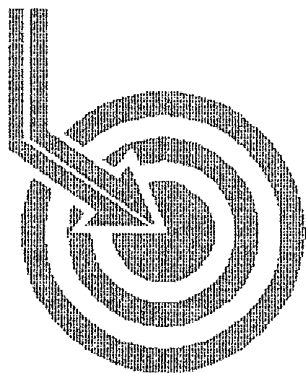


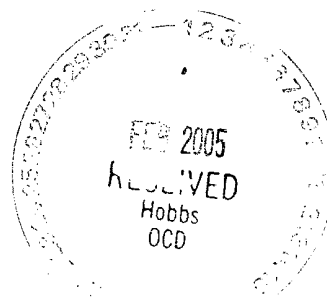


Scientific Drilling

SUR: I-27-18s-35e, 2300/S & 1100/E
BHL: I-27-18s-35e, 2273/S & 1087/E
API # 30-025-36891

PALADIN

Field: South Vacuum
Site: Lea County, NM *OK*
Well: South Vacuum Unit # ~~273~~
Wellpath: VH - Job #32K1104687/819
Survey: 11/06/04 & 12/21/04



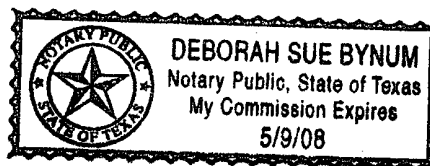
This survey is correct to the best of my knowledge
and is supported by actual field data.

..... *Bicky Wharton* Company Representative

Notorized this date *30th* of *December*, 2004.

Deborah Sue Bynum
Notary Signature

County of Midland
State of Texas





Scientific Drilling International Survey Report

Company: PALADIN	Date: 12/30/2004	Time: 17:40:18	Page: 1
Field: South Vacuum	Co-ordinate(NE) Reference: Site: Lea County, NM, Grid North		
Site: Lea County, NM	Vertical (TVD) Reference: SITE 0.0		
Well: South Vacuum Unit #27-3	Section (VS) Reference: Well (0.00N,0.00E,157.18Azi)		
Wellpath: VH - Job #32K1104687/819	Survey Calculation Method: Minimum Curvature	Db: Sybase	

