                                           | 0.79          | 212.43                 | 4885.20     | 190.00                   | 26.85                       | 0.08 N                      | 26.85@ 89.84                      | 0.09              |
| 5077.00                                           | 0.88          | 212.29                 | 5075.18     | 190.00                   | 25.36                       | 2.26 S                      | 25.47@ 95.10                      | 0.05              |
| 5267.00                                           | 0.97          | 219.69                 | 5265.15     | 190.00                   | 23.55                       | 4.73 S                      | 24.03@ 101.36                     | 0.08              |
| 5457.00                                           | 0.70          | 192.24                 | 5455.13     | 190.00                   | 22.27                       | 7.11 S                      | 23.39@ 107.68                     | 0.25              |
| 5647.00                                           | 0.88          | 178.21                 | 5645.12     | 190.00                   | 22.06                       | 9.70 S                      | 24.12@ 113.70                     | 0.14              |
| 5837.00                                           | 1.06          | 172.64                 | 5835.09     | 190.00                   | 22.32                       | 12.90 S                     | 25.81@ 119.98                     | 0.11              |
| 6027.00                                           | 1.49          | 164.36                 | 6025.04     | 190.00                   | 23.20                       | 17.02 S                     | 28.82@ 126.21                     | 0.25              |
| 6222.00                                           | 1.67          | 173.61                 | 6219.97     | 195.00                   | 24.18                       | 22.29 S                     | 32.94@ 132.58                     | 0.16              |

THE FOLLOWING ARE PATHFINDER MWD SURVEYS.

# PathFinder Energy Services, Inc. Survey Report

YATES PETROLEUM CORPORATION  
B. GRAHAM "BPU" STATE #1H  
EDDY COUNTY, NEW MEXICO  
RIG: SILVEROAK 10

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| Measured<br>Depth<br>(ft) | Incl<br>(deg) | Drift<br>Dir.<br>(deg) | TVD<br>(ft) | Course<br>Length<br>(ft) | Vertical<br>Section<br>(ft) | TOTAL<br>Rectangular Offsets<br>(ft) | Closure<br>Dist Dir<br>(ft) (deg) | DLS<br>(dg/100ft) |
|---------------------------|---------------|------------------------|-------------|--------------------------|-----------------------------|--------------------------------------|-----------------------------------|-------------------|
| 6333.00                   | 2.37          | 173.82                 | 6330.90     | 111.00                   | 24.60                       | 26.18 S 24.68 E                      | 35.97@ 136.69                     | 0.63              |
| 6364.00                   | 2.37          | 161.81                 | 6361.87     | 31.00                    | 24.87                       | 27.42 S 24.95 E                      | 37.07@ 137.71                     | 1.60              |
| 6395.00                   | 3.08          | 109.70                 | 6392.84     | 31.00                    | 25.85                       | 28.31 S 25.93 E                      | 38.39@ 137.51                     | 7.99              |
| 6426.00                   | 6.86          | 83.46                  | 6423.72     | 31.00                    | 28.47                       | 28.38 S 28.56 E                      | 40.26@ 134.82                     | 13.93             |
| 6457.00                   | 10.99         | 79.58                  | 6454.34     | 31.00                    | 33.22                       | 27.64 S 33.30 E                      | 43.28@ 129.69                     | 13.46             |
| 6488.00                   | 15.30         | 78.32                  | 6484.52     | 31.00                    | 40.14                       | 26.27 S 40.22 E                      | 48.04@ 123.15                     | 13.93             |
| 6520.00                   | 19.43         | 78.11                  | 6515.06     | 32.00                    | 49.49                       | 24.32 S 49.56 E                      | 55.21@ 116.14                     | 12.91             |
| 6552.00                   | 23.30         | 78.35                  | 6544.85     | 32.00                    | 60.91                       | 21.94 S 60.98 E                      | 64.80@ 109.79                     | 12.10             |
| 6583.00                   | 26.82         | 79.64                  | 6572.93     | 31.00                    | 73.81                       | 19.45 S 73.86 E                      | 76.38@ 104.75                     | 11.49             |
| 6614.00                   | 30.16         | 80.42                  | 6600.17     | 31.00                    | 88.38                       | 16.89 S 88.43 E                      | 90.03@ 100.82                     | 10.84             |
| 6645.00                   | 34.21         | 80.73                  | 6626.40     | 31.00                    | 104.67                      | 14.19 S 104.71 E                     | 105.67@ 97.72                     | 13.08             |
| 6676.00                   | 37.72         | 81.22                  | 6651.49     | 31.00                    | 122.66                      | 11.34 S 122.69 E                     | 123.21@ 95.28                     | 11.36             |
| 6707.00                   | 41.15         | 82.96                  | 6675.43     | 31.00                    | 142.17                      | 8.64 S 142.19 E                      | 142.45@ 93.48                     | 11.62             |
| 6738.00                   | 44.58         | 83.89                  | 6698.15     | 31.00                    | 163.12                      | 6.23 S 163.14 E                      | 163.26@ 92.19                     | 11.25             |
| 6769.00                   | 48.10         | 84.30                  | 6719.55     | 31.00                    | 185.43                      | 3.93 S 185.44 E                      | 185.48@ 91.21                     | 11.40             |
| 6801.00                   | 51.79         | 85.14                  | 6740.14     | 32.00                    | 209.82                      | 1.68 S 209.83 E                      | 209.84@ 90.46                     | 11.70             |
| 6832.00                   | 54.52         | 86.42                  | 6758.72     | 31.00                    | 234.57                      | 0.14 N 234.57 E                      | 234.57@ 89.97                     | 9.41              |
| 6863.00                   | 57.07         | 87.40                  | 6776.15     | 31.00                    | 260.17                      | 1.52 N 260.16 E                      | 260.17@ 89.67                     | 8.63              |
| 6894.00                   | 59.18         | 88.49                  | 6792.52     | 31.00                    | 286.48                      | 2.46 N 286.47 E                      | 286.48@ 89.51                     | 7.43              |
| 6925.00                   | 62.17         | 88.34                  | 6807.70     | 31.00                    | 313.49                      | 3.21 N 313.49 E                      | 313.50@ 89.41                     | 9.65              |
| 6957.00                   | 64.37         | 88.67                  | 6822.09     | 32.00                    | 342.06                      | 3.95 N 342.05 E                      | 342.08@ 89.34                     | 6.94              |
| 6988.00                   | 68.15         | 88.91                  | 6834.57     | 31.00                    | 370.43                      | 4.55 N 370.42 E                      | 370.45@ 89.30                     | 12.21             |
| 7019.00                   | 70.79         | 89.06                  | 6845.44     | 31.00                    | 399.46                      | 5.06 N 399.44 E                      | 399.48@ 89.27                     | 8.53              |
| 7051.00                   | 74.39         | 89.70                  | 6855.01     | 32.00                    | 429.98                      | 5.39 N 429.97 E                      | 430.00@ 89.28                     | 11.41             |
| 7082.00                   | 76.33         | 90.37                  | 6862.85     | 31.00                    | 459.98                      | 5.37 N 459.96 E                      | 459.99@ 89.33                     | 6.60              |
| 7113.00                   | 79.23         | 90.16                  | 6869.41     | 31.00                    | 490.27                      | 5.23 N 490.26 E                      | 490.29@ 89.39                     | 9.38              |
| 7144.00                   | 81.07         | 89.66                  | 6874.71     | 31.00                    | 520.81                      | 5.28 N 520.80 E                      | 520.83@ 89.42                     | 6.14              |
| 7176.00                   | 83.45         | 89.35                  | 6879.02     | 32.00                    | 552.52                      | 5.56 N 552.50 E                      | 552.53@ 89.42                     | 7.50              |
| 7207.00                   | 85.47         | 89.00                  | 6882.01     | 31.00                    | 583.37                      | 6.00 N 583.35 E                      | 583.38@ 89.41                     | 6.61              |