Survey: 11/06/04 & 12/21/04	Start Date: 11/6/2004
Company: Scientific Drilling Internatio	Engineer: Guebara/Foster/Rowe/Carter
Tool: Keeper;Keeper Gyro	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	0.79	177.72	100.0	0.6	-0.7	0.0	0.79	0.7	177.72
200.0	0.60	179.79	200.0	1.8	-1.9	0.1	0.19	1.9	178.29
300.0	0.22	274.72	300.0	2.2	-2.4	-0.1	0.66	2.4	183.14
400.0	0.23	283.10	400.0	2.0	-2.3	-0.5	0.03	2.4	192.44
500.0	0.28	350.30	500.0	1.6	-2.1	-0.8	0.28	2.2	200.09
600.0	0.19	340.17	600.0	1.2	-1.7	-0.9	0.10	1.9	207.08
700.0	0.21	322.27	700.0	0.9	-1.4	-1.0	0.07	1.7	216.78
800.0	0.24	325.94	800.0	0.5	-1.0	-1.2	0.03	1.6	230.05
900.0	0.24	351.31	900.0	0.1	-0.7	-1.4	0.11	1.5	244.53
1000.0	0.36	337.59	1000.0	-0.4	-0.2	-1.5	0.14	1.6	263.78
1100.0	0.26	350.98	1100.0	-1.0	0.3	-1.7	0.12	1.7	281.51
1200.0	0.22	351.69	1200.0	-1.4	0.8	-1.8	0.04	1.9	293.34
1300.0	0.29	335.72	1300.0	-1.8	1.2	-1.9	0.10	2.2	301.92
1400.0	0.18	354.07	1400.0	-2.2	1.6	-2.0	0.13	2.6	307.86
1500.0	0.23	330.24	1500.0	-2.6	1.9	-2.1	0.10	2.9	311.67
1600.0	0.30	358.24	1600.0	-3.0	2.3	-2.2	0.14	3.2	316.15
1700.0	0.28	336.44	1700.0	-3.5	2.8	-2.3	0.11	3.7	320.21
1800.0	0.11	341.44	1800.0	-3.9	3.1	-2.5	0.17	4.0	321.69
1900.0	0.27	6.76	1900.0	-4.2	3.5	-2.5	0.17	4.3	324.37
2000.0	0.36	21.84	2000.0	-4.6	4.0	-2.3	0.12	4.6	329.61
2100.0	0.46	15.32	2100.0	-5.1	4.7	-2.1	0.11	5.1	335.60
2200.0	0.58	21.87	2200.0	-5.8	5.5	-1.8	0.13	5.8	341.73
2300.0	0.56	17.11	2300.0	-6.5	6.5	-1.5	0.05	6.6	347.01
2400.0	0.60	41.46	2400.0	-7.1	7.3	-1.0	0.25	7.4	352.22
2500.0	0.77	39.48	2499.9	-7.7	8.2	-0.2	0.17	8.2	358.42
2600.0	0.81	28.37	2599.9	-8.4	9.4	0.5	0.16	9.4	3.27
2700.0	0.96	35.09	2699.9	-9.3	10.7	1.4	0.18	10.8	7.22
2800.0	0.87	24.27	2799.9	-10.3	12.0	2.1	0.19	12.2	10.09
2900.0	0.64	25.37	2899.9	-11.2	13.2	2.7	0.24	13.5	11.50
3000.0	0.76	4.19	2999.9	-12.1	14.4	3.0	0.28	14.7	11.69
3100.0	0.56	7.71	3099.9	-13.1	15.5	3.1	0.20	15.8	11.26
3200.0	0.73	357.04	3199.9	-14.1	16.7	3.1	0.20	17.0	10.63
3300.0	0.82	353.85	3299.9	-15.4	18.0	3.0	0.10	18.3	9.51
3400.0	1.00	343.64	3399.9	-17.0	19.6	2.7	0.24	19.7	7.85
3500.0	1.12	334.16	3499.8	-18.8	21.3	2.0	0.21	21.4	5.44
3600.0	1.22	335.27	3599.8	-20.9	23.1	1.2	0.10	23.1	2.86
3700.0	1.30	336.99	3699.8	-23.0	25.1	0.3	0.09	25.1	0.61
3800.0	1.39	342.48	3799.8	-25.4	27.3	-0.5	0.16	27.3	358.86
3900.0	1.33	350.07	3899.7	-27.7	29.6	-1.1	0.19	29.6	357.86
4000.0	1.26	345.60	3999.7	-29.9	31.8	-1.6	0.12	31.9	357.16
4100.0	1.13	328.38	4099.7	-32.0	33.7	-2.4	0.38	33.8	355.98
4200.0	1.30	321.10	4199.7	-34.1	35.5	-3.6	0.23	35.6	354.20
4300.0	1.43	319.20	4299.6	-36.3	37.3	-5.1	0.14	37.6	352.17
4400.0	1.32	319.18	4399.6	-38.6	39.1	-6.7	0.11	39.7	350.29
4500.0	1.34	319.44	4499.6	-40.8	40.9	-8.2	0.02	41.7	348.64
4600.0	1.39	316.43	4599.6	-43.1	42.6	-9.8	0.09	43.7	347.05
4700.0	1.35	315.49	4699.5	-45.3	44.3	-11.5	0.04	45.8	345.51
4800.0	1.29	313.90	4799.5	-47.4	46.0	-13.1	0.07	47.8	344.09



Scientific Drilling International Survey Report

Company: PALADIN
Field: South Vacuum
Site: Lea County, NM
Well: South Vacuum Unit #27-3
Wellpath: VH - Job #32K1104687/819

Date: 12/30/2004 Time: 17:40:18 Page: 2
Co-ordinate(NE) Reference: Site: Lea County, NM, Grid North
Vertical (TVD) Reference: SITE 0.0
Section (VS) Reference: Well (0.00N,0.00E,157.18Azi)
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	1.28	310.87	4899.5	-49.5	47.5	-14.8	0.07	49.7	342.73
5000.0	0.57	284.40	4999.5	-50.8	48.3	-16.1	0.81	50.9	341.59
5100.0	1.41	312.78	5099.5	-52.2	49.3	-17.5	0.95	52.3	340.49
5200.0	1.50	310.60	5199.4	-54.5	51.0	-19.4	0.11	54.5	339.20
5300.0	1.44	311.97	5299.4	-56.8	52.7	-21.3	0.07	56.8	337.99
5400.0	1.34	316.85	5399.4	-59.0	54.4	-23.0	0.15	59.0	337.04
5500.0	1.25	319.45	5499.3	-61.2	56.0	-24.5	0.11	61.2	336.36
5600.0	1.19	328.89	5599.3	-63.2	57.8	-25.8	0.21	63.2	335.95
5700.0	1.09	330.36	5699.3	-65.2	59.5	-26.8	0.10	65.2	335.75
5800.0	0.91	322.05	5799.3	-66.9	60.9	-27.7	0.23	66.9	335.52
5900.0	1.05	323.21	5899.3	-68.6	62.3	-28.8	0.14	68.6	335.20
6000.0	0.79	318.82	5999.2	-70.1	63.5	-29.8	0.27	70.2	334.88
6100.0	0.55	317.43	6099.2	-71.2	64.4	-30.6	0.24	71.3	334.61
6200.0	0.48	306.42	6199.2	-72.0	65.0	-31.2	0.12	72.1	334.34
6300.0	0.32	0.03	6299.2	-72.7	65.5	-31.6	0.39	72.8	334.28
6400.0	0.43	36.43	6399.2	-73.1	66.1	-31.3	0.26	73.2	334.64
6500.0	0.52	60.35	6499.2	-73.4	66.6	-30.7	0.22	73.4	335.25
6600.0	0.58	62.43	6599.2	-73.4	67.1	-29.9	0.06	73.5	335.99
6700.0	0.73	46.29	6699.2	-73.7	67.8	-29.0	0.24	73.7	336.85
6800.0	0.89	43.90	6799.2	-74.2	68.8	-28.0	0.16	74.3	337.86
6900.0	0.90	32.47	6899.2	-75.0	70.0	-27.0	0.18	75.0	338.89
7000.0	0.98	26.13	6999.2	-76.0	71.4	-26.2	0.13	76.1	339.84
7100.0	1.30	20.91	7099.2	-77.4	73.3	-25.4	0.33	77.5	340.84
7200.0	1.82	6.07	7199.1	-79.6	75.9	-24.9	0.65	79.9	341.85
7300.0	2.49	356.68	7299.1	-83.0	79.6	-24.8	0.76	83.4	342.68
7400.0	2.57	351.65	7399.0	-87.2	84.0	-25.3	0.24	87.7	343.25
7500.0	2.70	351.80	7498.9	-91.7	88.6	-25.9	0.13	92.3	343.67
7600.0	3.86	338.14	7598.7	-97.3	94.0	-27.5	1.39	98.0	343.68
7700.0	5.48	332.05	7698.4	-105.5	101.4	-31.0	1.70	106.0	342.98
7763.0	5.89	329.75	7761.0	-111.7	106.8	-34.1	0.74	112.1	342.31
7863.0	6.38	332.11	7860.5	-122.3	116.2	-39.3	0.55	122.6	341.33
7963.0	5.67	333.28	7959.9	-132.8	125.5	-44.1	0.72	133.0	340.65
8063.0	4.77	336.59	8059.5	-141.8	133.7	-47.9	0.94	142.0	340.27
8163.0	3.49	334.35	8159.2	-149.0	140.3	-50.9	1.29	149.2	340.05
8263.0	1.85	323.67	8259.1	-153.6	144.3	-53.2	1.71	153.8	339.77
8363.0	0.57	262.66	8359.1	-155.3	145.5	-54.6	1.65	155.5	339.42
8463.0	1.82	163.52	8459.1	-153.9	144.0	-54.7	1.99	154.0	339.20
8563.0	3.59	160.43	8559.0	-149.2	139.5	-53.2	1.78	149.3	339.13
8663.0	4.68	162.93	8658.7	-142.0	132.6	-50.9	1.10	142.1	338.99
8763.0	5.15	163.45	8758.3	-133.5	124.4	-48.5	0.47	133.5	338.72
8863.0	5.39	163.09	8857.9	-124.4	115.6	-45.8	0.24	124.4	338.39
8963.0	5.33	159.90	8957.5	-115.0	106.8	-42.9	0.30	115.1	338.13
9063.0	5.00	156.94	9057.1	-106.0	98.4	-39.5	0.43	106.1	338.11
9163.0	4.74	157.49	9156.7	-97.6	90.6	-36.3	0.26	97.6	338.18
9263.0	4.90	165.63	9256.4	-89.2	82.6	-33.6	0.70	89.2	337.86
9363.0	5.14	169.04	9356.0	-80.6	74.1	-31.7	0.38	80.6	336.83
9463.0	5.23	166.07	9455.6	-71.7	65.3	-29.8	0.28	71.7	335.49
9563.0	5.11	159.27	9555.2	-62.7	56.7	-27.1	0.62	62.8	334.46
9663.0	4.88	163.13	9654.8	-54.1	48.4	-24.3	0.41	54.2	333.39
9763.0	5.15	168.31	9754.4	-45.4	40.0	-22.1	0.53	45.7	331.03
9863.0	5.62	165.36	9854.0	-36.2	30.8	-20.0	0.54	36.8	327.06
9963.0	5.06	165.56	9953.5	-27.0	21.8	-17.6	0.57	28.1	321.06