# PathFinder Energy Services, Inc. Survey Report

YATES PETROLEUM CORPORATION  
B. GRAHAM "BPU" STATE #1H  
EDDY COUNTY, NEW MEXICO  
RIG:SILVEROAK 10

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| Measured<br>Depth<br>(ft) | Incl<br>(deg) | Drift<br>Dir.<br>(deg) | TVD<br>(ft) | Course<br>Length<br>(ft) | Vertical<br>Section<br>(ft) | TOTAL<br>Rectangular Offsets<br>(ft) | Closure<br>Dist Dir<br>(ft) (deg) | DLS<br>(dg/100ft) |
|---------------------------|---------------|------------------------|-------------|--------------------------|-----------------------------|--------------------------------------|-----------------------------------|-------------------|
| 7238.00                   | 88.02         | 89.41                  | 6883.77     | 31.00                    | 614.31                      | 6.43 N 614.30 E                      | 614.33@ 89.40                     | 8.33              |
| 7265.00                   | 89.52         | 89.69                  | 6884.35     | 27.00                    | 641.31                      | 6.64 N 641.29 E                      | 641.32@ 89.41                     | 5.65              |
| 7296.00                   | 90.22         | 89.42                  | 6884.42     | 31.00                    | 672.31                      | 6.88 N 672.29 E                      | 672.32@ 89.41                     | 2.42              |
| 7327.00                   | 90.66         | 89.69                  | 6884.19     | 31.00                    | 703.30                      | 7.12 N 703.29 E                      | 703.32@ 89.42                     | 1.67              |
| 7421.00                   | 88.64         | 89.94                  | 6884.76     | 94.00                    | 797.30                      | 7.43 N 797.28 E                      | 797.31@ 89.47                     | 2.17              |
| 7515.00                   | 88.81         | 90.69                  | 6886.85     | 94.00                    | 891.27                      | 6.91 N 891.25 E                      | 891.28@ 89.56                     | 0.82              |
| 7608.00                   | 88.37         | 90.52                  | 6889.14     | 93.00                    | 984.23                      | 5.93 N 984.22 E                      | 984.24@ 89.65                     | 0.51              |
| 7701.00                   | 87.49         | 91.31                  | 6892.50     | 93.00                    | 1077.16                     | 4.45 N 1077.15 E                     | 1077.16@ 89.76                    | 1.27              |
| 7794.00                   | 88.90         | 91.76                  | 6895.43     | 93.00                    | 1170.06                     | 1.96 N 1170.06 E                     | 1170.07@ 89.90                    | 1.59              |
| 7888.00                   | 89.87         | 92.23                  | 6896.44     | 94.00                    | 1263.99                     | 1.32 S 1264.00 E                     | 1264.00@ 90.06                    | 1.15              |
| 7982.00                   | 88.64         | 91.44                  | 6897.66     | 94.00                    | 1357.92                     | 4.33 S 1357.94 E                     | 1357.95@ 90.18                    | 1.55              |
| 8075.00                   | 88.46         | 91.78                  | 6900.01     | 93.00                    | 1450.85                     | 6.94 S 1450.88 E                     | 1450.89@ 90.27                    | 0.41              |
| 8169.00                   | 88.02         | 91.46                  | 6902.90     | 94.00                    | 1544.76                     | 9.60 S 1544.79 E                     | 1544.82@ 90.36                    | 0.58              |