Scientific
Drilling

Scientific Drilling International

Survey Report

Company: PALADIN
Field: South Vacuum
Site: Lea County, NM
Well: South Vacuum Unit #27-3
Wellpath: VH - Job #32K1104687/819

Date: 12/30/2004 Time: 17:40:18 Page: 3
Co-ordinate(NE) Reference: Site: Lea County, NM, Grid North
Vertical (TVD) Reference: SITE 0.0
Section (VS) Reference: Well (0.00N,0.00E,157.18Azi)
Survey Calculation Method: Minimum Curvature Db: Sybase

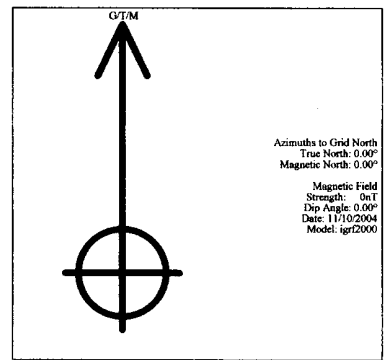
Survey

MD ft	Incl deg	Azim deg	TVD ft	VS ft	N/S ft	E/W ft	DLS deg/100ft	ClsD ft	ClsA deg
10063.0	4.55	167.55	10053.2	-18.7	13.7	-15.7	0.53	20.8	311.11
10163.0	3.98	168.73	10152.9	-11.4	6.4	-14.2	0.58	15.5	294.37
10263.0	3.98	166.34	10252.7	-4.6	-0.4	-12.7	0.17	12.7	268.34
10363.0	3.47	155.56	10352.4	1.9	-6.5	-10.6	0.87	12.4	238.48
10463.0	2.99	127.73	10452.3	7.2	-10.8	-7.3	1.62	13.1	213.84
10563.0	3.55	118.91	10552.1	11.9	-13.9	-2.5	0.75	14.2	190.15
10663.0	3.34	127.25	10652.0	16.8	-17.2	2.5	0.54	17.4	171.62
10763.0	2.51	135.42	10751.8	21.4	-20.5	6.4	0.92	21.5	162.71
10863.0	2.11	134.41	10851.7	25.1	-23.4	9.2	0.41	25.1	158.42
10900.0	2.07	132.13	10888.7	26.4	-24.3	10.2	0.25	26.4	157.18