| 8263.00                   | 88.29         | 91.82                  | 6905.93     | 94.00                    | 1638.66                     | 12.28 S 1638.71 E                    | 1638.75@ 90.43                    | 0.48              |
| 8357.00                   | 87.85         | 91.30                  | 6909.09     | 94.00                    | 1732.57                     | 14.84 S 1732.62 E                    | 1732.68@ 90.49                    | 0.72              |
| 8450.00                   | 88.37         | 91.73                  | 6912.16     | 93.00                    | 1825.47                     | 17.30 S 1825.53 E                    | 1825.62@ 90.54                    | 0.72              |
| 8543.00                   | 88.55         | 91.75                  | 6914.66     | 93.00                    | 1918.39                     | 20.12 S 1918.46 E                    | 1918.56@ 90.60                    | 0.20              |
| 8636.00                   | 88.46         | 92.33                  | 6917.09     | 93.00                    | 2011.29                     | 23.43 S 2011.37 E                    | 2011.50@ 90.67                    | 0.63              |
| 8729.00                   | 88.02         | 92.26                  | 6919.94     | 93.00                    | 2104.16                     | 27.15 S 2104.25 E                    | 2104.42@ 90.74                    | 0.48              |
| 8822.00                   | 88.02         | 91.28                  | 6923.16     | 93.00                    | 2197.05                     | 30.02 S 2197.15 E                    | 2197.35@ 90.78                    | 1.05              |
| 8916.00                   | 88.20         | 90.50                  | 6926.26     | 94.00                    | 2290.98                     | 31.48 S 2291.08 E                    | 2291.30@ 90.79                    | 0.85              |
| 9010.00                   | 87.67         | 90.25                  | 6929.64     | 94.00                    | 2384.91                     | 32.10 S 2385.02 E                    | 2385.24@ 90.77                    | 0.62              |
| 9101.00                   | 87.93         | 89.51                  | 6933.14     | 91.00                    | 2475.85                     | 31.91 S 2475.95 E                    | 2476.16@ 90.74                    | 0.86              |
| 9195.00                   | 88.46         | 88.96                  | 6936.10     | 94.00                    | 2569.79                     | 30.65 S 2569.90 E                    | 2570.08@ 90.68                    | 0.81              |
| 9288.00                   | 88.90         | 88.97                  | 6938.24     | 93.00                    | 2662.76                     | 28.97 S 2662.86 E                    | 2663.01@ 90.62                    | 0.47              |
| 9382.00                   | 88.72         | 89.22                  | 6940.19     | 94.00                    | 2756.73                     | 27.49 S 2756.82 E                    | 2756.96@ 90.57                    | 0.33              |
| 9475.00                   | 88.81         | 88.51                  | 6942.20     | 93.00                    | 2849.69                     | 25.65 S 2849.78 E                    | 2849.90@ 90.52                    | 0.77              |
| 9568.00                   | 88.64         | 87.97                  | 6944.27     | 93.00                    | 2942.64                     | 22.79 S 2942.72 E                    | 2942.80@ 90.44                    | 0.61              |
| 9661.00                   | 88.46         | 87.65                  | 6946.62     | 93.00                    | 3035.55                     | 19.24 S 3035.62 E                    | 3035.68@ 90.36                    | 0.39              |

# PathFinder Energy Services, Inc. Survey Report

YATES PETROLEUM CORPORATION  
B. GRAHAM "BPU" STATE #1H  
EDDY COUNTY, NEW MEXICO  
RIG: SILVEROAK 10

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| Measured<br>Depth<br>(ft) | Incl<br>(deg) | Drift<br>Dir.<br>(deg) | TVD<br>(ft) | Course<br>Length<br>(ft) | Vertical<br>Section<br>(ft) | TOTAL<br>Rectangular Offsets<br>(ft) | Closure<br>Dist Dir<br>(ft) (deg) | DLS<br>(dg/100ft) |
|---------------------------|---------------|------------------------|-------------|--------------------------|-----------------------------|--------------------------------------|-----------------------------------|-------------------|
| 9755.00                   | 87.14         | 87.46                  | 6950.23     | 94.00                    | 3129.40                     | 15.23 S 3129.46 E                    | 3129.50@ 90.28                    | 1.42              |
| 9848.00                   | 86.53         | 87.59                  | 6955.36     | 93.00                    | 3222.18                     | 11.22 S 3222.23 E                    | 3222.25@ 90.20                    | 0.67              |
| 9942.00                   | 85.91         | 87.20                  | 6961.56     | 94.00                    | 3315.89                     | 6.96 S 3315.93 E                     | 3315.94@ 90.12                    | 0.78              |
| 10036.00                  | 87.14         | 87.56                  | 6967.26     | 94.00                    | 3409.63                     | 2.67 S 3409.66 E                     | 3409.66@ 90.04                    | 1.36              |
| 10130.00                  | 89.08         | 87.59                  | 6970.36     | 94.00                    | 3503.51                     | 1.30 N 3503.52 E                     | 3503.52@ 89.98                    | 2.06              |
| 10223.00                  | 89.96         | 88.04                  | 6971.14     | 93.00                    | 3596.44                     | 4.85 N 3596.45 E                     | 3596.45@ 89.92                    | 1.06              |
| 10316.00                  | 89.69         | 87.96                  | 6971.42     | 93.00                    | 3689.40                     | 8.09 N 3689.39 E                     | 3689.40@ 89.87                    | 0.30              |
| 10411.00                  | 88.37         | 87.98                  | 6973.03     | 95.00                    | 3784.33                     | 11.46 N 3784.31 E                    | 3784.33@ 89.83                    | 1.39              |
| 10504.00                  | 87.49         | 88.03                  | 6976.39     | 93.00                    | 3877.22                     | 14.69 N 3877.20 E                    | 3877.22@ 89.78                    | 0.95              |
| 10598.00                  | 89.52         | 88.69                  | 6978.84     | 94.00                    | 3971.15                     | 17.38 N 3971.12 E                    | 3971.16@ 89.75                    | 2.27              |
| 10691.00                  | 87.85         | 88.69                  | 6980.97     | 93.00                    | 4064.11                     | 19.51 N 4064.07 E                    | 4064.11@ 89.72                    | 1.80              |
| 10785.00                  | 86.97         | 88.38                  | 6985.22     | 94.00                    | 4157.99                     | 21.91 N 4157.94 E                    | 4158.00@ 89.70                    | 0.99              |
| 10879.00                  | 87.93         | 88.64                  | 6989.40     | 94.00                    | 4251.87                     | 24.35 N 4251.81 E                    | 4251.88@ 89.67                    | 1.06              |
| 10972.00                  | 88.11         | 88.25                  | 6992.62     | 93.00                    | 4344.78                     | 26.87 N 4344.72 E                    | 4344.81@ 89.65                    | 0.46              |
| 11066.00                  | 88.11         | 88.48                  | 6995.72     | 94.00                    | 4438.70                     | 29.55 N 4438.63 E                    | 4438.73@ 89.62                    | 0.24              |
| 11159.00                  | 88.46         | 86.28                  | 6998.50     | 93.00                    | 4531.57                     | 33.80 N 4531.49 E                    | 4531.62@ 89.57                    | 2.39              |
| 11252.00                  | 88.99         | 86.36                  | 7000.57     | 93.00                    | 4624.37                     | 39.77 N 4624.27 E                    | 4624.45@ 89.51                    | 0.58              |
| 11297.00                  | 87.58         | 85.82                  | 7001.92     | 45.00                    | 4669.25                     | 42.84 N 4669.15 E                    | 4669.34@ 89.47                    | 3.35              |
| 11375.00                  | 87.58         | 85.82                  | 7005.21     | 78.00                    | 4746.99                     | 48.52 N 4746.87 E                    | 4747.12@ 89.41                    | 0.00              |

STRAIGHT LINE PROJECTION TO BIT @ 11375' MD.