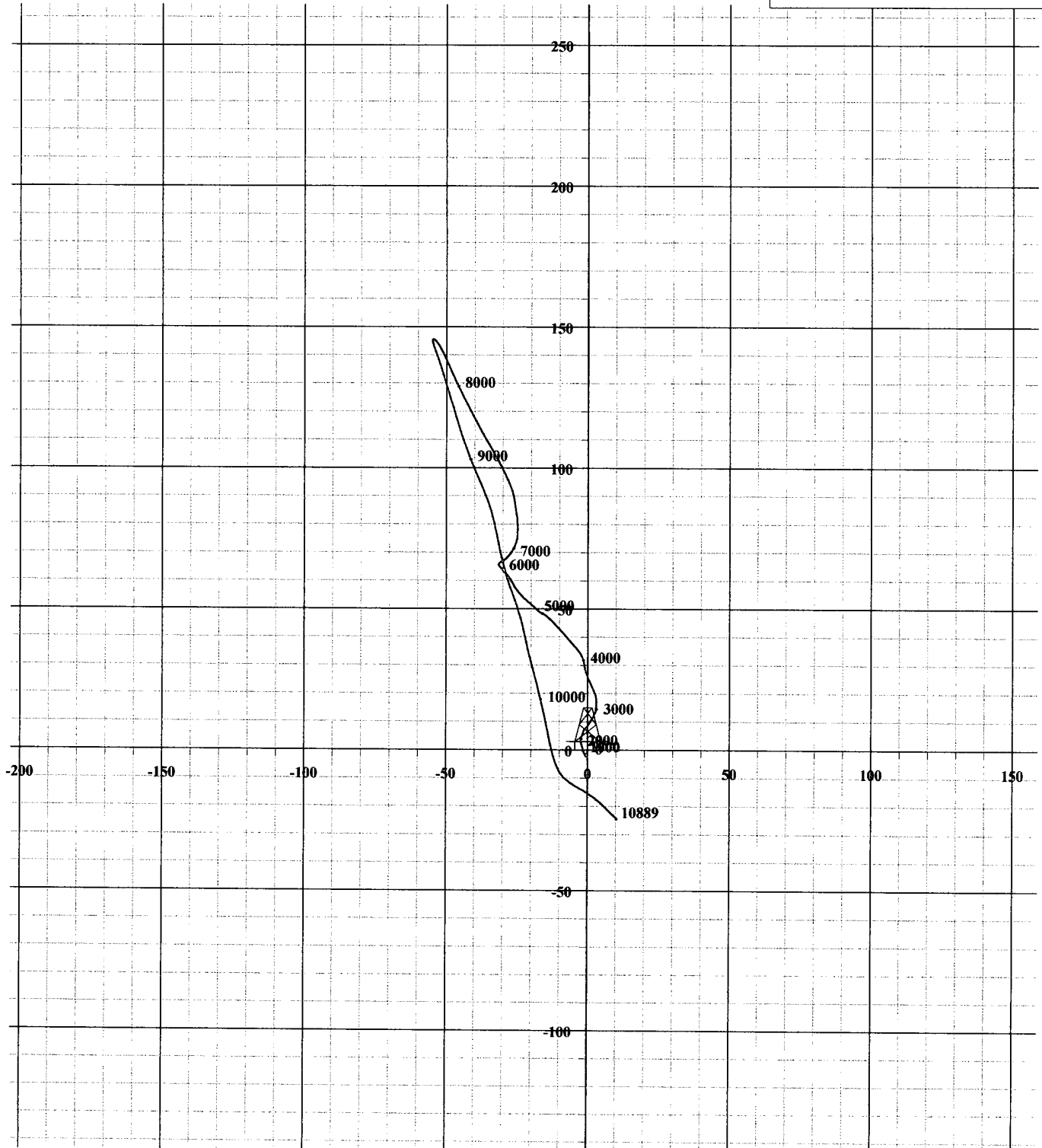


Scientific
Drilling

Field: South Vacuum
Site: Lea County, NM
Well: South Vacuum Unit #27-3
Wellpath: VH - Job #32K1104687/819
Survey: 11/06/04 & 12/21/04



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



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