# FINDER

## ENERGY SERVICES

### TIE-IN SURVEY INFORMATION SHEET

#### CLIENT INFORMATION

|                           |                       |            |     |
|---------------------------|-----------------------|------------|-----|
| CLIENT:                   | YATES PETROLEUM CORP. |            |     |
| LEASE / WELL No.:         | B. GRAHAM "BPU" STATE | 1H         |     |
| WELL LOCATION:            | EDDY COUNTY           |            |     |
| COUNTY / STATE / COUNTRY: | EDDY                  | NEW MEXICO | USA |
| RIG:                      | SILVEROAK 10          |            |     |
| API WELL No:              | 30-015-37549          |            |     |
| JOB No:                   | 101010982 WT-WT       |            |     |
| P.O. / AFE No.            | 10-107-0              |            |     |
| DIRECTIONAL COMPANY:      | PATHFINDER ENERGY     |            |     |

#### WELL SITE INFORMATION

|                           |                                                                       |                                  |                       |
|---------------------------|-----------------------------------------------------------------------|----------------------------------|-----------------------|
| MAGNETIC DECLINATION:     |                                                                       |                                  |                       |
| On Wall Plat:             | 7.75                                                                  | LWD Calculated:                  | 7.75                  |
|                           |                                                                       | Agreed Upon:                     | 7.75                  |
| X =                       | 629530.882000                                                         | Feet                             | Y = 387658.809000     |
|                           |                                                                       |                                  | Feet                  |
| SITE LATITUDE:            | 32.0065434 N                                                          | SITE LONGITUDE:                  | 104.048626 W          |
| GRID SYSTEM:              | TRUE <input type="checkbox"/> UTM <input checked="" type="checkbox"/> | LAMBERT <input type="checkbox"/> | ZONE: New Mexico East |
| PROPOSED DRIFT DIRECTION: | 89.83                                                                 |                                  |                       |
| KELLY BUSHING ELEVATION:  | 18 ft                                                                 |                                  |                       |
| ALTITUDE:                 | 2941                                                                  | Feet                             | WATER DEPTH: Feet     |

#### TIE-IN SURVEY

|                                    |                                                                     |                                        |                                                         |
|------------------------------------|---------------------------------------------------------------------|----------------------------------------|---------------------------------------------------------|
| MEASURED DEPTH:                    | 2000                                                                |                                        |                                                         |
| DRIFT ANGLE:                       | 2                                                                   |                                        |                                                         |
| DRIFT DIRECTION:                   | 53.11                                                               |                                        |                                                         |
| TRUE VERTICAL DEPTH:               | 1999.65                                                             |                                        |                                                         |
| VERTICAL SECTION:                  | -7.36                                                               |                                        |                                                         |
| RECTANGULAR COORDINATE ( N / S ) : | 9.04                                                                |                                        |                                                         |
| RECTANGULAR COORDINATE ( E / W ) : | -7.39                                                               |                                        |                                                         |
| CLOSURE DISTANCE / DIRECTION:      | 11.68                                                               | 320.73                                 |                                                         |
| SURVEY CALCULATION METHOD:         | AA <input type="checkbox"/>                                         | MC <input checked="" type="checkbox"/> | RC <input type="checkbox"/> BT <input type="checkbox"/> |
| SOURCE OF TIE-IN DATA ( COMPANY ): | MS ENERGY SERVICES                                                  |                                        |                                                         |
| COPY OF TIE-IN SURVEY REPORT       | <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO |                                        |                                                         |

#### WELL PLAN

|                |      |              |       |
|----------------|------|--------------|-------|
| KICKOFF DEPTH: | 6390 | TOTAL DEPTH: | 11442 |
| KICKOFF ANGLE: | 0    | MAX ANGLE:   | 90    |

PES Engineers:

Jay Fulton

Richard Page

\*\*Signature of both field engineers required if applicable

Directional Driller: Richard Hill

DATE: 27-Jul-2010